



Report of the Management Board on agenda item 11 (Resolution on the cancellation of the existing authorization and the granting of a new authorization to issue convertible bonds, bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) with the option to exclude subscription rights, on the cancellation of the existing Conditional Capital 2020/I, the creation of a new Conditional Capital 2021/I and on the corresponding amendment to Section 4 of the Articles of Association)

Under agenda item 11 of the General Meeting on May 26, 2021, the Management Board and the Supervisory Board propose to cancel the existing authorization to issue convertible bonds and/or bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) and the existing Conditional Capital 2020/I and to create a new authorization and a new Conditional Capital 2021/I. Pursuant to Article 5 SE Regulation in conjunction with Section 221 (4) sentence 2 AktG in conjunction with Section 186 (4) sentence 2 AktG, the Management Board gives this report to the General Meeting on agenda item 11 concerning the reasons for the authorization to exclude shareholders' subscription rights when issuing new convertible bonds and/or bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) (hereinafter collectively referred to as "**Bonds**"):

By resolution of the General Meeting of the Company on June 30, 2020, the Management Board was authorized, with the consent of the Supervisory Board, to issue bearer or registered convertible bonds, bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) (hereinafter collectively referred to as "**Bonds 2020**") on one or more occasions on or before June 29, 2025 with the option to exclude subscription rights of up to EUR 1.000,000,000.00 with or without a limited term and to grant the creditors or holders of Bonds 2020 conversion or option rights to shares in the Company with a pro rata amount of the share capital of up to EUR 40,000,000.00 in accordance with the more detailed provisions of the respective option or convertible bond conditions or profit participation right conditions or participating bond conditions (hereinafter "**Authorization 2020**"). The Conditional Capital 2020/I in the amount of up to EUR 40,000,000.00 was created to service the Bonds 2020 issued under Authorization 2020 (Section 4 (5) of the Articles of Association). The Management Board of the Company has not made use of the Authorization 2020.

Due to the use of treasury shares and the issuing of new shares without subscription rights, the Company no longer has the full option of issuing Bonds 2020 without subscription rights.

The Management Board and the Supervisory Board therefore consider it appropriate to cancel the Authorization 2020 to issue Bonds and the existing Conditional Capital 2020/I and to replace them with a new authorization and a new Conditional Capital 2021/I. Together with the continuing Conditional Capital 2018/II, the Conditional Capital 2021/I would amount to 12.88 % of the share capital of the Company at the time of publication of this convening notice.

In order to be able to make appropriate use of the range of possible capital market instruments evidencing conversion or option rights, it appears appropriate to set the permissible issue volume in the authorization at EUR 1,000,000,000.00. The conditional capital, which serves to fulfill the conversion or option rights or conversion or option obligations, shall amount to EUR 17,386,441.00. The number of shares required to service conversion or option rights, conversion or option obligations or to grant shares in lieu of the cash amount due under a Bond with a specific issue volume generally depends on the stock market price of the Company's share at the time the Bond is issued. Extensive measurement of the Conditional Capital 2021/I is intended to ensure that the authorization framework for the issuance of Bonds can be used extensively if required.

Adequate capital resources are an essential basis for the development of the Company. By issuing convertible Bonds and Bonds with warrants, the Company can take advantage of attractive financing opportunities, depending on the market situation, to provide the Company with capital at a low current interest rate. By issuing profit participation rights with conversion or option rights, the interest rate can also be linked to the Company's current dividend, for example. The conversion and option premiums generated benefit the Company when they are issued. Practice shows that some financing instruments can also only be placed by granting option or conversion rights.

Shareholders must generally be granted subscription rights when Bonds are issued (Article 5 SE Regulation in conjunction with Section 221 (4) AktG in conjunction with Section 186 (1) AktG). The Management Board may make use of the possibility to issue Bonds to one or more credit institution(s) with the obligation to offer the Bonds to the shareholders in accordance with their subscription right (so-called indirect subscription right pursuant to Article 5 SE Regulation in connection with Section 186 (5) AktG). This does not constitute a restriction of the shareholders' subscription rights. The shareholders will ultimately be granted the same subscription rights as in the case of a direct subscription. For technical settlement reasons, only one or more credit institution(s) will be involved in the settlement.

