

Report of the Management Board to the Annual General Meeting pursuant to Sections 203(2), second sentence, and 186(4), second sentence, of the German Stock Corporation Act (AktG) (Agenda item 9)

At present, the Management Board is not authorised to increase the Company's share capital with the approval of the Supervisory Board by utilising authorised capital. To enable the Management Board to respond promptly to financing opportunities and requirements that may arise in the future, the Management Board and the Supervisory Board therefore propose, under agenda item 9, the creation of authorised capital.

The Management Board is to be authorised to increase the company's share capital, with the approval of the Supervisory Board, on one or more occasions up to 23 June 2029 by a total of up to €15,878,949.00 against cash and/or non-cash contributions by issuing new no-par value bearer shares. This corresponds to 25% of the company's current share capital.

The proposed authorisation 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(2) and 186(4), second sentence, of the German Stock Corporation Act (AktG), the Management Board submits this report on the reasons for the proposed authorisation to exclude subscription rights:

- Pre-emptive rights are initially to be excluded in the case of cash capital increases whose total nominal amount does not exceed 10% of the share capital and whose issue price does not fall significantly below the stock market price of already listed shares with the same rights (§ 186(3) sentence 4 AktG). The authorisation enables the company to meet capital requirements at short notice and thus to exploit market opportunities quickly and flexibly. The issue price of the newly issued shares is aligned with the stock market price and may only fall slightly below the average price of the days preceding the subscription of the shares. This largely avoids economic disadvantages for shareholders excluded from subscription rights. Furthermore, when the authorisation is exercised, shareholders excluded from subscription rights generally have the opportunity to maintain their previous shareholding percentage by acquiring shares in the company via the stock exchange. The financial and voting rights interests of the company's shareholders are therefore not materially affected. Conversely, this enables the Management Board, with the approval of the Supervisory Board, to raise new equity capital for the company at short notice and at an issue price close to the stock market price, thereby strengthening the equity base. Experience shows that such a capital increase, due to the ability to act more swiftly, results in a higher inflow of funds than a comparable capital increase with shareholders' subscription rights. The shares issued with the exclusion of subscription rights pursuant to Section 186(3) sentence 4 of the German Stock Corporation Act (AktG) may not exceed 10% of the share capital existing at the time of the resolution authorising the issue or – if this figure is lower – at the time of the exercise of this authorisation. If, during the term of the authorised capital until it is utilised, use is made of other authorisations to issue or sell shares in the Company or to issue rights enabling or obliging the holder to subscribe for shares in the Company, and the subscription right is excluded in direct or analogous application of section 186(3), fourth sentence, of the German Stock Corporation Act (AktG), this shall be counted towards the aforementioned limit. These provisions take account of the shareholders' need for protection against dilution in accordance with statutory regulations.
- It should also be possible to exclude shareholders' subscription rights in the case of capital increases through contributions in kind. This enables the Management Board to use the Company's shares in appropriate individual cases to acquire companies, parts of companies or shareholdings in companies or other assets. In order to preserve the

Company's liquidity, it may be advisable to pay for an acquisition not with cash but rather with shares. The authorised capital enables the Management Board and the Supervisory Board to react flexibly in such cases. The Management Board continuously reviews opportunities for the company to acquire companies, parts of companies or shareholdings in companies. The acquisition of such shareholdings or companies is particularly in the company's interest if the acquisition leads to a consolidation or strengthening of the company's market position. In order to be able to respond promptly and flexibly to the interest in payment in the form of the Company's shares in the event of the successful conclusion of such agreements, it is necessary for the Management Board to be authorised, with the approval of the Supervisory Board, to issue new shares in exchange for contributions in kind, excluding shareholders' subscription rights. The same applies to the acquisition of other contributions in kind that are in the Company's well-understood interest. The exclusion of subscription rights does result in a corresponding dilution of the existing shareholders' shareholdings and voting rights. However, if subscription rights were granted, the acquisition of companies, parts of companies, shareholdings in companies or other assets would likely not be possible, and the associated benefits for the Company and the shareholders would not be achievable. Should the opportunity to acquire companies, interests in companies or other assets materialise, the Management Board will carefully assess whether the use of the authorised capital for the purpose of the acquisition is necessary and appropriate. The Management Board will only do so if the acquisition of the company or interest in exchange for 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 condition is met will the Supervisory Board grant its required approval.

