



*- Convenience translation -*

**Joint report**

**of the Managing Board of Heidelberg Materials AG**

**and**

**the management of Heidelberg Materials Asia Holding GmbH**

pursuant to Section 293a of the German Stock Corporation Act  
on the

**domination and profit and loss transfer agreement**

dated March 24, 2026

between

**Heidelberg Materials AG**

**and**

**Heidelberg Materials Asia Holding GmbH**

## **I. Introduction**

Heidelberg Materials AG, registered with the commercial register of the local court of Mannheim under HRB 330082, and Heidelberg Materials Asia Holding GmbH, registered with the commercial register of the local court of Mannheim under HRB 337098, entered into a domination and profit and loss transfer agreement (the "DPLTA") on March 24, 2026. The Managing Board of Heidelberg Materials AG and the management of Heidelberg Materials Asia Holding GmbH jointly submit the following report in accordance with Section 293a of the German Stock Corporation Act.

The DPLTA will be submitted to the Annual General Meeting of Heidelberg Materials AG for approval at the Annual General Meeting on May 13, 2026. The resolution requires a majority of three quarters of the share capital represented at the time of the resolution. The shareholders' meeting of Heidelberg Materials Asia Holding GmbH is to approve the DPLTA in notarized form on March 26, 2026. The DPLTA will only become effective upon entry in the commercial register at the registered office of Heidelberg Materials Asia Holding GmbH.

As Heidelberg Materials AG holds all shares in Heidelberg Materials Asia Holding GmbH, the DPLTA does not require review by an expert auditor in accordance with Section 293b (1) of the German Stock Corporation Act.

## **II. Contracting parties**

The parties to the DPLTA are Heidelberg Materials AG and Heidelberg Materials Asia Holding GmbH.

### **1. Heidelberg Materials AG**

Heidelberg Materials AG is a listed stock corporation based in Heidelberg. The share capital of Heidelberg Materials AG amounts to EUR 529,095,195 and is divided into 176,365,065 no-par value bearer shares. The financial year of Heidelberg Materials AG is the calendar year.

The purpose of the company is the manufacture and sale of all types of building materials and other products of the stone and earth industry, related and other branches of industry, as well as the acquisition and operation of mines, the planning, construction, acquisition, and operation of facilities for these purposes, the planning, construction, and operation of such facilities for third parties, and consulting services. Within these limits, the company is authorized to engage in all transactions and measures that appear necessary or useful to achieve the company's purpose, in particular the acquisition and sale of real estate and the establishment of branches in Germany and abroad. The company is also authorized to participate in the same, similar, or other companies.

Heidelberg Materials AG and its subsidiaries are among the largest building materials companies in the world.

Heidelberg Materials AG's total assets amounted to approximately EUR 28.5 billion in fiscal year 2025, approximately EUR 28.4 billion in fiscal year 2024, and approximately EUR 27.8 billion in fiscal year 2023. Heidelberg Materials AG's net income amounted to EUR 643.6 million in fiscal year 2025, EUR 607.2 million in fiscal year 2024, and EUR 566.4 million in fiscal year 2023.

The members of the Managing Board of Heidelberg Materials AG are: Dr. Dominik von Achten (Chairman), René Aldach, Dr. Katharina Beumelburg, Roberto Callieri, Axel Conrads, Hakan Gurdal, Dennis Lentz, Jon Morrish, and Chris Ward.

Heidelberg Materials AG is legally represented by two members of the Managing Board or by one member of the Managing Board together with an authorized signatory (*Prokurist*).

The members of the Supervisory Board of Heidelberg Materials AG are: Dr. Bernd Scheifele (Chairman), Werner Schraeder (Deputy Chairman), Barbara Breuninger, Gunnar Groebler, Katja Karcher, Ludwig Merckle, Luka Mucic, Markus Oleynik, Peter Riedel, Margret Suckale, Dr. Sopna Sury, and Anna Toborek-Kacar.

