

Annex to agenda item 10: Report of the Management Board to the Annual General Meeting pursuant to §§ 221 (4) sentence 2, 186 (4) sentence 2 AktG

In order to extend the Company's possibilities to finance its operations and to give the Management Board, subject to Supervisory Board approval, access to flexible and timely financing options in the interests of the Company, notably when favorable capital market conditions arise, the Management Board and Supervisory Board therefore propose to the Annual General Meeting under agenda item 10 that a new authorization be granted to the Management Board to issue bonds. The new authorization is intended to authorize the Management Board to issue bonds with a total nominal value of up to EUR 500,000,000, a term of 2 years and the customary opportunities to exclude subscription rights. In order to make use of the instruments provided for in the authorization, new conditional capital with a volume of 10 % of the share capital is additionally to be created in accordance with § 4 (6) of the Articles of Association.

By issuing convertible bonds or warrant bonds, the Company can utilize attractive financing opportunities and conditions — depending on the market conditions — to raise funds for the Company at a favorable rate of interest. The Company is currently undergoing a transformation process that began with the launch of the formula g strategy process in 2019. As part of this process, the Company is concentrating particularly on High Value Solutions and Medical Devices, including biological solutions such as GLP-1-related treatments. Issuing convertible bonds or warrant bonds can play an important part in seizing significant, profitable growth opportunities through internal growth, as well as for future external growth, while also increasing the Company's flexibility.

In addition, under agenda item 8, the authorized capital I with a volume of 20 % of the capital stock (EUR 6,908,000), which is set to expire on June 8, 2023, is to be renewed and, under agenda item 9, the capital II with a volume of 10% of the capital stock (EUR 3,454,000), which was fully utilized in April 2023, is to be created.

The total of all new shares issued to service bonds issued under the new authorization and all new shares issued under the new authorized capital I and II may not exceed a total of 30 % of the capital stock of the Company (equating to EUR 10,362,000). Furthermore, the sum of the bonds issued subject to exclusion of subscription rights and all new shares issued under the new authorized capital I and II subject to exclusion of subscription rights may not exceed a total of 10 % of the capital stock of the Company (equating to EUR 3,454,000).

The proposed resolution empowers the Management Board, subject to Supervisory Board approval, by or before June 6, 2025, to issue on one or more occasions convertible bonds or warrant bonds or combinations of such instruments (collectively “bonds”) with a total nominal amount up to EUR 500,000,000 and to grant the holders or creditors (collectively “holders”) of the various bonds with equal entitlement in each case conversion rights or warrants or obligations to exercise conversion rights or warrants to a total of up to 3,454,000 no-par-value bearer shares in the Company with a proportionate portion of the capital stock of up to EUR 3,454,000 in accordance with the terms of the bonds.

In addition, the capital stock is to be conditionally increased by up to EUR 3,454,000 through the issue of up to 3,454,000 new no-par-value bearer shares. The conditional capital increase serves the purpose of granting no-par-value bearer shares to holders of bonds with conversion rights or warrants or obligations to exercise conversion rights or warrants, which on the basis of the aforementioned authorization are issued by the Company or a Group company within the meaning of § 18 AktG.

Shareholders of the Company must normally be granted subscription rights. If shareholders are not allowed direct subscription to the bonds, the bonds may be underwritten by one or more banks or equivalent undertakings within the meaning of § 186 (5) sentence 1 AktG with an obligation to offer them to the Company’s shareholders for subscription (indirect subscription right). Ultimately, this does not constitute a restriction of the shareholders’ subscription rights, as the shareholders are granted the same subscription rights as in the case of a direct subscription. The use of one or more banks or equivalent undertakings as intermediaries simply facilitates the issue of the bonds in technical terms.

The Management Board is nevertheless to be authorized, subject to Supervisory Board approval, to exclude shareholders’ subscription rights in the following instances:

- a) The Management Board is to be authorized, subject to Supervisory Board approval, to exclude shareholders’ subscription rights for fractional amounts. This is aimed at simplifying the process of issuing shares with general subscription rights for shareholders. Fractional amounts can result from the respective issue volume or from the need to achieve a practicable subscription relationship. The value of such fractional amounts is usually low. The potential dilution effect is also low due to the limitation to fractional amounts. Issuing shares without such an exclusion of subscription rights would be significantly more costly. Bonds excluded from subscription rights on account of fractional amounts will be utilized in the best interests of the Company. The Management Board will also take into consideration, in the interests of the shareholders, that the volume of fractional amounts will be minimized.

