

# ENCAVIS

Invitation  
to the Annual  
General Meeting  
on 1 June 2023

Minimum information pursuant to section 125 para. 1 German Stock Corporation Act (AktG) in connection with section 125 para. 5 AktG, article 4 para. 1 and table 3 blocks A to C of the annex to Implementing Regulation (EU) 2018/1212

Type of Information	Description
<b>A. Specification of the message</b>	
1. Unique identifier of the event	ECV062023oHV
2. Type of message	Meeting notice of a general meeting [format pursuant to Implementing Regulation (EU) 2018/1212: NEWM]
<b>B. Specification of the issuer</b>	
1. ISIN	DE0006095003; DE000A30VLJ6
2. Name of issuer	Encavis AG
<b>C. Specification of the meeting</b>	
1. Date of the general meeting	01.06.2023 [format pursuant to Implementing Regulation (EU) 2018/1212: 20230601]
2. Time of the general meeting	11:00 hours (CEST) [format pursuant to Implementing Regulation (EU) 2018/1212: 09:00 UTC]
3. Type of the general meeting	Ordinary annual general meeting [format pursuant to Implementing Regulation (EU) 2018/1212: GMET]
4. Location of the general meeting	Handelskammer Hamburg, Adolphsplatz 1, 20457 Hamburg, Germany
5. Record Date	11.05.2023, 00:00 hrs. (CEST) [format pursuant to Implementing Regulation (EU) 2018/1212: 20230510]
6. Uniform Resource Locator (URL)	<a href="https://www.encavis.com/en/green-capital/investor-relations/agm">https://www.encavis.com/en/green-capital/investor-relations/agm</a>

Translation for Convenience Purposes

**ENCAVIS AG**  
**Hamburg**

- ISIN DE0006095003 // WKN 609 500 -

- ISIN DE000A30VLJ6 // WKN A30VLJ

Unique identifier of the event: ECV062023oHV

**Invitation to the Annual General Meeting**

We hereby invite our shareholders

to the **Annual General Meeting** of Encavis AG to be held on

**Thursday, 1 June 2023, at 11.00 am,**

at the Hamburg Chamber of Commerce, Adolphsplatz 1, 20457 Hamburg, Germany.

## I. Agenda

### 1. Submission of the adopted annual financial statements, the approved consolidated financial statements and the combined management report for Encavis AG and the Group for the 2022 financial year, including the explanatory report by the Management Board on the disclosures pursuant to sections 289a, 315a HGB and the report by the Supervisory Board for the 2022 financial year

These documents, together with the proposal for the appropriation of net retained profit, will be available on the company's website at <https://www.encavis.com/en/green-capital/investor-relations/agm> on the day on which the Annual General Meeting is convened. They will also be available during the Annual General Meeting and will be explained in more detail.

The Supervisory Board has approved the annual financial statements and the consolidated financial statements prepared by the Management Board in accordance with section 172 German Stock Corporation Act (AktG) and has thus adopted the annual financial statements. In accordance with the statutory provisions, no resolution of the Annual General Meeting is therefore planned for agenda item 1.

### 2. Resolution on the appropriation of net retained profit

The Management Board and the Supervisory Board propose that the following resolution be adopted:

“The net retained profit of Encavis AG for the 2022 financial year in the amount of EUR 74,419,062.36 will be fully carried forward to new account.”

### 3. Resolution on the approval of the actions of the members of the Management Board for the 2022 financial year

The Management Board and the Supervisory Board propose that the following resolution be adopted:

“The actions of the members of the Management Board who held office in the 2022 financial year shall be approved for this period.”

### 4. Resolution on the approval of the actions of the members of the Supervisory Board for the 2022 financial year

The Management Board and the Supervisory Board propose that the following resolution be adopted:

“The actions of the members of the Supervisory Board who held office in the 2022 financial year shall be approved for this period.”

The approval of the actions of the members of the Supervisory Board for the 2022 financial year takes the form of individual approval.

### 5. Resolution on the election of the auditor of the annual financial statements and the auditor of the consolidated financial statements for the 2023 financial year as well as the auditor for the audit review of any financial information during the year

Based on the recommendation of the Audit and ESG Committee, the Supervisory Board proposes to adopt the following resolution:

“PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Hamburg branch, is appointed as auditor of the financial statements and auditor of the consolidated financial statements for the 2023 financial year and as auditor for the audit review of the condensed financial statements and the interim management report for the first half of the 2023 financial year. In addition, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Hamburg branch, is appointed as auditor of the financial statements

should the Management Board resolve to review any additional interim financial information for the period up until the time of the next Annual General Meeting.”

The Audit and ESG Committee has stated in its recommendation that it is free from undue influence by third parties and that no clause of the type referred to in article 16 (6) of the EU Statutory Audit Regulation has been imposed on it (Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements for the statutory audit of public interest entities and repealing Commission Decision 2005/909/EC).

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Hamburg branch, has declared to the Supervisory Board that there are no business, financial, personal or other relationships between it, its executive bodies and audit managers on the one hand and the company and its executive body members on the other hand that could cast doubt on its independence.

#### **6. Resolution on the approval of the remuneration report for the 2022 financial year, prepared and audited in accordance with section 162 AktG**

The Management Board and the Supervisory Board submit to the Annual General Meeting the Encavis AG remuneration report (a copy of which is provided in segment II.1), which was prepared for the 2022 financial year in accordance with section 162 AktG and audited in accordance with section 162 (3) AktG by the auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Hamburg branch, and issued with an audit report, and propose that the following resolution be adopted:

“The Encavis AG remuneration report for the 2022 financial year as prepared and audited in accordance with section 162 AktG is approved.”

#### **7. Resolution on the approval of the amended remuneration system for the members of the Management Board**

Section 120a (1) sentence 1 AktG calls for the general meeting of a listed company to adopt a resolution regarding the endorsement of the system governing the remuneration of the members of the management board submitted to it by the supervisory board whenever the remuneration system substantially is modified, at a minimum, however, every four years. The Annual General Meeting most recently adopted a resolution regarding the system of remuneration for the members of the Encavis AG Management Board by a vote of 86.14 % on 27 May 2021.

Based on the recommendations of the Personnel and Nomination Committee, the Supervisory Board revised the system of remuneration for the members of the Management Board that was approved by the 2021 Annual General Meeting with effect from 1 January 2023, subject to the approval of the Annual General Meeting. Under the revisions:

- The long-term variable remuneration will already exceed the short-term variable remuneration at the time at which it is granted.
- The long-term remuneration component will be enhanced to include a separate ESG component.
- The Management Board contracts will contain a clawback clause.
- The Management Board contracts will contain a severance cap.

The abstract remuneration system, amended accordingly, is presented below under II.2. The amended remuneration system for Management Board members is therefore to be submitted to the Annual General Meeting for approval.

Based on the recommendations of the Personnel and Nomination Committee, the Supervisory Board proposes approving the amended remuneration system for the members of the Management Board, as adopted by the Supervisory Board with effect from 1 January 2023 and as presented under II.2.

## 8. Resolution on the adjustment of the remuneration of the Supervisory Board, along with the corresponding revision of article 15 of the Articles of Association, and resolution on the approval of the remuneration system for the members of the Supervisory Board

The remuneration of the Supervisory Board and the remuneration system for the members of the Supervisory Board, as approved by the Annual General Meeting on 27 May 2021 by a vote of 99.01 %, is to be amended with effect from 1 January 2023. Against the backdrop of ever-increasing requirements with regard to the controlling and advisory activities of the Supervisory Board due to the constantly expanding scope of legal and regulatory requirements, and in view of the remuneration of supervisory boards of similar companies, the remuneration of the Supervisory Board, which was last adjusted regularly in 2020, is to be adjusted. Accordingly, the annual fixed remuneration for Supervisory Board members is to be raised to EUR 45,000.00, with the Chair of the Supervisory Board receiving EUR 90,000.00 and the Deputy Chair receiving EUR 67,500.00. The additional remuneration for the Chair of the Audit and ESG or Personnel and Nomination Committee will amount to EUR 30,000.00 each, with all other members of the Audit and ESG or Personnel and Nomination Committee receiving EUR 22,500.00 in additional remuneration. Finally, the attendance fee is to be raised to EUR 1,500.00. In all other respects, the current abstract remuneration system for the Supervisory Board is to remain unchanged.

The accordingly adjusted abstract remuneration system with the disclosures required in accordance with sections 113 (3) sentence 3, 87a (1) AktG is presented below under II.3.

The Management Board and the Supervisory Board believe that the amount of the remuneration and the structure of the remuneration system for the Supervisory Board are appropriate in view of the tasks assigned to the members of the Supervisory Board and the position of the company and that the Supervisory Board receives remuneration that is in line with standard market rates. Moreover, appropriate remuneration in line with standard market rates is necessary in order to attract highly qualified candidates that meet the requirements of the Supervisory Board skills profile.

The Management Board and Supervisory Board propose that the following be adopted:

a) Article 15 (1) to (5) of the Articles of Association is amended as follows:

- “1. Each member of the supervisory board shall receive an annual fixed remuneration of EUR 45,000.00, payable after the end of the financial year. For work in committees of the supervisory board the supervisory board members shall be paid an additional annual remuneration.
2. Instead of the remuneration mentioned in para. 1, first sentence, the chairman of the supervisory board shall be paid an annual fixed remuneration of EUR 90,000.00, his deputy an annual fixed remuneration of EUR 67,500.00.
3. The additional remuneration pursuant to para. 1, second sentence, for the chairman of the audit and ESG committee and the chairman of the staff and nomination committee shall be EUR 30,000.00 each and for each other member of the audit and ESG or staff and nomination committee EUR 22,500.00.
4. The remuneration for committee work in the financial year shall be dependent upon the respective committee having held meetings to carry out its tasks.
5. Members of the supervisory board and its committees shall be paid an attendance fee of EUR 1,500.00 for each supervisory board and committee meeting in which they took part as members. This shall apply irrespective of whether the members of the supervisory board are physically present at the meeting place or are merely present by telephone or in any other way or whether the meeting is held as a telephone or video conference. For several meetings of the supervisory board and/or its committees on one calendar day, the attendance fee shall be paid only once.”

- b) The remuneration rules for the members of the Supervisory Board specified in article 15 (1) to (5) of the Articles of Association as amended in the above resolution proposal, which are based on the abstract remuneration system presented below under II.3, are approved.

#### **9. Resolution on an amendment to the Articles of Association creating an authorisation for the holding of virtual Annual General Meetings and further adjustments**

In accordance with new legal provisions, the Articles of Association may provide for or authorise the Management Board to provide for the holding of the Annual General Meeting without the physical presence of the shareholders or their proxies at the venue of the Annual General Meeting (virtual Annual General Meeting). However, the format of a virtual Annual General Meeting should only be proposed as an option for Encavis AG under exceptional circumstances (such as a pandemic).

The Management Board and Supervisory Board agree that the virtual Annual General Meeting format has proved successful at the most recent Annual General Meetings and that legislators have brought the rights of shareholders at the virtual Annual General Meeting into line with those at the in-person Annual General Meeting by way of the new regulations. Consequently, it should remain possible to hold Annual General Meetings virtually going forward. However, the Management Board and Supervisory Board believe that the best approach would be to authorise the Management Board by way of the following amendment to the Articles of Association to decide on a case-by-case basis whether to convene an Annual General Meeting virtually or in person rather than directly prescribing by way of the Articles of Association that Annual General Meetings be held virtually. Prior to each Annual General Meeting, the Management Board and Supervisory Board will weigh the facts and decide on the format of the Annual General Meeting in the best interests of the company and the shareholders in consideration of a variety of factors, including the views expressed by the shareholders. The Management Board will make its decision in the matter in consideration of the interests of the company and its shareholders and will consider the rights of the shareholders, as well as the health of those involved. It will also consider the amount of time, effort and expense involved, in addition to sustainability concerns. Should the Management Board decide to hold a virtual Annual General Meeting and make use of the option to shift part of the right to ask questions to the period prior to the meeting, it will undertake to ensure that, when defining shareholder rights, the right to ask questions is not unduly restricted either prior to or during the Annual General Meeting in accordance with the legal requirements.

In deviation from the statutory maximum period of five years, the amendment to the Articles of Association will be limited to two years following its entry into the commercial register, thus giving the shareholders the opportunity to vote on extending the authorisation earlier than proposed under law.

Article 3 (3) (Notifications and Transmission of Information) and article 17 (2) (Right to Participate) of the Articles of Association are to be adjusted in accordance with the revision of the German Stock Corporation Act.

The Management Board and Supervisory Board propose that the following be adopted:

- a) "Article 17a will be added to the Articles of Association:

##### **Article 17a Virtual Annual General Meeting**

For a period of two years from the entry of this article approved by the Annual General Meeting on 1 June 2023, the Management Board is authorised to provide for the holding of an Annual General Meeting of the company without the physical presence of the shareholders or their proxies at the venue of the Annual General Meeting (virtual Annual General Meeting).

The provisions of this article regarding the convening and execution of the Annual General Meeting of the company apply accordingly in the event of a virtual Annual General Meeting.

With the exception of the chair, the members of the Supervisory Board are permitted to participate in the virtual Annual General Meeting by way of video and audio transmission.

- b) Article 3 (3) of the Articles of Association is amended as follows:

Notifications by the company pursuant to section 125 of the AktG (Aktiengesetz) [Stock Corporation Act], to the extent that the further legal requirements have been satisfied, will be communicated exclusively electronically. The management board shall be entitled to post notifications in hardcopy form in addition to or instead of the electronic communication, without the stockholders being entitled thereto.

- c) Article 17 (2) sentence 2 of the Articles of Association is amended as follows:

Proof of entitlement must be furnished by way of a separate statement of share ownership provided by the custodian bank or financial services institution in writing in German or English; confirmation in accordance with section 67c (3) AktG will be sufficient in any case.”

**10. Resolution terminating the authorisation granted by the Annual General Meeting on 13 May 2020 regarding the issuance of bonds with warrants/convertible bonds, mezzanine capital and/or profit-linked bonds (or a combination of these instruments), granting an authorisation to issue warrants/convertible bonds, mezzanine capital and/or profit-linked bonds (or a combination of these instruments) with the option to exclude subscription rights, creating new contingent capital (Contingent Capital 2023) and amending the Articles of Association**

The Annual General Meeting on 13 May 2020 authorised the Management Board, with the consent of the Supervisory Board, to issue up to 300,000,000 bonds with warrants/convertible bonds, mezzanine capital and/or profit-linked bonds (or a combination of these instruments) (the “bonds”) with subscription rights for shares in the company from 13 May 2020 to 12 May 2025 on the condition that each bond grants the holder the right to subscribe to one share in the company. The company’s share capital was therefore contingently increased by an original amount of up to EUR 14,000,000.00 (“Contingent Capital 2020”).

On 17 November 2021, the company utilised the authorisation of the Annual General Meeting of 13 May 2020 to issue bonds under the simplified exclusion of subscription rights by issuing a hybrid convertible bond with a total nominal value of EUR 250,000,000.00. The Contingent Capital 2020 is reserved entirely to meet the obligations from this hybrid convertible bond.

