

Joint Report

by the Board of Management of
SGL Carbon SE, Wiesbaden, Germany
(hereinafter referred to as “**SGL**”)

and the management of
SGL Fuel Cell Components GmbH, Meitingen, Germany
(hereinafter referred to as “**SGL Fuel Cell**” or the “**Company**”)

pursuant to § 293a AktG¹ regarding the Intercompany Agreement dated March 15, 2022

Preamble

SGL and SGL Fuel Cell entered into a Domination and Profit and Loss Transfer Agreement (“**Intercompany Agreement**” or “**Agreement**”) on March 15, 2022, by virtue of which SGL Fuel Cell places its management under SGL and agrees to transfer its entire profit on to SGL. On its part, SGL agrees to make up any annual loss during the term of this Agreement pursuant to § 302 Abs. 1 AktG.

This Agreement is still subject to the proviso that the Shareholder Meeting of SGL Fuel Cell and the Annual General Meeting of SGL give their approval; to this extent, the Board of Management and the Supervisory Board of SGL propose that the Annual General Meeting should give its approval to this Intercompany Agreement. Finally, the Agreement must still be entered into the commercial register at the Company’s domicile to be valid.

The Intercompany Agreement will therefore be submitted to the ordinary Annual General Meeting of SGL on May 17, 2022, for its approval pursuant to § 293 AktG. In accordance with § 293a (1) AktG, the Board of Management of SGL and the management of SGL Fuel Cell shall provide the following report on the Agreement, in which they shall explain and justify the conclusion of this Intercompany Agreement legally and in terms of its economic relevance.

1. Economic relevance and justification for concluding this Intercompany Agreement

a. Contracting parties

SGL, a publicly listed company is a European Company (*Societas Europaea*) based in Wiesbaden and entered in the commercial register kept by the Wiesbaden Local Court under HRB 23960. Its objects are the management of a group of companies which are active in the following fields in

¹ The regulations applicable to stock corporations domiciled in Germany, especially the German Stock Corporation Act (AktG) apply to SGL Carbon SE by virtue of the norms in Art. 5, Art. 9 (1) c) ii), Art. 53 and Art. 61 of Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE) (SE-VO) that refer to the law of the Member State in which the company is registered, unless provided otherwise in more specific regulations of the SE-VO.

particular: (i) carbon products of all kinds, especially industrial products made of natural and synthetic carbon and graphite, (ii) materials and products based on carbon or graphite, such as fibers, composite materials, foils and graphite equipment, including industrial facilities, (iii) other ceramic materials and products, (iv) corrosion-resistant materials and products, as well as (v) other substances to be made or derived in connection with these fields of work or products, and other products. SGL may itself also conduct business in the above fields of work and provide contributions in kind or financial means to companies in which it has an interest, and establish, acquire, participate in or place under uniform management any other companies, especially those active in the foregoing lines of business.

The share capital of SGL amounts to EUR 313,194,183.68 and is divided into 122,341,478 bearer shares. Together with its wholly owned and partly owned subsidiaries, SGL forms the SGL Carbon Group. The key financial figures of SGL are as follows:

SGL Carbon SE	Annual financial statements SGL Carbon SE (German GAAP) as at Dec. 31, 2021 in EUR
Fixed Assets	1,235,055,000.00
Current Assets / Accruals	199,883,000.00
Balance Sheet Total	1,434,938,000.00
Shareholders' Equity	606,687,000.00
Reserves	96,501,000.00
Liabilities /	731,750,000.00
Balance Sheet Total	1,434,938,000.00

On September 15, 2021, SGL Fuel Cell was founded in the legal form of a German company with limited liability (*GmbH*) and entered into the Commercial Register of the Augsburg Local Court with a share capital of EUR 25,000.00 under HRB 36726 on November 3, 2021. SGL holds all the shares of SGL Fuel Cell and is therefore its sole shareholder.

The objects of SGL Fuel Cell are the development, manufacture, processing, sale and distribution, and trade in carbon materials and products for use in electrochemical systems, especially but not exclusively, hydrogen and fuel cell technologies, as well as all materials to be made or extracted in connection with these products and other products.

The share capital of SGL Fuel Cell amounts to EUR 25,000.00, divided into 25,000 shares having a nominal amount of EUR 1.00 each. The key financial figures of SGL Fuel Cell are as follows:

SGL Fuel Cell Components GmbH	Annual Financial Statement (German GAAP) as at Dec. 31, 2021 in EUR
Fixed Assets	24,963.20
Current Assets	0.00
Balance Sheet Total	<u>24,963.20</u>
Shareholders' Equity	24,963.20
Reserves	0.00
Liabilities	0.00
Balance Sheet Total	<u>24,963.20</u>

As of today's date, SGL Fuel Cell has not yet commenced operations and therefore does not currently have any employees.

b. Planned spin-off and transfer into SGL Fuel Cell

In the future, SGL Fuel Cell will engage in and continue to develop the business segment Fuel Cell Components, which is currently still part of SGL Carbon GmbH. SGL Carbon GmbH is also a wholly owned subsidiary of SGL with which there also exists a domination and profit and loss transfer agreement. The Fuel Cell Components business segment comprises the development, production, and marketing of carbon materials and products for use in electrochemical systems, especially, but not exclusively, hydrogen and fuel cell technologies. The aim behind this separation of the Fuel Cell Components business segment is the creation of a stronger independent structure for this segment within the Group for its future growth. To achieve this, it is planned to transfer this business segment from SGL Carbon GmbH to SGL Fuel Cell by way of a spin-off and transfer according to § 123 (2) no. 1 of the German Transformation Act (*Umwandlungsgesetz = UmwG*) with economic effect as of January 1, 2022.

