

# **Joint report of the Management Board of PVA TEPLA AG and the management of DESCONPRO engineering GmbH regarding the domination agreement between PVA TEPLA AG and DESCONPRO engineering GmbH**

## **1. General information**

PVA TePla AG, headquartered in Wetttenberg, registered in the commercial register of the local court of Gießen under HRB 6545, ("**PVA TePla**") concluded a domination agreement ("**Domination Agreement**") with desconpro engineering GmbH, headquartered in Hüttlingen, registered in the commercial register of the local court of Ulm under HRB 501496, ("**DESCONPRO**") on [May 7], 2025.

The shareholders' meeting of DESCONPRO approved the domination agreement on May 8, 2025.

In accordance with Section 293a AktG, the Management Board of PVA TePla, together with the management of DESCONPRO, submits the following report on the domination agreement to inform the shareholders and partners of both companies:

## **2. Participating companies**

### **2.1 PVA TePla**

PVA TePla is a listed stock corporation and the parent company of a globally active group of high-tech companies operating in the field of system development for vacuum, high-temperature and plasma processes as well as quality inspections.

PVA TePla's current share capital has remained unchanged since 2008 and amounts to EUR 21,749,988. In fiscal year 2024, the Group generated sales revenues of around EUR 270.1 million and EBITDA of around EUR 47.8 million.

### **2.2 DESCONPRO**

DESCONPRO is a wholly owned subsidiary of PVA TePla. According to the articles of association, the company's purpose is sales, consulting and engineering services in the fields of mechanical and electrical engineering; the production of automation

systems in the fields of mechanical and plant engineering, production control technology and data acquisition systems. DESCONPRO was founded on February 28, 2003 with a share capital of EUR 25,000 (entered in the commercial register of the Ulm district court under HRB 501496 on April 9, 2003). The share capital has remained unchanged since DESCONPRO was founded.

A profit transfer agreement is concluded between PVA TePla and DESCONPRO at the same time.

DESCONPRO will be included in the consolidated financial statements of PVA TePla in the future.

### **3. Legal and economic reasons for the conclusion of the domination agreement**

The control agreement takes into account the close economic and legal relationship that exists between DESCONPRO and PVA TePla. The services of DESCONPRO as a legally independent subsidiary are to be flexibly available to the rest of the Group. PVA TePla hopes that the possibility of exerting direct influence on the management of DESCONPRO will enable it to integrate DESCONPRO into the Group in a more profitable way than simply transferring profits. In addition, a management level for the Material Solutions and Metrology product groups, to which DESCONPRO also belongs, was created at the AG level, which benefits from this opportunity.

The conclusion of the domination agreement is irrelevant for a consolidated tax group for corporate and trade tax purposes between PVA and DESCONPRO; it is not established as a result. In the absence of financial integration, a consolidated tax group for income tax purposes can only be established from the 2026 financial year and also requires the conclusion of a profit and loss transfer agreement.

The effective conclusion of the domination agreement and its entry in the commercial register lead to organizational integration within the scope of the consolidated VAT group (here: from 1.1.2026). If DESCONPRO is also financially and economically integrated into the PVA TePla company ( ), the VAT group is established. The sales within the VAT group are then not taxable (so-called internal sales); advance VAT returns and annual VAT returns must be submitted by PVA TePla (parent company).

## **4. Explanation of the control agreement**

The control agreement essentially contains the following provisions:

### **4.1 § 1 Shareholding structure**

§ Section 1 of the domination agreement states that PVA TePla is the sole shareholder of DESCONPRO and that DESCONPRO has no outside shareholders within the meaning of Section 304 (1) AktG. It is also clarified that the domination agreement is to be concluded separately from the profit and loss transfer agreement.

### **4.2 § 2 Management**

§ Section 2 (1) of the Domination Agreement stipulates that DESCONPRO, as a dependent company, is subject to the management of PVA TePla as the controlling company and that PVA TePla is entitled to issue instructions to the management of DESCONPRO in accordance with Section 308 AktG. The right to issue instructions is a constitutive feature of a domination agreement.

In accordance with Section 2 (2) of the control agreement, DESCONPRO will follow the instructions of PVA TePla.

### **4.3 § 3 Duration**

According to Section 3 (1), the domination agreement shall take effect upon its entry in the commercial register of DESCONPRO, but no earlier than January 1, 2026. According to Section 3 (2), the domination agreement is concluded for an indefinite period of time unless it is terminated in writing with a notice period of six months. § Section 3 para. 3 sentence 1 of the domination agreement stipulates that the right to terminate the agreement for good cause without observing a notice period remains unaffected. The following sentence 2 stipulates that PVA TePla is entitled to terminate for good cause in particular if it sells its stake in DESCONPRO or if one of the cases regulated in R 14.5 para. 6 sentence 2 KStR 2022 or an administrative instruction replacing it applies.

Upon termination of the domination agreement, PVA TePla must provide security to the creditors of PVA DESCONPRO in accordance with Section 303 AktG (Section 3 (4) of the domination agreement).

#### **4.4 § 4 Consents**

§ Section 4 stipulates that the effectiveness of the agreement is subject to approval by the PVA TePla Annual General Meeting and the DESCONPRO shareholders' meeting.

#### **4.5 No compensation or settlement claims, no contract review, further documents**

At the time of the conclusion of the Domination Agreement, PVA TePla directly holds 100% of the shares in DESCONPRO. Therefore, the Domination Agreement does not have to provide for compensation payments or settlements by PVA TePla for outside shareholders of DESCONPRO in accordance with Sections 304 and 305 AktG.

For this reason, an audit of the domination agreement is also not required in accordance with Section 293b (1) AktG.

Reference is also made to the (consolidated) annual financial statements and (consolidated) management reports of PVA TePla for the last three fiscal years, which will also be available on the PVA TePla website at [<https://www.pvatepla.com/investor-relations/hauptversammlung/>] immediately after the convening of the Annual General Meeting of PVA TePla and will be available for inspection at the business premises of PVA TePla from the convening of the Annual General Meeting of PVA TePla.

In summary, the Management Board of PVA TePla and the management of DESCONPRO are of the opinion that the domination agreement is advantageous for both parties.

---

Place, date

**PVA TePla:**

---

Jalin Ketter  
Chief Executive Officer

---

Carl Markus Groß  
Member of the Management Board

**DESCONPRO engineering GmbH**

---

Alexander Eugen Sienz  
Managing Director