

## A. Compensation report of the Executive Board for the financial year 2021

The report describes the compensation granted and owed in the 2021 financial year to each individual current or former member of the Executive Board and Supervisory Board by Enapter AG and by companies in the same group (section 290 of the German Commercial Code (HGB)) and explains in individualised form the structure and amount of the individual components of Executive Board and Supervisory Board compensation.

The following describes the concrete application of the compensation system for the members of the Executive Board of Enapter AG in the financial year 2021, which was adopted by the Annual General Meeting of Enapter AG on 6 May 2021.

The total compensation, the components that make up the total compensation, all fixed and variable compensation components, their respective relative share, an explanation of how the total compensation complies with the compensation system within the meaning of sections 87a, 113 para. 3 sentence 3 of the German Stock Corporation Act (AktG), an explanation of how the total compensation promotes the long-term performance of the company as well as information on how the performance criteria were applied shall be presented.

### I. Total compensation

In accordance with legal requirements, the compensation system adopted at the Annual General Meeting on 6 May 2021 contains limits for the maximum total compensation of Executive Board members. The actual total compensation for the 2021 financial year is shown below. The total compensation is calculated here, as in the compensation system, as the compensation granted for activities in the 2021 financial year as opposed to the compensation received by the Executive Board in the financial year. This difference is relevant for compensation components that will only accrue to the Executive Board in subsequent years. The total compensation calculated in this way amounted to the following in the 2021 financial year

- for the Board member, Sebastian-Justus Schmidt (**SJS**), EUR 0,
- for the Board Member, Gerrit Kaufhold (**GK**), EUR 190,000, 1.6-31.12.2021
- for the former member of the Executive Board, Hansjörg Plaggemars (**HP**), EUR 50,000, 1.1.-31.5.2021.

In addition, Mr Schmidt was indirectly remunerated for his work on the basis of service contracts with third parties, see IX below.

## II. Fixed and variable compensation components and their relative share

The compensation components that accrued to the Executive Board members in the 2021 financial year are listed below, including the relative share of these compensation components in the total compensation sum that results from this:

* Board member	Total ver- compensati on	Fixed compensation (basic salary, benefits in kind, fringe benefits)	Short-term variable compensati on (bonus)	Long-term variable compensatio n (stock options)	Relative share of compensation components in total compensation in %.	
					Solid components	Variable components
<b>SJS**</b>	**	**	**	n/a	**	**
<b>HP</b>	EUR 50,000	EUR 50,000	0	0	100%	0%
<b>GK</b>	EUR 140,000	EUR 140,000	0	0	100%	0%

\*All amounts in EUR

\*\* In addition, there are the payments for SJS shown under X.

The compensation components that arose (but did not necessarily accrue to the Executive Board) as a result of the performance rendered in the 2021 financial year are shown below, including the relative share of these compensation components in the total compensation sum resulting from this:

* Board member	Total ver- compensati on	Fixed compensation (basic salary, benefits in kind, fringe benefits, etc.) tings) ***	Short-term variable compensati on (bonus)	Long-term variable compensati on (share options)	Relative share of compensation components in total compensation in %.	
					Solid components	Variable components
<b>SJS**</b>	**	**	**	50,000 Share options	The value of the share options is only determined over the term. A relative share of the fixed and variable components can therefore not be determined in terms of amount. At of the cash compensation, the relative share of the fixed compensation is 100 %, of the share-based compensation, the relative share of the variable components is 100 %.	
<b>HP</b>	EUR 50,000	EUR 50,000	0	0	100%	0

<b>GK</b>	EUR 190,000	EUR 140,000	EUR 50,000	0	74%	26%
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\*All amounts in EUR

\*\* In addition, there are the payments for SJS shown under X.

