max automation

Financial Report 2022

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FOREWORD BY THE MANAGING DIRECTORS

Dear Shareholders,

Financial year 2022 was a very successful year for the MAX Group. We continued on the growth course we had set out on in the previous year despite global crises such as the war in Ukraine or the ongoing disruptions in the global supply chains. Disruptions to the completion of projects were managed by working closely with suppliers and customers. We were able to pass on most of the increased material costs to our customers with new orders. Furthermore, as a less energy-intensive company, we are not affected that adversely by the higher gas, oil and electricity prices. Order intake was at the level of the very good prior-year figures, which had benefited from catch-up effects.

The success of our portfolio companies in a difficult environment confirms our strategic reorientation: The transformation of the MAX Group into a cash flow-oriented financial and investment holding company with a diversified portfolio of companies in growing niche markets is beginning to pay off. Our portfolio companies, grouped into eight operating segments, operate in sustainable industries and benefit from long-term macro trends such as mobility, health, sustainability and automation/robotics.

The strong order intake of EUR 424.6 million reflected in particular the very good order situation for the Vecoplan Group, bdtronic Group, NSM + Jücker and ELWEMA segments. Overall, we were able to close financial year 2022 by recording a 17.2% increase in sales to EUR 409.2 million and an operating result (EBITDA) that increased by 27.3% to EUR 32.7 million. We were therefore within the scope of our raised forecast in October despite the charges from the winding up of iNDAT. The strong sales growth and the resulting economies of scale and the increased profitability of repeat projects and process improvements at the project level were the main driving factors behind our success.

All segments with the exception of iNDAT and Other contributed to the positive business development. The planned winding-up and liquidation costs were incurred in the expected amount at iNDAT and in the Other segment. The greatest impetus for growth came from Vecoplan, which once again exceeded its record result from the previous year and, with the revival of the US business and the demand for large-scale projects, was again able to make the largest contribution to the overall result of the MAX Group. In addition, ELWEMA, bdtronic, NSM + Jücker and AIM micro also recorded significant growth in sales. While ELWEMA successfully continued the turnaround process and achieved clearly positive EBITDA, the result of NSM + Jücker fell slightly due to higher material and logistics costs. AIM micro managed to increase its strong result from the previous year again driven by sales, as did bdtronic, although its result was slowed down by delayed material deliveries in particular. MA micro significantly increased its EBITDA due to higher margins on repeat projects and significant process improvements in project execution.

The significantly increased order backlog as of 31 December 2022 in the amount of EUR 303.3 million forms a solid starting basis for further development in financial year 2023. Despite the current uncertainties with regard to the development of the global economy, especially with respect to supply bottlenecks, raw material prices and the further course of the pandemic, we believe the MAX Group is strategically well positioned and expect to see continued good demand for the solutions from our portfolio companies. We are confident for financial year 2023 and expect sales to increase to EUR 410 million to 470 million. We expect the operating result before interest, taxes, depreciation, and amortisation (EBITDA) for the MAX Group to be between EUR 35 million and EUR 41 million.

We will continue to strictly implement the MAX Group's strategy in financial year 2023 as well. We will continuously optimise and expand our already strong portfolio to generate stable cash flows for our shareholders

and leverage value enhancement potential. Our focus is on increasing profitability through targeted cost and process optimisation as well as activities that promote growth in the areas of sales and human resources. The activities that brought us losses in the past will only affect us to a minor extent. In financial terms, the MAX Group has a solid foundation to pursue its successful further development in terms of both debt and equity. The new syndicated loan of EUR 190 million agreed in February 2022 ensures the financial flexibility of the MAX Group, while the capital increase of around EUR 50 million carried out in April 2022 strengthened the equity structure and the equity ratio.

In terms of personnel, we strengthened our management even further by appointing Hartmut Buscher as an additional Managing Director and CFO of MAX Automation SE on 1 October 2022. As a member of the Supervisory Board of MAX Automation SE, Hartmut Buscher is very familiar with the company's processes and, as Managing Director and CFO of Günther Holding SE, brings a wealth of experience to the table. In his position as CEO, Christian Diekmann, who was previously also CFO, will concentrate more intensively on the strategic further development of the Group and the subsidiaries.

Finally, we would like to thank our approximately 1,600 employees for their dedicated work. We would also like to thank our shareholders, customers, suppliers and partners for their trust and support. We look forward to continuing to successfully advance the MAX Group together with all of you in 2023 and beyond.

Dusseldorf, 3 March 2023

Dr. Christian Diekmann | Dr. Ralf Guckert | Hartmut Buscher

REPORT BY THE SUPERVISORY BOARD

Dear Shareholders,

In the monistic management system of MAX Automation SE, the Supervisory Board determines the basic principles of the company's activities and supervises their implementation by the Managing Directors.

The Supervisory Board appointed in accordance with Section 7 of the Articles of Association of MAX Automation SE submits the following report to the Annual General Meeting in accordance with Section 47 (3) of the Act on the Implementation of the Regulation (EC) No. 2157/2001 of the Council of the European Union of 8 October 2001, on the Statute of the European Company (SE) (SE Implementation Act, SEAG) in conjunction with Section 171 (2) of the German Stock Corporation Act:

General information

In financial year 2022, the Supervisory Board dealt intensively with the strategic, economic and personnel development of MAX Automation SE and the Group. Based on the timely oral and written reports of the Managing Directors on the business situation of MAX Automation SE and the Group, the Supervisory Board monitored the management of MAX Automation SE in financial year 2022 in accordance with the provisions of Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute of the European Company (SE) (SE Regulation), the SEAG and the German Stock Corporation Act. The reports of the Managing Directors related to matters including fundamental issues of financial and investment policy as well as the profitability and risk/financing situation of MAX Automation SE, the Group, and the Group companies.

The work of the Supervisory Board in financial year 2022 also continued to be heavily impacted by the global economic developments related to Russia's attack on Ukraine and the ongoing operational and financial challenges of the COVID-19 pandemic. Together with the Managing Directors, the Supervisory Board has continuously assessed the effects and risks of the war in Ukraine and the corona crisis on the individual segments bdtronic Group, Vecoplan Group, MA micro Group, AIM micro, iNDAT, NSM + Jücker, ELWEMA and Other (IWM companies). The current political developments and the continued course of the COVID-19 pandemic were monitored and always considered in making decisions. In financial year 2022, the Supervisory Board focused on the further development and implementation of the strategic realignment of MAX Automation SE and the Group towards becoming a cash flow-oriented financial and investment holding company. In this context, a capital increase against cash contributions and contributions in kind in the form of shares in ZEAL Network SE was carried out to strengthen the capital structure. In addition, MAX Automation SE concluded a new syndicated loan agreement to ensure its financial flexibility. The decision to liquidate the loss-making subsidiary iNDAT Robotics GmbH was also made in financial year 2022. Other main focuses of the work of the Supervisory Board included the expansion of internal auditing, the remuneration of the Managing Directors and the members of the Supervisory Board and the procedure initiated by a shareholder to arrange the judicial appointment of a special auditor. In financial year 2022, the Supervisory Board appointed Mr. Hartmut Buscher an additional Managing Director to perform the function of CFO in order to separate the CEO/CFO function. The CFO function was previously also held by Dr. Christian Diekmann (CEO). The Group companies of MAX Automation SE now report in eight operating segments. In addition, the Group's financial and investment policies, personnel decisions, ongoing legal disputes, and the company's Corporate Governance were the subject of deliberations. The Supervisory Board performed the duties incumbent upon it under the law and the company's Articles of Association with great care and dealt intensively with the business transactions of the company and the Group.

The Supervisory Board received regular reports on the course of business, including analyses of deviations from the planning and the previous year, and documentation on the liquidity and financial situation. The members of the Supervisory Board also maintained an intensive dialogue with the Managing Directors outside of the meetings and intensively discussed the further development of the companies and the Group with them. All business transactions requiring approval were discussed intensively with the Managing Directors and – where necessary – approval was granted.

Based on the reports and information provided by the Managing Directors, the Supervisory Board was able to convince itself of the regularity of the management. The Supervisory Board also assured itself that all requirements of the Risk Management System were met both in the parent company and the Group by asking questions to the Managing Directors, the management of the subsidiaries and the auditor.

Meetings of the Supervisory Board and resolutions outside meetings

15 meetings of the Supervisory Board were held in the year under review. Nine of these were virtual meetings, two were face-to-face meetings with a video connection and four were face-to-face meetings. The majority of the meetings in the reporting period were held in virtual format due to the COVID-19 pandemic. Apart from the excused absence of Dr. Hanrieder at the Supervisory Board meeting on 8 February 2022, all members of the Supervisory Board who held office in financial year 2022 attended the Board meetings during the reporting period. The monitoring and advisory activities of the Supervisory Board mainly related to the following items in the Board meetings:

The Supervisory Board met in a virtual session on 28 January 2022. A potential capital measure by MAX Automation SE to strengthen the equity base by conducting a combined cash and non-cash capital increase from authorised capital was discussed. Capital market law issues were also dealt with. Furthermore, the decision was made to form a temporary committee of the Supervisory Board to prepare the project, to which the Board members Mr. Mundt, Dr. Hanrieder, Mrs. Kalb and Dr. Pallas belonged.

In the virtual meeting held on 8 February 2022, Dr. Diekmann explained the situation of iNDAT Robotics GmbH. The recommendation of the Managing Directors to wind up iNDAT Robotics GmbH was discussed. It was then decided to liquidate iNDAT Robotics GmbH as soon as possible.

During the meeting on 15 February 2022, which was held both in person and with participants connected virtually, Mr. Buscher first reported on the Audit Committee meeting on 9 February 2022. The Managing Directors then reported on the business development of the MAX Group, on the business development and the planning of the individual business areas as well as the coordination with the works council of iNDAT Robotics GmbH in connection with the liquidation. The profit forecast was then discussed in the 2022 Management Report. In addition, the Corporate Governance Declaration was approved and the Supervisory Board decided that the long-term incentive target agreements with Dr. Diekmann in 2022 were in line with the new remuneration system. Finally, Mr. Mundt provided information about another written statement by a shareholder in the proceedings of his application for the court to appoint a special auditor.

In the face-to-face meeting on 7 March 2022, the auditor explained his audit mandate and the scope of the audit, the focal points of the audit and the result of the audit of the financial statements, as well as recommendations from the risk early warning system. The 2021 Annual Financial Statements of MAX Automation SE and the Group

were approved, and the 2021 Annual Financial Statements of MAX Automation SE were adopted. In addition, the Report by the Supervisory Board, the explanatory report by the Supervisory Board, the Sustainability Report, and the Dependency Report for financial year 2021 were approved by resolution. Mr. Mundt then reported on the Personnel Committee meeting on 3 March 2022, whereupon the amount of the short-term incentive bonuses for Dr. Diekmann and Dr. Guckert and an adjustment of the annual base salary of Dr. Diekmann were decided on. Furthermore, the Managing Directors reported on the course of business in the various business fields and the social plan negotiations with the works council of iNDAT Robotics GmbH and the trade union. Finally, the 2022 Annual General Meeting and the remuneration for committee work were discussed. In light of the COVID-19 pandemic, the decision was made to hold the 2022 AGM as a virtual AGM without shareholders physically present.

Two virtual meetings of the Supervisory Board took place on 28 March 2022. In the first meeting, the decision was made to carry out a capital increase with subscription rights from authorised capital against cash and non-cash contributions. Specifically, the decision was made to increase the company's share capital by partially using the company's authorised capital and to issue 11,783,766 new no-par value registered shares, each with a notional interest in the share capital of EUR 1.00. It was further resolved that 6,481,072 new shares would be offered to the company's shareholders (excluding the main shareholder, Günther Holding SE, and its affiliated companies) by the company and Commerzbank Aktiengesellschaft in exchange for cash. It was also decided to offer Günther Holding SE and its affiliated companies 5,302,694 new shares against contributions in kind in the form of shares in ZEAL Network SE. Furthermore, approval was also granted to Othello Drei Beteiligungs GmbH & Co. KG to acquire all new shares for which no subscription rights were exercised by the other shareholders, also in return for a contribution in kind in the form of further shares in ZEAL Network SE. Finally, the conclusion of the main transaction documentation in this context and the approval of the securities prospectus, the offer document for the international private placement and the profit forecast were resolved. Topics relating to capital market law were dealt with at the second meeting that immediately followed.

In the virtual meeting on 13 April 2022, the final number of new shares in MAX Automation SE to be issued as part of the capital increase from authorised capital against cash and non-cash contributions, the number of shares to be contributed in ZEAL Network SE and the implementation of the capital increase were confirmed by resolution. Lastly, the respective amendment to the Articles of Association due to the implementation of the capital increase was adopted.

The virtual meeting on 19 April 2022 began with a discussion of the 2021 Remuneration Report together with the Managing Directors. It was then decided to submit it to the Annual General Meeting for approval. Furthermore, the decision was made to submit a revised remuneration system for the members of the Supervisory Board and a corresponding amendment to the Articles of Association to the Annual General Meeting for approval at the Annual General Meeting. The weighting of the Managing Directors' short-term incentive targets was set at 55% (quantitative targets) and 45% (qualitative targets). Lastly, the invitation to the virtual, ordinary Annual General Meeting on 3 June 2022 was decided on. The draft invitation was approved and the agenda was set.

In the face-to-face meeting on 4 May 2022, Mr. Buscher reported on the Audit Committee meeting from the previous day, in particular on the development of the balance sheet and the income statement, the supply chain issue, the assessment of the audit by PricewaterhouseCoopers GmbH and the Russian sanctions, as part of the risk report. The Managing Directors then reported on the course of business in the individual areas of the business, whereby the focus was on sales compared to the forecast, the status of the winding up of iNDAT Robotics GmbH and the personnel planning of a subsidiary.

On 11 and 12 July 2022, the Supervisory Board met for a strategy workshop on the further development of the restructuring of the MAX Group into a cash flow-oriented financial and investment holding company. The focus was on guidelines for strategic development such as expanding the portfolio using existing knowledge from the industrial sector, establishing and expanding investment and participation controlling, supporting the portfolio companies in developing their own strategy and further developing the remuneration model for the Managing Directors.

The face-to-face meeting on 3 August 2022, at which one member of the Supervisory Board was present via Teams and the remaining members on site, began with a report from Mr. Buscher on the previous day's meeting of the Audit Committee. In addition to discussing the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Cash Flows, the focus was on the accounting treatment of the shares in ZEAL Network SE, the planned cash pooling, the expansion of the internal auditing system and the focal points of the 2022 annual audit. Afterwards, the Managing Directors reported on the course of business and the strategy of the business fields. The main aspects of the new strategy of the MAX Group were also discussed. Only recently, a lawyer from an established law firm gave an overview of the changes to the German Corporate Governance Code 2022, ESG issues, cybersecurity, relevant issues for the 2023 Annual General Meeting and market abuse law.

In the virtual meeting held on 13 September 2022, Mr. Mundt reported on the Personnel Committee meeting on 30 August 2022. The main focus was on the appointment of Mr. Buscher as Managing Director with the function of CFO of MAX Automation SE, the exploratory talks that took place with Mr. Buscher and the draft contract for Mr. Buscher's service contract. The Supervisory Board then appointed Mr. Buscher Managing Director with the function of CFO of MAX Automation SE with effect from 1 October 2022 and approved the conclusion of the submitted employment contract as well as Mr. Buscher's ancillary activities as Managing Director of other companies.

The virtual meeting on 26 October 2022 began with a report by Mrs. Kalb on the meeting of the Audit Committee held that same day, in particular on the audit plan and the costs of the auditor, the planned letter of comfort from MAX Automation SE to MAX Management GmbH and the business and quarterly report. In addition, the members of the Supervisory Board were informed about the sustainability reporting. The Supervisory Board then approved the submission of the proposed letter of comfort and the exemption of the domestic subsidiaries from preparing notes and a management report. Mr. Mundt then reported on the meeting of the Personnel Committee on 7 October 2022 that focused on personnel issues at a subsidiary and the determination of Mr. Buscher's individual goals as Managing Director and CFO. The Managing Directors reported on the course of business in the individual companies. A potential redesign of the long-term incentive program for the Managing Directors was discussed and the new business allocation plan for the Managing Directors, taking Mr. Buscher's function as CFO into account, was approved.

In the virtual meeting on 24 November 2022, the Managing Directors explained the current status of planning for the MAX Group and its shareholdings. In particular, the uncertainties with regard to supply chains, the high material prices and the expected increases in personnel costs were presented against the backdrop of the current overall economic situation and the corresponding measures taken were discussed.

IT training for the members of the Supervisory Board took place in the face-to-face meeting on 7 December 2022. Afterwards, the Managing Directors gave a presentation on how the business was developing and the shareholdings' planning. The planning for financial year 2023 of MAX Automation SE was approved. Mr. Mundt then reported on the main results of the Supervisory Board's self-assessment. In addition, the calendar of meetings for 2023, individual topics related to corporate governance reporting for 2023 and the results of the

internal audit as well as the focal points of the audit in financial year 2023 were discussed. Finally, the further development of the strategy of MAX Automation SE, the revision of the long-term incentive program for the Managing Directors and the strategy and portfolio analysis of the investments were discussed.

Where necessary, the Supervisory Board also made decisions by way of circular resolution. These related to the Declaration of Compliance with the German Corporate Governance Code, the conclusion of a new syndicated loan and the mandating of the special committee for the capital increase to obtain a fairness opinion for the execution of the transaction. Furthermore, the audit plan and the internal audit manual, the extension of the audit plan for the internal audit and the audit plan for the internal audit for financial year 2023 were approved by circular resolution. Other resolutions concerned the commissioning of LS Digital & Management Services GmbH & Co. KG to take stock of the MAX Group's real estate, the enforcement of an arbitration judgment, the election of Mrs. Kalb as Chairwoman of the Audit Committee and of Dr. Pallas as her deputy and determining the date, place and form of the 2023 Annual General Meeting. The setting up a whistleblower system and issuing a new policy on whistleblower protection as well as the corresponding instructions, revision of the competence profile for the Supervisory Board and its Rules of Procedure, the Compliance Guideline, the Guideline on the Risk Management System and the Code of Conduct were decided on by circular resolution.

The Supervisory Board also regularly reviewed the monthly reports that were sent out before the Supervisory Board meetings. These contained information on the development of sales and earnings of the companies and the Group by segment and the presentation and analysis of the liquidity and financial situation as well as any deviations from the plan. In addition, the Risk Management System was discussed on a regular basis. Insofar as conflicts of interest existed regarding individual resolutions, the Supervisory Board took appropriate account of this.

Organisation of the work of the Supervisory Board

To optimise processes and coordination within the Supervisory Board, the following committees were appointed in 2022 in accordance with Section 34 (4) 1 SEAG. The meetings of the committees were mainly held as virtual meetings due to the COVID 19-pandemic.

Personnel Committee

The Personnel Committee met five times in 2022. Four of the meetings took place via video conference and one in person. The Personnel Committee conducted the following consultations:

In the virtual meeting on 3 March 2022, the target agreements for financial year 2022 for the short-term incentive program of the Managing Directors were discussed and the decision was made to make concrete payments for the short-term incentive bonuses of Dr. Diekmann and Dr. Guckert. Furthermore, it was decided to propose an adjustment to Dr. Diekmann's basic annual salary. The expert opinion on the dual position of Mr. Buscher as CFO of Günther Holding SE and MAX Automation SE was discussed at the virtual meeting on 30 August 2022. It was then decided to authorise Mr. Mundt to conduct exploratory talks with Mr. Buscher. Furthermore, the ongoing talks with the Management Board of a subsidiary were discussed. In the virtual meeting on 12 September 2022, the decision was made to propose the appointment of Mr. Buscher as Managing Director and CFO of MAX Automation SE, the conclusion of the respective service contract and the approval of Mr. Buscher's ancillary activities as Managing Director of other companies to the Supervisory Board. On 7 October 2022, personnel changes in the Management Board of a subsidiary were discussed and the quantitative and qualitative target

agreements of the short-term incentive bonus for Mr. Buscher for financial year 2022 were determined. In the virtual meeting on 14 December 2022, the weighting between the quantitative and qualitative targets for the Managing Directors under the Short-Term Incentive Program for the financial year 2023 was determined and it was decided to submit to the Supervisory Board the previously determined quantitative targets for the Managing Directors for to propose the financial year 2023. In addition, the qualitative target agreements for the financial year 2023 were discussed in detail.

The Personnel Committee has comprised the following members since 28 May 2021:

- Guido Mundt (Chairman)
- Oliver Jaster (Deputy Chairman)
- Dr. Wolfgang Hanrieder (ordinary member)

All members of the Personnel Committee who held office attended all five meetings of the Personnel Committee during the reporting period.

Audit Committee

The Audit Committee met four times in 2022. Two of the meetings took place in person and two via video conference. The Audit Committee held the following consultations in the reporting period:

In the virtual meeting on 9 February 2022, various topics related to the audit of the financial statements for financial year 2021 and the full-year forecast for the past financial year were discussed. The structure of the new syndicated loan was also discussed. In the face-to-face meeting on 3 May 2022, the quarterly statement for 2022 was discussed, in particular the effects of the war in Ukraine on how the business is developing. The quality of the audit for financial year 2021 and the fee limits for the 2022 audit in accordance with the Act to Strengthen Financial Market Integrity were also discussed. On 2 August 2022, the 2022 half-year report was discussed, the interest rate risk of MAX Automation SE was analysed as part of the syndicated loan agreement, and possible hedging scenarios were discussed. The audit process, and possible focal points of the audit of the 2022 Annual Financial Statements and the Consolidated Financial Statements were presented. Afterwards, Dr. Diekmann reported on the status of the revision of the Compliance Management System, the Risk Management System and the Internal Control System. The interim status of the review of the Internal Control System by Internal Audit was also discussed. Finally, the risk report and the risk-bearing capacity of the MAX Group were discussed. The audit of the Annual Financial Statements and the audit of the Consolidated Financial Statements for financial year 2022 were discussed at the virtual meeting on 26 October 2022. The status of the preliminary audit by the auditor of MAX Automation SE was then reported on. Furthermore, it was decided to propose to the Supervisory Board that MAX Automation SE issue a letter of comfort to MAX Management GmbH and to exempt the domestic subsidiaries from preparing the Notes and a Management Report. Lastly, the quarterly statement for Q3/2022 and the effects and implementation of the EU taxonomy regulation were discussed in detail.

Up until 30 September 2022, the Audit Committee consisted of Mr. Hartmut Buscher (Chairman), Mrs. Karoline Kalb (Deputy Chairwoman), Mr. Guido Mundt and Dr. Nadine Pallas (both ordinary members).

Since then, the members of the Audit Committee have been:

- Karoline Kalb (Chairwoman)
- Dr. Nadine Pallas (Vice Chairwoman)

- Guido Mundt (ordinary member)

All members of the Audit Committee who held office in financial year 2022 attended all of the four meetings of the Audit Committee during the reporting period.

Special Committee

The Special Committee, Enterprise II, existed from February to April 2022 and was established in preparation for the planned capital increase. The Committee met six times in 2022 in virtual meetings via videoconferencing and conducted the following deliberations:

In the meeting on 2 February 2022, risks of the transaction structure in connection with the contribution in kind were discussed, whereby the main focus was on the exemption from a mandatory offer to the shareholders of ZEAL Network SE and the legal minimum requirements for the examination of the contribution in kind and possible grounds for objection. At the meeting on 1 March 2022, which was also attended by the legal advisors of MAX Automation SE, the preliminary agreement with the Federal Financial Supervisory Authority (BaFin) on takeover law issues relating to the planned capital increase was reported on. Furthermore, potential risks of the transaction structure and mitigating factors were discussed with the legal advisors. Capital market law topics were discussed at the meeting on 7 March 2022. At the meeting on 11 March 2022, the legal advisors presented the transaction structure and schedule, the key steps to prepare and execute the transaction, the potential risks associated with the transaction and appropriate risk minimisation precautions. At the meeting on 20 March 2022, the key parameters and the framework for the execution of the transaction were decided on. The current status of negotiations with Günther Holding SE and the fairness opinion regarding the shares of ZEAL Network SE were discussed at the meeting held on 27 March 2022.

The Special Committee consisted of:

- Guido Mundt (Chairman)
- Dr. Wolfgang Hanrieder (ordinary member)
- Karoline Kalb (ordinary member)
- Dr. Nadine Pallas (ordinary member)

All members of the Special Committee attended all six meetings of the Special Committee.

Personnel changes

There were no personnel changes on the Supervisory Board during the reporting period. Mr. Guido Mundt is still Chairman of the Supervisory Board, Mr. Oliver Jaster is his Deputy and Dr. Wolfgang Hanrieder, Mrs. Karoline Kalb, Dr. Nadine Pallas and Mr. Hartmut Buscher are ordinary members of the Supervisory Board. Dr. Christian Diekmann (CEO) and Dr. Ralf Guckert (COO) are also still Managing Directors of the company. With effect from 1 October 2022, Mr. Hartmut Buscher was also appointed Managing Director of MAX Automation (CFO). Up to this point in time, Dr. Diekmann was both CEO and CFO of the company and has been CEO of MAX Automation SE ever since.

Risk Management

All risk areas identifiable from the perspective of the Supervisory Board were discussed. The Supervisory Board has installed a comprehensive, functioning control and Risk Management System. The risk early warning system was subjected to a review by the auditor. The auditor confirms that the Supervisory Board has taken the measures required by Art. 9 (1) (c) (ii) SE Regulation, Section 22 (3) SEAG and has set up a monitoring system that is suitable for the early detection of developments that could endanger the continued existence of the company and the Group. In doing so, the auditor did not identify any matters to be reported to the Supervisory Board as part of this audit.

Annual and Consolidated Financial Statements 2022

As a capital market-oriented corporation, MAX Automation SE is subject to the statutory audit obligation pursuant to Art. 9 (1) (c) (ii), Art. 61 SE Regulation in conjunction with Sections 316 (1) 1, 267 (3) 2, 264 d HGB. The Annual Financial Statements of MAX Automation SE and the Consolidated Financial Statements as of 31 December 2022 as well as the Combined Management Report, including the accounting, were audited by the auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft from Dusseldorf, and received an unqualified audit certificate. The auditor thus confirmed that in its opinion, based on the findings of the audit, the Annual Financial Statements and the Consolidated Financial Statements give a true and fair view of the asset, financial and earnings position of MAX Automation SE and the Group in accordance with the applicable financial reporting framework. The auditor also confirmed that the Combined Management Report is consistent with the Annual and Consolidated Financial Statements and provides a suitable view of the position of MAX Automation SE and the Group and suitably presents the opportunities and risks of future development.

The auditor was elected by the Annual General Meeting on 3 June 2022 at the proposal of the Supervisory Board and was appointed in writing to audit the accounts by the Audit Committee after the Annual General Meeting. In doing so, the Committee also agreed with the auditor that the latter would inform it and make a note in the audit report if facts were discovered during the performance of the audit that revealed a misstatement in the declaration issued by the Supervisory Board, including the Managing Directors, on the version of the German Corporate Governance Code dated 28 April 2022 (GCGC) published by the Federal Ministry of Justice in the official section of the Federal Gazette on 27 June 2022. Before the Supervisory Board proposed PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Dusseldorf, as auditor and Group auditor to the Annual General Meeting, the auditor had confirmed in writing to the Chairman of the Audit Committee that there were no circumstances that could impair its independence as auditor or give rise to doubts as to its independence. It was also agreed with the auditor that the Chairman of the Supervisory Board be informed immediately of any possible grounds for disqualification or bias that arose during the audit unless they were immediately eliminated. It was also agreed that the auditor would report immediately on all findings and events of importance for the tasks of the Supervisory Board that arise during the performance of the audit.

The Supervisory Board received the drafts and copies of the accounting documents for the company and the Group, as well as the proposal of the Managing Directors for the appropriation of retained earnings, with sufficient advance notice to allow for a thorough review of all documents.

In the balance sheet meeting of the Supervisory Board on 8 March 2023, the Managing Directors explained the accounting and consolidated accounting as well as their proposal for the appropriation their proposal for the appropriation of net profit. Furthermore, questions from the members of the Supervisory Board were answered

by the Managing Directors. The Supervisory Board examined the financial statement documents after they had been explained by the Managing Directors, taking the auditor's reports into account. The auditor, who was present at the balance sheet meeting of the Supervisory Board, reported in detail on the audit and the audit results, explained the audit report and answered the questions of the members of the Supervisory Board. The auditor also informed those in attendance at the meeting that his audit did not reveal any material weaknesses in the Internal Control and Risk Management System regarding the accounting process as defined in Section 171 (1) 2 of the German Stock Corporation Act (AktG). The auditor also informed the Supervisory Board that there were no circumstances that could give rise to concern as to his impartiality and the services provided by him outside the audit of the financial statements. The Supervisory Board concluded that the auditor has the necessary independence.

The Supervisory Board was able to convince itself that the audit was conducted properly by the auditor. It came to the conclusion that the audit reports – as well as the audit itself – meet the legal requirements. The Supervisory Board then approved the result of the audit and, since there were no objections to be raised after the result of its own audit, approved the Annual Financial Statements, the Consolidated Financial Statements and the Combined Management Report of the company and the Group (including the Corporate Governance Statement pursuant to Section 289f HGB). The Annual Financial Statements are thus adopted. The Supervisory Board agrees in its assessment of the situation of the company and the Group with the assessment expressed by the Managing Directors in the Combined Management Report of the company and the Group. This also applies to the statements on the further development of the company. The Supervisory Board has examined and concurs with the proposal for the appropriation of profit submitted by the Managing Directors, in particular with regard to the development of the company, the effects on liquidity and the interests of the shareholders. The Supervisory Board also included the Corporate Governance Statement in its review and expressly approved it.

The Supervisory Board also examined the separate non-financial report to be prepared in accordance with Section 289 b), Section 315 b) HGB.

Finally, at its balance sheet meeting on 8 March 2023, the Supervisory Board approved this report to the Annual General Meeting.

Corporate Governance and Declaration of Conformity

In financial year 2022, the Supervisory Board dealt intensively with the rules for good Corporate Governance.

Pursuant to Art. 9 (1) lit. c) (ii) SE Regulation, Section 22 (6) SEAG in conjunction with Section 161 (1) AktG, the Supervisory Board and Managing Directors issued the annual Declaration of Conformity with the recommendations of the German Corporate Governance Code in its version of 28 April 2022, which was in force at the time the Declaration of Conformity was issued, on 3 February 2023 and published it on the Internet. Further details on the principles of Corporate Governance and their implementation are presented here.

Support for the members of the Supervisory Board

The members of the Supervisory Board receive appropriate support while they are in office. For example, an introduction to the activities of MAX Automation SE and a presentation of the various business areas takes place on a regular basis. No new Supervisory Board members were appointed during the year under review.

The members of the Supervisory Board also receive appropriate support during the performance of their duties. For example, the current training and further education needs of the members of the Supervisory Board are elicited regularly. General and legal training was supported in the reporting year. In particular, the members of the Supervisory Board regularly attended events organised by auditing firms on Corporate Governance topics and events on issues of proper office management and financial reporting.

Dependency Report

In accordance with the requirements of Section 314 of the German Stock Corporation Act (AktG), the Supervisory Board also examined the report submitted to it on relations with affiliated companies (Dependency Report) for financial year 2022. The Dependency Report was also audited by the auditor and issued with the following audit opinion:

“Following our statutory audit and assessment, we confirm that

(1) the factual statements in the report are correct,

(2) in the legal transactions listed in the report, the company’s performance was not unreasonably high.”

The auditor’s report on the Dependency Report was also available to all members of the Supervisory Board. The Supervisory Board did not raise any objections after the discussion by the auditor and the Managing Directors. It noted and approved the results of the audit of the Dependency Report by the auditor.

Conflicts of interest and how they are handled

Where transactions exist between MAX Automation SE or companies of the MAX Automation Group and companies for which individual members of the Supervisory Board act, these are discussed in the Supervisory Board. To avoid even the appearance of a conflict of interest, the respective members of the Supervisory Board do not take part in the discussion or in any resolutions.

The Supervisory Board would like to thank the Managing Directors as well as the Management Boards and Managing Directors of the subsidiaries and all employees of the MAX Group for their dedicated and successful work over the past financial year.

Dusseldorf, 16 March 2023

Chairman of the Supervisory Board

Guido Mundt

COMBINED GROUP MANAGEMENT REPORT

BASIS OF THE SE AND THE GROUP

Business Model

The listed company MAX Automation SE based in Dusseldorf is a medium-sized finance and investment company with an actively managed portfolio of operationally independent portfolio companies in attractive and fast-growing niche markets. The MAX Group consists of the lead company MAX Automation SE as the holding company (MAX Holding) as well as its portfolio companies and their subsidiaries.

The portfolio companies offer their customers technologically sophisticated process and automation solutions for the automotive, electrical, recycling, raw materials recycling, and packaging industries as well as medical technology, among other fields. Especially in the areas of recycling and raw materials recovery, electromobility and in-vitro diagnostics, the companies operate in markets with high growth potential. As full-service providers of machinery, plants and integrated automation solutions, the portfolio companies develop solutions in close coordination with their customers, both in Germany and internationally. In addition, they offer complementary services such as consulting (including analyses, tests, and feasibility studies), production support as well as service and maintenance. The MAX portfolio companies are active in various sales markets, industries, and business fields, therefore there is a high degree of diversification within the MAX portfolio.

The MAX portfolio companies are independent thanks to international networks of sales and service locations in Europe, North America and Asia. Development and production sites are predominantly located in Germany, but also in the US, Singapore, and Italy.

Management structure

MAX Automation SE has had a monistic management structure since its conversion into a European company (Societas europaea, SE) in financial year 2017. The monistic system is characterised by the fact that the management of the SE is the responsibility of the management body, the Supervisory Board. The Supervisory Board manages the company, determines the basic guidelines for its activities and monitors their implementation. The Managing Directors manage the company's business, represent the company in and out of court and are bound by the instructions of the Supervisory Board. The Managing Directors act much like an active supervisory body in the MAX portfolio companies, even though, with the exception of Vecoplan AG, it is not a supervisory organ in the legal sense. The operational management of these companies is the responsibility of the respective management teams.

Operating segments

At the end of financial year 2021, the portfolio companies of the MAX Group were assigned to eight operating segments, which corresponded to the segmentation according to IFRS in financial year 2021. This segmentation was continued in financial year 2022.

The bdtronic Group segment (bdtronic GmbH and its subsidiaries), headquartered in Weikersheim (Baden-Württemberg), develops, manufactures, and markets process solutions in the form of machines and systems with integrated software solutions for high-precision manufacturing processes (1C and 2C dispensing technology, impregnation technology, hot riveting, and plasma pre-treatment) for the automotive, electronics and medical technology industries. It is an established partner for the mobility of the future and positions itself as an innovation, technology and quality leader in the areas of dispensing, impregnation and hot riveting technology.

The Vecoplan Group segment (Vecoplan AG and its subsidiaries), headquartered in Bad Marienberg (Rhineland-Palatinate), develops, manufactures and installs machines and systems for the shredding, conveying, and processing of primary and secondary raw materials mainly for customers in the wood and recycling industry, the waste disposal industry and the paper and plastics industry. The Group positions itself as a technological pioneer with strong market positions in Europe and the US.

The MA micro Group segment (MA micro automation GmbH and its subsidiaries), headquartered in St. Leon-Rot (Baden-Württemberg), is positioned as a technology leader for automation solutions in microassembly, particularly for the medical technology and optronic industries. The focus is on the development, manufacture and sale of production, assembly and testing systems for medical and optical components such as lenses, lasers, and camera modules, as well as for medical products such as contact lenses, Tip&Cup, stents, or insulin pens.

The AIM Micro segment includes AIM Micro Systems GmbH, based in Triptis (Thuringia), a company that specialises in the field of sensors and optoelectronics with technologically leading solutions in the photonics market. It develops, manufactures and markets technologies for the manufacture of optoelectronic modules and micro-optical components for customers from the medical technology and sensor industry as well as the aerospace industry.

The iNDAT segment (iNDAT Robotics GmbH), headquartered in Ginsheim-Gustavsburg (Hesse), was operationally wound up in a structured manner following the resolution of the Supervisory Board of 8 February 2022. iNDAT Robotics GmbH has been in liquidation proceedings since 1 January 2023.

The NSM + Jücker segment comprises the two companies NSM Magnettechnik GmbH, headquartered in Olfen (North Rhine-Westphalia), and Mess- und Regeltechnik Jücker GmbH, headquartered in Dillingen (Saarland). The segment is a technological leader in system solutions in the field of highly automated high-speed handling systems for metal parts. This includes, on the one hand, automation solutions for pressing plants at customers in the automotive industry and, on the other hand, customised solutions for high-performance transport systems for cans, lids and closures in the manufacturing and filling industry. In addition, the segment is a specialist supplier of measurement and control technology and the related software for complex automation processes and systems in drive and automation technology. This includes furnace construction, control, and protection technology, drive technology and control cabinet construction.

The ELWEMA segment (ELWEMA Automotive GmbH), headquartered in Ellwangen/Jagst (Baden-Württemberg), develops, and realises customised manufacturing solutions in testing, assembly, and cleaning technology for the automotive industry, especially for engines, transmissions and steering. The company positions itself as a system specialist with a focus on high-quality, resource-efficient solutions with high process reliability.

The Other segment includes the IWM companies (IWM Bodensee GmbH, IWM Automation GmbH i.L., IWM Automation Polska Sp. z.o.o.), which were in the process of being wound up (IWM Automation GmbH) and liquidated (IWM Automation Polska, Sp. z.o.o.) in financial year 2022. For IWM Automation GmbH i.L. in Porta-Westfalica, the operational closure took place on 30 September 2020. The liquidation of the company was opened on 1 January 2022. The liquidation process is still underway. IWM Automation Polska was deconsolidated and liquidated in April 2022. The operational closure of IWM Bodensee GmbH took place on 31 December 2019. IWM Bodensee GmbH was continued as a real estate company in the MAX Group.

