



ENCAVIS

**Investment Agreement with KKR
to accelerate ENCAVIS' growth –
KKR announces a voluntary
public takeover offer**

14th March 2024

Disclaimer

This publication is neither an offer to purchase nor a solicitation of an offer to sell shares in Encavis AG or any other securities in any jurisdiction. The Offer itself as well as its definite terms and conditions and further provisions concerning the Offer will be published in the offer document by BidCo. Investors and shareholders of Encavis AG are strongly advised to thoroughly read the offer document and all other relevant documents regarding the Offer when they become available, as they will contain important information.

This publication may contain statements about BidCo, and/or Encavis AG and/or either of its affiliates that are or may be “forward-looking statements”, i.e., statements about processes that take place in the future, not in the past. Forward-looking statements include, without limitation, statements that typically contain words such as “anticipate”, “seek”, “estimate”, “intend”, “expect”, “plan”, “believe”, “continue”, “will”, “may”, “should”, “would”, “could”, “pro forma”, or the negative of any thereof or other words of similar meaning. By their nature, forward-looking statements are based on current expectations, assumptions, estimates and projections and involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and many of which are outside the control of Encavis AG and/or any of its affiliates.

Encavis AG cautions you that forward-looking statements are not guarantees of the occurrence of such future events or of future performance. Any forward-looking statement speaks only as at the date of this announcement. Except as required by applicable law, Encavis AG does not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise. It should be noted that past performance is not a guide to future performance. Interim results are not necessarily indicative of full-year results.

Transaction highlights

- » Encavis AG and Elbe BidCo AG (“Investor”), a holding company controlled by investment funds, vehicles and accounts advised and managed by Kohlberg Kravis Roberts & Co. L.P. and its affiliates (“KKR”), entered into an Investment Agreement on 14th March 2024.
- » KKR will be investing from its Core Infrastructure Strategy.
- » The strategic investment vehicle of family company Viessmann, will invest as co-investor in a KKR-led consortium in Encavis AG.
- » The Investor will concurrently launch a voluntary public takeover offer (the “Offer”), offering all shareholders a cash consideration of EUR 17.50 per share.
- » The ABACON CAPITAL GMBH and other existing shareholders have signed binding agreements to sell and partly roll-over to the Investor a total amount of around 31% of Encavis AG shares and are fully supportive of the takeover offer.
- » The Management Board and the Supervisory Board of Encavis AG, which have approved the execution of the Investment Agreement today, expressly support the Offer¹.
- » The Management Board and Supervisory Board of Encavis AG intend to recommend acceptance of the Offer to Encavis AG’s shareholders.

