



- MAX NOTES 2020

## GENERAL INFORMATION

### Company

MAX Automation (hereinafter “Company” or “the MAX Group”) is a European stock corporation based in Germany. The registered office and principal place of business of the Company is Dusseldorf.

The main remit of the Company is to act as a managing holding company, i.e. combining companies under a single management, advising these companies, and assuming other business management duties. The Group companies operate internationally as high-tech mechanical engineering companies and leading providers of integrated turnkey solutions and complex systems and components. The business operations are divided into the segments Industrial Automation and Environmental Technology. MAX Automation SE therefore assumes the role of lead parent company of the Group.

### Consolidated financial statements

The Company has prepared its Consolidated Financial Statements in compliance with Section 315e (1) of the German Commercial Code (HGB) in accordance with the International Financial Reporting Standards (IFRS), as applicable in the EU, and in line with the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC). All the IFRS rules which were mandatory for the past financial year were applied.

The Consolidated Financial Statements were prepared in euro (EUR). Unless specified otherwise, all of the amounts are stated in thousands of euro (kEUR). For computational reasons, rounding differences of TEUR 1 may occur in the tables.

The Consolidated Statement of Comprehensive Income is presented on the basis of the total cost method.

The Consolidated Financial Statements for the financial year ending 31 December 2019, duly audited and issued with an unqualified audit certificate, were approved by the Supervisory Board on 13 March 2020. The audited Consolidated Financial Statements for the year ending 31 December 2020 are expected to be approved by the Supervisory Board on 16 March 2021.

### COVID 19-PANDEMIC

On 5 June 2020, the Company submitted an application for contract modifications at the administrative office for the syndicated loan contract due to the effects of the COVID-19 pandemic. The subject of the application was the suspension of the covenant testing until 31 December 2020 and the readjustment of the covenants. The bank syndicate accepted the application on 25 June 2020.

A subsidiary of Vecoplan AG applied for and received a government subsidy of kUSD 951 from the Paycheck Protection Program (“PPP Loan”) in the USA. This program is aimed at small businesses with fewer than 500 employees. The income-effective receipt of the subsidy was tied to various requirements. The Company met these requirements in the fourth quarter.

In Germany, various Group companies have made use of the instrument of short-time work where possible and necessary. The grants were recognized in personnel expenses to reduce expenses, insofar as they relate to social security contributions.

The COVID-19 pandemic was taken into consideration in the planning process of the companies. Furthermore, in connection with the development as a result of the COVID-19 pandemic, reference is made to the explanations in the Outlook.

## ACCOUNTING POLICIES

The accounts of the domestic and foreign subsidiaries included in the Consolidated Financial Statements were prepared in accordance with the IFRS accounting and valuation regulations, applying uniform standards.

When applying the IFRS, estimates and assumptions need to be made in certain cases which have a corresponding impact on the net assets, financial position and results of operations of the Company. The assumptions and estimates made could have been entirely different in the same reporting period for equally understandable reasons. The assumptions and estimates made are routinely reviewed and adjusted. The Company points out that actual future results may deviate from the estimates and assumptions made.

The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) have approved a number of amendments to existing International Financial Reporting Standards (IFRS) as well as some new IFRS rules and interpretations, which are mandatory for the MAX Gruppe from financial year 2020 onwards, and they have also adopted some further standards and interpretations as well as amendments to the current standards that are not yet mandatory in the EU. The amendments, standards and interpretations are as follows:

Announcement	Title	Mandatory application / voluntary application for the MAX Group from	Expected effects on the presentation of the net assets, financial position and results of operations of the MAX Group
<b>New and amended standards and interpretations</b>			
various	Changes to references to the Framework in IFRS standards	01/01/2020	No effects
IFRS 3	Changes to the definition of a business operation	01/01/2020	No effects
various	Amendments to IAS 1 and IAS 8 Definition of "material"	01/01/2020	No effects
IFRS 9, IAS 39, IFRS 7	Interest Rate Benchmark Reform (IBOR)	01/01/2020	No effects
IFRS 16	Covid-19 related Rental Concessions	01/06/2020	No Covid 19 related rental concessions were granted to the Group companies. Accordingly, the amendments have no effect on the company's net assets, financial position and results of operations

New standards and interpretations to be applied in future			
IFRS 9, IAS 39, IFRS 7, IFRS 4, IFRS 16	Interest Rate Benchmark Reform (IBOR) Phase 2	01/01/2021	The Company currently does not expect any significant effects on the company's net assets, financial position and results of operations
IAS 37	Onerous Contracts - Cost of Fulfilling a Contract	01/01/2022	The Company currently does not expect any significant effects on the company's net assets, financial position and results of operations
various	Annual Improvements to IFRS Standards 2018-2020	01/01/2022	The Company currently does not expect any significant effects on the company's net assets, financial position and results of operations
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	01/01/2022	The Company currently does not expect any significant effects on the company's net assets, financial position and results of operations
IFRS 3	Reference to Conceptual Framework	01/01/2022	The Company currently does not expect any significant effects on the company's net assets, financial position and results of operations
IAS 1	Classification of Liabilities as Current or Non-current	01/01/2023	No effects
IFRS 17	Insurance Contracts	01/01/2023	No effects
various	Amendment to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	tbd	The Company currently does not expect any significant effects on the company's net assets, financial position and results of operations

## Use of judgements and estimates

The preparation of the consolidated financial statements requires the executive directors to make judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

## Discretionary decisions

Information about judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements arises in connection with the following matters:

- Revenue recognition: Realisation of revenue from construction contracts over a period of time or at a point in time.
- Financial assets accounted for using the equity method: Determination of whether the Group has significant influence over the financial asset.

- Exercise of renewal options in connection with leases

## Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as at 31 December 2020 that may have a significant risk of causing a material adjustment to the carrying amounts of recognised assets and liabilities within the next financial year arises in connection with the following matters:

- Revenue recognition: estimates in the context of the application of the cost-to-cost method.
- Recognition of deferred tax assets: availability of future taxable profits against which deductible temporary differences and tax loss carryforwards can be utilised
- Impairment testing of intangible assets and goodwill: key assumptions underlying the determination of the recoverable amount, including the recoverability of development costs
- Recognition and measurement of provisions and contingent assets and liabilities: key assumptions about the probability and extent of the inflow or outflow of benefits
- Valuation allowance for expected credit losses on trade receivables and contract assets: key assumptions in determining the weighted average loss rate

## Assets

### Acquired intangible assets

Acquired intangible assets (patent rights, licenses, IT software, know-how, technology, trademark rights, industrial property rights, websites, order backlogs, customer relationships and development projects) are carried at cost less amortization. Amortization is calculated using the straight-line method over the economic life, which is between 1 and 15 years.

### Internally generated intangible assets

Internally generated intangible assets (development costs) are also recognized. The economic life is between 4 and 5 years. Development costs for new products for which technical feasibility and marketability tests have been performed are capitalized at the directly or indirectly attributable manufacturing costs, provided that a clear allocation of expenses is possible and also that the products are both technically feasible and can be marketed. The development work must also be sufficiently likely to generate future cash inflows; borrowing costs are not capitalized. Amortization is based on the expected economic life of the products. Development costs capitalized as of the date of the statement of financial position in cases where the development project has not yet been completed are tested for impairment using the license price analogy method.

## Goodwill

If the acquisition costs for a business combination exceed the sum of the wholly revalued assets and liabilities including contingent liabilities, a positive difference is capitalized as goodwill. A negative difference is recognized in profit or loss after a reassessment.

The Group has identified the Process Technologies and Environmental Technologies business units as well as the individual companies of Evolving Technologies as cash-generating units. Goodwill is subjected to an impairment test in accordance with IAS 36 on each balance sheet date and whenever there are indications of impairment. A decline in value is recognized immediately as an expense in the Consolidated Statement of Comprehensive Income and is not reversed in subsequent periods.

The goodwill arising from acquisitions made prior to the date of transition to IFRS on 1 January 2004, was taken from the previous HGB financial statements and tested for impairment at this time. Goodwill amortized in previous periods has not been reversed.

The impairment test of goodwill is usually carried out at the level of a cash-generating unit. The impairment test is based on the calculation of the recoverable amount. The recoverable amount is either fair value less costs to sell or value in use, whichever is higher. Impairment tests in the MAX Automation Group are carried out as a rule by comparing the value in use and the carrying amount, whereby in individual cases the use of fair value less costs to sell is also possible.

If the carrying amount of the cash-generating unit to which the goodwill was allocated exceeds its recoverable amount, the goodwill allocated to this cash-generating unit is reduced by the difference. If the impairment loss exceeds the goodwill, the additional impairment loss is allocated pro rata to the assets allocated to the cash-generating unit (IAS 36.104 et seq.). The fair values or values in use (where quantifiable) of the individual assets are regarded as the lower limit.

The carrying amount of the cash-generating unit represents the so-called net assets and is composed of the assets required for business operations (operating assets) plus disclosed hidden reserves (especially goodwill) and less liabilities resulting from the operations.

When calculating the fair value less costs to sell, the procedure is conducted primarily with reference to market prices. The value in use is calculated on the basis of the discounted cash flow (DCF) method.

The weighted average cost of capital (WACC) approach is applied here (IDW RS HFA 40 (44)). The market risk premium amount is selected with reference to the pronouncements issued by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer – IDW). The risk-free base rate is calculated using a system recommended by the IDW (Svensson method). The beta factor, the borrowing rate and the debt-equity ratio are calculated with reference to capital market data relating to comparable companies (peer group) in the same sector.

### The following input requirements must be taken into account:

- Under IAS 36.50, cash flows from financing and for income taxes are not to be included in the calculation of the value in use.
- The capitalization rate is a pre-tax interest rate that reflects current market estimates of the time value of money and the specific risks of the valuation object. Since the returns on risk-bearing equity securities which can be observed in the capital markets routinely include tax effects, the weighted capitalization rate must be adjusted for these tax effects.

- The cost of equity is calculated on the basis of the Capital Asset Pricing Model. This calculation involves the risk-free rate, a risk premium and the beta factor of the respective business unit's peer group. The borrowing rate used similarly results from the specific peer group. The weighted average costs of capital below reflect the individual debt-equity ratio.
- In accordance with the range of 6 - 8% recommended by IDW, a value of 7% was used as the market risk premium.

## Pre-tax cost of capital

Business Unit	2020	2019
Process Technologies	7.09%	7.51%
Environmental Technologies	6.66%	9.99%
AIM Micro Systems GmbH	6.41%	9.98%
ELWEMA Automotive GmbH	6.98%	8.85%
iNDAT Robotics GmbH	5.66%	9.83%
MA micro automation GmbH	6.47%	10.08%
Mess und Regeltechnik Jücker GmbH	6.42%	10.11%
NSM Magnettechnik GmbH	6.42%	10.07%

The value in use is determined on the basis of the present value of the cash flow from two periods of growth. The first period is based on the five-year plan prepared by the management of the respective cash-generating unit and approved by the Supervisory Board, which has been updated and takes into account the effects of the COVID-19 pandemic. Any new information which has come to light in the meantime has been taken into account. A perpetuity equal to the permanently recoverable amount according to the last year of the detailed forecast period is taken as a basis for the second phase, allowing for a growth rate of 1%. Based on the order backlog and the chronological completion of the orders, the chosen planning horizon mainly reflects the following assumptions for short-term to medium-term market developments: sales trend, market shares and growth rates, raw material costs, customer acquisition and retention costs, personnel development and investments. The MAX Automation Group envisages strong increases in sales and EBIT for the period from 2021 to 2025. The assumptions are determined internally and mainly reflect past experience or are compared with external market values.

In addition, sensitivity analyses were performed for all cash-generating units, assuming an increase in the discount rates by one percentage point and a simultaneous decrease in cash flows by 10%.

For the 2019 annual financial statements, the recoverable amount of ELWEMA Automotive GmbH was determined based on the net realizable value. As the basis for the valuation based on the net realizable value no longer existed in the first quarter, another impairment test was carried out in which the recoverable amount was determined based on the value in use. This resulted in an impairment requirement for goodwill of kEUR 3,671. This need for impairment was recorded accordingly in the first quarter of 2020. After the impairment of goodwill already recorded in the first quarter, the remaining goodwill in the amount of kEUR 494 and the self-generated intangible assets in the amount of kEUR 3,088 were written off in full on 30 June 2020.

As of 31 December 2020, a recoverable amount of kEUR 22,786 and a resulting need for impairment of kEUR 3,775 were determined for ELWEMA Automotive GmbH. Accordingly, write-downs were made on intangible assets in the amount of kEUR 1,602 and on property, plant and equipment in the amount of

kEUR 355. The assets that were impaired in value were written down to their recoverable amount of EUR 0, which corresponds to their fair value less costs to sell. Market values were determined for the remaining non-current assets, which are land and buildings. As further recognition of the calculated impairment loss would cause the previously mentioned assets to fall below fair value, no further impairment losses were recognized, in accordance with IAS 36.105.

Due to the high deviation of the result of the impairment test from the sensitivity analysis of INDAT Robotics GmbH and the low WACC of 5.66% compared to the other cash-generating units, the result of the sensitivity analysis was taken into account when determining the recoverable amount. The results of the impairment test and the sensitivity analysis were weighted at 50% each. The recoverable amount of EUR 6,306k calculated on this basis resulted in a complete impairment requirement of the remaining goodwill of EUR 3,464k. As a result, the goodwill was written down to EUR 0k as of December 31, 2020.

The sensitivity analyses for the cash-generating units to which significant goodwill has been allocated did not identify any further need for impairment.

## Financial assets accounted for using the equity method

Companies over which MAX Automation SE has a significant, but not controlling influence are recognized using the equity method. The enterprise is valued at the cost of acquisition at the time of initial inclusion. This valuation approach for the investment is maintained in subsequent periods. Attributable annual profits or annual losses increase or decrease the carrying value of the investment, and this value can be written down to a maximum of 0 euro. Dividends received from the enterprise are deducted from the carrying amount.

## Property, plant and equipment

Property, plant and equipment are capitalized at acquisition or production cost and depreciated over their estimated useful lives or written down, if necessary.

For land and buildings, the MAX Group uses the revaluation model of IAS 16. The reason for using this revaluation model is that the MAX Group intentionally makes adjustments for the effects of inflation when recognizing assets with a very long useful life. The effects of inflation can cause the replacement cost of this property, plant and equipment to be significantly higher than the historical acquisition or production cost reduced by write-downs. Therefore, the revaluation model has a capital preservation function.

The revaluation is not restricted to the acquisition or production costs as an upper limit. Excesses of acquisition or production costs occur mainly in the case of land, as this is generally not subject to any consumption of benefits. The revaluation is done at fair value, which is performed for land and buildings by calculating their income value. Independent appraisers assess the income value. The income approach involves a model with input factors that are based on unobservable market data (level 3 according to IFRS 13). The revaluation is performed at five year intervals.

At the time of revaluation, the cumulative depreciation is eliminated against the gross carrying amount. The remaining carrying amount is subject to revaluation. From this revaluation until the next time of revaluation, depreciation occurs over the remaining useful life on a fair value basis.



The revaluation is recognized directly in equity under other comprehensive income through the revaluation reserve.

Property, plant and equipment are depreciated on a straight-line basis over the following useful lives:

<b>Expected useful lives</b>	
Building	5 to 50 years
Outdoor facilities	5 to 33 years
Technical equipment and machinery	1 to 14 years
Other plant and machinery	1 to 17 years

The calculation of the economic life takes account of the estimated physical wear and tear, technological obsolescence and legal and contractual restrictions.

Assets under construction are carried at cost. These assets start to depreciate on their completion or when they are ready for operational use.

If there are indications pointing to impairment, the recoverable amount of the asset or the cash-generating unit is calculated on the basis of its value in use in order to determine the extent of impairment. Impairment is recognized in profit or loss.

If the past cause of an impairment ceases to apply, the carrying amount of the asset is increased again accordingly.

The increase in the carrying amount is limited to the value which would have resulted if no impairment loss had been recognized for the asset in previous years. The reversal of the impairment loss is also recognized in profit or loss.

## Investment property

Investment property consists of property held for rental income and/or for capital appreciation purposes. In the MAX Group, the fair value model, rather than the amortized cost model, is applied to all investment properties. In the view of management, the fair value model is the more relevant form of presenting a more accurate picture of the net assets, financial position and results of operations of the MAX Automation Group. The calculation of fair value was done by means of the income approach, which involves a model with input factors that are based on unobservable market data (level 3 according to IFRS 13).

An investment property is derecognized upon disposal if it is permanently no longer to be used or no future economic benefits are expected from the disposal. The gain or loss from the disposal is determined as the difference between the net realizable value and the carrying amount of the asset and is recognized in the Consolidated Statement of Comprehensive Income in the disposal period.

## Non-current financial assets

Financial assets are measured at cost at the time of acquisition.

Loans are carried at amortized cost.

Financial assets that are not carried at fair value are regularly tested for impairment. Financial assets that are impaired are written down to the recoverable amount in profit or loss. If the reason for write-downs in earlier periods no longer applies, a write-up is recognized in profit or loss.

## Inventories

Inventories are carried at acquisition or production cost or at net realizable value, whichever is lower. In addition to production material and production wages, production costs also include material and production overheads that must be capitalized. Discounts are made for lack of marketability. Inventories are valued using individual valuation, the moving average method or the first-in-first-out (FIFO) method.

Impairment losses are recognized when the net realizable value of an asset falls below its carrying amount.

## Contractual assets

The companies of the MAX Group generate their revenue to a large extent from the creation and delivery of customer-specific equipment and machinery. For these orders, revenue and the anticipated gross margin are recognized according to the percentage-of-completion method (POC method) in line with the percentage of completion of an order over the period of performance.

The IFRS 15 criteria for this are:

- The asset created does not have any alternative use.
- The Group has a legally enforceable claim to remuneration for services that have already been rendered.

If both criteria are met, the percentage of completion is determined on the basis of the costs incurred for the work carried out in relation to the total expected costs (cost-to-cost method). As a result of this accounting method, both revenue and the associated costs are recognized systematically. Consequently, the results are recognized on an accrual basis over the period in which the power of disposal, the good or service is transferred. Customer payments are contractually agreed upon and are oriented toward progress on a project and predetermined milestones. This ensures that customer payments and performance progress are not too far apart in terms of time. The Group came to the conclusion that the input-based method is best suited for determining the percentage of completion since the individual companies use an IT-supported calculation procedure and can reliably estimate the planning costs and oversee the total costs using individualized project controlling.

The estimation of the extent of completion is of particular importance when using the percentage of completion method. It can also include estimates of the scope of delivery and services required to meet contractual obligations. These material estimates include total estimated costs, total estimated sales revenues, contract risks – including technical, political and regulatory risks – and other relevant variables. According to the percentage of completion method, changes in estimates can increase or decrease sales.

All other sales that do not meet the criteria for period-based sales recognition are recorded on a point-in-time basis. Revenue is recognized when the significant risks and rewards of ownership of the goods

and products sold have been transferred to the customer. This is usually the case when the goods are delivered to the customer and simultaneously accepted by the customer (acceptance reports). Revenue from contracts with customers corresponds to the transaction price. The transaction price only includes variable consideration if there is a high probability that the actual occurrence of the variable consideration, e.g. a contractual penalty, will not result in a material reversal of revenue. The transaction price is not adjusted for a financing component since in particular the period between the transfer of goods and services and the payment by the customer is always less than 12 months.

