Report of the Managing Board to the Virtual Annual Shareholders' Meeting on Agenda Item No. 10

In addition to the options for purchasing own shares stipulated in Agenda Item No. 9, the Company will be authorized to purchase own shares through the use of certain equity derivatives. This is not intended to increase the total volume of shares that may be acquired, but rather only to permit further options for acquiring own shares without, however, exceeding the maximum limit specified in Agenda Item No. 9. These additional alternatives expand the Company's options for flexibly structuring the purchase of own shares.

It may under certain circumstances be advantageous for the Company to purchase call options, sell put options or purchase own shares through the use of a combination of call and put options or forward contracts instead of acquiring own shares directly. The alternatives are limited from the very beginning to a maximum of 5% of the issued share capital existing at the time of the resolution of the Virtual Annual Shareholders' Meeting or at the time the authorization is exercised, whichever is lower. The term of such options must be selected in such a way as to ensure that no shares are acquired through the exercise of such options after 26 May 2025. This ensures that the Company cannot purchase own shares after expiry of the authorization to purchase own shares that is valid until 26 May 2025 unless a new authorization is issued. Furthermore, the term of equity derivatives may not exceed 18 months in any given case. This ensures that obligations under individual option transactions and forward contracts are appropriately limited in time.

If the Company purchases a call option, it will receive the right to purchase a specific number of shares in the Company at a specific price (strike price) from the seller (writer) of the option within a specified period or at a specified date in exchange for payment of a premium. The exercise of the call option makes economic sense for the Company when the trading price of the Company's shares is higher than the strike price and the Company can then acquire the shares from the writer at the lower strike price. The same applies if the Company exercises an option to acquire a block of shares that it would otherwise have been possible to acquire only at a higher price.

Through the use of call options, the Company's liquidity situation is also eased as it is under no obligation to pay the purchase price agreed for the shares until the option is exercised. Such considerations may justify the use of call options by the Company to carry out plans to purchase own shares in specific cases. Option premiums must be based on market conditions, which means that – taking into account the strike price, the expiration date option and the volatility of the Company's shares, among other factors – the premiums must essentially reflect the fair value of the call option. Seen from the perspective of the Company, the price paid to acquire the shares is increased by the current market value of the option when a call option is exercised. The company could also realize this value if it chose not to exercise the option. It represents a pecuniary asset and is therefore a cost that increases the purchase prices as a cost when the option is exercised. It also reflects the current market value of the original cost paid in the form of an option premium and must therefore be taken into account as part of the purchase price of the underlying shares.

By entering into a put option, the Company grants the respective holder of the put option the right to sell shares in the Company to the Company within a specified period or at a specific date at a specific price (strike price). As consideration for this obligation to purchase own shares under the put option, the Company receives an option premium based on market value, which means that – taking into account the strike price, the expiration date and the volatility of the Company's shares, among other factors – the premium must essentially reflect the fair value of the put option. It makes economic sense for the holder of a put option to exercise the option only if the share price is lower than the strike price when the option is exercised since the holder can then sell the share to the Company at the strike price, which would then be higher than the price that could be obtained on the market. At the same time, the Company can purchase protection on the market against excessive risk resulting from fluctuation in the share price. The use of put options to acquire own shares offers the Company an advantage since the strike price is already fixed when the option transaction is concluded whereas the cash outflow does not occur until the exercise date. Seen from the point of view of the Company, the price paid for the acquisition of the shares is reduced by the market value of the option premium received previously. Although the Company cannot purchase own shares in this way if the holder of the put option does not exercise the option because the share price is higher than the strike price on the exercise date or during the exercise period, the Company does, however, retain the option premium received although it does not have to deliver the shares.

In the case of forward contracts, the Company agrees to purchase shares at a specific date in the future and price agreed with the seller when the parties enter into the forward contract. Forward contracts can be advantageous if the Company would like to cover a specific need for own shares at a specific time and a specific price.

The Company can use call options, put options and forward contracts or any desired combination thereof and is therefore not restricted to the use of any specific type of option.

When options are used, the price paid by the Company for the shares is the respective strike price (excluding in each case incidental acquisition costs but taking into account the premium paid or received). The strike price can be higher or lower than the stock exchange price of the share of the Company when the option is written and when it is exercised.

The price to be paid per share upon the exercise of a put option or upon settlement in the case of a forward contract may not lie more than 10% above or below the arithmetic mean of the closing auction prices of the Company's no-par value shares in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange during the three stock exchange trading days immediately preceding the date of acquisition of the respective option or the time of entry into the forward contract, excluding incidental acquisition costs but taking into account the option premium or the forward price. The price to be paid per share upon the exercise of a call option or settlement in the case of a forward contract may not lie more than 10% above or below the arithmetic mean of the closing auction prices of the Company's no-par value shares in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange during the three stock exchange trading days immediately preceding the date of acquisition of the respective option or entry into the forward contract, excluding incidental acquisition costs but taking into account the premium paid for the option.

The obligation to enter into any agreement concerning options and other equity derivatives only with one or several credit institution(s) or equivalent enterprises and to ensure that only shares acquired in accordance with the principle of equal treatment of shareholders are used to service options and other equity derivatives eliminates the possibility of disadvantageous conditions for shareholders in the case of the use of equity derivatives to purchase own shares.

According to the legal requirement contained in Section 71 (1) no. 8 AktG, the purchase of shares on the stock exchange at the trading price of shares in the Company prevailing at the time of purchase suffices to ensure equal treatment of shareholders. Since the price for the option (option price) is determined on the basis of market value, shareholders not participating in the option transactions are not subjected to any pecuniary disadvantage. On the other hand, the possibility of being able to use equity derivatives enables the Company to capitalize on market opportunities when they arise. Shareholders have no rights to enter into agreements with the Company regarding equity derivatives or rights to tender shares. This is necessary to permit the use of equity derivatives in connection with the repurchase of own shares and enable the Company to obtain the related benefits. It would not be feasible to enter into agreements governing equity derivatives with all shareholders.

After weighing the interests of the shareholders and those of the Company, the Managing Board considers the authorization to withhold or restrict the rights of shareholders to enter into agreements concerning equity derivatives with the Company and shareholder tender rights to be generally justified due to the advantages arising for the Company from the use of equity derivatives.

With regard to the use of the Company's own shares acquired through the use of equity derivatives, no difference exists as compared with the possible uses proposed under Agenda Item No. 9. Reference is therefore made to the report of the Managing Board on Agenda Item No. 9 regarding the reasons for disapplying the pre-emption rights of shareholders in connection with the use of the shares.

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