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Publication of inside information pursuant to Article 17 of Regulation (EU) No. 596/2014

### **H&K AG resolves on capital increase with subscription rights against contributions in cash and in kind in order to convert hybrid loans into equity**

**Oberndorf am Neckar, April 23, 2023** – Today, the management board of H&K AG ("**Company**") (ISIN DE000A11Q133 / WKN A11Q13) resolved with the approval of the supervisory board on a capital increase with subscription rights for existing shareholders by making partial use of the Company's authorized capital 2022. For this purpose, the share capital of the Company shall be increased from EUR 27,640,920.00 by up to EUR 7,897,405.00 to up to EUR 35,538,325.00 by issuing up to 7,897,405 ordinary bearer shares with no par value ("**New Shares**"), each such share with a notional value of EUR 1.00 in the Company's share capital and with the same dividend rights as all other outstanding ordinary shares of the Company, including full dividend rights for the financial year ended December 31, 2022 ("**Capital Increase**"). The subscription ratio is set at 7:2, i.e. seven (7) existing shares of the Company entitle to subscribe for two (2) New Shares.

The Capital Increase will be carried out against contributions in cash and in kind. The two shareholders of the Company, COMPAGNIE DE DEVELOPPEMENT DE L'EAU S.A., Luxembourg, Grand Duchy of Luxembourg ("**CDE**"), and Alter Domus Trustee Services (Malta) Limited, Malta, as trustee of Valletta Benefit Trust, Malta (together with CDE, "**Contributing Shareholders**"), will be given the opportunity to contribute as a contribution in kind their repayment claims against the Company under three shareholder loans granted in a total nominal amount of EUR 95.0 million (together, "**Hybrid Loans**") (without accrued interest). By converting the Hybrid Loans, which are currently recorded as liabilities under the German Commercial Code (*Handelsgesetzbuch*), into equity, the Company expects to improve its balance sheet situation and reduce its indebtedness and thus interest burden.

Subject to the approval of the securities prospectus ("**Prospectus**") by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "**BaFin**") and the publication of the approved Prospectus on the website of the Company, 801,624 New Shares will be offered to the existing shareholders of the Company (with the exception of the Contributing Shareholders) by way of indirect subscription rights in the course of the Capital Increase during the subscription period beginning April 26, 2023 (inclusive) and ending May 9, 2023 (inclusive) at a subscription price of EUR 13.40 per New Share in accordance with the terms and conditions of the subscription offer, which is expected to be published on or about April 25, 2023 in the Federal Gazette (*Bundesanzeiger*). A trading in subscription rights on a stock exchange is not envisaged.

The Contributing Shareholders will be admitted to subscribe directly for 7,095,781 New Shares, also at a subscription price of EUR 13.40 per New Share, which they will subscribe for directly on the basis of investment agreements with the Company, partly against contribution of the Hybrid Loans (without accrued interest) as contribution in kind and partly against additional cash contributions.

The maximum gross proceeds from the planned Capital Increase (excluding contributions in kind) can amount to up to EUR 10.8 million. The Company intends to use the net proceeds from the Capital Increase for investments in production and infrastructure at its site in Oberndorf am Neckar.

Further information on the Capital Increase can be found on the Company's website ([www.heckler-koch.com](http://www.heckler-koch.com)) in the section "Investor Relations – Capital Increase 2023".

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