## **2. Heidelberg Materials Asia Holding GmbH**

Heidelberg Materials Asia Holding GmbH is a limited liability company based in Heidelberg. The share capital of Heidelberg Materials Asia Holding GmbH amounts to EUR 25,000, divided into one share with a nominal value of EUR 25,000. The share is held by Heidelberg Materials AG.

The purpose of the company is to hold and manage investments and/or operating facilities in or related to the Asian region that are involved in the manufacture, transport, trade, distribution, and brokerage of all types of building materials, in particular hydraulic binders and other products in the stone and earth industry, as well as providing technical and commercial advice and similar services for such companies. The company may establish branches and is authorized to acquire and sell real estate. It may conduct all business related to the company's purpose.

The fiscal year of Heidelberg Materials Asia Holding GmbH is the calendar year.

The balance sheet total of Heidelberg Materials Asia Holding GmbH amounted to approximately EUR 27.5 million in fiscal year 2025, approximately EUR 94.4 million in fiscal year 2024, and approximately EUR 90.7 million in fiscal year 2023. The net income of Heidelberg Materials Asia Holding GmbH amounted to approximately EUR 2.0 million in fiscal year 2025, approximately EUR 2.9 million in fiscal year 2024, and approximately EUR 2.1 million in fiscal year 2023.

Heidelberg Materials Asia Holding GmbH holds interests in several Group companies in Germany and abroad and is integrated into the financing structure of the Heidelberg Materials Group, in particular through its participation in the cash management, including cash pooling, of Heidelberg Materials AG. The company does not employ any employees.

The managing directors of Heidelberg Materials Asia Holding GmbH are Dr. Wolfram Gärtner and René Aldach. Mr. Aldach is also a member of the Managing Board of Heidelberg Materials

AG. If only one managing director is appointed at Heidelberg Materials Asia Holding GmbH, this person shall represent Heidelberg Materials Asia Holding GmbH alone. If several managing directors are appointed, Heidelberg Materials Asia Holding GmbH shall be represented by two managing directors or by one managing director and one authorized signatory (*Prokurist*).

### **III. Legal and economic reasons for concluding the agreement; effects of the agreement**

The DPLTA serves to ensure uniform corporate management of Heidelberg Materials Asia Holding GmbH and to establish a corporate and trade tax group between Heidelberg Materials AG and Heidelberg Materials Asia Holding GmbH, as well as to strengthen the organizational integration of Heidelberg Materials Asia Holding GmbH into Heidelberg Materials AG, which is necessary for a VAT group.

Due to the corporate and trade tax group, the profits and losses of Heidelberg Materials Asia Holding GmbH as a subsidiary are directly attributed to Heidelberg Materials AG as the parent company for tax purposes. This means that positive and negative results can be offset for tax purposes at the level of Heidelberg Materials AG. Depending on the tax situation of the companies involved, this can lead to tax advantages. Without the DPLTA, such a complete tax offset of results is not possible.

In addition, profits are transferred to Heidelberg Materials AG without additional tax burden within the framework of the tax group. Without the existence of a fiscal unity, profits of Heidelberg Materials Asia Holding GmbH could at best be distributed to Heidelberg Materials AG; in this case, under current tax law, 5% of the profit distribution at Heidelberg Materials AG would be subject to corporation tax and the solidarity surcharge as well as trade tax.

The conclusion of the agreement does not entail any changes in the shareholdings in the contracting companies. Apart from Heidelberg Materials AG's obligation to assume losses, the agreement has no particular consequences from the perspective of Heidelberg Materials AG's shareholders, in particular because compensation and severance payments are not owed to outside shareholders of Heidelberg Materials Asia Holding GmbH due to the lack of a outside shareholders.

