



NEXT LEVEL In Transition

Invitation

**to the Annual General Meeting
of GESCO AG, Wuppertal, Germany,
on Wednesday, 30 June 2021 at 11:00 am**

Key figures

		Continuing operations	Continuing operations	
GESCO Group (IFRS)		2020 01/01 – 31/12 full financial year (12 months)	2019 01/04 – 31/12 abbreviated financial year (9 months)	2019 01/04 – 31/12 abbreviated financial year (9 months)
Incoming orders	€ '000	407,092	331,921	403,157
Sales	€ '000	397,225	354,813	439,619
EBITDA	€ '000	33,357	37,005	44,035
EBIT	€ '000	16,693	24,412	23,470
Group net income from continuing operations ¹⁾	€ '000	5,829	14,512	–
Earnings per share	€	0.54	1.34	–
Group net income from discontinued operations ¹⁾	€ '000	- 22,405	- 2,126	–
Earnings per share	€	- 2.07	- 0.20	–
Group net income from continuing and discontinued operations ¹⁾	€ '000	- 16,576	12,386	12,386
Earnings per share	€	- 1.53	1.14	1.14
Total assets	€ '000	390,821	–	506,099
Equity ratio	%	58.3	–	49.5
Employees (as at 31/12)	No.	1,695	1,756	2,718
Share price (31/12 resp. 31/03)	€	18.35	18.86	18.86
Dividend per share	€	0.00	0.23	0.23

¹⁾ After minority interests.

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Invitation to the Annual General Meeting

GESCO AG, Wuppertal, Germany

ISIN DE000A1K0201

Securities Identification Number A1K020

Invitation to the Annual General Meeting

Notice is hereby given that the **Annual General Meeting** will be held on **Wednesday, 30 June 2021 at 11:00 am** (Central European Summer Time – CEST).

The Annual General Meeting will be held as a Virtual Annual General Meeting without the physical presence of shareholders or authorised representatives. Shareholders and authorised representatives will only participate by means of electronic communication according to the terms and information included in this document following the agenda.

Agenda

POINT 1

Presentation of the adopted annual financial statements and approved consolidated financial statements, as well as the management report of GESCO AG and the Group management report, for financial year 2020 (1 January 2020 to 31 December 2020) and the report from the Supervisory Board

At its meeting on 1 April 2021, the Supervisory Board of GESCO AG approved the annual financial statements presented by the Executive Board. The annual financial statements have therefore been approved pursuant to Section 172 German Stock Corporation Act (AktG), according to which a resolution of the Annual General Meeting regarding this matter is not required. The consolidated financial statements were also approved by the Supervisory Board at its meeting on

1 April 2021. In accordance with Section 173 para. 1 sentence 2 AktG, the Annual General Meeting is not required to pass a resolution on this matter either.

The above-mentioned documents and the explanatory report in accordance with Sections 289a and 315a HGB are available online at

www.gesco.de/en/hv

from the day the Annual General Meeting is convened.

POINT 2

Resolution on the approval of the actions of the Executive Board for financial year 2020

The Supervisory Board and Executive Board propose approving the actions of Executive Board members in financial year 2020.

POINT 3

Resolution on the approval of the actions of the Supervisory Board for financial year 2020

The Executive Board and Supervisory Board propose approving the actions of Supervisory Board members in financial year 2020.

POINT 4

Appointment of an auditor for the annual and consolidated financial statements for financial year 2021 (1 January 2021 to 31 December 2021)

The Supervisory Board proposes appointing Mazars GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, Germany, as auditors of the annual and consolidated financial statements for financial year 2021

and for any potential audit of the abbreviated financial statements and interim management report as at 30 June 2021.

The Supervisory Board's appointment proposal was preceded by a selection process conducted in accordance with Article 16 of the EU Audit Regulation (No. 537/2014 of the European Parliament and of the Council of 16 April 2014). The selection process was carried out by the company's Supervisory Board, as the Supervisory Board does not have a separate audit committee.

The Supervisory Board declares that its appointment proposal is free from any undue influence by third parties and that no clause limiting the selection options of the Annual General Meeting within the meaning of Article 16 para. 6 of the EU Audit Regulation was imposed on it.

POINT 5

Resolution on the approval of the remuneration system for the members of the Executive Board

Pursuant to Section 120a para. 1 AktG as amended by the Act Implementing the Second Shareholders' Rights Directive (ARUG II), the annual general meeting of a listed company shall resolve on the approval of the remuneration system for the members of the executive board presented by the supervisory board whenever there is a significant change in the remuneration system, at least every four years.

Taking into account the requirements of Section 87a para. 1 AktG and the recommendations of the German Corporate Governance Code, the Supervisory Board has resolved to amend the remuneration system for the members of the Executive Board with effect for all Executive Board service contracts to be newly concluded or extended following the Annual General Meeting on 30 June 2021. This amended remuneration system will be submitted to the Annual General Meeting for approval.

The Supervisory Board proposes to approve the remuneration system for the members of the Executive Board as outlined below.

System for the remuneration of the members of the Executive Board of GESCO AG

The remuneration system describes the basic features and components of the remuneration of the Executive Board of GESCO AG. It complies with the applicable legal requirements of the German Stock Corporation Act. It also takes into account the recommendations of the German Corporate Governance Code (GCGC) in the version dated 16 December 2019.

1. Basic features of the remuneration system for the members of the Executive Board

GESCO AG acquires successful industrial SMEs as a long-term investor. We see our activities as long-term and sustainable in that we continue and develop proven business models further. Our central task is to exploit growth potentials and secure the Group's viability in the long term. This allows us to create added value for everyone involved, from the shareholders to our employees, from customers to suppliers and business partners of all stripes. Acquiring, retaining and further developing healthy, industrial SMEs – that is GESCO AG's strategy. Under the umbrella of a lean holding the companies are independently operating entities, but with the support of GESCO AG. The goal: a strong group of hidden champions, market and technology leaders.

