Agenda item 5

Report of the Executive Board on the exclusion of subscription rights in the context of authorized capital pursuant to Section 203 para. 2 sentence 2 AktG in conjunction with Section 186 para. 4 sentence 2 AktG § Section 186 para. 4 sentence 2 AktG

The Management Board of the company hereby submits the following report to the Annual General Meeting in accordance with Section 203 para. 2 sentence 2 AktG in conjunction with Section 186 para. 4 sentence 2 AktG. § Section 186 para. 4 sentence 2 AktG, the Management Board hereby submits the following report to the Annual General Meeting on the reasons for the proposed exclusion of subscription rights as part of the aforementioned resolution proposal to create authorized capital.

a) Introduction

The management proposes the creation of authorized capital. The authorized capital is intended to increase the company's flexibility and give it additional scope for action in the interests of its shareholders.

In the event of a capital increase using the authorized capital, shareholders must generally be granted subscription rights, which can be implemented by way of indirect subscription rights. However, the Executive Board is to be authorized, with the approval of the Supervisory Board, to exclude subscription rights in certain cases.

b) Exclusion of subscription rights for capital increases of up to 20%

Shareholders' subscription rights may be excluded, in particular in the case of cash capital increases, with regard to up to 20% of the share capital existing at the time the authorization becomes effective or is exercised, if the issue price of the new shares is not significantly lower than the stock exchange price of the company's shares of the same class and features already traded on the stock exchange (Section 186 (3) sentence 4 AktG, simplified exclusion of subscription rights). Other cases of simplified exclusion of subscription rights on the basis of authorization by the Annual General Meeting, which may still have to be resolved, are to be counted towards the 20% restriction insofar as this is required by law. The possibility of excluding shareholders' subscription rights with regard to cash capital increases that do not exceed 20% of the share capital enables the company to react flexibly to favorable capital market situations that arise and to place the new shares with institutional investors in order to raise new funds to finance the company at short notice, without the requirement of a subscription offer lasting at least 14 days.

The simplified exclusion of subscription rights is a standard case provided for by law in which shareholders' subscription rights can be excluded. The restriction to 20% of the share capital at the time the subscription right becomes effective or is exercised the share capital available at the time of the authorization, the shareholders' need for protection with regard to a proportionate dilution of their shareholding is taken into account. Shareholders who wish to maintain their shareholding quota can prevent the reduction of their shareholding quota by purchasing additional shares on the stock exchange. In the case of the simplified exclusion of subscription rights, it is mandatory that the issue price of the new shares is not significantly lower than the market price. This takes into account the shareholders' need for protection with regard to an increase in the value of their shareholding. By setting the issue price close to the market price, it is ensured that the value of the subscription right for the new shares is practically zero.

c) Exclusion of subscription rights for benefits in kind

Subscription rights can also be excluded for capital increases against contributions in kind, in particular for the acquisition of companies, parts of companies and interests in companies, industrial property rights, such as patents, trademarks or licenses based on these, or other product rights or other contributions in kind, including bonds, convertible bonds and other financial instruments. This is intended to enable the company to react flexibly on national and international markets to opportunities that arise, in particular for the acquisition of companies, parts of companies or interests in companies, as well as to offers for company mergers. Particularly in the context of company or investment acquisitions, there are many reasons to grant sellers shares or only shares instead of a purchase price exclusively in cash. In particular, the liquidity of the company can be protected in this way and the seller(s) can participate in future share price opportunities. This option increases the company's competitive opportunities for acquisitions. The company does not suffer any disadvantage as a result, as the issue of shares in return for non-cash contributions requires that the value of the non-cash contribution is in reasonable proportion to the value of the shares. When exercising the authorization, the company's Management Board will carefully examine the valuation ratio between the company and the acquired shareholding or company and, in the best interests of the company and the shareholders, determine the issue price of the new shares and the further conditions of the share issue.

d) Exclusion of subscription rights for bonds

The authorization to exclude subscription rights in favour of the holders of bonds with option or conversion rights or obligations issued by the company or its Group companies serves the purpose of not having to reduce the option or conversion price in accordance with the so-called dilution clauses of the option or conversion conditions if this authorization is exercised.