If a reliable estimate of performance progress is not possible for orders either on the basis of output factors or input factors, the zero profit method is used, provided that it can be assumed that the companies can recover the costs incurred during fulfillment of the performance obligation. In case of this method, revenue and the associated costs are recognized in the same amount until a reliable estimate for measuring progress is possible. The gross margin here is at least partially retroactively adjusted in profit or loss only at a later stage of the order.

The other part of revenue from contracts with customers is generated both from the sale of standard machinery, replacement parts and other goods as well as from the rendering of services. This revenue is recognized at the time when the customer obtains control over the promised asset. This is usually the time when the machinery is delivered to the customer so that he acquires ownership or accepted delivery. Services rendered are recognized as sales upon their fulfillment. For standard machinery and replacement parts, customer payment takes place after invoicing. Depending on the structure of the contract, it takes place after delivery or acceptance. Invoices for payments on account are also issued to customers.

Contracts are reported under contract assets or contract liabilities. If the cumulative work (contract costs and contract net profit) exceed down payments, construction contracts are disclosed on the assets side under contractual assets. If a negative balance remains after deducting the down payments, it is disclosed as an obligation from construction contracts on the liabilities side under contractual liabilities. Partial services already invoiced are recognized under trade receivables. Anticipated contractual losses are considered on the basis of recognizable risks and immediately included in the contract net profit in full. Contractual revenue and contract modifications, meaning contractual changes and amendments, are recognized as contract revenue in accordance with IFRS 15. Contractual assets are usually recognized within a business cycle of the MAX Group. Therefore, they are disclosed under current assets in accordance with IAS 1, even if the recognition of the entire receivable extends over a period of more than one year.

Contractual assets are tested for impairment using the simplified procedure. For a more detailed explanation, please refer to the chapter "Risk Management."

### **Performance obligations**

The Group breaks down its contracts with customers into performance obligations, distinguishing between performance obligations that are settled either at a point in time or over a period of time in accordance with the terms of the contract. Customer contracts are analyzed in terms of separable performance obligations. Besides the performance obligation to construct machinery or equipment for the customer, mainly spare part packages and partial reconstructions are presented as separable performance obligations for the companies.

## Current financial assets

In accordance with IAS 32, financial assets include trade receivables, receivables from banks, derivative financial instruments and other miscellaneous marketable financial assets. The Company assumes that the reported values of the financial instruments are generally consistent with their fair values.

Trade receivables are tested for impairment using the simplified procedure. For a more detailed explanation, please refer to the chapter "Risk Management."

## Cash and cash equivalents

Cash and cash equivalents are liquid assets measured at cost. They comprise cash in hand, bank deposits at call and other highly liquid current financial assets with a maximum term of three months at the time of acquisition. The underlying funds for financing purposes in the Consolidated Statement of Cash Flows are consistent with the definition of cash and cash equivalents cited here.

## Equity and liabilities

### Equity procurement costs

Equity procurement costs are deducted from the capital reserve after allowing for the taxes applicable to them.

### Adjustment item for minority interests

The development of the adjustment item is based on the attributable annual results.

### Pension obligations

The measurement of provisions for post-employment benefits is done in accordance with the actuarial projected unit credit method prescribed in IAS 19 "Employee benefits." Here, future obligations are measured on the basis of the pro rata benefit entitlements as of the reporting date. The measurement takes assumptions (e.g. regarding salary development or the pension trend) into account for the relevant factors that affect the amount of the benefit. The calculation is based on the 2018 G life expectancy reference tables issued by K. Heubeck. Account is taken not only of the pensions and vested benefits known on the reporting date but also of expected future changes in salaries and pensions. The service cost is included in the personnel expenses in the Consolidated Statement of Comprehensive Income. Actuarial gains and losses, as well as gains and losses from the revaluation of plan assets, are recognized in "Other comprehensive income," net of retained earnings. Interest expense is reported under net interest.

### Provisions for taxes

Provisions for taxes include obligations from current income taxes. Income tax provisions are offset with corresponding tax refund claims if they exist in the same tax jurisdiction and their type and due dates are the same.

## Other provisions

Other provisions take into account all recognizable obligations as of the reporting date that arise from past transactions or past events and whose amount and/or due dates are uncertain. Provisions are recognized at their respective expected settlement amounts, i.e., taking price and cost increases into account, and are not netted against reimbursement claims. Provisions are formed only if they are based on a legal or factual obligation to third parties. Non-current provisions are recognized at their settlement amount discounted to the reporting date and disclosed under non-current liabilities. When a loss on a contract is likely, the entity recognizes the present obligation under the contract as a provision.

The determination of provisions for impending losses from contracts, of warranty provisions, of provisions for dismantling, decommissioning and similar obligations and of provisions for legal disputes, regulatory procedures and official investigations (legal disputes) is largely associated with estimates. Provisions for anticipated losses on contracts with customers are recognized when the current estimated total costs exceed the estimated sales revenues. Losses from contracts with customers are identified through ongoing monitoring of project progress and the updating of estimates. This requires to a considerable extent assessments with regard to the fulfillment of certain performance requirements as well as the assessment of warranty expenses and project delays, including an assessment of the attribution of these delays to the project partners involved.

Litigation is often based on complex legal issues and involves considerable uncertainty. Accordingly, the assessment of whether a current obligation from a past event is likely as of the reporting date, whether a future outflow of funds is probable and the amount of the obligation can be reliably estimated, is based on considerable judgment. The assessment is usually carried out in consultation with internal and external lawyers. It may be necessary to set up a provision for ongoing proceedings due to new developments or to adjust the amount of an existing provision. In addition, the outcome of proceedings can result in expenses for the Company that exceed the provision made for the matter. The Company does not currently expect any significant effects on its net assets, financial position and results of operations.

Provisions for a restructuring are formed provided that a detailed, formal plan has been prepared and shared with the affected parties.

## Liabilities

Trade payables and other original financial liabilities are recognized at amortized cost. Other liabilities are accounted for at their settlement amount.

Liabilities from leases are recognized at the start of the lease at the present value of the minimum lease payments.

Discounts and transaction costs are accounted for using the effective interest method. Non-current non-interest-bearing liabilities are stated at their present value.

## Contract liabilities

Contractual liabilities constitute an obligation to customers if partial invoices submitted and payments received from customers prior to the performance of the promised service have been collected or become due. Contractual liabilities from partial invoices submitted and payments received from customers are written down against the work in progress as soon as the work has been performed. If a contract contains several separate performance obligations, however, only one contractual asset or contractual

liability is to be recognized from this contract on a net basis.

## Leases

At the beginning of the contract, the Company assesses whether the contract constitutes or contains a lease. This is the case if the contract includes the right to control the use of an identified asset against payment of a fee for a certain period of time.

### As the lessee

On the provision date or when a contract containing a leasing component is changed, the Company divides the contractually agreed fee on the basis of the relative individual selling prices as far as possible. If it cannot be divided in exceptional cases, leasing and non-leasing components are accounted for as one leasing component.

On the provision date, the Company records an asset for the granted right of use and a lease liability. The right of use is initially valued at acquisition cost, which corresponds to the initial valuation of the lease liability, adjusted by payments made on or before the provision date, plus any initial direct costs and the estimated costs of dismantling or removing the underlying asset or restoring the underlying asset or the location at which it is located less any leasing incentives received.

Afterwards, the right-of-use asset is depreciated on a straight-line basis from the date of provision until the end of the lease term, unless ownership of the underlying asset is transferred to the Company at the end of the lease term or the cost of the right-of-use asset takes into account that the Company will exercise an option to purchase the asset. In these cases, the right of use is depreciated over the useful life of the underlying asset, which is determined in accordance with the regulations for property, plant and equipment. In addition, the right of use is continuously corrected for impairments, if necessary, and adjusted by certain revaluations of the lease liability.

For the first time, the lease liability becomes the present value of the lease payments not yet made on the provision date, discounted using the interest rate on which the lease is based or, if this cannot be easily determined, using the incremental borrowing rate of MAX Gruppe. Typically, the Company uses its incremental borrowing rate as the discount rate. The incremental borrowing rate of MAX Gruppe results from the interest on the syndicated loan of the MAX Gruppe. If an asset were not acquired under a lease, the purchase of the respective asset would be financed through the Group's syndicated loan.

The lease payments included in the valuation of the lease liability include:

- fixed payments, including de facto fixed payments,
- variable lease payments that are linked to an index or (interest) rate, valued for the first time using the index or (interest) rate valid on the provision date,
- amounts that are expected to be payable based on a residual value guarantee, and
- the exercise price of a call option if the Group is reasonably certain that it will exercise it,
- lease payments for an extension option if the Company is reasonably certain that it will exercise it,
- as well as penalties for premature termination of the lease, unless the Company is reasonably certain that it will not terminate prematurely.

The lease liability is measured at its amortized carrying amount using the effective interest method. It is revalued if the future lease payments change due to a change in the index or (interest) rate, if the

Company adjusts its estimate of the expected payments as part of a residual value guarantee, if the Company changes its estimate of the exercise of a purchase, extension or termination option or a de facto fixed lease payment changes. In the event of such a revaluation of the lease liability, a corresponding adjustment is to be made to the carrying amount of the right of use or this is made affecting income if the carrying amount of the right of use has decreased to zero.

The Group reports rights of use that do not meet the definition of investment property held, as well as lease liabilities, separately in the Consolidated Statement of Financial Position.

#### **Short-term leases and leases based on assets of low value**

The Company has decided not to recognize rights of use and lease liabilities for leases based on assets of low value as well as for short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease. Leases for intangible assets are also treated in this way.

#### **As the lessor**

When the contract begins or when a contract that contains a leasing component is changed, the Company divides the contractually agreed fee on the basis of the relative individual selling prices.

If the Company acts as the lessor, it classifies each lease as either a finance lease or an operating lease at the start of the contract.

To classify each lease, an overall assessment is made as to whether the lease essentially transfers all of the risks and rewards associated with ownership of the underlying asset. If so, the lease is classified as a finance lease; if not, it is an operating lease. In making this assessment, the Group takes certain indicators into account, such as whether the lease covers most of the useful life of the asset.

The Group accounts for the main lease and the sub-lease separately when it acts as an intermediate lessor. It classifies the sub-lease on the basis of its right of use from the main lease and not on the basis of the underlying asset. If the main lease is a short-term lease to which the Group applies the exception described above, it classifies the sub-lease as an operating lease.

If an agreement contains leasing and non-leasing components, the Group applies IFRS 15 to split the contractually agreed remuneration.

The Group applies the derecognition and impairment requirements of IFRS 9 to the net investment in the lease. The estimated, non-guaranteed residual values used when calculating the gross investment in the lease are reviewed regularly by the Group.

### **Share-based payment agreements**

The fair value on the day of granting share-based payment agreements to employees is recognized as an expense with a corresponding increase in equity over the period in which the employees acquire an unrestricted entitlement to the bonuses. The expense amount is adjusted to reflect the number of bonuses for which the applicable service terms and non-market performance terms are expected to be met, so that the ultimate expense amount is based on the number of bonuses that the applicable service terms and non-market performance terms end up with at the end of the vesting period. For share-based payments with non-exercise conditions, the fair value is determined on the date of granting taking these

conditions into account; There is no need to adjust the differences between expected and actual results.

The fair value of the amount payable to employees in respect of stock appreciation rights that are settled in cash is recognized as an expense with a corresponding increase in liabilities over the period in which the unconditional right to those payments is acquired. The liability is remeasured on each reporting date and on the settlement date based on the fair value of the appreciation rights. All changes in the liability are recognized in profit or loss.

## Statement of Comprehensive Income

### Operating result

The operating result is the result of the continued sales-generating main activities of MAX Gruppe as well as the other income and expenses of the operating activity. The operating result does not include the financial result, profit and loss shares in companies accounted for using the equity method, and income taxes.

### Research and development expenses

Expenses relating to the development of new products and processes, including significant improvements and refinements to current products, are recorded as expenses as they are incurred, as long as the prerequisites for capitalization as development costs in accordance with IAS 38 are not met.

Other operating income is recognized when the service is rendered or the entitlement arises. Interest income and interest expenses are recognized on an accrual basis.

## Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered predominantly through a sales transaction rather than through continued use and the sale is highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, with the exception of assets such as deferred tax assets, assets resulting from employee benefits, financial assets and investment property, which are recognized at fair value, and contractual rights arising from insurance contracts, which are explicitly excluded from this rule.

An impairment loss is recognized for first-time or subsequent write-downs of the asset (or of the disposal group) to the fair value less selling costs. A gain is recognized for subsequent increases in the fair value of an asset (or of the disposal group) less selling costs, but not in excess of a cumulative impairment loss previously recognized. A gain or loss not previously recognized until the time of disposal of the non-current asset (or of the disposal group) is realized at the time of disposal.

Non-current assets (including those that are part of a disposal group) are not subject to depreciation if



they are classified as held for sale. Interest and similar expenses attributable to the liabilities of a disposal group classified as held for sale will continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are reported separately from the other assets in the Consolidated Statement of Financial Position. The liabilities of a disposal group classified as held for sale are also presented separately from other liabilities in the Consolidated Statement of Financial Position.

A discontinued operation is a part of the entity sold or classified as held for sale that constitutes a separate major business unit or a geographical business sector which is part of a single coordinated plan to dispose of such a business unit, or is a business sector or constitutes a subsidiary that was acquired solely for the purpose of resale. The results from discontinued operations are shown separately in the Consolidated Statement of Comprehensive Income.

## Earnings per share

The undiluted earnings per share are calculated by dividing the portion of earnings after tax attributable to the shareholders of MAX Automation SE by the weighted average number of shares in circulation during the financial year, adjusted for bonus shares issued during the financial year and excluding any treasury shares.

The diluted earnings per share are calculated on the assumption that all potentially dilutive securities are either converted or exercised.

## Currency translation

Transactions in foreign currencies are translated into the functional currency of the respective company at the average spot exchange rate on the day of the transaction. At the end of the reporting period, the Company assesses monetary assets and liabilities denominated in foreign currencies in the functional currency at the then applicable average spot exchange rate. Gains and losses from currency valuations are recognized in other operating income or other operating expenses in the Consolidated Statement of Income.

The annual accounts of the foreign subsidiaries included in the Consolidated Financial Statements whose functional currency is not the euro are translated into the Group currency, the euro, on the basis of their functional currency, which is their respective local currency.

The statements of financial position are translated from their functional currency into the reporting currency at the average spot exchange rate on the date of the statements of financial position using the closing rate method.

The conversion of the Consolidated Statement of Income items is carried out at the average exchange rate for the reporting period.

Equity is translated at historical exchange rates.

Gains and losses from currency translation are recognized in equity without affecting profit or loss.

	EUR=	Balance sheet: reporting date rate		Income statement: average rate	
		31/12/2020	31/12/2019	31/12/2020	31/12/2019
China	CNY	8.02250	7.82050	7.87084	7.73388
Great Britain	GBP	0.89900	0.85080	0.88923	0.87730
Hong Kong	HKD	9.51420	8.74010	9.43408	8.67441
Poland	PLN	4.55970	4.25680	4.44318	4.29753
Switzerland	CHF	1.08020	1.08540	1.08139	1.09252
Singapore	SGD	1.62180	1.51110	1.62185	1.50813
USA	USD	1.22710	1.12340	1.14127	1.11959

	HKD=	Balance sheet: reporting date rate		Income statement: average rate	
		31/12/2020	31/12/2019	31/12/2020	31/12/2019
China	CNY	0.84320	0.89400	0.84378	0.89891

## Financial instruments

A financial instrument is a contract that gives rise to a financial asset at one entity and to a financial liability or equity instrument at another.

Financial assets and liabilities are divided into the categories prescribed by IFRS. Only the categories “at amortized cost” and “at fair value with changes in value in profit or loss” are currently relevant to the MAX Group in this regard.

A financial asset is measured at amortized cost if both of the following conditions are met and it has not been designated as FVTPL:

It is held as part of a business model whose purpose is to hold financial assets in order to collect contractual cash flows, and

The contractual terms of the financial asset give rise at specified dates to cash flows, which exclusively represent repayments and interest payments on the outstanding principal amount.

The Group does not make any use of the option of classifying financial assets and liabilities upon initial recognition as recognized in profit and loss at fair value (fair value option).

In determining whether the default risk of a financial asset has increased significantly since initial recognition and in estimating expected credit losses, the Group considers appropriate and reliable information that is relevant and available without an inappropriate expenditure of time and money. This includes both quantitative and qualitative information and analyses based on the Group’s past experience and well-founded assessments, including forward-looking information using CDS spreads.

A financial asset is considered to be in default if it is unlikely that the debtor will be able to pay the Group for its credit obligation in full. The asset is written down if no legitimate expectation exists that the contractual cash flows will be realized.

## Derivative financial instruments and hedging transactions

Derivatives are initially recognized at their fair value at the time of entering into a derivative transaction and are subsequently reassessed at their fair value at the end of the reporting period. The recognition of subsequent changes in the fair value depends on whether the derivative is designated as a hedging instrument and, if this is the case, on the nature of the underlying hedging relationship.

The Group's derivative instruments do not satisfy the prerequisites for recognition as hedging transactions. If derivatives do not satisfy the criteria for the recognition of hedging relationships, they are classified as "held for trading" for accounting purposes and recognized at fair value in profit or loss. They are presented as current assets and liabilities insofar as they are expected to be settled 12 months after the end of the reporting period.

Further details are provided in the chapter "Risk Management."

## Income taxes

Income tax expense represents the sum of current tax expense and deferred taxes.

Current or deferred taxes are recognized in the Consolidated Statement of Income unless they are related to items which are recognized either in other comprehensive income or directly in equity. In this case, the current or deferred taxes are recognized in other comprehensive income or directly in equity. If current or deferred taxes result from the initial recognition of a business combination, the tax effects are reflected in the accounting for the business combination.

### Current taxes

Current tax expense is calculated on the basis of taxable income for the current financial year. Taxable income differs from the profit for the year from the Consolidated Statement of Income due to expenses and revenues that are never taxable or tax deductible in subsequent years. The Group's obligation for current taxes is calculated on the basis of the respectively valid tax rates.

### Deferred taxes

Deferred taxes are recognized for differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding carrying values used in the calculation of taxable income. Deferred taxes are generally recognized for all taxable temporary differences; deferred tax assets are recognized to the extent that it is likely that taxable profits, for which deductible temporary differences can be used, are available. Deferred tax assets and deferred tax liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition (except for business combinations) of assets and liabilities which result from incidents that do not involve either taxable income or the profit for the year.

For taxable temporary differences that emerge from shares in subsidiaries, deferred tax liabilities are formed unless the Group can control the reversal of the temporary differences and it is likely that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets that arise from temporary differences in connection with shares in subsidiaries are recognized only to the extent to which it is likely that sufficient taxable income is available with which the claims from the temporary differences can be used. In addition, it must be possible to assume that these temporary differences will reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed every year on the reporting date and impaired in value if it is no longer likely that sufficient taxable income will be available in order to realize the claim in full or in part.

Deferred tax liabilities and tax claims are calculated on the basis of anticipated tax rates and the tax laws that are expected to be in effect at the time that the debt is settled or the asset realized. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequence that results from the way in which the Group expects to settle the liability or realize the asset on the reporting date.

