



Report of the Board of Management

of

DEUTZ Aktiengesellschaft,

Cologne,

to the Annual General Meeting on May 8, 2025

on the utilization of Authorized Capital pursuant to Section 4 (3) of the Statutes (Authorized Capital 2023/II) by issuing 12,614,719 new shares with disapplication of pre-emption rights for cash capital contributions

1. With the content of Article 4 (3) of the Statutes, the Annual General Meeting on April 27, 2023, authorized the Board of Management, subject to the consent of the Supervisory Board, to increase the Company's issued capital on or before April 26, 2028, on one or more occasions in installments by up to a total amount of EUR 61,795,646.86 through the issue of up to 24,172,356 new no-par-value bearer shares for cash capital contributions (Authorized Capital 2023/II). The authorization provides that shareholders' pre-emption rights may be disappplied in certain cases. In particular, authorization was granted for the so-called simplified disapplication of pre-emption rights pursuant to Section 186 (3) Sentence 4 AktG: Pursuant to the authorization, the disapplication of pre-emption rights is permitted in particular if the capital increase against cash capital contributions does not exceed 10 % of the issued capital, and the issue price of the new shares is not significantly lower than the market price of the existing shares.
2. Making partial use of this authorization, the Company issued 12,614,719 new shares in July 2024 as part of a private placement, disapplying pre-emption rights. As a consequence, the Company's issued capital increased by 10 % to EUR 354,739,200.24, divided into 138,761,914 no-par-value bearer shares. The private placement occurred on July 3, 2024, by way of an accelerated bookbuilding process.

A placement price of EUR 5.71 per new share was set, which generated gross issue proceeds of approximately EUR 72 million.

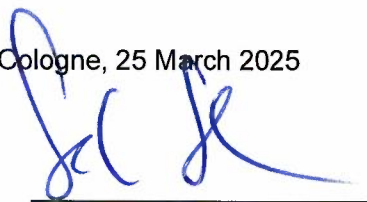
The volume-weighted average price of DEUTZ AG shares in Xetra trading on the Frankfurt

Stock Exchange on the five trading days preceding July 3, 2024, amounted to EUR 6.009. The placement price reflects a discount of 4.98 % in relation to this price.

As a consequence, the placement price lay within the statutorily permissible range.

3. The fixed placement price did not thereby lead to a relevant economic dilution of existing interests in DEUTZ AG. DEUTZ AG is of the opinion that the capital market conditions at the time of the placement offered interested shareholders sufficient opportunity to increase their interests on reasonable terms in order to offset the dilution of their interests.
4. With the net proceeds from the capital increase, the DEUTZ Group has given itself the flexibility to continue to advance the successful implementation of its Dual+ strategy through inorganic growth, including after the acquisition of US genset manufacturer Blue Star Power Systems, Inc. Given the circumstances at the time of the placement, the Board of Management is of the opinion that the use of Authorized Capital 2023/II amounting to 10 % of the issued capital with disapplication of pre-emption rights represented the most efficient and expedient way to appropriately strengthen the capital and thereby the ability of DEUTZ AG to act, including taking the shareholders' interests into consideration.

Cologne, 25 March 2025



Dr. Sebastian C. Schulte
Chairman of the Board of
Management (CEO)



Oliver Neu
Chief Financial Officer (CFO)



Dr.-Ing. Petra Mayer
Chief Operating Officer
(COO)