The Spin-off and Transfer Agreement between SGL Carbon GmbH and SGL Fuel Cell is currently being drafted and should be completed probably by the end of May. The intention is to increase the Company's share capital as a consequence of the transfer of the Fuel Cell Components business segment by EUR 75,000.00, divided into 75,000 shares having a nominal amount of EUR 1.00 each to then EUR 100,000.00, and that SGL, as sole shareholder of SGL Carbon GmbH and SGL Fuel Cell, will take over the additional shares of SGL Fuel Cell.

c. Legal and economic reasons for concluding the Intercompany Agreement

The objective of the Intercompany Agreement is the inclusion of SGL Fuel Cell into the (income) tax group ("*Organkreis*") with SGL. Due to the integration of the Company into this (income) tax group, the taxation of the positive or negative taxable income of SGL Fuel Cell will no longer occur on the level of this company. The income will be attributed to SGL and SGL will pay any tax incurred. Due to this tax group for income tax purposes, an offset of the tax results of SGL Fuel Cell with the tax results of the domestic SGL Carbon tax group will be enabled, i.e., by incorporating SGL Fuel Cell in

the offset of tax results, the negative and positive results of SGL Fuel Cell may be offset against the positive or negative results of SGL and other companies that are part of this tax group. Moreover, transfer of profits or losses of SGL Fuel Cell under the Intercompany Agreement will not qualify as profit distributions, i.e., they will not trigger any additional tax burdens (capital gains tax withholding, non-deductible operating expenses). The Intercompany Agreement also establishes the obligation of SGL Fuel Cell to transfer any profits to SGL and the obligation of SGL to make up any losses of SGL Fuel Cell during the term of this Agreement.

The incorporation of SGL Fuel Cell into the (income) tax group with SGL is of special importance as soon as the Fuel Cell Components business segment has been transferred to SGL Fuel Cell. Currently, the Fuel Cell Components business segment is incorporated in such tax group as part of SGL Carbon GmbH; the Intercompany Agreement is intended to ensure that this incorporation continues to exist in economic terms once the business segment has been spun-off from SGL Carbon GmbH and transferred to SGL Fuel Cell.

To facilitate a uniform group management by SGL, it is also expedient to allow SGL to exert its influence over the management of SGL Fuel Cell in the overarching interest of the Group by means of this domination agreement. Therefore, a legally secure basis for issuing instructions to the management of SGL Fuel Cell would exist, without a corresponding shareholder resolution being required. According to the predominant view, the sole shareholder of a company with limited liability may issue instructions even without a shareholder resolution, yet this is not completely uncontroversial legally. This uncertainty will be eliminated by a domination agreement that also permits disadvantageous instructions to a large degree. In addition, the organizational incorporation required for a tax group with respect to the sales tax is ensured by a domination agreement.

As the Fuel Cell Components business segment is currently already being operated by a company belonging to SGL Group with which a domination and profit and loss transfer agreement with SGL as the controlling company exists, the results of this business segment already apply to SGL through the existing profit transfer and/or loss absorption. Therefore, from an economic standpoint, nothing changes for SGL by the intended separation and this Intercompany Agreement.

d. No expedient alternatives to the Intercompany Agreement

There is no economically plausible alternative to the conclusion of the Intercompany Agreement. In particular, the benefits of the Intercompany Agreement describe in the foregoing cannot be achieved in the same way by entering into a different intercompany agreement. No tax group regarding income tax will be established with an isolated and sole domination agreement, with an isolated sole profit and loss transfer agreement, the desired facilitation of the uniform group management could not be achieved. Also transformation measures are not expedient and would probably be associated with considerably higher costs. Other suitable and expedient alternatives are not visible, and it is especially not an option not to enter into an agreement.

2. Presentation of the Intercompany Agreement

The Intercompany Agreement is a Domination and Profit and Loss Transfer Agreement according to § 291 Abs. 1 AktG and has the following main content:

Financial integration (§ 1)

SGL Fuel Cell has been a wholly owned subsidiary of SGL since its formation, and therefore also since the beginning of the ongoing fiscal year of SGL Fuel Cell on January 1, 2022.

Domination (§ 2)

With the Intercompany Agreement, SGL Fuel Cell will submit the management of its company to SGL. SGL is accordingly then entitled to issue instructions to the management of SGL Fuel Cell regarding the management of the company; in the absence of any deviating regulations, instructions given in the interest of SGL or of the SGL Group may be issued even if they are disadvantageous to SGL Fuel Cell. SGL Fuel Cell agrees to comply with the instructions given by SGL. The management and the representation of SGL Fuel Cell continue to be incumbent upon the management body of this company. Pursuant to § 299 AktG, SGL may however not issue instructions to the management of SGL Fuel Cell to amend, maintain or terminate the Intercompany Agreement.

