- Translation for Convenience -

Ordinary Annual General Meeting of

Heidelberger Druckmaschinen Aktiengesellschaft

on July 25, 2024

Joint report

of the Management Board of Heidelberger Druckmaschinen Aktiengesellschaft

and

of the Management of Heidelberger Druckmaschinen 2. Verwaltungs-GmbH

in accordance with section 293a AktG

on the conclusion of a profit transfer agreement between Heidelberger Druckmaschinen Aktiengesellschaft and Heidelberger Druckmaschinen 2. Verwaltungs-GmbH

I. General information

Heidelberger Druckmaschinen Aktiengesellschaft, with its registered office in Heidelberg (hereinafter "**Heidelberger Druck**") and Heidelberger Druckmaschinen 2. Verwaltungs-GmbH, with its registered office in Walldorf (hereinafter "**2. Verwaltung**"), a direct wholly-owned subsidiary of Heidelberger Druck, have entered into a profit transfer agreement (hereinafter referred to as the "**Agreement**"), in which 2. Verwaltung placed its administration under the control of Heidelberger Druck. Heidelberger Druck, in turn, undertakes to absorb losses from 2. Verwaltung.

The Management Board of Heidelberger Druck and the management of 2. Verwaltung issue the following joint report on the conclusion of the Agreement in accordance with section 293a AktG (German Stock Corporation Act), which, like the other provisions of sections 293 et seq. AktG, also applies in principle to profit transfer agreements with a dependent limited liability company.

II. Parties

The parties to the Agreement are Heidelberger Druck and 2. Verwaltung.

1. Heidelberger Druck

Heidelberger Druck is a listed stock corporation with its registered office in Heidelberg and entered into the commercial register of the Mannheim Local Court under HRB 330004. Heidelberger Druck employs around 4,359 people worldwide in total and generated consolidated sales of around EUR 2.4 billion in the 2023/2024 reporting year. The purpose of the company according to its articles of association is the manufacture, sale and trade of printing presses and other products in the print media industry and the performance of services and advisory services that relate to this. The purpose of the company also includes other products, services and consulting services in the area of mechanical engineering, electronics, electrical engineering and the metal industry.

Heidelberger Druck is authorized to perform all transactions and measures that appear necessary or expedient to achieve the business purpose. In particular, it may establish branch offices in Germany and abroad and form, acquire or participate in companies in Germany and abroad.

The financial year of Heidelberger Druck is the period from April 1 to March 31.

2. 2. Verwaltung

2. Verwaltung is a limited liability company founded in January 2024 with its registered office in Walldorf and entered in the commercial register of Mannheim Local Court under HRB 749895. The company’s share capital amounts to EUR 25,000.00. The financial year of 2. Verwaltung is the period

from April 1 to March 31. The sole shareholder of 2. Verwaltung is Heidelberger Druck.

The purpose of the company in accordance with the Articles of Association is the administration of its own assets.

The company may acquire, hold and dispose of other companies of the same or a similar nature or interests in such companies, including as a personally liable partner. The company may establish branches in Germany and abroad under the same or a different name.

The company may conduct all business and take all actions that directly or indirectly serve the purpose of the company.

2. Verwaltung currently has no employees. At the time of signature to this report, 2. Verwaltung has not yet commenced any business activities. The company has been included in the consolidated financial statements of Heidelberger Druckmaschinen since it was founded in the 2023/2024 financial year.

III. Agreement relating to the profit transfer Agreement

1. Conclusion and entry into effect of the Agreement

Heidelberger Druck and 2. Verwaltung entered into a profit transfer Agreement on May 2, 2024. The approval of the Annual General Meeting of Heidelberger Druck is required in order for this Agreement to become effective. The Management Board and the Supervisory Board of Heidelberger Druck therefore propose to the Annual General Meeting scheduled for July 25, 2024 that it approve the version of the Agreement of May 2, 2024 that is submitted to the Annual General Meeting. Furthermore, the Agreement requires the approval of the shareholder meeting of 2. Verwaltung in order to become effective. It approved the Agreement on May 2, 2024.

