

Virtual Annual General Meeting of Schaeffler AG on April 25, 2024**Report of the Board of Managing Directors on the reason for the exclusion of subscription rights**

The extraordinary general meeting of the company on February 2, 2024 resolved to change the existing non-voting common shares of the company into voting common shares and, in this context, to cancel the authorized capital contained in section 6.3 of the company's Articles of Association, which only allows the issuance of non-voting common shares while maintaining shareholders' subscription rights. The registration of the amendments to the Articles of Association resolved by the extraordinary general meeting on February 2, 2024 shall be conditional on the prior or simultaneous entry of the merger of Vitesco Technologies Group Aktiengesellschaft into the company in the company's commercial register. As a precautionary measure, the resolution of the extraordinary general meeting on February 2, 2024 is to be confirmed by the annual general meeting on April 25, 2024 under agenda item 11.

It is now intended to enable the company to issue shares against contributions in kind in accordance with the company's obligation under the Merger Agreement with Vitesco Technologies Group Aktiengesellschaft dated March 13, 2024 for claims of eligible shareholders for the granting of additional shares that have been determined by court decision (section 11 para. 1 SpruchG) or court settlement (section 11 paras. 2-4 SpruchG) or recognized by the company by out-of-court settlement (*außergerichtlicher Vergleich*) to avoid or terminate appraisal proceedings by creating new authorized capital. This expands the company's options for action in the cases specified in the authorization and ensures that the relevant claims of the company's shareholders can be settled swiftly within the deadline of section 72a para. 6 sentence 1 no. 1 UmwG without the need to hold an extraordinary general meeting.

The Board of Managing Directors and Supervisory Board therefore propose to the general meeting to create new authorized capital (Authorized Capital 2024) in the amount of EUR 125,000,000.00. The new shares are to be issued exclusively against contributions in kind of claims of eligible shareholders for the granting of additional shares that have been determined by a court decision (section 11 para. 1 SpruchG) or a court settlement (section 11 paras. 2-4 SpruchG) or recognized by the company through an out-of-court settlement (*außergerichtlicher Vergleich*) to avoid or terminate appraisal proceedings.

The subscription right is to be excluded by the resolution of the general meeting, as only in this way can the authorization be used to fulfill the

company's obligation under the merger agreement with Vitesco Technologies Group Aktiengesellschaft to grant additional shares in the cases conclusively listed in the authorization in accordance with sections 72a, 72b UmwG, without the company incurring a liquidity outflow for this, e.g. by fulfilling any claims in cash or by acquiring the shares to be delivered to fulfill the claim on the stock exchange. The authorized capital may only be used in the context of a non-cash capital increase against the contribution of the shareholders' claims to the granting of additional shares specified in the authorization and also requires the legally binding determination or binding recognition of the shareholders' claim to an adjustment of the exchange ratio by the company. This is intended to ensure the swift settlement of any claims in the interests of shareholders without the need to costly convene an extraordinary general meeting.

As the authorized capital can only be used in connection with the intended merger of Vitesco Technologies Group Aktiengesellschaft into the company, the Board of Managing Directors is instructed not to submit the authorized capital and the amendment to the Articles of Association resolved under agenda item 10 to be registered in the commercial register until the general meeting of the company has approved the Merger Agreement between the company and Vitesco Technologies Group Aktiengesellschaft as the transferring entity, as proposed on under agenda item 8 of the annual general meeting on April 25, 2024. The registration of the amendments to the Articles of Association resolved under agenda item 10 shall be conditional on the prior or simultaneous entry of the merger of Vitesco Technologies Group Aktiengesellschaft into the company in the company's commercial register.

If the Authorized Capital 2024 is utilized, the Board of Managing Directors will report on this at the following general meeting at the latest.