



**Annual General Meeting
of**

**DEUTZ Aktiengesellschaft,
Cologne**

on Thursday, May 8, 2025

Reports of the Board of Management on

agenda items 11 and 12

regarding the authorizations to disapply pre-emption rights contained therein

**(reporting pursuant to section 203 (2), section 221 (4) sentence 2, and section 186 (4)
sentence 2 of the German Stock Corporation Act (AktG))**

1. Preliminary remarks and background information

1.1. The authorized capital and conditional capital in existence on the date on which the Annual General Meeting on May 8, 2025 was convened are as follows:

1.1.1. Authorized capital 2023/I

Pursuant to article 4 (2) of the Statutes, the Board of Management is authorized, subject to the consent of the Supervisory Board, to increase the share capital of the Company on or before April 26, 2028 on one or more occasions in installments through the issue of up to 24,172,356 new no-par-value bearer shares for cash by up to a total amount of €61,795,646.86 (**‘authorized capital 2023/I’**). The Annual General Meeting on April 27, 2023 granted this authorization by amending article 4 (2) of the Statutes. The volume of authorized capital 2023/I equated to around 20 percent of the Company’s share capital in existence on the date on which the Annual General Meeting on April 27, 2023 was convened. This authorization was entered in the commercial register, and thereby became effective, on May 15, 2023. On the date of entry on May 15, 2023, the Company’s share capital amounted to €322,490,183.20. The volume of authorized capital 2023/I therefore equated to around 19.16 percent of the Company’s share capital in existence on the date on which the authorization was entered in the commercial register.

Authorized capital 2023/I only allows the disapplication of pre-emption rights in the case of fractional amounts.

The authorization to issue shares under authorized capital 2023/I had not been used by the date on which the Annual General Meeting on May 8, 2025 was convened.

1.1.2. Authorized capital 2023/II

By way of the amendment of article 4 (3) of the Statutes, the Annual General Meeting on April 27, 2023 also granted authorization, subject to the consent of the Supervisory Board, to increase the share capital of the Company on or before April 26, 2028 on one or more occasions in installments through the issue of up to 24,172,356 new no-par-value bearer shares by up to a total amount of €61,795,646.86 (**‘authorized capital 2023/II’**). This authorization was also entered in the commercial register, and thereby became effective, on May 15,

2023. For details of the volume of authorized capital 2023/II relative to the share capital, see the comments in section 1.1.1.

Authorized capital 2023/II allows the disapplication of pre-emption rights in the following cases: (a) for fractional amounts, (b) for capital increases against non-cash contributions, (c) for capital increases against cash contributions that do not exceed 10 percent of the share capital and where the issue price is not significantly above the market price (**simplified disapplication of pre-emption rights** pursuant to section 186 (3) sentence 4 AktG), and (d) where necessary in order to grant holders or creditors of option and/or conversion rights or of corresponding option and/or conversion obligations arising from warrant-linked bonds and/or convertible bonds and/or profit-sharing rights (where such bonds are issued or are to be issued in the future by the Company or by one of its direct or indirect majority shareholdings) a conversion or pre-emption right to the same amount of new shares in the Company that they would be entitled to as a shareholder following the exercise of their option or conversion rights or after fulfilling option or conversion obligations.

Utilizing authorized capital 2023/II and disapplying pre-emption rights, the Company issued 12,614,719 new shares against cash contributions (**'2024 capital increase'**) in July 2024; in doing so, the Company used the simplified disapplication of pre-emption rights pursuant to section 186 (3) sentence 4 AktG under this authorization. This increased the Company's share capital by 10 percent to €354,739,200.24, divided into 138,761,914 no-par-value bearer shares. Following this partial utilization, the remaining authorized capital 2023/II amounts to €29,546,629.82.

The Board of Management has submitted a written report on the utilization of authorized capital 2023/II with disapplication of pre-emption rights in the context of the 2024 capital increase against cash contributions. This report to the Annual General Meeting on May 8, 2025 is available at

<https://www.deutz.com/en/investor-relations/annual-general-meeting/2025/>

1.1.3. Conditional capital 2023

The Annual General Meeting on April 27, 2023 granted the authorization, subject to the consent of the Supervisory Board, to issue convertible bonds or warrant-linked bonds (together referred to as '**bonds**') on one or more occasions until April 26, 2028 up to a cumulative principal value of €100,000,000 with or without a limited maturity term and to grant conversion or option rights to the holders/creditors of bonds, allowing them to obtain new no-par-value bearer shares of the Company with a value of up to €61,795,646.86 of the share capital in accordance with the detailed terms and conditions of these bonds ('**2023 authorization to issue bonds**'). Pursuant to article 4 (4) of the Statutes, the Annual General Meeting on April 27, 2023 conditionally increased the share capital by up to €61,795,646.86 by issuing up to 24,172,356 new shares ('**conditional capital 2023**'). Conditional capital 2023 was entered in the commercial register on May 15, 2023. For details of the volume of conditional capital 2023 relative to the share capital, see the comments in section 1.1.1.

Pre-emption rights to the bonds can be disapplied in the same cases as for authorized capital 2023/II (see the possibilities for disapplying pre-emption rights set out in section 1.1.2).

