

Deutsche Balaton

Aktiengesellschaft

– Courtesy Translation from German original –

Heidelberg (Germany), March 9, 2023

Annual General Meeting on May 10, 2023

here: Motion for amendment of the agenda pursuant to Section 122 (2) of the German Stock Corporation Act (AktG) and countermotion to the resolution on the appropriation of profits

Dear Dr. Lohr, dear Mr. Riemensperger,

We refer to the announced Annual General Meeting of K+S Aktiengesellschaft (“**K+S**” or “**Company**”) on May 10, 2023.

Deutsche Balaton Aktiengesellschaft has held a proportionate interest of 500,000 euros in the share capital of the Company since at least December 1, 2022, without interruption. Our shareholdings and the fulfillment of the relevant quorum are known to you from the share register. As a precautionary measure, we are enclosing the relevant bank certificates.

Deutsche Balaton Aktiengesellschaft hereby affirms that it will hold its aforementioned shares at least until the end of the Annual General Meeting on May 10, 2023, and hence at least until the resolution of the Board of Executive Directors of K+S on this proposal. Therefore, the requirements of Section 122 (2) of the German Stock Corporation Act are fulfilled. Deutsche Balaton Aktiengesellschaft is entitled to a motion to amend the agenda and to demand the publication of the submitted resolution items.

Pursuant to Section 122 (2) AktG, Deutsche Balaton Aktiengesellschaft hereby requests to amend the agenda of the next Annual General Meeting, which is expected to be convened on May 10, 2023, or alternatively the next Annual General Meeting, to include the following resolution item and duly announce this request for amendment together with the invitation to

the Annual General Meeting (see I below). Furthermore, we are already announcing a counter-motion on the appropriation of profits (see II below).

- I. **Resolution on the reduction of the share capital by cancellation of own shares after acquisition by the Company (Section 237 (3), (4) of the German Stock Corporation Act – AktG); authorization of the Board of Executive Directors to acquire own shares (Section 71 (1) No. 6 of the German Stock Corporation Act – AktG); authorization of the Supervisory Board to amend the wording of Section 4 (1) of the Articles of Association of the Company in accordance with the implementation of the capital reduction**

Deutsche Balaton Aktiengesellschaft proposes to adopt the following resolution:

a) Reduction of capital by cancellation of shares to be acquired

aa) The share capital entered in the Commercial Register of the Company at the time of implementation of the capital reduction shall be reduced by a total amount of up to 38,280,000 euros by cancellation of fully subscribed shares of the Company still to be acquired in accordance with Section 237 (3) No. 2, (4) and (5) AktG. The exact amount of the reduction corresponds to the pro rata amount of the share capital attributable to those shares acquired by the Company in connection with the buyback tender offer set out under this item b) of the agenda.

bb) The resolution will only be implemented to the extent that the shares to be cancelled are acquired by the Company in connection with the buyback tender offer in accordance with the more detailed provisions of letter b) below under this item pursuant to Section 71 (1) No. 6 of the German Stock Corporation Act (AktG). The shares to be cancelled will be acquired and cancelled by the Company within a period to be determined by the Board of Executive Directors ending on December 23, 2023. If this resolution is appealed in court, the aforementioned period shall end 4 months after the decision in the court proceedings becomes final or is otherwise terminated (for example by withdrawal of the application, the “**implementation period**”). The buyback tender offer shall commence immediately after the legal requirements have been met and shall last for at least two weeks. The capital reduction is to be effected for the purpose of partially returning the share capital to the shareholders.

cc) The shares shall be acquired in accordance with the provisions of letter b) below under this item. The shares acquired shall be cancelled immediately after acquisition and fulfillment of all relevant requirements. The shares shall be cancelled at the expense of the unappropriated profit or a freely disposable reserve within the meaning of Section 237 (3) No. 2 of the German Stock Corporation Act (AktG), insofar as these are available for this purpose. The cancellation shall first be made against the freely available reserves and then, only to the extent that these are exhausted, against the unappropriated profit. In accordance with Section 237 (5) of the German Stock Corporation Act (AktG), the amount corresponding to the pro rata amount of the share capital attributable to the cancelled shares is to be transferred to the capital reserve.

dd) The Board of Executive Directors shall specify any further details with the approval of the Supervisory Board.

