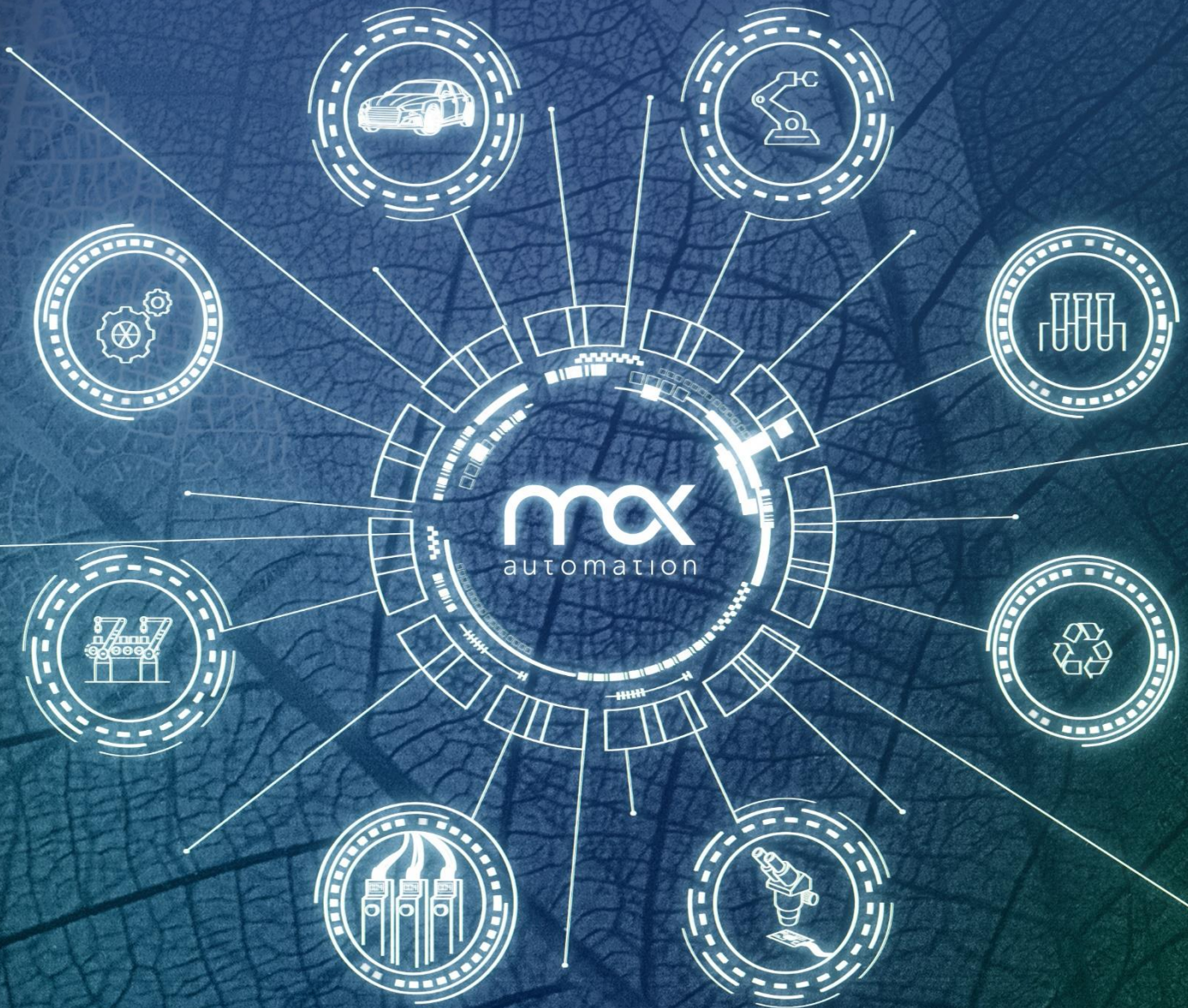




# Financial Report 2021



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# FORWORD OF THE MANAGING DIRECTORS

## Dear Shareholders,

Financial year 2021 was a challenging, but also very successful year for the MAX Group. Challenging because it was another year impacted by the COVID-19 pandemic and its aftermath, which was reflected in global supply chain bottlenecks and rising raw material prices. Successful on the one hand due to the progress made in restructuring the Group and on the other hand mainly as a result of the gratifying business development with significantly increased order intakes and continuing high demand dynamics.

In the past year, we made significant progress in transforming the MAX Group into a cash flow-oriented financial and investment holding company and have come a big step closer to our declared goal of building a diversified portfolio of companies in growth niche markets with strong cash flows. We have reorganised the companies previously assigned to the three core business areas Process Technologies, Environmental Technologies, and Evolving Technologies into eight operating segments. Our portfolio companies are active in future-oriented industries and offer their customers solutions for the transformation to e-mobility and smart mobility, innovative production technologies in medical technology, applications for a resource-saving circular economy or for the continuous digitalisation and automation of manufacturing. 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 MAX portfolio companies.

For financial year 2021, the very good order situation at the MA micro Group, the Vecoplan Group and in packaging automation in the NSM + Juecker segment deserves special mention. This is reflected in the order intake of the MAX Group in an increase of 32.2% to mEUR 422.5. Overall, we were able to close the financial year with a positive operating result (EBITDA) of mEUR 25.7 on sales of mEUR 349.1. The significant improvement in the operating result is due to the revival of business in nearly all segments and, to a large extent, to the consistent reduction of burdens from the former Non-Core business.

All segments except for iNDAT contributed to the good development. The bdtronic Group, for example, achieved a significant increase in its EBITDA with higher sales and continued highly profitable projects, especially in dispensing technology. The Vecoplan Group was once again able to surpass its very good record result from the previous year and thus once again made the largest contribution to the overall result of the MAX Group. NSM + Juecker benefited both from its sales growth and the increased share of higher-margin projects in packaging automation. In the MA micro segment, a higher share of new systems in the Tip&Cup technology area led to a good but, as expected, lower operating result compared to the previous year. Elwema was able to successfully continue the initiated turnaround process and achieved a significantly improved result. In the processing of their orders, most of the MAX Group's segments experienced only slight delays in the supply chains in the past financial year, which were largely made up for in the course of the year. Influences from rising material costs on EBITDA were kept low in all segments. The losses of iNDAT unfortunately widened despite the restructuring process that had been initiated. In view of the losses in previous years and the lack of prospects for a turnaround, it was therefore decided to wind up iNDAT on 8 February 2022.

Our order backlog of mEUR 284.2 as of 31 December 2021 is a solid starting point for our development in financial year 2022. We expect demand in our segments to remain strong, therefore we are confident about financial year 2022. The economic recovery is currently being slowed down by supply bottlenecks and rising raw material prices, and the current situation in Ukraine harbours risks that cannot be assessed. However, provided there is no significant deterioration in the situation, we anticipate an increase in revenue for the MAX Group to between mEUR 360 and mEUR 420. We expect operating earnings before interest, taxes, depreciation, and amortisation

(EBITDA) to be in the range of mEUR 23 to mEUR 29, including the costs of winding up INDAT. The MAX Group is strategically well positioned and back on a profitable growth path. We will continuously optimise our portfolio and expand it organically and inorganically to generate stable cash flows for our shareholders and to leverage value enhancement potential.

Finally, we would like to express our sincere thanks to our approximately 1,800 employees of the MAX Group for their high level of commitment and flexibility. We would also like to thank our shareholders, customers, suppliers and partners for their trust and support. We look forward to continuing to work with you to move the MAX Group forward in 2022 and beyond.

Dusseldorf, 3 March 2022

The Managing Directors

**Dr. Christian Diekmann**      **Dr. Ralf Guckert**

# REPORT OF THE SUPERVISORY BOARD

## Dear Shareholders,

In the monistic management system of MAX Automation SE, the Supervisory Board determines the basic outline 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 Incorporation of MAX Automation SE submits the following report to the shareholders' 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 the 2021 financial year, the Supervisory Board intensively dealt 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 the 2020 fiscal year 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 2021 also continued to be largely driven by the operational and financial challenges of the COVID-19 pandemic. Together with the Managing Directors, the Supervisory Board continuously analysed the effects of the corona crisis on the individual business segments Process Technologies, Environmental Technologies, Evolving Technologies, and the non-core business segment (ELWEMA Automotive GmbH and IWM Automation GmbH) as well as on the Group companies of MAX Automation SE. The current development of the COVID-19 pandemic was monitored and always considered in making decisions. In addition to the positive development of the restructuring of Elwema Automotive GmbH, the Supervisory Board also regularly discussed the development of iNDAT Robotics GmbH. Corresponding options for action were evaluated. Another focus of the Supervisory Board's work was on the restructuring of financing. In financial year 2021, the Supervisory Board also dealt with the strategic realignment of MAX Automation SE and the Group. In this context, strategy discussions were held and a new business strategy for the development towards becoming an investment company was developed. The respective competence profile for the members of the Supervisory Board was implemented, the number of Managing Directors was reduced, and their distribution of responsibilities was adapted to the strategic realignment. In financial year 2021, Mr. Guido Mundt, Mr. Oliver Jaster, Mr. Hartmut Buscher, Dr. Wolfgang Hanrieder and Dr. Nadine Pallas succeeded Dr. Christian Diekmann, Dr. Jens Kruse, Dr. Ralf Guckert and Mr. Marcel Neustock as members of the Supervisory Board. Mrs. Karoline Kalb continues to be a member of the Supervisory Board. Mr. Mundt was elected Chairman of the Supervisory Board and Mr. Jaster was elected Deputy Chairman. Dr. Christian Diekmann and Dr. Ralf Guckert are now the Managing Directors of the Company. With the strategic reorientation towards becoming an investment company, the previous segment reporting was also changed at the end of the year. The Group companies of MAX Automation SE are now reported 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 satisfied itself of the regularity of the management. The Supervisory Board also assured itself by questioning the Managing Directors, the management of the subsidiaries and the auditor that all requirements of the risk management system were met both in the parent Company and in the Group.

## Meetings of the Supervisory Board and resolutions outside meetings

In the reporting year, 12 Supervisory Board meetings were held in the form of face-to-face events and virtual meetings. Due to the COVID-19 pandemic, the meetings of the Supervisory Board were predominantly held by way of video conferences. Apart from the excused absence of Dr. Pallas at the Supervisory Board meeting on 7 September 2021, all members of the Supervisory Board who held office in financial year 2021 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 16 February 2021. Dr. Kruse began by reporting on the Audit Committee meeting held on 9 February 2021 and Dr. Diekmann presented the current status of financing. The full-year forecast for the past financial year was then discussed. Afterwards, the Managing Directors reported on the development of the business for the Group and the business development and planning of the individual business areas. In addition, ongoing legal disputes were discussed. The decision was made to conclude a control and profit and loss transfer agreement with Mess- und Regeltechnik Juecker GmbH. Dr. Christian Diekmann was appointed Chairman of the Managing Directors. He explained the current status of the strategy process. The holding of the 2021 Annual General Meeting was discussed against the backdrop of the ongoing COVID-19 pandemic. Lastly, Dr. Guckert explained the report of the Personnel Committee and personnel matters were addressed.

In the virtual meeting on 16 March 2021, Dr. Kruse reported on the Audit Committee meeting held on 15 March 2021 and the auditor's report. The 2020 Annual Financial Statements for MAX Automation SE and the Group were approved, and the 2020 Annual Financial Statements of MAX Automation SE were adopted. In addition, the Report of the Supervisory Board, the explanatory report of the Supervisory Board, the Sustainability Report, and the Dependency Report for financial year 2020 were approved by resolution. Subsequently, the Managing Directors reported on the business performance of the business segments and legal disputes. Dr. Diekmann gave an overview of current financing issues. Lastly, there was a discussion on the 2021 Annual General Meeting.

During the virtual meeting on 13 April 2021, the Managing Directors first reported on the business performance of the business segments. The strategy discussion was then continued, and the strategic realignment of MAX Automation SE and the Group was finally resolved. A corresponding amendment to the Articles of Association



regarding the object of the Company is to be proposed to the Annual General Meeting and the Supervisory Board is to be reshuffled. In connection with this, Dr. Guckert, Mr. Neustock and Dr. Kruse announced that they would be stepping down from the Supervisory Board at the end of the Annual General Meeting in 2021. Dr. Diekmann then declared that he too would resign from his position as a member of the Supervisory Board at the end of the 2021 Annual General Meeting to allow for the adopted strategy to be implemented and concentrate on his work as a Managing Director. It was decided to propose an amendment to the Articles of Association to the Annual General Meeting regarding the size of the Supervisory Board and the appointment of Mr. Hartmut Buscher, Dr. Wolfgang Hanrieder, Mr. Oliver Jaster, Mr. Guido Mundt and Dr. Nadine Pallas as members of the Supervisory Board. Dr. Guckert then reported on the meeting of the Personnel Committee on 7 April 2021, whereupon it was decided to approve the remuneration system for the Managing Directors drawn up there and to recommend that the Annual General Meeting approve it. Finally, in light of the COVID-19 pandemic, the decision was made to hold the 2021 AGM as a virtual AGM without shareholders physically present.

The virtual meeting on 19 May 2021 began with a report by the Managing Directors on the business performance of the individual business fields, with the focus on the deviations from plan at Elwema Automotive GmbH and iNDAT Robotics GmbH. This was followed by another exchange on the upcoming Annual General Meeting. Finally, Dr. Diekmann reported on the internal organisation of MAX Automation SE.

At its constituent virtual meeting on 28 May 2021, the Supervisory Board elected Mr. Guido Mundt Chairman of the Supervisory Board and Mr. Oliver Jaster to serve as his Deputy. In addition, Mr. Guido Mundt was elected Chairman of the Personnel Committee and Mr. Oliver Jaster his Deputy. Dr. Wolfgang Hanrieder was appointed an additional member. Mr. Hartmut Buscher was elected Chairman of the Audit Committee and Mrs. Karoline Kalb Deputy Chairwoman. Dr. Nadine Pallas and Mr. Guido Mundt were appointed additional members.

At the meeting of the Supervisory Board on 22 June 2021, Dr. Diekmann reported on how the business was developing for the business units. Afterwards, the status of the financing and the corresponding further procedure were discussed. Mr. Mundt then reported on the Personnel Committee meeting on 21 June 2021. In connection with the new Corporate Governance, personnel matters of the Managing Directors were dealt with. Mr. Mundt reported on the search for a Managing Director to fill the position of COO by engaging the services of a personnel search firm. Lastly, contradictions to resolutions of the Annual General Meeting were reported.

At the meeting on 3 August 2021, which was held both in person and with virtually connected participants, Mr. Buscher reported on the Audit Committee meeting held that same day, on the results of the first half of 2021 and on Corporate Governance. Dr. Diekmann then reported on the course of business. Afterwards, two representatives of the auditing firm PricewaterhouseCoopers GmbH gave an overview of the changes brought about by the Financial Market Integrity Strengthening Act (FISG). Finally, Mr. Mundt reported from the Personnel Committee on the successfully implemented contract adjustments with Mr. Berens and Mr. Vandenrhijn as well as the termination agreement concluded with Dr. Hild.

At the Supervisory Board meeting on 7 September 2021, the Managing Directors reported on the course of business and their allocation of duties. The status of project execution at IWM Automation GmbH was explained and the restructuring of iNDAT Robotics GmbH discussed. The further procedure for the strategy and portfolio analysis was also addressed. Dr. Diekmann explained the current status of the talks with the banks on extending the syndicated loan. In this context, a possible capital measure was discussed. Dr. Michael Ulmer, the legal advisor of MAX Automation SE, explained the ad hoc process and commented on the status of the application for the judicial appointment of a special auditor. Dr. Diekmann then presented the current status regarding implementation of the strategy.

In the virtual meeting held on 8 October 2021, Dr. Diekmann explained the current status of the planning of the Group and the shareholdings and presented the draft of the 4-year planning. Dr. Diekmann also took the

participants through the requirements for the extension of the syndicated loan, including the expert opinions required for this.

In the virtual meeting on 19 October 2021, Dr. Diekmann explained the current status of the planning of the Group and the shareholdings.

In the virtual meeting on 5 November 2021, Dr. Diekmann first reported on the development of the business and planning of the Group. In particular, the current shortage of materials due to the COVID-19 pandemic was presented, the measures taken accordingly were discussed and the status of iNDAT Robotics GmbH was explained. Afterwards, the Managing Directors gave a presentation on how the business was developing and the shareholdings' planning. The planning for financial year 2022 of MAX Automation SE was approved. Afterwards, the status of the financing talks and a possible capital measure were discussed again. The travel expense guidelines for the Supervisory Board and for the Managing Directors were approved.

The meeting on 7 December 2021, to which some participants were connected virtually, began with a report by Mr. Buscher on the meeting of the Audit Committee on 28 October 2021. In addition to the adjustment of the segment reporting, this dealt in particular with the establishment of an internal audit system. Afterwards, the Managing Directors reported on the course of business and the strategy of the business fields. Reports were also given on financing issues. The necessary adjustments to the rules of procedure of the Supervisory Board and the Audit Committee regarding the Financial Market Integrity Act (FISG) were approved. The business allocation plan of the Managing Directors was adopted. Subsequently, the virtual implementation of the 2022 Annual General Meeting was discussed. Mr. Mundt then reported on the Personnel Committee meeting on 6 December 2021, which mainly dealt with the long-term incentive programme and the short-term incentive programme for the Managing Directors and the competence profile of the Supervisory Board, which was adopted. Finally, Corporate Governance issues were discussed.

Where necessary, the Supervisory Board also made decisions by way of circular resolutions. These concerned the Declaration of Compliance with the German Corporate Governance Code, the employment contract of Dr. Christian Diekmann and the profit transfer and control agreement with Mess- und Regeltechnik Juecker GmbH, for example. Furthermore, the invitation to the 2021 Annual General Meeting, an addition to its agenda and the statement of the Supervisory Board on the request for additions to the agenda were resolved by circular resolution. Yet other resolutions concerned Mr. Patrick Vandenhijn's Managing Director service agreement, the appointment of Dr. Ralf Guckert as Managing Director and the authorisation to conclude his service agreement as well as the termination agreement with Dr. Guido Hild. The preparation of possible capital measures, a target agreement for the Managing Directors, a change in the competence profile of the Supervisory Board, the liquidation of IWM Automation GmbH and the virtual holding of the 2022 Annual General Meeting were also decided by circular resolution.

The Supervisory Board also regularly reviewed the monthly reports sent out before the Board meetings. These contain 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 is discussed on a regular basis. Insofar as conflicts of interest existed in individual resolutions, the Supervisory Board took appropriate account of this.

## Organization of the work of the Supervisory Board

To optimise processes and coordination within the Supervisory Board, the following committees were appointed in 2021 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.

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## Personnel Committee

The Personnel Committee convened four times in 2021 and held the following discussions:

In the virtual meeting on 7 April 2021, Dr. Guckert explained the legal necessity to adopt a new remuneration system for Managing Directors. It was decided to recommend that the Supervisory Board approve the remuneration system developed by the Personnel Committee and to propose its approval to the Annual General Meeting. On 21 June 2021, the future activities of the Managing Directors Mr. Werner Berens, Mr. Patrick Vandenhijn and Dr. Guido Hild were discussed. The need for an additional Managing Director qualified to implement the strategy and a new Head of Strategy Implementation was discussed. Finally, the committee discussed the organisation of the holding company. In the virtual meeting on 23 July 2021, intensive discussions were held on hiring a new Managing Director with the function of COO. The candidates identified by the personnel search firm were discussed. As a result, it was determined that Dr. Guckert was the most qualified candidate, as he knows MAX Automation SE better than all the other candidates and can act on operational issues immediately, which was recognized as a major advantage in the current situation. The decision was made to propose to the Supervisory Board of MAX Automation SE to appoint Dr. Guckert as Managing Director in the function of COO with effect from 1 August 2021. Finally, Mr. Mundt reported on the status of discussions with Mr. Werner Berens, Mr. Patrick Vandenhijn and Dr. Guido Hild. A possible adjustment of the long-term incentive programme as well as the 2021 target achievement and the 2022 target agreements for the Managing Directors were discussed at the meeting held on 6 December 2021. Furthermore, it was decided to recommend that the Supervisory Board approve the competence profile developed by the Personnel Committee.

Until 28 May 2021, the Personnel Committee consisted of Dr. Ralf Guckert (Chairman), Dr. Jens Kruse (Deputy Chairman) and Dr. Christian Diekmann (ordinary member).

**Since then, the members of the Personnel Committee have been:**

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

All members of the Personnel Committee who held office in financial year 2021 attended all of the four meetings of the Personnel Committee during the reporting period.

## Audit Committee

The Audit Committee met five times in 2021. The Audit Committee held the following consultations in the reporting period:

In the virtual meeting on 9 February 2021, various points regarding the audit of the Financial Statements for financial year 2020 and the full-year forecast for the past financial year were discussed. In the virtual meeting held on 15 March 2021, the annual Financial Statements for financial year 2020 were presented by the auditor of MAX Automation SE and it was decided to recommend that the Supervisory Board approve the 2020 Financial Statements. Subsequently, the extended Audit Committee discussed the current situation, ongoing litigation, and the future strategy. In the virtual meeting on 4 May 2021, the quality of the audit for financial year 2020 was discussed in detail. Dr. Diekmann provided an update on the status of the financing discussions. In the meeting on 3 August 2021, the audit process, and possible focal points of the audit of the Annual Financial Statements and the Consolidated Financial Statements were presented. Subsequently, Dr. Diekmann reported on the

discussions with the syndicate banks and on initial considerations regarding a possible capital measure. He gave an overview of various aspects of compliance, risk management and the internal control system. Lastly, the Risk Report was discussed. The audit of the Annual Financial Statements and the audit of the Consolidated Financial Statements were discussed on 28 October 2021. A report was then given on the status of the preliminary audit by the auditor of MAX Automation SE. Afterwards, the approach to the risk-based internal audit review was presented, which is to be implemented with external assistance.

Up until 28 May 2021, the Audit Committee consisted of Dr. Jens Kruse (Chairman), Dr Christian Diekmann (Deputy Chairman), Mrs. Karoline Kalb and Mr. Marcel Neustock (both ordinary members).

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

- Hartmut Buscher (Chairman)
- Karoline Kalb (Deputy Chairman)
- Guido Mundt (ordinary member)
- Dr. Nadine Pallas (ordinary member)

All members of the Audit Committee who held office in financial year 2021 attended all of the five meetings of the Audit Committee during the reporting period.

## Personnel changes

Dr. Christian Diekmann, Dr. Jens Kruse, Dr. Ralf Guckert and Mr. Marcel Neustock each resigned from their offices as members of the Supervisory Board with effect from the end of the Annual General Meeting on 28 May 2021. The Annual General Meeting elected Mr. Guido Mundt, Mr. Oliver Jaster, Mr. Hartmut Buscher, Dr. Wolfgang Hanrieder as their successors, and with effect from the registration of the corresponding amendment to the Articles of Association, Dr. Nadine Pallas as members of the Supervisory Board. Mrs. Karoline Kalb continues to be a member of the Supervisory Board. Mr. Mundt is Chairman of the Supervisory Board and Mr. Jaster is his Deputy. Until their resignation with effect from 30 June 2021, Mr. Patrick Vandenhijn and Mr. Werner Berens were Managing Directors. The Managing Director Dr. Guido Hild resigned from office with effect from 31 July 2021. Dr. Christian Diekmann continues to serve as Managing Director of the company MAX Automation SE (CEO/CFO). In addition, Dr. Ralf Guckert was appointed Managing Director of MAX Automation SE (COO) with effect from 1 August 2021.

