



Explanatory report of the Executive Board on the disclosures pursuant to Sections 289a, 315a HGB for the 2023 financial year

Composition of the subscribed capital

The subscribed capital of PVA TePla AG in the amount of EUR 21,749,988 as of December 31, 2023 is composed of 21,749,988 no-par value bearer shares with a notional interest in the share capital of EUR 1.00 per share.

Restrictions affecting voting rights or the transfer of shares

The Management Board is not aware of any restrictions relating to voting rights or the transfer of shares, in particular any restrictions that may arise from agreements between shareholders.

Direct or indirect shareholdings in the capital that exceed 10% of the voting rights

There are no direct or indirect shareholdings in the capital that exceed 10% of the voting rights.

Holders of shares with special rights

There were and are no shares in PVA TePla AG with special rights conferring powers of control.

Type of voting rights control for employee participation

There are no employees holding an interest in the share capital of PVA TePla AG who cannot exercise their control rights directly.

Statutory provisions and provisions of the Articles of Association on the appointment and dismissal of members of the Management Board and on amendments to the Articles of Association

a) Appointment of members of the Management Board: PVA TePla AG's Management Board members are appointed in accordance with Section 84 AktG and Section 6 Article 2 of PVA TePla AG's Articles of Association. Article 2: The appointment of members of the Management Board, the revocation of their appointment and the conclusion, amendment and termination of employment contracts with members of the Management Board are carried out by the Supervisory Board. The same applies to the appointment of a member of the Management Board as Chairman or Spokesman of the Management Board."

b) Dismissal of members of the Management Board: The Supervisory Board may revoke the appointment of a member of the Management Board and the appointment of the Chairman of the Management Board in accordance with Section 84 para. 3 sentence 1 of the German Stock Corporation Act if there is good cause. Pursuant to Section 84 para. 3 sentence 2 of the German Stock Corporation Act, such a reason is, in particular, gross breach of duty, inability to manage the company properly or withdrawal of confidence by the Annual General Meeting, unless confidence has been withdrawn for obviously improper reasons. The revocation of the appointment to the Management Board is effective in accordance with Section 84 para. 3 sentence 4 of the German Stock Corporation Act until its invalidity has been legally established.

c) Amendment of the company's Articles of Association: Pursuant to Section 179 para. 1 sentence 1 of the German Stock Corporation Act, any amendment to the Articles of Association requires a resolution by the Annual General Meeting. However, in accordance with Section 179 para. 1 sentence 2 of the German Stock Corporation Act, the Supervisory Board is authorized to resolve amendments to the Articles of Association that only affect their wording. According to Section 179 para. 2 sentence 1 of the German Stock Corporation Act, a resolution by the Annual General Meeting to amend the Articles of Association requires a majority of at least three quarters of the share capital represented at the time the resolution is passed. Pursuant to Section 179 para. 2 sentence 2 of the German Stock Corporation Act, the Articles of Association may stipulate a different capital majority, but only a larger capital majority for a change to the object of the company, and impose further requirements. On the basis of this statutory authorization, Section 14 para. 3 sentence 3 of the Articles of Association stipulates that resolutions to amend the company's Articles of Association must be passed with a simple majority of the votes cast, insofar as this is legally permissible.

Powers of the Management Board to issue or buy back shares

The Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital of PVA TePla AG by a total of up to EUR 5,437,497 by issuing up to 5,437,497 new no-par value bearer shares against cash and/or non-cash contributions on one or more occasions until June 22, 2027 (Authorized Capital 2022/I).

The share capital of PVA TePla AG is also conditionally increased by up to EUR 5,437,497.00 by issuing up to 5,437,497 new no-par value bearer shares (Conditional Capital 2022/I). Conditional Capital 2022/I serves exclusively to grant new shares to the holders of conversion or option rights issued by PVA TePla AG or by companies in which PVA TePla AG directly or indirectly holds a 100% interest in accordance with the authorization resolution of the Annual General Meeting on June 23, 2022.

Significant agreements subject to a change of control following a takeover bid

The current framework agreements with the banks assume an essentially unchanged shareholder structure and provide for renegotiations or, in one case, a right of termination on the part of the bank in the event of a change of control. The provisions for a publicly funded research and development project also provide for a special right of termination on the part of the funding body in the event of a change of control. Furthermore, a change of control also leads to a right of termination for individual customer orders. Furthermore, the company has not entered into any agreements that are subject to the condition of a change of control following a takeover bid.

Compensation agreements in the event of a takeover bid In the event of a change of control, the members of the Management Board receive benefits that should not exceed 150% of the severance payment cap (value of two years' remuneration including fringe benefits).