- b) The Management Board is to be authorized, subject to Supervisory Board approval, to exclude shareholders' subscription rights to the extent necessary to grant holders or creditors of conversion rights or warrants or parties under obligation to exercise conversion rights or warrants attached to bonds issued or yet to be issued by the Company or a Group company a subscription right to the same extent as they would be entitled to as shareholders after exercise of the warrant or conversion right or fulfillment of the obligation to exercise the warrant or conversion right. In accordance with market practice, bonds with a conversion right or warrant or obligation to exercise a conversion right or warrant are often issued with a dilution protection clause which stipulates that, in subsequent issues of bonds, the conversion or option price must be reduced if the holders of the conversion or option rights are not granted subscription rights to these new bonds as they would be entitled to after exercising the conversion or option right or after fulfillment of the obligation to exercise a conversion or conversion right. In order to provide the Company's bonds with such protection against dilution without having to reduce the conversion or option price, it must be possible to exclude shareholders' subscription rights to these bonds. The authorization gives the Management Board the choice between the options after careful consideration of the interests involved. This facilitates placement of the bonds and therefore ultimately serves the interests of the Company and its shareholders in being able to use such financing instruments to optimize the Company's finance structure.
- c) The Management Board is furthermore to be authorized, subject to Supervisory Board approval, to exclude shareholders' subscription rights in the case of bonds issued against payment in cash and carrying conversion rights or warrants or obligations to exercise conversion rights or warrants if, after due examination, the Management Board concludes that the issue price of the bonds is not substantially lower than their theoretical market value as determined in accordance with accepted financial mathematical methods. This option of excluding subscription rights in accordance with §§ 221 (4), 186 (3) sentence 4 AktG is intended to let the Company exploit favorable market situations promptly, thereby achieving better conditions in determining the interest rate, option or conversion price and issue price of the option or conversion bonds.

§§ 221 (4), 186 (3) sentence 4 AktG mean that the issue price may not be substantially below the stock market price. This is intended to ensure that no material economic dilution of the value of the shares arises. Whether such a dilution effect arises in the case of the issue of bonds with conversion rights or warrants or obligations to exercise conversion rights or warrants and with subscription rights excluded can be assessed by calculating the hypothetical stock market price (market value) of the bonds in accordance with recognized methods, particularly financial mathematical methods, and comparing it with the issue price. If, after due examination, this issue price is not significantly less

than the hypothetical stock market price at the time the bonds are issued, then in accordance with the substance and purpose of § 186 (3) sentence 4 AktG the exclusion of subscription rights is admissible on account of the discount not being significant. The notional market value of a subscription right would consequently approach zero, meaning that shareholders cannot incur any significant economic loss as a result of subscription rights being excluded. This proposed authorization to exclude subscription rights is also limited insofar as it is only to apply to bonds with a conversion right or warrant or an obligation to exercise conversion rights or warrants on shares which account for no more than 10% of the capital stock in existence at the time this authorization takes effect or at the time the authorization is exercised, whichever amount is smaller. Shares issued or sold as treasury shares during the period of this authorization with shareholders' subscription rights excluded in direct or analogous application of § 186 (3) sentence 4 AktG are to be taken into account against this maximum limit of 10% of the capital stock. This clause ensures that the 10% limit of the capital stock stipulated in § 186 (3) sentence 4 AktG is not exceeded during the period of the authorization after taking cumulative account of all the measures for which § 186 (3) sentence 4 AktG applies (directly or by analogy).

Shareholders can furthermore maintain their share in the capital stock of the Company — even after the exercise of conversion rights or warrants or the fulfillment of obligations to exercise conversion rights or warrants — by purchasing additional shares on the stock exchange at any time. Conversely, the authorization to exclude subscription rights to shares allows market-oriented fixing of conditions by the Company, the greatest possible certainty with regard to placement with third parties and short-term exploitation of favorable market situations. It is therefore ensured that, in accordance with the legal rationale of § 186 (3) sentence 4 AktG, capital and voting right interests are adequately safeguarded when the authorization is exercised, while affording the Company additional scope for action in the interests of all shareholders.