## CONSOLIDATION

### Consolidation principles

MAX Automation SE and its subsidiaries over which it exercises control are included in the Consolidated Financial Statements. Control exists when MAX Automation SE is exposed to fluctuating returns from the relationship with the investee and has the opportunity to influence these returns through its power of disposal over the investee.

A subsidiary is consolidated from the date on which the Group acquires control of the subsidiary. It is deconsolidated as soon as the Group loses control of the subsidiary. All intra-Group assets and liabilities, equity, income and expenses as well as cash flows from business transactions that take place between Group companies are completely eliminated during consolidation.

### Scope of consolidation

All active Group companies are included in the scope of consolidation. These are majority holdings.

Besides MAX Automation SE, the scope of consolidation on the balance sheet date included a total of 29 subsidiaries and sub-subsidiaries as well as MAX Automation (Asia Pacific) Co. Ltd., Hong Kong, which is accounted for using the equity method.

IWM Automation Bodensee GmbH is currently one of the four companies in the Non-Core segment. This legal unit will be assigned to the Evolving Technologies segment once its operational business has been fully shut down.

In line with the clear strategic direction, the current companies were divided into the segments Process Technologies, Environmental Technologies, Evolving Technologies and Non-Core Business.

The scope of consolidation is comprised as follows:

<b>Number of companies included</b>	<b>2020</b>	<b>2019</b>
Process Technologies	7	7
Environmental Technologies	9	9
Evolving Technologies	9	8
Non-core	4	4
Group	29	28

## Changes in the scope of consolidation

MA micro automation GmbH, St. Leon-Rot acquired 100% of the shares in the shelf company “Kronen zweiausend596 GmbH,” Frankfurt/Main, with notarial certification dated 23 July 2020. In connection with the acquisition, the renaming of the acquired company to MA Life Science GmbH and the relocation of the company’s headquarters to St. Leon-Rot were submitted to the commercial register for entry.

On 2 October 2020, MA Life Science GmbH, St. Leon-Rot founded a new company in Dover, Delaware, USA, under the name Micro Automation LLC.

On 23 October, MA Micro Automation Pte. Ltd. issued 15,000 new shares in the company to MA Life Science GmbH as part of a capital increase. Besides MA micro automation GmbH, St. Leon-Rot, MA Life Science GmbH is hence also a shareholder in the company. This took place against the backdrop of the company’s change of legal form to an LLP. MA Micro Automation Pte. Ltd. was converted into Micro Automation LLP on 9 November 2020.

On 31 October, MAX Automation SE contributed its shares in Vecoplan AG to MAX Management GmbH in order to make better use of tax loss carryforwards. Apart from the valuation of the tax loss carryforwards, this internal restructuring had no effects at the Group level.

On 17 December 2020, the decision was made to liquidate MAX Automation North America Inc., Wilmington, Delaware, USA. Since the company is not material from the Group’s perspective on 31 December 2020, it was deconsolidated as of the balance sheet date.

# EXPLANATORY NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## Assets

### (1) Intangible assets

The following tables show the development and breakdown of intangible assets.

kEUR	Concessions, industrial property rights and similar rights and assets, and licenses to such rights and assets	Internally intangible assets	Advances paid	Total
<b>Acquisition or production cost</b>				
01.01.2020	33,113	11,780	180	45,073
Changes in scope of consolidation	0	0	0	0
Currency differences	-114	0	0	-114
Additions	1,360	325	1,378	3,063
Disposals	-3,096	-244	-41	-3,381
Reclassification to assets held for sale	-4	0	0	-4
Repostings	438	0	-413	26
31.12.2020	31,697	11,861	1,104	44,662
<b>Accumulated amortization</b>				
01.01.2020	30,537	7,698	51	38,286
Changes in scope of consolidation	0	0	0	0
Currency differences	-107	0	0	-107
Additions	1,374	539	0	1,913
Impairment	461	3,518	742	4,721
Disposals	-3,058	-242	0	-3,300
Reclassification to assets held for sale	-4	0	0	-4
Repostings	3	0	-1	2
31.12.2020	29,206	11,513	792	41,511
<b>Carrying amount</b>				
<b>31.12.2020</b>	<b>2,492</b>	<b>348</b>	<b>311</b>	<b>3,152</b>

kEUR	Concessions, industrial pro- perty rights and similar rights and assets, and licenses to such rights and assets	Internally intangible assets	Advances paid	Total
<b>Acquisition or production cost</b>				
01.01.2019	41,243	13,288	235	54,765
Changes in scope of consolidation	-7,956	0	0	-7,956
Currency differences	369	0	1	370
Additions	879	1,381	106	2,366
Disposals	-1,742	-2,730	0	-4,472
Repostings	320	-159	-161	0
31.12.2019	33,113	11,780	180	45,073
<b>Accumulated amortization</b>				
01.01.2019	31,658	8,910	50	40,618
Changes in scope of consolidation	-2,185	0	0	-2,185
Currency differences	120	0	0	120
Additions	2,598	1,518	1	4,117
Disposals	-1,654	-2,730	0	-4,384
Repostings	0	0	0	0
31.12.2019	30,537	7,698	51	38,286
<b>Carrying amount</b>				
<b>31.12.2019</b>	<b>2,576</b>	<b>4,082</b>	<b>129</b>	<b>14,148</b>

Intangible assets include licenses, computer software, technologies, development projects, websites, trademarks and customer relationships. The internally produced intangible assets are primarily capitalized development costs of the Group companies.

In the financial year, impairment losses of kEUR 4,721 were recorded for intangible assets, which essentially result from the need for impairment determined in the goodwill impairment test on ELWEMA Automotive GmbH. The impaired assets are software licenses, internally developed software and capitalized development costs.

## (2) Right-of-use Assets

With regard to the rights of use arising from leases, additional information on leases can be found in the chapter on lease liabilities.

kEUR	Right-of-use Assets
<b>Cost</b>	
01/01/2020	21,045
Changes in scope of consolidation	0
Currency differences	-158
Additions	3,912
Disposals	-1,099
Reclassifications	
31/12/2020	23,700
<b>Accumulated amortization</b>	
01/01/2020	3,813
Changes in scope of consolidation	0
Currency differences	-47
Impairment	1,776
Additions	4,565
Disposals	-1,046
Reclassifications	0
31/12/2020	9,061
<b>Carrying amount</b>	
<b>31/12/2020</b>	<b>14,639</b>

kEUR	Right-of-use Assets
<b>Cost</b>	
01/01/2019	0
Changes in scope of consolidation	0
Currency differences	4
Additions	19,315
Disposals	-53
Reclassifications	1,779
31/12/2019	21,045
<b>Accumulated amortization</b>	
01/01/2019	0
Changes in scope of consolidation	0
Currency differences	-1
Additions	3,834
Disposals	-20
Reclassifications	0
31/12/2019	3,813
<b>Carrying amount</b>	
<b>31/12/2019</b>	<b>17,232</b>



The following table shows the carrying amounts of the rights of use for each class of underlying assets:

<b>in kEUR</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Land and buildings	11,299	13,903
Technical equipment and machinery	1,440	381
Other plant and office equipment (vehicles - passenger cars)	1,445	1,800
Other plant and office equipment (industrial vehicles)	38	117
Other plant and office equipment (others)	416	1,030
<b>Total right-of-Use Assets</b>	<b>14,639</b>	<b>17,232</b>

The following table shows depreciation in connection with rights of use per class of underlying assets:

<b>in kEUR</b>	<b>2020</b>	<b>2019</b>
Depreciation of land and buildings	3,724	2,105
Depreciation of technical equipment and machinery	417	167
Depreciation of other plant and office equipment (vehicles - passenger cars)	1,481	1,004
Depreciation of other plant and office equipment (industrial vehicles)	79	97
Depreciation of other plant and office equipment (others)	640	508
<b>Depreciation of right-of-use-assets</b>	<b>6,341</b>	<b>3,880</b>

Impairments of kEUR 1,777 were made in the financial year. Of this, kEUR 1,378 related to the right of use of the property of IWM Automation Polska Sp.z.o.o. The impairment of the right of use of this property was made because the company is intended to close in 2021 and thus the right to use the property is no longer of any value to the Company. In addition, impairments of kEUR 447 were made on rights of use of the Group company ELWEMA Automotive GmbH. The latter result from the need for impairment in the impairment test of ELWEMA Automotive GmbH and relate to rights of use for operating and office equipment (vehicles - cars / other). Both companies belong to the Non-Core segment .

The following table shows the additions and disposals of usage rights per class of underlying assets:

<b>in kEUR</b>	<b>2020</b>	<b>2019</b>
Additions land and buildings	1,216	6,823
Additions technical equipment and machinery	1,495	347
Additions other plant and office equipment (vehicles - passenger cars)	1,164	1,698
Additions other plant and office equipment (industrial vehicles)	0	0
Additions other plant and office equipment (others)	36	940
Disposals land and buildings	182	0
Disposals technical equipment and machinery	201	0
Disposals other plant and office equipment (vehicles - passenger cars)	548	53
Disposals other plant and office equipment (industrial vehicles)	88	0
Disposals other plant and office equipment (others)	82	0

The disposal of rights of use resulted in a book profit of kEUR 33 (previous year: book loss of kEUR 33). The disposals result from the premature termination of leases in the Non-Core segment.

### (3) Goodwill

The disclosed goodwill figures break down in detail as follows:

kEUR	Goodwill	Total
<b>Cost</b>		
01.01.2020	63,058	63,058
Changes in scope of consolidation	0	0
Currency differences	-37	-37
Additions	3,000	3,000
Disposals	0	0
Reclassifications	0	0
31.12.2020	63,024	63,024
<b>Accumulated amortization</b>		
01.01.2020	16,818	16,818
Changes in scope of consolidation	0	0
Currency differences	-5	-5
Additions	7,628	7,628
Disposals	0	0
Reclassifications	0	0
31.12.2020	24,442	24,442
<b>Carrying amount</b>		
<b>31.12.2020</b>	<b>38,582</b>	<b>38,582</b>

kEUR	Goodwill	Total
<b>Cost</b>		
01.01.2019	68,838	68,838
Changes in scope of consolidation	-6,039	-6,039
Currency differences	259	259
Additions	0	0
Disposals	0	0
Reclassifications	0	0
31.12.2019	63,058	63,058
<b>Accumulated amortization</b>		
01.01.2019	19,424	19,424
Changes in scope of consolidation	-5,512	-5,512
Currency differences	231	231
Additions	2,676	2,676
Disposals	0	0
Reclassifications	0	0
31.12.2019	16,818	16,818
<b>Carrying amount</b>		
<b>31.12.2019</b>	<b>46,239</b>	<b>46,239</b>

Goodwill fell to TEUR 38,582 in the financial year (previous year: TEUR 46,239). This decrease results from impairments of the goodwill of ELWEMA Automotive GmbH in the amount of kEUR 4,165 and INDAT Robotics GmbH in the amount of kEUR 3,463. In addition, there is a decrease of kEUR 42 from currency translation in the Environmental Technologies subgroup and an addition from the first-time consolidation of MA Life Science GmbH in the amount of kEUR 3.

in kEUR	31/12/2020	31/12/2019
<b>Goodwill</b>	<b>38,582</b>	<b>46,239</b>
<b>Process Technologies</b>	<b>6,163</b>	<b>6,163</b>
- thereof bdtronic group	6,163	6,163
<b>Evolving Technologies</b>	<b>26,052</b>	<b>29,512</b>
- thereof NSM Magnettechnik	12,124	12,124
- thereof MA micro automation GmbH group	11,664	11,661
- thereof INDAT Robotics GmbH	0	3,463
- thereof Mess- und Regeltechnik Jücker GmbH	1,403	1,403
- thereof AIM Micro Systems GmbH	860	860
<b>Environmental Technologies</b>	<b>6,367</b>	<b>6,399</b>
- thereof Vecoplan group	6,367	6,399
<b>Non-Core</b>		<b>4,165</b>
- thereof ELWEMA Automotive GmbH	0	4,165

#### (4) Property, plant and equipment

Due to the intended sale of the property and the building of IWM Automation GmbH as well as the related operating and office equipment, a reclassification to assets held for sale in the amount of kEUR 2,720 took place in the reporting year.

The impairments in the amount of kEUR 355 essentially result from the impairment test of ELWEMA Automotive GmbH and the need for impairment determined there.

No revaluations have been carried out since the first application of the revaluation method for land and buildings in the MAX Group on 31 December 2019. If the acquisition cost model had continued to be used, the carrying amount of the land and buildings as of 31 December 2020 would have been kEUR 17,661.

KEUR	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Assets under construction	Prepayments made	Total
<b>Cost</b>						
01.01.2020	39,380	18,549	23,305	1,557	0	82,791
Change in the scope of consolidation	0	0	0	0	0	0
Currency differences	-272	-70	-266	0	0	-608
Additions	635	4,411	1,744	523	104	7,417
Disposals	0	-2,463	-1,927	-58	0	-4,448
Reclassification to assets held for sale	-2,760	0	-247	0	0	-3,007
Repostings	-223	1,688	46	-1,536	0	-25
31.12.2020	36,760	22,115	22,656	486	104	82,121
<b>Accumulated depreciation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
01.01.2020	5,257	14,269	16,928	0	0	36,454
Change in the scope of consolidation	0	0	0	0	0	0
Currency differences	-7	-62	-184	0	0	-253
Additions	1,161	1,329	1,701	0	0	4,191
Impairment	0	56	299	0	0	355
Disposals	0	-710	-1,680	0	0	-2,390
Reclassification to assets held for sale	-66	0	-221	0	0	-287
Repostings	-125	127	-4	0	0	-2
31.12.2020	6,220	15,009	16,839	0	0	38,068
<b>Carrying amount</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>31.12.2020</b>	<b>30,540</b>	<b>7,105</b>	<b>5,817</b>	<b>486</b>	<b>104</b>	<b>44,054</b>

kEUR	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Assets under construction	Prepayments made	Total
<b>Cost</b>						
01.01.2019	46,807	19,560	21,170	100	42	87,679
Change in the scope of consolidation	-365	-206	-369	0	-44	-984
Currency differences	62	21	69	0	2	154
Additions	93	1,602	2,996	1,487	0	6,177
Additions from revaluation	2,187	0	0	0	0	2,187
Disposals	-2	-2,428	-561	-30	0	-3,021
Disposals from revaluation	-6,852	0	0	0	0	-6,852
Repostings	-2,550	0	0	0	0	-2,550
31.12.2019	39,380	18,549	23,305	1,557	0	82,791
<b>Accumulated depreciation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
01.01.2019	21,649	15,505	15,686	0	0	52,839
Change in the scope of consolidation	-100	-84	-221	0	0	-405
Currency differences	26	14	47	0	0	87
Additions	1,346	1,016	1,921	0	0	4,283
Disposals	0	-2,183	-504	0	0	-2,687
Disposals from revaluation	-17,664	0	0	0	0	-17,664
Repostings	0	0	0	0	0	0
31.12.2019	5,257	14,269	16,928	0	0	36,454
<b>Carrying amount</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>31.12.2019</b>	<b>34,123</b>	<b>4,280</b>	<b>6,378</b>	<b>1,557</b>	<b>0</b>	<b>46,338</b>

## (5) Investment property

The investment property item essentially includes the lease for the leased property on Kesselbachstrasse in Bermatingen. As a result of the closure of the operating business of IWM Automation Bodensee GmbH, this property has been classified as an investment property since 30 June 2019 due to the intention to let the property. Rental income of kEUR 138 (previous year: EUR 0) was achieved in the financial year. The second property in Dettenhausen did not generate rental income in either the current or the previous year.

Based on the current rental agreements, rental income of kEUR 121 is expected for financial year 2021. In the years from 2022 to 2024 like-for-like kEUR 124 per year. Taking into account the basic rental period of the contracts, rental income of kEUR 55 will be achieved in financial year 2025, and kEUR 2 in financial year 2026. All leases automatically self-renew at the end of the base lease term if they are not terminated.

Impairment losses of kEUR 1,097 resulted from fair value adjustments in the Consolidated Statement of Comprehensive Income in the financial year.

As part of the fair value assessment of the Kesselbachstraße property, which is based on a leasing relationship in accordance with IFRS 16, various scenarios were determined on the basis of a market value appraisal with regard to the further development of the property's rental capacity. The lease has a term until 2041. The most likely development from the management's point of view has been included in the assessment. In general, the fair value of the property will decrease to zero by the end of the rental period. The fair value adjustments are offset by rental income.

The Dettenhausen property was appraised mainly on the basis of the land values determined by the appraisal committee of the municipality of Dettenhausen.

In the financial year, kEUR 64 (previous year: kEUR 39) was incurred for the maintenance of the investment property, whereby kEUR 46 (previous year: kEUR 39) were attributable to the Kesselbachstraße property and kEUR 18 (previous year: kEUR 0) to the Dettenhausen property. The development of the property held as a financial investment can be seen in the following table and follows the classic representation of a schedule of assets:

kEUR	Investment properties
<b>01.01.2020</b>	<b>7,454</b>
Changes in the scope of consolidation	0
Additions	0
Disposals	0
Impairment	-1,097
Transfer from being an owner-occupied property	0
Adjustment of the fair value through the revaluation reserve	0
<b>31.12.2020</b>	<b>6,357</b>

kEUR	Investment properties
<b>01.01.2019</b>	<b>1,254</b>
Changes in the scope of consolidation	0
Additions	0
Disposals	0
Transfer from being an owner-occupied property	3,372
Net gain (loss) from fair value adjustments	2,828
<b>31.12.2019</b>	<b>7,454</b>

## (6) Financial assets accounted for using the equity method

The transitional consolidation from full consolidation to equity method accounting for MAX Automation (Asia Pacific) Co. Ltd., Hong Kong, in which MAX Automation SE has a 51% equity interest, took place on 30 April 2019. The transitional consolidation had no effect on earnings. MAX Automation (Asia Pacific) Co. Ltd., Hong Kong, in turn holds a 100% share in MAX Automation (Shanghai) Co., Ltd. The transition to the equity method took place in accordance with the provisions of IFRS 10 due to the loss of control over the company.

The net profit for the period of the associated company accounted for using the equity method in 2020 amounted to TEUR 0 (previous year: TEUR -411). The investment carrying amount of MAX Automation (Asia Pacific) Co. Ltd., Hong Kong, measured at equity amounted to kEUR 0 as of 31 December 2020.

## (7) Other financial assets

Other financial assets in the amount of TEUR 1,924 (previous year: kEUR 6,692) include, among other items, two seller loans in the amount of kEUR 650 (previous year: kEUR 827) in connection with the management buy-out of altmayerBTD GmbH & Co. KG in 2015. The only silent participation (previous year: kEUR 800) was repaid in full in December 2020.

They also include a seller loan in the amount of kEUR 522 (previous year: kEUR 4,589) that was made available in 2019 as part of the sale of ESSERT GmbH for the transitional financing of the company and the purchase price deferral. With a notarial deed dated 13 May 2020, repayments totaling kEUR 2,463 were agreed. The purchase price deferral was made interest-free in the amount of kEUR 603 for 10 years and discounted accordingly. The remaining amount was written off.

Furthermore, there is a tenant loan of kEUR 573 (previous year: kEUR 449) and security deposits of kEUR 179 (previous year: kEUR 28).