b) Acquisition of own shares pursuant to Section 71 (1) No. 6 of the German Stock Corporation Act (AktG)

aa) The Board of Executive Directors is authorized and assigned pursuant to Section 71 (1) No. 6 AktG, with the consent of the Supervisory Board, to acquire shares of the Company with a pro rata amount of the share capital attributable to them of up to 38,280,000 euros in total by way of purchase for the purpose of cancellation in accordance with the capital reduction resolution on this item pursuant to letter a). The acquisition shall initially take place outside the stock exchange by means of a public buyback tender offer addressed to all shareholders (partial offer, the “**buyback tender offer**”). Details of the buyback tender offer shall be set out in an offer letter.

bb) The tender ratio for this buyback tender offer is 5:1, i.e., the ownership of 5 shares of the Company entitles one shareholder of the Company – irrespective of any additional acquisition of further tender rights – to accept the buyback tender offer for shares of the Company (the “**tender ratio**”).

The shareholders of the Company are entitled to corresponding tender rights, whereby one share of the Company, except for own shares held by the Company, conveys one tender right and 5 tender rights are required to accept the buyback tender offer for one share of the Company (the “**tender rights**”). The tender rights are transferable, and the

Board of Executive Directors shall endeavor to have the tender rights traded in the over-the-counter market or in a higher market segment on a German stock exchange.

The shareholders' declarations of acceptance shall be taken into account by registering with the Company the tender rights attributable to the shareholding and any additional tender rights acquired from other shareholders.

cc) The purchase price to be offered by the Company shall be 24.50 euros per share of the Company, but not less than 110% of the volume-weighted average price of the Company's shares in XETRA trading on the Frankfurt Stock Exchange over the seven trading days prior to the date of commissioning of the publication of the buyback tender offer in the German Federal Gazette (Bundesanzeiger), but not more than 34.00 euros per share (the "**purchase price**").

dd) The Board of Executive Directors shall specify the details of the buyback tender offer with the approval of the Supervisory Board.

ee) Insofar as the Company does not acquire at least 30,000,000 own shares through the buyback tender offer, the Company must acquire the remaining own shares for the purposes of the capital reduction resolved under a) on the stock exchange within a period of 8 weeks after expiry of the acceptance period of the buyback tender offer, insofar as this is possible for the Company according to the following and within the framework of the unappropriated profit and free reserves available to it. The purchase price per share may not exceed the volume-weighted average price of the Company's shares in XETRA trading on the Frankfurt Stock Exchange over the seven trading days prior to the respective purchase by more than 10% and may not exceed 34.00 euros.

c) Authorization of the Supervisory Board

The Supervisory Board is authorized to amend the wording of Section 4 (1) of the Articles of Association (share capital and shares) to reflect the extent to which the capital reduction is implemented.

The resolution pursuant to this agenda item shall be invalid to the extent that the acquisition of the shares to be cancelled and the cancellation have not been carried out by the end of the implementation period at the latest (see above in this item under a) bb)). The Board of

Executive Directors and the Chairman of the Supervisory Board are instructed to file the registration of the resolution on the reduction of the share capital together with the implementation of the reduction of the share capital with the Commercial Register without undue delay after the prerequisites for its registration have been met (in particular after the shares have been cancelled and, in the event of pending actions for rescission, the conclusion of release proceedings pursuant to Section 246a AktG in which the Company prevails).

Justification and provisional report

Economic advantages of the proposed resolution

The proposed resolution serves

- a) optimizing the capital structure,
- b) increasing earnings per share in future financial years
- c) preventing unnecessary tax payments for a large number of shareholders
- d) approximating the stock market price to the fair value of 42.00 euros per share indicated by the management itself in November 2022.

In detail:

- a) A capital structure with equity only (and also without interest-bearing debt) does not meet the requirements of rational capital market theory. Debt capital is significantly cheaper than equity, equity is the most expensive capital. By implementing the proposed resolution, the WACC (weighted average cost of capital) would decrease, and the Company would be valued at higher price targets.
- b) Cancellation of own shares increases earnings per share, ceteris paribus, as interest expense or interest not received on liquidity is significantly lower (2% to 5% p.a.) than earnings per share (over 15% of the acquisition price). Earnings compression has a positive effect on the valuation of the share.
- c) As an alternative to share buybacks, dividends could be distributed to improve the capital structure. Dividend distributions are not tax-optimal. For many shareholders, dividend payments lead to significantly higher tax payments than tax payments in the event of disposal on correspondingly higher capital gains. Moreover, dividend payments are limited to retained earnings, do not lead to earnings compression per

share and, as a rule, the stock price falls after a dividend payment. A share buyback is by far the superior alternative.