The 2023 authorization to issue bonds had not been used by the date on which the Annual General Meeting on May 8, 2025 was convened.

- 1.2. Under agenda item 10, it is to be proposed to the Annual General Meeting on May 8, 2025 that it approve a capital increase from the Company's own funds (sections 207 et seq. AktG) without the issue of new shares to even out the notional par value (based on the Company's share capital) per share, plus a corresponding amendment to article 4 (1) of the Statutes. The proposal is to increase the share capital from €354,739,200.24 by €491,299.60 to €355,230,499.84 through conversion into share capital of an amount of €491,299.60 from the other retained earnings recognized on the Company's balance sheet as at December 31, 2024 in order to create a notional par value per share in an amount of exactly €2.56.

2. Motions for the Annual General Meeting on May 8, 2025 concerning (i) the creation of new authorized capital (authorized capital 2025/I) (agenda item 11) and (ii) the cancelation of the 2023 authorization to issue bonds and the grant of a new authorization to issue convertible bonds and/or warrant-linked bonds and create a new conditional capital (agenda item 12)

2.1. Reason for the motions

Authorized capital 2023/I, authorized capital 2023/II, conditional capital 2023, and the 2023 authorization to issue bonds provide for the following restrictions and calculation provisions with regard to the issue of new shares and the possibility of disapplying pre-emption rights:

- The three authorizations are all subject to the limitation that the issue of new shares or the creation of conversion rights and/or option rights or obligations in respect of new shares is permitted only to the extent that the new shares issued and/or the conversion and/or option rights or obligations created in respect of shares do not in total exceed 40 percent of the share capital. This limit is determined by the share capital of the Company at the time these authorizations take effect or – if lower – at the time these authorizations are utilized. Calculation of the aforementioned 40 percent limit under the three authorizations is to include (i) shares that have previously been or are simultaneously being sold or issued during the term of these authorizations on the basis of other authorizations. Also to be included are (ii) shares that are being or must be issued in order to service bonds with conversion rights, option rights, or conversion or option obligations in so far as these bonds have previously been or are simultaneously being issued by the Company or a direct or indirect majority shareholding of the Company during the term of these authorizations on the basis of an appropriate authorization.
- The total of all shares issued (or to be issued in the case of convertible bonds and warrant-linked bonds) with the disapplication of pre-emption rights and in accordance with these three authorizations may not cumulatively exceed the limit of 10 percent of the share capital. This limit is determined by the share capital of the Company at the time these authorizations take effect or – if lower – at the time they are utilized. Also to be included in the aforementioned 10 percent limit are (i) shares that have previously been or are simultaneously being sold or issued, with the disapplication of pre-emption rights, during the term of these

authorizations on the basis of other authorizations, and (ii) shares that are being or must be issued in order to service bonds with conversion rights, option rights, or conversion or option obligations in so far as these bonds have previously been or are simultaneously being issued, with the disapplication of pre-emption rights, by the Company or a direct or indirect majority shareholding of the Company during the term of this authorization on the basis of an appropriate authorization.

As a result of the restrictions and calculation provisions and as a consequence of the 2024 capital increase carried out with disapplication of pre-emption rights,

- the volume in which authorized capital 2023/I, authorized capital 2023/II, and conditional capital 2023 can be utilized and the 2023 authorization to issue new shares have been reduced and
- in particular, however, all possibilities contained therein for disapplying pre-emption rights currently and in the future when utilizing authorized capital 2023/I, authorized capital 2023/II, and conditional capital 2023 and when utilizing the 2023 authorization to issue bonds are no longer usable because the disapplication of pre-emption rights in the context of the 2024 capital increase used up the permitted volume for the disapplication of pre-emption rights based on the limit being applied in aggregate across the different areas of capital.

The possibility of disapplying pre-emption rights in connection with authorized capital 2023/I, authorized capital 2023/II, and conditional capital 2023 and in connection with the 2023 authorization to issue new shares has therefore been exploited to the full extent.

2.2. Because the possibility of disapplying pre-emption rights in connection with all existing areas of reserve capital has been fully exploited, as explained in section 2.1 above, the following resolutions are to be proposed to the Annual General Meeting on May 8, 2025:

2.2.1. Agenda item 11:

Resolution on the creation of a new authorized capital (authorized capital 2025/I) and authorization to disapply pre-emption rights by amending article 4 (3) of the Statutes plus revocation of the existing authorized capital (authorized capital 2023/II) pursuant to article 4 (3) of the Statutes

The Board of Management is to be authorized, subject to the consent of the Supervisory Board, to increase the share capital of the Company on or before May 7, 2030 on one or more occasions in installments through the issue of up

to 27,752,382 (in words: twenty-seven million, seven hundred and fifty-two thousand, three hundred and eighty-two) new no-par-value bearer shares for cash and/or non-cash contribution by up to a total amount of €71,046,097.92 (in words: seventy-one million, forty-six thousand and ninety-seven euros and ninety-two cents) ('**authorized capital 2025/I**'). Authorized capital 2025/I is to replace the remaining authorized capital 2023/II.

The aforementioned amount of authorized capital 2025/I in euros equates to around 20.03 percent of the Company's share capital at the time of publication of the notice of the Annual General Meeting in the Federal Gazette (€354,739,200.24) and around 20 percent of the Company's share capital of €355,230,499.84 that will exist after the capital increase from the Company's own funds to be approved under agenda item 10 of the Annual General Meeting on May 8, 2025.

