Annual General Meeting
of Heidelberger Druckmaschinen Aktiengesellschaft
on July 26, 2023

Reports of the Management Board
on Items 8 and 9 on the Agenda

On item 8 of the agenda: Written report by the Management Board to the Annual General Meeting in accordance with section 221 (4) sentence 2, section 186 (4) sentence 2 AktG

The proposed authorization to issue warrants, convertible bonds or profit participation bonds, including combinations of the above instruments (hereinafter referred to as “bonds”) up to a total nominal amount of € 200,000,000 and the creation of contingent capital of up to € 77,946,688.00 offers the Company the opportunity to secure financing on the capital market quickly and flexibly by issuing the above instruments over the next five years. The proposed authorization replaces the authorization of July 25, 2019 that the Company did not utilize. Please refer to the resolution proposed by the Management Board and the Supervisory Board for item 8 of the agenda for details of the authorization.

The Contingent Capital 2023 intended for resolution, in the amount proposed by the Management Board and the Supervisory Board of € 77,946,688.00 is equal to around 10 percent of the share capital.

In the event of the bonds being issued, the shareholders will in principle have statutory pre-emption rights (section 221 (4) in conjunction with section 186 (1) AktG). However, the Management Board will have the option to disapply shareholders’ pre-emption rights in the cases set out in the authorization. The Management Board always requires the approval of the Supervisory Board to disapply pre-emption rights. The authorization to disapply pre-emption rights is intended for four cases and for when issuing profit participation bonds with features similar to those of a debenture:

- The first case is for fractional amounts that can arise as a result of the subscription ratio. The authorization to disapply shareholders’ pre-emption rights for unassigned fractional amounts facilitates the processing of a pre-emption rights issue when fractional amounts arise as a result of the issue volume or the selection of a practical subscription ratio. The Company will dispose of the bonds for which pre-emption rights are disapplied at arm’s length while safeguarding their price.

– The second case allows the option to offer the bonds not just to shareholders of the Company, but also to bearers (or creditors) of convertible bonds or bonds with warrants or profit participation bonds of Heidelberger Druckmaschinen Aktiengesellschaft or its subsidiary Group companies for subscription to the extent that they would be entitled as shareholders after exercising the option or conversion rights or after the satisfying the conversion obligation. This will allow the Company to grant the dilution protection expected by the capital market and typically regulated in the terms and conditions of bonds or options in the favor of the bearers (or creditors) of the convertible bonds or bonds with warrants or profit participation bonds when issuing bonds under the authorization proposed under item 8 of the agenda, even without paying cash compensation or reducing the conversion or option price.

– The third case allows the option to disapply pre-emption rights when the bonds are issued in return for cash compensation and the issue price of the bonds is not significantly less than the notional market value of the bonds calculated using accepted financial and mathematical methods or the market value of the bonds calculated using an accepted, market-based procedure when the issue price is finally determined. The authorization utilizes the option provided for by sections 221 (4) sentence 2 in conjunction with section 186 (3) sentence 4 AktG to simplify the disapplication of pre-emption rights. The Company can thus leverage opportunities on the financial and capital markets quickly and flexibly. It also spares the time and costs needed to process pre-emption rights. Establishing the terms and conditions of issue at close to market results in a high cash inflow. In the interests of broadening its shareholder base, the Company also receives the opportunity to offer the bonds to investors, in particular institutional investors, in Germany and abroad. Owing to the statutory minimum duration of the subscription period of two weeks, an issue with pre-emption rights in place offers limited opportunities for responding to favorable market conditions at short notice. Furthermore, in the event of an issue with pre-emption rights in place, a successful placement is subject to additional risk owing to the uncertainty concerning the extent to which pre-emption rights will be exercised. Issuing bonds at an issue price close to the quoted market price of the shares also protects shareholders against dilution, as every shareholder has the opportunity to acquire the shares necessary to maintain their ownership interest on the stock market at close to the same conditions. Accelerated book building, for instance, is an accepted, market-based procedure for calculating market value. Taking current market circumstances into account, the Management Board will strive to keep any discount on market value low. Bonds issued with shareholders' pre-emption rights disapplied can be used only to grant option or conversion rights or conversion obligations to shares representing up to 10 percent of the share capital at the time that this authorization becomes effective or – if lower – at the time that this authorization is exercised. However, the above maximum of 10 percent of the share capital must also include shares issued or sold during the term of the authorization with shareholders' pre-emption rights disapplied in accordance with or in reliance on section 186 (3) sentence 4 AktG; similarly, it must include shares issued or to be issued to serve warrants, convertible bonds or profit participation bonds/profit participation rights if the above bonds/profit participation rights were issued during the term of this authorization with pre-emption rights disapplied in reliance on section 186 (3) sentence 4 AktG on the basis of a different authorization.