- d) Share buybacks below the actual value of a share (according to the Board of Executive Directors of K+S 42 euros) lead to an increase in the value per share in the direction of 42 euros. The book value of the K+S share will also increase in the event of buybacks at prices that are below the current book value (expected equity per share according to the expected consolidated balance sheet as of December 31, 2022, of more than 34 euros per share).

To date, the Company has failed to prove that the rejection of the notified offer of 41.00 euros per share from Potash Corporation of Saskatchewan Inc. in 2015 was correct and in line with shareholder interests. Today's CEO Dr. Lohr was CFO at that time and supported this rejection.

In our view, the K+S share represents an attractive investment for investors and ultimately also a very attractive use of capital for K+S AG itself. The Company is benefiting from the current geopolitical decline in supply on the potash market, from long-term megatrends (population growth, climate change and decline in agricultural production area per capita) and from its operating strengths, while generating high positive cash flows.

The current share price of around 22 euros does not reflect this value by far with a P/E ratio of around 4-5 x the expected earnings in 2023. According to the investor relations publication of November 2022, the fair value of the K+S share is approx. 42 euros.

At the same time, the Company is free of net financial liabilities and is also expected to generate a high free cash flow in the coming years.

In this respect, the conditions are ideal for creating additional value for the Company and its shareholders through a share buyback program.

By 2025 alone, a share buyback program of around 50% of the shares issued could increase the then expected earnings per share by almost 100%, i.e., almost double!

In our assessment, there would also be sufficient funds available for the optimization and further development of the existing business. This does not yet take into account the fact that the Company's stable financial situation would allow it to raise further debt capital without difficulty.

A share buyback program is also an ideal value lever from the Company's point of view, as the share is quoted at only around 60-65% of the book value of its equity. Many successful CEOs have used share buyback programs to increase value in such situations. Investing in one's own stock, whose potential one can judge best oneself, at a price far below the fair value is clearly preferable to opening up new business areas or the (risky) takeover of other companies (cf. "The Outsiders", William N. Thorndike, Jr; 2022, published by Norman Rentrop).

Capital reduction by cancellation and acquisition of own shares as part of the buyback tender offer

Purposes of the capital reduction

The capital reduction is for the purpose of partial return of the share capital to the shareholders. Deutsche Balaton Aktiengesellschaft proposes the acquisition of own shares and the reduction of the share capital instead of the distribution of a higher dividend than 0.20 euros per share from the liquid cash funds, as in this way, in addition to the distribution to the shareholders, the aforementioned further purposes in the interest of the Company and also the alignment of the investor base to a long-term strategy can be achieved.

Cancellation at the expense of the unappropriated profit or a freely available reserve within the meaning of Section 237 (3) No. 2 of the German Stock Corporation Act (AktG)

Pursuant to Section 237 (3) No. 2 of the German Stock Corporation Act (AktG), the cancellation is to be made at the expense of the unappropriated profit or a freely available reserve to the extent that these are available for this purpose. The cancellation shall first be made at the expense of the freely available reserves and, only to the extent that these are exhausted, then at the expense of the unappropriated profit. In accordance with Section 237 (5) of the German Stock Corporation Act (AktG), the amount corresponding to the pro rata amount of capital stock represented by the cancelled shares is to be transferred to additional paid-in capital.

In the course of the implementation measures of the buyback tender offer and the cancellation of the own shares to be acquired, the Board of Executive Directors shall examine whether the unappropriated retained earnings and/or freely available reserves continue to be available to a sufficient extent.

Cancellation obligation

The shares bought back by the Company pursuant to a resolution in accordance with the aforementioned agenda item must be cancelled. The resolution on cancellation is not at the discretion of the Board of Executive Directors. The bought-back shares are not available for use for purposes other than their cancellation.

Buyback tender offer

The buyback tender offer shall be addressed to all shareholders of the Company. The acquisition shall be effected outside the stock exchange by means of a public buyback tender offer (partial offer) addressed to all shareholders (for the tender ratio and tender rights, see below under "*tender ratio and tender rights*").

The acquisition of own shares of the Company pursuant to the buyback tender offer shall be effected pursuant to a resolution of this Annual General Meeting in accordance with the provisions on the reduction of the share capital. The registration of the resolution of this Annual General Meeting in the Commercial Register of the Company is not a prerequisite for the acquisition of own shares and the execution of the buyback tender offer.