Instead, the holders of bonds with option or conversion rights or obligations should also be granted subscription rights to the extent to which they would be entitled after exercising the option or conversion right or after fulfilling the option or conversion obligation. The authorization gives the Management Board the opportunity to choose between the two alternatives when utilizing the authorized capital, carefully weighing up the interests involved.

e) Exclusion of subscription rights for fractional amounts

Furthermore, the Management Board is authorized, with the approval of the Supervisory Board, to exclude subscription rights in order to avoid fractional amounts. Fractional amounts may result from the scope of the respective volume of the capital increase and the determination of a practicable subscription ratio. The planned exclusion of subscription rights for fractional amounts enables a smooth subscription ratio and thus facilitates the handling of the issue. The free fractions excluded from shareholders' subscription rights will be utilized in the best possible way for the company.

f) Exclusion of subscription rights in other cases

The exclusion of subscription rights for other cases that are in the interests of the company serves to maintain the flexibility of the Management Board in other cases. This includes, for example, entering into cooperations. The provision of sufficient authorized capital with the option to exclude subscription rights strengthens the company's scope for action in this respect. The Management Board will only exclude subscription rights if this is in the well-understood interests of the company.

If the Management Board makes use of the authorization during a financial year, it will report on this at the following Annual General Meeting.

Agenda item 6:
Report of the Executive Board pursuant to Section 221 para. 4 sentence 2 AktG in conjunction with Section 186 para. 4 AktG § Section 186 para. 4 AktG on the exclusion of subscription rights as part of the authorization to issue convertible bonds, bonds with warrants and profit participation rights with or without conversion or subscription rights

a) Introduction

The Management Board and Supervisory Board request that the company's shareholders authorize the issue of convertible bonds and bonds with warrants as well as profit participation rights with or without conversion or subscription rights. These financing instruments can each be provided with conversion rights or subscription rights to shares in the company. The holders of these conversion or subscription rights are thus given the opportunity to acquire shares in the company by converting the payments they have already made to the company into equity (conversion right) or by making an additional payment into the company's equity (subscription right). In the case of an issue, the company may also decide that the bonds and profit participation rights issued are to be exchanged for shares in the company at a later date at the company's request (conversion obligation). Delivery of the shares upon exercise of the conversion and subscription rights or fulfilment of the conversion obligation is possible from conditional capital, authorized capital or treasury shares. Cash settlement would also be possible.

The primary purpose of the authorization is to be able to strengthen the company's capital resources quickly and flexibly if necessary.

The largely open definition of the conditions for the issue of the aforementioned financing instruments at the present time enables the company to react appropriately to current market conditions and to raise new capital at the lowest possible cost. As a purely precautionary measure, the proposed authorization is also intended to create the possibility of using these financing instruments in the same way as authorized capital to acquire assets, in particular to acquire companies and interests therein, while preserving liquidity. In practice, however, this use is likely to be of secondary importance.

When these financing instruments are issued, the company's shareholders generally have a subscription right to them in accordance with Section 221 (4) AktG.

The requested authorizations are intended to enable the company to exclude subscription rights in certain cases if this should be necessary in the overriding interest of the company. The following applies in detail:

b) Exclusion of subscription rights for fractional amounts

The Management Board and Supervisory Board are to be authorized to exclude subscription rights for fractional amounts. This may be necessary if a practicable subscription ratio cannot otherwise be achieved. The company will endeavor to utilize fractional amounts in the best interests of the shareholders.

c) Exclusion of subscription rights for capital increases of up to 20%

For the issue of bonds with warrants and convertible bonds as well as for profit participation rights with a conversion or subscription right to shares in the company, the Management Board is to be authorized in analogous application of Section 186 para. 3 sentence 4 AktG to exclude the subscription right if the issue price of the respective financing instrument is not significantly lower than its theoretical market value determined using recognized methods of financial mathematics. This exclusion of subscription rights could become necessary if a bond is to be placed quickly in order to take advantage of a favorable market environment. In this case, the exclusion of subscription rights gives the company the necessary flexibility to take advantage of a favorable capital market situation at short notice.