The remuneration system supports this corporate strategy and enables the sustainable and long-term development of the company by placing special emphasis on the promotion of a long-term and sustainable perspective for Executive Board activities. In particular, the orientation of the variable components based on the Group net income takes into account that the representation of other quantitative targets in the remuneration at a holding company is potentially subject to large and sometimes unpredictable fluctuations and should therefore be avoided. At the same time, this basis for the assessment of the variable component represents the greatest possible alignment with the interests of our shareholders, the company as a whole and the employees. The introduction of a multi-year and share-based component also aims in this direction and serves to best reflect the alignment between strategy, strategy implementation and shareholders' interests.

The remuneration system is designed to be clear and comprehensible, while also avoiding incentives to take disproportionate risks. Through the structuring of the remuneration system in this way, the Supervisory Board aims to offer an appropriate and competitive remuneration to the members of the Executive Board so as to guarantee that qualified Executive Board members remain loyal to GESCO AG in the future and that new members of the Executive Board can be recruited for the company.

This remuneration system for the members of the Executive Board was resolved by the Supervisory Board on 13 May 2021 and applies to all Executive Board service contracts to be newly concluded or extended with effect from the Annual General Meeting on 30 June 2021. In accordance with the German Corporate Governance Code in the version dated 16 December 2019 (GCGC 2020) and Section 26j of the Introductory Act to the German Stock Corporation Act (EgAktG), the previous remuneration system will continue to apply to the Executive Board service contracts in force at that time (see also the declaration of compliance by the Executive Board and Supervisory Board pursuant to Section 161 AktG from December 2020). The individual members of the Executive Board are remunerated in accordance with the remuneration system applicable to them.

2. Process for determining, reviewing and implementing the Executive Board remuneration system

Pursuant to Section 87a of the AktG, the Supervisory Board as a whole decides on a clear and comprehensible system for the remuneration of the Executive Board and determines the remuneration of the member of the Executive Board in accordance with Section 87 para. 1 AktG. There is no delegation of tasks to a committee of the Supervisory Board regarding the Executive Board remuneration system. The remuneration system adopted by the Supervisory Board is submitted to the Annual General Meeting for approval in accordance with the requirements of the German Stock Corporation Act. If the Annual General Meeting does not approve the remuneration system, the Supervisory Board shall submit a revised remuneration system to the next Annual General Meeting for resolution at the latest.

On the basis of the remuneration system presented to the Annual General Meeting, the Supervisory Board shall determine the concrete target total remuneration of the members of the Executive Board. Taking into account the requirements of Section 87 para. 1 AktG, the Supervisory Board determines the appropriateness of the remuneration with regard to the tasks of the respective member of the Executive Board, their personal performance, the financial situation, the success and the future prospects of the company.

The remuneration system is regularly reviewed by the Supervisory Board concerning its appropriateness and traditional structure as well as its compliance with legal requirements. If necessary, the Supervisory Board will decide on changes. The remuneration system is submitted to the Annual General Meeting for approval in the event of significant changes to the remuneration system, at least every four years. In the event that the Supervisory Board draws on an external remuneration expert to develop the remuneration system and assess the appropriateness of the remuneration, it shall ensure that the expert is independent of both the Executive Board and the company.

When evaluating the appropriateness and traditional structure of the remuneration, the Supervisory Board also takes the relationship of the GESCO AG Executive Board remuneration in relation to other, comparable companies (horizontal comparison), as well as the appropriateness of remuneration within the company (vertical comparison), into account. The relevant comparable companies in the horizontal comparison are selected in terms of relevant criteria such as size, industry focus, and structure or strategy to ensure optimum comparability with GESCO AG. When undertaking the vertical comparison, the Supervisory Board assesses the relationship of senior management remuneration and the relationship to the workforce remuneration on the whole, as well as employment conditions, including the development over time. The Supervisory Board defines senior management as the first level below the Executive Board at GESCO AG and the managing directors of the affiliated companies. The total workforce is made up of the entire GESCO AG workforce as well as those of its German subsidiaries.

The generally applicable regulations for dealing with conflicts of interest are also complied with during the process for determining, implementing and reviewing the remuneration system. Conflicts of interest that arise for members of the Supervisory Board must immediately be disclosed to the Chairman of the Supervisory Board. The handling of existing conflicts of interest will be reviewed individually. This means, specifically, that considerations will be made whereby the member affected by the conflict of interest will not participate in the affected deliberations and voting of the Supervisory Board. The Supervisory Board will report on any conflicts of interest that have arisen and how they were remedied within the scope of its annual report to the Annual General Meeting.

3. Components of the remuneration system

3.1 Overview of remuneration components and target total remuneration

The remuneration of the members of the Executive Board is comprised of performance-independent (fixed) and performance-related (variable) components. The fixed components comprise annual base salary, additional benefits and pension commitments. The variable components are constituted from a performance-related, one-year component and a performance-related multi-year, share-based component with long-term incentives.

The total target remuneration is comprised of the sum of the fixed and variable components, with the variable components being based on a 100% target achievement. The individual remuneration components account for the following share of the target total remuneration: Annual base salary contributes approximately 55 - 60%, the performance-related one-year components roughly 13 - 16%, the performance-related multi-year, share-based component 14 - 17%, pension commitments constitute approximately 5 - 9% and additional benefits some 3 - 5%¹⁾.

¹⁾ The share of additional benefits is the share of regularly granted additional benefits based on the empirical values from the previous years. The granting of further additional benefits in individual cases may lead to a higher share of additional benefits. These benefits should always be appropriate in scope. The amount thereof is limited due to the fact that they feed in to the determined target total remuneration.

3.2 Fixed components

The fixed remuneration is granted independently of performance and is comprised of the annual base salary, additional benefits and pension commitments.

3.2.1 Annual base salary

The members of the Executive Board receive an annual base salary, which is paid out at the end of each month in 12 regular instalments.