Strategy

MAX Automation SE is a cash flow-oriented finance and investment holding company with an actively managed portfolio of autonomous, flexibly operating portfolio companies. The strategy is aimed at building a leading and diversified, long-term-oriented portfolio of companies consisting of investments in growth niche markets to generate attractive cash flows and to achieve increases in value in the operational companies as well as additional funds through disposals of portfolio companies, thereby generating a regular dividend and value increases for the shareholders of MAX Automation SE.

To support its strategy, MAX Automation SE improved its debt and equity structure in the first half of the past financial year through early refinancing with the banks and the successfully implemented capital increase. Furthermore, the strategic restructuring and performance improvement processes already initiated in 2021 were consistently continued at the level of the MAX portfolio companies.

The MAX portfolio is individually optimised for stable cash flows and value enhancement depending on the individual development potential of the portfolio companies to create added value for MAX shareholders and stakeholders. On the one hand, the portfolio is to include stable market leaders that reliably deliver attractive cash flows to generate dividends and funds for growth in the portfolio. On the other hand, growth companies are to be further developed in the portfolio to generate additional cash flows in the event of a potential sale. The profitability of the portfolio companies is to be continuously increased in order for the Group to grow profitably. MAX holding is responsible for creating adequate framework conditions for this. Particular attention is paid to ensuring that the portfolio companies are operationally self-sufficient and reliably managed by a strong management team. MAX Holding is responsible for setting up the management teams and supports the companies financially as well as with governance and risk management. In addition, an internal audit department is appointed on a superordinate level. The respective company strategy is defined by the management teams with the support of and in close coordination with MAX Holding.

Macro trends such as mobility, health, sustainability, and automation/robotics form the foundation for a long-term increase in demand for the solutions of the current MAX portfolio companies. By providing solutions for the transformation to e-mobility and smart mobility, developing innovative production technologies in medical technology, promoting environmentally friendly materials and resource-conserving circular economy, and contributing to the continuous digitalisation and automation of manufacturing, the MAX Group benefits from the macro trends mentioned. The early identification of trends and the resulting identification of innovative solutions and further development of technologies are therefore of key strategic importance for the long-term business success of the MAX portfolio companies. The market attractiveness as well as the technology and cost position are analysed and evaluated regularly and in exchange with MAX Holding to secure and expand the technology and quality leadership of the portfolio companies.

The MAX Group strives for profitable growth. The current focus is on well-positioned medium-sized companies in growth markets that develop innovative, first-class, and individualised solutions. A controlling majority interest is generally sought for portfolio companies to be able to influence business decisions based on a long-term growth strategy for each portfolio company. As of 31 December 2022, MAX Holding was the sole shareholder in all portfolio companies presented in the segments. In addition, there was also a minority shareholding in ZEAL Network SE, whose shares were contributed as a contribution in kind in the financial year as part of the capital increase.

Control System

Planning and management for the MAX Group is conducted on the level of the individual portfolio companies and through MAX Automation SE directly. The portfolio companies define their strategy for the coming financial years and plan their individual business performance targets based on the long-term focus of the MAX Group. This planning process culminates in an investment plan and a cost budget with targets relating to sales and revenue performance for the purpose of budget and medium-term planning. The results of the annual planning discussions between the MAX Management Board and the management teams of the portfolio companies lead to a Group plan that is discussed and approved by the Supervisory Board.

Monthly review meetings between the portfolio companies and the MAX Automation SE as the holding company provide an ongoing insight into the overall economic situation of the MAX Group. The monthly reports are used to identify deviations from portfolio company planning at an early stage and to discuss options for action. At the same time, this process also takes account of the early warning system for risks.

Control variables

The MAX Group uses key financial figures that are appropriate for companies in the MAX Group to control and evaluate its operating business. The figures are collected at the level of the portfolio companies and consolidated at the level of MAX Automation SE. The primary control of the MAX Group is carried out using the key figures of sales and EBITDA or the EBITDA margin. In addition, key figures are used to evaluate the order situation, such as order intake and the order backlog, as well as the development of working capital.

The goal is to ensure and increase the long-term profitability of the MAX Group by analysing these key performance indicators. Non-financial performance indicators are discussed with the portfolio companies on a regular basis, but have not been used for internal management yet.

In addition, the covenant agreements to the syndicated loan agreement are included in the management of the MAX Group. The agreements contain minimum values for the absolute equity and absolute EBITDA for the last 12 months of the MAX Group. Control is carried out by setting and reviewing target corridors.

The MAX Group recorded the following changes in key figures in 2022:

	2022 in EUR million	2021 in EUR million	Change in %
Order intake	424.6	422.5	0.5
Order backlog[1)]	303.3	284.2	6.7
Working capital	71.6	30.6	134.0
Sales	409.2	349.1	17.2
EBITDA	32.7	25.7	27.3
EBITDA margin (in % of sales)	8.0%	7.4%	

[1] per 31 December

Research and Development

Research and development (R&D) are an important prerequisite for the future success of the MAX portfolio companies in their respective markets. The companies' market environments are subject to rapid technological change and intense competition. Customers require individual technical solutions based on the latest processes and technologies. Growth drivers for development processes are also increasingly political requirements and regulations, especially from the environmental sector and electromobility.

The MAX portfolio companies are responsible for being technologically up-to-date with their products and solutions and strategically well positioned in their markets. R&D is carried out on a decentralised basis in the companies, such as in the form of specialised departments or technology centres. As medium-sized companies, the portfolio companies conduct most of their R&D activities within the framework of specific customer projects and focus on the market situation and the needs of their customers. The portfolio companies do not conduct basic research. To live up to their claim of technological and quality leadership, the companies are constantly expanding their technological expertise. Accordingly, the product portfolio is in part very young and characterised by innovations.

Information on development costs can be found in the Notes to the Consolidated Financial Statements under other disclosures in the chapter Research and Development.

GROUP ECONOMIC REPORT

General economic and industry-specific conditions

Overall economic environment

The International Monetary Fund (IMF) only expected global economic growth of 3.4% for 2022, after an increase of 6.2% the previous year. The expected recovery from the effects of the corona pandemic was slowed down by Russia's attack on Ukraine at the end of February 2022. In addition, rising inflation across the board and weak growth in the People's Republic of China had a negative impact. The generally subdued demand brought an unexpectedly rapid end to the low interest rate policy. Although the effects of the corona pandemic had weakened in most countries in 2022, supply bottlenecks for raw materials and intermediate products continued to slow down the global economy.

According to the IMF, economic output in the US increased by a mere 2% in 2022, after increasing by 5.9% the previous year. The decline in real disposable income and the rise in interest rates had a noticeable impact here. The US unemployment rate fell from an average of 5.3% last year to 3.6% in 2022.

The People's Republic of China continued to counter the corona pandemic with a consistent zero-tolerance policy. The lockdowns of entire cities after individual cases of corona and ever new waves of infection affected economic activity, as did the ongoing financial crisis in the real estate sector and the slow recovery in private consumption. According to the IMF, China's gross domestic product (GDP) growth slowed to 3% in 2022 after an increase of 8.4% the previous year.

According to the IMF, economic output in the euro zone rose by 3.5% in 2022, following growth of 5.3% the previous year. In response to the massive sanctions imposed by the West, the Russian leadership severely restricted the supply of cheap gas to Europe, causing energy and food prices in particular to rise drastically. According to the Statistical Office of the European Union (Eurostat), average inflation in the euro area climbed to over 10% in the fourth quarter of 2022 compared to the previous year.

According to the Federal Statistical Office (Destatis), the German economy only managed to grow by 1.9% in 2022, after 2.6% the previous year, in particular due to the consequences of the war in Ukraine and extreme energy price increases as well as intensified material and supply bottlenecks and generally massive price increases. In the manufacturing sector, price-adjusted value added last year was only 0.2%. On the demand side, gross fixed capital formation increased by 2.5% compared to the previous year. Foreign trade increased despite strong price increases: Exports increased by 3.2%, imports even by 6.7%. Overall, the trade balance thus dampened GDP growth. The German job market proved to be robust again last year: The unemployment rate averaged 5.3% after 5.7% the previous year. According to the Federal Statistical Office (Destatis), the inflation rate in 2022 was 7.9%, well above the average of previous years. The highest level was reached in October at 10.4%. In 2021, inflation had still averaged only 3.1%.

Development of relevant industries

In the first ten months of financial year 2022, mechanical and plant engineering recorded a 7% increase in order intake compared to the previous year. Domestic orders increased by 4% and foreign orders by 8%. According to the Association of German Machine and Plant Builders (VDMA), the industry remained on course in the unexpectedly rough seas of 2022 by posting a production increase of 9.2% to EUR 243 billion, although material bottlenecks and difficulties in the supply chain persisted. There was a noticeable relaxation in chemicals, plastics and metal products at the end of 2022, while the situation for electronic components remained challenging despite a downward trend.

In mid-2022, the industry forecast for robotics and automation called for sales to increase by 6% to EUR 14.4 billion for the past financial year. This shows the severely disrupted supply chains with a shortage of electrical engineering and electronic components and the associated longer delivery times. The VDMA trade association Robotics + Automation expects the highest increase in sales of 7% to EUR 7.6 billion for the Integrated Assembly Solutions division. In robotics, growth is expected to be 5% to EUR 3.6 billion. An increase of 5% is also expected in industrial image processing, which corresponds to sales of EUR 3.2 billion.

According to the German Association of the Automotive Industry (VDA), the international automotive markets were characterised by different dynamics in the past financial year. While the markets in Europe, Japan and the USA lagged behind the previous year's level, sales in China increased significantly. In particular, the lack of preliminary products and raw materials, significantly higher prices for energy and logistics, and the uncertainty

caused by the war in Ukraine weighed on the sales markets. Overall, the global passenger car market remained at the previous year's level in 2022. In the US, the light vehicle market (cars and light trucks) declined by 13% in 2022. The Chinese passenger car market grew by 15%. In Europe, among the five largest individual markets, only Germany grew, with a nominal increase in registrations of 1%. The UK (-2%), Spain (-5%) and France (-8%) performed negatively. Italy (-10%) even recorded a double-digit minus. A final sprint in the European passenger car market in December, with an increase of 15% compared to the same month of the previous year, could not prevent the minus of 4.1% for the year as a whole. New registrations of electric vehicles in Germany increased by 22% in 2022 as a whole. The e-share of all registrations was thus at 31.4%. In December alone, new electric car registrations increased by a good 114% compared to the same month last year and reached a record volume of 174,200 units. With a share of 55.4% of the total registrations in December, electric cars accounted for more than half of all new registrations on the German market for the first time. The reason is likely to be purchases brought forward, since state subsidies for plug-in hybrids (PHEV) expired at the end of 2022 and were reduced for purely battery-electric passenger cars (BEV).

According to the industry association SPECTARIS, the medical technology industry is expecting an increase in sales of 3.5% to EUR 37.7 billion for 2022 based on half-year figures. The war in Ukraine, massive supply chain disruptions, the European Medical Devices Regulation (MDR), the shortage of skilled workers and rising material, energy and logistics costs are said to have a negative impact. With an expected export rate of nearly 67%, domestic growth of a little more than 3% is expected, with foreign sales of around 4%. Current industry data was not yet available at the time of reporting. German manufacturers of ophthalmic optics and consumer optics increased their sales in 2022 by 2.5% to EUR 4.9 billion based on preliminary figures, despite the difficult general conditions. While domestic business was at the previous year's level of EUR 2.4 billion, international business grew by 5% to EUR 2.5 billion.

The waste and recycling technology industry was optimistic in mid-2022 and expected an increase in order intake and sales of 4.3% each for the past financial year. According to the Waste and Recycling Technology Association in the VDMA, full order books ensured the optimistic outlook. On the other hand, concerns were caused by material shortages and the extreme cost increases. The economic revival in environmental technology, the increase in oil prices and price increases for recycling products as well as a fundamentally increased environmental awareness and stricter legal requirements are expected to lead to an increased willingness to invest in modern and innovative recycling technologies. At around 60%, the EU-27 countries should remain the most important customer market for German waste and recycling technology, followed by the non-EU countries with Great Britain and North America in third place. The export ratio is thus expected to improve from 67% in the previous year to 69% in 2022. Current industry data was not yet available at the time of reporting.

Business development of the Group

Financial year 2022 was a very successful year for the MAX Group. For instance, we were able to continue on the growth path we had embarked on in the previous year, despite global crises such as the war in Ukraine or the persistent disruptions in global supply chains. Despite the disruptions in the supply chain that persisted into the fourth quarter and the resulting shortage of materials, which occasionally led to delays in project execution, the MAX Group looks back on an operationally successful year 2022.

After a stable first quarter, the Group confirmed its forecast for financial year 2022 for the first time with an increase in sales to a range of EUR 360 million to EUR 420 million (2021: EUR 349.1 million) and operating earnings before interest, taxes and depreciation and amortisation (EBITDA) of EUR 23 million to EUR 29 million

(2021: EUR 25.7 million). Following an operationally satisfactory first half of the year, the MAX Group confirmed its forecast. After a very strong third quarter despite noticeable bottlenecks in the global supply chains, the MAX Group raised its forecast to expected sales of between EUR 400 million and EUR 440 million and EBITDA of between EUR 30 million and EUR 34 million. The MAX Group closed financial year 2022 with an increase in sales of 17.2% to EUR 409.2 million and an increase in EBITDA to EUR 32.7 million in line with its increased forecast.

At EUR 424.6 million (2021: EUR 422.5 million), the consolidated order intake of the MAX Group in financial year 2022 was at the level of the already strong previous year, which was characterised by catch-up effects caused by the pandemic. The bdtronic Group, NSM + Jücker and ELWEMA were able to significantly increase their order intake. In the case of the bdtronic Group, the very dynamic development in dispensing technology in particular contributed to this increase. With a strong market position in the area of packaging automation, NSM + Jücker benefited from high demand from the beverage industry for the production of metal cans and in the area of press automation from a resurgence in demand from both current and new customers in the automotive industry, in the area of the e-mobility in particular. ELWEMA also benefited from the high demand from the automotive industry, especially from the US. Overall, the MAX Group's order backlog increased by 6.7% to EUR 303.3 million in financial year 2022 (31 December 2021: EUR 284.2 million).

In financial year 2022, the MAX Group achieved an increase in sales of 17.2% to EUR 409.2 million (2021: EUR 349.1 million), to which nearly all segments contributed. The greatest impetus for growth came from Vecoplan, which, based on a high order backlog at the end of the previous year and another strong order intake in the past financial year 2022, achieved an increase in sales of nearly 40%. In addition, ELWEMA, bdronic, NSM + Jücker and AIM micro also recorded significant sales growth. MA micro increased its sales only slightly due to project delays and postponements caused by supply chain bottlenecks and cyclical decisions on the part of customers. As expected, iNDAT and the Other segment recorded a decline in sales due to the closures. In order processing, there were delays in the supply chains in most segments of the MAX Group, but it was possible to prevent significant impairments in project processing through active management of supplier and customer relationships.

The MAX Group significantly increased its operating result before interest, taxes, depreciation and amortisation (EBITDA) by 27.3% to EUR 32.7 million (2021: EUR 25.7 million). Negative influences on EBITDA from rising material costs could be compensated for in most segments by carrying out price increases for customers. Nearly all segments were able to improve their results, in some cases significantly. Only iNDAT recorded a strongly negative result due to the closure, as expected. The Vecoplan Group was able to surpass its very good record result from the previous year and once again made the largest contribution to the overall result of the MAX Group. MA micro increased its EBITDA by over 60% due to higher margins on repeat orders and substantial process improvements in project execution. Like AIM micro, bdtronic was again able to increase its strong result from the previous year. ELWEMA was able to successfully continue the initiated turnaround process and achieved a significantly improved result. Only the result of NSM + Jücker fell slightly due to increased material and logistics costs.

In summary, despite bottlenecks in the global supply chains and the negative earnings contribution of iNDAT, the MAX Group can look back on a financial year with profitable growth in sales and EBITDA. Overcoming problems from the past, such as the consistent liquidation of companies that are having a negative impact on the results of the MAX Group, also contributed to this. The strategy of building a diversified portfolio of attractive companies in niche markets with strong cash flows and growth potential is beginning to pay off. In the past financial year 2022, the MAX Group achieved a positive annual result of EUR 15.0 million (2021: EUR -0.9 million) for the first time since 2017. Earnings per share improved to EUR 0.39 (2021: EUR -0.05).

Sales and earnings position

After an already strong previous year, which was characterised by catch-up effects caused by the pandemic, the MAX Group was able to increase its sales again in the past financial year 2022 by 17.2% to EUR 409.2 million (previous year: EUR 349.1 million). The export share of sales increased to 76.2% (previous year: 74.3%). The MAX Group increased its sales in North America, Germany, and the rest of the world, whereas the sales markets in China and the European Union were affected by declines in sales.

	2022 in EUR million	2021 in EUR million	Change in %
Sales	409.2	349.1	17.2
Total output	431.3	353.8	21.9
Other operating income	10.7	19.8	-46.2
Cost of materials	-217.3	-174.7	-24.4
Personnel expenses	-133.7	-122.5	-9.1
Other operating expenses	-58.1	-49.9	-16.3
EBITDA	32.7	25.7	27.3
Depreciation and amortisation	-11.7	-14.2	17.4
Annual result	15.0	-0.9	n/a

Total output in 2022 increased by 21.9% to EUR 431.3 million (previous year: EUR 353.8 million), mainly due to changes in inventories in connection with long-term construction contracts. Other own work capitalised decreased to EUR 0.5 million (previous year: EUR 1.2 million).

Other operating income declined by 46.2% to EUR 10.7 million (previous year: EUR 19.8 million). The main reason for the decline is lower income from the derecognition of liabilities and from the disposal of right-of-use assets.

The MAX Group's cost of materials rose by 24.4% to EUR 217.3 million (previous year: EUR 174.7 million) due to the increased project volume and high inflation. With an increase in total output, the cost of materials ratio rose only slightly to 50.4% (previous year: 49.4%), despite distortions in the supply chains and in some cases significantly higher procurement prices.

The personnel expenses of the MAX Group increased with the growing business activity to EUR 133.7 million (previous year: EUR 122.5 million). The personnel expense ratio fell to 31.0% (previous year: 34.6%) with an increase in total output due to economies of scale and a lack of new hires.

Depreciation and amortisation fell by 17.4% to EUR 11.7 million (previous year: EUR 14.2 million). In the previous year, impairment losses of around EUR 4 million had to be made on the fixed assets of iNDAT Robotics GmbH due to the negative development of the company. Adjusted for impairment losses of EUR 0.7 million in financial year 2022 for iNDAT, which is currently being wound up, depreciation increased slightly. This was offset by reversals of impairment of EUR 0.9 million in the area of intangible assets and other property, plant and equipment at ELWEMA, which resulted from the outcome of the impairment test.

Other operating expenses increased by 16.3% to EUR 58.1 million in financial year 2022 (previous year: EUR 49.9 million). On the one hand, sales-related factors such as freight, packaging, commission and travel costs as well as increased advertising and trade fair activities were the reasons for this. On the other hand, rental expenses increased with the expansion of the production areas. Expenses for IT and consulting costs increased in connection with optimisation projects.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) of the MAX Group increased significantly by 27.3% to EUR 32.7 million in financial year 2022 (previous year: EUR 25.7 million). Negative influences on EBITDA due to rising material costs could be compensated for in most segments by carrying out price increases for customers. The EBITDA margin also improved significantly to 8.0% (previous year: 7.0%).

The MAX Group's financial result improved to around EUR -6.0 million (previous year: EUR -8.3 million). The increase in interest expenses for the current syndicated loan compared to the previous year is offset by income from securities held as financial assets of EUR 2.7 million from the dividend distribution from ZEAL Network SE.

The result from income taxes amounted to EUR -1.0 million (previous year: EUR -4.1 million) and was positively influenced in the financial year by the capitalisation of deferred taxes on loss carryforwards.

All in all, after a loss in the previous year, the MAX Group significantly improved its annual result to EUR 15.0 million (previous year: EUR -0.9 million). Earnings per share improved considerably to EUR 0.39 (previous year: EUR -0.05).

Asset position

In financial year 2022, the total assets of the MAX Group increased by 34.4% to EUR 373.4 million (31 December 2021: EUR 277.8 million). The increase in total assets is due in particular to the significant increase in non-current assets as a result of the capital increase carried out and in current assets as a result of the build-up of inventories as part of the expansion of business activities. Fixed assets (excluding deferred taxes) are financed through equity. Current and non-current assets cover current liabilities.

Non-current assets increased significantly by 34.8% to EUR 155.9 million (31 December 2021: EUR 115.7 million), in particular due to the shares in ZEAL Network SE brought in as a contribution in kind as part of the capital increase. The decline in the price of ZEAL Network SE shares on the capital market led to a devaluation of the fair value of EUR 11.1 million. Intangible assets increased to EUR 4.8 million (31 December 2021: EUR 3.7 million). Goodwill of EUR 38.6 million was at the level of the previous year (31 December 2021: EUR 38.6 million).

Investment properties after impairments from fair value adjustments amounted to EUR 5.5 million (31 December 2021: EUR 5.6 million). The value of the other financial assets increased to EUR 37.1 million (31 December 2021: EUR 1.5 million) due to the shares in ZEAL Network SE brought in as a contribution in kind.

Deferred tax assets decreased by 19.5% to EUR 12.7 million (31 December 2021: EUR 10.6 million), mainly influenced by the capitalisation of loss carryforwards.

Overall, the share of non-current assets in total assets fell to 41.8% in 2022 (31 December 2021: 41.7%).

Current assets increased by 34.2% to EUR 217.4 million in financial year 2022, in particular due to the build-up of inventories in connection with the higher volume of projects and due to the recognition of the positive change in inventories of work in progress and finished goods from the progress of completed contract projects (31 December 2021: EUR 162.1 million). Contract assets increased by 14.2% to EUR 42.1 million (31 December 2021: EUR 36.9 million). The increase in contract assets, particularly at the bdtronic Group and NSM + Jücker, was partly offset by a decrease at the MA micro Group and iNDAT. Trade receivables increased by 25.6% to EUR 40.1 million (31 December 2021: EUR 31.9 million), in particular due to increased sales in the bdtronic Group, NSM + Jücker and ELWEMA segments.

Tax receivables in 2022 increased to EUR 5.3 million (31 December 2021: EUR 5.1 million).

Cash and cash equivalents increased by 18.3% to EUR 35.7 million in financial year 2022 (31 December 2021: EUR 30.2 million). Overall, the share of current assets in total assets slightly decreased to 58.2% (31 December 2021: 58.3%). Working capital rose to EUR 71.6 million (31 December 2021: EUR 30.6 million), in particular due to the expansion of operating activities and the targeted build-up of inventories to compensate for delays in delivery. The lower working capital in the previous year was characterised by high customer prepayments.

Financial position

In financial year 2022, the capital structure of the MAX Group was influenced in particular by the conclusion of the new syndicated loan with a term until February 2025 and the related reclassification to non-current liabilities. The equity of MAX Automation SE increased to EUR 94.1 million (31 December 2021: EUR 40.6 million) as a result of the capital increase from authorised capital against cash and non-cash contributions carried out in April of the past financial year. The equity ratio of the MAX Group thus improved to 25.2% (31 December 2021: 14.6%).

Non-current liabilities increased by EUR 114.0 million to EUR 139.8 million (31 December 2021: EUR 25.8 million), in particular due to the conclusion of the syndicated loan with a term until 2025. In this context, the MAX Group has concluded an interest rate swap with a nominal amount of EUR 15,000 thousand and a term until 24 March 2025 for the purpose of interest rate hedging. The hedged interest rate amounts to 2.18%.

Deferred tax liabilities decreased by 7.6% to EUR 7.3 million (31 December 2021: EUR 7.9 million).

Current liabilities decreased to EUR 139.5 million (31 December 2021: EUR 211.4 million), which is largely due to the early repayment of the original syndicated loan. In the previous year, the expiring syndicated loan was reported under current loans and no longer under non-current loans due to its maturity. Trade payables increased by 21.7% to EUR 39.1 million (31 December 2021: EUR 32.2 million) as business activity increased. In the course of this, contract liabilities increased to EUR 61.1 million (31 December 2021: EUR 59.5 million).

Other current financial liabilities increased to EUR 17.4 million (31 December 2021: EUR 15.5 million). Income tax liabilities increased to EUR 1.6 million (31 December 2021: EUR 0.7 million).

The MAX Group's net debt increased to EUR 95.8 million as of 31 December 2022 (31 December 2021: EUR 73.9 million).

Development of liquidity

In financial year 2022, the MAX Group recorded a cash outflow from operating activities of EUR 2.9 million (previous year: cash inflow of EUR 27.7 million) despite the positive result for the year, which can be attributed in particular to the significant increase in working capital requirements as a result of the higher order volume. In the previous year, the inflow of funds resulted from high advance payments from customers in particular with only a slightly negative net cash result for the year.

The outflow of funds from investing activities of EUR 8.4 million (previous year: outflow of funds of EUR 3.3 million) included returns from loans granted to third parties of EUR 0.7 million, in particular payments for investments in property, plant and equipment of EUR 7.5 million and in intangible assets of EUR 1.8 million.

The cash inflow from financing activities of EUR 16.3 million (previous year: cash outflow of EUR 42.0 million) in

financial year 2022 resulted in particular from increased utilisation of the new syndicated loan, which is offset by the full repayment of the original syndicated loan.

Overall, cash and cash equivalents increased to EUR 35.7 million in financial year 2022 (previous year: EUR 30.2 million).

Investments

In financial year 2022, the MAX Group made replacement investments of EUR 9.3 million in non-current assets as well as expansions to the production areas in particular (previous year: EUR 6.8 million).

Development of the business for the operating segments

bdtronic Group segment

The bdtronic Group (bdtronic GmbH and its subsidiaries), headquartered in Weikersheim (Baden-Württemberg), develops, manufactures and markets process solutions in the form of machines and systems with integrated software solutions for high-precision manufacturing processes (1C and 2C dispensing technology, impregnation technology, hot riveting and plasma pre-treatment) for the automotive, electronics and medical technology industries. The bdtronic Group is an established partner for the mobility of the future and positions itself as an innovation, technology and quality leader in the areas of dispensing, impregnation and hot riveting technology.

	2022 in EUR million	2021 in EUR million	Change in %
Order intake	93.4	60.8	53.4
Order backlog[1)]	52.3	24.0	117.9
Sales	65.2	57.3	13.8
EBITDA	9.4	9.1	3.0
EBITDA margin (in % of sales)	14.4%	15.9%	
Working capital	24.9	17.9	38.9
Employees (yearly average, FTE)	410	415	-1.2

1) as of 31 December

Order intake in the bdtronic Group segment rose particularly strongly in 2022 by 53.4% and reached a record level of EUR 93.4 million (previous year: EUR 60.8 million). The main growth driver was the persistently high demand for dispensing technology in particular, which increased again after already strong previous years and exceeded expectations. Order intake for hot riveting technology also exceeded expectations. By contrast, impregnation technology fell short of the original expectations, but recorded a positive trend reversal at the end of the past financial year. Overall, the order backlog increased to EUR 52.3 million in 2022 (31 December 2021: EUR 24.0 million) and forms a solid basis for financial year 2023.

Despite partially delayed material deliveries, sales of the bdtronic Group rose by 13.8% to EUR 65.2 million (previous year: EUR 57.3 million), in particular due to the demand for dispensing technology and the growing service business. Since a significant increase in demand was only recorded from the second quarter on, the growth in sales was disproportionately low in relation to order intake. The bdtronic Group achieved 61.1% of its sales with orders from outside Germany (previous year: 60.2%).

The bdtronic Group was able to achieve a significant increase of 3.0% in its operating result before interest, taxes, depreciation and amortisation (EBITDA) to EUR 9.4 million (previous year: EUR 9.1 million) thanks to higher sales. Increased material costs for new projects could only be passed on to customers from the middle of the past financial year. In addition, delayed delivery of materials slowed down the development of earnings. The EBITDA margin fell slightly to 14.4% (previous year: 15.9%).

Working capital increased by 38.9% to EUR 24.9 million (previous year: EUR 17.9 million) due to increased business activity and the deliberate build-up of inventories in response to disruptions in the supply chains.

The number of employees excluding trainees (FTE) in the bdtronic Group averaged 410 over the year and was therefore within the usual fluctuations (previous year: 415).

Vecoplan Group segment

The Vecoplan Group (Vecoplan AG and its subsidiaries), headquartered in Bad Marienberg (Rhineland-Palatinate), develops, manufactures and installs machines and plants for the shredding, conveying, and processing of primary and secondary raw materials, mainly for customers in the wood and recycling industry, the waste disposal industry and the paper and plastics industry. The Group positions itself as a technological pioneer with strong market positions in Europe and the US.

	2022 in EUR million	2021 in EUR million	Change in %
Order intake	171.3	176.3	-2.8
Order backlog[1)]	97.5	98.2	-0.6
Sales	174.0	127.1	36.9
EBITDA	19.7	17.5	12.2
EBITDA margin (in % of sales)	11.3%	13.8%	
Working capital	16.3	9.8	65.4
Employees (yearly average, FTE)	484	439	10.3

1) as of 31 December

The order intake of the Vecoplan Group fell slightly by 2.8% to EUR 171.3 million (previous year: EUR 176.3 million). The development of orders exceeded management's expectations. Adjusted for the one-time effect of a major order worth EUR 24.8 million in the previous year, the three business areas of Biomass/Wood, Recycling/Waste and Service posted significant growth in some cases. The upturn in the US business increased, as did demand for major projects. At EUR 97.5 million, the order backlog as of 31 December 2022 was at the level of the previous year (31 December 2021: EUR 98.2 million).

The segment's sales increased particularly strongly by 36.9% to EUR 174.0 million (previous year: EUR 127.1 million). Both the high order backlog at the end of the previous year and the positive development of order intake in 2022 contributed to this. The Vecoplan Group achieved 85.5% of its sales outside Germany (previous year: 82.6%).

The operating result before interest, taxes, depreciation and amortisation (EBITDA) increased by 12.2% to EUR 19.7 million (previous year: EUR 17.5 million), while the EBITDA margin fell to 11.3% (previous year: 13.8%). Adjusted for non-recurring income from the reversal of provisions (EUR 1.3 million) and an income tax subsidy in the US, the EBITDA margin was at the same level as in the previous year.

Working capital increased by 65.4% to EUR 16.3 million (previous year: EUR 9.8 million) due to the build-up of inventories and the increased ramp-up of projects.

The number of employees excluding trainees (FTE) in the segment increased by an annual average of 10.3% in 2022 to 484 (previous year: 439).

MA micro Group segment

The MA micro Group (MA micro automation GmbH and its subsidiaries), headquartered in St. Leon-Rot (Baden-Württemberg), positions itself as a technology leader for automation solutions in micro-assembly, particularly for the medical technology and optronic industries. The Group's focus is on the development, manufacture and distribution of production, assembly and testing systems for medical and optical components such as lenses, lasers, and camera modules as well as for the production of contact lenses or medical devices such as Tip&Cup, stents, or insulin pens.

	2022 in EUR million	2021 in EUR million	Change in %
Order intake	21.0	79.6	-73.6
Order backlog[1)]	41.7	83.9	-50.3
Sales	64.3	62.2	3.4
EBITDA	11.2	6.9	61.6
EBITDA margin (in % of sales)	17.4%	11.2%	
Working capital	-7.2	-20.8	65.4
Employees (yearly average, FTE)	203	178	14.0

1) as of 31 December

As expected, order intake in the MA micro Group segment weakened after the high level of order intake in the previous year. Additional project postponements on the customer side led to a 73.6% decline to EUR 21.0 million (previous year: EUR 79.6 million). After the previous major orders for systems in in-vitro diagnostics for the fully automated production of pipettes (Tip&Cup technology) and for systems for the production and testing of contact lenses, the demand for order extensions in contact lens production and the service business in particular determined the order intake in 2022. Additional major orders are expected to be received in the course of 2023 as the overall market stabilises. In total, the order backlog decreased to EUR 41.7 million (31 December 2021: EUR 83.9 million).

The increase in sales of the MA micro Group by 3.4% to EUR 64.3 million (previous year: EUR 62.2 million) was comparatively low due to the problems with the supply chain and the related postponements of projects. While sales in Germany increased, particularly with systems for the production and testing of contact lenses, the MA micro Group continued to generate the majority of segment sales abroad at 71.1% (previous year: 83.4%).

Despite delayed material deliveries and increased costs, the operating result before interest, taxes, depreciation and amortisation (EBITDA) of the MA micro Group showed a particularly strong increase of 61.6% to the new record figure of EUR 11.2 million (previous year: EUR 6.9 million). The strong increase in earnings is due to the higher margins for repeat orders and substantial process improvements in project management. The EBITDA margin climbed to 17.4% (previous year: 11.2%).

At EUR -7.2 million, working capital remained at a very low level (previous year: EUR -20.8 million). In the previous year, there were very high prepayments due to large orders.

The average number of employees excluding trainees (FTE) in the MA micro Group increased by 14.0% to 203 in 2022 (previous year: 178) due to the expansion of its business activities.

AIM Micro segment

AIM Micro (AIM Micro Systems GmbH), based in Triptis (Thuringia), positions itself as a specialist in the field of sensor technology and optoelectronics with technologically leading solutions in the photonics market. It develops, manufactures and markets technologies for the manufacture of optoelectronic modules and micro-optical components for customers from the medical technology and sensor industry as well as the aerospace industry.

	2022 in EUR million	2021 in EUR million	Change in %
Order intake	5.1	6.7	-24.1
Order backlog[1)]	4.1	5.1	-18.3
Sales	6.0	5.2	17.1
EBITDA	1.8	1.6	12.1
EBITDA margin (in % of sales)	29.3%	30.6%	
Working capital	1.7	1.7	1.4
Employees (yearly average, FTE)	24	23	4.3

1) as of 31 December

The order intake of AIM Micro fell by 24.1% to EUR 5.1 million in 2022 (previous year: EUR 6.7 million), in particular due to orders that were either brought forward to the previous year or postponed to the following year. As a result, the order backlog decreased by 18.3% to EUR 4.1 million (31 December 2021: EUR 5.1 million).

Supported by the high order backlog, sales at AIM Micro increased by 17.1% to EUR 6.0 million (previous year: EUR 5.2 million). AIM Micro generated 48.5% of its segment sales from orders outside Germany (previous year: 42.4%).

The operating result before interest, taxes, depreciation and amortisation (EBITDA) increased by 12.1% to EUR 1.8 million (previous year: EUR 1.6 million), while the EBITDA margin decreased slightly to 29.3% (previous year: 30.6%) due to a slightly changed project structure.

Working capital remained unchanged at EUR 1.7 million (previous year: EUR 1.7 million).

The number of employees excluding trainees (FTE) at AIM Micro averaged 24 in 2022 and was therefore within the usual fluctuations (previous year: 23).

iNDAT segment

iNDAT (iNDAT Robotics GmbH), headquartered in Ginsheim-Gustavsburg (Hesse), was active in the field of robotics and production automation, primarily for customers in the automotive industry. In the year under review, the decision was made to liquidate the company as a result of its ongoing losses.

	2022 in EUR million	2021 in EUR million	Change in %
Order intake	-1.1	6.6	n/a
Order backlog[1)]	0.4	3.7	-90.2
Sales	2.3	10.1	-77.1
EBITDA	-8.4	-8.8	5.2
EBITDA margin (in % of sales)	-363.0%	-87.6%	
Working capital	1.9	2.6	-26.7
Employees (yearly average, FTE)	52	99	-47.5

1) as of 31 December

In connection with the winding up of iNDAT, its order intake was corrected by EUR -1.6 million to EUR -1.1 million (previous year: EUR 6.6 million) after an agreement was reached with a customer on the termination of a project. The order backlog decreased to EUR 0.4 million (31 December 2021: EUR 3.7 million).

iNDAT's sales declined to EUR 2.3 million (previous year: EUR 10.1 million) due to its closure. Its operating result before interest, taxes, depreciation and amortisation (EBITDA) developed according to plan and, at EUR -8.4 million (previous year: EUR -8.8 million), were in line with the management's expectations.

Working capital declined to EUR 1.9 million (previous year: EUR 2.6 million) due to the lower sales and project volume.

The number of employees excluding trainees (FTE) at iNDAT fell to an annual average of 52 in 2022 (previous year: 99). At the end of 2022, the number of employees (FTE) was 9 (previous year: 95).

NSM + Jücker segment

NSM + Jücker is made up of NSM Magnettechnik GmbH with its headquarters in Olfen (North Rhine-Westphalia) and Mess- und Regeltechnik Jücker GmbH with its headquarters in Dillingen (Saarland). NSM + Jücker is the technological leader for system solutions in the field of highly automated high-speed handling systems for metal parts. These include automation solutions for pressing plants in the automotive industry as well as customised solutions for high-performance transport systems for cans, lids and closures in the manufacturing and filling industry. In addition, the segment is a specialist supplier of measurement and control technology and the related software for complex automation processes and systems in drive and automation technology. This includes furnace construction, control and protection technology, drive technology and control cabinet construction.

	2022 in EUR million	2021 in EUR million	Change in %
Order intake	74.7	56.5	32.3
Order backlog[1)]	54.8	37.0	48.1
Sales	57.1	51.7	10.4
EBITDA	5.6	5.8	-3.7
EBITDA margin (in % of sales)	9.8%	11.3%	
Working capital	22.8	11.8	92.3
Employees (yearly average, FTE)	256	258	-0.8

1) as of 31 December

Order intake in the NSM + Jücker segment increased by 32.3% in 2022 to EUR 74.7 million (previous year: EUR 56.5 million) due to the strong demand in both business areas. In press automation, NSM + Jücker benefited from

the increasing demand that resumed again from both current and new customers from the automotive industry, especially in the area of e-mobility. The increase in capacity in the beverage industry due to the increased switch from PET bottles to aluminium cans was reflected in packaging automation. As a result, the order backlog increased by 48.1% to EUR 54.8 million in 2022 (31 December 2021: EUR 37.0 million).

