Joint report

Pursuant to Section 293a AktG

of the Management Board of Encavis AG, Hamburg

and

the Management of Encavis GmbH, Neubiberg

on the Control and Profit and Loss Transfer Agreement of 7 April 2021

between

Encavis AG

and

Encavis GmbH

I. Preliminary remarks

The Management Board of Encavis AG with registered office in Hamburg, registered in the Commercial Register of the Local Court of Hamburg under HRB 63197 (hereinafter also referred to as "**Encavis**" or "**Controlling Company**"), and the Management of Encavis GmbH with registered office in Neubiberg, registered in the Commercial Register of the Local Court of Munich under HRB 246726 (hereinafter also referred to as "**Subsidiary**" or "**Subsidiary Company**"), hereby submit the following report on the control and profit and loss transfer agreement dated 7 April 2021 (hereinafter referred to as the "**Inter-Company Agreement**"), which is to be submitted to the Annual General Meeting of Encavis for approval, in accordance with section 293a of the German Stock Corporation Act (AktG).

The Inter-Company Agreement requires both the approval of the Annual General Meeting of Encavis and the approval of the shareholders' meeting of the Subsidiary in order to become effective. The Management Board and Supervisory Board of Encavis will therefore propose to the Ordinary General Meeting of Encavis convened for 27 May 2021 to approve the conclusion of the Inter-Company Agreement. The Inter-Company Agreement will also be submitted for approval to the shareholders' meeting of the Subsidiary scheduled for the date of the Annual General Meeting of Encavis.

Pursuant to section 294 (2) AktG, the Inter-Company Agreement must also be entered in the commercial register of the Subsidiary in order to become effective. The Inter-Company Agreement shall apply retroactively for the period from 1 January 2021 with regard to the provisions on profit transfer and loss assumption (but not with regard to the control agreement elements).

II. The contracting parties to the Inter-Company Agreement

1. Encavis AG

Encavis AG (Prime Standard; ISIN: DE0006095003 / WKN: 609500) is a producer of electricity from renewable energies listed in the MDAX of Deutsche Börse AG. The financial year of Encavis corresponds to the calendar year.

In accordance with the Articles of Association, the object of the Company is the operation of plants for the production of electricity from renewable energy sources in Germany and abroad by Encavis itself or by its subsidiaries as an independent electricity producer, as well as the provision of commercial, technical or other services not subject to authorisation or approval in connection with the acquisition, construction or operation of plants for the production of electricity from renewable energy sources in Germany and abroad by Encavis itself or by its subsidiaries, as well as the acquisition, holding, management and sale of participations in companies.
Encavis may engage in the aforementioned or related business activities itself or through subsidiaries or affiliates. It is authorised to undertake measures and transactions that are related to the object of the company or which directly or indirectly promote it. Encavis may establish branches at home and abroad, found other companies, acquire existing

companies or participate in such companies and conclude inter-company agreements. In addition, it can acquire, use and transfer patents, trademarks, licences, distribution rights and other objects and rights.

Dr Dierk Paskert and Dr Christoph Husmann are members of the Management Board. The current members of the Supervisory Board are Dr Manfred Krüper (Chairman of the Supervisory Board), Alexander Stuhlmann (Deputy Chairman of the Supervisory Board), Albert Büll, Dr Cornelius Liedtke, Christine Scheel, Dr Henning Kreke, Prof. Dr Fritz Vahrenholt, Dr Marcus Schenck and Peter Heidecker.

2. Encavis GmbH

The Subsidiary is a limited liability company with its registered office in Neubiberg, Germany. The share capital amounts to EUR 27,704,950.00. Encavis is the sole shareholder of the Subsidiary Company. The financial year of the Subsidiary corresponds to the calendar year.

The object of the Company under the Articles of Association is the operation of plants for the generation of energy from renewable sources as well as participation in other companies of any kind, in particular in companies which also have as their object the operation of plants for the generation of energy from renewable sources. Further participation in companies, which have as their object the conception of participation models as well as the
consultation of investors.

Dr Dierk Paskert and Dr Christoph Husmann are Managing Directors. The Subsidiary has no Supervisory Board or Advisory Board.

In the 2020 financial year, the Subsidiary generated a net profit of EUR 21,012,893.53 according to the annual financial statements prepared in accordance with commercial law. As at 31 December 2020, the balance sheet shows equity of EUR 266,177,084.22 with total assets of EUR 276,318,107.97. The Subsidiary has 19 employees at the time of this report.

