

REMUNERATION REPORT OF PNE AG FOR THE 2022 FISCAL YEAR

In the following remuneration report prepared by the Board of Management and Supervisory Board, the Company reports on the remuneration awarded and due to the members of the Board of Management and Supervisory Board in accordance with Section 162 (1) sentence 1 of the German Stock Corporation Act (Aktiengesetz, AktG).

BOARD OF MANAGEMENT AND REMUNERATION OF THE BOARD OF MANAGEMENT MEMBERS

Principles of the Currently Applicable Remuneration System for the Board of Management in the 2022 Fiscal Year

The remuneration system for the members of the Board of Management of PNE AG makes a significant contribution to promoting the business strategy of PNE AG. For this purpose, the remuneration of the Board of Management members is based on various parameters, including the size of the company and the group of companies, the economic environment, the complexity of the Board of Management activities and the position of the company and its subsidiaries as well as the performance of the Board of Management as a whole and the experience and performance of the individual board members. In order to take these factors into account appropriately and to ensure compliance with the currently applicable benchmarks, the remuneration policy of the Board of Management is regularly reviewed by the Supervisory Board of the Company.

The remuneration system is structured in a way that promotes the sustainable and long-term corporate development of PNE AG and the achievement of the strategic corporate objectives. For this purpose, total remuneration of the individual Board of Management members consists of fixed and performance-related remuneration components. In addition, these two main remuneration components are supplemented by a package of non-performance-related additional benefits, which are linked to the activity of the Board of Management members for PNE AG (incl. insurance cover, company car).

The performance-related remuneration of the Board of Management members is, in turn, based on short-term and long-term targets, with the long-term targets predominating in order to ensure sustainable corporate development. This is intended to account for the medium- and long-term development of the Company in the remuneration system. The relevant parameters for the achievement of short-term and long-term targets are defined in target agreements between the Company and the respective Board of Management member. In terms of the long-term corporate strategy, the main parameters are performance indicators such as the Group EBITDA, the price of the PNE share over a defined assessment

period as well as, with regard to the short-term performance-related remuneration, individual personal targets of the individual members of the Board of Management, which are defined as part of the target agreements.

Particularly due to the sometimes long project development periods, the fixed remuneration and long-term performance-related remuneration components are of essential importance at PNE AG.

The members of the Board of Management are not granted shares or share options as remuneration. However, the development of the Company's share price is taken into account within the framework of the targets for the long-term performance-related remuneration.

The overall structure and level of the Board of Management remuneration are determined by the Supervisory Board – based on the proposals of the Supervisory Board's Personnel Committee – through the remuneration system and the individual contracts and target agreements. The remuneration and the parameters used for determination are regularly reviewed by the Supervisory Board. In designing the currently applicable remuneration system, the Supervisory Board also sought external expertise and compiled a peer group of 15 listed companies (TecDax, ÖkoDax) to determine the remuneration level.

The Board of Management remuneration system is also determined by the Supervisory Board based on the proposals of the Personnel Committee.

The last adjustment to the Board of Management remuneration system was made in 2019 with effect from January 1, 2020.

The current remuneration system for the Board of Management has been submitted to the General Meeting of PNE AG on May 19, 2021 for approval. The General Meeting approved this remuneration system by a majority of 93.6%.

Overview of the Remuneration Components of the Board of Management

The remuneration system of PNE AG consists of fixed remuneration of the members of the Board of Management as well as performance-related remuneration with short-term and long-term components and, in addition, further non-performance-related benefits (fringe benefits). Target and maximum amounts have been set for the individual components for the members of the Board of Management:

			Mr. Lesser	Mr. Klowat
Non-performance-related remuneration	Fixed remuneration	Annual amount:	EUR 370,000.00	EUR 325,000.00
		Payment in twelve equal instalments (pro rata if the contract term begins or ends during the year)		
	Fringe benefits	Annual amount approx.:	EUR 50,000.00	EUR 50,000.00
Performance-related remuneration	Short-term performance-related remuneration	Annual target amount:	EUR 148,000.00	EUR 130,000.00
		Maximum amount:	EUR 207,200.00	EUR 182,000.00
		The bonus is due and payable after the Supervisory Board meeting on the approval of the annual financial statements for the fiscal year that was decisive for the achievement of the relevant short-term target.		
	Long-term performance-related remuneration	Annual target amount:	EUR 222,000.00	EUR 195,000.00
Maximum amount:		EUR 499,500.00	EUR 438,750.00	
		The due dates and payment dates of the individual components of the long-term performance-related remuneration are described below in the section on long-term performance-related remuneration.		
Total remuneration	Target remuneration		EUR 790,000.00	EUR 700,000.00
	Maximum remuneration		EUR 1,126,700.00	EUR 995,750.00

In addition, withholding and clawback provisions are also part of the Board of Management remuneration system of PNE AG.

The following table shows the relative shares of the remuneration components fixed remuneration, short-term performance-related remuneration, long-term performance-related remuneration and fringe benefits, in the maximum remuneration of the Board of Management members:

Relative shares of the remuneration components in annual maximum remuneration

	Mr. Lesser	Mr. Klowat
Fixed remuneration	approx. 32.84 %	approx. 32.64 %
Short-term performance-related remuneration	approx. 18.39 %	approx. 18.28 %
Long-term performance-related remuneration	approx. 44.33 %	approx. 44.06 %
Fringe benefits	approx. 4.44 %	approx. 5.02 %
Maximum remuneration	100.00 %	100.00 %

The following table shows the relative shares of the remuneration components fixed remuneration, short-term performance-related remuneration, long-term performance-related remuneration and fringe benefits in the target remuneration of the Board of Management members:

Relative shares of the remuneration components in annual target remuneration

	Mr. Lesser	Mr. Klowat
Fixed remuneration	approx. 46.84%	approx. 46.43%
Short-term performance-related remuneration	approx. 18.73%	approx. 18.57%
Long-term performance-related remuneration	approx. 28.10%	approx. 27.86%
Fringe benefits	approx. 6.33%	approx. 7.14%
Target remuneration	100.00%	100.00%

Fixed Remuneration of the Board of Management

The fixed remuneration is a fixed salary based on the full year, which is paid in twelve equal instalments after the end of a month. If a member leaves the Company during the year, the entitlement to remuneration accrues on a pro rata basis.