The agreement places Heidelberg Materials Asia Holding GmbH under the management of Heidelberg Materials AG. Heidelberg Materials AG therefore has the right to issue instructions to the management of Heidelberg Materials Asia Holding GmbH with regard to the management of Heidelberg Materials Asia Holding GmbH. The management of Heidelberg Materials Asia Holding GmbH is obliged to comply with these instructions. This strengthens the organizational integration of the subsidiary into Heidelberg Materials AG, which is necessary for the VAT group between Heidelberg Materials AG and Heidelberg Materials Asia Holding GmbH.

#### **IV. Alternatives to concluding the DPLTA**

There is no preferable, economically sensible alternative to concluding the DPLTA.

By undertaking in the DPLTA to transfer all its profits to Heidelberg Materials AG, Heidelberg Materials Asia Holding GmbH fulfills a factual requirement of Section 17 (1) sentence 1 in conjunction with Section 14 (1) sentence 1 German Corporation Tax Act for the establishment of a corporate and trade tax group between Heidelberg Materials AG and Heidelberg Materials Asia Holding GmbH with the above-mentioned consequences (see above0 .). The control element of the DPLTA is not required for this. At the same time, the conclusion of a pure control agreement without an obligation on the part of Heidelberg Materials Asia Holding GmbH to transfer profits cannot establish a corporate and trade tax group.

In particular, a conversion of Heidelberg Materials Asia Holding GmbH into a partnership does not lead to the same result for tax purposes, as the income of Heidelberg Materials Asia Holding GmbH would continue to be subject to trade tax at the level of the partnership. Due to the effects of the tax group, this income of Heidelberg Materials Asia Holding GmbH is taxed at the level of Heidelberg Materials AG as the controlling company and can be offset there against its positive or negative income for income tax purposes.

#### **V. Explanation of the DPLTA**

##### **1. Management and instructions (Section 1 of the DPLTA)**

Under the provision set out in Section 1 of the agreement, Heidelberg Materials Asia Holding GmbH places its management under the control of Heidelberg Materials AG. Section 1 thus contains the provision constituting a control agreement. On the basis of this provision, Heidelberg Materials AG is entitled to issue direct instructions to the management of Heidelberg Materials Asia Holding GmbH with regard to the management of Heidelberg Materials Asia Holding GmbH. The management of Heidelberg Materials Asia Holding GmbH is obliged to comply with these instructions within the framework of the statutory provisions. For example, an instruction to amend, maintain, or terminate the DPLTA would be inadmissible (Section 299 German Stock Corporation Act).

##### **2. Profit transfer (Section 2 of the DPLTA)**

Heidelberg Materials Asia Holding GmbH undertakes to transfer its entire profit – up to the maximum amount resulting from the corresponding application of Section 301 German Stock Corporation Act (in its currently valid version) – to Heidelberg Materials AG. In all other respects, the DPLTA also refers to the provisions of Section 301 German Stock Corporation Act (in its currently valid version). It also stipulates that Heidelberg Materials Asia Holding GmbH may, with the consent of Heidelberg Materials AG, transfer amounts from the net income for the year to

retained earnings (Section 272 (3) German Commercial Code), insofar as this is permissible under commercial law and economically justified based on reasonable commercial judgment.

These are the usual provisions of a profit transfer agreement.

**3. Loss transfer (Section 3 of the DPLTA)**

Heidelberg Materials AG undertakes to assume losses in accordance with Section 302 German Stock Corporation Act (in its currently valid version). The dynamic reference to Section 302 German Stock Corporation Act is mandatory for an income tax group between the parties (Section 17 (1) sentence 2 no. 2 German Corporation Tax Act).

**4. Right to information (Section 4 of the DPLTA)**

Pursuant to Section 4 of the DPLTA, Heidelberg Materials AG is entitled to inspect the books and records of Heidelberg Materials Asia Holding GmbH at any time. In addition, the management of Heidelberg Materials Asia Holding GmbH is obliged to provide Heidelberg Materials AG with all information it requests at any time regarding all legal, economic, business, and organizational matters of Heidelberg Materials Asia Holding GmbH. The annual financial statements of Heidelberg Materials Asia Holding GmbH must be submitted to Heidelberg Materials AG for review, examination, and approval prior to their adoption.