Widespread capacity expansion in renewable energy generation is the only sustainable, environmentally friendly and low-cost way of providing energy. Far from being the cause of the current extremely high energy prices, renewable energies are actually the solution to the problem. The more renewable energy facilities are connected to the grid, the quicker existing demand for electricity from sustainable production can be covered and, as a result, costly legacy power stations taken offline. Together, wind and solar power will account for over 90 % of the renewable energy capacity added in the next five years. Solar energy installations and onshore wind parks remain the cheapest options for generating power in most countries. The energy crisis marks a historic turning point towards a cleaner and more secure energy supply. The European Commission’s plan to rapidly reduce dependence on Russian fossil fuels and fast forward the green transition, REPowerEU, of 18 May 2022 includes a special EU solar strategy to double photovoltaic capacity by 2025 by installing new PV systems amounting to 320 GW by 2025 and a total of 600 GW by 2030. This means more than four times the volume of new installations per year compared to the average installed capacity per year over the last ten years. The objective of covering 45 % of total final energy consumption using renewable sources by 2030 was adopted by the European Parliament when it revised the Renewable Energy Directive (RED) in September 2022. The 45 % target set by MEPs exceeds the 40 % mark adopted by the member states in June 2022.

Through its new growth strategy for the time between now and 2027, Encavis AG plans to accelerate its profitable growth and expand its own generation capacity to 8 gigawatts (GW) – a significant acceleration of the growth seen in past years. At roughly 5.8 gigawatts (GW), more than 2.5 times the current generation capacity is set to be connected to the grid by the end of 2027, with an additional 2.2 GW under construction. Direct demand for green electricity



among industrial customers is rising at a rapid pace. Commercial real estate owners and other investor groups are increasingly looking for green investments. Going forward, Encavis AG will pay greater attention to the needs of these market participants when expanding its portfolio, thereby making an even more meaningful contribution to achieving the energy transition. As in the past, the main focus in financing the massive investments will lie on the Group's own financial strength. Investments will be funded through own cash flow, with borrowed capital being utilised at various levels of the Group. In some cases, parks are also to be acquired in partnership with minority shareholders. Given the recent turbulence on global financial markets, however, Encavis AG cannot rely solely on these options to accelerate the company's strong growth.

In order to continue giving the company options for creating an optimum financing structure and the necessary flexibility to issue bonds under the simplified exclusion of subscription rights in accordance with sections 221 (4) sentence 2 and section 186 (3) sentence 4 AktG, Encavis AG intends to create a new authorisation to issue bonds with warrants/convertible bonds, mezzanine capital and/or profit-linked bonds (or a combination of these instruments) with the option of excluding subscription rights. The maximum total nominal value of the bonds to be issued under the new authorisation will be EUR 500,000,000.00, with the volume of the new Contingent Capital 2023 to be created to service the bonds to stand at EUR 18,000,000.00 (corresponding to roughly 11 % of the current share capital). The total volume of the Contingent Capital 2020 and the proposed new Contingent Capital 2023 corresponds to less than 20 % of the current share capital.

The Management Board and the Supervisory Board propose that the following resolution be adopted:

a) Authorisation to issue bonds with warrants/convertible bonds, mezzanine capital and/or profit-linked bonds:

*aa) Period of authorisation, nominal value, number of shares*

The Management Board is authorised, with the consent of the Supervisory Board, to issue bearer or registered bonds with warrants/convertible bonds, mezzanine capital and/or profit-linked bonds (or a combination of these instruments) (hereinafter collectively also the "bonds") with a total nominal value of up to EUR 500,000,000.00 on one or more occasions between now and 31 May 2028 (inclusive) and to grant the creditors (hereinafter the "holders") of the individual, equally entitled partial debentures, option or conversion rights to new bearer shares in the company with a notional interest in the share capital of up to EUR 18,000,000.00 in total pursuant to the further details of the bonds' terms and conditions.

*bb) Currency, issuance by companies in which the company holds a majority stake*

The bonds may be issued either in euros or in the legal currency of an OECD country, if restricted to the corresponding euro value. The bonds may also be issued by a wholly owned direct or indirect investee of the company; for such an event, the Management Board will be authorised, with the consent of the Supervisory Board, to provide the guarantee for the bonds and to grant the holders of bonds option or conversion rights to new no-par-value bearer shares in the company.

*cc) Subscription rights*

The bonds must be offered to the shareholders for subscription. They may also be acquired by a bank or a syndicate of banks under the obligation to offer them to the shareholders for subscription. Companies operating under section 53 (1) sentence 1 or section 53b (1) sentence 1 or (7) of the German Banking Act (KWG) are equivalent to banks. The company must ensure that the statutory subscription rights for the shareholders of the company are upheld in accordance with the above clauses if bonds are issued by a wholly owned direct or indirect investee. However, the Management Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' statutory subscription rights in the following instances:

- for fractional amounts;
- if, and to the extent that, the bonds are issued against cash contributions and the issue price is not

significantly lower than its theoretical market value at the time at which the Management Board definitively sets the issue price as determined in accordance with recognised valuation techniques and the bonds thus issued grant only exchange and/or option rights to shares equalling up to 10 % of the share capital; all shares issued or sold under the exclusion of subscription rights pursuant to or in corresponding application of section 186 (3) sentence 4 AktG from the time of the entry of this authorisation must be counted towards the aforementioned maximum amount;

- to the extent necessary to be able to grant the holders of previously issued bonds a subscription right of the scope to which they would be entitled as shareholders after exercising an option or conversion right or after fulfilment of an option or conversion obligation; or
- to the extent that the bonds are issued in conjunction with the acquisition of companies, shareholdings in companies or parts of companies against cash and/or contributions in kind.

*dd) Option and conversion right*

In the event that bonds with warrants are issued, one or more warrants that entitle the holder to subscribe to new, no-par-value bearer shares in the company in accordance with the conditions to be determined by the Management Board will be attached to each partial debenture. The option conditions may stipulate that the option price may also be paid by transferring partial debentures and, if applicable, making an additional cash payment. The proportionate amount of share capital attributable to the shares to be acquired per partial debenture may not exceed the principal amount of the partial debenture.

In the event that convertible bonds are issued, the holders will receive the irrevocable right to exchange their partial debentures for new, no-par-value bearer shares in the company in accordance with the defined conditions of the bonds. The exchange ratio is determined by dividing the principal amount or the issue price of a partial debenture, which is less than the principal amount, by the defined conversion price for a share in the company and may be rounded up or down to the next whole number. It may be stipulated that the exchange ratio is variable and that the conversion price is determined within a range to be defined depending on the development of the share price during the term or during a specific period within the term. Furthermore, an additional payment to be made in cash and the consolidation of or compensation for non-convertible fractions may also be defined. The proportionate amount of share capital attributable to the shares to be acquired per partial debenture may not exceed the principal amount of the partial debenture.

*ee) Granting of previous or existing shares*

The conditions of the bonds may allow the company to pay out the equivalent value of shares rather than issue new ones in the event that it exercises a conversion right or option. The conditions of the bonds may also allow the company, at its discretion, to convert the bonds to already existing shares in the company rather than into new shares from contingent capital or to exercise the option right or obligation by providing such shares.

*ff) Option and conversion obligation*

The conditions of the bonds may also stipulate a conversion or option obligation at the end of the period or at a different point in time (also known as “maturing” or “falling due”) or the right of the company to grant to bondholders shares in the company in place of payment of the monetary amount due, either in whole or in part, at the time at which the bonds fall due. In the event of the latter, the option or conversion price may, pursuant to the further details of the option or bond terms and conditions, correspond to the average price of the company’s share in XETRA trading (or in a functionally comparable successor system that has replaced the XETRA system) on the Frankfurt Stock Exchange on at least five trading days prior to the date on which the conversion or option price is calculated pursuant to the further details of the terms and conditions of the issue, even if said price is lower than the minimum amount stated in *gg*). Section 9 (1) in conjunction with section 199 (2) AktG must be observed.

*gg) Option price, conversion price, adjustment of the option or conversion price to preserve value*

Except in cases in which a replacement authorisation or a conversion obligation is provided for (see ff) above), the respectively determinable option or conversion price of a no-par-value share in the company must be at least 80 % of the average closing auction price of the company's shares in XETRA trading (or in a functionally comparable successor system that has replaced the XETRA system) on the ten trading days prior to the date of the Management Board's resolution on the issuance of the bonds or, in the event that the subscription right is granted, equal at least 80 % of the average closing auction price of the company's shares in XETRA trading (or in a functionally comparable successor system that has replaced the XETRA system) on the days on which the subscription rights are traded on the Frankfurt am Main Stock Exchange, with the exception of the last two days on which the subscription right is traded. The above provisions will also apply in the event of a variable exchange ratio or conversion price.

In the event of fractions of new shares, provisions may be made to enable the aggregation of said fractions for the subscription of whole shares, potentially against additional payment, in accordance with the terms of the bonds.

Without prejudice to section 9 (1) and section 199 (2) AktG, and on account of a dilution protection clause, the conversion or option price will be reduced by paying a corresponding cash amount upon utilisation of the conversion right pursuant to the further details of the bonds' terms and conditions if the company either increases the share capital or issues other securities and grants its shareholders subscription rights thereto during the conversion or option period and the holders of bonds are not granted subscription rights to the extent to which they would be entitled upon exercising the conversion or option right. If possible, the conversion price may also be reduced in place of a payment in cash or a reduction of the additional payment. The terms and conditions may additionally provide for an adjustment of the option or conversion price to preserve value for the event of a capital reduction, as well as for other measures that lead to a financial dilution of the option or conversion rights.

*hh) Yield*

The bonds' yields may vary. They may also depend on key performance indicators related to the profitability of the company and/or Group (including net retained profit or the dividends for shares in the company as determined by the resolution on the appropriation of profits). In this case, the bonds do not need to carry an exchange and/or option right. A back payment for yields not paid in previous years may also be provided for.

*ii) Authorisation to define further details*

The Management Board is authorised, with the consent of the Supervisory Board, to determine further details on the issuance and rights of bonds (in particular the interest rate, issue price, term and denomination, dilution protection provisions, option or conversion period and the option and conversion price) or to define said details in agreement with the corporate bodies of the financial holding undertaking of the company issuing the bonds.

**b) Creation of new contingent capital (Contingent Capital 2023):**

New contingent capital (Contingent Capital 2023) is to be created as follows:

The share capital is to be contingently increased by up to EUR 18,000,000.00 by the issue of up to 18,000,000 new, no-par-value bearer shares with a notional interest in the share capital of EUR 1.00 per share (Contingent Capital 2023). The contingent capital increase will be used to grant shares upon the exercise of option or conversion rights or the fulfilment of option or conversion obligations to the holders or creditors of bonds with warrants/convertible bonds, mezzanine capital and/or profit-linked bonds (or a combination of these instruments) (collectively the "bonds") issued on the basis of this authorising resolution.

The new shares will be issued at the option or conversion price to be individually determined in accordance with the above authorisation. The contingent capital increase will only be implemented if the holders of bonds that are guaranteed by the company or are issued by the company or by a wholly owned direct or indirect investee of the company on the basis of this authorising resolution between now and 31 May 2028 exercise their option or conversion rights or, if they are obliged to convert the bonds, fulfil their obligation to convert or, if the company exercises its option to grant shares of the company as full or partial payment instead of payment of the cash amount due, unless a cash settlement is granted in each case or own shares are used as a means of service. With the approval of the Supervisory Board, the Management Board may, as far as permitted by law, determine that new shares carry dividend rights in a different proportion from that defined in section 60 (2) AktG.

The Management Board is authorised, with the approval of the Supervisory Board, to determine the further details of the implementation of this contingent capital increase.

The Supervisory Board is authorised to amend article 4 (1) of the Articles of Association and article 4 (3) of the Articles of Association, which is to be added, in line with the respective utilisation of the contingent capital and after the end of all option periods; it is also authorised to make all other associated adjustments to the Articles of Association that affect only the revised version.

c) Termination of the authorisation of 13 May 2020

The authorisation approved by the Annual General Meeting of 13 May 2020 granting the Management Board the right to issue bonds with warrants/convertible bonds, mezzanine capital and/or profit-linked bonds (or a combination of these instruments) with a total nominal value of up to EUR 300,000,000.00 on one or more occasions by 12 May 2025 and, in this context, to grant conversion or option rights and conversion obligations for no-par-value bearer shares in the company with a notional interest in the share capital of up to EUR 14,000,000.00 in total, is terminated, provided no use is made of said authorisation. This termination does not take effect until the new authorisation to issue bonds with warrants/convertible bonds, mezzanine capital and/or profit-linked bonds (or a combination of these instruments) pursuant to the resolution adopted on a) and the new Contingent Capital 2023 pursuant to the resolution adopted on b) have entered into force. The Contingent Capital 2020 under article 4 (6) of the Articles of Association will continue to exist.

d) Amendment to the Articles of Association

Article 4 (3) of the Articles of Association will be worded as follows:

“The share capital is contingently increased by up to EUR 18,000,000.00 by the issue of up to 18,000,000 new no-par-value bearer shares (Contingent Capital 2023). The contingent capital increase will only be implemented to the extent that

- the holders of conversion rights or option rights attached to bonds with warrants, convertible bonds, mezzanine capital and/or profit-linked bonds (or a combination of these instruments) issued up to 31 May 2028 by the company or its direct or indirect wholly owned affiliates on the basis of the authorising resolution of the Annual General Meeting dated 1 June 2023 (collectively the “bonds”) exercise their conversion rights or option rights, or
- the holders or creditors of the bonds to be issued up to 31 May 2028 by the company or its direct or indirect wholly owned affiliates on the basis of the authorising resolution of the Annual General Meeting dated 1 June 2023 meet their obligation to convert their bonds or exercise their options.

With the approval of the Supervisory Board, the Management Board may, as far as permitted by law, determine that new shares carry dividend rights in a different proportion from that defined in section 60 (2) AktG.

With the approval of the Supervisory Board, the Management Board is also entitled to determine the further terms of the rights attached to shares and the further details of the implementation of the contingent capital increase.

The Supervisory Board is entitled to amend the wording of article 4 (1) and (3) of the Articles of Association in accordance with the respective utilisation of the contingent capital.”

#### **Report of the Management Board to the Annual General Meeting on item 10 of the agenda pursuant to sections 221 (4) sentence 2, 186 (4) sentence 2 AktG**

The Management Board has submitted a written report on item 10 of the agenda for the Annual General Meeting on the reasons for the possible exclusion of subscription rights pursuant to sections 221 (4) sentence 2, 186 (4) sentence 2 AktG, which is published in this invitation to the Annual General Meeting below under II.4.

The Management Board has voluntarily restricted its right to exclude subscription rights. The voluntary self-restriction is reproduced below under II.6.

#### **11. Resolution on the cancellation of the existing authorised capital and the creation of a new authorised capital with the authorisation to exclude subscription rights as well as the corresponding amendment to the Articles of Association**

The Articles of Association of Encavis AG govern the authorised capital in article 6. The authorisation of the Management Board contained therein is subject to a fixed term up to and including 26 May 2026. After partial utilisation of this authorised capital (“Authorised Capital 2021”), the remaining authorised capital still amounts to EUR 25,197,269.00.

Widespread capacity expansion in renewable energy generation is the only sustainable, environmentally friendly and low-cost way of providing energy. Far from being the cause of the current extremely high energy prices, renewable energies are actually the solution to the problem. The more renewable energy facilities are connected to the grid, the quicker existing demand for electricity from sustainable production can be covered and, as a result, costly legacy power stations taken offline. Together, wind and solar power will account for over 90 % of the renewable energy capacity added in the next five years. Solar energy installations and onshore wind parks remain the cheapest options for generating power in most countries. The energy crisis marks a historic turning point towards a cleaner and more secure energy supply. The European Commission’s plan to rapidly reduce dependence on Russian fossil fuels and fast forward the green transition, REPowerEU, of 18 May 2022 includes a special EU solar strategy to double photovoltaic capacity by 2025 by installing new PV systems amounting to 320 GW by 2025 and a total of 600 GW by 2030. This means more than four times the volume of new installations per year compared to the average installed capacity per year over the last ten years. The objective of covering 45 % of total final energy consumption using renewable sources by 2030 was adopted by the European Parliament when it revised the Renewable Energy Directive (RED) in September 2022. The 45 % target set by MEPs exceeds the 40 % mark adopted by the member states in June 2022.