NSM + Jücker's sales increased by 10.4% to EUR 57.1 million (previous year: EUR 51.7 million), driven by the high order backlog at the end of the previous year and due to the strong order intake in 2022. 68.5% the segment's sales came from foreign business (previous year: 66.5%). A large part of the high order intake in 2022 will affect sales in the following years, which was reflected in the high order backlog at the end of 2022.

The operating result before interest, taxes, depreciation and amortisation (EBITDA) of NSM + Jücker declined slightly by 3.7% to EUR 5.6 million (previous year: EUR 5.8 million) due to increased material and logistics costs. The EBITDA margin was thus 9.8% (previous year: 11.3%).

Working capital increased to EUR 22.8 million (previous year: EUR 11.8 million), in particular due to the increase in business activity. While there was a significant increase in unfinished systems and a deliberate build-up of inventories as a reaction to the supply chain distortions on the one hand, delayed acceptance of completed projects by customers led to longer capital commitments on the other hand.

The average number of employees excluding trainees (FTE) in the NSM + Jücker segment was 256 in 2022 and therefore within the usual fluctuations (previous year: 258).

ELWEMA segment

ELWEMA (ELWEMA Automotive GmbH), headquartered in Ellwangen/Jagst (Baden-Württemberg), develops and implements customised manufacturing solutions in testing, assembly, and cleaning technology for the automotive industry, especially for the engine, transmission, and steering sectors. The company positions itself as a system specialist with a focus on high-quality, resource-efficient solutions that offer high process reliability.

	2022 in EUR million	2021 in EUR million	Change in %
Order intake	60.3	38.3	57.4
Order backlog[1)]	52.5	32.2	62.9
Sales	40.5	34.0	19.0
EBITDA	2.9	-0.4	n/a
EBITDA margin (in % of sales)	7.1%	-1.3%	
Working capital	11.4	6.9	63.8
Employees (yearly average, FTE)	148	163	-9.2

1) as of 31 December

Due to the high demand from customers from the international automotive industry, ELWEMA's order intake rose particularly sharply by 57.4% in 2022 to EUR 60.3 million (previous year: EUR 38.3 million) and was thus far above the management's expectations. Accordingly, the order backlog as of 31 December 2022 increased by a total of 62.9% to EUR 52.5 million (previous year: EUR 32.2 million).

Due to the strong order intake, ELWEMA's sales rose by 19.0% to EUR 40.5 million in 2022 (previous year: EUR 34.0 million). ELWEMA generated 88.2% its segment sales outside Germany (previous year: 87.1%).

ELWEMA's operating result before interest, taxes, depreciation and amortisation (EBITDA) improved noticeably to EUR 2.9 million (previous year: EUR -0.4 million) as a result of optimisations in project management and additional cost savings and increases in efficiency. The turnaround process was thus successfully continued and the EBITDA margin increased to 7.1% (previous year: -1.3%).

Working capital increased by 63.8% to EUR 11.4 (previous year: EUR 6.9 million) due to the higher project volume.

The number of employees excluding trainees (FTE) at ELWEMA fell to an annual average of 148 in 2022 (previous year: 163).

Other segment

The IWM companies included in the Other segment (IWM Bodensee GmbH, IWM Automation GmbH i.L., IWM Automation Polska Sp. z.o.o.) are largely in the process of being wound up and liquidated or were successfully liquidated in 2022 and deconsolidated accordingly (IWM Automation Polska Sp. z.o.o.). The negotiations for the commercial conclusion of one last remaining project in the IWM Bodensee GmbH are still ongoing. The company remains active as a real estate company within the MAX Group.

	2022 in EUR million	2021 in EUR million	Change in %
Order intake	0.0	-2.3	n/a
Order backlog[1)]	0.0	0.0	n/a
Sales	0.5	2.4	-80.7
EBITDA	-0.3	3.4	n/a
EBITDA margin (in % of sales)	-73.0%	139.1%	
Working capital	0.0	0.9	n/a
Employees (yearly average, FTE)	0	6	n/a

1) as of 31 December

In the Other segment, no operational business was conducted in 2022 by companies that were being wound up and liquidated or had already been liquidated and deconsolidated. Order intake thus amounted to EUR 0.0 million (previous year: EUR -2.3 million). The order backlog at the end of 2022 was EUR 0.0 million (31 December 2021: EUR 0.0 million).

Sales resulted exclusively from rental income from IWM Bodensee GmbH and, as expected, amounted to EUR 0.5 million (previous year: EUR 2.4 million) after the discontinuation of the segment's operating activities.

As expected, the operating result before interest, taxes, depreciation and amortisation (EBITDA) of the IWM companies fell to EUR -0.3 million (previous year: EUR 3.4 million) after the extraordinary income of the previous year.

Working capital fell to EUR 0.0 million.

The IWM companies no longer had any employees in 2022.

PERSONNEL REPORT

As of 31 December 2022, the MAX Group employed a total of 1,784 employees including trainees (annual average: 1,787) (31 December 2021: 1,813, annual average: 1,795). The number of average employees (FTE) excluding trainees remained relatively constant at 1,593 (previous year: 1.595).

In the past year, the MAX Group and its portfolio companies once again followed the principle of adjusting the number of employees to the business development in an appropriate manner. As in the previous year, the COVID-19 pandemic had an impact on human resources work in the first half of financial year 2022. Short-time work (KUG) due to COVID-19 was only used on occasion compared to the previous year. However, the proven measures to contain the corona pandemic, such as the established hygiene concepts, were consistently continued. The changes to procedures in the areas of production and administration that were made in the previous year were continued. The use of solutions that involved working from home or mobile working has now become established and is used extensively, especially at the administrative level. Overall, these measures prevented health-related absences in the MAX Group companies, which would have led to serious restrictions in day-to-day business.

The MAX Group considers its employees in the operating segments and at its headquarters to be a very important resource for business success. The current challenges require a leadership culture that constantly evolves. The management of MAX pursues the goal of creating attractive and comprehensive opportunities for professional and personal development and thus promoting the retention of qualified and committed employees and managers in the MAX Group. In the portfolio companies and headquarters, employees have access to a comprehensive range of training and development opportunities to build up and expand their expertise and skills.

The strategic growth targets of the MAX Group require not only a high level of motivation, but also qualified specialists. Good training as the basis for a successful start to professional life has always been a key element of human resources work. Nearly all portfolio companies are training companies and offer numerous future-oriented vocational training courses and/or dual studies. This helps to counteract the shortage of skilled workers. The respective personnel policies of the portfolio companies include high training standards as well as the promotion of young talent. The MAX Group employed an average of 119 trainees in 2022 (previous year: 127).

MAX AUTOMATION SE

The Annual Financial Statements of MAX Automation SE were prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch – HGB). The regulations set out in the German Stock Corporation Act (Aktiengesetz – AktG) were also followed. The Annual Financial Statements were prepared in accordance with the regulations for large corporations.

Earnings position and appropriation of profits

The earnings position of MAX Automation SE is highly dependent on the development of the results of the portfolio companies. Control and profit and loss transfer agreements were concluded with two portfolio companies (bdtronic GmbH and NSM Magnettechnik GmbH) by resolution of the Annual General Meeting on 18 May 2018. In addition, a control and profit and loss transfer agreement was concluded with Mess- und

Regeltechnik Jücker GmbH by resolution of the Annual General Meeting on 28 May 2021. The distributions of the other companies to the parent company are made depending on the results and take the future investment needs of the portfolio companies into account.

The development of the earnings position of the portfolio companies is shown in the segment reporting. The following figures are based on the result of MAX Automation SE under commercial law.

In financial year 2022, MAX Automation SE reported income from profit and loss transfers of EUR 10.6 million (previous year: EUR 12.9 million). In addition, income of EUR 0.0 million (previous year: EUR 0.5 million) from a shareholding from the distribution from an affiliated company is also reported.

Sales, which mainly includes Group allocations to affiliated companies, amounted to EUR 1.3 million (previous year: EUR 1.5 million).

Other operating income increased by EUR 0.5 million to EUR 0.9 million due to the reversal of personnel provisions. Other operating expenses increased to EUR 8.6 million (previous year: EUR 6.4 million) due to higher legal and consulting costs, mainly due to the special audit scheduled.

Personnel expenses declined by EUR 1.3 million to EUR 4.4 million (previous year: EUR 5.7 million), partly due to the fact that there were no more severance payments as in the previous year.

The interest result amounted to EUR -4.2 million after EUR -5.1 million the previous year. This mainly includes expenses for the syndicated loan and interest income from affiliated companies.

The reversal of impairment on financial assets in the amount of EUR 3.0 million relate to an unscheduled appreciation of the investment in IWM Automation GmbH i.L., Hamburg, as part of the ongoing liquidation proceedings. Impairments on financial assets totalling EUR 11.1 million include a negative change in value in the shares of ZEAL Network SE ("ZEAL") as a result of fair value measurement. In addition, a dividend payment of EUR 2.7 million was received from ZEAL in financial year 2022, which was reported under income from securities classified as financial assets.

The company reported a result before taxes of EUR -10.0 million (previous year: EUR -2.5 million). A tax expense of EUR 0.0 million was reported (previous year: tax income of EUR 0.1 million).

The annual result was EUR -10.0 million (previous year: EUR -2.7 million).

Asset and financial position

As of 31 December 2022, the total assets of MAX Automation SE amounted to EUR 252.5 million. This represents an increase of EUR 48.2 million compared to the previous year's reporting date (EUR 204.3 million).

The shares in ZEAL Networks SE, which were contributed as a contribution in kind, are reported for the first time in the financial year under securities held as fixed assets; their fair value after taking a negative change in value into account amounts to EUR 35.9 million.

Receivables and other assets increased to EUR 122.6 million (previous year: EUR 116.7 million). This includes EUR 103.4 from receivables from portfolio companies from syndicated financing (previous year: EUR 101.5 million). Cash and cash equivalents amounted to EUR 3.3 million on the reporting date (previous year: EUR 0.3 million).

Deferred income increased to EUR 1.4 million (previous year: EUR 0.1 million) due to the commissions paid for the syndicated loan agreement concluded in the financial year.

MAX Automation SE reported equity of EUR 86.0 million as of 31 December 2022 (previous year: EUR 46.0 million). The equity ratio rose to 34.0% (previous year: 22.5%) as a result of the capital increase from authorised capital against cash contributions and a non-cash contribution carried out in the financial year.

By making partial use of authorised capital, the company's share capital increased by EUR 11.8 million from EUR 29.4 million to EUR 41.2 million in the financial year. The company received gross issue proceeds of EUR 3.1 million against the issue of 721,259 new shares by way of a capital increase against cash contributions. A total of 11,062,507 new shares were issued to Günther Holding SE against a contribution in kind, for which Günther Holding SE contributed a total of 1,274,594 shares in ZEAL Network SE ("ZEAL") as a contribution in kind, corresponding to a 5.69% share in ZEAL.

Liabilities to banks as of 31 December 2022 increased from EUR 85.6 million to EUR 117.5 million. Following the conclusion of the new syndicated loan agreement in February of the financial year, these have a term of three years. The liabilities to portfolio companies amounted to EUR 41.8 million as of 31 December 2021, compared to EUR 66.9 million in the previous year, and mainly include loans granted/deposits.

The asset, financial and earnings position of MAX Automation SE is in order.

NON-FINANCIAL GROUP DECLARATION PURSUANT TO SECTION 315B HGB

The 2022 non-financial statement of MAX Automation SE was prepared as a separate non-financial Group Report in accordance with the reporting obligations according to Sections 315 b-c HGB and provides information about the aspects required according to Section 289 b-e HGB. This non-financial statement is based on the requirements of the German Sustainability Code (GSC).

The separate non-financial Group Report is filed in the Federal Gazette and can be viewed on the MAX website under the link https://www.maxautomation.com/en/about-max-automation/sustainability/.

The Supervisory Board of MAX Automation SE dealt with the structure and content of the separate non-financial Group Report in its meeting on 8 March 2023. After in-depth discussion and review, the Supervisory Board approved the separate non-financial Group Report.

The auditing firm PricewaterhouseCoopers GmbH was not commissioned with the audit of the separate non-financial Group Report of MAX Automation SE.

DISCLOSURES PURSUANT TO SECTION 315A HGB AND SECTION 289A HGB

(at the same time explanatory report of the Supervisory Board pursuant to Section 48 (2) sentence 2 SEAG in conjunction with Section 176 (1) sentence 1 AktG)

Pursuant to Section 289a and Section 315a of the German Commercial Code (HGB), listed parent companies are obliged to provide information in the Group Management Report on the composition of capital, shareholder rights and their restrictions, shareholdings, and the company's executive bodies, which constitutes takeover-relevant information.

The legal representatives of a corporation with its registered office in Germany whose voting shares are admitted to an organised market within the meaning of Section 2 (7) of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz, WpÜG) must make such disclosures, irrespective of whether a takeover bid has been made or is expected to be made. The information serves the purpose of enabling potential bidders to form a comprehensive picture of the company and of any takeover obstacles.

Pursuant to Section 48 (2) sentence 2 SEAG in conjunction with Section 176 (1) sentence 1 AktG, the Supervisory Board must also make an explanatory report on the information available to the Annual General Meeting. In the following, the disclosures pursuant to Section 315a HGB and Section 289a HGB are summarised with the corresponding explanations pursuant to Section 48 (2) sentence 2 SEAG in conjunction with Section 176 (1) sentence 1 German Stock Corporation Act (AktG).

a) Composition of subscribed capital

The subscribed capital (share capital) of MAX Automation SE amounts to EUR 41,243,181 and is divided into 41,243,181 no-par value shares, each of which grants the same rights, in particular the same voting rights. To this extent, each share grants one voting right. The rights and obligations of the shareholders arise in detail from the Articles of Association of the company and from the provisions of the SE Council Regulation, the SE Implementation Act, and the German Stock Corporation Act, in particular from Art. 53 SE Council Regulation in conjunction with Sections 12, 118 et seq. of the German Stock Corporation Act, Art. 9 lit. c ii SE-Reg. in conjunction with Section 53a AktG and Art. 5 SE-Reg. in conjunction with Section 186 AktG. The shares are in the shareholder's name. There are no different classes of shares. Each no-par value share has an arithmetical share in the share capital of EUR 1.00. The company does not currently hold any treasury shares. MAX Automation SE is listed on the stock exchange (Prime Standard segment of Deutsche Börse AG).

b) Restrictions on voting rights and transfer

According to the Articles of Association of MAX Automation SE, the voting right in accordance with Section 134 (2) sentences 3 and 5 German Stock Corporation Act (AktG) begins with the payment of the statutory minimum contribution. In addition, in accordance with the Articles of Association in conjunction with Section 67 (2) AktG, only those persons who are registered as shareholders in the share register and who have registered in due time are entitled to attend the Annual General Meeting and to exercise their voting rights. According to the voting rights notification dated 14 April 2022, LS Digital & Management Services GmbH & Co. KG, Orpheus Capital II GmbH & Co. KG and Othello Drei Beteiligungs GmbH & Co. KG entered into a voting trust agreement with regard to the 24,319,244 shares they hold. Beyond this, the Supervisory Board is not aware of any restrictions affecting voting rights or the transfer of shares.

c) Shareholdings exceeding 10% of voting rights in the capital

Based on the notifications received by the company under securities trading law, there is a shareholding in the share capital of MAX Automation SE that exceeds 10% of the voting rights. LS Digital & Management Services GmbH & Co. KG, Orpheus Capital II GmbH & Co. KG and Othello Drei Beteiligungs GmbH & Co. KG, each with their registered office in Hamburg, jointly hold 58.97% of the voting rights in MAX Automation SE per voting rights notification dated 14 April 2022 due to mutual attribution of voting rights. The voting rights from the shareholdings of LS Digital & Management Services GmbH & Co. KG, Othello Drei Beteiligungs GmbH & Co. KG and Orpheus Capital II GmbH & Co. KG in MAX Automation SE are attributed to Mr. Oliver Jaster via Günther SE with its registered office in Bamberg, Günther Holding SE with its registered office in Hamburg and Orpheus Capital II Management GmbH and Othello Drei Beteiligungs GmbH & Co. KG with its registered office in Hamburg.

Further details are explained in the overview in the Notes under “Shareholdings subject to notification pursuant to Section 160 (1) no. 8 AktG.”

d) Shares with special rights conferring powers of control

There are no shares with special rights conferring powers of control.

e) Control of voting rights in the case of employee participation

The Supervisory Board is not aware of any employees holding shares in the capital of the company who do not directly exercise their control rights.

f) Appointment and dismissal of the Managing Directors and amendments to the Articles of Association

MAX Automation SE, as a company with a monistic corporate management and control structure, relates the disclosure obligation pursuant to Section 48 (2) sentence 2 SEAG in conjunction with Section 176 (1) sentence 1 AktG in conjunction with Section 289a sentence 1 no. 6 HGB and Section 315a sentence 1 no. 6 HGB with regard to the appointment and dismissal of members of the Supervisory Board to the Managing Directors. Art. 43 SE Regulation and Section 40 SEAG apply to their appointment. Pursuant to Section 11 (1) sentence 1 of the Articles of Association, MAX Automation SE has one or more Managing Directors; this applies irrespective of the amount of the share capital. Pursuant to Section 11 (2) sentence 1 of the Articles of Association, the Supervisory Board determines the number of Managing Directors. The appointment and dismissal of the Managing Directors is carried out in accordance with the legal provisions of Section 40 (1) sentence 1 and (5) sentence 1 SEAG in conjunction with Section 11 (2) and (4) of the Articles of Association. Accordingly, with the exception of a substitute appointment by a court pursuant to Section 45 SEAG, the Supervisory Board alone is responsible for the appointment and dismissal of Managing Directors.

According to Section 11 (3) sentence 1 of the Articles of Association, the Supervisory Board appoints Managing Directors for a maximum of five years. According to Section 11 (3) sentence 2 of the Articles of Association, a repeat appointment for another maximum of five years is permissible. For initial appointments, the maximum possible appointment period of five years is not the rule. Pursuant to Section 11 (2) sentence 2 of the Articles of Association, the Supervisory Board may appoint a Managing Director as Chairman and a Managing Director as Deputy Chairman of the Managing Directors.

Pursuant to Section 11 (4) of the Articles of Association, a revocation of the appointment, in deviation from Section 40 (5) of the SEAG, is only possible for good cause within the meaning of Section 84 (4) of the German Stock Corporation Act (AktG) or in the event of termination of the employment contract, for which in each case a resolution of the Supervisory Board with a simple majority of the votes cast is required.

The amendment of the Articles of Association of MAX Automation SE requires a majority of two-thirds of the votes cast or, if at least half of the share capital is represented, a simple majority of the votes cast, in accordance with Art. 59 (2) of the SE Regulation, Art. 51 of the SEAG in conjunction with Art. 17 (1) sentence 2 of the Articles of Association, insofar as this does not conflict with mandatory statutory provisions. Insofar as mandatory statutory provisions also require a majority of the share capital represented at the adoption of the resolution, a simple majority of the share capital represented shall suffice in accordance with Article 17 (1) sentence 3 of the Articles of Association, insofar as this is legally permissible. If not all of the share capital is represented at the Annual General Meeting, it is conceivable that a shareholder with less than 50% of the voting rights could be able to push through certain amendments to the Articles of Association with his own votes. Pursuant to Section 22 (6) SEAG in conjunction with Section 179 (1) sentence 2 AktG in conjunction with Section 17 (2) of the Articles of Association, the Supervisory Board is authorised to make amendments to the Articles of Association that affect only the wording. In all other respects, the statutory provisions of Art. 57 and 59 SE Regulation, Section 51 SEAG shall apply.

g) Powers of the Supervisory Board to issue and repurchase shares

Pursuant to Section 5 (7) of the Articles of Association, the Supervisory Board is authorised to increase the share capital of the company on one or more occasions by 27 May 2026 by up to a total of EUR 2,945,941 by issuing new registered no-par value shares against cash and/or non-cash contributions (Authorised Capital 2021).

In principle, the shareholders are to be granted a subscription right. To this end, provision may also be made for the shares to be taken over by one or more credit institutions or other companies meeting the requirements of Section 186 (5) 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders for subscription. However, the Supervisory Board is authorised to exclude this subscription right for shareholders (i) for fractional amounts; (ii) if the new shares are issued against cash contributions at an issue price that is not significantly lower than the stock exchange price of the shares of the company already listed; this authorisation is limited to the issue of shares whose proportionate amount of the share capital does not exceed a total of 10% of the share capital of the company; The decisive factor is the share capital at the time the authorisation becomes effective or – if this value is lower – at the time the authorisation is exercised; The authorisation volume shall be reduced by the pro rata amount of share capital attributable to shares or to which option or conversion rights or obligations under bonds relate that have been issued or sold since 28 May 2021 subject to the exclusion of subscription rights in direct, analogous or mutatis mutandis application of Section 186 (3) 4 AktG; (iii) if the new shares are issued against contributions in kind in the context of mergers with companies or in the context of the acquisition of companies, parts of companies or participations in companies, including the increase of existing shareholdings, or of other assets eligible for contribution in connection with such an acquisition project, including receivables from the company.

The proportionate amount of the share capital attributable to shares for which the subscription right is excluded on the basis of the above authorisations, together with the proportionate amount of the share capital attributable to shares or to which option or conversion rights or obligations relate from bonds that have been issued or sold since 28 May 2021 using other authorisations to exclude subscription rights, may not exceed 10%. The amount of the share capital as of 28 May 2021 or – if this value is lower – as of the time of the utilisation of the authorisation shall be decisive. The exclusion of subscription rights shall also be deemed to apply if the issue is made by direct, analogous or mutatis mutandis application of Section 186 (3) 4 of the German Stock Corporation Act (AktG).

The Supervisory Board made partial use of the authorisation pursuant to Section 5 (7) of the Articles of Association (Authorised Capital 2021) with a resolution dated 28 March 2022, confirmed by resolution of the Supervisory Board on 13 April 2022, and increased the company's share capital from EUR 29,459,415.00 to EUR 41,243,181.00. As a result, the Authorised Capital 2021 was reduced from originally EUR 14,729,707.00 to EUR 2,945,941.00. By resolution of the Supervisory Board of 13 April 2022 in accordance with Section 22 (6) SEAG in conjunction with Section 179 (1) sentence 2 AktG in conjunction with Section 17 (2) of the Articles of Association, the amount of the share capital and the number of shares in Section 5 (1) and (2) of the Articles of Association and the amount of Authorised Capital 2021 in Section 5 (7) of the Articles of Association have been changed accordingly.

h) Significant agreement of the company subject to change of control

MAX Automation SE is the borrower of a syndicated loan. In the event of a change of control, the lenders shall be entitled to demand early repayment of all amounts and ancillary accounts receivable, plus interest and any other amounts owed, within 10 business days or the end of an ongoing interest period, whichever is earlier. The prerequisite for a change of control is that a person or a group of persons acting jointly (with the exception of Mr. Oliver Jaster or companies in which he holds a majority interest) directly or indirectly owns 50% or more of the shares and/or voting rights in MAX Automation SE; or otherwise gains a controlling influence on MAX Automation SE; for the utilisation of the loan, reference is made to the disclosures in the Notes to the Consolidated Financial Statements in the "Short-term loans" section. There are no other significant agreements of the company that are subject to the condition of a change of control as a result of a takeover bid.

i) Compensation arrangements in the event of a change of control

MAX Automation SE, as a company with a monistic corporate management and control structure, relates the disclosure obligation pursuant to Section 289a Sentence 1 No. 9 of the German Commercial Code (HGB) with regard to the disclosure of compensation agreements of the parent company that have been made with the members of the Management Board in the event of a takeover bid to the Managing Directors. The company has not concluded any compensation agreements with the Managing Directors or employees in the event of a takeover bid.

CORPORATE GOVERNANCE STATEMENT (ACCORDING TO SECTION 289F HGB IN CONNECTION WITH ART. 83 (1) SENTENCE 1 AND SENTENCE 2 EGHGB AND SECTION 315D HGB)

The Corporate Governance Statement required under Section 289f HGB in connection with Article 83 (1) sentence 1 and sentence 2 EGHGB and Section 315d HGB was issued by the Supervisory Board on 17 February 2023 and can be found on the website under www.maxautomation.com/en/investor-relations/corporate-governance/.

DECLARATION OF CORPORATE GOVERNANCE

Declaration of Corporate Governance pursuant to Section 289f HGB in conjunction with Art. 83 (1) 1 and 2 EGHGB and Section 315d HGB

The Declaration of Corporate Governance (Section 289f HGB in conjunction with Article 83 (1) 1 and 2 EGHGB and Section 315d HGB) for MAX Automation SE and the MAX Automation Group contains information on corporate management practices and the general corporate governance practice of the company. The disclosures on general corporate governance practices include, among other items, a description of the working methods of the Supervisory Board and the Managing Directors as well as the composition and working methods of the respective committees. Furthermore, the Declaration of Corporate Governance also includes other types of reporting on corporate governance in accordance with Principle 23 of the German Corporate Governance Code as published in the official section of the Federal Gazette on 27 June 2022, as amended on 28 April 2022 ("the Code"), in which it includes the other disclosures required under the recommendations of the Code. In addition, the Declaration of Corporate Governance contains the Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) as well as information on the target figures for the composition of the Supervisory Board, the Managing Directors and the two management levels below the Managing Directors (Section 22 (6) of the SEAG in conjunction with Section 76 (4) of the German Stock Corporation Act (AktG) and Section 111 (5) of the German Stock Corporation Act (AktG)), the competence profile and the diversity concept. MAX Automation SE strives to keep the presentation of corporate governance clear and concise.

Information on corporate governance practices applied

The company is managed by the Supervisory Board, which determines the basic lines of business and monitors their implementation ("monistic system").

The tasks of the Supervisory Board of MAX Automation SE include recognising the external influences and developments surrounding the operating business and the financing situation of MAX Automation SE and its subsidiaries and making its decisions in consideration of the resulting opportunities and risks. In doing so, the Supervisory Board is bound by the regulations laid down in the Articles of Association and the Rules of Procedure for the Supervisory Board.

The Supervisory Board receives the information it needs to manage the company and make decisions from the Managing Directors, who receive monthly financial reports from the subsidiaries and hold regular discussions with the Managing Directors and/or management of the operating subsidiaries and pay visits to the domestic and foreign sites.

The company applies all corporate governance practices required by law. Additional company-wide standards, such as ethical standards, labour standards and social standards, have been issued as part of a Compliance Guideline. The accompanying Code of Conduct is publicly available on the company's website.

General information on corporate governance at MAX Automation SE

Compliance with nationally and internationally recognised standards for responsible corporate management and control (corporate governance) is an important criterion for investors' investment decisions. The following overview summarises the key corporate governance principles that govern the corporate management of MAX Automation SE.

General information on the governance structure

MAX Automation SE is subject in particular to the provisions of Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European company (SE) (SE Regulation), the Act Implementing Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European company (SE) (SE Implementation Act – SEAG) as well as the majority of the provisions of the German Stock Corporation Act and the capital market regulations as well as the provisions of the Articles of Association issued for the SE. MAX Automation SE has a monistic management structure, which is characterised by the fact that the management of the SE is the responsibility of a uniform management body, the Supervisory Board. The Managing Directors conduct the company's business. The Supervisory Board and the Managing Directors are committed to the interests of the shareholders and the well-being of the company. Their internal organisation is governed in each case by Rules of Procedure, which supplement the regulations and the Articles of Association. The Annual General Meeting is the second organ of the company.

The Supervisory Board of MAX Automation SE

The Supervisory Board of MAX Automation SE manages the company, determines the basis of its activities and monitors their implementation by the Managing Directors. In accordance with the current Articles of Association, the Supervisory Board is composed of a minimum of three and a maximum of seven members, whereby it consists of six members until otherwise determined by the Annual General Meeting. The members of the Supervisory Board are elected by the Annual General Meeting. During the reporting period, the Supervisory Board consisted of six members. The Supervisory Board appoints and dismisses the Managing Directors, decides on their remuneration system and sets the respective remuneration. At least one member must have expertise in the field of accounting and at least one other member in the field of auditing.

During the reporting period, Mr. Guido Mundt (Chairman), Mr. Oliver Jaster (Deputy Chairman), Dr. Wolfgang Hanrieder, Mr. Hartmut Buscher as well as Mrs. Karoline Kalb and Dr. Nadine Pallas were members of the Supervisory Board. Mr. Guido Mundt, Dr. Wolfgang Hanrieder and Mr. Hartmut Buscher have been members of the Supervisory Board since the Annual General Meeting on 28 May 2021 and Dr. Nadine Pallas has been a member of the Supervisory Board of the company since the amendment to Article 7 (1) of the Articles of Association resolved at the 2021 Annual General Meeting was entered in the Commercial Register of the company (effected on 22 June 2021). Mr. Jaster was already a member of the Supervisory Board from November 2013 until the Annual General Meeting on 29 May 2020 and has been Deputy Chairman of the Supervisory Board

since the Annual General Meeting on 28 May 2021. Mrs. Karoline Kalb has been a member of the Supervisory Board since the Annual General Meeting on 29 May 2020.

The Supervisory Board had two female members in the reporting period. The number of women who should at least be represented on the Supervisory Board was thus exceeded. All members of the Supervisory Board have expertise in the fields of accounting and auditing and are familiar in their entirety with the industry the company operates in. The other components of the competence spectrum identified as essential in the competence profile for the Supervisory Board are also reflected in the Supervisory Board as a whole. In addition, the composition of the Supervisory Board reflects the factors sought for its diversity, such as different personalities and different professional and international experience of the members. The members of the Supervisory Board may not be older than 70 when they are elected. Persons who have served on the Supervisory Board for more than 12 years may not be reappointed members of the Board. These limits were observed.

Meetings of the Supervisory Board are to be held as often as required by law or as the business requires, but at least every three months. Otherwise, the Supervisory Board is convened if a member of the Supervisory Board requests a meeting, stating the purpose and the reasons for the meeting. Resolutions of the Supervisory Board are generally passed in meetings. Resolutions may be passed in writing, by telephone or by other means of telecommunication and data transmission if the Chairman of the Supervisory Board so decides in an individual case. Due to the corona pandemic, most resolutions were passed in virtual meetings during the reporting year.

According to the assessment of the Supervisory Board, which consists solely of shareholder representatives, Mr. Guido Mundt, Dr. Wolfgang Hanrieder, Mrs. Karoline Kalb and Dr. Nadine Pallas are classified as independent within the meaning of recommendations C.6 to C.8 of the Code in the reporting period, financial year 2022. In the competence profile it adopted on 13 December 2022, the Supervisory Board once again stipulated that at least 50% of its members should be independent. This quota was exceeded in the reporting period. The Supervisory Board regularly assesses how effectively the Board and its committees fulfil their tasks by way of an analytical exchange within the Board (a so-called self-assessment). In the reporting period, the members of the Supervisory Board received a questionnaire for this purpose, the results of which were evaluated anonymously and discussed at the meeting on 7 December 2022. After evaluating the results, the Supervisory Board discussed possible measures to further improve its work.

The Supervisory Board has formed a Personnel Committee, an Audit Committee and, for parts of the reporting period, a committee to prepare the implementation of the capital increase (Special Committee) to perform its duties. Three members of the Supervisory Board belong to the Personnel Committee. During the reporting period, these were Mr. Guido Mundt (Chairman), Mr. Oliver Jaster (Deputy Chairman) and Dr. Wolfgang Hanrieder (ordinary member). The Personnel Committee prepares the personnel decisions of the Supervisory Board, in particular it makes proposals for the appointment of the Managing Directors and their remuneration. In the reporting period, the Audit Committee initially comprised four members of the Supervisory Board until the retirement of Mr. Hartmut Buscher on 30 September 2022. In addition to Mr. Hartmut Buscher (Chairman), these were Mrs. Karoline Kalb (Deputy Chairwoman), Mr. Guido Mundt and Dr. Nadine Pallas (both ordinary members). After the retirement of Mr. Hartmut Buscher, the chairmanship was taken over by Mrs. Karoline Kalb on 1 October 2022, so that the Audit Committee has consisted of three members since then. These are namely Mrs. Karoline Kalb (Chairwoman), Dr. Nadine Pallas (Deputy Chairwoman) and Mr. Guido Mundt (ordinary member). The Audit Committee deals with accounting, risk management, compliance and auditing issues. The members of the Audit Committee in office during the reporting period each have expertise in the fields of auditing and accounting; Mr. Hartmut Buscher, Mrs. Karoline Kalb and Mr. Guido Mundt also with regard to sustainability reporting and its audit. The Supervisory Board receives regular reports on the work of the committees. The composition and tasks of the Audit Committee and the Personnel Committee are regulated in

the respective Rules of Procedure. The Special Committee existed between February and April 2022 and included four members of the Supervisory Board, namely Mr. Guido Mundt (Chairman), Dr. Wolfgang Hanrieder, Mrs. Karoline Kalb and Dr. Nadine Pallas. The Special Committee dealt with the preparation of the implementation of the capital increase.

The Managing Directors of MAX Automation SE

The managing directors of MAX Automation SE manage the company's business with the goal of creating sustainable value in joint responsibility. They represent the company in and out of court. The Managing Directors are bound by the instructions of the Supervisory Board and implement the basic guidelines and requirements set by the Supervisory Board.

The Managing Directors are appointed by the Supervisory Board. The Supervisory Board also determines the number of Managing Directors and is allowed to name a Chairman, if more than one Managing Director is appointed. Members of the Supervisory Board may be appointed Managing Directors provided that the majority of the Supervisory Board continues to be composed of non-executive Managing Directors. Managing Directors are appointed for a maximum period of five years. Reappointments are possible. According to the Rules of Procedure of the Supervisory Board, only those who have not yet reached the age of 65 are eligible to be Managing Directors. This age limit was observed. The company is represented by two Managing Directors jointly or by one Managing Director together with an authorised signatory. If there is only one Managing Director, he or she shall represent the company alone. The Managing Directors of MAX Automation SE in the reporting period were Dr. Christian Diekmann (CEO; until the appointment of Mr. Hartmut Buscher also CFO) and Dr. Ralf Guckert (COO). Mr. Hartmut Buscher has also been the company's Managing Director (CFO) since 1 October 2022.

The Managing Directors are obliged to disclose conflicts of interest to the Supervisory Board without delay and to inform the other Managing Directors thereof.

The principles of cooperation between the Managing Directors of MAX Automation SE are regulated in the Rules of Procedure for the Managing Directors.

Annual General Meeting

The shareholders exercised and continue to exercise their rights at the Annual General Meeting and exercise their voting rights there. MAX Automation SE only has shares with full voting rights. Each share is entitled to one vote. The Annual General Meeting is to be held within the first six months of each financial year. The agenda for the Annual General Meeting, including the reports and documents required for the Annual General Meeting, are published on the company's website www.maxautomation.com/en/investor-relations/annual-general-meeting/ and www.maxautomation.com/en/investor-relations/financial-reports/.

To make it easier for shareholders to exercise their rights, MAX Automation SE provides them with a proxy for the Annual General Meeting who is bound by instructions. In the notice convening the Annual General Meeting, it is explained how voting instructions can be issued prior to the Annual General Meeting. In addition, shareholders are free to be represented by proxy. The registration and legitimation procedure is similar to the procedure used in Germany for registered shares. After proper registration, those who are registered as such in the share register on the day of the Annual General Meeting may participate in the Annual General Meeting as shareholders. In principle, no more changes may be made in the share register after the end of the seventh day before the meeting (the so-called technical record date), so that the technical record date is the definitive date for the legitimation of shareholders to participate in the Annual General Meeting.

The 2022 Annual General Meeting was held virtually due to the corona pandemic in accordance with Section 1 (2) sentence 1 and (8) sentences 2 and 3 of the Act on Measures in Company, Cooperative, Association, Foundation and Condominium Law to Combat the Effects of the COVID-19 Pandemic ("COVID-19 Measures Act") in conjunction with Section 118 (2) and (4) of the German Stock Corporation Act. Special features of the virtual Annual General Meeting were explained to the shareholders in great detail in advance in the invitation to the virtual Annual General Meeting.

Working methods of the Supervisory Board and the Managing Directors

The Supervisory Board is committed to the interests of the company. The goal of its activities is to increase the sustainable value of the company. It sets the strategic direction of the company and discusses the status of strategy implementation with the Managing Directors at regular intervals. The Supervisory Board is responsible for ensuring that the necessary commercial books are kept. It must take appropriate measures, in particular to set up a monitoring system, so that developments that could jeopardise the continued existence of the company are recognised at an early stage. The Supervisory Board may inspect and examine the books and records of the company as well as the assets, namely the company's treasury and the stocks of securities and goods. It also commissions the auditor to audit the Annual and the Consolidated Financial Statements.

The Supervisory Board, as the steering body of the SE in the monistic system, is entitled to issue instructions to the Managing Directors with regard to the management of the business of the SE.

The Supervisory Board has issued Rules of Procedure for the Managing Directors that contain a catalogue of transactions requiring their approval. Finally, the Supervisory Board issues its own Rules of Procedure.

The Supervisory Board, together with the Managing Directors, ensures long-term succession planning. To this end, consultations take place at an early stage between the Chairman of the Supervisory Board, if different, the Chairman of the Personnel Committee and the Managing Directors, in which the contractual terms of the Managing Directors as well as their personal career planning are discussed and possible candidates for replacement are considered.

The Supervisory Board explains its activities each year in its report to the shareholders. The Chairman of the Supervisory Board provides additional information to the shareholders at the Annual General Meeting.