\*\*\* Included are the amounts for the company pension scheme for the reporting year

Board member	Number of share options offered in 2021	Decay in 2021	Exercise	31.12.2021 Maximum subscribable shares (i.e. exercisable)
<b>SJS</b>	50.000	0	0	0
<b>HP</b>	0	0	0	0
<b>GK</b>	0	0	0	0

For informational purposes, the corresponding target compensation for the 2021 financial year is shown here, which would have resulted from 100% achievement of the variable targets in accordance with the contractual provisions:

Board member	Target variable compensation on EUR	Target fixed compensation EUR (basic salary) *	Target Short-Term Variable Compensation on EUR	Relative share of compensation components in target compensation in %.	
				Solid components	Variable components
<b>SJS</b>	**	**	**	**	**
<b>HP</b>	50.000,00	0,00	0,00	100%	0
<b>GK</b>	190.000,00	140.000,00	50.000,00	74%	26%

### III. Explanation of how the fixed and variable compensation components correspond to the compensation system

The relative shares of the fixed and variable compensation components in the total compensation correspond to the specifications in the compensation system. With regard to this consideration, it is not the inflows in the financial year 2021 that are relevant, but the compensation components that were granted for the activity in 2021. The compensation system of Enapter AG specifies a relative share of fixed compensation components in total

compensation of approx. 18%. Accordingly, the compensation system provides for a relative share of 82% of the total compensation for the variable compensation components.

The exercise of stock options is limited by a maximum exercise profit per option. The maximum amount that may accrue to an Executive Board member from the exercise of options is EUR 1,000,000.00 per calendar year, i.e. it is agreed that a maximum of this amount accrues to the Executive Board member as profit upon exercise and sale, whereby the issue price paid and the costs must be deducted from the sale price to calculate the profit. If, in the context of this comparison, EUR 1,000,000.00 is assumed for the options, this results in a notional maximum compensation for 2021 of EUR 1,000,000.00. The relative share of the variable compensation components in the total compensation for the 2021 financial year is therefore 100% for SJS in this calculation. This is above the requirements of the compensation system, which assumes an 18:82 split. However, it is still unclear whether and to what extent the options will be exercisable. The option value is therefore still open.

The relative share of the fixed compensation components in the total compensation for the financial year 2021 is between 74% and 100% for HP and GK, the relative share of the variable compensation components in the total compensation is accordingly between 0% and 26% for HP and GK.

No share options from the 2021 share option plan were issued to GK in the reporting year. SJS received 50,000 stock options. The issuance of stock options from the SOP 2021 was discussed with the Executive Board members. For legal reasons, the issue could not yet be implemented in the reporting year. This will be done in 2022.

The relative shares of the variable compensation components in the total compensation calculated above thus correspond to the specifications of the compensation system against the background that stock options have not yet been issued in the reporting year for legal reasons.

#### **IV. Explanation of how the compensation promotes the long-term development of the company**

The members of the Executive Board are granted long-term variable compensation under a stock option programme 2021 ("**SOP 2021**"), which was approved by the Annual General Meeting on 6 May 2021. The group of beneficiaries of the options available for issue in the amount of up to 2,310,130 also includes current and future members of the Executive Board of the Company, who are entitled to up to 20% of the options. The options will be exercisable at the earliest 4 years after they are granted, provided that the performance target has been achieved.

In principle, the options can be offered to the beneficiaries for purchase once or in several tranches until 5 May 2026.

The share option programme 2021 contributes to the promotion of the business strategy and the long-term development of the company insofar as the exercise of the options is made dependent on the achievement of the goal of reducing the material input costs for electrolyzers manufactured by the Enapter Group on the basis of the anion exchange membrane technology. Furthermore, based on such a cost structure for the electrolyzers, the goal of competitiveness with fossil fuels can be achieved according to current estimates.

Within the framework of the stock options, individual arrangements are to be made with beneficiary members of the Executive Board to ensure that the corresponding resulting compensation does not exceed the maximum compensation.

This SOP 2021, on which the long-term compensation component is based, promotes the long-term development of Enapter AG. In the reporting year 2021, 50,000 stock options from the SOP 2021 were issued to the Executive Board member Sebastian-Justus Schmidt.

## **V. Explanation of how the performance criteria were applied**

The variable compensation has been calculated based on the following financial and non-financial performance criteria:

### **1. Short-term variable compensation: Bonus**

According to the compensation system, the targets for the granting of the bonus shall primarily be based on sustainability criteria (ESG: *environmental, social and good governance*). In particular, they shall be aligned with the departmental responsibilities of the respective member of the Executive Board. A combination of financial indicators, milestones (project or company-related) and so-called "soft facts" is permissible. However, a restriction to individual categories of objectives is also permissible.