Through its new growth strategy for the time between now and 2027, Encavis AG plans to accelerate its profitable growth and expand its own generation capacity to 8 gigawatts (GW) – a significant acceleration of the growth seen in past years. At roughly 5.8 gigawatts (GW), more than 2.5 times the current generation capacity is set to be connected to the grid by the end of 2027, with an additional 2.2 GW under construction. Direct demand for green electricity among industrial customers is rising at a rapid pace. Commercial real estate owners and other investor groups are increasingly looking for green investments. Going forward, Encavis will pay greater attention to the needs of these market participants when expanding its portfolio, thereby making an even more meaningful contribution to achieving the energy transition. As in the past, the main focus in financing the massive investments will lie on the Group’s own financial strength. Investments will be funded through own cash flow, with borrowed capital being utilised at various levels of the Group. In some cases, parks are also to be acquired in partnership with minority shareholders. Given the recent turbulence on global financial markets, however, Encavis AG cannot rely solely on these options to accelerate the company’s strong growth. No capital increase is planned at the current time. However, it cannot be ruled out that a capital increase may be reasonable and beneficial under certain circumstances, such as the following non-exhaustive selection of potential opportunities:

- + acquisition of a competitor
- + acquisition of a large-scale portfolio of wind and/or solar parks
- + entry into new regional markets
- + entry into new technology segments
- + future restrictions on lending by banks

In order to enable the company to continue to respond flexibly to financing requirements in the future and be able to strengthen its equity base at short notice if necessary, the existing Authorised Capital 2021 is to be replaced by new authorised capital, which in turn is to include the option to exclude subscription rights in certain cases – in particular under the (simplified) conditions pursuant to sections 203 (1) sentence 1, 186 (3) sentence 4 AktG. Due to the Management Board's voluntary self-restriction regarding the total volume of shares issued under the exclusion of subscription rights, only a very limited number of shares may still be issued from the current Authorised Capital 2021 under the exclusion of subscription rights. The volume of the new Authorised Capital 2023 is to amount to EUR 32,206,035.00 (equating to 20 % of the current share capital).

The Management Board and Supervisory Board propose that the following be adopted:

- a) The existing authorisation of the Annual General Meeting of 27 May 2021 to increase the share capital of the company in article 6 of the Articles of Association is to be rescinded subject to the entry of the amendment to the Articles of Association proposed under c) in the Commercial Register.
- b) The Management Board will be authorised, with the consent of the Supervisory Board, to increase the company's share capital by up to EUR 32,206,035.00 by issuing up to 32,206,035 new no-par-value bearer shares against cash contributions and/or contributions in kind on one or more occasions up to and including 31 May 2028 ("Authorised Capital 2023"). The shareholders are generally entitled to a subscription right. The new shares may also be issued to one or more credit institutions or other companies named in section 186 (5) sentence 1 AktG with the obligation to offer them to the shareholders (indirect subscription right); they may also be granted in part by way of a direct subscription right (for example to shareholders with subscription rights who have entered into a fixed subscription agreement in advance) or otherwise by way of an indirect subscription right pursuant to section 186 (5) AktG.

The Management Board will be authorised, with the consent of the Supervisory Board, to exclude shareholders' subscription rights:

for fractional amounts;

- if the capital increase is implemented against contributions in kind for the purpose of granting shares for the acquisition of companies, parts of companies or shareholdings in companies (including the increase of the ownership interest);
- if the capital increase is implemented against cash contributions and the proportion of the share capital attributable to the new shares does not exceed in total either 10 % of the share capital existing at the time of the entry of this authorisation or 10 % of the share capital existing at the time of the issue of the new shares, provided that the issue price of the new shares is not significantly lower than the stock exchange price of the already listed shares of the company of the same class and with the same rights at the time of the final determination of the issue price by the Management Board. All shares issued or sold under the exclusion of the subscription right pursuant to or in corresponding application of section 186 (3) sentence 4 AktG from the time of the entry of this authorisation must be counted towards the aforementioned maximum amount; or
- if it is necessary for dilution protection in order to grant holders of conversion and option rights issued or to be issued by the company or by its group entities within the meaning of section 18 AktG a subscription right to new shares to the extent to which the holders would be entitled after exercising their conversion and option right.

The Management Board will be authorised, with the consent of the Supervisory Board, to determine the further details of the implementation of capital increases from the Authorised Capital 2023.

c) Amendment to the Articles of Association

Article 6 of the Articles of Association is amended as follows:

“The Management Board is authorised, with the consent of the Supervisory Board, to increase the company’s share capital by up to EUR 32,206,035.00 by issuing up to 32,206,035 new no-par-value bearer shares against cash contributions and/or contributions in kind on one or more occasions up to and including 31 May 2028 (“Authorised Capital 2023”). The shareholders are generally entitled to a subscription right. The new shares may also be issued to one or more credit institutions or other companies named in section 186 (5) sentence 1 AktG with the obligation to offer them to the shareholders (indirect subscription right); they may also be granted in part by way of a direct subscription right (for example to shareholders with subscription rights who have entered into a fixed subscription agreement in advance) or otherwise by way of an indirect subscription right pursuant to section 186 (5) AktG.

The Management Board is authorised, with the consent of the Supervisory Board, to exclude shareholders’ subscription rights:

for fractional amounts;

- if the capital increase is implemented against contributions in kind for the purpose of granting shares for the acquisition of companies, parts of companies or shareholdings in companies (including the increase of the ownership interest);
- if the capital increase is implemented against cash contributions and the proportion of the share capital attributable to the new shares does not exceed in total either 10 % of the share capital existing at the time of the entry of this authorisation or 10 % of the share capital existing at the time of the issue of the new shares, provided that the issue price of the new shares is not significantly lower than the stock exchange price of the already listed shares of the company of the same class and with the same rights at the time of the final determination of the issue price by the Management Board. All shares issued or sold under the exclusion of the subscription right pursuant to or in corresponding application of section 186 (3) sentence 4 AktG from the time of the entry of this authorisation must be counted towards the aforementioned maximum amount; or
- if it is necessary for dilution protection in order to grant holders of conversion and option rights issued or to be issued by the company or by its group entities within the meaning of section 18 AktG a subscription right to new shares to the extent to which the holders would be entitled after exercising their conversion and option right.

The Management Board is authorised, with the consent of the Supervisory Board, to determine the further details of the implementation of capital increases from the Authorised Capital 2023.”

- d) The Supervisory Board is authorised to amend the wording of articles 4 (1), 6 of the Articles of Association after full or partial implementation of the increase of the share capital in accordance with the respective utilisation of the Authorised Capital 2023 and, if the Authorised Capital 2023 is not or not fully utilised up to and including 31 May 2028, after expiry of the authorisation period.

**Report of the Management Board to the Annual General Meeting on item 11 of the agenda pursuant to sections 203 (2), 186 (4) sentence 2 AktG**

The Management Board has submitted a written report on item 11 of the agenda for the Annual General Meeting on the reasons for the possible exclusion of subscription rights pursuant to sections 203 (2), 186 (4) sentence 2 AktG, which is published in this invitation to the Annual General Meeting below under II.5.

The Management Board has again voluntarily restricted its right to exclude subscription rights. The voluntary self-restriction is reproduced below under II.6.



## II. Reports to the Annual General Meeting

### 1. Disclosures on item 6 of the agenda: remuneration report

#### Remuneration report 2022

The Management Board and the Supervisory Board of Encavis AG (“Encavis” or “company”) have together implemented the statutory requirements on the preparation of remuneration reports in accordance with section 162 AktG in the following remuneration report.

The remuneration report describes the basic features of the remuneration system for the members of the Management Board and the Supervisory Board and provides information on the individual remuneration granted and owed in the 2022 financial year for the current and former members of the Management Board and the current and former members of the Supervisory Board.

The company has decided to have the remuneration report substantively audited by the auditor extending beyond the requirements under section 162 (3) sentence 1 AktG.

After preparation by the Personnel Committee, the current remuneration systems for the members of the Management Board and the Supervisory Board of the company have been adopted by the Supervisory Board in accordance with section 87 (1) and section 87a (1) AktG and were approved at the Annual General Meeting on 27 May 2021. You can find detailed information on this online on the company’s website at [www.encavis.com](http://www.encavis.com).

#### Resolution on the approval of the remuneration report for the previous financial year (2021)

A total of 109,159,855 no-par-value shares, equating to an equal number of votes and 68.03 % of the share capital, were represented at the Annual General Meeting on 19 May 2022 for the resolution on the approval of the remuneration report for the 2021 financial year, prepared and audited in accordance with section 162 AktG (agenda item 6). The resolution received 66,126,234 Yes votes (60.58 %), with 43,033,621 (39.42 %) voting against the resolution. The remuneration report for the 2021 financial year as prepared and audited was therefore approved by a majority. The Management Board and Supervisory Board of the company see the vote in favour of the 2021 remuneration report as upholding the implementation of remuneration systems approved at the Annual General Meeting on 27 May 2021. As a result, the company will continue to employ the approved report format for the 2022 remuneration report.

The company’s Personnel Committee reviewed the components of the remuneration systems in June 2022. All material components were complied with in the 2021 financial year. Accordingly, there were no changes to the remuneration systems in the 2022 financial year.

#### Preliminary remarks

Since the wording in section 162 (1) AktG is not specific, it is necessary to begin by explaining and substantiating the term “granted”.

According to this section, remuneration is granted when it actually goes to the executive body member and is transferred to their assets (payment-related perspective). Alternatively, it is permitted to disclose remuneration (already) in the remuneration report for the financial year in which the activity on which the remuneration is based (one or more years) has been fully performed (vesting-related perspective). Encavis believes that this perspective allows for a reasonable comparison to be made, since the variable short-term remuneration for 2022, for instance, appears alongside the financial position for the 2022 financial year. For this reason, the company uses the vesting-related perspective for the “granted remuneration”. The company’s Management Board and Supervisory Board continue to employ the vesting-related perspective.



In its meeting on 4 July 2022, the company's Personnel Committee discussed changes to the company's management. In a subsequent meeting held on the same day, the Supervisory Board approved the recommendation of the Personnel Committee that Mario Schirru be appointed to the company's Management Board with effect from 1 August 2022.

Furthermore, it was decided that Dr Dierk Paskert would step down from the Management Board ahead of schedule as of 31 December 2022 and leave the company. Dr Christoph Husmann was appointed as Spokesman of the Management Board with effect from 1 January 2023.

## A. The remuneration of the Management Board in the 2022 financial year

### 1. Principles of the remuneration system

The remuneration system for the members of the Management Board was approved by the Annual General Meeting on 27 May 2021 by a majority of 86.14 % of the capital represented.

The remuneration system for the members of the Management Board makes an important contribution to the advancement of the business strategy and the long-term, sustainable and value-creating development of the company. In structuring the remuneration system and specifying Management Board remuneration, the Supervisory Board worked on the basis of the following principles:

#### Principles of the remuneration system

Promoting the corporate strategy	The aim of the remuneration system is to promote the implementation of the corporate strategy through appropriate incentivisation.
Pay for performance	The remuneration system uses adequate performance criteria as part of the performance-related variable remuneration (which represents a substantial part of the overall remuneration) to ensure that the performance of the Management Board is appropriately rewarded and that failures to reach targets are equally taken into account.
Long-term nature and sustainability	As part of the variable remuneration, a considerable part of the remuneration is issued on the basis of a multi-year performance assessment. The focus on sustainability is further strengthened in the short-term variable remuneration by the anchoring of performance criteria for sustainability targets in relation to environmental, social and governance criteria (ESG criteria).
Appropriateness of the remuneration	The remuneration of the members of the Management Board is customary in the market and competitive. It allows for the size, complexity and economic position of the company. Its appropriate nature is maintained by regular comparisons of management board remuneration within relevant comparison groups. The remuneration of the members of the Management Board is in appropriate proportion to the remuneration of managers and employees.
Consistency of the systems	The remuneration system is directly linked to the remuneration systems of the upper management level and employees of Encavis.
Regulatory compliance	The remuneration system complies with the German stock corporation act and incorporates the recommendations of the GCGC as far as possible.

The Supervisory Board can take extraordinary circumstances, the effects of which are not sufficiently accounted for in target achievement, into appropriate consideration in defining targets in a small number of justified cases.

The remuneration system has been defined with the aim of being simple, clear and comprehensible.

Management Board remuneration is primarily based on the financial position of the company as well as the performance of the Management Board as a whole. The company's long-term strategic growth targets as communicated in Fast Forward 2025 represent key parameters in the short- and long-term variable remuneration.

To that effect, the remuneration components of the performance-related remuneration form a key part of the overall structure:

Non-performance-related remuneration	Annual salary	<ul style="list-style-type: none"> <li>Fixed annual remuneration paid in twelve equal amounts at the end of each calendar month.</li> </ul>
	Fringe benefits	<ul style="list-style-type: none"> <li>Other contributions in kind (company vehicle, insurance, communication, etc.)</li> </ul>
Performance-related remuneration	Short-term variable remuneration (annual bonus)	<ul style="list-style-type: none"> <li>Term: one year</li> <li>Performance criteria: financial and non-financial targets</li> <li>Payment: between 0 and 200 % of the target value</li> </ul>
	Long-term variable remuneration (virtual share option programme – SOP)	<ul style="list-style-type: none"> <li>Vesting period: three years</li> <li>Exercise period: two years</li> <li>Performance criteria: financial targets</li> <li>Granting of virtual share options (share appreciation rights – SAR)</li> <li>Cap: three times the minimum exercise value</li> </ul>

## 2. Implementation and review of the remuneration system

The remuneration system applies to all members of the Management Board from 1 January 2021 as well as to all newly agreed or extended contracts with members of the Management Board and in the case of reappointment.

The Personnel Committee regularly reviews the appropriateness and conventionality of the remuneration of the members of the Management Board and proposes amendments where necessary to the Supervisory Board in order to ensure a customary yet competitive remuneration package for the members of the Management Board. In accordance with the applicable remuneration system, the Supervisory Board has determined specific target remuneration for each member of the Management Board.

The Supervisory Board has also determined the performance criteria for each member of the Management Board in relation to the performance-related, variable remuneration components in the 2022 financial year, provided these are not already defined directly by the applicable remuneration system.

In the 2022 financial year, the Supervisory Board did not make use of the options set out in the remuneration system in accordance with the legal provisions to deviate temporarily from the remuneration system or to make adjustments when the targets are achieved in case of specific circumstances. No variable remuneration components were reclaimed in the 2022 financial year.

### 3. Total remuneration target

The Supervisory Board defines the total remuneration target for each member of the Management Board on the basis of the remuneration system for the upcoming financial year. The total remuneration target consists of the sum of fixed remuneration and variable remuneration.

Target total remuneration (all amounts in TEUR)	Dr Dierk Paskert*** Chairman of the Management Board Joined: 1 September 2017	Dr Christoph Husmann Member of the Management Board Joined: 1 October 2014	Mario Schirru** Member of the Management Board Joined: 1 August 2022
	2022	2022	2022
Fixed remuneration	550	500	157
Short-term variable remuneration	250	250	83
<b>Total</b>	<b>800</b>	<b>750</b>	<b>240</b>
Long-term variable remuneration	240	240	173
Regular fringe benefits*	35	25	10
<b>Total remuneration</b>	<b>1,075</b>	<b>1,015</b>	<b>423</b>

\* A target was not set for the regular fringe benefits in the 2022 financial year. The actual values granted are therefore indicated.

