

## ***Convenience Translation***

### **JOINT REPORT**

of the Management Board of

**Stabilus SE**

and

the management of

**Stabilus Motion Controls GmbH**

on the

Profit Pooling Agreement

between

Stabilus SE and Stabilus Motion Controls GmbH

Stabilus SE with its registered seat in Frankfurt am Main and Stabilus Motion Controls GmbH, with its registered seat in Langenfeld (hereinafter also referred to collectively as “Companies”) intend to conclude a profit pooling agreement (hereinafter referred to as “Agreement”).

The Agreement is to be submitted to the general meeting of Stabilus SE on 7 February 2024 for approval. It is intended that the shareholder’s meeting of Stabilus Motion Controls GmbH will approve the conclusion of the Agreement by resolution in notarized form shortly after the general meeting of Stabilus SE. In order to inform the shareholders of Stabilus SE and to prepare their resolution, the Management Board of Stabilus SE and the management of Stabilus Motion Controls GmbH jointly submit the following report on the Agreement according to Sec. 293a AktG.

#### **I. Contracting Parties**

##### **1. Stabilus SE**

- 1.1 Stabilus SE (formed by conversion of Stabilus S.A., a public limited liability company (*Société Anonyme*) under Luxembourg law, into a European Company (*Societas Europaea*)) with its registered seat in Frankfurt am Main is registered with the commercial register of the local court of Frankfurt am Main under HRB 128539. The statutory registered share capital of Stabilus SE amounts to € 24.700.000 and is divided into 24.700.000 no par value shares.
- 1.2 The fiscal year of Stabilus SE begins on 1 October and ends on 30 September of the following calendar year.

Stabilus SE generated a net loss of EUR -7,103,199.84 in the 2023 fiscal year, which began on 1 October 2022 and ended on 30 September 2023.

- 1.3 The statutory object of Stabilus SE is to manage a group of companies based within and outside of Germany specializing in particular in the development, production and distribution of gas springs, dampers, damper opening systems, vibration isolation products and industrial components in the field of motion control and to provide services and consulting services relating thereto. Stabilus SE is entitled to undertake all acts and measures that are related to the object of Stabilus SE or appear suitable to directly or indirectly serve the purpose of Stabilus SE.

For this purpose, Stabilus SE may establish branch offices in Germany and abroad and form and acquire companies or participate in such companies. Stabilus SE is entitled to operate in the aforementioned business areas or assign such tasks to affiliated companies within the meaning of Sec. 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*, "AktG"). Stabilus SE may combine companies in which it holds an interest under a common management and conclude inter-company agreements with the respective companies.

- 1.4 Members of the Management Board are Dr Michael Robert Büchsner and Stefan Peter Hermann Bauerreis.
- 1.5 Stabilus SE is the parent company of the Stabilus group, consisting of Stabilus SE and the subsidiaries it controls (hereinafter referred to as "Stabilus Group"). As the management holding company, Stabilus SE is responsible for the common management, economic control and financing of the Stabilus Group. Stabilus SE performs the central management functions for the entire Stabilus Group. The Stabilus Group is a leading supplier of gas springs, dampers and vibration isolation products for automotive and industrial customers. In addition, the Stabilus Group is successfully positioned in the production and distribution of automatic, electromechanical opening and closing systems (so called motion control solutions), which are mainly used for installation in vehicle hatches. Overall, the product portfolio of the Stabilus Group consists of a wide range of motion control solutions, including vibration damping solutions. The products offered by the Stabilus Group are used in a variety of applications in the automotive industry as well as in the industrial sector. As the global market leader for gas springs, the Stabilus Group supplies all well-known vehicle manufacturers. In addition, a broad spectrum of industrial customers diversifies the customer base of the Stabilus Group.

## **2. Stabilus Motion Controls GmbH**

- 2.1 Stabilus Motion Controls GmbH with its registered seat in Langenfeld is registered with the commercial register of the local court of Düsseldorf under HRB 67114. The registered share capital amounts to € 25,000 and is divided into 25,000 shares with a nominal value of € 1 each. The sole shareholder of Stabilus Motion Controls GmbH is Stabilus SE.
- 2.2 The fiscal year of Stabilus Motion Controls GmbH begins on 1 October and ends on 30 September of the following calendar year.