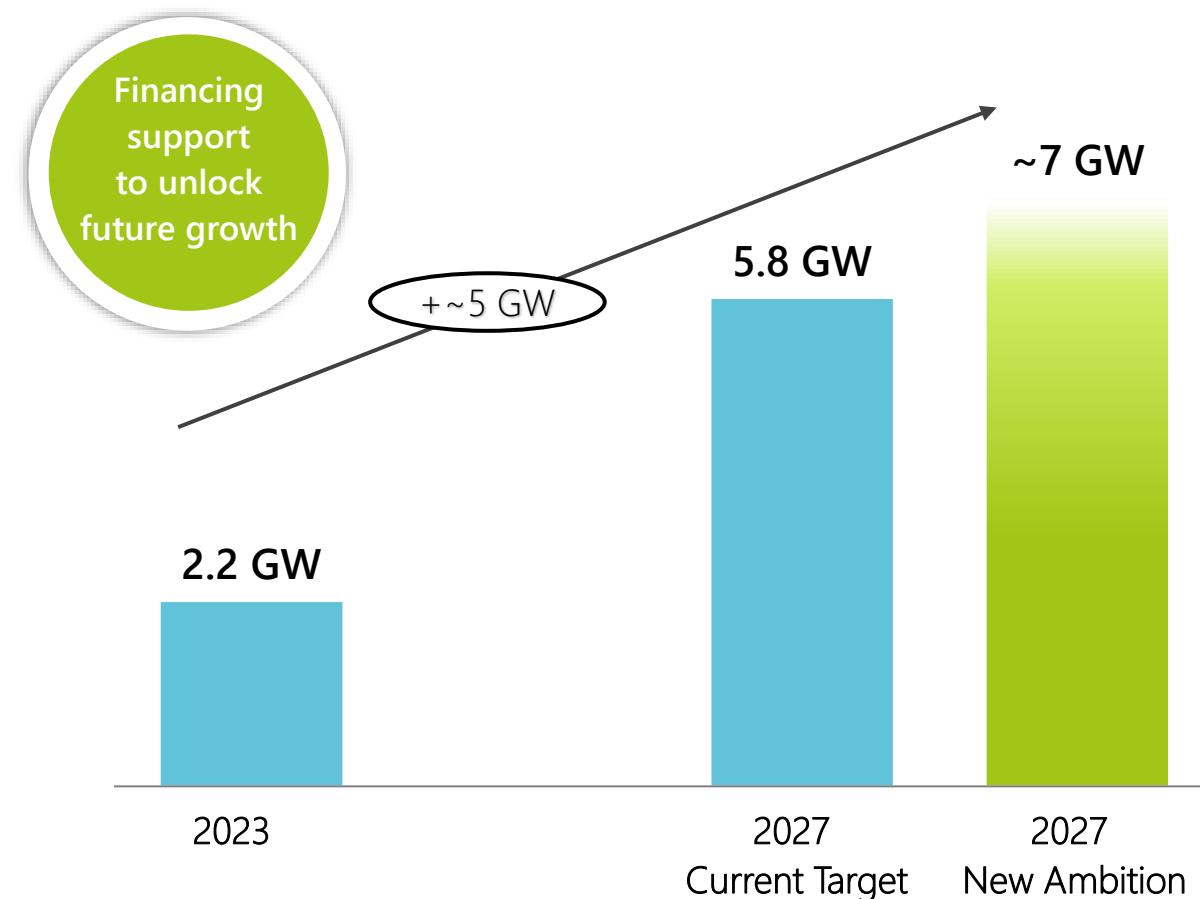
¹ Subject to their review of the Offer Document still to be published by Elbe BidCo AG and their fiduciary duties

ENCAVIS' benefits of the contemplated transaction

Summary benefits

- » Strategic partnership with KKR allows ENCAVIS to accelerate growth in all segments:
 - › Ambition of 7 GW of installed capacity by year-end 2027
 - › Above current target of 5.8 GW
 - › Commitment of KKR for continued growth thereafter.
- » Removing funding constraints of a public ownership model and benefitting from KKR's support will strengthen ENCAVIS in fulfilling its growth aspirations.
- » ENCAVIS' positioning will further be strengthened by significant commitments for investments in fast-track technology diversification to further accelerate growth.

Installed operational capacity expansion until year-end 2027



KKR is a good fit for ENCAVIS

Strong infrastructure and DACH investment track record

- » KKR is a leading strategic and financial partner with extensive experience in investing behind the energy transition
- » KKR has 20 years of investment track record in the DACH region with over EUR 15 billion of long-term equity invested in over 30 companies

Experienced investor in Renewable Energy sector

- » KKR has extensive experience of investing in and managing energy transition businesses and has access to resources across the global energy value chain
- » Furthermore, KKR has been an active investor in Renewable Energy globally and has a demonstrable track record of investing and generating value in platforms similar to ENCAVIS