\*\* Target total remuneration for Mario Schirru is presented on a pro rata basis.

\*\*\* The target total remuneration for 2022 is of limited significance due to the departure of Dr Dierk Paskert.

### 4. Maximum remuneration

The Supervisory Board has defined a maximum remuneration limit in accordance with section 87a (1) sentence 2 no. 1 AktG that includes the total remuneration to be granted (total of all remuneration amounts for the financial year in question, including fixed annual salary, fringe benefits and variable remuneration components) to the members of the Management Board. The maximum remuneration for one financial year has been defined as follows:

Maximum remuneration pursuant to section 87a (1) sentence 2 no. 1 AktG	Chairman of the Management Board EUR 3.2 million	Member of the Management Board EUR 3.2 million
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The Supervisory Board notes that the relevant metric in terms of maximum remuneration is the total remuneration granted to a member of the Management Board for a single financial year, irrespective of the precise date of payment of individual remuneration elements (in particular short-term variable remuneration and long-term variable remuneration) and that the maximum remuneration is based on this metric. As a result, compliance with the maximum remuneration for the financial year in question cannot be reviewed until future reporting periods.

Under the current remuneration system for the members of the Management Board, the maximum remuneration for 2022 will be reviewed in the 2025 reporting year.

### 5. Application of the remuneration system in detail

#### a) Fixed remuneration components

##### aa) Annual salary

The annual salary is a fixed, single-year remuneration component paid in cash in twelve equal monthly instalments.

The company's Supervisory Board has agreed an annual salary of EUR 375 thousand with Mario Schirru. After one year, the Supervisory Board will ask the Personnel Committee to review whether the intended increase in the annual salary is appropriate under the remuneration system for the members of the Management Board.

bb) Fringe benefits

The maximum amount of fringe benefits is defined for each member of the Management Board for the respective upcoming financial year. The Supervisory Board defines an amount for this purpose in proportion to basic remuneration. Fringe benefits granted to members of the Management Board include a company car or rental car, which can also be used privately, and a mobile phone, which likewise can also be used privately. The members of the Management Board receive an allowance for health and care insurance.

Dr Paskert received fringe benefits totalling EUR 35 thousand in the reporting period. Dr Husmann received fringe benefits totalling EUR 25 thousand in the reporting period. Mario Schirru received fringe benefits totalling EUR 10 thousand in the reporting period. No pension commitments exist.

The option to grant members of the Management Board additional remuneration as part of the fringe benefits was not used in the 2022 financial year.

Fixed remuneration (all amounts in TEUR)	Dr Dierk Paskert Chairman of the Management Board Joined: 1 September 2017  2022	Dr Christoph Husmann Member of the Management Board Joined: 1 October 2014  2022	Mario Schirru Member of the Management Board Joined: 1 August 2022  2022
Fixed remuneration	550	500	157
Fringe benefits	35	25	10
<b>Total fixed remuneration</b>	<b>585</b>	<b>525</b>	<b>167</b>

b) Variable remuneration components

aa) Short-term variable remuneration (annual bonus)

The members of the Management Board receive a performance-related, variable annual bonus for each financial year. The annual bonus provides an incentive to contribute to the implementation of the business strategy during a financial year. The annual bonus is set out at EUR 250 thousand in the Management Board contracts of Dr Dierk Paskert and Dr Christoph Husmann. The Supervisory Board has agreed an annual bonus of EUR 200 thousand with Mario Schirru.

After the end of the financial year, the achievement of each individual target is determined and summarised as a weighted average. The bonus payment amount for each past financial year is calculated as the percentage of the weighted target achievement multiplied by the individual target amount.

Performance targets were based on a variety of performance criteria. The Supervisory Board is responsible for determining the choice and weighting of individual performance criteria based on the recommendations of the Personnel Committee for the coming financial year. If members of the Management Board do not achieve their targets, variable remuneration can fall to zero. Likewise, if members of the Management Board significantly overachieve in terms of their targets, target achievement is limited to 200 % (cap).

Three strategic and two individual targets were agreed with the members of the Management Board for the determination of target achievement in the 2022 financial year. On account of the agreement reached with Dr Dierk Paskert upon his departure, Dr Dierk Paskert received a lump sum. As a result, specific target achievement was no longer measured, and Dr Dierk Paskert was excluded from the following overview.

Target achievement by members of the Management Board	Strategic KPI	Implementation	Weighting	Target achievement
Dr Christoph Husmann	Growth target	Acquire approx. 500 MW solar parks and/or wind farms in the reporting year	25 %	125 %
Mario Schirru	EPS target	Increase operating EPS for the Group to EUR 0.52 in 2022; EUR 0.597 was achieved	25 %	170 %
	ESG	Develop and introduce a Business Partner Code of Conduct for Encavis in March 2022 to establish sustainability as a factor for service providers and finance partners	10 %	125 %
	FiT cuts in France	Limit French FiT cuts for the parks Avon-le-Roches (-76 %) and LCEO (-65 %) to prevent the parks' insolvency. France's highest administrative court has stopped the FiT cuts	15 %	175 %
	Individual KPI	Implementation	Weighting	Target achievement
Dr Christoph Husmann	Optimisation of funding in project acquisition	Design and implement a line of credit with a volume of EUR 100 million for SPV financing. The actual volume achieved stands at EUR 180 million	15 %	180 %
	Further development of asset management business	Increase EBIT by approx. EUR 7.5 million to EUR 10.2 million in the reporting year and attract at least EUR 235 million in investments; actual figure: EUR 155 million	10 %	97 %
Mario Schirru	Electricity marketing	Develop a new system for managing energy position hedging of less than 3 years	15 %	125 %
	Further development of the Innovation Hub	Oversee organisational structuring of the Innovation Hub and the roll-out of first projects	10 %	150 %

Overall, the Management Board members Dr Christoph Husmann and Mario Schirru achieved their targets. In summary, the Supervisory Board decided on a target achievement of 150 % for each member of the Management Board. Mario Schirru will receive the annual bonus on a pro rata basis. Payment will be made in 2023.



Short-term variable remuneration  
(all amounts in TEUR)

	Dr Christoph Husmann Member of the Management Board Joined: 1 October 2014	Mario Schirru Member of the Management Board Joined: 1 August 2022
	2022	2022
Annual bonus	375	125
<b>Total short-term variable remuneration</b>	<b>375</b>	<b>125</b>

bb) Long-term variable remuneration

(i) The virtual share option programme

The long-term variable remuneration based on share options is granted in the form of a virtual share option programme (SOP). The SOP is a programme that, in terms of its framework and objective, is designed as an annually recurring, long-term remuneration component based on the overall performance of the Encavis share. An allotment amount defined by the Supervisory Board is converted into virtual share options known as share appreciation rights (SARs).

The Supervisory Board defines an allotment amount percentage for each Management Board member based on the fixed salary and annual bonus (at 100 % target achieved) as a target (approximately 30 %). The allotment amount is converted into a corresponding number of SARs for the respective member of the Management Board after the end of the financial year. The allocation takes place as at 1 July for the respective current financial year.



## (ii) Prerequisites

One prerequisite for exercising SARs is the achievement of the financial success target, which also determines the specific amount of the remuneration. The SARs can be exercised for the first time after a vesting period of three years from the respective year of issue, after which they can be exercised at half-yearly exercise dates (30 June and 31 December) within two years of the end of the three-year vesting period. There are therefore five exercise dates in total.

A prerequisite for exercising a SAR is the achievement of a specific performance target. To achieve the performance target, the overall performance of the Encavis share in Xetra trading (or in a comparable successor system) on the Frankfurt Stock Exchange must exceed the basic price by at least 30 % (strike price) on the day on which the SAR is exercised, as measured by the interim price rise and the dividends paid since the issue of the SARs. The basic price is the arithmetic average of the daily closing prices of the Encavis share in Xetra trading on the Frankfurt Stock Exchange (or in a comparable successor system) during the six months before the allotment date of the respective SAR tranche.

The payment is based on the value of the option at the time of exercise and is capped at three times the difference between the strike price and the basic price. If a member leaves the company of their own accord, or if their employment is terminated for good cause, the programme rules stipulate that any SARs granted are forfeited in whole or in part.

An overview of the prerequisites for exercising SARs and the remuneration granted by it:



\* When the employment contract of the member of the Management Board ends, the granted SARs remain in place. After the vesting period has ended, the SARs are exercised during the exercise period at the respective terms of the allotment.

## (iii) Application in the financial year

In line with the vesting-related perspective, the remuneration is granted when all the postponed or resolatory exercise conditions (e.g. achievement of performance target, holding conditions, exercise declaration) associated with these remuneration components have been met.

In the 2022 financial year, the Management Board members Dr Dierk Paskert and Dr Christoph Husmann exercised the SARs allotted to them in 2019 in full; the performance target (strike price of EUR 8.64 as of 30 June 2022) and holding conditions had been met. The SARs allotted in the 2019 financial year had an option value of EUR 2.82 per SAR, and the target value amounted to EUR 317 thousand. Each member of the Management Board was issued a volume of 112,070 SARs in 2019. The (rounded) option value amounted to EUR 5.99 per SAR on the exercise date (30 June 2022). The long-term variable remuneration based on share options thus amounted to EUR 671 thousand per member of the Management Board in the 2022 financial year.



Total variable remuneration (all amounts in TEUR)	Dr Dierk Paskert Chairman of the Management Board Joined: 1 September 2017	Dr Christoph Husmann Member of the Management Board Joined: 1 October 2014	Mario Schirru Member of the Management Board Joined: 1 August 2022
	<b>2022</b>	<b>2022</b>	<b>2022</b>
Annual bonus	0	375	125
Long-term variable share-based remuneration	671	671	0
<b>Total variable remuneration</b>	<b>671</b>	<b>1,046</b>	<b>125</b>

## 6. Remuneration in relation to the early termination of Dr Dierk Paskert's employment contract

The conditions agreed between the company's Supervisory Board and Dr Dierk Paskert regarding the termination of Dr Paskert's employment contract provide for proper settlement and further payments by the company. As explained in 7 c), the contracts of the Management Board members do not stipulate a severance cap. However, the Supervisory Board was guided in its actions by the principles of the German Corporate Governance Code and paid no more than two years' remuneration. Despite the existence of a non-competition clause, the settlement was deemed to cover all additional compensation.

Dr Dierk Paskert will receive a settlement of EUR 1,995 thousand for the early termination of his employment. In addition, Dr Dierk Paskert will be granted an annual bonus of EUR 275 thousand for the 2022 financial year. Furthermore, the company will pay one-time compensation of EUR 760 thousand for SARs issued in 2020, 2021 and 2022. Had the SARs been exercised under the conditions outlined in 5 b) bb), the maximum total compensation would have stood at EUR 2,507 thousand.

## 7. Remuneration-related legal transactions

### a) Terms and provisions for contract termination, including notice periods

The Management Board members' contracts have the following residual terms and are subject to the following provisions regarding termination: The contract with Dr Husmann expires on 30 September 2025. The contract with Mario Schirru expires on 31 July 2025. The contract with Dr Dierk Paskert was terminated as of 31 December 2022. The contracts are extended for the period for which the Supervisory Board resolves the reappointment of said member of the Management Board with their approval.

The contract ends in the event of termination without notice for good cause or in the case of early unilateral resignation for good cause.

### b) Change of control

There is no special right of termination due to a change of control, nor are any commitments made for the payment of any benefits due to the early termination of the Management Board contract following a change of control.

### c) Early termination of the Management Board contract at the request of the Management Board member or by the company for good cause

The contracts do not contain any provisions regarding settlements for early termination. No severance cap is agreed in the Management Board contracts.



Once their contracts expire, the members of the Management Board are subject to a non-competition clause for a period of two years. During this period they are entitled to compensation amounting to 50 % of their last fixed annual salary plus 50 % of the annual bonus, assuming 100 % target achievement.

d) *Clawback*

Besides statutory regulations on the subsequent reduction of remuneration, the contracts of the members of the Management Board do not include any explicit clawback regulations. When concluding future contracts with members of the Management Board, the Supervisory Board will attempt to conclude standard market clawback regulations that will allow variable remuneration components to be taken back (clawback) in certain cases (e.g. performance or compliance). There was no subsequent reduction of remuneration in the 2022 financial year.

e) *Assumption of executive functions at consolidated companies*

The members of the Management Board have a contractual obligation to transfer any remuneration received for the performance of executive functions at internal group companies or consolidated companies to the company. In addition, no remuneration was paid to the members of the Management Board on the part of third parties.

**8. Remuneration granted to the members of the Management Board in the 2022 financial year in accordance with section 162 AktG**

Issued remuneration (all amounts in TEUR)	Dr Dierk Paskert Chairman of the Management Board Joined: 1 September 2017	
	2022	Relative portion in %
Fixed remuneration	550	13 %
Fringe benefits	35	1 %
Settlement	3,030	71 %
<b>Total fixed remuneration</b>	<b>3,615</b>	<b>85 %</b>
Long-term variable remuneration	671	15 %
<b>Total variable remuneration</b>	<b>671</b>	<b>15 %</b>
<b>Total remuneration</b>	<b>4,286</b>	<b>100 %</b>

Issued remuneration (all amounts in TEUR)	Dr Christoph Husmann Member of the Management Board Joined: 1 October 2014	
	2022	Relative portion in %
Fixed remuneration	500	32 %
Fringe benefits	25	2 %
<b>Total fixed remuneration</b>	<b>525</b>	<b>34 %</b>
Short-term variable remuneration	375	23 %
Long-term variable remuneration	671	43 %
<b>Total variable remuneration</b>	<b>1,046</b>	<b>66 %</b>
<b>Total remuneration</b>	<b>1,571</b>	<b>100 %</b>

Issued remuneration  
(all amounts in TEUR)

Mario Schirru  
Member of the  
Management Board  
Joined: 1 August 2022

	2022	Relative portion in %
Fixed remuneration	157	54 %
Fringe benefits	10	3 %
<b>Total fixed remuneration</b>	<b>167</b>	<b>57 %</b>
Short-term variable remuneration	125	43 %
Long-term variable remuneration	0	0 %
<b>Total variable remuneration</b>	<b>125</b>	<b>43 %</b>
<b>Total remuneration</b>	<b>292</b>	<b>100 %</b>

## B. The remuneration of the Supervisory Board in the 2022 financial year

### 1. Principles of the remuneration system

The remuneration system for the Supervisory Board was approved by the Annual General Meeting on 27 May 2021 by a majority of 99.01 % of the capital represented.

The remuneration system is governed by article 15 of the company's Articles of Association. The remuneration ensures that the Supervisory Board competently and independently carries out its monitoring role, which stands to benefit the long-term development of the company.

### 2. The remuneration system at a glance

The members of the Supervisory Board receive the fixed remuneration of EUR 30 thousand defined in the Articles of Association. The Chair of the Supervisory Board receives remuneration of EUR 60 thousand. The Deputy receives EUR 45 thousand.

Additional remuneration is granted for committee membership. The chairperson of the Audit Committee and the chairperson of the Personnel Committee each receive EUR 20 thousand. All other members of the Audit or Personnel Committees receive EUR 15 thousand. In addition, members of the Supervisory Board also receive an attendance fee of EUR 1 thousand defined in the Articles of Association for attending meetings. The attendance fee is only due once for multiple Supervisory Board and/or committee meetings held on the same day.