In total, the authorization to issue new shares under authorized capital 2025/I is to be limited to 27,752,382 new no-par-value bearer shares, which (rounded) amount to 20 percent (i) of the shares in issue as at the time of publication of the notice of the Annual General Meeting in the Federal Gazette and (ii) of the shares in issue after the capital increase from the Company's own funds to be approved under agenda item 10 of the Annual General Meeting on May 8, 2025 (as no new shares will be issued in connection with the capital increase from the Company's own funds). Whether or not the capital increase from the Company's own funds to be approved under agenda item 10 of the Annual General Meeting on May 8, 2025 is carried out, the authorization to issue new shares under authorized capital 2025/I would ultimately be limited to around 20 percent of the share capital as at the time of publication of the notice of the Annual General Meeting in the Federal Gazette, even if, as explained above, the amount of authorized capital 2025/I in euros equates to around 20.03 percent of the Company's share capital as at the time of publication of the notice of the Annual General Meeting in the Federal Gazette.

The total number of shares to be issued under this new authorization must not exceed a total of 40 percent of the share capital, whereby it should continue to be possible for the limit to be applied in aggregate across the different areas of reserve capital. The aforementioned limit of 40 percent of the share capital is determined by the share capital of the Company at the time the new authorization takes effect or – if lower – at the time this authorization is utilized.

In addition to the possibility of providing for an indirect pre-emption right, authorized capital 2025/I should provide the possibilities for disapplication of pre-emption rights that were also provided with authorized capital 2023/II (see also section 1.1.2). The total number of shares to be issued with disapplication of pre-emption rights under this new authorization (whether for cash or non-cash contributions) must not exceed a total of 10 percent of the share capital (this restriction on the disapplication of pre-emption rights to 10 percent of the share capital also applies in particular to the simplified disapplication of pre-emption rights pursuant to section 186 (3) sentence 4 AktG, for which the law now stipulates a maximum limit of 20 percent of the share capital), whereby it should continue to be possible for the limit to be applied in aggregate across the different areas of reserve capital (see also section 2.1). The aforementioned limit of 10 percent of the share capital is determined by the share capital of the Company at the time the new authorization takes effect or – if lower – at the time the new authorization is utilized.

The percentage volume limits in authorized capital 2025/I in respect of total volume and possible disapplications of pre-emption rights should thus correspond to those of the current and partly utilized authorized capital 2023/II, approved on April 27, 2023.

2.2.2. Agenda item 12:

Resolution on the cancelation of the existing authorization and on the grant of a new authorization to issue convertible bonds and/or warrant-linked bonds and to disapply pre-emption rights and to cancel the existing conditional capital and create a new conditional capital and to amend article 4 (4) of the Statutes

The existing 2023 authorization to issue new shares is to be canceled and a new authorization that runs until May 7, 2030 is to be granted to issue convertible bonds and/or warrant-linked bonds up to a cumulative principal value of €125,000,000, combined with the possibility to grant conversion or option rights to the holders/creditors of such bonds, allowing them to obtain new no-par-value bearer shares of the Company with a value of up to €71,046,097.92 of the share capital (**'2025 authorization to issue bonds'**).

To safeguard the conversion or option rights, the share capital should be conditionally increased by up to €71,046,097.92 (**'conditional capital 2025'**).

The aforementioned amount of conditional capital 2025 in euros equates to around 20.03 percent of the Company's share capital at the time of publication of the notice of the Annual General Meeting in the Federal Gazette in the amount of €354,739,200.24, and around 20 percent of the Company's share capital after the capital increase from the Company's own funds to be approved under agenda item 10 of the Annual General Meeting on May 8, 2025 in the amount of €355,230,499.84. In total, up to 27,752,382 new no-par-value bearer shares may be issued under conditional capital 2025, which (rounded) amount to 20 percent (i) of the shares in issue as at the time of publication of the notice of the Annual General Meeting in the Federal Gazette and (ii) of the shares in issue after the capital increase from the Company's own funds to be approved under agenda item 10 of the Annual General Meeting on May 8, 2025 (as no new shares will be issued in connection with the capital increase from the Company's own funds). Even if the capital increase from the Company's own funds to be approved under agenda item 10 of the Annual General Meeting on May 8, 2025 is not carried out, the authorization to issue new shares under conditional capital 2025 would ultimately be limited to around 20 percent of the share capital as at the time of publication of the notice of the Annual General Meeting in the Federal Gazette, even if, as explained above, the amount of conditional capital 2025 in euros equates to around 20.03 percent of the Company's share capital as at the time of publication of the notice of the Annual General Meeting in the Federal Gazette.

The total number of shares to be issued under this new authorization for issued convertible bonds and/or warrant-linked bonds must not exceed a total of 40 percent of the share capital, whereby it should continue to be possible for the limit to be applied in aggregate across the different areas of reserve capital. The aforementioned limit of 40 percent of the share capital is determined by the share capital of the Company at the time the new authorization takes effect or – if lower – at the time this authorization is utilized.

