

Leading Vision.



Half-Year Report

for the period from
1 January to 30 June 2023



At a glance

Group key figures

in KEUR

	<u>01/01 – 30/06/2023</u>	<u>01/01 – 30/06/2022</u>
Revenue	78,374	72,385
Gross profit	30,999	27,463
Gross profit margin	39.6 %	37.9 %
EBITDA	14,208	11,300
EBIT	12,184	9,358
Consolidated net income	8,791	6,903
Operating cashflow after income taxes	8,268	4,112
Employees (average)	315	329

	<u>30/06/2023</u>	<u>31/12/2022</u>
Total assets	105,982	120,555
Equity	73,138	84,079
Equity ratio	69.0 %	69.7 %
Cash and cash equivalents	27,651	41,574

STEMMER IMAGING in figures



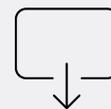
Order intake:
EUR 76.1 million



69.0 per cent equity ratio



315 employees



This report and results from previous fiscal years in English language versions are available for you to download at:
www.stemmer-imaging.com



EUR 1.35
earnings per share



>5,700 customers



15 subsidiaries
and represented
in >20 countries

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Letter to shareholders

Dear Shareholders,

despite a slowdown in market momentum, STEMMER IMAGING ended the first six months of the 2023 reporting year on a successful note, achieving significant year-on-year revenue and profitability growth.

In the second quarter, a book-to-bill ratio of 1.1 was achieved with an increasing order intake of EUR 40.0 million compared to the first quarter. For the first half of the year, order intake amounted to EUR 76.1 million, which is expectedly below the supply-bottleneck-induced strong first half of 2022 (EUR 88.7 million). Despite the expected short-term slow-down of the overall economic situation and the market development, we perceive that the general demand for machine vision technologies is intact.

Our revenue in the first half year rose by 8.3 per cent to EUR 78.4 million (H1 2022: EUR 72.4 million). At the same time, we again succeeded in significantly increasing our profitability measured in terms of operating profit (EBITDA) thanks to a strong gross margin development and proactive cost management. EBITDA gained a remarkable 25.7 per cent to rise from EUR 11.3 million in the same period in 2022 to EUR 14.2 million. Return on sales (ROS) resulted to 18.1 per cent in the first half of the year, compared to 15.6 per cent in the first half of 2022. EBITDA-margin resides in the upper end of the target range, which was raised in March 2023, to a corridor between 15 per cent and 19 per cent.

Regionally, the Spanish sub-group Infaimon and the company in United Kingdom made a particularly strong contribution to revenue growth. In terms of end markets, Print & Packaging and Meterology were the greatest drivers of growth in the industrial machine vision segment. In the non-industrial field of artificial vision, Sports & Entertainment was one of the segments to achieve a significant increase in revenue.

With an eye to the future, we have decided to continue driving forward the integration of Infaimon in the months ahead. Based on Infaimon's strong development we believe that doing so offers an opportunity to leverage further synergy effects and put them to use for us. We are focusing on the relocation of the local production to Puchheim, the alignment of sales management systems and support structures and

the standardization of group-wide processes. STEMMER IMAGING currently expects one-off expenses of EUR 0.7 – 0.9 million. This measure leads to sustainable cost savings of around EUR 1.4 million p.a., which will take full effect from the 2024 financial year onwards. Our fundamental strategy still involves using our distribution business as a basis to expand our solutions business and leveraging the associated higher margins for profitable growth.

Taking into account our customers' continued high inventory levels and a subdued overall economic development, we currently expect demand to remain restrained in the third quarter with a corresponding impact on order intake and revenues. We are anticipating an improving dynamic from the fourth quarter onwards. We are also planning to reduce the current high order backlog. Based on these estimates and the intact market drivers, we currently see our revenue at the lower end of the forecast range (EUR 163 – 176 million). Supported by the positive gross margin development and proactive cost management including one-time expenses for the further Infaimon integration, we expect the earnings forecast to be well within the forecast range. (EUR 26 – 32 million).

We would once again like to thank our employees, whose expertise and dedication is laying the groundwork for our company's success.

We are confident that our stable and scalable business model, our clear strategy and our decisive approach to taking action will continue enabling us to master the challenges we face and seize new opportunities going forward.



Arne Dehn
CEO



Uwe Kemm
COO

STEMMER IMAGING on the capital market

Capital market environment

The most relevant factors influencing financial market performance in the first half of 2023 were the turbulence in the banking sector, the raising of the US debt ceiling and the persistent Ukraine war. Despite these strains, financial markets exhibited surprisingly stable behaviour. Targeted intervention by central banks helped prevent a financial market crisis, which had been feared by market participants. Global growth momentum still remained weak in the first half of 2023.

By the end of the first six months, the German stock index DAX had risen by 16.0 per cent compared to the closing price on 30 December 2022 (13,923.59 points). The DAX started the stock market year on 2 January 2023 at 13,992.71 points and ended the reporting period on 30 June at 16,147.90 points. The TecDAX, a technology stock index with companies comparable to STEMMER IMAGING, gained 9.4 per cent in the reporting period and finished trading at 3,203 points on 30 June 2023.

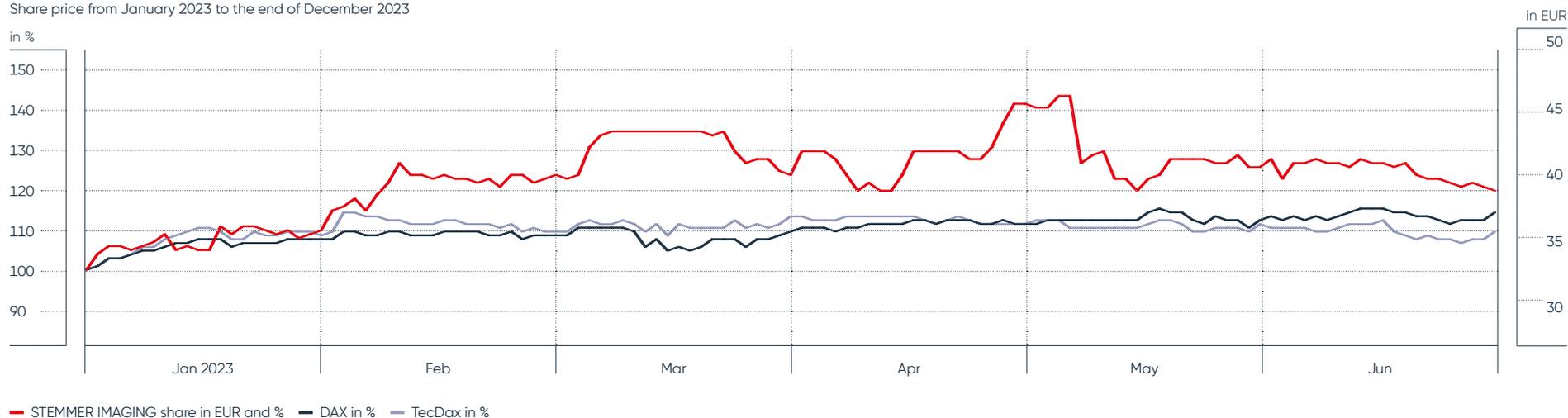
Share information

Exchange market	Xetra, Frankfurt, Berlin, Düsseldorf, Hamburg, Munich, Stuttgart, Tradegate
Symbol	S9I
Total number of shares	6,500,000
Share capital	EUR 6,500,000
ISIN	DE000A2G9MZ9
WKN	A2G9MZ
Market segment	Regulated Market
Transparency level	Prime Standard
Designated sponsor	Hauck & Aufhäuser Privatbankiers AG