The members of the Supervisory Board are included in the company's third-party liability insurance in accordance with the Articles of Association. The remuneration does not include any variable components or share-based components. It is tied to the length of a member's appointment. There are no commitments for redundancy payments, pension entitlements or early retirement programmes.

### 3. Remuneration granted to current and former members of the Supervisory Board in the 2022 financial year in accordance with section 162 AktG

The following table shows the fixed remuneration granted to the current and former members of the Supervisory Board in the past financial year in accordance with section 162 AktG. According to article 15 of the company's Articles of Association, the total Supervisory Board remuneration is payable after the end of the financial year. Payment will be made in 2023.

In TEUR	Supervisory Board remuneration	Remuneration for committee memberships	Total
	2022	2022	2022
Dr Manfred Krüper	66	38	104
Dr Rolf Martin Schmitz	46	17	63
Alexander Stuhlmann*	18	16	34
Dr Cornelius Liedtke*	13	-	13
Albert Büll	36	7	43
Dr Fritz Vahrenholt	36	33	69
Christine Scheel	36	-	36
Isabella Pfaller	24	13	37
Thorsten Testorp*	24	11	35
Dr Henning Kreke	36	-	36
Dr Marcus Schenck	36	10	46
<b>Total</b>	<b>371</b>	<b>145</b>	<b>516</b>

\* Dr Cornelius Liedtke and Alexander Stuhlmann stepped down from the Supervisory Board at the end of the Annual General Meeting on 19 May 2022. Isabella Pfaller and Thorsten Testorp were elected to the Supervisory Board at the Annual General Meeting on 19 May 2022.

### C. Comparison of the development of the remuneration for members of the Management Board, members of the Supervisory Board and the remaining employees, and the development of the income of the company

In order to comply with the requirements under section 162 (1) sentence 2 no. 2 AktG, the following table shows the development of the remuneration of members of the Management Board, members of the Supervisory Board and the remaining employees (on FTE basis), as well as the development of the income of the company.

Financial year	2018	2019	2020	2021	2022				
<b>Income development</b>		in %*	in %*	in %*	in %*				
<b>Annual revenue of the Encavis Group (in millions)</b>	249	274	10 %	293	7 %	333	14 %	487	46 %
<b>Annual revenue of Encavis AG (in TEUR)</b>	2,436	6,506	167 %	5,552	-15 %	6,383	15 %	6,549	3 %
<b>Management Board remuneration (in TEUR)</b>									
<b>Dr Dierk Paskert (since 1 September 2017)</b>	579	810	40 %	1,910	136 %	2,030	6 %	4,286	111 %
<b>Dr Christoph Husmann (since 1 October 2014)</b>	767	1,325	73 %	2,943	122 %	2,020	-31 %	1,571	-22 %
<b>Mario Schirru (since 1 August 2022)</b>	0	0	0 %	0	0 %	0	0 %	292	100 %

Financial year	2018	2019	2020	2021	2022				
<b>Supervisory Board remuneration (in TEUR)</b>		in %*	in %*	in %*	in %*				
<b>Dr Manfred Krüper</b>	83	82	-1 %	102	24 %	104	2 %	104	0 %
<b>Dr Rolf Martin Schmitz</b>	0	0	0 %	0	0 %	22	100 %	63	186 %
<b>Alexander Stuhlmann</b>	71	70	-1 %	87	24 %	89	2 %	34	-62 %
<b>Isabella Pfaller</b>	0	0	0 %	0	0 %	0	0 %	37	100 %
<b>Dr Cornelius Liedtke</b>	29	29	0 %	34	17 %	35	3 %	13	-63 %
<b>Albert Büll</b>	41	41	0 %	50	22 %	52	4 %	43	-17 %
<b>Thorsten Testorp</b>	0	0	0 %	0	0 %	0	0 %	35	100 %
<b>Dr Fritz Vahrenholt</b>	53	51	-4 %	67	31 %	69	3 %	69	0 %
<b>Christine Scheel</b>	29	29	0 %	34	17 %	35	3 %	36	3 %
<b>Dr Henning Kreke</b>	28	29	4 %	34	17 %	35	3 %	36	3 %
<b>Dr Marcus Schenck</b>	0	19	100 %	34	79 %	35	3 %	46	31 %
<b>Average employee remuneration (in TEUR)</b>									
<b>Encavis Group workforce</b>	72	88	22 %	100	14 %	103	3 %	105	2 %

\* The statement "in %" reflects the year-on-year change expressed as a percentage.

### Auditor's report

To Encavis AG, Hamburg

We have audited the remuneration report of Encavis AG, Hamburg, created in compliance with section 162 AktG for the financial year from 1 January to 31 December 2022 including the relevant disclosures.

#### *Responsibility of the legal representatives and of the Supervisory Board*

The legal representatives and the Supervisory Board of Encavis AG are responsible for the preparation of the remuneration report including the relevant disclosures, which meets the requirements of section 162 AktG. The legal representatives and the Supervisory Board are also responsible for the internal controls that they deem to be necessary for the preparation of a remuneration report, including the relevant disclosures, which is free from material misstatement, whether intentional or unintentional.

#### *Responsibility of the auditor*

Our task is to submit a report on this remuneration report, including the relevant disclosures, based on our audit. We have conducted our audit in accordance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (IDW). According thereto, we have to fulfil our professional responsibilities and design and conduct the audit in such a way that we can obtain reasonable assurance as to whether the remuneration report, including the relevant disclosures, is free from material misstatements.

An audit includes the performance of audit procedures to obtain audit evidence for the amounts recognised in the remuneration report, including the relevant disclosures. The auditor can select the audit procedures at their own professional discretion. This includes the assessment of risks of material misstatement, intentional or unintentional, in the remuneration report, including the relevant disclosures. When assessing the risks, the auditor takes into account the internal control system which is relevant for the preparation of the remuneration report including the relevant disclosures. The aim in doing so is to design and perform audit procedures which are appropriate in the circumstances, but not to express an audit opinion on the effectiveness of the Company's internal control system. An audit also includes the assessment of the accounting methods applied, the viability of the figures estimated by the legal representatives and the Supervisory Board in the accounting, as well as the assessment of the overall presentation of the remuneration report including the relevant 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, based on the findings of our audit, the remuneration report for the financial year from 1 January to 31 December 2022 including the relevant disclosures complies in all material respects with the accounting provisions of section 162 AktG.

#### *Reference to another circumstance – formal audit of the remuneration report in accordance with section 162 AktG*

The audit of the remuneration report described in this audit report comprises the formal audit of the remuneration report required under section 162 (3) AktG, including the issuing of a report on this audit. Since we are expressing an unqualified audit opinion on the audit of the content of the remuneration report, this audit opinion covers the fact that the disclosures have been made pursuant to section 162 (1) and (2) AktG in all material respects in the remuneration report.

#### *Restriction of use*

We issue this audit report on the basis of the contract concluded with Encavis AG. The audit has been carried out for the purposes of the Company, and the audit report is provided only for the Company's information about the result of the audit. In accordance with our contract, our responsibility for the audit and for our audit report extends only towards the Company. The audit report is not intended for use by third parties to make decisions (regarding investments and/or assets). We therefore accept no responsibility, obligation to exercise due diligence or liability towards third parties; in particular, third parties are not covered by the scope of protection of this contract. Section 334 of the German Civil Code (BGB) has not been waived. According to this section, objections under the contract may also be raised in relation to third parties.

Hamburg, 28 March 2023

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Christoph Fehling  
Wirtschaftsprüfer  
[German Public Auditor]

ppa. Christian Eden  
Wirtschaftsprüfer  
[German Public Auditor]

## 2. Disclosures on item 7 of the agenda: remuneration system for the members of the Encavis AG Management Board

### a) Principles of the remuneration system

The remuneration system for the members of the Management Board makes an important contribution to the advancement of the business strategy and the long-term, sustainable and value-creating development of Encavis AG (“Encavis” or the “company”).

Management Board remuneration is primarily based on the size, complexity and economic position of the company, as well as the performance of the Management Board as a whole. The remuneration structure is geared towards contributing to the long-term success of the company and achieving strategically important corporate targets. The company’s long-term strategic growth targets as communicated for the time until the end of 2027 represent key parameters in the short- and long-term variable remuneration.

In structuring the remuneration system and specifying Management Board remuneration, the Supervisory Board worked on the basis of the following principles:

#### Principles of the remuneration system

Promoting the corporate strategy	The aim of the remuneration system is to promote the implementation of the corporate strategy through appropriate incentivisation.
Pay for performance	The remuneration system uses adequate performance criteria as part of the performance-related variable remuneration (which represents a substantial part of the overall remuneration) to ensure that the performance of the Management Board is appropriately rewarded and that failures to reach targets are equally taken into account.
Long-term nature and sustainability	As part of the variable remuneration, a considerable part of the remuneration is issued on the basis of a multi-year performance assessment. The focus on sustainability is further strengthened in the short-term variable remuneration by the anchoring of performance criteria for sustainability targets in relation to environmental, social and governance criteria (ESG criteria).
Appropriateness of the remuneration	The remuneration of the members of the Management Board is customary in the market and competitive. It allows for the size, complexity and economic position of the company. Its appropriate nature is maintained by regular comparisons of management board remuneration within relevant comparison groups. The remuneration of the members of the Management Board is in appropriate proportion to the remuneration of managers and employees.
Consistency of the systems	The remuneration system is directly linked to the remuneration systems of the upper management level and employees of Encavis.
Regulatory compliance	The remuneration system complies with the German stock corporation act and incorporates the recommendations of the GCGC as far as possible.

The remuneration system has been defined with the aim of being simple, clear and comprehensible. It complies with the requirements of the AktG and the recommendations of the GCGC, unless deviations from said recommendations have been declared. The current Management Board contracts already comply with the remuneration system that is presented for approval.

### b) Procedures to define, implement and review the remuneration system

The Supervisory Board is responsible for defining the remuneration system and the amount of remuneration received by the Management Board, including maximum remuneration. The Supervisory Board is assisted by its Personnel and Nomination Committee. The Personnel and Nomination Committee draws up recommendations regarding the remuneration system, which the Supervisory Board discusses in detail and resolves as the overall body. The Supervisory Board can draw on the assistance of external consultants if necessary. When commis-

sioning external remuneration experts, it is to be ensured that said experts are sufficiently independent and, in particular, that confirmation of said experts' independence is requested. Provisions applying to conflicts of interest are also taken into account in the procedures to define, implement and review the remuneration system.

The Supervisory Board presents the remuneration system it resolves to the Annual General Meeting for approval. The Supervisory Board reviews the suitability of the remuneration system and the amount of remuneration received by the Management Board on a regular basis.

The members of the Management Board are obliged by the rules of procedure to disclose their conflicts of interest. The remuneration system will be presented to the Annual General Meeting for re-approval in the event of any material changes to the remuneration system or, at the very least, every four years.

If the Annual General Meeting does not approve the presented remuneration system, the Supervisory Board will present a reviewed and revised remuneration system at the latest by the next Annual General Meeting.

c) *Temporary deviations from the remuneration system*

In a limited number of exceptional cases (particularly in the case of unforeseeable developments such as a major financial crisis, wars or pandemics), the Supervisory Board may – acting on the recommendation of the Personnel and Nomination Committee – temporarily deviate from components of the remuneration system (procedures and terms of the remuneration structure and remuneration amount, as well as with regard to individual remuneration components) if said deviations are in the interest of the long-term prosperity of the company.

Until a new remuneration system is approved for the members of the Management Board, this remuneration system applies retroactively to all members of the Management Board from 1 January 2023 and for all remuneration components, as well as to all newly agreed or extended contracts with members of the Management Board and in the case of reappointment.

d) *The remuneration system at a glance*

The remuneration system of Encavis AG is primarily defined as follows:

**Components of Management Board remuneration**

Non-performance-related remuneration	Annual salary	<ul style="list-style-type: none"> <li>Fixed annual remuneration paid in twelve equal amounts at the end of each calendar month.</li> </ul>
	Fringe benefits	<ul style="list-style-type: none"> <li>Other contributions in kind (company vehicle, insurance, communication, etc.)</li> </ul>
Performance-related remuneration	Short-term variable remuneration (annual bonus)	<ul style="list-style-type: none"> <li>Term: one year</li> <li>Performance criteria: financial and non-financial targets</li> <li>Payment: between 0 and 200 % of the target value</li> </ul>
	Long-term variable remuneration (virtual share option programme – SOP)	<ul style="list-style-type: none"> <li>Vesting period: three years</li> <li>Exercise period: two years</li> <li>Performance criteria: financial targets</li> <li>Granting of virtual share options (share appreciation rights – SAR)</li> <li>Cap: three times the minimum exercise value</li> </ul>
	Long-term variable ESG component (bonus)	<ul style="list-style-type: none"> <li>Term: three years</li> <li>Performance criteria: increase in MSCI ESG rating by 2026 (for example)</li> <li>Payment: between 0 and 200 % of the target value</li> </ul>

e) *Definition of the total remuneration target by the Supervisory Board*

The Supervisory Board defines the total remuneration target for each member of the Management Board on the basis of the remuneration system for the upcoming financial year. The total remuneration target consists of the sum of fixed remuneration and variable remuneration. The specific total remuneration target is in appropriate proportion to the tasks and performance of the Management Board member and to the financial situation and success of Encavis. In addition, the Supervisory Board ensures that remuneration is appropriate and in line with standard market rates. The assessment of the appropriateness of the remuneration amount takes into account Encavis' peer group (horizontal comparison) and the internal remuneration structure (vertical comparison). The Supervisory Board is aware that the external and internal comparison is to be treated with caution to prevent remuneration from automatically trending upwards.

aa) Horizontal comparison – external appropriateness

In order to assess appropriateness at a horizontal level, the Supervisory Board uses a peer group of companies from the MDAX that are comparable with Encavis in terms of country, size and industry. The positioning of Encavis within the peer group and the respective remuneration components are taken into consideration in this assessment.

bb) Vertical comparison – internal appropriateness

In order to assess appropriateness at a vertical level, the Supervisory Board takes into account the relationship between Management Board remuneration and the remuneration of the senior management and employees of Encavis, including the development of said remuneration over time.

f) *Remuneration components and their relative share of the total remuneration target, structure of the total remuneration target and further components of the remuneration system*

The remuneration of the Encavis Management Board consists of fixed and variable remuneration components. The fixed components comprise the annual salary and additional benefits. Variable, performance-related components consist of short-term variable remuneration (annual bonus) and two long-term variable remuneration components: share option-based remuneration (virtual stock option programme, SOP) and an ESG component (bonus). The total remuneration target is calculated as the total of all remuneration components relevant to the total remuneration assuming target achievement of 100 % for variable remuneration components. Given the annual fluctuations in fringe benefits and for any new appointments, the Supervisory Board can define a total remuneration target with components within the following percentage ranges:

**Relative share of the remuneration structure as a proportion of the annual total remuneration target**

SOP & ESG component (target value)	28 %
Annual bonus (target value)	26 %
Fixed remuneration	46 %

Slight deviations may occur in some cases due to rounding.



### Maximum remuneration limit

The Supervisory Board has defined a maximum remuneration limit in accordance with section 87a (1) sentence 2 no. 1 AktG that includes the total remuneration (total of all remuneration amounts for the financial year in question, including fixed annual salary, fringe benefits and variable remuneration components) of the members of the Management Board – irrespective of whether the remuneration is paid in the financial year in question or at a later date. The maximum remuneration for one financial year stands at EUR 3.2 million for the Chairman of the Management Board and EUR 3.2 million for the other ordinary members of the Management Board.