3.2.2 Additional benefits

In addition to the annual base salary, the members of the Executive Board may be granted the common additional benefits in line with market conditions within the scope outlined above in Section 3.1. These include, in particular, the provision of a company vehicle also for private use, contributions to insurances or subsidies for insurance premiums, contributions to the employers' liability insurance association, provision of a mobile phone also for private use, benefits from bonus and reward programmes (such as frequent flyer miles, hotel reward programmes, credit card bonuses), as well as regular, preventative medical examinations. To the extent that the additional benefits for members of the Executive Board are subject to income tax, the incurred tax must be borne by the individual member of the Executive Board.

3.2.3 Pension commitments

Members of the Executive Board are granted fixed contributions for the duration of their employment contract in the amount of a certain percentage of their annual base salary for the purpose of pension planning. The company pension plan is currently structured to allow the Executive Board to choose whether the company makes an annual contribution comprised of the aforementioned amount for the duration of the employment contract for a company Executive Board pension plan. In this case, the Executive Board is able to select the structure of the company pension plan as it sees fit. Alternatively, the Executive Board can choose to have the

aforementioned amount paid out in twelve regular instalments as a gross amount within the scope of the monthly base salary payment. This allows them to utilise their pension provision within the scope of a private pension plan, such as by means of voluntary membership in the statutory pension plan.

3.3 Variable components

Variable remuneration for members of the Executive Board – comprised of the performance-related one-year component and the performance-related multi-year share-based component – is linked to a performance criterion determined by the Supervisory Board. This is currently Group net income.

The variable remuneration is based on the year's result as this allows for the best interpretation and quantifiable assessment of the business strategy of a holding company with various different shareholdings and business models in its investment portfolio as well as the clear objective of sustainable organic and acquisitions-based growth.

The calculation base for the variable remuneration is the Group net income (after minority interests) for the financial year as reported in the approved consolidated financial statements, less loss carryforwards (after minority interests) from the previous year and less net profit for the year to revenue reserves in accordance with German law or the Articles of Association. The initial amount used for the calculation of the variable component for the remuneration of the members of the Executive Board is based in particular on the pre-determined percentage of the above-mentioned calculation base, what is known as the base amount, as calculated by the Supervisory Board.

The Supervisory Board sets a target value for the Group net income after minority interests for the coming financial year on the basis of the annual company planning, thereby also setting the target value of the calculation base for the performance-related components. Furthermore, the Supervisory Board pre-determines a percentage base value of the

calculation base and determines what portion of said base value will be allocated to the performance-related one-year component (see Section 3.3.1 below) as well as what portion of the base value will be allocated to the performance-related multi-year share-based component (see Section 3.3.2 below). The ratio of the performance-related one-year component and the performance-related multi-year share-based component to the remuneration is calculated in such a way as to favour the share-based component thereby placing the focus on the long-term perspectives of the company.

At the end of a financial year, the Supervisory Board determines the initial amount for variable remuneration of the members of the Executive Board for the respective financial year on the basis of the determined base amount. The Supervisory Board is therefore entitled, within the scope of its due discretion, to change the initial amount by upwards or downwards of 20% so as to take account of extraordinary circumstances or personal performance. Due discretion shall specifically be exercised when taking into account non-financial, social and environmental perspectives with a view towards sustainability as practised by the company.

The initial amount of the variable remuneration determined in this way may be no larger than the annual base salary (cap). There may also be cases where the initial amount is zero. The initial amount of the variable remuneration for new members of the Executive Board can be guaranteed for the first year of activity as of the beginning of activity.

If Group net income after minority interest is negative, in other words the company has made a loss for the year, this loss is carried forward to the next year and reduces the basis for calculating the variable component of Executive Board remuneration. If Group net income after minority interest is negative in the financial year prior to an Executive Board member leaving or in the same year that a member leaves, this particular Executive Board member will share in the loss in the amount of a pre-determined percentage. This amount will not, however, exceed the total variable remuneration earned in the previous three financial years nor

will it exceed the amount of the annual base salary granted in the completed financial year. Should the employment of the member of the Executive Board terminate during the financial year, the participation in shared losses shall be calculated on a pro rata basis. When determining the loss for the financial year in which a member has left, the loss carry-forwards from the previous financial year remain unconsidered. The company's claim for reimbursement is due for payment within a pre-determined period. Should expenses included in the basis of assessment relevant for the Executive Board's shared loss participation be reimbursed in whole or in part by minority party benefits following the end of the Executive Board member's employment contract, the loss relevant to the particular member of the Executive Board's shared loss participation will be recalculated taking into account these reimbursements and, where applicable, any reimbursements made in excess by the member of the Executive Board will be repaid to the Executive Board member.

The initial amount of variable remuneration determined for a financial year is granted in accordance with the weighting as determined by the Supervisory Board within the framework of the base amount as comprised of a performance-related one-year remuneration component as well as a performance-related multi-year share-based component.

3.3.1 Performance-related, one-year component

The performance-related one-year component of the variable remuneration is due for payment in cash following approval of the consolidated financial statements by the Supervisory Board, at the latest eight months after the end of the financial year.

3.3.2 Performance-related, multi-year share-based component

The performance-related, multi-year share-based component portion of the initial amount is granted in the form of a virtual share-option programme with a term of four years in accordance with the following requirements.

The initial amount attributable to the performance-related, multi-year share-based component is converted into a number of virtual shares by dividing the amount as at a reporting date by the average GESCO AG share price (average price of the GESCO share in the last three months before the reporting date). At the end of a four-year term, the number of virtual shares is multiplied by the average GESCO AG share price at the end of said term (average price of the GESCO share in the last three months before the end of the term), after which the total amount of dividends accrued during the four-year term is added to determine the amount to be paid. The total amount is paid out in cash in accordance following the corresponding approval by the Supervisory Board.

The share-based remuneration allows the members of the Executive Board to directly participate in the sustainable development of the company, as it is structured over several years. This ensures that Executive Board members have a significant interest in the positive development of the GESCO share, as they are the ones who can effectively influence it through the implementation of the business strategy.