STEMMER IMAGING AG shares opened trading at EUR 32.60 on 2 January 2023 and closed at EUR 38.90 on 30 June 2023, corresponding to an increase of 19.3 per cent. The high for the reporting period was EUR 47.30 on 9 May 2023, and the low amounted to EUR 32.40 on 2 January 2023. Based on the closing price of EUR 38.90 on 30 June 2023, STEMMER IMAGING AG's market capitalisation was EUR 252.9 million, with a total of 6,500,000 shares issued (30 December 2022: EUR 208.0 million with the same number of shares and a share price of EUR 32.00; all information based on Xetra prices).

Share: price performance and trading volume

Share price from January 2023 to the end of December 2023



In the first half of 2023, the average daily trading volume on the German stock markets (including Tradegate) was 4,878 shares, compared with 4,706 shares in the first half of 2022. Measured in Euros, STEMMER IMAGING shares worth an average of EUR 194,507 were traded per day in the first half of 2023, which corresponds to a year-on-year increase of 26.9 per cent (EUR 153,285).

Share performance

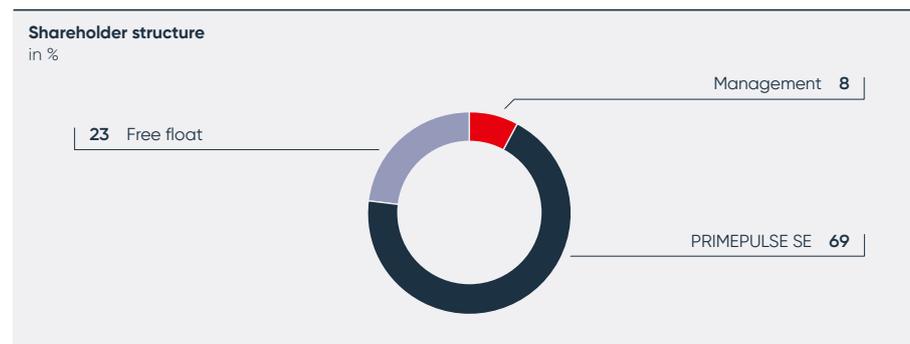
Opening price	2 January 2023	EUR 32.60
Low	2 January 2023	EUR 32.40
High	9 May 2023	EUR 47.30
Closing price	30 June 2023	EUR 38.90
Market capitalisation	As of 30 June 2023	EUR 252.9 million

Annual General Meeting

On 12 May 2023, the Executive Board of STEMMER IMAGING AG informed the shareholders at the virtual Annual General Meeting about the course of the 2022 fiscal year and responded to their questions. When the vote was taken, 84.9 per cent of the share capital was represented. The shareholders expressed their satisfaction with the company's development and adopted the proposed resolutions of the Executive Board and Supervisory Board by a large majority. Following the resignation of Prof. Dr. Constanze Chwallek at the end of the 2023 Annual General Meeting, Prof. Dr. Isabell Welppe was selected to serve on the Supervisory Board as part of a special election procedure. The proposal of the Executive Board and Supervisory Board to distribute a dividend of EUR 1.00 per eligible no-par value share and a special dividend of EUR 2.00 per eligible no-par value share for the 2022 fiscal year met with broad approval from shareholders (previous year: EUR 0.75 per share). As a result, a total of EUR 19,500,000.00 was distributed from the net retained profits of STEMMER IMAGING AG. The results of the votes taken at the Annual General Meeting may be viewed at www.stemmer-imaging.com under Investors/General Meeting.

Shareholder structure

The company has a balance between free float and the majority holding of a strategic anchor investor. As at 30 June, 23 per cent of the shares were in free float. The largest shareholder of STEMMER IMAGING AG is PRIMEPULSE SE, which holds 69 per cent of the voting rights. The management held 8 per cent of the shares as at the same date.



Analyst research

The shares of STEMMER IMAGING AG have been listed in the Prime Standard of the Frankfurt Stock Exchange since 10 May 2019 and are regularly evaluated by qualified securities analysts. The share is currently covered by Hauck & Aufhäuser Lampe Privatbank, Warburg Bank and Berenberg Bank. All three analysts take a positive view of the medium- and long-term potential of STEMMER IMAGING AG and have made a Buy recommendation with an average price target of EUR 61.00, as shown in the current analyst recommendations for the STEMMER IMAGING share as at 30 June 2023.

Analyst evaluations

Issuer	Date	Recommendation	Price target
Hauck & Aufhäuser Research	26/07/2023	Buy	EUR 65.00
Warburg Research	20/06/2023	Buy	EUR 65.00
Berenberg Research	24/04/2023	Buy	EUR 53.00

More detailed information is available to potential investors at www.stemmer-imaging.com under Investors/The Share.

Investor Relations activities

During the reporting period, the Executive Board held a regular dialogue with capital market participants at several conferences. On publication of the full-year figures on 31 March 2023, STEMMER IMAGING reported in detail on current business development via a telephone conference.

Activities

23 February 2023	Publication of the preliminary figures for the 2022 fiscal year
31 March 2023	Publication of the annual report for the 2022 fiscal year
10 May 2023	Publication of Q1/3M 2023 interim report
12 May 2023	Annual General Meeting, virtual
15 – 16 June 2023	Warburg Highlights, Hamburg
10 August 2023	Publication of Q2/6M 2023 interim report
18 September 2023	Berenberg and Goldman Sachs 12th German Corporate Conference, Munich
9 November 2023	Publication of Q3/9M 2023 interim report
16 – 17 November 2023	Warburg “Meet the Future” Conference, Berlin
27 – 29 November 2023	Eigenkapitalforum (Equity Forum), Frankfurt

In addition, the Executive Board maintained a close dialogue with investors, analysts and the financial and business press. The Investor Relations section of the STEMMER IMAGING AG website – stemmer-imaging.com/investors/ – provides a comprehensive insight into the company's performance, the latest news and a summary of upcoming events.

Hauck & Aufhäuser Privatbankiers AG again acted as a designated sponsor in the past fiscal year and ensured the continuous tradability of the STEMMER IMAGING share by posting binding buy and sell offers.

 The **financial calendar** with all dates can be found on page 32.

