

JOINT REPORT OF THE MANAGEMENT BOARD OF PVA TEPLA AG AND THE MANAGEMENT OF PVA INDUSTRIAL VACUUM SYSTEMS GMBH REGARDING THE DOMINATION AGREEMENT BETWEEN PVA TEPLA AG AND PVA INDUSTRIAL VACUUM SYSTEMS GMBH

1. General information

PVA TePla AG, headquartered in Wettenberg, registered in the commercial register of the Local Court of Giessen under HRB 6545, ("**PVA TePla**") concluded a domination agreement ("**Domination Agreement**") with PVA Industrial Vacuum Systems GmbH, headquartered in Wettenberg, registered in the commercial register of the Local Court of Giessen under HRB 8238, ("**IVS**") on [May 7], 2025.

The shareholders' meeting of IVS 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 IVS, 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 IVS

IVS is a wholly owned subsidiary of PVA TePla. According to its articles of association, the purpose of the company is the development, manufacture and sale of processes, products, systems and services in materials technology and vacuum

technology. IVS was founded on April 11, 2014 with share capital of EUR 25,000 (entered in the commercial register of the Giessen Local Court under HRB 8238 on April 29, 2014). Following a resolution by the shareholders' meeting on December 18, 2014, the share capital of IVS was increased by EUR 225,000 to EUR 250,000 and the Articles of Association were amended accordingly.

A control and profit and loss transfer agreement was concluded between PVA TePla and IVS for the first time on June 2, 2014, with PVA TePla as the controlling company and IVS as the controlled company. The domination and profit and loss transfer agreement concluded with PVA TePla was amended by an amendment agreement dated May 4, 2023 and has since been continued as a profit and loss transfer agreement

IVS is included in the consolidated financial statements of PVA TePla.

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 IVS and PVA TePla. The services of IVS 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 IVS will enable it to integrate IVS into the Group in a profitable way that goes beyond the mere transfer of profits. In addition, a management level for the Material Solutions product group, which includes IVS, and Metrology was created at the AG level, which benefits from this opportunity.

The control agreement is not necessary or relevant for the consolidated tax group between PVA and IVS for corporation and trade tax purposes. The consolidated tax group for income tax purposes remains unchanged.

The effective conclusion of the domination agreement and its entry in the commercial register lead to organizational integration within the scope of the VAT group. If IVS 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 IVS and that IVS 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 existing profit and loss transfer agreement.

4.2 § 2 Management

§ Section 2 (1) of the Domination Agreement stipulates that IVS, 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 IVS in accordance with Section 308 AktG. The right to issue instructions is a constitutive feature of a domination agreement.

According to Section 2 (2) of the control agreement, IVS 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 IVS. According to Section 3 (2), the domination agreement is concluded for an indefinite period unless it is terminated in writing with a notice period of six months. § Section 3 (3) sentence 1 of the domination agreement stipulates that the right to terminate the agreement for good cause without notice 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 stake in PVA IVS 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 IVS 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 Annual General Meeting of PVA TePla and the shareholders' meeting of IVS.

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 IVS. Therefore, the Domination Agreement does not have to provide for compensation payments or settlements by PVA TePla for outside shareholders of IVS 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 IVS 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

PVA Industrial Vacuum Systems GmbH

Dr. Udo Hans Broich
Managing Director

Hannes Grygar
Managing Director