Profit Transfer (§ 3)

In § 3 (1) of the Intercompany Agreement SGL Fuel Cell agrees, commencing with the fiscal year in which the Agreement is entered in the Commercial Register (i.e., probably beginning with FY 2022), to transfer its profits to SGL pursuant to § 301 AktG, as amended from time to time.

Pursuant to § 3 (2) of the Intercompany Agreement, SGL Fuel Cell may form other profit reserves with the consent of SGL during the term of the Intercompany Agreement, insofar as such reserves are permitted under commercial law and are justified in economic terms from the standpoint of a reasonable commercial assessment.

According to § 3 (3) of the Intercompany Agreement other profit reserves formed pursuant to § 272 (3) of the German Commercial Code (*Handelsgesetzbuch = HGB*) during the term of the Intercompany Agreement are to be dissolved at the request of SGL – insofar as this is legally permissible – and to be used to compensate for an annual deficit or transferred as profit. Other reserves and the profits carried forward and the profit reserves stemming from the period prior to the validity of the Intercompany Agreement, may not be transferred to SGL as profit. The same shall apply to capital reserves regardless of whether they were formed prior to or after the Intercompany Agreement came into force.

Absorption of Losses (§ 4)

Pursuant to § 4 of the Intercompany Agreement SGL is obligated to absorb the losses of SGL Fuel Cell during the term of the Agreement in accordance with the provisions § 302 AktG, as amended from time to time. During the term of the Agreement therefore, SGL Fuel Cell cannot have any accumulated loss, i.e., the corresponding amount is to be booked as a receivable by SGL Fuel Cell prior to adoption of the annual financial statements, so that SGL bears the economic risk of SGL Fuel Cell. The cause of the loss is insignificant in this respect.

Duration and termination of the Agreement (§ 5)

To be valid, the Intercompany Agreement still requires the consent of the Annual General Meeting of SGL and the Shareholder Meeting of SGL Fuel Cell as well as the subsequent entry into the Commercial Register where SGL Fuel Cell is domiciled. It will then be valid once it has been entered into the Commercial Register and will then apply retroactively – except for the right to issue instructions according to § 2 – for the period as of January 1, 2022. On the other hand, SGL may only issue instructions pursuant to § 2 of the Intercompany Agreement as of the entry of the Intercompany Agreement into the Commercial Register.

The Intercompany Agreement is being concluded for an unlimited period. It may ordinarily be terminated with a notice period of six (6) months to the end of a fiscal year of SGL Fuel Cell, but by no earlier than the expiration of the fiscal year after the termination of which the income tax group has fulfilled its minimum term under tax law; that is five years according to the current legal situation.

In addition, the contracting parties also have the possibility to terminate the Intercompany Agreement for an important reason without compliance with a notice period for the termination. In particular but not limited to the following, an important reason may exist if due to the sale of shares or for other reasons, the prerequisites for the financial integration of SGL Fuel Cell into SGL Carbon no longer exist in terms of tax law after the completion of the respective measure, if SGL contributes its stake in SGL Fuel Cell to another company or if SGL or SGL Fuel Cell are merged, demerged, or wound up.

Insofar as the Intercompany Agreement is not or not completely recognized for tax purposes, this taxable minimum term shall begin as of the first fiscal year of SGL Fuel Cell, for which the prerequisites for the tax recognition of the Intercompany Agreements have been met for the first time or once again.

Final provisions (§ 6)

Amendments of any kind to the Intercompany Agreement shall require the consent of the Annual General Meeting of SGL and the Shareholder Meeting of SGL Fuel Cell. The consent of the Shareholder Meeting of SGL Fuel Cell must be unanimous and shall require the entry into the Commercial Register of SGL Fuel Cell. Any amendment or modification of this Intercompany Agreement must observe the relevant formal requirements (written form unless notarial certification is required).

Finally, and in the event of any gaps, nullity, invalidity, or unenforceability of individual clauses of the Agreement, a customary “escape clause” is to be agreed that will ensure that any gaps in the provisions are filled appropriately.

3. Miscellaneous

The Intercompany Agreement does not contain any provisions regarding appropriate compensation (corresponding to § 304 AktG) or any severance payment (corresponding to § 305 AktG) for the external shareholders of SGL Fuel Cell, as all shares of SGL Fuel Cell are held by SGL and therefore there is no external shareholder. For this reason, a valuation of SGL Fuel Cell and an audit of the Intercompany Agreement pursuant to § 293b AktG are omitted.

SGL Fuel Cell Components GmbH

Wiesbaden, 15. March 2022

sgd. Stefanie Schnee
(Managing Director)

sgd. Uli Wittenborn
(Managing Director)

SGL Carbon SE

Wiesbaden, 15. March 2022

sgd. Dr. Torsten Derr
(CEO)

sgd. Thomas Dippold
(CFO)