In addition to the possibility of providing for an indirect pre-emption right, the 2025 authorization to issue bonds should provide the possibilities for disapplication of pre-emption rights that are to be provided with authorized capital 2025/I and that were also provided with the 2023 authorization to issue bonds (see also [section 1.1.2](#)).

The total number of shares to be issued for convertible bonds and/or warrant-linked bonds issued with disapplication of pre-emption rights must not exceed a total of 10 percent of the share capital (this restriction on the disapplication of pre-emption rights to 10 percent of the share capital also applies in particular to the simplified disapplication of pre-emption rights pursuant to section 186 (3) sentence 4 AktG, for which the law now stipulates a maximum limit of 20 percent of the share capital), whereby it should continue to be possible for the limit to be applied in aggregate across the different areas of reserve capital. The aforementioned limit of 10 percent of the share capital is determined by the share capital of the Company at the time the new authorization takes effect or – if lower – at the time the new authorization is utilized. The percentage volume limits in the new authorization to issue convertible bonds and/or warrant-linked bonds and to disapply pre-emption rights to be approved on May 8, 2025 should therefore correspond to those of the authorization to issue convertible bonds and/or warrant-linked bonds and to disapply pre-emption rights approved on April 27, 2023.

3. Report of the Board of Management on agenda item 11 pursuant to section 203 (2) and section 186 (4) sentence 2 AktG (authorized capital 2025/I)

3.1. As a rule, pre-emption rights must be granted to existing shareholders when new shares are issued from authorized capital 2025/I. The new shares can also be offered by way of an indirect pre-emption right pursuant to section 186 (5) AktG. However, the Board of Management is authorized, subject to the consent of the Supervisory Board, to disapply the pre-emption rights of the existing shareholders

- where necessary for fractional amounts arising from the calculation of pre-emption rights;
- for capital increases against non-cash contributions, in particular (i) when issuing new shares for mergers or acquisitions of entities, parts of entities or equity investments in entities, including increases in existing shareholdings or other assets eligible as capital contributions in connection with such acquisition plans, including receivables from the Company, (ii) when acquiring other assets or claims to the acquisition of assets, and (iii) when carrying out a so-called scrip dividend, where shareholders are offered the option of exchanging their rights to a dividend (wholly or in part) for new shares issued under the authorized capital 2025/I;

- for cash contributions, if the issue price of the shares is not significantly below the market price of the existing publicly listed shares in the Company on the date the final issue price is fixed. The total of the shares issued for cash with the disapplication of pre-emption rights and in accordance with this clause c) must not exceed 10 percent of the share capital. This limit is determined by the share capital of the Company at the time this authorization takes effect or – if lower – at the time this authorization is utilized. The aforementioned 10 percent limit includes shares that have previously been or are simultaneously being sold or issued (with the disapplication of pre-emption rights) during the term of this authorization on the basis of other authorizations in direct application, or application with the necessary modifications, of section 186 (3) sentence 4 AktG. This restriction also includes shares that are being or must be issued in order to service bonds with conversion rights, option rights, or conversion or option obligations in so far as these bonds have previously been or are simultaneously being issued (with the disapplication of pre-emption rights) by the Company or a direct or indirect majority shareholding of the Company during the term of this authorization in application, with the necessary modifications, of section 186 (3) sentence 4 AktG.
- where necessary in order to grant holders or creditors of option and/or conversion rights or of corresponding option and/or conversion obligations arising from warrant-linked bonds and/or convertible bonds and/or profit-sharing rights (where such bonds are issued or are to be issued in the future by the Company or by one of its direct or indirect majority shareholdings) a conversion or pre-emption right to the same amount of new shares in the Company that they would be entitled to as a shareholder following the exercise of their option or conversion rights or after fulfilling option or conversion obligations.

The total of the shares issued with the disapplication of pre-emption rights and in accordance with this authorization must not exceed 10 percent of the share capital. This limit is determined by the share capital of the Company at the time this authorization takes effect or – if lower – at the time this authorization is utilized. To be included in the aforementioned 10 percent limit are (i) shares that have previously been or are simultaneously being sold or issued (with the disapplication of pre-emption rights) during the term of this authorization on the basis of other authorizations; also to be included are (ii) shares that are being or must be issued in order to service bonds with conversion rights, option rights, or conversion or option obligations in so far as these bonds have

previously been or are simultaneously being issued (with the disapplication of pre-emption rights) by the Company or a direct or indirect majority shareholding of the Company during the term of this authorization on the basis of an appropriate authorization.

3.2. The justification for the proposed possibilities for disapplying pre-emption rights is as follows:

3.2.1. Disapplication of pre-emption rights in the event of fractional amounts

Fractional amounts for which an authorization to disapply pre-emption rights is provided may result from the issue volume and the need for a manageable ratio in the pre-emption rights calculation. The disapplication of pre-emption rights for fractional amounts is necessary for the technical implementation of this calculation. The shares arising from the fractional amounts and made available as a consequence of the disapplication of the pre-emption rights of existing shareholders are either sold in the market or otherwise sold to generate the best possible benefit for the Company. The potential dilutive effect is low as only fractional amounts are involved. The disapplication of pre-emption rights is therefore practical and facilitates the implementation of any issue.

