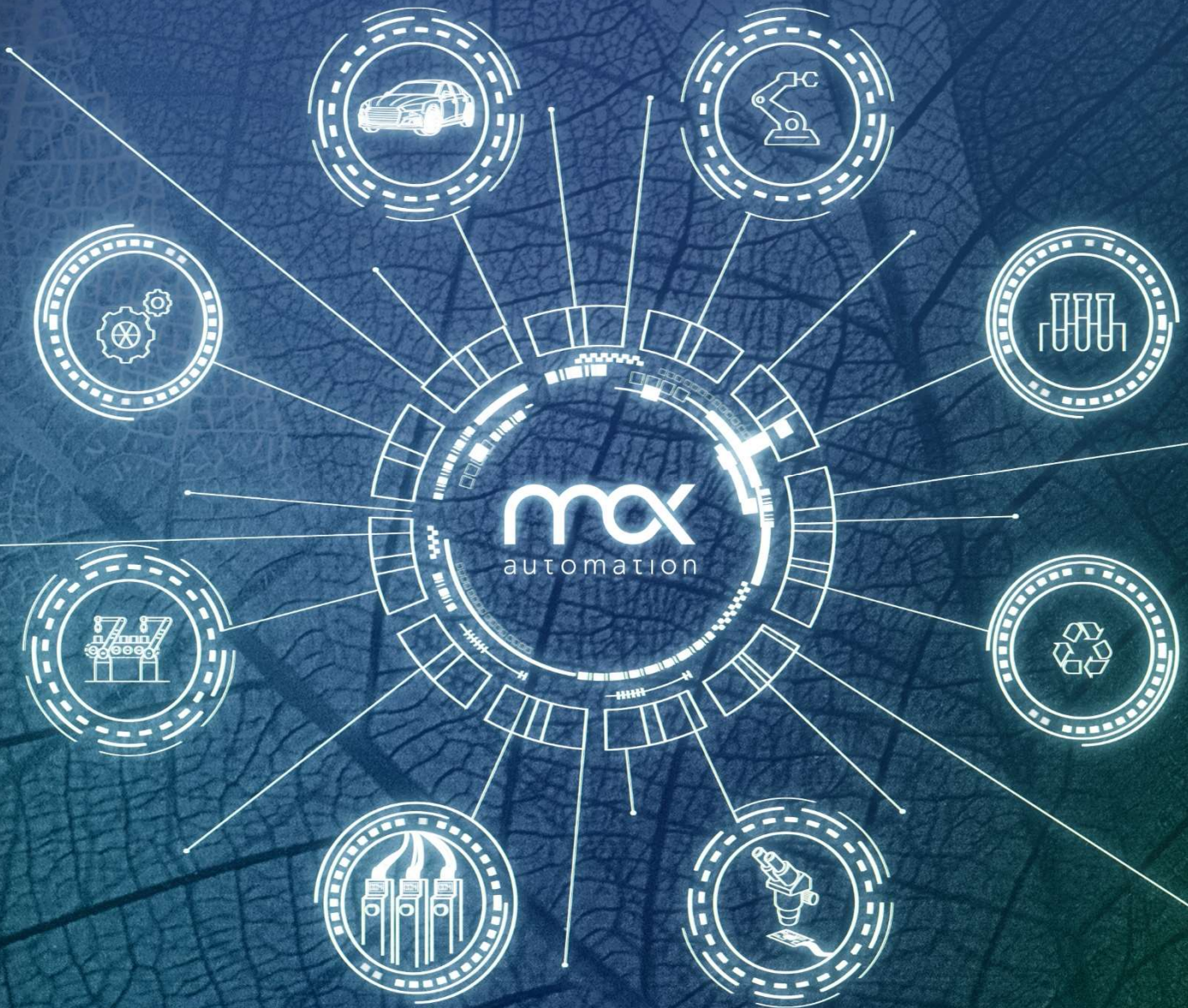




Financial Report 2023



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FOREWORD BY THE MANAGING DIRECTORS

Dear Shareholders,

In the past financial year, we continued working on our strategic positioning: the MAX Group is a cash flow-oriented financial and investment holding company with a diversified portfolio of companies in growing niche markets. Targeted portfolio optimisations supported this development: iNDAT is being wound up so that this segment will no longer be a burden in the future. At the same time, we are carrying out a structured sales process for the MA micro Group segment as a value-enhancing measure. Both segments will therefore be recognised as discontinued operations in accordance with IFRS 5 in financial year 2023.

In the continuing operations, financial year 2023 continued to be positive for the MAX Group despite the overall and sector-specific economic challenges. The high order backlog at the end of the previous year compensated to some extent for the noticeable reluctance to invest and postponements by customers from the second half of the year on. All in all, the continuing operations continued their profitable growth despite the lack of stabilisation in demand. Working more efficiently on projects in our portfolio companies contributed to this, with normalised material price increases.

The decline in incoming orders in the continuing operations to EUR 341.2 million (previous year: EUR 404.8 million) reflects the generally more subdued macroeconomic development, the more restrictive financing conditions worldwide and the persistently high price level. On the customer side, these conditions led to a reluctance to invest and lower willingness to make advance payments. Nevertheless, based on a high order backlog at the end of the previous year and pleasing growth in the service business, we achieved sales growth of 16.0% to EUR 397.4 million (previous year: EUR 342.7 million). Operating earnings before interest, taxes, depreciation and amortisation (EBITDA) improved further by 17.7% to EUR 34.6 million (previous year: EUR 29.4 million).

Overall, the MAX Group closed financial year 2023 in line with the forecast we revised in July. This also includes the MA micro Group, which has been put up for sale and is therefore recognised as a discontinued operation in accordance with IFRS. This company was already included in the forecast prior to the decision to sell and the associated reclassification in accordance with IFRS. The MAX Group (including the MA micro Group) generated sales of EUR 443.1 million and EBITDA of EUR 43.2 million. As a cash flow-oriented financial and investment holding company, the positive annual result generated a positive cash inflow from operating activities of EUR 17.2 million (previous year: cash outflow of EUR 2.9 million).

We believe that the MAX Group and its portfolio companies remain well-positioned in strategic terms. We are able to deal with uncertainties regarding the further development of the global economy in view of regional growth weaknesses and geopolitical conflicts. The order backlog at the end of the reporting year totalling EUR 206.0 million provides a solid starting point for the economic development of the MAX Group in financial year 2024. The macroeconomic and industry-specific outlook in the markets of our portfolio companies suggests that demand will remain positive. In contrast, we expect supply bottlenecks and raw material prices as well as investment restraint to improve only slightly over the course of 2024 due to the rise in interest rates. Overall, we expect the MAX Group's continuing operations to generate sales of between EUR 390 million and EUR 450 million and earnings before interest, taxes, depreciation and amortisation (EBITDA) of between EUR 31 million and EUR 38 million in financial year 2024.

We will continue to consistently implement the MAX Group's strategy in financial year 2024. The goal remains the organic and inorganic expansion of the diversified portfolio of leading companies in high-growth niche markets. The ongoing measures to continuously improve the performance of the portfolio companies will be

continued. The focus here is on increasing profitability through targeted measures to optimise costs and processes as well as activities that promote growth in the areas of sales and human resources. We have left the loss-making activities of the past behind us. In financial terms, the MAX Group is on solid footing, both with regard to debt and equity. The positive operating performance, including the strengthening of the equity structure and the equity ratio, is now also contributing to this. At the same time, the current syndicated loan totalling EUR 190 million gives us sufficient financial leeway. We are therefore well equipped to pursue the successful further development of the MAX Group.

Following the successful restructuring and further focusing of MAX Automation SE as an investment company, the organisational management structures were adjusted at a strategic level at the end of August. Since then, a Presidential Committee within the Supervisory Board has been responsible for the further development of the MAX Group together with the Managing Directors. Due to the related abolition of the CEO function, Managing Director Dr. Christian Diekmann resigned from his position as CEO by mutual agreement with the Supervisory Board and ended his work for the company prematurely on 31 August 2023.

We would like to take this opportunity to express our sincere thanks to our approximately 1,900 employees for their hard work and dedication in overcoming the challenges of the past financial year. We would also like to thank our customers, suppliers and partners for their constructive and appreciative cooperation. Last, but not least, we would like to thank you, our shareholders, for your trust and loyalty.

We look forward to utilising the attractive long-term opportunities in the markets of our portfolio companies to increase their value. Together with you, we want to successfully advance the MAX Group in 2024 and in the future.

Hamburg, 4 March 2024

Dr. Ralf Guckert

Hartmut Buscher

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

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

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

General information

In financial year 2023, the Supervisory Board dealt intensively with the strategic, economic and personnel development of MAX Automation SE and the Group. Based on the timely oral and written reports submitted by the Managing Directors on the business situation of MAX Automation SE and the Group, the Supervisory Board monitored the management of MAX Automation SE in financial year 2023 in accordance with the provisions of Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European company (SE) (SE Regulation), the SEAG and the German Stock Corporation Act (AktG). The reports of the Managing Directors related, among other matters, to fundamental questions of financial and investment policy as well as the profitability, risk and financing situation of MAX Automation SE, the Group and the Group companies.

