SYNLAB AG
Munich/Germany

Report of the independent auditor
on the audit of the remuneration report
for the financial year
from 1 January to 31 December 2023

TRANSLATION
– German version prevails –

REPORT OF THE INDEPENDENT AUDITOR

To SYNLAB AG, Munich/Germany

We have audited the accompanying remuneration report of SYNLAB AG, Munich/Germany, ("the Company") for the financial year from 1 January to 31 December 2023, including the related disclosures, which has been prepared to comply with Section 162 German Stock Corporation Act (AktG).

Responsibilities of the Executive Directors and the Supervisory Board

The executive directors and the supervisory board of SYNLAB AG, Munich/Germany, are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of Section 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they consider necessary to enable the preparation of the remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). These Standards require that we fulfil the professional responsibilities and that we plan and perform the audit so that we obtain reasonable assurance as to whether the remuneration report, including the related disclosures, is free from material misstatements.

An audit involves performing of audit procedures in order to obtain audit evidence for the amounts stated in the remuneration report, including the related disclosures. The choice of the audit procedures is subject to the auditor's professional judgement. This includes assessing the risks of material misstatements, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the system of internal control, which is relevant to preparing the remuneration report, including the related disclosures. Our objective is to plan and perform audit procedures that are appropriate in the circumstances, but not to express an audit opinion on the effectiveness of the Company's system of internal control. An audit also comprises an evaluation of the accounting policies used, of the reasonableness of accounting estimates made by the executive directors and the supervisory board as well as an evaluation of the overall presentation of the remuneration report, including its related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from 1 January to 31 December 2023, including its related disclosures, complies, in all material respects, with the accounting principles of Section 162 AktG.

Other Matter – Formal Audit of the Remuneration Report

The audit of the content of the remuneration report described in this report comprises the formal audit required under Section 162 (3) AktG including the issuance of a report on this audit. Since our audit opinion on the audit of the content is unmodified, this audit includes that the disclosures required under Section 162 (1) and (2) AktG are contained, in all material respects, in the remuneration report.

Intended Use of the Report

We issue this report as stipulated in the engagement letter agreed with the Company. The audit has been performed for the purposes of the Company and the report is solely intended to inform the Company about the result of the audit.

Liability

This report is not intended to be used by third parties as a basis for any (asset) decision. We are liable solely to SYNLAB AG, Munich/Germany, and our liability is also governed by the engagement letter dated 22 November 2023 agreed with the Company as well as the "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" promulgated by the Institut der Wirtschaftsprüfer (IDW) in the version dated 1 January 2017 (IDW-AAB). However, we do not accept or assume liability to third parties.

Munich/Germany, 21 March 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Cornelia Tauber	Polina Spang
Wirtschaftsprüferin	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)

SYNLAB AG
Munich/Germany

Appendix 1

Remuneration report
according to Sec. 162 AktG
for the financial year
from 1 January to 31 December 2023

TRANSLATION
– German version prevails –

COMPENSATION REPORT 2023

COMPENSATION OF THE MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF SYNLAB AG, MUNICH

Introduction

The compensation report outlines the relevant numbers, the principles and the structure for both the members of the management board (the “Management Board”) and the supervisory board (the “Supervisory Board”) of SYNLAB AG (“SYNLAB” or “the Company”, the Company together with its subsidiaries “the Group”) for the financial year 2023. The report was prepared jointly by the Management Board and the Supervisory Board in accordance with the requirements of section 162 of the German Stock Corporation Act (Aktiengesetz, AktG) and the compensation system complies with the recommendations and suggestions of the German Corporate Governance Code (GCGC) in its latest version as of 28 April 2022.

Financial year 2023 in retrospect

SYNLAB constantly seeks to grow its activities and to expand its position as a leader in medical diagnostics services and specialty testing in Europe. To further reinforce this position, the Company continues to focus on medical excellence and customer centricity while placing patients and customers at the heart of what SYNLAB does. Therefore, SYNLAB implemented its strategy named FOR YOU. FOR YOU consists of four fields with each field encompassing a strategic field for engagement, which are:

- Superior patient and clinician experience
- Operational excellence
- Efficient capital deployment
- Empowered and engaged employees

SYNLAB can now look back on an eventful and successful 2023 fiscal year. Throughout 2023, SYNLAB, along with society and the economy, faced a number of challenges, including geopolitical disruptions, inflationary pressures and rising costs. Despite these adversities, SYNLAB has successfully steered its course. It has stayed true to its strategic vision while remaining vigilant to the market dynamics that shape its operations. The revenue reached 2,635.2 M€, with an adjusted EBITDA (AEBITDA) of 437.6 M€ and a respective margin of 16.6.

Since around 21% of the target compensation is based on the financial short-term incentive (STI) targets AEBITDA, Revenue and Free Cash Flow, the Management Board members are directly incentivized for the financial performance in the most recent financial year. Furthermore, Environmental, Social and Governance (ESG) and individual non-financial targets, such as Progression of Employee Engagement, reflect the Company’s focus on empowered and engaged employees in the STI. In order to make the management compensation dependent on sustainable and long-term success of the Company, between 32% and 34% of the compensation is based on the long-term incentive (LTI). The LTI rewards a positive share price development of the Company in absolute and relative terms. With this compensation structure, which is governed in the compensation system, Management Board compensation is connected in the short- and long-term to the strategy of SYNLAB and the successful implementation of the strategy.

The Management Board compensation and the Supervisory Board compensation are based on the respective compensation systems. Both, the existing system for the Management Board compensation and the existing system for the Supervisory Board compensation, were presented to the Annual General Meeting on 16 May 2022 pursuant to section 120a AktG[1]. The Management Board compensation system was approved by a majority of 91.40% and the Supervisory Board compensation system was approved by a majority of 99.97%. Due to the approval at the 2023 Annual General Meeting with an approval rating of 98.28%, there was no reason to amend the overall structure of the reporting for 2023. In 2023, the systems were applied for all members of the Management Board and the Supervisory Board. In 2023, the Management Board consisted of two members: Mathieu Floreani as the Chief Executive Officer (CEO) and Sami Badarani as the Chief Financial Officer (CFO). The Supervisory Board consisted of twelve board members who are the same as in 2021 (see details below in section IV.: Supervisory Board compensation).