## (8) Deferred taxes

Deferred taxes are attributable to the following Consolidated Statement of Financial Position items as they arise:

in kEUR	31/12/2020		31/12/2019	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
<b>Long-term balance sheet items</b>				
<b>A. Non-current assets</b>	<b>30,417</b>	<b>6,798</b>	<b>24,506</b>	<b>8,161</b>
I. Intangible assets	523	345	167	1,862
II. Property, plant and equipment	454	6,395	225	6,241
III. Non-current financial assets	24	58	0	58
IV. Deferred tax assets for tax losses carried forward	29,416	0	24,114	0
<b>B. Non-current liabilities</b>	<b>950</b>	<b>24</b>	<b>1,258</b>	<b>0</b>
<b>Short-term balance sheet items</b>				
<b>C. Current assets</b>	<b>2,968</b>	<b>1,258</b>	<b>1,842</b>	<b>2,747</b>
I. Inventories and trade payables	2,968	1,258	1,842	2,747
II. Current financial assets	0	0	0	0
<b>D. Current liabilities</b>	<b>725</b>	<b>143</b>	<b>1,517</b>	<b>4</b>
<b>Subtotal</b>	<b>35,060</b>	<b>8,223</b>	<b>29,123</b>	<b>10,912</b>
<b>Value adjustments on losses carried forward</b>	<b>-15,834</b>	<b>0</b>	<b>-12,655</b>	<b>0</b>
<b>Netting</b>	<b>-6,170</b>	<b>0</b>	<b>-6,085</b>	<b>0</b>
<b>Total</b>	<b>13,056</b>	<b>8,223</b>	<b>10,383</b>	<b>10,912</b>

The deferred tax assets and liabilities resulting from production orders were netted, as were deferred tax assets and liabilities within the Group entities.

Domestic trade tax losses of kEUR 22,339 (previous year: kEUR 11,597) were carried forward at the parent company of the Group with deferred tax assets of kEUR 3,177 (previous year: kEUR 1,568), and domestic corporation tax losses of kEUR 23,032 (previous year: kEUR 11,803) were carried forward with deferred tax assets of kEUR 3,646 (previous year: kEUR 1,868) and loss carryforwards from Section 4h EStG (interest barrier) in the amount of kEUR 4,095 (previous year: kEUR 0) with deferred tax assets of kEUR 1,085.

In addition, there are domestic trade tax loss carryforwards of kEUR 68,405 (previous year: kEUR 68,319) and corporation tax loss carryforwards of kEUR 70,600 (previous year: kEUR 70,114) as well as loss carryforwards from Section 4h EStG (interest barrier) of kEUR 2,832 (previous year: EUR 0) with deferred tax assets totaling kEUR 20,426 (previous year: kEUR 19,685).

The domestic loss carryforwards including the interest carryforward of kEUR 14,915 (previous year: kEUR 11,811) were not (no longer) capitalized.

Foreign losses carried forward amount to kEUR 5,055 (previous year: kEUR 4,686) and the resulting deferred tax assets of kEUR 1,083 (previous year: kEUR 993) were written down by kEUR 918 (previous year: kEUR 845).

Minimum taxation must be observed in Germany when assessing the recoverability of the losses carried forward. Loss carryforwards can be offset indefinitely against positive results in subsequent years up to kEUR 1,000, and beyond this up to 60%.

The recoverability of the deferred tax assets on loss carryforwards has been reviewed and realization thereof was found to be sufficiently certain.

Of the deferred tax assets on loss carryforwards amounting to kEUR 13,582 (previous year: kEUR 11,459), kEUR 8,975 (previous year: kEUR 7,634) is covered by deferred tax liabilities. Deferred tax assets on loss carryforwards that are not covered by deferred tax liabilities and that occurred in connection with losses recorded in previous periods amount to kEUR 4,607 (previous year: kEUR 3,824). Measures geared to the short-term exploitation of losses have been and will be put in place. With notarial certification on 27 October 2020, the shares in Vecoplan AG, Bad Marienberg, were transferred to MAX Management GmbH, Düsseldorf, at their carrying amount in order to use tax loss carryforwards of MAX Management GmbH after the conclusion of a profit and loss transfer agreement.

The following amounts are reported in the Consolidated Statement of Financial Position:

in kEUR	31/12/2020	31/12/2019
<b>Deferred tax assets:</b>		
- from deductible differences	5,644	5,009
- from tax losses carried forward	13,582	11,459
- Netting with deferred tax liabilities	-6,170	-6,085
<b>Total deferred tax assets</b>	<b>13,056</b>	<b>10,383</b>
<b>Deferred tax liabilities:</b>		
- from taxable temporary differences	8,223	10,912



Deferred tax liabilities on temporary differences in shares in subsidiaries of kEUR 1,460 (previous year: kEUR 1,409) were not recognized since it is not probable that they will reverse in the foreseeable future.

Deferred taxes of kEUR 4,472 (previous year: kEUR 4,389) were recognized in the Consolidated Statement of Financial Position as a reduction in equity relating to income and expenses recognized directly in equity. Of this amount, kEUR 3,745 (previous year: kEUR 3,704) related to the revaluation of property, plant and equipment, kEUR 784 (previous year: kEUR 784) to the change in use of property, and kEUR 57 (previous year: kEUR 40) to actuarial gains and losses from employee benefits with a resulting increase in equity, and kEUR 59 (previous year: kEUR 59) to the delimitation of IPO expenses with a resulting increase in equity.

## (9) Other non-current assets

Other non-current assets in the amount of TEUR 151 (previous year: TEUR 286) mainly consist of non-current trade receivables of kEUR 148 (previous year: kEUR 283).

## (10) Inventories

in kEUR	31.12.2020	31.12.2019
Raw materials and supplies	18,316	20,086
Unfinished goods and services	13,296	22,843
Finished goods and services	6,160	7,333
Advance payments made	5,505	3,767
<b>Inventories</b>	<b>43,277</b>	<b>54,029</b>

Compared to the previous year, there was a change in inventories of finished goods and work in progress of TEUR -9,990 (previous year: TEUR -28,542) that is reported in the Consolidated Statement of Comprehensive Income. Deviations from the respective Consolidated Statement of Financial Position items result from exchange rate-related changes in the value of inventories of foreign Group companies.

Inventories include valuation allowances of kEUR 8,527 (previous year: kEUR 7,281). This includes the cancellation of a major order from ELWEMA, for which inventories in the amount of kEUR 966 had already been prepared, as a value-enhancing event.

## (11) Contractual assets and trade receivables

in kEUR	31/12/2020	31/12/2019
Contract assets	33,671	41,044
thereof receivables from construction contracts	155,810	165,966
thereof advances received for construction contracts	-122,139	-124,922
Trade receivables	28,673	48,098
specific loss allowance	-1,536	-2,629
expected credit losses	-183	-125
<b>Total</b>	<b>60,625</b>	<b>86,388</b>

The decline in contractual assets and trade receivables was primarily attributable to the MAX Gruppe's withdrawal from the area of special-purpose machine construction for the automotive sector; the operational business of the companies concerned has been reduced significantly accordingly.

The decrease in trade receivables is also due to the withdrawal from the area of special-purpose machine construction for the automotive sector. In addition, more intensive receivable management in the MAX Group led to a lower level of receivables.

The development of contractual assets is presented in detail below:

<b>Contract assets</b>	<b>in kEUR</b>
<b>31/12/2019</b>	<b>40,987</b>
Transfers from contract assets to trade receivables	-24,980
Changes due to the adjustment of progress	78,762
Impairment of contract assets	-145
Changes due to received prepayments	-61,052
<b>31/12/2020</b>	<b>33,572</b>

### (13) Prepayments and accrued income, and other current assets

<b>in kEUR</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Claims against tax authorities	2,229	7,106
Prepaid expenses	1,827	1,691
Creditors with debit balances	319	356
Security deposits	223	19
Receivables from short-time allowances	211	0
Receivables from employees	154	239
Other receivables	536	557
<b>Total</b>	<b>5,500</b>	<b>9,968</b>

### (14) Cash and cash equivalents

Cash and cash equivalents of TEUR 47,736 (previous year: TEUR 40,596) include cash in hand, checks and deposits with banks.

### (14) Assets held for sale

Assets held for sale include the property and buildings as well as various operating and office equipment of the Non-Core company IWM Automation GmbH in the amount of TEUR 2,719. The value is essentially based on the property and building in the amount of kEUR 2,694. The operating and office equipment is related to the building.

The property and building as well as the operating and office equipment will no longer be required due to the closure of the company. A corresponding purchase contract was notarized on 19 November 2020. The real completion of the sale is expected in the first quarter of 2021, once all conditions have been met.

## Equity and liabilities

### Equity

The changes in equity in the financial year are shown separately in the Consolidated Statement of Changes in Equity.

#### (15) Subscribed capital

The fully paid-in share capital of the Company amounts to EUR 29,459,415.00.

It is divided into 29,459,415 no-par shares issued in the name of the bearer. Each share therefore has a theoretical value of 1.00 euro.

The shares are in the shareholder's name.

The Supervisory Board determines the form of the share certificates as well as dividend and renewal coupons. The same applies to bonds.

The Company may combine individual shares into share certificates (collective shares) that represent a plurality of shares. The shareholders have no entitlement to certification of their shares.

The Supervisory Board is authorized to increase the share capital of the Company once or several times by 17 May 2024 by up to a total of EUR 4,418,912.00 by issuing new individual bearer shares in return for cash contributions (Authorized Capital 2019).

The shareholders are entitled to a subscription right. The shares are to be underwritten by banks or other entities that meet the prerequisites of Section 186(5)(1) of the German Stock Corporation Act (AktG) with the obligation to offer them for subscription to the shareholders. The Supervisory Board is nevertheless authorized to exclude this subscription right for shareholders

- for fractional amounts;
- if the new shares are issued at a price that is not substantially lower than the stock market price, and the shares issued pursuant to Section 186(3)(4) AktG, subject to the exclusion of the subscription right, do not exceed a total of 10% of the share capital, specifically neither at the time this authorization takes effect nor at the time that it is exercised.

The sum total of shares issued in return for cash, subject to the exclusion of the subscription right, may not exceed a proportionate amount of the capital stock of EUR 2,945,941.00. This limit includes shares that are to be issued to service conversion rights or warrants or conversion obligations from bonds (including participation rights) provided that the bonds or participation rights are issued during the term of this authorization subject to the exclusion of the subscription right.

The Supervisory Board is also authorized to determine all additional rights attached to the shares and the conditions governing their issuance.

The Company has not exercised this right to date.

## (16) Capital reserves and retained earnings

The composition of, and changes in, the capital reserves and retained earnings are shown in the Consolidated Statement of Changes in Equity.

The capital reserves include the premium of kEUR 15,990 from the capital increase from Authorized Capital II approved on 15 August 2017. Costs for the capital increase less the relevant taxation in the amount of kEUR 138 euro are to be deducted from this amount.

Retained earnings reflect the actuarial gains and losses of the pension provisions and income taxes. They amounted to TEUR -136 in 2020 (previous year: TEUR -97).

Retained earnings also include the adjustments to entries with respect to IFRS 15 (Revenue from Contracts with Customers). Retained earnings were reduced by a total of kEUR 4,044 as a result of the changeover in accordance with the modified retrospective method in financial year 2018. The adjustments included in this figure are a reduction in contractual assets in the amount of kEUR 48,193, an increase in inventories of kEUR 42,543, and an increase in deferred taxes of kEUR 1,606.

## (17) Revaluation reserve

The revaluation reserve includes changes in value resulting from the application of the revaluation model in accordance with IAS 16 as well as adjustments to the value of real estate reclassified from owner-occupied property to investment property. The amount of TEUR 11,298 is comprised of land and buildings that were revalued in 2019 in the amount of kEUR 12,998 as well as related deferred tax liabilities of kEUR 3,703 and kEUR 2,828 from value adjustments for property as a result of its reclassification to investment property, as well as kEUR 783 in deferred taxes.

## (18) Unappropriated retained earnings

Under German stock corporation law, the amount available for dividend payments to shareholders is based on the unappropriated retained earnings for the year or on the other retained earnings of MAX Automation SE (individual annual accounts) and is determined in accordance with German commercial law. For 2020, unappropriated retained earnings of TEUR -58,358 is reported in the separate financial statements of MAX Automation SE.

The Supervisory Board proposes a dividend payout of EUR 0.00 Euro per share from the unappropriated retained earnings for the year. The corresponding amount to be distributed is TEUR 0.

### Capital management

The framework conditions for optimal capital management are set by the strategic orientation of the MAX Group. The focus is on long-term appreciation in value in the interests of investors, employees and customers through a continuous improvement in operating profit through growth and increased efficiency.

The capital structure is managed in such a way as to keep all options open in the capital markets by maintaining maximum possible flexibility. This enables optimal pricing in the procurement of equity and debt capital.

## Non-current liabilities

### (19) Non-current financial liabilities

in kEUR	31/12/2020	31/12/2019
<b>Non-current loans excl. current proportion</b>	<b>114,235</b>	<b>120,574</b>
Residual term 1-5 years	114,235	120,508
Residual term > 5 years	0	65
<b>Other non-current liabilities</b>	<b>4</b>	<b>300</b>
Residual term 1-5 years	4	300
Residual term > 5 years	0	0
<b>Total</b>	<b>114,239</b>	<b>120,874</b>

Non-current loans relate to liabilities to banks and include the syndicated loan from the parent company in the amount of TEUR 112,514 (previous year: TEUR 118,049).

### Non-current loans less current portion

At the end of July 2017, MAX Automation SE increased the syndicated loan taken out in 2015 and extended it until 2022. An increase of mEUR 40 in the syndicated loan to a total of mEUR 190 was agreed (including a guarantee facility for advance payments, warranties and contract performance). MAX Automation took advantage of the continuing favorable financing terms to increase the syndicated loan. The agreement includes improved conditions and beneficial framework conditions (covenants) related to the Consolidated Financial Statements prepared in accordance with the IFRS regulations. They are based on key figures from the Consolidated Statement of Financial Position and earnings. In 2020, the MAX Automation Group either adhered to all the covenants agreed with the lending banks or the review was suspended.

The liabilities from the syndicated loan are reported under non-current loans and not under current loans due to a remaining term of more than twelve months as of the balance sheet reporting date.

On 18 January 2021, the Company filed an application for contract modification at the administrative office for the syndicated loan contract. The main objective of this application for a contract modification was to arrange a readjustment of the covenants of the syndicated loan. The bank syndicate accepted the application on 15 February 2021.

The companies included in the syndicated loan are jointly and severally liable for the obligations under this contract. A drawdown is considered unlikely as the creditworthiness of the debtors is ensured by their affiliation with the MAX Automation Group. The interest rate on the syndicated loan depends on the statement of financial position ratios in the Consolidated Financial Statements. The interest rate is based on the EURIBOR plus an additional margin resulting from the key ratios.

The loans in the Group are subject to fixed and variable interest rates. The interest rates were between 1.40% and 4.30% in 2020, depending on the term of the contract.

### (20) Provisions for pensions

The pension provisions recognized in the statement of financial position result from commitments to employees of a subsidiary. The defined benefit obligations in the MAX Automation Group are not financed through funds.

The following main assumptions were made in the actuarial calculations:

in kEUR	31.12.2020	31.12.2019
Interest rate	0.48%	0.80%
Salary growth	No	1.5%
Pension indexation	2.0%	2.0%
Calculated fluctuation	No	No
Calculated retirement age	65	65

Cost trends in health care were not taken into account in the actuarial assumptions. The present value of the pension obligations developed as follows:

in kEUR	31.12.2020	31.12.2019
As of 01.01.	1,048	950
Service cost	0	0
Interest cost	8	19
Actuarial gains/losses	56	133
Pensions paid	-55	-54
Offsetting of pension liability insurance	0	0
<b>Pension provisions</b>	<b>1,057</b>	<b>1,048</b>

Actuarial gains and losses were recorded outside profit or loss.

The development of pension obligations over the past five years is shown in the following table:

in kEUR	2020	2019	2017	2016	2015
Balance sheet value of pension provisions	1,057	1,048	950	963	1,033
Allocated plan assets	0	0	0	0	0

Experience suggests that no significant adjustments to pension obligations are expected. In addition to pension payments (kEUR 56), interest expenses of kEUR 5 are expected to be incurred in 2021.

A sensitivity analysis was not carried out with respect to the pension obligations due to their relative insignificance for the net assets, financial position and results of operations of the MAX Gruppe.

## (21) Trade payables

in kEUR	2020	2019
Trade payables	17,561	22,900
Prepayments received which do not relate to production orders	0	16,971
Liabilities from deliveries still to be invoiced and outstanding assembly services	4,313	8,589
Obligations to subcontractors	1,786	1,359
<b>Trade payables</b>	<b>23,660</b>	<b>49,818</b>

The advance payments received for projects whose sales are not realized over a period of time have been reported under contract liabilities since financial year 2020.

## (22) Contract liabilities

<b>Contract liabilities</b>	<b>in kEUR</b>
1/1/2020	18,637
Revenue included in contract liabilities at the beginning of the period	-24,950
Increase due to customer payments received less the amount recognised as revenue during the period	36,307
Changes due to the adjustment of progress	-5,556
Reclassifications from trade payables	16,971
Other changes	-292
<b>12/31/2020</b>	<b>41,117</b>

The increase in contract liabilities is mainly the result of the reclassification of the advance payments received, previously reported under trade payables, for projects whose sales are not realized over a period of time.

## (23) Current loans and current portion of non-current loans

Current bank loans of TEUR 804 (previous year: TEUR 1,327) were drawn at interest rates calculated at market conditions.

## (24) Leases

### Leasing activities of the MAX Gruppe

The MAX Group rents various office and production buildings, technical equipment and machines, vehicles as well as operating and business equipment. Leases are usually concluded for fixed periods of time, but may include options for extension. The leasing conditions are negotiated individually and include a wide range of different conditions.

The following table provides an overview of the terms of the lease liabilities:

<b>in kEUR</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>Undiscounted lease liabilities</b>		
Residual term < 1 year	4,846	4,820
Residual term 1-5 years	11,197	11,929
Residual term > 5 years	3,156	4,815
<b>Total undiscounted lease liabilities</b>	<b>19,198</b>	<b>21,564</b>
<b>Future interest expenses</b>	<b>1,208</b>	<b>1,868</b>
<b>Total discounted lease liabilities</b>	<b>17,990</b>	<b>19,696</b>

The following table shows the interest expenses shown in the Consolidated Statement of Comprehensive Income for each class of underlying assets:

<b>in kEUR</b>	<b>2020</b>	<b>2019</b>
Interest for land and buildings	396	390
Interest for technical equipment and machinery	30	8
Interest for other plant and office equipment (vehicles - passenger cars)	50	40
Interest for other plant and office equipment (industrial vehicles)	2	3
Interest for other plant and office equipment (others)	20	29
<b>Total interest for leases</b>	<b>498</b>	<b>471</b>

The following table shows the terms of the MAX Group's leases:

<b>Remaining lease term</b>	<b>MAX</b>	<b>MIN</b>
Land and buildings	15	5
Technical equipment and machinery	5	2
Other plant and office equipment (vehicles - passenger cars)	3	2
Other plant and office equipment (industrial vehicles)	5	4
Other plant and office equipment (others)	10	2

The following table shows the cash outflows for leases:

<b>in kEUR</b>	<b>2020</b>	<b>2019</b>
<b>Total cash outflows for leases</b>	<b>5,848</b>	<b>4,106</b>

The following table shows the expenses related to leases that are shown in the Consolidated Statement of Comprehensive Income:

<b>in kEUR</b>	<b>2020</b>	<b>2019</b>
Interest expenses for leasing contracts	498	471
Expenses for short-term leasing contracts	4	370
Expenses for leases for assets of low value	68	206

### **Extension options**

Some leases contain extension options or termination options that have not yet been taken into account in the lease liability, which can be exercised by the MAX Group up to one year before the expiry of the non-cancellable contract term. On the provision date, the MAX Group assesses whether the exercise of extension options or termination options is sufficiently certain. The MAX Group then determines once again whether it is reasonably certain that a renewal option or termination option will be exercised if a significant event or change in circumstances occurs within its control.

