

- 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 Sales & Service
Management GmbH (formerly Heidelberger Druckmaschinen 1. Verwaltungs-
GmbH)**

in accordance with section 293a AktG

**on the conclusion of a control agreement between Heidelberger
Druckmaschinen Aktiengesellschaft and Heidelberger Druckmaschinen Sales
& Service Management GmbH**

I. General information

Heidelberger Druckmaschinen Aktiengesellschaft, with its registered office in Heidelberg (hereinafter "**Heidelberger Druck**"), and Heidelberger Druckmaschinen Sales & Service Management GmbH, with its registered office in Walldorf (hereinafter "**HSS**"), a direct wholly-owned subsidiary of Heidelberger Druck, have concluded a control agreement (hereinafter "**Agreement**") in which HSS is under the administration of Heidelberger Druck.

The Management Board of Heidelberger Druck and the management of HSS 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 control agreements with a dependent limited liability company.

II. Parties

The parties to the Agreement are Heidelberger Druck and HSS.

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. HSS

HSS 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 749911. The company's share capital amounts to EUR 25,000.00. The financial year of HSS is the period from April 1 to March 31. The sole shareholder of HSS is Heidelberger Druck.

The purpose of the company in accordance with the Articles of Association is the establishment, acquisition and holding of participations in companies active in Germany and abroad that distribute products in the graphics industry, in particular products of the "HEIDELBERG" brand, and/or provide services and training in connection with such products, or develop, manufacture or distribute such products, as well as the provision of all services associated with the purpose of the company. In particular, the company will provide services relating to the management and support of sales and marketing as well as general services to affiliated companies.

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.

HSS currently has no employees. HSS had not yet commenced any business activities as of March 31, 2024. The company has been included in the consolidated financial statements of Heidelberger Druck since its foundation in the 2023/2024 financial year. It is intended that HSS will act as an intermediate holding company for various domestic and foreign subsidiaries of

Heidelberger Druck from approximately July 1, 2024 and that direct and indirect shareholdings in several companies of the Heidelberger Druck Group will be transferred to HSS accordingly. In addition to the holding function, HSS is to provide services for the Group's sales and service companies in particular and consolidate their management.

III. Agreement relating to the control Agreement

1. Conclusion and entry into effect of the Agreement

Heidelberger Druck and HSS concluded a control Agreement on April 26 / 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 April 26 / May 2, 2024 that is submitted to the Annual General Meeting.

Furthermore, the Agreement requires the approval of the shareholder meeting of HSS 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 HSS in accordance with section 294 (2) AktG. The control component of the agreement applies from the time that the Agreement is entered in the commercial register of HSS. Furthermore, the Agreement applies retroactively from the beginning of the financial year of HSS in which the control Agreement becomes effective by being entered in the commercial register, i.e. presumably from April 1, 2024.

2. Legal and business reasons for concluding the Agreement

Following the conclusion of the control Agreement, HSS places its management under the control of Heidelberger Druck. This is intended to ensure that HSS is placed under uniform management, which serves to

reinforce the Group relationship with Heidelberger Druck. As a result of the regulations governing the control of HSS, the Group management powers of Heidelberger Druck are thus strengthened, including in view of possible disadvantageous instructions, which may be advisable in the interests of the Group.

The Agreement supports the formation of a consolidated VAT group between Heidelberger Druck and HSS. A requirement for the formation of a consolidated tax group for VAT purposes is the financial, economic and organizational integration of the company controlled (HSS) into the controlling company (Heidelberger Druck). The organizational integration must be separately verified. The tax authorities generally assume organizational integration, however, when a control agreement is in place. In addition to the positive effects of the business integration, the Agreement will in particular result in benefits for HSS through the financial security it provides, as Heidelberger Druck undertakes to settle any losses that may arise. Because its management is placed under the control of Heidelberger Druck, HSS is required to follow instructions from Heidelberger Druck.

For Heidelberger Druck, the Agreement results in the right to issue instructions to HSS and the obligation to absorb the losses of HSS. 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. It is intended that HSS, acting as the controlling company, will conclude intercompany agreements with its German subsidiaries as dependent companies, under which these subsidiaries must transfer their profits to HSS and HSS may be obliged to settle any net losses of these subsidiaries. Corresponding intercompany agreements still exist between Heidelberger Druck and the respective subsidiaries until the internal Group reorganization takes effect, so that the conclusion of this Agreement will

not result in any changes from the perspective of the shareholders of Heidelberger Druck.

3. Notes on specific regulations

a. Section 1 Control

The contractual control component is included in section 1 of the Agreement. HSS places the administration of its company under the control of Heidelberger Druck. Thus, even beyond its rights under company law, Heidelberger Druck is therefore comprehensively entitled to issue instructions to the management of HSS in the greater interests of the Group. Notwithstanding the right to issue instructions, the management and representation of HSS shall remain the responsibility of the managing directors of HSS. The contractual regulation is based on the legal model of sections 291 (1), 308 AktG. In accordance with section 308 (1) sentence 1, instructions can also be issued that are disadvantageous for HSS if they serve the interests of Heidelberger Druck or the companies affiliated with it or with HSS. Instructions are not permitted, however, in particular if complying with them would infringe upon mandatory statutory regulations or provisions of the articles of association of HSS. Instructions that jeopardize the existence of HSS are also inadmissible. The management of HSS is therefore not entitled to refuse to comply with instructions simply because it believes they do not serve the interests of Heidelberger Druck or the companies affiliated with it or with HSS. It is entitled to do so only if the instruction obviously does not serve these interests, section 308 (2) sentence 2 AktG.

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 HSS 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 control Agreement. In corresponding application of section 302 (3) AktG, HSS 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, HSS'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 HSS 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 HSS and its creditors for the duration of the existence of the control Agreement.

c. Section 3 Effective date and duration

Section 3 of the Agreement governs the 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 HSS. In relation to section 1 (Control) of the Agreement, the regulation applies for the period starting from the time the Agreement is entered in the commercial register of HSS. Moreover, it applies retroactively from the start of the financial year of HSS in which the Agreement is entered in the commercial register of HSS.

According to section 3 (2) sentence 1, the Agreement is entered into for an indefinite period. It can be terminated ordinarily by giving one month's written notice to the end of the financial year of the subsidiary.

Furthermore, the Agreement can be terminated without notice for good cause in accordance with section 3 (3) sentence 1. 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 of the terminating party, it 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 HSS; if Heidelberger Druck sells or contributes its shares in HSS; if Heidelberger Druck or HSS is merged, spun off, or liquidated; or if an external shareholder acquires an interest in HSS for the first time within the meaning of section 307 AktG.

d. Section 4 Final provisions

The severability clause contained in section 4 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 control agreements.

IV. No settlement or compensation rights, no review

As Heidelberger Druck holds all shares in HSS and HSS 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 control Agreement

There is no economically reasonable alternative to the conclusion of the control Agreement between Heidelberger Druck and HSS that would achieve the objectives described above in an equal or better manner. It is true that organizational integration, which is necessary for the intended consolidated tax group for VAT purposes, can also be achieved through

other measures. However, these would not grant Heidelberger Druck in particular any influence corresponding to the right to issue instructions described above.

Heidelberg, May 2024

The Management Board of Heidelberger Druckmaschinen Aktiengesellschaft

Dr. Ludwin Monz

Tania von der Goltz

Walldorf, May 2024

The Managing Directors of Heidelberger Druckmaschinen Sales & Service Management GmbH

Sascha Donat

Dr. David Schmedding