The work of the Supervisory Board in financial year 2023 was also influenced strongly by the challenges posed by macroeconomic and industry developments, in particular Russia's ongoing war against Ukraine and the terrorist attack on the state of Israel. Together with the Managing Directors, the Supervisory Board continuously analysed the effects and risks of the war in Ukraine and the Middle East on the individual segments bdrtronic Group, Vecoplan Group, AIM Micro, NSM + Jücker, ELWEMA and Other (IWM companies) as well as on the discontinued operations iNDAT and MA micro Group. Current overall political developments were monitored and always considered when making decisions.

Against the backdrop of the court-ordered special audit, the examination and assessment of any measures to secure claims in connection with the acquisition of the AIM Group by the company in 2013 was a key focus of the work of the Supervisory Board. With the involvement of several independent external experts, another intensive and comprehensive review, examination and assessment of the relevant facts and any claims for damages by the company took place. In this context, agreements waiving the statute of limitations were also concluded with former board members. A special committee, chaired by Dr. Nadine Pallas, was set up to deal with these issues and to oversee the special audit. The work of the Supervisory Board in financial year 2023 also focused on supporting a structured sales process for MA micro automation GmbH and its subsidiaries MA Life Science GmbH, Micro Automation LLC and MA micro automation LLP (MA micro Group). The remuneration system for the Managing Directors was also revised in financial year 2023, the Personnel Committee was further developed into a Presiding Committee and the company's headquarters was relocated to the site in Hamburg. In terms of personnel, the reappointment of Dr. Ralf Guckert and Mr. Buscher as Managing Directors of MAX Automation SE and the premature departure of Dr. Christian Diekmann as Managing Director were the focal points of the Supervisory Board's work.

Reporting on the Group companies of MAX Automation SE was reduced from eight to six segments during the reporting period. The Group's financial and investment policy, personnel decisions, ongoing legal disputes, ESG

issues and the company's corporate governance were also discussed. The Supervisory Board performed the duties incumbent upon it in accordance with 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 compared to planning and the previous year, including documentations on the liquidity and financial situation. The members of the Supervisory Board also maintained an intensive dialogue with the Managing Directors outside of meetings and intensively discussed the further development of the companies and the Group with them. All business transactions requiring approval were discussed in detail with the Managing Directors and, where necessary, approval was granted.

On the basis of the reports and information provided by the Managing Directors, the Supervisory Board convinced itself of the proper conducting of business. 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

18 meetings of the Supervisory Board were held in the reporting year, ten of which were held in the form of video conferences and eight in the form of face-to-face meetings. Apart from the excused absence of Mr. Jaster from the Supervisory Board meeting on 2 August 2023 and Dr. Hanrieder from the Supervisory Board meeting on 25 August 2023, all members of the Supervisory Board who were in office in financial year 2023 attended the meetings of the Supervisory Board during the reporting period. The monitoring and advisory activities of the Supervisory Board at the meetings of the Supervisory Board mainly related to the following matters:

On 13 February 2023, Ms. Kalb first reported on the Audit Committee meeting held on the same day. The Managing Directors then reported on the business performance of the MAX Group as well as the business performance and planning of the individual business fields.

On 8 March 2023, the auditor reported comprehensively on the scope, focus and results of his audit. After intensive discussion, the 2022 Annual Financial Statements for MAX Automation SE and the Group were approved and the 2022 Annual Financial Statements of MAX Automation SE were adopted. It was decided to carry forward the accumulated loss to new account. In addition, the report of the Supervisory Board, the explanatory report of the Supervisory Board, the Sustainability Report and the dependent company report for financial year 2022 were approved by resolution. Following a corresponding report by the Special Committee, the decision was made to conduct negotiations with former board members on the conclusion of limitation waiver agreements with regard to any claims by the company in connection with the acquisition of the AIM Group in 2013. Following the report of the Personnel Committee, the target achievement levels of the Short Term Incentive (STI) targets of the Managing Directors for financial year 2022 were discussed and the STI payments for financial year 2022 were determined. The STI target agreements for financial year 2023 were also approved.

On 31 March 2023, the Managing Directors of Vecoplan AG presented the subsidiary's business development and company strategy. The Supervisory Board also approved the conclusion of a 10-year land and building lease for the rental of a property by Vecoplan LLC in Greensboro (NC, USA).

On 6 April 2023, following intensive discussions, it was decided to submit the new remuneration system for the Managing Directors and the 2022 Remuneration Report to the Annual General Meeting for approval. The invitation to the Annual General Meeting on 25 May 2023 in Düsseldorf was resolved, the draft invitation approved and the agenda set.

On 4 May 2023, the respective committee chairmen reported on the topics of the most recent meetings. The Managing Directors then reported on the business performance of the individual areas of the business and on the development of the individual subsidiaries.

On 22 May 2023, the respective Managing Directors of NSM Magnettechnik GmbH, Mess- und Regeltechnik Jücker GmbH and bdtronic GmbH presented the business development and company strategy of the subsidiaries. The Supervisory Board also discussed the content and procedures of the 2023 Annual General Meeting.

On 24 May 2023, Dr. Pallas, as Chairwoman of the Special Committee, reported on the successful negotiation of the waiver of the statute of limitations with the former members of the company's executive bodies scheduled to expire on 31 December 2023. The Supervisory Board then resolved that the company should conclude the corresponding agreements.

On 13 July 2023, the respective Managing Directors of ELWEMA Automotive GmbH and AIM Micro Systems GmbH presented the business development and company strategy of the subsidiaries.

On 2 August 2023, the focus was on ESG topics, in particular the implementation of the Act on Corporate Due Diligence Obligations in Supply Chains and the EU Taxonomy Regulation. In addition, the respective committee chairs reported on the topics of the most recent committee meetings. The Managing Directors reported on the business performance of the individual business areas and developments at the individual subsidiaries.

On 11 August 2023, the decision was made to develop the Personnel Committee into a Presiding Committee with extended powers and to amend the Rules of Procedure of the Personnel Committee and the Supervisory Board accordingly. At a second meeting on the same day, the premature departure of Dr. Christian Diekmann as Managing Director of MAX Automation SE was discussed. It was then decided to enter into negotiations with Dr. Christian Diekmann on the conclusion of a termination agreement.

On 25 August 2023, the individual points of the termination agreement were discussed in detail with Dr. Christian Diekmann and the conclusion of the agreement was subsequently approved.

On 8 September 2023, the status of the structured sales process for the MA micro Group was discussed and it was decided to continue the sales process with potential interested parties.

On 21 September 2023, the Chairwoman of the Special Committee reported on the exchange with the law firm Noerr PartGmbH and PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft on the question of whether measures to prevent the statute of limitations should be taken against the auditors advising on the AIM transaction in 2013. Following a detailed discussion and plausibility check of the consultants' work, the Supervisory Board decided not to initiate any measures to secure any claims for damages against the auditors who advised the company at the time.

On 3 November 2023, Ms. Kalb reported on the topics of the most recent Audit Committee meeting. The Supervisory Board then approved the issuance of a letter of comfort by MAX Automation SE to MAX Management GmbH and the exemption of the domestic subsidiaries from the preparation of Notes to the Financial Statements and Management Report.

Mr. Mundt also reported on the contents of the first meeting of the Presiding Committee. The Managing Directors reported in detail on the course of business at the individual companies. Finally, the Supervisory Board approved a revised schedule of responsibilities for the Managing Directors.

On 23 November 2023, the Managing Directors explained the current planning status of the MAX Group and its subsidiaries. In particular, the supply chain situation, working capital requirements and personnel costs were presented against the backdrop of the current macroeconomic and industry situation and the corresponding measures taken were discussed.

On 14 December 2023, the Managing Directors gave a presentation on the business performance and planning of the portfolio companies. The planning for financial year 2023 of MAX Automation SE was approved. Another focus was the detailed discussion and plausibility check of the opinion of the law firm Noerr PartGmbH on the obligations of the Managing Directors and the Supervisory Board to secure any claims for damages against board members in connection with the AIM transaction in 2013, the updated fairness opinion as of 31 August 2013 and the supplementary fairness opinion as of 31 October 2023 of the auditing firm PricewaterhouseCoopers GmbH on the assessment of the financial adequacy of the purchase price of the AIM Group and the opinion of the law firm Latham & Watkins LLP on the duties of the Supervisory Board in connection with the acquisition of the AIM Group. Against the backdrop of the ongoing court-ordered special audit, it was decided as a purely precautionary measure to extend the existing waiver of the statute of limitations with the former board members by another six months. Finally, the members of the Supervisory Board received training on obligations arising from securities law.

On 22 December 2023, Dr. Ralf Guckert and Hartmut Buscher were reappointed as Managing Directors until 31 December 2027. At the same time, the conclusion of new employment contracts based on the new remuneration system was approved.

Where necessary, the Supervisory Board also made decisions by way of circular resolutions. These related to the Declaration of Compliance with the German Corporate Governance Code, the amendment of the competence profile of the Supervisory Board, the Declaration on Corporate Governance and the sale of land in the Dettenhausen district, for example. Furthermore, the formation of the special committee and the commissioning of the law firm Noerr PartGmbH and PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft on issues relating to the special audit were resolved by way of circular resolution. Other resolutions concerned the statement on a request for an addition to the agenda for the 2023 Annual General Meeting and the assumption of the special auditor's insurance premium by the company. Amendments to the internal audit plan and the audit manual for financial year 2023 and the internal audit plan for financial year 2024 were also resolved by circular resolution. The circular resolutions also included the conclusion of a new syndicated surety insurance contract for guarantees and a new D&O insurance policy, amendments to the risk management guideline and the ICS guideline as well as the adoption of a Code of Conduct for suppliers.