[1] https://ag.SYNLAB.com/

Management Board compensation

COMPONENTS OF COMPENSATION SYSTEM

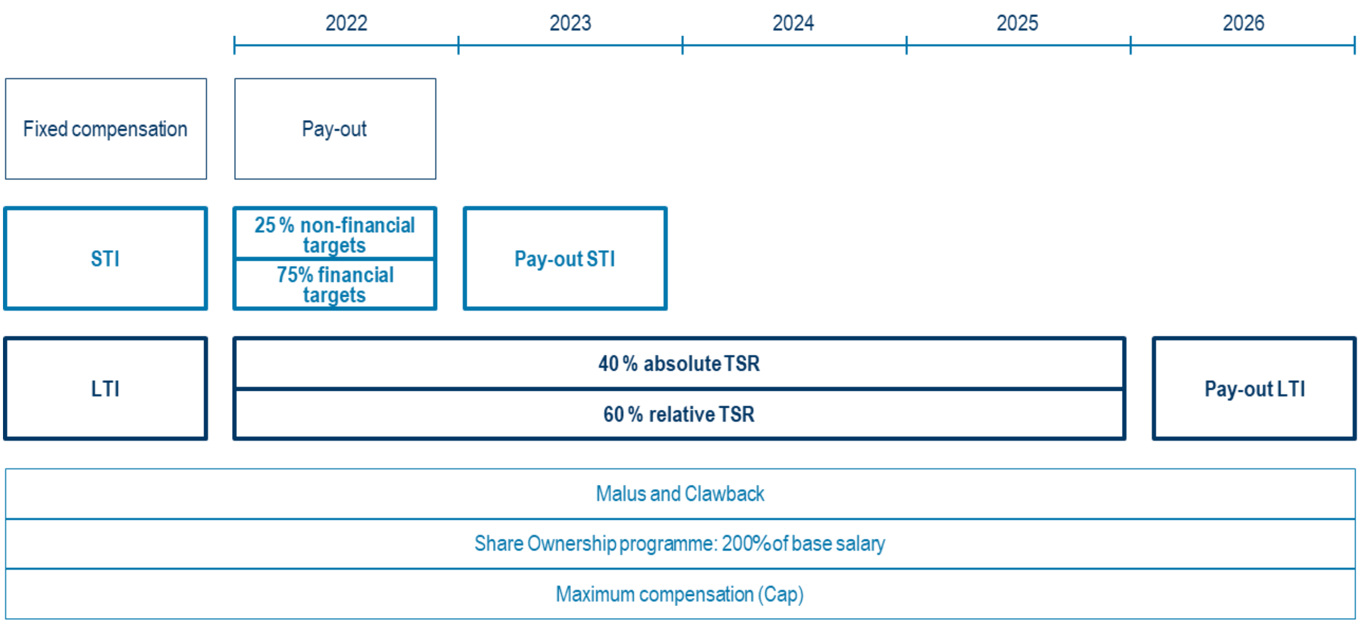
The main target of the Management Board compensation is to align the compensation with the SYNLAB core strategy FOR YOU. Pay for performance and a strong focus on sustainable and long-term development of the Company are the central elements of the Managing Board compensation. With this in mind, around 63% of the CEO's and around 60% of the CFO's total target compensation consist of variable components. The variable components are split into STI and LTI (STI and LTI together form the "Variable Compensation"). The Variable Compensation rewards the Management Board members for their performance in the recent financial year (STI) and over a long-term period of four years (LTI) by relating the compensation to the achievement of pre-defined targets. The fixed components ("Fixed Compensation"), which are the base salary, other benefits and contributions to a pension scheme are not linked to any targets and represent 37% of the CEO's total target compensation and 40% of the CFO's total target compensation.

COMPENSATION COMPONENTS 2023

	Fixed compensation[2]	Variable compensation[3]
CEO	37%	63%
CFO	40%	60%

While three financial-based targets within the STI ensure the Management Board's overall responsibility for the Group's operational success, there are also four non-financial targets. One of these non-financial-based targets is an ESG target which links compensation to the Company's environmental and social responsibility. The other three non-financial targets are individual targets, with one of the CEO's and CFO's individual non-financial targets also being an ESG target. As a result, the CEO and CFO are compensated for the financial and non-financial performance in each financial year.

To reward sustainable growth and actions with a long-term horizon, an LTI has been implemented with a four-year performance period. With a weighting of around 32% to 34% of the target compensation, the LTI requires the Management Board members to contribute to sustainable value creation. The LTI is based on the performance of the share price of SYNLAB over the performance period and is calculated based on the achievement of two targets: relative and absolute total shareholder return. The total shareholder return (TSR) is the share price development including dividends over a four-year period. This provides strong alignment between shareholders' interests and the interests of each Management Board member. The compensation system for the Management Board members is complemented by malus and clawback rules, a Share Ownership Programme and a Cap on the maximum annual compensation broken down into each compensation element (each as defined below).



[2] Base salary, other benefits and pension scheme
[3] STI and LTI

TARGET COMPENSATION AND MAXIMUM COMPENSATION

Each member of the Management Board is entitled to a target compensation which is based on the role and the experience of each board member. The target compensation is to be paid on 100% achievement level of the STI targets and the granted amount based on fair values for the LTI. As the LTI is granted on 1 May, the target amount is based on the pro-rata amount of the tranche 2022 for the time from January 2023 until April 2023 and on the pro-rata amount for the tranche 2023 starting in May 2023 until December 2023. The target compensation is compliant with the principles set out in the Management Board compensation system.

For the financial year 2023 (and 2022), the target compensation for both active Management Board members is as shown below:

M. FLOREANI (CEO)

Target compensation	2023		2022	
€ 000, unless stated otherwise	Absolute	Relative	Absolute	Relative
Fixed compensation	**1,429**	**37%**	**1,434**	**37%**
Base salary	1,000	26%	1,000	26%
Other benefits and insurances	41	1%	43	1%
Pension scheme	389	10%	391	10%
Variable compensation	**2,400**	**63%**	**2,400**	**63%**
STI	**1,100**	**29%**	**1,100**	**29%**
STI 2022	-	-	1,100	29%
STI 2023	1,100	29%	-	-
LTI	**1,300**	**34%**	**1,300**	**34%**
LTI 2022	433	11%	433	11%
LTI 2023	867	23%	867	23%
Total target compensation	**3,829**	**100%**	**3,834**	**100%**

S. BADARANI (CFO)

Target compensation	2023		2022	
€ 000, unless stated otherwise	Absolute	Relative	Absolute	Relative
Fixed compensation	**935**	**40%**	**930**	**40%**
Base salary	700	30%	700	30%
Other benefits and insurances	43	2%	43	2%
Pension scheme	190	8%	187	8%
Variable compensation	**1,400**	**60%**	**1,400**	**60%**
STI	**650**	**28%**	**650**	**28%**
STI 2022	-	-	650	28%
STI 2023	650	28%	-	-
LTI	**750**	**32%**	**750**	**32%**
LTI 2022	250	11%	250	11%
LTI 2023	500	21%	500	21%
Total target compensation	**2,333**	**100%**	**2,330**	**100%**

The maximum possible compensation is set out individually for both Management Board members in their contracts and defines the maximum possible pay-out committed to each Management Board member for one financial year ("Maximum Compensation" or "Cap").

For Mr Floreani, the Cap is set at 7.3 M€ and for Mr Badarani, the Cap is set at 4.4 M€.

In relation to the variable compensation elements, the Maximum Compensation for one financial year must include all payments made for that financial year, irrespective of the point in time at which they are received. As a result, the total compensation paid out for the financial year 2023 can only be finally determined once the performance periods of both variable elements have elapsed, i.e. the final LTI pay-out can only be calculated after expiration of the four-year performance period following the grant date. The tranche for 2023 was granted as of 1 May 2023, therefore the performance period will end in April 2027. Due to the granting of the tranche as at the beginning of May 2023, the Cap of the tranche 2023 consists of 33.3% of the LTI 2022 (January 2023 to April 2023) and of 66.7% of the LTI 2023 (May 2023 until December 2023). Thus, a comprehensive review is not possible at this point of time.

The Cap on the other elements, especially the STI, was complied with.

Compliance with the total Maximum Compensation will be reported in the compensation report for the year 2027, i.e. as soon as the final payment of the LTI can be determined. Should the maximum LTI to be paid out result in a total compensation that is above the Cap, then the LTI will be reduced accordingly so that compliance with the Maximum Compensation is ensured.