Pro rata target achievement can be provided for. The period for target achievement shall be between one and three business years.

Concrete performance assessment for the board members:

Short-term variable compensation	Performance assessment/degree of target achievement	Actual compensation
<b>SJS</b>	n/a	n/a
<b>GK</b>	n/a	n/a

### **2. Long-term variable compensation: Stock options 2021**

The share option programme 2021 has already been explained under A. II. and IV.

In the reporting year 2021, 50,000 stock options were offered to Sebastian-Justus Schmidt and accepted by him on 31 May 2021. Furthermore, any exercise of allocated stock options is only permissible if the material input costs for electrolysers based on anion exchange membrane technology (AEM) manufactured by the Enapter Group (Enapter AG and affiliated companies within the meaning of §§ 15 et seq. of the Austrian Stock Corporation Act) can be reduced by or in the course of the 2023 financial year to such an extent that a positive cover amount can be achieved with a sales price of EUR 2,500.00 per unit. Accordingly, with regard to the long-term variable compensation component in the form of stock options, a concrete report on the allocation and exercise of stock options to the respective Executive Board members for the 2021 reporting year cannot yet be made.

**VI. Indication of the number of shares and stock options granted or promised and the main conditions for exercising the rights, including exercise price, exercise date and any changes to these conditions, section 162 (1), sentence 2 no. 3 of the AktG.**

Pursuant to § 162 para. 1, sentence 2 no. 3 AktG, the number of shares and stock options granted or promised and the main conditions for exercising the rights, including exercise price, exercise date and any changes to these conditions, must be disclosed. In this regard, an explanation has already been provided under A. II. and IV.

**VII. Information on whether and how use was made of the option to reclaim variable compensation components, section 162 (1) sentence 2 no. 4 AktG**

No rights to reclaim variable compensation components (claw-back clause) have been agreed.

**VIII. Information on any deviations from the compensation system of the executive board, section 162 (1), sentence 2 no. 5 AktG**

Pursuant to section 162, paragraph 1, sentence 2, no. 5 of the German Stock Corporation Act (AktG), it must be explained whether there has been a deviation from the compensation system of the executive board, to what extent this deviation was necessary, and the specific compensation components of the compensation system from which the deviation was made must be stated.

It is noted that in the reporting year 2021 a lump sum of 35,000 EURO per month was paid to BluGreen Company Limited for its activities for Enapter AG. As a long-standing director of BluGreen Company Limited, Mr Schmidt receives a monthly salary of around 11,700 euros from BluGreen Company Limited for services rendered to Enapter AG. The basis for this is an agreement that existed before the compensation system was adopted at the 2021 Annual General Meeting. The compensation system does not stipulate any payments to third parties

for services rendered by members of the Executive Board. As this regulation from an old contract is to be continued in the future, it is planned to propose an amendment to the compensation system to the Annual General Meeting.

Secondly, on 30 October 2020, Enapter AG entered into a consultancy agreement (Consultancy Agreement) with Enapter Co. Ltd. of Thailand with effect from 1 October 2020. In the Consultancy Agreement, Enapter Co. Ltd. undertook to provide consultancy services against payment of EUR 30,000.00 per month. The consultancy services include, among others, software services, which are created and continuously maintained in the form of interactive dashboards for corporate control and as management information, as well as corporate design services. These monthly advance payments are adjusted annually. This is done on the basis of recalculations. These recalculations take into account the costs actually incurred by Enapter Co. Ltd. for the services rendered, plus a mark-up of 5 %, minus the advances already paid.

The contract is concluded for an indefinite period with a notice period of three months. Mr. Sebastian- Justus Schmidt receives approximately EUR 3,250.00 per month (depending on the exchange rate, as the salary is paid in THB) and holds 100 % of the company.

Furthermore, in deviation from the compensation system, no stock options were issued to GK in the reporting year 2021.