3.4 Malus / clawback regulations

The Executive Board's variable remuneration – both the performance-related one-year component and the performance-related multi-year share-based component – are subject to the malus and clawback regulations. In serious cases of a breach of due diligence duties by a member of the Executive Board pursuant to Section 93 AktG (including corresponding violations of the Code of Conduct constituted by a breach of Section 93 AktG) or their duties outlined in the service contract, the Supervisory Board may either partially or wholly withhold outstanding variable remuneration (malus) as well as demand repayment of variable remuneration which has already been paid (clawback). The Supervisory Board shall decide as to whether and in which scope this option will be exercised after due consideration.

3.5 Maximum remuneration

The Executive Board remuneration is limited in consideration of all remuneration components pursuant to Section 87a para. 1 sentence 2 no. 1 AktG (maximum remuneration). Maximum remuneration limits the total of all remuneration payments to a member of the Executive Board for a financial year and comprises all remuneration components including annual base salary, all variable components, additional benefits and pension commitments. The maximum remuneration for members of the Executive Board is € 950,000.

4. Remuneration-related legal transactions

4.1 Terms and termination of Executive Board service contracts – appointment or dismissal during the financial year

The term of the Executive Board service contracts is based on the period of appointment of an Executive Board member and is extended by the corresponding period of re-appointment. The Executive Board contracts usually run for a term of between three and five years. Shorter terms are possible in individual, special cases.

An ordinary right to terminate is not included in the contracts, however, both parties may terminate the contract without notice given good cause.

In cases where a member of the Executive Board joins or resigns during a financial year, remuneration is generally granted on a pro rata basis.

Upon termination of the service contract, outstanding variable remuneration amounts – both performance-related one-year components and performance-related multi-year share-based components – will be settled and paid out in accordance with agreed remuneration parameters and due dates.

4.2 Benefits upon termination of the Executive Board position

In the event of the dismissal of a member of the Executive Board, the Executive Board remuneration will continue to be granted until the expiration of the contract term at the latest. In the event of a dismissal, the company may release the Executive Board member from the obligation to render their services under consideration of existing leave entitlements, provided that employment is properly accounted for until the expiration of the contract.

All payments and additional benefits made by the company or third parties to the Executive Board member in relation to their position as a member of the Executive Board of the company, taking place in the period following their leaving the Executive Board, may not exceed a total value of two annual base salaries (as based on the total remuneration for the previous financial year and, where applicable, the anticipated total remuneration for the current financial year) and may not be granted in excess of the remaining term of the employment contract (payment cap).

The aforementioned provisions apply accordingly in the event of a mutually agreed termination of the employment relationship.

4.3 Remuneration in cases of secondary employment

The Executive Board undertakes, within the scope of business requirements and upon request of the Supervisory Board, to take on positions on executive and supervisory boards, management or advisory boards, or any similar functions at companies affiliated to GESCO within the meaning of Section 15 AktG or in associations of which the company or an affiliated company is a member or in which the company or an affiliated company has another interest, and to do so without additional remuneration. Any remuneration received by the Executive Board member from intra-Group supervisory board mandates shall be deducted from their Executive Board remuneration. In the event of appointment to supervisory boards outside the Group, the Supervisory Board shall decide as to whether and what extent remuneration is to be deducted.

5. Temporary deviation from the remuneration system

The Supervisory Board may temporarily deviate from the remuneration system if this is deemed necessary for the success of the company in the long term. Such cases may include, for example, the alignment of the remuneration system in the event of a significant change in the company strategy so as to ensure adequate incentives or in the event of a serious economic crisis. The procedure to enact such a deviation requires a resolution by the Supervisory Board stating and appropriately outlining the duration of the deviation, the nature of the deviation itself and the reasons necessitating it. Meaning, why the deviation is necessary to ensure the long-term success of the company. Materially, the Supervisory Board may deviate from the respective share of the individual remuneration components as well as the respective criteria. In certain cases, the annual base salary amount may also be temporarily determined otherwise if it is deemed necessary for the long-term success of the company. It may not, however, exceed the maximum remuneration as determined by the Annual General Meeting. The procedure and provisions determining the remuneration system and the amounts of the individual components constitute those elements of the remuneration system which allow for deviation. The Supervisory Board may, applying due discretion, temporarily reimburse expenditures for extraordinary additional benefits (such as security measures) in the event that a significant change of requirements is determined. Furthermore, the Supervisory Board also has the right to grant extraordinary payments to newly appointed members of the Executive Board as compensation for salary losses from a previous employment relationship or to cover costs occurring from relocation.

In the event that the position of the company deteriorates to such an extent as to make the continued remuneration of the Executive Board burdensome for the company, the Supervisory Board may reduce the remuneration to an appropriate amount in accordance with Section 87 para. 2 AktG.

POINT 6

Resolution on the authorisation to conclude a profit and loss transfer agreement

GESCO AG intends to conclude a profit and loss transfer agreement as the controlling company with Setter GmbH headquartered in Emmerich am Rhein and registered in the commercial register of the district court of Kleve under the number HRB 2907 as the controlled company. The final draft version of the profit and loss transfer agreement was created on 12 May 2021. In order to become effective, the profit and loss transfer agreement requires the consent of the Annual General Meeting of GESCO AG (hereafter also referred to as “**parent company**”) as well as the consent of the shareholders’ meeting of Setter GmbH (hereafter also referred to as “**subsidiary company**”), which is due to take place after the agreement is concluded.

The draft of the profit and loss transfer agreement with Setter GmbH has the following material content:

- The subsidiary company undertakes to transfer its entire profit determined according to commercial principles pursuant to Section 301 AktG to the parent company. Subject to the formation or release of reserves in accordance with the agreement, the maximum permitted amount pursuant to Section 301 AktG is to be transferred. The right to the transfer of profits arises at the end of the financial year of the subsidiary company and is due as of that date or, in the event that the agreement is terminated before that date, on the date of the termination of the agreement.
- The subsidiary company may, with the consent of the parent company, transfer amounts from its net profit for the year to other revenue reserves to a justifiable extent permitted under commercial law and according to prudent commercial judgement (Section 272 para. 3 German Commercial Code [HGB]).
- Revenue reserves formed during the term of the profit and loss transfer agreement (Section 272 para. 3 HGB) are to be released at the request of parent company and to be used to compensate for a net loss for the year or transferred as profit. Other reserves or profits carried forward from a period prior to this

agreement becoming effective may not be transferred as profit and nor may they be used to compensate for a net loss for the year.