PROCEDURE FOR ESTABLISHING, IMPLEMENTING AND REVIEWING THE COMPENSATION SYSTEM AND ITS APPROPRIATENESS

The plenum of the Supervisory Board determined the compensation system for the Management Board in accordance with section 87a AktG based on the proposal of the Supervisory Board's presiding committee; it was approved by the Annual General Meeting in May 2022. In assessing the appropriateness of the compensation system, the Supervisory Board has determined appropriate compensation for each Management Board member based on their duties, performance and seniority, also taking into account the Company's situation. The Supervisory Board was supported by an external and independent expert.

To ensure its appropriateness, the compensation is regularly reviewed by the Supervisory Board on the basis of Horizontal Benchmarking (external) and Vertical Benchmarking (internal) (each as defined below). In the event of significant changes to the compensation system, but at least every four years, the compensation system is submitted for approval to the Annual General Meeting. If the Annual General Meeting does not approve the compensation system, an amended compensation system will be presented for approval no later than at the following Annual General Meeting.

Horizontal benchmarking

When determining the Management Board compensation during the implementation process prior to the IPO in April 2021, current market compensation levels were considered as well as the seniority and duties of the individual Management Board members. To ensure competitive market compensation, the compensation at comparable companies in the same or similar fields of business, of comparable size or in comparable regions was taken into account ("Horizontal Benchmarking").

In performing benchmarking for the implementation of the new compensation system following the IPO, the following 17 companies were considered based on size criteria, e.g. enterprise value, EBITDA, number of employees from Germany, France, the United Kingdom and Australia: Brenntag AG, Bureau Veritas SA, ConvaTec Group Plc, GEA Group AG, Gerresheimer AG, Hikma Pharmaceuticals Plc, Intertek Group Plc, Ipsen SA, LANXESS AG, Mediclinic International Plc, Orpea SA, Rheinmetall AG, Smiths Group Plc, Sonic Healthcare Ltd., Ströer SE & Co. KGaA, Verallia SAS and Wacker Chemie AG.

In addition, the companies included in the MDAX confirmed the results of the peer group taking into account the percentile positioning of SYNLAB based on size criteria, e.g. enterprise value, EBITDA, number of employees, within the MDAX[4]. The Horizontal Benchmarking was updated in 2023 confirming the results.

Vertical benchmarking

The vertical comparison takes into account the Company's internal compensation structure and compensation levels for (i) excom members and further senior managers (together the "Excom Members") and (ii) the employees (all employees worldwide based on full-time equivalents, "FTE") when determining the Management Board compensation ("Vertical Benchmarking").

The total target compensation including the pension scheme payments for the Management Board members are compared with the average compensation of the Excom Members and the average FTE compensation. The target compensation of the CEO and CFO are then divided by the average compensation of the Excom Members and the average FTE compensation, respectively.

[4] SDAX is less representative for compensation aspects due to significant deviations in the size parameters.

APPLICATION OF COMPENSATION SYSTEM IN FY2023

Fixed compensation

The non-variable part of the compensation consists mainly of an annual fixed salary, which is paid in 12 monthly instalments ("Base Salary"). In 2023, the Base Salary of Mr Floreani was 1.0 M€, which represents 26,1% of the total annual target compensation, while Mr Badarani's Base Salary of 0.7 M€ corresponded to 30,0% of his total annual target compensation.

In addition to the Base Salary, the fixed part of the compensation also includes fringe benefits such as the use of a company car (also for private purposes), the assumption of costs for life and accident insurance, and a contribution to private health insurance for both Management Board members ("Other Benefits"). The Other Benefits accounted for 1.1% or €40.8 thousand for Mr Floreani, and 1.8% or €43.1 thousand for Mr Badarani.

In addition to the Base Salary and Other Benefits, the Company grants the Management Board members a contribution to a pension scheme ("Pension Scheme"). These contributions amounted to €388.5 thousand (10.2%) for Mr Floreani and €190.1 thousand (8.1%) for Mr Badarani.

Variable compensation

As more than 60% of the compensation depends on the performance of the Management Board members, the compensation system is highly linked to the operational success of the Company. The following table provides an overview of the targets in the STI and LTI and how the targets are connected to the Company's strategy. Furthermore, the weighting of the targets in the total variable target compensation is presented.

Target			Strategy	Weighting in variable compensation
STI	Financial	**AEBITDA**	Focus on strong AEBITDA as financial stability serves as a basis for organic growth of the Company in the future	~23%
		Revenues	Increasing volume is a main driver for the growth of the organisation as a whole	~6%
		Free Cash Flow	A positive Free Cash Flow is necessary in order to undertake investments in the future	~6%
	Non-financial	**ESG target**	ESG targets are at the centre of long-term development of the Company and its sustainable growth	~5%
		Three individual targets	Individual non-financial targets allow to focus on important subjects on an individual basis	~2%
LTI	Financial	**Relative TSR**	The Relative TSR compares the long-term development of SYNLAB to comparable companies	~33%
		Absolute TSR	Absolute TSR aligns interests of shareholders and Management Board and the sustainable development on the long term	~22%

STI

Description of STI system and targets for 2023

As the one-year variable element, the STI compensates the Management Board members for their performance in the current financial year. Every year, a Euro amount is granted which will be paid out if the targets are achieved at a 100% level ("Target STI"). The targets comprise Financial Targets and Non-financial Targets (as defined below), which are determined by the Supervisory Board in its reasonable discretion prior to the relevant financial year. The principal basis for the target setting is the budget of the next financial year to which the STI relates. For each target, the Supervisory Board sets a range for the target achievement by determining the STI per target (as defined below), the respective threshold, the target value and the maximum target values ("Target Corridor"). A total of 75% of the Target STI is based on the Company's financial performance and thus links the compensation of the Management Board members to the business success of SYNLAB ("Financial Targets"). The remaining 25% of the Target STI is based on non-financial targets, such as employee engagement (as defined below) as one of the ESG targets ("Non-financial Targets"). The Supervisory Board may adjust the Financial Targets, the Non-financial Targets and the respective Target Corridors at its reasonable discretion at any time, but only prior to the beginning of a financial year. In detail, the 2023 STI targets are split and weighted ("Weighting per Target") as follows for both CEO and CFO:

STI TARGETS 2023 AND WEIGHTING PER TARGET

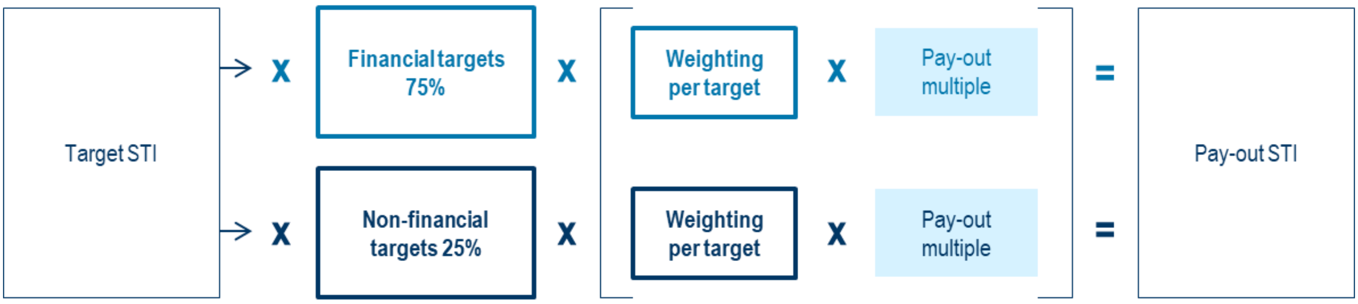
		Weighting
Financial	AEBITDA	50.0%
	Revenues	12.5%
	Free Cash Flow	12.5%
Non-financial	ESG	10.0%
	Individual 1	5.0%
	Individual 2	5.0%
	Individual 3	5.0%