Short-term Performance-related Remuneration of the Board of Management

As part of their performance-related remuneration, the members of the Board of Management are granted short-term performance-related remuneration based on a one-year target.

The short-term performance-related remuneration is based firstly on Group EBITDA and secondly on one or two personal targets for the members of the Board of Management, which are set each year individually for each Board member as part of a corresponding target agreement. The targets should be in line with the guidance published in the forecast report. The total amount attributable to short-term performance-related remuneration (approx. 40% of variable remuneration) is allocated to the individual short-term targets (32% to the Group EBITDA target and 8% to the personal targets). With regard to the Group EBITDA as a performance criterion, the targets which are decisive for the short-term performance-related remuneration are intended to form an incentive for the Board of Management to actually achieve corresponding profitability of the Company and thus to create a central basis for sustainable and successful management of PNE; the personal targets provide the Supervisory Board with a set of instruments to establish incentives for specific individual successes of a member of the Board of Management, which simultaneously also promote the interests of the Company.

In the case of personal targets, only a target achievement rate of 100% is relevant; otherwise, the agreed target is considered not achieved.

The target achievement rate for the financial performance indicator (i.e., the Group EBITDA target) can range from 75% to 125%. Unless otherwise agreed, the Board of Management member is entitled to the full amount of this portion of the short-term performance-related remuneration if 100% of the respective target has been achieved; if less than 75% of the defined target for Group EBITDA has been achieved, the Board of Management member is not entitled to this share of short-term performance-

related remuneration; if between 75% and 100% of the target has been achieved, the respective pro-rated amount is calculated by linear interpolation using 75% as the base. From a target achievement level of 100% to 125%, the Board of Management member receives an additional bonus, which can be a maximum of 50% of this remuneration component with full achievement of this target, with this value of 50% to be applied if the target achievement is 125%. Between 100% and 125%, the value is calculated by linear interpolation. The amount of the performance-related remuneration for a particular fiscal year is determined by the Supervisory Board after approval of the consolidated financial statements for the fiscal year to which the target agreement relates.

Degree of target achievement and share of short-term performance-related remuneration to be distributed in relation to Group EBITDA:

Target achievement rate	< 75 %	75 %	100 %	>= 125 %
Percentage distribution of short-term performance-related remuneration (based on Group EBITDA)	0 %	75 %	100 %	150 %

Intermediate values are determined by interpolation.

Long-term Performance-related Remuneration of the Board of Management

In addition to short-term performance-related remuneration, the long-term performance-related remuneration is the second component of variable remuneration for the Board of Management members. With a view to the sustainable and long-term development of the Company, greater value is placed on this component within the framework of the remuneration system. For this reason, long-term performance-related remuneration accounts for 60% of total performance-related remuneration if targets are fully achieved.

Here, one or more targets are set annually. They each relate to a period ("assessment period") of at least three years and apply to the duration of the assessment period. With a view to the long-term development of the Company, the long-term performance-related remuneration shall be divided equally between two financial performance indicators, namely (i) e.g., average Group EBITDA and (ii) e.g., the average weighted share price in the last year of the assessment period. Accordingly, the long-term performance-related remuneration of the Board of Management is based, on the one hand, on the Company's earnings development and, on the other, on the stock market value with a medium- to long-term perspective.

The target achievement rate for the long-term target "average Group EBITDA" can range from 75% to 125%, as is already the case for short-term performance-related remuneration. The decisive average Group EBITDA is determined by the Supervisory Board in a target agreement between the Board of Management member and the Company. The long-term performance-related remuneration component, which is based on Group EBITDA and currently amounts to 30% of total performance-related remuneration, is due to the Board of Management member if 100% of the target set for Group EBITDA is achieved. If less than 75% of the defined target is achieved, the Board of Management member is not entitled to this share of the performance-related remuneration. If between 75% and 100% of the target

is achieved, the Board of Management member is entitled to a pro rata amount of this remuneration component, with 75 % of this remuneration component being paid out if 75 % is achieved. From a target achievement level of 100 % to 125 %, the Board of Management member receives an additional bonus, which can be a maximum of 50 % of this remuneration component with full achievement of this target, with this value of 50 % to be applied if the target achievement is 125 %. Between 100 % and 125 %, the value is calculated by linear interpolation.

As a general rule, a target achievement rate of 100 % is taken as the basis for the long-term target "Group EBITDA" in the first year of an assessment period, irrespective of actual results, and a corresponding payment is arranged, unless the Board of Management member requests in writing that the payment be made only after the target achievement rate has been finally determined. No Board of Management member has made use of this option. Adjustments are possible in the second and third year. This is done by means of a subsequent payment, insofar as a higher target achievement is expected, or by repayment by the Board of Management member if the achievement of the target appears to be impossible. The additional payment may also be waived on the basis of a written declaration by the Board of Management member concerned. In the year following the end of an assessment period, a final settlement is made.