The Supervisory Board also regularly reviewed the monthly reports sent out prior to the Board meetings. These contain information on the sales and earnings performance of the companies and the Group by segment, the analysis of the financial investment in ZEAL, the presentation and analysis of the liquidity and financial position as well as any deviations from plan. The risk management system is also discussed on a regular basis. Where conflicts of interest existed in individual resolutions, the Supervisory Board took appropriate account of this.

Organisation of the work of the Supervisory Board

To optimise processes and coordination within the Supervisory Board, the following committees were appointed in 2023 in accordance with Section 34 (4) sentence 1 SEAG:

Personnel Committee / Presiding Committee

The Personnel Committee, which was developed into a Presiding Committee in August 2023, met six times in 2023. Five of the meetings were held via video conference and one in person. The Personnel Committee and/or the Presiding Committee held the following discussions:

On 12 February 2023, the appointment of a new member to the Advisory Board of a subsidiary was discussed. At the meeting on 16 February 2023, continued on 17 February 2023 and 2 March 2023, the target achievement levels of the Managing Directors for the STI targets for financial year 2022 and the STI targets for financial year 2023 were discussed and determined and corresponding recommendations for resolutions were made to the Supervisory Board. At the meeting on 29 March 2023, continued on 3 April 2023, the new remuneration system for the Managing Directors was discussed and it was decided to propose that the Supervisory Board approve the remuneration system at the Annual General Meeting. On 11 August 2023, it was decided to propose to the Supervisory Board that the existing Personnel Committee be further developed into a Presiding Committee and that the Rules of Procedure for the Personnel Committee and the Supervisory Board be amended accordingly. This is subject to a unanimous decision by the Supervisory Board. It was also decided to propose to the Supervisory Board that negotiations be held with Dr. Christian Diekmann regarding his early departure and the conclusion of a termination agreement. On 4 October 2023, the status of negotiations on the sale of the MA micro Group and the future governance structure of a subsidiary were discussed. On 6 December 2023, the conclusion of new employment contracts with the Managing Directors and the conclusion of a new D&O insurance policy were initiated.

The Personnel Committee / Presiding Committee had the following members in the reporting period:

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

All members of the Personnel Committee and the Presiding Committee attended all six meetings during the reporting period.

Audit Committee

The Audit Committee met five times in 2023. Three of the meetings were held in person and two by video conference. The Audit Committee held the following meetings during the reporting period:

On 13 February 2023, various points relating to the audit of the Financial Statements for financial year 2022 were discussed. On 7 March 2023, the Annual Financial Statements for financial year 2022 were presented by the auditor of MAX Automation SE. It was then decided to recommend approval of the 2022 Annual Financial Statements to the Supervisory Board. On 4 May 2023, the quality of the audit for financial year 2022, the fee

limits for the 2023 audit and the Q1/2023 quarterly statement were discussed. Mr. Buscher then reported on the MAX Group's risk management system and risk-bearing capacity. In this context, ESG risks and the status of internal auditing at subsidiaries were discussed. On 1 August 2023, the 2023 half-yearly statement and the audit process and possible focal points of the 2023 audit of the Annual Financial Statements and Consolidated Financial Statements were discussed. Mr. Buscher also reported on the status of the established compliance management system, the risk management system and the internal control system. Finally, the status of negotiations on the conclusion of a surety insurance contract for guarantees was reported on. On 2 November 2023, the audit of the Annual Financial Statements and the audit of the Consolidated Financial Statements for financial year 2023 were discussed and the status of the preliminary audit by the auditor was reported on. The quarterly statement Q3/2023 and sustainability reporting were then discussed in detail. The results of the internal audit for 2023 and the focal points of the audit for 2024 were also discussed. Finally, it was decided to propose to the Supervisory Board that it approve the issuance of a letter of comfort by MAX Automation SE to MAX Management GmbH and the exemption of the domestic subsidiaries from preparing Notes to the Financial Statements and a Management Report.

The Audit Committee had the following members in the reporting period:

- Karoline Kalb (Chairwoman)
- Dr. Nadine Pallas (Deputy Chairwoman)
- Guido Mundt (ordinary member)

All members of the Audit Committee attended all five meetings of the Audit Committee during the reporting period.

Special Committee

Against the backdrop of the court-ordered special audit, the Special Committee "Supervisory Board Committee AIM" was established on 27 February 2023 with Dr. Nadine Pallas as Chairwoman. The purpose of the Special Committee is to clarify and examine any claims of MAX Automation SE against former board members in connection with the acquisition of the AIM Group by the company in 2013, to examine the taking of legally protective measures with regard to any such claims and to support the special audit.

In 2023, the Special Committee dealt with the new comprehensive review of the facts in connection with the AIM transaction and had possible claims against the former board members examined in detail and commented on, discussed and checked the plausibility of the expert opinions and statements prepared by external experts, also in preparation for resolution recommendations to the Supervisory Board. The committee also prepared the conclusion of agreements with former board members to waive the statute of limitations. The committee met six times in 2023. Two of the meetings were held in person and four by video conference. The Special Committee held the following discussions:

On 2 March 2023, the commissioning of the law firm Latham & Watkins LLP to prepare a legal opinion to re-examine the existence of any claims for damages by the company against former board members in connection with the acquisition of the AIM Group in 2013 was discussed. It was also decided to propose to the Supervisory Board that negotiations be held with the former board members on the conclusion of agreements waiving the statute of limitations in connection with any claims by the company.

On 21 April 2023, the further procedure for taking legal action against the former board members and a request for additions to the agenda with regard to the 2023 Annual General Meeting were discussed. On 22 May 2023, the status of the conclusion of the agreements to waive the statute of limitations and the interim status of the preparation of the expert opinion were discussed. On 13 July 2023, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft was commissioned to prepare an updated fairness opinion regarding the financial adequacy of the purchase price of the AIM Group. In addition, the successful conclusion of limitation waiver agreements with former board members was reported on. On 13 November 2023, the drafts of the fairness opinion and the legal opinion were discussed, taking into account a presentation by the law firm Noerr PartGmbH. It was also agreed that an extension of the waiver of the statute of limitations agreement with the former board members be sought. On 6 December 2023, the draft legal opinion of the law firm Noerr PartGmbH on any obligations of the current board members to secure any claims for damages by the company in connection with the acquisition of the AIM Group was discussed and commented on in detail. Finally, Mr. Mundt reported on the positive progress of talks to date regarding a potential extension of the waiver of the statute of limitations agreements with the former board members. The status of the special audit was also the subject of all meetings of the Special Committee.

Where necessary, the Special Committee also made decisions by way of circular resolutions. These related to the commissioning of the law firm Noerr PartGmbH to provide strategic advice on the clarification and examination of legal issues in connection with the acquisition of the AIM Group and the special audit and the commissioning of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft to prepare a fairness opinion on the financial appropriateness of the purchase price.

In addition to the formal meetings, the members of the Special Committee have continuously exchanged information on the topics covered by the Special Committee, also in dialogue with the legal advisors and auditors, and have dealt intensively with the preparation and follow-up of the meetings.

The Special Committee has had the following members since it was established:

- Dr. Nadine Pallas (Chairwoman)
- Guido Mundt (Deputy Chairman)
- Dr. Wolfgang Hanrieder (ordinary member)

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

Personnel changes

There were no personnel changes on the Supervisory Board in the reporting period. Mr. Guido Mundt remains Chairman of the Supervisory Board, Mr. Oliver Jaster is his deputy and Dr. Wolfgang Hanrieder, Ms. Karoline Kalb, Dr. Nadine Pallas and Mr. Hartmut Buscher are ordinary members of the Supervisory Board. Dr. Ralf Guckert (COO) and Mr. Hartmut Buscher (CFO) continue to be Managing Directors of the company. Dr. Christian Diekmann stepped down as Managing Director (CEO) of the company with effect from 31 August 2023.

Risk Management

All risk areas recognisable from the perspective of the Supervisory Board were discussed. The Supervisory Board has installed a comprehensive, functioning control and risk management system. The early warning system on risks was audited by the auditor. The auditor confirmed that the Supervisory Board has taken the measures required under Article 9 (1) lit. c) (ii) SE Regulation, Section 22 (3) SEAG and has set up a monitoring system that is suited for recognising developments that could jeopardise the continued existence of the company and the Group at an early stage. In the course of this audit, the auditor did not identify any events to be reported to the Supervisory Board.