In total, both Management Board members have seven targets. The three Financial Targets and the ESG target are the same for CEO and CFO, while three other Non-financial Targets are determined individually. All Financial Targets and Non-financial Targets form the basis for the Company's successful development since a solid financial foundation is essential for implementing the strategy of Customer Centric Medical Excellence. In detail, the targets are defined as follows:

- **AEBITDA** (adjusted EBITDA[5]) is the operating profit (before taxes) plus depreciation and amortisation, adjusted for any effects arising from sales and acquisitions, including postmerger integration costs, plus impairment of non-current assets, plus restructuring and other extraordinary effects, plus other non-recurring costs, adjusted for currency effects. AEBITDA is the core financial metric to measure the financial performance in the previous year. Also, AEBITDA growth and the creation of margins are essential for the implementation of the Company's strategy in the future. In addition, a stable AEBITDA helps to be more resilient against inflation.
- **Revenues** are the revenues as shown in the Company's consolidated IFRS financial statement. SYNLAB seeks to expand its share in a fast-growing diagnostics market, which goes along with the growth of the business model. Therefore, the compensation depends on Revenues, as a strong position in the market is decisive for the Company's success, short- and long-term.
- **Free Cash Flow** is the cash flow from continuing operations, adjusted for the purchase of intangibles and property, plant and equipment, proceeds from the sale of intangibles and property, plant and equipment and lease repayments, less interest expenses on leases. One cornerstone of the Company's strategy is M&A activities. Free Cash Flow is an important indicator for not only measuring the operating performance, but also to ensure liquidity for all kinds of organic or inorganic growth in the upcoming year. Connecting the compensation with Free Cash Flow, the Company sets a focus on the financing of acquisitions in the future by internal funding.

Following the 12-month reference period, the STI is calculated on the basis of the individual target achievement. First, the level of achievement is determined for each individual target within the Target Corridor, i.e. actual target achievement is compared with the target amount within the Target Corridor ("Target Achievement"). Based on the Target Achievement and by applying the relevant bonus curve, the pay-out multiple is determined ("Pay-out Multiple"). The bonus curve specifies the correlation between the Target Achievement and the respective Pay-out Multiple for each target. By multiplying the relevant Pay-out Multiple with the STI per target (as defined below), the payment amount for each STI target ("Target Payment Amount") is determined. The STI per target is calculated by multiplying the Target STI with the Weighting per Target ("STI Per Target"). The sum of the Target Payment Amounts for all individual targets is the STI amount to be paid out for a financial year (the "Pay-out STI"). The STI is paid in the month after approval of the consolidated financial statements for the relevant financial year.

STI System



[5] Within the meaning of the IFRS measure for the period

Target achievement in 2023

The STI pay-out depends on the Pay-out Multiple of each target which in turn depends on the Target Achievement within the defined Target Corridor. For the financial year 2023, the Target Corridor for each Financial Target is different and shown in detail below.

- Regarding the **AEBITDA target, the Target Corridor ranges from 91.0% to 120.0%**. Below a Target Achievement of 91.0%, the Pay-out Multiple is 0%, and at a Target Achievement of 95.0%, the Pay-out Multiple is 50.0%. The Pay-out Multiple is capped at 200.0% at a Target Achievement of 120.0% or above. Between 91.0% and 95.0%, 95.0% and 100.0% and between 100.0% and 120.0%, linear interpolation applies.
- The Target Corridor for the **Revenues target is between 96.0% and 110.0%**. At a Target Achievement below 96.0%, the Pay-out Multiple is 0%, while at a Target Achievement of 98.0%, the Pay-out Multiple is 50.0%. At a Target Achievement of 110.0% or above, the Pay-out Multiple is 200.0% and is capped here. As outlined above for the AEBITDA target, linear interpolation is applied between steps.
- The Target Corridor of the **Cash Flow target starts at 90.0% and is capped at 150.0%**. At a Target Achievement of 95.0%, the Pay-out Multiple is 50.0%, while being 0% below a Target Achievement of 90.0%. If the Target Achievement is at 150.0% or above, the Pay-out Multiple is 200.0% and capped. As outlined above for the AEBITDA target, linear interpolation is applied between steps.

The following table provides an overview of the Financial Targets and their achievement in the financial year 2023 for both Management Board members on an individual basis. Mr Floreani's Target STI in 2023 is 1.10 M€ and Mr Badarani's Target STI is 0.65 M€.

FINANCIAL STI TARGETS 2023

In M€, unless stated otherwise

		Share in STI	STI per target	Threshold	Target value	Maximum	Target achievement		Pay-out multiple	Target payment amount
M. Floreani	**AEBITDA***	50.0%	**0.55**	417.5	**439.5**	527.4	437.6	99.6%	96.0%	0.53
	Revenues*	12.5%	**0.14**	2,587.5	**2,640.3**	2,904.3	2.643.0	100.1%	101.0%	0.14
	Free Cash Flow	12.5%	**0.14**	98.2	**103.4**	155.10	74.5	72.1%	0.0%	00.0
S. Badarani	**AEBITDA***	50.0%	**0.33**	417.5	**439.5**	527.40	437.6	99.6%	96.0%	0.31
	Revenues*	12.5%	**0.08**	2,587.5	**2,640.3**	2,904.3	2,643.0	100.1%	101.0%	0.08
	Free Cash Flow	12.5%	**0.08**	98.2	**103.4**	155.1	74.5	72.1%	0.0%	0.00

* Taking currency effects into account

For the Non-financial Targets, the Pay-out Multiple is equal to the Target Achievement. The minimum Target Achievement is 80.0%. Below a Target Achievement of 80.0%, the Pay-out Multiple is 0%. The maximum Pay-out Multiple is capped at 120.0%. In total, the STI is capped at 180.0% of the Target STI. The Target Achievement of the Non-financial Targets in 2023 is shown below:

NON-FINANCIAL STI TARGETS 2023

In M€, unless stated otherwise

		Share in STI	STI per target	Target achievement	Pay-out multiple	Target payment amount
M. Floreani	ESG: Progression of Employee Engagement	10.0%	0.11	The engagement score was increased by 4 percentage points	100 %	0.11
	Progress on Digitalisation	5.0%	0.06	SYNLAB Health for You milestone plan achieved and advanced reporting successfully implemented in France and roll-out started in other SELs. Upgrade of the medical counselling tool	110.0%	0.06
	Rebasing SAP	5.0%	0.06	Lessons learnt were implemented, the proportion of automated transactions increased and Roadmap 2024 finalised. Initiation of the next countries with more detailed planning and data cleansing started	110.0%	0.06
	Implementation of the ESG roadmap	5.0%	0.06	KPI reporting within the quality requirements. Definition of the ESG - E roadmap. Implementation of the environmental and governance programme and start of financing of the second project by the foundation	120.0%	0.07
S. Badarani	ESG: Progression of Employee Engagement	10.0%	0.07	The engagement score was increased by 4 percentage points	100.0%	0.07
	Securing investment capacity	5.0%	0.03	Effective risk quantification by the six most important countries and review of the early warning system on a monthly basis Tool for the overview of investment capacity and Group Lease Policy published.	120.0%	0.04
	Internal control continuous improvement	5.0%	0.03	Remediation of level 1 and 2 deficiencies (record to report, treasury and tax controls)	100.0%	0.03
	Investor relations animation	5.0%	0.03	Improve taxonomy measurement to fulfil EU regulations, support ESG outcomes and improve visibility of progress	120.0%	0.04

In 2023, there was no deviation from the defined targets, the Target Corridors or the Pay-out Multiples as set out prior to the start of the financial year. Overall, the STI Pay-out amounts to €963,624.75 for Mr Floreani and to €569,415.63 for Mr Badarani.