– The fourth case is the disapplication of shareholders' pre-emption rights if the bonds are to be issued in return for non-cash contributions. This is intended to allow the Company to offer bonds as consideration, in full or in part, in place of cash compensation in conjunction with business combinations or for the acquisition of companies, parts of companies, equity investments in companies (including increases in existing investments) or other assets. The authorization is intended to provide the Company with the necessary flexibility to quickly and flexibly leverage opportunities that arise to acquire companies, parts of companies, equity investments in companies or other assets and for business combinations in international competition. Exercising the option to offer bonds as consideration can be useful when acquiring companies or equity investments. It can also be in the Company's interests to offer bonds as consideration when acquiring other assets as well. These are typically items of property, plant and equipment or intangible assets. Furthermore, the authorization is intended to allow the opportunity to grant the bearers of securitized or non-securitized cash receivables bonds in place of cash payments, for instance if the Company, when acquiring an entity, has first undertaken to pay a cash amount and subsequently bonds are to be granted in place of cash. Granting bonds is easier on the Company's liquidity situation and can serve to optimize its financial structure. There are no plans to acquire companies, parts of companies, equity investments in companies or other assets in return for bonds at this time. The Management Board will decide on an individual basis, having weighed the possible alternatives, whether it – with the approval of the Supervisory Board – will utilize the option to issue bonds with shareholders' pre-emption rights disapplied for a potential business combination or to acquire companies, parts of companies, equity investments in companies or other assets. This will not be disadvantageous to the Company as the issuance of bonds in return for non-cash contributions requires the value of the non-cash contributions to be appropriate in relation to the value of the new bonds issued. When determining the value of the bonds surrendered as consideration, the Management Board will typically be guided by the notional market value of the bonds calculated using accepted financial and mathematical methods, derived from the quoted market price of Heidelberger Druckmaschinen Aktiengesellschaft's shares, or the market value of the bonds calculated using an accepted, market-based procedure. However, a schematic link to any notional market value that may be calculated in this way is not intended, in particular so that the outcome of negotiations is not called into question as a result of fluctuations in the quoted market price.

The total amount of the shares to be issued to serve option or conversion rights or conversion obligations from bonds issued with pre-emption rights disapplied must not exceed 10 percent of the share capital, either at the time that this authorization becomes effective or – if lower – at the time that this authorization is exercised. The above 10 percent cap includes other shares of the Company issued or sold during the term of the authorization with shareholders' pre-emption rights disapplied. It also includes shares issued or to be issued to serve warrants, convertible bonds or profit participation bonds and profit participation rights if the above bonds/profit participation rights were issued during the term of the authorization with pre-emption rights disapplied on the basis of a different authorization.

Given the much lower dilution effect, the disapplication of pre-emption rights is also permitted when issuing profit participation bonds if these: (i) do not grant option or conversion rights and do not give rise to conversion obligations; (ii) have features similar to those of a debenture; and (iii) the return and issue amount of the profit participation bonds is consistent with current market conditions at the time of their issue. Profit participation bonds have features similar to those of a debenture if they do not give rise to membership rights and do not grant an interest in proceeds from liquidation or a return based on profits. The return is not based on profits if it is not calculated on the basis of the amount of the net profit, net retained profits of the dividend and is merely dependent on there not being a net loss for the year or net accumulated losses or on the return not exceeding the amount of the dividend to be paid to shareholders or a defined portion of the dividend. In these cases, the disapplication of pre-emption rights does not constitute a relevant infringement of shareholders' rights. Profit participation bonds with features similar to those of a debenture are largely equivalent to regular corporate bonds for which shareholders do not have statutory pre-emption rights when issued.