Long-term investment horizon and alignment on business strategy

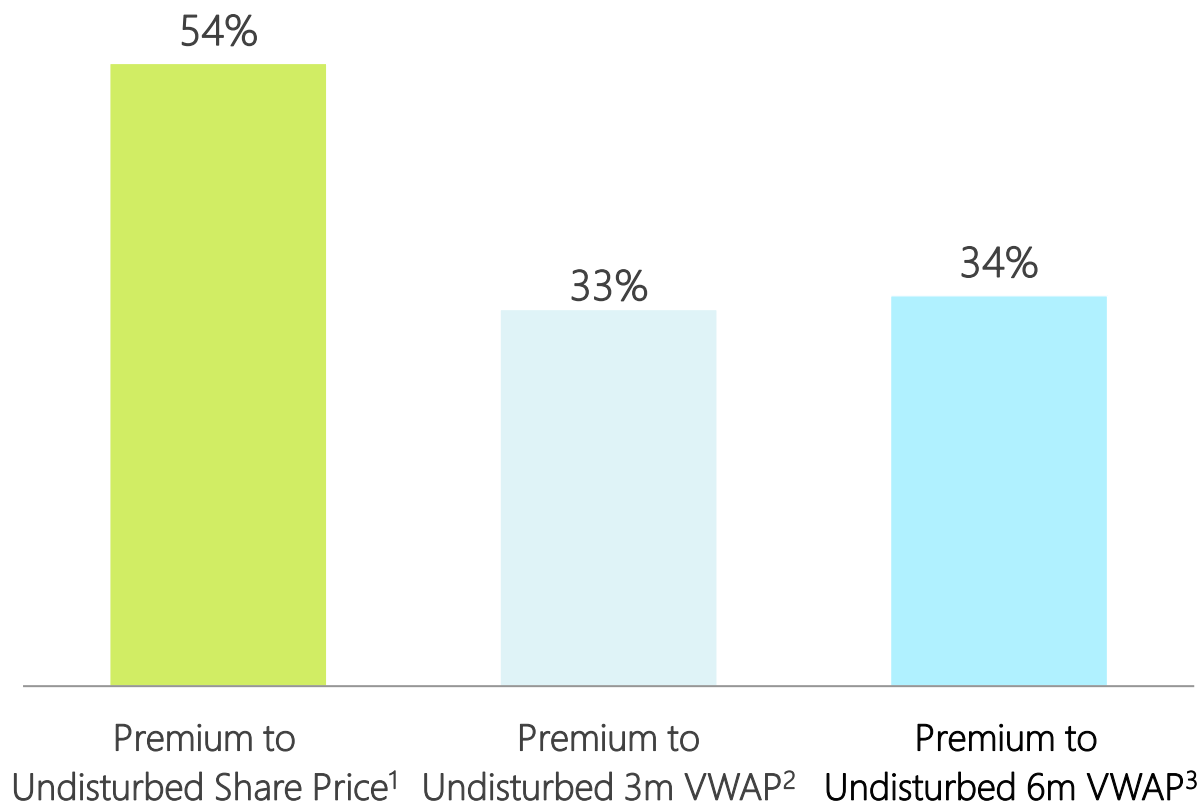
- » KKR will be investing from its Core Infrastructure Strategy
- » KKR's approach – as well as the approach of Viessmann - is based on long-term value creation and working collaboratively with partners to drive operational improvements and growth
- » This makes KKR together with its co-investor Viessmann strong strategic partners for ENCAVIS

Offer accelerates realisation of shareholder value

Financial highlights

- » Offer of EUR 17.50 per share in cash
 - › Brings forward realisation of value
 - › Significant premium to undisturbed share price of 54%¹
 - › Significant premium to undisturbed 3-months VWAP of 33%²
 - › Significant premium to undisturbed 6-months VWAP of 34%³
- » Implied equity value of EUR 2.8 billion and enterprise value of EUR 4.7 billion⁴
- » Implied valuation multiple: EV/EBITDA 2024e: 15.8x⁴

Offer represents significant premium



¹ Undisturbed share price: Xetra closing price on 5th March 2024 of EUR 11.35

² Undisturbed 3m VWAP: 3-months volume weighted average price as of 5th March 2024 of EUR 13.17 per share, calculated based on the daily Xetra closing share prices weighted by the daily trading volumes for the period ended 5th March 2024

³ Undisturbed 6m VWAP: 6-months volume weighted average price as of 5th March 2024 of EUR 13.01 per share, calculated based on the daily Xetra closing share prices weighted by the daily trading volumes for the period ended 5th March 2024

⁴ On the basis of 2024 NTM EBITDA of EUR 300m (based on new guidance of above EUR 300m as shown later in this document) and EV based on the implied 100% equity value and latest reported net debt of EUR 1,906m as of 30th September 2023

Offer conditions, commitments and expected closing date

Offer conditions

- » Customary offer conditions, including the receipt of official approvals regarding foreign investment clearances, merger clearances and holder control proceedings
- » Minimum acceptance threshold of 54.285%¹

Commitments

- » Full support of ENCAVIS' long-term growth strategy
- » No intentions to effect any changes to management or employees for operational reasons
- » Headquarters in Hamburg and other locations to be maintained
- » Undertaking not to enter a domination and/or profit loss transfer agreement for at least two years
- » Backstop for all debt of Encavis Group that is subject to CoC provisions

Next steps

- » Closing expected for Q4/2024
- » Pursue a potential delisting of Encavis AG sometime following the closing of the Offer

