

CORPORATE GOVERNANCE STATEMENT PURSUANT TO SECTION 289F HGB IN CONJUNCTION WITH SECTION 315D

In this corporate governance statement, the Management Board and the Supervisory Board provide information on SFC Energy AG's corporate governance pursuant to section 289f of the German Commercial Code (Handelsgesetzbuch – "HGB") or section 315d in conjunction with section 289f HGB and pursuant to Principle 22 of the German Corporate Governance Code as amended on December 16, 2019 (and published in the Federal Gazette (Bundesanzeiger) on March 20, 2020; "GCGC").

The term "corporate governance" stands for responsible and transparent governance aimed at sustainable value creation and refers to a company's entire management and monitoring system, including its organization, business policy principles and guidelines as well as internal and external steering and monitoring mechanisms. Corporate governance promotes confidence among German and international investors, business partners, financial markets, employees, and the general public in the management and supervision of SFC Energy AG. Instruments of effective corporate governance are efficient cooperation between the Management Board and the Supervisory Board in a relationship of mutual trust, respect for shareholders' interests, and open and up-to-the-minute corporate communication. The Management Board and the Supervisory Board of SFC Energy AG are committed to upholding the principles of good corporate governance, and they believe that these principles are an essential building block of the company's success. SFC Energy AG regularly reviews and improves its system of corporate governance.

Declaration of compliance with the German Corporate Governance Code (statement pursuant to section 161 AktG)

Pursuant to section 161 of the German Stock Corporation Act (Aktiengesetz – "AktG"), the management board and the supervisory board of exchange-listed companies must declare annually that the company has complied, and will comply, with the recommendations of the Government Commission on the German Corporate Governance Code published by the German Federal Ministry of Justice in the official section of the Federal Gazette (Bundesanzeiger) and/or which recommendations the company has not applied and/or will not apply. This declaration has to be kept available to the public on a permanent basis on the company's website.

Relevant companies may depart from the recommendations of the GCGC, but in this case they are obliged to disclose and explain such departures each year. This enables companies to take into account sector- or company-specific needs. The GCGC thus helps to make corporate governance of German companies more flexible and promotes their self-regulation. SFC Energy AG follows all recommendations of the German Corporate Governance Code with only a few exceptions, which are explained in the following declaration of compliance pursuant to section 161 AktG.

On March 16, 2022, the Management Board and the Supervisory Board of SFC Energy AG made the following joint declaration of compliance pursuant to section 161 AktG:

“After due examination, the Management Board and the Supervisory Board of SFC Energy AG declare that, since March 23, 2021 (the date of the last declaration of compliance), the recommendations of the German Corporate Governance Code as amended on December 19, 2019 (and published in the Federal Gazette on March 20, 2020, “GCGC”) have been complied with, and are being and will be complied with in the future, with the following exceptions:

- Pursuant to recommendation B.3 GCGC, the first-time appointment of Management Board members shall be for a period of not more than three years. A departure from this recommendation is made insofar as the Supervisory Board decides on the specific term of the initial appointment in each individual case, in order to maintain sufficient flexibility in recruiting particularly qualified candidates for Management Board positions, while also considering the interest in long-term and sustainable corporate management.
- Pursuant to recommendation C.1 GCGC, the Supervisory Board shall determine specific objectives regarding its composition, and shall prepare a profile of skills and expertise for the entire Board while taking the principle of diversity into account. Proposals by the Supervisory Board to the General Meeting shall take these objectives into account, while simultaneously aiming at fulfilling the overall profile of required skills and expertise of the entire Board. The implementation status shall be published in the corporate governance statement. This statement shall also provide information about what the shareholder representatives on the Supervisory Board regard as the appropriate number of independent Supervisory Board members representing shareholders, and the names of these members. The Company departs from the recommendation to determine specific objectives, to prepare a profile of skills and expertise for the entire Board, and to provide information about what the shareholder representatives on the Supervisory Board regard as the appropriate number of independent Supervisory Board members representing shareholders, and the names of these members. The composition of the Supervisory Board must ensure that the Management Board is effectively advised and supervised, guided by the Company’s best interests. To ensure compliance with these statutory requirements, the Supervisory Board will continue to base its proposals of candidates primarily on the knowledge, skills and experience of eligible candidates while taking the principle of diversity into account. However, the Supervisory Board does not consider it necessary or reasonable to determine specific targets or quotas in advance beyond the target quota of women for the Supervisory Board required by section 111(5) AktG, as to do so would impose a sweeping restriction on the selection of suitable candidates, particularly for SFC Energy AG as a smaller, stock-listed stock corporation with a Supervisory Board that is composed of only four members. Accordingly, the corporate governance statement does not report on any such objectives. This means a departure from recommendation C.1 GCGC.
- Pursuant to recommendation D.2 GCGC, depending on the specific circumstances of the enterprise and the number of Supervisory Board members, the Supervisory Board shall form committees of members with relevant specialist expertise, and pursuant to recommendation D.3 GCGC an Audit Committee shall be established in particular. The relevant committee members and the committee chairs shall be provided in the corporate governance statement. As a result of amendments made to the Articles of Association and a fourth Supervisory Board member assuming their office on August 12, 2021, the number of the Company’s Supervisory Board members was increased from three to four. The Supervisory Board has previously held the view, consistent with the legal literature on this subject, that the efficiency of advisory and moni-

toring activities of a Supervisory Board consisting of three members cannot be increased by forming committees. Accordingly, the relevant committee members and committee chairs could not be provided in the corporate governance statement to that date. This means that the Company has departed from the recommendations D.2 and D.3 GCGC until the Audit Committee was formed. The fact that no Supervisory Board committees had been formed resulted in further departures from other recommendations of the GCGC pertaining to Supervisory Board committees and their members (recommendations C.10, D.4, D.8, D.11, D.13 and G.17 GCGC). The Supervisory Board established an Audit Committee by resolution of August 18, 2021. The above recommendations have been complied with since that date and will be complied with in the future. As a matter of precaution, the company declares its continued departure from recommendations C.10 sentence 1 and section D.2 sentence 1 GCGC; the Supervisory Board does not consider it necessary to form further committees, including in particular a committee dealing with Management Board remuneration, in order to perform efficient advisory and monitoring activities.

- Pursuant to recommendation D.5 GCGC, the Supervisory Board shall form a Nomination Committee, composed exclusively of shareholder representatives, which names suitable candidates to the Supervisory Board for its proposals to the General Meeting. The Supervisory Board has not formed a Nomination Committee. The Supervisory Board takes the view, consistent with the legal literature on this subject, that a Nomination Committee does not need to be formed if there are no employee representatives on the Supervisory Board. This means a departure from recommendation D.5 GCGC.
- Pursuant to recommendation G.1 GCGC, the remuneration system shall define, in particular, how the target total remuneration is determined for each Management Board member, and the amount that the total remuneration must not exceed (maximum remuneration). The remuneration system resolved on March 23, 2021 complies with this recommendation. As a matter of precaution, we hereby wish to note that existing agreements with Management Board members concluded in the period since the current GCGC has come into force and before the remuneration system was resolved do not provide for total maximum remuneration. However, the limitation to the amounts of short-term and long-term variable remuneration, as agreed with the Management Board members since the current GCGC has come into force, essentially ensures compliance with maximum remuneration in accordance with the remuneration system (except for certain special situations). The ongoing virtual stock option programs from the time before the current GCGC has come into force did not yet provide for any payout limits.

Brunnthal, March 16, 2022

SFC Energy AG

The Management Board
The Supervisory Board”

The current declaration of compliance together with the declarations of compliance for the past five years are available to the general public at any time on the SFC Energy AG website at <https://www.sfc.com/investoren/corporate-governance/#s2>.