3.2.2. Disapplication of pre-emption rights in the event of non-cash capital increases

In the event of a capital increase against non-cash contributions utilizing authorized capital 2025/I, the Board of Management is to be authorized, subject to the consent of the Supervisory Board, to disapply the pre-emption rights of the shareholders in an amount equating to up to 10 percent of the Company's share capital. This will enable the Board of Management, without recourse to the capital markets, to use the Company's shares in suitable individual cases as consideration for non-cash contributions, particularly in connection with mergers or the acquisition of entities, parts of entities or equity investments in entities, or of other assets, such as receivables or industrial property rights, or rights to acquire such other assets. The Company operates in a competitive environment. It therefore needs to be able to act swiftly and flexibly at all times in rapidly changing markets. This includes being able to acquire entities, parts of entities or equity investments in entities, as well as other assets. Experience shows that a high price often has to be paid for the acquisition of entities, parts of entities or equity investments in entities, as well as other assets. In some cases, this price cannot or should not be paid in cash. This may be because the seller demands shares in the acquirer as consideration, or it may be in the interests of the Company to offer shares in the Company, particularly to know-how owners or strategic partners, as a means of securing long-term loyalty to the Company. The

proposed authorization will put DEUTZ AG in a position to acquire assets and to grant shares in return – whether to protect liquidity or because the seller demands them – provided that the assets concerned are eligible as capital contributions. The proposed authorization gives the Company the necessary latitude to quickly and flexibly exploit any opportunities to acquire entities, parts of entities or equity investments in entities, and other assets. Otherwise a planned transaction could be subject to substantial delay. Furthermore, if the Company firstly had to raise funds through a subscription offer, it may not be possible to guarantee the confidentiality or transaction security stipulated by the sellers as a condition, and the transaction could fail for these reasons.

There are currently no specific plans to utilize this authorization. If specific acquisition opportunities present themselves, the Board of Management will carefully review them and will use the authorization granted to it only in the best interests of the Company. Only if these conditions are met will the Supervisory Board grant its consent.

The value of the acquired entity, part of an entity, equity investment, or other assets must not be unreasonably low in relation to the value of the shares to be issued, as determined by an overall assessment to be carried out by the Board of Management and Supervisory Board, so that there is no risk of any impairment of the shareholders' assets. The shares to be granted in the Company and the asset to be acquired will generally be valued at market price or, if no market price can be determined, on the basis of a valuation by an impartial expert e.g. an auditing firm and/or investment bank, in order to avoid the exercising of the authorization leading to any erosion of the Company's share value.

The authorization to disapply pre-emption rights against non-cash contributions also permits the issuance of shares for the purposes of a scrip dividend. The scrip dividend involves offering shareholders the option of exchanging all or part of their dividend entitlement – acquired by way of the profit appropriation resolution of the AGM – for new shares in the Company. A scrip dividend may be implemented as a rights issue, in compliance with the provisions of section 186 (1) AktG (minimum two-week subscription period) and section 186 (2) AktG (announcement of the issue price at least three days before the expiry of the subscription period), without the need for disapplication of pre-emption rights. Depending on the capital market situation, it may however be preferable in an individual case to structure the scrip dividend in such a way that the Board of Management offers new shares to all shareholders eligible for dividends (while complying with the general principle of equal treatment (section 53a AktG)) in exchange for their dividend entitlement, thus granting the shareholders a pre-emption right in economic terms, but at the same time disapplying the pre-emption right of the shareholders to new

shares in legal terms. Disapplication of pre-emption rights may also be necessary if not all shareholders are entitled to a dividend for a financial year, for example because there are different classes of shares. Such disapplication of the pre-emption right enables the scrip dividend to be implemented without the restrictions of section 186 (1) and (2) AktG referred to above, i.e. on more flexible terms. In view of the fact that all shareholders who are eligible for dividends are offered the new shares and surplus dividend amounts are settled through payment of a cash dividend, the disapplication of pre-emption rights would fundamentally appear to be justified and reasonable in such a case.

3.2.3. Disapplication of pre-emption rights in the event of cash capital increases

The pre-emption right may also be disapplied for authorized capital 2025/I pursuant to section 186 (3) sentence 4 AktG in the event of a capital increase against cash contributions. The purpose of this authorization is to make use of the simplified disapplication of pre-emption rights pursuant to section 186 (3) sentence 4 AktG. The statutory disapplication of pre-emption rights provided for in section 186 (3) sentence 4 AktG puts the Company in a position where it can quickly, flexibly, and at low cost make use of the opportunities afforded by stock market conditions at any given time. This will enable the Company to strengthen its capital in the best interests of the Company and all its shareholders. Relieved of the time-consuming and costly processing of pre-emption rights, the Company can rapidly cover any equity capital requirement. It can also attract new groups of shareholders in Germany and abroad. Having this option available is also important to the Company because it needs to be able to make use of opportunities arising in its markets quickly and flexibly, and therefore needs to be able to meet any need for capital, sometimes at very short notice.

