

ENCAVIS

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:

The Management Board and Supervisory Board propose creating a new authorised capital in order to enable the company to continue to react flexibly to financing requirements in the future and to be able to adjust the company's equity base to business requirements if necessary. Authorised Capital 2024 is to be available for both cash and non-cash capital increases and is therefore 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.

In principle, shareholders are entitled to a subscription right when the Authorised Capital 2024 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 2024 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 2024 is to be exercised. Elbe BidCo AG intends to provide Encavis AG with additional equity financing if required, within certain limits, by subscribing to new shares in Encavis AG by means of a capital increase, subject to certain conditions, including the receipt of certain external and internal approvals at the relevant time.

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.