Consolidated interim management report

Economic report

General economic environment

Global growth momentum remained weak in the first half of 2023: Germany fell into a so-called technical recession, as negative real GDP growth was reported for two quarters in a row (Q4/2022 and Q1 2023). Moderately declining but still high inflation weighed on the economy.¹ Global industrial production showed initial signs of stabilization, partly as a result of the further normalization of supply chains. Nevertheless, there were noticeable burdens and risks for further cyclical development, in particular the problems at individual financial institutions and, not least, the continuing geopolitical uncertainties in connection with the war in Ukraine. Another factor affecting economic development was the rise in interest rates, which dampened investments.

The euro zone reported slightly positive economic growth in the first half of the year: economy grew by 0.2 per cent in the first quarter and by 0.3 per cent in the second quarter (both quarter-on-quarter).² In the first quarter of 2023, German economy was up by 0.1 per cent quarter-on-quarter and stagnated in the second quarter.³ In July 2023, the International Monetary Fund (IMF) slightly increased its growth assumptions and is currently forecasting global growth for 2023 of 3.0 per cent, compared with a forecast of 2.8 per cent in April 2023.

For the euro zone, IMF anticipates an increase in economic output of 0.9 per cent for 2023, compared with 3.5 per cent in 2022. In its forecast of April 2023, the IMF had still assumed a GDP increase of 0.8 per cent. In the IMF's view, German economy will shrink by 0.3 per cent this year.⁴

Sector development

Still, the robotics and automation sector in Germany reported full order books in the first half of 2023. In the pandemic, suppliers have built up large order backlogs. With easing supply chains these order backlogs are now being gradually worked off.⁵ Based on the latest industry data from the German Mechanical Engineering Industry Association (VDMA)⁶ nominal order intake in the first six months fell by 17 per cent for Germany and by 21 per cent for Europe. VDMA reports a nominal market growth in the first half of the year of overall 23 per cent. For Germany, VDMA expects an increase in revenue for 2023 of 13 per cent.⁵

Regarding the machine vision industry, in Germany, VDMA is forecasting an increase in revenue in the first six months of 2023 of 8 per cent and a decline in order intake of 11 per cent (both nominal). For the European market, VDMA reports nominal growth in revenue of 2 per cent for the first half of the year. Order intake fell nominally by 30 per cent in the same period.

1 https://www.destatis.de/DE/Presse/Pressemittelungen/2023/05/PD23_203_811.html

2 <https://ec.europa.eu/eurostat/documents/2995521/17254747/2-31072023-BP-DE.pdf/7398a395-1bac-354f-bd6b-9db73c2ba559#:text=Im%20Vergleich%20zum%20Vorquartal%2C%20ist,der%20Europ%C3%A4ischen%20Union%2C%20ver%C3%B6ffentlicht%20wird.>

3 https://www.destatis.de/DE/Presse/Pressemittelungen/2023/07/PD23_299_811.html

4 <https://www.imf.org/en/Publications/WEO/Issues/2023/07/10/world-economic-outlook-update-july-2023>

5 <https://www.vdma.org/viewer/-/v2article/render/80389187>

6 Previously, real indices were reported here. For the sake of better comparability, we now report nominal values.

Net assets, financial position and results of operations

Net assets

The total assets of the STEMMER IMAGING Group amounted to EUR 105.98 million as at 30 June 2023, a decrease compared to 31 December 2022 (EUR 120.56 million). On the assets side of the balance sheet, this decline is mainly attributable to the reduction in current assets.

Non-current assets decreased to EUR 33.02 million as at 30 June 2023 (31 December 2022: EUR 33.70 million). The reduction was attributable to the ongoing depreciation of property, plant and equipment and the amortisation of intangible assets, including contract assets from leases in accordance with IFRS 16, which were offset only by minor new and replacement investments.

Inventories decreased slightly in the first half of the 2023 fiscal year to EUR 18.71 million (31 December 2022: EUR 18.86 million).

Trade receivables rose only marginally from EUR 23.93 million as at 31 December 2022 to EUR 24.00 million on 30 June 2023.

Cash funds were down by EUR 13.92 million to EUR 27.65 million as at 30 June 2023 (31 December 2022: EUR 41.57 million), primarily due to the dividend payment in the amount of EUR 19.50 million.

On the equity and liabilities side, the decrease in total assets is primarily reflected in the equity of the STEMMER IMAGING Group, which amounted to EUR 73.14 million as at 30 June 2023 (31 December 2022: EUR 84.08 million). The equity ratio stood at 69.0 per cent (31 December 2022: 69.7 per cent).

At EUR 6.65 million, non-current liabilities were lower as at 30 June 2023 than as at 31 December 2022 (EUR 7.81 million), primarily due to the regular reclassification of the current portion of a non-current loan.

Current liabilities fell from EUR 28.67 million as at 31 December 2022 to EUR 26.20 million as at 30 June 2023. The reduction was mainly influenced by a decrease in income tax liabilities by the amount of EUR 2.07 million to EUR 2.88 million (31 December 2022: EUR 4.95 million).

Financial position

The objective of the Group's financial management is to hedge material financial risks. Use is made of discounts wherever possible when settling supplier invoices. Solvency was assured at all times.

Net cash flow from operating activities increased by EUR 4.16 million to EUR 8.27 million in the first six months of the 2023 fiscal year and was therefore up significantly year on year (1 January to 30 June 2022: EUR 4.11 million). Cash flow was positively influenced mainly by the strong operating result and depreciation of property, plant and equipment. This was partly offset by a cash outflow for income taxes.

Cash flow from investing activities amounted to EUR – 0.69 million (1 January to 30 June 2022: EUR – 0.17 million) in the first half of 2023 and was primarily influenced by investments in property, plant and equipment and intangible assets.

At EUR – 21.45 million (1 January to 30 June 2022: EUR – 6.82 million), cash flow from financing activities was primarily influenced by the dividend payment (including special dividend) in the amount of EUR 3.00 per eligible share. Regular repayments of bank loans and liabilities from finance leases in the total amount of EUR 1.98 million (1 January to 30 June 2022: EUR 1.96 million) also had an influence.

Results of operations

As expected, STEMMER IMAGING recorded an order intake of EUR 40.0 million in the second quarter of 2023, below the high level of the same quarter of the previous year (1 April to 30 June 2022: EUR 45.33 million). The book-to-bill ratio in the second quarter therefore stood at 1.1 (1 April to 30 June 2022: 1.2).

The STEMMER IMAGING Group generated revenue of EUR 3798 million in the second quarter of the 2023 fiscal year, up by 4.0 per cent on the second quarter of 2022 (1 April to 30 June 2022: EUR 36.51 million).

Revenue of EUR 78.37 million was generated over the course of the reporting period as a whole, which corresponds to an increase of 8.3 per cent compared to the first half of the 2022 fiscal year (1 January to 30 June 2022: EUR 72.39 million). In particular, both the Infaimon subgroup (with the regions Spain, Portugal, Mexico and Brazil) and the British company succeeded in achieving strong double-digit growth rates compared to the same quarter in the previous year.

At EUR 22.79 million (1 April to 30 June 2022: EUR 22.85 million), the cost of materials remained stable despite the rise in revenue. As a result, the gross profit margin of 40.0 per cent in the second quarter of 2023 represented a significant increase compared to both the same quarter in the previous year (37.4 per cent) and the fourth quarter of 2022 (1 October to 31 December 2022: 37.1 per cent). For the first half of the year, the gross profit margin stood at 39.6 per cent and was up year on year (1 January to 30 June 2022: 37.9 per cent).