Annual and Consolidated Financial Statements 2023

As a capital market-oriented corporation, MAX Automation SE is subject to the statutory audit obligation pursuant to Art. 9 (1) lit. c) (ii), Art. 61 SE Regulation in conjunction with Sections 316 (1) sentence 1, 267 (3) sentence 2, 264 d HGB. The Annual Financial Statements for MAX Automation SE and the Consolidated Financial Statements as of 31 December 2023 as well as the Combined Management Report, including the accounting, were audited by the auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, and issued with an unqualified audit opinion. The auditor thereby confirmed that in its judgement, based on the findings of the audit, the Annual Financial Statements and the Consolidated Financial Statements give a true and fair view of the asset, financial and earnings position of MAX Automation SE and the Group in accordance with the applicable accounting standards. The auditor also confirmed that the Combined Management Report is consistent with the Annual and the Consolidated Financial Statements, provides a suitable understanding 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 25 May 2023 at the proposal of the Supervisory Board and was commissioned in writing to audit the accounts by the Audit Committee after the Annual General Meeting. The Audit Committee also agreed with the auditor that the latter would inform the Audit Committee and make a note in the audit report if facts were discovered during the audit that revealed an inaccuracy in the declaration made by the Supervisory Board, including the Managing Directors, regarding the version of the German Corporate Governance Code dated 28 April 2022 (GCGC) published by the Federal Ministry of Justice in the official section of the Federal Gazette on 27 June 2022. Before the Supervisory Board proposed PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, as auditor and Group auditor to the Annual General Meeting, the auditor had confirmed in writing to the Chair of the Audit Committee that there were no circumstances that could impair its independence as auditor or give rise to doubts about its independence. It was also agreed with the auditor that the Chairwoman of the Audit Committee would be informed immediately of any grounds for disqualification or partiality arising during the audit, unless these were eliminated immediately. It was also agreed that the auditor would report immediately on all findings and events of significance to the tasks of the Supervisory Board that arise during the audit.

The Supervisory Board received the drafts and copies of the accounting documents for the company and the Group as well as the Managing Directors' proposal for the appropriation of net retained profits sufficiently in advance to enable a thorough review of all documents.

At the balance sheet meeting of the Supervisory Board on 7 March 2024, the Managing Directors explained the accounting and consolidated accounting as well as their proposal for the appropriation of net profit. The Managing Directors also answered questions from the members of the Supervisory Board. 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 reported that its audit had not revealed any significant weaknesses in the internal control and risk management system with regard to the accounting process within the meaning of Section 171 (1) sentence 2 AktG. The auditor also reported that there were no circumstances that could give rise to concerns about its impartiality and about the services it provided outside of the audit. The Supervisory Board came to the conclusion that the auditor has the necessary independence.

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

The Supervisory Board also reviewed the separate Non-financial Report to be prepared in accordance with Section 289 b) and Section 315 b) HGB.

Finally, at its balance sheet meeting on 7 March 2024, the Supervisory Board approved this report to the Annual General Meeting.

Corporate Governance and Declaration of Conformity

In financial year 2023, the Supervisory Board dealt intensively with the rules for good corporate governance.

In accordance with Art. 9 (1) lit. c) (ii) SE Regulation, Section 22 para. 6 SEAG in conjunction with Section 161 (1) AktG, on 3 February 2024 the Supervisory Board and the Managing Directors issued the Annual Declaration of Compliance with the recommendations of the German Corporate Governance Code in its version dated 28 April 2022, which was in force at the time the Declaration of Compliance was issued, 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 during their induction. For example, there is a regular introduction to the activities of MAX Automation SE and a presentation of the various business areas. No new members of the Supervisory Board were inducted in the reporting year.

The members of the Supervisory Board also receive appropriate support while performing their duties. For example, the current training and development needs of the members of the Supervisory Board are identified on a regular basis. General and legal training was supported in the reporting year. In particular, the members of the Supervisory Board regularly took part in events organised by auditing firms on corporate governance topics and events on issues relating to the proper performance of duties and financial reporting.

Dependency Report

In accordance with the requirements of Section 314 AktG, the Supervisory Board also examined the report submitted to it on relationships with affiliated companies (Dependent Company Report) for financial year 2023. The Dependent Company Report was also audited by the auditor and issued with the following audit opinion:

“Following our mandatory audit and assessment, we confirm that

- (1) the actual information in the report is correct,
- (2) the consideration paid by the company for the legal transactions listed in the report was not unreasonably high.”

The auditor’s report on the Dependent Company Report was also made available to all members of the Supervisory Board. Following discussion by the auditor and the Managing Directors, the Supervisory Board raised no objections. It acknowledged and approved the result of the audit of the Dependent Company Report by the auditor.

Conflicts of interest and their treatment

To the extent that transactions exist between MAX Automation SE or companies of the MAX Automation Group and companies for which individual members of the Supervisory Board work, these are discussed by the Supervisory Board. The members of the Supervisory Board concerned do not participate in the discussion or in any resolutions, in order to avoid even the appearance of a conflict of interest.

The Supervisory Board would like to thank the Managing Directors, the Management Boards and Managing Directors of the subsidiaries and all employees of the MAX Group for their commitment and successful work in the past financial year.

Hamburg, 12 March 2024

The Chairman of the Supervisory Board

Guido Mundt

COMBINED GROUP MANAGEMENT REPORT

Combined Group Management Report of MAX Automation SE for Financial Year 2023

BASIS OF THE SE AND THE GROUP

Business Model

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

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

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

Management structure

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

Operating segments

At the end of financial year 2021, the portfolio companies of the MAX Group were assigned to eight operating segments, which corresponded to the segmentation according to IFRS in financial year 2021. With the disclosure of the MA micro Group and iNDAT as discontinued operations in accordance with IFRS 5, the portfolio companies

of the MAX Group were allocated to six segments in financial year 2023 – and retroactively for financial year 2022.

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

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

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

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

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

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

Discontinued operations

The discontinued operations comprise **iNDAT** (iNDAT Robotics GmbH i.L.), headquartered in Ginsheim-Gustavsburg (Hesse), and the **MA micro Group** (MA micro automation GmbH and its subsidiaries),

headquartered in St. Leon-Rot (Baden-Württemberg). **INDAT** was active in the field of robotics and production automation, primarily for customers in the automotive industry, and is reported as a discontinued operation in accordance with IFRS 5 due to its liquidation.

Following the decision to wind up the company due to persistent losses in the previous year, liquidation was initiated at the beginning of the past financial year 2023. The **MA micro Group**, which was positioned as a technology leader for automation solutions in microassembly, particularly for the medical technology and optronic industries, is reported as a discontinued operation in accordance with IFRS 5 due to the decision to conduct a structured sales process. 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.

Strategy

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

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

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

The MAX Group strives for profitable growth. The current focus is on well-positioned medium-sized companies in growth markets that develop innovative, first-class, and individualised solutions. A controlling majority interest is generally sought for portfolio companies to be able to influence business decisions based on a long-term growth strategy for each portfolio company. As of 31 December 2023, MAX Holding was the sole shareholder in all portfolio companies presented in the segments. In addition, there was also a minority shareholding in ZEAL Network SE, whose shares were contributed as a contribution in kind in financial year 2022 as part of the capital increase.

Control System

The MAX Group is planned and managed at the level of the individual portfolio companies and MAX Holding. Based on the long-term orientation of the MAX Group, the portfolio companies define their strategy for the coming financial years in consultation with MAX Holding and plan their individual business development targets. This planning process results in investment and cost planning as well as the targeted development of the sales and earnings situation for 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 MAX Holding provide an ongoing insight into the overall economic situation of the MAX Group. The monthly reports are used to identify deviations from portfolio company planning at an early stage and to discuss options for action. At the same time, this process also takes account of the early warning system for risks.

Control variables

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

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

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

In 2023, the MAX Group – recognising the iNDAT and MA micro Group segments as discontinued operations in accordance with IFRS 5 – recorded the following changes in key figures – unless stated otherwise - in continuing operations:

	2023	2022	Change
	EUR million	EUR million	in %
Order intake	341.2	404.8	-15.7
Order backlog ¹⁾	206.0	261.3	-21.1
Working capital	102.9	71.6	43.8
Sales	397.4	342.7	16.0
EBITDA	34.6	29.4	17.7
EBITDA margin (in % of sales)	8.7%	8.6%	

1) per 31 December

Research and Development

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

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

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

GROUP ECONOMIC REPORT OF THE MAX GROUP

General economic and industry-specific conditions

Overall economic environment

The International Monetary Fund (IMF) only expected global economic growth of 3.1% for 2023, after an increase of 3.5 % in the previous year. The increase compared to the IMF's October 2023 forecast is due to unexpectedly stronger growth in several major economic regions in the second half of the year. For the year as a whole, the tightening of monetary policy to curb inflation had a particularly negative impact on economic development. The economies that are heavily dependent on Russian energy imports experienced a more pronounced economic slowdown due to the sharp rise in prices. Nevertheless, the global economy proved to be resilient and continued to recover slowly over the course of the year from the effects of the pandemic, the Russian invasion of Ukraine and the rapidly rising cost of living.

According to the IMF, economic output in the US grew by 2.5% in 2023, compared to 1.9% in the previous year. The increase of 0.4 percentage points compared to the IMF's October 2023 forecast is due in particular to an unexpectedly stronger economy in the second half of the year as a result of increased corporate investment and robust consumer growth. As in the previous year, the unemployment rate in the US averaged 3.6% in 2023.

According to the IMF, the gross domestic product (GDP) of the People's Republic of China grew by 5.2% in 2023, compared to 3% in the previous year. The increase of 0.2 percentage points compared to the IMF forecast from October 2023 is the result of an economic upturn in the fourth quarter, despite the ongoing crisis on the Chinese real estate market and the resulting lower investment activity in the construction sector.

According to the IMF, economic growth in the eurozone fell to 0.5% in 2023, compared to 3.3% in the previous year. Besides the rise in energy prices and the tightening of monetary policy, the 0.2 percentage point weaker growth compared to the IMF's October 2023 forecast is also due to the stronger impact of the war in Ukraine. According to the Statistical Office of the European Union (Eurostat), average inflation in the eurozone was 5.5% in 2023, compared to 8.3% in the same period of the previous year.

