



Regarding agenda item 9:

Executive Board's report to the Annual General Meeting on the cancellation of the existing authorised capital and the creation of a new authorised capital ("Authorised Capital 2023") with the possibility of excluding the subscription right pursuant to sections 203 (1) and (2), 186 (4) sentence 2 AktG

Under agenda item 9, the Executive Board and the Supervisory Board propose to the Annual General Meeting to cancel the 2019 Authorised Capital created by the Annual General Meeting on 18 July 2019 and to create a new authorised capital ("Authorised Capital 2023") for the nominal total amount of €20,000,000. This is around 9.8% of the share capital existing at the time of the resolution.

The 2023 Authorised Capital to be adopted will continue to provide the company with an opportunity to raise equity.

This will allow the Executive Board, with the approval of the Supervisory Board, to react quickly and flexibly to favourable market conditions and to make optimal use of them in the five years following the Annual General Meeting on 13 July 2023. The Executive Board shall be enabled to use authorised capital for all legally permissible purposes, resorting to both cash capital increases and capital increases against contributions in kind. In order to have equity capital available to also finance larger projects, the proposed authorised capital needs to be created. The assessment of the amount of authorised capital is intended to ensure that larger company acquisitions can also be financed against cash payments or contributions in kind. As a capital increase in the case of an acquisition must be carried out at short notice, it generally cannot be decided directly by the Annual General Meeting as this is only held once a year. For this reason, it is essential to create authorised capital, which the Executive Board can quickly draw on.

In the event of a capital increase against contributions in kind, the Executive Board shall be authorised, with the consent of the Supervisory Board, to exclude the shareholders' subscription rights. This enables the Executive Board to have treasury shares at its disposal without recourse to the capital markets in order to use these shares in suitable individual cases in connection with mergers, the acquisition of companies, parts of com-

panies, participations in companies or other assets in connection with an acquisition project. The authorisation continues to include an exclusion of subscription rights when issuing shares for the acquisition of other assets (including third-party claims against the company or its affiliated companies). The proposed authorisation gives the company the necessary scope to quickly and flexibly take advantage of opportunities that arise for mergers, the acquisition of companies or parts of companies or participations in companies (including increasing existing participations in companies), and enables the company to use the authorised capital to also acquire larger companies, parts of companies or participations in companies in appropriate cases, also in exchange for treasury shares. The same applies to the acquisition of other economic assets in connection with an acquisition project as well as to the acquisition of other assets (including third-party claims against the company or its affiliated companies). It is not uncommon for negotiations to result in the need to provide shares rather than money as consideration. The authorisation takes this into account.

If the share capital is to be increased against cash contributions, subscription rights must, in principle, be granted to shareholders. In order to facilitate the settlement, the new shares may also be underwritten by one or more credit institutions (or equivalent undertakings) in accordance with the usual practice, with the obligation to offer them to the shareholders for subscription. In such a case of the so-called indirect subscription right within the meaning of section 186 (5) sentence 1 AktG, the statutory subscription right is not materially limited, but is only serviced by the credit institution(s) (or equivalent entities) instead of the company in order to facilitate the settlement.

However, the Executive Board shall be authorised to exclude the shareholders' subscription right with the approval of the Supervisory Board if the issue price is not significantly below the stock market price of company shares of the same class on the date of the final determination of the issue price. The authorisation only applies on the condition that the shares issued with the exclusion of subscription rights in accordance with section 186 (3) sentence 4 AktG may not exceed a total of 10% of the share capital, either at the time of this authorisation taking effect, or at the time of this authorisation being exercised. This limit of 10% of the share capital shall include those shares that (i) are issued or sold during the term of this authorisation under exclusion of the subscription right in direct or analogous application of section 186 (3) sentence 4 AktG and/or (ii) are or can be issued to service conversion and/or option rights or conversion obligations arising from convertible

bonds, warrant bonds or participating bonds or participation rights, provided that the aforementioned bonds or participation rights are issued by the company or one of its affiliated companies during the term of the authorisation with the exclusion of shareholders' subscription rights in corresponding application of section 186 (3) sentence 4 AktG.

The authorisation to exclude the subscription right up to a total of 10% of the share capital in order to issue the new shares at an issue price that is not significantly lower than the stock exchange price of shares of the company of the same class enables the Executive Board to issue shares for the purpose of placement with an issue price close to the stock exchange price. This opens up the possibility of achieving a higher inflow of funds with a capital increase compared to a rights issue. This authorisation also enables the company to take advantage of market opportunities quickly and flexibly and to cover existing capital requirements at very short notice should the need arise. The necessity to protect the shareholders from a dilution of their shareholdings is taken into account in accordance with the regulations.

The Executive Board is also authorised, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders to the extent necessary in order to grant bearers of conversion or option rights or creditors of convertible bonds, warrant bonds or income bonds or participation rights with conversion obligations issued by the company or one of its affiliated companies, a subscription right to new no-par value shares of the company to the extent to which they would be entitled after exercising the warrant or conversion rights or after fulfilling conversion obligations. In order to facilitate the placement of bonds or participation rights on the capital market, the corresponding terms of issue usually provide for protection against dilution. One possibility of providing protection against dilution is that the bearers of convertible bonds, warrant bonds or participating bonds or participation rights are also granted a subscription right to the new shares in the event of a share issue in which the shareholders have a subscription right. As a result, they are placed in the same position as if they had already exercised their warrant and conversion rights or if conversion obligations had already been fulfilled. Since, in this case, the protection against dilution does not have to be ensured by reducing the option price or conversion price, a higher issue price can be achieved for the no-par value bearer shares to be issued upon the conversion of bonds or exercise of warrants. However, this procedure is only possible if the shareholders' subscription right is excluded to this extent. Since the placement of bonds and participation rights with conversion and/or option rights

or conversion obligations is made easier with the granting of a corresponding protection against dilution, the exclusion of subscription rights serves the interest of the shareholders in their company having an optimal financial structure.

In order to facilitate the settlement, the shareholders' subscription right may be excluded beyond the aforementioned authorisations to exclude the subscription right, with the consent of the Supervisory Board, only for fractional amounts that arise as a result of the subscription ratio, and can no longer be distributed evenly among all shareholders.

The Executive Board is also authorised, with the consent of the Supervisory Board, to determine the remaining content of the share rights and the conditions of the share issue.

In each individual case, the Executive Board shall carefully examine whether or not it will make use of the authorisation to increase the capital with the exclusion of the shareholders' subscription rights. This option will only be exercised if, in the opinion of the Executive Board and the Supervisory Board, this is in the interest of the company and, as a result, also of its shareholders.

The Executive Board will report on the use of 2023 Authorised Capital at the next Annual General Meeting.