The target value for the average weighted share price is determined by the average weighted share price of the last year prior to the start of the assessment period with an annual increase in the value of the share of 15 % during the assessment period, with dividends actually paid within the assessment period being deducted from the average weighted share price of the last year of the assessment period. Any capital increases or decreases are also to be taken into account. The target achievement rate for the long-term target "average weighted share price of the last year of the assessment period" is determined by mutual agreement between the Supervisory Board and the Board of Management each year as part of the target agreement for the new assessment period; this is a target corridor for the share price to be achieved. The amount to which the Board of Management member is entitled for this part of the long-term performance-related remuneration is, in turn, based on the target achievement value for the long-term target. This portion of the long-term performance-related remuneration is due in full to the respective Board of Management member if the median amount of the defined target corridor (equal to 100 %) has been achieved. If the long-term target is not achieved within the corridor, the Board of Management member is not entitled to this portion of the performance-related remuneration. With a target achievement rate within the corridor, the Board of Management member receives a pro-rata amount of this portion of the long-term performance-related remuneration. Linear interpolation is performed between the values for the attainment. From a target achievement value above the mean value of the defined target corridor up to the maximum value of the target corridor, the Board of Management member is granted a bonus payment in addition to the full value of the long-term performance-related remuneration, up to a maximum of 50 % of this share of the long-term performance-related remuneration, which is granted upon achievement of the maximum value of the target corridor. Linear interpolation is performed between the mean target achievement value and the maximum value of the target corridor.

Although the Board of Management of PNE AG does not receive any shares or share options, it is intended that, in the long term, part of the members' performance-related remuneration will be linked to the development of the share price of PNE AG. For this purpose, a special payment is agreed in the event of an increase in the share value beyond the agreed corridor. However, the additional possible remuneration in the form of a special payment is capped so that the maximum remuneration per year cannot be exceeded in this way either. For this purpose, if the maximum remuneration is exceeded, the share price is reduced arithmetically until the maximum remuneration amount is no longer exceeded.

For the target "weighted average share price", too, a target achievement rate of 100% is taken as the basis in the first year of an assessment period, irrespective of the actual results, and a corresponding payment is made in full, unless the Board of Management member requests in writing that the payment be made only after the target achievement rate has been finally determined. No Board of Management member has made use of this option. Adjustments are possible in the second and third year. This is done by means of a subsequent payment, insofar as a higher target achievement is expected, or by repayment by the Board of Management member if the achievement of the target appears to be impossible. The additional payment may also be waived on the basis of a written declaration by the Board of Management member concerned. In the year following the end of an assessment period, a final calculation is made for the "weighted average share price" target.

The long-term performance-related remuneration determined in each case is due and payable after the Supervisory Board meeting on the approval of the annual financial statements for the fiscal year that was decisive for the respective achievement of the long-term target.

Non-performance-related Fringe Benefits for the Board of Management

In addition to the fixed remuneration and the variable performance-related remuneration components, the members of the Board of Management receive additional non-performance-related benefits. The relative share of this remuneration component is currently approx. 4 to 5% of the possible maximum remuneration or 6 to 7% of the target remuneration. The regular fringe benefits agreed in the employment contracts of the members of the Board of Management include premiums for health, care and accident insurance, continued payment of remuneration in the event of illness, an allowance for retirement benefits and for capital-forming benefits. In addition, the members of the Board of Management are provided with a company car and a company mobile phone by PNE AG.

The fringe benefits granted to members of the Board of Management are subject to fixed regulations and are thus also limited in amount.

The members of the Board of Management of PNE AG are also included in the coverage by a financial loss liability insurance (D&O insurance) taken out by the Company, taking into account a deductible corresponding to the provisions of Section 93 (2) sentence 3 of the German Stock Corporation Act.

Withholding and/or Clawback Provisions relating to the Board of Management Remuneration

The remuneration system of PNE AG and the remuneration agreements with the members of the Board of Management provide for withholding, adjustment and clawback clauses in the following cases:

- With regard to the disbursement policy concerning the long-term targets, a repayment claim has been agreed. In principle, a target achievement rate of 100% is taken as a basis in the first year of an assessment period, unless the respective Board of Management member requests that the payment be made only after the achievement of the long-term target has been finally determined. In subsequent years, repayment may be required to the extent that the achievement of the long-term target appears to be impossible. If it is determined at the end of an assessment period for a long-term target that the target achievement rate is less than 75% and therefore no entitlement exists or the share already paid out is higher than the entitlement determined at the end of the assessment period, the Company has a conclusive repayment claim regarding a long-term target. Instead of receiving a repayment, the Company is also entitled to offset it against a claim by the Board of Management member for payment of a performance-related remuneration component.
- The Supervisory Board has a unilateral right of adjustment within the meaning of Section 87 (2) of the German Stock Corporation Act in the event of an unfavorable development of the key performance indicators targeted as part of the long-term planning, which the Supervisory Board can exercise to reduce the variable remuneration amounts in the interests of the Company.
- In addition, if exceptional circumstances arise, the parameters for short-term or long-term targets may be adjusted insofar as it would be inequitable for the Board of Management to maintain them, in particular in view of developments. For example, the share price target is deemed to have been achieved if the Company were to be delisted, as the possibility of achieving a share price target would no longer be possible or only possible to a limited extent.

Maximum Limits for the Remuneration of the Board of Management

Under the remuneration system agreed to date, an annual cap on the Board of Management remuneration was also set and agreed with the members of the Board of Management. This ceiling relates to the maximum remuneration (incl. provisions) granted in a year, i.e. not the remuneration actually received in a year. Payment of the remuneration granted for one year can then be made in different periods. As a result, the actual payment may exceed the maximum remuneration set for that year due to the payouts made for past periods in a year. Likewise, refunds may occur.