## 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 2021

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 2021 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 positions 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 28 May 2021 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 Audit 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 16 December 2019 (GCGC) published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette on 20 March 2020. 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 7 March 2022, 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 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), § 315 b) HGB.

Finally, at its balance sheet meeting on 7 March 2022, the Supervisory Board approved this report to the Annual General Meeting.

## Corporate governance and Declaration of Conformity

In the 2021 business year, 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 16 December 2019, which was in force at the time the Declaration of Conformity was issued, on 4 February 2022 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. Dr. Pallas also attended the meetings of the Supervisory Board as a guest prior to her induction and was thus able to familiarise herself with the Company's business processes.

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 2021. 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 affected 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 Automation Group for their dedicated and successful work over the past fiscal year.

Dusseldorf, 7 March 2022

Chairman of the Supervisory Board

**Guido Mundt**

# GROUP MANAGEMENT REPORT



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## Group Management Report of MAX Automation SE for Financial Year 2021

# BASIS OF THE SE AND THE GROUP

## Business Model

The listed company MAX Automation SE, headquartered in Düsseldorf, is a medium-sized finance and investment company with portfolio companies in relevant niche markets of manufacturing automation and robotics. 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 automation solutions for the automotive, electrical, recycling, raw materials recycling, and packaging industries as well as medical technology, among others. 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 for 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 operate through an international network of sales and service locations in Europe, North America, South 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 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

The MAX Group previously comprised the three core segments Process Technologies, Environmental Technologies, Evolving Technologies, and companies classified as "Non-Core" due to insufficient growth and return prospects. At the end of financial year 2021, the portfolio companies of the MAX Group have now been assigned to eight operating segments, which corresponded to the segmentation according to IFRS in financial year 2021.

The bdtronic Group segment (bdtronic GmbH and its subsidiaries), headquartered in Weikersheim (Baden-Wuerttemberg), develops, produces, and sells 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 a quality leader in dispensing technology and technology leader in impregnation technology.

The Vecoplan Group segment (Vecoplan AG and its subsidiaries), headquartered in Bad Marienberg (Rhineland-Palatinate), develops, produces, 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.

The MA micro Group segment (MA micro automation GmbH and its subsidiaries), headquartered in St. Leon-Rot (Baden-Wuerttemberg), 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 distribution 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, produces, and distributes technologies for the manufacture of optoelectronic modules and micro-optical components for customers in the medical technology and sensor industry as well as the aerospace industry.

The iNDAT segment (iNDAT Robotics GmbH), headquartered in Ginsheim-Gustavsburg (Hesse), develops, manufactures, integrates, and maintains industrial robots as well as robot controllers for quality assurance, assembly, and assembly control as well as function testing and robot-based applications. It offers software applications as well as holistic plant systems for robotics and manufacturing automation, primarily for customers in the automotive industry. On 8 February 2022, a resolution was passed to wind up the company (see the Supplementary Report in the Notes).

The NSM + Juecker segment comprises the two companies NSM Magnettechnik GmbH, headquartered in Olfen (North Rhine-Westphalia), and Mess- und Regeltechnik Juecker 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 specialised 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-Wuerttemberg), develops, and realises 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 systems specialist with a focus on high-quality, resource-efficient solutions with high process reliability.

The segment Other comprises the IWM companies (IWM Automation Bodensee GmbH, IWM Automation GmbH, IWM Automation Polska Sp. z.o.o.), which are largely in the process of being wound up and liquidated. For IWM Automation in Porta-Westfalica, the operational closure took place on 30 September 2020. The liquidation of the company was opened on 1 January 2022. IWM Automation Polska is expected to be deconsolidated and liquidated in mid-2022. The operational closure of IWM Bodensee took place on 31 December 2019. Negotiations

to complete the last remaining project were in the final stages at the time of this reporting. After the completion of this project, IWM Bodensee will remain in the MAX Group as a real estate company.

## Strategy

With the strategy adopted in April 2021, MAX Automation SE is in the midst of its further development into 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 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.

In connection with the strategic realignment, MAX Automation SE initiated a comprehensive financial, operational/structural, and strategic restructuring and performance enhancement process in the first half of the past financial year. This included the continuation of the restructuring measures in relation to the portfolio companies Elwema and iNDAT as well as further individual performance improvement measures at the level of the other portfolio companies of the MAX Group. These focus in particular on increasing profitability through targeted measures within the framework of sales, purchasing and process optimisation.

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, distinctive growth companies are to be further developed in the portfolio to generate additional cash flows in the event of a sale. The profitability of the portfolio companies is to be continuously increased to grow profitably on this basis. The holding company 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. The 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 the 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 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 investments. 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 wants to grow. The current focus is on well-positioned medium-sized companies in growth markets that develop innovative, first-class, and individualised solutions. The focus is on manufacturing automation and robotics. However, expansion into other industries is also possible in the future. 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 2021, MAX Holding was the sole

shareholder in all portfolio companies presented in the segments. For the future, minority interests in target companies are not to be ruled out.

## Controlling 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 fiscal 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.

## Control variables

The MAX Group uses key financial figures that are appropriate for companies in the mechanical and plant engineering sector 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 have not been used yet for internal management.

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. The control is carried out by setting and reviewing target corridors.

The MAX Group recorded the following changes in key figures in 2021:

	2021 in mEUR	2020 in mEUR	Change in %
Order Intake	422.5	319.6	32.2
Order Backlog <sup>1)</sup>	284.2	209.4	35.7
Working Capital	30.6	39.1	-21.8
Sales	349.1	307.0	13.7
EBITDA	25.7	5.7	354.7
EBITDA-Margin (in % of Sales)	7.4%	1.8%	

<sup>1</sup> per 31. December

## Research and Development

As a strategic management company, MAX Automation SE does not conduct its own research and development (R&D) but considers this to be 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.

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 decentralized basis in the companies, such as in the form of specialized departments or technology centers. 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 continuously 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 section on research and development.

# GROUP ECONOMIC AND BUSINESS REPORT

## General economic and business conditions

### Overall economic environment

Global economic growth was 5.9% in 2021, following a 3.1% decline the previous year. According to the International Monetary Fund (IMF), the global economy thus continued to recover from the effects of the COVID-19 pandemic, even though infection rates rose again in the course of the year. Thus, a second and third wave of infection slowed economic momentum in the first half of the year. Later in the year, the rapid spread of the delta variant increased uncertainty concerning a sustainable response to the pandemic. Differences in economic recovery between industrial, emerging and developing countries resulted from unequal access to vaccines and divergent political support. Supply chain disruptions hampered global production until the fourth quarter, especially in Europe and the US.

According to the IMF, the US economy grew by 5.6% in 2021, 0.4 percentage points less than assumed in October 2020. Rising energy prices and supply disruptions led to higher and more widespread inflation than expected. In addition, a sharp fall in unemployment was accompanied by strong wage increases.

In the People's Republic of China, pandemic-related disruptions associated with the zero-tolerance policy towards the pandemic, ongoing financial tensions among real estate developers and the unexpectedly slow recovery of private consumption slowed economic activity. In the second half of the year, disruptions to industrial production due to power outages and an unexpected withdrawal of public investment additionally slowed economic development. Overall, China achieved gross domestic product (GDP) growth of 8.1% in 2021.

The euro region economy recovered in 2021 by posting an increase of 5.2%, according to the IMF. A resurgence of COVID cases as well as supply chain disruptions slowed a broader recovery. In Europe, in particular, the rise in energy prices led to higher inflation.

According to the Federal Statistical Office (Destatis), the German economy was able to recover after the slump in the previous year despite the ongoing pandemic situation and increasing supply and material bottlenecks, although economic output has not yet returned to pre-crisis levels with an increase of 2.7%. In the manufacturing sector, price-adjusted value added rose significantly by 4.4%. On the demand side, gross fixed capital formation rose by 1.3%. Foreign trade recovered significantly: exports climbed by 9.4% in 2021 and imports by 8.6%. After economic output rose again in the summer despite increasing supply and material bottlenecks, the recovery of the German economy was halted by the fourth wave of corona and renewed tightening of corona protection measures at the end of the year. Employment remained robust in a persistently difficult environment with stable figures at the previous year's level. According to the Federal Statistical Office (Destatis), high monthly inflation rates in the second half of the year were decisive for the increase in consumer prices to 3.1% on an annual average in 2021. Causes for the price development were base effects from low prices in 2020, including the temporary reduction in VAT rates as well as the drop in prices of mineral oil products. In addition, crisis-related effects increasingly had an impact in 2021, such as supply bottlenecks and the significant price increases for intermediate products.

## Development of relevant industries

The German mechanical and plant engineering industry managed an extraordinarily strong catch-up in the past business year by posting a 32% increase in order intakes. Domestic orders increased by 18% and foreign orders by 39%. The recovery in production that began in the previous year continued in the first quarter of 2021. While the utilisation of machine capacities increased significantly again with rising orders, production hindrances due to bottlenecks in the supply chains increased at the same time. In the three-month period from April to June 2021, the machinery and plant engineering sector remained on track for success and further increased order intakes. The positive development continued in the third quarter. The export-oriented German mechanical engineering sector's recovery from the pandemic was reflected in exports with an 11% increase in the nine-month period. According to the German Engineering Federation (VDMA), the industry thus performed excellently in Germany in a difficult 2021, even if production expectations were not fully met despite well-filled order books. According to the report, production growth in 2021 rose only by 7% to EUR 219 billion, particularly as a result of persistent supply bottlenecks. This equates to a downward correction of 3 percentage points compared to the VDMA's original expectations.

According to the VDMA, the robotics and automation sector closed the past financial year 2021 with growth exceeding that of the mechanical engineering industry. A positive investment climate enabled an 11% increase in sales. The strongest recoveries were recorded in robotics with growth of 15%, followed by integrated assembly solutions with an increase of 10% and industrial image processing with an increase of 7%.

According to the German Association of the Automotive Industry (VDA), the international automotive markets experienced a turbulent year in 2021. While significant growth was achieved in some areas in the first half of the year in particular due to base and catch-up effects, in the second half of the year the shortage of semiconductors, other primary products and raw materials as well as rising prices for energy and logistics weighed on the sales markets. While sales increased slightly in the US and China, of the three largest regions, only Europe recorded a decline. Overall, 2% fewer passenger cars were registered in 2021. The five largest individual markets developed differently. While Italy recorded an increase of 6% and France, Spain, and the UK each achieved growth of 1%, new registrations in Germany fell by 10%. After significant growth rates in the first half of the year, the lack of availability of preliminary and intermediate products, especially semiconductors, led to considerable production

declines in the German automotive industry. The 73% increase in new registrations of electric cars should also be seen in this context and in the light of the lower registration figures in Germany. Nevertheless, it is positive for the development of the industry that more than one in four newly registered passenger cars in Germany was equipped with an electric drive in 2021. In the US, the light-vehicle market (passenger cars and light trucks) grew by 3% in 2021 but was still significantly below the pre-crisis level. The Chinese passenger car market grew by 7%, outperforming the pre-corona year 2019.

In 2021 as a whole, the medical technology industry achieved a 5% increase in sales according to the industry association SPECTARIS, thus continuing its growth course. Increasingly rising raw material and logistics costs, supply chain disruptions and the effects of the European Medical Device Regulation (MDR) made themselves felt. Growth was driven equally by domestic and foreign business, while development in Germany was on par with the global market. Figures for the ophthalmic optics industry were not yet available at the time of reporting.

In 2021, the waste and recycling technology sector benefited from an increased willingness to invest in modern and innovative recycling technology due to a fundamental rise in environmental awareness, stricter legal requirements and a real change to a circular economy. Order intakes rose by 6% according to the Waste and Recycling Technology Association of the VDMA. The positive economic trend was slowed down by supply bottlenecks, which led to longer delivery times and rising purchase prices. Supported by strong order intakes, the waste and recycling technology sector again achieved record revenues by posting a more than 4% increase in sales, according to the VDMA. The EU-27 countries remained the industry's most important sales market in 2021, followed by North America and Asia, including China. The export share was stable at 67%.

## Business development of the Group

The financial year 2021 for the MAX Group was significantly characterised by a consistent working off of the sources of losses of the past and, depending on the portfolio company, by a recovery from the COVID-19 pandemic. Thus, following a stable first quarter, the Group confirmed its forecast for financial year 2021 for the first time of strongly rising revenues compared to the previous year (2020: mEUR 307.0) and a strong increase in operating earnings before interest, taxes, depreciation and amortisation (EBITDA) compared to the previous year (2020: mEUR 5.7). Following a further improved first half, the MAX Group renewed its forecast and continued to maintain it with slightly noticeable influences from bottlenecks in the global supply chains after the end of the nine-month period. The Group closed financial year 2021 with a 13.7% increase in revenue to mEUR 349.1 and a strong increase in operating earnings before interest, taxes, depreciation and amortisation (EBITDA) to mEUR 25.7, in line with its forecast.

The MAX Group's consolidated order intake increased by 32.2% in 2021 to mEUR 422.5 (previous year: 319.6mEUR) due to pandemic-related catch-up effects and a revival in investment behaviour. While order intake in the first quarter was still characterised by countervailing effects in the segments, it improved significantly from a half-year perspective and continued its very good development at Group level in the nine-month period. Significant contributions came from the bdtronic Group, the Vecoplan Group, the MA micro Group and NSM + Juecker. Thus, after the corona-related decline in the previous year, the bdtronic Group was able to nearly reach the level it had before the outbreak of the pandemic. The Vecoplan Group also recorded a revival of business in the US as well as an increase in demand for large projects. At the MA micro Group, order intakes in 2021 were again more strongly characterised by systems for the production and testing of contact lenses, after systems for the fully automated production of pipettes for in-vitro diagnostics dominated the picture the previous year. With a strong market position in the area of packaging automation, NSM + Juecker 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 the automotive industry. Overall, the MAX Group's order backlog increased by 35.7% to mEUR 284.2 in financial year 2021 (31 December 2020: mEUR 209.4).

The MAX Group achieved 2021 achieved sales of mEUR 349.1 (previous year: mEUR 307.0). The forecast for financial year 2021 of a strong increase in sales revenue compared to the previous year was thus achieved. Nearly all segments contributed to this growth in sales. The bdttronic Group's sales growth was lower than its order intake, however, due to the fact that demand only picked up in the second half of the year in particular. A comparable development was seen in the Vecoplan Group with a subdued first quarter and high order intakes at the end of the year. In contrast, the MA micro Group, NSM + Juecker and AIM Micro segments increased their revenue based on high order backlogs at the end of the previous year and strong order intakes in 2021. Elwema, iNDAT and the segment Other recorded declines in sales. Most of the MAX Group's segments experienced only slight delays in the processing of their orders in the supply chains in the past financial year, most of which were made up over the course of the year.

With operating earnings before interest, taxes, depreciation and amortisation (EBITDA) of mEUR 25.7 (2020: mEUR 5.7), the MAX Group was able to increase its operating earnings fivefold and thus significantly achieved its published forecast. On the one hand, the result was significantly improved as a result of the elimination of burdens from the segment Other with the processing of the final projects of the IWM companies. On the other hand, all other segments except iNDAT contributed to the good development. The bdttronic Group, for example, achieved a significant increase in its EBITDA with higher sales and continued highly profitable projects, especially in dispensing technology. 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. NSM + Juecker benefited both from its sales growth and the increased share of higher-margin projects in the area of packaging automation. In the MA micro group segment, a higher share of new systems in the Tip&Cup technology area led to a lower operating result compared to the previous year, as expected. Elwema was able to successfully continue the initiated turnaround process and achieved a significantly improved result. Influences from rising material costs on the EBITDA were kept low in all segments. The losses of iNDAT widened despite the fact that a turnaround process was initiated. Besides the unfavourable order situation, this was due in particular to additional expenses incurred by working on projects.

In summary, despite bottlenecks in the global supply chains and the negative development at iNDAT, the MAX Group looks back on a financial year of recovery from the corona crisis and closed 2021 slightly above its original expectations in terms of revenue and operating earnings before interest, taxes, depreciation, and amortisation.

## Sales and results of operation

The MAX Group recorded a 13.7% increase in sales to mEUR 349.1 (previous year: mEUR 307.0) particularly due to the recovery from the COVID-19 pandemic in 2021. The export share of sales increased to 74.3% (previous year: 72.2%). 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 revenue.

Total output in 2021 increased by 18.3% to mEUR 353.8 (previous year: mEUR 299.2), mainly due to changes in inventories in connection with long-term construction contracts. In contrast, a reduction in inventories was recorded in the previous year. The capitalisation of other own work decreased to mEUR 1.2 (previous year: mEUR 2.2).

The MAX Group's other operating income rose by 40.8% to mEUR 19.8 (previous year: mEUR 14.1). Income was generated from the derecognition of liabilities and the disposal of right-of-use assets as well as from currency effects.



The MAX Group's cost of materials rose by 27.6% to mEUR 174.7 (previous year: mEUR 136.9) due to the increased project volume. At 49.4%, the cost of materials ratio was only slightly above the comparable value (previous year: 45.8%).

Personnel expenses in 2021 of mEUR 122.5 (previous year: mEUR 121.2) were nearly at the same level as in the previous year. The personnel expense ratio fell to 34.6% (previous year: 40.5%) with an increase in total output. The MAX Group was able to benefit from a workforce of well-trained specialists that was also maintained in the corona year 2021.

Depreciation and amortisation of the MAX Group fell by 43.7% to mEUR 14.2 (previous year: mEUR 25.1). In the previous year, triggered by the corona crisis, impairment losses were recognised on the goodwill of ELWEMA Automotive GmbH and the iNDAT Robotics GmbH in the context of the annual impairment tests as well as unscheduled depreciation on the fixed assets of ELWEMA Automotive GmbH.

Other operating expenses of the MAX Group in 2021 rose by 3.1% to mEUR 49.9 (previous year: mEUR 48.5). Expenses from currency differences fell slightly to mEUR 2.1 (previous year: mEUR 2.2).

The Group's earnings before interest and taxes (EBIT) rose to mEUR 11.6 (previous year: mEUR -19.5) due to the consistent elimination of past sources of losses from the former Non-Core business and increased business activity due to the economic recovery. In connection with this, the EBIT margin in relation to turnover improved to 3.3% (previous year: - 6.3%).

The consolidated financial result improved slightly to mEUR -8.3 (previous year: mEUR -9.0) and mainly included interest expenses for the syndicated loan.

The MAX Group's income tax result amounted to mEUR -4.1 (previous year: mEUR 2.2). The income tax expense reflects, among other factors, the utilisation of loss carryforwards. The previous year was significantly influenced by impairments on goodwill and the adjustment of recoverable deferred tax assets on loss carryforwards.

The MAX Group was able to reduce the annual loss to mEUR -0.9 (previous year: mEUR -26.3) with the increasing business activity in the context of the economic recovery from the corona pandemic and the further streamlining of activities from the former Non-Core business. Earnings per share improved to EUR -0.05 (previous year: EUR -0.90).

## Asset position

In 2021, the MAX Group recorded a 1.4% decrease in total assets to mEUR 277.8 (31 December 2020: mEUR 281.8). Non-current assets (excluding deferred taxes) are financed through equity, while non-current and current assets cover current liabilities.

Non-current assets decreased by 5.1% to mEUR 115.7 (31 December: mEUR 121.9), mainly due to the depreciation of rights of use, property, plant and equipment and investment property. Intangible assets increased by 16.1% to mEUR 3.7 (31 December 2020: mEUR 3.2). Goodwill of mEUR 38.6 was at the level of the previous year (31 December 2020: mEUR 38.6).

Investment property after impairments from fair value adjustments amounted to mEUR 5.6 (31 December 2020: mEUR 6.4). The value of other financial assets declined by 22.6% to mEUR 1.5 (31 December 2020: mEUR 1.9).

Deferred tax assets decreased by 18.6% to mEUR 10.6 (31 December 2020: mEUR 13.1), mainly influenced by the utilisation of loss carryforwards.

Overall, the share of non-current assets in total assets fell to 41.7% in 2021 (31 December 2020: 43.3%).

Current assets increased by 1.4% to mEUR 162.1 in 2021 (31 December 2020: mEUR 159.9). Contract assets were recorded with an increase of 9.8% to mEUR 36.9 (31 December 2020: mEUR 33.6). Contract assets increased overall due to a relatively strong increase in the NSM + Juecker segment, which was partially offset by the decrease in the Elwema segment. The increase in the NSM + Juecker segment is based on the high order backlog at the end of the previous year and the stronger order intake in 2021. The Elwema segment had more completed contract projects in its portfolio as of 31 December 2021 than in the previous year; accordingly, no contract assets are recognised in this regard. Trade receivables increased by 17.9% to mEUR 31.9 (31 December 2020: mEUR 27.1), in particular due to increased sales in the bdrtronic Group and Vecoplan Group segments.

Tax receivables in 2021 increased to mEUR 5.1 (31 December 2020: mEUR 2.2).

Liquid funds decreased by 36.8% in 2021 to mEUR 30.2 (31 December 2020: mEUR 47.7), as liabilities were repaid. Overall, the share of current assets in total assets increased to 58.3% (31 December 2020: 56.7%). At the level of the Group as a whole, working capital fell by 21.8% to mEUR 30.6 (31 December 2020: mEUR 39.1), mainly due to high advanced payments from customers.

## Financial position

The capital structure of the MAX Group was influenced in financial year 2021 by the reclassification to current liabilities due to the term of the current syndicated loan until the end of July 2022. The equity of MAX Automation SE increased by 1.7% to mEUR 40.6 (31 December 2020: mEUR 39.9) due to changes from currency translation. The MAX Group thus reported an equity ratio of 14.6% at the end of the year 2021 (31 December 2020: 14.2%).

Non-current liabilities fell by 81.8% to mEUR 25.8 in 2021 (31 December 2020: mEUR 142.0). The MAX Group's non-current liabilities to banks fell by 99.1% to mEUR 1.0 (31 December 2020: mEUR 114.2) due to repayments and the reclassification of the syndicated loan to current liabilities. Deferred tax liabilities decreased by 4.5% to mEUR 7.9 (31 December 2020: mEUR 8.2).

Current liabilities increased to mEUR 211.3 (31 December 2020: mEUR 99.9). Of this amount, mEUR 85.6 was accounted for by the syndicated loan of MAX Automation SE, which was reported under current loans as of 31 December 2021 and no longer under non-current loans due to its maturity. Trade payables increased by 35.9% to mEUR 32.2 (31 December 2020: mEUR 23.7) as business activity increased. In the course of this, contract liabilities increased to mEUR 59.5 (31 December 2020: mEUR 41.1).

Other current financial liabilities increased to mEUR 15.5 (31 December 2020: mEUR 13.2). Income tax liabilities decreased to mEUR 0.7 (31 December 2020: mEUR 3.3).

The MAX Group's net debt decreased to mEUR 73.9 as of 31 December 2020 (31 December 2020: mEUR 85.3).

## Liquidity development

The MAX Group recorded cash inflow from operating activities of mEUR 27.7 (previous year: mEUR 32.0) in 2021. With only a slightly negative cash-effective annual result, the inflow resulted in particular from high advance payments from customers.

The cash outflow from investing activities of mEUR 3.3 (previous year: cash outflow of mEUR 5.2) primarily reflects payments for investments in property, plant and equipment of mEUR 4.6 and proceeds of mEUR 3.1 from the sale of the IWM Automation property in Porta.