III. Legal and economic reasons for concluding the Inter-Company Agreement

Encavis and the Subsidiary intend to enter into the Inter-Company Agreement in the 2021 financial year, whereby the Subsidiary undertakes to transfer its entire profit to Encavis. Encavis in turn undertakes to assume the losses of the Subsidiary.

The Inter-Company Agreement is a commercially reasonable and thus common arrangement for the integration of subsidiaries in the group. The conclusion of the Inter-Company Agreement is due to the tax advantages for the entire group described below.

This Inter-Company Agreement serves to establish a tax group for corporation tax purposes – and thus also for trade tax purposes – between Encavis and the Subsidiary pursuant to sections 17, 14 of the German Corporation Tax Act (KStG). The consolidated tax group for corporate tax purposes results in a combined taxation of Encavis as the Controlling Company and the Subsidiary as the Subsidiary Company. This allows for a tax profit/loss offset at Encavis level; operating profits of the Subsidiary can be offset against the holding costs and accumulated losses carried forward of Encavis. Taking into account the statutory provisions on minimum taxation, this leads to estimated tax savings in the order of approximately EUR 800,000.00 in 2021. In addition, the annual net profit of the Subsidiary can be transferred to Encavis in the same phase, so that there is neither an outflow of liquidity due to capital gains tax nor a taxation of 5 % of the profit distributions according to section 8b (1) KStG. The Inter-Company Agreement thus has a positive effect on the company result. No risks beyond the usual business risks associated with the Subsidiary's activities are apparent.

The conclusion of the Agreement has no economic and operational impact on the contracting parties. In particular, it does not involve any changes in the participation quotas in the contracting companies. The Inter-Company Agreement cannot be terminated before 5 years have expired.

There are no commercially reasonable alternatives to the conclusion of the Inter-Company Agreement between Encavis and the Subsidiary which would have achieved the objectives described above equally or better.

IV. Explanation of the contractual content of the Inter-Company Agreement

The Inter-Company Agreement essentially has the following content:

1. Management of the Subsidiary (section 2 of the Inter-Company Agreement)

Pursuant to section 2 (1) of the Inter-Company Agreement, the Subsidiary places the management of its company under the control of Encavis. This standardises the transfer of management authority to the Controlling Company, which is essential for control agreements.

The right of the Controlling Company to issue instructions arises from section 2 (2) of the Inter-Company Agreement. Accordingly, Encavis is entitled to issue general or case-by-case instructions to the management of the Subsidiary with regard to the management of the Subsidiary. In the absence of any provision to the contrary in the Inter-Company Agreement, instructions may also be issued in accordance with section 308 (1) sentence 2 AktG which are detrimental to the Subsidiary, provided that they serve the interests of Encavis or the Encavis Group. Encavis can thus intervene comprehensively in the management of the Subsidiary. Pursuant to section 2 (3) of the Inter-Company Agreement, the management of the Subsidiary must follow the instructions unless mandatory regulations under company, commercial or accounting law conflict with the instruction. The right to issue instructions does not include the amendment, maintenance or termination of the Inter-Company Agreement.

In this respect, these are customary provisions within the framework of a domination agreement.

2. Profit transfer (section 3 of the Inter-Company Agreement)

The Subsidiary undertakes to transfer to Encavis, for the first time as from the beginning of the financial year in progress at the time of registration of this Inter-Company Agreement in the commercial register, its respective total profit calculated in accordance with the provisions of commercial law, subject to the creation or release of reserves specified in more detail. The amount to be transferred is the annual net profit prior to profit transfer, less any loss carried forward from the previous year and, if applicable, any amount to be allocated to the statutory reserves pursuant to section 300 of the German Stock Corporation Act (AktG), as well as by the amount blocked from distribution pursuant to section 268 (8) of the German Commercial Code (HGB). Section 301 AktG must be observed. The Subsidiary may only transfer amounts from the annual net profit to other revenue reserves pursuant to section 272 (3) of the German Commercial Code with the consent of Encavis, provided that this is permissible under commercial law and economically justified on the basis of a reasonable commercial assessment. Other revenue reserves formed during the term of the Inter-Company Agreement pursuant to section 272 (3) of the German Commercial Code (HGB) shall be dissolved at the request of Encavis and used to offset the net loss for the year or transferred as profit to the extent permitted by law.

This regulation corresponds to the limits of profit transfer provided for in section 301 AktG and applicable here accordingly. Section 301 AktG, subject to amendments, shall apply mutatis mutandis. A transfer of amounts from the dissolution of reserves formed before the commencement of the Inter-Company Agreement is excluded. Encavis' claim to profit transfer arises with the value posted on the reporting date of the annual financial statements of the Subsidiary. It expires six weeks after the adoption of the annual financial statements of the Subsidiary.