Personnel expenses came to EUR 6.09 million in the second quarter of the 2023 fiscal year (1 April to 30 June 2022: EUR 6.34 million). Personnel expenses for the first half year of 2023 amounted to EUR 12.61 million (1 January to 30 June 2022: EUR 12.59 million). The personnel expense ratio improved from 17.4 per cent for the first half year of 2022 to 16.1 per cent in the same period of 2023. The average number of employees during the reporting period in 2023 stood at 315 (1 January to 30 June 2022: 329).

Other operating expenses amounted to EUR 2.75 million in the second quarter of 2023 and were therefore on a par with the same quarter in the previous year (1 April to 30 June 2022: EUR 2.67 million).

For the first half of 2023, other operating expenses came to EUR 5.59 million (1 January to 30 June 2022: EUR 5.64 million) and were therefore also on a par with the same reporting period in the previous fiscal year.

In the second quarter of the 2023 fiscal year, the operating result (EBITDA) stood at EUR 6.85 million (EBITDA margin: 18.0 per cent), a significant increase compared to the result of EUR 5.84 million seen in the same quarter in 2022 (EBITDA margin: 16.0 per cent). The main reason for the year-on-year improvement is the significant uptick in gross profit associated with the rise in revenue in connection with a disproportional slow increase in personnel costs and other operating expenses. Operating earnings (EBIT) came to EUR 5.88 million in the most recent three months of the first half of 2023, exceeding the figure of EUR 4.88 million recorded in the same period of the previous year. As a result, the EBIT margin rose from 13.4 per cent in the previous year to 15.5 per cent. The STEMMER IMAGING Group's consolidated net income was EUR 4.21 million for the reporting period from April to June 2023 (1 April to 30 June 2022: EUR 3.58 million).

EBITDA in the first half of 2023 increased to EUR 14.21 million in connection with an EBITDA margin of 18.1 per cent, reflecting the significant rise compared to the first half of 2022 (1 January to 30 June 2022: EUR 11.30 million and 15.6 per cent). The main factors influencing the positive development of EBITDA were the rise in revenue coupled with an improvement in gross margin as well as under-proportional cost development. EBIT in the first half of 2023 amounted to EUR 12.18 million (1 January to 30 June 2022: EUR 9.36 million). As a result, the EBIT margin climbed from 12.9 per cent in the first half of 2022 to 15.5 per cent in the same period in 2023. Consolidated net income for the first half of 2023 stood at EUR 8.79 million (1 January to 30 June 2022: EUR 6.90 million).

Risk and opportunities report

The risk and opportunities management system in place at STEMMER IMAGING concentrates on detecting and evaluating the potential risks and opportunities facing the company on an ongoing basis. Material risks that are currently relevant for STEMMER IMAGING comprise both market and industry-related risks as well as business-related risks. As with risks, opportunities are also evaluated within the scope of the risk matrix. Keeping the risk matrix up to date on a regular basis is an integral part of corporate governance, as this matrix is used to detect, analyse and evaluate risks as well as to define appropriate counter measures.

The assessment of risk in the first half of the 2023 fiscal year continued to be influenced by severe global economic upheaval in connection with the war in Ukraine, the sustained high inflation in the European economic area as well as general geopolitical tensions. Overall, there is a risk of declining macroeconomic conditions, which could have a negative impact on the further development of STEMMER IMAGING AG on the market side. STEMMER IMAGING sees other major risks in dependence on suppliers, product risks, human resource risks and risks arising from competitive intensity.

In 2022, STEMMER IMAGING started responding to the risk of inflation by adjusting and closely coordinating its cost management, as well as by passing on price increases implemented by suppliers. The measures taken will be continued and monitored.

Management expects the effects of inflation to subside on a high level and is keeping a close eye on developments and its options for taking further measures.

The assessment of risks in human resources remains high. The risks in this field of human resources take into account increasing volatility on the labour market, the shortage of skilled staff and inflation-adjusted salary expectations. Staff turnover effects due to the aforementioned developments also exacerbate the risk of losing knowledgeable experts and having to bear increased costs for advertising vacancies and onboarding. The aim of STEMMER IMAGING is to be an attractive employer, train key employees, retain them over the long term and secure the broadest base possible for the relevant expertise. It is to this end that established measures such as management and specialist training courses, structured succession planning and the company's employer branding programme are to be pursued and expanded further. A structured recruiting process also helps the organisation hire employees for the relevant positions, and regular additional measures in the area of vocational and further training are being evaluated to further enhance the company's attractiveness as an employer.

STEMMER IMAGING views competitive intensity as an increasingly relevant risk. The ongoing trend towards consolidation in the market, most notably among manufacturers of image processing components, has led to a higher risk assessment. The management sees a significant risk in price pressure and competitive pressure increasing beyond the current level, which could result in a loss of market share and a reduction in margins. Measures taken to minimise risk include expanding the solution business to increase unique selling points in comparison to competitors, reorganising sales with a focus on a targeted sales approach and evaluating acquisitions to supplement and strengthen market position.

In the area of risks arising from dependence on suppliers and product risks, the risk assessment was lowered due to the easing in the supply situation. The measures taken by STEMMER IMAGING as a result of the bottleneck situation will be continued in order to maintain efficient processes. In the interest of reducing supplier dependence, alternative procurement sources are also continuously evaluated to reduce dependence on individual suppliers. The optimisation of internal processes such as monitoring the delivery situation, evaluating supplier quality and coordinating warehouse management in line with the delivery situation help STEMMER IMAGING to minimise its risk position and achieve its revenue targets.

STEMMER IMAGING strives not only to reduce the risks identified and assessed during regular risk meetings, but also to identify and seize the related opportunities that can lead to competitive advantages.

Opportunities related to the measures put in place to deal with the growing skills shortage might include having better access to suitable candidates on the market and securing the long-term loyalty of employees to the Group.

With regard to the cost and inflation situation, STEMMER IMAGING sees an opportunity to implement rising costs more easily in the market by means of efficient processes, closely monitoring purchasing and sales prices and responding quickly to changing circumstances, and also to reduce the impact of inflation by improving efficiency, thereby gaining an advantage over its competitors.

STEMMER IMAGING sees opportunities in the area of competitive intensity. These include implementing measures to boost efficiency in the area of digitising the organisation in order to optimise market coverage, as well as developing and cultivating new, high-growth and promising market segments. The purpose of these measures is to gain market share, boost company profit and improve customer support.

Positive business development at STEMMER IMAGING over the long term depends on its ability to exploit potential opportunities and is therefore an integral part of corporate governance. The presentation of the risks and opportunities reflects the company's current assessment and is subject to ongoing change. Therefore, risks and opportunities that have not yet been identified may become more important within a short period of time. This makes regular identification and assessment a key element in reducing risks and seizing opportunities.