LTI

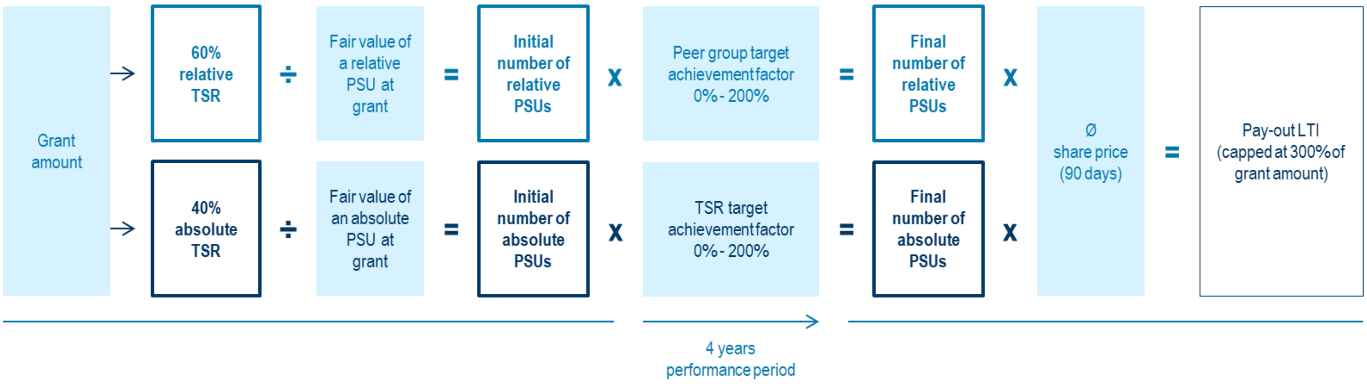
Description of LTI system and targets

While the STI rewards performance in the current financial year, the LTI connects long-term compensation to the long-term development and sustainable growth of SYNLAB. This is achieved by linking the LTI to the SYNLAB share price and granting annual tranches. Each tranche has a four-year performance period ("Performance Period") to ensure the commitment of the Management Board members to the Company's performance, even beyond the current term of their service agreements. The first tranche was allocated at the time of the IPO and the upcoming tranches will be allocated every 12 months following the IPO, hence the tranche for 2023 was allocated on 1 May 2023.

The basis for the LTI is the TSR, which is the increase in the share price including dividends in the corresponding period. In combination with the multi-year assessment period, the high weighting of the LTI (32% to 34% of the target compensation) generates a significant contribution to aligning Management Board compensation with the Company's long-term development and corporate strategy. The alignment with the TSR provides an adequate incentive to achieve a sustainable increase in equity value and thus harmonises shareholder and management interests.

Due to the granting of the LTI in May each year, the relevant LTI compensation for 2023 consists of 33.3% LTI granted in 2022 and 66.7% granted in 2023.

LTI System



For each LTI tranche, a certain Euro amount is granted ("Grant Amount") which, over the course of the Performance Period, is subject to the achievement of certain targets and the Company's development. The LTI is split into two parts: the Absolute TSR and the Relative TSR (as defined below). While the absolute TSR evaluates the overall performance of the share of SYNLAB ("Absolute TSR"), the relative TSR evaluates the performance of the SYNLAB share in relation to the TSR of comparable companies ("Relative TSR"). The weighting of these two parts is the same for both CEO and CFO. The Absolute TSR accounts for 40% of the LTI Grant Amount and the Relative TSR for the remaining 60%. The LTI is granted in the form of performance share units ("PSUs"). There are two PSU categories: 40% of the PSUs are based on the Absolute TSR ("Absolute PSUs") and 60% on the Relative TSR ("Relative PSUs"). To calculate the initial number of Absolute PSUs, 40% of the LTI Grant Amount is divided by the fair value (as defined below) of an Absolute PSU; for the initial number of Relative PSUs, 60% of the LTI Grant Amount is divided by the fair value of a Relative PSU.

The fair value of a PSU is calculated in accordance with IFRS 2 principles, using generally accepted option pricing models, e.g. Monte Carlo simulation ("Fair Value"). For the tranche 2023, the volume-weighted average share price over a period of 90 days (XETRA closing prices) prior to the grant date is used (the "Share Price"). The final number of PSUs at the end of the four-year Performance Period depends on the respective target achievement factor (as described below), multiplied by the initial number of PSUs granted.

The Absolute TSR is based on a target TSR. If the Company achieves the target TSR, the target achievement factor for the Absolute TSR (the "Target TSR Achievement Factor") is 100%. Below a certain threshold, the Target TSR Achievement Factor is 0%, while the maximum is 200%. Between the hurdles, linear interpolation will be applied.

To obtain the final number of Relative PSUs, the performance of the SYNLAB TSR is measured in relation to the TSR of a group of comparable companies ("Peer Group"). For each Peer Group company, the TSR is calculated and then the relative position (rank) of SYNLAB within the Peer Group is determined. The minimum target achievement factor for the Relative TSR (the "Peer Group Target Achievement Factor") is 0% if the SYNLAB TSR is below or at the lower quartile (25%). If the SYNLAB TSR is at the median, the Peer Group Target Achievement Factor is 100%. A maximum Peer Group Target Achievement Factor of 200% is possible if the SYNLAB TSR is above the upper quartile (75%). Between these hurdles, linear interpolation will be applied.

At the end of the four-year Performance Period, the initial number of PSUs (as calculated at the start of each tranche) for each PSU category is multiplied with the Target-TSR Achievement Factor or the Peer Group Target Achievement Factor to determine the final number of PSUs. When the Performance Period ends, the sum of the final number of Absolute PSUs and Relative PSUs multiplied by the average share price determines the LTI pay-out amount (the "Pay-out LTI"). The average share price corresponds to the volume-weighted average of the XETRA closing prices over the 90 trading days prior to the end of the Performance Period. The Company is entitled to fulfil payment of the Pay-out LTI in part or in full by granting shares in the Company.

If the service agreement ends upon completion of the agreed term, all outstanding LTI tranches will be carried forward and settled after the end of the respective Performance Period. The pay-out of each LTI tranche is limited to 300% of the Grant Amount.

For the LTI tranche 2022, the same system has been applied as the LTI system remained unchanged.

LTI tranche 2023

The Absolute TSR rewards the absolute performance of the SYNLAB share (including dividends) during the Performance Period (four years) of each tranche. If the actual TSR is below the threshold of 7% p.a., no Absolute PSUs will be vested (Target TSR Achievement Factor is 0%). At a TSR of 7% p.a., the Target TSR Achievement Factor is 25%, so 25% of the Absolute PSUs will be vested. The remaining Absolute TSR-based PSUs lapse without any compensation. If the Target TSR is 10% p.a., then the Target-TSR Achievement Factor is 100% and 100% of the Absolute PSUs will be vested. A TSR of 13% or more leads to the maximum Target TSR Achievement Factor of 200%. Linear interpolation will be applied between the thresholds of 7% and 10% as well as 10% and 13%. The same applies for the LTI tranche 2022.