The MAX Group estimates that the potential future lease payments, provided that the extension options or termination options are exercised, would lead to a lease liability of approximately kEUR 6,452 (previous year: kEUR 5,090).



**(25) Other current financial liabilities and lease liabilities**

<b>in kEUR</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Salaries and wages	7,667	8,731
Holiday pay and overtime	2,456	3,692
Social security liabilities	896	854
Customers with credit balances	808	424
Negative fair values of derivative financial instruments	1	124
Other current liabilities	1,354	1,846
Total	13,182	15,670
<b>Lease liabilities</b>	<b>4,448</b>	<b>4,257</b>
<b>Total lease liabilities</b>	<b>4,448</b>	<b>4,257</b>

Wages and salaries include bonuses and profit shares amounting to TEUR 7,055 (previous year: TEUR 8,243).

With regard to leasing liabilities, please refer to the separate chapter on leasing.

**(26) Liabilities from income taxes**

Taxes and charges incurred commercially up to the date of preparation of the Consolidated Statement of Financial Position but have yet to be quantified are covered by the liabilities for taxes. The MAX Group is typically subject to two types of income tax in Germany: trade tax and corporation tax.

The uniform tax rate of 15% plus a 5.5% solidarity surcharge applies to the corporation tax, while the trade tax rate is approximately 14% on average, resulting in an average domestic tax rate of 29.83%. Outside Germany, the MAX Group primarily generates taxable income in the USA. The average tax rate in the USA is 23.48%.

Provisions for taxes have developed as follows:

<b>in kEUR</b>	<b>31/12/2019</b>	<b>Utiliza- tion</b>	<b>Reversals</b>	<b>Additions</b>	<b>Reclassi- fications</b>	<b>Currency transla- tion</b>	<b>31/12/2020</b>
Corporation tax with solidarity surcharge	1,065	-262	-131	987	53	0	1,712
Trade tax	818	-20	-3	702	-53	-5	1,439
Other Taxes	325	-135	-114	112	0	-76	112
<b>Total liabilities</b>	<b>2,208</b>	<b>-417</b>	<b>-248</b>	<b>1,801</b>	<b>0</b>	<b>-81</b>	<b>3,263</b>

Further explanatory notes on income taxes are provided in Note 36 "Income taxes".

## (27) Other provisions

Other provisions comprise the following:

in kEUR	31/12/2019	Usage	Rever- sals	Reclas- sifica- tion	Additi- ons	31/12/2020
Non-current warranty provisions	2,456	499	367	649	696	2,935
Non-current personnel cost provisions	1,759	75	152	(216)	656	1,973
<b>Other miscellaneous non-current provisions</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>10</b>
Total other non-current provisions	4,224	574	519	433	1,353	4,917
Warranty provisions	5,092	1,215	1,619	(649)	2,092	3,701
Personnel cost provisions	487	369	104	216	349	579
Other miscellaneous provisions	10,045	6,508	1,294	0	5,139	7,382
<b>Total other current provisions</b>	<b>15,625</b>	<b>8,092</b>	<b>3,017</b>	<b>(433)</b>	<b>7,580</b>	<b>11,662</b>

### Warranty and guarantee provisions

Liabilities were recognized for warranty and guarantee obligations for products sold. Measurement was based on figures from past experience. The assumptions underlying the calculations are based on currently available information on complaints for all products sold within the warranty or guarantee period. Costs are expected to be incurred within the respective warranty periods.

### Other miscellaneous provisions

Other miscellaneous provisions include all obligations and risks from which the Group is likely to incur an outflow of funds that can be reliably estimated. These include obligations for litigation costs and damages of TEUR 1,947 (previous year: TEUR 1,785), for auditing and consulting costs of TEUR 1,497 (previous year: TEUR 1,622) and for miscellaneous other items of TEUR 3,938 (previous year: TEUR 3,047). Costs are expected to be incurred within the next financial year. The decrease is mainly due to the fact that there were restructuring obligations of TEUR 3,592 in the previous year.

Other provisions correspond to the best possible estimate of costs to be incurred in the future. The changes from currency translation are negligible and are therefore not shown separately but are included in the additions to provisions.

## (28) Other current liabilities

This item in the amount of TEUR 1,755 (previous year: TEUR 4,479) mainly consists of wage tax and church tax in the amount of TEUR 1,457 (previous year: TEUR 2,305) and value added tax in the amount of TEUR 298 (previous year: TEUR 2,174).

## Notes to the Consolidated Statement of Income

### (29) Sales

2020	Process Technologies	Environmental Technologies	Evolving Technologies	Non-Core Business	Reconciliation	Total
Total segment sales	50,883	110,312	104,935	43,645	-2,774	307,001
Intercompany sales	185	2	2,369	218	-2,774	0
<b>Sales with external customers</b>	<b>50,698</b>	<b>110,310</b>	<b>102,566</b>	<b>43,427</b>	<b>0</b>	<b>307,001</b>
<b>Timing of revenue recognition</b>						
At a certain time	32,057	73,011	24,663	16,267	0	145,998
Over a period of time	18,641	37,300	77,903	27,159	0	161,003
<b>Timing of revenue recognition</b>						
Germany	20,660	10,767	47,572	6,440	0	85,439
Other EU countries	14,725	34,405	13,636	13,221	0	75,987
North America	5,585	47,966	24,480	3,346	0	81,377
China	6,645	0	4,495	13,460	0	24,600
Rest of the world	3,083	17,172	12,383	6,960	0	39,598
Intercompany sales	185	2	2,369	218	-2,774	0

2019	Process Technologies	Environmental Technologies	Evolving Technologies	Non-Core Business	Reconciliation	Total
Total segment sales	73,377	127,637	136,213	89,806	-1,546	425,488
Intercompany sales	54	4	1,296	199	-1,552	0
<b>Sales with external customers</b>	<b>73,323</b>	<b>127,633</b>	<b>134,918</b>	<b>89,608</b>	<b>6</b>	<b>425,488</b>
<b>Timing of revenue recognition</b>						
At a certain time	54,443	74,818	47,990	42,813	6	220,070
Over a period of time	18,880	52,815	86,927	46,795	0	205,417
<b>Timing of revenue recognition</b>						
Germany	26,739	21,618	92,752	15,574	6	156,689
Other EU countries	20,321	39,277	22,184	34,569	0	116,351
North America	10,863	56,990	4,648	-932	0	71,569
China	12,080	0	1,394	-4,068	0	9,406
Rest of the world	3,321	9,748	13,939	44,464	0	71,472
Intercompany sales	54	4	1,296	199	-1,552	0

**(30) Other operating income**

<b>in kEUR</b>	<b>2020</b>	<b>2019</b>
Income from the release of provisions	3,536	3,623
Income from the reduction of value adjustments	2,750	1,090
Income from the intended use of personnel-related liabilities	1,578	751
Income from currency differences	1,795	668
Income from grants	851	0
Income from damages	438	141
Income from the derecognition of liabilities	435	0
Income from the disposal of property, plant and equipment	115	185
Other	2,595	4,665
<b>Total</b>	<b>14,094</b>	<b>11,123</b>

The item Other amounting to TEUR 2,595 (previous year: TEUR 4,665) includes benefits in kind amounting to TEUR 741 (previous year: TEUR 739).

**(31) Cost of materials**

<b>in kEUR</b>	<b>2020</b>	<b>2019</b>
Cost of goods purchased	109,138	154,679
Cost of services purchased	27,741	48,026
<b>Total</b>	<b>136,880</b>	<b>202,705</b>

**(32) Personnel expenses**

<b>in kEUR</b>	<b>2020</b>	<b>2019</b>
Salaries and wages	102,155	118,078
Social security contributions	19,063	21,047
- of which expenses for pensions and benefits	913	1,177
<b>Total</b>	<b>121,218</b>	<b>139,125</b>

In financial year 2019, wages and salaries included expenses that were incurred in connection with the shutdown of IWM Automation Bodensee GmbH. This includes the following itemized expenses: kEUR 4,277 for severance payments, kEUR 2,761 for the transfer company for employees, and kEUR 500 for so-called value time. The wages and salaries include expenses of kEUR 1,700 (previous year: kEUR 69) that were incurred for remuneration of the management within the framework of IFRS 2 (Share-based Payment). In addition, severance payments of TEUR 1,173 (previous year: TEUR 232) were included in personnel expenses in the financial year.

<b>Average number of employees excluding trainees</b>	<b>2020</b>	<b>2019</b>
Wage-earners	501	645
Salaried employees	1,160	1,170
<b>Total</b>	<b>1,661</b>	<b>1,815</b>

### (33) Depreciation, amortization and write-downs

in kEUR	2020	2019
On intangible assets	6,634	4,116
On right-of-use assets	6,341	3,834
On other property, plant and equipment	3,277	2,976
On goodwill	7,628	2,676
On buildings, leasehold improvements and outside facilities	1,269	1,307
- in the above write-downs from purchase price allocations	349	1,189
<b>Total</b>	<b>25,150</b>	<b>14,908</b>

The amortization of goodwill is an impairment of the goodwill of ELWEMA Automotive GmbH and iNDAT Robotics GmbH.

Amortization of intangible assets includes impairment losses of kEUR 4,721 (previous year: kEUR 208), of which impairment losses of kEUR 1,776 (previous year: kEUR 0) were attributable to right-of-use assets. Depreciation of property, plant and equipment includes impairment losses of kEUR 355 (previous year: kEUR 0). Further information on impairment losses can be found in the chapters on the respective categories of fixed assets.

### (34) Other operating expenses

in kEUR	2020	2019
Legal and consultancy fees	6,955	10,209
Outbound freight expenses	3,592	4,232
Travel expenses	3,501	6,850
Maintenance expenses	3,235	4,314
Postage, telephone and IT expenses	2,645	2,859
Expenses from currency effects	2,199	1,249
Personnel expenses (incl. training)	2,086	3,942
Expenses for individual and general bad-debt allowances	1,851	988
Insurance expenses	1,705	1,446
Utility expenses	1,691	1,680
Advertising expenses	1,593	1,792
Sales commissions	1,533	1,937
Warranty expenses	1,457	5,205
Contributions and fees	972	420
Packaging material	731	1,153
Tools	672	877
Other miscellaneous expenses	12,048	20,292
<b>Total</b>	<b>48,466</b>	<b>69,444</b>

Other operating expenses decreased by TEUR -20,978 to TEUR 48,466 (previous year: TEUR 69,444). The change is mainly due to the decrease in warranty expenses by TEUR -3,748 and the decrease in travel expenses by kEUR -3,350 due to the COVID-19 pandemic. Furthermore, legal and consulting costs decreased by TEUR -3,254.

**(35) Financial result**

<b>in kEUR</b>	<b>2020</b>	<b>2019</b>
Interest income	354	744
Depreciation on loans	-1,617	-9,867
Other financial expenses	0	-4,538
Interest expense	-7,775	-4,451
<b>Interest result</b>	<b>-9,038</b>	<b>-18,111</b>

The depreciation on loans includes the value adjustment of a loan related to the sale of ESSERT GmbH.

Write-downs on loans include the valuation allowance of kEUR 4,999 for a loan to the equity investment MAX Automation (Asia Pacific) Co. Ltd. as well as the valuation allowance of kEUR 650 for a receivable from the sale of the former Group company Finnah Packtec GmbH (previously: NSM Packtec GmbH).

In the previous year, other financial expenses related to the utilization of a bank guarantee for MAX Automation (Shanghai) Co. Ltd. in the amount of TEUR 4,538.

Interest expense mainly comprises expenditures incurred for the syndicated loan. In addition, interest expense includes TEUR 425 (previous year: TEUR 382) for interest in connection with lease liabilities.

The financial result includes expenses from the compounding of non-current provisions in the amount of TEUR 32 (previous year: TEUR 30) and income from the discounting of non-current provisions in the amount of TEUR 3 (previous year: TEUR 2).

The financial result above results exclusively from financial assets and financial liabilities not measured at fair value through profit or loss.

The following table shows the net gains or net losses on financial instruments included in the Consolidated Statement of Comprehensive Income which are not reported under net interest:

<b>in kEUR</b>	<b>2020</b>	<b>2019</b>
Financial assets and liabilities measured at fair value through profit and loss	187	55
Loans, receivables and payables	-35	-939

The net gains or net losses on financial assets and liabilities measured at fair value through profit or loss include not only the results from the market shift but also the current expenses and income from these financial instruments.

Besides current income/expenses, the net gains or net losses on loans, receivables and liabilities include write-ups and impairment losses on trade receivables, write-ups and impairment losses on contractual assets and income from write-offs of trade payables.

### (36) Income taxes

Earnings before income taxes amounted to TEUR -28,531 (previous year: kEUR -42,760).

in kEUR	2020	2019
Current income taxes	-3,194	-3,108
Taxes relating to other periods	-32	373
Deferred taxes	5,423	1,581
- thereof taxes from losses carried forward	2,129	-4,481
<b>Total</b>	<b>2,197</b>	<b>-1,154</b>

The actual and deferred taxes are calculated with reference to the income tax rates applicable in the respective country. The domestic income tax rates change primarily as a result of the allocation of the trade tax within the fiscal unity entities as well as adjustments to the assessment rates in the municipalities. The effects of changes in tax rates were recognized through profit or loss in tax expense unless they related to items previously recognized directly in equity.

The substantial recognition procedures for deferred taxes are explained in Note 8 "Deferred taxes."

The expected income tax expense is calculated by multiplying the annual result before income taxes by the Group income tax rate. This is derived from the tax rates of the companies included. The effective tax rate for 2020 has been significantly reduced due to various special items. Besides write-downs on goodwill of kEUR 2,252 (previous year: kEUR 808), non-deductible business expenses include write-downs of kEUR 618 in connection with equity investments (previous year: kEUR 4,764) as well as an interest barrier of kEUR 2,033 (previous year: kEUR 0).

Further information on deferred taxes can be found in Note 8 "Deferred taxes."

The reconciliation of the calculated income tax expense to the income taxes recognized in the Group is shown in the following table:

in kEUR	2020	2019
<b>Earnings before taxes</b>	<b>-28,531</b>	<b>-34,323</b>
Group income tax rate	31.17%	28.08%
<b>Calculated income tax expense</b>	<b>-8,893</b>	<b>-10,361</b>
Differences from tax rates	-181	-14
Divergent tax burdens (country-specific features)	19	123
Tax Credits	-254	-357
Deductible income taxes	424	-132
Impairment of goodwill	2,252	808
Deviations in tax base (tax balance sheets)	51	-311
Tax-free income	-405	-100
Non-deductible expenses	2,990	5,060
Impairment / Non-recognition of deferred tax assets for losses carried forward	1,290	6,641
Usage of losses carried forward	150	-204
Impairment / Non-recognition of deferred tax assets	25	74
Taxes relating to other periods / Adjustment of prior years' deferred taxes	118	-288
Non-recognition of deferred taxes related to IFRS 16	351	39
Taxes to be borne by third parties	-25	-2
Differences in current year's tax calculation	-53	76
Consolidation effects	0	115
Others	-57	-12
<b>Income taxes</b>	<b>2,197</b>	<b>-1,154</b>
<b>Effective tax rate</b>	<b>-7.70 %</b>	<b>3.36 %</b>

Income tax items are assessed regularly in particular against the backdrop of various changes in tax laws, tax regulations, case law and ongoing tax audits. The MAX Group counters this situation in particular by applying IFRIC 23 with a continuous identification and evaluation of the tax framework and the resulting effects. The latest findings are then incorporated into the estimation parameters required for evaluating tax liabilities. Any associated potential interest effects are also evaluated and assessed accordingly. They are shown in separate items.

## Other disclosures relating to the consolidated financial statements

### Consolidated cash flow statement

The consolidated cash flow statement is presented using the indirect method. The change in deferred taxes is included in the other non-cash operating expenses and income.

The table below shows the change in liabilities from financing activities:



kEUR	31/12/2019	Out-flows	In-flows	Other changes	Changes in scope of consolidation	New lease contracts	Changes in fair value	Currency effects	31/12/2020
Non-current financial liabilities to banks	120,574	-35,930	30,000	-409	0	0	0	0	114,235
Current financial liabilities to banks	1,327	-1,033#	5	505	0	0	0	0	804
Lease liabilities	19,696	-5,848	0	498	0	3,884	0	-239	17,990
<b>Total</b>	<b>141,596</b>	<b>-42,811</b>	<b>30,005</b>	<b>594</b>	<b>0</b>	<b>3,884</b>	<b>0</b>	<b>-239</b>	<b>133,028</b>

kEUR	31/12/2018	Out-flows	In-flows	Other changes	Changes in scope of consolidation	New lease contracts	Changes in fair value	Currency effects	31/12/2019
Non-current financial liabilities to banks	76,768	-32,795	77,500	-899	0	0	0	0	120,574
Current financial liabilities to banks	5,325	-268	0	883	-4,613	0	0	0	1,327
Lease liabilities	1,666	-3,741	0	11,358	0	10,412	0	0	19,696
<b>Total</b>	<b>83,759</b>	<b>-36,999</b>	<b>77,500</b>	<b>11,537</b>	<b>-4,613</b>	<b>10,412</b>	<b>0</b>	<b>0</b>	<b>141,596</b>

Other changes in connection with lease liabilities relate to expiring leases.

## Research and Development

Development costs totaling kEUR 2,693 were incurred in 2020 (previous year: kEUR 2,676). Of these, intangible assets amounting to kEUR 553 (previous year: kEUR 947) had to be capitalized in accordance with IAS 38. This equates to a capitalization rate of 21% (previous year: 35%). Amortization of development costs in the amount of kEUR 3,668 (previous year: kEUR 1,263) was recognized, of which kEUR 3,128 (previous year: kEUR 208) relates to unscheduled depreciation.

## Risk Management

### General information on financial risks

The MAX Group can be exposed to various risks through financial instruments. These are as follows:

- Credit risks
- Liquidity risks
- Market price risks

Credit risks essentially arise from trade receivables. It is particularly important to assess the risks in connection with the project business, as in the provisional financing of orders, for example.

Liquidity risks consist of the risk of not being able to meet payment obligations in a timely manner. These risks are generally associated with a negative development of the operating business.

Market price risks arise from changes in exchange rates and interest rates. On the sales side, the main currency risks relate to invoicing on a US dollar basis.

## Risk categories

### Credit risks

Credit risk is the risk of an economic loss if a counterparty fails to meet its contractual or payment obligations. The risk essentially comprises the default risk and the risk arising from a deterioration in creditworthiness.

Trade receivables are due as a result of the worldwide sales operations of the individual companies.