The maximum annual remuneration of a Board of Management member may not exceed the gross amount of EUR 1,076,700.00 in the case of Mr. Lesser and EUR 945,750.00 in the case of Mr. Klowat; this maximum amount, which is fixed in the employment contracts with the members of the Board of Management, currently excludes fringe benefits (company car, insurance, etc.). The fringe benefits may not exceed the amount of EUR 50,000.00 per member of the Board of Management.

Taking into account the highest possible fringe benefits, this results in maximum remuneration of EUR 1,126,700.00 for Mr. Lesser and EUR 995,750.00 for Mr. Klowat.

Benefits on Termination of the Board of Management Mandate in Special Cases

The following special provisions regarding the termination of Board of Management mandates are included in the remuneration agreements:

- It has been agreed between the Company and the members of the Board of Management that if the term of their contract ends during the year because they are not reappointed, the performance-related remuneration for the fiscal year in question will be paid pro rata temporis. The Supervisory Board and the respective member of the Board of Management shall make an assumption as to how likely it is that the target will be achieved by the end of the relevant assessment periods and to what extent. For the year of departure, the estimated target achievement rate of the Board of Management member is decisive. For the following year, the estimate of the Board of Management member is generally decisive (unless obviously different), with the target achievement rate assumed to be at least 50%. For the following year, a target achievement rate of 100% is to be assumed – unless obviously different. The payment/repayment is made when the Board of Management member leaves the Company. There is no subsequent adjustment.
- In the event of revocation of the appointment without the Company terminating the employment contract for good cause, the Board of Management member is entitled to a one-off severance payment instead of the generally agreed remuneration claims resulting from the contract. The severance payment is subject to a severance payment cap of twice the total remuneration actually received by the Board member in the last full fiscal year – including the bonus payments made in that fiscal year for previous fiscal years – plus any provisions or liabilities recognized for long-term bonus components). If the remaining term of the employment contract on the date of revocation is less than two years, the severance cap is reduced pro rata temporis.
- In the event of a change of control, the members of the Board of Management have a special right of termination, which they can exercise within two months following the change of control by giving fourteen days' notice. A change of control has occurred if a third party notifies the Company in accordance with Section 33 of the German Securities Trading Act (WpHG) that it has reached or exceeded a participation of 50% in the voting shares of the Company. If the special right of termination is exercised, the member of the Board of Management is entitled to the agreed fixed salary for the remaining term of the contract, which is to be paid out in one amount without discounting. In addition, the respective Board of Management member is entitled to a special bonus of 100% of the bonuses expected up to the originally agreed end of the contract, limited by a severance cap of 150% of the severance cap agreed for the revocation of the appointment without termination of the employment contract.

- If a member of the Board of Management resigns and their employment contract is terminated for good cause, all claims to payment of performance-related variable remuneration shall lapse without compensation, unless they were already due and payable at the time the termination took effect.

Individual Remuneration of the Board of Management Members in the 2022 Fiscal Year

Remuneration Awarded and Due

The remuneration within the meaning of Section 162 (1) sentence 1 of the German Stock Corporation Act awarded and due to the members of the Board of Management in the 2022 fiscal year is illustrated below. Furthermore, it is explained to what extent the remuneration awarded and due corresponded to the remuneration system applicable to the 2022 fiscal year or to what extent it deviated from it. It also explains the performance criteria used.

In detail, the following remuneration within the meaning of Section 162 (1) sentence 1 of the German Stock Corporation Act was awarded and due to the members of the Board of Management in the 2022 fiscal year:

Remuneration awarded and due	2022		Markus Lesser 2021		2020	
	(€k)	(%)	(€k)	(%)	(€k)	(%)
Remuneration component						
Fixed remuneration	370	36.89	370	41.48	370	40.84
Short-term performance-related remuneration	207	20.64	207	23.21	148	16.34
Long-term performance-related remuneration	389	38.78	278	31.17	352	38.85
<i>of which for the 2017–2019 period</i>	–	–	–	–	63	6.95
<i>of which for the 2019–2021 period</i>	–	–	–	–	289	31.90
<i>of which for the 2020–2022 period</i>	56	5.58	278	31.17	–	–
<i>of which for the 2021–2023 period</i>	333	33.20	–	–	–	–
Fringe benefits	37	3.69	37	4.15	36	3.97
Total – remuneration awarded and due	1,003	100.00	892	100.00	906	100.00

Remuneration awarded and due	2022		Jörg Klowat 2021		2020	
	(€k)	(%)	(€k)	(%)	(€k)	(%)
Remuneration component						
Fixed remuneration	325	36.63	325	41.24	325	40.12
Short-term performance-related remuneration	182	20.51	182	23.10	130	16.05
Long-term performance-related remuneration	341	38.46	244	30.96	320	39.51
<i>of which for the 2017–2019 period</i>	–	–	–	–	60	7.41
<i>of which for the 2019–2021 period</i>	–	–	–	–	260	32.10
<i>of which for the 2020–2022 period</i>	49	5.49	244	30.96	–	–
<i>of which for the 2021–2023 period</i>	293	32.97	–	–	–	–
Fringe benefits	39	4.40	37	4.70	35	4.32
Total – remuneration awarded and due	887	100.00	788	100.00	810	100.00

Fixed Remuneration

The basic remuneration was in line with the remuneration system applicable to the 2022 fiscal year and approved by the General Meeting. Performance criteria are not applicable with regard to the basic remuneration, as this is a fixed remuneration.