- The parent company undertakes to compensate any net loss for the year of the subsidiary company during the term of the agreement without any specific obligation to do so, to the extent that the net loss for the year cannot be compensated by drawing on amounts in other reserves which were transferred to these reserves during the term of the agreement. The obligation to assume losses arises at the end of the financial year of the subsidiary company and is due as of that date or, in the event that the agreement is terminated before that date, on the date of the termination of the agreement.
- The profit and loss transfer agreement comes into force upon entry into the commercial register of the registered office of the subsidiary company and applies retroactively from the beginning of the financial year of the subsidiary company.
- The profit and loss transfer agreement is concluded in perpetuity. The agreement may be terminated by either party with a notice period of three months to the end of the financial year of the subsidiary company, however no earlier than five successive years from the beginning of the financial year in which the legal consequences pursuant to Section 14 para. 1 sentence 1 German Corporate Tax Act (KStG) enter into force (minimum term of the agreement). In the event that this five-year term ends during a financial year of the subsidiary company, the profit and loss transfer agreement may only be terminated as at the end of said financial year of the subsidiary company.
- Both parties may terminate the profit and loss transfer agreement extraordinarily before the expiration of the minimum term of the agreement for good cause. Good causes for termination include all such measures that lead to a discontinuation of the conditions required for the recognition of the consolidation group for income tax purposes, in particular the discontinuation of the financial classification of the subsidiary company into the parent company through the disposal of holdings in the subsidiary company by way of sale or contribution or through a merger, divestment or liquidation of the parent company or the subsidiary company, irrespective of whether this takes effect at the end of a financial year or during the financial year of the subsidiary company.

- In the event that individual provisions of the profit and loss transfer agreement be or become invalid or unenforceable, or should this agreement be found to be incomplete, this agreement contains a standard severability clause.

The Executive Board and the Supervisory Board propose the following:

The profit and loss transfer agreement between GESCO AG and Setter GmbH, registered in the commercial register of the district court of Kleve under the number HRB 2907 is approved in its final form dated 12 May 2021.

Setter GmbH is a wholly owned subsidiary of GESCO AG. As such, no compensation or settlements to external shareholders pursuant to Sections 304 and 305 AktG are to be made. The profit and loss transfer agreement does not need to be audited by an expert auditor (contract auditor) for the same reason.

The report pursuant to Section 293a AktG, outlining and explaining the conclusion and the content of the profit and loss transfer agreement from a legal and economic perspective, as well as additional documents relevant for the adoption of the resolution on this agenda item, are available on the company website at

www.gesco.de/en/hv

from the day the Annual General Meeting is convened.

Conditions for participating in the Annual General Meeting and other disclosures in accordance with Section 121 para. 3 sentence 3 AktG

Conditions for participation in the Virtual Annual General Meeting and exercising of voting rights

In accordance with Section 14 para. 1 of the Articles of Association, in conjunction with Section 123 para. 2 sentences 1 and 2 AktG, only shareholders who have registered on time and whose names are entered in the share register are entitled to participate in the Virtual Annual General Meeting and exercise their voting rights in accordance with the following provisions and information. The registration must reach the company at the latest by **24:00 CEST on 23 June 2021** at the following address:

GESCO AG
c/o Computershare Operations Center
80249 Munich, Germany
Fax +49 89 30903-74675
anmeldestelle@computershare.de

or online via the company's secure InvestorPortal at

www.gesco.de/en/hv

in accordance with procedure. The registration must be made in writing either in German or in English.

Shareholder registration forms and the agenda for the Annual General Meeting will be sent to the shareholders entered in the company's share register by 00:00 CEST on 9 June 2021. Shareholders require authorisation to access the InvestorPortal. Shareholders will be sent the necessary log-in details for the InvestorPortal (shareholder number and associated password) together with the invitation to the Annual General Meeting or, in the case of later registration in the share register, on request.

Pursuant to Section 67 para. 2 sentence 1 AktG, only shareholders registered as such in the share register are recognised by the company. Accordingly, the valid entries in the share register on the day of the Annual General Meeting are applicable. For technical reasons, no amendments to the share register will be made in the period from 24 June 2021 up to and including 30 June 2021. The entries in the share register on the day of the Annual General Meeting therefore correspond to those valid following the last amendment on 23 June 2021. Registering for the Annual General Meeting does not prohibit trade in company shares. Shareholders therefore have full rights of disposal over their shares, even after successful registration for the Annual General Meeting.

Intermediaries, shareholder associations, consultants on share voting rights and any coordinate persons pursuant to Section 135 para. 8 AktG may only exercise voting rights for shares they do not own but for which they are listed as owner in the company's share register based on an authorisation from the beneficial owner.

Virtual Annual General Meeting without the physical presence of shareholders or their authorised representatives

Due to the ongoing COVID-19 pandemic, the Executive Board has, with the approval of the Supervisory Board, chosen to once again organise the Annual General Meeting as a Virtual Annual General Meeting, without the physical presence of shareholders or their authorised representatives. The legal basis for this decision is Section 1 German Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic (GesRueaCOVBekG) of 27 March 2020, in the version applicable to the Virtual Annual General Meeting (German COVID-19 Act – COVID-19-G). To that end

1. the entire Annual General Meeting will be transmitted by video and audio via the InvestorPortal section of the company's website (see also Section "Transmission of the Annual General Meeting"),

2. shareholders will be able to exercise their right to vote by means of electronic communication (by postal vote) and authorise representatives. They will also have the opportunity to exercise their right to vote by postal vote and to authorise representatives via other channels, for example respectively by post (see Sections “Procedure for voting by postal vote”, “Procedure for voting by representatives named by the company” and “Procedure for voting by authorised representative” for further information),
3. shareholders will have the right to ask questions by means of electronic communication (see also section “Shareholders’ right to ask questions”) and
4. deviating from Section 245 no. 1 AktG, shareholders who have exercised their voting rights according to no. 2 above, will be given the opportunity to object to a resolution of the Annual General Meeting without being required to appear at the Annual General Meeting.