Report on expected developments

Future economic and sector development

The global economy is gradually recovering from the Covid 19 pandemic and Russia's invasion in Ukraine. The supply chain situation has also eased significantly and reached pre-pandemic levels. Energy and food prices have fallen faster than expected from the war-related highs. The settlement of the US debt ceiling dispute, decisive action by the authorities to contain the turmoil in the US and Swiss banking sectors at the beginning of the year, and the further easing of supply chains have had a positive impact. However, the increase in key interest rates to combat inflation and the ongoing war in Ukraine continue to weigh on economic activity.

In July 2023, the International Monetary Fund (IMF) marginally raised its growth assumptions, forecasting global growth for 2023 of 3.0 per cent compared with a forecast of 2.8 per cent in April 2023. Nevertheless, the outlook remains weak by historical standards. This is a further decline in momentum compared to growth of 3.4 per cent in 2022.¹ Gross domestic product (GDP) in Europe is forecast to grow by just 0.9 per cent compared to 2.4 per cent in the previous year. In its April 2023 forecast, IMF had assumed a GDP increase of 0.8 per cent. For Germany IMF expects GDP to decline by 0.3 per cent; in 2022, GDP in Germany had still grown by 1.8 per cent.

Risks to the economic forecast manifest, among other things, in the further course of the war in Ukraine, which will impact food and gas exports. Continued high inflation also remains a factor as markets prepare for a further tightening of monetary policy¹

Sector development

In the first six months of the year 2023, nominal order intake² in the German robotics and automation industry fell by 17 per cent – in Europe even by 21 per cent. According to current estimates by the German Mechanical Engineering Industry Association (VDMA), nominal revenue growth in 2023 is expected to reach 13 per cent. For 2022, growth was still at a nominal 5 per cent.³ For the machine vision sector, VDMA forecasts a nominal increase of 7 per cent.⁴

¹ <https://www.imf.org/en/Publications/WEO/Issues/2023/07/10/world-economic-outlook-update-july-2023>

² Previously, real indices were reported here. For the sake of better comparability, we now report nominal values.

³ <https://www.imf.org/external/datamapper/profile/WEO:WORLD>

⁴ <https://www.vdma.org/viewer/-/v2article/render/80389187>

Forecast for the STEMMER IMAGING Group

STEMMER IMAGING was able to continue the positive development of its business figures in the second quarter of the fiscal year and achieved a significant increase in revenue as well as in the key profitability indicators EBITDA and EBIT despite a slow-down in market dynamics.

The development in the second half of 2023 continues to be supported by the strong order backlog of EUR 54.6 million as well as the intact growth drivers automation, digitalization, circularity and e-mobility. This is opposed by high inventory levels at customers, which have already led to hesitant ordering behavior in the fourth quarter of 2022 and in the first half of 2023. For the third quarter in particular, the Executive Board anticipates continued restrained demand and a correspondingly more subdued order intake and revenue performance due to high inventory levels at customers. Currently, it is assumed that momentum will improve from the fourth quarter of 2023 onwards, which may have a positive impact on STEMMER IMAGING's business performance. On the earnings side, despite the charges resulting from one-off expenses in connection with the further integration of the Infaimon subgroup, financial results are expected to develop as planned.

Based on the half-year figures and current estimates for the second half of the year, the Executive Board expects revenue for fiscal year 2023 amounting at the lower end of the forecast range between EUR 163 and 176 million. Furthermore, the Executive Board confirms the EBITDA range of EUR 26 – 32 million which is supported by the positive gross margin development and proactive cost management. The one-off-expenses for the further integration of the Infaimon subgroup are included.

The forecast is based on the assumption that demand will develop in line with current expectations in the second half of the year, the high level of order back log can be worked off and that there is no further deterioration of the economic situation. The forecast ranges take into account certain positive and negative developments on customer and supplier side.

Consolidated statement of financial position as at 30 June 2023

Assets in KEUR	30/06/2023	31/12/2022
Non-current assets		
Property, plant and equipment	6,863	7,228
Goodwill	19,259	19,374
Other intangible assets	6,193	6,455
Other investment securities	0	48
Other financial assets	220	172
Deferred tax assets	489	421
Total Non-current assets	33,024	33,698
Current assets		
Inventories	18,711	18,858
Trade receivables	24,003	23,932
Other financial assets	148	159
Income tax receivables	692	253
Other assets and prepaid expenses	1,753	2,081
Cash and cash equivalents	27,651	41,574
Total current assets	72,958	86,857
Total assets	105,982	120,555

Equity and Liabilities in KEUR	30/06/2023	31/12/2022
Capital and reserves		
Subscribed capital	6,500	6,500
Capital reserves	47,495	47,495
Revenue reserves	19,143	30,084
Total equity	73,138	84,079
Non-current liabilities		
Non-current loans	500	1,500
Provisions for pensions and similar obligations	27	27
Trade payables	79	79
Other financial liabilities	4,269	4,458
Other liabilities	560	426
Other provisions	249	219
Deferred tax liabilities	965	1,100
Total non-current liabilities	6,649	7,809
Current liabilities		
Current loans	2,000	2,000
Other provisions	43	65
Trade payables	13,028	13,024
Contract liabilities and advance payments received on orders	1,180	668
Other financial liabilities	1,940	2,008
Income tax liabilities	2,876	4,946
Other liabilities	5,128	5,956
Total current liabilities	26,195	28,667
Total liabilities	32,844	36,476
Total assets	105,982	120,555

Consolidated income statement

Development from 1 January to 30 June 2023

in KEUR

	01/01 – 30/06/2023	01/01 – 30/06/2022	01/04 – 30/06/2023	01/04 – 30/06/2022
Revenue	78,374	72,385	37,980	36,510
Cost of materials	-47,375	-44,922	-22,792	-22,852
Gross profit	30,999	27,463	15,188	13,658
Other operating income	1,404	2,069	506	1,188
Personnel expenses	-12,609	-12,589	-6,092	-6,339
Other operating expenses	-5,586	-5,643	-2,749	-2,669
EBITDA	14,208	11,300	6,853	5,838
Depreciation and impairment of property, plant and equipment	-1,391	-1,277	-654	-634
EBITA	12,817	10,023	6,199	5,204
Amortisation of intangible assets	-633	-665	-316	-329
Operating earnings (EBIT)	12,184	9,358	5,883	4,875
Finance income	4	2	2	2
Finance costs	-57	-88	-30	-71
Profit before income taxes	12,131	9,272	5,855	4,806
Taxes on income	-3,340	-2,369	-1,647	-1,226
Consolidated net income	8,791	6,903	4,208	3,580
Of which:				
Shareholders of the parent company	8,791	6,903	4,208	3,580
Number of shares (weighted average)	6,500,000	6,500,000	6,500,000	6,500,000
Earnings per share in EUR (diluted and basic)	1.35	1.06	0.65	0.55