According to the Federal Statistical Office (Destatis), German economic output faltered in 2023 in an environment still characterised by the crisis, recording a decline of 0.3% after growth of 1.8% in the previous year. Despite recent declines, the economy was dampened by persistently high inflation, unfavourable financing conditions due to rising interest rates and weaker demand from Germany and abroad. In the manufacturing sector, value added fell by 0.4% compared to the previous year. Positive impetus came in particular from the automotive industry and other vehicle construction. In contrast, value added in energy-intensive sectors such as the chemical and metal industries fell again, after these sectors had already reacted particularly strongly to the rise in energy prices in 2022. On the demand side, gross fixed capital formation fell by 0.3% compared to the previous year. The weak global economic momentum and weakening domestic demand were reflected in a decline in foreign trade in 2023 despite falling prices. At 3.0%, imports fell more sharply than exports at 1.8%. The German job market proved to be robust again last year: As in the previous year, the average unemployment rate was 5.7%. According to the Federal Statistical Office (Destatis), the average inflation rate in 2023 was 5.9 %, lower than the previous year's value of 6.9%.

Development of relevant industries

The ongoing weakness of the global economy was increasingly felt in the German mechanical and plant engineering sector in 2023. In the first ten months of financial year 2023, the mechanical and plant engineering sector recorded a 13% decline in incoming orders compared to the previous year. Domestic orders fell by 12% and foreign orders by 14%. According to the German Engineering Federation (VDMA), production was comparatively robust in the first ten months of the current year, increasing by 0.9% to EUR 249 billion, supported by solid order backlogs and diminishing bottlenecks in the supply chains. Current industry data was not yet available at the time of reporting.

By contrast, the robotics and automation industry continued its growth trajectory. In mid-2023, the VDMA Robotics + Automation industry association expected sales to increase by 13% to EUR 16.2 billion, which would be a new record for the past financial year. This reflects the full order books built up as a result of the pandemic, which will gradually be worked off as the bottlenecks in the supply chains ease. The strongest growth in sales of 17% to EUR 8.7 billion is expected in the Integrated Assembly Solutions division. In robotics, growth is expected to be 12% to EUR 3.9 billion. Industrial image processing is expected to grow by 7% to EUR 3.6 billion. Current industry data was not yet available at the time of reporting.

According to the German Association of the Automotive Industry (VDA), the major international automotive markets grew significantly in 2023 with a noticeable improvement in vehicle availability compared to the previous year's weak figures. At the same time, geopolitical and macroeconomic uncertainties as well as persistently high energy and consumer prices weighed on demand in various regions. In the US, the light vehicle market (cars and light trucks) grew dynamically by 12%. The Chinese passenger car market set a new record for new registrations by growing by 11%. In Europe, four of the five largest individual markets recorded double-digit growth: Italy (+19%), the UK (+18%), Spain (+17%) and France (+16%). Only Germany recorded only moderate growth of 7% due to the changes in the subsidisation of electric vehicles from the end of 2022. Overall, the European passenger car market grew by 14%. New registrations of electric vehicles in Germany declined by 16% in 2023 as a whole. Battery electric vehicles (BEV) grew by 11%, while the market for plug-in hybrids (PHEV) fell by 51% due to the complete halt to subsidies. The e-share of all registrations was thus at 30%.

According to the industry association SPECTARIS, the medical technology sector is expecting sales to rise by 8.5% to EUR 40.9 billion in 2023 based on half-year figures. With an export ratio of just under 67% in the previous year, the industry association also expects international business to play an important role in 2023. Current industry data was not yet available at the time of reporting. Based on preliminary figures, German manufacturers of ophthalmic optics and consumer optics achieved sales at the previous year's level of around EUR 5 billion in 2023, an increase of around 1%. Both domestic and international business remained virtually unchanged compared to the previous year at around EUR 2.5 billion each.

As in the previous year, the waste and recycling technology sector was optimistic in mid-2023 and expected incoming orders to increase by 3.6% and sales to be up 3.8% in the past financial year. According to the Waste and Recycling Technology Association in the VDMA, industry-related economic data and a corresponding range of orders were responsible for the optimistic outlook. While the supply chain disruptions have largely been overcome, the shortage of workers and high bureaucratic hurdles in Europe and Germany are a burden. At around 62%, the EU-27 countries are expected to remain the most important sales market for German waste and recycling technology, ahead of European non-EU countries, the UK, North America and Asia. The export quota is expected to rise from 67% to 68% in 2023. Current industry data was not yet available at the time of reporting.

Business development of the Group

With the decisions to wind up iNDAT and to conduct a structured sales process for the MA micro Group segment, both segments will be recognised as discontinued operations in accordance with IFRS 5 in financial year 2023. The results of the two segments are reported under the item “Earnings after taxes from discontinued operations.” They are reported retrospectively at the beginning of the reporting period, with a comparison to the previous year. The further presentation of the MAX Group’s business performance thus relates to the continuing operations. The comparison of actual sales revenue and EBITDA with the original forecast is an exception, in which the MA micro Group must also be taken into account.

In the past financial year 2023, the MAX Group continued to develop positively when it comes to its continuing operations despite the overall economic and industry challenges. The noticeable reluctance to invest and postponements of investments by customers in the various continuing operations from the second half of the year on were partially offset by the high order backlog at the end of the previous year. Despite the lack of stabilisation in demand, the MAX Group succeeded in continuing to grow profitably with material prices rising at a normalised rate thanks to more efficient processing of projects in the continuing operations.

After an operationally successful first quarter and against the backdrop of a further increase in the order backlog, the MAX Group confirmed its original forecast for financial year 2023 in May 2023 and – still including MA micro – continued to expect sales of between EUR 410 million and EUR 470 million and earnings before interest, taxes, depreciation and amortisation (EBITDA) of between EUR 35 million and EUR 41 million. Based on the preliminary figures for the first half of 2023 as well as lower risks for the earnings situation and improved profitability due to material prices that had returned to normal and increased efficiency in project processing, the MAX Group raised its EBITDA forecast in July to a range between around EUR 38.0 million and EUR 44.0 million for financial year 2023. The sales forecast of between EUR 410 million and EUR 470 million was confirmed unchanged. Including the discontinued operation MA micro Group, which is relevant for the forecast, the MAX Group closed financial year 2023 with sales of EUR 443.1 million and EBITDA of EUR 43.2 million and thus in line with its forecast updated in July 2023. In the continuing operations, the MAX Group achieved sales growth of 16.0% to EUR 397.4 million and an increase in EBITDA to EUR 34.6 million in financial year 2023.

Consolidated order intake in the MAX Group’s continuing operations fell to EUR 341.2 million in financial year 2023 due to customers’ reluctance to invest (previous year: EUR 404.8 million). In addition to more restrictive financing conditions as a result of monetary policy tightening measures to curb inflation and persistently high costs, particularly in economies heavily dependent on Russian energy imports, uncertainties due to increasing geopolitical tensions also had an impact on some of the MAX Group’s segments. In contrast, the bdtronic Group benefited from increased demand in the areas of dispensing and impregnation technology, particularly as a result of major projects. Overall, the order backlog of the MAX Group’s continuing operations was down by 21.1% to EUR 206.0 million in financial year 2023 (31 December 2022: EUR 261.3 million).

In financial year 2023, the MAX Group achieved sales growth of 16.0% to EUR 397.4 million in its continuing operations (previous year: EUR 342.7 million). The continued high order backlog at the end of the previous year and the growing service business in the Vecoplan Group and ELWEMA segments were particularly noticeable here. The bdtronic Group made both the largest contribution to sales and experienced the strongest growth. ELWEMA also developed very successfully, while the Vecoplan Group and NSM + Jücker were able to maintain their sales levels despite customer reluctance to invest.

Operating earnings before interest, taxes, depreciation and amortisation (EBITDA) of the MAX Group's continuing operations improved by 17.7% to EUR 34.6 million (previous year: EUR 29.4 million), driven in particular by sales. The bdtronic Group made the largest contribution to the growth in earnings. While NSM + Jücker recorded a slight decline in earnings due to the invoicing of low-margin projects in the fourth quarter, the Vecoplan Group increased its earnings by expanding its high-margin service business. ELWEMA benefited from higher profitability following the successful turnaround last year.

The MAX Group once again achieved a positive result in the past financial year 2023 with net income from continuing operations of EUR 5.6 million (previous year: EUR 16.6 million). This decline was mainly the result of non-recurring effects due to the impairment of goodwill in the NSM + Jücker segment in the amount of EUR 5.2 million and the impairment of deferred tax assets on loss carryforwards due to the disposal process for the MA micro Group in the amount of EUR 5.4 million, which are recognised in the result from continuing operations.

Net income from discontinued operations improved to EUR 9.6 million (previous year: net loss of EUR 1.6 million). Here, the MA micro Group contributed EUR 7.5 million and iNDAT EUR 2.1 million due to other operating income from a terminated rental agreement.

In financial year 2023, the MAX Group generated net income for the year (including discontinued operations) of EUR 15.2 million (previous year: EUR 15.0 million). Earnings per share improved considerably to EUR 0.37 (previous year: EUR 0.39). The weighted number of shares relevant for the calculation was lower in the previous year due to the capital increase in April 2022.