Finally, in order to become effective, the Agreement must be entered in the commercial register of 2. Verwaltung in accordance with section 294 (2) AktG. Given the intended retroactive effect of the profit transfer agreement, this therefore applies from the financial year of 2. Verwaltung in which the profit transfer Agreement comes into effect as a result of being entered in the commercial register, i.e. presumably from April 1, 2024.

2. Legal and business reasons for concluding the Agreement

The goal of the Agreement is to create a consolidated tax group for income tax purposes, i.e. a consolidated tax group for corporation and trade tax purposes, between Heidelberger Druck and 2. Verwaltung.

By forming a consolidated tax group of this kind, it will initially be possible to attribute the profits and losses of 2. Verwaltung as the controlled company directly to Heidelberger Druck as the controlling company for tax law purposes and thus to enable both companies to optimize their tax positions.

For 2. Verwaltung, in addition to the positive effects of the business integration, the Agreement will in particular result in benefits through financial security, as Heidelberger Druck is undertaking to settle any losses that may arise. The obligation to transfer profits is not expected to have any significant impact, as Heidelberger Druck, as the sole shareholder, can claim the full profit in any case.

For Heidelberger Druck, the Agreement results in the obligation to absorb the losses of 2. Verwaltung. No particular consequences for the shareholders of Heidelberger Druck arise beyond this; in particular, no settlement or compensation payments to external shareholders as defined by sections 304, 305 AktG will be owed.

3. Notes on specific regulations

a. Section 1 Profit transfer

Section 1 of the Agreement governs the obligation of 2. Verwaltung to transfer all of its profits to Heidelberger Druck, as the controlling company, in accordance with the provisions of section 301 AktG as amended from time to time. The regulation is based on the legal model of section 301 AktG. The transfer of profits is a central prerequisite for a consolidated tax group for income tax purposes and enables the taxable results of the companies included in that tax group to be offset.

Section 1 (2) of the Agreement states that other retained earnings recognized during the term of this agreement must be reversed by 2. Verwaltung at the request of Heidelberger Druck and transferred as profit. The transfer of amounts from the release of other retained earnings or capital reserves formed before the commencement of this Agreement is excluded. In accordance with section 1 (3) of the Agreement, 2. Verwaltung can transfer sums from the net income for the year to other revenue reserves (section 272 (3) HGB) with the approval of Heidelberger Druck to the extent permitted by commercial law and economically justifiable in line with prudent business judgment. In accordance with section 1 (4) of the Agreement, the claim to profit transfer arises at the end of the financial year of 2. Verwaltung. It becomes due on the value date at this time.

b. Section 2 Loss absorption

Section 2 of the Agreement governs the contractual obligation of Heidelberger Druck to absorb losses by referring expressly to the regulation of section 302 AktG as amended from time to time. Heidelberger Druck therefore undertakes to absorb the losses of 2. Verwaltung for the duration of the Agreement. The obligation to compensate losses does not apply if the net loss for the year is settled by withdrawing amounts from the other retained earnings within the meaning of section 272 (3) HGB that have been transferred to these retained earnings during the term of the profit transfer Agreement. In corresponding application of section 302 (3) AktG, 2. Verwaltung cannot waive or settle the claim to loss compensation until three years after the date on which the entry of the termination of the Agreement in the commercial register has been published in accordance with section 10 of the German

Commercial Code. According to section 302 (4) AktG, 2. Verwaltung's claims shall expire ten years after the date on which the entry of the termination of the Agreement in the commercial register was published in accordance with section 10 HGB. The obligation to settle losses ensures that the accounting equity of 2. Verwaltung at the time of the Agreement taking effect is not diminished during the term of the Agreement. The obligation to compensate losses serves to safeguard the proprietary interests of 2. Verwaltung and its creditors for the duration of the existence of the profit transfer Agreement.

c. Section 3 Effective date and duration

Section 3 of the Agreement governs the start, duration and effective date of the Agreement. In accordance with section 3 (1), the Agreement comes into effect when it is entered in the commercial register of 2. Verwaltung. The agreement shall apply retroactively from the beginning of the financial year of 2. Verwaltung in which this agreement is entered in the commercial register of 2. Verwaltung.