Consolidated statement of comprehensive income

Development from 1 January to 30 June 2023

in KEUR

	<u>01/01 – 30/06/2023</u>	<u>01/01 – 30/06/2022</u>
Consolidated net income	8,791	6,903
Other comprehensive income		
Items that will be reclassified to profit or loss in future under certain conditions		
Exchange differences that arose during the reporting period	- 232	25
Other comprehensive income after income taxes	- 232	25
Total comprehensive income	8,559	6,928
Of which:		
Shareholders of the parent company	8,559	6,928

Consolidated statement of cash flows

Development from 1 January to 30 June 2023

in KEUR

	01/01 – 30/06/2023	01/01 – 30/06/2022	01/04 – 30/06/2023	01/04 – 30/06/2022
Cash flow from operating activities				
Consolidated net income	8,791	6,903	4,208	3,580
Income tax expense recognised in profit or loss	3,340	2,369	1,647	1,226
Finance costs/income recognised in profit or loss	53	30	28	13
Amortisation and depreciation of intangible assets, property, plant and equipment and investment securities	2,024	1,942	971	963
Increase (+)/decrease (-) in provisions	22	15	-9	-4
Other non-cash expenses/income	-184	-336	-145	-284
Gain/loss on disposal of property, plant and equipment and intangible assets	0	-10	0	0
Increase (-)/ decrease (+) in inventories, trade receivables and other assets	496	-5,419	2,266	-1,775
Increase (+)/ decrease (-) in liabilities and other liabilities	-224	216	-889	-475
Interest received	4	2	2	2
Cash flow from operating activities	14,322	5,712	8,079	3,246
Income taxes paid	-6,054	-1,600	-5,320	-962
Net cash flow from operating activities	8,268	4,112	2,759	2,284
Cash flow from investing activities				
Payments for intangible assets	-371	-2	-204	0
Proceeds from disposals of property, plant and equipment	36	28	34	1
Payments for investments in property, plant and equipment	-352	-189	-177	-37
Payments for investments in financial assets	0	-1	0	0
Net cash flow used in investing activities	-687	-165	-347	-37

Development from 1 January to 30 June 2023

in KEUR

	01/01 – 30/06/2023	01/01 – 30/06/2022	01/04 – 30/06/2023	01/04 – 30/06/2022
Cash flow from financing activities				
Proceeds from loans	0	17	0	2
Repayment of loans	-1,984	-1,956	-995	-968
Proceeds from grants received	89	27	88	4
Dividends paid to shareholders of the parent company	-13,474	-3,280	-13,474	-3,280
Dividends paid on free float shares	-6,026	-1,595	-6,026	-1,595
Interest paid	-57	-33	-30	-16
Net cash flow used in financing activities	-21,452	-6,819	-20,437	-5,852
Net decrease in cash and cash equivalents	-13,871	-2,872	-18,025	-3,605
Cash and cash equivalents at the beginning of the reporting period	41,574	36,022	45,695	36,761
Changes in cash due to exchange rate movements and remeasurement	-52	-31	-19	-37
Cash and cash equivalents at the end of the reporting period	27,651	33,119	27,651	33,119
Of which cash in hand and bank balances	27,651	33,119	27,651	33,119

Consolidated statement of changes in equity

From 1 January to 30 June 2022

in KEUR

	Subscribed capital	Capital reserves	Revenue reserves			Total	Total
			Reserve for actuarial gains/losses	Currency translation reserve	Other revenue reserve		
As at 1 January 2022	6,500	47,495	11	196	17,166	17,373	71,368
Consolidated net income	0	0	0	0	6,903	6,903	6,903
Dividends paid to shareholders of the parent company	0	0	0	0	-3,280	-3,280	-3,280
Dividends paid on free float shares	0	0	0	0	-1,595	-1,595	-1,595
Other comprehensive income	0	0	0	25	0	25	25
As at 30 June 2022	6,500	47,495	11	221	19,194	19,426	73,421

From 1 January to 30 June 2023

in KEUR

	Subscribed capital	Capital reserves	Revenue reserves			Total	Total
			Reserve for actuarial gains/losses	Currency translation reserve	Other revenue reserve		
As at 1 January 2023	6,500	47,495	30	-210	30,264	30,084	84,079
Consolidated net income	0	0	0	0	8,791	8,791	8,791
Dividends paid to shareholders of the parent company	0	0	0	0	-13,474	-13,474	-13,474
Dividends paid on free float shares	0	0	0	0	-6,026	-6,026	-6,026
Other comprehensive income	0	0	0	-232	0	-232	-232
As at 30 June 2023	6,500	47,495	30	-442	19,555	19,143	73,138

Condensed notes to the consolidated financial statements for the half-year ending 30 June 2023

Basis for preparing the half-yearly financial report

General information

The consolidated interim financial statements as at 30 June 2023 have been prepared in accordance with the International Financial Reporting Standards (IFRS, as adopted by the EU) applicable on the reporting date and the additional requirements of German commercial law.

This condensed consolidated interim financial report has been prepared in accordance with the provisions set forth under IAS 34. The interim financial statements were prepared in euros.

The interim financial report does not include all of the disclosures normally contained in the financial statements for a full fiscal year. This means that this interim financial report should be read together with the annual financial statements for the fiscal year ending 31 December 2022 and all other public statements issued by STEMMER IMAGING during the reporting period.

The accounting policies used here are the same as those used in the prior fiscal year and the associated interim financial reporting period, along with new and amended standards which were adopted for the first time as explained below.

The consolidated statement of financial position as at 30 June 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the reporting periods ending 30 June 2023 and 2022 and the condensed notes to the consolidated financial statements have not been audited or subjected to an auditor's review.

Application of new accounting standards

The changes due to the amendments to IFRS 17 (accounting and valuation of insurance contracts), IAS 12 (deferred taxes related to assets and liabilities arising from a single transaction), IAS 1 (decision on which recognition and measurement principles to disclose) and IAS 8 (support differentiating between accounting policies and accounting estimates) as at 1 January 2023 are immaterial for financial accounting within the STEMMER IMAGING Group.

A number of new or amended standards took effect in the current reporting period. These did not, however, have an impact on the Group's accounting policies or result in the need to make any retroactive adjustments.

An amendment that is not yet mandatory from 1 January 2023 (endorsement is still pending) is the amendment to IAS 12 for the International Tax Reform Pillar Two Model Rules published by the International Accounting Standards Board (IASB) on 23 May 2023. This amendment concerns mandatory exceptions to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules. Furthermore, extended disclosures in the notes will be necessary for affected companies. The effects on accounting and the associated retrospective adjustments cannot yet be estimated with certainty.

Explanation of key changes in the current reporting period

Significant events and transactions

There were no events or transactions with a material impact on the net assets, financial position and results of operations in the first half of the 2023 fiscal year.

Resolution of the Annual General Meeting on 12 May 2023

At the virtual Annual General Meeting of STEMMER IMAGING AG on 12 May 2023, a resolution was passed to use the net retained profits for the 2022 fiscal year of EUR 21,200,057.97 to pay a dividend of EUR 3.00 on the 6,500,000 eligible no-par value shares (19,500,000.00) and to carry forward the remaining amount of EUR 1,700,057.97 to new account.