Pursuant to section 186 (3) sentence 4 AktG, the authorization is however limited to a maximum of 10 percent of the share capital at the time this authorization takes effect or – if lower – the share capital at the time the authorization is utilized (this restriction on the disapplication of pre-emption rights to 10 percent of the share capital is thus lower than the limit of 20 percent of the share capital that applies in the case of the simplified disapplication of pre-emption rights pursuant to section 186 (3) sentence 4 AktG). The authorization is also subject to the proviso that the issue price for the new shares is not significantly below the market price of the existing publicly listed shares in the Company on the date the final issue price is fixed. The issue price for the new shares will therefore be based on the market price of the already traded shares and will not be substantially below the relevant market price (generally no more than 3 percent lower, never more than 5 percent lower), so that the shareholders need not fear a significant dilution of their

shareholdings.

3.2.4. Disapplication of pre-emption rights in favor of bond holders

Senior management should also be able to disapply pre-emption rights, where necessary, in order to grant holders or creditors of bonds with option or conversion rights or option or conversion obligations (where such bonds are issued or are to be issued in the future by the Company or by one of its direct or indirect majority shareholdings) a pre-emption right to the same amount of new shares in the Company that they would be entitled to as a shareholder following the exercise of their option or conversion rights or after fulfilling option or conversion obligations.

Bond conditions such as these are frequently provided for as an anti-dilution mechanism for bond holders or creditors, in order to facilitate the placement of bonds on the capital market. Pre-emption rights to new shares – equal to those pre-emption rights granted to existing shareholders – are granted to the holders or creditors of the aforementioned bonds in lieu of a discounted option or conversion price. This puts the bond holders or creditors in the same position they would have been in if they were already shareholders. It must be possible to disapply the pre-emption rights of the existing shareholders to these shares in order to allow the terms of the aforementioned bonds to include dilution protection of this nature. The advantage of this approach over dilution protection through a reduction of the option or conversion price is that the Company can achieve a higher issue price for the shares to be issued when the option or conversion right or obligation is exercised.

3.2.5. General limitation for all disapplications of pre-emption rights

In addition, the general limitation for the disapplication of pre-emption rights is restricted to a cumulative 10 percent of the share capital, as explained above. This protects the shareholders as a whole from excessive dilution that would exceed the volume limit of section 186 (3) sentence 4 AktG and that, according to the legislator's intention as expressed in section 186 (3) sentence 4 AktG, might not be able to be reversed through a subsequent purchase of shares via the stock market and, as such, is given preferential status under the law.

4. Report of the Board of Management on agenda item 12 pursuant to section 221 (4) sentence 2 and section 186 (4) sentence 2 AktG

4.1. As a rule, pre-emption rights must be granted to existing shareholders when bonds are issued under the 2025 authorization to issue bonds. Bonds can also be offered by way

of an indirect pre-emption right pursuant to section 186 (5) AktG. However, the Board of Management is authorized, subject to the consent of the Supervisory Board, to disapply such pre-emption rights

- where necessary for fractional amounts arising from the calculation of pre-emption rights;
- if convertible and/or warrant-linked bonds are issued for cash and the issue price is not substantially below the theoretical market value of the convertible or warrant-linked bonds determined in accordance with recognized methods used in financial mathematics;
- if the bonds are issued against non-cash payments or contributions, especially in the context of company mergers or (direct or indirect) acquisitions of entities, businesses, parts of entities, equity investments in entities, or other assets, or entitlements to acquire assets, including receivables from the Company or its subsidiaries;
- where necessary in order to grant holders or creditors of option and/or conversion rights or of corresponding option and/or conversion obligations arising from warrant-linked bonds and/or convertible bonds and/or profit-sharing rights (where such bonds are issued or are to be issued in the future by the Company or by one of its direct or indirect majority shareholdings) a conversion or pre-emption right to the same amount of new shares in the Company that they would be entitled to as a shareholder following the exercise of their option or conversion rights or after fulfilling option or conversion obligations.

Any issuance of bonds with disapplication of the pre-emption right as set out in this authorization is permitted only if the value of the new shares to be issued upon conversion of such a bond or conversion and/or option rights or obligations, expressed as a proportion of the Company's share capital, does not exceed 10 percent of the share capital. This limit is determined by the share capital of the Company at the time this authorization takes effect or – if lower – at the time this authorization is utilized. To be included in this 10 percent limit are (i) shares that have previously been or are simultaneously being sold or issued during the term of this authorization on the basis of another authorization where pre-emption rights are disapplied; also to be included are (ii) shares that are being or must be issued in order to service bonds with conversion rights, option rights, or conversion or option obligations in so far as these bonds have

previously been or are simultaneously being issued by the Company or a direct or indirect majority shareholding of the Company during the term of this authorization on the basis of an appropriate authorization.

4.2. The justification for the proposed possibilities for disapplying pre-emption rights is as follows:

4.2.1. Disapplication of pre-emption rights in the event of fractional amounts

Fractional amounts for which an authorization to disapply pre-emption rights is provided may result from the issue volume and the need for a manageable ratio in the pre-emption rights calculation. The disapplication of pre-emption rights for fractional amounts is necessary for the technical implementation of this calculation. The bonds arising from the fractional amounts and made available as a consequence of the disapplication of the pre-emption rights of existing shareholders are either sold in the market or otherwise sold to generate the best possible benefit for the Company. The potential dilutive effect is low as only fractional amounts are involved. The disapplication of pre-emption rights is therefore practical and facilitates the implementation of any issue.