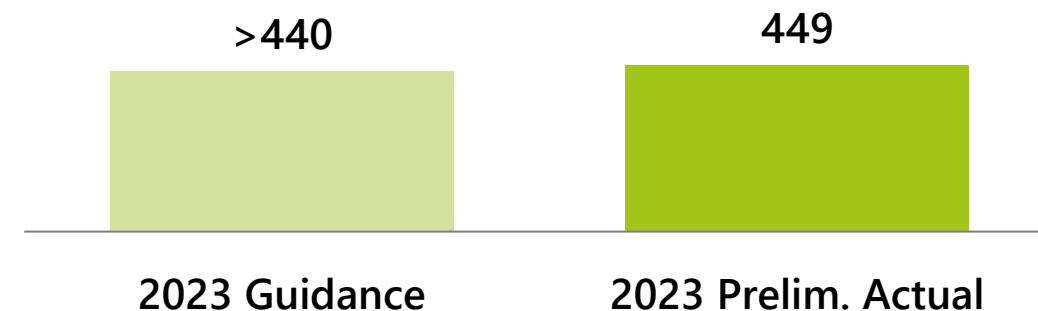
¹ This threshold ensures that the investor will retain at least 50 percent of the shares plus one share at closing in case holders of the hybrid convertible bond decide to exercise their conversion rights during the transaction. ENCAVIS anticipates that only few holders (if any) of the hybrid convertible bond will exercise their conversion right, as the adjusted conversion price will be above the offer price.

Preliminary results FY 2023

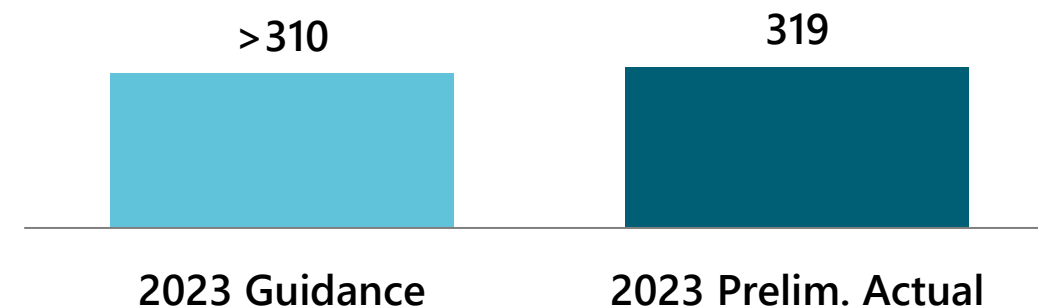
- » Net Operating Revenue: **EUR 449.1 million**
(EUR 462.5 million in 2022)
 - > **+2%** vs. Guidance
- » Operating EBITDA: **EUR 319.2 million**
(EUR 350.0 million in 2022)
 - > **+3%** vs. Guidance
- » Operating EBIT: **EUR 194.3 million**
(EUR 198.3 million in 2022)
 - > **+5%** vs. Guidance¹
- » Operating Cash Flow: **EUR 234.9 million**
(EUR 327.2 million in 2022)

Operating Cash Flow deviation against 2023 guidance is impacted by delayed tax repayments and compensation payments from guarantors/ insurance companies; some payments delayed to Q1/2024, others to FY 2024.

Net Operating Revenue (EUR million)



Operating EBITDA (EUR million)