The cash outflow from financing activities of mEUR 42.0 in 2021 resulted in particular from a lower utilisation of the syndicated loan (previous year: cash outflow of mEUR 19.8).

Overall, there was a reduction in cash and cash equivalents in 2021 by mEUR 17.5 to mEUR 30.2 (previous year: mEUR 47.7). After taking changes in cash and cash equivalents due to exchange rate fluctuations and changes in the scope of consolidation into account, cash and cash equivalents amounted to mEUR 30.2 as of 31 December 2021 (31 December 2020: mEUR 47.7).

## Investments

In financial year 2021, the MAX Group made replacement investments of mEUR 6.8 in non-current assets for the most part (previous year: mEUR 10.5). Information on the investments in the segments can be found in the attached segment reporting in the notes.

## Segment reporting

With its segments, MAX Automation SE serves the demand for technologically complex and innovative components and system solutions in relevant niche markets of manufacturing automation and robotics. The individual portfolio companies focus on solutions for specific industries.

### Segment bdtronic Group

The bdtronic Group (bdtronic GmbH and its subsidiaries), headquartered in Weikersheim (Baden-Wuerttemberg), develops, produces, and distributes 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. bdtronic is an established partner for the mobility of the future and positions itself as a quality leader in dispensing technology as well as a technology leader in impregnation technology.

	2021 in mEUR	2020 in mEUR	Change in %
Order Intake	60.8	46.8	30.0
Order Backlog <sup>1)</sup>	24.0	20.2	19.0
Sales	57.3	50.9	12.5
EBITDA	9.1	6.9	32.7
EBITDA-Margin (in % of Sales)	15.9%	13.5%	
Working Capital	17.9	13.3	34.7
Employees (yearly average)	415	409	1.5

<sup>1)</sup> as of 31 December

Following the corona-related decline in the previous year, incoming orders in the bdtronic 2021 rose by 30.0% to mEUR 60.8 (previous year: mEUR 46.8) and thus nearly reached the level before the outbreak of the pandemic. Order intake was characterised by high demand in the dispensing technology, which benefited from the resumption of investment activity in the industry. The impregnation technology, however, remained below

original expectations. For example, the awarding of major projects in the field of e-mobility continued to be postponed. Overall, the order backlog increased in 2021 to mEUR 24.0 (previous year: mEUR 20.2).

As a result of the significant increase in order intake, sales of the bdtronic Group rose by 12.5% to mEUR 57.3 (previous year: mEUR 50.9), despite partial delays in material deliveries and final acceptance of projects. The demand that only picked up in the second half of the year in particular lead to lower sales growth in relation to order intake. In line with the development of order intakes, projects in dispensing technology and a higher share of service projects made the main contributions to sales. The segment generated 60.2% its revenue from orders outside Germany (previous year: 59.3%).

In the operating result before interest, taxes, depreciation, and amortisation (EBITDA), bdtronic was able to achieve a significant increase of 32.7% to mEUR 9.1 (previous year: mEUR 6.9) with higher sales and continuing highly profitable projects. The EBITDA margin increased to 15.9% (previous year: 13.5%) and reflects the unique selling proposition of the bdtronic Group that it has in the area of dispensing technology in particular.

Working capital increased by 34.7% to mEUR 17.9 (previous year: mEUR 13.3) in the course of the increased sales and project volumes.

The number of employees excluding trainees (FTE) in the segment increased only moderately on average for the year to 415 (previous year: 409), as the employee base was already built up in 2020 with a view to the planned growth. Short-time work, which was mainly used in the corona year 2020, was only used to a minor extent in 2021 and ended completely in the third quarter.

## Segment Vecoplan Group

The Vecoplan Group (Vecoplan AG and its subsidiaries), headquartered in Bad Marienberg (Rhineland-Palatinate), develops, produces, 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.

	2021 in mEUR	2020 in mEUR	Change in %
Order Intake	176.3	111.3	58.4
Order Backlog <sup>1)</sup>	98.2	47.2	107.9
Sales	127.1	110.3	15.2
EBITDA	17.5	14.2	23.8
EBITDA-Margin (in % of Sales)	13.8%	12.8%	
Working Capital	9.8	17.2	-42.9
Employees (yearly average)	439	420	4.5

1) as of 31 December

The order intake of the Vecoplan Group increased by 58.4% compared to the previous year to mEUR 176.3 (previous year: mEUR 111.3). All three business areas Biomass/Wood, Recycling/Waste and Service contributed to the significant increase. The revival of business in the US continued, as did the demand for large-scale projects. In the largest business unit, Recycling/Waste, order intake increased significantly, in particular due to the higher oil price and a major contract won in December. At mEUR 98.2, the order backlog as of 31 December 2021 had therefore more than doubled compared to the previous year (31 December 2020: mEUR 47.2).

The segment's sales increased by 15.2% to mEUR 127.1 (previous year: mEUR 110.3) due to the rise in order intakes. The lower growth in sales compared to order intake is due to the restrained sales in the first quarter. In addition, order intake recorded at the end of the year will not affect sales until 2022. 82.6% the segment's sales were generated abroad (previous year: 90.2%).

As a result of the increase in sales, the operating result before interest, taxes, depreciation and amortisation (EBITDA) increased by 23.8% to mEUR 17.5 (previous year: mEUR 14.2). Besides only moderately higher overhead costs, the release of a larger provision and a wage tax subsidy in the US also had a positive effect on the result. The segment's EBITDA margin improved to 13.8% (previous year: 12.8%).

Due to advance payments received in the context of the high order intake, working capital decreased by 42.9% to mEUR 9.8 (previous year: mEUR 17.2).

The number of employees excluding trainees (FTE) in the segment grew by an annual average of 4.5% in 2021 to 439 (previous year: 420).

## Segment MA micro Group

The MA micro Group (MA micro automation GmbH and its subsidiaries), headquartered in St. Leon-Rot (Baden-Wuerttemberg), 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.

	2021 in mEUR	2020 in mEUR	Change in %
Order Intake	79.6	71.1	12.0
Order Backlog <sup>1)</sup>	83.9	66.5	26.2
Sales	62.2	46.4	34.1
EBITDA	6.9	8.9	-21.8
EBITDA-Margin (in % of Sales)	11.2%	19.1%	
Working Capital	-20.8	-10.9	89.6
Employees (yearly average)	178	162	9.9

1) as of 31 December

Following the already strong demand in the previous year, the order intake of the MA micro Group increased further in 2021 and rose by 12.0% to mEUR 79.6 (previous year: mEUR 71.1). While a major order in the field of in-vitro diagnostics for systems for the fully automated production of pipettes (Tip&Cup technology) dominated the picture at the end of the year in 2020, order intake in 2021 were again more strongly characterised by systems for the production and testing of contact lenses. In May 2021, MA micro received another major order from a customer for whom it had already manufactured identical systems in the US. The order backlog increased by a total of 26.2% to mEUR 83.9 (31 December 2020: mEUR 66.5).

Based on the high order backlog at the end of the previous year and the strong order intake in 2021, MA micro increased its sales by 34.1% to mEUR 62.2 (previous year: mEUR 46.4). Supply chain disruptions slightly slowed down the sales development in the second half of the year. 83.4% the segment's sales were generated abroad (previous year: 59.4%).

Operating earnings before interest, taxes, depreciation and amortisation (EBITDA) were lower, as expected, with a changed order mix, and fell by 21.8% to mEUR 6.9 (previous year: mEUR 8.9). In this context, the higher share of new installations in the Tip&Cup technology segment initially showed lower margins than installations for the contact lens segment. Consequently, the EBITDA margin fell to 11.2% (previous year: 19.1%).

The segment's working capital was further reduced by 89.6% due to the very high advance payments on order intake and fell to mEUR -20.8 (previous year: mEUR -10.9).

The number of employees excluding trainees (FTE) in the segment increased by an annual average of 9.9 in 2021 to 178 (previous year: 162) in line with the expansion of business activities.

## Segment AIM Micro

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, produces, and distributes 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.

	2021 in mEUR	2020 in mEUR	Change in %
Order Intake	6.7	6.3	6.3
Order Backlog <sup>1)</sup>	5.1	3.5	45.3
Sales	5.2	4.4	16.8
EBITDA	1.6	-0.1	>100
EBITDA-Margin (in % of Sales)	30.6%	-3.3%	
Working Capital	1.7	1.0	71.7
Employees (yearly average)	23	21	9.5

1) as of 31 December

AIM Micro's order intake grew by 6.3 to mEUR 6.7 in 2021 (previous year: mEUR 6.3). As a result of the order intake, the order backlog increased by 45.3% to mEUR 5.1 (31 December 2020: mEUR 3.5).

The segment's sales benefited from the high order intake and rose by 16.8% to mEUR 5.2 (previous year: mEUR 4.4). As a result of the increase in revenue, the operating result before interest, taxes, depreciation, and amortisation (EBITDA) also improved to mEUR 1.6 (previous year: mEUR -0.1). The previous year was burdened by a special effect.

Working capital increased by 71.7 to mEUR 1.7 (previous year: mEUR 1.0), mainly due to a targeted build-up of inventories in response to possible delivery bottlenecks.

The number of employees excluding trainees (FTE) at AIM Micro increased by an annual average of 9.5% to 23 in 2021 (previous year: 21).

## Segment iNDAT

iNDAT (iNDAT Robotics GmbH), headquartered in Ginsheim-Gustavsburg (Hesse), develops, manufactures, integrates, and maintains industrial robots as well as robot controllers for quality assurance, assembly, and assembly control as well as function testing and robot-based applications. iNDAT offers software applications as well as holistic plant systems for robotics and manufacturing automation, primarily for customers in the automotive industry.

	2021	2020	Change
	in mEUR	in mEUR	in %
Order Intake	6.6	5.5	18.7
Order Backlog <sup>1)</sup>	3.7	6.7	-44.3
Sales	10.1	11.7	-14.1
EBITDA	-8.8	-4.4	-102.7
EBITDA-Margin (in % of Sales)	-87.6%	-37.1%	
Working Capital	2.6	3.2	-18.1
Employees (yearly average)	99	101	-2.0

1) as of 31 December

In a market characterised by high price and competitive pressure, the order situation of iNDAT 2021 deteriorated further. After a very weak previous year due to corona, order intake in 2021 were significantly below original expectations despite growth of 18.7% to mEUR 6.6 (previous year: mEUR 5.5). As a result, the order backlog decreased to mEUR 3.7 in 2021 (31 December 2020: mEUR 6.7).

As a result of this order development, iNDAT's sales declines by 14.1% to mEUR 10.1 (previous year: mEUR 11.7). The losses in the operating result before interest, taxes, depreciation and amortisation (EBITDA) widened significantly to mEUR -8.8 (previous year: mEUR -4.4). The increase was due in particular to additional expenses for the completion of plants.

Working capital decreased by 18.1% to mEUR 2.6 (previous year: mEUR 3.2) due to the lower sales and project volume.

The number of employees excluding trainees (FTE) in the segment fell to an annual average of 99 in 2021 (previous year: 101).

Please refer to the supplementary report in the notes for information on the development of iNDAT GmbH after the end of the reporting period.

## Segment NSM + Juecker

NSM + Juecker is made up of NSM Magnettechnik GmbH with its headquarters in Olfen (North Rhine-Westphalia) and Mess- und Regeltechnik Juecker GmbH with its headquarters in Dillingen (Saarland). NSM + Juecker 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.

	2021	2020	Change
	in mEUR	in mEUR	in %
Order Intake	56.5	47.5	18.8
Order Backlog <sup>1)</sup>	37.0	32.1	15.3
Sales	51.7	41.1	25.6
EBITDA	5.8	3.5	65.2
EBITDA-Margin (in % of Sales)	11.3%	8.6%	
Working Capital	11.8	4.0	199.6
Employees (yearly average)	258	273	-5.5

1) as of 31 December

NSM + Juecker increased its order intake by 18.8% to mEUR 56.5 in 2021 (previous year: mEUR 47.5). The growth drivers were a strong market position in the area of packaging automation combined with high demand from the beverage industry for the production of metal cans. In the press automation sector, NSM + Juecker benefited from a resurgence in demand from the automotive industry. Accordingly, the order backlog as of 31 December 2021 increased by a total of 15.3% to mEUR 37.0 (previous year: mEUR 32.1).

Based on the high order backlog at the end of the previous year and the strong order intake in 2021, NSM + Juecker was able to increase its sales by 25.6% to mEUR 51.7 (previous year: mEUR 41.1). Delays in the supply chains have not yet had a significant impact on business development. 66.5% the segment's revenue came from foreign business (previous year: 59.8%).

NSM + Juecker achieved a 65.2% increase in its operating result before interest, taxes, depreciation and amortisation (EBITDA) to mEUR 5.8 (previous year: mEUR 3.5), driven in particular by the growth in revenue and the increased share of higher-margin packaging automation. The EBITDA margin of NSM + Juecker improved to 11.3% (previous year: 8.6%).

Working capital tripled to mEUR 11.8 (previous year: mEUR 4.0) as a result of the increased project volume and due to a very low level at the end of 2020, which was caused by unusually high advance payments received.

The number of employees excluding trainees (FTE) at NSM + Juecker fell by an annual average of 5.5% in 2021 to 258 (previous year: 275). The reason for this is that a sub-area of the segment (mabu presses) was significantly downsized.

## Segment Elwema

Elwema (ELWEMA Automotive GmbH), headquartered in Ellwangen/Jagst (Baden-Wuerttemberg), 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 with high process reliability.



	2021	2020	Change
	in mEUR	in mEUR	in %
Order Intake	38.3	34.9	9.9
Order Backlog <sup>1)</sup>	32.2	29.2	10.5
Sales	34.0	38.1	-10.7
EBITDA	-0.4	-4.3	90.1
EBITDA-Margin (in % of Sales)	-1.3%	-11.4%	
Working Capital	6.9	12.0	-42.0
Employees (yearly average)	163	169	-3.6

1) as of 31 December

Elwema's order intake in 2021 rose by 9.9% to mEUR 38.3 (previous year: mEUR 34.9) as investment activity in the automotive industry picked up again, which was in line with original expectations. At mEUR 32.2, the order backlog as of 31 December 2021 was 10.5% higher than the previous year's figure of mEUR 29.2.

By contrast, the segment's sales fell by 10.7% to mEUR 34.0 in 2021 (previous year: mEUR 38.1). However, the decline in revenue does not reflect the significant increase in Elwema's total output of 22.1% to mEUR 36.2 (previous year: mEUR 29.6) and is due to the revenue recognition of long-term construction contracts according to the completed contract method, so-called CC projects, under IFRS. Revenue from the corresponding projects is recognised upon full completion. Elwema generated 87.1% its segment revenue from international business (previous year: 96.5%).

The operating result before interest, taxes, depreciation, and amortisation (EBITDA) improved from mEUR -4.3 in 2020 to mEUR -0.4 in 2021, confirming the turnaround process initiated by Elwema. Improved project management, which enabled the completion of loss-making old projects and the profitable handling of newly acquired projects, was a key factor in the increase in earnings. The reimbursement of costs by a customer for a major project cancelled at the beginning of 2021 also had a positive effect on earnings. The segment's EBITDA margin improved to -1.3% (previous year: -11.4%).

Working capital decreased by 42.0% to mEUR 6.9 (previous year: mEUR 12.0), in particular due to the reduction in PoC receivables.

The number of employees excluding trainees (FTE) at Elwema fell to an annual average of 163 in 2021 (previous year: 169). Short-time work was used throughout 2021, although this was significantly reduced in the fourth quarter due to the improved order situation and better capacity utilisation.

## Segment Other

The IWM companies combined in the segment Other (IWM Automation Bodensee GmbH, IWM Automation GmbH, IWM Automation Polska Sp. z.o.o.) are largely in the process of being wound up and liquidated. Negotiations to conclude the last remaining project in IWM Bodensee were in the final phase at the time this report was prepared. The company will remain in the MAX Group as a real estate company after completion of the project.

	2021	2020	Change
	in mEUR	in mEUR	in %
Order Intake	-2.3	-3.9	40.1
Order Backlog <sup>1)</sup>	0	4.1	-100.0
Sales	2.4	6.3	-61.7
EBITDA	3.4	-9.5	135.2
EBITDA-Margin (in % of Sales)	139.1%	-151.1%	
Working Capital	0.9	-0.1	>100
Employees (yearly average)	6	91	-93.4

1) as of 31 December

The development of the segment was characterised in particular by the completion of the final projects of the IWM companies. Order reductions from termination agreements led to negative order intake of mEUR -2.3 (previous year: mEUR -3.9). With the completion of projects in 2021, the order backlog fell to zero (previous year: mEUR 4.1).

Sales reflects the completion of the projects concluded in 2021 and at mEUR 2.4, is below the comparable period (previous year: mEUR 6.3) as expected.

The operating result before interest, taxes, depreciation and amortisation (EBITDA) of the IWM companies improved significantly to mEUR 3.4 (previous year: mEUR -9.5) after the completion of remaining projects, primarily due to the reduction in personnel expenses and depreciation and amortisation as well as income from the derecognition of liabilities. Positive contributions to the result were also made by the termination of a long-term rental agreement of IWM Polska, the sale of a property of IWM Automation in Porta-Westfalica and the reimbursement from a transfer company for the employees of the closed company IWM Bodensee.

Working capital includes receivables from completed projects.

The number of employees in the IWM companies was reduced in 2021 in line with the plans.

## PERSONNEL REPORT

As of 31 December 2021, the MAX Group employed a total of 1,813 employees including trainees (annual average: 1,795) (31 December 2020: 1,814, annual average: 1,876). The number of average employees (FTE) excluding trainees fell by 4.0% to 1,595 employees (previous year: 1.661).

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 financial year 2021.

As a result of COVID-19, some portfolio companies of the MAX Group used short-time work, especially in the first half of the year, so that layoffs due to the pandemic could be avoided. In addition, it was still necessary to contain the corona pandemic. Hygiene concepts were adapted to the necessary extent and testing offers were expanded at the locations and central vaccination offers organised. The changes made in production and administration in the previous year were continued. The use of "home office" solutions 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 the headquarter to be an essential resource for business success. The current challenges related to the pandemic require a leadership culture that continuously 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 the headquarter, employees have access to a comprehensive range of training and development opportunities to build up and expand their competencies 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 127 trainees in 2021 (previous year: 142).

## MAX AUTOMATION SE

The Annual Financial Statement of MAX Automation SE was 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 Statement was prepared in accordance with the regulations for large corporations.

### Earnings situation and appropriation of profits

The earnings situation 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 three portfolio companies (IWM Automation GmbH, 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 Juecker 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 situation 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.

MAX Automation SE reported income from profit transfers of mEUR 12.9 (previous year: mEUR 5.1) and expenses from profit transfers of mEUR 0.0 (previous year: mEUR 7.7) in financial year 2021. In addition, income from investment of mEUR 0.5 (previous year: mEUR 0.0) from the distribution from an affiliated company is also reported.

Sales revenues, which mainly include Group allocations with affiliated companies, amounted to mEUR 1.5 (previous year: mEUR 2.1).

Other operating expenses fell to mEUR 6.4 (previous year: mEUR 7.0), mainly due to lower legal and consulting costs and fees.

The interest result amounted to mEUR -5.1 after mEUR -3.7 in the previous year. This mainly includes expenses for the syndicated loan and interest income from affiliated companies.

Write-downs on financial assets totalling mEUR 0.4 include value adjustments relating to a vendor loan in connection with the management buy-out of altmayerBTD GmbH & Co. KG. In the previous year, value adjustments in connection with the investment in MAX Automation North America Inc. were included in the amount of kEUR 5, as well as write-downs on the vendor loan in connection with the sale of ESSERT GmbH in the amount of mEUR 1.6.

The company reported a result before taxes of mEUR -2.5 (previous year: mEUR -16.6). A tax expense of mEUR -0.1 was reported (previous year: tax income of mEUR 0.1).

The annual result was mEUR -2.7 (previous year: mEUR -16.6). No distributions were made from the previous year's net loss in financial year 2021.

## Assets and financial position

As of 31 December 2021, the balance sheet total of MAX Automation SE was mEUR 204.3. This corresponds to a reduction of mEUR 18.5 compared to the previous year's reporting date (mEUR 222.8).

Receivables and other assets decreased to mEUR 116.7 (previous year: mEUR 128.8). This includes mEUR 101.5 from receivables from portfolio companies from syndicated financing (previous year: mEUR 121.6). Cash and cash equivalents amounted to mEUR 0.3 on the reporting date (previous year: mEUR 4.0).

MAX Automation SE reported equity of mEUR 46.0 as of 31 December 2021 (previous year: mEUR 48.7). The equity ratio was 22.5% (previous year: 21.9%).

Liabilities to banks as of 31 December 2021 decreased from decreased from mEUR 114.5 to mEUR 85.6. The liabilities to portfolio companies amounted to mEUR 66.9 as of 31 December 2021, compared to mEUR 55.8 the previous year, and mainly include loans granted/deposits.

The asset, financial and earnings positions of MAX Automation SE are in order.

## NON-FINANCIAL GROUP REPORT PURSUANT TO SECTION 315B HGB

The non-financial Group Report pursuant to Section 315 b of the German Commercial Code (HGB) of MAX Automation SE is based on the standard of the German Sustainability Code (GSC) and provides information in a separate non-financial report on the aspects required by Sections 289 a-e HGB in conjunction with Section 315 b-c HGB.

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 7 March 2022. After in-depth discussion and review, the Supervisory Board approved the separate non-financial Group Report. Following the successful realignment of the MAX Group, it is

the declared goal of the Supervisory Board to underpin the sustainability reporting with defined performance indicators in the coming years.

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 (1) AND SECTION 289A (1) 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 the subscribed capital**

The subscribed capital (share capital) of MAX Automation SE amounts to EUR 29,459,415 and is divided into 29,459,415 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 registered shares. There are no different classes of shares. Each no-par 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 Boerse 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. 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, based in Hamburg, and Orpheus Capital II GmbH & Co KG, based in Hamburg, jointly hold 40.25% of the voting rights in MAX Automation SE on the basis of mutual attribution of voting rights. The voting rights from the shareholdings of LS Digital & Management Services 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 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 para. 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 the 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 repeated 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 14,729,707.00 by issuing new registered no-par value shares against cash and/or non-cash contributions (Authorised Capital 2021).

The shareholders shall in principle 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) sentence 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 of the 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 10% of the share capital of the company in total; the decisive factor shall be 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 is reduced by the pro rata 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 with the exclusion of subscription rights in direct, analogous or mutatis mutandis application of Section 186 (3) sentence 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 claims against 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) sentence 4 of the AktG.

The Supervisory Board has not yet made use of the authorisation pursuant to Section 5 (7) of the Articles of Association (Authorised Capital 2021).

#### **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 are entitled to demand early repayment of all drawdowns plus interest, commissions and all other amounts owed within 10 business days. 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; for information on the utilisation of the loan, please refer to the disclosures in the Notes to the Consolidated Financial Statements in the chapter "Short-term loans." 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**

### **(pursuant to section 289f HGB in conjunction with Art. 83 (1) sentence 1 and sentence 2 EGHGB and section 315d HGB)**

The Corporate Governance Statement required under Section 289f HGB in conjunction with Article 83 (1) sentence 1 and sentence 2 EGHGB and Section 351d HGB was issued by the Supervisory Board on 15 February 2022 and can be found on the website under [www.maxautomation.com/de/investor-relations/corporate-governance/](http://www.maxautomation.com/de/investor-relations/corporate-governance/).

## **DEPENDENCY REPORT**

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

In financial year 2021, MAX Automation SE was a dependent company of Orpheus Capital II GmbH & Co. KG, Hamburg, Germany, and LS Digital & Management Services GmbH & Co. KG, Hamburg, Germany, within the meaning of Section 17 of the German Stock Corporation Act (AktG). There is a mutual attribution of voting rights between Orpheus Capital II GmbH & Co. KG and LS Digital & Management Services GmbH & Co. KG on the basis of a voting trust agreement that came into effect on 26 August 2020. The ultimate controlling parent company according to the German Stock Corporation Act (AktG) of Orpheus Capital II GmbH & Co. KG and LS Digital & Management Services GmbH & Co. KG is Oliver Jaster, Germany. Control results from a consistently expected (de facto) majority of votes at future Annual General Meetings. There is no control or profit and loss transfer agreement between MAX Automation SE and Orpheus Capital II GmbH & Co. KG or LS Digital & Management



Services 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.”*

## OPPORTUNITIES 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 in MAX Automation SE as the parent company and in the operating segments, and appropriate countermeasures can be initiated. The risk management system is continuously revised and adapted to the new requirements.

#### 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 essential success factor of the RMS. All employees of the MAX Group are encouraged to actively participate in risk management in their area of responsibility.
- The risk assessment 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 contains 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 – i.e. 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 this reduces 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, 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. As a rule, these are the heads of the controlling departments of MAX Holding and the portfolio companies.

## **Key features of the risk management system for the financial reporting process**

The reporting system, which is constantly being further developed by MAX Holding within the framework of value-oriented reporting, is a crucial 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 safeguard routines for the accounting process are:

- 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, among other content, a Group-wide risk management policy and an accounting manual) 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 to fulfil the plan, 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.
- 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 corporate 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 made for 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 regularly deals with important issues related to the RMS and the ICS

The accounting-related ICS was initially 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 of the ICS policy were supplemented with additional process controls following a risk-based analysis.

The RMS / ICS also includes regular training for all employees. Among other topics, workshops are held on the application of 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, as even with the exercise of all due diligence, the implementation of the appropriate systems can be fundamentally flawed.

As part of the audit of the financial statements for financial year 2021, the auditor examined the early risk detection system of the SE and the Group. The auditor concluded that the system is suitable for fulfilling the legal requirements for early risk detection.

## Opportunities report

MAX Holding is positioning 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 than previously, 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 an essential 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 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 the business performance.

For the bdrtronic Group as a specialist in proprietary mechanical engineering processes, including in dispensing technology and impregnation technology, opportunities arise due to the key growth trends in the automotive industry such as electromobility, autonomous driving and networking/infotainment. With its impregnation technology, the bdrtronic Group has a high level of process expertise and experience in the impregnation of electric and hybrid motors for high production volumes. With the adjustment of its organisational structure and capacities, the prerequisites for an increase in demand and a ramp-up of orders in the field of electromobility have already been created. The high level of automation competence 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 efficient and innovative 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 an overall increase in demand for efficient reprocessing solutions. In the packaging market, a shift from PET bottles to aluminium cans is emerging 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 in medical and healthcare technology and the trend towards miniaturisation 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). The establishment of hybrid production together with the MA micro Group could open up additional potential in the medical technology market.

## 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 through 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.

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## 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 through the acquisition of new and/or the sale of 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 implementation depends above all 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 may 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 existing 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, there could be economic fluctuations at home 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 within attractive market niches, which further reduces market risks. As of 31 December 2021, the MAX Group had an order backlog of mEUR 284.2 (previous year: mEUR 209.4), which provides a time buffer to counteract market and economic risks.

The extent to which the COVID-19 pandemic continues to impact the MAX Group's business performance will depend on future developments. These include the further course of the pandemic in terms of duration and severity, future government actions in response to the pandemic, and the overall impact of the pandemic on the global and national economy, supply chains and capital markets, all of which remain uncertain and unpredictable.

The current 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, the 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, for example in terms of time or costs, 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 work with care in their 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.

In the projects, there are 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 required for the business. 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, especially for electronic components. 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, alternative suppliers for strategically important components are being established.

#### **Financial risks:**

Financing 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 adequate 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 refinancing of the previous credit line, which runs until the end of July 2022, MAX Automation SE is securing 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. As before, the total volume is mEUR 190 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 would 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.

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 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.

Risks from the ongoing winding-up processes of the IWM companies were further reduced in the past financial year. The completion of the respective projects of the IWM companies combined with the release of risk provisions that were not required led to an operating profit for the IWM companies. The risk from the termination of the last project is classified as low. An amount similar to the operating losses in 2021 has been budgeted for the liquidation process of iNDAT.

### Legal 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 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 Hong Kong to Roger Li Liujie, while all counterclaims were dismissed. MAX Automation SE initiated legal action at the end of February 2022 to enforce the arbitral award, which will take several months to implement. The enforcement of the arbitral 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. According to the arbitration court, a verdict is expected in the first quarter of the 2022 financial year. MAX Automation SE's prospects of success in this arbitration are currently considered to be predominantly positive.

In addition, MAX Automation SE is a party to a dispute with a shareholder before the Dusseldorf Regional Court. The shareholder 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 subject of the special audit is the assessment of the appropriateness of the acquisition of the AIM Group by the then M.A.X. Automation AG (now MAX Automation SE) in 2013. The application for a special audit also seeks an assessment of the acquisition of a shareholding in the then M.A.X. Automation AG by a subsidiary of Günther Holding from shareholders of the former M.A.X. Automation AG and asserted that the acquisition of the AIM Group constituted legally impermissible financial aid by the company in favour of the subsidiary of Günther Holding in connection with its acquisition of shares in the former M.A.X. Automation AG. As a result, the company had suffered damages totalling at least mEUR 40. A previously submitted motion at MAX Automation SE's Annual General Meeting on 28 May 2021 was rejected by the majority of shareholders. Already in 2019, MAX Automation SE had examined the alleged claims based on a shareholder proposal with the support of legal advisors but did not see any grounds for the alleged claims. On 6 October 2021, MAX Automation SE filed its response to the court rebutting the need for a special audit and the appointment of a special auditor. The final decision of the court is still pending. 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 with adequate 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 with 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 existing 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 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 key 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 sufficient 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 for 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 taking great care in the selection of personnel, as well as a regular exchange with the management teams as part of the monthly review process.

### Overall assessment of the opportunity and risk situation

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 positions of the MAX Group. The current opportunity and risk management system is continuously monitored and further developed in order to identify opportunities and risks at an early stage and to successfully counter the currently existing opportunity and risk situation. The overall risk situation of the MAX Group has increased slightly compared to the previous year. Approximately half of the total risk potential is accounted for by the risk field "financial risks."

Corporate Risks	Probability of occurrence	Possible financial impact	Risk situation 2021 compared to 2020
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	equal
Risks from equity investments	possible	significant	higher
Other risks	possible	minor	equal

Extent of the possible financial impact on the consolidated result or consolidated EBIT low (< kEUR 400), moderate (from kEUR 400 to mEUR 1.3), significant (> mEUR 1.3)

The MAX Group's total risk potential amounted to around mEUR 7.9 at the end of 2021 (previous year: mEUR 6.4). This includes the net risk potential of 37 (previous year: 35) quantifiable individual risks. In addition, there were 214 non-quantifiable individual risks (previous year: 166). 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, corporate and control and monitoring structure as well as the qualified 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 within the areas involved in accounting itself and early risk identification by risk management ensure coherent accounting.

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 addressees 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 in 2021. This continuous process to optimise reporting and controlling instruments as well as internal control structures will also continue in 2022.

## OUTLOOK

### Overall economic environment

According to the International Monetary Fund (IMF), the global economy is in a weaker position at the beginning of 2022 than previously expected. Global growth is expected to slow from 5.9% in the previous year to 4.4% in 2022, corresponding to 0.5 percentage points less than in the October outlook. The main reasons are downward revisions in the two largest economies. In the US, the withdrawal from expansionary monetary policy and persistent supply constraints led to a downgrade of growth expectations by 1.2 percentage points to 4.0%. In China, pandemic-related disruptions associated with the COVID-19 zero tolerance policy and financial stress among real estate developers triggered a slowdown. As a result, the IMF adjusted its forecast for China downwards by 0.8 percentage points and expects growth of 4.8% in 2022. The IMF also expects high inflation to last longer than assumed in October, as supply chain disruptions and high energy prices will persist in 2022. Inflationary pressures are expected to ease during 2022 as supply constraints and commodity prices normalise.

For the euro area, the Kiel Institute for the World Economy (IfW) still expects a slight decline in overall economic production in the first quarter of 2022 as a result of persistent supply bottlenecks, which are, however, expected to gradually dissipate in the further course of the year and enable strong increases in value added in the manufacturing sector. After a downward revision of 0.9 percentage points compared to previous expectations, the IfW expects economic growth in the euro area to reach 3.5% in 2022. While energy prices should gradually fall again, the upward pressure on prices for industrial goods will probably intensify.

According to the Federal Government's estimates, the German economy will recover in 2022 by posting growth of 3.6% despite the current challenges and will be above the pre-crisis level again for the first time. The economic development is expected to accelerate in the course of the year. The IfW expects the economic consequences to weaken from wave to wave, just as the supply bottlenecks and their obstacles to economic development gradually dissipate.

The current 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. The EU is Russia's largest and Germany one of its most important trading partners. Russia only trades more with China. In this respect, the sanctions and a worsening of the situation would not only affect the Russian economy, but also Germany in particular due to its current dependence on Russian energy imports. Thus, the situation could lead to an energy shortage as well as to further increases in energy and raw material prices and thus impair economic development.

### Development in relevant industries

The machinery and plant engineering industry in Germany put in an exceptionally strong catch-up performance last year and is looking ahead to 2022 with confidence despite the ongoing corona pandemic. An above-average order backlog with a range of 10.9 months provides security should the existing supply bottlenecks persist and make it difficult to process orders. However, companies expect to be able to work off the high order backlog. As a result, the German Engineering Federation (VDMA) raised its production forecast for 2022 from the previous 5% growth to an increase of 7% compared to the previous year. Supply bottlenecks for components, materials, and raw materials as well as rising material and energy costs are expected to continue to have an impact in 2022. Electronic components and metals are particularly affected. Supply chain bottlenecks are not expected to ease

until the second quarter of the current year at the earliest, and in the case of electronic components not even before the third quarter of 2022.

The VDMA Robotics + Automation Association expects growth of 10% and industry sales at pre-crisis levels of EUR 14.7 billion in 2022. The prerequisite for this is that the current restrictions in the supply chains do not intensify significantly.

In the international passenger car markets, the German Association of the Automotive Industry (VDA) expects growth of 4% in 2022, comparable to the same period last year. The markets in the United States and China are each expected to grow by 2%. According to the VDA, Europe is much further away from the pre-crisis level, with expected growth of 5%, partly due to catch-up effects. The increase in Germany is expected to be 7%. Domestic production is expected to grow by 13%, which will only correspond to the production level of 2020. An increase of 5% is expected for foreign production.

According to the industry association Spectaris, the medical technology sector is proving more crisis-resistant than other industrial sectors despite the corona pandemic and is expected to remain on a growth path in 2022. Nevertheless, due to rising raw material, material and logistics costs, supply chain disruptions and the increasing approval and bureaucracy associated with the European Medical Device Regulation, a lower increase in sales is expected in 2022 than in the previous year.

The German Association for Secondary Raw Materials and Waste Disposal (bvse) is confident about the industry's development in 2022 after the market has calmed down and in view of the robust demand for secondary raw materials, provided that the pandemic does not lead to significant production losses after all. On the part of the VDMA Waste and Recycling Technology Association, no current forecasts on the development of the recycling and waste disposal industry for 2022 were available at the time the report was prepared.

## Prospective development in financial year 2022

In 2022, we will continue the strategic realignment of the MAX Group that was successfully initiated in 2021. The goal is to expand the already strong Group organically and inorganically into a more diversified portfolio of leading companies in growth niche markets with strong cash flows. In addition, we will bring the loss-making activities of the past that have already been largely processed to an end. In 2022, we will continue to implement the performance enhancement measures initiated in 2021 at the level of the portfolio companies. These focus in particular on increasing profitability through targeted measures as part of sales, purchasing and process optimisation.

The business development of the MAX Group is naturally also linked to the development of the overall economic environment. The forecast for financial year 2022 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 things, that the impact of the COVID-19 pandemic on the business development of our segments will be less in 2022. Mutated coronaviruses continue to pose a risk, but the vaccines currently available promise high effectiveness. Should the economic development be impaired more 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 2022.

The recovery of the economy is currently being strongly slowed down by supply bottlenecks and rising raw material prices. In our planning, we have assumed that the bottlenecks in the supply chains will ease somewhat in the course of financial year 2022. Nevertheless, burdens from higher prices for raw materials and components as well as delayed material deliveries are to be expected. The current situation in Ukraine and sanctions pose

risks to the economic development of our Group that cannot be assessed at present. For example, due to Germany's dependence on energy imports from Russia, energy and raw material prices could become even more expensive.

## Overall statement on the prospective development

Irrespective of the uncertainties mentioned above, especially with regard to the development of supply bottlenecks for primary products (especially electronic components), raw material prices and the further course of the pandemic, we consider ourselves to be strategically well positioned with the portfolio companies and the positioning as a finance and investment company. The order backlog of mEUR 284.2 at the beginning of 2022 represents a solid starting point for the development in 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 offered by our companies 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 2022. 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 2022, we are assuming an increase in sales for our Group to between mEUR 360 and mEUR 420. For the operating result before interest, taxes, depreciation, and amortisation (EBITDA) of the MAX Group, we expect an EBITDA of mEUR 23 to mEUR 29 despite the planned winding-up costs for iNDAT.

## Prospective business development of the SE

The earnings situation of MAX Automation SE 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 strong decline in profit transfer and investment income for financial year 2022 compared to the reporting year. The main factor here is the absence of one-off income from the termination of IWM Automation GmbH's business activities, whereas the other portfolio companies will continue their positive development.

## 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 may lead to a situation where the actual results, financial position, developments or capacity of the Company differ substantially from the estimates given here. The Company assumes no liability whatsoever to update these forward-looking statements or to adapt them in the light of future events or developments.

Dusseldorf, 3 March 2022

The Managing Directors

**Dr. Christian Diekmann**

**Dr. Ralf Guckert**

# CONSOLIDATED FINANCIAL STATEMENT

## Consolidated Balance sheet

of MAX Automation SE, Dusseldorf,  
as of December 31, 2021

ASSETS	Notes	31/12/2021 kEUR	31/12/2020 kEUR
<b>Non-current assets</b>			
Intangible Assets	(1)	3,658	3,151
Goodwill	(3)	38,611	38,582
Right-of-Use Assets	(2)	12,178	14,639
Property, plant and equipment	(4)	43,231	44,054
Investment property	(5)	5,604	6,357
Equity accounted investments	(6)	0	0
Other investments	(7)	1,489	1,924
Deferred tax	(8)	10,630	13,056
Other non-current assets	(9)	321	151
<b>Non-current assets, total</b>		<b>115,722</b>	<b>121,914</b>
<b>Current assets</b>			
Inventories	(10)	53,502	43,277
Contract Assets	(11)	36,872	33,572
Trade receivables	(11)	31,892	27,053
Prepayments, accrued income and other current assets	(12)	9,604	5,500
Cash and cash equivalents	(13)	30,186	47,736
Assets held for sale	(14)	0	2,719
<b>Current assets, total</b>		<b>162,056</b>	<b>159,857</b>
<b>Total assets</b>		<b>277,778</b>	<b>281,771</b>

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

## Consolidated Balance sheet

of MAX Automation SE, Dusseldorf,  
as of December 31, 2021

EQUITY AND LIABILITIES	Notes	31/12/2021 kEUR	31/12/2020 kEUR
<b>EQUITY</b>			
Subscribed share capital	(15)	29,459	29,459
Capital reserve	(16)	18,907	18,907
Revenue reserve	(16)	24,169	24,167
Revaluation reserve	(17)	11,358	11,298
Equity difference resulting from currency translation		656	-897
Adjustment item for minority interests		815	377
Unappropriated retained earnings	(18)	-44,772	-43,409
<b>Total Equity</b>		<b>40,592</b>	<b>39,902</b>
<b>Non-current liabilities</b>			
Non-current loans less current portion	(19)	1,030	114,235
Non-current lease liabilities	(24)	11,216	13,542
Pension provisions	(20)	949	1,057
Other provisions	(27)	4,780	4,917
Deferred tax	(8)	7,852	8,223
Other non-current liabilities	(19)	9	4
<b>Non-current liabilities, total</b>		<b>25,836</b>	<b>141,978</b>
<b>Current liabilities</b>			
Trade payables	(21)	32,155	23,660
Contract liabilities	(22)	59,522	41,117
Current loans and current portion of non-current loans	(23)	86,320	804
Current lease liabilities	(24,25)	4,713	4,448
Other current financial liabilities	(25)	15,530	13,182
Income tax liabilities	(26)	661	3,263
Other provisions	(27)	9,910	11,662
Other current liabilities	(28)	2,539	1,755
<b>Current liabilities, total</b>		<b>211,350</b>	<b>99,891</b>
<b>Equity and liabilities, total</b>		<b>277,778</b>	<b>281,771</b>

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 January 1 to December 31, 2021

		2021	2020
	Notes	kEUR	kEUR
<b>Sales</b>	(29)	<b>349,078</b>	<b>307,001</b>
Change in finished goods and work-in-progress		3,550	-9,990
Work performed by the company and capitalized		1,202	2,213
<b>Total operating revenue</b>		<b>353,830</b>	<b>299,224</b>
Other operating income	(30)	19,841	14,094
result from investment property valuation		-753	-1,097
Cost of materials	(31)	-174,696	-136,880
Personnel expenses	(32)	-122,549	-121,218
Depreciation, amortization and impairment losses	(33)	-14,165	-25,150
Other operating expenses	(34)	-49,950	-48,466
<b>Operating profit</b>		<b>11,558</b>	<b>-19,493</b>
Financial income	(35)	17	354
Financial expenses	(35)	-8,343	-9,392
<b>Financial Result</b>		<b>-8,326</b>	<b>-9,038</b>
Result from equity accounted investments	(6)	0	0
<b>Earnings before tax</b>		<b>3,232</b>	<b>-28,531</b>
Income taxes	(36)	-4,123	2,197
<b>Net income</b>		<b>-891</b>	<b>-26,334</b>
thereof attributable to non-controlling interests		510	118
thereof attributable to shareholders of MAX Automation SE		-1,401	-26,452
<b>Other comprehensive income that will never be reclassified to the income statement</b>		<b>100</b>	<b>-80</b>
Revaluation of land and buildings		60	-41
Actuarial gains and losses on employee benefits		57	-56
Income taxes on actuarial gains and losses		-17	17
<b>Other comprehensive income that can be reclassified to the income statement</b>		<b>1,553</b>	<b>-1,506</b>
Change arising from currency translation		1,553	-1,506
<b>Total comprehensive income</b>		<b>762</b>	<b>-27,920</b>
thereof attributable to non-controlling interests		510	118
thereof attributable to shareholders of MAX Automation SE		252	-28,038
Earnings per share (diluted and basic) in EUR		-0.05	-0.90

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 January 1 to December 31, 2021

		01/01/-31/12/2021	01/01/-31/12/2020
	Notes	KEUR	KEUR
<b>Cash flow from operating activities</b>			
Net income		-891	-26,334
<b>Adjustments relating to the reconciliation of consolidated net income for the year to cash flow from operating activities</b>			
Income taxes	(36)	4,123	-2,197
Net interest result	(35)	7,967	7,421
Depreciation of intangible assets	(33)	8,866	12,975
Amortization of goodwill	(33)	0	7,628
Depreciation of property, plant and equipment	(33)	5,298	4,546
Adjustment of investment property	(33)	753	1,097
Depreciation of financial assets	(33)	359	1,666
Gain (-) / loss (+) on disposal of property, plant and equipment	(4)	-460	217
Other non-cash expenses and income		1,878	-135
<b>Changes in assets and liabilities</b>			
Increase (-) / decrease (+) in other non-current assets	(9)	61	-4
Increase (-) / decrease (+) in inventories	(10)	-11,936	9,159
Increase (-) / decrease (+) in trade receivables	(11)	-5,892	18,722
Increase (-) / decrease (+) in contract assets	(11)	-3,218	7,292
Increase (-) / decrease (+) in prepayments, accrued income and other assets	(12)	-2,154	-162
Increase (+) / decrease (-) in other non-current liabilities		-307	-589
Increase (+) / decrease (-) in pensions provisions	(20)	-51	-47
Increase (+) / decrease (-) in trade payables and contract liabilities	(21, 22)	28,048	-3,627
Increase (+) / decrease (-) in other provisions and liabilities		1,046	-8,227
Income tax paid	(36)	-6,643	-1,549
Income tax reimburse	(36)	820	4,175
<b>= Cash flow from operating activities</b>		<b>27,667</b>	<b>32,027</b>
<b>2 Cash flow from investing activities</b>			
Outgoing payments for investments in intangible assets	(1)	-2,194	-3,090
Outgoing payments for investments in property, plant and equipment	(4)	-4,623	-7,394
Payments for loans granted to third parties	(7) (9)	-146	-124
Payments received from disposals of intangible assets	(1)	0	82
Payments received from disposals of property, plant and equipment	(4)	498	1,841
Payments received from sales of assets held for sale		3,150	0
Payments for loans granted to third parties	(7) (9)	0	3,439
<b>= Cash flow from investing activities</b>		<b>-3,315</b>	<b>-5,246</b>
<b>3 Cash flow from financing activities</b>	Notes		
Borrowing of non-current financial loans		15,000	30,000
Repayment of non-current financial loans	(19)	-30,686	-35,930
Repayment of current financial loans		-13,149	-1,028
Change in non-current financial debt		-1,512	-116
Change in current financial debt	(23)	-6,633	-5,732
Interest paid	(35)	-5,020	-7,112
Interest received	(35)	15	193
Payments for third parties		-33	-52
<b>= Cash flow from financing activities</b>		<b>-42,018</b>	<b>-19,777</b>

	01/01/-31/12/2021	01/01/-31/12/2020
	kEUR	kEUR
<b>4 Cash and cash equivalents</b>		
<b>Increase/decrease in cash and cash equivalents</b>	<b>-17,666</b>	<b>7,004</b>
Effect of changes in exchange rates	155	146
Consolidation-related changes in cash and cash equivalents	-39	-10
<b>Cash and cash equivalents at the start of the financial year</b>	<b>47,736</b>	<b>40,596</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>30,186</b>	<b>47,736</b>
<b>5 Composition of cash and cash equivalents</b>		
= Cash and cash equivalents	(13)	
	30,186	47,736

	01/01/-31/12/2021	01/01/-31/12/2020
	kEUR	kEUR
<b>Cash and cash equivalents at the start of the financial year</b>	<b>47,736</b>	<b>40,596</b>
<b>Cash flow from operating activities</b>	<b>27,667</b>	<b>32,027</b>
<b>Cash flow from investing activities</b>	<b>-3,315</b>	<b>-5,246</b>
<b>Cash flow from financing activities</b>	<b>-42,018</b>	<b>-19,777</b>
Effect of changes in exchange rates	155	146
Consolidation-related changes in cash and cash equivalents	-39	-10
<b>Cash and cash equivalents at the end of the financial year</b>	<b>30,186</b>	<b>47,736</b>

Due to roundings, there may be slight deviations in the totals of 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 period from January 1 to December 31, 2021

	Sub- scribed share capital kEUR	Capital reserve kEUR	Revalu- ation reserve kEUR	Actuarial gains and losses kEUR	Other revenue reserves kEUR	Differen- ces from currency trans- lation kEUR	Adjust- ment item for minority interests kEUR	Unappro- priated retained earnings kEUR	Total kEUR
<b>As of 01/01/2020</b>	<b>29,459</b>	<b>18,907</b>	<b>11,340</b>	<b>-97</b>	<b>24,222</b>	<b>609</b>	<b>310</b>	<b>-16,876</b>	<b>67,875</b>
Minority interests	0	0	0	0	0	0	-52	0	-52
Revaluation reserve for real estate	0	0	-41	0	0	0	0	0	-41
Transfer to other revenue reserves	0	0	0	0	81	0	0	-81	0
Total comprehensive income	0	0	0	-39	0	-1,506	118	-26,452	-27,879
<b>As of 31/12/2020</b>	<b>29,459</b>	<b>18,907</b>	<b>11,298</b>	<b>-136</b>	<b>24,303</b>	<b>-897</b>	<b>377</b>	<b>-43,409</b>	<b>39,902</b>
<b>As of 01/01/2021</b>	<b>29,459</b>	<b>18,907</b>	<b>11,298</b>	<b>-136</b>	<b>24,303</b>	<b>-897</b>	<b>377</b>	<b>-43,409</b>	<b>39,902</b>
Minority interests	0	0	0	0	0	0	-72	0	-72
Revaluation reserve for real estate	0	0	60	0	0	0	0	0	60
Transfer to other revenue reserves	0	0	0	0	-38	0	0	38	0
Total comprehensive income	0	0	0	40	0	1,553	510	-1,401	702
<b>As of 31/12/2021</b>	<b>29,459</b>	<b>18,907</b>	<b>11,358</b>	<b>-96</b>	<b>24,265</b>	<b>656</b>	<b>815</b>	<b>-44,772</b>	<b>40,592</b>

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

# MAX NOTES 2021

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## GENERAL INFORMATION

### Company

MAX Automation (hereinafter “Company” or “the MAX Group”) is a European stock corporation based in Germany. The registered office and principal place of business of the Company is Breite Straße 29-31 in 40213 Düsseldorf.

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 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 which were mandatory for the past financial year were applied.

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

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

The Consolidated Financial Statements for the financial year ending 31 December 2020, duly audited, and issued with an unqualified audit certificate, were approved by the Supervisory Board on 16 March 2021. The audited Consolidated Financial Statements for the year ending 31 December 2021 were approved by the Supervisory Board on 7 March 2022.

## 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 positions 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 existing International Financial Reporting Standards (IFRS), which are mandatory for the MAX Group from financial year 2021 onwards, and they have also adopted some further standards and interpretations as well as amendments to the current standards that are not yet mandatory in the EU. The amendments, standards are as follows:

<b>Announce Title</b>	<b>ment</b>	<b>Mandatory application / voluntary application for the MAX Group from</b>	<b>Expected effects on the presentation of the net assets, financial position and results of operations of the MAX Group</b>
<b>Amended standards</b>			
IFRS 9, IAS 39, IFRS 7, IFRS 4, IFRS 16	Interest Rate Benchmark Reform (IBOR) Phase 2	01/01/2021	No effects
IFRS 4	Insurance Contracts - Extension of the temporary exemption from applying IFRS 9	01/01/2021	No effects
<b>New standards to be applied in future</b>			
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	01/01/2022	The Company does not currently anticipate any material effects on the Company's asset, financial and earnings positions.
IAS 37	Onerous Contracts - Cost of Fulfilling a Contract	01/01/2022	The Company does not currently anticipate any material effects on the Company's asset, financial and earnings positions.
IFRS 3	Reference to Conceptual Framework	01/01/2022	The Company does not currently anticipate any material effects on the Company's asset, financial and earnings positions.
various	Annual Improvements to IFRS Standards 2018-2020	01/01/2022	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 1	Classification of Liabilities as Current or Non-current	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 Tax related to initial recognition of Assets and Liabilities	01/01/2023	The analysis of the changes is currently under review.
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. Actual results may differ from these estimates.

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

### Discretionary decisions

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

- Revenue recognition: Realisation of revenue from construction contracts over a period of time or at a point in time.
- Exercise of renewal options in connection with leases

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as of 31 December 2021 that may have a significant risk of causing a material adjustment to the carrying amounts of recognised assets and liabilities within the next financial year arises in connection with the following matters:

- Revenue recognition: estimates in the context of the application of the cost-to-cost method.
- Recognition of deferred tax assets: availability of future taxable profits against which deductible temporary differences and tax loss carryforwards can be utilised
- Impairment testing of intangible assets and goodwill: key assumptions underlying the determination of the recoverable amount, including the recoverability of development costs



- Recognition and measurement of provisions and contingent assets and liabilities: key assumptions about the probability and extent of the inflow or outflow of benefits
- Valuation allowance for expected credit losses on trade receivables and contract assets: key assumptions in determining the weighted average loss rate

## Assets

### Acquired intangible assets

Acquired intangible assets (patent rights, licenses, 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, AIM Micro Systems GmbH, ELWEMA Automotive GmbH, iNDAT Robotics 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 calculating the fair value less costs to sell, the procedure is conducted primarily with reference to market prices. The value in use is calculated on the basis of the discounted cash flow (DCF) method.

The weighted average cost of capital (WACC) approach is applied here (IDW RS HFA 40 (44)). The market risk premium amount is selected with reference to the pronouncements issued by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer – IDW). The risk-free base rate is calculated using a system recommended by the IDW (Svensson method). The beta factor, 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 capitalization rate is a pre-tax interest rate that reflects current market estimates of the time value of money and the specific risks of the valuation object. Since the returns on risk-bearing equity securities that can be observed in the capital markets routinely include tax effects, the weighted capitalization 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 IDW, a value of 7% was used as the market risk premium.

### Cost of capital before taxes

Business Unit	2021	2020
bdtronic Group	7.64%	7.09%
Vecoplan Group	7.64%	6.66%
AIM Micro Systems GmbH	7.00%	6.41%
ELWEMA Automotive GmbH	7.10%	6.98%
iNDAT Robotics GmbH	5.87%	5.66%
MA micro automation GmbH	7.04%	6.47%
Mess und Regeltechnik Jücker GmbH	7.01%	6.42%
NSM Magnettechnik GmbH	7.03%	6.42%

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 four-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 chronological completion of the orders, the planning horizon chosen mainly reflects the following assumptions for short-term to medium-term market developments: sales trend, market shares and growth rates, raw material costs, customer acquisition and retention costs, personnel development, and investments. The MAX Group envisages strong increases in sales and EBIT for the period from 2022 to 2025. The assumptions are determined internally and mainly reflect past experience or are compared with external market values.

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

As of December 31, 2021, an additional need for impairment was determined for iNDAT Robotics GmbH due to the impairment test. Since the goodwill had already been written off to kEUR 0 as of December 31, 2020, write-downs were made on intangible assets in the amount of kEUR 442, on right-of-use assets in the amount of kEUR 2.786, as well as on property, plant and equipment in the amount of kEUR 740. The assets that were impaired were written down to their recoverable amount of kEUR 0, which corresponds to the value in use.

With regard to the sensitivity analyses for the cash-generating units to which significant goodwill has been allocated, the need for an impairment in the amount of kEUR 6,161 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 kEUR 14,985. A decrease of kEUR 8,824 would have led to a value in use in the amount of the residual book value.

## Financial assets accounted for using the equity method

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

## 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 write-downs. 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:

<b>Expected useful lives</b>	
Building	1 to 73 years
Outdoor facilities	3 to 33 years
Technical equipment and machinery	1 to 14 years
Other plant 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 cost. 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 recognized in profit or loss.

## Investment property

Investment property consists of property held for rental income and/or for capital appreciation purposes. In the MAX Group, the fair value model, rather than the amortised cost model, is applied to all investment properties. In the view of management, the fair value model is the more relevant form of presenting a more accurate picture of the net assets, financial position, and results of operations of the MAX 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.

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 write-downs in earlier periods no longer applies, a write-up is recognised in profit or loss.

## Inventories

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

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

## Contractual assets

The companies of the MAX Group generate their sales revenue to a large extent from the creation and delivery of customer-specific equipment and machinery. For these orders, sales revenue 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 revenue and the associated costs are recognized systematically. Consequently, the results are recognized on an accrual basis over the period in which the power of disposal, the good or service is transferred. Customer payments are contractually agreed upon and are oriented toward progress on a project and predetermined milestones. This ensures that customer payments and performance progress are not too far apart in terms of time. The Group came to the conclusion that the input-based method is best suited for determining the percentage of completion since the individual companies use an IT-supported calculation method and can reliably estimate the planning costs and oversee the total costs using individualized project controlling.

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

All other sales that do not meet the criteria for period-based sales recognition are recorded on a point-in-time basis. Revenue is 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 revenue from contracts with customers corresponds to the transaction price. The transaction price only includes variable consideration if there is a high probability that the actual occurrence of the variable consideration, e.g. a contractual penalty, will not result in a material reversal of revenue. The transaction price is not adjusted for a financing component since 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 revenue 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 revenue from contracts with customers is generated both from the sale of standard machinery, replacement parts and other goods as well as from the rendering of services. This revenue is recognised at the time when the customer obtains control over the promised asset. This is usually the time when the machinery is delivered to the customer so that he acquires ownership or accepted delivery. Services rendered are 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 contractual assets. If a negative balance remains after deducting the down payments, it is disclosed as an obligation from construction contracts on the liabilities side under contractual liabilities. Partial services already invoiced are recognised under trade receivables. Anticipated contractual losses are considered based on recognizable risks and immediately included in the contract net profit in full. Contractual revenue and contract modifications, meaning contractual changes and amendments, are recognised as contract revenue in accordance with IFRS 15. Contractual 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.

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

#### **Performance obligations**

The Group breaks down its contracts with customers into performance obligations, distinguishing between performance obligations that are settled either at a point in time or over a period 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 procedure. For a more detailed explanation, please refer to the chapter “Risk Management.”

## Cash and cash equivalents

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

## 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 recognized 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 recognizable obligations as of the reporting date that arise from past transactions or past events and whose amount and/or due dates are uncertain. Provisions are recognized at their respective expected settlement amounts, i.e., taking price and cost increases into account, and are not netted against reimbursement claims. Provisions are formed only if they are based on a legal or factual obligation to third parties. Non-current provisions are recognized at their settlement amount discounted to the reporting date and

disclosed under non-current liabilities. When a loss on a contract is likely, the company recognizes the present obligation under the contract as a provision.

The determination of provisions for impending losses from contracts, of warranty provisions, of provisions for dismantling, decommissioning and similar obligations and of provisions for legal disputes, regulatory procedures, and official investigations (legal disputes) involves estimates to a considerable extent. Provisions for anticipated losses on contracts with customers are recognized when the current estimated total costs exceed the estimated sales revenues. Losses from contracts with customers are identified through ongoing monitoring of project progress and the updating of estimates. This requires to a considerable extent 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 an existing provision. In addition, the outcome of proceedings can result in expenses for the Company that exceed the provision made for the matter. Legal disputes may have a significant impact on the net assets, financial position, and results of operations of the Company.

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

## Liabilities

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

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 kEUR 2,547. 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 recognized at the start of the lease at the present value of the minimum lease payments.

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

## Contractual liabilities

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



## Leases

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

### 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 recognized 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. Where an asset would not be acquired under a lease, the purchase of the respective asset would be financed through the Group's syndicated loan.

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

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

The lease liability is measured at its amortized carrying amount using the effective interest method. It is revalued if the future lease payments change due to a change in the index or (interest) rate, if the Company adjusts its estimate of the expected payments as part of a residual value guarantee, if the Company changes its estimate of the exercise of a call, 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 property held, as well as lease liabilities, separately in the Consolidated Statement of Financial Position.

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

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

#### **As the lessor**

When the contract begins or when a contract that contains a leasing component is changed, the Company divides the contractually agreed fee 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 recognized 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 recognized as an expense with a corresponding increase in liabilities over the period in which the unconditional

right to those payments is acquired. The liability is remeasured on each reporting date and on the settlement date based on the fair value of the appreciation rights. All changes in the liability are recognized in profit or loss.

## Statement of Comprehensive Income

### Operating result

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

### Research and development expenses

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

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

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

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

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

Non-current assets (including those that are part of a disposal group) are not subject to depreciation if they are classified as held for sale. Interest and similar expenses attributable to the liabilities of a disposal group classified as held for sale will continue to be recognized.

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

A discontinued operation is a part of the entity sold or classified as held for sale that constitutes a separate major business unit or a geographical business sector which is part of a single coordinated plan to dispose of such a

business unit or is a business sector or constitutes a subsidiary that was acquired solely for the purpose of resale. The results from discontinued operations are shown separately in the Consolidated Statement of Comprehensive Income.

## Earnings per share

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 recognized 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 recognized in equity without affecting profit or loss.

	EUR=	Balance sheet: reporting date		Income statement: average	
		rate	rate	rate	rate
		31/12/2021	31/12/2020	31/12/2021	31/12/2020
China	CNY	7.19470	8.02250	7.63401	7.87084
Great Britain	GBP	0.84030	0.89900	0.86000	0.88923
Hong Kong	HKD	8.83330	9.51420	8.81553	9.43408
Poland	PLN	4.59690	4.55970	4.56404	4.44318
Switzerland	CHF	1.03310	1.08020	1.04081	1.08139
Singapore	SGD	1.52790	1.62180	1.54034	1.62185
USA	USD	1.13260	1.22710	1.18352	1.14127

	HKD=	Balance sheet: reporting date		Income statement: average	
		rate	rate	rate	rate
		31/12/2021	31/12/2020	31/12/2021	31/12/2020
China	CNY	0.81450	0.84320	0.81666	0.84378

## 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. Only the categories “at amortised cost” and “at fair value through profit or loss” are currently relevant to the MAX Group in this regard.

A financial asset is measured at amortised cost if both of the following conditions are met, and it is not designated as 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 cost. 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 do not qualify for hedge accounting. If derivatives do not meet the criteria for hedge accounting, they are classified as held for trading and carried at fair value through profit or loss for financial reporting purposes. 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.

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, it must be possible to assume that these temporary differences will reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed 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 completely eliminated during consolidation.

### Scope of consolidation

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

Besides MAX Automation SE, the scope of consolidation on the balance sheet date included a total of 30 subsidiaries and sub-subsidiaries as well as MAX Automation (Asia Pacific) Co. Ltd., Hong Kong, which is accounted for using the equity method.

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 Headquarter as well as Others.

The scope of consolidation is comprised as follows:

Number of companies included	2021	2020
AIM micro	1	1
bdtronic group	7	7
Elwema	1	1
Headquarter (MAX Management)	1	1
iNDAT	1	1
MA micro group	4	4
NSM + Juecker	3	2
Vecoplan group	9	9
Others	3	3
<b>Group</b>	<b>30</b>	<b>29</b>

### Changes in the scope of consolidation

On September 27, 2021 NSM Magnettechnik GmbH, Olfen has founded a new company in Shanghai, China under the name NSM Magnettechnik (Shanghai) Co., Ltd.

On July 19, 2021, the company MAX Automation North America Inc., Wilmington, Delaware, USA was closed. As the company was already no longer material from the Group's point of view on December 31, 2020, it was already deconsolidated in the 2020 financial year.

# EXPLANATORY NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## Assets

### (1) Intangible assets

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

kEUR	Concessions, industrial property rights and similar rights and assets, and licenses to such rights and assets	Internally generated intangible assets	Prepayments made and intangible assets under construction	Total
<b>Acquisition or production cost</b>				
01/01/2021	31,697	11,861	1,104	44,662
Changes 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
Repostings	1,467	0	-1,390	77
31/12/2021	33,791	11,861	923	46,575
<b>Accumulated amortization</b>				
01/01/2021	29,206	11,513	792	41,511
Changes 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
Repostings	742	0	-742	0
31/12/2021	31,188	11,589	140	42,917
<b>Carrying amount</b>				
31/12/2021	2,603	271	784	3,658



kEUR	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
<b>Acquisition or production cost</b>				
01/01/2020	33,113	11,780	180	45,073
Changes in scope of consolidation	0	0	0	0
Currency differences	-114	0	0	-114
Additions	1,360	325	1,378	3,063
Disposals	-3,096	-244	-41	-3,381
Reclassification to assets held for sale	-4	0	0	-4
Restatements	438	0	-413	26
31/12/2020	31,697	11,861	1,104	44,662
<b>Accumulated amortization</b>				
01/01/2020	30,537	7,698	51	38,286
Changes in scope of consolidation	0	0	0	0
Currency differences	-107	0	0	-107
Additions	1,374	539	0	1,913
Impairment	461	3,518	742	4,721
Disposals	-3,058	-242	0	-3,300
Reclassification to assets held for sale	-4	0	0	-4
Restatements	3	0	-1	2
31/12/2020	29,206	11,513	792	41,511
<b>Carrying amount</b>				
<b>31/12/2020</b>	<b>2,492</b>	<b>348</b>	<b>311</b>	<b>3,152</b>

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

In the financial year, impairment losses of kEUR 442 were recorded for intangible assets, mainly as a result from the impairment test of iNDAT Robotics GmbH. The impaired assets are mainly software licenses.

## (2) Right-of-use Assets

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

kEUR	Right-of-use Assets
<b>Acquisition or production cost</b>	
01/01/2021	23,700
Changes in scope of consolidation	0
Currency differences	191
Additions	4,635
Disposals	-3,374
Reclassifications	0
31/12/2021	25,152
<b>Accumulated amortization</b>	
01/01/2021	9,061
Changes in scope of consolidation	0
Currency differences	69
Impairment	2,786
Additions	4,387
Disposals	-3,329
Reclassifications	0
31/12/2021	12,974
<b>Carrying amount</b>	
<b>31/12/2021</b>	<b>12,178</b>

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

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

in kEUR	31/12/2021	31/12/2020
Land and buildings	9,008	11,299
Technical equipment and machinery	1,254	1,440
Other plant and office equipment (vehicles - passenger cars)	1,298	1,445
Other plant and office equipment (industrial vehicles)	474	38
Other plant and office equipment (others)	144	416
<b>Total right-of-Use Assets</b>	<b>12,178</b>	<b>14,639</b>

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

in kEUR	2021	2020
Depreciation of land and buildings	5,303	3,724
Depreciation of technical equipment and machinery	353	417
Depreciation of other plant and office equipment (vehicles - passenger cars)	1,164	1,481
Depreciation of other plant and office equipment (industrial vehicles)	63	79
Depreciation of other plant and office equipment (others)	290	640
<b>Depreciation of right-of-use-assets</b>	<b>7,173</b>	<b>6,341</b>

Impairments of kEUR 2,786 were made in the financial year. These were accounted for entirely by the rights of use of iNDAT Robotics GmbH; of this, kEUR 2,655 related to the rights of use of the real estate. The impairment requirement results from the impairment test of iNDAT Robotics GmbH.

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

in kEUR	2021	2020
Additions land and buildings	2,895	1,216
Additions technical equipment and machinery	206	1,495
Additions other plant and office equipment (vehicles - passenger cars)	1,023	1,164
Additions other plant and office equipment (industrial vehicles)	499	0
Additions other plant and office equipment (others)	12	36
Disposals land and buildings	1,982	182
Disposals technical equipment and machinery	225	201
Disposals other plant and office equipment (vehicles - passenger cars)	872	548
Disposals other plant and office equipment (industrial vehicles)	65	88
Disposals other plant and office equipment (others)	230	82

The disposal of rights of use resulted in a book profit of kEUR 1,234 (previous year: book profit of kEUR 33). The disposals result from the premature termination of leases.

### (3) Goodwill

The reported goodwill comprises the following in detail:

kEUR	Goodwill	Total
<b>Acquisition or production cost</b>		
01/01/2021	63,024	63,024
Changes 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
<b>Accumulated amortization</b>		
01/01/2021	24,442	24,442
Changes 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
<b>Carrying amount</b>		
<b>31/12/2021</b>	<b>38,611</b>	<b>38,611</b>

kEUR	Goodwill	Total
<b>Acquisition or production cost</b>		
01/01/2020	63,058	63,058
Changes in scope of consolidation	0	0
Currency differences	-37	-37
Additions	3	3
Disposals	0	0
Reclassifications	0	0
31/12/2020	63,024	63,024
<b>Accumulated amortization</b>		
01/01/2020	16,818	16,818
Changes in scope of consolidation	0	0
Currency differences	-5	-5
Additions	7,628	7,628
Disposals	0	0
Reclassifications	0	0
31/12/2020	24,442	24,442
<b>Carrying amount</b>		
<b>31/12/2020</b>	<b>38,582</b>	<b>38,582</b>

Goodwill increased slightly to kEUR 38,611 in the financial year (previous year: kEUR 38,582). The increase of kEUR 29 resulted from the currency translation in the Vecoplan Group.

in kEUR	31/12/2021	31/12/2020
<b>Goodwill</b>	<b>38,611</b>	<b>38,582</b>
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
- <i>thereof NSM Magnettechnik</i>	<i>12,124</i>	<i>12,124</i>
- <i>thereof Mess- und Regeltechnik Jücker GmbH</i>	<i>1,403</i>	<i>1,403</i>
Vecoplan Group	6,396	6,367
Others	0	0

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

The impairments in the amount of kEUR 729 essentially result from the impairment test of iNDAT Robotics GmbH and the need for impairment determined there.

No revaluations have been carried out since the first application of the revaluation method for land and buildings in the MAX Group on 31 December 2019. If the acquisition cost model had continued to be used, the carrying amount of the land and buildings as of 31 December 2021 would have been kEUR 17,010 (previous year: kEUR 17,661).

kEUR	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Assets under construction	Prepayments made	Total
<b>Acquisition or production cost</b>						
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
Repostings	85	296	1	-459	0	-77
31/12/2021	37,163	22,414	24,180	1,065	476	85,298
<b>Accumulated depreciation</b>						
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
Repostings	0	0	0	0	0	0
31/12/2021	7,058	16,286	18,488	235	0	42,067
<b>Carrying amount</b>						
31/12/2021	30,105	6,128	5,692	830	476	43,231

kEUR	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Assets under construction	Prepayments made	Total
<b>Acquisition or production cost</b>						
01/01/2020	39,380	18,549	23,305	1,557	0	82,791
Change in the scope of consolidation	0	0	0	0	0	0
Currency differences	-272	-70	-266	0	0	-608
Additions	635	4,411	1,744	523	104	7,417
Disposals	0	-2,463	-1,927	-58	0	-4,448
Reclassification to assets held for sale	-2,760	0	-247	0	0	-3,007
Repostings	-223	1,688	46	-1,536	0	-25
31/12/2020	36,760	22,115	22,656	486	104	82,121
<b>Accumulated depreciation</b>						
01/01/2020	5,257	14,269	16,928	0	0	36,454
Change in the scope of consolidation	0	0	0	0	0	0
Currency differences	-7	-62	-184	0	0	-253
Additions	1,161	1,329	1,701	0	0	4,191
Impairment	0	56	299	0	0	355
Disposals	0	-710	-1,680	0	0	-2,390
Reclassification to assets held for sale	-66	0	-221	0	0	-287
Repostings	-125	127	-4	0	0	-2
31/12/2020	6,220	15,009	16,839	0	0	38,068
<b>Carrying amount</b>						
31/12/2020	30,540	7,105	5,817	486	104	44,054

## (5) Investment property

The investment property item essentially includes the lease for the leased property on Kesselbachstrasse in Bermatingen. As a result of the closure of the operating business of IWM Automation Bodensee GmbH, this property has been classified as an investment property since 30 June 2019 due to the intention to let the property. Rental income of kEUR 227 (previous year: kEUR 138) 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 2022 to 2024, rental income of approx. kEUR 297 per year is expected based on existing rental agreements. In financial year 2025, rental income of kEUR 235 will still be generated, considering the basic rental period of the contracts, as well as kEUR 184 in financial year 2026. All rental contracts automatically self-renew at the end of the base lease term if they are not terminated.

Impairment losses of kEUR 753 (previous year: kEUR 1,097) resulted from fair value adjustments in the Consolidated Statement of Comprehensive Income in the financial year.

As part of the fair value assessment of the Kesselbachstrasse property, which is based on a leasing relationship in accordance with IFRS 16, various scenarios were determined on the basis of a market value appraisal with

regard to the further development of the property's rental capacity. The lease has a term until 2041. The most likely development from the management's point of view has been included in the assessment. In general, the fair value of the property will decrease to zero by the end of the rental period. The fair value adjustments are offset by rental income.

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

In the financial year, kEUR 166 (previous year: kEUR 64) were incurred for the maintenance of the investment property, whereby kEUR 151 (previous year: kEUR 46) were attributable to the Kesselbachstrasse property and kEUR 15 (previous year: kEUR 18) to the Dettenhausen property. The development of the property held as a financial investment can be seen in the following table and follows the classic presentation of a schedule of assets:

kEUR	Investment properties
<b>01/01/2021</b>	<b>6,357</b>
Changes in the scope of consolidation	0
Additions	0
Disposals	0
Impairment	-753
Transfer from being an owner-occupied property	0
<b>31/12/2021</b>	<b>5,604</b>

kEUR	Investment properties
<b>01/01/2020</b>	<b>7,454</b>
Changes in the scope of consolidation	0
Additions	0
Disposals	0
Impairment	-1,097
Transfer from being an owner-occupied property	0
<b>31/12/2020</b>	<b>6,357</b>

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

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

The net profit for the period of the associated company accounted for using the equity method in 2021 amounted to kEUR 0 (previous year: kEUR 0). The investment carrying amount of MAX Automation (Asia Pacific) Co. Ltd., Hong Kong, measured at equity amounted to kEUR 0 as of 31 December 2021.



## (7) Other financial assets

Other financial assets in the amount of kEUR 1,489 (previous year: kEUR 1,924) include, among other items, a vendor loan of kEUR 530 (previous year: kEUR 522), 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, two vendor loans of kEUR 218 (previous year: kEUR 650) that are connected with the management buy-out of altmayerBTD GmbH & Co. KG in 2015 are included. One of the loans was written off by kEUR 363 due to an existing waiver agreement from 2021.

In addition, there is a tenant loan of kEUR 711 (previous year: kEUR 573) and security deposits of kEUR 31 (previous year: kEUR 179).

## (8) Deferred taxes

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

in kEUR	31/12/2021		31/12/2020	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
<b>Long-term balance sheet items</b>				
<b>A. Non-current assets</b>	<b>31,064</b>	<b>6,461</b>	<b>30,417</b>	<b>6,798</b>
I. Intangible assets	439	724	523	345
II. Property, plant and equipment	420	5,678	454	6,395
III. Non-current financial assets	94	59	24	58
IV. Deferred tax assets for tax losses carried forward	30,111	0	29,416	0
<b>B. Non-current liabilities</b>	<b>866</b>	<b>0</b>	<b>950</b>	<b>24</b>
<b>Short-term balance sheet items</b>				
<b>C. Current assets</b>	<b>2,731</b>	<b>1,159</b>	<b>2,968</b>	<b>1,258</b>
I. Inventories and trade payables	2,731	1,005	2,968	1,258
II. Current financial assets	0	154	0	0
<b>D. Current liabilities</b>	<b>598</b>	<b>232</b>	<b>725</b>	<b>143</b>
<b>Subtotal</b>	<b>35,259</b>	<b>7,852</b>	<b>35,060</b>	<b>8,223</b>
<b>Value adjustments on losses carried forward</b>	<b>-18,513</b>	<b>0</b>	<b>-15,834</b>	<b>0</b>
<b>Netting</b>	<b>-6,116</b>	<b>0</b>	<b>-6,170</b>	<b>0</b>
<b>Total</b>	<b>10,630</b>	<b>7,852</b>	<b>13,056</b>	<b>8,223</b>

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

Domestic trade tax losses of kEUR 20,844 (previous year: kEUR 22,339) were carried forward at the parent company of the Group with deferred tax assets of kEUR 2,887 (previous year: kEUR 3,177), and domestic corporation tax losses of kEUR 22,008 (previous year: kEUR 23,032) were carried forward with deferred tax assets of kEUR 3,484 (previous year: kEUR 3,646) and loss carryforwards from Section 4h EStG (interest barrier) in the amount of kEUR 8,122 (previous year: kEUR 4,095) with deferred tax assets of kEUR 2,150 (previous year: kEUR 1,085).

In addition, there are domestic trade tax loss carryforwards of kEUR 69,360 (previous year: kEUR 68,405) and corporation tax loss carryforwards of kEUR 70,688 (previous year: kEUR 70,600) as well as loss carryforwards from Section 4h EStG (interest barrier) of kEUR 2,461 (previous year: EUR 2,832) with deferred tax assets totalling kEUR 20,524 (previous year: kEUR 20,426).

The domestic loss carryforwards including the interest carryforward of kEUR 17,614 (previous year: kEUR 14,915) were not (no longer) capitalised.

Foreign losses carried forward amount to kEUR 4,954 (previous year: kEUR 5,055). The related deferred tax assets of kEUR 1,066 (previous year: kEUR 1,083) were not (no longer) recognized the amount of kEUR 899 (previous year: kEUR 918).

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

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

Of the deferred tax assets on loss carryforwards amounting to kEUR 11,598 (previous year: kEUR 13,582), kEUR 10,353 (previous year: kEUR 8,975) 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 kEUR 1,245 (previous year: kEUR 4,607). Measures geared to the short-term exploitation of losses have been and are being carried out. In the previous year, the shares in Vecoplan AG, Bad Marienberg were transferred at their carrying amounts to MAX Management GmbH, Dusseldorf, to utilize tax loss carryforwards of MAX Management GmbH following the conclusion of a profit and loss transfer agreement.

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

in kEUR	31/12/2021	31/12/2020
<b>Deferred tax assets:</b>		
- from deductible differences	5,148	5,644
- from tax losses carried forward	11,598	13,582
- Netting with deferred tax liabilities	-6,116	-6,170
<b>Total deferred tax assets</b>	<b>10,630</b>	<b>13,056</b>
<b>Deferred tax liabilities:</b>		
- from taxable temporary differences	7,852	8,223

Deferred tax liabilities on temporary differences in shares in subsidiaries of kEUR 1,514 (previous year: kEUR 1,460) were not recognised since it is improbable that they will reverse in the foreseeable future.

Deferred taxes of kEUR 4,390 (previous year: kEUR 4,472) were recognized in the Consolidated Statement of Financial Position as a reduction in equity relating to income and expenses recognized directly in equity. Of this amount, kEUR 3,705 (previous year: kEUR 3,745) relates to the revaluation of property, plant and equipment, kEUR 784 (previous year: kEUR 784) to the change in use of real estate, and kEUR 40 (previous year: kEUR 57) to actuarial gains and losses from employee benefits increasing equity, and kEUR 59 (previous year: kEUR 59) to the increase in equity from the deferral of IPO costs.

## (9) Other non-current assets

Other non-current assets amounting to kEUR 321 (previous year: kEUR 151) consist mainly of non-current trade receivables of kEUR 319 (previous year: kEUR 148).

## (10) Inventories

in kEUR	31/12/2021	31/12/2020
Raw materials and supplies	21,327	18,316
Unfinished goods and services	16,145	13,296
Finished goods and services	9,799	6,160
Advance payments made	6,231	5,505
<b>Inventories</b>	<b>53,502</b>	<b>43,277</b>

Compared to the previous year, there was a change in inventories of finished goods and work in progress of kEUR 3,550 (previous year: kEUR -9,990) 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 kEUR 10,583 (previous year: kEUR 8,527).

## (11) Contractual assets and trade receivables

in kEUR	31/12/2021	31/12/2020
Contract assets	36,965	33,671
<i>thereof receivables from construction contracts</i>	<i>163,602</i>	<i>155,810</i>
<i>thereof advances received for construction contracts</i>	<i>-126,637</i>	<i>-122,139</i>
Trade receivables	34,971	28,673
specific loss allowance	-2,998	-1,536
impairment for expected credit losses	-175	-183
<b>Total</b>	<b>68,763</b>	<b>60,625</b>

Contract assets increased overall due to a relatively strong increase in the NSM + Jücker segment, which was partly offset by the decrease in the Elwema segment. The increase in the NSM + Jücker segment is based on the high order backlog at the end of the previous year and the stronger order intake in 2021. The Elwema segment has more Completed Contract projects in its portfolio as of 31 December 2021 than in the previous year; accordingly, no contract assets are recognized.

The increase in trade receivables is mainly attributable to the bdtronic Group and Vecoplan Group. In both segments, this is due to increased order intake, which resulted in higher sales and thus correspondingly higher accounts receivables in the 4th quarter.

The development of contractual assets is presented in detail below:

<b>Contract assets</b>	<b>in kEUR</b>
<b>31/12/2020</b>	<b>33,572</b>
Transfers from contract assets to trade receivables	-24,473
Changes due to the adjustment of progress	102,593
Impairment of contract assets	-4,765
Changes due to received prepayments	-70,055
<b>31/12/2021</b>	<b>36,872</b>

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

<b>in kEUR</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
Claims against tax authorities	5,106	2,229
Prepaid expenses	2,120	1,827
Research allowances	461	0
Receivables from employees	169	154
Creditors with debit balances	155	319
Security deposits	47	223
Receivables from short-time allowances	0	211
Other receivables	1,546	536
<b>Total</b>	<b>9,604</b>	<b>5,500</b>

## (13) Cash and cash equivalents

Cash and cash equivalents of KEUR 30,186 (previous year: KEUR 47,736) include cash in hand, checks and deposits with banks.

## (14) Assets held for sale

As of December 31, 2021, the MAX Group does not hold any assets for sale (previous year: KEUR 2,719).

## Equity and liabilities

### Equity

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

### (15) Subscribed capital

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

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

The shares are in the shareholder's name.

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

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

The Supervisory Board is authorised to increase the share capital of the Company once or several times by 27 May 2026 by up to a total of EUR 14,729,707.00 by issuing up to 14,729,707 new individual bearer shares in return for cash contributions and/or contributions in kind (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.

The Supervisory Board is nevertheless authorised to exclude this subscription right for shareholders:

- a) for fractional amounts;
- b) 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;
- c) 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 based on the authorizations in letters a) to c) above, 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 authorizations 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 – at the time the authorization is exercised is the decisive factor. 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 is also authorized to determine all additional rights attached to the shares and the conditions governing their issuance.

The Supervisory Board has not exercised this right to date.

## **(16) 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 kEUR 15,990 from the capital increase from Authorized Capital II approved on 15 August 2017. Costs for the capital increase less the relevant taxation in the amount of kEUR 138 are to be deducted from this amount.

Revenue reserves reflect the actuarial gains and losses of the pension provisions and income taxes. They amounted to kEUR -96 in 2021 (previous year: kEUR -136).

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 kEUR 4,044. This includes the adjustment of contract assets by a reduction of kEUR 48,193, the adjustment of inventories by an increase of kEUR 42,543 and the adjustment of deferred taxes by an increase of kEUR 1,606.

### **(17) Revaluation reserve**

The revaluation reserve includes changes in value resulting from the application of the revaluation model in accordance with IAS 16 as well as adjustments to the value of real estate reclassified from owner-occupied property to investment property. The amount of kEUR 11,358 is comprised of land and buildings that were revalued in 2019 in the amount of kEUR 13,018 as well as related deferred tax liabilities of kEUR 3,705 and kEUR 2,828 from value adjustments for property as a result of its reclassification to investment property, as well as kEUR 783 in deferred taxes.

### **(18) Unappropriated retained earnings**

Under German stock corporation law, the amount available for dividend payments to shareholders is based on the unappropriated retained earnings for the year or on the other retained earnings of MAX Automation SE (individual financial statements) and is determined in accordance with German commercial law. For 2021, unappropriated retained losses of kEUR -61,030 is reported in the separate financial statements of MAX Automation SE.

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

#### **Capital management**

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

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

## Non-current liabilities

### (19) Non-current financial liabilities

in kEUR	31/12/2021	31/12/2020
<b>Non-current loans excl. current proportion</b>	<b>1,030</b>	<b>114,235</b>
Residual term 1-5 years	1,030	114,235
Residual term > 5 years	0	0
<b>Other non-current liabilities</b>	<b>9</b>	<b>4</b>
Residual term 1-5 years	9	4
Residual term > 5 years	0	0
<b>Total</b>	<b>1,039</b>	<b>114,239</b>

Non-current loans relate to liabilities to banks. In the previous year, they also included the syndicated loan of the parent Company in the amount of kEUR 112,514. As of 31 December 2021, this is reported under current loans due to its maturity; please refer to the respective chapter for details.

### (20) Provisions for pensions

Pension provisions recognized 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:

in kEUR	31/12/2021	31/12/2020
Interest rate	1.00%	0.48%
Salary growth	No	No
Pension indexation	2.0%	2.0%
Calculated fluctuation	No	No
Calculated retirement age	65 years	65 years

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

The present value of the pension obligations developed as follows:

in kEUR	31/12/2021	31/12/2020
As of 01/01/	1,057	1,048
Service cost	0	0
Interest cost	5	8
Actuarial gains/losses	-57	56
Pensions paid	-56	-55
Offsetting of pension liability insurance	0	0
<b>Pension provisions</b>	<b>949</b>	<b>1,057</b>

Actuarial gains and losses were recorded outside profit or loss.

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

in kEUR	2021	2020	2019	2018	2017
Balance sheet value of pension provisions	949	1,057	1,048	950	963
Allocated plan assets	0	0	0	0	0

Experience suggests that no significant adjustments to pension obligations are expected.

In addition to the pension payments (kEUR 56), interest expenses of kEUR 9 are expected to be incurred in 2022.

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

## (21) Trade payables

in kEUR	2021	2020
Trade payables	22,051	17,561
Liabilities from deliveries still to be invoiced and outstanding assembly services	8,150	4,313
Obligations to subcontractors	1,954	1,786
<b>Trade payables</b>	<b>32,155</b>	<b>23,660</b>

## (22) Contract liabilities

Contract liabilities	in kEUR
<b>01/01/2021</b>	<b>41,117</b>
Revenue included in contract liabilities at the beginning of the period	-27,434
Increase due to customer payments received less the amount recognized as revenue during the period	57,453
Changes due to the adjustment of progress	-11,596
Other changes	-18
<b>31/12/2021</b>	<b>59,522</b>

The increase in contract liabilities is mainly attributable to the Vecoplan Group and MA micro group.

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

Short-term bank loans of kEUR 86,320 (previous year: kEUR 804) were utilised. Of this amount, kEUR 85,629 relate to the parent company's syndicated loan, which is reported under short-term loans and no longer under long-term loans as of 31 December 2021 due to its maturity.

Interest rates at market conditions are charged for the loans.

At the end of July 2017, MAX Automation SE extended the syndicated loan concluded in 2015 and at the same time extended it until 2022. An increase in the syndicated loan by mEUR 40 to a total volume of mEUR 190 was agreed (including a guarantee credit line for advance payments, warranties and contract performance). MAX Automation took advantage of the ongoing favourable financing environment to expand the syndicated loan. The agreement includes improved conditions as well as comfortable framework conditions (covenants), which relate to the Consolidated Financial Statements prepared in accordance with IFRS regulations. These are based



on balance sheet and earnings ratios. In 2021, the MAX Group complied with all covenants agreed with the lending banks.

Liabilities from the syndicated loan are reported under short-term loans due to its maturity of less than twelve months as of the balance sheet date.

On 18 January 2021, the Company applied for a contract amendment to the administrative agent of the syndicated loan agreement. The subject of this application for amendment was essentially the readjustment of the covenants of the syndicated loan agreement. The application was accepted by the syndicate banks on 15 February 2021.

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 rate of the syndicated loan depends on balance sheet ratios in the Consolidated Financial Statements. The interest is calculated based on the EURIBOR plus a margin resulting from the key figures.

The interest rates on the Group's loans were fixed and variable. In 2021, the interest rates ranged from 1.40% to 4.30%, depending on the term of the contract.

As of 16 February 2022, MAX Automation SE concluded a new syndicated loan agreement in the amount of mEUR 190 with a term of three years. With effect from 18 February 2022, MAX Automation SE terminated the current syndicated loan agreement. The liabilities under the previous syndicated loan agreement were repaid in full on 18 February 2022 and refinanced through a drawdown under the new syndicated loan agreement.

## (24) Leases

### Leasing activities of the MAX Gruppe

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:

in kEUR	31/12/2021	31/12/2020
<b>Undiscounted lease liabilities</b>		
Residual term < 1 year	5,104	4,846
Residual term 1-5 years	10,296	11,197
Residual term > 5 years	1,496	3,156
<b>Total undiscounted lease liabilities</b>	<b>16,896</b>	<b>19,198</b>
Future interest expenses	967	1,208
<b>Total discounted lease liabilities</b>	<b>15,929</b>	<b>17,990</b>

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

<b>in kEUR</b>	<b>2021</b>	<b>2020</b>
Interest for land and buildings	369	396
Interest for technical equipment and machinery	31	30
Interest for other plant and office equipment (vehicles - passenger cars)	59	50
Interest for other plant and office equipment (industrial vehicles)	9	2
Interest for other plant and office equipment (others)	11	20
<b>Total interest for leases</b>	<b>479</b>	<b>498</b>

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

<b>Terms in years</b>	<b>MAX</b>	<b>MIN</b>
Land and buildings	20	1
Technical equipment and machinery	5	1
Other plant and office equipment (vehicles - passenger cars)	5	1
Other plant and office equipment (industrial vehicles)	5	5
Other plant and office equipment (others)	10	2

The following table shows the cash outflows for leases:

<b>in kEUR</b>	<b>2021</b>	<b>2020</b>
<b>Total cash outflows for leases</b>	<b>5,650</b>	<b>5,848</b>

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

<b>in kEUR</b>	<b>2021</b>	<b>2020</b>
Interest expenses for leasing contracts	479	498
Expenses for short-term leasing contracts	26	4
Expenses for leases for assets of low value	132	68

#### **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 kEUR 7,413 (previous year: kEUR 6,452).

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

in kEUR	31/12/2021	31/12/2020
Salaries and wages	7,767	7,667
Holiday pay and overtime	3,581	2,456
Customers with credit balances	998	808
Social security liabilities	865	896
Negative fair values of derivative financial instruments	63	1
Other current liabilities	2,256	1,354
<b>Total</b>	<b>15,530</b>	<b>13,182</b>
Lease liabilities	4,713	4,448
<b>Total lease liabilities</b>	<b>4,713</b>	<b>4,448</b>

Wages and salaries include bonuses and royalties amounting to kEUR 6,507 (previous year: kEUR 7,055).

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

## (26) 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 the corporation tax, while the trade tax rate is approximately 14% on average, resulting in an unchanged average domestic tax rate of 29.83%. Outside Germany, the MAX Group primarily generates taxable income in the US. The average tax rate in the US is 21% (previous year: 23.48%).

Provisions for taxes developed as follows:

in kEUR	31/12/2020	Utilization	Reversals	Additions	Reclassifications	Currency translation	31/12/2021
Corporation tax with solidarity surcharge	1,712	-1,461	-19	125	0	0	358
Trade tax	1,439	-1,439	0	52	0	0	52
Other Taxes	112	-60	0	171	0	27	251
<b>Total liabilities</b>	<b>3,263</b>	<b>-2,960</b>	<b>-19</b>	<b>349</b>	<b>0</b>	<b>27</b>	<b>661</b>

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

## (27) Other provisions

Other provisions comprise the following:

in kEUR	31/12/2020	Usage	Reversals	Reclassi- fication	Additions	31/12/2021
Non-current warranty provisions	2,935	526	311	404	514	2,207
Non-current personnel cost provisions	1,973	5	0	0	595	2,563
Other miscellaneous non-current provisions	10	0	0	0	0	10
<b>Total other non-current provisions</b>	<b>4,917</b>	<b>531</b>	<b>311</b>	<b>404</b>	<b>1,109</b>	<b>4,780</b>
Warranty provisions	3,701	985	1,118	404	1,492	3,494
Personnel cost provisions	579	239	72	0	1,061	1,329
Other miscellaneous provisions	7,382	3,559	2,952	0	4,216	5,087
<b>Total other current provisions</b>	<b>11,662</b>	<b>4,783</b>	<b>4,142</b>	<b>404</b>	<b>6,769</b>	<b>9,910</b>

#### Warranty and guarantee provisions

Provisions were recognized 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 for audit and consulting costs of kEUR 1,462 (previous year: kEUR 1,497) and for other costs of kEUR 3,626 (previous year: kEUR 5,885). These costs are expected to be incurred within 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.

## (28) Other current liabilities

This item in the amount of kEUR 2,539 (previous year: kEUR 1,755) mainly consists of wage tax and church tax in the amount of kEUR 1,430 (previous year: kEUR 1,457) and value added tax in the amount of kEUR 1,109 (previous year: kEUR 298).

# NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## (29) Sales

The following tables show sales by segment:

2021 kEUR	bdtronic Group	Vecoplan Group	MA micro Group	AIM micro	iNDAT
<b>Total segment sales</b>	<b>57,264</b>	<b>127,113</b>	<b>62,208</b>	<b>5,157</b>	<b>10,089</b>
Intercompany sales	2	0	1	0	646
<b>Sales with external customers</b>	<b>57,262</b>	<b>127,113</b>	<b>62,207</b>	<b>5,157</b>	<b>9,443</b>
<b>Timing of revenue recognition</b>					
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
<b>Sales by regions</b>					
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 kEUR	NSM + Jücker	Elwema	Others	Recon- ciliation	Total
<b>Total segment sales</b>	<b>51,678</b>	<b>34,018</b>	<b>2,412</b>	<b>-861</b>	<b>349,078</b>
Intercompany sales	6	197	19	-871	0
<b>Sales with external customers</b>	<b>51,672</b>	<b>33,821</b>	<b>2,393</b>	<b>10</b>	<b>349,078</b>
<b>Timing of revenue recognition</b>					
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
<b>Sales by regions</b>					
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

2020 kEUR	bdtronic Group	Vecoplan Group	MA micro Group	AIM micro	iNDAT
<b>Total segment sales</b>	<b>50,883</b>	<b>110,312</b>	<b>46,386</b>	<b>4,415</b>	<b>11,749</b>
Intercompany sales	185	2	0	0	1,270
<b>Sales with external customers</b>	<b>50,698</b>	<b>110,310</b>	<b>46,386</b>	<b>4,415</b>	<b>10,479</b>
<b>Timing of revenue recognition</b>					
At a certain time	32,057	73,011	6,182	4,415	215
Over a period of time	18,641	37,300	40,204	0	10,264
<b>Sales by regions</b>					
Germany	20,660	10,767	18,848	2,469	9,572
Other EU countries	14,725	34,406	400	1,927	822
North America	5,585	47,966	19,690	1	0
China	6,645	0	29	0	0
Rest of the world	3,083	17,172	7,419	18	85
Intercompany sales	185	2	0	0	1,270

2020 kEUR	NSM + Jücker	Elwema	Others	Recon- ciliation	Total
<b>Total segment sales</b>	<b>41,149</b>	<b>38,072</b>	<b>6,298</b>	<b>-2,263</b>	<b>307,001</b>
Intercompany sales	5	576	230	-2,268	0
<b>Sales with external customers</b>	<b>41,144</b>	<b>37,496</b>	<b>6,068</b>	<b>5</b>	<b>307,001</b>
<b>Timing of revenue recognition</b>					
At a certain time	13,709	11,295	5,109	5	145,998
Over a period of time	27,434	26,201	959	0	161,003
<b>Sales by regions</b>					
Germany	16,540	1,302	5,276	5	85,439
Other EU countries	10,487	11,111	2,109	0	75,987
North America	4,789	5,955	-2,609	0	81,377
China	4,466	13,451	9	0	24,600
Rest of the world	4,862	5,677	1,283	0	39,598
Intercompany sales	5	576	230	-2,268	0

### (30) Other operating income

in kEUR	2021	2020
Income from the release of provisions	4,454	3,536
Income from the derecognition of liabilities	2,628	435
Income from currency differences	2,344	1,795
Income from the reduction of value adjustments	1,124	2,750
Income from the intended use of personnel-related liabilities	1,320	1,578
Income from disposal or modification of Right of Use Assets	1,234	33
Income from grants	1,127	851
Income from refunds regarding transfer company for IWM Automation Bodensee GmbH	798	0
Income from the disposal of property, plant and equipment	493	115
Income from damages	212	438
Other	4,107	2,563
<b>Total</b>	<b>19,841</b>	<b>14,094</b>

The item "Other" amounting to kEUR 4,107 (previous year: kEUR 2,563) includes benefits in kind amounting to kEUR 722 (previous year: kEUR 741).

### (31) Cost of materials

in kEUR	2021	2020
Cost of goods purchased	146,249	109,138
Cost of services purchased	28,447	27,741
<b>Total</b>	<b>174,696</b>	<b>136,880</b>

### (32) Personnel expenses

in kEUR	2021	2020
Salaries and wages	103,268	102,155
Social security contributions	19,281	19,063
- thereof expenses for pensions and benefits	721	913
<b>Total</b>	<b>122,549</b>	<b>121,218</b>

Wages and salaries include expenses of kEUR 1,325 (previous year: kEUR 1,700) incurred for the remuneration of management within the framework of IFRS 2 (share-based payments). In addition, severance payments of kEUR 1,105 (previous year: kEUR 1,173) were included in personnel expenses in the financial year.

Average number of employees excluding trainees	2021	2020
Wage-earners	455	501
Salaried employees	1,140	1,160
<b>Total</b>	<b>1,595</b>	<b>1,661</b>

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

in kEUR	2021	2020
On intangible assets	1,694	6,634
On right-of-use assets	7,173	6,341
On other property, plant and equipment	4,278	3,277
On goodwill	0	7,628
On buildings, leasehold improvements and outside facilities	1,020	1,269
- in the above write-downs from purchase price allocations	227	349
<b>Total</b>	<b>14,165</b>	<b>25,150</b>

Amortization of intangible assets includes impairment losses of kEUR 3,228 (previous year: kEUR 4,721), of which impairment losses of kEUR 2,786 (previous year: kEUR 1,776) were attributable to right-of-use assets. Depreciation of property, plant and equipment includes impairment losses of kEUR 729 (previous year: kEUR 355). Further information on impairment losses can be found in the chapters on the respective categories of fixed assets.

### (34) Other operating expenses

in kEUR	2021	2020
Legal and consultancy fees	7,159	6,955
Outbound freight expenses	4,515	3,592
Maintenance expenses	3,966	3,235
Travel expenses	3,767	3,501
Personnel expenses (incl. training)	2,652	2,086
Postage, telephone and IT expenses	2,502	2,645
Expenses from currency effects	2,068	2,199
Utility expenses	1,730	1,691
Expenses for individual and general bad-debt allowances	1,695	1,851
Insurance expenses	1,654	1,705
Warranty expenses	1,560	1,457
Advertising expenses	1,499	1,593
Sales commissions	1,284	1,533
Packaging material	944	731
Tools	749	672
Other occupancy costs	874	903
Trade fair costs	539	376
Contributions and fees	440	972
Other miscellaneous expenses	10,353	10,769
<b>Total</b>	<b>49,950</b>	<b>48,466</b>

Other operating expenses increased by kEUR 1,484 to kEUR 49,950 (previous year: kEUR 48,466). The change is mainly due to the increase in outbound freight by kEUR 923, the increase in maintenance expenses by kEUR 731 and the increase in personnel expenses by kEUR 565. Furthermore, membership fees and charges declined by kEUR 531 and advertising costs by kEUR 249.

### (35) Financial result

in kEUR	2021	2020
Interest income	17	354
Depreciation on loans	-359	-1,617
Interest expense	-7,984	-7,775
<b>Interest result</b>	<b>-8,326</b>	<b>-9,038</b>

The write-downs 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. In the previous year, the write-downs resulted from a loan related to the sale of ESSERT GmbH.

Interest expenses mainly include interest expenses incurred for the syndicated loan. In addition, interest in the amount of kEUR 479 (previous year: kEUR 425) in connection with leasing liabilities is included.

The financial result includes expenses from the compounding of non-current provisions in the amount of kEUR 21 (previous year: kEUR 32) and income from the discounting of non-current provisions amounting to kEUR 8 (previous year: kEUR 3) are included.



The financial result shown 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:

in kEUR	2021	2020
Financial assets and liabilities measured at fair value through profit and loss	-126	187
Loans, receivables and payables	-863	-35

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, write-ups and impairments on trade receivables, write-ups and impairments on contract assets and income from write-offs of trade payables.

### (36) Income taxes

Earnings before income taxes amounted to kEUR 3,232 (previous year: kEUR -28,531).

in kEUR	2021	2020
Current income taxes	-1,957	-3,194
Income taxes relating to other periods	-34	-32
Deferred taxes	-2,132	5,423
– thereof taxes from losses carried forward	-1,988	2,129
<b>Total</b>	<b>-4,123</b>	<b>2,197</b>

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

The main accounting approaches for deferred taxes and loss carryforwards are explained in Note 8 “Deferred taxes.”

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

in kEUR	2021	2020
<b>Earnings before taxes</b>	<b>3,232</b>	<b>-28,531</b>
Group income tax rate	31.10%	31.17%
<b>Calculated income tax expense</b>	<b>1,005</b>	<b>-8,893</b>
Differences from tax rates	5	-181
Divergent tax burdens (country-specific features)	-25	19
Tax Credits	-273	-254
Deductable income taxes	467	424
Impairment of goodwill		2,252
Deviations in tax base (tax balance sheets)	-44	51
Tax-free income	-9	-405
Non-deductable expenses	464	957
interest barrier	1,090	2,033
Impairment / Non-recognition of deferred tax assets for losses carried forward	1,579	1,440
Usage of losses carried forward	-665	
Impairment / Non-recognition of deferred tax assets	-15	25
Taxes relating to other periods / Adjustment of prior years' deferred taxes	177	118
Non-recognition of deferred taxes related to IFRS 16	482	351
Taxes to be borne by third parties	-120	-25
Differences in current year's tax calculation	53	-53
Consolidation effects	0	
Others	-47	-57
<b>Income taxes</b>	<b>-4,123</b>	<b>2,197</b>
<b>Effective tax rate</b>	<b>127.57 %</b>	<b>-7.70 %</b>

The expected income tax expense is calculated by multiplying the annual result before income taxes by the Group income tax rate. This is derived from the tax rates of the companies included in the consolidation. In addition to additions from the interest barrier amounting to kEUR 1,090 (previous year: kEUR 2,033), changes in loss carryforwards totalling kEUR 914 (previous year: kEUR 1,440) influenced income taxes. In the previous year, the income tax expense was significantly influenced by impairment of goodwill in the amount of kEUR 2,252.

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 cash flow statement

The consolidated cash flow statement 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:

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

1) Interest payments of kEUR 5.020 were made in relation to financial liabilities to banks. Other changes resulted from the application of the effective interest method.

2) Interest payments in the amount of kEUR 463 are related to lease liabilities.

kEUR	31/12/2019	Outflows	Inflows	Changes				31/12/2020
				Other changes	in lease contracts	Reclassi- fication	Currency effects	
Non-current financial liabilities to banks	120,574	-35,930	30,000	-409	0	0	0	114,235
Current financial liabilities to banks	1,327	-1,033	5	505	0	0	0	804
Lease liabilities	19,696	-5,848	0	498	3,884	0	-239	17,991
<b>Total</b>	<b>141,596</b>	<b>-42,811</b>	<b>30,005</b>	<b>594</b>	<b>3,884</b>	<b>0</b>	<b>-239</b>	<b>133,028</b>

## Research and Development

Development costs totalling kEUR 2,316 (previous year: kEUR 2,693) were incurred in 2021. Of these, no intangible assets had to be capitalised in accordance with IAS 38 (previous year: kEUR 553). This corresponds to a capitalisation rate of 0% (previous year: 21%). Amortization of development costs of kEUR 76 (previous year: kEUR 3,668) was recognised; there were no impairment losses in 2021 (previous year: kEUR 3,128).

## Risk Management

### General information on financial risks

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

- Credit risks
- Liquidity risks
- Market price risks

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

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

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

## Risk categories

### Credit risks

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

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

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

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

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

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

In order to measure the expected credit losses, trade receivables and contractual assets are clustered. The valuation allowance ratios are determined based on 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 contractual assets:

**Impairment Matrix as of 31 December 2021**

	Default rate %	Gross book value Trade receivables & Contract assets kEUR	Expected credit loss kEUR
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
<b>Total</b>	<b>0.25%</b>	<b>71,937</b>	<b>175</b>

**Impairment Matrix as of 31 December 2020**

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

Furthermore, depreciation of contractual assets and trade receivables was performed on a case-by-case basis in the amount of kEUR 2,998 (previous year: kEUR -1,536).

Trade receivables with a contractual value of kEUR 105, which have been written off, are still subject to enforcement measures.

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

<b>Expected credit loss</b>	
<b>in kEUR</b>	<b>Trade receivables &amp; Contract assets (simplified approach)</b>
<b>Expected credit loss as of 01. January 2021</b>	<b>183</b>
increase	384
decrease	-404
currency translation differences and others	12
<b>Expected credit loss as of 31. December 2021</b>	<b>175</b>
Opening balance gross book value as of 01. January 2021	62,344
Closing balance gross book value as of 31. December 2021	71,937

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

### Liquidity risk

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

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 kEUR 2,547. There is no concentration risk as a result.

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

As of 31 December 2021, the financial liabilities of the MAX Group result in the following cash outflows from interest and principal payments:

kEUR	Book value 31/12/2021	Cashflow up to 1 year	Cashflow 1 to 5 years	Cashflow over 5 years
<b>Non-derivative financial liabilities</b>				
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
<b>Cash outflows from derivative financial instruments</b>				
- Currency derivatives	-63	1,695	0	0
- Interest rate derivatives	0	0	0	0
<b>Cash inflows from derivative financial instruments</b>				
- Currency derivatives	-63	1,633	0	0
- Interest rate derivatives	0	0	0	0

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

### Market price risk

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

The 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 revenue is measured in foreign currency and the associated costs are in euro. Exchange rate fluctuations are partly hedged by using the appropriate hedging instruments.

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

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

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

in kEUR	Nominal volume in kEUR		Fair value in kEUR	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Forward exchange transactions (sale)	1,695	3,035	-63	63

#### Financial instruments for currency hedging

The currency sensitivity analyses are based on the following assumptions:

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

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

USD sensitivity analysis (in kEUR)	Impact on group result	
	2021	2020
Appreciation 10%	-506	-673
Devaluation 10%	619	822

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

#### Interest rate risks

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

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

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



in kEUR	Nominal volume in kEUR		Fair value in kEUR	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Interest rate caps	94	131	0	0

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

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

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

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

Market interest rate sensitivity analysis (in kEUR)	Impact on group result	
	2021	2020
Appreciation 100 basis points	-410	-626
Devaluation 100 basis points	29	59

#### Other price risks

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

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

### Categorization of financial instruments

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

in kEUR	Valuation category according to IFRS 9	Book value 31/12/2021	Fair Value Level 2 31/12/2021	Book value 31/12/2020	Fair Value Level 2 31/12/2020
<b>Financial Assets</b>					
Borrowings	AC	1,458	1,500	1,745	1,750
Trade receivables	AC	31,892		27,053	
Cash and cash equivalents	AC	30,186		47,736	
Other financial assets	AC	4,821		3,423	
<b>Financial liabilities</b>					
Loans	AC	87,350	87,350	115,038	115,038
Trade payables	AC	32,155		23,660	
Derivative financial instruments	FVTPL	63	63	1	1
Other financial liabilities	AC	4,233		2,918	

## 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.

## Earnings per share

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

in kEUR	2021	2020
Profit attributable to the shareholders of MAX Automation SE used to determine the undiluted/diluted earnings per share	-1,401	-26,452
Number	2021	2020
Weighted average number of shares used as denominator to calculate undiluted/diluted earnings per share	29,459,415	29,459,415
in EUR	2021	2020
Undiluted/diluted earnings per share due to shareholders of MAX Automation SE	-0.05	-0.90

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

## Segment Reporting

Segment	bdtronic Group		Vecoplan Group	
	2021	2020	2021	2020
Reporting Period	kEUR	kEUR	kEUR	kEUR
<b>Order intake</b>	<b>60,849</b>	<b>46,801</b>	<b>176,312</b>	<b>111,315</b>
<b>Order backlog</b>	<b>24,025</b>	<b>20,184</b>	<b>98,157</b>	<b>47,221</b>
<b>Segment sales</b>	<b>57,264</b>	<b>50,883</b>	<b>127,113</b>	<b>110,312</b>
- With external customers	57,262	50,698	127,113	110,310
- Inter-segment sales	2	185	0	2
<b>Segment operating profit before depreciation &amp; amortization (EBITDA)</b>	<b>9,114</b>	<b>6,866</b>	<b>17,536</b>	<b>14,167</b>
<b>EBITDA margin (in %, in relation to sales)</b>	<b>15.9%</b>	<b>13.5%</b>	<b>13.8%</b>	<b>12.8%</b>
depreciation/amortization	-2,594	-2,489	-2,765	-2,350
impairment	0	0	0	0
<b>Segment operating profit (EBIT before PPA amortization)</b>	<b>6,520</b>	<b>4,377</b>	<b>14,771</b>	<b>11,817</b>
PPA amortization	-195	-223	0	0
Goodwill Impairment	0	0	0	0
<b>Segment operating profit after PPA amortization (EBIT)</b>	<b>6,325</b>	<b>4,154</b>	<b>14,771</b>	<b>11,817</b>
Interest and similar income	0	0	199	118
Interest and similar expenses	-412	-440	-291	-404
<b>Segment result from ordinary activities (EBT)</b>	<b>5,913</b>	<b>3,715</b>	<b>14,679</b>	<b>11,530</b>
<b>Non-current segment assets (excluding deferred tax)</b>	<b>19,609</b>	<b>20,355</b>	<b>24,417</b>	<b>23,111</b>
- thereof Germany	14,585	15,045	19,706	19,262
- thereof other EU countries	3,792	4,032	104	116
- thereof North America	953	1,154	4,461	3,733
- thereof Rest of the world	279	124	146	0
<b>Investments in non-current segment assets</b>	<b>1,616</b>	<b>1,744</b>	<b>2,156</b>	<b>4,581</b>
<b>Working Capital</b>	<b>17,922</b>	<b>13,307</b>	<b>9,827</b>	<b>17,222</b>
<b>ROCE (in %)<sup>1)</sup></b>	<b>17.1%</b>	<b>11.2%</b>	<b>35.6%</b>	<b>24.7%</b>
<b>Net debt</b>	<b>-9,876</b>	<b>-8,989</b>	<b>25,685</b>	<b>28,073</b>
<b>Average number of personnel excluding trainees</b>	<b>415</b>	<b>409</b>	<b>439</b>	<b>420</b>

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

Segment	MA micro Group		AIM micro	
	2021	2020	2021	2020
Reporting Period	kEUR	kEUR	kEUR	kEUR
<b>Order intake</b>	<b>79,582</b>	<b>71,083</b>	<b>6,737</b>	<b>6,338</b>
<b>Order backlog</b>	<b>83,907</b>	<b>66,504</b>	<b>5,060</b>	<b>3,482</b>
<b>Segment sales</b>	<b>62,208</b>	<b>46,386</b>	<b>5,157</b>	<b>4,415</b>
- With external customers	62,207	46,386	5,157	4,415
- Inter-segment sales	1	0	0	0
<b>Segment operating profit before depreciation &amp; amortization (EBITDA)</b>	<b>6,940</b>	<b>8,879</b>	<b>1,580</b>	<b>-146</b>
<b>EBITDA margin (in %, in relation to sales)</b>	<b>11.2%</b>	<b>19.1%</b>	<b>30.6%</b>	<b>-3.3%</b>
depreciation/amortization	-1,855	-1,088	-249	-202
impairment	0	-41	0	0
<b>Segment operating profit (EBIT before PPA amortization)</b>	<b>5,085</b>	<b>7,750</b>	<b>1,331</b>	<b>-348</b>
PPA amortization	0	0	0	0
Goodwill Impairment	0	0	0	0
<b>Segment operating profit after PPA amortization (EBIT)</b>	<b>5,085</b>	<b>7,750</b>	<b>1,331</b>	<b>-348</b>
Interest and similar income	222	165	2	0
Interest and similar expenses	-152	-245	-26	-32
<b>Segment result from ordinary activities (EBT)</b>	<b>5,155</b>	<b>7,670</b>	<b>1,307</b>	<b>-380</b>
<b>Non-current segment assets (excluding deferred tax)</b>	<b>5,854</b>	<b>4,983</b>	<b>1,247</b>	<b>1,013</b>
- thereof Germany	5,572	4,916	1,247	1,013
- thereof other EU countries	0	0	0	0
- thereof North America	30	0	0	0
- thereof Rest of the world	252	67	0	0
<b>Investments in non-current segment assets</b>	<b>1,028</b>	<b>1,562</b>	<b>480</b>	<b>240</b>
<b>Working Capital</b>	<b>-20,755</b>	<b>-10,946</b>	<b>1,725</b>	<b>1,004</b>
<b>ROCE (in %)<sup>1)</sup></b>	<b>294.7%</b>	<b>50.3%</b>	<b>42.4%</b>	<b>-12.1%</b>
<b>Net debt</b>	<b>24,132</b>	<b>26,546</b>	<b>-2,194</b>	<b>-1,661</b>
<b>Average number of personnel excluding trainees</b>	<b>178</b>	<b>162</b>	<b>23</b>	<b>21</b>

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

Segment	INDAT		NSM + Jücker	
	2021	2020	2021	2020
Reporting Period	kEUR	kEUR	kEUR	kEUR
<b>Order intake</b>	<b>6,567</b>	<b>5,535</b>	<b>56,471</b>	<b>47,523</b>
<b>Order backlog</b>	<b>3,717</b>	<b>6,673</b>	<b>36,989</b>	<b>32,079</b>
<b>Segment sales</b>	<b>10,089</b>	<b>11,749</b>	<b>51,678</b>	<b>41,149</b>
- With external customers	9,443	10,479	51,672	41,144
- Inter-segment sales	646	1,270	6	5
<b>Segment operating profit before depreciation &amp; amortization (EBITDA)</b>	<b>-8,842</b>	<b>-4,363</b>	<b>5,814</b>	<b>3,521</b>
<b>EBITDA margin (in %, in relation to sales)</b>	<b>-87.6%</b>	<b>-37.1%</b>	<b>11.3%</b>	<b>8.6%</b>
depreciation/amortization	-935	-949	-742	-941
impairment	-3,968	0	-73	0
<b>Segment operating profit (EBIT before PPA amortization)</b>	<b>-13,745</b>	<b>-5,312</b>	<b>4,999</b>	<b>2,580</b>
PPA amortization	0	0	-32	-126
Goodwill Impairment	0	-3,463	0	0
<b>Segment operating profit after PPA amortization (EBIT)</b>	<b>-13,745</b>	<b>-8,775</b>	<b>4,967</b>	<b>2,454</b>
Interest and similar income	30	94	46	17
Interest and similar expenses	-286	-315	-119	-140
<b>Segment result from ordinary activities (EBT)</b>	<b>-14,001</b>	<b>-8,997</b>	<b>4,895</b>	<b>2,331</b>
<b>Non-current segment assets (excluding deferred tax)</b>	<b>5</b>	<b>4,442</b>	<b>9,313</b>	<b>9,631</b>
- thereof Germany	5	4,442	9,313	9,631
- thereof other EU countries	0	0	0	0
- thereof North America	0	0	0	0
- thereof Rest of the world	0	0	0	0
<b>Investments in non-current segment assets</b>	<b>401</b>	<b>662</b>	<b>364</b>	<b>274</b>
<b>Working Capital</b>	<b>2,630</b>	<b>3,211</b>	<b>11,836</b>	<b>3,951</b>
<b>ROCE (in %)<sup>1)</sup></b>	<b>-153.2%</b>	<b>-45.6%</b>	<b>15.9%</b>	<b>7.7%</b>
<b>Net debt</b>	<b>3,772</b>	<b>-2,016</b>	<b>5,643</b>	<b>9,653</b>
<b>Average number of personnel excluding trainees</b>	<b>99</b>	<b>101</b>	<b>258</b>	<b>273</b>

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

Segment	Elwema		Other	
	2021	2020	2021	2020
Reporting Period	kEUR	kEUR	kEUR	kEUR
<b>Order intake</b>	<b>38,286</b>	<b>34,854</b>	<b>-2,316</b>	<b>-3,868</b>
<b>Order backlog</b>	<b>32,219</b>	<b>29,163</b>	<b>0</b>	<b>4,113</b>
<b>Segment sales</b>	<b>34,018</b>	<b>38,072</b>	<b>2,412</b>	<b>6,298</b>
- With external customers	33,821	37,496	2,393	6,068
- Inter-segment sales	197	576	19	230
<b>Segment operating profit before depreciation &amp; amortization (EBITDA)</b>	<b>-431</b>	<b>-4,350</b>	<b>3,354</b>	<b>-9,518</b>
<b>EBITDA margin (in %, in relation to sales)</b>	<b>-1.3%</b>	<b>-11.4%</b>	<b>139.1%</b>	<b>-151.1%</b>
depreciation/amortization	-358	-1,404	-123	-604
impairment	0	-5,044	0	-1,768
<b>Segment operating profit (EBIT before PPA amortization)</b>	<b>-789</b>	<b>-10,798</b>	<b>3,231</b>	<b>-11,890</b>
PPA amortization	0	0	0	0
Goodwill Impairment	0	-4,165	0	0
<b>Segment operating profit after PPA amortization (EBIT)</b>	<b>-789</b>	<b>-14,963</b>	<b>3,231</b>	<b>-11,890</b>
Interest and similar income	75	117	76	611
Interest and similar expenses	-701	-970	-145	-692
<b>Segment result from ordinary activities (EBT)</b>	<b>-1,415</b>	<b>-15,816</b>	<b>3,162</b>	<b>-11,971</b>
<b>Non-current segment assets (excluding deferred tax)</b>	<b>5,302</b>	<b>4,713</b>	<b>5,681</b>	<b>6,582</b>
- thereof Germany	5,302	4,713	5,611	6,284
- thereof other EU countries	0	0	70	298
- thereof North America	0	0	0	0
- thereof Rest of the world	0	0	0	0
<b>Investments in non-current segment assets</b>	<b>712</b>	<b>1,146</b>	<b>19</b>	<b>341</b>
<b>Working Capital</b>	<b>6,937</b>	<b>11,958</b>	<b>922</b>	<b>-84</b>
<b>ROCE (in %)<sup>1)</sup></b>	<b>-4.2%</b>	<b>-32.2%</b>	<b>52.5%</b>	<b>-80.0%</b>
<b>Net debt</b>	<b>-6,794</b>	<b>-11,861</b>	<b>1,623</b>	<b>2,605</b>
<b>Average number of personnel excluding trainees</b>	<b>163</b>	<b>169</b>	<b>6</b>	<b>91</b>

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

Segment	Reconciliation <sup>2)</sup>		Group	
	2021	2020	2021	2020
Reporting Period	kEUR	kEUR	kEUR	kEUR
<b>Order intake</b>	<b>0</b>	<b>0</b>	<b>422,488</b>	<b>319,581</b>
<b>Order backlog</b>	<b>93</b>	<b>0</b>	<b>284,167</b>	<b>209,419</b>
<b>Segment sales</b>	<b>-861</b>	<b>-2,263</b>	<b>349,078</b>	<b>307,001</b>
- With external customers	10	5	349,078	307,001
- Inter-segment sales	-871	-2,268	0	0
<b>Segment operating profit before depreciation &amp; amortization (EBITDA)</b>	<b>-9,342</b>	<b>-9,399</b>	<b>25,723</b>	<b>5,657</b>
<b>EBITDA margin (in %, in relation to sales)</b>	-	-	<b>7.4%</b>	<b>1.8%</b>
depreciation/amortization	-360	-293	-9,981	-10,320
impairment	84	0	-3,957	-6,853
<b>Segment operating profit (EBIT before PPA amortization)</b>	<b>-9,618</b>	<b>-9,692</b>	<b>11,785</b>	<b>-11,516</b>
PPA amortization	0	0	-227	-349
Goodwill Impairment	0	0	0	-7,628
<b>Segment operating profit after PPA amortization (EBIT)</b>	<b>-9,618</b>	<b>-9,692</b>	<b>11,558</b>	<b>-19,493</b>
Interest and similar income	-633	-768	17	354
Interest and similar expenses	-5,852	-4,537	-7,984	-7,775
<b>Segment result from ordinary activities (EBT)</b>	<b>-16,462</b>	<b>-16,614</b>	<b>3,233</b>	<b>-28,531</b>
<b>Non-current segment assets (excluding deferred tax)</b>	<b>33,666</b>	<b>34,027</b>	<b>105,094</b>	<b>108,857</b>
- thereof Germany	33,666	34,027	95,007	99,333
- thereof other EU countries	0	0	3,966	4,446
- thereof North America	0	0	5,444	4,887
- thereof Rest of the world	0	0	677	191
<b>Investments in non-current segment assets</b>	<b>41</b>	<b>-66</b>	<b>6,817</b>	<b>10,484</b>
<b>Working Capital</b>	<b>-456</b>	<b>-498</b>	<b>30,588</b>	<b>39,125</b>
<b>ROCE (in %)<sup>1)</sup></b>	-	-	<b>7.8%</b>	<b>-9.3%</b>
<b>Net debt</b>	<b>-115,923</b>	<b>-127,643</b>	<b>-73,932</b>	<b>-85,293</b>
<b>Average number of personnel excluding trainees</b>	<b>14</b>	<b>15</b>	<b>1,595</b>	<b>1,661</b>

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

2) The column "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, which has been changed with the monthly reporting for October 2021. Previously, the reportable segments had been Environmental Technologies, Process Technologies, Evolving Technologies and Mobility Automation. Previous year's figures have been adjusted accordingly to reflect the new segmentation.

The allocation to the respective segment is made on the basis of the products and services offered. The segment "Other" includes the companies IWM Automation Bodensee GmbH, IWM Automation GmbH and IWM Automation Polska Sp.z.o.o., which have discontinued their operating activities.

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

The reconciliation column shows on the one hand income and expenses from transactions with other segments that are eliminated for consolidation purposes. It also shows the income and expenses of the individual 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 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 to the Supervisory Board and 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 revenues from the current order backlog are expected to be realized in the next financial year.

In financial year 2021, compared to the previous year, the items interest and similar income, interest and similar expenses as well as EBT are also presented in the segment reporting, as these internal key figures are regularly reported to the Chief operating decision maker and are accordingly of great importance for the Company. Furthermore, segment revenues by country have been presented in the chapter "Sales" since financial year 2020; the values of the goodwill can be found in the chapter "Goodwill."

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 kEUR 276,417 (previous year: kEUR 241,785), while sales of kEUR 72,661 (previous year: kEUR 65,217) were generated by business with service and spare parts.

No customer accounted for more than 10% of revenue in 2021.

## Events after the reporting period

On 8 February 2022, the Supervisory Board of MAX Automation SE decided to wind up iNDAT Robotics GmbH. MAX Automation SE is thus disposing of its persistently loss-making subsidiary. Despite considerable efforts by management and employees for a turnaround, no sustainable positive earnings could be achieved. The Corona pandemic and the automotive crisis have further exacerbated the situation of iNDAT, after it was already exposed to high price and competitive pressure inherent in its business model. An amount similar to the operating losses of 2021 has been budgeted for the dissolution process of iNDAT, which is expected to be completed by the end of the 2023 financial year.

The vendor loan of kEUR 530 (previous year: kEUR 522), 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, was repaid in full ahead of schedule on 11 February 2022.

As of 16 February 2022, MAX Automation SE concluded a new syndicated loan agreement in the amount of mEUR 190 with a term of three years plus two renewal options of one year each. The existing syndicated loan agreement 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.

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. Due to Germany's dependence on energy imports from Russia, for example, energy and raw material prices could become even more expensive.

## Other financial obligations

The following financial obligations from other non-cancellable contracts exist as of 31 December 2021:

in kEUR	2021	2020
up to 1 year	2,007	1,567
1 to 5 years	458	687
over 5 years	111	49
<b>Total</b>	<b>2,576</b>	<b>2,303</b>

## Related party transactions

Related companies and persons as defined in IAS 24 are persons and companies (including affiliates) that can be controlled by the Company or can control the Company. In financial year 2021, MAX Automation SE was a Company dependent on Orpheus Capital II GmbH & Co. KG, Hamburg, Germany, and LS Digital & Management Services GmbH & Co. KG, Hamburg, Germany, in the sense of Section 17 AktG. There is a mutual attribution of voting rights between Orpheus Capital II GmbH & Co. KG and LS Digital & Management Services GmbH & Co. KG based on a voting agreement that came into force on 26 August 2020. The highest controlling parent company according to the AktG of Orpheus Capital II GmbH & Co. KG and of LS Digital & Management Services GmbH & Co. KG is Oliver Jaster, Germany. Control results from a constantly expected (factual) majority of votes at future general meetings.

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

### Related companies

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

### Related persons

Business transactions with related natural persons totalled kEUR 6 (previous year: kEUR 16). These relate to travel expenses incurred by Members of the Supervisory Board.

## Auditor

Expenses for fees charged by the auditor of kEUR 695 (previous year: kEUR 975) were incurred in the year under review.

kEUR	2021	2020
1. Audit services	695	875
a) Services for current year	663	595
b) Services for prior year	32	280
2. Other assurance services	0	0
3. Other services	0	100
<b>Total</b>	<b>695</b>	<b>975</b>

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

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

The other services rendered in the previous financial year pertain to forensic investigations.

## 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 (since 1 January 2021), CEO / CFO**

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 (since 26 August 2021)

### **Dr. Ralf Guckert, Hamburg (since 1 August 2021), 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, and all4cloud Management GmbH, Hamburg

### **Werner Berens, Fahrswiler, Germany (until 30 June 2021)**

Member of the following other supervisory bodies:

- No membership in other supervisory bodies

### **Dr. Guido Hild, Dusseldorf, Germany (until 31 July 2021)**

Member of the following other supervisory bodies:

- No membership in other supervisory bodies

**Patrick Vandenhijn, Regensburg, Germany (until 30 June 2021)**

Member of the following other supervisory bodies:

- No membership in other supervisory bodies

## **Total remuneration of the Managing Directors**

The Managing Directors of MAX Automation SE were granted total benefits of kEUR 2,476 (previous year: kEUR 2,272) in financial year 2021. Of this amount, kEUR 1,791 (previous year: kEUR 1,174) was accounted for by short-term benefits, kEUR 300 (previous year: kEUR 560) by termination benefits and kEUR 385 by share-based payments in the financial year. Remuneration of kEUR 972 was granted to the Managing Directors who stepped down from the Board during the financial year. Provisions of kEUR 530 (previous year: kEUR 863) were made for bonuses and management bonuses 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 2021, a total of 87,562 phantom shares 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 kEUR 385. 87,562 new phantom shares were granted in financial year 2021, 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 kEUR 385. This corresponds to the intrinsic value of the vested rights.

The provision for the phantom share programme in the amount of kEUR 954 (previous year: kEUR 466) is reported under non-current liabilities within other provisions. Expenses arising from share-based payments in financial year 2021 totalled kEUR 385. In the previous year, kEUR 538 were attributable to other long-term benefits.

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 executive 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 (since 28 May 2021)

Member of the following other supervisory bodies:

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

### **Oliver Jaster, Hamburg**

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

Deputy Chairman of the Board of Directors (since 28 May 2021)

Member of the following other supervisory bodies:

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

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**Hartmut Buscher, Hamburg**

Managing Director and Chief Financial Officer of Günther Holding SE, Hamburg

Member of the Board of Directors (since 28 May 2021)

Member of the following other supervisory bodies:

- Member of the Advisory Board of Günther Direct Services, Bamberg (since 20 April 2021) (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 Board of Directors (since 28 May 2021)

Member of the following other supervisory bodies:

- Member of the Supervisory Board of GROB Aircraft SE, Tussenhausen-Mattsies (until 11 June 2021)
- Member of the Advisory Board of congatec Group GmbH, Deggendorf (until 28 July 2021)

**Karoline Kalb, Augsburg**

Member of the Management Board and CFO of Testo SE & Co KGaA, Titisee-Neustadt (until 16 December 2021)

Member of the Supervisory Board (since 29 May 2020)

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 PartGmbH, Munich

Member of the Supervisory Board (since 22 June 2021)

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

**Dr. Christian Diekmann, Hamburg**

Chairman of the Supervisory Board (until 28 May 2021)

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 (since 26 August 2021)

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**Dr. Jens Kruse, Hamburg**

Deputy Chairman of the Supervisory Board (until 28 May 2021)

Member of the following other supervisory bodies:

- Member of Supervisory Board of Biesterfeld AG, Hamburg

**Dr. Ralf Guckert, Hamburg**

Member of the Supervisory Board (until 28 May 2021)

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, and all4cloud Management GmbH, Hamburg

**Marcel Neustock, Hamburg**

Member of the Supervisory Board (until 28 May 2021)

Member of the following other supervisory bodies:

- No membership in other supervisory bodies

## Total remuneration of the Supervisory Board

The remuneration of the Supervisory Board for 2021 amounted to kEUR 273 (previous year: kEUR 283). Of this amount, kEUR 56 (previous year: kEUR 17) was paid to members of the Supervisory Board who left the Board during the fiscal year. On the balance sheet date, there were liabilities from remuneration claims from members of the Supervisory Board in the amount of kEUR 217 (previous year: kEUR 283). In addition to reimbursement of their expenses, the Chairman of the Supervisory Board receives kEUR 120, the Deputy Chairman kEUR 60 and the remaining members of the Supervisory Board, with the exception of the Managing Directors, kEUR 40 after the end of the financial year.

The members of the Supervisory Board did not receive any loans or advances in fiscal year 2021.

## SHAREHOLDINGS SUBJECT TO NOTIFICATION PURSUANT TO SECTION 160 (1) (8) AKTG

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

Universal-Investment-Gesellschaft mbH, Frankfurt/Main, Germany, notified us on 18 September 2017 that its share of the voting rights changed from 5.004% to 4.96% on 7 September 2017 as a result of the change in the

total number of voting rights. A share of 4.96% of the voting rights (corresponding to 1,460,344 voting rights) is attributable to the company under Section 22 (1) (1) (6) WpHG.

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

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

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

MAX Automation released a statement on 29 October 2018 pursuant to Section 40 (1) WpHG that it had received notification on 26 October 2018 that LOYS Investment S.A., Munsbach, Luxembourg, had increased its share of the voting rights from 3.145% to 5.058% on 25 October through the acquisition of shares with voting rights and now holds 1,489,945 voting rights out of the total number of 29,459,415 voting rights.

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

On 15 June 2020, MAX Automation released a statement pursuant to Section 40 (1) WpHG that it received notification on 15 June 2020 that Monega Kapitalanlagegesellschaft mbH, Cologne, Germany, had reduced its voting rights on 10 June 2020 from 3.16% to 2.87% through the sale of shares with voting rights and now holds 844,957 voting rights of the total number of voting rights of 29,459,415.

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

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

Services GmbH & Co.KG, Bamberg, Germany, Orpheus Capital II Management GmbH & Co. KG, Hamburg, Germany, Günther Holding SE, Hamburg, Germany, and Günther SE, Bamberg, Germany. A share of 34.92% of the voting rights (corresponding to 10,287,228 voting rights) is attributable to Mr. Jaster under Section 22 (1) (1) WpHG through Orpheus Capital II GmbH & Co. KG, Hamburg, Germany, Orpheus Capital II Management GmbH & Co. KG, Hamburg, Germany, Günther Holding GmbH, Hamburg, Germany and Günther GmbH, Bamberg, Germany.

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

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

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

MAX Automation released a statement on 19 April 2021 pursuant to Section 40 (1) WpHG that it had received notification on 19 April 2021 that Universal-Investment-GmbH, Frankfurt/Main, Germany, had reduced its voting rights from 3.28% to 2.89% on 14 April 2021 through the sale of shares with voting rights and now holds 850,613 voting rights out of the total number of 29,459,415 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 4 February 2022 and published it on its website at [www.maxautomation.com/en/investor-relations/corporate-governance/](http://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 2021:

- MAX Management GmbH, Dusseldorf
- ELWEMA Automotive GmbH, Ellwangen



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

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

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

Dusseldorf, 3 March 2022

The Managing Directors

**Dr. Christian Diekmann**

**Dr. Ralf Guckert**

# SHAREHOLDINGS

## MAX Automation SE, Dusseldorf, list of shareholdings as of 31 December 2021

### a) Companies included in the Consolidated Financial Statements

Name and registered office of the company		Share in capital (%)
<b>Subsidiaries of MAX Automation SE:</b>		
MAX Management GmbH	Dusseldorf	100
bdtronic GmbH	Weikersheim	100
IWM Automation GmbH	Porta Westfalica	100
Mess- und Regeltechnik Jücker GmbH	Dillingen	100
NSM Magnettechnik GmbH	Olfen-Vinum	100
<b>Subsidiaries of MAX Management GmbH:</b>		
AIM Micro Systems GmbH	Triptis	100
ELWEMA Automotive GmbH	Ellwangen	100
iNDAT Robotics GmbH	Ginsheim-Gustavsburg	100
IWM Automation Bodensee GmbH	Bermatingen	100
MA micro automation GmbH	St. Leon-Rot	100
Vecoplan AG	Bad Marienberg	100
<b>Subsidiaries of bdtronic GmbH:</b>		
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
<b>Subsidiaries of IWM Automation GmbH:</b>		
IWM Automation Polska Sp.z o.o.	Zabrze, Poland	100
<b>Subsidiaries of NSM Magnettechnik GmbH:</b>		
NSM Magnettechnik (Shanghai) Co., Ltd.	Shanghai, China	100
<b>Subsidiaries and second-tier subsidiaries of MA micro automation GmbH:</b>		
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
<b>Subsidiaries and second-tier subsidiaries of Vecoplan AG:</b>		
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 Limited	Castleford, UK	100
Vecoplan Polska Sp.z.o.o.	Warsaw, Poland	100
Vecoplan Swiss GmbH	Sarnen, Switzerland	100

## b) Companies included in the Consolidated Financial Statements using the equity method

Name and registered office of the company	Share in capital (%)
<b>Shareholdings of MAX Automation SE:</b>	
MAX Automation (Asia Pacific) Co.Ltd. (Subsidiary of MAX Automation SE)	Hongkong 51
MAX Automation (Shanghai) Co. Ltd. (Subsidiary of MAX Automation (Shanghai) Co. Ltd.)	Shanghai, China 100

# AUDITOR CERTIFICATE

# INDEPENDENT AUDITOR'S REPORT

To MAX Automation SE, Dusseldorf

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF 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 at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Max Automation SE, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2021.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2021, and of its financial performance for the financial year from 1 January to 31 December 2021, and
- the accompanying group management report as a whole provides an appropriate 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 appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

### Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. 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 on the group management report.

## Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

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

- ① Impairment of goodwill
- ② Application of the so-called cost-to-cost method for revenue recognition within the context of long-term contract manufacturing.

We have structured our presentation of these particularly important audit matters as follows:

- ① Facts and problem definition
- ② Auditing approach and findings
- ③ Reference to further information

In the following, we present the particularly important audit issues:

### ① Impairment of goodwill

① In the consolidated financial statements of the company, goodwill totalling mEUR 38.6 (13.7% of total assets) is reported separately under non-current assets. Goodwill is subject to an impairment test by the company once a year or as and when required in order to determine a possible need for impairment. The impairment test is performed 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 of measurement is normally the present value of future cash flows from the respective group of cash-generating units. The present values are determined using discounted cash flow models. The Group's approved medium-term planning forms the starting point, which is extrapolated using assumptions of long-term growth rates. Expectations of future market developments and assumptions regarding the development of macroeconomic factors are also taken into account. Discounting is based on the weighted average cost of capital of the cash-generating units or a respective group thereof. As a result of the annual impairment test and previous event-driven tests, there were no write-ups or write-downs of goodwill this year.

The results of the respective valuations depend to a large extent 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 therefore subject to considerable uncertainty. In view of this situation and due to the complexity of the valuation, this issue was of particular importance in the context of our audit.

② Within the scope of our audit, we have, among other things, assessed the methodical procedure for carrying out the impairment test. In addition, we assessed the content of the derivation of future cash inflows discounted in the context of calculating the values in use. For this purpose, we checked the plausibility of the

medium-term planning relevant for the respective cash-generating unit against the backdrop of industry-specific market expectations, among other things. In addition, we also assessed whether the costs of corporate functions were properly taken into account. With the knowledge that even relatively small changes in the discount rate used can have significant impacts on the amount of the enterprise value determined in this manner, we have intensively studied the parameters used to determine the discount rate used and have reconstructed the calculation scheme. In order to account for the existing forecast uncertainties, we have reproduced the sensitivity analyses prepared by the Company and performed our own sensitivity analyses for the groups of cash-generating units with low excess cover (carrying amount compared to recoverable amount).

The valuation parameters and assumptions applied by the legal representatives are, in our opinion, acceptable overall and lie within reasonable ranges.

③ The Information provided by the Company on goodwill is stated in the section entitled "Goodwill" and in Notes 3 and 33 to the Consolidated Financial Statements.

② **Application of the so-called cost-to-cost method for revenue recognition in the context of long-term manufacturing contracts**

① In the Consolidated Financial Statements of the Company as of 31 December 2020, the income statement shows sales revenues of mEUR 349.1, which were mainly realized on a pro-rata basis. The balance sheet as of 31 December 2021 includes contract assets in the amount of mEUR 36.9 and contract liabilities in the amount of mEUR 59.5. Revenue from customer-specific contracts is recognized over a period of time when an asset is created that does not provide the Company with alternative uses and a legal right to receive payment for services already rendered. Even if an asset is created or improved and the customer gains control of the asset during this time, revenue is still recognized over the period. In the case of revenue recognition over a period of time, revenue is recognized on the basis of the stage of completion, which is determined as the ratio of the actual contract costs incurred to the expected total costs. In view of the complex production processes involved, the recognition of revenue over a specific period requires, in particular, an effective internal budgeting and reporting system, including concurrent project cost calculations and a functioning internal control system.

Against this backdrop, the correct application of the accounting standard for revenue recognition must be regarded as complex and is partially based on estimates and assumptions by the legal representatives. The matter was therefore of particular importance for our audit.

② Taking into account the knowledge that there is an increased risk of misstatements in the financial statements due to the complexity of the issues involved and the estimates and assumptions to be made, we have assessed the processes and controls put in place by the Group to recognize revenue from customer-specific contracts. Our specific audit approaches included examination of controls and evidence-gathering procedures, primarily:

- Assessment of the process of properly identifying the performance obligations and classifying the performance rendered after a certain period of time or at a certain point in time.
- Assessment of the cost accounting system, as well as other relevant systems supporting the accounting of customer-specific contracts.
- Assessment of the proper recording and allocation of direct costs and the amount and allocation of overheads.
- Assessment of the project calculations on which the customer-specific contracts are based and the determination of the percentage of completion.

We were able to satisfy ourselves that the systems, processes and controls in place are adequate and that the estimates and assumptions made by the legal representatives are sufficiently documented and justified to ensure proper revenue recognition from customer-specific contracts.



③ The Company's disclosures on revenue recognition in connection with long-term manufacturing contracts are explained in the sections "Contract assets" and "Contract liabilities" and in Notes 11, 22 and 29 to the consolidated financial statements.

## Other Information

The executive directors are responsible for the other information.

The other information comprises:

- the statement on corporate governance pursuant to § 289f and § 315d HGB
- the separate non-financial group report pursuant to § 315b Abs. 3 HGB
- the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the statutory financial statements, with the management report or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

## Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting 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 executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions 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 of the group management report.

## **Auditor's Responsibility for the Audit of the Consolidated Financial Statements and the Group Management Report**

Our objectives are to obtain reasonable assurance about 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 an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits 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 this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) 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 audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may 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 the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, 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 also provide those charged with governance with a statement that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## **OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB**

#### **Assurance Opinion**

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the attached electronic file Max Automation\_SE\_KA\_LB\_ESEF-2021-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2021 contained in the "Report

on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

## **Basis for the Assurance Opinion**

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (10.2021)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

## **Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents**

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

## **Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents**

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

## **Further Information pursuant to Article 10 of the EU Audit Regulation**

We were elected as group auditor by the annual general meeting on 28 May 2021. We were engaged by the audit committee on 19 November 2021. We have been the group auditor of the Max Automation SE, Dusseldorf, without interruption since the financial year 2019.

We declare that the audit opinions expressed in this auditor’s report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

## **REFERENCE TO AN OTHER MATTER – USE OF THE AUDITOR’S REPORT**

Our auditor’s report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the “Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB” and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

## **GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT**

The German Public Auditor responsible for the engagement is Antje Schlotter.

Dusseldorf, March 7, 2022

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Antje Schlotter  
Auditor

Nobert Klütsch

## 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, 7 March, 2022

The Managing Directors

**Dr. Christian Diekmann**

**Dr. Ralf Guckert**

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