



Explanatory report of the Executive Board pursuant to § 176 (1) of the German Stock Corporation Act (AktG) in respect of the takeover-related disclosures required by § 289a (1) and § 315a (1) of the German Commercial Code (HGB) for the 2018 financial year

Composition of share capital

MVV Energie AG has total share capital of Euro 168,721,397.76. The share capital is divided into 65,906,796 individual non-par registered shares with a prorated amount in the share capital of Euro 2.56 per share. Each registered share entitles its holder to exercise one vote at the Annual General Meeting of MVV Energie AG. The composition of the share capital and the specific rights and obligations thereby accruing to shareholders are consistent with the requirements of law and of the company's Articles of Incorporation.

Restrictions on voting rights and transferability; shares with special rights

To our knowledge, a consortium agreement which includes provisions concerning the exercising of voting rights and the transfer of shares is in place between the City of Mannheim, MKB Mannheimer Kommunalbeteiligungen GmbH (previously: MVV GmbH), MV Mannheimer Verkehr GmbH (previously: MVV Verkehr GmbH) and RheinEnergie AG. There are no shares with special rights conferring powers of control.

Direct or indirect shareholdings exceeding 10 % of voting rights

At the balance sheet date on 30 September 2018, the City of Mannheim indirectly held 50.1 % of the shares in MVV Energie AG. EnBW Energie Baden-Württemberg AG, Karlsruhe (EnBW), held a direct stake of 28.8 %, and RheinEnergie AG, Cologne, also held a direct stake, in this case of 16.3 % of the shares.

Control of voting rights

There is no control of voting rights as defined in § 289a (1) No. 5 and § 315a (1) No. 5. HGB.

Regulations for appointment and dismissal of Executive Board members and to amend Articles of Incorporation

The appointment and dismissal of Executive Board members is based on § 76 et seq. of the German Stock Corporation Act (AktG), and especially on § 84 f AktG and § 30 et seq. of the German Codetermination Act (MitbestG). In line with the company's Articles of Incorporation, its Executive Board consists of at least two members. The Supervisory Board is responsible for determining the number of members, as well as for their appointment and dismissal. Members are appointed for a maximum period of five years, with repeated appointments possible.

Amendments to the Articles of Incorporation of MVV Energie AG are undertaken in accordance with § 133 and § 176 AktG in conjunction with § 19 of the company's Articles of Incorporation. Pursuant to § 19 (1) of the Articles of Incorporation, a simple majority of the share capital with voting entitlement participating in the adoption of a resolution is also sufficient to amend the Articles of Incorporation, unless mandatory legal provisions require a larger majority. The company has therefore drawn on the legal option of determining a capital majority requirement to amend the Articles of Incorporation which differs from that stipulated by law. Pursuant to § 11 (3) of the Articles of Incorporation of MVV Energie AG, the Supervisory Board is authorised to adopt amendments to the Articles of Incorporation that only affect the respective wording and not the contents.

Powers of Executive Board to issue and buy back shares

By resolution on 13 March 2015, the Annual General Meeting authorised the Executive Board until 12 March 2020 to acquire treasury stock up to an amount of 10 % of existing share capital upon adoption of the resolution.

Furthermore, by resolution on 14 March 2014 the Annual General Meeting authorised the Executive Board until 13 March 2019, subject to approval by the Supervisory Board, to increase the share capital by a total of up to Euro 51.2 million, i.e. by up to 30 % of existing share capital, by issuing up to 20 million new individual non-par registered shares on one or several occasions in return for cash and/or non-cash contributions (Authorised Capital 2014).

The Executive Board of MVV Energie AG has not yet made any use of these authorisations.

Change of control clauses and compensation agreements

There are no material agreements at MVV Energie AG that are subject to a change of control resulting from a takeover bid (change of control clauses). The company has also not concluded any compensation agreements with members of the Executive Board or employees for the event of a takeover bid.

Mannheim, January 2019

Dr. Müller

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Dr. Roll