In accordance with section 3 (2) sentence 1, the Agreement is concluded for a minimum term of five years, calculated from the start of its validity in accordance with section 3 (1) sentence 2. If this period of five years ends during an ongoing financial year of 2. Verwaltung, the minimum term of the Agreement is extended in accordance with section 3 (2) sentence 2 until the end of that financial year. Thereafter, the Agreement continues indefinitely unless it is terminated in writing with notice of one month in compliance with the above minimum term. The minimum term of five years is a basic requirement for the recognition of the intended consolidated tax group for income tax purposes (section 14 (1) sentence 1 no. 3 of the Körperschaftssteuergesetz (KStG – German Corporation Tax Act) in conjunction with section 17 (1) KStG).

In addition to the minimum term of the Agreement of five years (cf. section 14 (1) sentence 1 no. 3 KStG in conjunction with section 17 (1) KStG), a requirement for the recognition of a consolidated tax group for income tax purposes is that 2. Verwaltung as a dependent company is financially integrated in Heidelberger Druck as the controlling company such that the controlling company is entitled to the majority of the voting rights in the dependent company without interruption from the start of the financial year. Furthermore, the profit transfer Agreement must also actually be implemented during its term.

Regardless of the exclusion of the right of ordinary termination, the Agreement can be terminated in accordance with section 3 (3) sentence 1 without notice for good cause during the minimum term. The right of termination for good cause exists by virtue of the law and cannot be excluded by contract. Good cause always exists in principle if, when weighing up all the circumstances, the terminating party cannot reasonably be expected to continue the contractual arrangement. In accordance with section 3 (3) sentence 2 of the agreement, good cause is also present in particular if Heidelberger Druck no longer holds an equity interest with the majority of voting rights in 2. Verwaltung; if Heidelberger Druck sells or contributes its shares in 2. Verwaltung; if Heidelberger Druck or 2. Verwaltung is merged, spun off, or liquidated; or if an external shareholder acquires an interest in 2. Verwaltung for the first time within the meaning of section 307 AktG.

The result of the termination of the profit transfer Agreement before the end of the statutory minimum term in accordance with section 14 (1) sentence 1 no. 3 KStG in conjunction with section 17 (1) KStG is in principle that the consolidated tax group is retroactively not recognized for tax purposes, unless there is good cause for the termination that is recognized under tax law. This includes in particular the grounds for termination provided as examples in section 3 (3) of the draft Agreement.

d. Section 4 Final provisions

The severability clause contained in section 4 (1) of the Agreement is intended to ensure that the essential content of the Agreement is maintained if individual contractual provisions should prove, contrary to expectations, to be partially or entirely invalid or unenforceable or to contain gaps or omissions. This is a regulation that is typically included in profit transfer agreements. In accordance with section 4 (2) of the Agreement, the provisions of sections 14 and 17 KStG as amended from time to time, or the corresponding successor regulations, apply to the interpretation of the individual provisions of this Agreement. If individual provisions of the Agreement conflict with section 2 (loss absorption), section 2 shall take precedence over these provisions. This, too, is a typical contractual component.

IV. No settlement or compensation rights, no review

As Heidelberger Druck holds all shares in 2. Verwaltung and 2. Verwaltung therefore has no external shareholders, provisions on compensation or settlement claims (sections 304, 305 AktG) are not necessary. There was therefore no need to perform a valuation of the companies involved in order to calculate an appropriate settlement and appropriate compensation. Similarly, no review of the Agreement by a court-appointed auditor (contract auditor) in accordance with sections 293b et seq. AktG is required.

V. Alternatives to the conclusion of the profit transfer Agreement

There is no economically reasonable alternative to the conclusion of the profit transfer Agreement between Heidelberger Druck and 2. Verwaltung that would achieve the objectives described above in an equal or better manner. In particular, the conclusion of a different type of inter-company agreement as defined by section 292 AktG (business lease agreement, business transfer agreement, profit pooling or partial profit transfer agreement) or a business management agreement, a consolidated tax group for income tax purposes cannot be established between Heidelberger Druck and 2. Verwaltung.

Heidelberg, May 2024

The Management Board of Heidelberger Druckmaschinen Aktiengesellschaft

Dr. Ludwin Monz Tania von der Goltz

Walldorf, May 2024

The Managing Director of Heidelberger Druckmaschinen 2. Verwaltungs-GmbH

Dr. Leslie Melters