For the tranche granted in 2023, the Relative TSR depends on the Company's TSR performance in relation to the TSR of the peer companies included in the benchmark index (MSCI Europe Health Care Equipment & Services). For the granting of further tranches, the Supervisory Board may change the type of index or the benchmark index or replace the index with a Peer Group at its reasonable discretion. The TSR is calculated for each member of the index and the Company's relative position (rank) within the index is determined. If the TSR of SYNLAB is below or equal to the lower quartile (25%) of the index, the target is not achieved, and the Peer Group Target Achievement Factor is 0%. If the TSR of SYNLAB is equal to the median of the index companies, the Peer Group Target Achievement Factor is 100%. Above the upper quartile (75%), the Peer Group Target Achievement Factor is 200%. Linear interpolation will be applied between the thresholds. The same applies for the LTI tranche 2022.

The pay-out of the LTI tranche 2023 is capped at 300% of the Grant Amount, which leads to a total cap of 3.90 M€ for Mr Floreani (Grant Amount: 1.30 M€) and 2.25 M€ for Mr Badarani (Grant Amount of 0.75 M€), each on a four-month basis for 2022 and eight-month basis for 2023.

Because the tranche 2023 was allocated in May 2023, the LTI for the financial year 2022 amounts to 33.3% of the LTI tranche 2022 and to 66.7% of the LTI tranche 2023. The following tables show an overview of the relevant pro-rata amounts of the two LTI tranches and their respective pro-rata number of PSUs for the financial year 2023 on an individual basis for both active Management Board members. For example: The tranche of Mr Floreani starting in May 2023 has a Grant Amount of 1.3 M€ for 12 months from Grant Date. The pro-rata amount for the eight-month period (May to December 2023) accounts for €866,667. Thereof, 60% is related to the Relative TSR target instrument (€520,000) and 40% to the Absolute TSR target instrument (€346,667). Dividing these amounts by their respective Fair Value per PSU, which is €10.23 for a Relative PSU and €6.11 for an Absolute PSU, gives the initial number of PSUs granted per instrument on a pro-rata basis. The total pro-rata number of PSUs related to the tranche 2023 is 107,569 and 95,901 for the pro-rata part of the tranche 2022 for the time period January to April 2023, where the same methodology applies.

OVERVIEW LTI TRANCHES AND PSUS

		Tranche 2023 1 May 2023		Tranche 2022 1 May 2022	
M. Floreani	**Grant Amount of tranche**	**€1,300,000**		**€1,300,000**	
	Pro-rata amount per tranche in year 2023	**€866,667**		**€433,333**	
	Instruments	Relative TSR	Absolute TSR	Relative TSR	Absolute TSR
	Weighting of instruments	60%	40%	60%	40%
	Pro-rata Grant Amount per instrument	€520,000	€346,667	€260,000	€173,333
	Fair Value per PSU	€10.23	€6.11	€6.82	€3.00
	Pro-rata number of initial PSUs per instruments	50,831	56,738	38,123	57,778
	Total pro-rata number of initial PSUs	**107,569**		**95,901**	
	Total amount in year 2023	**€1,300,000**			
	Total number of PSUs in year 2023	**203,470**			
S. Badarani	**Grant Amount of tranche**	**€750,000**		**€750,000**	
	Pro-rata amount per tranche in year 2023	**€500,000**		**€250,000**	
	Instruments	Relative TSR	Absolute TSR	Relative TSR	Absolute TSR
	Weighting of instruments	60%	40%	60%	40%
	Pro-rata Grant Amount per instrument	€300,000	€200,000	€150,000	€100,000
	Fair Value per PSU	€10.32	€6.11	€6.82	€3.00
	Pro-rata number of initial PSUs per instruments	29,326	32,733556	21,944	33,333
	Total pro-rata number of initial PSUs	**62,059**		**55,277**	
	Total amount in year 2023	**€750,000**			
	Total number of PSUs in year 2023	**117,336**			

Overview of all outstanding LTI tranches for all Management Board members

The following tables show the details for the LTI tranches granted for both Management Board members in 2022 and 2023, including the initial number of PSUs granted and the maximum possible number of PSUs for each Management Board member.

There were no deviations from the compensation system for the Management Board members in 2023.

MAXIMUM POSSIBLE PSUS

		Tranche 2023		Tranche 2022	
M. Floreani	**LTI Grant Amount**	**€1,300,000**		**€1,300,000**	
	Instruments	Relative TSR	Absolute TSR	Relative TSR	Absolute TSR
	Weighting	60%	40%	60%	40%
	Instrument Grant Amount	€780,000	€520,000	€780,000	€520,000
	Fair Value per PSU	€10.23	€6.11	€6.82	€3.00
	Initial number of PSUs	76,246	85,106	114,370	173,333
	Total Number of PSUs granted	**161,352**		**287,703**	
	Maximum Number of PSUs possible	**152,492**	**170,212**	**228,740**	**346,666**
	Total Maximum Number of PSUs possible	**322,704**		**575,406**	
S. Badarani	**LTI Grant Amount**	**€750,000**		**€750,000**	
	Instruments	Relative TSR	Absolute TSR	Relative TSR	Absolute TSR
	Weighting	60%	40%	60%	40%
	Instrument Grant Amount	€450,000	€300,000	€450,000	€300,000
	Fair Value per PSU	€10.23	€6.11	€6.82	€3.00
	Initial number of PSUs	43,988	49,100	65,982	100,000
	Total Number of PSUs granted	**93,088**		**165,982**	
	Maximum Number of PSUs possible	**87,977**	**98,200**	**131,964**	**200,000**
	Total Maximum Number of PSUs possible	**186,176**		**311,964**	

Share Ownership Program

In order to further align the interests of shareholders and management, share ownership guidelines have been implemented for the Management Board members ("Share Ownership programme").

Each Management Board member is obliged to continue to hold or to acquire shares of the Company during their terms of office. The value of the shares to be held is based on the IPO placement price and must amount to two times the Base Salary for Mr Floreani and Mr Badarani. This means that the target value (i.e. two times the Base Salary) of the respective Management Board member is divided by the IPO placement price (€18.00), resulting in the number of shares to be held. For new Management Board members, the amount to be held is determined by the Supervisory Board within a range of 100% and 200% of the Base Salary.

Both Mr Floreani and Mr Badarani held at least 100% of the shares required under the Share Ownership programme at the time this compensation report was issued. Mr Floreani and Mr Badarani have both accepted the offer by Ephios Luxemburg S.à.r.l. to acquire their share ownership shares. The consumption of the acquisition offer is subject to conditions which have not been fulfilled at the time of the preparation of this report.

Malus and Clawback

The Supervisory Board may withhold the STI and/or the LTI or reduce it to zero (“Malus”) in the event of (i) fraud, (ii) gross negligence or intentional breach of statutory provisions, the articles of association or the code of conduct of the Company, (iii) good cause within the meaning of section 626 paragraph 1 of the German Civil Code (BGB) or (iv) a breach by a Management Board member of their duties of care according to section 93 paragraph 1 AktG, which results in significant financial and/or reputational loss to the Company and/or the SYNLAB Group (“Material Misconduct”). In addition, the Company has the right to claim repayment of the STI if the STI was wrongly paid out as a result of objectively incorrect annual financial statements for the last or penultimate financial year (“STI Performance Clawback”).