Therefore, up to 38,280,000 shares of the Company may be acquired under the buyback tender offer.

Reduction amount

Irrespective of other changes in the share capital, the share capital entered in the Commercial Register at the time of implementation of the capital reduction shall be reduced by a total amount of up to 38,280,000 euros by cancellation of fully paid-up shares of the Company still to be acquired in accordance with Section 237 (3) No. 2, (4) and (5) AktG.

The reduction amount corresponds to the pro rata amount of the share capital attributable to those shares acquired by the Company in connection with the buyback tender offer.

The Board of Executive Directors shall therefore be authorized pursuant to Section 71 (1) no. 6 AktG, with the consent of the Supervisory Board, to acquire and cancel shares of the Company with a proportionate amount of the share capital attributable to it of up to 38,280,000 euros in total within an implementation period to be determined by it in accordance with the capital reduction resolution. The Supervisory Board is to be authorized to amend the wording of Section 4 (1) of the Articles of Association (share capital and shares) to reflect the extent to which the capital reduction is implemented.

The amount equal to the pro rata amount of the share capital attributable to the cancelled shares will be transferred to the capital reserve of the Company in accordance with Section 237 (5) of the German Stock Corporation Act (AktG).

Purchase price per share

The purchase price offered by the Company is expected to be 24.50 euros per share of the Company and, pursuant to 1, b) cc) of the proposed resolution, may also be up to 34.00 euros per share (the determined price per share of the Company, the "purchase price").

In the assessment of Deutsche Balaton Aktiengesellschaft, the purchase price is appropriate.

Deutsche Balaton Aktiengesellschaft is of the opinion that the amount of the purchase price is in any case covered by the fundamental value of a share in the Company. The value of the balance sheet equity per share amounts to 34.10 euros (based on the consolidated quarterly report as of September 30, 2022; equity attributable to the shareholders of the Company divided by the number of shares), as of December 31, 2022, and as of March 31, 2023, the equity per share should have increased further.

Deutsche Balaton Aktiengesellschaft also considers the level of the purchase price to be required because, in its assessment, shareholders of the Company will only exercise their tender rights to the full extent if the purchase price is higher than the current share price of the Company.

In the event of a buyback of a maximum of 38,280,000 shares in the Company, the payout volume would amount to around 938 million euros at a purchase price of 24.50 euros per share. The Company has cash and credit lines available to finance the payout volume. Free cash flow in 2022 alone could amount to around 1 billion euros.

Acceptance period

The buyback tender offer shall provide for a period for acceptance in the offer letter. The exact date of publication of the buyback tender offer and the duration of the acceptance period are to be determined by the Board of Executive Directors with the approval of the Supervisory Board. Provided the Annual General Meeting adopts the proposed resolutions, it can be assumed that the acceptance period will be at least two weeks (10 working days) from mid-June 2023.

Tender ratio and tender rights

Each shareholder is entitled to tender rights in the context of the buyback tender offer and therefore the right to participate in the buyback by the Company on a pro rata basis of his shareholding by registering with the Company the tender rights attributable to the shareholding as well as any additional tender rights acquired from other shareholders. The tender ratio for this buyback tender offer is 5:1, i.e., the ownership of 5 shares of the Company entitles a shareholder of the Company – irrespective of any additional acquisition of tender rights - to accept the buyback tender offer for 1 share of the Company (the "tender ratio").

The shareholders of the Company are entitled to corresponding tender rights, whereby one share of the Company, except for own shares held by the Company, conveys one tender right and 5 tender rights are required in order to be able to accept the repurchase offer for one share of the Company (the "tender rights"). The tender rights are transferable.

Tender rights trading

To the extent legally and technically possible, tender rights trading shall be made possible and established and further specified by the Board of Executive Directors with the approval of the Supervisory Board. The purpose of tender rights trading is to enable shareholders to realize the value of their tender rights by selling them to other shareholders without being forced to tender the shares to the Company. Conversely, shareholders wishing to tender more shares than would correspond to their shareholding quota are given the opportunity to acquire additional tender rights. Shareholders who would not be able to tender whole shares due to the defined tender ratio can realize the value of the tender rights to which they are entitled by selling them in the context of tender rights trading or, conversely, acquire additional tender rights in order to be able to tender a whole number of shares.