However, the Management Board is to be authorized, with the approval of the Supervisory Board, to exclude subscription rights in certain cases:

- (i) The Management Board shall be able to exclude subscription rights for fractional amounts with the approval of the Supervisory Board. This exclusion of subscription rights is intended to facilitate the handling of an issue with shareholders' subscription rights in principle, because it

allows a technically feasible subscription ratio to be presented. The value of the fractional amounts per shareholder is generally low, therefore the possible dilution effect is also to be regarded as low. In contrast, the cost of the issue without such an exclusion is significantly higher. The exclusion therefore serves the purpose of practicability and easier implementation of an issue. For these reasons, the Management Board and Supervisory Board consider the possible exclusion of subscription rights to be objectively justified and, after weighing up the interests of the shareholders, also appropriate.

- (ii) Furthermore, the Management Board is to be authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in order to grant holders or creditors of bonds subscription rights to the extent to which they would be entitled after exercising their conversion or option rights or after fulfilling their conversion or option obligations. This offers the possibility of granting subscription rights as protection against dilution to the holders or creditors of bonds already issued or still to be issued at that time instead of reducing the option or conversion price. It is in line with the market standard to provide bonds with such protection against dilution.
- (iii) In analogous application of Article 5 of the SE Regulation in conjunction with Section 186 (3) sentence 4 AktG, the Management Board shall continue to be authorized, in the event of an issue of Bonds against cash contribution, to exclude this subscription right with the consent of the Supervisory Board if the issue price of the Bonds is not significantly lower than their market value. This may be expedient in order to take advantage of favorable stock market situations quickly and to be able to place a bond on the market quickly and flexibly at attractive conditions. As the stock markets can be volatile, achieving the most advantageous possible issuing result often depends to a greater extent on whether it is possible to react to market developments at short notice. Favorable terms that are as close to market conditions as possible can generally only be set if the Company is not tied to them for too long an offering period. In the case of rights issues, a not inconsiderable security discount is generally required in order to ensure the chances of success of the issue for the entire offer period. It is true that Article 5 of the SE Regulation in conjunction with Section 186 (2) AktG permits publication of the subscription price (and thus, in the case of Bonds with warrants and convertible bonds, of the Conditions thereof) until the third last day of the subscription period. However, in view of the volatility of the stock markets, even then there is a market risk over a period of several days, which leads to safety margins when determining the bond conditions. Also, if a subscription right is granted, the uncertainty of its exercise (subscription behavior) makes an alternative placement with third parties more difficult or would involve additional expense. Finally, if a subscription right is granted, the Company cannot react at short notice to a change in market conditions due to the

length of the subscription period, which may necessitate a capital procurement that is less favorable for the Company.

The interests of the shareholders are safeguarded by the fact that the Bonds may not be issued at a price significantly below their market value. The market value is to be determined in accordance with recognized principles of financial mathematics. In setting its price, the Management Board will keep the discount from the market value as low as possible, taking into account the respective situation on the capital market. Thus, the calculated value of a subscription right will be so low that shareholders will not suffer any significant economic disadvantage as a result of the exclusion of subscription rights.

Setting the conditions in line with the market and thus avoiding any significant dilution of value can also be achieved by the Management Board conducting a so-called book building procedure. In this procedure, investors are asked to submit purchase applications on the basis of preliminary Bond Conditions, specifying for example the interest rate deemed to be in line with the market and/or other economic components. After the end of the book building period, the conditions (e.g. the interest rate) still outstanding at that time are determined on the basis of the purchase applications submitted by the investors in line with market supply and demand. In this way, the total value of the bonds is determined close to the market. Such a book building process enables the Management Board to ensure that no significant dilution of the value of the shares occurs as a result of the exclusion of subscription rights.

Shareholders also have the option of maintaining their share in the Company's share capital at approximately the same conditions by acquiring it on the stock exchange. In this way, their pecuniary interests are adequately safeguarded. The authorization to exclude subscription rights in accordance with Article 5 of the SE Regulation in conjunction with Section 221 (4) sentence 2 AktG in conjunction with Section 186 (3) sentence 4 AktG only applies to Bonds with rights to shares to which a proportionate amount of the share capital of no more than 10 % of the share capital is attributable, either at the time this authorization becomes effective or at the time it is exercised.