- Furthermore, it should be possible to exclude subscription rights for the purpose of carrying out a so-called share dividend. In this context, shareholders are offered the option of contributing their dividend entitlement (in whole or in part) to the company as a contribution in kind in exchange for new shares. Although the implementation of a share dividend will generally take the form of a genuine rights issue, preserving shareholders' subscription rights and the principle of equal treatment. In individual cases, however, depending on the capital market situation, it may be preferable to structure the implementation of a stock dividend in such a way that, whilst the Management Board offers new shares from the authorised capital to all shareholders entitled to dividends in exchange for the assignment of their dividend entitlement, in compliance with the general principle of equal treatment, it formally excludes shareholders' subscription rights altogether. Implementing the scrip dividend with a formal exclusion of subscription rights allows the scrip dividend to be carried out under more flexible conditions, in particular without being bound by the minimum subscription period and the statutory deadline for announcing the issue price. In view of the fact that the new shares are offered to all shareholders and any excess dividend amounts are settled by payment of the cash dividend, the proposed exclusion of subscription rights also appears to be justified and appropriate in this respect.
- Furthermore, it should be possible to exclude subscription rights to the extent necessary to grant holders of option and/or convertible bonds a right to subscribe for new shares to the extent to which they would be entitled following the exercise of their conversion or option rights. Bonds are generally provided with anti-dilution protection, which provides that holders or creditors may be granted subscription rights to new shares in subsequent share issues, as is the case for shareholders. The holders or creditors are thus treated as if they were already shareholders. This avoids the need to reduce the conversion or option price. In order to provide bonds with such anti-dilution protection, shareholders' subscription rights to these shares must be excluded. The proposed authorisation is intended to create the necessary conditions for this.

- Furthermore, pre-emptive rights may 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 significantly in the Company's share capital within the framework of share ownership schemes, thereby aligning the interests of the Company and its employees. To this end, it is necessary to exclude shareholders' pre-emptive rights. The issue of subscription shares to employees is encouraged by the legislator and is therefore permitted under simplified conditions. Furthermore, the volume of employee shares to be issued remains within manageable limits, so that shareholders' subscription rights are not unduly impaired.
- The authorisation to exclude any fractional amounts from shareholders' subscription rights serves to establish a practicable subscription ratio and thus to facilitate the technical implementation of the capital increase. The shares excluded from shareholders' subscription rights as free fractional amounts will be sold via the stock exchange or to third parties on the best possible terms.

The Management Board may only make use of the authorisations granted to it to exclude subscription rights to such an extent that the proportionate amount of shares issued in total with the exclusion of subscription rights does not exceed 10% of the share capital at the time of the resolution on the authorisation or – if this figure is lower – at the time of the exercise of this authorisation. This limits the total volume of shares issued from the authorised capital without subscription rights. In addition, any such issue shall be counted towards the aforementioned 10% limit if, during the term of the authorised capital until it is utilised, use is made of other authorisations to issue or sell shares in the Company or to issue rights entitling or obliging the holder to subscribe for shares in the Company, and subscription rights are excluded in the process. In this way, shareholders are additionally protected against dilution of their existing shareholding.

The Management Board will carefully examine in each individual case whether it will make use of the authorisation to increase capital with the exclusion of shareholders' subscription rights. This option will only be exercised if, in the opinion of the Management Board and the Supervisory Board, this is in the interests of the Company and thus of its shareholders. The Management Board will report on the use of the authorised capital at the next Annual General Meeting.