To facilitate the process, in line with normal practice for corporate finance, the bonds can be offered for subscription to one or more credit institutions, securities institutions or other enterprises as referred to by section 186 (5) sentence 1 AktG determined by the Management Board subject to the obligation that they must be offered to shareholders for subscription (indirect pre-emption rights as referred to by section 186 (5) AktG). In such event, statutory pre-emption rights are not restricted in their essence, but instead offered by the one or more credit institutions, securities institutions or other undertakings as referred to by section 186 (5) sentence 1 AktG and not by the Company in order to facilitate the process.

The above report will be available on the Company's website at www.heidelberg.com/hauptversammlung from the day the meeting is convened. It will also be available for inspection at the Annual General Meeting itself.

On item 9 of the agenda: Written report by the Management Board to the Annual General Meeting in accordance with section 203 (2) sentence 2, section 186 (4) sentence 2 AktG

The existing authorization of the Management Board, with the approval of the Supervisory Board, to increase the share capital by up to € 185,609,612.80 (Article 3 (4) of the Articles of Association) has not been used as of the time of the Annual General Meeting being convened and expires on July 24, 2024. The Management Board and the Supervisory Board propose to replace the existing authorized capital with a new authorization of up to € 155,893,376.00 (Authorized Capital 2023). The authorization is to remain in effect until July 25, 2028. Authorized Capital 2023 enables the Company to raise new equity quickly, flexibly and cost-effectively in line with international standards. It is also intended to be usable in conjunction with business combinations or for the acquisition of companies, parts of companies, equity investments in companies (including increases in existing investments) or other assets. The creation of Authorized Capital 2023 is intended to ensure that the Company always has the necessary instruments to raise capital at its disposal – regardless of any specific plans for utilization and independently of the schedule for annual general meetings.

The Authorized Capital 2023 intended for resolution, in the amount proposed by the Management Board and the Supervisory Board of € 155,893,376.00, is equal to around 20 percent of the share capital.

The shareholders have statutory pre-emption rights in principle if Authorized Capital 2023 is utilized. However, the Management Board will have the option to disapply shareholders' pre-emption rights incertain cases stipulated in the authorization. The Management Board always requires the approval of the Supervisory Board to disapply pre-emption rights. The authorization to disapply pre-emption rights is intended for four cases.

- The first case is for fractional amounts that can arise as a result of the subscription ratio. The authorization to disapply shareholders' pre-emption rights for unassigned fractional amounts facilitates the processing of a pre-emption rights issue when fractional amounts arise as a result of the issue volume or the selection of a practical subscription ratio. The Company will dispose of the new shares for which pre-emption rights are disapplied at arm's length while safeguarding their price.

- The second case allows the option to offer the new shares from authorized capital not just to shareholders of the Company, but also to bearers (or creditors) of convertible bonds or bonds with warrants or profit participation bonds (or combinations of these instruments) (referred to collectively as “bonds”) issued or guaranteed by Heidelberger Druckmaschinen Aktiengesellschaft or its subsidiary Group companies for subscription to the extent that they would be entitled as shareholders after exercising the option or conversion rights or after the satisfying the conversion obligation. This will allow the Company to grant the dilution protection expected by the capital market and typically regulated in the terms and conditions of bonds or options in the favor of the bearers (or creditors) of bonds when issuing shares from Authorized Capital 2023, even without paying cash compensation or reducing the conversion or option price.

– The third case allows the option to disapply pre-emption rights when the shares are issued in return for cash compensation and the issue price is not significantly less than the quoted market price of shares of the Company of the same class already listed. The authorization utilizes the option provided for by sections 203 (1) sentence 1 in conjunction with section 186 (3) sentence 4 AktG to simplify the disapplication of pre-emption rights. The Company can thus leverage opportunities on the capital markets quickly and flexibly. It also spares the time and costs needed to process pre-emption rights. Establishing the issue amount at close to market results in a high cash inflow. In the interests of broadening its shareholder base, the Company also receives the opportunity to offer the shares of the Company to investors, in particular institutional investors, in Germany and abroad. Owing to the statutory minimum duration of the subscription period of two weeks, an issue of shares with pre-emption rights in place offers limited opportunities for responding to favorable market conditions at short notice. Furthermore, in the event of an issue of shares with pre-emption rights in place, a successful placement is subject to additional risk owing to the uncertainty concerning the extent to which pre-emption rights will be exercised. Issuing new shares at close to their quoted market price also protects shareholders against dilution, as every shareholder has the opportunity to acquire the shares necessary to maintain their ownership interest on the stock market at close to the same conditions. Taking current market circumstances into account as well, the Management Board will strive to keep any discount on the quoted market price low. The authorization to disapply pre-emption rights is limited to 10 percent of the Company’s share capital. This must also include shares issued or sold during the term of this authorization with shareholders’ pre-emption rights disapplied or in accordance with section 186 (3) sentence 4 AktG with the corresponding changes; similarly, it must include shares issued or to be issued to serve warrants, convertible bonds or profit participation bonds as well as profit participation rights if the above bonds/profit participation rights were issued during the term of this authorization with pre-emption rights disapplied in reliance on section 186 (3) sentence 4 AktG with the corresponding changes.

