

Report of the Executive Board on agenda item 10 pursuant to sections 71 para. 1, no. 8, 186 para. 3 and para. 4 AktG

The Executive Board hereby reports to the Annual General Meeting in writing as follows on the reasons for the exclusion of subscription rights in accordance with sections 71 para. 1 no. 8 sentence 5 and 186 para. 4 sentence 2 AktG:

Under agenda item 10 of the Annual General Meeting, it is proposed that the Executive Board be authorised in accordance with section 71 para. 1 no. 8 AktG to purchase treasury shares up to a total of 10 percent of the share capital existing at the time the authorisation becomes effective or - if lower - at the time it is exercised, until August 28, 2028.

The proposed authorisation provides that the treasury shares may be purchased on the stock exchange or by way of a public purchase offer to all shareholders. In the event of a public purchase offer, the Company will make an offer to all shareholders. The volume of acceptance of the public purchase offer may be limited. If the total subscription to the offer exceeds this volume, the declarations of acceptance - to the exclusion of the shareholders' right, if any, to tender shares - shall generally be taken into account in proportion to the number of shares tendered in each case (tender ratios). In order to avoid notional fractions, commercial rounding and preferential consideration of small numbers of up to 100 shares tendered for the acquisition of shares in the Company per shareholder may also be provided for to the partial exclusion of any right of shareholders to tender their shares. The purpose of this is to facilitate the technical procedure for the settlement of the offer. The preferential consideration of small quantities also serves to avoid small remainders of shares and costs for shareholders arising in connection therewith. The Executive Board considers the exclusion of the shareholders' tender right to be objectively justified and reasonable vis-a-vis the shareholders. Moreover, the Executive Board is to be free to determine a price range within which shareholders may submit offers under a public purchase offer. This is the case, for example, in a "Dutch auction" in which shareholders submit offers to tender their shares to the Company within a certain price range. In this case, it may be provided that the final price is determined based on the amount and number of bids, depending on the fixed total amount at which the repurchase of the major part of the shares is possible or the lowest price at which the repurchase of a certain number of shares is possible. Under a price-range based purchase offer, offers by shareholders demanding a purchase price that is too high may be disregarded. Also in this respect, any right of shareholders to tender their shares is excluded.

The Executive Board is to be authorised to use the Company's treasury shares for all legally permitted purposes. In particular, the Executive Board is to be able to sell the treasury shares on the stock exchange or by means of an offer addressed to all shareholders. Moreover, it is to be able to use the treasury shares, with the consent of the Supervisory Board, in particular as follows, with the shareholders' subscription rights to the shares being excluded in each case:

Pursuant to sections 71 para. 1 no. 8 sentence 5, 186 para. 3 sentence 4 AktG, it is to be possible to sell the shares in cash at a price that is not significantly lower than the stock exchange price of the Company's shares of the same class at the time of the sale. The pro rata amount of the share capital attributable to the shares for which subscription rights are excluded may in this case not exceed a total of 10 percent of the share capital, even in the case of several sales transactions, neither at the time the authorisation becomes effective nor at the time it is exercised. The pro rata amount of the share capital attributable to shares issued

during the term of this authorisation in direct or analogous application of section 186 para. 3 sentence 4 AktG to the exclusion of subscription rights is to be set off against this maximum limit. In addition, the maximum limit of 10 percent of the share capital shall include the pro rata amount of the share capital which, at the time of the issuance of Bonds, is attributable to shares to be issued for the fulfilment of obligations arising from Bonds, insofar as the Bonds are issued during the term of this authorisation to the exclusion of the shareholders' subscription rights pursuant to sections 221 para. 4 sentence 2, 186 para. 3 sentence 4 AktG.

With this authorisation, use is to be made of the simplified exclusion of subscription rights pursuant to sections 71 para. 1 no. 8 sentence 5, 186 para. 3 sentence 4 AktG. This enables the Executive Board to quickly, flexibly and cost-effectively use opportunities arising from the respective stock market situation. Sales proceeds that can be achieved by setting a price close to the market usually result in a significantly higher cash inflow per share sold than in the case of a share placement with subscription rights. By waiving a time-consuming and costly settlement of the subscription rights, the Company's capital requirements may be covered from market opportunities arising in the short term. Section 186 para. 2 sentence 2 AktG permits the publication of the subscription price no later than three days prior to the expiry of the subscription period. However, given the volatility prevailing on stock markets, there is, also in this case, a market risk over several days, which may result in safety discounts when determining the sale price and, thus, in conditions that are not close to the market and not optimal for the Company.