The following safeguarding measures are taken as a general rule as a result of the different credit ratings of the customers:

- Export credit insurance
- Letters of credit
- Prepayments
- Guarantees and sureties
- Internal credit lines
- Assignments as security

The maximum default risk (credit risk) comprises the complete default of the positive carrying amounts of the financial instruments. The default risk of the unimpaired financial instruments is fundamentally judged to be low from the present-day perspective due to the debtor structure, as the probability of

default is kept to a minimum by the strict constraints of the risk management system.

In addition to specific allowances to be recognized for receivables in the event of a default event, an allowance for expected losses has also been recognized in accordance with IFRS 9. Financial assets of the Group that are subject to the expected credit loss model are trade receivables and contractual assets. The Group applies the simplified approach under IFRS 9 to measure expected credit losses. Accordingly, expected credit losses over the term are used for all trade receivables and contractual assets.

In order to measure the expected credit losses, trade receivables and contractual assets are clustered. The valuation allowance ratios are determined on the basis of the specific debtor, the industry or region using credit default swap spreads. The calculation takes into account the interest effect.

The following overviews show the calculated default risk position for the Group's trade receivables and contractual assets:

<b>Impairment Matrix 31. December 2020</b>			
	<b>Default rate</b>	<b>Gross book value Trade receivables &amp; Contract assets</b>	<b>Expected credit loss</b>
	%	kEUR	kEUR
Customer specific	0.29%	18,708	54
Automotive Asia	0.41%	11,098	46
Automotive Europe	0.36%	6,897	25
Mechanical engineering Europe	0.23%	3,080	7
Industries Europe	0.24%	2,608	6
Pharmaceutical & healthcare industry Europe	0.09%	2,152	2
Industries Europe	0.22%	1,995	4
Recycling Europe	0.22%	1,602	4
Food & Beverage Europe	0.13%	1,558	2
China	0.07%	186	0
Others	0.26%	12,460	32
<b>Total</b>	<b>0.29%</b>	<b>62,344</b>	<b>182</b>

<b>Impairment Matrix 31. December 2019</b>			
	<b>Default rate</b>	<b>Gross book value Trade receivables &amp; Contract assets</b>	<b>Expected credit loss</b>
	%	kEUR	kEUR
Customer specific	0.17%	44,217	74
Automotive Europe	0.16%	9,466	15
Automotive Asia	0.13%	3,929	5
Energy America	0.19%	3,649	7
Mechanical engineering Europe	0.12%	2,490	3
Pharmaceutical & healthcare industry Europe	0.08%	1,881	1
Industries Europe	0.15%	1,542	2
Food & Beverage Europe	0.06%	1,496	1
Europe	0.04%	8,413	4
America	0.07%	3,313	2
Others	0.11%	8,746	10
<b>Total</b>	<b>0.14%</b>	<b>89,142</b>	<b>124</b>

Furthermore, depreciation of contractual assets and trade receivables was performed on a case-by-case basis in the amount of TEUR 1,536 (previous year: TEUR -2,629).

The reconciliation of the opening balance of expected credit losses for trade receivables and contract assets to the closing balance as of 31 December is as follows:

<b>Expected credit loss</b>	
<b>in kEUR</b>	<b>Trade receivables &amp; Contract assets (simplified approach)</b>
<b>Expected credit loss as of 01. January 2020</b>	<b>125</b>
increase	523
decrease	-470
currency translation differences and others	5
<b>Expected credit loss as of 31. December 2020</b>	<b>183</b>
Opening balance gross book value as of 01. January 2020	89,142
Closing balance gross book value as of 31. December 2020	62,344

<b>Expected credit loss</b>	
<b>in kEUR</b>	<b>Trade receivables &amp; Contract assets (simplified approach)</b>
<b>Expected credit loss as of 01. January 2019</b>	<b>375</b>
increase	129
decrease	-378
currency translation differences and others	-1
<b>Expected credit loss as of 31. December 2019</b>	<b>125</b>
Opening balance gross book value as of 01. January 2019	116,682
Closing balance gross book value as of 31. December 2018 adjusted <sup>1)</sup>	115,782
Closing balance gross book value as of 31. December 2019	89,142

1) Further information on the adjusted previous year's figures can be found in the Notes to the 2019 Annual Report in the chapter entitled "Corrections of errors."

### Liquidity risk

The Group monitors the risk of a potential liquidity bottleneck by means of a liquidity planning tool and as part of rolling financial planning. A broadly diversified refinancing approach is pursued and the Group accordingly makes use of various sources of liquidity, such as overdraft facilities, syndicated loans, advance payments, leasing and equity instruments. The MAX Group has sufficient sources of financing at its disposal.

In operational liquidity management, the short- and medium-term cash flows of the companies are summarized at Group Level. In addition to the maturities of the financial assets and liabilities, these cash flows also include the expectations of the operating cash flows of the Group companies.

As of 31 December 2020, the financial liabilities of the MAX Group result in the following cash outflows from interest and principal payments:

kEUR	Book value 31/12/2020	Cashflow up to 1 year	Cashflow 1 to 5 years	Cashflow over 5 years
<b>Non-derivative financial liabilities</b>				
Financial liabilities	115,038	4,624	115,936	0
Trade payables (excluding advance payments received)	23,660	23,660	0	0
Other interest-bearing and non-interest-bearing liabilities	32,931	19,783	11,200	3,156
<b>Cash outflows from derivative financial instruments</b>				
- Currency derivatives	63	3,088	0	0
- Interest rate derivatives	0	0	0	0
<b>Cash inflows from derivative financial instruments</b>				
- Currency derivatives	63	3,025	0	0
- Interest rate derivatives	0	0	0	0

kEUR	Book value 31/12/2019	Cashflow up to 1 year	Cashflow 1 to 5 years	Cashflow over 5 years
<b>Non-derivative financial liabilities</b>				
Financial liabilities	121,900	34,369	12,269	90,945
Trade payables (excluding advance payments received)	49,818	49,818	0	0
Other interest-bearing and non-interest-bearing liabilities	40,144	25,268	12,925	23,061
<b>Cash outflows from derivative financial instruments</b>				
- Currency derivatives	-163	10,585	0	0
- Interest rate derivatives	0	0	0	0
<b>Cash inflows from derivative financial instruments</b>				
- Currency derivatives	-163	10,422	0	0
- Interest rate derivatives	0	0	0	0

### Market price risk

The Group is exposed to market price risks in the form of exchange rate risks and interest rate risks due to its international operations. These risks can have a negative impact on the net assets, financial position and results of operations of the Group. The general economic conditions are constantly monitored and relevant market information is consulted in order to evaluate and assess the risks.

The Group has established a central risk management system in order to be able to systematically identify and assess market price risk. This involves reporting to the Managing Directors on an ongoing basis.

### Currency risks

Due to its international orientation, the MAX Automation Group is exposed to risks from exchange rate fluctuations in its business operations and with regard to the reported financial transactions and cash flows. The exchange rate risk for the Group is driven by its sales volume and to a large extent by conversions between the US dollar and the euro. The transaction risk is of particular importance here as the revenue is measured in foreign currency and the associated costs are in euro. Exchange rate fluctuations are partly hedged by using the appropriate hedging instruments.

Foreign currency forwards are used to minimize the transaction risks associated with individual projects. In the process, the open currency position is fully hedged using contractually defined milestones. In addition, planned foreign currency inflows are hedged on a continuous basis using a macro approach, whereby the hedging ratio here is in the range of 50-75%. Pure trading transactions are not entered into without corresponding underlying transactions.

Forward sales of currencies may give rise to market price risks in the form of potential obligations to sell foreign currencies at a spot rate below the market rate on the settlement date.

The terms and scope of the currency hedges correspond to those of the underlying transactions requiring hedging. The Group held the following hedging instruments as of the reporting date:

in kEUR	Nominal volume in kEUR		Fair value in kEUR	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Forward exchange transactions (sales)	3,035	10,585	63	-124

### Financial instruments for currency hedging

The currency sensitivity analyses are based on the following assumptions:

Primary financial instruments which are denominated in a foreign currency are subject to currency risk and are therefore included in the sensitivity analysis.

Exchange rate-related changes in the market values of foreign exchange derivatives for which no hedge accounting was applied affect the currency result and are therefore included in the sensitivity analysis.

USD sensitivity analysis (in kEUR)	Impact on group result	
	2020	2019
Appreciation 10%	-673	143
Devaluation 10%	822	-180

The risks arising from GBP, CNY and PLN have been subjected to a sensitivity analysis but have no material impact.

### Interest rate risks

Interest-sensitive assets and liabilities are held in the MAX Group to the usual extent.

Business operations are financed by the syndicated loan at matching maturities. In order to maintain flexibility in the market, however, variable-interest refinancing options are used to a limited extent.

There is an interest cap arrangement – the contractual agreement of an interest rate ceiling – according to which the variable interest payable is limited to 4.35%. The cap is agreed for a fixed term until 7 June 2024.

in kEUR	Nominal volume in kEUR		Fair value in kEUR	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Interest rate caps	131	169	0	0

Interest rate risks are presented by means of sensitivity analyses in accordance with IFRS 7. These analyses show the effects of changes in market interest rates on interest income and interest expense, other income components and, where applicable, on equity. The interest rate sensitivity analyses are based on the following assumptions:

Changes in the market interest rates of primary financial instruments with fixed interest rates only affect earnings if they are measured at fair value. All fixed-interest financial instruments measured at amortized cost are therefore not subject to interest rate risk as defined by IFRS 7.

Changes in market interest rates affect the result of primary variable-rate financial instruments, with respect to which the interest payments are not designated as underlying transactions in cash flow hedges against interest rate changes, and are therefore included in the sensitivity calculations.

Changes in market rates for interest rate derivatives which are not included in a hedging relationship under IFRS 9 have an impact on the interest result and are therefore taken into account in the sensitivity calculations.

Market interest rate sensitivity analysis (in kEUR)	Impact on group result	
	2020	2019
Appreciation 100 basis points	-626	-884
Devaluation 100 basis points	59	23

### Other price risks

As part of the presentation of market risks, IFRS 7 also requires disclosures on how hypothetical changes in other price risk variables affect the prices of financial instruments. Stock exchange prices or market averages are particularly well-suited for use as risk variables.

No financial instruments were held to this effect, either in the year under review or in the previous year.

## Categorization of financial instruments

Financial assets and liabilities currently exist only for the categories “at amortized cost” and “at fair value with through profit or loss.”



	Valuation category according to IFRS 9	Book value 31/12/2020	Fair Value Level 2 31/12/2020	Book value 31/12/2019	Fair Value Level 2 31/12/2019
in kEUR					
<b>Financial Assets</b>					
Borrowings	AC	1,745	1,750	6,665	6,665
Trade receivables	AC	27,053		45,402	
Cash and cash equivalents	AC	47,736		40,596	
Other financial assets	AC	3,423		3,150	
<b>Financial liabilities</b>					
Loans	AC	115,038	115,038	121,900	121,900
Trade payables	AC	23,660		49,818	
Derivative financial instruments	FVTPL	1	1	124	124
Other financial liabilities	AC	2,918		3,141	

## Measurement of fair value

All assets and liabilities for which the fair value is determined or subsequently disclosed are assigned to the measurement hierarchy described below:

- Level 1: All financial instruments traded on active markets whose quoted prices have been adopted for measurement without any change.
- Level 2: Measurement is performed on the basis of procedures using input factors that have been derived directly or indirectly from observable market data.
- Level 3: Measurement is performed on the basis of procedures using input factors that are not exclusively based on observable market data.

## Earnings per share

Since MAX Automation SE has not issued any dilutive instruments to date, the undiluted and diluted earnings per share are identical.

in kEUR	2020	2019
Profit attributable to the shareholders of MAX Automation SE used to determine the undiluted/diluted earnings per share	-26,452	-34,733

Number	2020	2019
Weighted average number of shares used as denominator to calculate undiluted/diluted earnings per share	29,459,415	29,459,415

in EUR	2020	2019
Undiluted/diluted earnings per share due to shareholders of MAX Automation SE	-0.90	-1.18

In the reporting period, the number of weighted shares corresponds to the number of shares issued.

## Segment Reporting

Segment	Process Technologies		Environmental Technologies	
	2020	2019	2020	2019
Reporting Period	kEUR	kEUR	kEUR	kEUR
<b>Order intake</b>	<b>46,801</b>	<b>62,542</b>	<b>111,315</b>	<b>140,300</b>
<b>Order book position</b>	<b>20,184</b>	<b>24,696</b>	<b>47,221</b>	<b>47,505</b>
<b>Segment sales</b>	<b>50,883</b>	<b>73,377</b>	<b>110,312</b>	<b>127,637</b>
- With external customers	50,698	73,323	110,310	127,633
- Inter-segment sales	185	54	2	4
<b>Segment operating profit before depreciation &amp; amortization (EBITDA)</b>	<b>6,866</b>	<b>14,821</b>	<b>14,167</b>	<b>12,943</b>
<b>EBITDA margin (in %, in relation to sales)</b>	<b>13.5%</b>	<b>20.2%</b>	<b>12.8%</b>	<b>10.1%</b>
Total operating revenue	-	68,861	-	131,241
depreciation/amortization	-2,489	-2,219	-2,350	-1,782
impairment	0	0	0	0
Additions to other provisions and pension provisions	-	-1,201	-	-4,662
<b>Segment operating profit (EBIT before PPA amortization)</b>	<b>4,377</b>	<b>12,603</b>	<b>11,817</b>	<b>11,161</b>
PPA amortization	-223	-222	0	0
Goodwill Impairment	0	0	0	0
<b>Segment operating profit after PPA amortization</b>	<b>4,154</b>	<b>12,380</b>	<b>11,817</b>	<b>11,161</b>
Interest and similar income	-	3	-	116
Interest and similar expenses	-	-303	-	-189
Income from equity accounted investments	-	0	-	0
<b>Segment result from ordinary activities (EBT)</b>	<b>-</b>	<b>12,081</b>	<b>-</b>	<b>11,088</b>
Income taxes	-	-513	-	-2,124
<b>Annual result</b>	<b>-</b>	<b>11,567</b>	<b>-</b>	<b>8,964</b>
<b>Non-current segment assets (excluding deferred tax)</b>	<b>20,355</b>	<b>20,405</b>	<b>23,111</b>	<b>20,858</b>
- thereof Germany	15,045	15,256	19,262	17,268
- thereof other EU countries	4,032	4,458	116	22
- thereof North America	1,154	506	3,733	3,569
- thereof Rest of the world	124	185	0	0
<b>Investments in non-current segment assets</b>	<b>1,744</b>	<b>2,521</b>	<b>4,581</b>	<b>2,724</b>
<b>Working Capital</b>	<b>13,307</b>	<b>16,648</b>	<b>17,222</b>	<b>17,605</b>
<b>Goodwill</b>	<b>-</b>	<b>6,163</b>	<b>-</b>	<b>6,399</b>
<b>ROCE (in %)<sup>1)</sup></b>	<b>11.2%</b>	<b>34.9%</b>	<b>24.7%</b>	<b>36.7%</b>
<b>Net debt</b>	<b>-8,989</b>	<b>-5,967</b>	<b>28,073</b>	<b>20,787</b>
<b>Average number of personnel excluding trainees</b>	<b>409</b>	<b>368</b>	<b>420</b>	<b>404</b>

1) The return on capital employed (ROCE) corresponds to the ratio of EBIT to capital employed. Capital employed is the sum of intangible assets, property, plant and equipment, working capital, investment property and goodwill based on the twelve-month average.

Segment	Evolving Technologies		Non-Core	
	2020	2019	2020	2019
<b>Reporting Period</b>				
	kEUR	kEUR	kEUR	kEUR
Order intake	130,479	113,504	30,986	63,580
Order book position	108,738	80,689	33,276	46,629
Segment sales	104,935	136,213	43,645	89,806
- With external customers	102,566	134,918	43,427	89,608
- Inter-segment sales	2,369	1,296	218	199
<b>Segment operating profit before depreciation &amp; amortization (EBITDA)</b>	<b>7,269</b>	<b>16,900</b>	<b>-13,301</b>	<b>-36,580</b>
<b>EBITDA margin (in %, in relation to sales)</b>	<b>6.9%</b>	<b>12.4%</b>	<b>-30.5%</b>	<b>-40.7%</b>
Total operating revenue	-	131,217	-	69,485
depreciation/amortization	-3,241	-3,548	-2,008	-3,007
impairment	-41	-208	-6,812	0
Additions to other provisions and pension provisions	-	-2,495	-	-4,945
<b>Segment operating profit (EBIT before PPA amortization)</b>	<b>3,987</b>	<b>13,143</b>	<b>-22,121</b>	<b>-39,586</b>
PPA amortization	-126	-189	0	-777
Goodwill Impairment	-3,463	0	-4,165	0
<b>Segment operating profit after PPA amortization</b>	<b>398</b>	<b>12,953</b>	<b>-26,286</b>	<b>-40,363</b>
Interest and similar income	-	252	-	162
Interest and similar expenses	-	-1,514	-	-1,994
Income from equity accounted investments	-	0	-	0
<b>Segment result from ordinary activities (EBT)</b>	<b>-</b>	<b>11,678</b>	<b>-</b>	<b>-42,195</b>
Income taxes	-	255	-	-820
<b>Annual result</b>	<b>-</b>	<b>11,933</b>	<b>-</b>	<b>-43,015</b>
<b>Non-current segment assets (excluding deferred tax)</b>	<b>48,274</b>	<b>41,172</b>	<b>5,738</b>	<b>15,903</b>
- thereof Germany	48,207	41,049	5,441	14,271
- thereof other EU countries	0	0	298	1,633
- thereof North America	0	0	0	0
- thereof Rest of the world	67	123	0	0
<b>Investments in non-current segment assets</b>	<b>2,745</b>	<b>1,518</b>	<b>1,487</b>	<b>1,662</b>
<b>Working Capital</b>	<b>-2,867</b>	<b>7,668</b>	<b>11,873</b>	<b>31,199</b>
<b>Goodwill</b>	<b>-</b>	<b>29,512</b>	<b>-</b>	<b>4,165</b>
<b>ROCE (in %)<sup>1)</sup></b>	<b>0.7%</b>	<b>23.0%</b>	<b>-55.9%</b>	<b>-63.5%</b>
<b>Net debt</b>	<b>-53,176</b>	<b>-51,627</b>	<b>-9,256</b>	<b>-23,170</b>
<b>Average number of personnel excluding trainees</b>	<b>558</b>	<b>549</b>	<b>259</b>	<b>486</b>

1) The return on capital employed (ROCE) corresponds to the ratio of EBIT to capital employed. Capital employed is the sum of intangible assets, property, plant and equipment, working capital, investment property and goodwill based on the twelve-month average.