The dividend was paid on 17 May 2023 after deducting 25.0 per cent capital gains tax and 5.5 per cent solidarity surcharge on the capital gains tax (total deduction 26.375 per cent) and, where applicable, church tax on the capital gains tax by the credit institutions involved in handling the payment of the dividends.

Notes to the consolidated statement of financial position

Intangible assets

The carrying amount of intangible assets on the reporting date is calculated as follows:

in KEUR	30/06/2023	31/12/2022
Goodwill	19,259	19,374
Concessions, property rights and patents	617	713
Customer base	3,207	3,634
Brand	926	968
Technology	414	483
Advance payments	1,029	657
Total	25,452	25,829

Advance payments on intangible assets in the amount of EUR 371 thousand were made in the reporting period from 1 January to 30 June 2023 (1 January to 31 December 2022: EUR 657 thousand). The payments relate to investments in external services for an expanded website with e-commerce features. The other changes are almost entirely attributable to amortisation in the reporting period and adjustments due to the measurement of goodwill denominated in a foreign currency.

As at the end of 30 June 2023, there was no indication of a need for an impairment charge to be applied to the Group's goodwill.

Inventories

Inventories are composed as follows:

in KEUR	30/06/2023	31/12/2022
Raw materials and supplies	307	210
Goods	18,131	18,327
Advance payments	273	321
Total	18,711	18,858

In connection with inventories, EUR 47,375 thousand (1 January to 31 December 2022: EUR 97,014 thousand) was expensed as cost of materials during the first half of the 2023 fiscal year.

The total cost of inventories recognised as expenses in the cost of materials includes write-downs to the net realisable value of EUR 170 thousand (1 January to 31 December 2022: EUR 610 thousand) due to excess stock, obsolescence, reduced marketability or subsequent costs.

The inventories are expected to be used within twelve months.

Trade receivables

in KEUR

	30/06/2023	31/12/2022
Trade receivables	25,354	24,946
Impairment losses	-1,351	-1,014
Total	24,003	23,932

The Group companies – with the exception of the INFAIMON Group – generally give payment terms of between 30 and 45 days. The Group does not charge interest to the customer for this period of time. Late payment interest will be subsequently charged on the outstanding amount in individual cases and in accordance with customary business practices in the respective country.

For trade receivables, valuation allowances are recorded using the expected loss method in accordance with IFRS 9.

Impairments losses on trade receivables developed as follows:

in KEUR

	01/01 – 30/06/2023	01/01 – 31/12/2022
As at the beginning of the fiscal year	-1,014	-1,266
Additions	-450	-232
Utilisation	0	1
Reversals	118	501
Currency adjustments, other changes	-5	-18
Total	-1,351	-1,014

The calculation of impairment losses on trade receivables is explained in section B 12 of the notes to the consolidated financial statements as at 31 December 2022.

The increase in the valuation allowances in the amount of EUR 450 thousand in the 2023 reporting period (1 January to 31 December 2022: EUR 232 thousand) and the concurrent reversal in the amount of EUR 118 thousand (1 January to 31 December 2022: EUR 501 thousand) result primarily from the lump-sum measurement in accordance with the expected loss model. In the previous fiscal year 2022, reversals also arose due to case-by-case basis.

The carrying amount of trade receivables is largely considered a suitable estimate of their fair value. Trade receivables are due within one year.

Cash and cash equivalents

in KEUR

	<u>30/06/2023</u>	<u>31/12/2022</u>
Cash and cash equivalents	27,679	41,616
Impairment losses	-28	-42
Total	27,651	41,574

The reduction of the item as at 30 June 2023 is chiefly the result of the payment of dividends to shareholders and repayments on loans, despite positive operating cash flow.

For cash and cash equivalents, valuation allowances are made using the expected loss method in accordance with IFRS 9.

The following table shows the development of the valuation allowance for cash and cash equivalents:

in KEUR

	<u>01/01 – 30/06/2023</u>	<u>01/01 – 31/12/2022</u>
As at the beginning of the fiscal year	-42	-36
Additions	0	-6
Reversals	14	0
Currency adjustments, other changes		
Total	-28	-42

The calculation of impairment losses is explained in section B 12 of the notes to the consolidated financial statements as at 31 December 2022.

Dividends

in KEUR

	<u>01/01 – 30/06/2023</u>	<u>01/01 – 31/12/2022</u>
Dividends paid in the six month	19,500	4,875

Financial instruments

The following table reconciles the financial instrument items from the statement of financial position as at 30 June 2023 with the classes and measurement categories of IFRS 9. The aggregated carrying amounts per measurement category and the fair values for each class are also presented.

in KEUR	Category according to IFRS 9	Carrying amount 30/06/2023	Measurement according to IFRS 9			Measurement according to IFRS 9	Of which assets and liabilities under IFRS 16	Fair value 30/06/2023
			Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss			
Assets								
Trade receivables	Amortised cost	24,003	24,003	0	0	24,003	0	24,003
Other financial assets	Amortised cost	368	368	0	0	368	0	368
Cash and cash equivalents	Amortised cost	27,651	27,651	0	0	27,651	0	27,651
Equity and liabilities								
Current and non-current loans	Amortised cost	2,500	2,500	0	0	2,500	0	2,500
Trade payables	Amortised cost	13,107	13,107	0	0	13,107	0	13,107
Contract liabilities and advance payments received on orders	Amortised cost	1,180	1,180	0	0	1,180	0	1,180
Remaining other financial liabilities	Amortised cost	1,010	1,010	0	0	1,010	0	1,010
Liabilities from leases	Amortised cost	5,199	0	0	0	0	5,199	5,199

The following table reconciles the financial instrument items from the statement of financial position as at 31 December 2022 with the classes and measurement categories of IFRS 9. The aggregated carrying amounts per measurement category and the fair values for each class are also presented.

in KEUR	Category according to IFRS 9	Carrying amount 31/12/2022	Measurement according to IFRS 9			Measurement according to IFRS 9	Of which assets and liabilities under IFRS 16	Fair value 31/12/2022
			Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss			
Assets								Summe Total
Trade receivables	Amortised cost	23,932	23,932	0	0	23,932	0	23,932
Other investment securities	FVTPL	48	0	0	48	48	0	48
Other financial assets	Amortised cost	331	331	0	0	331	0	331
Cash and cash equivalents	Amortised cost	41,574	41,574	0	0	41,574	0	41,574
Equity and liabilities								
Current and non-current loans	Amortised cost	3,500	3,500	0	0	3,500	0	3,500
Trade payables	Amortised cost	13,103	13,103	0	0	13,103	0	13,103
Contract liabilities and advance payments received on orders	Amortised cost	668	668	0	0	668	0	668
Remaining other financial liabilities	Amortised cost	939	939	0	0	939	0	939
Liabilities from leases	Amortised cost	5,527	0	0	0	0	5,527	5,527

IFRS 13 regulates how fair value is determined along with the related disclosures in the notes to the consolidated financial statements. The standard does not explicitly set out in which cases the fair value must be used. Fair value is defined as the price that independent market participants would receive to sell an asset or pay to transfer a liability in an arm's length transaction at the measurement date. The assets and liabilities measured at fair value are allocated to the three levels of the fair value hierarchy in accordance with IFRS 13. The individual levels of the fair value hierarchy are defined as follows:

Level 1:

Quoted market prices in active markets for identical assets or liabilities

Level 2:

Level 2 is based on input factors that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and on input factors other than the quoted market prices included within Level 1.