This is a standard provision, also to enable Heidelberg Materials AG to obtain the information it needs to prepare its own annual financial statements at an early stage.

**5. Effectiveness and validity (Section 5 of the DPLTA)**

Section 5 of the DPLTA clarifies that the agreement shall only become effective once it has been approved by the shareholders' meeting of Heidelberg Materials Asia Holding GmbH and the annual general meeting of Heidelberg Materials AG and has been registered with the commercial register at the registered office of Heidelberg Materials Asia Holding GmbH. From this point in time, the provisions on management and instructions shall apply (see V.1); otherwise, the DPLTA shall apply retroactively for the period from the beginning of the financial year of Heidelberg Materials Asia Holding GmbH in which the DPLTA is entered in the commercial register.

**6. Term and termination (Section 6 of the DPLTA)**

The DPLTA is concluded for an indefinite period. It may be terminated with six months' notice to the end of a financial year of Heidelberg Materials Asia Holding GmbH, but for the first time at the end of the financial year ending at least five calendar years after the commencement of the agreement.

This ensures a minimum term of five years, which is mandatory for tax recognition of the corporate and trade tax group pursuant to Section 17 (1) sentence 1 in conjunction with Section 14 (1) sentence 1 no. 3 sentence 1 German Corporation Tax Act.

In addition to other formalities relating to termination (written form and receipt), Section 6 stipulates that the DPLTA may also be terminated extraordinarily without notice if there is good cause. Good cause shall be deemed to exist in particular if Heidelberg Materials AG loses the majority of voting rights from its participation in Heidelberg Materials Asia Holding GmbH, if Heidelberg Materials AG ceases to be the sole shareholder of Heidelberg Materials Asia Holding GmbH, if Heidelberg Materials AG or Heidelberg Materials Asia Holding GmbH is merged or split, or if there is any other reason specified in R 14.5 (6) sentence 2 German Corporation Tax Regulations 2022 (or a provision following this guideline).

The agreement of an extraordinary right of termination, particularly in these cases, gives the parties the necessary flexibility to take reorganization measures despite an existing fiscal unity. The tax recognition of an extraordinary reason for termination must be examined on a case-by-case basis in order to avoid a retroactive termination of the income tax fiscal unity.

**7. Final provisions (Section 7 of the DPLTA)**

Section 7 of the contract contains a severability clause in addition to the note that amendments or additions to the DPLTA must be made in writing, unless notarization is required. According to this Section, any invalidity, unenforceability, or incompleteness of individual provisions of the DPLTA shall not affect the validity of the DPLTA as a whole. This provision is included solely for legal precautionary reasons. There are no indications that any of the contractual provisions could be invalid or require supplementation.

**8. No compensation or severance payment pursuant to Sections 304, 305 German Stock Corporation Act**

The DPLTA does not provide for any compensation payments or severance payments for outside shareholders, as Heidelberg Materials AG is the sole shareholder of Heidelberg Materials Asia Holding GmbH.

For the reasons set out above, a summary assessment of the DPLTA shows that it is advantageous for both Heidelberg Materials AG and Heidelberg Materials Asia Holding GmbH.

*[Signature page follows]*

Heidelberg, March 24, 2026

Heidelberg Materials AG

The Managing Board

Name: \_\_\_\_\_  
Dr. von Achten

Name: \_\_\_\_\_  
Aldach

Name: \_\_\_\_\_  
Dr. Beumelburg

Name: \_\_\_\_\_  
Callieri

Name: \_\_\_\_\_  
Conrads

Name: \_\_\_\_\_  
Gurdal

Name: \_\_\_\_\_  
Lentz

Name: \_\_\_\_\_  
Morrish

Name: \_\_\_\_\_  
Ward

Heidelberg Materials Asia Holding GmbH

The Managing Directors

Name: \_\_\_\_\_  
Dr. Gärtner

Name: \_\_\_\_\_  
Aldach