Shareholders who have registered on time and whose names are entered in the share register, and their authorised representatives, have access to the Investor-Portal section of the company’s website at

www.gesco.de/en/hv

including on the day of the Annual General Meeting. There they can exercise their right to vote by means of electronic communication (by postal vote) themselves, authorise a third party to exercise those rights, or issue authorisation and instructions to the representatives named by the company, prior to the Annual General Meeting and on the day of the Annual General Meeting. They can also make use of the right to ask questions in advance of the Annual General Meeting, submit statements to be published and, where applicable, object to resolutions of the Annual General Meeting on the day of the Annual General Meeting there. Shareholders will be sent the necessary log-in details for the InvestorPortal together with the invitation to the Annual General Meeting or, if the shareholder is entered into the share register at a later date, by request. Authorised representatives will receive their access details together with their access card.

With regard to the shareholder's right to ask questions, the Executive Board has decided, with the approval of the Supervisory Board, that questions must be submitted at least one day prior to the virtual Annual General Meeting by means of electronic communication. See Section "Shareholders' right to ask questions" for more details about the opportunity to ask questions.

Procedure for voting by postal vote

Shareholders and their authorised representatives have the opportunity to vote by postal vote. In such cases, the shareholder's registration must reach the company by **24:00 CEST on 23 June 2021** (see "Conditions for participating in the Virtual Annual General Meeting and exercising voting rights" above). There are several ways to submit a postal vote:

Firstly, our shareholders and their authorised representatives have the opportunity to use the InvestorPortal section of the company's website at

www.gesco.de/en/hv

to exercise shareholders' voting rights by means of electronic communication by postal vote and, where applicable, to amend or revoke votes submitted by postal vote – including on the day of the Annual General Meeting, until the start of the voting procedure.

Secondly, our shareholders and their authorised representatives can submit postal votes to the company by post, fax or e-mail. Our shareholders will receive a corresponding form together with the invitation to the Annual General Meeting. Authorised representatives will receive the form together with their access card. The postal vote form is also available from the company's website at

www.gesco.de/en/hv

Such postal votes, and amendments to those postal votes (including revocation), submitted by post, fax or e-mail must be received by the company in text form by **24:00 CEST on 29 June 2021**, at the latest, via the following address:

GESCO AG
c/o Computershare Operations Center
80249 Munich, Germany
Fax +49 89 30903-74675
anmeldestelle@computershare.de

Procedure for voting by representatives named by the company

We offer our shareholders and their authorised representatives the opportunity to be represented at the Annual General Meeting by representatives named by the company, who are bound by instructions. In such cases, the shareholder's registration must reach the company by **24:00 CEST on 23 June 2021** (see "Conditions for participating in the Virtual Annual General Meeting and exercising voting rights" above).

If shareholders appoint representatives named by the company, they must provide them with instructions on exercising their voting rights. Without such instructions, the authorisation is invalid. Representatives must vote according to those instructions. Representatives of voting rights will not accept any authorisations for exercising other administrative rights such as the right to ask questions or raise objections. There are several ways to issue authorisations and instructions to the representatives named by the company.

Firstly, our shareholders and their authorised representatives have the opportunity to use the InvestorPortal section of the company's website at

www.gesco.de/en/hv

to issue authorisations and instructions to the representatives named by the company and, where applicable, to amend or revoke them – including on the day of the Annual General Meeting, until the start of the voting procedure.

Secondly, our shareholders and their authorised representatives can submit authorisations and instructions to the company by post, fax or e-mail. In such cases, we ask that they use the authorisation form sent with the invitation to the Annual General Meeting. Authorised representatives will receive the form together with their access card. The form is also available from the company's website at

www.gesco.de/en/hv

Such authorisations including instructions and amendments (including revocation) that are submitted by post, fax or e-mail must be received by the company in text form by **24:00 CEST on 29 June 2021**, at the latest, via the following address:

GESCO AG
c/o Computershare Operations Center
80249 Munich, Germany
Fax +49 89 30903-74675
anmeldestelle@computershare.de

If an authorisation has been issued to a representative named by the company and a postal vote has been submitted (see “Procedure for voting by postal vote” above), the postal votes shall always override the proxy vote; in such cases, the representatives of the company are unable to exercise the authority granted to them and do not represent the shares in question.

Our shareholders shall receive more information concerning the granting of authorisations and voting instructions with their invitation to the Annual General Meeting. This information is also available on the company’s website at

www.gesco.de/en/hv

Procedure for voting by an authorised representative

Voting rights can also be exercised by authorised representatives during the Virtual Annual General Meeting, such as by a bank, shareholders’ association or representative named by the shareholder. However, during this year’s Virtual Annual General Meeting they will either have to vote by post or (further) authorise the representatives named by the company, who is bound by instructions. In such cases, the shareholder’s registration must reach the company by **24:00 CEST on 23 June 2021** (see “Conditions for participating in the Virtual Annual General Meeting and exercising voting rights” above). There are also several ways to issue authorisations:

Firstly, our shareholders and their authorised representatives have the opportunity to use the InvestorPortal section of the company’s website at

www.gesco.de/en/hv

to issue authorisations and, where applicable, to amend or revoke them.

Secondly, our shareholders will receive a form that can be used to issue authorisations, together with the invitation to the Annual General Meeting. Authorised representatives will receive the form together with their access card. The form is also available from the company's website at

www.gesco.de/en/hv

If neither an intermediary nor a shareholders' association, nor a coordinate person or entity in accordance with Section 135 para. 8 AktG is authorised, then authorisation must be issued, amended or revoked in writing, and written proof must be provided to the company. Authorisations, and amendments and revocations, can be submitted by post, fax or e-mail and must be received by the company by **24:00 CEST on 29 June 2021**, at the latest, via the following address:

GESCO AG
c/o Computershare Operations Center
80249 Munich, Germany
Fax +49 89 30903-74675
anmeldestelle@computershare.de

Alternatively, they may be submitted to the representative at any time. If the representative is granted authorisation, proof of such must be sent to the company. It can be sent to the company by post, fax or e-mail to the address above.