Regarding the LTI, the Supervisory Board may withhold (in part or in full), reduce to zero or reclaim (in part or in full) the LTI in the event of Material Misconduct by the Management Board member (“LTI Compliance Clawback”; together with the STI Performance Clawback, the “Clawback”). In doing so, the Supervisory Board takes a decision on both variable compensation elements at its reasonable discretion.

However, Malus and Clawback apply only to the STI and LTI tranches for the years in which the Material Misconduct occurs. There was no indication of incidents in financial year 2023 that would trigger a Malus or Clawback for either Mr Floreani or Mr Badarani.

Leaver Scheme and Severance Payment

In the event of termination of the service agreement of a Management Board member, the following leaver scheme (the “Leaver Scheme”) applies.

All outstanding LTI tranches will be forfeited in the event of termination of the employment contract by the Company for good cause pursuant to section 626 BGB or in the event of a breach of duties and obligations by a Management Board member with intent or gross negligence (“Bad Leaver Event”). On the other hand, the termination of the service agreement upon expiry of the fixed term and the termination of the service agreement by the Management Board member for good cause pursuant to section 626 BGB, if the cause falls within the sphere of the Company, as well as the inability of the Management Board member to fulfil their obligations pursuant to the service agreement, for instance, because of permanent incapacity for work, constitute a good leaver event (“Good Leaver Event”).

If the Management Board member’s leaving is deemed to be a Good Leaver Event, all PSUs allocated until the occurrence of the Good Leaver Event remain assigned to the Management Board member. If there are no reasons that qualify as a Good Leaver Event or Bad Leaver Event, the Management Board member is deemed to be an ordinary leaver (“Ordinary Leaver”). The following vesting rules then apply: 1/36 of the first LTI tranche granted within the terms of the service agreement is vested each month (from grant), 1/24 of the second LTI tranche is vested each month (from grant) and 1/12 of the third LTI tranche is vested each month (from grant).

In the event of premature termination of the service agreement during the first or second year following its effective date, the Management Board member is entitled to a severance payment of two annual fixed salaries and two STI target amounts. In the event of premature termination of the service agreement during the third year, the Management Board member is entitled to a severance payment of one annual fixed salary and the STI equivalent to the average target achievement for the previous two years, but in any case, not exceeding the target compensation which would have been payable to the Management Board member for the remaining term of the service agreement (“Severance Payment Cap”).

GRANTED AND DUE COMPENSATION 2023

The table below shows the compensation granted (gewährt) and due (geschuldet) in 2023 (and 2022) according to section 162 para. 1 sentence 1 AktG individually for both CEO and CFO. Furthermore, the relative share of each compensation element is presented.

For the purpose of this report, compensation granted is the compensation relating to such services of the relevant Management Board member that were provided during the financial year 2023, and compensation due is the compensation due and payable but not yet paid out in financial year 2023 (the “Granted and Due Compensation”). The STI values shown are granted compensation since the underlying services of the Management Board members had been provided in full up to the end of the financial year (31 December 2023). Hence, the pay-out amounts are shown although the actual pay-out occurs after the end of the report for the financial year 2023. This method of reporting ensures the transparent and comprehensible disclosure of compensation and demonstrates the link between performance and compensation.

The compensation due for the LTI is zero (EUR 0) because of the four-year Performance Period of the LTI and the associated first payment being after the end of the Performance Period in 2025 and 2026 respectively. Neither Mr Floreani nor Mr Badarani received any further compensation in addition to the numbers shown in the table for the financial year 2023. In 2023, no special payments were made. Special payments may be granted for very specific and pre-determined situations by the Supervisory Board, but only within the Maximum Compensation as defined in the individual contracts of each Management Board member.

M. FLOREANI (CEO)

Granted and Due	2023		2022	
€ 000, unless stated otherwise	Absolute	Relative	Absolute	Relative
Fixed compensation	**1,429**	**60 %**	**1,434**	**52%**
Base salary	1.000	42 %	1,000	36%
Other benefits and insurances	41	2 %	43	2%
Pension scheme	389	16 %	391	14%
Variable compensation	**964**	**40 %**	**1,339**	**48%**
STI	**964**	**40 %**	**1,339**	**48%**
STI 2022	-	-	1,339	48%
STI 2023	964	40 %	-	-
LTI	**0**	**0 %**	**0**	**0%**
LTI 2022	-	-	0	0%
LTI 2023	0	0 %	-	-
Total compensation	**2,393**	**100 %**	**2,774**	**100%**
Special bonus	0	0	0	0

* Both Management Board members received the energy cost fee of €300 in 2022

S. BADARANI (CFO)

Target compensation	2023		2022	
€ 000, unless stated otherwise	Absolute	Relative	Absolute	Relative
Fixed compensation	**933**	**62 %**	**927**	**54%**
Base salary	700	47 %	700	41%
Other benefits and insurances	43	3 %	43	3%
Pension scheme	190	13 %	184	11%
Variable compensation	**569**	**38 %**	**788**	**46%**
STI	**569**	**38 %**	**788**	**46%**
STI 2022	-	-	788	46%
STI 2023	569	38 %	-	-
LTI	**0**	**0 %**	**0**	**0%**
LTI 2022	-	-	0	0%
LTI 2023	0	0 %	-	-
Total compensation	**1,503**	**100 %**	**1,715**	**100%**
Special bonus	0	0	0	0

* Both Management Board members received the energy cost fee of €300 in 2022

Supervisory Board compensation

OVERVIEW SUPERVISORY BOARD COMPENSATION

Since the IPO in April 2021, the Supervisory Board has consisted of 12 members, including the chairperson (the “Chairperson”) and its deputy (the “Deputy Chairperson”). As per IPO, a compensation system for the Supervisory Board members was introduced, taking into account the seniority and tasks of all members individually. The tasks and responsibilities of the Chairperson and the Deputy Chairperson, as well as those of the chairpersons of committees, are reflected in higher compensation levels for such Supervisory Board members. The compensation under the system implemented at the time of the IPO consists of three elements, including annual base compensation for the Supervisory Board function (the “Base Compensation”), compensation for committee membership (the “Committee Compensation”) and an attendance fee for meetings (the “Attendance Fee”).

SUPERVISORY BOARD COMPENSATION

Supervising and advising the Management Board requires not only fundamental knowledge of the Company itself, but also experience in the healthcare sector or in other relevant specific fields. The Supervisory Board therefore consists of members with an outstanding track record. Competitive but appropriate compensation for Supervisory Board members is designed to attract highly qualified candidates.

Every four years at the latest, the Annual General Meeting will resolve on the Supervisory Board members’ compensation and the compensation system. The resolution may also confirm the current compensation. The compensation system was approved by the Annual General Meeting in 2022. The compensation system has not been changed since then.

APPLICATION OF COMPENSATION SYSTEM IN FINANCIAL YEAR 2023

The three compensation elements are non-variable elements and therefore not dependent on performance targets.

Base compensation

The Supervisory Board members receive Base Compensation of €80,000 for one full financial year. The Chairperson’s Base Compensation amounts to €220,000 and the Deputy Chairperson receives €110,000. If membership does not last for the full 12 months of a financial year, the compensation is paid on a pro-rata basis.

Committee compensation

In addition to the Base Compensation, the Supervisory Board members receive compensation for their membership of a committee. The Supervisory Board has five committees: the presiding committee, the environmental, social and governance (ESG) committee, the audit and risk committee, the nomination committee and the conciliation committee. The Committee Compensation differs for the chair and members of each committee and is shown in the table below:

COMMITTEE COMPENSATION

In €

	Chairperson	Ordinary member
Presiding committee	30,000	15,000
ESG committee	30,000	15,000
Audit and risk committee	80,000	20,000
Nomination committee	-	-
Conciliation committee	-	-

The members of the nomination committee and conciliation committee do not receive any additional annual compensation. If committee membership begins or ends during a year, compensation is paid on a pro-rata basis.