The sale of treasury shares shall be counted towards the 10 % limit if it takes place during the term of this authorization under exclusion of the subscription right pursuant to Article 5 SE Regulation in conjunction with Section 71 (1) no. 8 sentence 5 half-sentence 2 AktG in conjunction with Section 186 (3) sentence 4 AktG. Furthermore, those shares issued during the term of this authorization from authorized capital under exclusion of subscription rights in accordance with Article 5 SE Regulation in conjunction with Section 203 (2) sentence 1 AktG in conjunction with Section 186 (3) sentence 4 AktG shall be counted towards this limit. This offsetting takes into account the interest of the shareholders in keeping the dilution of their shareholding as low as possible.

- (iv) Bonds may also be issued against contributions in kind if this is in the interest of the Company. In this case, the Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights, provided that the value of the contribution in kind is in reasonable proportion to the market value of the Bonds. This opens up the possibility of also being able to use bonds as consideration in acquisitions in suitable individual cases (for example in connection with the acquisition of companies, shareholdings in companies or other assets). In practice, it has been shown that it is often necessary in negotiations to offer not money but also or exclusively other forms of consideration. The possibility of being able to offer bonds as consideration thus strengthens the position of the Company in the competition for interesting acquisition targets and increases the scope for being able to exploit opportunities for the acquisition of companies, interests in companies or other assets, also on a larger scale, in a liquidity-preserving manner. Such an approach may also make sense from the point of view of an optimal financing structure. The Management Board will carefully examine in each individual case whether it will make use of the authorization to issue Bonds against contributions in kind with exclusion of subscription rights. It will only do so if such action is in the interests of the Company and thus in the interests of the shareholders.

The authorizations to exclude subscription rights explained in the above paragraphs cannot exceed an amount equal to 10 % of the share capital, neither at the time this authorization becomes effective nor at the time it is exercised. The aforementioned 10 % limit shall include treasury shares sold during the term of this authorization with exclusion of subscription rights, as well as shares issued during the term of this authorization from authorized capital with exclusion of shareholders' subscription rights. This restriction limits a possible dilution of the voting rights of the shareholders excluded from the subscription right. Taking into account all the aforementioned circumstances, the authorization to exclude subscription rights within the limits described is necessary, appropriate, reasonable and in the interests of the Company.

Insofar as profit participation rights or participating Bonds without conversion or option rights or conversion or option obligations are to be issued, the Management Board is to be authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights altogether if these profit participation rights or participating bonds have bond-like features (i.e. if they do not confer any membership rights in the Company, do not grant any participation in liquidation proceeds and the amount of interest is not calculated on the basis of the amount of net income for the year, net retained profits or the dividend). In addition, the interest rate and the issue price of the profit participation rights or participating bonds must correspond to the current market conditions for comparable borrowing at the time of issue. If the aforementioned requirements are met, the exclusion of subscription rights does not result in any disadvantages for shareholders, as the profit participation rights or participating bonds do not establish any membership rights and do not grant any share in the liquidation proceeds or profits of the Company. It is possible to stipulate that interest is dependent on the existence of a net profit for the year, retained earnings or a dividend. However, it would not be permissible to provide that a higher net profit for the year, a higher distributable profit or a higher dividend would lead to an increase in the interest rate. Therefore, the issuance of the profit participation rights or income Bonds does not change or dilute either the voting rights or the participation of the shareholders in the Company and its profits. In addition, as a result of the market-based issue conditions, which are mandatory for this case of exclusion of subscription rights, there is no significant subscription right value.

The proposed conditional capital serves to fulfill conversion or option rights or conversion or option obligations on shares of the Company from bonds or to grant the creditors or holders of bonds shares in the Company instead of payment of the respective cash amount due. It is also envisaged that the conversion or option rights or conversion or option obligations may alternatively be serviced by the delivery of treasury shares or shares from authorized capital or by other payments.

If the Management Board makes use of one of the above authorizations to exclude subscription rights in connection with an issue of bonds, it will report on this at the following General Meeting.

Berlin, April 2021

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The Management Board

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