Sales and earnings position

The MAX Group's continuing operations achieved sales growth of 16.0% to EUR 397.4 million in the past financial year 2023 (previous year: EUR 342.7 million). The export share of sales decreased to 76.4% (previous year: 77.6%). With North America, China, the European Union and Germany, the MAX Group achieved sales growth in all major sales markets; declines in sales were only recorded in the smaller sales countries in the rest of the world.

	2023 EUR million	2022 EUR million	Change in %
Sales	397.4	342.7	16.0
Total performance	406.6	364.0	11.7
Other operating income	6.7	9.3	-27.9
Cost of materials	-199.5	-186.1	-7.2
Personnel expenses	-122.4	-107.0	-14.4
Other operating expenses	-56.4	-50.8	-11.0
EBITDA	34.6	29.4	17.7
Depreciation and amortisation	-15.4	-7.9	-95.2
Net income	5.6	16.6	-66.2

The total operating performance of the MAX Group's continuing operations increased by 11.7% to EUR 406.6 million in financial year 2023 (previous year: EUR 364.0 million). This increase was disproportionately low compared to sales, mainly due to the fulfilment of long-term construction orders. Other own work capitalised increased to EUR 1.4 million (previous year: EUR 0.5 million).

Other operating income from continuing operations declined by 27.9% to EUR 6.7 million (previous year: EUR 9.3 million). The decline is mainly due to lower reversals of provisions and currency effects.

The cost of materials for the MAX Group's continuing operations increased disproportionately low by 7.2% to EUR 199.5 million (previous year: EUR 186.1 million) due to the higher project volume. With an increase in total operating performance, the cost of materials ratio fell to 49.1% (previous year: 51.1%) due to the higher contribution from the less material-intensive service business.

The personnel expense ratio for continuing operations rose slightly to 30.1% (previous year: 29.4%) due to higher staffing levels in the service business. Overall, the MAX Group's personnel expenses increased to EUR 122.4 million (previous year: EUR 107.0 million) as business activity increased.

Depreciation and amortisation of continuing operations increased from EUR 5.2 million to EUR 15.4 million (previous year: EUR 7.9 million), in particular due to impairment losses on goodwill for the NSM + Jücker segment. Adjusted for non-recurring effects, depreciation and amortisation developed in line with sales. The previous year's figure included positive effects from reversals of impairment losses.

Other operating expenses from continuing operations rose by a disproportionately low 11.0% to EUR 56.4 million in financial year 2023 (previous year: EUR 50.8 million) due to sales-related factors such as commissions and travel expenses. IT and consulting expenses increased in connection with various optimisation projects.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) of the MAX Group's continuing operations rose disproportionately to sales by 17.7% to EUR 34.6 million (previous year: EUR 29.4 million) due to the higher contribution of the high-margin service business. The EBITDA margin thus improved to 8.7% (previous year: 8.6%).

The financial result of the MAX Group's continuing operations was down to EUR -8.1 million (previous year: EUR -5.7 million). Higher interest expenses from the further utilisation of the current syndicated loan were offset by income of EUR 4.6 million from the dividend distribution of ZEAL Network SE.

The income tax result from continuing operations fell to EUR -5.5 million (previous year: EUR 0.8 million). This decrease is mainly the result of the value adjustment of deferred tax assets on loss carryforwards due to the disposal process initiated for the MA micro Group.

Overall, the annual result of the MAX Group's continuing operations fell to EUR 5.6 million (previous year: EUR 16.6 million), mainly due to unscheduled depreciation and amortisation.

Asset position

Total assets of the MAX Group increased slightly to EUR 385.0 million in financial year 2023 (31 December 2022: EUR 376.3 million). The main reason for this is the increase in trade receivables due to the expansion of business activities. Fixed assets (excluding deferred taxes) are financed through equity. Current and non-current assets cover current liabilities.

Non-current assets declined to EUR 151.9 million (31 December 2022: EUR 158.9 million). The reclassification of non-current assets, including the goodwill of the MA Micro Group in accordance with IFRS 5 of EUR 15.4 million and the impairment of goodwill at NSM of EUR 5.2 million were particularly noticeable here. Investment property was down due to fair value impairments of EUR 0.5 million and the sale of a property valued at EUR 1.4 million.

Property, plant and equipment increased by a total of EUR 4.6 million due to investments in land and buildings as well as machinery and revaluation effects. In addition, the positive share price performance of ZEAL Network SE shares had an impact on non-current financial assets with an increase in the fair value of EUR 6.6 million.

Overall, the share of non-current assets in total assets in 2023 remained slightly below the previous year's level at 39.5% in 2023 (31 December 2022: 42.2%).

Current assets increased to EUR 233.1 million in financial year 2023 (31 December 2022: EUR 217.4 million), in particular due to the reclassification of all of the assets of MA Micro Group in accordance with IFRS 5. Contract assets decreased by 28.4% to EUR 30.2 million (31 December 2022: EUR 42.1 million) in line with the percentage of completion of projects. The increase in contract assets, particularly due to the bdtronic Group and NSM + Jücker, was offset by decreases due to the reclassification at the MA micro Group in accordance with IFRS 5 and at iNDAT due to the fact that the liquidation process is at an advanced stage. Trade receivables increased by 24.2% to EUR 49.8 million (31 December 2022: EUR 40.1 million), in particular due to increased sales in the bdtronic Group, NSM + Jücker and ELWEMA segments. Within other current assets, tax receivables increased to EUR 7.0 million (31 December 2022: EUR 5.3 million).

Cash and cash equivalents fell by 35.0% to EUR 23.2 million in financial year 2023 (31 December 2022: EUR 35.7 million), in particular due to improved liquidity management as part of the expanded cash pooling system.

Overall, the share of current assets in total assets was slightly higher than in the previous year at 60.5% (31 December 2022: 57.8%).

The increase in working capital to EUR 102.9 million was the result of an increase in inventories and higher receivables combined with lower advance payments for new projects (31 December 2022: EUR 71.6 million).

Financial position

The MAX Group's capital structure benefited in financial year 2023 from higher profitability in connection with the expansion of business activities. Furthermore, the dividend payout from the investment in ZEAL Network SE had a positive impact. Overall, equity increased to EUR 114.9 million (31 December 2022: EUR 94.0 million). The equity ratio of the MAX Group thus improved to 29.8% (31 December 2022: 25.0%).

Non-current liabilities increased to EUR 147.9 million (31 December 2022: EUR 142.8 million), in particular due to the additional utilisation of the current syndicated loan. Non-current lease liabilities increased to EUR 10.7 million (31 December 2022: EUR 9.3 million) with the conclusion of new long-term rental agreements for operating properties.

Deferred tax liabilities declined by 5.2% to EUR 9.7 million (31 December 2022: EUR 10.3 million).

Current liabilities fell to EUR 122.2 million (31 December 2022: EUR 139.5 million), with trade payables and other liabilities in particular decreasing to EUR 52.2 million (31 December 2022: EUR 62.9 million) as a result of the reclassifications in accordance with IFRS 5. Contract liabilities fell significantly to EUR 38.3 million (31 December 2022: EUR 61.1 million) as percentage-of-completion projects progressed and lower advance payments were received from customers. Income tax liabilities increased to EUR 3.1 million (31 December 2022: EUR 1.6 million). Liabilities of EUR 16.1 million from the reclassification of the MA micro Group in accordance with IFRS 5 were recognised for the first time.

The MAX Group's net debt increased to EUR 111.8 million as of 31 December 2023 (31 December 2022: EUR 95.8 million), in particular due to a decrease in cash and cash equivalents with additional drawdowns on the syndicated loan.

Development of liquidity

In financial year 2023, the MAX Group generated a cash inflow from operating activities of EUR 17.2 million (previous year: cash outflow of EUR 2.9 million) thanks to a positive annual result despite the increase in working capital.

The outflow of funds from investing activities of EUR 9.1 million (previous year: EUR 8.4 million) resulted in particular from investments in property, plant and equipment and intangible assets.

The cash outflow from financing activities of EUR 17.3 million (previous year: cash inflow of EUR 16.3 million) resulted from interest payments for the utilisation of the syndicated loan and the repayment of current financial liabilities in particular.

In total, cash and cash equivalents before reclassifications in accordance with IFRS 5 fell to EUR 26.6 million in financial year 2023 (previous year: EUR 35.7 million).

Investments

In financial year 2023, the MAX Group made replacement investments of EUR 11.8 million in non-current assets as well as expansions to the production areas in particular (previous year: EUR 9.3 million). In addition, the business premises previously used by ELWEMA under a long-term lease were taken over.

Development of the business for the operating segments

bdtronic Group segment

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

	2023 EUR million	2022 EUR million	Change in %
Order intake	103.8	93.4	11.1
Order backlog ¹⁾	52.0	52.3	-0.6
Sales	103.8	65.2	59.2
EBITDA	14.8	9.4	58.0
EBITDA margin (in % of sales)	14.3%	14.4%	
Working capital	40.3	24.9	61.9
Employees (yearly average, FTE)	480	410	17.1

¹⁾ as of 31 December

Order intake in the bdtronic Group segment rose in financial year 2023 by 11.1% and reached a record level of 103.8 million (previous year: 93.4 million). This growth is mainly attributable to major orders in the field of dispensing and impregnation technology, whereby a major order in the fourth quarter was postponed to next year. At 52.0 million, the order backlog as of 31 December 2023 was at the level of the previous year (31 December 2021: 52.3 million) and forms a solid basis for financial year 2024.