The chairpersons of the committees report regularly at the meetings of the Supervisory Board on the meetings of the committees and their activities. These activities mainly consist of preparing the discussion of topics from their area of responsibility and the corresponding resolution in the full Supervisory Board, unless the Supervisory Board has conclusively delegated an activity to the committees.

The Managing Directors conduct the company's business. The Managing Directors and the Supervisory Board work closely for the benefit of the company. The Managing Directors must seek the approval of the Supervisory Board in the cases provided for by law, the Articles of Association, the Rules of Procedure for the Managing Directors or a resolution of the Supervisory Board. The Managing Directors inform the Supervisory Board regularly, promptly and comprehensively about all issues of strategy, planning, financing, business development, the risk situation, risk management, compliance and the economic situation of the company that are relevant to the company. They must address deviations in the course of business from the established plans and objectives, stating the reasons for them. The Managing Directors shall inform the Supervisory Board in particular of any deficiencies in the risk management system to be established by the Supervisory Board.

Accounting, auditing and risk management

The Consolidated Financial Statements of MAX Automation SE are prepared in accordance with the principles of the International Financial Reporting Standards (IFRS), while the Annual Financial Statements and the Combined Management Report of the company and the Group are prepared in accordance with the provisions of the German Commercial Code (HGB).

Prior to submitting the election proposal to the Annual General Meeting on 3 June 2022, the Supervisory Board of MAX Automation SE obtained confirmation of independence from the envisaged auditor. The auditor was asked by the Chairman of the Audit Committee to report immediately on any matters arising during the audit that relate in the broadest sense to the duties of the Supervisory Board on material findings or occurrences if they cannot be remedied immediately. On 3 June 2022, the Annual General Meeting approved the proposal of the Supervisory Board to appoint PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Dusseldorf, as the auditor of MAX Automation SE and the auditor of the Consolidated Financial Statements for financial year 2022.

MAX Automation SE's current risk management system is designed to detect, record, assess and manage business, financial and sustainability-related risks to which the company is exposed in the course of its activities. The individual elements of the monitoring system provide reliable information on the current risk situation and support documentation, risk assessment and the elimination of weaknesses. They thus contribute to minimising the negative effects potentially arising from the risks. Detailed information on the risk management system can be found in the Combined Management Report of the company and the Group.

Transparency

MAX Automation SE uses the company's website www.maxautomation.com to provide shareholders and investors with timely information. In addition to the financial report and interim reports (half-year financial report and quarterly statement), shareholders and third parties are informed about current developments in the form of ad hoc announcements and press releases.

MAX Automation SE publishes a financial calendar for all important company dates and publications with sufficient advance notice.

Reportable securities transactions and significant voting interests

In accordance with the provisions of the Market Abuse Regulation (MAR), MAX Automation SE publishes the so-called Directors' Dealings notifications pursuant to Art. 19 MAR, i.e. the notifications of members of the Supervisory Board, the Managing Directors and other persons who perform management tasks at MAX Automation SE within the meaning of Art. 19 MAR, as well as of natural and legal persons closely related to these persons, concerning securities transactions relating to the MAX Automation share without delay after their receipt. These notifications are also published on the company's website at www.maxautomation.com/en/investor-relations/corporate-governance/.

The company also publishes notifications on the acquisition or sale of significant voting shares in accordance with Section 33 of the German Securities Trading Act (WpHG) or on the holding of financial instruments and other instruments in accordance with Section of the German Securities Trading Act (WpHG), taking into account a corresponding attribution in accordance with Section 39 of the German Securities Trading Act (WpHG), on the website at www.maxautomation.com/en/investor-relations/corporate-governance/ without delay after their receipt. The respective notifications for the past financial year are also included in the Notes to the Consolidated Financial Statements in the Annual Report.

Declaration of Conformity – German Corporate Governance Code

On 3 February 2023, the Supervisory Board published the Declaration of Conformity pursuant to Art. 9 (1) lit. c) (ii) SE Regulation, Section 22 (6) SEAG in conjunction with Section 161 AktG with regard to the German Corporate Governance Code applicable on 3 February 2023 in the version of 28 April 2022 published in the official section of the Federal Gazette on 27 June 2022. Deviations from the recommendations of the Code were explained and justified in the Declaration of Conformity. The Declaration of Conformity dated 3 February 2023, including the reasons for the deviations, can be found below and also on the company's website at www.maxautomation.com/en/investor-relations/corporate-governance/.

The current and previous versions of the Declaration of Conformity since 2008 are also permanently available to shareholders at the above Internet address.

Disclosures on the Remuneration Report

Reference is made to the Remuneration Report. The Remuneration Report including the Auditor's Report will also be available at www.maxautomation.com/en/investor-relations/corporate-governance/.

Disclosures on the remuneration of the Managing Directors

The remuneration of the Managing Directors in office in financial year 2022 is disclosed individually in the Notes and in the Remuneration Report. The applicable remuneration system for the remuneration of the Managing Directors is also available at www.maxautomation.com/en/investor-relations/corporate-governance/.

Disclosures on the remuneration of the members of the Supervisory Board

The remuneration of the members of the Supervisory Board in financial year 2022 is disclosed individually in the Notes and in the Remuneration Report. The latest remuneration resolution of the Annual General Meeting on the remuneration of the members of the Supervisory Board is also available at www.maxautomation.com/en/investor-relations/corporate-governance/.

Stock option programmes and similar securities-based incentive schemes

Although there were no stock option programmes in the reporting period, the Managing Directors receive similar securities-based remuneration elements. These are disclosed individually in the Notes and in the Remuneration Report. The applicable remuneration system for the remuneration of the Managing Directors, which contains a description of these securities-based remuneration elements, is also available at www.maxautomation.com/en/investor- relations/corporate-governance/.

Declaration of the Supervisory Board of MAX Automation SE dated 3 February 2023 on the recommendations of the Government Commission in the German Corporate Governance Code as amended on 28 April 2022 pursuant to Article 9 (1) c) (ii) of the SE Regulation, Section 22 (6) SEAG in conjunction with Section 161 of the German Stock Corporation Law (AktG)

MAX Automation SE complies with the recommendations of the version of the German Corporate Governance Code (GCGC) of 28 April 2022 (the "Code") published by the Federal Ministry of Justice in the official section of the Federal Gazette on 27 June 2022, with the following exceptions and taking the special features of the monistic system of MAX Automation SE described below into account, and will continue to comply with these in this respect in the future.

Furthermore, with the following exceptions and taking the special features of the monistic system of MAX Automation SE described below into account, MAX Automation SE has complied with all recommendations of the Code since the last Declaration of Compliance was issued on 4 February 2022, insofar as they are applicable.

Special features of the monistic corporate governance system

Pursuant to Art. 43-45 of the SE Regulation in conjunction with Sections 20 et seq. of the SE Implementation Act, the monistic system is characterised by the fact that the management of the SE is the responsibility of a single management body, the Supervisory Board. The Supervisory Board manages the company, determines the basic guidelines of its activities and monitors their implementation. The Managing Directors conduct the business of the company, represent the company in and out of court and are bound by the instructions of the Supervisory Board.

In principle, MAX Automation SE applies the Code's definition of a Supervisory Board (Aufsichtsrat) to the Supervisory Board of MAX Automation SE and its definition of a Management Board to the Managing Directors. The following exceptions apply with regard to the legal structure of the monistic system:

- The responsibilities of a Management Board as defined in recommendations A.1 (Sustainable Management) and A.2 (Appointment to Management Functions) of the Code are the responsibility of the Supervisory Board of MAX Automation SE, Section 22 (6) SEAG.

- In deviation from recommendations B.3 (initial appointment of board members) and B.4 (reappointment of board members) of the Code, Managing Directors, as opposed to Management Board members, are not subject to a fixed and maximum permissible term of appointment, Section 40 (1) (1) SEAG.

- In deviation from recommendations C.6, C.7 and C.10 of the Code, which regulate the independence of the members of a Supervisory Board and the Chairman of the Supervisory Board, and in deviation from recommendation E.1 (Dealing with conflicts of interest in the Supervisory Board), members of the Supervisory Board may be appointed Managing Directors, provided that the majority of the Supervisory Board continues to consist of members who are not Managing Directors, Section 40 (1) (2) SEAG.

- Recommendation D.5 (Exchange of Information) of the Code applies to the Supervisory Board and the Managing Directors of MAX Automation SE, Sections 22 (6) and 40 (6) SEAG.

- Recommendation D.6, according to which the Supervisory Board should meet regularly without the Management Board, is not applicable at MAX Automation SE if a Managing Director is also a member of the Supervisory Board. In light of the fact that Mr. Hartmut Buscher was a member of the Supervisory Board and was appointed Managing Director with effect from 1 October 2022, this recommendation, which is tailored to dualistically organised companies, could not be taken into account by the company for parts of the reporting period.

Exceptions to the recommendations of the Code

The following recommendations are not or were not fully complied with:

Regarding recommendations A.1 and A.3
MAX Automation SE is committed to the principles of sustainable action. In the company's understanding, risk and opportunity analysis, strategy and corporate planning as well as sustainability aspects cannot be separated from one another. Sustainability-related goals are already taken into account in MAX Automation SE's risk management system. The explicit establishment of the processes for querying sustainability-related data as part of the internal control system is expected to be completed in financial year 2023.

Regarding recommendations B.1 and C.1
During the reporting period, the Supervisory Board of MAX Automation SE revised and adopted the current competence profile with specific objectives for its composition, so that it now pays particular attention to expertise on sustainability issues that are significant for the company, in addition to diversity. According to the competence profile, at least one woman should be represented on the Supervisory Board. With Mrs. Karoline Kalb and Dr. Nadine Pallas, the actual share of women on the Supervisory Board is currently higher. When appointing Managing Directors, MAX Automation SE is guided by the professional and personal suitability of the candidates, diversity aspects, as well as appropriate considerations of expediency. These include, for example, the relevant entrepreneurial experience of the members, diversity in terms of age, gender and professional background. The Supervisory Board has set a quota of 0% for female Managing Directors. This is due to the fact that MAX Automation SE currently has three Managing Directors, Dr. Christian Diekmann, Dr. Ralf Guckert and Mr. Hartmut Buscher. In view of the length of appointment of the current Managing Directors, it does not appear appropriate to set a share of women other than 0% for the Managing Directors. The appointment of Mr. Hartmut Buscher as Managing Director (CFO of MAX Automation SE) with a scope of 40% of his working time was made in order to separate the CEO/CFO position within the company. Until then, the position of CFO was also held by the CEO. In addition, his particular professional and personal suitability spoke in favour of his appointment as Managing Director (CFO of MAX Automation SE) in the reporting period. For the management level below the Managing Directors, the Supervisory Board has set the share of women at a minimum of 30 %, a figure that has been achieved. There is no further management level below this.

Regarding recommendation C.6
In the competence profile for the members of the Supervisory Board, the Supervisory Board of MAX Automation SE has determined, taking the ownership structure into account, that at least 50% of the members of the Supervisory Board should be independent. With currently four independent members, this target has already been exceeded.

Regarding recommendation C.10
Mr. Hartmut Buscher served as Chairman of the Audit Committee until Mrs. Karoline Kalb took over the chairmanship of the Audit Committee on 1 October 2022. Due to his special expertise in the application of accounting principles and internal control procedures as well as in the audit of financial statements, Mr. Hartmut Buscher was elected Chairman of the Audit Committee in 2021. The lack of independence from the controlling shareholder was not a factor in this respect. Mr. Hartmut Buscher resigned from the Audit Committee with effect from 30 September 2022. Since then, MAX Automation SE has complied with the recommendation of the Code.

Regarding recommendation C.15
The company reserves the right to apply for the judicial appointment of a member of the Supervisory Board for an indefinite period of time. However, the company generally strives to limit judicial appointments by the district court to the period remaining until the next Annual General Meeting. This is done to preserve the participation rights of the shareholders to the best possible extent regarding the appointment of members to the Supervisory Board.

Regarding recommendation D.1
The company is constantly working on development of its governance structure further. This can lead to changes in the Rules of Procedure of the Supervisory Board. The Rules of Procedure of the Supervisory Board will be published on the company's website as soon as it has been revised.

Regarding recommendation G.3
No comparison group of other companies has been used yet to assess the customary nature of the specific total remuneration of Dr. Christian Diekmann, Dr. Ralf Guckert and Mr. Hartmut Buscher. The company intends to implement this recommendation in the future when concluding new employment contracts.

Regarding recommendations G.6 and G.10
The variable remuneration of the Managing Directors resulting from the achievement of long-term oriented targets does not exceed the share from short-term oriented targets. Similarly, the share-based remuneration granted does not exceed the sum of other variable remuneration components at the time of allocation. This results from the current special arrangement of the long-term incentive of the Managing Directors, which was deliberately not designed as a bonus plan with specific performance criteria, but as a personal investment combined with an annual allocation of phantom shares in order to bind the respective Managing Director more strongly to the company.

Regarding recommendation G.9
The company refrains from publishing the target values of the Managing Directors, regardless of whether these have been achieved or not, because this is considered confidential information. However, the individual remuneration components granted for the financial year are published in the Remuneration Report.

Disclosures on the competence profile, target figures and the diversity concept

The Supervisory Board has adopted a competence profile for its members that is summarised below.

Accordingly, the Supervisory Board is to be composed in such a way that its members as a whole have the knowledge, skills and professional experience necessary to properly perform their duties and are familiar with the company's industry. At least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing. When appointing members, the Supervisory Board shall give due consideration to the international activities of the company, potential conflicts of interest and diversity in the context of the company's specific situation. The Supervisory Board shall, as a whole, have the competencies to ensure comprehensive and effective advice to and supervision of the Managing Directors with respect to the implementation of the policies determined by the Supervisory Board. In the opinion of the Supervisory Board, essential components of this range of competences are knowledge and experience in the company's industry, knowledge in the area of accounting and auditing, in relation to financing issues, capital and financial markets, in relation to business strategy and planning, in relation to investment management and M&A processes, in controlling and risk management, in the area of governance

and compliance for a listed, internationally active company, as well as on sustainability issues of importance to the company. In view of the international activities of the MAX Automation Group, care should be taken to ensure that the Supervisory Board includes a sufficient number of members who, by virtue of their background, education and professional experience, have a special connection to the international markets relevant to the MAX Automation Group. Before a candidate is proposed, personal competences as well as professional competences must be assessed. The Supervisory Board is convinced that its current members meet the requirements set out in the competence profile.

Taking the ownership structure into account, the Supervisory Board must also include at least 50% independent members within the meaning of the German Corporate Governance Code. This is the case. The Supervisory Board strives for diversity in its composition, taking different professional and international experience, personalities, age distribution and gender, in particular, into account. At least one woman is to be represented on the Supervisory Board. There are currently two women on the Supervisory Board. The members of the Supervisory Board may not be older than 70 when they are elected to the board. Persons who have been members of the Supervisory Board for more than 12 years may not be reappointed members of the Supervisory Board.

The Board's proposals for the election of Supervisory Board members will continue to be guided by the best interests of the company, taking these objectives into account and seeking to fill the competence profile for the board as a whole.

Based on the objectives for its composition, the Supervisory Board of MAX Automation SE has drawn up the following overview of its qualifications (so-called qualification matrix).

Supervisory Board of MAX Automation SE: Overview of qualifications

	Guido Mundt	Oliver Jaster	Dr. Wolfgang Hanrieder	Karoline Kalb	Dr. Nadine Pallas	Hartmut Buscher
Knowledge in the field of accounting and auditing of financial statements	x	x	x	x	x	x
Knowledge / experience in the company's field of activity	x	x	x			x
Knowledge of financing issues, capital and financial markets	x	x	x	x	x	x
Knowledge in the area of business strategy / planning	x	x	x	x	x	x
Knowledge of investment management and M&A processes	x	x	x	x	x	x
Knowledge of controlling / risk management	x	x	x	x	x	x
Knowledge in the area of governance / compliance for a listed international company	x	x	x	x	x	x
Knowledge of the sustainability issues that are important to society	x			x		x
Gender	m	m	m	w	w	m
Independence	x		x	x	x	

When appointing Managing Directors, the main criteria are professional qualifications for the position to be filled, diversity aspects, previous performance and leadership qualities as well as knowledge of the company. The Supervisory Board has set a target of 0% for women as Managing Directors. This is due to the fact that MAX Automation SE currently has three Managing Directors, Dr. Christian Diekmann, Dr. Ralf Guckert and Mr. Hartmut Buscher. In view of the length of appointment of the current Managing Directors, it does not appear appropriate to set a quota for women other than 0% for the Managing Directors. The appointment of Mr. Hartmut Buscher in the reporting period as Managing Director and CFO of MAX Automation SE with a scope of 40% of his working time was made to separate the CEO/CFO function within the company. Until then, the function of CFO was also

performed by the CEO. In addition, his particular professional and personal suitability spoke in favour of his appointment as Managing Director and CFO of MAX Automation SE.

The Supervisory Board has set a target of at least 30% for the share of women at the management level below the Managing Directors. This target has been achieved. There is no further management level.

The Supervisory Board has not yet established an independent diversity concept with regard to the composition of the Supervisory Board and the Managing Directors in accordance with Section 289f (2) No. 6 of the German Commercial Code (HGB). However, diversity with regard to age, gender, educational and professional background and internationality is an essential aspect for the company in filling management positions, with regard to the workforce structure and when sifting through applications. In addition to the current measures aimed at promoting diversity, MAX Automation SE will continue to work on further developing the framework conditions for diversity.

Dusseldorf, 17 February 2023

The Supervisory Board and Managing Directors

Guido Mundt	Dr. Christian Diekmann
(Chairman of the Supervisory Board)	(Managing Director, CEO)

DEPENDENCY REPORT

Declaration on the report of the Managing Directors on relationships with affiliated companies pursuant to Section 312 AktG

In financial year 2022, MAX Automation SE was a company dependent on Orpheus Capital II GmbH & Co. KG, LS Digital & Management Services GmbH & Co. KG, as well as Othello Drei Beteiligungs GmbH & Co. KG, each with its registered office in 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. Othello Drei Beteiligungs GmbH & Co.KG joined the voting trust agreement on 14 April 2022. The ultimate controlling parent company according to the German Stock Corporation Act (AktG) of Orpheus Capital II GmbH & Co. KG, LS Digital & Management Services GmbH & Co. KG and Othello Drei Beteiligungs GmbH & Co. KG is Oliver Jaster, Germany. Control results from a majority stake in MAX Automation SE. There is no control or profit and loss transfer agreement between MAX Automation SE and Orpheus Capital II GmbH & Co. KG, LS Digital & Management Services GmbH & Co. KG or Othello Drei Beteiligungs GmbH & Co. KG. The Managing Directors of MAX Automation SE have therefore prepared a report by the Managing Directors on relationships with affiliated companies pursuant to Section 312 (1) of the German Stock Corporation Act (AktG), which contains the following concluding statement:

„In the legal transactions listed in the report on relationships with affiliated companies, MAX Automation SE received appropriate consideration for each legal transaction according to the circumstances known to the Managing Directors at the time the legal transactions were undertaken or omitted and has not been disadvantaged as a result."

OPPORTUNITY AND RISK REPORT

Risk Management System/Internal Control System*

Scope of Application

A Group-wide Risk Management System is in place at the MAX Group, with which potential risks can be identified in time both at MAX Automation SE as the parent company and the operating segments, and appropriate countermeasures can be initiated. The Risk Management System is continuously revised and adapted to the new requirements.

The Audit Committee of MAX Automation SE obtains information about and regularly deals with the risk management system and the internal control systems. It obtains internal confirmation of the required establishment and effectiveness of both systems and also reviews this with the support of the internal audit department. This supports the Audit Committee's assessment that MAX Automation SE has established an appropriate, effective risk management and internal control system for the Group.

Goals and principles

The current Risk Management System (RMS) is designed to detect, record, assess and control business and financial risks. The individual elements of the monitoring system provide reliable information on the current risk situation and support documentation, risk assessment and the elimination of weaknesses. They thus contribute to minimising the negative effects potentially arising from the risks.

The following risk policy principles are derived from this:

- Risk management is integrated into all major operational business and decision-making processes. The management of risks is primarily carried out by the organisational units that are operationally active on site.
- The risk management process serves as a set of tools for the systematic identification, analysis, management and monitoring of risks that could jeopardise the company's existence.
- Active and open communication of risks is an important success factor of the RMS. All employees of the MAX Group are encouraged to actively participate in risk management in their area of responsibility.
- Assessment of risks is always conservative, i.e. the maximum expected damage is determined (worst case).
- Central monitoring is carried out by the top management company, MAX Automation SE.

Methods and processes

Risk management includes various IT-supported matrices structured in stages, which, starting with risk identification and risk assessment, are aimed at risk management. In the process, risks are identified, the significance of the risks for the company is determined and a calculated risk factor is determined in order to then formulate exactly substantive and temporally defined measures for risk management. A list of examples of risks and a guide for handling the electronic file round off the system.

The reporting interval is based on the quarter. The risk inventory by the operational units represents an important element of this standard risk cycle. Individual risks are identified, evaluated, and condensed, i.e. assigned to one of seven specific risk areas.

The assessment of individual risks is the task of the risk management of the portfolio companies and MAX Holding. The risk management manual serves as a guideline. The assessment process consists of three steps: First, the damage potential is calculated – if possible – the maximum effect that a risk can have on EBIT within the next 24 months. Then the probability of occurrence of the individual risk is determined. In the third step, the effectiveness of possible countermeasures is examined, and it is assessed whether these reduce the risk. Finally, the net risk potential, i.e. the net EBIT risk, remains after considering the probability of occurrence and the effectiveness of measures.

Depending on the level of probability of occurrence, each risk is assigned to one of the following categories:

- Low probability of occurrence < 10%
- Possible probability of occurrence 10 – 50%
- High probability of occurrence > 50%

The assigned net risks in the seven risk fields add up to the total risk potential of the MAX Group. Portfolio and correlation effects are not considered.

After the risk inventory has been performed, the operational units prepare their respective risk reports. On this basis, MAX Holding's risk management prepares the Group Risk Report, which provides information on significant individual risks and the overall risk and is subsequently discussed by the Managing Directors and the Supervisory Board.

The Managing Directors and the Supervisory Board are informed immediately about acute risks. The risk managers are responsible for the identification, assessment, control and monitoring of risks as well as for reporting. These are generally the individuals responsible from the Investment Management department of MAX Holding as well as the portfolio companies.

Key features of the Internal Control System within Risk Management

The MAX Group has established an Internal Control System (ICS) based on COSO (Committee of Sponsoring Organisations of the Treadway Commission), which is recognised as a generally applicable concept with regard to the design of an ICS and is applied by MAX. The ICS is documented by a binding guideline within the Group.

The MAX Group's ICS has three overarching target categories for control and monitoring, business operations, reporting and compliance.

The ICS supports the systematic control and monitoring of business activities, the establishment of processes and their stability and efficiency, and the implementation of effective monitoring measures to detect potential weaknesses is established.

The reporting system in particular, which is constantly being further developed by MAX Holding as part of value-oriented reporting, is a key component of the Internal Control System (ICS).

To ensure uniform treatment and assessment of accounting-relevant topics, the MAX Holding accounting manual is available to all portfolio companies. The accounting manual is updated regularly. It includes all regulations, measures and procedures that ensure the reliability of financial reporting with sufficient certainty and that the financial statements of the Group and the portfolio companies are prepared in accordance with IFRS. Monitoring is carried out on a random basis by the Internal Control, Accounting and Controlling functions of MAX Holding.

The most important instruments, control and safeguarding routines for the accounting process are as follows:

- The MAX Group is characterised by a clear organisational, corporate, control and monitoring structure.
- Coordinated planning, reporting, controlling and early warning systems and processes, as well as catalogues of transactions requiring approval or notification, are in place throughout the Group for the comprehensive analysis and management of risk factors relevant to earnings and risks that could jeopardise the company's existence.
- The functions in all areas of the accounting process (e.g. financial accounting, internal control and controlling) are clearly assigned.
- An adequate internal policy system (consisting of a Group-wide risk management policy and an accounting manual, among other content) has been set up and is adapted as necessary.

- The IT systems used in accounting are protected against unauthorised access. Standard software is predominantly used for the financial systems.
- The consolidation software LucaNet, which is also used for the preparation of the Group-wide medium-term planning, is used uniformly.

Only certain employees are authorised to access the consolidation system. Only a small group of employees from Group Accounting and Controlling has access to all of the data. For the other users, access is limited to the data of relevance to their activities.

The procedure is as follows:

- On a monthly basis, the portfolio companies report to the parent company on the development of the past month and the current business year. This procedure is supplemented by an updated forecast at least quarterly.
- All reports are subjected to a critical target/actual analysis. An additional report by the management comments on deviations from the plan, informs about measures aimed at achieving the plans, the development in the current reporting month and other topics such as market and competitive conditions, investments, financing, and law. Verbal explanations supplement the report.
- Together with Investment Management, but also on their own, the Managing Directors also hold regular discussions with the management teams of the portfolio companies to review the business development compared to the plans and, if necessary, initiate measures to meet the plans.
- Operational and strategic company planning is one key component of the RMS. At the end of each financial year, the management teams of the portfolio companies present the current business development and explain their respective company strategy. Based on this information, the respective five-year plans are drawn up on business development, investments and liquidity development. Company planning helps to identify and assess potential opportunities and risks long before major business decisions are made.
- Significant accounting-relevant processes are subject to regular analytical reviews. The current Group-wide RMS is continuously adapted to current developments and its functionality is reviewed on an ongoing basis.
- The Supervisory Board deals with important issues related to the RMS and the ICS on a regular basis.

The accounting-related ICS was optimised and further developed in 2018. Building on this, a cross-process ICS Guideline was also introduced in 2020. In this context, significant portfolio companies have appointed local ICS officers who ensure the local implementation of the specified minimum controls. In 2021, the risk control matrices (RCM) of the ICS Guideline were supplemented by additional process controls following a risk-based analysis.

The RCM contains written documentation of controls on processes in the areas relevant to the target categories of the ICS. Besides the area of closing processes/accounting, which has already been described in detail, the ICS also focuses on processes in the areas of HR, Purchasing and Sales. The necessary separation of functions in the areas is defined and recorded accordingly. An RCM is structured in tabular form and contains information on the following areas:

(1) Process

(2) Sub-process

(3) Control point (control objective)

(4) Risk number and description

(5) (Local) control number and description, evidence, performer, frequency of execution

RCMs are created for all departments and processes that are the focus of the ICS. The control activities can be differentiated according to various criteria. On the one hand, they can have a preventive or detective character. This means they either have a preventive effect in the sense of potentially realising risks, or they have a clarifying effect if the risk has already arisen in the sense of an error/damage.

The RMS/ICS also includes regular training for all employees. Among other topics, workshops are held on the application of the RCM contained in the ICS Guideline, accounting standards (e.g. IFRS 15 and IFRS 16), accounting rules, the risk control matrices of the ICS Guideline as well as local control documentation and software tools. When new shareholdings are acquired, the accounting processes are adapted quickly and new employees are familiarised with all relevant processes, contents, and systems.

Finally, it should be pointed out that neither the RMS nor the ICS can provide absolute certainty because even if all due diligence is exercised, the implementation of the appropriate systems can be fundamentally flawed.

*The chapter Risk Management System/Internal Control System is unaudited.

Opportunity report

MAX Holding positions itself as a financial and investment holding company with active portfolio management and, in addition to the focus areas that remain valid, is also opportunistically orienting its investment focus towards companies from other strategic and sustainably profitable sectors, with their headquarters in Germany and abroad. MAX Holding has many years of expertise in evaluating the portfolio companies together with the respective management teams, providing financial advice and/or strategic support and systematically developing them further. The goal is to achieve profitable growth and value creation in the long term. While MAX Holding focuses on investments and divestments, financing, strategic support measures and certain central functions for the Group, the operating business is conducted exclusively by the respective portfolio companies. They act independently in their respective business activities.

MAX Holding defines opportunities as the possibility of a positive deviation from the annual budget and medium-term planning targets for the MAX Group due to unplanned events or developments. Opportunities arise for the portfolio companies in particular through the regular development of new products or the further development of current products. The MAX portfolio companies are responsible for ensuring that their products and solutions are technologically up-to-date and strategically well positioned in their niche markets. In doing so, innovations support the portfolio companies in maintaining and expanding their position in their markets. As medium-sized companies, the MAX portfolio companies develop their innovations largely within the framework of specific customer projects and are oriented towards the market situation and the needs of their customers. The early identification of trends and the resulting identification of innovative solutions and further development of technologies are of key strategic importance for the long-term business success of the portfolio companies.

Opportunity management

The management of opportunities includes all measures of a systematic and transparent handling of entrepreneurial potential. To this end, the Managing Directors of MAX Automation SE regularly conduct a strategic dialogue with the management teams of the portfolio companies. The basis for this is a process in which, in addition to operational potential, the implementation of strategies, including the presentation of opportunities from relevant market and technology trends and the analysis of competitors, are discussed in joint review meetings. Through the integral link with the monthly and annual planning and reporting processes, opportunity management is a key component of the strategic and value-oriented management of the MAX Group.

Key opportunities of the portfolio companies

For the portfolio companies of the MAX Group, opportunities arise on the one hand from a clearly positive economic development in the manufacturing sector. On the other hand, the companies serve various macro trends that benefit worldwide from the dynamic technological development in the course of automation, circular economy and digitalisation, as well as from changes at the political and social level. Macro trends such as mobility, health, sustainability, and automation/robotics form the foundation for a long-term increase in demand for the portfolio companies' solutions. By providing solutions for the transformation to e-mobility and smart mobility, developing innovative production technologies in medical technology, promoting environmentally friendly materials and resource-conserving circular economy, and contributing to the continuous digitalisation and automation of manufacturing, the MAX Group benefits from the aforementioned macro trends and opens up opportunities that can have a positive impact on its business performance.

Opportunities arise for the bdtronic Group due to the key growth trends in the automotive industry such as electromobility, battery technology, autonomous driving and networking/infotainment. With its impregnation technology, the bdtronic Group has a high level of process expertise and experience in the impregnation of electric and hybrid motors for high production volumes. The high level of automation expertise in the field of dispensing offers opportunities through a focus on larger project volumes.

Climate protection, the conservation of natural resources and the recycling of residual materials for them to be returned to the material cycle and for energy recovery are becoming increasingly important worldwide. The generally heightened environmental awareness among the public as well as economic and social changes are leading to a steadily increasing demand for innovative high-performance solutions to dispose of waste in an environmentally friendly manner and to process residual materials efficiently. In addition, global energy demand and cost pressure are increasing the need for substitute fuels. The MAX Group sees opportunities here for the Vecoplan Group to benefit from the aforementioned requirements for climate and environmental protection and anticipates the demand for efficient reprocessing solutions to continue to increase.

In the packaging market, a shift from PET bottles to aluminium cans is increasingly taking place and offers opportunities for the MAX Group due to its positioning. The portfolio company NSM Magnettechnik focuses on complex high-speed systems and customised solutions for high-performance transport systems for cans, lids and closures in the manufacturing and filling industry in its packaging automation business.

Due to demographic developments and the continuing high demand for medical and healthcare technology, the MAX Group sees good growth opportunities in medical technology in the medium and long term. This industry is characterised by global trends such as general medical progress, growing health awareness in society, the

individualisation of therapy or patients' desire for more freedom in therapy, in the form of self-medication, for example. Miniaturisation trends in turn increase the demand for microassembly solutions. With the MA micro Group in particular, the MAX Group has specialised competences and the necessary technological prerequisites to meet the many requirements in medical technology and to take advantage of opportunities in order acquisition.

The increasing demand for medical and healthcare technology and the trend towards miniaturisation in optoelectronics also offer opportunities for AIM Micro. For example, the portfolio company develops and produces technologies and processes for manufacturing optoelectronic modules and micro-optical components in medical technology (including in blood analysis and diagnostics).

ELWEMA has distinctive skills in assembly, testing and cleaning technology, which it has already contributed to a number of successful projects in electric motor manufacturing (e.g. battery housings). With increasing demand in the area of e-mobility, ELWEMA could continue to benefit to an even greater extent than expected in this area.

Other opportunities

In addition to the respective growth drivers in its portfolio companies, the MAX Group sees opportunities in the optimisation of different scopes in the area of cross-functional capacity planning as well as in production and assembly concepts. Additional potential can arise from bundling in the areas of purchasing (purchasing volumes and benchmarking in favour of purchasing advantages) and financing. A transfer of know-how and technology as well as the exchange of best practice procedures within the MAX Group can lead to the development of new applications in the portfolio companies and enable further growth opportunities.

Risk Report

Risk fields

On the one hand, the business development of MAX Automation SE as a management company depends on the development of its globally active portfolio companies and is thus essentially subject to the same risks as the MAX Group as a whole via the earnings contributions of these companies. On the other hand, the development depends on the ability of MAX Automation SE as a finance and investment holding company to achieve the targeted growth by acquiring new and/or selling current portfolio companies.

Strategic risks:

On 13 April 2021, the Supervisory Board of MAX Automation SE decided to implement a new strategic direction and to transform the business model into a cash flow-oriented finance and investment holding company. The objective is to build a leading and diversified portfolio of companies with a long-term focus, consisting of investments in companies operating in high-growth niche markets. This is intended to generate attractive cash flows as well as additional funds through disposals of portfolio companies. The implementation of such a strategic repositioning is associated with a number of risks and uncertainties. Successful execution depends among other factors on the extent to which MAX Automation SE is able to acquire companies or interests in companies as suitable acquisition targets for the MAX portfolio at attractive conditions and integrate them into the MAX Group, thereby expanding the investment portfolio.

Market risks and economic risks:

Difficult market conditions entail the risk that MAX Automation SE's business as a finance and investment holding company could be impaired, by restricting its ability to acquire further investments on attractive terms or at all, to secure financing or to dispose of an investment, for example.

The portfolio companies of the MAX Group are exposed to general economic risks as well as typical risks of their respective sales markets, political or financial changes and risks from current or new competitors. Raw material prices and exchange rates also influence the course of business and can have a negative impact on the future success of the MAX Group. Due to the high export orientation of the portfolio companies, economic fluctuations could result in both the domestic market and abroad. The MAX Group's broad diversification can offset economic fluctuations in individual sectors to a certain extent and reduce risks from economic cycles. The portfolio companies are highly specialised and have strong positions in attractive market niches, which further reduces market risks. As of 31 December 2022, the MAX Group had an order backlog of EUR 303.3 million (previous year: EUR 284.2 million), which provides a time buffer to counteract market and economic risks.

The situation in Ukraine and the sanctions against Russia harbour serious risks for global economic development that cannot be assessed and, due to the close economic ties, especially for Germany and Europe and thus also for the economic development of the MAX Group.

Risks from business activities, project risks:

The MAX Group's business is dependent on the operating performance of its portfolio companies. Due to the scale of individual projects, MAX Holding sees a potential risk in project planning and project execution. Especially in the case of larger projects, misjudgements and/or delays can occur, particularly if there are customer requirements whose technical feasibility can only be calculated to a limited extent, in terms of time or costs, for example, so that there is a risk of orders that cause losses. In principle, there is also the risk that customers will complain and make claims due to the non-fulfilment or shortfall of promised services, poor quality or if agreed deadlines cannot be met. The portfolio companies exercise great care in their work processes and maintain high quality standards to minimise these risks. In addition, they are always in close contact with their customers. The MAX Group also counters the risk of misjudgements through a Group-wide project-related risk management approach.

With projects, there are also risks from quantity and price fluctuations for the purchase of components and raw materials, some of which are beyond the control of the portfolio companies. There is also the risk that the portfolio companies' suppliers could be unable to deliver the components and services that the business requires. This could affect the portfolio companies' ability to meet the requirements of their respective customers or to operate their business at current production levels. This risk is currently above average due to global supply chain issues and material price increases. In order to minimise procurement risks and obtain better planning security, the portfolio companies conclude framework agreements with their suppliers or agree on price escalation clauses in the contracts with suppliers and/or customers. As far as it makes sense and is appropriate, precautionary stockpiling of necessary components and individual parts is also carried out. In addition, relationships are established with alternative suppliers for strategically important components.

Financial risks:

Financial risks can arise from a lack of equity and/or debt capital for the MAX Group. The risk relating to the raising of debt capital at attractive conditions is largely dependent on the operating success of the MAX Group and its portfolio companies, as well as on the associated ability to make interest and principal payments as agreed. With the successful refinancing of the credit line in February 2022, MAX Automation SE has secured room for manoeuvre for the implementation of its investment strategy. The new loan will be provided by MAX Automation SE's long-standing banking partners, led by Commerzbank (syndicate leader) as well as Deutsche Bank, the LBBW Group and HypoVereinsbank/UniCredit. As before, the total volume is EUR 190 million and has a term of 3 years plus two options to apply for extensions of one year each (3+1+1). The previously valid guarantee lines remain in place in order to secure the sustainable financing of the MAX Group in the medium term. The agreed covenants allow the banks a special right of termination in the event of non-compliance. The covenants are based on balance sheet and earnings figures from the Consolidated Financial Statements prepared in accordance with IFRS. The agreed covenants were complied with in the past financial year. In order to hedge against the interest rate risks resulting from debt financing, the MAX Group occasionally uses interest rate swap instruments.

The MAX Group's main source of liquidity is the net cash flow from the portfolio companies' business activities. Short-term liquidity requirements are financed by using existing cash balances and the syndicated loan. The approach to managing liquidity is to ensure, as far as possible, that the MAX Group has sufficient liquidity to meet liabilities as they fall due, under both normal and stressed conditions. The goal of financial risk management is to limit the risks arising from operating activities. Group management is responsible for establishing and monitoring risk management and has introduced guidelines for identifying and analysing Group risks.

MAX Automation SE is party to legal disputes in connection with the sale of the former Group company NSM Packtec GmbH and in connection with the acquisition of Shanghai Cisens Automation Co., Ltd. MAX Automation SE asserted claims in both arbitration proceedings and was also exposed to counterclaims in each case.

