

Joint report of the Management Board of PVA TEPLA AG and the management of DESCONPRO engineering GmbH regarding the profit and loss transfer agreement between PVA TEPLA AG and DESCONPRO engineering GmbH

1. General information

PVA TePla AG, headquartered in Wetttemberg, registered in the commercial register of the local court of Gießen under HRB 6545, ("PVA TePla") concluded a profit and loss transfer agreement ("**Profit and Loss Transfer 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 profit and loss transfer 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 profit and loss transfer agreement to inform the shareholders or partners of both shareholders:

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.

At the same time, a control agreement is concluded between PVA TePla and DESCONPRO.

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

3. Legal and economic reasons for concluding the profit and loss transfer agreement

The profit and loss transfer agreement takes into account the close economic and legal relationship that exists between DESCONPRO and PVA TePla. As a result of the profit transfer agreement, all results from the Automation Technology segment are directly attributed to PVA TePla and Group-wide financial and liquidity management is guaranteed.

The profit and loss transfer agreement is the basis for a consolidated tax group for corporate and trade tax purposes between PVA and DESCONPRO. The consolidated tax group for corporation and trade tax purposes means that the result (profit/loss) of DESCONPRO as the controlled company is allocated to PVA TePla as the controlling company for tax purposes and thus a tax offset between the profits and losses of the controlled company and the controlling company occurs. As a result of this tax offsetting, the total tax burden in the tax group can be lower than if the parent company and the controlled company had taxed their taxable income independently with regard to corporation tax and trade tax, provided that profits and losses are incurred at the levels of the parent company and the controlled company.

The conclusion of a CLA is not required for the establishment of a VAT group.

4. Explanation of the profit and loss transfer agreement

The profit and loss transfer agreement essentially contains the following provisions:

4.1 § 1 Shareholding structure

§ Section 1 of the profit and loss transfer 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.

4.2 § 2 Profit transfer

§ Section 2 (1) of the profit transfer agreement stipulates that DESCONPRO undertakes to transfer its entire profit to PVA TePla. Profit in this sense is the net profit for the year that would have been reported by DESCONPRO without the profit transfer, less any loss carried forward from the previous year.

However, with the consent of PVA TePla, DESCONPRO may transfer amounts from the profit in this sense to other revenue reserves, insofar as this is permissible under commercial law and economically justified on the basis of a reasonable commercial assessment. If amounts have been allocated to other revenue reserves at DESCONPRO, these can - insofar as legally permissible - be transferred as profit at the request of PVA TePla after reversal. The transfer of other reserves, profit carryforwards and reserves that originate from the time before the commencement of this agreement at DESCONPRO is not permitted. The same applies to capital reserves, regardless of whether they were formed before or after this agreement came into force. The provisions of Section 301 of the German Stock Corporation Act (AktG) apply accordingly in the respective valid version.

4.3 § 3 Assumption of losses

§ Section 3 stipulates that the provision on the assumption of losses pursuant to Section 302 of the German Stock Corporation Act (AktG), as amended, shall apply accordingly.

4.4 § 4 Duration

According to Section 4 (1), the profit transfer agreement shall take effect upon its entry in the commercial register of DESCONPRO, but for the first time for the financial year of DESCONPRO beginning on January 1, 2026. Pursuant to Section 4 (2), the agreement is valid for an indefinite period unless it is terminated in writing with six months' notice to the end of the financial year after which the corporate and trade tax group to be established by this agreement has fulfilled its minimum tax term (five years according to the current legal situation). § Section 4 (3) sentence 1 of the profit and loss transfer 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 the agreement for good cause in particular if it sells its investment 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 profit and loss transfer agreement, PVA TePla must provide security to the creditors of PVA DESCONPRO in accordance with Section 303 AktG (Section 4 (4) of the profit and loss transfer agreement).

4.5 § 5 Consents

§ Section 5 stipulates that the effectiveness of the agreement is subject to approval by the PVA TePla Annual General Meeting and the DESCONPRO shareholders' meeting.

4.6 No compensation or settlement claims, no contract review, further documents

At the time the profit and loss transfer agreement is concluded, PVA TePla directly holds 100% of the shares in DESCONPRO. Therefore, the profit and loss transfer 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 profit and loss transfer 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 profit and loss transfer 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