The Supervisory Board notes that the relevant metric in terms of maximum remuneration is the total remuneration granted to a member of the Management Board for a single financial year, irrespective of the precise date of payment of individual remuneration components (in particular short-term variable remuneration and long-term variable remuneration) and that the maximum remuneration is based on this metric.

#### *g) Application of the remuneration system in detail*

##### aa) Fixed remuneration components

###### (i) Fixed annual salary

The annual salary is a fixed, single-year remuneration component paid in cash in twelve equal monthly instalments.

###### (ii) Fringe benefits

The maximum amount of fringe benefits is defined for each member of the Management Board for the respective upcoming financial year. The Supervisory Board defines an amount for this purpose in proportion to basic remuneration. Fringe benefits granted to members of the Management Board include a company car or rental car, which can also be used privately, and a mobile phone, which likewise can also be used privately. In addition, D&O insurance is in place with an excess in accordance with the legal requirements of section 93 (2) sentence 3 AktG. The members of the Management Board receive a standard market allowance for health and care insurance. No pension commitments exist.

When appointing a member of the Management Board for the first time or subsequently changing the regular place of work at the request of the Company, the Supervisory Board decides – acting on the recommendation of the Personnel and Nomination Committee – whether and to what extent the following additional remuneration components are included in the individual Management Board member's contract:

- Compensation for the expiration of benefits from the previous employer, such as long-term variable remuneration commitments or pension commitments: The Supervisory Board can make equivalent commitments, such as in the form of the SOP, or agree cash payments (recruitment bonus).
- Relocation costs: If the appointment of a member of the Management Board or a change in the regular place of work at the request of the company necessitates a change in the place of residence, relocation costs will be refunded up to the appropriate maximum amount defined in the individual Management Board member's contract.

bb) Variable remuneration components Variable remuneration is geared towards the short- and long-term development of the company.

Variable remuneration is geared towards the short- and long-term development of the company.

## (i) Short-term variable remuneration (annual bonus)

The members of the Management Board receive a performance-related, variable annual bonus for each financial year. The annual bonus provides an incentive to contribute to the implementation of the business strategy during a financial year. The annual bonus usually consists of three specific performance targets given largely equal weighting, as well as targets defined for the Management Board as a whole that tie in to financial and non-financial objectives and the strategic and operational development of the company. Performance targets were based on a variety of performance criteria. The Supervisory Board is responsible for determining the choice and weighting of individual performance criteria based on the recommendations of the Personnel and Nomination Committee for the coming financial year. The Supervisory Board is responsible for ensuring that targets are challenging and ambitious. If members of the Management Board do not achieve their targets, variable remuneration can fall to zero. Likewise, if members of the Management Board significantly overachieve in terms of their targets, target achievement is limited to 200 % (cap). Depending on the specific terms defined by the Supervisory Board, the following performance criteria can be utilised for the annual bonus:

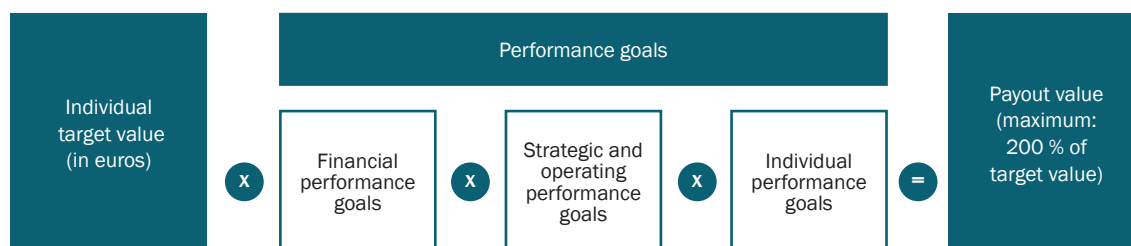
**Performance targets | performance criteria**

Financial performance goals	<ul style="list-style-type: none"> <li>• One-year operating targets, esp. earnings and financial power (based on undiluted EPS)</li> <li>• Securing of liquidity for investments</li> <li>• Optimisation/refinancing of existing SPV project financing</li> </ul>
Strategic and operating performance goals	<ul style="list-style-type: none"> <li>• Operational implementation of the Fast Forward 2025 growth strategy (e.g. minimum number of new acquisitions in line with the communicated growth targets, entering into major strategic partnerships, sales of minority interests in wind farms and selected solar parks, reduction and optimisation of operating costs in solar park operation and maintenance)</li> <li>• ESG factors: development of a sustainability strategy, innovation-related output, employee satisfaction, sustainability/diversity, compliance, risk management</li> </ul>
Individual performance goals	<ul style="list-style-type: none"> <li>• To be selected from financial and strategic and/or operating issues, and</li> <li>• Non-financial targets, such as focus topics geared towards the Management Board member's area of responsibility (e.g. staff retention, compliance, development of corporate culture)</li> </ul>

Performance targets and criteria do not change during the financial year. The Supervisory Board can take extraordinary circumstances, the effects of which are not sufficiently accounted for in target achievement, into appropriate consideration in defining targets in a small number of justified cases. If extraordinary circumstances occur that necessitate an adjustment, said circumstances will be reported in detail and transparently in the annual remuneration report.

After the end of the financial year, the achievement of each individual target is determined and summarised as a weighted average. The bonus payment amount for the past financial year is calculated as the percentage of the weighted target achievement multiplied by the individual target amount. The annual bonus payment amount is capped at a target achievement of 200 %.

## Annual bonus



The annual bonus amount is paid in cash in the subsequent financial year in each case. If the member resigns from the Management Board, the bonus is calculated on a pro rata basis at the end of the financial year and paid on the usual payment date. The specific targets for the respective financial year, as well as the achieved targets, are published in the remuneration report for the past financial year.

### (ii) Long-term variable share option-based remuneration (SOP)

Long-term variable remuneration is granted in the form of virtual share appreciation rights (SARs). Members of the Management Board are granted a certain number of SARs in annual tranches, which are paid out in cash at the request of the Management Board member following a multi-year assessment period.

The Supervisory Board defines an allotment amount percentage for each Management Board member based on the fixed salary and annual bonus (at 100 % target achieved) as a target (approximately 30 %). The allotment amount is converted into a corresponding number of SARs for the respective member of the Management Board after the end of the financial year. The allocation takes place as at 1 July for the respective current financial year.

One prerequisite for exercising SARs is the achievement of the financial success target, which also determines the specific amount of the remuneration. The SARs can be exercised for the first time after a vesting period of three years from the respective year of issue, after which they can be exercised at half-yearly exercise dates (30 June and 31 December) within two years of the end of the three-year vesting period. There are therefore five exercise dates in total. At no point does the company pay the long-term variable remuneration automatically. A prerequisite for exercising a SAR is the achievement of a specific performance target. To achieve the performance target, the overall performance of Encavis shares in XETRA trading (or a comparable successor system) on the Frankfurt stock exchange must exceed the issue price by a minimum of 30 % (the "issue price") on the day on which the SAR is exercised, as measured by the interim price rise and the dividends paid since the issue of the SARs. The issue price is the arithmetic average of the daily closing prices of the Encavis share in XETRA trading on the Frankfurt Stock Exchange (or in a comparable successor system) during the six months before the allotment date of the respective SAR tranche.

Each SAR grants the holder the right to payment of the difference between the exercise price and the issue price, both of which are calculated on the basis of the six-month average price. The payment amount is limited to three times the difference between the exercise price and the issue price.

### (iii) Long-term variable ESG component (bonus)

Every year, the members of the Management Board receive a performance-related, long-term variable bonus for the achievement of ESG targets ("ESG bonus"). In consideration of the company's specific situation and its business strategy, the Supervisory Board is generally free to select and/or combine environmental, social and governance (ESG) targets at its due discretion that are suitable for ensuring reasonable, ESG-based incentives for the members of the Management Board in consideration of the company's interests. For example, ESG targets may relate to the following aspects:

- Environmental: reducing carbon emissions, energy efficiency, improving waste management
- Social: employee and customer satisfaction, diversity, inclusion, occupational health and safety, staff turnover, training and further education
- Governance: compliance, preventing corruption and bribery, risk management, reporting and communication
- Across categories: improvement in certain ESG ratings (e.g. MSCI)

The term of the ESG bonus is three (3) years. Multipliers to measure the degree of target attainment are defined at the time that the ESG target or targets are announced.

*h) Clawback*

In addition to the statutory regulations on the subsequent reduction of remuneration, the contracts of the members of the Management Board contain provisions that give the Supervisory Board the right to fully or partially retain or claw back variable remuneration components not yet paid. The Supervisory Board may exercise said right at its due discretion.

In the event of wilful violations of material provisions of the Encavis Code of Conduct and/or material breaches of contract, as well as substantial violations of the duty to exercise skill and care within the meaning of section 93 AktG, the Supervisory Board may partially or fully reduce to zero variable remuneration not yet paid for the assessment period in which the violation occurred. If it gains knowledge of any of the aforementioned violations, the Supervisory Board may demand the reimbursement of variable remuneration components already paid (compliance clawback).

In addition, the Supervisory Board may claw back any variable remuneration already paid or calculated if the payment or calculation was based on erroneous consolidated financial statements or a deficient sustainability report. The reimbursement must compensate for the difference determined in the corrected calculation (performance clawback).

The right to reimbursement ceases to apply after the end of the third year following the payment of the variable remuneration components in question.

The company's claims to compensation for damages (especially in connection with section 93 (2) sentence 1 AktG), the right of the company to revoke the appointment and the right to terminate the contract without notice remain unaffected.

*(i) Remuneration-related legal transactions*

*aa) Terms and provisions for contract termination, including notice periods*

The Management Board members' contracts have the following residual terms and are subject to the following provisions regarding termination:

The contract with Dr Husmann expires on 30 September 2025. The contract with Mario Schirru expires on 31 July 2025.

The contracts are extended for the period for which the Supervisory Board resolves the reappointment of said member of the Management Board with their approval. The contract ends in the event of termination without notice for good cause or in the case of early unilateral resignation for good cause.

bb) Change of control

There is no special right of termination due to a change of control, nor are any commitments made for the payment of any benefits due to the early termination of the Management Board contract following a change of control.

cc) Early termination of the Management Board contract at the request of the Management Board member or by the company for good cause

The contracts contain provisions regarding settlements for early termination.

In the event of the early termination of the Management Board contract without good cause, the payments to the Management Board member, including fringe benefits, may not exceed the value of two years' remuneration and may not provide remuneration for more than the remaining term of the contract (severance cap). The calculation of the severance cap is based on the total remuneration for the previous financial year. Under certain circumstances, it may also take into account the expected total remuneration for the current financial year.

In the event of the early termination of the Management Board contract for reasons for which the Management Board member bears responsibility, the Management Board member will not be entitled to compensation for the remuneration for the remaining term. All SARs not yet exercised will also be waived.

Once their contracts expire, the members of the Management Board are subject to a non-competition clause for a period of two years. During this period they are entitled to compensation amounting to 50 % of their last fixed annual salary plus 50 % of the annual bonus, assuming 100 % target achievement.

dd) Provisions concerning remuneration for the assumption of executive functions at consolidated companies

The members of the Management Board are obliged to transfer any remuneration received for the performance of executive functions at internal group companies or consolidated companies to Encavis.

ee) Transparency

Pursuant to section 162 AktG, the Management Board and the Supervisory Board will prepare an annual report that clearly and coherently details the remuneration granted and owed by the company or companies belonging to the same group to each current and former member of the Management Board and Supervisory Board in the past financial year (remuneration report).

### 3. Disclosures on item 8 of the agenda: remuneration system for the Supervisory Board

In item 8 of the agenda, the Management Board and Supervisory Board propose confirming the remuneration of members of the Supervisory Board, as defined in article 15 of the Articles of Association, as well as the underlying remuneration system.

#### Excerpt from the Articles of Association of Encavis AG

##### Article 15 Remuneration of the Supervisory Board

“1. Each member of the supervisory board shall receive an annual fixed remuneration of EUR 45,000.00, payable after the end of the financial year. For work in committees of the supervisory board the supervisory board members shall be paid an additional annual remuneration.

2. Instead of the remuneration mentioned in para. 1, first sentence, the chairman of the supervisory board shall be paid an annual fixed remuneration of EUR 90,000.00, his deputy an annual fixed remuneration of EUR 67,500.00.

3. The additional remuneration pursuant to para. 1, second sentence, for the chairman of the audit and ESG committee and the chairman of the staff and nomination committee shall be EUR 30,000.00 each and for each other member of the audit and ESG or staff and nomination committee EUR 22,500.00.

4. The remuneration for committee work in the financial year shall be dependent upon the respective committee having held meetings to carry out its tasks.

5. Members of the supervisory board and its committees shall be paid an attendance fee of EUR 1,500.00 for each supervisory board and committee meeting in which they took part as members. This shall apply irrespective of whether the members of the supervisory board are physically present at the meeting place or are merely present by telephone or in any other way or whether the meeting is held as a telephone or video conference. For several meetings of the supervisory board and/or its committees on one calendar day, the attendance fee shall be paid only once.

6. Supervisory board members who were members of the supervisory board or audit and ESG or staff and nomination committees or filled the respective position of chairman or deputy only part of the financial year shall be paid the remuneration pro rata temporis. A pro rata temporis remuneration for committee work shall be dependent up on the respective committee having held meetings to carry out its duties during the period in question.

7. Supervisory board members shall be reimbursed for the expenses incurred in the performance of the duty – including any turnover tax apportionable to the remuneration and the reimbursement of expenses. Furthermore, the supervisory board members shall be entitled to the company taking out a third-party insurance (D&O insurance) for them.”

#### Remuneration system for the Supervisory Board with disclosures pursuant to sections 113 (3) sentence 3, 87a (1) sentence 2 AktG

The above provisions in the Articles of Association concerning the remuneration of Supervisory Board members are based on the following remuneration system:

The members of the Supervisory Board are entitled to suitable remuneration that takes into account, both in terms of structure and amount, the requirements of the function of Supervisory Board member and the position of the company. Providing appropriate Supervisory Board remuneration ensures that the company remains in a position to attract suitably qualified candidates for Supervisory Board positions. As a result, Supervisory Board remuneration also contributes to the advancement of the business strategy and the long-term development of the company. Unlike the Management Board, the Supervisory Board has no operative function. Instead, it contributes to the long-term development of the company by performing a monitoring role.

The remuneration system is simple, clear and coherent. The members of the Supervisory Board receive the fixed remuneration defined in the Articles of Association. The Chair receives double this amount and the Deputy Chair 1.5 times this amount. Additional remuneration is granted for committee membership. In addition, members of the Supervisory Board also receive a meeting fee defined in the Articles of Association for attending meetings.

The members of the Supervisory Board are included in the company's third-party liability insurance in accordance with the Articles of Association.

The remuneration does not include any variable components or share-based components. The remuneration and the meeting fee are due and paid at the end of the financial year.

Remuneration for Supervisory Board members is defined in the Articles of Association. It is tied to the length of a member's appointment. There are no commitments for redundancy payments, pension entitlements or early retirement programmes.

The Supervisory Board remuneration system is resolved by the Annual General Meeting on the basis of proposals submitted by the Management Board and the Supervisory Board. The amount of the remuneration and the remuneration system for the Supervisory Board are regularly reviewed by administrators, and at least every four years. Relevant factors in terms of reviewing Supervisory Board remuneration include the necessary time commitments for members, the level of responsibility and supervisory board remuneration granted by other comparable companies. In addition, remuneration is compared with the supervisory board remuneration of comparable companies such as MDAX-listed companies and companies from a similar industry. The Supervisory Board can also obtain advice from independent external experts in this regard. If there is any reason to change the remuneration system for the Supervisory Board, or at least every four years, the Management Board and the Supervisory Board will present the revised remuneration of the Supervisory Board, including the remuneration system, to the Annual General Meeting as a resolution pursuant to section 113 (3) AktG.