- The fourth case governs the disapplication of shareholders’ pre-emption rights in the event of capital increases in return for non-cash contributions. This is intended to allow the Company to offer shares from authorized capital as consideration in place of cash compensation in conjunction with business combinations or for the acquisition of companies, parts of companies, equity investments in companies (including increases in existing investments) or other assets. The authorization is intended to provide the Company with the necessary flexibility to quickly and flexibly leverage opportunities that arise to acquire companies, parts of companies, equity investments in companies or other assets and for business combinations in international competition. The option to offer shares as consideration can carry considerable weight when acquiring companies or equity investments. It can also be in the Company’s interests to offer shares as consideration when acquiring other assets as well. These are typically items of property, plant and equipment or intangible assets. Granting shares is easier on the Company’s liquidity situation and can serve to optimize its financial structure. There are no plans to acquire companies, parts of companies, equity investments in companies or other assets in return for new shares at this time. The Management Board will decide on an individual basis, having weighed the possible alternatives, whether it – with the approval of the Supervisory Board – will utilize the option to issue shares with shareholders’ pre-emption rights disapplied for a potential business combination or to acquire companies, parts of companies, equity investments in companies or other assets. This will not be disadvantageous to the Company as the issuance of new shares in return for non-cash contributions requires the value of the non-cash contributions to be appropriate in relation to the value of the new shares issued. When determining the value of the shares surrendered as consideration, the Management Board will typically be guided by the quoted market price of Heidelberger Druckmaschinen Aktiengesellschaft’s shares. However, a schematic link to the quoted market price is not intended, in particular so that the outcome of negotiations is not called into question as a result of fluctuations in the quoted market price.

To facilitate the processing of statutory pre-emption rights, in line with normal practice for corporate finance, the new shares can be offered for subscription to one or more credit institutions subject to the obligation that they must be offered to shareholders for subscription (indirect pre-emption rights as referred to by section 186 (5) AktG). Securities institutions and undertakings that operate in accordance with section 53 (1) sentence 1 or section 53b (1) sentence 1 or (7) of the *Kreditwesengesetz* (KWG – German Banking Act) are considered equivalent to credit institutions. In such event, statutory pre-emption rights are not in their essence restricted, but instead offered by the one or more credit institutions, securities institutions or equivalent undertakings and not by the Company in order to facilitate the process.

The total amount of the shares issued with pre-emption rights disapplied in return for cash or non-cash contributions must not exceed 10 percent of the share capital, either at the time that this authorization becomes effective or – if lower – at the time that this authorization is exercised. The above 10 percent cap must include shares issued or sold during the term of this authorization with shareholders' pre-emption rights disapplied; similarly, it must include shares issued or to be issued to serve warrants, convertible bonds or profit participation bonds as well as profit participation rights if the above bonds/profit participation rights were issued during the term of this authorization with pre-emption rights disapplied.

There are no specific plans to utilize the authorized capital at this time. Such general resolutions including an option to disapply pre-emption rights are common in Germany and internationally. The Management Board will carefully consider on an individual basis whether it will utilize the authorization to increase capital with shareholders' pre-emption rights disapplied. This option will be exercised only if, in the opinion of the Management Board and of the Supervisory Board, this is in the interests of the Company and its shareholders.

The Management Board will report to the next Annual General Meeting on any utilization of the above authorizations.

The above report will be available on the Company's website at www.heidelberg.com/hauptversammlung from the day the meeting is convened. It will also be available for inspection at the Annual General Meeting itself.

Heidelberg, June 2023

Heidelberger Druckmaschinen Aktiengesellschaft

The Management Board