Segment	MAX Automation SE <sup>2)</sup>		Consolidation	
	2020	2019	2020	2019
Reporting Period	kEUR	kEUR	kEUR	kEUR
<b>Order intake</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Order book position</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Segment sales</b>	<b>2,104</b>	<b>3,270</b>	<b>-4,878</b>	<b>-4,816</b>
- With external customers	0	6	0	0
- Inter-segment sales	2,104	3,264	-4,878	-4,816
<b>Segment operating profit before depreciation &amp; amortization (EBITDA)</b>	<b>-9,207</b>	<b>-8,641</b>	<b>-137</b>	<b>-336</b>
<b>EBITDA margin (in %, in relation to sales)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total operating revenue	-	3,270	-	-4,816
depreciation/amortization	-248	-281	16	0
impairment	0	0	0	0
Additions to other provisions and pension provisions	-	-902	-	0
<b>Segment operating profit (EBIT before PPA amortization)</b>	<b>-9,455</b>	<b>-8,921</b>	<b>-121</b>	<b>-336</b>
PPA amortization	0	0	0	0
Goodwill Impairment	0	0	0	-2,676
<b>Segment operating profit after PPA amortization</b>	<b>-9,455</b>	<b>-8,921</b>	<b>-121</b>	<b>-3,012</b>
Interest and similar income	-	3,475	-	-3,264
Interest and similar expenses	-	-3,702	-	3,252
Income from equity accounted investments	-	-1,007	-	597
<b>Segment result from ordinary activities (EBT)</b>	<b>-</b>	<b>-36,523</b>	<b>-</b>	<b>9,550</b>
Income taxes	-	2,047	-	0
<b>Annual result</b>	<b>-</b>	<b>-34,476</b>	<b>-</b>	<b>9,550</b>
<b>Non-current segment assets (excluding deferred tax)</b>	<b>87,359</b>	<b>97,857</b>	<b>-75,980</b>	<b>-60,300</b>
- thereof Germany	87,359	97,857	-75,980	-60,300
- thereof other EU countries	0	0	0	0
- thereof North America	0	0	0	0
- thereof Rest of the world	0	0	0	0
<b>Investments in non-current segment assets</b>	<b>50</b>	<b>118</b>	<b>-123</b>	<b>0</b>
<b>Working Capital</b>	<b>-410</b>	<b>-1,157</b>	<b>0</b>	<b>0</b>
<b>Goodwill</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>
<b>ROCE (in %)<sup>1)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net debt</b>	<b>-42,792</b>	<b>-49,069</b>	<b>847</b>	<b>8,046</b>
<b>Average number of personnel excluding trainees</b>	<b>15</b>	<b>9</b>	<b>0</b>	<b>0</b>

1) The return on capital employed (ROCE) corresponds to the ratio of EBIT to capital employed. Capital employed is the sum of intangible assets, property, plant and equipment, working capital, investment property and goodwill based on the twelve-month average.

2) The column MAX Automation SE contains the values of the parent company. The business transactions between the segments are eliminated in the Consolidation column. The sum of the two afore-mentioned columns is shown in the "Reconciliation" column in order to reconcile the segment information with the Group figures.

Segment	Reconciliation			Group
	2020	2019	2020	2019
Reporting Period	kEUR			
<b>Order intake</b>	<b>0</b>	<b>0</b>	<b>319,581</b>	<b>379,925</b>
<b>Order book position</b>	<b>0</b>	<b>0</b>	<b>209,419</b>	<b>199,520</b>
<b>Segment sales</b>	<b>-2,774</b>	<b>-1,546</b>	<b>307,001</b>	<b>425,488</b>
- With external customers	0	6	307,001	425,488
- Inter-segment sales	-2,774	-1,552	0	0
<b>Segment operating profit before depreciation &amp; amortization (EBITDA)</b>	<b>-9,344</b>	<b>-8,977</b>	<b>5,657</b>	<b>-893</b>
<b>EBITDA margin (in %, in relation to sales)</b>	<b>-</b>	<b>-</b>	<b>1.8%</b>	<b>-0.2%</b>
Total operating revenue	-	-1,546	-	399,258
depreciation/amortization	-232	-281	-10,320	-10,836
impairment	0	0	-6,853	-208
Additions to other provisions and pension provisions	-	-902	-	-14,205
<b>Segment operating profit (EBIT before PPA amortization)</b>	<b>-9,576</b>	<b>-9,257</b>	<b>-11,516</b>	<b>-11,937</b>
PPA amortization	0	0	-349	-1,189
Goodwill Impairment	0	-2,676	-7,628	-2,676
<b>Segment operating profit after PPA amortization</b>	<b>-9,576</b>	<b>-11,933</b>	<b>-19,493</b>	<b>-15,801</b>
Interest and similar income	-	211	-	744
Interest and similar expenses	-	-451	-	-4,450
Income from equity accounted investments	-	-411	-	-411
<b>Segment result from ordinary activities (EBT)</b>	<b>-</b>	<b>-26,974</b>	<b>-</b>	<b>-34,323</b>
Income taxes	-	2,047	-	-1,154
<b>Annual result</b>	<b>-</b>	<b>-24,926</b>	<b>-</b>	<b>-35,477</b>
<b>Non-current segment assets (excluding deferred tax)</b>	<b>11,379</b>	<b>37,557</b>	<b>108,857</b>	<b>135,896</b>
- thereof Germany	11,379	37,557	99,333	125,400
- thereof other EU countries	0	0	4,446	6,113
- thereof North America	0	0	4,887	4,074
- thereof Rest of the world	0	0	191	308
<b>Investments in non-current segment assets</b>	<b>-73</b>	<b>118</b>	<b>10,484</b>	<b>8,543</b>
<b>Working Capital</b>	<b>-410</b>	<b>-1,157</b>	<b>39,125</b>	<b>71,962</b>
<b>Goodwill</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>46,239</b>
<b>ROCE (in %)<sup>1)</sup></b>	<b>-</b>	<b>-</b>	<b>-9.3%</b>	<b>-8.4%</b>
<b>Net debt</b>	<b>-41,945</b>	<b>-41,023</b>	<b>-85,293</b>	<b>-101,000</b>
<b>Average number of personnel excluding trainees</b>	<b>15</b>	<b>9</b>	<b>1,661</b>	<b>1,816</b>

1) The return on capital employed (ROCE) corresponds to the ratio of EBIT to capital employed. Capital employed is the sum of intangible assets, property, plant and equipment, working capital, investment property and goodwill based on the twelve-month average.

The breakdown of operations into the Process Technologies, Environmental Technologies, Evolving Technologies and Non-Core Business segments corresponds to the current status of internal reporting. Allocations to the respective segments are made based on the products and services offered.

In the Process Technologies segment, the MAX Gruppe operates with the bdtronic-Gruppe, in the Environmental Technologies segment with the Vecoplan-Gruppe. In the Evolving Technologies segment, the MAX Gruppe is active with the companies NSM Magnettechnik GmbH, INDAT Robotics GmbH, Mess- und Regeltechnik Jücker GmbH and AIM Micro Systems GmbH.

The Non-Core division bundles the companies ELWEMA Automotive GmbH, IWM Automation Bodensee GmbH, IWM Automation GmbH and IWM Automation Polska Sp.z.o.o., which are no longer part of the core business.

Further information about the business operations of the individual companies is provided in the Group Management Report and can be taken from this source.

The reconciliation column shows on the one hand income and expenses from transactions with other segments that are eliminated for consolidation purposes. It also shows the income and expenses of the individual company MAX Automation SE since it is a holding company and therefore has no operational activities.

Segment-related figures are published in accordance with IFRS 8 and these key ratios are also regularly reported to the Managing Directors and to the Supervisory Board and are of great importance in managing the Company. A special focus here is placed on sales and EBITDA as a measure of earnings. Working capital is also regularly subjected to more detailed analysis. Internal reporting is consistent with external accounting standards in accordance with IFRS. The segmentation of assets is also observed, whereby the domicile of the Company is the decisive criterion.

Other performance indicators included in the segment report are the average headcount, investments, order intake and order book position. In general, sales revenues from the current order backlog are expected to be realized in the next financial year.

In financial year 2020, the items total operating revenue, additions to other and pension provisions, interest income and similar income, interest expenses and similar expenses, income from equity accounted investments, EBT, income taxes and annual result are no longer shown in the segment reporting, as these internal key figures are no longer regularly reported to the chief operating decision maker and are accordingly no longer of major importance in managing the Company. In addition, the segment revenues by country from financial year 2020 onwards are shown in the "Revenue" chapter; the values of the goodwill can be found in the chapter "Goodwill."

Transactions within the Group are generally conducted at arm's length.

The segmentation of revenue is determined by the sales markets. Contrary to the provisions of IFRS 8.33 (a), the Company does not break down sales in the North American market by country as this market is regarded as a single unit in its economic development.

Projects accounted for revenue of TEUR 241,785 (previous year: TEUR 346,418), while sales of TEUR 65,217 (previous year: TEUR 79,070) were generated by business with service and spare parts.

One customer in the Evolving Technologies segment was responsible for revenue of kEUR 34,536 in 2020 (previous year: kEUR 52,407).

## Events after the reporting period

On 15 January 2021, the Company submitted an application for contract modifications at the administrative office for the syndicated loan contract. The main objective of the application for a contract modification was to have the covenants of the syndicated loan readjusted. The bank syndicate accepted the application on 15 February 2021. As a result, the Company was able to further strengthen its financing.

The syndicated loan contract has a term until 2022 for a total volume of 190 million euros. The follow-up financing is on the work agenda of the Board of Directors for the 2021 financial year. In general, the company currently sees no reasons that would stand in the way of the successful closing of a follow-up financing due to the asset, financial and earnings situation as well as the market environment.

## Other financial obligations

The following financial obligations from other non-cancellable contracts exist as of 31 December 2020:

in kEUR	2020	2019
up to 1 year	1,567	1,698
1 to 5 years	687	807
over 5 years	49	0
<b>Total</b>	<b>2,303</b>	<b>2,505</b>

## Related party transactions

Related companies and persons as defined in IAS 24 are persons and companies (including affiliates) that can be controlled by the Company or can control the Company. In financial year 2020, MAX Automation SE was a Company dependent on Orpheus Capital II GmbH & Co. KG, Hamburg, Germany, and LS Digital & Management Services GmbH & Co. KG, Hamburg, Germany, in the sense of Section 17 AktG. There is a mutual attribution of voting rights between Orpheus Capital II GmbH & Co. KG and LS Digital & Management Services GmbH & Co. KG based on a voting agreement that came into force on 26 August 2020. The highest controlling parent company according to the AktG of Orpheus Capital II GmbH & Co. KG and of LS Digital & Management Services GmbH & Co. KG is Oliver Jaster, Germany. Control results from a constantly expected (factual) majority of votes at future general meetings.

The companies of the MAX Group provide and purchase various services for or from related companies in the course of their business operations.

### Related enterprises

A free consultancy agreement was concluded with Günther Holding SE with effect from 1 September 2014, and was amended on 16 January 2017.

### Related persons

Business transactions with related natural persons totaled kEUR 16 (previous year: kEUR 24). These relate to travel expenses incurred by Members of the Supervisory Board.

## Auditor

Expenses for fees charged by the auditor of TEUR 975 (previous year: TEUR 522) were incurred in the year under review.

kEUR	2020	2019
1. Audit services	875	449
a) Services for current year	595	449
b) Services for prior year	280	0
2. Other assurance services	0	0
3. Tax advisory services	0	0
4. Other services	100	73
<b>Total</b>	<b>975</b>	<b>522</b>

No other certification services were rendered in the current financial year or in the previous year.

Services in connection with the review of the mid-year financial report pursuant to Section 37w(5) of the German Securities Trading Act (WpHG) are recorded under audit services.

The other services essentially constitute forensic investigations.

## Corporate Bodies of MAX Automation SE

Since the conversion to an SE on 8 February 2018, MAX Automation SE has had a monistic management structure which is characterized by the fact that the responsibility for the management of the SE is vested in a single management body, the Supervisory Board. The Managing Directors of MAX Automation SE conduct the business of the Company, taking joint responsibility for the goal of adding sustainable value. They implement the basic principles and guidelines set out by the Supervisory Board.

## Managing Directors

### **Daniel Fink, Dusseldorf, Germany (until 31 March 2019), CEO**

Member of the following other supervisory bodies:

- Chairman of the Supervisory Board of Vecoplan AG, Bad Marienberg (until 31 March 2019)

### **Andreas Krause, Boppelsen, Switzerland (until 15 June 2020), CFO**

Member of the following other supervisory bodies:

- Deputy Chairman of the Supervisory Board of Vecoplan AG, Bad Marienberg (until 31 March 2019)
- Chairman of the Supervisory Board of Vecoplan AG, Bad Marienberg (until 22 April 2020)

### **Dr. Christian Diekmann, Hamburg (from 1 January 2021),**

#### **CEO / CFO and Chairman of the Management Board**

Member of the following other supervisory bodies:

- Chairman of the Supervisory Board of Vecoplan AG, Bad Marienberg (from 22 April 2020)

### **Werner Berens, Fahrweiler, Germany**

Member of the following other supervisory bodies:

- No membership in other supervisory bodies



**Dr. Guido Hild, Dusseldorf, Germany**

Member of the following other supervisory bodies:

- No membership in other supervisory bodies

**Patrick Vandenhijn, Regensburg, Germany (from 1 May 2019)**

Member of the following other supervisory bodies:

- No membership in other supervisory bodies

**Total compensation of the Managing Directors**

The following amounts were granted to the Managing Directors of MAX Automation SE in financial year 2020:

Daniel Fink Executive Director (CEO) until 31/03/2019	Benefits granted				Benefits received	
	2020		2020		2020	2019
	(min)	(max)	2020	2019		
<b>kEUR</b>						
Fixed compensation	0	0	0	80	0	80
Ancillary benefits*	0	0	0	7	0	7
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>87</b>	<b>0</b>	<b>87</b>
One-year variable compensation (STIP)	0	0	0	51	0	51
Multi-year variable compensation (LTIP)	0	0	0	314	0	314
thereof 2016 to 2019 program <sup>1)</sup>	0	0	0	0	0	0
thereof 2017 to 2020 program <sup>1)</sup>	0	0	0	0	0	0
thereof 2018 to 2021 program <sup>1)</sup>	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>452</b>	<b>0</b>	<b>452</b>
Pension expense	0	0	0	0	0	0
<b>Total compensation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>452</b>	<b>0</b>	<b>452</b>

\*The main ancillary benefits were private use of the company car, insurance premiums and rent subsidies for housing

1) Payout in 2019

Andreas Krause Executive Director (CFO) until 15/06/2020	Benefits granted				Benefits received	
	2020		2020		2020	2019
	(min)	(max)	2020	2019		
<b>kEUR</b>						
Fixed compensation	124	124	124	270	124	270
Compensation	560	560	560	0	560	0
Ancillary benefits*	16	16	16	35	16	35
<b>Total</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>305</b>	<b>700</b>	<b>305</b>
One-year variable compensation (STIP)	0	258	0	186	186	40
Multi-year variable compensation (LTIP)	0	92	0	92	0	0
thereof 2018 to 2021 program	0	46	0	46	0	0
thereof 2019 to 2022 program	0	46	0	46	0	0
<b>Total</b>	<b>700</b>	<b>1,050</b>	<b>700</b>	<b>583</b>	<b>886</b>	<b>345</b>
Pension expense	0	0	0	0	0	0
<b>Total compensation</b>	<b>700</b>	<b>1,050</b>	<b>700</b>	<b>583</b>	<b>886</b>	<b>345</b>

\*The main ancillary benefits were private use of the company car, insurance premiums and rent subsidies for housing

Werner Berens Executive Director since 01/05/2019	Benefits granted				Benefits received		
	2020	2020					
	kEUR	(min)	(max)	2020	2019	2020	2019
Fixed compensation	230	230		230	153	230	153
Ancillary benefits*	37	37		37	23	37	23
<b>Total</b>	<b>267</b>	<b>267</b>		<b>267</b>	<b>176</b>	<b>267</b>	<b>176</b>
One-year variable compensation (STIP)	0	255		180	210	210	0
Multi-year variable compensation (LTIP)	0	585		137	48	0	0
thereof LTIP group 2019 to 2021	0	45		0	0	0	0
thereof LTIP group 2020 to 2022	0	45		0	0	0	0
thereof LTIP group 2021 to 2023	0	45		30	0	0	0
thereof LTIP Phantom Shares 2019 to 2021	0	60		13	24	0	0
thereof LTIP Phantom Shares 2020 to 2022	0	60		17	0	0	0
thereof LTIP Phantom Shares 2021 to 2023	0	60		13	0	0	0
thereof LTIP business unit 2019 to 2021	0	90		27	24	0	0
thereof LTIP business unit 2020 to 2022	0	90		20	0	0	0
thereof LTIP business unit 2021 to 2023	0	90		17	0	0	0
<b>Total</b>	<b>267</b>	<b>1,107</b>		<b>584</b>	<b>434</b>	<b>477</b>	<b>176</b>
Pension expense	0	0		0	0	0	0
<b>Total compensation</b>	<b>267</b>	<b>1,107</b>		<b>584</b>	<b>434</b>	<b>477</b>	<b>176</b>

\*The main ancillary benefits were private use of the company car, insurance premiums and rent subsidies for housing

Dr. Guido Hild Executive Director since 01/07/2019	Benefits granted				Benefits received		
	2020	2020					
	kEUR	(min)	(max)	2020	2019	2020	2019
Fixed compensation	198	198		198	93	198	93
Ancillary benefits*	24	24		24	11	24	11
<b>Total</b>	<b>222</b>	<b>222</b>		<b>222</b>	<b>104</b>	<b>222</b>	<b>104</b>
One-year variable compensation (STIP)	0	151		46	59	60	0
Multi-year variable compensation (LTIP)	0	399		69	29	0	0
thereof LTIP group 2019 to 2021	0	38		0	0	0	0
thereof LTIP group 2020 to 2022	0	38		0	0	0	0
thereof LTIP group 2021 to 2023	0	38		25	0	0	0
thereof LTIP Phantom Shares 2019 to 2021	0	50		11	20	0	0
thereof LTIP Phantom Shares 2020 to 2022	0	50		14	0	0	0
thereof LTIP Phantom Shares 2021 to 2023	0	50		11	0	0	0
thereof LTIP business unit 2019 to 2021	0	45		2	9	0	0
thereof LTIP business unit 2020 to 2022	0	45		0	0	0	0
thereof LTIP business unit 2021 to 2023	0	45		6	0	0	0
<b>Total</b>	<b>222</b>	<b>772</b>		<b>337</b>	<b>202</b>	<b>282</b>	<b>104</b>
Pension expense	0	0		0	0	0	0
<b>Total compensation</b>	<b>222</b>	<b>772</b>		<b>337</b>	<b>202</b>	<b>282</b>	<b>104</b>

\*The main ancillary benefits were private use of the company car and insurance premiums

Patrick Vandenhijn Executive Director since 01/05/2019	Benefits granted				Benefits received	
	2020	2020	2020	2019	2020	2019
	kEUR	(min)	(max)	2020	2019	2020
Fixed compensation	230	230	230	153	230	153
Ancillary benefits*	29	29	29	13	29	13
<b>Total</b>	<b>259</b>	<b>259</b>	<b>259</b>	<b>166</b>	<b>259</b>	<b>166</b>
One-year variable compensation (STIP)	0	255	60	172	153	0
Multi-year variable compensation (LTIP)	235	1,120	332	275	235	0
thereof LTIP group 2019 to 2021	0	45	0	0	0	0
thereof LTIP group 2020 to 2022	0	45	0	0	0	0
thereof LTIP group 2021 to 2023	0	45	30	0	0	0
thereof LTIP Phantom Shares 2019 to 2021	0	60	13	24	0	0
thereof LTIP Phantom Shares 2020 to 2022	0	60	17	0	0	0
thereof LTIP Phantom Shares 2021 to 2023	0	60	13	0	0	0
thereof LTIP business unit 2019 to 2021	0	90	8	16	0	0
thereof LTIP business unit 2020 to 2022	0	90	6	0	0	0
thereof LTIP business unit 2021 to 2023	0	90	10	0	0	0
thereof special program 2017 to 2019	235	235	235	235	235	0
thereof special program 2020 to 2022	0	300	0	0	0	0
<b>Total</b>	<b>494</b>	<b>1,634</b>	<b>651</b>	<b>613</b>	<b>647</b>	<b>166</b>
Pension expense	0	0	0	0	0	0
Total compensation	494	1,634	651	613	647	166

\*The main ancillary benefits were private use of the company car, insurance premiums and rent subsidies for housing

Dr. Christian Diekmann Executive Director (CEO) since 01/01/2021	Benefits granted				Benefits received	
	2020	2020	2020	2019	2020	2019
	kEUR	(min)	(max)	2020	2019	2020
Fixed compensation	0	0	0	0	0	0
Ancillary benefits*	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Sign-on Bonus (one-time bonus)	125	125	125	0	0	0
One-year variable compensation (STIP)	0	0	0	0	0	0
Multi-year variable compensation (LTIP)	900	4,500	357	0	0	0
thereof LTIP Phantom Shares 2021 to 2024	225	1,125	173	0	0	0
thereof LTIP Phantom Shares 2022 to 2025	225	1,125	86	0	0	0
thereof LTIP Phantom Shares 2023 to 2026	225	1,125	57	0	0	0
thereof LTIP Phantom Shares 2024 to 2027	225	1,125	41	0	0	0
<b>Total</b>	<b>1,025</b>	<b>4,625</b>	<b>482</b>	<b>0</b>	<b>0</b>	<b>0</b>
Pension expense	0	0	0	0	0	0
Total compensation	1,025	4,625	482	0	0	0

The other compensation for the Managing Directors of MAX Automation SE consists of ancillary benefits in kind, mainly including the use of the company car and the provision of a company apartment. The individual Managing Directors are responsible for paying the taxes on the benefits in kind forming part of the compensation package. Benefits from the D&O insurance were not quantifiable for the Managing Directors of MAX Automation SE as this is a collective insurance policy that covers a number of employees.