The arbitration proceedings in connection with the acquisition of Shanghai Cisens Automation Co., Ltd. were successfully concluded before the Hong Kong Arbitration Court on 18 October 2021. The arbitration award confirmed the termination of the investment agreement with the joint venture partner Roger Li Liujie and awarded MAX Automation SE an amount of USD 6.2 million in exchange for transfer of the shares in MAX Automation Hongkong to Roger Li Liujie, while all counterclaims were dismissed. MAX Automation SE initiated legal action at the end of February 2022 to enforce the arbitration award, which will take several months to enforce. The outcome of enforcement is uncertain. The enforcement of the arbitration award could result in additional legal, advisory and enforcement costs.

In connection with the sale of the former Group company NSM Packtec GmbH, MAX Automation SE is party to arbitration proceedings with Ningbo Lehui International Engineering Equipment Co., Ltd., which acquired NSM Packtec GmbH from MAX Automation SE in 2018. Both parties to the arbitration have asserted claims and counterclaims. At the end of March 2022, a positive arbitration award was issued for MAX Automation SE, in which it was awarded a claim for an amount in the mid single-digit millions. MAX Automation SE then initiated legal steps to enforce the arbitration award, which is currently being pursued. The outcome of the enforcement is uncertain. The enforcement of the arbitration award could give rise to additional legal, advisory and enforcement costs.

In September 2022, Ningbo Lehui International Engineering Equipment Co., Ltd. filed a second arbitration against MAX Automation SE in connection with the sale of the former Group company NSM Packtec GmbH. The application and the statement of defence by MAX Automation SE are currently with the German Institution for Arbitration (DIS). MAX Automation SE's prospects of success in this arbitration are currently considered to be predominantly positive if the claim is not rejected.

In addition, MAX Automation SE was the defendant in proceedings brought by a shareholder who had filed an application for a court order for a special audit and appointment of a special auditor pursuant to Section 142 (2) AktG with the Dusseldorf Regional Court on 28 July 2021. The circumstances in connection with the acquisition of the AIM Group by the then M.A.X. Automation AG (now MAX Automation SE) in 2013 are the subject of the special audit. MAX Automation SE had already reported on this motion in the Financial Report for 2021 and explained that it had already examined the claims asserted by the requesting shareholder that formed the grounds for the special audit in 2019 with the support of legal advisors and had not identified any basis for this. By decision of 26 July 2022, the Dusseldorf Regional Court granted the shareholder's application for a court order for a special audit and the appointment of a special auditor in accordance with Section 142 (2) AktG and appointed the auditor Dr. Lars Franken, Essen, special auditor. MAX Automation SE lodged an appeal against this decision. This complaint was rejected by the Dusseldorf Higher Regional Court on 31 January 2023 and the court appointment of the auditor Dr. Lars Franken, Essen, as special auditor was confirmed. We also refer to the ad hoc announcements dated 17 August 2021, 1 August 2022 and 31 January 2023. MAX Automation SE will work together with the special auditor in a spirit of trust in accordance with the legal regulations. The outcome of these proceedings is currently unclear.

The portfolio companies are involved in legal disputes or other proceedings from time to time in the course of their business activities. This relates in particular to product liability and warranty claims. The companies counter these risks from their operating business by performing the appropriate project management including detailed documentation as well as high quality standards for their machinery and equipment and corresponding quality management measures. Contract management is also very important. MAX Holding supports the portfolio companies by providing internal and external advice. Contracts for large volume projects are also subject to approval by the Managing Directors of MAX Automation SE.

Risks from shareholdings in companies:

MAX Automation SE is a holding company that does not carry out any business activities of its own apart from the investments and/or intercompany receivables it holds in the individual portfolio companies. Its liquidity comes from profit transfers under profit and loss transfer agreements or other distributions from its portfolio companies. If the portfolio companies do not generate sufficient profits or even losses, there is a risk that MAX Automation SE will be obliged to offset the losses of the portfolio companies on the basis of the current profit and loss transfer agreements. This could have a significant impact on MAX Automation SE's liquidity and earnings situation. In addition, the revaluation of the portfolio companies within the scope of performing impairment tests could result in risks due to impairment of goodwill.

Other risks

The success of the MAX portfolio companies' respective businesses is highly dependent on their ability to retain or replace important executives and other key employees. The companies are particularly dependent on qualified employees in the areas of mechanical engineering, development of special machinery, and marketing and sales staff. The risk is to continue to find and retain sufficiently qualified employees at the respective portfolio company in the future. The companies counter this risk by taking various measures and position themselves as attractive employers in their respective regions.

A critical point for success is in particular the acquisition and retention of qualified management for the portfolio companies. Management teams that do not meet the expectations placed in them or experience frequent personnel changes in this key function can represent a risk to the profitable development of a portfolio company. The Managing Directors of MAX Automation SE counter this risk by using a multi-stage selection process and by taking great care in the selection of personnel, as well as engaging in a regular exchange with the management teams as part of the monthly review process.

Overall assessment of the opportunity and risk situation

The Audit Committee of MAX Automation SE informs itself regularly about the ICS and RMS and verifies that they are up to date and effective. The overall picture of the MAX Group's opportunity and risk situation is made up of the opportunities and individual topics of all risk categories described here. In addition to the opportunities and risk categories presented, there are unexpected events that can have a positive impact in the case of opportunities and a negative impact in the case of risks on the business development and thus on the earnings, financial and asset position of the MAX Group. The current Opportunity and Risk Management System is constantly monitored and further developed in order to identify opportunities and risks at an early stage and to successfully counter the current opportunity and risk situation. The overall risk situation of the MAX Group has decreased slightly compared to the previous year. Approximately 40% of the total risk potential is accounted for by the risk field "Financial Risks."

Company risks	Probability of occurrence	Possible financial impact	Risk situation 2022 compared to 2021
Strategic risks	low	minor	equal
Market risks and economic risks	possible	minor	higher
Risks from business activities and projects	possible	significant	higher
Financial risks	possible	significant	higher
Legal risks	low	minor	minor
Risks from equity investments	possible	significant	minor
Other risks	possible	minor	higher

Extent of the possible financial impact on the consolidated result or consolidated EBIT: low (< EUR 400 thousand), moderate (from EUR 400 thousand to EUR 1.3 million), significant (> EUR 1.3 million)

Probability of occurrence: low (< 10%), possible (10% to 50%), high (> 50%)

The MAX Group's total risk potential amounted to around EUR 7.3 million at the end of 2022 (previous year: EUR 7.9 million). This includes the net risk potential of 35 (previous year: 37) quantifiable individual risks. In addition, there were 200 non-quantifiable individual risks (previous year: 214). In view of the business volume and the overall economic situation, the total risk potential is considered appropriate and well manageable. At present, there are no identifiable risks that could endanger the existence of the MAX Group either separately or in interaction with other risks.

Explanatory Report on the Disclosures in Accordance with Section 315 (4) HGB and Section 289 (4) HGB

Subject of the report

According to the explanatory memorandum to the Accounting Law Modernisation Act (BilMoG), which came into force on 29 May 2009, the Internal Control System comprises the principles, procedures, and measures to ensure the effectiveness and the correctness of accounting and to ensure compliance with the relevant legal provisions. This also includes the internal audit system insofar as it relates to accounting.

As part of the Internal Control System, the Risk Management System with regard to the accounting process refers, like the latter, to accounting control and monitoring processes, especially for balance sheet items that include the company's risk hedges.

Main features of the Internal Control System and the Risk Management System with regard to the accounting process

The main features of the MAX Group's Internal Control System and Risk Management System with regard to the (Group) accounting process are described in detail in the chapter on the Risk Report.

Explanation of the main features of the Internal Control System and the Risk Management System with regard to the accounting process

The Internal Control and Risk Management System with regard to the accounting process, the main features of which are described above, ensures that entrepreneurial facts are recorded correctly, processed, and assessed in the balance sheet and thus transferred to external accounting.

The clear organisational, company as well as control and monitoring structure as well as the proper equipment of the accounting department in terms of personnel and material form the basis for the efficient work of the departments involved in accounting. Clear legal and internal company requirements and guidelines ensure a uniform and proper accounting process. The clearly defined review mechanisms in the areas involved in accounting itself and early risk identification by risk management ensure coherent accounting.

In financial year 2022, an internal audit function was implemented with the help of an external consultant. This function can carry out comprehensive audits. Using a risk-oriented audit plan, the main elements of the Internal Control System are audited on a regular basis with regard to their appropriateness and effectiveness in order to enable an overall assessment of the Internal Control System. In doing so, the audit can and will also rely on findings that are available to other departments in the company – especially those in the second line.

As part of the audit planning, the elements of the risk-oriented control concept to be audited are determined at the beginning of the year, which, taking a rolling approach into account, enables the ongoing review of the appropriateness and effectiveness of the controls. If control weaknesses or deficiencies are found, they are analysed and evaluated.

Significant control weaknesses, their derived improvement measures and implementation plans to address them, as well as the ongoing progress of the work, are tracked by Internal Audit and reported to the Supervisory Board's Audit Committee.

The MAX Group's Internal Control and Risk Management System ensures that accounting at MAX Automation SE and all companies included in the Consolidated Financial Statements is uniform and in line with legal and statutory requirements as well as internal guidelines. In particular, the Group-wide Risk Management System has the task of identifying risks in time, assessing them, and communicating them appropriately. This ensures that the respective recipients are provided with accurate, relevant, and reliable information in a timely manner.

The MAX Group's Risk Management and Internal Control System was restructured in 2018 and further expanded and optimised in 2022. This continuous process to optimise reporting and controlling instruments as well as internal control structures will also continue in 2023.

FORECAST REPORT

Overall economic environment

The International Monetary Fund (IMF) expects the global economy to slow down in 2023, albeit less severely than feared in October 2022. Accordingly, global growth is expected to slow to 2.9% in 2023 from 3.4% in the previous year, 0.2 percentage points higher than in the October outlook. The increase in central bank interest rates to combat inflation, especially in the developed economies, and the war in Ukraine are dampening the economy. On the other hand, the unexpectedly high resilience of many national economies is having a positive effect. The US economy is expected to grow by 1.2% in 2023. For China, the IMF raised its forecast by 0.8 percentage points after the end of the strict zero-COVID policy and full reopening. Growth of 5.2% is now expected. Assuming falling energy and commodity prices while interest rates rise, the IMF expects global inflation to fall from an average of 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024.

At the beginning of 2023, the Kiel Institute for the World Economy (IfW) in Kiel forecast an economic phase of weakness for the euro area as a result of high inflation, rising interest rates and headwinds from the global economic environment. For the further course of 2023 and 2024, the IfW expects a gradual recovery after the prospects have brightened compared to the 2022 autumn forecast with a more robust economy and lower energy prices. Economic growth is expected to be 0.6% in 2023 and 1.5% in 2024.

According to the IfW, the German economy should still grow slightly by 0.3% in 2023, after a decline of 0.7% was expected in autumn of 2022. The global economic environment is therefore weak and does not provide any positive impetus for the economy, but significantly lower wholesale prices for gas and electricity brightened the outlook. The IfW expects inflation to fall from a previously forecast 8.7% to an average of 5.4% in 2023.

Development in relevant industries

Mechanical and plant engineering in Germany is looking to 2023 with confidence. In September 2022, the order backlog was still 11.9 months and is therefore still very high. For the year 2023, the Association of German Mechanical and Plant Engineering (VDMA) expects a slight increase in production of 2% in an environment that remains difficult. Growth in China is likely to remain weak and energy prices high due to the war in Ukraine, while

central banks nearly worldwide are responding to high inflation rates with rising interest rates. In contrast, the major bottlenecks in the supply chains are expected to ease slightly.

At the time this report was published, the VDMA Robotics + Automation Association had not presented any current forecasts for the development of the industry in 2023.

The German Association of the Automotive Industry (VDA) expects growth of 4% in the international passenger car markets in 2023, comparable to the previous two years. An increase of 4% is expected for the US and 3% for China, by far the world's most important market. The VDA is more optimistic for Europe with growth of 5%. The increase in Germany is expected to be a rather moderate 2%. In the case of electric vehicles, the VDA expects sales in Germany to decline by 8% overall, corresponding to a lower share of e-cars in all car registrations of 28% after 31% in the previous year. Demand for purely battery-electric passenger cars (BEVs) is expected to increase by 8%, while sales of plug-in hybrids are project to fall by 30% after government subsidies expire.

According to the industry association SPECTARIS, the growth prospects of the global medical technology market continue to be positive. For the coming year 2023, the association therefore expects sales growth despite the major challenges posed by the shortage of materials and the shortage of skilled workers, even if this is expected to be weaker than in 2022. The industry association SPECTARIS did not present any current forecast for the development of the industry in 2023 at the time the report was prepared.

The Federal Association for Secondary Raw Materials and Waste Disposal (bvse) assesses the prospects as clearly gloomy based on the economic surveys of the Cologne Institute for Economic Research. In the geopolitical situation with global energy and raw material problems and high inflation, a good quarter of the companies surveyed expect higher business activity in 2023, while nearly 40% expect a decline. At the time the report was prepared, the VDMA Waste and Recycling Technology Association did not present any current forecast for the development of the industry in 2023.

Expected development in financial year 2023

We will continue to strictly implement the strategy of the MAX Group in financial year 2023. The goal is to expand the already strong Group organically and inorganically into a more diversified portfolio of leading companies in niche growth markets with strong cash flows. The loss-making activities from the past will only affect us to an insignificant extent. We will continue to implement the performance enhancement measures initiated in 2023 at the level of the portfolio companies. These focus primarily on increasing profitability through targeted measures as part of cost and process optimisation as well as growth-promoting activities in sales and human resources.

The business development of the MAX Group is also linked to the development of the overall economic environment. The forecast for financial year 2023 is based on the opportunities and risks described above as well as the assumptions on the overall economic and industry development in the Economic Report. The forecast assumes, among other developments, that the impact of the COVID-19 pandemic on the business development of our segments will be less noticeable in 2023. At the same time, the uncertainties caused by the ongoing Ukraine war and the associated increased energy and material costs as well as supply chain disruptions were taken into account.

Should the economic development be impaired to a greater extent than we have assumed, this could have a negative impact on our sales, revenue and earnings situation as well as our strategic plans for the MAX Group in financial year 2023.

The recovery of the economy is currently being strongly slowed down by supply bottlenecks and rising raw material prices. We have therefore made conservative assumptions in this regard in our planning and assumed that the bottlenecks in the supply chains and raw material prices will improve only slightly over the course of financial year 2023. The current situation in Ukraine and possible sanctions, on the other hand, harbour risks to the economic development of our Group that cannot be assessed at present.

Overall statement on the expected development

Irrespective of the uncertainties mentioned above, especially with regard to the development of supply bottlenecks for primary products, raw material prices and the further course of the pandemic, we consider ourselves, the MAX Group, to be strategically well positioned with the portfolio companies. The order backlog of EUR 303.3 million at the beginning of 2023 represents a solid starting point for the development over the course of the year. Based on the current macroeconomic and industry-specific outlook as well as the trends in the markets in which our portfolio companies operate, we expect demand for the solutions our companies offer to remain good.

Provided that the assumptions and expectations described above prove to be correct for the MAX Group, we are confident about financial year 2023. We are addressing the uncertainties in macroeconomic developments, particularly with regard to potential supply bottlenecks and price increases for raw materials, by formulating our forecast in intervals. Thus, for financial year 2023, we are assuming an increase in sales for our Group to between EUR 410 million and EUR 470 million. For the operating result before interest, taxes, depreciation, and amortisation (EBITDA) of the MAX Group, we expect EBITDA of EUR 35 million to EUR 41 million.

Expected business development of the SE

The earnings situation of MAX Automation SE as a financial and investment holding company is highly dependent on the development of the MAX portfolio companies. On the basis of the expected development of the portfolio companies, the Managing Directors anticipate a slight decline in profit transfer and investment income for financial year 2023 compared to the reporting year. At the same time, the negative changes in value in connection with the securities held as fixed assets, which burdened the company's earnings situation in the reporting year, are expected to cease in financial year 2023. Overall, the Managing Directors continue to view MAX Automation SE as a financial and investment holding company with the MAX portfolio companies as being well positioned for the future.

Forward-looking statements

This report contains forward-looking statements based on the current assumptions and forecasts made by the Managing Directors of MAX Automation SE. Such statements are subject to risks and uncertainties. These and other factors can lead to a situation in which the actual results, financial position, developments or capacity of the company differ substantially from the estimates provided here. The company assumes no liability whatsoever to update these forward-looking statements or to adapt them to future events or developments.

Dusseldorf, 3 March 2023

The Managing Directors

Dr. Christian Diekmann | Dr. Ralf Guckert | Hartmut Buscher

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

of MAX Automation SE, Dusseldorf, as of 31 December 2022

ASSETS	Notes	31/12/2022 EUR thousand	31/12/2021 EUR thousand
Non-current assets			
Intangible assets	(1)	4,773	3,658
Goodwill	(2)	38,633	38,611
Right-of-use assets	(3)	11,075	12,178
Property, plant and equipment	(4)	46,077	43,231
Investment properties	(5)	5,515	5,604
Other financial assets	(6)	37,127	1,489
Deferred taxes	(7)	12,706	10,630
Other non-current assets	(8)	44	321
Total non-current assets		**155,950**	**115,722**
Current assets			
Inventories	(9)	89,640	53,502
Contract assets	(10)	42,124	36,872
Trade receivables	(10)	40,059	31,892
Prepayments, accrued income and other current assets	(11)	9,896	9,604
Cash and cash equivalents	(12)	35,699	30,186
Total current assets		**217,418**	**162,056**
Total assets		**373,368**	**277,778**

The attached notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

of MAX Automation SE, Dusseldorf, as of 31 December 2022

EQUITY AND LIABILITIES	Notes	31/12/2022 EUR thousand	31/12/2021 EUR thousand
Equity			
Subscribed capital	(13)	41,243	29,459
Capital reserve	(14)	55,571	18,907
Retained earnings	(14)	24,129	24,169
Revaluation reserve	(15)	11,355	11,358
Result from equity instruments measured at fair value through other comprehensive income	(15)	-11,094	0
Equity difference from currency translation		1,860	656
Adjustment item for minority interests		782	815
Balance sheet loss	(16)	-29,794	-44,772
Total Equity		**94,052**	**40,592**
Non-current liabilities			
Non-current loans less current portion	(17)	116,964	1,030
Non-current lease liabilities	(22)	9,252	11,216
Pension provisions	(18)	551	949
Other provisions	(25)	5,783	4,780
Deferred taxes	(7)	7,254	7,852
Other non-current liabilities	(17)	9	9
Total non-current liabilities		**139,813**	**25,836**
Current liabilities			
Trade payables	(19)	39,138	32,155
Contract liabilities	(20)	61,100	59,522
Current loans and current portion of non-current loans	(21)	543	86,320
Short-term lease liabilities	(22,23)	4,705	4,713
Other current financial liabilities	(23)	17,435	15,530
Liabilities from income taxes	(24)	1,591	661
Other provisions	(25)	11,817	9,910
Other current liabilities	(26)	3,174	2,539
Total current liabilities		**139,503**	**211,350**
Total liabilities		**373,368**	**277,778**

The attached notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

of MAX Automation SE, Dusseldorf, for the period from 1 January to 31 December 2022

	Notes	2022 EUR thousand	2021 EUR thousand
Sales	(27)	**409,193**	**349,078**
Change in finished goods and work-in-progress	(9)	21,563	3,550
Own work capitalised		520	1,202
Total performance		**431,276**	**353,830**
Other operating income	(28)	10,672	19,841
Result from investment property valuation		-89	-753
Cost of materials	(29)	-217,322	-174,696
Personnel expenses	(30)	-133,714	-122,549
Reversal of impairment	(31)	942	0
Depreciation and amortisation	(31)	-11,695	-14,165
Other operating expenses	(32)	-58,084	-49,950
Operating result		**21,986**	**11,558**
Income from securities held as financial assets	(33)	2,677	0
Financial income	(33)	432	17
Financial expenses	(33)	-9,075	-8,343
Interest result		**-5,966**	**-8,326**
Earnings before income taxes		**16,020**	**3,232**
Income taxes	(34)	-1,048	-4,123
Annual result		**14,972**	**-891**
thereof attributable to non-controlling interests		284	510
thereof attributable to shareholders of MAX Automation SE		14,688	-1,401
Other comprehensive income that is never to be reclassified to the income statement		**-10,848**	**100**
Revaluation of real estate		-3	60
Actuarial gains and losses on employee benefits		354	57
Income taxes on actuarial gains and losses		-105	-17
Changes in the fair value of financial investments in equity instruments		-11,094	0
Other comprehensive income that may be reclassified to the income statement		**1,205**	**1,553**
Change arising from currency translation		1,205	1,553
Total comprehensive income		**5,329**	**762**
thereof attributable to non-controlling interests		284	510
thereof attributable to shareholders of MAX Automation SE		5,045	252
Earnings per share (undiluted) in EUR		0.39	-0.05
Earnings per share (diluted) in EUR		0.39	-0.05

The attached notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

of MAX Automation SE, Dusseldorf,
for the period from 1 January to 31 December 2022

1 Cash flow from operating activities	Notes	01/01/-31/12/2022 EUR thousand	01/01/-31/12/2021 EUR thousand
Annual result		14,972	-891
Adjustments relating to the reconciliation of consolidated net income for the year to cash flow from operating activities			
Income taxes	(34)	1,048	4,123
Net interest result	(33)	7,917	7,967
Amortisation of intangible assets incl. right-of-use assets	(31)	6,520	8,866
Depreciation of property, plant and equipment	(31)	4,931	5,298
Adjustment of investment properties	(5)	89	753
Depreciation of financial assets	(33)	0	359
Gain (-) / loss (+) on disposal of property, plant and equipment	(4)	-52	-460
Other non-cash expenses and income		-4,669	1,878
Changes in assets and liabilities			
Increase (-) / decrease (+) in other non-current assets	(8)	-71	61
Increase (-) / decrease (+) in inventories	(9)	-29,677	-11,936
Increase (-) / decrease (+) in trade receivables	(10)	-8,346	-5,892
Increase (-) / decrease (+) in contract assets	(10)	-5,177	-3,218
Increase (-) / decrease (+) in prepayments, accrued income and other assets	(11)	180	-2,154
Increase (+) / decrease (-) in other non-current financial liabilities		-312	-307
Increase (+) / decrease (-) in pension provisions	(18)	-44	-51
Increase (+) / decrease (-) in trade payables and contract liabilities	(19, 20)	8,439	28,048
Increase (+) / decrease (-) in other provisions and liabilities	(23, 25, 26)	5,276	1,046
Income tax paid	(34)	-4,066	-6,643
Income tax reimbursed	(34)	174	820
= Cash flow from operating activities		**-2,868**	**27,667**
2 Cash flow from investing activities			
Outgoing payments for investments in intangible assets	(1)	-1,793	-2,194
Outgoing payments for investments in property, plant and equipment	(4)	-7,521	-4,623
Payments for investments in financial assets	(6)	-69	0
Receipts (+) / payments (-) for loans granted to third parties	(6, 8)	668	-146
Payments received from disposals of intangible assets	(1)	6	0
Payments received from disposals of property, plant and equipment	(4)	285	498
Payments received from the sale of assets held for sale		0	3,150
= Cash flow from investing activities		**-8,424**	**-3,315**
3 Cash flow from financing activities	**Notes**		
Proceeds from capital increases		3,058	0
Payments from capital increases		-2,155	0
Borrowing of long-term financial loans	(17)	117,500	15,000
Repayment of long-term financial loans	(17)	-500	-30,686
Repayment of short-term financial loans	(21)	-86,617	-13,149
Change in long-term financial debt		331	-1,512
Change in short-term financial debt		-6,880	-6,633
Interest paid	(33)	-8,149	-5,020
Interest received	(33)	2	15
Payments to outside shareholders		-316	-33
= Cash flow from financing activities		**16,274**	**-42,018**

	Notes	01/01/-31/12/2022 EUR thousand	01/01/-31/12/2021 EUR thousand
4 Cash and cash equivalents		**0**	
Increase/decrease in cash and cash equivalents		**4,982**	**-17,666**
Effect of changes in exchange rates		531	155
Change in cash and cash equivalents due to changes in the scope of consolidation		0	-39
Cash and cash equivalents at the start of the financial year		**30,186**	**47,736**
Cash and cash equivalents at the end of the financial year		**35,699**	**30,186**
5 Composition of cash and cash equivalents			
= Cash and cash equivalents	(12)	**35,699**	**30,186**

	01/01/-31/12/2022 EUR thousand	01/01/-31/12/2021 EUR thousand
Cash and cash equivalents at the start of the financial year	**30,186**	**47,736**
Cash flow from operating activities	**-2,868**	**27,667**
Cash flow from investing activities	**-8,424**	**-3,315**
Cash flow from financing activities	**16,274**	**-42,018**
Effect of changes in exchange rates	531	155
Change in cash and cash equivalents due to changes in the scope of consolidation	0	-39
Cash and cash equivalents at the end of the financial year	**35,699**	**30,186**

Due to roundings, there might be slight deviations in the totals shown in this table.
The attached notes are an integral part of the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

of MAX Automation SE, Dusseldorf,
for the periods from 1 January to 31 December 2021 and from 1 January to 31 December 2022

	Subscribed capital	Capital reserve	Revaluation reserve	Actuarial gains and losses	Other retained earnings	Changes in the fair value of financial investments in equity instruments	Currency conversion difference	Balance sheet loss	Adjustment item for minority interests	Total
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
As of 01/01/2021	**29,459**	**18,907**	**11,298**	**-136**	**24,303**	**0**	**-897**	**-43,409**	**377**	**39,902**
Minority interests	0	0	0	0	0	0	0	0	-72	-72
Revaluation of real estate	0	0	60	0	0	0	0	0	0	60
Allocation to revenue reserve	0	0	0	0	-38	0	0	38	0	0
Total comprehensive income	0	0	0	40	0	0	1,553	-1,401	510	702
As of 31/12/2021	**29,459**	**18,907**	**11,358**	**-96**	**24,265**	**0**	**656**	**-44,772**	**815**	**40,592**
As of 01/01/2022	**29,459**	**18,907**	**11,358**	**-96**	**24,265**	**0**	**656**	**-44,772**	**815**	**40,592**
Capital increase	11,784	36,664	0	0	0	0	0	0	0	48,448
Minority interests	0	0	0	0	0	0	0	0	-317	-317
Revaluation of real estate	0	0	-3	0	0	0	0	0	0	-3
Allocation to revenue reserve	0	0	0	0	-289	0	0	289	0	0
Total comprehensive income	0	0	0	249	0	-11,094	1,205	14,689	284	5,332
As of 31/12/2022	**41,243**	**55,571**	**11,355**	**153**	**23,976**	**-11,094**	**1,860**	**-29,794**	**782**	**94,052**

Due to roundings, there might be slight deviations in the totals shown in this table.
The attached notes are an integral part of the Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

The company

MAX Automation SE (hereinafter "company" or "the MAX Group") is a European stock corporation based in Germany. The company's registered office and principal place of business is Fritz-Vomfelde-Straße 34 in 40547 Dusseldorf, Germany. It is listed in the Commercial Register of the Local Court of Dusseldorf under HRB 82682.

The main activity 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 full-service providers of integrated and complex system and component solutions. The business operations are divided into the segments bdtronic Group, Vecoplan Group, MA micro Group, AIM micro, iNDAT, NSM + Jücker and ELWEMA. MAX Automation SE therefore assumes the role of the 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 IFRS Interpretations Committee (IFRS IC), formerly the International Financial Reporting Interpretations Committee (IFRIC). All the IFRS rules that were mandatory for the past financial year were applied.

The Consolidated Financial Statements were prepared in euros (EUR). Unless specified otherwise, all of the amounts are stated in thousand euros (EUR thousand). For computational reasons, rounding differences of EUR 1 thousand can 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 2021, duly audited, and issued with an unqualified audit certificate, were approved by the Supervisory Board on 7 March 2022. The audited Consolidated Financial Statements for the year ending 31 December 2022 were approved by the Supervisory Board on 8 March 2023.

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 IFRSs, estimates and assumptions need to be made in certain cases that have a corresponding impact on the asset, financial and earnings position 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 IFRS Interpretations Committee (IFRS IC) have approved a number of amendments to the current International Financial Reporting Standards (IFRS), which are mandatory for the MAX Group from financial year 2022 on, 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 and standards are as follows:

Announce-ment	Title	Mandatory application / voluntary application for the MAX Group from	Expected effects on the presentation of the asset, financial and earnings position of the MAX Group
Amended standards			
IAS 16	Property, plant and equipment: Proceeds before intended use	01/01/2022	No effects
IAS 37	Onerous contracts - cost of fulfilling a contract	01/01/2022	No effects
IFRS 3	Reference to conceptual Framework	01/01/2022	No effects
Various	Annual improvements to IFRS standards 2018-2020	01/01/2022	No effects

New standards to be applied in future			
IFRS 16	Lease liability in a sale and leaseback transaction	01/01/2024	The company does not currently anticipate any material effects on the company's asset, financial and earnings positions.
IAS 1	Classification of debts with covenants	01/01/2024	The company does not currently anticipate any material effects on the company's asset, financial and earnings positions.
IAS 1	Classification of liabilities as current or non-current	01/01/2024	The company does not currently anticipate any material effects on the company's asset, financial and earnings positions.
IAS 1	Disclosure of accounting policies	01/01/2023	The company does not currently anticipate any material effects on the company's asset, financial and earnings positions.
IAS 8	Definition of accounting estimates	01/01/2023	The company does not currently anticipate any material effects on the company's asset, financial and earnings positions.
IAS 12	Deferred taxes related to initial recognition of assets and liabilities	01/01/2023	If the standard had already been applied in financial year 2022, there would have been deferred tax assets on lease liabilities of EUR 4.1 million and deferred tax liabilities on right-of-use assets of EUR 3.2 million as of the balance sheet date.
IFRS 17	Insurance contracts incl. amendments	01/01/2023	No effects

Use of judgements and estimates

The preparation of the Consolidated Financial Statements requires the Managing Directors to make judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. The actual results can differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. This is especially true with regard to the possible effects of the war in Ukraine, the current global corona pandemic and climate change.

Uncertainties in assessing the impact of the ongoing coronavirus pandemic on the development of business, including earnings prospects, especially with regard to virus mutations as well as renewed lockdown measures,

remain unchanged in the reporting year. Since the outbreak of the war in Ukraine in February 2022, various geopolitical and economic disruptions have been observed. From today's perspective, their further development and possible effects on business development are associated with great uncertainty. These include rising electricity, energy, material and commodity prices, possible supply restrictions for oil and gas, as well as associated uncertainties regarding continued high or even rising inflation rates with negative effects on the willingness of customers to consume and invest. Further uncertainties could also arise as a result of further interest rate hikes, persistent or intensified supply bottlenecks for intermediate products in industry, local lockdown measures or a renewed zero-COVID strategy in China, as well as increasing debt in various countries in Europe.

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
- Exercise of renewal options in connection with leases

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as of 31 December 2022 that might 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 test 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 assessment due to 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, computer software, know-how, technology, trademark rights, industrial property rights, websites, order backlogs, customer relationships and development projects) are carried at cost less scheduled amortisation. Amortisation 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 recognised. The economic life is between 4 and 5 years. Development costs for newly developed products for which technical feasibility and marketability tests have been performed are capitalised 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 capitalised. Amortisation is based on the expected economic life of the products. Development costs capitalised 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 capitalised as goodwill. A negative difference is recognised in profit or loss after a reassessment.

The MAX Group has identified the following business units as cash-generating units: bdtronic Group, Vecoplan Group as well as the individual companies AIM Micro Systems GmbH, ELWEMA Automotive GmbH, MA micro automation GmbH, Mess- und Regeltechnik Jücker GmbH and NSM Magnettechnik GmbH. 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 recognised 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 amortised 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) in addition to disclosed hidden reserves (goodwill, in particular) and less liabilities resulting from operating activities.

When determining the fair value less costs to sell, primarily market price-oriented methods are used. 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, borrowing rate and debt-equity ratio are calculated with reference to capital market data relating to comparable companies (peer group) in the same industry.

The following 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 value in use.
- The capitalisation 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 that can be observed in the capital markets routinely include tax effects, the weighted capitalisation rate is 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 base interest 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 the IDW, a value of 7.25% was used as the market risk premium.

Cost of capital before taxes

Business Unit	2022	2021
bdtronic Group	10.97%	7.64%
Vecoplan Group	9.83%	7.64%
AIM Micro Systems GmbH	12.46%	7.00%
ELWEMA Automotive GmbH	9.81%	7.10%
iNDAT Robotics GmbH	n/a	5.87%
MA micro automation GmbH	12.22%	7.04%
Mess und Regeltechnik Jücker GmbH	12.27%	7.01%
NSM Magnettechnik GmbH	12.37%	7.03%

Value in use is determined based on the present value of the cash flow from two periods of growth. The first period is based on the 5-year plan prepared by the management of the respective cash-generating unit and approved by the Supervisory Board. Any new information that has come to light in the meantime has been considered. 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 its processing time, the selected planning horizon mainly reflects the following assumptions for short to medium-term market developments: development of sales, market shares and growth rates, raw material costs, customer acquisition and customer retention costs, personnel development and investments. The MAX Group envisages strong increases in sales and EBIT for the period from 2023 to 2027. 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%.

As of 31 December 2022 and with regard to the sensitivity analyses for the cash-generating units to which significant goodwill has been allocated, the need for an impairment was determined for the CGU NSM Magnettechnik GmbH. The increase in the discount rates by one percentage point and a simultaneous reduction in the cash flows by 10% led to a decrease in the value in use of NSM Magnettechnik GmbH in the amount of EUR 8,756 thousand. The difference between the value in use and the carrying amount was EUR 613 thousand on the balance sheet date. An increase in the WACC by 0.14% would have resulted in the value in use and the carrying amount being identical.

Property, plant and equipment

Property, plant and equipment is capitalised at acquisition or production cost and depreciated over its 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 intends to present assets with very long useful lives adjusted for inflation effects. The effects of inflation can cause the replacement costs of this property, plant and equipment to be significantly higher than the historical acquisition or production costs reduced by depreciation. The revaluation model thus has a capital preservation function.

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 carried out at fair value and 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). 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 recognised directly in equity under other comprehensive income through the revaluation reserve.

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

Expected useful lives	
Buildings	1 to 73 years
Outdoor facilities	2 to 33 years
Technical equipment and machinery	1 to 14 years
Other systems and machinery	1 to 23 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 their production costs. These assets begin to depreciate upon their completion or when they are ready for operational use.

If there are indications of impairment in value, the recoverable amount of the asset or the cash-generating unit is calculated based on its value in use to determine the extent of impairment. Impairment is recognised 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 that would have resulted if no impairment loss had been recognised for the asset in previous years. The reversal of the impairment loss is also recognised in profit or loss.

Investment properties

Investment properties are properties held for rental income and/or for capital appreciation purposes. In the MAX Group, the fair value model is applied to all investment properties rather than the amortised cost model. In the opinion of the management, the fair value model is the more relevant form of presenting a more accurate picture of the asset, financial and earnings position of the MAX Group. Fair value was determined using the income capitalisation 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 derecognised 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 realisable value and the carrying amount of the asset and is recognised 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 amortised cost. Long-term securities are assigned to the category “equity instruments not held for trading at fair value through other comprehensive income” due to the lack of trading intention (cf. IFRS 9 5.7.5). Accordingly, all changes in fair value are recognised in other comprehensive income as non-reclassified items. Dividend payments, on the other hand, are to be recognised in profit or loss according to this valuation model and are reported in income from securities held as financial assets.

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

Inventories

Inventories are recognised at lower of acquisition or production cost or net realisable value. In addition to production material and production wages, production costs also include material and production overheads that must be capitalised. 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 recognised when the net realisable value of an asset falls below its carrying amount.

Contract assets

The companies of the MAX Group generate their sales to a large extent from the creation and delivery of customer-specific equipment and machinery. For these orders, sales and the anticipated gross margin are recognised 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 sales and the associated costs are recognised systematically. Consequently, the results are recognised 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 method and can reliably estimate the planning costs and oversee the total costs using individualised project controlling.

With the percentage-of-completion method, the assessment of the degree of completion is of particular importance; it can also include estimates of the scope of supplies and services required to fulfil the contractual obligations. These material estimates include total estimated costs, total estimated sales, 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 recognised 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 and simultaneously accepted by the customer (acceptance reports). Sales from contracts with customers correspond 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 significant cancellation of revenue. The transaction price is not adjusted for a financing component since 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 based on 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 fulfilment of the performance obligation. With this method, sales and the associated costs

are recognised 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 share of sales 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 recognised at the time when the customer obtains control over the promised asset. This is usually when the machinery is delivered to the customer so that he acquires ownership or accepts delivery. Services rendered are recognised as sales upon their fulfilment. 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) exceeds the down payments, construction contracts are disclosed on the assets side under contract 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 contract liabilities. Partial services already invoiced are recognised under trade receivables. Anticipated contractual losses are considered based on recognisable risks and immediately included in the contract net profit in full. Contract revenue and contract modifications, in other words contractual changes and amendments, are recognised as contract revenue in accordance with IFRS 15. Contract assets are usually recognised 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.

Contract assets are tested for impairment using the simplified approach. 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 in accordance with the terms of the contract. Customer contracts are analysed 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 approach. 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 acquisition 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 based on 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 recognised in “Other comprehensive income,” net of retained earnings. Interest expense is reported under net interest.

Tax liabilities

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 consider all recognisable 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 recognised 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 recognised at their settlement amount discounted to the reporting date and disclosed under non-current liabilities. When a loss on a contract is likely, the company recognises the present obligation under the contract as a provision.

The determination of provisions for onerous contracts, warranty provisions, provisions for dismantling, decommissioning and similar obligations and provisions for legal disputes, regulatory procedures, and official investigations (legal disputes) involves estimates to a considerable extent. Provisions for onerous contracts with customers are recognised when the current estimated total costs exceed the estimated sales. Losses from contracts with customers are identified through ongoing monitoring of project progress and the updating of estimates. This requires to a considerable extent assessment regarding the fulfilment 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. This 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 a current provision. In addition, the outcome of proceedings can result in expenses for the company that exceed the provision made for the matter. Legal disputes can have a significant impact on the company's asset, financial and earnings position.

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

Liabilities

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

The subsidiary ELWEMA uses the option of reverse factoring to a limited extent as part of its management of working capital requirements, which enables supplier payment targets to be extended to up to 90 days. As of the balance sheet date, the option of reverse factoring was used for trade payables in the amount of EUR 5,173 thousand. These liabilities are reported under trade payables in accordance with their operational nature. Payment flows from reverse factoring are therefore reported in cash flow from operating activities.

Liabilities from leases are recognised 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

Contract 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. Contract 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 contract asset or contract liability is to be recognised 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.

As the lessee

On the provision date or when a contract containing a leasing component is changed, the company divides the contractually agreed fee based on 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 right-of-use granted 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 considers 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 is recognised at 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 Group. Typically, the company uses its incremental borrowing rate as the discount rate. The incremental borrowing rate of MAX Group results from the interest on the syndicated loan of the MAX Group. To the extent that an asset would not be acquired under a lease, the purchase of the corresponding asset would be financed via the Group's syndicated loan.

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

- 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,
- the exercise price of a purchase 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 amortised 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 change. 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 properties, 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 recognise 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 recognises 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 based on 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 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 based on its right-of-use from the main lease and not based on 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 recognised as an expense with a corresponding increase in equity over the period in which the employees acquire an unrestricted entitlement to their 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 recognised 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 recognised in profit or loss.

Statement of comprehensive income

Operating result

The operating result is the result of the continued sales-generating main activities of the MAX Group as well as the other income and expenses of the operating activity. The operating result does not include income from securities held as financial assets, the financial result and income taxes.

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

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, if the prerequisites for capitalisation as development costs in accordance with IAS 38 are not met.

Earnings per share

Undiluted earnings per share are calculated by dividing the profit after taxes attributable to the shareholders of MAX Automation SE by the weighted average number of shares outstanding in the financial year, adjusted for bonus shares issued in the financial year and excluding any treasury shares.

Diluted earnings per share are calculated assuming that all potentially dilutive securities are 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 recognised in profit or loss 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 using the closing rate method from their functional currency to the reporting currency at the mean spot exchange rate as of the balance sheet date.

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 recognised in equity without affecting profit or loss.

		Balance sheet: reporting date rate		Income statement: average rate	
	EUR=	31/12/2022	31/12/2021	31/12/2022	31/12/2021
China	CNY	7.35820	7.19470	7.08008	7.63401
Great Britain	GBP	0.88690	0.84030	0.85262	0.86000
Poland	PLN	4.68080	4.59690	4.68447	4.56404
Switzerland	CHF	0.98470	1.03310	0.98649	1.04081
Singapore	SGD	1.43000	1.52790	1.43126	1.54034
USA	USD	1.06660	1.13260	1.05388	1.18352

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 classified into the categories prescribed by IFRS – “at amortised cost,” “at fair value through other comprehensive income” (FVTOCI), and “at fair value through profit or loss” (FVTPL).

A financial asset is measured at amortised cost if both of the following conditions are met, and it is not designated as FVTOCI or FVTPL:

- it is held within a business model whose objective is to hold financial assets to collect the contractual cash flows; and
- the contractual terms of the financial asset give rise to cash flows at specified times that are solely payments of principal and interest on the principal outstanding.

The Group does not make use of the option to designate financial assets and liabilities as at fair value through profit or loss upon initial recognition (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 incurring unreasonable time and expense. This includes both quantitative and qualitative information and analysis based on the Group’s experience and sound judgement, 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 his loan obligation in full to the Group. The asset is written off if there is no reasonable expectation that the contractual cash flows will be realised.

Derivative financial instruments and hedging transactions

Derivative financial instruments are recognised at fair value at the time a derivative transaction is entered into and subsequently remeasured at fair value at the end of a reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the underlying hedging relationship.

The Group’s derivative instruments have not been designated for hedge accounting and are therefore classified as “held for trading” for accounting purposes and carried at fair value through profit or loss. They are presented

as current assets and liabilities to the extent that they are expected to be settled 12 months after the end of the reporting period.

More detailed information is provided under the chapter “Risk Management”.

Income taxes

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

Current or deferred taxes are recognised in the Consolidated Statement of Income unless they relate to items that are recognised either in other comprehensive income or directly in equity. In this case, the current or deferred taxes are also recognised in other comprehensive income or directly in equity. If current or deferred taxes result from the initial accounting for a business combination, the tax effects are included in the accounting for the business combination.

Current taxes

The current tax expense is determined based on the taxable income for the current financial year. The taxable income differs from the net profit for the year from the Consolidated Statement of Income due to expenses and income that are taxable or tax deductible in later years or never. The Group’s liability for current taxes is calculated based on the applicable tax rates.

Deferred taxes

Deferred taxes are recognised for differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences; deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the net income. No deferred tax liabilities are recognised on temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from temporary differences in connection with shares in subsidiaries are only recognised to the extent that it is probable that sufficient taxable income will be available against which the claims arising from the temporary differences can be utilised. In addition, one must be able to assume that these temporary differences will reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed each year as of the balance sheet date and reduced in value if it is no longer probable that sufficient taxable income will be available to realise all or part of the asset.

Deferred tax liabilities and tax assets are determined based on the tax rates and tax laws that are expected to apply when the liability is settled or the asset realised. The measurement of deferred tax assets and liabilities

reflects the tax consequences that would follow from the way the Group expects to settle the liability or realise the asset as of the reporting date.

Deferred taxes on interest carryforwards are capitalised if it is probable that the interest carryforward can be used in the future. Due to the capital structure of the Group and the future earnings development of results, it is expected that domestic interest carryforwards can be partially utilised.

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 eliminated completely during consolidation.

Scope of consolidation

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

On the balance sheet date, the scope of consolidation included a total of 30 subsidiaries and sub-subsidiaries in addition to MAX Automation SE.

In line with the clear strategic orientation, the current companies were divided into the segments bdtronic Group, Vecoplan Group, MA micro Group, AIM micro, iNDAT, NSM + Jücker, ELWEMA and Headquarters as well as Other.

The scope of consolidation is comprised as follows:

Number of companies included	2022	2021
AIM micro	1	1
bdtronic Group	7	7
ELWEMA	1	1
Headquarters (MAX Management)	1	1
iNDAT	1	1
MA micro Group	4	4
NSM + Jücker	3	3
Vecoplan Group	10	9
Other	2	3
Group	**30**	**30**

The direct and ultimate holding company of MAX Automation SE is Günther Holding SE with its registered office in Hamburg. It holds 58.97% (2021: 45.00%) of the ordinary shares in MAX Automation SE.

Changes in the scope of consolidation

The company IWM Automation Polska Sp.z.o.o., Zabrze, Poland was closed on 30 April 2022. The company was deconsolidated on 30 April 2022.

The re-transfer of the shares held by MAX Automation SE in MAX Automation (Asia Pacific) Co. Ltd, Hong Kong and its subsidiary MAX Automation (Shanghai) Co. Ltd, Shanghai, China to the joint venture partner Roger Li Liujie, which was requested on 30 June 2022 in accordance with the arbitration award of 18 October 2021, was completed on 11 August 2022. Therefore - in contrast to 31 December 2021 – no accounting is carried out according to the equity method.

On 7 November 2022, Vecoplan AG, Bad Marienberg, founded a new company in Strasbourg, France, under the company name Vecoplan France SAS.

EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(1) Intangible assets

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

EUR thousand	Concessions, industrial property rights and similar rights and assets, and licenses to such rights and assets	Internally generated intangible assets	Prepayments made and intangible assets under construction	Total
Acquisition or production cost				
01/01/2022	33,791	11,861	923	46,575
Change in scope of consolidation	-46	0	0	-46
Currency differences	35	0	0	35
Additions	553	0	1,241	1,794
Disposals	-921	-144	-90	-1,155
Reclassifications	470	0	-470	0
31/12/2022	33,882	11,717	1,604	47,203
Accumulated amortisation				
01/01/2022	31,188	11,589	140	42,917
Change in scope of consolidation	-46	0	0	-46
Currency differences	31	0	0	31
Additions	1,261	72	0	1,333
Impairment	39	0	0	39
Reversal of impairment	-695	0	0	-695
Disposals	-915	-144	-90	-1,149
Reclassifications	0	0	0	0
31/12/2022	30,863	11,517	50	42,430
Carrying amount				
31/12/2022	**3,019**	**200**	**1,554**	**4,773**

EUR thousand	Concessions, industrial property rights and similar rights and assets, and licenses to such rights and assets	Internally generated intangible assets	Prepayments made and intangible assets under construction	Total
Acquisition or production cost				
01/01/2021	31,697	11,861	1,104	44,662
Change in scope of consolidation	0	0	0	0
Currency differences	112	0	0	112
Additions	907	0	1,209	2,116
Disposals	-392	0	0	-392
Reclassifications	1,467	0	-1,390	77
31/12/2021	33,791	11,861	923	46,575
Accumulated amortisation				
01/01/2021	29,206	11,513	792	41,511
Change in scope of consolidation	0	0	0	0
Currency differences	104	0	0	104
Additions	1,175	76	0	1,251
Impairment	352	0	90	442
Disposals	-391	0	0	-391
Reclassifications	742	0	-742	0
31/12/2021	31,188	11,589	140	42,917
Carrying amount				
31/12/2021	**2,603**	**271**	**784**	**3,658**

Intangible assets include mainly licenses, computer software and websites. The internally generated intangible assets are primarily capitalised development costs of the Group companies.

At ELWEMA Automotive GmbH, reversals of impairment of EUR 695 thousand were recognised in the area of intangible assets, which resulted from the outcome of the impairment test. Due to the successful turnaround in the course of the financial year and the subsequent positive forecast for the planning years based on this, the impairment test resulted in a value in use of EUR 27,161 thousand, which is significantly higher than the net assets.

In the financial year, impairment losses of EUR 39 thousand were recorded for intangible assets.

(2) Goodwill

The reported goodwill comprises the following in detail:

EUR thousand	Goodwill	Total
Acquisition or production cost		
01/01/2022	63,058	63,058
Change in scope of consolidation	0	0
Currency differences	24	24
Additions	0	0
Disposals	0	0
Reclassifications	0	0
31/12/2022	63,082	63,082
Accumulated amortisation		
01/01/2022	24,447	24,447
Change in scope of consolidation	0	0
Currency differences	2	2
Additions	0	0
Disposals	0	0
Reclassifications	0	0
31/12/2022	24,449	24,449
Carrying amount		
31/12/2022	**38,633**	**38,633**

EUR thousand	Goodwill	Total
Acquisition or production cost		
01/01/2021	63,024	63,024
Change in scope of consolidation	0	0
Currency differences	34	34
Additions	0	0
Disposals	0	0
Reclassifications	0	0
31/12/2021	63,058	63,058
Accumulated amortisation		
01/01/2021	24,442	24,442
Change in scope of consolidation	0	0
Currency differences	5	5
Additions	0	0
Disposals	0	0
Reclassifications	0	0
31/12/2021	24,447	24,447
Carrying amount		
31/12/2021	**38,611**	**38,611**

Goodwill increased slightly in the financial year to EUR 38,633 thousand (previous year: EUR 38,611 thousand). The increase of EUR 22 thousand results from the currency translation of the Vecoplan Group.

EUR thousand	31/12/2022	31/12/2021
Goodwill	**38,633**	**38,611**
AIM micro	860	860
bdtronic Group	6,163	6,163
ELWEMA	0	0
Headquarter (MAX Management)	0	0
iNDAT	0	0
MA micro Group	11,664	11,664
NSM + Jücker	13,528	13,528
- thereof NSM Magnettechnik	*12,124*	*12,124*
- thereof Mess- und Regeltechnik Jücker GmbH	*1,403*	*1,403*
Vecoplan Group	6,418	6,396
Other	0	0

(3) Right-of-use assets

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

EUR thousand	Right-of-use assets
Acquisition or production cost	
01/01/2022	25,152
Change in scope of consolidation	-129
Currency differences	113
Additions	4,052
Disposals	-3,305
Reclassifications	0
31/12/2022	25,883
Accumulated amortisation	
01/01/2022	12,974
Change in scope of consolidation	-69
Currency differences	27
Impairment	522
Additions	4,627
Disposals	-3,274
Reclassifications	0
31/12/2022	14,808
Carrying amount	
31/12/2022	**11,075**

EUR thousand	Right-of-use assets
Acquisition or production cost	
01/01/2021	23,700
Change in scope of consolidation	0
Currency differences	191
Additions	4,635
Disposals	-3,374
Reclassifications	0
31/12/2021	25,152
Accumulated amortisation	
01/01/2021	9,061
Change in scope of consolidation	0
Currency differences	69
Impairment	2,786
Additions	4,387
Disposals	-3,329
Reclassifications	0
31/12/2021	12,974
Carrying amount	
31/12/2021	**12,178**

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

EUR thousand	31/12/2022	31/12/2021
Land and buildings	7,636	9,008
Technical equipment and machinery	1,049	1,254
Other plant and office equipment (vehicles - passenger cars)	1,478	1,298
Other plant and office equipment (industrial vehicles)	479	474
Other plant and office equipment (other)	433	144
Total right-of-use assets	**11,075**	**12,178**

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

EUR thousand	2022	2021
Depreciation of land and buildings	3,217	5,303
Depreciation of technical equipment and machinery	340	353
Depreciation of other plant and office equipment (vehicles - passenger cars)	1,145	1,164
Depreciation of other plant and office equipment (industrial vehicles)	175	63
Depreciation of other plant and office equipment (other)	272	290
Depreciation of right-of-use assets	**5,149**	**7,173**

Impairments of EUR 522 thousand were made in the financial year. These essentially related to the rights of use of iNDAT Robotics GmbH due to the initiated settlement.

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

EUR thousand	2022	2021
Additions land and buildings	1,776	2,895
Additions technical equipment and machinery	189	206
Additions other plant and office equipment (vehicles - passenger cars)	1,350	1,023
Additions other plant and office equipment (industrial vehicles)	180	499
Additions other plant and office equipment (other)	556	12
Disposals land and buildings	1,163	1,982
Disposals technical equipment and machinery	0	225
Disposals other plant and office equipment (vehicles - passenger cars)	1,128	872
Disposals other plant and office equipment (industrial vehicles)	41	65
Disposals other plant and office equipment (other)	974	230

The disposal of rights of use resulted in a book profit of EUR 91 thousand (previous year: book profit of EUR 1,234 thousand). The disposals result from the premature termination of leases.

(4) Property, plant and equipment

The impairments in the amount of EUR 122 thousand mainly resulted from impairment losses of operating and office equipment of MAX Automation SE.

At ELWEMA Automotive GmbH, reversals of impairment in the area of technical equipment and machinery in the amount of EUR 42 thousand and in the area of other equipment, operating and office equipment in the amount of EUR 205 thousand were recorded, which resulted from the outcome of the impairment test.

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. There were no significant fluctuations with regard to the value of the land and buildings. If the acquisition cost model had continued to be used, the carrying amount of the land and buildings as of 31 December 2022 would have been EUR 16,414 thousand (previous year: EUR 17,010 thousand).

EUR thousand	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Assets under construction	Pre-payments made	Total
Acquisition or production cost						
01/01/2022	37,163	22,414	24,180	1,065	476	85,298
Change in the scope of consolidation	0	0	0	0	0	0
Currency differences	193	37	177	0	0	407
Additions	311	727	2,510	3,651	322	7,521
Additions from revaluation	0	0	0	0	0	0
Disposals	-23	-856	-1,366	-166	-91	-2,502
Reclassifications	0	886	666	-849	-703	0
31/12/2022	37,644	23,208	26,167	3,701	4	90,724
Accumulated depreciation						
01/01/2022	7,058	16,286	18,488	235	0	42,067
Change in the scope of consolidation	0	0	0	0	0	0
Currency differences	14	34	119	0	0	167
Additions	1,039	1,860	1,911	0	0	4,810
Impairment	0	0	122	0	0	122
Reversal of impairment	0	-42	-205	0	0	-247
Disposals	-18	-742	-1,348	-163	0	-2,271
Reclassifications	0	0	0	0	0	0
31/12/2022	8,093	17,396	19,086	72	0	44,647
Carrying amount						
31/12/2022	**29,551**	**5,812**	**7,081**	**3,629**	**4**	**46,077**

EUR thousand	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Assets under construction	Pre-payments made	Total
Acquisition or production cost						
01/01/2021	36,760	22,115	22,656	486	104	82,121
Change in the scope of consolidation	0	0	0	0	0	0
Currency differences	232	78	249	0	0	559
Additions	288	937	2,064	1,038	372	4,699
Disposals	-202	-1,012	-790	0	0	-2,004
Reclassifications	85	296	1	-459	0	-77
31/12/2021	37,163	22,414	24,180	1,065	476	85,298
Accumulated depreciation						
01/01/2021	6,220	15,009	16,839	0	0	38,068
Change in the scope of consolidation	0	0	0	0	0	0
Currency differences	13	63	182	0	0	258
Additions	1,022	1,786	1,761	0	0	4,569
Impairment	0	130	364	235	0	729
Disposals	-197	-702	-658	0	0	-1,557
Reclassifications	0	0	0	0	0	0
31/12/2021	7,058	16,286	18,488	235	0	42,067
Carrying amount						
31/12/2021	**30,105**	**6,128**	**5,692**	**830**	**476**	**43,231**

(5) Investment properties

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 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 EUR 466 thousand (previous year: EUR 227 thousand) was generated in the financial year. The second property in Dettenhausen did not generate rental income in either the current or the previous year.

For the financial years 2023 to 2025, rental income of approx. EUR 343 thousand per year is expected based on the current rental agreements. In financial year 2026, rental income of EUR 223 thousand will still be generated, considering the basic rental period of the contracts, as well as EUR 73 thousand in financial year 2027. All rental contracts automatically self-renew at the end of the base lease term if they are not terminated.

Impairment losses of EUR 89 thousand (previous year: EUR 753 thousand) 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 property on Kesselbachstrasse, which is based on a lease 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 property in Dettenhausen was appraised mainly on the basis of the land values determined by the appraisal committee of the municipality of Dettenhausen.

In the financial year, EUR 180 thousand (previous year: EUR 166 thousand) in costs were incurred for the maintenance of the investment property, whereby EUR 170 thousand (previous year: EUR 151 thousand) was attributable to the property on Kesselbachstrasse and EUR 10 thousand (previous year: EUR 15 thousand) to the property in Dettenhausen. The development of the investment properties can be seen in the following table and follows the classic presentation of a schedule of assets:

EUR thousand	Investment properties
01/01/2022	**5,604**
Change in the scope of consolidation	0
Additions	0
Disposals	0
Impairment	-89
Transfer from being an owner-occupied property	0
31/12/2022	**5,515**

EUR thousand	Investment properties
01/01/2021	**6,357**
Change in the scope of consolidation	0
Additions	0
Disposals	0
Impairment	-753
Transfer from being an owner-occupied property	0
31/12/2021	**5,604**

(6) Other financial assets

As of 31 December 2022, other financial assets amounted to EUR 37,127 thousand (previous year: EUR 1,489 thousand). Compared to the previous year, they increased mainly due to the shares in ZEAL Network SE that were brought in as a contribution in kind (+ EUR 35,880 thousand). Due to the lack of intention to trade, this was assigned to the category “equity instruments not held for trading at fair value through other comprehensive income” (cf. IFRS 9 5.7.5). Accordingly, all changes in fair value are recognised in other comprehensive income as non-reclassified items. Dividend payments, on the other hand, are to be recognised in profit or loss according to this valuation model and are reported in income from securities held as financial assets.

In addition, the positive fair value from the market value measurement as of the balance sheet date of the long-term interest rate hedge concluded by MAX Automation SE is shown in this item (EUR 340 thousand). In addition, a tenant loan of EUR 863 thousand (previous year: EUR 711 thousand) and security deposits of EUR 44 thousand (previous year: EUR 31 thousand) also exist.

In the previous year, there was still a seller loan of EUR 530 thousand, which was provided in 2019 as part of the sale of ESSERT GmbH for the transitional financing of the company and the purchase price deferral. Furthermore,

there were also two vendor loans of EUR 218 thousand that are connected with the management buy-out of altmayerBTD GmbH & Co. KG in 2015. Both loans were paid in full in financial year 2022.

(7) Deferred taxes

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

EUR thousand	31/12/2022		31/12/2021	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Long-term balance sheet items				
A. Non-current assets	**32,159**	**6,497**	**31,064**	**6,461**
I. Intangible assets	150	717	439	724
II. Property, plant and equipment	386	5,721	420	5,678
III. Non-current financial assets	0	58	94	59
IV. Deferred tax assets for tax loss carryforwards including interest carryforward	31,623	0	30,111	0
B. Non-current liabilities	**1,128**	**59**	**866**	**0**
Short-term balance sheet items				
C. Current assets	**2,651**	**11,531**	**2,731**	**7,275**
I. Inventories and trade receivables	2,651	11,096	2,731	7,121
II. Current financial assets	0	435	0	154
D. Current liabilities	**1,658**	**29**	**598**	**232**
Subtotal	**37,596**	**18,115**	**35,259**	**13,968**
Value adjustments on loss carryforwards including interest carryforward	**-14,029**	**0**	**-18,513**	**0**
Netting	**-10,861**	**-10,861**	**-6,116**	**-6,116**
Total	**12,706**	**7,255**	**10,630**	**7,852**

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

Domestic trade tax losses of EUR 23,919 thousand (previous year: EUR 20,844 thousand) were carried forward at the parent company of the Group with deferred tax assets of EUR 3,313 thousand (previous year: EUR 2,887 thousand), and domestic corporation tax losses of EUR 26,985 thousand (previous year: EUR 22,008 thousand) were carried forward with deferred tax assets of EUR 4,272 thousand (previous year: EUR 3,484 thousand) and loss carryforwards from Section 4h EStG (interest barrier) in the amount of EUR 8,484 thousand (previous year: EUR 8,122 thousand) with deferred tax assets of EUR 1,271 thousand (previous year: EUR 2,150 thousand).

In addition, there are domestic trade tax loss carryforwards of EUR 70,381 thousand (previous year: EUR 69,360 thousand) and corporation tax loss carryforwards of EUR 73,545 thousand (previous year: EUR 70,688 thousand) as well as loss carryforwards from Section 4h EStG (interest barrier) of EUR 7,400 thousand (previous year: EUR 2,461 thousand) with deferred tax assets totalling EUR 21,634 thousand (previous year: EUR 20,524 thousand).

The domestic loss carryforwards including the interest carryforward of EUR 13,200 thousand (previous year: EUR 17,614 thousand) were not (no longer) capitalised. Due to the elimination of loss-making companies and the

positive planning of the remaining companies, the value adjustment for deferred taxes on loss carryforwards was reduced by EUR 4,414 thousand.

Foreign losses carried forward amounted to EUR 4,889 thousand (previous year: EUR 4,954 thousand). The related deferred tax assets of EUR 1,133 (thousand previous year: EUR 1,066 thousand) were not (no longer) recognised in the amount of EUR 828 thousand (previous year: EUR 899 thousand).

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 EUR 1,000 thousand and beyond this up to 60%.

The recoverability of the deferred tax assets on loss carryforwards was reviewed and ensured with sufficient certainty.

Of the deferred tax assets on loss carryforwards amounting to EUR 17,594 thousand (previous year: EUR 11,598 thousand), EUR 13,479 thousand (previous year: EUR 10,353 thousand) is covered by deferred tax liabilities. Deferred tax assets on loss carryforwards that are not covered by deferred tax liabilities and that arose in connection with losses recorded in previous periods amount to EUR 4,116 thousand (previous year: EUR 1,245 thousand). Measures geared to the short-term exploitation of losses have been and are being carried out.

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

EUR thousand	31/12/2022	31/12/2021
Deferred tax assets:		
- from deductible differences	5,973	5,148
- from tax losses carried forward	17,594	11,598
- Netting with deferred tax liabilities	-10,861	-6,116
Total deferred tax assets	**12,706**	**10,630**
Deferred tax liabilities:		
- from taxable temporary differences	18,114	13,968
- Netting with deferred tax assets	-10,861	-6,116
Total deferred tax liabilities	**7,254**	**7,852**

Deferred tax liabilities on temporary differences in shares in subsidiaries of EUR 1,740 thousand (previous year: EUR thousand 1,514) were not recognised since it is improbable that they will reverse in the foreseeable future.

Deferred taxes of EUR 2,253 thousand (previous year: EUR 2,784 thousand) were recognised in the Consolidated Statement of Financial Position as a reduction in equity relating to income and expenses recognised directly in equity. Of this, deferred taxes increasing equity were recorded on the following items: Costs for capital increases EUR 698 thousand (previous year: EUR 59 thousand) and IFRS adjustments using the modified retrospective method EUR 1,606 thousand (previous year: EUR 1,606 thousand). Deferred taxes on the following items were recognised to reduce equity: Actuarial gains and losses from employee benefits EUR 65 thousand (previous year: equity-increasing EUR 40 thousand), revaluation of property, plant and equipment EUR 3,708 thousand (previous year: EUR 3,705 thousand) and a change in use of real estate of EUR 784 thousand (previous year: EUR 784 thousand).

(8) Other non-current assets

Other non-current assets amounting to EUR 44 thousand (previous year: EUR 321 thousand) consist mainly of non-current trade receivables of EUR 44 thousand (previous year: EUR 319 thousand).

(9) Inventories

EUR thousand	31/12/2022	31/12/2021
Raw materials, consumables and supplies	35,546	21,327
Work in progress and services	24,944	16,145
Finished goods and services	23,122	9,799
Advance payments made	6,028	6,231
Inventories	**89,640**	**53,502**

Compared to the previous year, there was a change in inventories of finished goods and work in progress of EUR 21,563 thousand (previous year: EUR 3,550 thousand) 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 allowances of EUR 5,207 thousand (previous year: EUR 10,583 thousand).

(10) Contract assets and trade receivables

EUR thousand	31/12/2022	31/12/2021
Contract assets	42,389	36,965
thereof receivables from construction contracts	*210,841*	*163,602*
thereof advances received for construction contracts	*-168,452*	*-126,637*
Trade receivables	42,742	34,971
Specific valuation allowance	-2,359	-2,998
Expected credit loss	-590	-175
Total	**82,182**	**68,763**

The change in contract assets resulted from a relatively strong increase in the segment bdtronic Group. This is due to stronger order intake in 2022, especially in the area of dispensing technology. The order backlog of EUR 303.3 million as of 31 December 2022 will essentially be realised within the next 12 months.

The increase in trade receivables is mainly attributable to ELWEMA as well as NSM + Jücker. In these two segments as well, this is due to increased order intake attributable to a rising demand from the automotive and beverage industries.

The development of contract assets is presented in detail below:

Contract assets	EUR thousand
31/12/2021	**36,872**
Reclassifications from contract assets to trade receivables	-26,706
Changes due to the adjustment of progress	127,694
Impairment of contract assets	-172
Changes due to prepayments received	-95,564
31/12/2022	**42,124**

(11) Prepayments, accrued income and other current assets

EUR thousand	31/12/2022	31/12/2021
Receivables towards tax authorities	5,311	5,106
Accruals and deferred income	2,439	2,120
Creditors with debit balances	188	155
Receivables from employees	179	169
Research allowances	160	461
Security deposits	37	47
Other receivables	1,582	1,546
Total	**9,896**	**9,604**

(12) Cash and cash equivalents

Cash and cash equivalents of EUR 35,699 thousand (previous year: EUR 30,186 thousand) include cash in hand, checks and deposits with banks.

Equity and liabilities

Equity

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

(13) Subscribed capital

The fully paid-in share capital of the company amounts to EUR 41,243,181. In the course of the capital increase with subscription rights, it increased by EUR 11,783,766 compared to the previous year (EUR 29,459,415).

The share capital is divided into 41,243,181 no-par value shares issued in the name of the bearer. Each share therefore has a theoretical value of EUR 1.00.

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 that represent a plurality of shares (collective shares). The shareholders have no entitlement to certification of their shares.

Pursuant to Section 5 (7) of the Articles of Association, the Supervisory Board is authorised to increase the share capital of the company on one or more occasions by 27 May 2026 by up to a total of EUR 2,945,941 by issuing new registered no-par value shares against cash and/or non-cash contributions (Authorised Capital 2021).

In principle, the shareholders are to be granted a subscription right. To this end, provision may also be made for the shares to be taken over by one or more credit institutions or other companies meeting the requirements of Section 186 (5) 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders for subscription. However, the Supervisory Board is authorised to exclude this subscription right for shareholders (i) for fractional amounts; (ii) if the new shares are issued against cash contributions at an issue price that is not significantly lower than the stock exchange price of the shares of the company already listed; this authorisation is limited to the issue of shares whose proportionate amount of the share capital does not exceed a total of 10% of the share capital of the company. The decisive factor is the share capital at the time the authorisation becomes effective or – if this value is lower – at the time the authorisation is exercised; The authorisation volume shall be reduced by the pro rata amount of share capital attributable to shares or to which option or conversion rights or obligations under bonds relate that have been issued or sold since 28 May 2021 subject to the exclusion of subscription rights in direct, analogous or mutatis mutandis application of Section 186 (3) 4 AktG; (iii) if the new shares are issued against contributions in kind in the context of mergers with companies or in the context of the acquisition of companies, parts of companies or shareholdings in companies, including the increase of existing shareholdings, or of other assets eligible for contribution in connection with such an acquisition project, including receivables from the company.

The proportionate amount of the share capital attributable to shares for which the subscription right is excluded on the basis of the above authorisations, together with the proportionate amount of the share capital attributable to shares or to which option or conversion rights or obligations relate from bonds that have been issued or sold since 28 May 2021 using other authorisations to exclude subscription rights, may not exceed 10%. The amount of the share capital as of 28 May 2021 or – if this value is lower – as of the time of the utilisation of the authorisation shall be decisive. The exclusion of subscription rights shall also be deemed to apply if the issue is made by direct, analogous or mutatis mutandis application of Section 186 (3) 4 of the German Stock Corporation Act (AktG).

The Supervisory Board made partial use of the authorisation pursuant to Section 5 (7) of the Articles of Association (Authorised Capital 2021) with a resolution dated 28 March 2022, confirmed by a resolution of the Supervisory Board dated 13 April 2022, and increased the company's share capital from EUR 29,459,415.00 to EUR 41,243,181.00. As a result, Authorised Capital 2021 was reduced from originally EUR 14,729,707.00 to EUR 2,945,941.00. By resolution of the Supervisory Board of 13 April 2022 in accordance with Section 22 (6) SEAG in conjunction with Section 179 (1) sentence 2 AktG in conjunction with Section 17 (2) of the Articles of Association, the amount of the share capital and the number of shares in Section 5 (1) and (2) of the Articles of Association and the amount of Authorised Capital 2021 in Section 5 (7) of the Articles of Association have been changed accordingly.

As of 13 April 2022, MAX Automation SE successfully placed the subscription rights capital increase from authorised capital against cash contributions and a contribution in kind resolved on 28 March 2022. Making partial use of the authorised capital, the company's share capital increased from EUR 29,459,415.00 by EUR 11,783,766.00 (corresponding to 40.00% of the current share capital) to EUR 41,243,181.00. The company received gross proceeds of EUR 3,058,138.16 against the issue of 721,259 new shares by way of a capital increase against cash contributions. A total of 11,062,507 new shares were issued to Günther Holding SE against

contribution in kind, for which Günther Holding SE contributed a total of 1,274,594 shares in ZEAL Network SE ("ZEAL") as contribution in kind, corresponding to a 5.69% share in ZEAL. A total of 11,783,766 new registered shares with an arithmetical share in the share capital of EUR 1.00 each were thus issued. The new shares carry full dividend rights from 1 January 2021. The new shares were included in the existing listing on the regulated market of the Frankfurt Stock Exchange and in the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange on 21 April 2022 after the capital increase was entered in the commercial register on 14 April 2022.

(14) Capital reserves and revenue reserves

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

The capital reserves include the premium of EUR 15,990 thousand from the capital increase from Authorised Capital II approved on 15 August 2017. Costs for the capital increase less the relevant taxation in the amount of EUR 138 thousand were deducted from this amount. Furthermore, the capital reserve increased by EUR 36,664 thousand as part of the capital increase carried out on 13 April 2022, whereby transaction costs after taxes of EUR 1,516 thousand were deducted directly.

Revenue reserves reflect the actuarial gains and losses of the pension provisions and income taxes. They amounted to EUR 153 thousand in 2022 (previous year: EUR -96 thousand).

In addition, the revenue reserves contain the adjustment entries of IFRS 15 (Revenue from Contracts with Customers). As a result of the conversion carried out in financial year 2018 in accordance with the modified retrospective method, revenue reserves were reduced by a total of EUR 4,044 thousand. This includes the adjustment of contract assets by a reduction of EUR 48,193 thousand, the adjustment of inventories by an increase of EUR 42,543 thousand and the adjustment of deferred taxes by an increase of EUR 1,606 thousand.

(15) Revaluation reserve and result from equity instruments measured at fair value with no effect on profit or loss

The revaluation reserve includes the changes in value resulting from the application of the revaluation model according to IAS 16 as well as value adjustments of properties that are reclassified from owner-occupied properties to investment properties. The amount of EUR 11,355 thousand is composed of land and buildings revalued in 2019 in the amount of EUR 13,018 thousand and deferred tax liabilities of EUR 3,707 thousand recognised thereon and EUR 2,829 thousand from value adjustments from the reclassification of properties to investment properties together with deferred taxes of EUR 785 thousand.

The result from equity instruments measured at fair value without effect on profit or loss amounted to EUR -11,094 thousand in the financial year and related to the change in the fair value of the share in ZEAL Network SE contributed as part of the capital increase in 2022.

(16) Balance sheet loss

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 financial statements) and is determined in accordance with German commercial law. For 2022, unappropriated retained losses of EUR -71,031 thousand are reported in the individual financial statements of MAX Automation SE.

The Supervisory Board proposes a dividend pay-out of EUR 0.00 per share from the unappropriated retained earnings for the year. The corresponding amount to be distributed is EUR 0 thousand.

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. This is to be taken into account by continuously improving the result through growth and increased efficiency. Further information on this can be found in the Group Management Report in the chapter entitled Control System.

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

(17) Non-current financial liabilities

EUR thousand	31/12/2022	31/12/2021
Non-current loans less current portion	**116,964**	**1,030**
Residual term 1-5 years	116,964	1,030
Residual term > 5 years	0	0
Other non-current liabilities	**9**	**9**
Residual term 1-5 years	9	9
Residual term > 5 years	0	0
Total	**116,973**	**1,039**

The non-current loans relate to liabilities to banks and include the syndicated loan of the parent company in the amount of EUR 116,434 thousand (previous year: EUR 0 thousand).

Non-current loans less current portion

On 16 February 2022, MAX Automation SE prematurely concluded a new syndicated loan with its long-standing banking partners Deutsche Bank, HypoVereinsbank/UniCredit and the LBBW Group under the lead management of Commerzbank. The credit facility was refinanced at standard market conditions. As before, the total volume of the syndicated loan is EUR 190 million with a term of three years, plus two extension options of one year each. The covenants in the syndicated loan agreement include minimum values for the absolute equity and the absolute EBITDA of the last 12 months of the MAX Group. These were complied with in financial year 2022. The liabilities from the syndicated loan are reported under long-term loans due to their maturity.

The companies included in the syndicated loan are jointly and severally liable for the obligations arising from this agreement. Utilisation is considered unlikely, as the creditworthiness of the debtors is ensured by their membership in the MAX Automation Group. The interest is calculated based on the EURIBOR plus a margin resulting from the key figures.

The old syndicated loan agreement existing since 2017 was terminated effective 18 February 2022. The liabilities under the current syndicated loan agreement were repaid in full on 18 February 2022 and refinanced by drawing on the new syndicated loan agreement.

(18) Pension provisions

Pension provisions recognised in the Statement of Financial Position result from commitments to employees of a subsidiary. The defined benefit obligations in the MAX Group are not financed through funds.

The following main assumptions were made in the actuarial calculations:

EUR thousand	31/12/2022	31/12/2021
Interest rate	3.80%	1.00%
Salary growth	No	No
Pension dynamics	2.0%	2.0%
Calculated fluctuation	No	No
Calculated retirement age	65 years	65 years

Cost trends in healthcare were not taken into account in the actuarial assumptions.

The present value of the pension obligations developed as follows:

EUR thousand	31/12/2022	31/12/2021
As of 01/01/	949	1,057
Service cost	0	0
Interest cost	9	5
Actuarial gains/losses	-354	-57
Pensions paid	-53	-56
Offsetting of pension liability insurance	0	0
Pension provisions	**551**	**949**

Actuarial gains and losses were recorded outside of profit or loss.

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

EUR thousand	2022	2021	2020	2019	2018
Balance sheet value of pension provisions	551	949	1,057	1,048	950
Allocated plan assets	0	0	0	0	0

The decrease in obligations was mainly due to deaths.

In addition to the pension payments (EUR 41 thousand), interest expenses of EUR 20 thousand are expected to be incurred in 2023.

A sensitivity analysis was not carried out with respect to the pension obligations due to their relative insignificance for the asset, financial and earnings position of the MAX Group.

