



WashTec AG
Augsburg
German securities identification number (WKN) 750 750
ISIN: DE 000 750 750 1

**Addition to the agenda
for the Annual General Meeting on May 18, 2021**

By announcement of April 7, 2021 in the Federal Gazette, the Annual General Meeting of WashTec AG is convened for Tuesday, May 18, 2021, 10:00 hrs Central European Summer Time (CEST), as a virtual Annual General Meeting without the physical presence of shareholders or their proxy holders (with the exception of Company-designated proxy holders). The Annual General Meeting will be transmitted on the Internet for shareholders by live audio/video stream. Shareholders will be able to exercise their voting rights exclusively by postal vote or by granting proxy to Company-designated proxy holders. The venue of the Annual General Meeting within the meaning of the German Stock Corporation Act (Aktengesetz – AktG) is Stettenstrasse 1-3, 86150 Augsburg, Germany.

Following the above-mentioned convocation of the Annual General Meeting, shareholder Paradigm Capital Value Fund SICAV, Senningerberg, Luxembourg, whose shareholding amounts to at least a EUR 500,000 stake in the share capital, has requested in accordance with Section 122 (2) AktG that the following items be placed on the agenda for the Annual General Meeting and published.

The following agenda item 9 is therefore added to the agenda while retaining the existing agenda items 1 to 8:

At the request of shareholder Paradigm Capital Value Fund SICAV, Senningerberg, Luxembourg:

9. Resolution on a capital increase from Company funds without issuance of new shares and a subsequent ordinary capital reduction together with the related amendments to the Articles of Association

The applicant proposes the following resolutions for adoption:

a) Capital increase from company funds

“In accordance with the provisions of the Stock Corporation Act (AktG) on capital increases from company funds (Sections 207 ff. AktG), the Company’s share capital of EUR 40,000,000.00 is to be increased by EUR 50,000,000.00 to EUR 90,000,000.00 by converting into share capital a EUR 50,000,000.00 portion of the capital reserves shown in the balance sheet as of December 31, 2020. The capital increase will be carried out, without issuing new shares, by increasing the notional portion of the Company’s share capital attributable to each share.

This resolution is based on the annual financial statements of the Company as of December 31, 2020, as adopted by the Management Board and the Supervisory Board. Those annual financial statements were audited and issued with an unqualified audit opinion by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft of Frankfurt am Main (Munich office).

The Management Board is authorized to determine the further details for implementation of the capital increase.

Section 4.1 of the Articles of Association of WashTec AG is to be amended as follows with effect as of the time of filing of the capital increase for entry in the commercial register for the Company:

“4.1 The share capital of the Company is EUR 90,000,000.00 (in words: ninety million euros) and is divided into 13,976,970 no-par-value shares.”

The Management Board is instructed to file the capital increase from company funds pursuant to this letter a) for entry in the Commercial Register only if the Annual General Meeting has approved both resolutions pursuant to letter a) and letter b) of this agenda item and, with regard to sequence, solely before the capital reduction to be resolved under the letter b) below.

b) Ordinary capital reduction

“In accordance with the provisions of the Stock Corporation Act (AktG) on ordinary capital reductions (Sections 222 ff. AktG), the Company’s share capital of EUR 90,000,000.00 is to be reduced by EUR 50,000,000.00 to EUR 40,000,000.00. The capital reduction will be carried out by reducing the notional portion of share capital attributable to each share for the purpose of allocating the EUR 50,000,000.00 reduction amount to the free capital reserves under Section 272 (2) no. 4 of the Commercial Code (HGB).

The Management Board is authorized to determine the further details for implementation of the capital reduction.

Section 4.1 of the Articles of Association of WashTec AG is to be amended as follows with effect as of the time of filing of the capital reduction for entry in the commercial register for the Company:

“4.1 The share capital of the Company is EUR 40,000,000.00 (in words: ninety million euros) and is divided into 13,976,970 no-par-value shares.”

The Management Board is instructed to file the capital reduction pursuant to this letter b) for entry in the Commercial Register only if the Annual General Meeting has approved both resolutions pursuant to letter a) and letter b) of this agenda item.

Reasons for the proposed resolutions

The Applicant is a long-term anchor shareholder in WashTec and has held over 4% of the shares in the Company for seven years. The Applicant attaches particular importance to creating a sustainable capital structure for the companies in its portfolio.

The Applicant acknowledges the Company's consistent positive performance, characterized by a stable, low-risk business model, strong cash flows and operational excellence, as reflected in the Company's exceptionally high equity ratio of 95.6% (39.4% at Group level).

According to its annual financial statements as of December 31, 2020, the Company has capital reserves of approximately EUR 90,845,000. As far as can be seen from publicly available sources, these consist at least predominantly of restricted capital reserves within the meaning of Section 272 (2) no. 1 HGB. Under German stock corporation law, these are subject to strict restrictions on use which, among other things, prevent the amounts from being distributed in dividend payments and make it difficult to exercise the authorization granted to the Company by resolution of the Annual General Meeting of April 29, 2019 to acquire treasury shares up to a total of 10% of the Company's share capital by June 30, 2022.

In order to enable the Company's management to manage the Company's equity efficiently and in line with the market, and to lay the basis for a flexible dividend policy, the Applicant proposes converting a EUR 50,000,000.00 portion of the restricted capital reserve into free capital reserves (Section 272 (2) no. 4 HGB). The purpose of this proposal is to extend the legal scope for action available to the Company's governing bodies with a view to future distributions without placing the Company's management under obligation to make use of this additional latitude.

Flexibility in equity management is of particular importance at a time when interest rates have been in and out of negative territory over a period of some years. All well-managed companies take measures to optimize their capital structure. The proposal allows the Management Board to carry out such optimization.

The conversion of the restricted capital reserves into free capital reserves has to take place in several stages. First, a resolution must be adopted for a capital increase from company funds. This will convert EUR 50,000,000.00 out of the capital reserves into share capital and increase the share capital by that amount without any new shares being issued. The increased share capital must then be reduced in an ordinary capital reduction by the amount of the previously resolved capital increase, thus reverting it to the initial amount without any change in the number of shares. The purpose of the ordinary capital reduction is to allocate the reduction amount to the free capital reserves (Section 272 (2) no. 4 HGB).

No proposal is made for a resolution adjusting the Contingent Capital I provided for by resolution of May 11, 2016. As reported with the Company's annual financial statements for fiscal year 2019, Contingent Capital I expired on May 10, 2019.

Website with information on the Annual General Meeting

The convocation notice for the Annual General Meeting together with the information and explanatory notes required by law and the addition to the agenda are published

in the Investor Relations section of the Company website

www.washtec.de

which also contains the information in accordance with Section 124a AktG and the current version of the Articles of Association of WashTec AG.

Augsburg, April 2021

WashTec AG
The Management Board