4.2.2. Disapplication of pre-emption rights in the event of cash capital contributions

The Board of Management is to be authorized, subject to the consent of the Supervisory Board, to disapply pre-emption rights where the convertible bonds or warrant-linked bonds are issued for cash and the issue price of the convertible or warrant-linked bond is not substantially below the theoretical market value determined in accordance with recognized methods used in financial mathematics. The notional amount of the shares (to be issued upon conversion of the bonds issued in accordance with this authorization) as a proportion of the Company's share capital must not exceed 10 percent of the share capital at the time this authorization comes into effect or – if lower – 10 percent of the share capital when this authorization is utilized. This ensures that convertible bonds and/or warrant-linked bonds are not issued if this would lead to disapplication of pre-emption rights for shares worth more than 10 percent of the Company's share capital in direct or indirect application of section 186 (3) sentence 4 AktG without a specific objective reason. In the event that pre-emption rights are disapplied in this way, the issue price for the bonds must not be set significantly below the market value due to the direct or indirect applicability of section 186 (3) sentence 4 AktG. This provision is intended to protect existing shareholders against a dilution of their holdings. In order to ensure that this bond issuance requirement is met, the price at which the bonds are issued must not be significantly lower than the theoretical market value of the convertible bonds/warrant-linked bonds (or profit-

sharing rights or income bonds with attached conversion/option rights, an attached conversion obligation, or an attached right of the Company to sell shares) as determined in accordance with recognized methods used in financial mathematics. The aforementioned provision for disapplication of pre-emption rights gives the Company the flexibility it needs to benefit from favorable capital market conditions at short notice and enables it to take advantage of low interest rates and/or strong demand by issuing these instruments at short notice and in a flexible manner. The decisive factor here is that unlike in the case of bond issuances with pre-emption rights, the issue price does not need to be determined until immediately before the placement, which avoids increased price risk during the subscription period and makes it possible to maximize the issue proceeds in the interest of all shareholders. The disapplication of pre-emption rights also eliminates the need for an advance subscription period for shareholders, which has a positive impact on the cost of the capital increase and the placement risk. For further details, please refer to the comments in the report on agenda item 11.

4.2.3. Disapplication of pre-emption rights in the event of non-cash contributions

It should be possible for the Board of Management to disapply the pre-emption rights of shareholders to the bonds – subject to the consent of the Supervisory Board – if the bonds are issued against non-cash payments or contributions, especially in the context of company mergers or (direct or indirect) acquisitions of entities, businesses, parts of entities, equity investments in entities, or other assets, or entitlements to acquire assets, including receivables from the Company or its group companies. The above applies with the proviso that the value of the non-cash contribution must be appropriate in relation to the value of the bonds. For convertible bonds and/or warrant-linked bonds, the theoretical market value as determined in accordance with recognized methods used in financial mathematics applies. The issue of bonds for a non-cash contribution offers the possibility of using bonds as an acquisition currency in eligible individual cases involving acquisitions of entities, parts of entities or equity investments in entities. This creates flexibility to seize opportunities for acquisitions of entities, parts of entities or equity investments in entities using means other than authorized capital 2025/I, in order to conserve liquidity. In specific cases, this type of approach may also offer advantages with regard to optimization of the financing structure. For further details, please refer to the comments in section 3.2.2.

4.2.4. Disapplication of pre-emption rights in favor of bond holders

Senior management should also be able to disapply pre-emption rights, where necessary, in order to grant holders or creditors of other bonds with option or conversion rights or option or conversion obligations (where such bonds are issued or are to be issued in the future by the Company or by one of its direct or indirect majority shareholdings) a pre-emption right to the same amount of bonds that they would be entitled to as a shareholder following the exercise of their option or conversion rights or after fulfilling option or conversion obligations.

Bond conditions such as these are frequently provided for as an anti-dilution mechanism for bond holders or creditors, in order to facilitate the placement of bonds on the capital market. Pre-emption rights to bonds – equal to those pre-emption rights granted to existing shareholders – are granted to the holders or creditors of the aforementioned bonds in lieu of a discounted option or conversion price. This puts the bond holders or creditors in the same position they would have been in if they were already shareholders. It must be possible to disapply the pre-emption rights of the existing shareholders to these shares in order to allow the terms of the aforementioned bonds to include dilution protection of this nature. The advantage of this approach over dilution protection through a reduction of the option or conversion price is that the Company can achieve a higher issue price for the shares to be issued when the option or conversion right or obligation is exercised.

4.2.5. General limitation for all disapplications of pre-emption rights

In addition, the general limitation for the disapplication of pre-emption rights is restricted to a cumulative 10 percent of the share capital, as explained above. This protects the shareholders as a whole from excessive dilution that would exceed the volume limit of section 186 (3) sentence 4 AktG and that, according to the legislator's intention as expressed in section 186 (3) sentence 4 AktG, might not be able to be reversed through a subsequent purchase of shares via the stock market and, as such, is given preferential status under the law.