The provisions described above are customary within the framework of a control and profit and loss transfer agreement.

3. Assumption of losses (section 3 (5) of the Inter-Company Agreement)

Encavis is obliged to assume losses in accordance with the provisions of section 302 of the German Stock Corporation Act (AktG), as amended, applicable to this corporate income. In this respect, Encavis shall bear the economic risk of the Subsidiary. This assumption of losses is a legally binding consequence of the Inter-Company Agreement. The reference to the provisions of section 302 of the German Stock Corporation Act (AktG) contained in section 3 (5) of the Inter-Company Agreement is dynamic in that the provision refers to section 302 of the German Stock Corporation Act (AktG) subject to amendments.

4. Right to information (section 2 (4) of the Inter-Company Agreement)

In addition to the statutory information rights, the Inter-Company Agreement grants Encavis comprehensive information rights with regard to the Subsidiary's books and other business records. Thus, Encavis may at any time request access to the relevant documents and information on the business affairs of the Subsidiary.

5. Effective date and duration of the agreement (section 4 of the Inter-Company Agreement)

The Inter-Company Agreement is concluded subject to the approval of the Annual General Meeting of Encavis and the approval resolution of the shareholders' meeting of the Subsidiary. It shall become effective upon registration in the commercial register of the Subsidiary and shall apply retroactively from the beginning of the Subsidiary's financial year running at the time of registration of this Inter-Company Agreement in the commercial register – with the exception of the provisions on domination in section 2 of the Inter-Company Agreement. The condition of entry in the commercial register of the Subsidiary for the effectiveness of the Inter-Company Agreement similarly results from section 54 GmbHG.

The Inter-Company Agreement is concluded for an indefinite period. In principle, the Inter-Company Agreement can only be terminated with two months' notice at the end of the financial year. It can be terminated at the earliest, however, at the end of the financial year after which the corporate tax group to be established by this Inter-Company Agreement has fulfilled its minimum tax term (according to the current legal situation, five years; section 14 (1) sentence 1 no. 3 in conjunction with section 17 KStG, section 2 (2) sentence 2 GewStG). The respective current legal situation shall be decisive. The Inter-Company Agreement shall be renewed after the expiry of the minimum term with the same period of notice for one year at a time.

This shall be without prejudice to the general right to extraordinary termination, which shall entitle the parties to terminate in particular (a) if, due to a sale of shares or for other reasons, the conditions of financial inclusion of the Subsidiary in Encavis as defined in tax law no longer exist after completion of the respective measure; (b) if Encavis transfers the shareholding in the Subsidiary to another company; or (c) if Encavis or the Subsidiary is merged, split or liquidated or another good cause recognised in the applicable corporate tax guidelines occurs.

Notice of termination must be given in writing. Compliance with the deadlines for termination described above is determined by the time at which the letter of termination is received by the respective other company.

At the end of the Inter-Company Agreement, Encavis is obliged to provide security to the creditors of the Subsidiary. This protection of creditors is mandatory under section 303 AktG. Prerequisites for this are that the creditors' claim was established prior to the registration of the termination of the Inter-Company Agreement and that the creditor reports to Encavis no later than six months after the announcement of the registration of the termination of the Inter-Company Agreement.

6. Severability clause (section 5 of the Inter-Company Agreement)

When interpreting individual provisions of the Inter-Company Agreement, the provisions of sections 14 and 17 of the Corporation Tax Act (KStG), subject to amendments, or, if applicable, the corresponding successor provisions, shall be observed. Furthermore, a severability clause is provided for, which regulates the effectiveness and enforceability of the Inter-Company Agreement in the event that individual components were either already ineffective or unenforceable at the time of conclusion or become so later, e.g. due to a change in the law or jurisprudence.

V. Determination according to sections 304, 305 AktG/Review of the Inter-Company Agreement

No compensation payment and no settlement for outside shareholders of the Subsidiary is to be determined in the Inter-Company Agreement, as Encavis holds all shares in the Subsidiary and thus there are no outside shareholders in the Subsidiary. Therefore, a valuation of the companies involved to determine an appropriate compensation and settlement shall also not be carried out. Since Encavis holds all the shares in the Subsidiary, there is no need for an audit of the Inter-Company Agreement by expert auditors pursuant to section 293b AktG.

Hamburg, [•] April 2021

Management Board of Encavis AG

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Dr Christoph Husmann	Dr Dierk Paskert

Hamburg, [•] April 2021

Management of Encavis GmbH

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Dr Christoph Husmann	Dr Dierk Paskert