#### **IX. Explanation of how the fixed maximum compensation of the members of the Executive Board was complied with**

Pursuant to section 162, paragraph 1, sentence 2, no. 7 of the German Stock Corporation Act (AktG), it must be explained how the maximum compensation set for the members of the Executive Board was complied with.

The compensation system provides for a maximum compensation for each Executive Board member of EUR 400,000.00 plus any profits from the option programme. The exercise of stock options is limited by a maximum exercise profit per option. The maximum amount that may accrue to an Executive Board member from the exercise of options is EUR 1,000,000.00 per calendar year, i.e. it is agreed that a maximum of this amount will accrue to the Executive Board member as profit upon exercise and sale, whereby the issue price paid and the costs are to be deducted from the sale price to calculate the profit. If the exercise and sale of the options in a calendar year would result in proceeds of more than EUR 1,000,000.00, they may only be exercised in one of the following years. According to the compensation system, the options can be exercised for a maximum of 7 years, so that a maximum inflow of EUR 7,000,000.00 per Executive Board member occurs. Such a best-case scenario assumes a sustained positive development of the stock market price of the company's shares.

This disclosure refers to the compensation according to the compensation system and therefore to the compensation granted for the financial year and not to the compensation received in the financial year.

The total compensation granted to the Executive Board member, Sebastian-Justus Schmidt, in the 2021 financial year amounts to EUR 0. The total compensation granted to the Executive Board member, Hansjörg Plaggemars, amounts to EUR 50,000. The total compensation granted to the Executive Board member, Gerrit Kaufhold, amounts to EUR 140,000. The maximum compensation stipulated in the compensation system was thus complied with.

#### **X. Disclosures pursuant to § 162 para. 2 AktG**

With regard to the compensation of each individual member of the executive board, the compensation report must also contain, pursuant to § 162 para. 2 no. 1 AktG, information on benefits promised to a member of the executive board by a third party with regard to his or her activities as a member of the executive board or granted in the financial year. Not only benefits for, but also benefits with regard to the activity as a member of the executive board are to be disclosed. This means that all benefits that have a material connection to the board activity must be disclosed beyond the actual compensation for the board activity.

The following third-party benefits pursuant to § 162 para. 2 no. 1 AktG were granted to the members of the Executive Board of Enapter AG in the past financial year:

Sebastian-Justus Schmidt:	EUR 14,950 per month
Hansjörg Plaggemars:	EUR 0
Gerrit Kaufhold:	EUR 0

The third-party compensation to Mr Schmidt results on the one hand from a consultancy agreement that Enapter AG concluded with BluGreen on 30 October 2020 with effect from 1 October 2020. In this agreement, BluGreen undertook to provide management personnel as consultants, in particular the Executive Board member Sebastian-Justus Schmidt. For this, a monthly payment in the amount of EUR 35,000.00 is to be paid by the Company to BluGreen. It is envisaged that Sebastian-Justus Schmidt will devote 90% of his time to the Company as consultancy services. The monthly advance payments will be adjusted annually. This is done on the basis of recalculations. These recalculations shall take into account the costs actually incurred by BluGreen for the services rendered, plus a surcharge of 5 %, less the advances already paid. The contract has been concluded for an indefinite period with a notice period of three months.

Mr. Sebastian- Justus Schmidt receives approximately EUR 11,700.00 per month (depending on the exchange rate, as the salary is paid in HKD) and holds 100% of the company.

On the other hand, Enapter AG concluded a consultancy agreement with Enapter Co. Ltd. of Thailand on 30 October 2020, with effect from 1 October 2020. In this agreement, Enapter Co. Ltd. undertook to provide consulting services against payment of EUR 30,000.00 per month. The consulting services include, among other things, software services that are created and continuously maintained in the form of interactive dashboards for corporate control and as



management information, as well as corporate design services. These monthly advance payments are adjusted annually. This is done on the basis of recalculations. These recalculations take into account the costs actually incurred by Enapter Co. Ltd. for the services rendered, plus a mark-up of 5 %, minus the advances already paid.

The contract is concluded for an indefinite period with a notice period of three months. Mr. Sebastian- Justus Schmidt receives approximately EUR 3,250.00 per month (depending on the exchange rate, as the salary is paid in THB) and holds 100 % of the company.

