

Written report by the general partner on agenda item 8 of the annual shareholders' meeting and on agenda item 2 of the separate meeting of preferred shareholders on the reasons for authorizing the general partner to exclude subscription rights when issuing bonds with warrants and/or convertible bonds

In agenda item 8, the general partner and the Supervisory Board propose to the annual shareholders' meeting the granting of authorization to issue bonds with warrants and/or convertible bonds (collectively "bonds") with a total nominal amount of up to EUR 650,000,000.00 and the creation of the associated conditional capital of up to EUR 12,006,400.00 through the issuance of up to 4,690,000 new no-par value bearer shares. If this authorization is fully utilized, bonds could be issued that would grant subscription rights (or obligations) to shares corresponding to up to around 25 percent of the current capital stock. The respective conversion or option rights can provide for the subscription to bearer common shares and/or preferred shares without voting rights (no-par shares) with the same features as the existing bearer preferred shares, taking into account the maximum limit permitted under Sec. 139 (2) AktG.

The proposed authorization to issue bonds is intended to offer the Company, in addition to the traditional options of borrowing and equity borrowing, the possibility of using attractive financing alternatives on the capital market, depending on the market situation.

The issuance of bonds makes it possible to borrow funds, which, depending on the structure of the bond conditions, can be classified as equity or equity-like for both rating and accounting purposes. The option or conversion premiums achieved, as well as the equity crediting, benefit the Company's capital base. The envisaged possibilities of establishing option or conversion obligations in addition to the granting of option and/or conversion rights expand the leeway for structuring these financing instruments. The authorization is intended to enable the Company to issue bonds itself or through Group companies domiciled in Germany or abroad in which the Company owns a direct or indirect majority and to make use of the German or international capital market by allowing the bonds to be issued in the legal currency of an OECD country in addition to euros. The issuance of the bonds is possible against contributions in cash, but also against contributions in kind.

With the exception of cases that provide for granting the issuer of the bonds an option or conversion right, a right to substitute, or a right to sell for the provision of shares, the option or conversion price for the shares to be purchased when option and/or conversion rights are exercised must correspond to at least 80 percent of the stock exchange price of the Company's bearer shares determined at or around the time at which the bonds associated with the option or conversion rights are issued. The possibility of a surcharge (which can increase depending on the term of the bond) creates the prerequisite for the conditions of the bonds to be able to take into account the respective capital market conditions at the time of their issue. In cases of bonds with an option or conversion obligation, a substitution right, or a right to sell for the provision of shares, the option or conversion price of the new shares must correspond to at least either the above minimum price or the volume-weighted average stock market price of Company shares in the Xetra closing auction (or a comparable successor system) on the Frankfurt Stock Exchange on the ten trading days before or after the final maturity date of the bonds, even if the last-mentioned average price is below the aforementioned minimum price.

In principle, shareholders have a subscription right to the bonds (Sec. 221 (4) in conjunction with Sec. 186 (1) AktG). In order to facilitate processing, it is provided that the bonds can also be taken over by one or more banks or companies specified by the general partner within the meaning of Sec. 186 (5) Sentence 1 AktG with the obligation to offer them to the shareholders for subscription (known as an indirect subscription right within the meaning of Sec. 186 (5) AktG).

However, the subscription right can be excluded in certain cases by the general partner with the consent of the Supervisory Board.

The authorization initially provides that in the event that both bonds with option or conversion rights or obligations on common shares and bonds with option or conversion rights or obligations on preferred shares are issued, the general partner can, with the consent of the Supervisory Board, exclude the subscription right for holders of shares of one class to the bonds that grant option or conversion rights to shares of the other class, or for a corresponding exercise or conversion obligation, if the subscription ratio for subscription of the bonds is determined to be the same for the

holders of both share classes (“crossed exclusion of subscription rights”). This type of class-related subscription right takes into account the idea of equal treatment and the function of the subscription right, namely the maintenance of the existing proportional voting and property rights. It also ensures that every shareholder retains the same level of investment in the same category of share and in the same ratio as before upon exercising the subscription rights to bonds in the Company’s capital stock, provided that the conversion or option rights and/or obligations associated with the bonds are subsequently fully exercised.