Any conflicts of interest in reviewing the remuneration system are counteracted by the division of responsibilities by law, with ultimate decision-making authority on Supervisory Board remuneration lying with the Annual General Meeting, which is presented with a resolution proposed by both the Management Board and the Supervisory Board. As a result, a system of checks and balances is therefore already in place by law. General regulations regarding conflicts of interest otherwise apply, and members of the Supervisory Board are obliged by the rules of procedure to disclose any conflicts of interest.

#### **4. Report of the Management Board on item 10 of the agenda pursuant to sections 221 (4) sentence 2, 186 (4) sentence 2 AktG**

Pursuant to sections 221 (4) sentence 2, 186 (4) sentence 2 AktG, the Management Board has submitted a written report on item 10 of the agenda for the Annual General Meeting describing why it would like to be authorised to be able to decide on excluding shareholders' subscription rights. The content of this report is as follows:

Widespread capacity expansion in renewable energy generation is the only sustainable, environmentally friendly and low-cost way of providing energy. Far from being the cause of the current extremely high energy prices, renewable energies are actually the solution to the problem. The more renewable energy facilities are connected to the grid, the quicker existing demand for electricity from sustainable production can be covered and, as a result, costly legacy power stations taken offline. Together, wind and solar power will account for over 90 % of the renewable energy capacity added in the next five years. Solar energy installations and onshore wind parks remain the cheapest options for generating power in most countries. The energy crisis marks a historic turning point towards a cleaner and more secure energy supply. The European Commission's plan to rapidly reduce dependence on Russian fossil fuels and fast forward the green transition, REPowerEU, of 18 May 2022 includes a special EU solar strategy to double photovoltaic capacity by 2025 by installing new PV systems amounting to 320 GW by 2025 and a total of 600 GW by 2030. This means more than four times the volume of new installations per year compared to the average installed capacity per year over the last ten years. The objective of covering 45 % of total final energy consumption using renewable sources

by 2030 was adopted by the European Parliament when it revised the Renewable Energy Directive (RED) in September 2022. The 45 % target set by MEPs exceeds the 40 % mark adopted by the member states in June 2022.

Through its new growth strategy for the time between now and 2027, Encavis AG plans to accelerate its profitable growth and expand its own generation capacity to 8 gigawatts (GW) – a significant acceleration of the growth seen in past years. At roughly 5.8 gigawatts (GW), more than 2.5 times the current generation capacity is set to be connected to the grid by the end of 2027, with an additional 2.2 GW under construction. Direct demand for green electricity among industrial customers is rising at a rapid pace. Commercial real estate owners and other investor groups are increasingly looking for green investments. Going forward, Encavis will pay greater attention to the needs of these market participants when expanding its portfolio, thereby making an even more meaningful contribution to achieving the energy transition. As in the past, the main focus in financing the massive investments will lie on the Group's own financial strength. Investments will be funded through own cash flow, with borrowed capital being utilised at various levels of the Group. In some cases, parks are also to be acquired in partnership with minority shareholders. Given the recent turbulence on global financial markets, however, Encavis AG cannot rely solely on these options to accelerate the company's strong growth.

The proposal regarding item 10 of the agenda – which concerns the authorisation to issue registered bonds with warrants/convertible bonds, mezzanine capital and/or profit-linked bonds (or a combination of these instruments) (hereinafter collectively the “bonds”) with a total nominal value of up to EUR 500,000,000.00 and to create a corresponding Contingent Capital 2023 of up to EUR 18,000,000.00 – is intended to expand the company's options for financing its activities so as to continue giving the Management Board a way to obtain flexible and prompt financing in the interests of the company with the consent of the Supervisory Board, especially in the event of favourable capital market conditions. The proposed wording is intended to bring the approach into line with current market practices and achieve further flexibility. In total, the Management Board is to be enabled to issue bonds with a total nominal value of up to EUR 500,000,000.00 that entitle the holders to subscribe to up to 18,000,000 no-par-value bearer shares in the company. For more details, please see the resolution proposed by the Management Board and Supervisory Board in item 10 of the agenda.

Shareholders will be generally entitled to the statutory subscription right to the bonds (section 221 (4) in conjunction with section 186 (1) AktG). In order to facilitate handling, the option to issue the bonds to a bank or a syndicate of banks with the obligation to offer shareholders the bonds in accordance with their subscription rights (indirect subscription right within the meaning of section 186 (5) AktG) may be utilised in accordance with customary corporate financing practices.

Excluding the subscription rights for fractional amounts makes it possible to present a practicable subscription ratio with regard to the total amount of the respectively issued bonds. Not excluding subscription rights for fractional amounts would make the technical execution of the issue and the exercising of the subscription right significantly more difficult, especially when issuing bonds denominated in round amounts. One advantage of excluding subscription rights to the benefit of holders of bonds that have already been issued is that the conversion or option price of the conversion or option rights already issued does not need to be discounted, thereby enabling higher cash inflow overall. Both cases in which subscription rights may be excluded therefore are in the interests of the company and its shareholders.

Furthermore, the Management Board will be authorised, with the consent of the Supervisory Board, to exclude the subscription rights of the shareholders entirely if issuing the bonds meets the conditions in terms of volume as well as the other conditions for the exclusion of subscription rights under sections 221 (4), 186 (3) sentence 4, (4) AktG. Any discounts on the current market price of the bonds are expected to not exceed 3 % and will be limited to no more than 5 %, thereby enabling the company to make use of favourable market situations quickly and at short notice and allowing it to leverage up-to-date market conditions to obtain a better interest rate and achieve a better option, conversion and issue price for the bonds. Up-to-date market terms and conditions and a smooth placement would be possible to only a limited extent when maintaining the subscription right. Although section 186 (2) AktG does not allow the subscription price (and the terms and conditions of bonds) to be made public until the antepenultimate day of the subscription period, a market risk still exists over a period of several days, particularly with regard to increased stock



market volatility, which leads to a markdown on the terms and conditions of the bond and to distortion compared to market terms and conditions. Due to the uncertainty as to whether it will be exercised, granting a subscription right puts the successful placement among third parties at risk and leads to additional expenses. On account of the length of the subscription period, granting a subscription right ultimately does not offer the possibility of reacting to favourable market conditions at short notice.

Pursuant to section 221 (4) sentence 2 AktG, the provisions of section 186 (3) sentence 4 AktG will apply mutatis mutandis in the event that subscription rights are excluded. The exclusion will refer to the limit on the exclusion of subscription rights of 10 % of the share capital referred to therein. All shares issued or sold under the exclusion of the subscription right pursuant to or in corresponding application of section 186 (3) sentence 4 AktG from the time of the entry of this authorisation must be counted towards the maximum amount. Furthermore, section 186 (3) sentence 4 AktG states that the issue price may not be significantly lower than the stock exchange price, which is intended to rule out any significant financial dilution of the shares' value. The occurrence of such a dilution effect upon the issuance of bonds without subscription rights can be ascertained by calculating the hypothetical stock exchange price of the bonds using recognised valuation techniques and comparing it with the issue price. Subscription rights may be excluded in accordance with the provisions of section 186 (3) sentence 4 AktG due to the insignificant discount if said issue price is not significantly lower than the hypothetical stock exchange price at the time at which the convertible bond or bond with warrant is issued, thus lowering the notional market value of a subscription right to nearly zero and ensuring that shareholders would not be subject to any significant financial disadvantage as a result of the exclusion of subscription rights. The Management Board may turn to third parties for support if it believes it to be appropriate to obtain expert advice in the situation at hand. For example, the underwriting banks supporting the issue may assure the Management Board in an appropriate form that no significant dilution of the shares' value is to be expected. An independent bank or expert may also provide such assurance. Regardless of this review by the Management Board, the setting of terms and conditions in line with the market, and therefore the avoidance of significant dilution, is guaranteed in the event of book building. This process involves basing the issue price and/or individual terms of the bonds (such as the interest rate and the conversion or option price) on the purchase orders submitted by investors rather than offering the bonds at a fixed issue price. When utilising this option for excluding subscription rights, the administration will keep any discount on the issue price compared to the identified market value to a minimum and will limit it to no more than 5 %. Taken together, these measures ensure the prevention of any significant dilution of the shares' value through the exclusion of subscription rights.

In addition, it is to be possible to exclude the subscription right to the extent necessary to grant the holders or creditors of holders of bonds a subscription right, provided that the terms and conditions of the respective conversion and option right allow for this. Such conversion and option rights are subject to dilution protection to facilitate placement on the capital market, under which the holders or creditors may be granted a subscription right that is identical or similar to the one to which shareholders are entitled in subsequent share issues. In this way, their status is the same as if they were already shareholders. In order to be able to provide the conversion and option rights with such dilution protection, the shareholders' subscription rights must be excluded. This serves to facilitate the placement of the conversion and option rights and therefore the interests of the shareholders in an optimum financial structure of the company.

In addition, shareholders have the option to maintain their stake in the company's share capital at all times by purchasing shares through the stock market even after the exercise of conversion or option rights.

The company is also to be enabled to offer bonds as consideration in place of payment within the scope of business combinations or the acquisition of companies or parts of companies or shareholdings in companies (including the increase of the ownership interest). The authorisation is intended to give the company the necessary freedom and scope to quickly and flexibly take advantage of opportunities to acquire other companies, shareholdings in companies or parts of companies, as well as to enter into business combinations, as they arise. The proposed exclusion of subscription rights takes this ability into account. When defining the option or exchange terms, the Management Board will ensure that the interests of shareholders are upheld appropriately. As a rule, it will gear its actions towards the company's share price and take into consideration the provisions of the authorisation to set the issue price of bonds with warrants and convertible bonds. However, a systematic link to a stock exchange price is not envisaged, so as to prevent fluctuations in the stock exchange price from calling negotiation results into question once they have been achieved.

## 5. Report of the Management Board on item 11 of the agenda pursuant to sections 203 (2), 186 (4) sentence 2 AktG

The Management Board has submitted a written report on item 11 of the agenda for the Annual General Meeting on the reasons for the exclusion of subscription rights pursuant to sections 203 (2) sentence 2, 186 (4) sentence 2 AktG. The content of this report is as follows:

Widespread capacity expansion in renewable energy generation is the only sustainable, environmentally friendly and low-cost way of providing energy. Far from being the cause of the current extremely high energy prices, renewable energies are actually the solution to the problem. The more renewable energy facilities are connected to the grid, the quicker existing demand for electricity from sustainable production can be covered and, as a result, costly legacy power stations taken offline. Together, wind and solar power will account for over 90 % of the renewable energy capacity added in the next five years. Solar energy installations and onshore wind parks remain the cheapest options for generating power in most countries. The energy crisis marks a historic turning point towards a cleaner and more secure energy supply. The European Commission's plan to rapidly reduce dependence on Russian fossil fuels and fast forward the green transition, REPowerEU, of 18 May 2022 includes a special EU solar strategy to double photovoltaic capacity by 2025 by installing new PV systems amounting to 320 GW by 2025 and a total of 600 GW by 2030. This means more than four times the volume of new installations per year compared to the average installed capacity per year over the last ten years. The objective of covering 45 % of total final energy consumption using renewable sources by 2030 was adopted by the European Parliament when it revised the Renewable Energy Directive (RED) in September 2022. The 45 % target set by MEPs exceeds the 40 % mark adopted by the member states in June 2022.

Through its new growth strategy for the time between now and 2027, Encavis AG plans to accelerate its profitable growth and expand its own generation capacity to 8 gigawatts (GW) – a significant acceleration of the growth seen in past years. At roughly 5.8 gigawatts (GW), more than 2.5 times the current generation capacity is set to be connected to the grid by the end of 2027, with an additional 2.2 GW under construction. Direct demand for green electricity among industrial customers is rising at a rapid pace. Commercial real estate owners and other investor groups are increasingly looking for green investments. Going forward, Encavis will pay greater attention to the needs of these market participants when expanding its portfolio, thereby making an even more meaningful contribution to achieving the energy transition. As in the past, the main focus in financing the massive investments will lie on the Group's own financial strength. Investments will be funded through own cash flow, with borrowed capital being utilised at various levels of the Group. In some cases, parks are also to be acquired in partnership with minority shareholders. Given the recent turbulence on global financial markets, however, Encavis AG cannot rely solely on these options to accelerate the company's strong growth. No capital increase is planned at the current time. However, it cannot be ruled out that a capital increase may be reasonable and beneficial under certain circumstances, such as the following non-exhaustive selection of potential opportunities:

- + acquisition of a competitor
- + acquisition of a large-scale portfolio of wind and/or solar parks
- + entry into new regional markets
- + entry into new technology segments
- + future restrictions on lending by banks

In order to be able to act flexibly and quickly in the context of further business developments without convening the Annual General Meeting again –and, in particular, to take advantage of new acquisition opportunities or to strengthen the company's equity – the Management Board and the Supervisory Board propose the creation of new authorised capital. Authorised Capital 2023 is to be available for both cash and non-cash capital increases and is to enable the company, among other things, to finance acquisitions, whether in return for cash or shares. It replaces the authorised capital resolved by the 2021 Annual General Meeting.

The other companies mentioned in section 186 (5) sentence 1 AktG are companies operating under section 53 (1) sentence 1 or section 53b (1) sentence 1 or (7) of the German Banking Act (KWG).

In principle, shareholders are entitled to a subscription right when the Authorised Capital 2023 is utilised. However, an exclusion is possible as follows:

Firstly, the proposed authorisation provides that the administration will be entitled to exclude the shareholders' subscription right if fractions arise as a result of the subscription ratio. The exclusion of the subscription right with regard to the possible fractional amounts only serves to enable the utilisation of the authorisation by round amounts. The new shares excluded as free fractions from the subscription right of shareholders will be utilised in the best possible way for the company.

Secondly, the administration is to be authorised to exclude the subscription right if the capital is to be increased against contributions in kind. This possibility of excluding subscription rights is intended to enable the Management Board, with the consent of the Supervisory Board, to acquire companies or shareholdings in companies or other assets in appropriate cases in exchange for Encavis AG shares or to combine with other companies, in particular by way of merger. This is intended to enable the company to respond quickly and flexibly on national and international markets to advantageous offers or other opportunities that arise to acquire companies or shareholdings in companies operating in related business areas. It is not uncommon for the need to arise to provide shares rather than money as consideration. The administration will only use the possibility of a capital increase against contributions in kind with exclusion of subscription rights from the Authorised Capital 2023 for acquisitions if the value of the newly issued shares and the value of the consideration, i.e. the company to be acquired or the shareholding to be acquired or other assets, are appropriately proportional.

Thirdly, the Management Board is to be able, with the consent of the Supervisory Board, to exclude the subscription right in the case of cash capital increases if the shares are issued at an amount that is not significantly lower than the stock exchange price. This possibility provided for by section 186 (3) sentence 4 AktG is designed to enable the company to take advantage of market opportunities quickly and flexibly and to cover a capital requirement at short notice. Because the exclusion of the subscription right enables a placement close to the stock exchange price, the discount customary for subscription issues does not apply. In the case of such an exclusion of the subscription right close to the stock exchange price, the cash capital increase may not exceed 10 % of the existing share capital at the time of its exercise. This takes into account shareholders' need for dilution protection with regard to their shareholdings. Each shareholder can acquire shares on the market at approximately the same conditions in order to maintain their shareholding quota.