Shareholders have no entitlement to the establishment of a tender rights trading system. The possibility for shareholders to sell the tender rights to which they are entitled to other shareholders outside of a tender rights trade set up by the Company remains unaffected.

The Board of Executive Directors will decide on the whether and how of any stock exchange-based tender rights trading in connection with the preparation of the offer letter.

Offer letter

The Board of Executive Directors shall specify the details of the buyback tender offer with the approval of the Supervisory Board. The further details of the buyback shall be set out in the offer letter for the buyback tender offer and published with it.

II. Countermotion on the agenda item “Resolution on the appropriation of profits”

If the proposal for the appropriation of profits by the Board of Executive Directors and/or the Supervisory Board provides for a dividend payment of more than 0.20 euros per share, Deutsche Balaton Aktiengesellschaft announces the following countermotion:

The unappropriated profit for the 2021 financial year will be used to pay a dividend of 0.20 euros per eligible share. The remaining unappropriated profit will be transferred in full to retained earnings.

Justification

Although a dividend payment would be possible in parallel with the implementation of a share buyback program due to the high cash flow of K+S AG, a share buyback is generally preferable to a dividend payment. The share buyback leaves it up to the shareholders to decide whether they would like to bring about a cash return through a share sale or continue to remain fully invested without having to bear the costs of reinvesting the dividend payment.

Furthermore, a share buyback has significant tax advantages for domestic institutional investors organized as a corporation and subject to taxation. Pursuant to Section 8b of the German Corporation Tax Act (Körperschaftsteuergesetz), 95% of price gains are tax-exempt in this case, which is not the case for dividends in the case of shareholdings of less than 10% (corporation tax) or 15% (trade tax). No shareholder of K+S holds more than 10% in the Company.

If only approx. 20% of dividend income is attributable to such shareholders and a dividend of 1 euro is paid, approx. 40 million euros of total dividends would be attributable to such shareholders. On this, these shareholders would have to pay approx. 12 million euros in taxes on such a dividend payment. In the case of a sale at a share value approx. 40 million euros higher, only approx. 0.6 million euros in taxes, a difference of approx. 11 million euros for a 40-million-euro dividend payment. Using the 40 million euros for a share buyback, the Company acquires an actual value of around 65 million euros. The positive difference should sooner or later have a positive effect as a higher stock market value. Those shareholders who would not have to pay taxes even if dividends were paid out would also not be disadvantaged by share buybacks instead of dividends; on the contrary, they would benefit like all other shareholders from the increase in book value and earnings per share.

Using liquidity for share buybacks instead of dividend payments is significantly more beneficial for shareholders and the Company.

Please confirm receipt of this motion for amendment and that you will duly announce it with the invitation to the next Annual General Meeting. We otherwise reserve the right to re-submit this motion.

Best regards

Deutsche Balaton

Aktiengesellschaft

Alexander Link

Annexes

Bank certificate of [REDACTED] dated March 7, 2023

Bank certificate of [REDACTED] dated March 7, 2023

Bank certificate of [REDACTED] dated March 8, 2023



Resolution recommendation and statement of the Board of Executive Directors and the Supervisory Board on agenda item 13

Recommended resolution

The Board of Executive Directors and the Supervisory Board propose to the Annual General Meeting to vote against a reduction of the share capital by cancellation of shares (Section 237 (3), (4) of the German Stock Corporation Act) after acquisition by the Company (Section 71 (1) No. 6 of the German Stock Corporation Act) and therefore in particular against the above proposed resolution of Deutsche Balaton Aktiengesellschaft under agenda item 13. The Board of Executive Directors and Supervisory Board also reaffirm their balanced proposal to pay a dividend of €1 per share under agenda item 2 combined with the announced share buyback with a volume of up to €200 million and propose to reject the announced counter-motion by Deutsche Balaton AG to pay a dividend of €0.20 per share.

Statement

With the dividend for the 2022 financial year of €1.00 per share proposed under agenda item 2 and the share buyback announced on March 14, 2023 with a volume of up to €200 million and subsequent cancellation of own shares, capital of up to €391.4 million is expected to be returned to shareholders this year. This is more than 40 percent of the adjusted free cash flow for the 2022 financial year. With the announced share buyback via the stock exchange starting after the Annual General Meeting, around five percent of the share capital will be bought back by the end of February 2024 based on the share price in mid-March 2023 and subsequently retired. According to the motion of Deutsche Balaton AG, the share capital is to be reduced by up to 20%. Up to €1.3 billion would have to be spent on the proposed share buyback by way of a public buyback offer in 2023 alone. This would be significantly more than the adjusted free cash flow expected for the 2023 financial year. The Board of Executive Directors and the Supervisory Board consider their balanced proposal of a dividend and share buyback via the stock exchange totaling up to €391.4 million to be in the best interests of the shareholders and the Company.