Short-term Performance-related Remuneration

The short-term performance-related remuneration received by the members of the Board of Management in 2022 was based on the remuneration system applicable for the 2022 fiscal year. Accordingly, Mr. Lesser received short-term performance-related remuneration of EUR 207,200.00 and Mr. Klowat received short-term performance-related remuneration of EUR 182,000.00 for the 2022 fiscal year. This short-term performance-based remuneration is considered "remuneration due", as the underlying service has been fully rendered by the reporting date of December 31, 2022, but payment will not be made before April 2023. Irrespective of the fact that payment is not made until after the end of the reporting year, this is intended to achieve transparent and comprehensible reporting on short-term performance-related remuneration and to ensure a relation between activity and the agreed remuneration specific to the relevant period.

In line with the remuneration system, the short-term performance-related remuneration was based on Group EBITDA on the one hand and on personal targets agreed with the Board of Management members on the other. In this respect, a personal target was agreed with Mr. Lesser in relation to the scale up strategy 2.0 and a personal target was agreed with Mr. Klowat in relation to the Group's financing activities. In the opinion of the Supervisory Board, the personal targets were fully achieved by both members of the Board of Management. The guidance-based target for Group EBITDA in 2022 was significantly exceeded. As a result, both members of the Board of Management had reached the maximum amount of short-term performance-related remuneration for the 2022 fiscal year in accordance with the remuneration system.

Long-term Performance-related Remuneration

As long-term performance-related remuneration, an amount of EUR 388,500.00 was paid to Mr. Lesser and an amount of EUR 341,250.00 to Mr. Klowat in April 2022; no further remuneration components were granted to the members of the Board of Management under the long-term performance-related remuneration system in the 2022 fiscal year, nor are any such benefits due. Therefore, the relevant targets for the long-term performance-related remuneration granted relate in equal parts to average Group EBITDA in a three-year assessment period and to the share price performance in an assessment period of also three years (cf. also the explanations on the system of long-term performance-related remuneration above on pp. 6 et seqq.). An amount of EUR 333,000.00 of the total amount of EUR 388,500.00 paid to Mr. Lesser as long-term performance-related remuneration was attributable to the 2021 to 2023 assessment period; the remaining amount of EUR 55,500.00 related to the 2020 to 2022 assessment period. An amount of EUR 292,500.00 of the total amount of EUR 341,250.00 paid to Mr. Klowat as long-term performance-related remuneration was attributable to the 2021 to 2023 assessment period; the remaining amount of EUR 48,750.00 related to the 2020 to 2022 assessment period. In accordance with the provisions of the remuneration system, the payment of the long-term performance-related remuneration granted in 2022 was in each case only made on a provisional basis. To determine the amounts that were paid in relation to the 2021 to 2023 assessment period, a target achievement rate of 125% was assumed for the target of 2021 to 2023 average Group EBITDA and for the target relating to the share price performance 2021 to 2023, full target achievement was assumed; for both target achievements, it was also assumed, in addition, that there will also be an entitlement to a bonus payment. Whether and in what amount the Board of Management members are finally entitled to the remuneration payments granted for the 2021 to 2023 assessment period will not be decided until after the end of 2023. If actual target achievement in terms of Group EBITDA or share price performance is lower than the amounts used as a basis for the calculation of the amounts granted, this would be offset against other payments to the Board members or otherwise repaid by the Board members. It has been determined by now, however, for the amounts paid with regard to the 2020 to 2022 assessment period, that a target achievement of 125% has been reached or exceeded for the average Group EBITDA; the target relating to the share price performance was also fully achieved and there is furthermore an entitlement to a bonus payment. Therefore, any offsetting or repayment with regard to the amount of EUR 55,500.00 EUR paid to Mr. Lesser and the amount of EUR 48,750.00 paid to Mr. Klowat no longer comes into question.

The remuneration agreements relevant in this respect were based on the objective that the long-term development of the Company is promoted if the development of Group EBITDA and the share price development are considered over a longer period of three years. Above all, the multi-year comparison periods are intended to provide an incentive to increase the Company's earning power sustainably and thus in the long term. By looking at the share price performance over a period of three years, the aim is also to create a significant incentive to achieve a sustainable and long-term increase in the enterprise value, which will also directly benefit the shareholders.

Voluntary Supplemental Disclosure:

In addition, it is pointed out that the members of the Board of Management have also been promised long-term performance-related remuneration for their activities in the 2022 fiscal year in accordance with the remuneration system applicable for the 2022 fiscal year. As a result, Mr. Lesser will receive a payment of EUR 333,000.00 and Mr. Klowat a payment of EUR 292,500.00 in April 2023. In accordance with the remuneration system, depending on how the average Group EBITDA and the price of the PNE share will have developed in the years 2022 to 2024, it will be decided whether and in what amount the members of the Board of Management are entitled to the long-term performance-related remuneration promised in the 2022 fiscal year and to be paid out in 2023. In assessing the payments scheduled for April 2023, it is to be assumed in each case that the target achievement rate in relation to both targets will be above 125% and that a corresponding bonus entitlement will also be achieved as a result. However, if the actual target achievement level is lower, this would be taken into account in 2025 through corresponding offsets or repayments to the debit of the Board of Management members.

Fringe Benefits

The fringe benefits were in line with the remuneration system applicable for the 2022 fiscal year. Performance criteria are not applicable to fringe benefits because, as with fixed remuneration, they are firmly agreed remuneration components.

Additional Disclosures on the Board of Management Remuneration pursuant to Section 162 (1) and (2) of the German Stock Corporation Act

The members of the Board of Management are not granted any shares or share options in the Company as part of their contractually agreed remuneration. However, the Supervisory Board recommends that the members of the Board of Management acquire shares in PNE AG if the long-term target "average weighted share price" is achieved, whereby hedging is to be avoided.