Attendance fee

In addition to the Base Compensation and Committee Compensation, the Supervisory Board members receive an Attendance Fee of €2,000 EUR for each Supervisory Board meeting; the Chairperson receives €4,000 for each meeting.

The Attendance Fee for each committee meeting is €1,000 for a member and €2,000 for the Chairperson.

If more than one meeting is held on a single day, only the highest Attendance Fee will be paid for all meetings of the Supervisory Board and committees together.

There were no deviations from the compensation system for the Supervisory Board members in 2023.

SUPERVISORY BOARD COMPENSATION 2023

In 2023, the compensation granted and due to the Supervisory Board members according to section 162 para. 1 sentence 1 AktG was as follows:

GRANTED AND DUE COMPENSATION 2023

€ 000, unless stated otherwise	Base compensation		Committee compensation		Attendance fee		Total	# of sessions attended
Shareholder representatives								
Prof Dr David Ebsworth (Chairperson)	220	66 %	30	9 %	82	25 %	**332**	34
Peter Catterall (until 17 May 2023)	30	77 %	6	15 %	2	5 %	**38**	4
Barbara Lambert	80	39 %	80	39 %	43	21 %	**203**	31
Alexander Leslie (from 17 May 2023)	50	67 %	9	12 %	15	21 %	**74**	10
Anastasya Molodykh-McFarlane	80	68 %	20	17 %	18	15 %	**118**	12
Christian Salling	80	71 %	15	13 %	18	16 %	**113**	11
Dr Bartholomäus Wimmer	80	61 %	30	23 %	22	17 %	**132**	11
Trade union and employee representatives								
Karin Bierstedt	80	82 %	0	0 %	18	18 %	**98**	9
Dr Stefan Graf	80	57 %	35	25 %	26	18 %	**141**	22
Dr Ute Hasholzner	80	82 %	0	0 %	18	18 %	**98**	9
René-Frank Schmidt-Ferroud	80	69 %	15	13 %	21	18 %	**116**	13
Iris Schopper	80	69 %	15	13 %	21	18 %	**116**	13
Marc Welters (Deputy Chairperson)	110	59 %	35	19 %	43	23 %	**188**	39
Total Supervisory Board	**1.130**	**64 %**	**290**	**16 %**	**347**	**20 %**	**1.767**	**215**

The trade union representatives and the employee representatives (with the exception of Dr Hasholzner as managerial employee representative) donate their compensation in accordance with the DGB guidelines. The shareholder representatives, Alexander Leslie, Peter Catterall, Anastasya Molodykh-McFarlane and Christian Salling donated their compensation to the SYNLAB Foundation gGmbH.

Comparative presentation of the compensation and earnings development

According to section 162 para. 1 sentence 2 number 2 AktG, a comparative presentation of the annual change in the Company's earnings performance must be provided for the past five years. It must include average FTE compensation and the compensation of the Management Board and Supervisory Board members.

However, section 26j subsection 2 sentence 2 of the German Introductory Act to the Stock Corporation Act (Einführungsgesetz zum Aktiengesetz, EGAktG) offers the opportunity to report employees' average compensation starting in 2021 ("Transitional Provision"). This can be extended to the compensation of the Management Board and Supervisory Board members and earnings performance as well. In the case of the Company, the information will be built up from 2021 because of the lack of comparable information prior to the IPO in 2021. Due to the IPO in April 2021, it is not possible to compare the historical performance of the Company with the compensation for the Management Board and Supervisory Board members. This and the vertical comparison will be built up successively over the years ahead in the context of the Transitional Provision.

The following table shows the Company's development since 2021. The table includes the compensation granted and due to the Management Board members (excl. special bonus payments) and Supervisory Board members in 2021, 2022 and 2023 as well as the performance indicators Group AEBITDA (IFRS), Group revenues (IFRS) and Group net income. The average FTE compensation is also shown.[6]

€ 000, unless stated otherwise	2023	2023 vs. 2022	2022	2022 vs. 2021	2021
Management Board compensation					
Mathieu Floreani (Chairperson)*	2,393,0	(14) %	2,773.9	(12)%	3,163.0
Sami Badarani*	1,502,5	(12) %	1,715.5	(20)%	2,135.7
Supervisory Board compensation					
Prof Dr David Ebsworth (Chairperson)*	332,0	8 %	306,0	3%	296.0
Peter Catterall (until 17 May 2023)**	38,0	(68) %	120.0	49%	80.3
Barbara Lambert*	203,0	10 %	184.0	3%	178.0
Alexander Leslie (from 17 May 2023)	74,0	0 %	-	-	-
Anastasya Modolykh-McFarlane**	118,0	0 %	118.0	48%	79.7
Christian Salling**	113,0	0 %	113.0	50%	75.3
Dr Bartholomäus Wimmer**	132,0	(1) %	134.0	53%	87.3
Karin Bierstedt**	98,0	7 %	92.0	45%	63.3
Dr Stefan Graf**	141,0	(4) %	147.0	55%	94.7
Dr Ute Hasholzner**	98,0	7 %	92.0	45%	63.3
René-Frank Schmidt-Ferroud**	116,0	3 %	113.0	50%	75.3
Iris Schopper**	116,0	3 %	113.0	50%	75.3
Marc Welters (Deputy Chairperson)**	188,0	6 %	177.0	54%	114.7
Company performance					
AEBITDA*	437,9M	(41) %	753.4M	(38)%	1,209.8M
Revenues*	2.635,2M	(19) %	3,250.5M	(13)%	3,746.9M
Net income*	96,0M	(39) %	152.5M	(76)%	627.5M
Average FTE compensation					
Employee compensation*	47,6	1,7 %	46.8	5.9%	44.2

* 2021 numbers for full financial year 2021
** 2021 numbers since IPO in April 2021.

[6] In order to ensure future comparability and avoid a distorted picture, the compensation of the Management Board members in 2021 is presented without their special bonuses.

Outlook for financial year 2024

Regarding the Management Board compensation, no major changes or adjustments were planned for 2024 at the time of the preparation of this report. The same applies to the compensation of the Supervisory Board members. In 2024, the Maximum Compensation remains the same for both Management Board members: 7.3 M€ for Mr Floreani and 4.4 M€ for Mr Badarani.

The Non-financial Targets for 2024 have a focus on the continuous improvement of the Company's strategy:

NON-FINANCIAL TARGETS STI 2024

		Share in STI
M. Floreani	ESG: Development of employee engagement	10.0%
	Successful portfolio management	10.5%
	Implementation of Strategy 2.0	5.0%
S. Badarani	ESG: Development of employee engagement Successful increase in liquidity	10.0%
	Successful corporate transformation	5.0%
	Successful increase in liquidity	5.0%

Published on 25 March 2024

SYNLAB AG
Moosacher Straße 88
80809 Munich / Germany

Investor contact: IR@SYNLAB.COM
Media contact: MEDIA-CONTACT@SYNLAB.COM

[Translator's notes are in square brackets]

General Engagement Terms
for
Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften
[German Public Auditors and Public Audit Firms]
as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [*Translators Note: The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party

b) examination of tax assessments in relation to the taxes referred to in (a)

c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)

d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)

e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax**;**

b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;

c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and

d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.