1. Reasons for the proposal of the Board of Executive Directors and the Supervisory Board

The package proposed by the Board of Executive Directors and Supervisory Board will return capital of up to €391.4 million to shareholders. This corresponds to around €2 per share and is more than 40% of adjusted free cash flow in 2022. In the view of the Board of Executive Directors and Supervisory Board, this represents an attractive and appropriate way for shareholders to participate in the success of the Company – also taking into account the current outlook for the 2023 financial year. By dividing the capital return amount equally between the two instruments of dividend and share



buyback via the stock exchange, sufficient account is also taken of the various interests of all shareholders.

The course adopted by the Board of Executive Directors and the Supervisory Board also takes into account, above all, the financing of the upcoming profitable future capital expenditure in the Werra 2060 project to secure the German potash sites and in the further ramp-up of the Bethune site in Canada. Both projects serve to strengthen the international competitiveness and earning power of the Company in the long term and therefore to create value in the interests of the shareholders.

Furthermore, the volume of the capital return proposed by the Board of Executive Directors and the Supervisory Board has been deliberately chosen to ensure adequate robustness and resilience of the Company in times of global uncertainties and geopolitical upheavals and the associated as well as cyclical volatilities (including potash and energy prices). The balanced proposal of the Board of Executive Directors and the Supervisory Board should enable the Company to achieve and sustain the desired investment grade rating. An investment grade rating ensures that the Company, with its capital-intensive business areas, has a high degree of flexibility in financing matters and cost-optimized access to the financial and capital markets. In the current environment, a higher distribution of capital and the debt required for this would jeopardize these goals and lead to a higher risk position for the Company.

In the future too, K+S intends to leverage financial opportunities to an appropriate extent to enable shareholders to participate in the success of the Company. As in the proposal for the financial year 2022, K+S will then take into account in a balanced manner the current market environment, cash flow expectations, and the different interests of all shareholders in the distribution volume and the selection of the instruments to be used (e.g., dividend and share buyback).

2. Reasons against the motion of Deutsche Balaton AG

The motion for resolution of Deutsche Balaton AG does not meet the interests of the Company and its shareholders for the following reasons:

- Implementation of the motion would result in a cash outflow from the Company of between just under €1.0 billion and €1.3 billion. The approach stated by Deutsche Balaton AG of extending this proposal to the period up to 2025 with a share buyback of around 50 percent of the shares issued would even mean a cash outflow of between €2.5 billion and €3.3 billion if the buyback price range remained unchanged. This would severely restrict the financial room for maneuver for the successful organic further development of the Company.



- The financing of a cash outflow of between €1.0 billion and €1.3 billion alone, together with the necessary capital expenditure in existing business, would necessitate the raising of substantial new loans or other external funds.
- A renewed significant net financial debt would weaken the Company's robustness and resilience in times of global uncertainties and geopolitical dislocations.
- At the same time, the Company's chances of achieving the investment grade rating it is seeking would be significantly reduced. This would have a significant impact on the Company's future refinancing options and standing on the capital market.
- The concept proposed by Deutsche Balaton AG is unilaterally tailored to shareholders who, like Deutsche Balaton AG, are organized as a domestic German corporation. The concept provides such shareholders with tax advantages. According to our assessment, more than 80 percent of our shareholders do not have such tax advantages or have them to a much lesser extent.
- Practice shows that, contrary to Deutsche Balaton AG's assertion, debt-financed share buybacks below the fair value of a share have also not automatically led to corresponding price increases. The motion of Deutsche Balaton AG is unbalanced and therefore not suitable for all shareholders to participate in the success of the Company in accordance with their different interests.

The Board of Executive Directors and the Supervisory Board therefore propose to the Annual General Meeting to vote against a reduction of the share capital by cancellation of shares after acquisition by the Company and therefore in particular against the motion for resolution of Deutsche Balaton AG under agenda item 13 and to follow the balanced management proposal for the appropriation of profits under agenda item 2 in combination with the share buyback and to reject the announced countermotion of Deutsche Balaton AG.