In addition to the crossed exclusion of subscription rights, the general partner can also exclude the subscription right of the shareholders with the consent of the Supervisory Board for one or more of the reasons explained below:

Exclusion of subscription rights on fractional amounts

It should be possible to exclude the subscription right on fractional amounts resulting from the subscription ratio. The purpose of this authorization is to be able to use the authorization by way of rounded amounts and to be able to present a practicable subscription ratio. Without the exclusion of subscription rights with regard to the fractional amount, the technical implementation of the issue of bonds would be considerably more difficult. In these cases, the exclusion of subscription rights facilitates the processing of the issue. The free fractions excluded from the subscription right of the shareholders will be utilized by the Company in the best possible way either by being sold on the stock exchange or through other means. For these reasons, the general partner and the Supervisory Board consider the authorization to exclude subscription rights to be appropriate.

Exclusion of subscription rights when issuing against contributions in kind

It should also be possible to exclude the subscription right if the bonds are issued in return for a contribution in kind and if the value of the contribution in kind is in reasonable proportion to the value of the bonds; the theoretical market value of the bonds to be determined using recognized financial mathematical methods is decisive.

This is intended to enable the general partner to, among other things, be able to use the bonds as “acquisition currency” in order to acquire such payments in kind in return

for the transfer of bonds for the purpose of the (indirect) acquisition of companies, parts of companies, interests in companies, or other assets or claims to the acquisition of assets, including claims against the Company, in suitable individual cases. Acquisitions of companies or interests usually require fast decision-making. With the envisaged authorization, the general partner can react quickly and flexibly to advantageous offers or other opportunities that arise on the national or international market and take advantage of opportunities to acquire companies or company shares or other assets against the issue of bonds in the interests of the Company and its shareholders. The general partner will carefully examine in each individual case whether it should make use of the authorization to issue bonds with the exclusion of subscription rights if opportunities for the acquisition of assets, in particular companies or company investments, become more specific. With the approval of the Supervisory Board, it will only exclude the subscription right of the shareholders if this is in the best interests of the Company.

Exclusion of subscription rights if the issue price is not significantly below the theoretical market value of the bonds and the shares created in this way with the exclusion of subscription rights do not exceed a total of 10 percent of the capital stock

The general partner is ultimately to be authorized, with the approval of the Supervisory Board, to exclude subscription rights on the legal basis of Sec. 186 (3) Sentence 4 AktG (i.e., if the bonds are issued for cash and the bonds are issued at a price that does not fall significantly below the theoretical market value of the bonds determined using recognized financial mathematical methods).

This gives the Company the opportunity to take advantage of favorable market situations at very short notice and flexibly and achieve better conditions for the interest rate and option or conversion price of the bonds by setting conditions that are realistic for the market. This would not be possible if the statutory subscription right were observed. Sec. 186 (2) AktG allows the subscription price (and, in the case of bonds, the conditions) to be published up to the third-last day of the subscription period. In view of the volatility on the stock markets, however, the market risk that exists over several days would lead to safety discounts when determining the conditions of the bonds and thus to conditions that are less in line with the market. Furthermore, if the statutory subscription right is maintained, the successful placement of the bonds with

third parties is at risk or associated with additional expenses due to the uncertainty of the scope of exercise. Finally, the length of the minimum subscription period of two weeks to be observed while maintaining the statutory subscription right prevents the reaction to favorable or unfavorable market conditions, which can lead to less-than-optimal capital procurement.

The interests of the shareholders are safeguarded through this exclusion of subscription rights, which is provided for in accordance with Sec. 186 (3) Sentence 4 AktG, in that the bonds may not be issued significantly below their theoretical market value, which means that the arithmetical value of the subscription right drops to almost zero. Shareholders who want to maintain their share of the capital stock can do so by buying them on the market. When assessing the question of which issue price corresponds to the theoretical market value of the bond and guarantees that the issue of the bonds does not lead to a significant dilution of the value of the existing shares, the general partner can avail himself of the support of experts by consulting with the syndicating bank assisting with the issuance, for example, or with an expert if it deems it appropriate in the respective situation. If necessary, the issue price can also be set in a bookbuilding process.

This type of exclusion of subscription rights is also limited in terms of volume: The number of shares in the Company that can be created to service bonds issued in this way with the exclusion of subscription rights under this authorization may not exceed a total of 10 percent of the capital stock, neither of the capital stock at the time it takes effect, nor at the time of exercising the authorization, should this amount be lower. The pro rata amount of the capital stock that is attributable to shares that are issued during the term of this authorization either due to an authorization of the general partner to exclude subscription rights in direct or analogous application of Sec. 186 (3) Sentence 4 AktG or sold as acquired treasury shares in accordance with Sec. 186 (3) Sentence 4 AktG is to be offset against this 10 percent limit. Shares issued to serve option and/or conversion rights and obligations from warrant and/or convertible bonds and/or participation certificates are also offset against the 10 percent limit, insofar as said bonds or participation certificates are issued during the term of this authorization on the basis of another authorization under the exclusion of subscription rights pursuant to Sec. 186 (3) Sentence 4 AktG. This offsetting ensures that no bonds are issued if

this would result in the shareholders' subscription rights being excluded for more than 10 percent in total of the capital stock in direct or analogous application of Sec. 186 (3) Sentence 4 AktG.

