

**Report by the Executive Board to the Annual General Meeting
on the use of authorized capital with subscription rights excluded**

(in accordance with § 203 (2) sentence 2 AktG in conjunction with § 186 (4) sentence 2 AktG)

By resolution of the Annual General Meeting of January 17, 2014, the Executive Board was authorized, under an amendment to § 5 (5) of the Articles of Association, with the Supervisory Board's approval to increase the Company's capital stock on one or more occasions on or before January 16, 2019 by up to €370,000,000 by issuing up to 144,531,250 new no-par bearer shares in exchange for cash and/or contributions in kind (authorized capital). The authorized capital was entered in the Essen commercial register on January 30, 2014 and the Duisburg commercial register on February 2, 2014. An element of authorized capital is among other things that the Executive Board is authorized, with the Supervisory Board's approval, to exclude shareholders' subscription rights in accordance with § 186 (3) sentence 4 AktG for capital increases against cash contributions if the issue price of the new shares is not significantly below the stock exchange price of shares already issued at the time the issue price is finally established, and the total shares issued do not exceed 10% of the capital stock either at the time this authorization becomes effective or at the time it is exercised.

On September 25, 2017 – after the decision on the Supervisory Board's approval of the capital increase had been delegated to the Supervisory Board Executive Committee – the Executive Board, with the approval of the Committee, resolved in accordance with the existing authorization under § 5 (5) of the Articles of Association to increase thyssenkrupp AG's capital stock by a nominal €144,880,112.64 from €1,448,801,144.32 to €1,593,681,256.96, excluding subscription rights, against the issue of 56,593,794 new no-par bearer shares of the Company with dividend entitlement from October 1, 2016. This corresponds to a 10% increase in the Company's existing capital stock at the time the authorized capital came into effect and also at the time it was used. The volume limit for shares issued against cash with subscription rights excluded under the terms of the authorized capital was therefore met; no other measures that would count towards this volume limit had been taken by the Company previously.

The capital increase was successfully completed in an accelerated bookbuilding process on September 25, 2017. The newly issued no-par shares of thyssenkrupp AG were placed with German and international institutional investors at a price of €24.30 per no-par share (issue price or placement price). The capital increase came into effect on entry of its implementation in both the Company's

commercial registers on September 26, 2017. The placement resulted in gross proceeds of €1,375,229,194.20, which was used to strengthen equity and reduce net financial debt. With the capital increase the Group widened its financial leeway to support organic growth in its capital goods businesses in the key areas of urbanization, mobility and service while at the same time driving forward necessary restructuring initiatives.

The Executive Board and Supervisory Board Executive Committee approved the standard placement price of €24.30 for all shares. This took into account the price requirements under § 203 (2), § 186 (3) sentence 4 AktG, which are mandatory for the exclusion of subscription rights for a capital increase against cash contributions not exceeding 10% of the capital stock, according to which the price of the new shares must not be significantly below the price of the company's shares on the stock exchange. Against the preceding stock exchange price of €24.70 the placement price of €24.30 included only a small discount of just 1.6%. The placement price is based on offers submitted by institutional investors in the accelerated bookbuilding process.

With the exclusion of shareholder subscription rights, the Company made use of an option to exclude subscription rights for capital increases against cash provided for listed companies under § 203 (2), § 186 (3) sentence 4 AktG. The exclusion of subscription rights made it possible to achieve the above-mentioned goals quickly, address new shareholder groups in Germany and abroad, and avoid the higher time and cost outlay of a subscription right issue, which would also have involved higher price discounts and uncertainties. For the aforesaid reasons, the exclusion of subscription rights was in the interests of the Company. By establishing a price close to the stock exchange price and limiting the volume of shares issued under exclusion of subscription rights to 10% of the capital stock, the shareholders' interests in terms of their shareholding and voting rights were appropriately protected. With the (volume-weighted) average price of thyssenkrupp shares on the Xetra stock exchange amounting to €24.88 on September 25, 2017, the Company's existing shareholders were able to maintain their shareholding amounts by purchasing the necessary shares on roughly the same conditions on the stock exchange.

Based on the authorization resolution of the Annual General Meeting of January 17, 2014 which continues to apply, the Executive Board remains authorized, with the Supervisory Board's approval, to increase the capital stock of the Company by the remaining amount of authorized capital, i.e. by up to €225,119,887.36, by issuing up to 87,937,456 new no-par bearer shares against contributions in cash and/or kind on one or more occasions up to January 16, 2019.

Duisburg and Essen, November 2017

thyssenkrupp AG
The Executive Board

Dr. Hiesinger

Burkhard

Dr. Kaufmann

Kerkhoff