Stabilus Motion Controls GmbH generated a net income of EUR 3,699,800.64 in the 2023 fiscal year, which began 1 October 2022 and ended 30 September 2023.

The key figures for the last three fiscal years are as follows:

	2021	2022	2023
	in €	in €	in €
Income from profit pooling agreements	17,590,273.76	17,716,356.54	18,198,972.76
Net income for the year	12,864,053.84	11,773,358.27	3,699,800.64
Equity as of 30 September	113,730,624.98	75,503,983.25	79,203,783.89

2.3 The statutory object of Stabilus Motion Controls GmbH is to acquire, hold and manage participations in other companies in its own name and for its own account.

Stabilus Motion Controls GmbH currently holds the following participations:

- (i) 94.9% of the shares in ACE Stoßdämpfer GmbH, with its registered seat in Langenfeld, registered with the commercial register of the local court of Düsseldorf under HRB 44976,
- (ii) 100% of the shares in HAHN-Gasfedern GmbH, with its registered seat in Aichwald, registered with the commercial register of the local court of Stuttgart under HRB 213034,
- (iii) 95% of the shares in General Aerospace GmbH, with its registered seat in Eschbach, registered with the commercial register of the local court of Freiburg i. Br. under HRB 300758,
- (iv) 60% of the shares in Cultraro Automazione Engineering S.r.l., with its registered seat in Rivoli, Italy, registered with the Italian business register under company number 07407810014 and
- (v) 10.86% of the shares in Synapticon GmbH, with its registered seat in Schönaich, registered with the commercial register of the local court of Stuttgart under HRB 756076.

A profit pooling agreement has been in place with ACE Stoßdämpfer GmbH since 27.06.2011 (registered with the commercial register of the aforementioned company on 22.07.2011), last amended by an agreement dated 20.07.2021 (registered with the commercial register of the aforementioned company on 10.09.2021). A profit pooling agreement has been in place with HAHN-Gasfedern GmbH since 27.06.2011 (registered with the commercial register of the aforementioned company on 20.09.2011), last amended by an agreement dated 20.07.2021 (registered with the commercial register of the aforementioned company on 14.09.2021).

2.4 Managing directors of Stabilus Motion Controls GmbH are Dr Peter Kremer und Stefan Peter Hermann Bauerreis.

2.5 Stabilus Motion Controls GmbH employs 3 employees.

## II. Legal and economic Reasons for concluding the Agreement

The profit pooling agreement is an inter-company agreement within the meanings of Sec. 291 et seq. AktG, which is frequently encountered in business practice within company groups. Inter-company agreements are concluded in order to achieve ongoing profit equalization on the one hand and to be able to establish a fiscal unity within the meaning of the German Corporate Income and Trade Tax Act (*Körperschaft- und Gewerbesteuer-gesetz*) on the other.

The conclusion of a profit pooling agreement is a mandatory prerequisite for a fiscal unity for corporate income tax and trade tax purposes between the two companies according to Sec. 14 of the German Corporate Income Tax Act (*Körperschaftsteuergesetz*). Such a fiscal unity leads to combined taxation of Stabilus Motion Controls GmbH as the subsidiary company and Stabilus SE as the parent company. This has the advantage that positive and negative results of both companies can be offset against each other in the same period, which in turn optimizes the tax expense and the group's cashflow.

The amount of the benefits arising in this respect depends on future results and can therefore not be predicted.

In order to establish this fiscal unity between Stabilus SE and Stabilus Motion Controls GmbH – including its subsidiaries – it is necessary to conclude the Agreement. There are no economically and fiscally equivalent alternatives. In particular, the desired fiscal unity for corporate income tax or trade tax purposes cannot be achieved through another inter-company agreement.

The Agreement thus proves to be a suitable, but also necessary, legal means for the further integration of Stabilus Motion Controls GmbH and its subsidiaries into the Stabilus Group. Such an agreement is also widely used in practice for these purposes.