There was no clawback of variable remuneration components from members of the Board of Management in 2022.

There are no contractual deviations from the general remuneration system.

The remuneration system for the members of the Board of Management applied and described above on p. 1 et seqq. has been approved by the Annual General Meeting of PNE AG on May 19, 2021. The General Meeting's resolution approving the remuneration system was adopted with a majority of 93.58%. In light of this high percentage of votes in favor, there were no reasons to deviate from the application of the remuneration system.

Based on the parameters set by the Supervisory Board and the appropriately agreed targets, all members of the Board of Management did not receive more than the maximum remuneration.

No benefits were promised to the Board of Management members by third parties with regard to their activities as members of the Board of Management.

SUPERVISORY BOARD AND REMUNERATION OF THE SUPERVISORY BOARD

Principles of the Currently Applicable Remuneration System for the Supervisory Board in the Year 2022

The remuneration of the Supervisory Board of PNE AG is determined by corresponding resolutions of the General Meeting pursuant to § 11 of the Articles of Association. This is fixed remuneration, which increases, in addition to the basic amount and the attendance fees, if it refers to the Chairman or Deputy Chairman of the Supervisory Board and/or any committee members/chairpersons. There are no plans to include an additional variable remuneration component. This type of remuneration was resolved by the General Meeting. In addition to the relevant fixed remuneration, the actual time and effort expended by individual Supervisory Board members in attending meetings is also taken into account through attendance fees. The fixed remuneration ensures the basis of and the incentive for continuous monitoring and accomplishment of the tasks of the Supervisory Board in the interest of PNE AG, without making this dependent on external factors or specific economic developments of PNE AG.

In addition to the monetary remuneration, PNE AG also bears the costs of a financial loss liability insurance (D&O insurance) for the members of the Supervisory Board as a fringe benefit component.

The current remuneration system for the Supervisory Board was submitted to the General Meeting of PNE AG on May 19, 2021 for approval. The General Meeting approved this shareholder remuneration by a majority of 99.7%.

Remuneration of the Supervisory Board

Pursuant to § 11 of the Articles of Association, the Supervisory Board of PNE AG receives a fixed remuneration, which is based on the position of the individual member of the Supervisory Board, their participation in the Supervisory Board meetings and their activities in the committees of the Supervisory Board. The General Meeting of the Company is responsible for determining the remuneration of the Supervisory Board.

According to the Articles of Association, the Chairman of the Supervisory Board receives EUR 120,000.00, the Deputy Chairman EUR 90,000.00 and the other members of the Supervisory Board EUR 60,000.00 as fixed remuneration; in addition, each member of the Supervisory Board receives EUR 1,000.00 per meeting. The Chairman of the Audit Committee receives fixed remuneration of EUR 30,000.00 and each other member of the Audit Committee EUR 15,000.00 as additional remuneration. The chairpersons of other Supervisory Board committees receive additional remuneration of EUR 20,000.00. The total remuneration of all members of the Supervisory Board in the 2022 fiscal year amounted to EUR 442,000.00 (prior year: EUR 409,000.00).

Mr. Donzelli, Mr. Oppenauer and Mr. van't Noordende issued a written declaration to the Company that they waive their fixed remuneration and the attendance fees granted pursuant to the Articles of Association for their term of office.

In addition, the Company bears the cost of directors' and officers' liability insurance for all members of the Supervisory Board (D&O insurance).

Individual Remuneration of the Supervisory Board Members in the 2022 Fiscal Year

The following tables show the remuneration of the Supervisory Board members in the 2022 fiscal year and, for comparison, in the 2020 and 2021 fiscal years, in each case including the relative proportions of the individual remuneration components, i.e. fixed remuneration, remuneration for membership of committees and attendance fees.

In accordance with § 11 of the Articles of Association, the total Supervisory Board remuneration is not payable until after the end of the General Meeting in the following year. The remuneration stated in each case is therefore regarded as "remuneration due", as the underlying performance of the Supervisory Board members has been rendered in full by the reporting date of December 31, 2022. Accordingly, the tables show the amounts due to the Supervisory Board members for their activity in the 2022 fiscal year, even though payment will not be made until May 2023. Irrespective of the fact that payment is not made until after the end of the reporting year, this is intended to achieve transparent and comprehensible reporting on Supervisory Board remuneration and to ensure a relation between activity and the agreed remuneration specific to the relevant period.

Remuneration due	Per Hornung Pedersen					
	2022		2021		2020	
	(€k)	(%)	(€k)	(%)	(€k)	(%)
Remuneration component						
Fixed remuneration	120.0	77.42	120.0	80.00	120.0	79.47
Committee remuneration	20.0	12.90	20.0	13.33	20.0	13.25
Attendance fees	15.0	9.68	10.0	6.67	11.0	7.28
Total	155.0	100.0	150.0	100.0	151.0	100.0

Remuneration due	Marcel Egger					
	2022		2021		2020	
	(€k)	(%)	(€k)	(%)	(€k)	(%)
Remuneration component						
Fixed remuneration	60.0	56.60	60.0	58.82	60.0	57.69
Committee remuneration	30.0	28.30	30.0	29.41	30.0	28.85
Attendance fees	16.0	15.09	12.0	11.76	14.0	13.46
Total	106.0	100.0	102.0	100.0	104.0	100.0

Remuneration due	Dr. Susanna Zapreva					
	2022		2021		2020	
	(€k)	(%)	(€k)	(%)	(€k)	(%)
Remuneration component						
Fixed remuneration	60.0	66.67	60.0	68.97	60.0	67.42
Committee remuneration	15.0	16.67	15.0	17.24	15.0	16.85
Attendance fees	15.0	16.67	12.0	13.79	14.0	15.73
Total	90.0	100.0	87.0	100.0	89.0	100.0