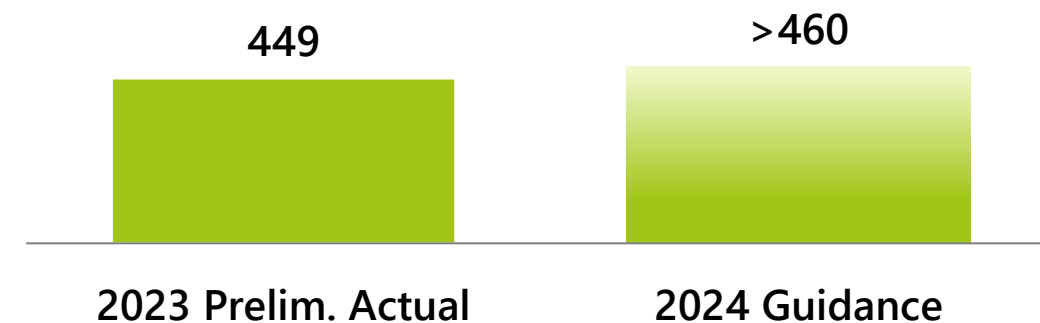


¹ > EUR 185 million operating EBIT communicated guidance

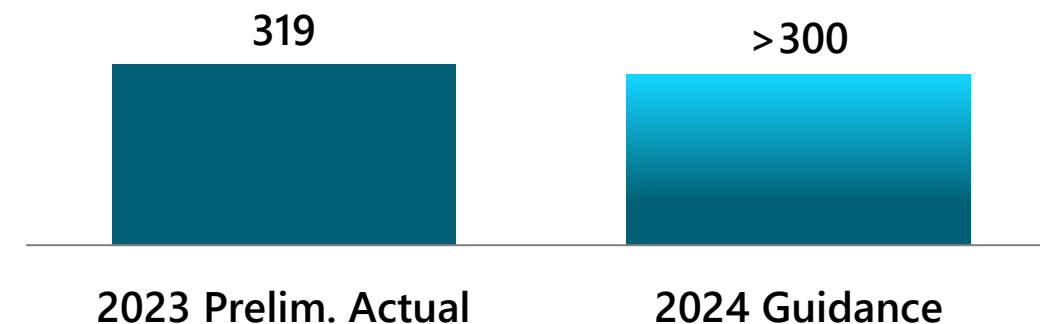
Guidance 2024

- » Guidance 2024¹ is based on the existing portfolio, the recent significant drop in electricity prices in the markets and in anticipation of standard weather conditions:
- » Net Operating Revenue: > EUR 460 million (+2% vs. 2023)
- » Operating EBITDA: > EUR 300 million (-6% vs. 2023)
- » Operating EBIT: > EUR 175 million (-10% vs. 2023)
- » Operating Cash Flow: > EUR 260 million (+11% vs. 2023)
- » Impact from price headwinds offset through growth in the service segments and capacity additions. However, resulting EBITDA margin is lower at Group level, due to the lower margin of service segments and increased costs from capacity additions. The margins of the wind and solar segments remain in excess of 75%.
- » ENCAVIS remains on its solid mid-term growth path due to its "Accelerated Growth Strategy 2027" despite the current uncertain market environment.

Net Operating Revenue (EUR million)



Operating EBITDA (EUR million)



¹Guidance 2024 does not include any costs related to the project of this investment agreement with KKR, Viessmann and ABACON CAPITAL.

Key takeaways

Attractive cash offer

- » Attractive cash offer of EUR 17.50 per share
- » Premium of 54% to the undisturbed share price¹
- » Premium of 33% to the undisturbed three-months VWAP²
- » Premium of 34% to the undisturbed six-months VWAP³

Unlock long-term opportunities

- » Accelerated growth and strengthened business positioning
- » Improved access to funding capacities particularly access to equity

Excellent strategic fit with KKR and Viessmann

- » KKR is a leading strategic and financial partner with extensive experience of investing in and managing energy transition businesses investments
- » Viessmann is a leading investor into the energy transition with a long-term partnership approach

¹Undisturbed share price: Xetra closing price on 5th March 2024 of EUR 11.35.

²Undisturbed 3m VWAP: 3-months volume weighted average price as of 5th March 2024 of EUR 13.17 per share, calculated based on the daily Xetra closing share prices weighted by the daily trading volumes for the period ended 5th March 2024.

³Undisturbed 6m VWAP: 6-months volume weighted average price as of 5th March 2024 of EUR 13.01 per share, calculated based on the daily Xetra closing share prices weighted by the daily trading volumes for the period ended 5th March 2024.

ENCAVIS

See you soon!



Jörg Peters
Head of Corporate Communications & Investor Relations

T +49 (0)40 37 85 62 242
M +49 (0)160 429 65 40
E joerg.peters@encavis.com

The information provided in this document has been derived from sources that we believe to be reliable. However, we cannot guarantee the accuracy or completeness of this information and we do not assume any responsibility for it. Encavis AG assumes no liability for any errors or omissions or for any resulting financial losses. Investments in capital markets, in particular in stock markets and futures markets, are fundamentally associated with risks and a complete loss of the invested capital cannot be ruled out. Recommendations provided herein do not represent an offer to buy or sell and are not intended to replace comprehensive and thorough advice before making a decision to buy or sell. Copies of the content of this presentation, in particular prints and copies or publications in electronic media, will only be authorized by written consent from Encavis AG.