## III. Explanation of the Content of the Agreement

### 1. Profit Pooling

According to clause 1 of the Agreement, Stabilus Motion Controls GmbH is obliged to transfer its entire profit to Stabilus SE for the first time for its fiscal year beginning on 1 October 2023 but at the earliest for the fiscal year in which the Agreement becomes effective upon its registration with the commercial register of Stabilus Motion Controls GmbH.

Therefore, taking into account Sec. 301 AktG, which applies accordingly in its presently valid version, the net income for the year accruing prior to the profit transfer is to be transferred. The profit to be transferred is, if applicable, reduced by any loss brought forward from the previous year and the amount to be transferred to the statutory reserve pursuant to Sec. 300 AktG, as well as any amount not allowed to be distributed pursuant to Sec. 268 subs. 8 of the German Commercial Code (*Handelsgesetzbuch, HGB*). The profit to be transferred is increased by the amounts withdrawn from other revenue reserves formed during the term of the Agreement.

This obligation to transfer profits is a mandatory requirement for the effectiveness of the fiscal unity for corporate income tax and trade tax purposes between the Companies.

Stabilus Motion Controls GmbH may, with the consent of Stabilus SE, allocate amounts from the net income for the year to revenue reserves only in so far as this is permitted under commercial law and economically justified according to the judgement of a prudent businessman. Other revenue reserves formed during the term of the Agreement are to be released at the request of Stabilus SE in accordance with the currently valid version of Sec. 301 sentence 2 AktG and transferred as profit. The transfer of amounts from revenue reserves and profit carryforwards formed prior to the implementation of the Agreement is excluded. The transfer of amounts from the release of capital reserves in accordance with Sec. 272 subs. 2 HGB is generally excluded. The permissibility of dissolution, distribution or withdrawal of capital reserves in accordance with general provisions remains unaffected by the foregoing.

## **2. Assumption of Losses**

Clause 2 of the Agreement provides for the obligation of Stabilus SE to assume losses in accordance with Sec. 302 AktG as amended from time to time.

According to the present legal situation, this means that Stabilus SE must compensate Stabilus Motion Controls GmbH for any net loss for the fiscal year that would otherwise arise during the term of the agreement. However, this obligation to assume losses does not apply if or to the extent that the net loss for the fiscal year is offset by withdrawing amounts from other revenue reserves that were allocated to these revenue reserves during the term of the Agreement.

This obligation to compensate any losses is a mandatory requirement for the effectiveness of the fiscal unity for corporate income tax and trade tax purposes between the Companies.

The obligation to compensate any losses accrues for the first time for the (entire) fiscal year in which the Agreement becomes effective. If the Agreement is registered with the relevant commercial register of Stabilus Motion Controls GmbH by 30 September 2024, any loss for the fiscal year of Stabilus Motion Controls GmbH ending on this 30 September 2024 would therefore have to be compensated for the first time.

Stabilus Motion Controls GmbH may only waive or settle the right to compensation three years after the day on which the registration of the termination of the Agreement with the commercial register has been published in accordance with Sec. 10 HGB. Rights become time barred ten years after the day on which the registration of the termination of the Agreement with the commercial register has been published in accordance with Sec. 10 HGB.

## **3. Due date of the Rights**

The rights to profit transfer and compensation accrue at the end of the fiscal year of Stabilus Motion Controls GmbH and are to be taken into account in the annual financial statements of Stabilus SE and Stabilus Motion Controls GmbH in the same period. The right to profit transfer is due upon approval of the annual financial statements of Stabilus Motion Controls GmbH for the past fiscal year. The right to compensation is due upon the end of the fiscal year of Stabilus Motion Controls GmbH. The rights are subject to statutory interest from the

aforementioned dates.

#### **4. Preparation of the Annual Financial Statements**

According to clauses 3.1 and 3.2 of the Agreement, the annual financial statements of Stabilus Motion Controls GmbH shall, prior to being approved, be presented to Stabilus SE for information, review and reconciliation purposes, and must be prepared and approved prior to the annual financial statements of Stabilus SE.