5. Overview of the future areas of reserve capital and the related possibilities for disapplying pre-emption rights

5.1. Should the Annual General Meeting on May 8, 2025 accept the motions under agenda items 11 and 12 and the authorizations become effective, the Company will have the following areas of capital and the related possibilities for disapplying pre-emption rights:

Name of reserve capital	Reserve capital rules in the Statutes	Maximum number of new shares to be issued from the reserve capital	Possibility of disapplying pre-emption rights in the cases shown	Maximum volume for disapplication of pre-emption rights	Date of expiry of authorization	Inclusion in the maximum volume when other authorizations to disapply pre-emption rights are used
Authorized capital 2023/I	Section 4 (2) (will not be amended by the Annual General Meeting on May 8, 2025)	up to 24,172,356	Used up	Used up	April 26, 2028 (based on the authorization to issue new shares)	n.a.
Authorized capital 2025/I	Section 4 (3) (new)	up to 27,752,382	<ul style="list-style-type: none"> – for fractional amounts; – where the simplified disapplication of pre-emption rights pursuant to section 186 (3) sentence 4 AktG is used (maximum of 10 percent of the share capital and not, as stipulated by law, maximum of 20 percent of the share capital); – in the event of non-cash contributions; – in the event of an issue to holders of option and/or conversion rights or option and/or conversion obligations in the amount to which they would be entitled as a shareholder following exercise of the 	Maximum of 10 percent of the share capital. This limit is determined by the share capital of the Company at the time this authorization takes effect or – if lower – at the time this authorization is utilized.	May 7, 2030 (based on the authorization to issue new shares and the related disapplication of pre-emption rights)	Yes

Name of reserve capital	Reserve capital rules in the Statutes	Maximum number of new shares to be issued from the reserve capital	Possibility of disapplying pre-emption rights in the cases shown	Maximum volume for disapplication of pre-emption rights	Date of expiry of authorization	Inclusion in the maximum volume when other authorizations to disapply pre-emption rights are used
			option or conversion right.			
Conditional capital 2025	Section 4 (4) (new)		<ul style="list-style-type: none"> – for fractional amounts; – where the simplified disapplication of pre-emption rights pursuant to section 186 (3) sentence 4 AktG is used (maximum of 10 percent of the share capital and not, as stipulated by law, maximum of 20 percent of the share capital); – in the event of non-cash contributions; – in the event of an issue to holders of option and/or conversion rights or option and/or conversion obligations in the amount to which they would be entitled as a shareholder following exercise of the option or conversion right. 	Maximum of 10 percent of the share capital. This limit is determined by the share capital of the Company at the time this authorization takes effect or – if lower – at the time this authorization is utilized.	May 7, 2030 (based on the authorization to issue convertible bonds and/or warrant-linked bonds and the related disapplication of pre-emption rights)	Yes

5.2. These three authorizations are all subject to the limitation that the issue of new shares or the creation of conversion rights and/or option rights or obligations in respect of new shares is permitted only to the extent that the new shares issued and/or the conversion and/or option rights or obligations created in respect of shares do not in total exceed 40 percent of the share capital. This limit is determined by the share capital of the Company at the time these authorizations take effect or – if lower – at the time these authorizations are utilized. Calculation of the aforementioned 40 percent limit under the three authorizations is to include (i) shares that have previously been or are simultaneously being sold or issued during the term of these authorizations on the basis of other authorizations. Also to be included are (ii) shares that are being or must be issued in order to service bonds with conversion rights, option rights, or conversion or option obligations in so far as these bonds have

previously been or are simultaneously being issued by the Company or a direct or indirect majority shareholding of the Company during the term of these authorizations on the basis of an appropriate authorization.

5.3. There are no other areas of reserve capital. Nor is there any authorization to purchase and use treasury shares.

6. Final assessment of the Board of Management on the disapplications of pre-emption rights described above

In the opinion of the Board of Management, taking into account all circumstances presently known, the proposed authorizations to disapply pre-emption rights set out above thus serve legitimate purposes, are in the Company's interest, and appear to be suitable and necessary for achieving these purposes. The possibilities for disapplying pre-emption rights are also proportionate with regard to the shareholders' interests, as they take account of the interests of the Company in disapplying pre-emption rights in the specific circumstances referred to, while at the same time taking appropriate account of the interests of the shareholders.

This appears to be the case here, partly because the possibility of disapplying pre-emption rights cumulatively across all authorizations is limited to a maximum of 10 percent of the share capital and, therefore, is even lower than the upper limit of 20 percent under the simplified disapplication of pre-emption rights accorded for the protection of existing shareholders pursuant to section 186 (3) sentence 4 AktG.

There are currently no specific plans to utilize the authorizations.

The Board of Management will utilize the requested authorizations with the disapplication of pre-emption rights only if, in the specific instances, this is suitable, necessary and – in view of the impaired shareholder interests – proportionate to achieve a legitimate objective in the Company's interest.

In instances of simplified disapplication of pre-emption rights pursuant to section 186 (3) sentence 4 AktG, the Board of Management will also take account of the conditions under which the shareholders are able to repurchase shares via the stock market. Only if the required conditions are met will the Supervisory Board grant its consent.

If the Board of Management utilizes an authorization, it will report on this at the next Annual General Meeting.

Dr. Sebastian C. Schulte

Oliver Neu

Dr. Ing. Petra Mayer

Chairman of the Board of Management
Chief Executive Officer (CEO)

Chief Financial Officer (CFO)

Chief Operating Officer (COO)