The bdtronic Group's sales rose significantly and exceeded the EUR 100 million mark for the first time. This increase of 59.2% to EUR 103.8 million (previous year: EUR 65.2 million) is the result of both the high order backlog from the previous year and the positive demand trend in financial year 2023. 64.7% of sales (previous year: 61.1%) were generated by the bdtronic Group outside of Germany.

The operating result before interest, taxes, depreciation and amortisation (EBITDA) increased by 58.0% to EUR 14.8 million (previous year: EUR 9.4 million). At 14.3%, the EBITDA margin was on a par with the same period of the previous year (previous year: 14.4%).

Working capital increased by 61.9% to EUR 40.3 million (previous year: EUR 24.9 million) due to the increase in business activity and the increased ramp-up of projects.

The average number of employees in the bdtronic Group, excluding trainees (FTE), rose by 17.1% to 480 (previous year: 410), which was below the rate of sales growth.

Vecoplan Group segment

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

	2023 EUR million	2022 EUR million	Change in %
Order intake	144.5	171.3	-15.6
Order backlog ¹⁾	63.3	97.5	-35.1
Sales	177.8	174.0	2.2
EBITDA	20.4	19.7	3.6
EBITDA margin (in % of sales)	11.5%	11.3%	
Working capital	26.6	16.3	63.4
Employees (yearly average, FTE)	526	484	8.7

1) as of 31 December

The order intake of the Vecoplan Group fell by 15.6% to EUR 144.5 million (previous year: EUR 171.3 million). The ongoing economic uncertainty in Europe and the United States led to a reluctance to invest, with the result that orders were increasingly postponed, especially in the Recycling/Waste division, but also for Wood/Biomass. On the other hand, the service business recorded significant growth. The order backlog dropped to 63.3 million as of 31 December 2023 due to demand (31 December 2022: EUR 97.5 million).

At EUR 177.8 million, the Vecoplan Group's sales were slightly above the previous year's level (previous year: EUR 174.0 million). The high order backlog from the previous year more than compensated for the weak demand due to the reluctance to invest. Sales were driven by both the service business and the US market. The Vecoplan Group achieved 87.0% of its sales outside Germany (previous year: 85.5%).

The operating result before interest, taxes, depreciation and amortisation (EBITDA) increased by 3.6% to EUR 20.4 million (previous year: EUR 19.7 million). The improvement in the EBITDA margin to 11.5% (previous year: 11.3%) is due to the increased sales and earnings contribution from the high-margin service business.

Working capital increased by 63.4% to EUR 26.6 million (previous year: EUR 16.3 million) due to the fulfilment of the still high order backlog. In the previous year, advance payments were still higher due to the higher volume of new business.

The number of employees excluding trainees (FTE) in the Vecoplan Group increased by an annual average of 8.7% in 2023 to 526 (previous year: 484).

AIM Micro segment

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

	2023	2022	Change
	EUR million	EUR million	in %
Order intake	6.0	5.1	17.2
Order backlog ¹⁾	3.3	4.1	-19.9
Sales	6.8	6.0	12.7
EBITDA	2.1	1.8	18.4
EBITDA margin (in % of sales)	30.8%	29.3%	
Working capital	1.6	1.7	-10.9
Employees (yearly average, FTE)	25	24	5.6

1) as of 31 December

AIM Micro's order intake rose by 17.2% to EUR 6.0 million in 2023 following the decline in the previous year (previous year: EUR 5.1 million). Overall, the order backlog declined by 19.9% to EUR 3.3 million as projects were completed (31 December 2022: EUR 4.1 million).

AIM Micro's sales rose by 12.7% to a record level of EUR 6.8 million (previous year: EUR 6.0 million), driven by the order backlog at the end of the previous year. AIM Micro generated 46.7% of its sales outside Germany (previous year: 48.5%).

The operating result before interest, taxes, depreciation and amortisation (EBITDA) increased by 18.4% to EUR 2.1 million (previous year: EUR 1.8 million). The EBITDA margin rose to 30.8% (previous year: 29.3%) due to the realisation of higher-margin projects.

Working capital fell by 10.9% to EUR 1.6 million (previous year: EUR 1.7 million).

The number of employees excluding trainees (FTE) at AIM Micro averaged 25 in 2023 (previous year: 24).

NSM + Jücker segment

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

	2023 EUR million	2022 EUR million	Change in %
Order intake	40.2	74.7	-46.2
Order backlog ¹⁾	41.2	54.8	-24.8
Sales	55.6	57.1	-2.6
EBITDA	5.2	5.6	-7.7
EBITDA margin (in % of sales)	9.3%	9.8%	
Working capital	19.1	22.8	-16.0
Employees (yearly average, FTE)	261	256	2.0

1) as of 31 December

Order intake in the NSM + Jücker segment fell by 46.2% to EUR 40.2 million (previous year: EUR 74.7 million), due in particular to the reluctance to place orders in packaging automation. In contrast, demand in the press automation segment remained strong. As a result, the order backlog as of 31 December 2023 declined by 24.8% to EUR 41.2 million (31 December 2022: EUR 54.8 million).

NSM + Jücker's sales fell slightly to EUR 55.6 million (previous year: 57.1 million) due to demand and supply bottlenecks. NSM + Jücker generated 61.7% of its sales abroad (previous year: 68.5%).

NSM + Jücker's operating earnings before interest, taxes, depreciation and amortisation (EBITDA) fell by 7.7% to EUR 5.2 million in financial year 2023 (previous year: EUR 5.6 million), due in particular to the invoicing of projects with low margins in the fourth quarter. The EBITDA margin thus fell to 9.3% (previous year: 9.8%).

Working capital fell to EUR 19.1 million (previous year: EUR 22.8 million) due to increased customer prepayments. In the previous year, delayed acceptance of completed projects by customers led to a longer period of capital being tied up.

The average number of employees excluding trainees (FTE) in the NSM + Jücker segment was 261 in 2023 and therefore at the same level as in the previous year (previous year: 256).

ELWEMA segment

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

	2023 EUR million	2022 EUR million	Change in %
Order intake	46.8	60.3	-22.4
Order backlog ¹⁾	46.2	52.5	-11.9
Sales	53.2	40.5	31.4
EBITDA	4.0	2.9	39.6
EBITDA margin (in % of sales)	7.6%	7.1%	
Working capital	15.8	11.4	39.1
Employees (yearly average, FTE)	154	148	4.1

1) as of 31 December

ELWEMA's order intake fell by 22.4% to EUR 46.8 million in 2023 (previous year: EUR 60.3 million), due in particular to customers postponing projects and a general reluctance to invest. The order backlog as of 31 December 2023 declined by 11.9% to EUR 46.2 million, but remains at a high level, thus providing a solid basis for 2024 (31 December 2022: EUR 52.5 million).

ELWEMA's sales grew sharply by 31.4% to EUR 53.2 million (previous year: EUR 40.5 million) as the high order backlog at the end of 2022 was worked off. ELWEMA generated 83.6% of its sales outside Germany (previous year: 88.2%).

The operating result before interest, taxes, depreciation and amortisation (EBITDA) of ELWEMA improved disproportionately to sales growth by 39.6% to EUR 4.0 million (previous year: EUR 2.9 million), thus confirming the successful turnaround. The EBITDA margin improved to 7.6% (previous year: 7.1%) due to higher productivity.

Working capital increased by 39.1% to EUR 15.8 million (previous year: EUR 11.4 million) due to the higher project volume.

The number of employees excluding trainees (FTE) at ELWEMA increased to an annual average of 154 in 2023 (previous year: 148).

Other segment

The IWM companies grouped together in the Other segment (IWM Bodensee GmbH, IWM Automation GmbH i.L.) are largely in the process of being wound up and liquidated. Negotiations on the economic completion of the only remaining project at IWM Bodensee GmbH continue. The company remains active as a real estate company within the MAX Group.

	2023	2022	Change
	EUR million	EUR million	in %
Order intake	0.0	0.0	n/a
Order backlog ¹⁾	0.0	0.0	n/a
Sales	0.5	0.5	17.3
EBITDA	-0.9	-0.3	n/a
EBITDA margin (in % of sales)	-155.6%	-73.0%	
Working capital	0.0	0.0	n/a
Employees (yearly average, FTE)	0		n/a

1) as of 31 December

As in the previous year, no operating business was conducted in the Other segment in 2023 due to the companies being wound up and liquidated. Order intake is therefore recognised at EUR 0.0 million (previous year: EUR 0.0 million). The order backlog at the end of 2023 was EUR 0.0 million (31 December 2022: EUR 0.0 million).

As in the previous year, sales of EUR 0.5 million resulted exclusively from rental income from IWM Bodensee GmbH (previous year: EUR 0.5 million).

The operating result before interest, taxes, depreciation and amortisation (EBITDA) of the IWM companies fell to EUR -0.9 million (previous year: EUR -0.3 million) due to the devaluation of a property.

Working capital remained unchanged at EUR 0.0 million.

As in the previous year, the IWM companies no longer had any employees in 2023.

