Report of the Executive Board

There is currently no authorization for the Executive Board to increase the company's share capital with the approval of the Supervisory Board by utilizing authorized capital. To enable the Executive Board to react quickly to financing opportunities and requirements that arise in the future, the Executive Board and Supervisory Board therefore propose the creation of authorized capital under item 8 of the agenda.

Accordingly, the Executive Board is to be authorized, with the approval of the Supervisory Board, to increase the company's share capital on one or more occasions until 17 June 2030 by up to a total of EUR 10,585,966.00 against cash and/or non-cash contributions by issuing new no-par value bearer shares. This corresponds to 50% of the company's current share capital.

The proposed authorization provides for the possibility of excluding shareholders' subscription rights. The exclusion of subscription rights requires the approval of the Supervisory Board. In accordance with Sections 203 para. 2 and 186 para. 4 sentence 2 AktG, the Executive Board submits this report on the reasons for the proposed authorization to exclude subscription rights:

- Subscription rights may initially be excluded for cash capital increases whose total nominal amount does not exceed 10% of the share capital and whose issue price is not significantly lower than the stock market price of shares of the same class already listed (Section 186 para. 3 sentence 4 AktG). The authorization enables the company to cover capital requirements at short notice and thus to take advantage of market opportunities quickly and flexibly. The issue price of the newly issued shares is based on the stock market price and can only be slightly lower than the average price on the days prior to the subscription of the shares. This avoids economic disadvantages for shareholders excluded from subscription rights as far as possible. The shareholders excluded from the subscription right also have the opportunity, when exercising the authorization, to maintain their previous participation quota by acquiring shares in the company via the stock exchange. The financial and voting right interests of the company's shareholders are therefore not significantly impaired. On the other hand, the Executive Board is enabled, with the approval of the Supervisory Board, to procure new equity for the company at short notice and at an issue price close to the stock market price and to strengthen the equity base. Experience has shown that such a capital increase leads to a higher inflow of funds than a comparable capital increase with shareholders' subscription rights due to the ability to act more quickly. The shares issued with the exclusion of subscription rights in accordance with Section 186 para. 3 sentence 4 AktG may not exceed 10% of the share capital existing at the time of the resolution on the authorization or - if this value is lower - at the time this authorization is exercised. If, during the term of the authorized capital until its utilization, other authorizations to issue or sell shares in the company or to issue rights that enable or obligate the subscription of shares in the company are exercised and subscription rights are excluded in direct or analogous application of Section 186 para. 3 sentence 4 AktG, this must be offset against the aforementioned limit. In accordance with the statutory provisions, these requirements take account of the shareholders' need for protection against dilution.

- It should also be possible to exclude shareholders' subscription rights in the case of capital increases against contributions in kind. This enables the Executive Board to use shares in the company in suitable individual cases to acquire companies, parts of companies or shareholdings or other assets. In order to protect the company's liquidity, it may make sense to pay for an acquisition with shares rather than cash. The authorized capital enables the Executive Board and Supervisory Board to react flexibly in such cases. The Executive Board continuously examines opportunities for the company to acquire companies, parts of companies or interests in companies. The acquisition of such investments or companies is particularly in the interests of the company if the acquisition leads to a consolidation or strengthening of the company's market position. In order to be able to promptly and flexibly take into account the interest in payment in the form of shares in the company in the event of the successful conclusion of such contracts, it is necessary for the Executive Board to be authorized to issue new shares against contributions in kind to the exclusion of shareholders' subscription rights with the approval of the Supervisory Board. The same applies to the acquisition of other contributions in kind that are in the best interests of the company. The exclusion of subscription rights does lead to a corresponding dilution of the participation and voting rights of existing shareholders. However, if subscription rights were granted, the acquisition of companies, parts of companies, interests in companies or other assets would probably not be possible and the associated benefits for the company and shareholders would not be achievable. If the possibility of acquiring companies, interests in companies or other assets should materialize, the Executive Board will carefully examine whether it is necessary and advisable to use the authorized capital for the purpose of the acquisition. The Executive Board will only do so if the acquisition of a company or equity interest in return for the granting of shares in the company is in the best interests of the company. The same applies to the acquisition of other contributions in kind. Only if this requirement is met will the Supervisory Board also grant its necessary approval.

- In addition, it should be possible to exclude the subscription right to the extent necessary to grant the holders of bonds with warrants and/or convertible bonds a subscription right to new shares to the extent to which they would be entitled after exercising their conversion or option rights. Bonds are generally equipped with dilution protection, which stipulates that the holders or creditors can be granted subscription rights to new shares in subsequent share issues to the same extent as shareholders are entitled to. This puts the holders or creditors in the same position as if they were already shareholders. This avoids having to reduce the conversion or option price. In order to be able to provide bonds with such dilution protection, shareholders' subscription rights to these shares must be excluded. The proposed authorization is intended to create the corresponding conditions.

- In addition, subscription rights can be excluded in order to issue the new shares to employees of the company or its affiliated companies. This enables employees to participate even more strongly in the company's share capital as part of participation models, thereby aligning the interests of the company and employees. To this end, it is necessary to exclude shareholders' subscription rights. The issue of subscription shares to employees is desired by the legislator and is therefore permitted under simplified conditions. Otherwise, the volume of employee shares issued is kept to a manageable level so that shareholders' participation rights are not unduly impaired.

- The authorization to exclude any fractional amounts from shareholders' subscription rights serves to present a practicable subscription ratio and thus to facilitate the technical implementation of the capital increase. The shares excluded from shareholders' subscription rights as fractional amounts will be sold on the stock exchange or to third parties at the best possible price.

The Executive Board may only make use of the authorizations granted to it to exclude subscription rights to such an extent that the proportionate amount of the total shares issued under exclusion of subscription rights does not exceed 20% of the share capital at the time of the resolution on the authorization or - if this value is lower - at the time this authorization is exercised. This limits the total volume of shares issued from the authorized capital without subscription rights. In addition, the aforementioned 20% limit will be offset if other authorizations to issue or sell shares in the company or to issue rights that enable or oblige the subscription of shares in the company are exercised during the term of the Authorized Capital until it is utilized and subscription rights are excluded. In this way, shareholders are additionally protected against a dilution of their existing shareholding.

The Executive Board will carefully examine in each individual case whether it will make use of the authorization to increase capital with the exclusion of shareholders' subscription rights. This option will only be utilized if, in the opinion of the Executive Board and the Supervisory Board, this is in the interests of the company and therefore its shareholders. The Executive Board will report on the use of the authorized capital at the next Annual General Meeting.