Level 3:

Level 3 is based on input factors for the asset or liability that cannot be observed in a market (unobservable inputs).

The following table shows the fair value hierarchies of assets and liabilities measured at fair value in the statement of financial position.

in KEUR

Fair Value hierarchy	30/06/2023			31/12/2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Other investment securities			0			48

The fair value in Level 1 is calculated using quoted prices (unadjusted) in an active market for identical assets or liabilities to which STEMMER IMAGING has access at the reporting date.

For Level 2, fair value is determined using a discounted cash flow model based on inputs other than quoted prices included within Level 1 that are either directly or indirectly observable. Level 3 fair values are calculated using valuation techniques that incorporate inputs that are not observable in the active market.

The assessment of whether there has been a transfer between levels of the fair value hierarchy for financial assets and liabilities carried at fair value is made at the end of each reporting period. No reclassifications were made in the past reporting period.

Equity instruments are classified as at fair value through other comprehensive income.

Notes on the consolidated income statement

Revenue

in KEUR

	01/01 – 30/06/2023	01/01 – 30/06/2022
Revenue from the sale of components and modified components	77,384	71,081
Revenue from service	990	1,304
Revenue	78,374	72,385

STEMMER IMAGING AG analyses customer revenue not only by customer region with the highest revenue, but also by industry.

In the first half of 2023, the company was once again able to serve a wide range of industries without having any major industry focus. Together, the end markets Factor Automation, Sport & Entertainment and Print & Packaging account for 35.8 per cent of revenue (1 January to 30 June 2023: 38.4 per cent). There are no further material focus areas with regard to overall revenue.

A breakdown of revenue by region is also provided below:

in KEUR

	01/01 – 30/06/2023	01/01 – 30/06/2022
Germany	27,035	24,697
Europe (excluding Germany)	48,639	45,875
Rest of world	2,700	1,813
Total	78,374	72,385

The breakdown of revenue by region is based on the location of the customer, i.e. the place of delivery. STEMMER IMAGING did not generate more than 10 per cent of its total revenue with any one customer either in the first half of the 2023 fiscal year or in the 2022 fiscal year.

Other disclosures

Related parties

Related parties are shareholders with significant influence on the STEMMER IMAGING Group, associates, joint ventures, non-consolidated subsidiaries and persons with a significant influence on STEMMER IMAGING AG and the financial and operating policies of the Group. Persons with significant influence on the financial and operating policies of the Group are all persons in key positions and their close relatives. Within the Group, this relates to the key management personnel of the parent company.

Disclosures on affiliated companies

As part of ordinary business operations, STEMMER IMAGING AG and its subsidiaries maintain business relationships with numerous companies.

Transactions with PRIMEPULSE SE, Munich

The direct shareholding of PRIMEPULSE SE, Munich, in the company was 69.10 per cent as at the reporting date of 30 June 2023. As at 31 December 2022, PRIMEPULSE SE directly held 69.10 per cent of the shares in STEMMER IMAGING AG.

Transactions with PRIMEPULSE SE, Munich, and its related companies

According to a service agreement dated 1 April 2018, various commercial and organisational tasks can be outsourced to PRIMEPULSE SE, Munich (such as operations and controlling, tax, M&A support, marketing, PR, IR). In exchange for providing these services, PRIMEPULSE SE, Munich, receives daily rates of EUR 1,500 in each case (plus expenses, value added tax and travel costs). In the reporting period from 1 January to 30 June 2023, a total gross amount of EUR 271 thousand (30 June 2022: EUR 260 thousand) (EUR 228 thousand net, 1 January to 30 June 2022: EUR 219 thousand) was charged for purchased services and allocated costs, of which EUR 228 thousand (1 January to 30 June 2022: EUR 219 thousand) was recognised as an expense in the first half of 2023.

Furthermore, invoiced services existed for information technology from glueckkanja-gab AG, Offenbach am Main, EUR 114 thousand for the first half year of 2023 (1 January to 30 June 2022: EUR 95 thousand). Of this amount, EUR 0 thousand was outstanding on 30 June 2023 (31 December 2022: EUR 13 thousand).

There were no other transactions with the companies of the PRIMEPULSE Group in the reporting period from 1 January to 30 June 2023.

Mindcurv GmbH, a related company of PRIMEPULSE SE, provided services valued at EUR 470 thousand (1 January to 30 June 2022: EUR 0 thousand) for the STEMMER Group in the reporting period. Of this amount, EUR 248 thousand (31 December 2022: EUR 343 thousand) was outstanding as at 30 June 2023.

Company bodies

The members of the Executive Board in the 2023 reporting period were:

Arne Dehn, Munich, Dipl.-Kfm., Chief Executive Officer

Uwe Kemm, Munich, Member of the Executive Board (COO)

In the 2023 fiscal year, Supervisory Board activities were carried out by the following people:

<u>Supervisory Board member, name</u>	<u>Profession, town</u>	<u>Function in the STEMMER IMAGING AG Supervisory Board</u>
Klaus Weinmann	Managing Director of PRIMEPULSE SE, Munich	Chairman
Markus Saller	Director Mergers & Acquisitions of PRIMEPULSE SE, Munich	Deputy Chairman
Prof. Dr. Constanze Chwallek	Professor at FH Aachen – University of Applied Sciences, Faculty of Business Studies, Aachen	Member until 12/05/2023
Prof. Dr. Isabell M. Welpé	Professor at the Technical University of Munich Department of Strategy and Organisation, Munich	Member from 12/05/2023

Other financial obligations

There were no guarantees as at the balance sheet date.

There are other financial obligations from order commitments that fall within the scope of normal business activities. There were no significant rental and leasing obligations in the first half of the 2023 fiscal year.

The Group does not expect any significant future payments from sub-leasing agreements.

Events after the end of the reporting period

There were no significant events for STEMMER IMAGING after the end of the reporting period.

Responsibility statement by the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the half-year consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Puchheim, 10 August 2023

STEMMER IMAGING AG
Executive Board



Arne Dehn



Uwe Kemm

Financial calendar¹

Friday 12/05 2023 Annual General Meeting, virtual	Thursday – Friday 15 – 16/06 2023 Warburg Highlights, Hamburg	Thursday 10/08 2023 Publication of Q2/6M 2023 interim report
Monday 18/09 2023 Berenberg and Goldman Sachs 12th German Corporate Conference, Munich	Thursday 09/11 2023 Publication of Q3/9M 2023 interim report	Monday – Wednesday 27 – 29/11 2023 Eigenkapitalforum, Frankfurt am Main

¹ Dates may change at short notice.

Publication details

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The STEMMER IMAGING AG half-year report is available in German and English.
The German version is legally binding.

STEMMER IMAGING is an active member of:



