











shares already listed with essentially the same features. A discount of 3 to 5 percent from the current stock market price is generally not considered significant. In any case, the discount should be kept as low as possible.

The Executive Board and the Supervisory Board consider the authorization to exclude subscription rights in accordance with Section 186 (3) sentence 4 AktG to be necessary in order to be able to exploit the opportunities offered by the capital market in the future quickly and flexibly without having to comply with the formal steps and statutory deadlines required for a capital increase with subscription rights. In particular, the Company will be enabled to react quickly and flexibly to favorable stock market situations. It is true that Section 186 (2) sentence 2 AktG permits publication of the subscription price no later than three days before expiry of the subscription period if subscription rights are granted. However, in view of the volatility on the stock markets, even in this case there is a market risk, namely a price change risk, over a period of several days which may lead to safety margins when determining the selling price and thus to conditions which are not in line with the market. In addition, if subscription rights are granted, the Company cannot react to favorable market conditions at short notice due to the length of the subscription period. The authorization to exclude subscription rights is therefore in the interests of the Company and its shareholders. Moreover, by issuing the shares in close alignment with the stock market price, the interests of the shareholders are safeguarded. This is because they do not have to fear any significant price losses and can, if necessary, purchase shares at comparable prices on the stock exchange in order to maintain their shareholding quota. The possibility of excluding subscription rights in accordance with Section 186 (3) sentence 4 AktG thus enables the management to take advantage of favorable stock market situations at short notice. In addition, by avoiding a subscription right discount, equity can be strengthened to a greater extent than in the case of a capital increase with subscription rights.

The authorizations explained in the preceding paragraphs to exclude subscription rights in the case of capital increases against contributions in cash and/or in kind are limited in total to an amount not exceeding 10 percent of the capital stock, neither at the time this authorization takes effect nor at the time it is exercised. The following shall be counted towards the aforementioned 10 percent limit: (i) shares issued from authorized capital during the term of this authorization to the exclusion of shareholders' subscription rights, (ii) treasury shares sold during the term of this authorization to the exclusion of subscription rights, and (iii) those shares issued to service bonds (including profit participation rights) with conversion or option rights or a conversion obligation (or a combination of these instruments) issued on the basis of the conversion price valid at the time of the Executive Board's resolution on the utilization of Authorized Capital 2022, provided that the bonds or profit participation rights were issued during the term of this authorization under exclusion of shareholders' subscription rights. Shares issued on the basis of the Conditional Capital 2020 in the version dated June 30, 2021 or any future version due to the exercise of subscription rights to shares by employees of the Company and employees of affiliated companies of the Company within the meaning of Arts. 15 et seq. AktG or on the basis of any further conditional capital on the basis of the exercise of subscription rights to shares by employees of the Company or employees or members of the management of an affiliated company shall not be counted towards the



Convenience translation

aforementioned 10 percent limit. The restriction also limits at the same time a possible dilution of voting rights of shareholders excluded from the subscription right.

Having weighed up all the above circumstances, the Executive Board, in agreement with the Supervisory Board, considers the authorizations to exclude subscription rights to be objectively justified and appropriate for the reasons stated, also taking into account the potential dilution effect to the detriment of shareholders if the relevant authorizations are utilized. The Executive Board will report to the Annual General Meeting on any utilization of Authorized Capital 2022.