Fourthly, it is to be possible to exclude the subscription right to the extent necessary to grant the holders of conversion and option rights a subscription right to new shares, providing the terms and conditions of the respective conversion and option right allow for this. Such conversion and option rights are subject to dilution protection to facilitate placement on the capital market, which provides that holders may be granted a subscription right to new shares in subsequent share issues, as is shareholders' entitlement. In this way, their status is the same as if they were already shareholders. In order to be able to provide the conversion and option rights with such dilution protection, the shareholders' subscription rights to these shares must be excluded. This serves to facilitate the placement of the conversion and option rights and therefore the interests of the shareholders in an optimum financial structure of the company.

There are no specific plans for acquisitions at the current time for which the option to exclude subscription rights as part of Authorised Capital 2023 is to be exercised.

The Management Board will carefully examine in each individual case whether it will make use of the authorisation to increase the capital with the exclusion of the shareholders' subscription rights. It will only do so if, in the opinion of the Management Board and the Supervisory Board, it is in the interests of the company and therefore of its shareholders.

By its very nature, the amount to be spent cannot be determined at present, as there is no concrete intention to use the funds. The determination of the respective issue amount is therefore incumbent on the Management Board by law with the approval of the Supervisory Board.

When weighing up all the above circumstances, the Management Board – as well as the Supervisory Board of Encavis AG – considers the exclusion of the subscription right in the above cases to be objectively justified and appropriate, also taking into account the dilution effect to the detriment of the shareholders.

## 6. Voluntary commitment by the Management Board to restrict its decision to exclude subscription rights

Agenda items 10 and 11 propose to the Annual General Meeting a new authorisation to issue bonds with warrants/ convertible bonds, mezzanine capital and/or profit-linked bonds, or a combination of these instruments, including corresponding contingent capital (Contingent Capital 2023) as well as new authorised capital (Authorised Capital 2023). Both proposed resolutions contain an authorisation to exclude shareholders' subscription rights.

In rescinding the voluntary commitment on agenda item 10 (Authorised Capital 2021) of the Annual General Meeting of 27 May 2021, the Management Board declares that the shares or rights issued under the exclusion of subscription rights on account of the above authorisation and that create an authorisation or obligation to subscribe to shares may not exceed a proportionate amount of 20 % of the share capital in total at the time of the resolution or, if lower, at the time these authorisations are exercised. If other authorisations to issue shares are exercised and subscription rights excluded during the term of these authorisations, said other authorisations are to be deducted from the 20 % limit. Shares issued or to be issued in order to service rights that are issued during the term of this authorisation under the exclusion of subscription rights from other authorisations and that entitle or oblige shareholders to subscribe for shares are to also be deducted. The upper limit on the exclusion of subscription rights, which is reduced pursuant to the previous two sentences above, will be increased again through a new authorisation to exclude shareholders' subscription rights as resolved by the Annual General Meeting, provided that new authorisation is sufficient. However, the new upper limit will total no more than 20 %, according to sentence 1 of this clause.

### III. Further information and notes on the Annual General Meeting

#### Total number of shares and voting rights

At the time the Annual General Meeting is convened, the total number of shares and voting rights issued by the company is 161,030,176. The shares are no-par-value bearer shares. The company does not hold any treasury shares at the time the Annual General Meeting is convened.

#### Documents for the Annual General Meeting and information pursuant to section 124a AktG

This convening of the Annual General Meeting, the documents to be made available and motions of shareholders, as well as further information to be published pursuant to section 124a AktG, are published online at <https://www.encavis.com/en/green-capital/investor-relations/agm> and are accessible there. The documents mentioned under agenda item 1, as well as the proposal of the Management Board for the appropriation of net retained profit, will also be available for inspection at the venue during the Annual General Meeting. In addition, they will be published and made available on the website at <https://www.encavis.com/en/green-capital/investor-relations/agm>.

The results of the voting will be announced after the Annual General Meeting at the same internet address.

The notice of the Annual General Meeting was forwarded for publication to such media as may be expected to disseminate the information throughout the European Union.

#### Participation in the Annual General Meeting

The conditions for participation are governed by sections 121 et seq. AktG and article 17 of the company's Articles of Association. Shareholders are entitled to participate in the Annual General Meeting and to exercise their voting rights at the Annual General Meeting if they register with the company in accordance with the following requirements and provide proof of their shareholding to the company. Proof of share ownership in text form (section 126b German Civil Code (BGB)) by the final intermediary pursuant to section 67c (3) AktG is sufficient.

The proof of share ownership must refer to the beginning of the 21st day prior to the day of the Annual General Meeting (record date), i.e. **the start of the day on Thursday, 11 May 2023 (00.00 hours, midnight)**, and must be issued in text form (section 126b BGB) in either German or English.

The registration and the proof must be received by the company at the following address or e-mail address no later than six days before the Annual General Meeting or by **the end of the day on Thursday, 25 May 2023 (24.00 hours, midnight)** (registration deadline):

Encavis AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Germany  
E-mail: [anmeldung@better-orange.de](mailto:anmeldung@better-orange.de)

Better Orange IR & HV AG is the company's authorised recipient for registration and proof of share ownership.

Upon receipt of proper registration and proof of share ownership within the stipulated deadline, the company will send shareholders tickets for the Annual General Meeting. The tickets are merely an organisational tool and are not a requirement to participate in the Annual General Meeting or exercise voting rights. In order to ensure timely receipt of the tickets, we ask shareholders to ensure that registration and proof of their share ownership are sent to the company in good time. The shares will not be blocked as a result of registering for the Annual General Meeting; shareholders may therefore continue to freely dispose of their shares even after registration has been completed.

The company provides a password-protected online service on its website at <https://www.encavis.com/en/green-capital/investor-relations/agm>. Upon receipt of proper registration and proof of share ownership within the stipulated deadline, registered shareholders or their proxies will receive tickets, on which the access data for the password-protected online service (access code and password) are printed. Shareholders or their proxies may use this access data (access code and password) to log into the password-protected online service and exercise their voting right in accordance with the conditions below by issuing authorisations and instructions to a proxy designated by the company or grant a power of proxy. Participation in the Annual General Meeting by means of electronic communication under section 118 (1) sentence 2 AktG is not possible through the password-protected online service.

### Significance of the record date

The record date is the determining date for the scope and exercise of participation and voting rights at the Annual General Meeting. Only those shareholders who have provided proof of share ownership will be permitted to participate in the Annual General Meeting and exercise their voting rights. Permission to participate and the scope of voting rights are measured exclusively according to the shareholder's shareholding on the record date. The record date does not entail any block on the saleability of the shareholding. Even in the event of a complete or partial sale of the shareholding after the record date, only the shareholding of the shareholder on the record date shall be decisive for participation and the scope of the voting rights; i.e. sales of shares after the record date shall have no effect on the authorisation to participate and on the scope of the voting right. The same applies to the acquisition of shares after the record date. Persons who do not own any shares on the record date and only become shareholders thereafter shall not be entitled to participate and vote unless they have been authorised or empowered to exercise their rights. The record date shall have no significance for any potential dividend entitlement.

### Voting proxies

Shareholders who do not wish to attend the Annual General Meeting in person may have their voting rights exercised by proxies, e.g. by an intermediary, a shareholders' association, a proxy advisor or another third party. Even in the case of a proxy, timely registration for the Annual General Meeting and timely proof of share ownership are required (see above in the section "Participation in the Annual General Meeting"). If the shareholder authorises more than one person, the company may reject one or more of them.

The granting of the proxy, its revocation and the proof of authorisation vis-à-vis the company require text form (section 126b BGB), unless the proxy is an intermediary, a shareholders' association or a voting rights advisor or a person or institution equivalent to these pursuant to section 135 (8) AktG; in this case, special conditions may apply and should be obtained from the respective parties.

The tickets sent to registered shareholders contain a proxy form. As an additional service for its shareholders, the company has also uploaded the proxy form to the Encavis AG website at <https://www.encavis.com/en/green-capital/investor-relations/agm>. The form must be printed out and completed in full.

The proxy may present the proxy form at the door to the Annual General Meeting. The form may also be sent to the company at the following address or e-mail address:

Encavis AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
E-mail: [encavis@better-orange.de](mailto:encavis@better-orange.de)

Better Orange IR & HV AG is the company's authorised recipient for the power of proxy.

The aforementioned means of transmission are also available if the proxy is to be granted by declaration to the company; in this case, separate proof of the granting of the proxy is not required. The revocation of a proxy already granted may also be declared directly to the company by the aforementioned means of transmission or by appearing in person at the Annual General Meeting; in the case of the latter, the text form is no longer required.

A power of proxy may be granted, amended or revoked by making a declaration to this effect to the company between 11 May 2023 and the end of the day on 31 May 2023 (24.00 hours, midnight, CEST). Said declaration may also be made by electronic means by using the company's password-protected online service at <https://www.encavis.com/en/green-capital/investor-relations/agm> in accordance with the procedure stated in the password-protected online service. In this case, separate evidence that a proxy has been granted, amended or revoked does not need to be provided.

In order to use the company's password-protected online service, the proxy must receive corresponding access data (access code and password).

### **Company proxy bound by instructions**

To facilitate the exercising of voting rights, the company offers its shareholders the opportunity to be represented at the Annual General Meeting by a proxy appointed by the company who is bound by instructions. Shareholders who would like to use this service require a ticket to the Annual General Meeting, which they can receive as detailed above under "Participation in the Annual General Meeting". Orders should be received as soon as possible to ensure timely receipt of the tickets.

The proxies do not accept instructions to speak, to object to resolutions of the Annual General Meeting, to ask questions, to propose motions or to make statements for the record.

Voting by way of the proxy appointed by the company is only possible if said proxy receives instructions on the individual proposed resolutions within the scope of the power of proxy submitted in text form or by electronic means. The same also applies for other motions. The proxy will exercise the voting right exclusively on the basis of the instructions given by the shareholder. If no instructions are given on individual resolutions, the proxy must abstain from voting on these items. Should an individual vote be conducted on an agenda item without this having been communicated in advance of the Annual General Meeting, an instruction given on this agenda item shall also count in total as a corresponding instruction for each item of the individual vote.

Shareholders will receive a form that may be used to issue a power of proxy and instructions to the company's proxies with the ticket that will be sent to them following receipt of the aforementioned proper registration within the set deadline. The form is also available online at <https://www.encavis.com/en/green-capital/investor-relations/agm>.

Please send the power of proxy and the instructions for the company's proxies to the address or e-mail address mentioned above in the section "Voting proxies" by the end of the day on 31 May 2023 (date of receipt) at the latest.

Alternatively, a power of proxy may be granted or revoked by making a declaration to this effect to the company between 11 May 2023 and the end of the day on 31 May 2023 (24.00 hours, midnight, CEST). Said declaration may also be made by electronic means by using the company's password-protected online service at <https://www.encavis.com/en/green-capital/investor-relations/agm> in accordance with the procedure stated in the password-protected online service. Instructions for one of the proxies appointed by the company may be issued, amended or revoked by the same means. Separate evidence that a proxy has been granted does not need to be provided.

After the end of the day on 31 May 2023 (24.00 hours, midnight, CEST), shareholders or their proxies participating in the Annual General Meeting may issue, amend or revoke authorisations and instructions to voting rights proxies appointed by the company at the door of the venue up until the end of the general debate.



## Information on shareholders' rights pursuant to sections 122 (2), 126 (1), 127 and 131 (1) AktG

### Questions and motions by shareholders

We ask shareholders who have questions or motions for the Annual General Meeting to submit them to the following address or e-mail address:

Encavis AG  
Annual General Meeting  
Große Elbstraße 59  
22767 Hamburg, Germany  
E-mail: HV2023@encavis.com.

### Motions and nominations by shareholders pursuant to section 126 and 127 AktG

Counter motions, including the grounds, and election proposals by shareholders on a specific agenda item pursuant to sections 126 (1), 127 AktG will be published online at <https://www.encavis.com/en/green-capital/investor-relations/agm>.

The requirement for this is that counter motions be received by Encavis AG at the following address or e-mail address no later than 14 days prior to the day of the Annual General Meeting (whereby the day of the Annual General Meeting itself is not counted due to the statutory provisions), i.e. by **the end of the day on Wednesday, 17 May 2023 (24.00 hours, midnight, CEST)**:

Encavis AG  
Annual General Meeting  
Große Elbstraße 59  
22767 Hamburg, Germany  
E-mail: HV2023@encavis.com.

We will publish any statements by the administration at <https://www.encavis.com/en/green-capital/investor-relations/agm>.

A counter motion, and its grounds, or a nomination need not be made accessible in the cases of section 126 (2) sentence 1 nos. 1 to 7 AktG; the grounds for a counter motion need not be made accessible pursuant to section 126 (2) sentence 2 AktG if it exceeds a length of 5,000 characters in total. Likewise, an election proposal need not be made accessible in the cases of section 127 sentence 3 AktG.

### Motions to add items to the agenda pursuant to section 122 (2) AktG

Shareholders whose shares together amount to one-twentieth of the share capital or the proportionate amount of EUR 500,000.00 may request that items be added to the agenda and published. Pursuant to section 122 (2) in conjunction with (1) AktG, the applicants must prove that they have held the required number of shares for at least 90 days prior to the date of receipt of the request and that they will hold the shares until the decision of the Management Board regarding the request. Section 121 (7) AktG shall apply mutatis mutandis to the calculation of the time limit. The request must be made in writing to the company at the following address:

Encavis AG  
Management Board  
Große Elbstraße 59  
22767 Hamburg, Germany



and must be received by the company no later than 30 days prior to the meeting, i.e. by **the end of the day on Monday, 1 May 2023 (24.00 hours, midnight, CEST)**. Each new item must be accompanied by a statement of grounds or a draft resolution.

Additions to the agenda that are to be announced – insofar as they have not already been announced with the notice of the meeting – will be published in the Federal Gazette without undue delay after receipt of the request and forwarded for publication to such media that can be expected to disseminate the information throughout the European Union. They will also be published online at <https://www.encavis.com/en/green-capital/investor-relations/agm> and communicated to the shareholders according to section 125 (1) AktG.

#### **Right to request information in accordance with section 131 (1) AktG**

During the Annual General Meeting, every shareholder or shareholder representative may request that the Management Board provide information concerning matters pertaining to the company insofar as this is required in order to appropriately adjudge the item in the agenda. The obligation to provide information also extends to the legal and business relations of the company with an affiliated enterprise insofar as this is required in order to appropriately adjudge the item in the agenda. Requests for information should be made orally during deliberations in the Annual General Meeting. The Management Board may refuse a request for information for the reasons cited in section 131 (3) sentence 1 AktG.

According to article 18 (6) of the company's Articles of Association, the chair may appropriately restrict the time shareholders have to speak and ask questions.

Further explanations of the rights of shareholders pursuant to section 122 (2), section 126 (1), section 127 and section 131 (1) AktG can be found online at <https://www.encavis.com/en/green-capital/investor-relations/agm>.

#### **Reference to sections 33 et seq. WpHG**

Reference is made to the information required by sections 33 et seq. German Securities Trading Act (WpHG) and the legal consequence provided for in section 44 WpHG of the suspension of all rights from the shares in the event of violations of a notification obligation.

#### **Information on data protection for shareholders**

Your personal data will be processed in preparation for and during our Annual General Meeting. In addition, your data will be used for related purposes and to fulfil other legal obligations (e.g. obligations to provide proof or to retain records). For further information on data protection, see <https://www.encavis.com/en/green-capital/investor-relations/agm>. The company will also send you this information in printed form upon request.

Hamburg, April 2023

Encavis AG  
The Management Board

# ENCAVIS

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