In the event this authorisation is exercised, shareholders' pecuniary interests are safeguarded in that the Company may sell treasury shares only at a price that is not significantly lower than the respective stock exchange price. The sale price for the treasury shares is finally determined shortly before the sale. Taking into account the current market situation, the Executive Board will endeavour to keep any discount from the stock exchange price as low as possible. The shareholders' voting and participation interests are safeguarded in accordance with the statutory requirements in that the total number of shares issued during the term of the proposed authorisation, including existing authorisations in direct or analogous application of section 186 para. 3 sentence 4 AktG, to the exclusion of subscription rights (e.g., when using authorised capital), may not exceed 10 percent of the Company's share capital. In addition, the limit of 10 percent of the share capital shall include the pro rata amount of the share capital attributable to shares to be issued for the fulfilment of obligations arising from Bonds, insofar as the Bonds are issued during the term of this authorisation to the exclusion of the shareholders' subscription rights pursuant to sections 221 para. 4 sentence 2, 186 para. 3 sentence 4 AktG. This is to minimize the dilution effect for shareholders excluded from subscription rights. Given the limited scope of dilution, if any, the shareholders affected by the exclusion of subscription rights, in principle, also have the option of maintaining their shareholding through an additional purchase via the stock exchange and, thus, on fair market terms.

It is to be possible to sell the shares as part of a merger with companies or, in suitable individual cases, as part of an acquisition of real estate, real estate portfolios, companies, parts of companies or shareholdings in companies or other assets (including receivables from the Company). This is to enable the Executive Board to acquire real estate, real estate portfolios, companies, parts of companies or shareholdings in other companies or other assets (including receivables from the Company) from third parties quickly, flexibly and with minimum impact on liquidity in return for the transfer of treasury shares. This significantly increases the Executive Board's competitive edge. The acquisition opportunities that arise generally exist only for a short period of time. A sale of treasury shares to shareholders to generate the funds required for an acquisition is, therefore, regularly not an option and may also have a negative impact on the stock exchange price of the Company's shares. The use of treasury shares - either in lieu of, or in combination with, an issue of new shares from authorised capital - provides a flexible instrument for this purpose. It requires the exclusion of subscription rights. When determining the valuation ratios, the Executive Board will ensure that the shareholders' interests are safeguarded adequately. The Executive Board will use the stock exchange price

of the Company's shares as a guideline when determining the value of the shares granted by way of consideration. In this context, no schematic link to a stock exchange price is intended, in particular in order to prevent the results of negotiations from being put in question by fluctuations in the stock exchange price.

In addition, the Supervisory Board is to be authorised to grant and transfer the shares to the members of the Executive Board of the Company as part of the determination of the variable remuneration. Due to legal requirements, the variable remuneration of the Executive Board must be based on sustainable and multi-year corporate development. In order to ensure a sustained positive corporate development and that the Executive Board's actions are more closely aligned with the shareholders' interests, it may be appropriate to grant a portion of the Executive Board's variable remuneration, which is dependent on the corporate performance, in the form of treasury shares. If structured accordingly, the objective of adequate Executive Board remuneration pursuant to section 87 para. 1 AktG can be realized at the same time by reflecting not only positive but also negative developments in the Executive Board remuneration. In particular, the granting of shares with a lock-up period of several years or comparable arrangements can create a true malus effect in addition to the bonus in the event of negative developments. The use of treasury shares as variable remuneration components for the members of the Executive Board is in the interest of the Company. With this instrument, greater economic joint responsibility of the Executive Board members for the interests of the Company and those of the shareholders is established. As the shares are transferred instead of paying out in cash a variable portion of the remuneration, the Company's liquidity is also preserved. Given the limited number of shares so used, the exclusion of subscription rights will not have a material adverse effect on shareholders.

Finally, the Executive Board is to be authorised to cancel the treasury shares acquired in accordance with section 237 para. 3 no. 3 AktG without any further resolution by the Annual General Meeting. This does not entail an exclusion of the shareholders' subscription rights.

In the event of a sale of treasury shares by way of an offer to all shareholders, the Executive Board is also to be authorised to exclude the shareholders' subscription rights for fractional amounts. The purpose of the possible exclusion of subscription rights for fractional amounts is to make subscription rights technically easier to exercise. The fractions of shares excluded from the shareholders' subscription rights will be realized either by sale on the stock exchange or in any other manner so as to best further the Company's interests. The dilution effect for shareholders is small given the restriction to fractional amounts.

Having weighed up all circumstances, the Executive Board considers the exclusion of subscription rights in the aforementioned cases to be objectively justified and appropriate vis-à-vis the shareholders for the reasons outlined, also taking into account the dilutive effect to the detriment of the shareholders. The Executive Board will carefully consider in each individual case whether to make use of the aforementioned authorisations. These options will only be used if, in the opinion of the Executive Board, this is in the best interests of the Company and, thus, of its shareholders and proportionate.

In the event that an authorisation is exercised, the Executive Board will inform the Annual General Meeting following the exercise of the authorisation.

Hamburg, July 2023

The Management Board