In addition, pursuant to § 162 (2) no. 4 AktG, the compensation report must contain information on such benefits that were promised in this connection to a former member of the executive board who terminated his employment during the course of the last financial year and were granted during the course of the last financial year. There were no such benefits for the Executive Board of Enapter AG in the past financial year.

## **B. Compensation Report of the Supervisory Board for the Financial Year 2021**

The concrete application of the compensation system for the members of the Supervisory Board of Enapter AG in the 2021 financial year is described below.

The total compensation in the 2021 financial year was

- for the Chairman of the Supervisory Board, Armin Steiner, EUR 24,000.00,
- for the Deputy Chairman of the Supervisory Board, Oswald Werle, EUR 18,000.00,
- for the Supervisory Board member, Ragnar Kruse, EUR 12,000.00

There is no variable compensation component.

## **C. Vertical comparison, section 162 (1) sentence 2 no. 2 AktG**

Pursuant to § 162 para. 1 sentence 2 no. 2 AktG, the annual change in compensation, the development of the company's earnings and the average compensation of employees considered over the last five business years on a full-time equivalent basis, must also be presented on a comparative basis. The wording of § 162 para. 1 sentence 2 no. 2 Stock Corporation Act suggests that this five-year period of observation only applies to the annual change in average employee compensation and not to the annual change in the other two comparative figures. However, it follows from Art. 9b para. 1 subpara. 2 lit. b of the Shareholders' Rights Directive that for a period covering at least the last five financial years, reports must be made on (i) the annual change in the compensation of the members of the executive bodies, (ii) the annual change in the performance of the company and (iii) the annual change in the average employee compensation. For section 162 (1) sentence 2 no. 2 AktG, it follows firstly that it is not the "annual change in the performance of the company" that is to be reported, but the performance of the company in terms of the annual change in the company's earnings. Secondly, with regard to employee compensation, no five-year average view is to be taken, but the annual change in average compensation is to be stated. Thirdly, the information

on the compensation of the executive bodies as well as the information on the income of the company and the average compensation of the employees must refer to the last five financial years.

For the first reporting year, the financial year 2021, which is reported on here, section 26j para. 2 sentence 2 EGAktG provides for a transitional relief in the sense that for the comparative figure of the employee compensation only a statement of the annual change (reporting year to the previous year) is required.

In view of the transitional provision of § 26j para. 2 sentence 2 of the Introductory Act to the Stock Corporation Act (EGAktG) and in accordance with an interpretation of § 162 para. 1 sentence 2 no. 2 of the Stock Corporation Act in conformity with the Directive, the annual change in employee compensation and a five-year comparison of the annual change in the compensation of the members of the executive bodies and the annual change in the earnings performance of the company are presented below for the first reporting year. It should be clarified here that the change in the compensation of the executive bodies is not listed for the periods in which the regulation of § 162 AktG was not yet in force.

	Change 2018 to 2017 in %	Change 2019 to 2018 in %	Change 2020 to 2019 in %	Change 2021 to 2020 in %
<b>Board members</b>				
Sebastian-Justus Schmidt	n/a	n/a	n/a	n/a
Hansjörg Plaggemars	n/a	n/a	n/a	n/a
Gerrit Kaufhold	n/a	n/a	n/a	n/a
<b>Members of the Supervisory Board</b>				
Armin Steiner	n/a	n/a	n/a	n/a
Oswald Werle	n/a	n/a	n/a	n/a
Ragnar Kruse	n/a	n/a	n/a	n/a
<b>Earnings situation</b>				
Net profit for the year TEUR	2017: n/a 2018: n/a	2018: n/a 2019: n/a	2019: n/a 2020: n/a	2020: -842 2021: -5.038
Consolidated net profit TEUR	n/a	n/a	n/a	2020: -3.569 2021: -8.702
EBIT TEUR	n/a	n/a	n/a	2020: -3.565 2021: -8.709

<b>Average compensation of employees TEUR</b>			
	2020	2021	Change 2021 to 2020 in %
1. management level	120	125	4%

Domestic employees (without managers)	45	50	11%
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