The shareholders are protected from the dilution of their shareholding above and beyond the legal requirements through the following restrictions:

The total number of shares to be issued to service convertible bonds and warrant bonds issued during the term of this authorization subject to the exclusion of subscription rights may not exceed a pro rata amount of 10 % of the capital stock (EUR 3,454,000). New shares issued during the term of the proposed authorization under another authorization (particularly authorized capital I and/or II) subject to the exclusion of shareholders' subscription rights are to be counted towards the maximum limit of 10 % of the capital stock. This additionally takes account of shareholders' interest in protection against dilution of their shareholding.

Together with shares that are to be issued in order to service conversion rights or warrants or obligations to exercise conversion rights or warrants relating to bonds issued on the basis of this authorization, shares that are issued during the term of this authorization from existing or future authorized capital may not exceed a total of 30 % of the capital stock of the Company (EUR 10,635,000) upon entry into effect of this authorization.

In the event that bonds which grant conversion rights or warrants are issued, the conversion or warrant price to be set for one share in each case — with the exception of cases where an obligation to exercise conversion rights or warrants is stipulated — must amount to at least 80 % of the volume-weighted average closing price of the shares of the Company in XETRA trading on the Frankfurt Stock Exchange or in a corresponding successor system on the last ten trading days before the date of the resolution by the Management Board on the bond issue or — in the event that subscription rights are granted — at least 80 % of the volume-weighted average closing price of the shares of the Company in XETRA trading on the Frankfurt Stock Exchange or in a corresponding successor system in the period from the start of the subscription period up to and including the day before the announcement of final stipulation of the conditions for the bonds in accordance with § 186 (2) AktG. This is without prejudice to § 9 (1) AktG.

In the case of bonds involving conversion rights or warrants or an obligation to exercise conversion rights or warrants, the conversion or warrant price may without prejudice to § 9 (1) AktG be subject to value-preserving adjustment in the event of economic dilution of the value of the conversion rights or warrants or obligation to exercise conversion rights or warrants in accordance with the conditions of the bonds, unless the adjustment is already governed by law, including by granting subscription rights, adjusting the conversion or warrant price or granting cash components.

The conditions of the bonds may stipulate the right of the Company, in the event of conversion or the exercise of warrants, not to grant new shares but to pay the equivalent value in cash. The conditions of the bonds may also stipulate that, at the Company's discretion, the bonds may, instead of being converted into new shares from conditional capital, be converted into new shares from authorized capital or already existing shares of the Company or shares of another listed company or that a warrant or an obligation to exercise a warrant may be fulfilled by delivery of such shares.

The conditions of the bonds may also stipulate an obligation to exercise a conversion right or warrant at the end of the term or another point in time ("final maturity") or the right of the Company on final maturity of the bonds wholly or partially to grant the holders of the bonds shares in the Company or another listed company instead of payment of the due cash amount. In such cases, the conversion or warrant price for a share may reflect the volume-weighted average closing price of the shares of the

Company in XETRA trading on the Frankfurt Stock Exchange or a corresponding successor system in the last ten trading days before or after the final maturity date even if this is below the aforementioned 80 % threshold. This is without prejudice to § 9 (1) and § 199 AktG.

There are currently no specific plans to make use of the authorization. The Management Board will examine carefully in each individual case whether to utilize the authorization to issue bonds, in particular with shareholders' subscription rights excluded. The Management Board will report any use of the authorization to the subsequent Annual General Meeting.

With regard to the authorized capital I and II being proposed for resolution, reference is made to the respective Report of the Management Board to the Annual General Meeting pursuant to §§ 203 (2) sentence 2, 186 (4) sentence 2 AktG on agenda items 8 and 9 (creation of a new authorized capital I and II). These reports are also available online at <https://www.gerresheimer.com/en/company/investor-relations/annual-general-meeting>.

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Gerresheimer AG
The Management Board



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