(19) Trade payables

EUR thousand	2022	2021
Trade payables	25,341	22,051
Liabilities from deliveries still to be invoiced and outstanding assembly services	11,842	8,150
Liabilities to subcontractors	1,955	1,954
Trade payables	**39,138**	**32,155**

(20) Contract liabilities

Contract liabilities	EUR thousand
01/01/2022	**59,522**
Sales included in contract liabilities at the beginning of the period	-54,055
Increase due to customer payments received less the amount recognised as sales during the period	57,853
Changes due to the adjustment of progress	-2,220
Reclassifications from trade payables	0
Other changes	0
31/12/2022	**61,100**

The slight increase in contract liabilities is mainly attributable to the Vecoplan Group. The main opposing effect comes from the MA micro Group.

(21) Current loans and current portion of non-current loans

Short-term bank loans of EUR 543 thousand (previous year: EUR 86,320 thousand) were utilised. Interest rates at market conditions are charged for the loans. The current liabilities from the previous year essentially stem from the parent company's old syndicated loan and were repaid in full on 18 February 2022.

(22) Leases

Leasing activities of the MAX Group

The MAX Group leases various office and production buildings, technical equipment and machinery, vehicles and operating and office equipment. Leasing contracts are generally concluded for fixed periods but may provide for extension options. Leasing terms are negotiated individually and include a variety of different conditions.

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

EUR thousand	31/12/2022	31/12/2021
Undiscounted lease liabilities		
Residual term < 1 year	5,057	5,104
Residual term 1-5 years	8,683	10,296
Residual term > 5 years	999	1,496
Total undiscounted lease liabilities	**14,739**	**16,896**
Future interest expense	782	967
Total discounted lease liabilities	**13,957**	**15,929**

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

EUR thousand	2022	2021
Interest for land and buildings	408	369
Interest for technical plant and machinery	27	31
Interest for other plant and office equipment (vehicles – passenger cars)	73	59
Interest for other plant and office equipment (industrial vehicles)	28	9
Interest for other plant and office equipment (other)	23	11
Total interest for leases	**559**	**479**

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

Terms in years	MAX	MIN
Land and buildings	**20**	**1**
Technical plant and machinery	**6**	**2**
Other plant and office equipment (vehicles – passenger cars)	**5**	**1**
Other plant and office equipment (industrial vehicles)	**8**	**3**
Other plant and office equipment (other)	**10**	**1**

The following table shows the cash outflows for leases:

EUR thousand	2022	2021
Total cash outflows for leases	**6,483**	**5,650**

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

EUR thousand	2022	2021
Interest expenses for leasing contracts	**559**	**479**
Expenses for short-term leasing contracts	**75**	**26**
Expenses for leases for assets of low value	**293**	**132**

Extension options

Some leases contain renewal or termination options not previously recognised in the lease liability that are exercisable by the MAX Group up to one year prior to the expiry of the non-cancellable lease term. The MAX Group assesses on the provision date whether the exercise of renewal options or termination options are sufficiently certain. The MAX Group reassesses whether the exercise of a renewal option or termination option is reasonably certain upon the occurrence of a significant event or significant change in circumstances within its control.

The MAX Group estimates that the potential future lease payments, if the renewal or termination options are exercised, would result in a lease liability of approximately EUR 6,803 thousand (previous year: EUR 7,413 thousand).

(23) Other current financial liabilities and lease liabilities

EUR thousand	31/12/2022	31/12/2021
Salaries and wages	10,351	7,767
Holiday pay and overtime	4,303	3,581
Social security liabilities	860	865
Customers with credit balances	636	998
Negative fair values of derivative financial instruments	0	63
Other current liabilities	1,285	2,256
Total other current liabilities	**17,435**	**15,530**
Lease liabilities	4,705	4,713
Total lease liabilities	**4,705**	**4,713**

Wages and salaries include bonuses and royalties amounting to EUR 7,737 thousand (previous year: EUR 6,507 thousand).

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

(24) Liabilities from income taxes

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

The uniform tax rate of 15% plus a 5.5% solidarity surcharge applies to corporation tax, while the trade tax rate is about 14% on average, resulting in an average domestic tax rate of 29.83%. Outside Germany, the MAX Group primarily generates taxable income in the US. The uniform tax rate in the US (Federal Tax) is 21%. The average tax rate including state tax is 23.67% (previous year: 23.48%).

Provisions for taxes developed as follows:

EUR thousand	31/12/2021	Utilisation	Reversals	Additions	Reclassi-fications	Currency translation	31/12/2022
Corporation tax including solidarity surcharge	358	-38	-4	2	0	0	318
Trade tax	52	0	-21	4	0	0	35
Other taxes	251	0	0	1,006	0	-19	1,238
Total liabilities	**661**	**-38**	**-25**	**1,012**	**0**	**-19**	**1,591**

Further explanatory notes on income taxes are provided in section 34 “Income taxes.”

(25) Other provisions

Other provisions comprise the following:

EUR thousand	31/12/2021	Utilisation	Reversals	Reclassi-fications	Additions	31/12/2022
Long-term warranty provisions	2,207	213	360	305	440	2,379
Long-term provisions for personnel costs	2,563	67	0	0	898	3,394
Other miscellaneous long-term provisions	10	0	0	0	0	10
Total other long-term provisions	**4,780**	**280**	**360**	**305**	**1,338**	**5,783**
Warranty provisions	3,494	544	1,579	-305	1,875	2,941
Personnel cost provisions	1,329	758	306	0	482	747
Other miscellaneous provisions	5,087	2,585	969	0	6,596	8,129
Total other current provisions	**9,910**	**3,887**	**2,854**	**-305**	**8,953**	**11,817**

Warranty and guarantee provisions

Provisions were recognised for warranty and guarantee obligations for products sold. Measurement was based on figures from experience. The assumptions underlying the calculations are based on currently available information on complaints for all products sold within the warranty or guarantee period. These 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 due to the special audit ordered regarding the acquisition of the AIM Group by the MAX Group in 2013 of EUR 1,560 thousand (previous year: EUR 0 thousand), for auditing and consulting costs of EUR 1,434 thousand (previous year: EUR 1,462 thousand) and for other matters of EUR 5,135 thousand (previous year: EUR 3,626 thousand). These costs are expected to be incurred in the next financial 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.

(26) Other current liabilities

This position in the amount of EUR 3,174 thousand (previous year: EUR 2,539 thousand) consists of sales tax in the amount of EUR 1,618 thousand (previous year: EUR 1,109 thousand) as well as wage and church tax in the amount of EUR 1,556 thousand (previous year: EUR 1,430 thousand).

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(27) Sales

The following tables show sales by segment:

2022 EUR thousand	bdtronic Group	Vecoplan Group	MA micro Group	AIM micro	iNDAT
Total segment sales	**65,171**	**173,958**	**64,318**	**6,041**	**2,308**
Intercompany sales	1	32	1	0	108
Sales with external customers	**65,170**	**173,926**	**64,317**	**6,041**	**2,200**
Timing of revenue recognition					
At a certain time	38,287	156,356	15,643	6,041	483
Over a period of time	26,883	17,570	48,674	0	1,717
Sales by regions					
Germany	25,376	25,251	18,587	3,110	1,994
Other EU countries	17,790	43,601	199	1,505	206
North America	6,161	73,028	22,909	30	0
China	8,530	0	26	0	0
Rest of the world	7,313	32,046	22,596	1,396	0
Intercompany sales	1	32	1	0	108

2022 EUR thousand	NSM + Jücker	ELWEMA	Other	Recon-ciliation	Total
Total segment sales	**57,054**	**40,473**	**466**	**-596**	**409,193**
Intercompany sales	50	417	0	-609	0
Sales with external customers	**57,004**	**40,056**	**466**	**13**	**409,193**
Timing of revenue recognition					
At a certain time	20,222	11,401	466	13	248,912
Over a period of time	36,782	28,655	0	0	160,281
Sales by regions					
Germany	17,958	4,710	466	13	97,465
Other EU countries	17,658	5,661	0	0	86,620
North America	6,338	818	0	0	109,284
China	6,028	10,424	0	0	25,008
Rest of the world	9,022	18,443	0	0	90,816
Intercompany sales	50	417	0	-609	0

2021 EUR thousand	bdtronic Group	Vecoplan Group	MA micro Group	AIM micro	iNDAT
Total segment sales	**57,264**	**127,113**	**62,208**	**5,157**	**10,089**
Intercompany sales	2	0	1	0	646
Sales with external customers	**57,262**	**127,113**	**62,207**	**5,157**	**9,443**
Timing of revenue recognition					
At a certain time	39,178	84,056	8,290	5,157	1,382
Over a period of time	18,084	43,057	53,917	0	8,061
Sales by regions					
Germany	22,818	22,146	10,320	2,968	8,668
Other EU countries	18,045	33,401	229	1,190	665
North America	6,779	56,479	34,990	0	0
China	5,750	2	52	0	0
Rest of the world	3,870	15,085	16,616	999	110
Intercompany sales	2	0	1	0	646

2021 EUR thousand	NSM + Jücker	ELWEMA	Other	Recon-ciliation	Total
Total segment sales	**51,678**	**34,018**	**2,412**	**-861**	**349,078**
Intercompany sales	6	197	19	-871	0
Sales with external customers	**51,672**	**33,821**	**2,393**	**10**	**349,078**
Timing of revenue recognition					
At a certain time	16,789	13,785	1,438	10	170,085
Over a period of time	34,883	20,036	955	0	178,993
Sales by regions					
Germany	17,335	4,361	1,076	10	89,702
Other EU countries	9,258	8,186	1,317	0	72,291
North America	6,161	1,496	0	0	105,905
China	11,428	4,024	0	0	21,256
Rest of the world	7,490	15,754	0	0	59,924
Intercompany sales	6	197	19	-871	0

(28) Other operating income

EUR thousand	2022	2021
Income from the reversal of provisions	3,984	4,454
Income from currency differences	2,155	2,344
Income from the reduction of value adjustments	1,050	1,124
Income from the intended use of personnel-related liabilities	699	1,320
Income from damages	127	212
Income from disposal or modification of right-of-use assets	91	1,234
Income from the derecognition of liabilities	0	2,628
Other	2,566	6,525
Total	**10,672**	**19,841**

The item “Other” amounting to EUR 2,566 thousand (previous year: EUR 6,525 thousand) includes benefits in kind amounting to EUR 701 thousand (previous year: EUR 722 thousand).

(29) Cost of materials

EUR thousand	2022	2021
Cost of goods purchased	176,390	146,249
Cost of services purchased	40,932	28,447
Total	**217,322**	**174,696**

(30) Personnel expenses

EUR thousand	2022	2021
Salaries and wages	113,162	103,268
Social security contributions	20,552	19,281
- thereof expenses for pensions and benefits	1,140	721
Total	**133,714**	**122,549**

Wages and salaries include expenses of EUR 696 thousand (previous year: EUR 1,325 thousand) incurred for the remuneration of management within the framework of IFRS 2 (share-based payments). In addition, severance payments of EUR 3,200 thousand (previous year: EUR 1,105 thousand) were included in personnel expenses in the financial year.

Average number of employees excluding trainees	2022	2021
Wage-earners	454	455
Salaried employees	1,139	1,140
Total	**1,593**	**1,595**

(31) Depreciation, amortisation and impairment losses

EUR thousand	2022	2021
On intangible assets	676	1,694
On right-of-use assets	5,149	7,173
On other property, plant and equipment	3,647	4,278
On buildings, leasehold improvements and outside facilities	1,038	1,020
On current assets	243	0
- in the above amortisation from purchase price allocation	175	227
Total	**10,753**	**14,165**

Amortisation of intangible assets includes impairment losses of EUR 561 thousand (previous year: EUR 3,228 thousand), of which impairment losses of EUR 522 thousand (previous year: EUR 2,786 thousand) were attributable to right-of-use assets. Depreciation of property, plant and equipment includes impairment losses of EUR 121 thousand (previous year: EUR 729 thousand). Further information on impairment losses can be found in the chapters on the respective categories of fixed assets.

At ELWEMA Automotive GmbH, reversals of impairment of EUR 695 thousand were recognised in the area of intangible assets, of EUR 42 thousand for technical equipment and machines and of EUR 205 thousand for other equipment, operating and office equipment, which resulted from the outcome of the impairment test.

(32) Other operating expenses

EUR thousand	2022	2021
Legal and consultancy fees	7,625	7,159
Travel expenses	5,679	3,767
Outbound freight expenses	5,546	4,515
Maintenance expenses	4,701	3,966
Postage, telephone and IT expenses	2,980	2,502
Personnel expenses (incl. training)	2,877	2,652
Advertising costs	2,457	1,499
Expenses from currency effects	2,090	2,068
Warranty expenses	2,078	1,560
Insurance expenses	2,077	1,654
Utility expenses	1,942	1,730
Sales commissions	1,689	1,284
Packaging material	1,327	944
Expenses for individual and general bad-debt allowances	1,298	1,695
Trade fair costs	1,021	539
Other occupancy costs	1,006	874
Tools	946	749
Contributions and fees	538	440
Other miscellaneous expenses	10,207	10,353
Total	**58,084**	**49,950**

Other operating expenses increased by EUR 8,134 thousand to EUR 58,084 thousand (previous year: EUR 49,950 thousand). The change is mainly due to the increase in travel expenses by EUR 1,912 thousand, outbound freight by EUR 1,031 thousand and advertising costs by EUR 958 thousand.

(33) Financial result

EUR thousand	2022	2021
Income from securities held as financial assets	2,677	0
Interest income	432	17
Depreciation on loans	0	-359
Interest expense	-9,075	-7,984
Financial result	**-5,966**	**-8,326**

The income from securities held as financial assets includes the first dividend of EUR 2.10 per share from the shares in ZEAL Network SE, which was resolved at the Annual General Meeting of ZEAL Network SE on 30 June 2022. The dividend was paid on 8 July 2022.

Interest income increased mainly due to the interest rate hedge concluded by MAX Automation SE on a long-term basis; the positive fair value from the market value assessment is shown in this item.

The impairments on loans in 2021 include the value adjustment of a vendor loan related to the management buy-out of altmayerBTD GmbH & Co. KG in 2015.

Interest expenses mainly include interest expenses incurred for the syndicated loan. In addition, interest in the amount of EUR 559 thousand (previous year: EUR 479 thousand) in connection with lease liabilities is included.

The financial result includes expenses from the compounding of non-current provisions in the amount of EUR 16 thousand (previous year: EUR 21 thousand) and income from the discounting of non-current provisions amounting to EUR 5 thousand (previous year: EUR 8 thousand).

With the exception of income from interest rate hedges, 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:

EUR thousand	2022	2021
Financial assets and liabilities measured at fair value through profit and loss	183	-126
Loans, receivables and payables	-703	-863

The net gains or losses of financial assets and liabilities measured at fair value through profit or loss include the results from the market change as well as the current expenses and income of these financial instruments.

The net gains or losses on loans, receivables and liabilities include, in addition to current income or expenses, reversals of impairment and impairments on trade receivables as well as reversals of impairment and impairments on contract assets.

(34) Income taxes

Earnings before income taxes amounted to EUR 16,020 thousand (previous year: EUR 3,232 thousand).

EUR thousand	2022	2021
Current income taxes	-3,030	-1,957
Income taxes relating to other periods	-118	-34
Deferred taxes	2,100	-2,132
– thereof taxes from losses carried forward	6,002	-1,988
Total	**-1,048**	**-4,123**

The current 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 recognised through profit or loss in tax expense unless they related to items previously recognised directly in equity.

The main accounting approaches for deferred taxes and loss carryforwards are explained in Note 7 “Deferred taxes.”

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

EUR thousand	2022	2021
Earnings before taxes	**16,020**	**3,232**
Group income tax rate	29.68%	29.68%
Calculated income tax expense in the financial year	**4,755**	**959**
Differences from tax rates	-51	58
Divergent tax burdens (country-specific features)	-345	-529
Tax Credits	145	-273
Deductible income taxes	266	300
Deviations in tax base (tax balance sheets)	290	-44
Interest barrier	910	1,090
Non-deductible expenses	1,072	464
Tax-free income	-17	-9
Impairment / Non-recognition of deferred tax assets for losses carried forward	536	2,950
Write-up / Subsequent recognition of deferred tax assets on loss carryforwards	-5,916	-707
Usage of losses carried forward	-480	-665
Impairment / Non-recognition of deferred tax assets	-1	-15
Taxes relating to other periods / Adjustment of prior years' deferred taxes	43	177
Currency translation differences	-17	-10
Non-recognition of deferred taxes related to IFRS 16	-86	482
Taxes to be borne by third parties	-59	-120
Differences in current year's tax calculation	-4	53
Other	7	-37
Income taxes	**-1,048**	**-4,123**
Effective tax rate	**6.54 %**	**127.57 %**

The expected income tax expense is calculated by multiplying the annual result before income taxes by the tax rate of the Group parent company. Beside the additions from the interest barrier amounting to EUR 910 thousand (previous year: EUR 1,090 thousand), changes in loss carryforwards totalling EUR 5,916 thousand (previous year: EUR 707 thousand) influenced income taxes.

The reconciliation statement of the previous year was adjusted to reflect the current presentation.

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 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 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows

The Consolidated Statement of Cash Flows is prepared using the indirect method. The change in deferred taxes is included in other non-cash expenses and income.

The tables below show the changes in liabilities from financing activities:

EUR thousand	31/12/2021	Outflows	Inflows	Other changes	Changes in lease contracts	Reclassi-fication	Currency effects	31/12/2022
Non-current financial liabilities to banks [1]	1,030	-500	117,500	-1,066	0	0	0	116,964
Current financial liabilities to banks [1]	86,320	-86,617	0	840	0	0	0	543
Lease liabilities [2]	15,929	-6,483	0	559	4,013	0	-61	13,957
Total	**103,279**	**-93,600**	**117,500**	**333**	**4,013**	**0**	**-61**	**131,464**

1) In addition, interest payments on financial liabilities to banks totalled EUR 7,665 thousand. The accrued interest is shown in chapter 23 "Other current financial liabilities and lease liabilities." Other changes resulted from the application of the effective interest method.
2) Lease liabilities accounted for total interest payments of EUR 484 thousand.

EUR thousand	31/12/2020	Outflows	Inflows	Other changes	Changes in lease contracts	Reclassi-fication	Currency effects	31/12/2021
Non-current financial liabilities to banks	114,235	-30,686	15,000	809	0	-98,328	0	1,030
Current financial liabilities to banks[1)]	804	-15,117	1,968	337	0	98,328	0	86,320
Lease liabilities[2)]	17,990	-5,650	0	479	2,962	0	148	15,929
Total	**133,028**	**-51,453**	**16,968**	**1,625**	**2,962**	**0**	**148**	**103,279**

1) In addition, interest payments on financial liabilities to banks totalled EUR 5,020 thousand. The accrued interest is shown in Chapter 23 "Other current financial liabilities and lease liabilities." Other changes resulted from the application of the effective interest method.
2) Leasing liabilities accounted for total interest payments of EUR 463 thousand.

Research and Development

Development costs totalling EUR 1,928 thousand (previous year: EUR 2,316 thousand) were incurred in 2022. Of these, no intangible assets had to be capitalised in accordance with IAS 38 (previous year: EUR 0 thousand). Amortisation of development costs of EUR 72 thousand (previous year: EUR 76 thousand) was recognised; there were no impairment losses in 2022 (previous year: EUR 0 thousand).

Risk Management

General information on financial risks

The MAX Group can be exposed to various risks from 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 risks are risks of an economic loss if a counterparty fails to meet its contractual or payment obligations. These risks basically comprise 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 basically 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 individual allowances to be recognised for receivables in the event of a default event, an allowance for expected losses has also been recognised in accordance with IFRS 9. Financial assets of the Group that are subject to the expected credit loss model are trade receivables and contract 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 contract assets.

In order to measure the expected credit losses, trade receivables and contract 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 the interest effect into account.

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

Impairment Matrix as of 31 December 2022	Default rate %	Gross book value trade receivables & Contract assets EUR thousand	Expected credit loss EUR thousand
Customer specific	1.06%	36,700	389
Automotive America	1.48%	2,331	35
Automotive Europe	0.73%	3,879	28
Automotive Asia	0.43%	5,186	22
Energy America	0.41%	1,962	8
Industries Europe	0.35%	3,175	11
Mechanical engineering Europe	0.27%	2,687	7
Machinery distributor Europe	0.27%	1,569	4
Food & Beverage Europe	0.23%	6,574	15
Pharmaceutical & healthcare industry Europe	0.20%	1,596	3
Mechanical engineering Asia	0.16%	1,866	3
Others	0.37%	17,606	65
Total	**0.69%**	**85,131**	**590**

Impairment Matrix as of 31 December 2021	Default rate %	Gross book value trade receivables & Contract assets EUR thousand	Expected credit loss EUR thousand
Customer specific	0.33%	22,906	73
Automotive Asia	0.27%	4,495	12
Automotive Europe	0.27%	11,975	31
Mechanical engineering Europe	0.22%	3,904	8
Industries Europe	0.15%	2,957	4
Pharmaceutical & healthcare industry Europe	0.09%	2,778	3
Industries America	0.15%	1,838	3
Recycling Europe	0.14%	1,912	3
Food & Beverage Europe	0.11%	4,822	5
Hungary	0.16%	1	0
Others	0.24%	14,349	33
Total	**0.25%**	**71,937**	**175**

Furthermore, depreciation of contract assets and trade receivables was performed on a case-by-case basis in the amount of EUR 2,359 thousand (previous year: EUR -2,998 thousand).

Trade receivables with a contractual value of EUR 51 thousand that have been written off are still subject to enforcement measures.

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:

Expected credit loss	
EUR thousand	**Trade receivables & contract assets (simplified approach)**
Expected credit loss as of 1 January 2022	**175**
increase	593
decrease	-147
currency translation differences and others	-31
Expected credit loss as of 31 December 2022	**590**

Opening balance gross book value as of 1 January 2022	71,937
Closing balance gross book value as of 31 December 2022	85,131

Expected credit loss	
EUR thousand	**Trade receivables & contract assets (simplified approach)**
Expected credit loss as of 1 January 2021	**183**
increase	384
decrease	-404
currency translation differences and others	12
Expected credit loss as of 31 December 2021	**175**

Opening balance gross book value as of 1 January 2021	62,344
Closing balance gross book value as of 31 December 2021	71,937

Liquidity risk

The MAX Group monitors the risk of a potential liquidity bottleneck by using 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, reverse factoring and equity instruments. The MAX Group has sufficient sources of financing at its disposal.

The subsidiary ELWEMA uses the option of reverse factoring to a limited extent as part of its management of working capital requirements, which enables supplier payment targets to be extended to up to 90 days. As of the balance sheet date, the option of reverse factoring was used for trade payables in the amount of EUR 5,173 thousand. There is no concentration risk as a result.

In operational liquidity management, the short-and medium-term cash flows of the companies are summarised 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 2022, the financial liabilities of the MAX Group resulted in the following cash outflows from interest and principal payments:

EUR thousand	Book value 31/12/2022	Cash flow up to 1 year	Cash flow 1 to 5 years	Cash flow over 5 years
Non-derivative financial liabilities				
Financial liabilities	117,506	8,262	126,700	0
Trade payables (excluding advance payments received)	39,138	39,138	0	0
Other interest-bearing and non-interest-bearing liabilities	34,575	25,669	8,693	999
Cash outflows from derivative financial instruments				
- Currency derivatives	121	2,915	0	0
- Interest rate derivatives	340	74	0	0
Cash inflows from derivative financial instruments				
- Currency derivatives	121	3,036	0	0
- Interest rate derivatives	340	70	0	0

EUR thousand	Book value 31/12/2021	Cash flow up to 1 year	Cash flow 1 to 5 years	Cash flow over 5 years
Non-derivative financial liabilities				
Financial liabilities	87,350	88,452	1,048	0
Trade payables (excluding advance payments received)	32,155	32,155	0	0
Other interest-bearing and non-interest-bearing liabilities	34,007	22,586	10,305	1,496
Cash outflows from derivative financial instruments				
- Currency derivatives	-63	1,695	0	0
- Interest rate derivatives	0	0	0	0
Cash inflows from derivative financial instruments				
- Currency derivatives	-63	1,633	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 orientation. These risks can have a negative impact on the asset, financial and earnings position of the Group. The general economic conditions are constantly monitored, and relevant market information is considered in order to evaluate and assess the risks.

The MAX 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 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 sales are measured in foreign currency and the associated costs are in euros. Exchange rate fluctuations are partly hedged by using the appropriate hedging instruments.

Foreign currency forwards are used to minimise 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 can 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:

EUR thousand	Nominal volume		Fair value	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Forward exchange transactions (sale)	2,915	1,695	121	-63

Financial instruments for currency hedging

The currency sensitivity analyses are based on the following assumptions:

Primary financial instruments that 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 (EUR thousand)	Impact on the annual Group result	
	2022	2021
Revaluation 10%	37	-506
Devaluation 10%	-45	619

GBP sensitivity analysis (EUR thousand)	Impact on the annual Group result	
	2022	2021
Revaluation 10%	-40	-25
Devaluation 10%	48	31

CNY sensitivity analysis (EUR thousand)	Impact on the annual Group result	
	2022	2021
Revaluation 10%	-98	-7
Devaluation 10%	119	9

SGD sensitivity analysis (EUR thousand)	Impact on the annual Group result	
	2022	2021
Revaluation 10%	73	65
Devaluation 10%	-90	-79

The CHF and PLN risks have been subjected to a sensitivity analysis but had no significant impact.

Interest rate risks

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

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

In the financial year, the MAX Group concluded an interest rate swap with a nominal amount of EUR 15,000 thousand and a term until 24 March 2025. The secured interest rate is 2.18%.

There is an interest cap arrangement in a nominal amount of EUR 56 thousand – 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.

EUR thousand	Nominal volume		Fair value	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Interest rate derivatives	15,056	94	340	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 amortised 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 that 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 (EUR thousand)	Impact on the annual Group result	
	2022	2021
Revaluation 100 basis points	-1,201	-410
Devaluation 100 basis points	25	29

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.

Categorisation of financial instruments

Financial assets and liabilities exist for the categories “at amortised cost,” “at fair value with changes in value in profit and loss” and, since financial year 2022, also for the category “at fair value with changes in value in other comprehensive income.”

EUR thousand		31/12/2022			31/12/2021		
	Valuation category according to IFRS 9	Book value	Fair Value Level 1	Fair Value Level 2	Book value	Fair Value Level 1	Fair Value Level 2
Financial assets							
Investments	FVTOCI	35,880	35,880		0	0	
Derivative financial instruments	FVTPL	340		340	0		0
Borrowings	AC	863		863	1,458		1,500
Trade receivables	AC	40,059			31,892		
Cash and cash equivalents	AC	35,699			30,186		
Other financial assets	AC	4,629			4,821		
Financial liabilities							
Loans	AC	117,506		117,506	87,350		87,350
Trade payables	AC	39,138			32,155		
Derivative financial instruments	FVTPL	0		0	63		63
Other financial liabilities	AC	3,632			4,233		

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: Financial instruments traded on active markets whose quoted prices were adopted unchanged for measurement.
- Level 2: The valuation is based on valuation methods whose influencing factors are derived directly or indirectly from observable market data.
- Level 3: The valuation is based on valuation techniques whose influencing factors used are not exclusively based on observable market data.

The fair value of the loan is calculated from the present value of the corresponding future cash flows, taking the interest rate applicable on the balance sheet date into account.

Earnings per share

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

EUR thousand	2022	2021
Profit attributable to the shareholders of MAX Automation SE used to determine the undiluted / diluted earnings per share	14,688	-1,401

Number	2022	2021
Weighted average number of shares used as denominator to calculate undiluted / diluted earnings per share	37,950,183	29,459,415

in EUR	2022	2021
Undiluted / diluted earnings per share due to shareholders of MAX Automation SE	0.39	-0.05

The number of shares issued as of 31 December 2022 is 41,243,181.

Segment reporting

Segment	bdtronic Group		Vecoplan Group	
Reporting period	**2022**	**2021**	**2022**	**2021**
	EUR thousand	**EUR thousand**	**EUR thousand**	**EUR thousand**
Order intake	**93,368**	**60,849**	**171,313**	**176,312**
Order backlog	**52,341**	**24,025**	**97,533**	**98,157**
Segment sales	**65,171**	**57,264**	**173,958**	**127,113**
- With external customers	65,170	57,262	173,926	127,113
- Inter-segment sales	1	2	32	0
Segment operating profit before depreciation & amortisation (EBITDA)	**9,389**	**9,114**	**19,673**	**17,536**
EBITDA margin (in %, in relation to sales)	**14.4%**	**15.9%**	**11.3%**	**13.8%**
Reversal of impairment	0	0	0	0
Depreciation/amortisation	-2,700	-2,594	-3,377	-2,765
Impairment	0	0	0	0
Segment operating profit (EBIT before PPA amortisation)	**6,689**	**6,520**	**16,296**	**14,771**
Amortisation from purchase price allocation	-175	-195	0	0
Goodwill Impairment	0	0	0	0
Segment operating profit after PPA amortisation (EBIT)	**6,514**	**6,325**	**16,296**	**14,771**
Income from securities held as financial assets	0	0	0	0
Interest and similar income	0	0	250	199
Interest and similar expenses	-663	-412	-500	-291
Segment result from ordinary activities (EBT)	**5,851**	**5,913**	**16,046**	**14,679**
Non-current segment assets (excluding deferred tax)	**18,727**	**19,609**	**26,565**	**24,417**
- thereof Germany	12,632	14,585	21,959	19,706
- thereof other EU countries	4,923	3,792	102	104
- thereof North America	957	953	4,387	4,461
- thereof rest of the world	215	279	117	146
Investments in non-current segment assets	**1,739**	**1,616**	**4,112**	**2,156**
Working capital	**24,902**	**17,922**	**16,253**	**9,827**
ROCE (in %)[1)]	**15.6%**	**17.1%**	**43.9%**	**35.6%**
Net debt	**-15,429**	**-9,876**	**25,582**	**25,685**
Average number of employees, excluding trainees	**410**	**415**	**484**	**439**

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 properties and goodwill based on the twelve-month average.

Segment	MA micro Group		AIM micro	
Reporting period	**2022**	**2021**	**2022**	**2021**
	EUR thousand	**EUR thousand**	**EUR thousand**	**EUR thousand**
Order intake	**20,974**	**79,582**	**5,111**	**6,737**
Order backlog	**41,681**	**83,907**	**4,132**	**5,060**
Segment sales	**64,318**	**62,208**	**6,041**	**5,157**
- With external customers	64,317	62,207	6,041	5,157
- Inter-segment sales	1	1	0	0
Segment operating profit before depreciation & amortisation (EBITDA)	**11,216**	**6,940**	**1,771**	**1,580**
EBITDA margin (in %, in relation to sales)	**17.4%**	**11.2%**	**29.3%**	**30.6%**
Reversal of impairment	0	0	0	0
Depreciation/amortisation	-2,106	-1,855	-453	-249
Impairment	0	0	0	0
Segment operating profit (EBIT before PPA amortisation)	**9,110**	**5,085**	**1,318**	**1,331**
Amortisation from purchase price allocation	0	0	0	0
Goodwill Impairment	0	0	0	0
Segment operating profit after PPA amortisation (EBIT)	**9,110**	**5,085**	**1,318**	**1,331**
Income from securities held as financial assets	0	0	0	0
Interest and similar income	166	222	0	2
Interest and similar expenses	-186	-152	-98	-26
Segment result from ordinary activities (EBT)	**9,090**	**5,155**	**1,220**	**1,307**
Non-current segment assets (excluding deferred tax)	**4,760**	**5,854**	**1,596**	**1,247**
- thereof Germany	4,538	5,572	1,596	1,247
- thereof other EU countries	0	0	0	0
- thereof North America	37	30	0	0
- thereof rest of the world	185	252	0	0
Investments in non-current segment assets	**775**	**1,028**	**439**	**480**
Working capital	**-7,181**	**-20,755**	**1,749**	**1,725**
ROCE (in %)[1)]	**74.8%**	**294.7%**	**31.6%**	**42.4%**
Net debt	**22,568**	**24,132**	**-2,421**	**-2,194**
Average number of employees, excluding trainees	**203**	**178**	**24**	**23**

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 properties and goodwill based on the twelve-month average.

Segment	iNDAT		NSM + Jücker	
Reporting period	**2022**	**2021**	**2022**	**2021**
	EUR thousand	**EUR thousand**	**EUR thousand**	**EUR thousand**
Order intake	**-1,075**	**6,567**	**74,694**	**56,471**
Order backlog	**365**	**3,717**	**54,778**	**36,989**
Segment sales	**2,308**	**10,089**	**57,054**	**51,678**
- With external customers	2,200	9,443	57,004	51,672
- Inter-segment sales	108	646	50	6
Segment operating profit before depreciation & amortisation (EBITDA)	**-8,378**	**-8,842**	**5,597**	**5,814**
EBITDA margin (in %, in relation to sales)	**-363.0%**	**-87.6%**	**9.8%**	**11.3%**
Reversal of impairment	0	0	0	0
Depreciation/amortisation	-275	-935	-946	-742
Impairment	-484	-3,968	0	-73
Segment operating profit (EBIT before PPA amortisation)	**-9,137**	**-13,745**	**4,651**	**4,999**
Amortisation from purchase price allocation	0	0	0	-32
Goodwill Impairment	0	0	0	0
Segment operating profit after PPA amortisation (EBIT)	**-9,137**	**-13,745**	**4,651**	**4,967**
Income from securities held as financial assets	0	0	0	0
Interest and similar income	107	30	5	46
Interest and similar expenses	-256	-286	-245	-119
Segment result from ordinary activities (EBT)	**-9,286**	**-14,001**	**4,411**	**4,895**
Non-current segment assets (excluding deferred tax)	**5**	**5**	**11,011**	**9,313**
- thereof Germany	5	5	11,011	9,313
- thereof other EU countries	0	0	0	0
- thereof North America	0	0	0	0
- thereof rest of the world	0	0	0	0
Investments in non-current segment assets	**0**	**401**	**1,985**	**364**
Working capital	**1,929**	**2,630**	**22,760**	**11,836**
ROCE (in %)[1)]	**-391.2%**	**-153.2%**	**11.3%**	**15.9%**
Net debt	**1,226**	**3,772**	**-7,422**	**5,643**
Average number of employees, excluding trainees	**52**	**99**	**256**	**258**

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 properties and goodwill based on the twelve-month average.

Segment	ELWEMA		Other	
Reporting period	**2022**	**2021**	**2022**	**2021**
	EUR thousand	**EUR thousand**	**EUR thousand**	**EUR thousand**
Order intake	**60,263**	**38,286**	**0**	**-2,316**
Order backlog	**52,478**	**32,219**	**0**	**0**
Segment sales	**40,473**	**34,018**	**466**	**2,412**
- With external customers	40,056	33,821	466	2,393
- Inter-segment sales	417	197	0	19
Segment operating profit before depreciation & amortisation (EBITDA)	**2,886**	**-431**	**-340**	**3,354**
EBITDA margin (in %, in relation to sales)	**7.1%**	**-1.3%**	**-73.0%**	**139.1%**
Reversal of impairment	942	0	0	0
Depreciation/amortisation	-617	-358	-37	-123
Impairment	-38	0	-27	0
Segment operating profit (EBIT before PPA amortisation)	**3,173**	**-789**	**-404**	**3,231**
Amortisation from purchase price allocation	0	0	0	0
Goodwill Impairment	0	0	0	0
Segment operating profit after PPA amortisation (EBIT)	**3,173**	**-789**	**-404**	**3,231**
Income from securities held as financial assets	0	0	0	0
Interest and similar income	13	75	14	76
Interest and similar expenses	-565	-701	-125	-145
Segment result from ordinary activities (EBT)	**2,621**	**-1,415**	**-515**	**3,162**
Non-current segment assets (excluding deferred tax)	**6,156**	**5,302**	**5,643**	**5,681**
- thereof Germany	6,156	5,302	5,643	5,611
- thereof other EU countries	0	0	0	70
- thereof North America	0	0	0	0
- thereof rest of the world	0	0	0	0
Investments in non-current segment assets	**229**	**712**	**52**	**19**
Working capital	**11,365**	**6,937**	**-30**	**922**
ROCE (in %)[1)]	**24.5%**	**-4.2%**	**-8.1%**	**52.5%**
Net debt	**-10,555**	**-6,794**	**-119**	**1,623**
Average number of employees, excluding trainees	**148**	**163**	**0**	**6**

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 properties and goodwill based on the twelve-month average.

Segment	Reconciliation[2]		Group	
Reporting period	**2022**	**2021**	**2022**	**2021**
	EUR thousand	**EUR thousand**	**EUR thousand**	**EUR thousand**
Order intake	**0**	**0**	**424,648**	**422,488**
Order backlog	**0**	**93**	**303,308**	**284,167**
Segment sales	**-596**	**-861**	**409,193**	**349,078**
- With external customers	13	10	409,193	349,078
- Inter-segment sales	-609	-871	0	0
Segment operating profit before depreciation & amortisation (EBITDA)	**-9,075**	**-9,342**	**32,739**	**25,723**
EBITDA margin (in %, in relation to sales)	**-**	**-**	**8.0%**	**7.4%**
Reversal of impairment	0	0	942	0
Depreciation/amortisation	-326	-360	-10,837	-9,981
Impairment	-134	84	-683	-3,957
Segment operating profit (EBIT before PPA amortisation)	**-9,535**	**-9,618**	**22,161**	**11,785**
Amortisation from purchase price allocation	0	0	-175	-227
Goodwill Impairment	0	0	0	0
Segment operating profit after PPA amortisation (EBIT)	**-9,535**	**-9,618**	**21,986**	**11,558**
Income from securities held as financial assets	2,677	0	2,677	0
Interest and similar income	-123	-633	432	17
Interest and similar expenses	-6,437	-5,852	-9,075	-7,984
Segment result from ordinary activities (EBT)	**-13,418**	**-16,462**	**16,020**	**3,233**
Non-current segment assets (excluding deferred tax)	**68,781**	**33,666**	**143,244**	**105,094**
- thereof Germany	68,781	33,666	132,321	95,007
- thereof other EU countries	0	0	5,025	3,966
- thereof North America	0	0	5,381	5,444
- thereof rest of the world	0	0	517	677
Investments in non-current segment assets	**-16**	**41**	**9,315**	**6,817**
Working capital	**-163**	**-456**	**71,584**	**30,588**
ROCE (in %)[1]	**-**	**-**	**13.9%**	**7.8%**
Net debt	**-109,194**	**-115,923**	**-95,764**	**-73,932**
Average number of employees, excluding trainees	**16**	**14**	**1,593**	**1,595**

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 properties and goodwill based on the twelve-month average.

