

to date. He successfully led Dyson through its transformation from a household appliance manufacturer to a technology company and at the same time significantly increased turnover and profits to a historic high. In February 2024 he stepped up into a new role as independent member of the Board of Directors at Dyson Holdings Pte. Ltd.

Memberships in other supervisory boards mandated by law: None.

Memberships in comparable supervisory committees of business enterprises within Germany and abroad: Dyson Holdings Pte. Ltd.

Noteworthy Appointments: Board Member of the Economic Development Board (EDB) in Singapore.

Report of the Management Board to the Annual General Meeting on item 10 of the agenda pursuant to Art. 5 SE Regulation, Section 71 (1) no. 8 sentence 5 in conjunction with Section 186 (4) sentence 2 AktG (authorization to acquire and use treasury shares)

Agenda item 10 contains the proposal to authorize the Management Board to acquire treasury shares amounting up to 10% of the share capital itself or via dependent companies or companies' majority-owned by the company or via third parties acting on its or their behalf. The authorization shall be valid up to and including 21 May 2029 and thus utilize the legally possible framework of five years in accordance with Section 71 (1) No. 8 AktG. The authorization resolved at the Annual General Meeting on 7 May 2020 (last amended by resolution of the Annual General Meeting on 5 May 2021) and expiring on 6 May 2025 pursuant to Section 71 (1) no. 8 AktG to acquire and use treasury shares is to be revoked.

1. Authorization to acquire treasury shares

Section 71 (1) no. 8 AktG allows for other forms of acquisition in addition to acquisition via the stock exchange. The proposed resolution stipulates that the shares may also be acquired by means of a public purchase offer addressed to all shareholders or a public invitation to all shareholders to submit offers to sell (collectively "public purchase offer"). Section 71 (1) no. 8 sentence 4 AktG clarifies that acquisition via the stock exchange satisfies the principle of equal treatment under stock corporation law pursuant to Section 53a AktG. Acquisition in any market segment in Germany or abroad in which a stock exchange price is established is sufficient. Even in the case of a public purchase offer, shareholders cannot be disadvantaged on the basis of principle of equal treatment under stock corporation law.

In the case of a public purchase offer, the number of shares tendered by shareholders may exceed the number of shares the company intends to acquire. In this case, an allocation must be made in proportion to the share's tenders rather than in proportion to the shareholding. This serves to simplify the allocation procedure. It should also be possible to provide for preferential acceptance of offers up to a maximum of 100 shares. This option serves to avoid fractional amounts when determining the quotas to be acquired and smaller residual holdings, thereby facilitating the technical processing of the share buyback. This also avoids any de facto impairment of small shareholders. Finally, it should be possible to provide for rounding in accordance with commercial principles to avoid fractions of shares. In this respect, the acquisition ratio and the number of shares to be acquired by individual tendering shareholders can be rounded as necessary to reflect the acquisition of whole shares for technical processing purposes. The Management Board considers the exclusion of any further shareholder tender rights to be objectively justified and reasonable vis-à-vis the shareholders.

2. Authorization to use the shares acquired by the company

The acquired treasury shares may be used for all legally permissible purposes, in particular the following:

- Section 71 (1) no. 8 sentence 4 AktG allows treasury shares to be sold via the stock exchange. In addition, the Annual General Meeting should authorize the Management Board to sell treasury shares by means of an offer to all shareholders. In both of the aforementioned cases, the principle of equal treatment under stock corporation law is upheld.
- The company should also be able to sell treasury shares under the conditions of Section 186 (3) sentence 4 AktG with the exclusion of subscription rights.
- In particular, this is intended to enable the company to place shares in the company at short notice. The proposed authorization serves to secure a permanent and appropriate equity base for the company. In suitable cases, it will make it possible, for example, to sell treasury shares to institutional investors or to rap into new groups of investors.
- The prerequisite is that the shares are sold for cash at a price that is not significantly lower than the stock market price of the company's shares at the time of the sale. The final determination of the selling price for the treasury shares will be made shortly before the sale. The Management Board will set any discount on the market price as low as possible. Under no circumstances may the discount exceed 5% of the market price at any time the authorization is exercised. The proportionate amount of the share capital attributable to the shares to be sold may not exceed a total of 10% of the share capital, neither at the time the authorization becomes effective nor at the time of its respective exercise from authorized capital with the exclusion of subscription rights in accordance with Section 186 (3) sentence 4 AktG are to be counted towards this limit. Furthermore, this limit shall also include those shares that are to be issued to fulfil conversion or option rights or conversion obligations from bonds (including profit participation rights) issued by the company or a Group company during the term of this authorization up to the time of its respective exercise with the exclusion of subscription rights in accordance with Section 186 (3) sentence 4 AktG. By limiting the number of shares that can be sold in accordance with this authorization and the obligation to set the selling price of the shares close to the market price, shareholders are adequately protected against a dilution of the value of their shares. At the same time, it is ensured that the consideration to be received by the company is appropriate.
- Furthermore, it should be possible to offer treasury shares to third parties in return for non-cash consideration (payment in kind). Such a possibility can be particularly important in the context of company mergers and the direct or indirect acquisition of companies, parts of companies or interests in companies. The company must be in a position to merge with other companies and acquire other companies, parts of companies or interests in companies in order to improve its competitive position. In practice, the granting of shares in the acquiring company as consideration for the acquisition object is often expressly required in such cases. In addition, it can also make sense for the company in other cases to grant treasury shares to a contractual partner as consideration for the acquisition of tangible or intangible assets in a way that protects liquidity and is attractive for the contractual partner. This applies, for example, to the acquisition of property rights or licenses thereto, but also in connection with the remuneration of consulting and other services. Treasury shares as an acquisition currency can also make sense from the point of view of an optimal financing structure. When determining the valuation ratios, the Management Board will ensure that the interests of the shareholders are adequately safeguarded. In doing so, the Management Board will take into account the market price of the company's shares.
- If bonds with warrants or convertible bonds (including profit participation rights) are issued, it may also be appropriate to service the rights or obligations arising from such bonds with warrants or convertible bonds to subscribe to shares in the company not by means of a capital increase, but in whole or in part with treasury shares; a corresponding appropriate authorization serves this purpose. In addition, the bond conditions often grant the holders of the corresponding bonds a subscription right to shares in the bond issuer or one of its affiliated companies to the extent to which the holders would be entitled after exercising option or conversion rights or fulfilling conversion obligations from such bonds as a shareholder of the company in question. By granting a corresponding authorization of use, the company shall be enabled to service such subscription rights with treasury shares.
- It should also be possible to issue treasury shares in connection with share-based remuneration and employee share programs of the company or its affiliated companies to persons who are or were employed by the company or one of its affiliated companies or are members of the management of one of its affiliated companies. The issue of shares to this group of persons strengthens the identification of the beneficiaries with the company and the ownership culture within the company. This is also in the interests of the company.

- Finally, the authorization provides that acquired treasury shares can also be redeemed. The redemption should be possible both in such a way that the share capital of the company is reduced and in accordance with Section 237 (3) no. 3 AktG without such a capital reduction by simply redeeming the shares while simultaneously increasing the proportionate amount of the share capital attributable to the remaining shares (so-called amortization). The rights of the shareholders are not affected in either of the two aforementioned cases.

In addition, the Supervisory Board is to be authorized to issue treasury shares acquired in accordance with Section 71 (1) no. 8 AktG (Section 71 (1) no. 8 sentence 5 in conjunction with Section 186 (3) and (4) AktG) to members of the company's Management Board. This creates the possibility of using shares acquired by the company as a remuneration component for members of the Management Board. The authorization of the supervisory Board includes the possibility of offering, promising and transferring treasury shares to members of the company's Management Board as part of remuneration arrangements. This makes it possible to grant Management Board members shares in the company as a variable remuneration component instead of a cash payment. Issuing shares to members of the Management Board, as is also possible under the company's Performance Share Plan ("LTI 2021") as part of the financial payout in accordance with the Supervisory Board's decision, promotes identification with the company and also offers a further opportunity to align the remuneration of Management Board members with sustainable corporate development. The Supervisory Board determines the further details within the scope of its statutory powers.

In all of the aforementioned cases (except in the case of redemption), shareholder's subscription rights to treasury shares must be excluded so that they can be used as described. After weighing up all the circumstances, the Management Board considers the exclusion of subscription rights in the aforementioned cases to be objectively justified and appropriate for the reasons outlined.

During the term of this authorization, the sum of treasury shares used with the exclusion of shareholders' subscription rights may not account for more than 10% of the share capital at the time this authorization becomes effective or – if this value is lower – at the time it is exercised. If other authorizations to issue or sell shares in the company or to issue rights that enable or obligate the subscription of shares in the company are exercised during the term of this authorization until it is exercised and subscription rights are excluded, this shall be counted towards the aforementioned 10% limit.

The Management Board will examine in each individual case whether the company's own shares should be used for the aforementioned measures. In making its decision, it will be guided by the interests of the shareholders and the company and carefully weigh up whether it should make use of the authorization. Only in this case will the measure be taken, and subscription rights excluded.

The aforementioned options for use may also be exercised with regard to shares acquired on the basis of authorizing resolutions of previous Annual General Meetings in accordance with Section 71 (1) No. 8 AktG. This also applies to shares acquired by dependent companies or companies majority-owned by the company or by third parties acting for their account or for the account of the company or in accordance with Section 71d sentence 5 AktG.

The Management Board will report on any use of the buyback authorization and the detailed circumstances of the acquisition at the next Annual General Meeting in accordance with Section 71 (3) AktG.

At the time of the resolution by the Management Board and Supervisory Board on the appropriation of profits on 15 February 2024 and 26 February 2024 respectively, the company holds 980.096 treasury shares (corresponds to approx. 0,65%) of the share capital).