If the authorised representative is an intermediary, shareholders' association, or coordinate person or entity in accordance with Section 135 para. 8 AktG, we would kindly ask shareholders to submit an enquiry about the necessary type of authorisation to the person or entity in good time, as a special type of authorisation may be required. No separate proof of authorisation needs to be provided to the company in such cases.

Motions to add points to the agenda in accordance with Section 122 para. 2 AktG

In accordance with Section 122 para. 2 AktG, shareholders whose combined investments account for a pro-rata amount of share capital of € 500,000.00 (or 500,000 no-par value company shares) may motion for points to be added to the agenda and announced. Each new motion must include a reason or proposal.

Any such motion to add points to the agenda must be addressed to the Executive Board and reach the company in writing (Section 126 of the German Civil Code [BGB]), including all legally required statements and documentary evidence, no later than 30 days prior to the Annual General Meeting – in other words, by **24:00 CEST on 30 May 2021**, at the latest, at the following address:

GESCO AG
- Executive Board -
Johannisberg 7
42103 Wuppertal
Germany

Countermotions and proposals for election in accordance with Sections 126 para. 1 and 127 AktG

In accordance with Sections 126 para. 1 and 127 AktG, countermotions and proposals for election by shareholders on a certain point or certain points on the agenda must be directed to the following address by **24:00 CEST on 15 June 2021**, at the latest:

GESCO AG
Investor Relations
Johannisberg 7
42103 Wuppertal
Germany
Fax +49 (0)202 2482049
investorrelations@gesco.de

In accordance with Sections 126 and 127 AktG, any publishable countermotions, proposals for election and potential statements by management will be made available online to shareholders without delay at

www.gesco.de/en/hv

Countermotions and proposals for election are considered as put forward to the Annual General Meeting if the shareholder submitting the motion(s) or proposal for election has been properly authorised and registered for the Annual General Meeting (Section 1 para. 2 sentence 3 COVID-19-G).

Opportunity to submit statements in advance of the Annual General Meeting

In accordance with the German COVID-19 Act, shareholders do not have the right to voice their opinion on the agenda in oral presentations at the Virtual Annual General Meeting. GESCO will therefore offer shareholders – beyond the legally binding requirements pursuant to Section 1 para. 2 COVID-19-G – the opportunity prior to the Virtual Annual General Meeting to submit statements regarding the agenda to be published on the company website at

www.gesco.de/en/hv

Company shareholders who have registered on time and whose names are entered in the share register for the registered shares, and their authorised representatives, may electronically submit their statements to the company in text form or by video, in German, by **18:00 CEST on 24 June 2021** at the latest, via the InvestorPortal. The scope of the statement should not exceed 7,000 characters (including spaces) or, in the case of a video statement, not exceed a length of two minutes. Video statements are only permissible if they feature the shareholder themselves or their authorised representative delivering the statement. By submitting the statement, the submitting shareholder gives their permission for the statement, stating the name of the applicant, to be published on the company website. Further information on submitting statements can be found on the company InvestorPortal. Countermotions, proposals for election, questions and objections to resolutions of the Annual General Meeting in the statements submitted will be disregarded. These are exclusively to be submitted using the separately described procedures in this invitation.

There is no legal right guaranteeing the publishing of a statement. In particular, the company reserves the right not to publish statements without any reference to the agenda of the Annual General Meeting as well as statements whose content and presentation do not meet the requirements laid out for oral presentations to the Annual General Meeting. The same applies for statements whose scope exceeds 7,000 characters (including spaces) or, in the case of a video statement, exceeds a length of two minutes as well as any statements received after the

aforementioned deadlines, or any statements containing offensive, potentially criminal, manifestly incorrect or misleading content. Only one statement per shareholder will be published.

Shareholders' right to ask questions

Pursuant to Section 131 para. 1 AktG, every shareholder or their authorised representative is entitled to request information from the Executive Board on company issues, the company's legal and business relationships with affiliated companies as well as the Group's position and that of companies included in the consolidated financial statements at the physical Annual General Meeting, if such information is necessary to make an informed decision on one of the points on the agenda. There is no such legal shareholders' right to information for the Virtual Annual General Meeting on 30 June 2021 pursuant to Section 1 para. 2 sentence 1 no. 3 COVID-19-G, with shareholders instead being granted the right to ask questions by means of electronic communication.

The Executive Board of GESCO AG has authorised, with the approval of the Supervisory Board, that company shareholders who have registered on time and whose names are entered in the share register for the registered shares, and their authorised representatives, have the option of submitting questions to the company by means of electronic communication at least one day prior to the Annual General Meeting (Section 1 para. 2 sentence 2 sub-section 2 COVID-19-G). This means that questions must be submitted by **24:00 CEST on 28 June 2021** at the latest to the InvestorPortal section of the company's website at

www.gesco.de/en/hv

The Executive Board is free to decide at its due discretion how it wishes to respond to the questions (Section 1 para. 2 sentence 2 sub-section 1 COVID-19-G). It may also summarize specific questions. Only questions in German will be considered. When responding to questions, the name of the submitting shareholder will only be disclosed if consent was given for the disclosure of the name when the question was submitted.

Raising an objection to resolutions of the Annual General Meeting

Shareholders who have exercised their voting rights by way of electronic communication (postal vote) or who authorise representatives will be given the opportunity to object to resolutions of the Annual General Meeting without being required to appear at the Annual General Meeting. These objections must be submitted to the company in accordance with procedure via the InvestorPortal on the company website at

www.gesco.de/en/hv

with submissions possible from the beginning of the Annual General Meeting until its end, meaning its closing by the chair of the meeting. The notary public has authorised the company to accept objections via the InvestorPortal and shall receive all such objections via the InvestorPortal.