In total, the allowances for the Managing Directors in 2020 amount to kEUR 2,272 (previous year: kEUR 2,284).

### **Share-based remuneration**

In addition, three of the four Managing Directors are granted so-called Phantom Shares as part of a three-year LTIP. The Managing Directors are granted fictitious shares ("Phantom Shares") for a value determined by the Supervisory Board ("issue value") on a certain date specified in each financial year ("issue date"). The number of Phantom Shares to be granted is calculated as the quotient of the equivalent value and the arithmetic mean of the closing prices of the ordinary shares of MAX Automation SE determined in XETRA trading on the Frankfurt Stock Exchange within a period of 90 trading days before the issue date. The Phantom Shares grant the Managing Director a claim to payment of a gross amount ("Phantom Share Payment") in the amount of the accounting value multiplied by the number of Phantom Shares. The settlement value is the arithmetic mean of the closing prices of the ordinary shares of MAX Automation SE determined in XETRA trading on the Frankfurt Stock Exchange within a period of 90 trading days before the settlement day ("settlement value"). The Phantom Share payment is limited to an individually determined maximum amount of the issue value. In addition, one of the Managing Directors is granted a special bonus that was agreed upon prior to his activity as a Managing Director. This special bonus is based on the fact that the Managing Director holds a MAX Automation SE share package, the purchase price of which is used as a factor (starting value) for EBIT development (analogous to an EBIT multiple assessment) of the business area for which the Managing Director is responsible. The special bonus is paid out as a long-term incentive at the end of a three-year term.

A new Managing Director took up his position at MAX Automation SE on 1 January 2021. In addition to fixed remuneration and a STIP, he will be granted a one-time so-called "Sign-on Bonus" in 2021. In addition, he is being given the opportunity to receive Phantom Shares per year of his four-year contract term on a fixed date, which are to be settled after a specified holding period of four years. The settlement value is the arithmetic mean of the closing prices of the ordinary shares of MAX Automation SE determined in XETRA trading on the Frankfurt Stock Exchange within a period of 90 trading days before the settlement day ("settlement value"). The Phantom Share payment is limited to a maximum amount of five times (500%) the issue value.

The fair value of the Phantom Share program was determined for all Managing Directors using the Black-Scholes-Merton model in accordance with the regulations of IFRS 2 (Share-based Payment). The expected volatility of 157%, which is included as an input parameter in the Black-Scholes-Merton model, is based on an assessment of the historical volatility of the MAX Automation SE share price over the last five years and has a corresponding influence on the fair value of the Phantom Shares.

On the balance sheet date 31 December 2020, a total of 303,370 Phantom Shares were taken into account for all beneficiaries within the scope of the valuation based on the settlement value determined on the grant date. The fair value amounts to kEUR 466. 251,225 new Phantom Shares were granted in financial year 2020 that are included in the afore-mentioned total number of Phantom Shares. The fair value of the Phantom Shares newly granted in the financial year is kEUR 357.

There were no changes to existing Phantom Share regulations in the financial year.

The provision for the Phantom Share program in the amount of kEUR 466 (previous year: kEUR 69) is reported under non-current liabilities under other provisions.

At this point, MAX Automation SE explicitly points out that the previously explained calculations cannot be used to derive any forecasts regarding the development of the share price on the part of the Company. This exclusively concerns the application of the calculation methodology prescribed by IFRS 2 (Share-based Payment). The same also applies to the minimum and maximum values determined for the Phantom Shares program in the tables presented above. Due to the calculation method of IFRS 2 (Share-based Payment), these are more of a theoretical nature.

No other or similar securities-based incentive systems were granted to the Managing Directors or employees.

## Members of the Supervisory Board

### **Dr. Christian Diekmann, Hamburg**

Dipl.-Kaufmann, Managing Director of ZRT GmbH and Zertus GmbH, Hamburg (until 31 December 2020)  
Chairman of the Supervisory Board

Member of the following other supervisory bodies:

- Member of the Board of Zertus Beteiligungen Lir Chocolates Ltd. Navan, Ireland, (until 31 December 2020)
- Member of the Board of Zetar Ltd., London, Great Britain (until 31 December 2020)
- Member of the Board of Zertus UK Ltd., London, England (until 31 December 2020)
- Chairman of the Board of Gaea Products SA, Athens, Greece (until 12 November 2020)

### **Dr. Jens Kruse, Hamburg**

General Representative of MM Warburg & CO (AG & Co.), Hamburg  
Deputy Chairman of the Supervisory Board

Member of the following other supervisory bodies:

- Member of the Supervisory Board of Biesterfeld AG, Hamburg
- Deputy Chairman of the Supervisory Board of PNE AG, Cuxhaven (until 20 April 2020)

### **Dr. Ralf Guckert, Hamburg**

Managing Director (CDO) Günther Holding SE, Hamburg  
Member of the Supervisory Board (since 25 January 2019)

Member of the following other supervisory bodies:

- Member of the Advisory Board of Langenscheidt GmbH & Co. KG, Munich, Langenscheidt Digital GmbH & Co. KG, Munich, and Langenscheidt Management GmbH, Munich (Günther SE Group-internal mandate)(until 31 December 2020)
- Member of the Advisory Board of all4cloud GmbH & Co. KG, Viernheim, and all4cloud Management GmbH, Hamburg (Günther SE Group-internal mandate)
- Member of the Advisory Board of Günther Direct Services, Bamberg, and G Connect GmbH, Munich (Günther SE Group-internal mandate)

**Oliver Jaster, Hamburg**

Chairman of the Supervisory Board of Günther Holding SE, Hamburg  
Member of the Supervisory Board (until 29 May 2020)

Member of the following other supervisory bodies:

- Member of the Supervisory Board of ZEAL Network SE, London
- Chairman of the Advisory Board of Langenscheidt GmbH & Co. KG, Munich, Langenscheidt Digital GmbH & Co. KG, Munich, and Langenscheidt Management GmbH, Munich (Günther SE Group-internal mandate)(until 31 December 2020)
- Chairman of the Advisory Board of all4cloud GmbH & Co. KG, Viernheim, and all4cloud Management GmbH, Hamburg (Günther SE Group-internal mandate)
- Chairman of the Advisory Board of Günther Direct Services, Bamberg, and G Connect GmbH, Munich (Günther SE Group-internal mandate)
- Chairman of the Board of Directors of Günther SE, Bamberg (Günther SE Group-internal mandate)

**Karoline Kalb, Augsburg**

Board member and CFO of Testo SE & Co. KGaA, Titisee-Neustadt  
Member of the Supervisory Board (since 29 May 2020)

Member of the following other supervisory bodies:

- No membership in other supervisory bodies

**Marcel Neustock, Lübeck**

Investment Director Günther Holding SE, Hamburg  
Member of the Supervisory Board (since 29 May 2020)

Member of the following other supervisory bodies:

- No membership in other supervisory bodies

**Andreas Krause, Boppelsen, Switzerland**

Managing Director of MAX Automation SE (until 15 June 2020)  
Member of the Supervisory Board (until 29 May 2020)

**Total compensation of the Supervisory Board**

The compensation paid to the Supervisory Board in 2020 amounted to kEUR 283 (Previous year: kEUR 232). Besides the reimbursement of their expenses, the Chairman of the Supervisory Board receives kEUR 120, the Deputy Chairman of the Supervisory Board kEUR 60 and the remaining members of the Supervisory Board with the exception of Managing Directors kEUR 40 after the end of the financial year.

in kEUR	Fixed remuneration		Consultancy services			Total
	2020	2019	2020	2019	2020	
Dr. Christian Diekmann, Chairman (from 18/05/2019)	120	75	0	27	120	102
Dr. Jens Kruse, Deputy Chairman (from 01/01/2019 until 17/05/2019 Chairman)	60	83	0	0	60	83
Dr. Ralf Guckert (from 25/01/2019, until 17/05/2019 Deputy chairman)	40	48	0	0	40	48
Oliver Jaster (until 29/05/2020)	17	40	0	0	17	40
Karoline Kalb (from 30/05/2020)	23	0	17	0	40	0
Marcel Neustock (from 30/05/2020)	23	0	0	0	23	0

The members of the Supervisory Board did not receive any loans or advances in financial year 2020.

Further information can be found in the compensation report in the Group Management Report under "Report on Board Members' compensation."

## Shareholdings subject to notification pursuant to Section 160 (1)(8) AktG

Mr. Oliver Jaster, Germany, notified us on 17 November 2015 pursuant to Section 21 (1) WpHG that his share of the voting rights in our Company exceeded the threshold of 30% on 17 November 2015 and now amounts to 30.0001%. This equates to 8,038,356 voting rights. A share of 30.0001% of the voting rights (corresponding to 8,038,356 voting rights) is attributable to Mr. Jaster under Section 22 (1)(1)(1) WpHG through Orpheus Capital II GmbH & Co. KG, Hamburg, Germany, Orpheus Capital II Management GmbH, Hamburg, Germany, Günther Holding GmbH, Hamburg, Germany, and Günther GmbH, Bamberg, Germany.

Universal-Investment-Gesellschaft mbH, Frankfurt/Main, Germany, notified us on 18 September 2017 that its share of the voting rights changed from 5.004% to 4.96% on 7 September 2017 as a result of the change in the total number of voting rights. A share of 4.96% of the voting rights (corresponding to 1,460,344 voting rights) is attributable to the company under Section 22 (1)(1)(6) WpHG.

MAX Automation released a statement on 19 January 2018 pursuant to Section 33 WpHG that it had received notification on 18 January 2018 that LBBW Asset Management Investmentgesellschaft mbH, Stuttgart, Germany, had reduced its share of the voting rights from 5.25% to 4.99% on 12 January 2018 through the sale of voting rights through a separate managed fund of Baden-Württembergische Versorgungsanstalt für Ärzte, Zahnärzte und Tierärzte and now holds 1,470,724 of the total number of voting rights of 29,459,415.

MAX Automation released a statement on 22 January 2018 pursuant to Section 33 WpHG that it had received notification on 22 January 2018 that Baden-Württembergische Versorgungsanstalt für Ärzte, Zahnärzte und Tierärzte, Tübingen, Germany, had reduced its share of voting rights from 8.94% to 4.99% on 12 January 2018 through the sale of shares with voting rights and now holds 1,470,724 voting rights out of the total number of 29,459,415 voting rights.

MAX Automation released a statement on 27 February 2018 pursuant to Section 33 WpHG that it had received notification on 27 February 2018 that Mr. Werner O. Weber had increased his share of the voting rights to 5.53% on 20 December 2017 through the acquisition of shares with voting rights and now holds 1,630,000 of the total number of 29,459,415 voting rights.

MAX Automation released a statement on 29 October 2018 pursuant to Section 40(1)WpHG that it had received notification on 1 October 2018 that LOYS Investment S.A., Munsbach, Luxembourg, had increased its share of the voting rights from 3.145% to 5.058% on 25 October through the acquisition of shares with voting rights and now holds 1,489,945 voting rights out of the total number of 29,459,415 voting rights.

MAX Automation released a statement on 31 October 2019 pursuant to Section 40 WpHG that it had received notification on 1 October 2019 that Universal-Investment-GmbH, Frankfurt/Main, Germany, had increased its share of voting rights from 2.9997% to 3.28% on 25 October 2019 through the acquisition of shares with voting rights and now holds 966,550 voting rights out of the total number of 29,459,415 voting rights.

On 15 June 2020, MAX Automation released a statement pursuant to Section 40 (1) WpHG that it received notification on 15 June 2020 that Monega Kapitalanlagegesellschaft mbH, Cologne, Germany, had reduced its voting rights from 3.16% to 2.87% through the sale of shares with voting rights and now holds 844,957 voting rights of the total number of voting rights of 29,459,415.

On July 24, 2020, MAX Automation released a statement pursuant to Section 40 (1) WpHG that it had received notification on 22 July 2020 that Ampega Investment GmbH, Cologne, Germany, had acquired a 3.05% share of voting rights on 19 June 2020 through the purchase of shares with voting rights and now holds 900,000 voting rights of the total number of 29,459,415 voting rights. In addition, MAX Automation released a statement pursuant to Section 40 (1) WpHG on 24 July 2020 that it received a correction notification on 23 July 2020 according to which Ampega Investment GmbH, Cologne, Germany, acquired a 3.06% share of voting rights on 19 June 2020 through the acquisition of shares with voting rights and now holds 900,000 voting rights of the total number of 29,459,415 voting rights.

MAX Automation released a statement on 24 July 2020 pursuant to Section 40 (1) WpHG that it had received notification on 1 October 22 that Universal-Investment-GmbH, Frankfurt am Main, Germany, had increased its share of voting rights from 2020% to 3.05% on 2020 October 19, through the acquisition of shares with voting rights and now holds 900,000 voting rights out of the total of 29,459,415 voting rights. In addition, in accordance with Section 40 (1) WpHG, MAX Automation published on July 24, 2020 that it had received a correction notification on July 23, 2020, according to which Ampega Investment GmbH, Cologne, Germany, would acquire shares on June 19, 2020 with voting rights has acquired a voting right share of 3.06% and now holds 900,000 voting rights of the total number of voting rights of 29,459,415.

On August 25, 2020, MAX Automation released a statement in accordance with Section 40(1)WpHG that it had received a voluntary Group notification on 24 August 2020 from Mr. Oliver Jaster, Germany, due to a subsidiary's threshold being reached. Accordingly, LS Digital & Management Services GmbH & Co. KG acquired 5.33% of the voting rights through the acquisition of shares with voting rights. Overall, Mr. Jaster's share of the voting rights is now 40.25% (this equates to 11,858,737 voting rights). 5.33% of the voting rights (this equates to 1,570,187 voting rights) held by Mr. Jaster pursuant to Section 22 (1)(1)(1) WpHG through LS Digital & Management Services GmbH & Co.KG, Bamberg, Germany, Orpheus Capital II Management GmbH & Co. KG, Hamburg, Germany, Günther Holding SE, Hamburg, Germany, and Günther SE, Bamberg, Germany. A share of 34.92% of the voting rights (corresponding to 10,287,228 voting rights) is attributable to Mr. Jaster under Section 22 (1)(1)(1) WpHG through Orpheus Capital II GmbH & Co. KG, Hamburg, Germany, Orpheus Capital II Management GmbH & Co. KG, Hamburg, Germany, Günther Holding GmbH, Hamburg, Germany and Günther GmbH, Bamberg, Germany.



MAX Automation released a statement on 25 August 2020 pursuant to Section 40 (1) WpHG that it had received notification that Ampega Investment GmbH, Cologne, Germany, had reduced its voting rights from 3.06% to 1.66% on 24 August 2020 through the sale of shares with voting rights and now holds 488,803 voting rights of the total number of 29,459,415 voting rights.

MAX Automation released a statement on 1 September 2020 pursuant to Section 40 (1) WpHG that it had received a voluntary Group notification on 1 September 2020 from Mr. Oliver Jaster, Germany, due to a subsidiary's threshold being reached, according to which a mutual allocation of voting right rights had been agreed between LS Digital & Management Services GmbH & Co. KG and Orpheus Capital II GmbH & Co. KG on the basis of a voting agreement that entered into force on 26 August 2020.

MAX Automation released a statement on 15 October 2020 pursuant to Section 40 (1) WpHG that it had received notification on 14 October 2020 that Axxion S.A., Grevenmacher, Luxembourg, had reduced its voting rights from 5.10% to 4.94% on 13 October 2020 by selling shares with voting rights and now holds 1,454,379 voting rights of the total number of 29,459,415 voting rights.

## **Declaration pursuant to Section 161 AktG (German Stock Corporation Act) on the Corporate Governance Code**

As a listed German corporation, MAX Automation SE, Dusseldorf, issued the declaration required under Section 161 AktG on 5 February 2021 and published it on its website at [www.maxautomation.com](http://www.maxautomation.com) to make it permanently available to its shareholders.

## Exemption from disclosure for subsidiaries

The following domestic subsidiaries exercise the right of exemption under Section 264 (3) HGB in respect of the disclosure of their annual accounts and the preparation of the management report and notes for financial year 2020:

- MAX Management GmbH, Dusseldorf
- ELWEMA Automotive GmbH, Ellwangen
- MA micro automation GmbH, St. Leon-Rot
- AIM Micro Systems GmbH, Triptis
- iNDAT Robotics GmbH, Ginsheim-Gustavsburg
- bdtronic GmbH, Weikersheim
- IWM Automation GmbH, Porta Westfalica
- NSM Magnettechnik GmbH, Olfen-Vinum
- Mess- und Regeltechnik Jücker GmbH, Dillingen
- Vecoplan AG, Bad Marienberg

In addition, if they were obliged to prepare subgroup financial statements, the companies make use of the exemption provision of Section 291 of the German Commercial Code (HGB), since they are included as a subsidiary in the IFRS Consolidated Financial Statements of MAX Automation SE, Dusseldorf.

MAX Automation SE publishes its Consolidated Financial Statements for the year and its Group Management Report in the Federal Gazette (Bundesanzeiger), duly exempting these companies from this duty.

Dusseldorf, 12 March 2021

The Managing Directors

**Dr. Christian Diekmann**

**Werner Berens**

**Dr. Guido Hild**

**Patrick Vandenrijn**