In this case, the interests of the shareholders are safeguarded by ensuring that the issue price of the bonds is not significantly lower than the market value, thereby minimizing the value of the excluded subscription right as far as possible. In addition, this authorization is limited to the limit of 20% of the share capital provided for in Section 186 para. 3 sentence 4 AktG. According to the legislator, these requirements protect shareholders from excessive dilution of their shareholdings.

d) Exclusion of subscription rights for profit participation rights under purely debt law

The Management Board is also to be authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights when issuing profit participation rights that are not share-like or similar to shares, i.e. in particular do not grant participation in liquidation proceeds and for which the amount of the distribution is not based on the amount of net income, net retained profits or the dividend, and which are not linked to conversion or subscription rights. Assuming that the profit participation rights are structured similarly to obligations, the membership position of the shareholders is not affected; neither the voting right nor the pro rata dividend entitlement or the share in the company's assets would be changed by an issue of profit participation rights without subscription rights. In the event of an exclusion of subscription rights, the profit participation rights would also have to be

The issue of new shares would have to be issued at market conditions, so that there would be no significant subscription right value in this respect. In contrast, the possibility of excluding subscription rights enables the Executive Board to use a low interest rate level or a favorable demand situation flexibly and at short notice for an issue. This enables it to significantly reduce the placement risk. On the other hand, in the case of an issue of profit participation rights with subscription rights, there would be a greater or lesser risk, depending on the market situation, that the conditions once set would no longer be in line with the market by the time of the actual placement on the market. The company would therefore run the risk of not being able to place the profit participation rights at all, or of placing them too cheaply. Neither would be in the interests of the company or its shareholders. However, in order to take account of the shareholders' need for protection, the Management Board will carefully examine on a case-by-case basis whether an exclusion of subscription rights is necessary in the interests of the company.

e) Exclusion of subscription rights for dilution protection

In addition, subscription rights may be excluded if this is necessary in order to grant holders of conversion and subscription rights a subscription right to which they would be entitled if they had already exercised their conversion or subscription rights or fulfilled their conversion obligation. Financing instruments such as those described here regularly contain a dilution protection clause in their terms and conditions in the event that the company issues further such financing instruments or shares to which the shareholders have a subscription right. To ensure that the value of these financing instruments is not impaired by such measures, the holders of these financing instruments generally receive compensation in that the conversion or subscription price is reduced or that they also receive a subscription right to the subsequently issued financing instruments or shares. In order to maintain the greatest possible flexibility in this respect, there should therefore also be the option to exclude subscription rights in this case. This serves to facilitate the placement and thus ultimately to optimize the financing structure of the company.

f) Exclusion of subscription rights for benefits in kind

Furthermore, it should be possible to exclude subscription rights in order to be able to issue the respective financial instruments in return for contributions in kind. The authorization is intended to enable the company to use these financing instruments in connection with the acquisition of assets. As can be seen from the wording of the proposed resolution, this can be used in particular for the acquisition of companies, parts of companies and equity interests in companies, industrial property rights and other assets.

rights, such as patents, trademarks or licenses thereto, or other product rights or other contributions in kind, including bonds, convertible bonds and other financial instruments. In such cases, the sellers often insist on receiving consideration in a form other than money or only money. It can then be an interesting alternative to offer bonds with option or conversion rights or profit participation rights instead of or in addition to the granting of shares or cash payments. This option creates additional flexibility and increases the company's chances of making acquisitions.

However, both the authorization to issue shares against contributions in kind and an exclusion of subscription rights in this regard should only be used if the acquisition of the relevant item is in the overriding interest of the company and another acquisition, in particular by purchase, is not legally or actually possible or only possible on less favourable terms. In such cases, however, the company will always check whether there is an equally suitable way of acquiring the item that has less of an impact on the position of the shareholders. The interests of the shareholders are further taken into account by the fact that the company is obliged to base the acquisition of non-cash benefits against the issue of a bond and/or profit participation rights and/or the issue of new shares on market prices.

g) Exclusion of subscription rights in other cases

The exclusion of subscription rights for other cases that are in the interests of the company serves to maintain the flexibility of the Management Board in other cases. This includes, for example, entering into cooperations. The provision of sufficient authorized capital with the option to exclude subscription rights strengthens the company's scope for action in this respect. The Management Board will only exclude subscription rights if this is in the well-understood interests of the company.

Concrete plans for a utilization of the authorization to issue convertible bonds.
/There are currently no bonds with warrants or profit participation rights. In each case, the Executive Board will carefully examine whether the use of the authorization is in the interests of the company and its shareholders.