

# 2021

## Annual General Meeting

June 9, 2022

Report of the General  
Partner on Top 7

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## **Report of the General Partner to the General Meeting pursuant to Section 203 (2) sentence 2 in conjunction with Section 186 (4) and Section 278 (3) Stock Corporation Act**

The authorization requested under Item 7 of the Agenda is intended to sustain and broaden the company's equity capital base and is to replace already existing authorized capital. The availability of appropriate equity capital is the basis for the company's business development. Even though the company has adequate equity capital resources at its disposal at the present time, it must have the necessary scope to be able to obtain equity capital at any time and in accordance with the market situation at the given time.

Through the authorization requested under Item 7, which is to replace the authorization resolved by the general meeting on March 7, 2018, under Agenda Item 4, valid until January 31, 2023, authorized capital is to be created in the amount of € 20,000,000.

In the utilization of the Authorized Capital 2022/I, the shareholders in principle have pre-emptive rights. However, the General Partner shall in certain cases be entitled, with the approval of the Supervisory Board, to exclude the pre-emptive rights of the shareholders:

The exclusion of pre-emptive rights for broken amounts permits utilization of the requested authorization in round amounts while retaining a simple subscription ratio. This facilitates the processing of shareholders' pre-emptive rights.

The authorization for the exclusion of the subscription right of the shareholders in the event of a capital increase in exchange for contributions in kind enables the administration to acquire companies or participations in companies in exchange for providing new shares in the company. The General Partner accordingly is given the possibility to quickly react to attractive offers or opportunities and use the possibilities for acquisitions with the necessary flexibility. During negotiations, there is often a necessity or a mutual interest to be able to (also) offer new shares in the company to sellers as consideration. At the time, the acquisition of companies or participations in companies in exchange for granting shares is also in the direct interest of the company given, contrary to the situation involving a payment of money, the issuance of new shares preserves liquidity and, therefore, constitutes in many cases the more beneficial form of financing.

The additional possibility of excluding pre-emptive rights in cases of capital increases for cash pursuant to Section 186 (3) sentence 4 Stock Corporation Act enables the administration to exploit favorable stock market situations and, through pricing close to the market, to obtain the highest possible issue proceeds and thus the greatest possible strengthening of own funds capital. The authorization ensures that, pursuant to it, shares may only be issued with the exclusion of shareholders' pre-emptive rights based on Section 186 (3) sentence 4 Stock Corporation Act up to the maximum limit of 10% of the share capital to the extent shares have not already been issued or sold with the exclusion of pre-emptive rights during its validity, in direct or analogous application of Section 186 (3) sentence 4 Stock Corporation Act. Also to be counted towards this maximum limit are shares that are to be issued to service option or conversion rights if the underlying bonds or participatory rights were issued with the exclusion of pre-emptive rights in corresponding application of Section 186 (3)

sentence 4 Stock Corporation Act during the validity of this authorization. In the event this possibility of increasing capital is used, the administration will limit any mark-down on the issue price compared with the stock market price to a maximum of presumably 3%, but in any event not more than 5%. In the event of such a capital increase, shareholders who want to maintain their investment ratio have the possibility to purchase shares on the stock market at conditions that essentially correspond to the issue of the new shares. In such case, this does not result in economic terms to a dilution of shareholders' equity interests.

The General Partner may make use of the authorizations above to exclude pre-emptive rights only to the extent that the proportional amount of the newly issued shares with the exclusion of pre-emptive rights does not exceed in total 10% of the share capital. Thereby, the total volume of an issuance of new shares without pre-emptive rights is additionally limited. Thus, the shareholders are further protected against a potential dilution of their existing shareholding. By deduction clauses it is ensured that the General Partner does also not exceed the 10% limit by making use of other authorizations to issue shares or to issue rights that enable or obligate the subscription of shares and also excludes the pre-emptive rights in the process. Own shares that are resold (e.g. as variable compensation or via stock exchanges) are not counted towards the limit.

There are no specific plans at present for a utilization of the new authorized capital. The General Partner will report to the General Meeting on any utilization of the authorized capital.