Christoph Oppenauer*

Remuneration due	2022		2021		2020	
	(€k)	(%)	(€k)	(%)	(€k)	(%)
Remuneration component	0.0	0.00	0.0	0.00	0.0	0.00
Fixed remuneration	0.0	0.00	0.0	0.00	0.0	0.00
Committee remuneration	0.0	0.00	0.0	0.00	0.0	0.00
Attendance fees	0.0	0.00	0.0	0.00	0.0	0.00
Total	0.0	0.00	0.0	0.00	0.0	0.00

*Waiver declared for remuneration of the full period in office

Alberto Donzelli*

Remuneration due	2022		2021		2020	
	(€k)	(%)	(€k)	(%)	(€k)	(%)
Remuneration component	0.0	0.00	0.0	0.00	0.0	0.00
Fixed remuneration	0.0	0.00	0.0	0.00	0.0	0.00
Committee remuneration	0.0	0.00	0.0	0.00	0.0	0.00
Attendance fees	0.0	0.00	0.0	0.00	0.0	0.00
Total	0.0	0.00	0.0	0.00	0.0	0.00

*Waiver declared for remuneration of the full period in office

Marc van't Noordende*

Remuneration due	2022		2021		2020	
	(€k)	(%)	(€k)	(%)	(€k)	(%)
Remuneration component	0.0	0.00	0.0	0.00	0.0	0.00
Fixed remuneration	0.0	0.00	0.0	0.00	0.0	0.00
Committee remuneration	0.0	0.00	0.0	0.00	0.0	0.00
Attendance fees	0.0	0.00	0.0	0.00	0.0	0.00
Total	0.0	0.00	0.0	0.00	0.0	0.00

* Member of the Supervisory Board since May 2022. / Waiver declared for remuneration of the full period in office

Roberta Benedetti*

Remuneration due	2022		2021		2020	
	(€k)	(%)	(€k)	(%)	(€k)	(%)
Remuneration component	40.0	67.80	0.0	0.00	0.0	0.00
Fixed remuneration	10.0	16.95	0.0	0.00	0.0	0.00
Committee remuneration	9.0	15.25	0.0	0.00	0.0	0.00
Attendance fees	59.0	100.00	0.0	0.00	0.0	0.00
Total	59.0	100.00	0.0	0.00	0.0	0.00

* Member of the Supervisory Board since May 2022.

Remuneration due	Florian Schuhbauer*					
	2022		2021		2020	
	(€k)	(%)	(€k)	(%)	(€k)	(%)
Remuneration component						
Fixed remuneration	25.0	78.13	60.0	85.71	60.0	84.51
Committee remuneration	0.0	0.00	0.0	0.00	0.0	0.00
Attendance fees	7.0	21.88	10.0	14.29	11.0	15.49
Total	32.0	100.0	70.0	100.0	71.0	100.0

* Member of the Supervisory Board until May 2022.

Remuneration due	Dr. Jens Kruse*					
	2022		2021		2020	
	(€k)	(%)	(€k)	(%)	(€k)	(%)
Remuneration component						
Fixed remuneration	0.0	0.00	0.0	0.00	37.5	73.89
Committee remuneration	0.0	0.00	0.0	0.00	6.3	12.32
Attendance fees	0.0	0.00	0.0	0.00	7.0	13.79
Total	0.0	0.00	0.0	0.0	50.8	100.0

* Member of the Supervisory Board until May 2020.

Remuneration due	Andreas M. Rohardt*					
	2022		2021		2020	
	(€k)	(%)	(€k)	(%)	(€k)	(%)
Remuneration component						
Fixed remuneration	0.0	0.00	0.0	0.00	25.0	80.65
Committee remuneration	0.0	0.00	0.0	0.00	0.0	0.00
Attendance fees	0.0	0.00	0.0	0.00	6.0	19.35
Total	0.0	0.0	0.0	0.0	31.0	100.0

*Member of the Supervisory Board until May 2020

In addition, in accordance with the Articles of Association, the members of the Supervisory Board are entitled to reimbursement of expenses and of the value-added tax payable on their remuneration over and above the remuneration stated.

No member of the Supervisory Board provided personal services (such as consulting services) for PNE AG or its affiliated companies in the 2022 fiscal year and therefore did not receive any other remuneration based on such services.

COMPARATIVE PRESENTATION OF THE ANNUAL CHANGE IN THE REMUNERATION OF THE CORPORATE BODIES, INCLUDING DEVELOPMENT OF EARNINGS AND THE AVERAGE REMUNERATION OF EMPLOYEES OF PNE AG

Principles of Presentation

In the following, the percentage change in the remuneration of the members of the Board of Management as well as the members of the Supervisory Board is compared in each case with the earnings development of PNE AG and with the average remuneration of the employees on a full-time equivalent basis. The change in the 2022 and 2021 fiscal years compared to the respective previous year is considered. For years further back, PNE has not yet collected the necessary data on employee remuneration on a full-time equivalent basis. With regard to the remuneration of the members of the corporate bodies and the development of the Company's earnings, we follow the view closely based on the wording of the law, according to which only an annual change from the previous year to the reporting year is to be disclosed.

Insofar as the development of earnings is based on the development of the annual result (net income/net loss), the basis for the indicated annual change is the annual result shown in the annual financial statements of PNE AG prepared, audited and approved in accordance with the provisions of the German Commercial Code (Section 275 (2) no. 17 HGB). Insofar as the development of earnings is based on the Group EBITDA, the basis for the respective change is the Group EBITDA reported in the audited and approved consolidated financial statements of PNE AG prepared in accordance with IFRS.