Transmission of the Virtual Annual General Meeting

GESCO AG shareholders and their authorised representatives will be able to access a live audio and video stream of the entire Virtual Annual General Meeting on the InvestorPortal from 11:00 CEST on 30 June 2021 on the company website at

www.gesco.de/en/hv

However, the live audio and video stream does not allow for the participation in the Virtual Annual General Meeting within the meaning of Section 118 para.1 sentence 2 AktG. In addition, the company intends to allow interested members of the public to follow the Virtual Annual General Meeting online until the start of the question-and-answer session. The live broadcast will take place at 44-forty four Düsseldorf, Rolandstraße 44, 40476 Düsseldorf, Germany (location of the Annual General Meeting within the meaning of the German Stock Corporation Act). The notary public engaged to take the minutes will be present.

Total number of shares and voting rights

At the time when the Virtual Annual General Meeting was convened, the company's share capital amounted to € 10,839,499.00 and was divided into 10,839,499 no-par value shares. Each share carries one voting right, so that at the time when the Annual General Meeting was convened, voting rights amounted to 10,839,499 in accordance with the Articles of Association. At the time the invitation to the Annual General Meeting was issued, the company held no treasury shares.

Data protection notice

Notices regarding the processing of personal data in relation to the Virtual Annual General Meeting are available from the company's website at

www.gesco.de/en/hv.

Publication of the company's website

This convening notice along with all other documents and information on the Virtual Annual General Meeting, including more detailed explanations regarding the shareholder rights described above and the information to be made available in accordance with Section 124a AktG, are available online at

www.gesco.de/en/hv

Wuppertal, Germany, May 2021

GESCO AG
The Executive Board

Dear Shareholder,

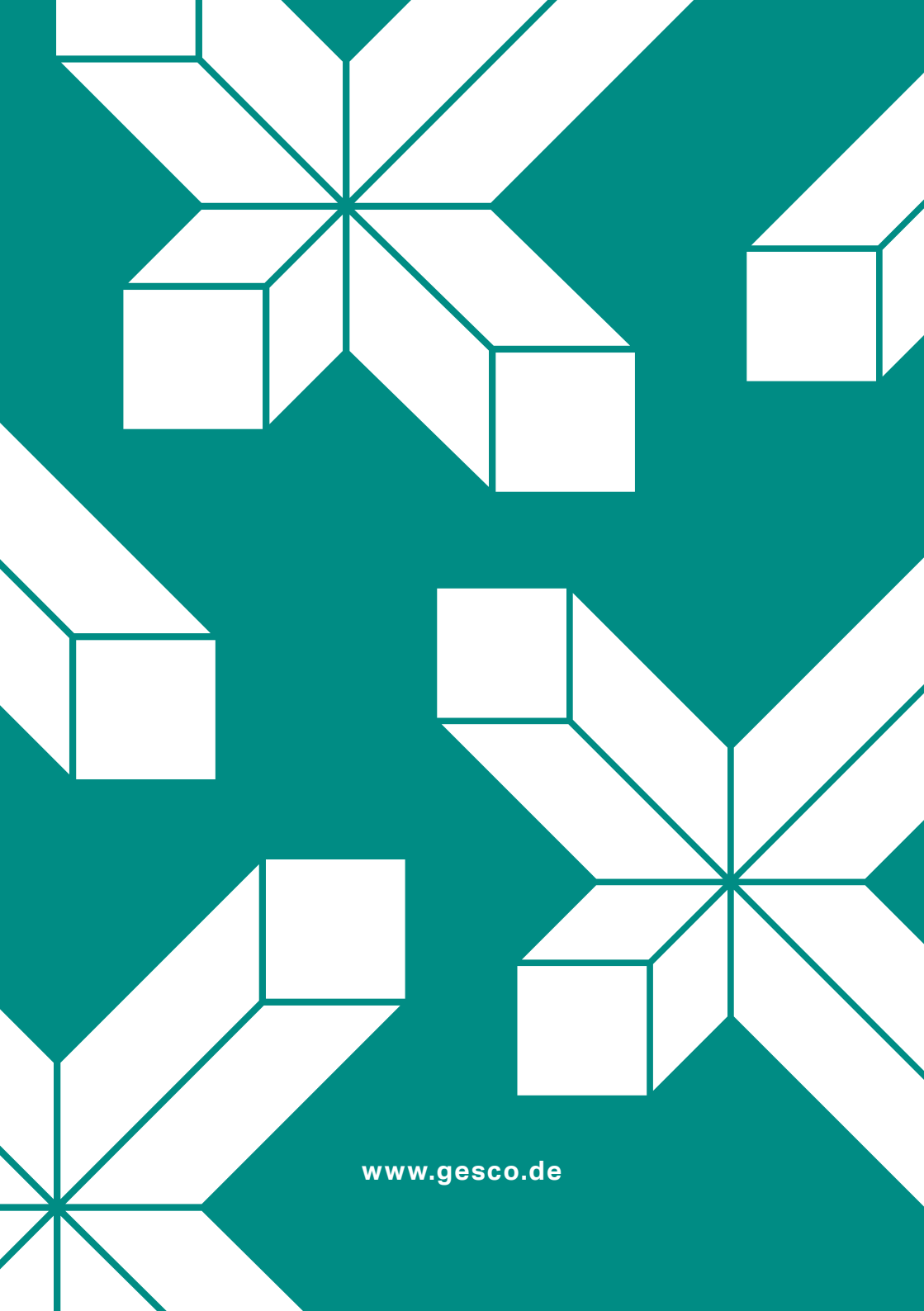
If you would like to be informed regularly, please contact us via e-mail or telephone. Or use the order function on our website at <https://www.gesco.de/en/investor-relations/service-ir-contact/>. We will be happy to add you to our permanent mailing list by post or e-mail.

Shareholder contact

Julia Pschribülla
Head of Investor Relations &
Communications
GESCO AG
Johannisberg 7
42103 Wuppertal, Germany

Phone + 49 (0) 202 24820-18
Fax + 49 (0) 202 24820-49

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