2) The column "Reconciliation" contains the values of the parent company, the values of another holding company as well as consolidations for the purpose of eliminating business transactions between the segments. It serves to reconcile the segment information to the Group figures.

The breakdown of the segments into the areas bdtronic Group, Vecoplan Group, MA micro Group, AIM micro, iNDAT, NSM + Jücker, ELWEMA and Other corresponds to the current status of internal reporting. The allocation to the respective segment is made on the basis of the products and services offered. The "Other" segment includes the companies IWM Bodensee GmbH and IWM Automation GmbH i.L., which have ceased their operational activities. IWM Automation Polska Sp.z.o.o. was also shown here until it was deconsolidated on 30 April 2022.

Further information on the business operations of the individual companies is provided in the Group Management Report in the chapter "Business model."

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 companies MAX Automation SE and MAX Management GmbH since these are holding companies and therefore have no operational activities. Hence, the reconciliation column mainly contains personnel, interest and other operating expenses, as well as income from securities held as financial assets of the holding companies.

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

Other performance indicators included in the Segment Report are the average headcount, investments, order intake and the order backlog position. In general, sales from the current order backlog are expected to be realised in the next financial year.

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.

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

Projects accounted for revenue of EUR 318,847 thousand (previous year: EUR 276,417 thousand), while sales of EUR 90,346 thousand (previous year: EUR 72,661 thousand) were generated by business with service and spare parts.

In 2022, sales of EUR 43,556 thousand were generated with one customer; in the previous year, no customer accounted for more than 10% of sales.

Events after the reporting period

With a decision dated 31 January 2023, the Dusseldorf Higher Regional Court rejected MAX Automation SE's appeal against the Dusseldorf Regional Court's decision of 26 July 2022, thereby the court appointment of the auditor Dr. Lars Franken, Essen, as special auditor was confirmed. The circumstances in connection with the acquisition of the AIM Group by the then M.A.X. Automation AG (now MAX Automation SE) in 2013 are the subject of the special audit. Automation AG (now MAX Automation SE) in 2013. MAX Automation SE will cooperate with the special auditor in a trusting manner in accordance with the statutory provisions.

Other financial obligations

The following financial obligations from other non-cancellable contracts exist as of 31 December 2022:

EUR thousand	2022	2021
up to 1 year	1,759	2,007
1 to 5 years	176	458
over 5 years	26	111
Total	**1,961**	**2,576**

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 2022, MAX Automation SE was a company dependent on Orpheus Capital II GmbH & Co. KG, LS Digital & Management Services GmbH & Co. KG, as well as Othello Drei Beteiligungs GmbH & Co. KG, each with their registered office in 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. Othello Drei Beteiligungs GmbH & Co.KG joined the voting agreement on 14 April 2022. 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 as well as Othello Drei Beteiligungs GmbH & Co. KG is Oliver Jaster, Germany. Control results from a majority shareholding in MAX Automation SE. No control or profit and loss transfer agreement has been concluded between MAX Automation SE and Orpheus Capital II GmbH & Co. KG, LS Digital & Management Services GmbH & Co. KG or Othello Drei Beteiligungs GmbH & Co. KG. MAX Automation SE is included in the Consolidated Financial Statements of Günther SE, Bamberg. The Consolidated Financial Statements of Günther SE, as the largest group of consolidated companies, are disclosed in the electronic Federal Gazette (HRB 142504).

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

Related companies

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

A consulting contract was concluded with LS Digital & Management Service GmbH & Co. KG on 12 January 2022 with regard to the real estate inventory and strategy consulting. The consulting services purchased in this context during the financial year amounted to EUR 12 thousand.

Related persons

Business transactions with related natural persons totalled EUR 19 thousand (previous year: EUR 6 thousand). These relate to travel expenses incurred by Members of the Supervisory Board.

Auditor

Expenses for fees charged by the auditor of EUR 1,059 thousand (previous year: EUR 695 thousand) were incurred in the year under review.

EUR thousand	2022	2021
1. Audit services	714	695
a) Services for current year	716	663
b) Services for prior year	-2	32
2. Other assurance services	345	0
Total	**1,059**	**695**

Other confirmation services related to a comfort letter for a securities prospectus in connection with the capital increase carried out in the financial year and to covenant confirmation services for the syndicated loan agreement concluded in the financial year.

Services in connection with the auditor's review of the half-year financial report pursuant to Section 115 (5) WpHG were recorded under audit services.

Organs of MAX Automation SE

Since its conversion into an SE on 8 February 2018, MAX Automation SE has had a monistic management structure, characterised by the fact that the management of the SE is the responsibility of a unified management body, the Supervisory Board. The Managing Directors of MAX Automation SE manage the company's business with the objective of creating sustainable value in joint responsibility. They implement the basic guidelines and requirements set by the Supervisory Board.

Managing Directors

Dr. Christian Diekmann, Hamburg, CEO

Member of the following other supervisory bodies:

- Chairman of the Supervisory Board of Vecoplan AG, Bad Marienberg
- Chairman of the Supervisory Board of Peter Kölln GmbH & Co. KGaA
- Member of the Advisory Board of DINSE GmbH

Dr. Ralf Guckert, Hamburg, COO

Member of the following other supervisory bodies:

- Member of the Supervisory Board of Vecoplan AG, Bad Marienberg
- Member of the Advisory Board of all4cloud GmbH & Co. KG, Viernheim

Hartmut Buscher, Dusseldorf, CFO (from 1 October 2022)

Member of the following other supervisory bodies:

- Member of the Advisory Board of Günther Direct Services GmbH, Bamberg (Günther SE Group-internal mandate)

Total remuneration of the Managing Directors

The Managing Directors of MAX Automation SE were granted total benefits of EUR 2,265 thousand (previous year: EUR 2,476 thousand) in financial year 2022. Of this amount, EUR 1,569 thousand (previous year: EUR 1,791 thousand) was accounted for by short-term benefits, EUR 0 thousand (previous year: EUR 300 thousand) by termination benefits and EUR 696 thousand (previous year: EUR 385 thousand) by share-based payments in the financial year. Provisions of EUR thousand 769 (previous year: EUR thousand 530) were made for bonuses and royalties on the balance sheet date.

The total remuneration of the Managing Directors is comprised of fixed and variable remuneration components. The fixed components include the fixed annual salary and fringe benefits. Fringe benefits are in the form of benefits in kind, which mainly consist of the use of a company car and rent subsidies for a flat. As a component of remuneration, the benefits in kind are taxable for the individual Managing Directors. Remuneration from the D&O insurance could not be quantified for the Managing Directors of MAX Automation SE, as this was a Group insurance policy covering a number of employees.

In addition, the Managing Directors receive variable remuneration consisting of a one-year Short-Term Incentive ("STI") and a four-year Long-Term Incentive ("LTI").

The STI for the Managing Directors is structured as a target bonus system that incentivises the achievement of the company's annual operational targets. For this purpose, the Supervisory Board sets quantitative and qualitative targets at the beginning of each financial year. Depending on the degree of achievement of these targets, the pay-out amount from the STI is calculated for the respective financial year. The quantitative targets used to measure performance within the STI relate to the performance indicators EBITDA, ROCE or order intake. In each year, at least one of these performance measures is set as a quantitative performance criterion for the STI. The qualitative targets are derived individually from the business plans for the various business units and areas of responsibility of the Managing Directors. These are either structural in nature or project-related. For these qualitative goals, milestones are defined by the Supervisory Board based on the planning. The degree of target achievement can be determined transparently with the help of these milestones. The goals set are interlinked. In addition, the share of quantitative goals outweighs that of qualitative goals. The STI is paid out in a one-off payment no later than two months after the approval of the Consolidated Financial Statements. The STI pay-out amount is calculated by multiplying the STI target amount agreed within the Managing Director contracts by the overall STI target achievement. The total STI target achievement can be between 0% and 150%.

The starting point of the four-year LTI is a personal investment by each Managing Director in shares of MAX Automation SE ("MAX shares"), the amount of which is determined individually but cannot exceed 26% of the fixed salary ("annual investment"). For the annual investment, the company grants the Managing Director virtual MAX shares ("phantom shares") equivalent to 2.5 times the annual investment ("allocation value"). The phantom shares grant the Managing Director a claim to payment of a gross amount (phantom share payment) in the amount of the settlement value multiplied by the number of phantom shares, which arises after the end of the total four-year performance period. The settlement value is the average price of the last 90 trading days of the MAX shares in Xetra trading on the Frankfurt Stock Exchange prior to the settlement date. The payment from the LTI is made in the form of a one-time payment and cannot exceed an individually agreed maximum amount, but not more than 500% of the allocation value (cap).

The fair value of the phantom share programme was determined in accordance with the regulations of IFRS 2 (Share-based Payment) on the basis of the closing price of the ordinary share of MAX Automation SE on the Frankfurt Stock Exchange in XETRA trading.

On the reporting date of 31 December 2022, a total of 196,312 phantom shares (previous year: 87,562) were taken into account for all beneficiaries in the determination of value, based on the settlement value determined on the grant date. The fair value amounts to EUR 948 thousand (previous year: EUR 385 thousand). 108,750 new phantom shares (previous year: 87,562) were granted in financial year 2022, which are included in the aforementioned total number of phantom shares. The fair value of the new phantom shares granted in the financial year amounts to EUR 525 thousand (previous year: EUR 385 thousand). This corresponds to the intrinsic value of the vested rights.

The provision for the phantom share programme in the amount of EUR 1,650 thousand (previous year: EUR 954 thousand) is reported under non-current liabilities within other provisions. Expenses arising from share-based payments in financial year 2022 totalled EUR 696 thousand (previous year: EUR 385 thousand).

MAX Automation SE explicitly points out at this point that no forecasts regarding the development on the company's share price can be derived from the calculations explained above. This is exclusively the application of the calculation methodology prescribed by IFRS 2 (Share-based Payment).

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

Members of the Supervisory Board

Guido Mundt, Dusseldorf

Freelance advisor to banks, family offices and hedge funds

Chairman of the Supervisory Board

Member of the following other supervisory bodies:

- Member and Chairman of the Supervisory Board of Bankhaus Bauer AG, Essen
- Member of the Supervisory Board of Oddo BHF AIF Plc. Dublin (Ireland)

Oliver Jaster, Hamburg

Sole member of the Supervisory Board of Günther Holding SE, Hamburg

Deputy Chairman of the Supervisory Board

Member of the following other supervisory bodies**:**

- Member of the Supervisory Board of ZEAL Network SE, Hamburg
- Member of the Advisory Board of all4cloud GmbH & Co. KG, Viernheim
- Chairman of the Advisory Board of Günther Direct Services, Bamberg
- Sole member of the Supervisory Board of Günther SE, Bamberg

Hartmut Buscher, Dusseldorf

Managing Director (CFO) and CFO of Günther Holding SE, Hamburg

Member of the Supervisory Board

Member of the following other supervisory bodies:

- Member of the Advisory Board of Günther Direct Services, Bamberg (Günther SE Group-internal mandate)

Dr. Wolfgang Hanrieder, Planegg

Independent private investor, advisor and fund representative ScaleUp-Fonds Bayern, Bayern Kapital GmbH, Landshut

Member of the Supervisory Board

Member of the following other supervisory bodies:

- No membership in other supervisory bodies

Karoline Kalb, Augsburg

Independent lawyer

Member of the Supervisory Board

Member of the following other supervisory bodies:

- No membership in other supervisory bodies

Dr. Nadine Pallas, Munich

Partner, Rechtsanwälte Sauter & Pallas Rechtsanwälte Partnerschaft mbB, Munich (continuation of Sauter & Wurm GbR, Munich) and Partner, Rechtsanwälte Gauweiler & Sauter PartGmbB, Munich

Member of the Supervisory Board

Member of the following other supervisory bodies:

- Deputy Chairwoman of the Supervisory Board of Rathgeber AG, Munich
- Member of the Advisory Board of F.X. Meiller Beteiligungs GmbH, Munich
- Member of the Advisory Board of F.X. Meiller Gelände GmbH & Co. KG, Munich
- Member of the Advisory Board of Meiller Gärten Hausverwaltung und Servicegesellschaft mbH, Munich

Total remuneration of the Supervisory Board

The remuneration of the Supervisory Board for 2022 amounted to EUR 624 thousand (previous year: EUR 273 thousand). On the balance sheet date, there were liabilities from remuneration claims from members of the Supervisory Board in the amount of EUR 474 thousand (previous year: EUR 217 thousand).

In addition to reimbursement of their expenses, the Chairman of the Supervisory Board receives EUR 80 thousand, the Deputy Chairman EUR 60 thousand and the remaining members of the Supervisory Board EUR 40 thousand as remuneration after the end of the financial year. Furthermore, the chairman of a committee of the Supervisory Board receives EUR 25,000 and each other member of a committee EUR 20,000 for each full financial year. Also, the members of the Supervisory Board receive an attendance fee of EUR 1,500 for each meeting of the Supervisory Board or its committees that they attend. Only one committee is taken into account. If a member of the Supervisory Board is also appointed Managing Director of the company and already receives remuneration as such, this member does not receive any separate remuneration for his or her work as a Supervisory Board member.

The members of the Supervisory Board did not receive any loans or advances in financial year 2022.

SHAREHOLDINGS SUBJECT TO NOTIFICATION PURSUANT TO SECTION 160 (1) NO. 8 AKTG

SHAREHOLDINGS SUBJECT TO NOTIFICATION PURSUANT TO SECTION 160 (1) NO. 8 AKTG

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 29,459,415 voting rights.

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.

On 12 April 2022, MAX Automation released a statement pursuant to Section 40 (1) WpHG that it received notification on 11 April 2022 that Monega Kapitalanlagegesellschaft mbH, Cologne, Germany, had increased its voting rights on 11 April 2022 from 2.87% to 3.04% through the sale of shares with voting rights and now holds 895,348 voting rights of the total number of 29,459,415 voting rights.

On 14 April 2022, MAX Automation published pursuant to Section 40 (1) WpHG that it received notification on 14 April 2022 that Mr. Oliver Jaster had increased his voting rights from 40.25% to 58.97% and now holds 24,319,244 voting rights of the total number of 41,243,181 voting rights. 58.97% of the voting rights (this corresponds to 24,319,244 voting rights) are held by Mr. Jaster pursuant to Section 22 (1) sentence 1 no. 1 WpHG via LS Digital & Management Service GmbH & Co. KG, Hamburg, Germany, Orpheus Capital II GmbH & Co. KG, Hamburg, Germany, and Othello Drei Beteiligungs GmbH & Co. KG, Germany.

On 22 April 2022, MAX Automation published pursuant to Section 40 (1) WpHG that it had received notification on 22 April 2022 that the voting rights of Monega Kapitalanlagegesellschaft mbH, Cologne, Germany, had changed on 14 April 2022 due to the change in the total number of voting rights from 3.04% to 2.17% and the company now holds 922,244 voting rights of the total number of 41,243,181 voting rights.

On 3 May 2022, MAX Automation published pursuant to Section 40 (1) WpHG that it received notification on 3 May 2022 that the voting rights of Axxion SA, Grevenmacher, Luxembourg, changed on 14 April 2022 due to the change of the total number of voting rights from 4.94% to 2.24% and the company now holds 922,244 voting rights of the total number of 41,243,181 voting rights.

On 5 May 2022, MAX Automation published in accordance with Section 40 (1) WpHG that it had received notification on 4 May 2022 that the voting rights of Mr. Werner O. Weber, Germany, had changed on 14 April 2022 due to the change in the total number of voting rights from 5.53% to 4.16% and he now holds 1,715,161 voting rights of the total number of 41,243,181 voting rights.

SHAREHOLDINGS SUBJECT TO NOTIFICATION PURSUANT TO SECTION 160 (1) NO. 8 AKTG, WHICH WERE RECEIVED BY THE COMPANY AFTER THE END OF THE REPORTING PERIOD AS PART OF THE PREPARATION OF THE FINANCIAL STATEMENTS

On 5 January 2023, MAX Automation published in accordance with Section 40 (1) WpHG that it received notification on 3 January 2023 that the voting rights of LOYS Investment S.A., Munsbach, Luxembourg, changed on 30 December 2022 due to the transfer of the funds it manages to Hauck & Aufhäuser Fund Services S.A. from 5.058% to 0.00% and it now holds 0 voting rights of the total number of 41,243,181 voting rights.

On 5 January 2023, MAX Automation published pursuant to Section 40 (1) WpHG that it had received notification on 4 January 2023 that the voting rights held by Hauck & Aufhäuser Fund Services S.A., Munsbach, Luxembourg, on 31 December 2022 amount to 8.03% due to the transfer of the funds managed by LOYS Investment S.A., Munsbach, Luxembourg, and it now holds 3,312,406 voting rights of the total number of 41,243,181 voting rights.

On 31 January 2023, MAX Automation published pursuant to Section 40 (1) WpHG that it received notification on 31 January 2023 that the voting rights of LOYS SICAV, Munsbach, Luxembourg, on 27 January 2023 amounted to 3.03% due to the acquisition of shares with voting rights and now holds 1,248,857 voting rights of the total number of 41,243,181 voting rights.

DECLARATION PURSUANT TO SECTION 161 AKTG ON THE CORPORATE GOVERNANCE CODE

As a listed German corporation, MAX Automation SE, Dusseldorf, issued the declaration required under Section 161 AktG on 3 February 2023 and published it on its website at www.maxautomation.com/en/investor-relations/corporate-governance/ 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 2022:

- MAX Management GmbH, Dusseldorf
- ELWEMA Automotive GmbH, Ellwangen
- MA micro automation GmbH, St. Leon-Rot
- AIM Micro Systems GmbH, Triptis
- bdtronic GmbH, Weikersheim
- NSM Magnettechnik GmbH, Olfen-Vinnum
- Mess- und Regeltechnik Jücker GmbH, Dillingen
- Vecoplan AG, Bad Marienberg

In addition, if they were obliged to prepare sub-group 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, 3 March 2023

The Managing Directors

Dr. Christian Diekmann **Dr. Ralf Guckert** **Hartmut Buscher**

SHAREHOLDINGS

MAX Automation SE, Dusseldorf, list of shareholdings as of 31 December 2022

Name and registered office of the company		Share in capital (%)
Subsidiaries of MAX Automation SE:		
MAX Management GmbH	Dusseldorf	100
bdtronic GmbH	Weikersheim	100
IWM Automation GmbH i.L.	Hamburg	100
Mess- und Regeltechnik Jücker GmbH	Dillingen	100
NSM Magnettechnik GmbH	Olfen-Vinnum	100
Subsidiaries of MAX Management GmbH:		
AIM Micro Systems GmbH	Triptis	100
ELWEMA Automotive GmbH	Ellwangen	100
iNDAT Robotics GmbH	Ginsheim-Gustavsburg	100
IWM Bodensee GmbH	Bermatingen	100
MA micro automation GmbH	St. Leon-Rot	100
Vecoplan AG	Bad Marienberg	100
Subsidiaries of bdtronic GmbH:		
BARTEC Dispensing Technology Inc.	Tulsa, Oklahoma, USA	100
bdtronic BVBA	Diepenbeek, Belgium	100
bdtronic Italy S.r.l.	Rieti, Italy	100
bdtronic Ltd.	Ashton under Lyne, UK	100
bdtronic S.r.l.	Monza, Italy	100
bdtronic Suzhou Co. Ltd.	Suzhou, China	100
Subsidiaries of ELWEMA Automotive GmbH:		
ELWEMA Automation LLC[1)]	Atlanta, USA	100
Subsidiaries of NSM Magnettechnik GmbH:		
NSM Magnettechnik (Shanghai) Co., Ltd.	Shanghai, China	100
Subsidiaries and second-tier subsidiaries of MA micro automation GmbH:		
MA Life Science GmbH	St. Leon-Rot	100
Micro automation LLC (Subsidiary of MA Life Science GmbH)	Dover, Delaware, USA	100
Micro automation LLP (Subsidiary of MA micro automation GmbH and MA Life Science GmbH)	Singapore	100
Subsidiaries and second-tier subsidiaries of Vecoplan AG:		
Vecoplan Holding Corporation	Wilmington, Delaware, USA	100
Vecoplan LLC (Subsidiary of Vecoplan Holding Corporation)	Archdale, North Carolina, USA	100
Vecoplan Midwest LLC (Subsidiary of Vecoplan LLC)	Floyds Knobs, Indiana, USA	75
Vecoplan Austria GmbH	Vienna, Austria	100
Vecoplan Iberica S.L.	Bilbao, Spain	100
Vecoplan UK Limited	Castleford, UK	100
Vecoplan Polska Sp.z.o.o.	Warsaw, Poland	100
Vecoplan Swiss GmbH	Sarnen, Switzerland	100
Vecoplan France SAS	Strasbourg, France	100

[1)] not consolidated

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To MAX Automation SE, Dusseldorf

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

Audit Opinions

We have audited the Consolidated Financial Statements of MAX Automation SE, Dusseldorf, and its subsidiaries (the Group), which comprise the Consolidated Statement of Financial Position as of 31 December 2022, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the financial year from 1 January to 31 December 2022, and the Notes to the Consolidated Financial Statements, including a summary of significant accounting policies. We have also audited the Group Management Report of MAX Automation SE, which is combined with the Management Report of the company, for the financial year from 1 January to 31 December 2022. In accordance with German legal requirements, we have not audited the content of the components of the Group Management Report mentioned in the "Other information" section of our audit opinion.

In our opinion, based on the findings of our audit,

- the accompanying Consolidated Financial Statements comply in all material respects with IFRS as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) of the German Commercial Code (HGB) and give a true and fair view of the financial position of the Group as of 31 December 2022 and of its financial performance for the financial year from 1 January to 31 December 2022 in accordance with these requirements; and

- the accompanying Group Management Report as a whole provides a suitable view of the Group's position. In all material respects, this Group Management Report is consistent with the Consolidated Financial Statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Our audit opinion on the Group Management Report does not cover the content of the components of the Group Management Report mentioned in the section "Other information."

In accordance with Section 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations concerning the correctness of the Consolidated Financial Statements and the Group Management Report.

Basis for the audit judgements

We conducted our audit of the Consolidated Financial Statements and the Group Management Report in accordance with Section 317 of the German Commercial Code (HGB) and the EU Regulation on Auditors (No. 537/2014; hereinafter "EU-APrVO") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under these regulations and principles is further described in the section "Auditor's responsibility for the audit of the Consolidated Financial Statements and the Group Management Report" of our auditor's report. We are independent of the

Group entities in accordance with European law and German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. Furthermore, pursuant to Article 10 (2) (f) EU-APrVO, we declare that we have not performed any prohibited non-audit services pursuant to Article 5 (1) EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the Consolidated Financial Statements and the Group Management Report.

Particularly important audit matters in the audit of the Consolidated Financial Statements

Particularly important audit matters are those matters which, in our professional opinion, were of greatest significance in our audit of the Consolidated Financial Statements for the financial year from 1 January to 31 December 2022. These matters were considered in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

In our view, the following matters were most significant in our audit:

❶ Recoverability of goodwill

❷ Application of the so-called cost-to-cost method for revenue recognition in the context of long-term contract manufacturing

We have structured our presentation of these particularly important audit matters as follows:

① Subject matter and problem definition

② Audit procedure and findings

③ Reference to further information

In the following, we present the particularly important audit matters:

❶ Recoverability of goodwill

① In the company's Consolidated Financial Statements, goodwill totalling EUR 38.6 million (10.3% of the balance sheet total) is reported separately under non-current assets. Goodwill is subjected to an impairment test by the company once a year or on an ad hoc basis in order to determine a possible need for depreciation. The impairment test is carried out at the level of the groups of cash-generating units to which the respective goodwill is allocated. As part of the impairment test, the carrying amount of the respective cash-generating units including goodwill is compared with the corresponding recoverable amount. The recoverable amount is generally determined on the basis of the value in use. The basis for the valuation is generally the present value of future cash flows of the respective group of cash-generating units. The present values are determined using discounted cash flow models. The starting point is the Group's approved medium-term planning, which is updated with assumptions about long-term growth rates. Expectations about future market developments and assumptions about the development of macroeconomic factors are also taken into account. Discounting is carried out using the weighted average cost of capital of the cash-generating units or a respective group thereof. As a result of the annual impairment test, there were no reversals of impairment or impairments of goodwill this year.

The results of the respective valuations are highly dependent on the assessment of the legal representatives with regard to the future cash inflows of the respective group of cash-generating units, the discount rate used, the growth rate and other assumptions, and are thus subject to considerable uncertainty. In view of this and due to the complexity of the valuation, this matter was of particular importance in the context of our audit.

② In the course of our audit, we verified, among other information, the methodical procedure for carrying out the impairment test. Furthermore, we assessed the derivation of the discounted future cash flows used in the calculation of the value in use. For this purpose, we checked the plausibility of the medium-term planning relevant for the respective cash-generating unit, among other information, against the backdrop of industry-specific market expectations. We also assessed the appropriate consideration of the costs of Group functions. Knowing that even relatively small changes in the discount rate used can have a significant impact on the amount of the enterprise value determined in this way, we dealt intensively with the parameters used in the determination of the discount rate and comprehended the calculation scheme. In order to take the current forecast uncertainties into account, we reproduced the sensitivity analyses prepared by the company and carried out our own sensitivity analyses for the groups of cash-generating units with a low surplus (carrying amount compared to the recoverable amount).

In our view, the valuation parameters and assumptions applied by the legal representatives are justifiable overall and lie within justifiable bandwidths.

③ The company's disclosures on goodwill are included in the section "Goodwill" and in Note 2 to the Consolidated Financial Statements.

❷ Application of the so-called cost-to-cost method for revenue recognition in the context of longer-term contract manufacturing

① In the Consolidated Financial Statements of the company as of 31 December 2022, sales of EUR 409.2 million are recognised in the income statement, which were realised in the main period. Contract assets of EUR 42.1 million and contract liabilities of EUR 61.1 million are recognised in the Consolidated Statement of Financial Position as of 31 December 2022. Revenue from customer-specific contracts is recognised over a period of time when an asset is created that has no alternative use to the company and there is a legal right to payment for the services already provided. Revenue is also recognised over time when an asset is constructed or improved and the customer obtains control of the asset in the process. When revenue is recognised over a period of time, revenue is recognised based on the stage of completion, which is the ratio of actual contract costs incurred to estimated total costs. In view of the complex production processes, recognising revenue over time requires, in particular, an effective internal budgeting and reporting system including a concurrent project costing as well as a functioning internal control system.

Against this backdrop, the correct application of the accounting standard on revenue recognition is to be regarded as complex and is based in part on estimates and assumptions by the legal representatives. Therefore, the matter was of particular importance for our audit.

② Knowing that there is an increased risk of misstatement of the financial statements due to the complexity and the estimates and assumptions to be made, we assessed the processes and controls in place by the Group for the recognition of revenue from customer specific contracts. Our specific audit procedures included the testing of controls and expressive audit procedures, in particular:

- Assessment of the process of proper identification of performance obligations and classification of performance after a certain period or a certain point in time.
- Assessment of the cost accounting system as well as other relevant systems to support the accounting of customised contracts.
- Assessment of the proper recording and allocation of direct costs as well as the amount and allocation of overhead surcharges.
- Assessment of the project calculations underlying the customer-specific contracts as well as the determination of the degree of completion.

We were able to convince ourselves that the systems and processes put in place, as well as the controls in place, are adequate and that the estimates made and assumptions made by the legal representatives are sufficiently documented and substantiated to ensure appropriate revenue recognition from customer-specific contracts.

③ The company's disclosures on revenue recognition in the context of long-term construction contracts are explained in the sections "Contract assets" and "Contract liabilities" as well as in Notes 10, 20 and 27 of the Notes to the Consolidated Financial Statements.

Other Information

The legal representatives are responsible for the other information. The other information comprises the following components of the Group Management Report that have not been audited as to their content:

- the Corporate Governance Statement (pursuant to Section 289f of the German Commercial Code (HGB) in conjunction with Art. 83 (1) sentence 1 and sentence 2 EGHGB and Section 315d HGB) contained in the section "Corporate Governance Statement" of the Group Management Report
- the section "Risk Management System/Internal Control System" of the Group Management Report

The other information also includes:

- the separate Non-Financial Group Report to comply with Sections 315b to 315c of the German Commercial Code (HGB)

All other parts of the Annual Report – without further cross-references to external information – with the exception of the audited Consolidated Financial Statements, the audited Group Management Report and our auditor's opinion.

Our audit opinions on the Consolidated Financial Statements and the Group Management Report do not cover the other information and, accordingly, we do not express an opinion or any other form of conclusion on it.

In connection with our audit, we have a responsibility to read the other information referred to above and, in doing so, assess whether the other information

- contains material inconsistencies with the Consolidated Financial Statements, the content of the audited Group Management Report disclosures or our knowledge obtained in the audit; or
- otherwise appears to be materially misrepresented.

Responsibility of the legal representatives and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The management is responsible for the preparation and fair presentation of these Consolidated Financial Statements in accordance with IFRSs as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) HGB and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error. Furthermore, the management is responsible for such internal control as it deems necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error (i.e., manipulation of the accounting system or misstatement of assets).

In preparing the Consolidated Financial Statements, the management is responsible for assessing the Group's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to a going concern. Furthermore, they are responsible for accounting on a going concern basis unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the management is responsible for the preparation of the Group Management Report, which as a whole provides a suitable view of the Group's position and is consistent in all material respects with the Consolidated Financial Statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, the management is responsible for the arrangements and measures (systems) that it has deemed necessary to enable the preparation of a Group Management Report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made in the Group Management Report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the Consolidated Financial Statements and the Group Management Report.

Auditor's responsibility for the audit of the Consolidated Financial Statements and the Group Management Report

Our objective is to obtain reasonable assurance as to whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and whether the Group Management Report as a whole provides a suitable view of the Group's position and is consistent, in all material respects, with the Consolidated Financial Statements and the audit findings, complies with German legal requirements and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinion on the Consolidated Financial Statements and the Group Management Report.

Reasonable assurance is a high level of assurance, but is not a guarantee, that an audit conducted in accordance with Sections 317 HGB and EU-APrVO and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements and the Group Management Report.

During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore,

- we identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Group Management Report due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error because fraud can involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls.

- we obtain an understanding of internal control relevant to the audit of the Consolidated Financial Statements and of the arrangements and actions relevant to the audit of the Group Management Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those systems.

- we evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the management.

- we conclude on the appropriateness of the going concern basis of accounting used by the management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that could cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements and the Group Management Report or, if such disclosures are inadequate, to modify our respective audit opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or conditions could result in the Group being unable to continue as a going concern.

- we assess the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that the Consolidated Financial Statements give a true and fair view of the asset, financial and earnings position of the Group in accordance with IFRSs as adopted by the EU and the additional requirements of German law pursuant to Section 315e para 1 of the German Commercial Code (HGB).

- we obtain sufficient appropriate audit evidence regarding the accounting information of the entities or business activities within the Group to express opinions on the Consolidated Financial Statements and on the Group Management Report. We are responsible for directing, supervising and performing the audit of the Consolidated Financial Statements. We are solely responsible for our audit opinions.

- we assess the consistency of the Group Management Report with the Consolidated Financial Statements, its compliance with the law and the view of the Group's position conveyed by it.

- we perform audit procedures on the forward-looking statements made by management in the Group Management Report. On the basis of sufficient appropriate audit evidence, we in particular verify the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the appropriate derivation of the forward-looking statements from these assumptions. We do not express an independent opinion on the forward-looking statements or the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

We discuss with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We make a declaration to those charged with governance that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be thought to bear on our independence and, where relevant, the actions taken or safeguards implemented to address independence threats.

From the matters discussed with those charged with governance, we determine those matters that were of the greatest importance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless the law or regulations preclude public disclosure of the matter.

OTHER STATUTORY AND OTHER LEGAL REQUIREMENTS

Report on the audit of the electronic reproductions of the Consolidated Financial Statements and the Consolidated Management Report prepared for the purpose of disclosure pursuant to Section 317 (3a) of the German Commercial Code (HGB)

Audit opinion

Pursuant to Section 317 (3a) of the German Commercial Code (HGB), we have performed a reasonable assurance engagement to determine whether the reproductions of the Consolidated Financial Statements and the Group Management Report (hereinafter also referred to as "ESEF documents") contained in the file MAX_Automation_SE_KA_LB_ESEF-2022-12-31.zip and prepared for the purpose of disclosure comply in all material respects with the requirements of Section 328 (1) of the German Commercial Code regarding the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit only covers the conversion of the information in the Consolidated Financial Statements and the Group Management Report into the ESEF format and therefore neither the information contained in these reproductions nor any other information contained in the aforementioned file.

In our opinion, the reproductions of the Consolidated Financial Statements and the Group Management Report contained in the aforementioned file and prepared for the purpose of disclosure comply in all material respects with the requirements of Section 328 (1) of the German Commercial Code (HGB) concerning the electronic reporting format. We do not express an opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file beyond this opinion and our opinions on the accompanying Consolidated Financial Statements and the Consolidated Management Report for the financial year from 1 January to 31 December 2022 contained in the preceding "Report on the audit of the Consolidated Financial Statements and the consolidated Management Report."

Basis for the audit opinion

We conducted our audit of the reproductions of the Consolidated Financial Statements and the Group Management Report contained in the above-mentioned file in accordance with Section 317 (3a) HGB and the IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for Disclosure Purposes in Accordance with Section 317 (3a) HGB (IDW PS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility thereafter is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents." Our auditing practice has complied with the quality assurance system requirements of the IDW Quality Assurance Standard: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1).

Responsibility of the legal representatives and the Supervisory Board for the ESEF documents

The legal representatives of the company are responsible for the preparation of the ESEF documents with the electronic reproductions of the Consolidated Financial Statements and the Group Management Report in accordance with Section 328 (1) sentence 4 no. 1 of the German Commercial Code and for the marking of the Consolidated Financial Statements in accordance with Section 328 (1) sentence 4 no. 2 of the German Commercial Code.

Furthermore, the company's management is responsible for the internal controls as they deem necessary to enable the preparation of the ESEF documents that are free from material non-compliance, whether due to fraud or error, with the electronic reporting format requirements of Section 328 (1) of the German Commercial Code HGB.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documentation as part of the financial reporting process.

Auditor's Responsibility for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance as to whether the ESEF documents are free from material non-compliance, whether due to fraud or error, with the requirements of Section 328 (1) of the German Commercial Code (HGB). During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore,

- we identify and assess the risks of material non-compliance with the requirements of Section 328 (1) of the German Commercial Code (HGB), whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- we obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those controls.
- we assess the technical validity of the ESEF documentation, i.e., whether the file containing the ESEF documentation meets the requirements of Delegated Regulation (EU) 2019/815, as amended at the reporting date, for the technical specification for that file.

- we assess whether the ESEF documentation provides a consistent XHTML representation of the audited Consolidated Financial Statements and the audited Group Management Report.
- we assess whether the mark-up of the ESEF documents with inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815, as applicable at the reporting date, provides an adequate and complete machine-readable XBRL copy of the XHTML rendition.

Other information according to Article 10 EU-APrVO

We were elected auditors of the Consolidated Financial Statements by the Annual General Meeting on 3 June 2022. We were appointed by the Supervisory Board on 14 November 2022. We have served as auditors of the Consolidated Financial Statements of MAX Automation SE, Dusseldorf, without interruption since financial year 2019.

We declare that the audit opinions contained in this audit opinion are consistent with the additional report to the audit committee pursuant to Article 11 EU-APrVO (audit report).

NOTE ON OTHER MATTERS – USE OF THE AUDIT OPINION

Our audit opinion should always be read in conjunction with the audited Consolidated Financial Statements and the audited Group Management Report as well as the audited ESEF documents. The Consolidated Financial Statements and the Group Management Report converted into the ESEF format – including the versions to be entered in the companies register – are merely electronic reproductions of the audited Consolidated Financial Statements and the audited Group Management Report and do not replace them. In particular, the “Report on the audit of the electronic reproductions of the Consolidated Financial Statements and the Group Management Report prepared for disclosure purposes in accordance with Section 317 (3a) HGB” and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Antje Schlotter.

Dusseldorf, 8 March 2023

PricewaterhouseCoopers GmbH

Wirtschaftsprüfungsgesellschaft

Antje Schlotter	Nobert Klütsch
Auditor	Auditor

ASSURANCE OF THE LEGAL REPRESENTATIVES

ASSURANCE OF THE LEGAL REPRESENTATIVES

To the best of our knowledge, we assure that pursuant to the applicable accounting principles, the Consolidated Financial Statements convey a true and fair view of the Group's asset, financial and earnings position, and that the course of business, including the business results and the Group's position, are presented in the Group Management Report that is combined with the Management Report for MAX Automation SE so as to convey a true and fair view, and that the significant opportunities and risks pertaining to the Group's prospective development are described.

Dusseldorf, 3 March 2023

The Managing Directors

Dr. Christian Diekmann **Dr. Ralf Guckert** **Hartmut Buscher**

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