The group of employees taken into account comprises the employees working for the PNE Group in Germany and abroad in the respective year, converted to full-time equivalents. The resulting average number of full-time employees for a given year was compared with the total gross remuneration paid in that year (including all special payments such as Christmas bonuses, vacation pay, supplements, lump sums, benefits in kind, etc.). From this, the average annual remuneration as a full-time employee was then determined in each case, as well as finally its stated annual change.

Annual Change in the Remuneration of Board of Management Members in Comparison

Comparative presentation acc. to Sec. 162 (1) no. 2 AktG	Annual change 2022 vs. 2021	Annual change 2021 vs. 2020
Board of Management remuneration		
Markus Lesser	12%	-2%
Jörg Klowat	13%	-3%
Earnings development		
Annual result (net income/net loss) of PNE AG	-67%	81%
Group EBITDA	8%	24%
Average remuneration of employees		
Total workforce	1%	3%

The stated changes in the Board of Management remuneration are based on the total of all fixed and performance-related remuneration components received by the respective Board member in a given year. For this purpose, the standards of Section 162 (1) no. 1 of the German Stock Corporation Act were applied retrospectively in the same way as otherwise used in this remuneration report for Management Board remuneration in the 2022 fiscal year.

Annual Change in the Remuneration of Supervisory Board Members in Comparison

Comparative presentation acc. to Sec. 162 (1) no. 2 AktG	Annual change 2022 vs. 2021	Annual change 2021 vs. 2020
Supervisory Board remuneration		
Mr. Hornung Pedersen	3 %	-1 %
Mr. Oppenauer	-	-
Mr. Donzelli	-	-
Dr. Zapreva	3 %	-2 %
Mr. Egger	4 %	-2 %
Mr. Schuhbauer**	-54 %	-1 %
Mr. Dr. Kruse*	-	-100 %
Mr. Rohardt*	-	-100 %
Mr. van't Noordende****	-	-
Ms. Benedetti***	100 %	-
Earnings development		
Annual result (net income/net loss) of PNE AG	-67 %	81 %
Group EBITDA	8 %	24 %
Average remuneration of employees		
Total workforce	1 %	3 %

* Member of the Supervisory Board until May 2020. / ** Member of the Supervisory Board until May 2022. / *** Member of the Supervisory Board since May 2022 / **** Member of the Supervisory Board since July 2022.

The stated changes in the Supervisory Board remuneration are based on the total of all fixed and performance-related remuneration components received by the respective Supervisory Board member in a given year. This is the sum of the fixed remuneration, the committee remuneration and the attendance fees. To determine the remuneration obtained, the standards of Section 162 (1) no. 1 of the German Stock Corporation Act were applied retrospectively in the same way as otherwise used in this remuneration report for the Supervisory Board remuneration in the 2022 fiscal year.

Report of the Independent Auditor on the Audit of the Remuneration Report in accordance with Section 162 (3) AktG

To PNE AG, Cuxhaven/Germany

Audit Opinion

We conducted a formal audit of the remuneration report of PNE AG, Cuxhaven/Germany, for the financial year from 1 January to 31 December 2022, to assess whether the disclosures required under Section 162 (1) and (2) German Stock Corporation Act (AktG) have been made in the remuneration report. In accordance with Section 162 (3) AktG, we did not audit the content of the remuneration report.

In our opinion, the disclosures required under Section 162 (1) and (2) AktG have been made, in all material respects, in the accompanying remuneration report. Our audit opinion does not cover the content of the remuneration report.

Basis for the Audit Opinion

We conducted our audit of the remuneration report in accordance with Section 162 (3) AktG and in compliance with the *IDW Auditing Standard: Audit of the Remuneration Report pursuant to Section 162 (3) AktG (IDW AuS 870 (08.2021))*. Our responsibilities under those requirements and this standard are further described in the "Auditor's Responsibilities" section of our auditor's report. Our audit firm has applied the requirements of the *IDW Quality Assurance Standard: Quality Assurance Requirements in Audit Practices (IDW QS 1)*. We have fulfilled our professional responsibilities in accordance with the German Public Auditor Act (WPO) and the Professional Charter for German Public Auditors and German Sworn Auditors (BS WP/vBP) including the requirements on independence.

Responsibilities of the Executive Board and the Supervisory Board

The executive board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of Section 162 AktG. In addition, they are responsible for such internal control as they consider necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the disclosures required under Section 162 (1) and (2) AktG have been made in the remuneration report, in all material respects, and to express an audit opinion thereon as part of an auditor's report.

We planned and conducted our audit so as to be able to determine whether the remuneration report is formally complete by comparing the disclosures made in the remuneration report with the disclosures required under Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we did neither audit whether the contents of these disclosures are correct, nor whether the contents of individual disclosures are complete, nor whether the remuneration report has been reasonably presented.

Handling of possible misrepresentations

In connection with our audit, our responsibility is to read the remuneration report taking into account our knowledge obtained in the financial statement audit while remaining attentive to any signs of misrepresentations in the remuneration report regarding the correctness of the disclosures' contents, the completeness of individual disclosures' contents or the reasonable presentation of the remuneration report.

If, based on the work we have performed, we conclude that there is such a misrepresentation, we are required to report that fact. We have nothing to report in this regard.

Hamburg/Germany, 15 March 2023

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed: Christian Dinter

Wirtschaftsprüfer

(German Public Auditor)

Signed: Dr. Jan Fürwentsches

Wirtschaftsprüfer

(German Public Auditor)