If the fiscal year of Stabilus Motion Controls GmbH ends at the same time as the fiscal year of Stabilus SE, the annual financial statements of Stabilus SE have to reflect the profit or loss incurred by Stabilus Motion Controls GmbH during one and the same fiscal year.

#### **5. Right of Access to Information**

According to clause 4.1 of the Agreement, Stabilus SE is entitled to request information concerning all the affairs of Stabilus Motion Controls GmbH from the management of Stabilus Motion Controls GmbH and to inspect the books and business papers of Stabilus Motion Controls GmbH at any time.

Additionally, according to clause 4.2 of the Agreement, Stabilus Motion Controls GmbH shall continually inform Stabilus SE about its business development.

#### **6. Coming into force and Term of the Agreement**

Clause 5.1 of the Agreement contains the declaratory clause that the Agreement is subject to the approval of the general meeting of Stabilus SE and the shareholder's meeting of Stabilus Motion Controls GmbH. A further legal requirement for the effectiveness is the registration of the Agreement with the commercial register at the registered seat of Stabilus Motion Controls GmbH.

This Agreement is concluded for an indefinite period of time. It may be terminated ordinarily at the end of a fiscal year of Stabilus Motion Controls GmbH subject to a notice period of three months, for the first time, however, after expiration of a period of full five years, i.e. 60 months (minimum term) since the beginning of the fiscal year for which the Agreement first applies. The minimum term is a prerequisite for the acceptance of a fiscal unity for corporate income tax or trade tax purposes.

During the minimum term, the Agreement can only be terminated prematurely for important reason without jeopardizing the fiscal unity for corporation or trade tax purposes. Clause 5.3 of the Agreement lists (non-exhaustive) reasons that are usually also accepted for tax purposes.

In the event that during the term of this Agreement a fiscal unity for corporate income tax purposes shall not be acknowledged or shall not be accepted due to missing or deficient performance, clause 5.4 of the Agreement stipulates that the five year period within the meaning of clause 5.2 shall begin with the first day of the fiscal year of Stabilus Motion Controls GmbH for which the prerequisites of a fiscal unity for corporate income tax purposes are met for the first

time or again.

## **7. Costs and Final Provisions**

According to clause 6 of the Agreement, Stabilus SE shall pay all costs incurring in connection with the conclusion of this Agreement. Such costs were incurred, in particular for legal advice.

Clauses 7.1 and 7.2 of the Agreement contain severability clauses (*Salvatorische Klauseln*) which are intended to ensure the continuation of the Agreement in the event that individual provisions of the Agreement should prove to be completely or partially void, invalid or impracticable.

## **IV. No Compensation, no Settlement, no Review of the Agreement**

As Stabilus SE is the sole shareholder of Stabilus Motion Controls GmbH, there is no outside shareholder within the meaning of Sec. 304 et seq. AktG. Consequently, no appropriate compensation according to Sec. 304 AktG is to be determined and no settlement according to Sec. 305 AktG is to be set.

A review of the Agreement according to Sec. 293b et seq. AktG by a court appointed auditor (contract auditor) is not required, as all shares in Stabilus Motion Controls GmbH are held directly by Stabilus SE.

## **V. Effects on the Shareholders of Stabilus SE**

There are no apparent effects on the shareholdings of the shareholders of Stabilus SE that go beyond those mentioned in this report.

## **VI. Summarized Assessment**

A summarized assessment of the Agreement shows that its conclusion is advantageous for both Stabilus SE as well as its subsidiary Stabilus Motion Controls GmbH.

The Management Board of Stabilus SE recommends to the general meeting and the management of Stabilus Motion Controls GmbH recommends to its shareholder's meeting to approve the conclusion of the Agreement.

– Signature page follows –

**Stabilus SE**

**Stabilus Motion Controls GmbH**

Koblenz, 14 December 2023

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Dr Michael Robert Büchsner  
- Chair of the Management Board -

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Dr Peter Kremer  
- Managing director -

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Stefan Peter Hermann Bauerreis  
- Member of the Management Board -

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Stefan Peter Hermann Bauerreis  
- Managing director -