Exclusion of subscription rights, if necessary, in order to grant holders or creditors of warrant and/or convertible bonds with option and/or conversion rights a right to subscribe to new bonds in the extent to which they would be entitled after exercising the option or conversion rights or after fulfilling option or conversion obligations

In addition, the subscription right should be excluded, if necessary, in order to grant holders or creditors of warrant and/or convertible bonds that were issued or will be issued by the Company or one of its Group companies a right to subscribe to bonds in the extent to which they would be entitled after exercising the option or conversion rights or after fulfilling option or conversion obligations. To make it easier to place bonds on the capital market, the corresponding bond terms and conditions usually contain protection against dilution. One way of protecting against dilution is to grant the holders or creditors of the bonds a subscription right to bonds in the event of subsequent issues, as shareholders are entitled to. They are thus treated as if they were already shareholders. In order to be able to equip the bonds with such protection against dilution, the shareholders' subscription rights to the bonds must be excluded. This serves to facilitate the placement of the bonds and thus the interests of the shareholders in an optimal financial structure of the Company.

Alternatively, only the option or conversion price could be reduced for the purpose of protection against dilution, provided that the bond terms and conditions permit this. However, this would be more complicated and costly for the Company to process. It would also reduce the inflow of capital from the exercise of option and conversion rights or obligations. The issuing of bonds without protection against dilution is also conceivable. However, these would be much less attractive for the market.

Limitation of the authorization to exclude subscription rights to a total of 10 percent of the capital stock

According to this authorization, bonds may only be issued subject to the exclusion of subscription rights if all of the new shares that are to be issued by the Company on

account of such bonds and on account of warrants and/or convertible bonds and/or option or conversion rights issued subject to the exclusion of subscription rights during the term of this authorization on the basis of another authorization account arithmetically for a percentage of capital stock totaling no more than 10 percent of the capital stock, neither at the time at which this authorization comes into effect, nor at the time at which this authorization is utilized, should this value be lower. The following shares are offset against the 10 percent limit:

- treasury shares that are issued or sold under exclusion of subscription rights during the term of this authorization, and
- shares that are issued during the term of this authorization from authorized capital under the exclusion of subscription rights.

This capital limit restricts the total amount of shares that can be issued without subscription rights. In this way, the shareholders are additionally protected against the dilution of their holdings. Excluded from this restriction to 10 percent of the capital stock are shares that are issued under a crossed exclusion of subscription rights or are to be issued from bonds issued with a crossed exclusion of subscription rights. In this case, the shareholders' participation is not actually diluted. Instead, it is possible to maintain their existing proportional voting rights and assets in the previous relationship. The crossed exclusion of subscription rights therefore does not limit the scope of the statutory subscription right.

We would like to point out that the Company has no further conditional capital besides the conditional capital 2021 proposed under agenda item 8. According to agenda item 7 of the annual shareholders' meeting, the authorized capital that expires on April 26, 2021, is to be canceled and replaced by new authorized capital of up to EUR 12,006,400.00 with the option of excluding subscription rights. According to agenda item 9 of the annual shareholders' meeting, a new authorization to acquire treasury shares in the amount of up to 10 percent of the current capital stock with a term until May 6, 2026, is to be created. Treasury shares acquired on the basis of this authorization could be sold to the same extent, excluding shareholders' subscription rights. New shares from the authorized capital that are issued during the term of the authorization to issue bonds with exclusion of subscription rights, as well as treasury shares sold during the term of the authorization to issue bonds with exclusion of

subscription rights, would be offset against the capital limit of 10 percent explained above of the capital stock.

The general partner and the Supervisory Board will carefully examine in each individual case whether they will make use of one of the authorizations to issue bonds while excluding shareholders' subscription rights. This option will only be used if, in the opinion of the general partner and the Supervisory Board, this is in the best interests of the Company and thus of its shareholders.

The general partner will inform the next annual shareholders' meeting of the use of the above authorizations to exclude subscription rights.