Discontinued operations

Discontinued operations include iNDAT (iNDAT Robotics GmbH i.L.), headquartered in Ginsheim-Gustavsburg (Hesse), and the MA micro Group (MA micro automation GmbH and its subsidiaries), headquartered in St. Leon-Rot (Baden-Württemberg). iNDAT was active in the area of robotics and production automation, primarily for customers in the automotive industry, and is reported as a discontinued operation in accordance with IFRS 5 as part of the liquidation. Following the decision to wind up the company due to persistent losses in the previous year, liquidation was initiated at the beginning of the past financial year 2023. By contrast, the MA micro Group, positioned as a technology leader for automation solutions in microassembly, mainly for the medical technology and optronics industries, is reported as a discontinued operation in accordance with IFRS 5 as of the reporting date due to the progress of the structured sales process announced in September 2023. 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.

Discontinued operations	2023	2022	Change
iNDAT	EUR million	EUR million	in %
Order intake	0.0	-1.1	n/a
Order backlog ¹⁾	0.0	0.4	-100.0
Sales	0.4	2.3	-82.1
EBITDA	1.8	-8.4	121.7
EBITDA margin (in % of sales)	441.6%	-363.0%	
Working capital	0.0	1.9	-99.6
Employees (yearly average, FTE)	4	52	-93.0

1) as of 31 December

The order intake of EUR 0.0 million from the discontinued iNDAT division is due to winding up and liquidation (previous year: EUR -1.1 million). There was a correction in the prior-year period due to the cancellation of a project. The order backlog dropped to EUR 0.0 million following the completion of the final projects (31 December 2022: EUR 0.4 million).

Sales of the discontinued iNDAT division fell to EUR 0.4 million (previous year: EUR 2.3 million) due to the wind-up. The operating result before interest, taxes, depreciation and amortisation (EBITDA) of EUR 1.8 million (previous year: EUR -8.4 million) was mainly due to the termination of a long-term lease contract.

As expected, the working capital of the discontinued iNDAT division fell to EUR 0.0 million (previous year: EUR 1.9 million).

The average number of employees excluding trainees (FTE) in the discontinued iNDAT division fell to 4 in 2023 (previous year: 52) due to its winding up and liquidation.

Discontinued operations	2023	2022	Change
MA micro Group	EUR million	EUR million	in %
Order intake	26.2	21.0	24.8
Order backlog ¹⁾	22.0	41.7	-47.2
Sales	46.5	64.3	-27.7
EBITDA	9.3	11.2	-17.5
EBITDA margin (in % of sales)	19.9%	17.4%	
Working capital	-1.7	-7.2	76.2
Employees (yearly average, FTE)	199	203	-2.0

1) as of 31 December

The order intake of the discontinued MA micro Group division increased by 24.8% to EUR 26.2 million (previous year: EUR 21.0 million) compared to the weak level of the previous year. As in the previous year, the reluctance to invest was reflected in the postponement of the awarding of projects. Major orders in the area of contact lens production were only sporadic, while orders continued to be extended. In the field of in-vitro diagnostics, systems for the fully automated production of pipettes and the manufacture of insulin pens continued to be in demand. The order backlog declined to EUR 22.0 million as of 31 December 2023 as projects were completed (31 December 2022: EUR 41.7 million).

Sales of the discontinued MA micro Group division fell by 27.7% to EUR 46.5 million (previous year: EUR 64.3 million) due to the low order backlog at the end of the previous year as well as project postponements due to delivery bottlenecks. The previous year was characterised by the processing of major orders. The MA micro Group generated 75.0% (previous year: 71.1%) of segment sales abroad.

The operating result before interest, taxes, depreciation and amortisation (EBITDA) of the discontinued operation MA micro Group was down 17.5% to EUR 9.3 million (previous year: EUR 11.2 million). The improvement in the EBITDA margin to 19.9% (previous year: 17.4%) is due to the lasting effect of the substantial process improvements in project management.

At EUR -1.7 million, the working capital of the discontinued operation MA micro Group remained at a very low level (previous year: EUR -7.2 million). In the previous year, high advance payments from major orders received had a noticeable effect.

The number of employees excluding trainees (FTE) at MA micro Group fell slightly to an annual average of 199 in 2023 (previous year: 203).

PERSONNEL REPORT*

As of 31 December 2023, the MAX Group employed a total of 1,930 employees including trainees (annual average: 1,851) (31 December 2022: 1,784, annual average: 1,787). The average number of employees (FTE) excluding trainees increased to 1,664 (previous year: 1,593).

In financial year 2023, the MAX Group and its portfolio companies continued to follow the principle of adjusting headcount as appropriate to meet the requirements of current and expected business developments. In view of the increasing shortage of skilled workers, the integration of new employees and external service providers from the outset is of particular importance in order to translate fluctuations in demand into business success in line with demand. Solutions on working from home and mobile working options have become the standard, particularly for administrative departments, and contribute significantly to the flexible organisation of internal structures.

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

The strategic growth targets of the MAX Group require not only a high level of motivation, but also qualified specialists. Good training as the basis for a successful start to professional life has always been a key element of human resources work. Nearly all portfolio companies are training companies and offer many 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 108 trainees in 2023 (previous year: 119).

* All personnel figures in the personnel report also include discontinued operations.

MAX AUTOMATION SE

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

Earnings position and appropriation of profits

The earnings position of MAX Automation SE is highly dependent on the development of the results of the portfolio companies. Control and profit and loss transfer agreements were concluded with two portfolio companies (bdtronic GmbH and NSM Magnettechnik GmbH) by resolution of the Annual General Meeting on 18 May 2018. In addition, a control and profit and loss transfer agreement was concluded with Mess- und Regeltechnik Jücker GmbH by resolution of the Annual General Meeting on 28 May 2021. The distributions of the other companies to the parent company are made depending on the results and take the future investment needs of the portfolio companies into account.

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

In financial year 2023, MAX Automation SE reported income from profit and loss transfers of EUR 13.7 million (previous year: EUR 10.6 million).

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

Other operating income increased by EUR 0.1 million to EUR 1.0 million due to the sale of the property in Dettenhausen. Other operating expenses fell to EUR 7.8 million (previous year: EUR 8.6 million) due to lower legal and consulting fees.

Personnel expenses increased by EUR 1.5 million to EUR 5.9 million (previous year: EUR 4.4 million), partly due to benefits on the occasion of the termination of an employment relationship.

The interest result amounted to EUR 2.2 million after EUR 4.2 million the previous year. This mainly includes expenses for the syndicated loan and interest income from affiliated companies.

The write-ups on financial assets in the amount of EUR 6.6 million related to the reversal of impairment losses on shares in ZEAL Network SE (previous year: impairment losses of EUR 11.1 million). In addition, a dividend payment of EUR 4.6 million (previous year: EUR 2.7 million) was received from ZEAL in financial year 2023, which was reported under income from securities held as financial assets.

The company reported a result before taxes of EUR 11.2 million (previous year: EUR -10.0 million). A tax expense of EUR 0.5 million was reported (previous year: tax expense of EUR 0.0 million).

The annual result was EUR 10.6 million (previous year: EUR -10.0 million). The assumptions regarding the expected business development of the SE from the previous year were made overall.

Asset and financial position

As of 31 December 2023, the total assets of MAX Automation SE amounted to EUR 270.2 million. This represents an increase of EUR 17.7 million compared to the previous year's reporting date (EUR 252.5 million).

The shares in ZEAL Networks SE, which were contributed as a contribution in kind, are reported in the financial year under securities held as fixed assets; their fair value after taking a positive change in value into account amounts to EUR 42.4 million.

Receivables and other assets increased to EUR 136.4 million (previous year: EUR 122.6 million). This includes EUR 114.5 million from receivables from portfolio companies from syndicated financing (previous year: EUR 103.4 million). Cash and cash equivalents amounted to EUR 1.5 million on the reporting date (previous year: EUR 3.3 million). Accruals and deferred income fell to EUR 1.1 million (previous year: EUR 1.4 million).

MAX Automation SE reported equity of EUR 96.6 million as of 31 December 2023 (previous year: EUR 86.0 million). The equity ratio rose to 35.8% (previous year: 34.0%) as a result of the significant improvement in net profit for the year.

Liabilities to banks as of 31 December 2023 increased from EUR 117.5 million to EUR 121.7 million. These have a term until at least February 2025, after which there is an option to extend them twice by one year each. Liabilities to portfolio companies remained virtually constant as of 31 December 2023 at EUR 41.9 million after EUR 41.8 million in the previous year and mainly comprise loans/deposits granted.

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

NON-FINANCIAL GROUP REPORT PURSUANT TO SECTION 315B HGB

The 2023 non-financial statement of MAX Automation SE was prepared as a separate non-financial Group Report in accordance with the reporting obligations according to Sections 315 b-c HGB and provides information about the aspects required according to Sections 289 b-e HGB. This non-financial statement is based on the requirements of the German Sustainability Code (GSC).

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

The Supervisory Board of MAX Automation SE dealt with the structure and content of the separate non-financial Group Report in its meeting on 7 March 2024. After in-depth discussion and review, the Supervisory Board approved the separate non-financial Group Report.

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

DISCLOSURES PURSUANT TO SECTION 315A AND SECTION 289A HGB

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

Pursuant to Section 289a of the German Commercial Code (HGB) and Section 315a 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.

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

a) Composition of subscribed capital

The subscribed capital (share capital) of MAX Automation SE amounts to EUR 41,243,181 and is divided into 41,243,181 no-par value shares, each of which grants the same rights, in particular the same voting rights. To this extent, each share grants one voting right. The rights and obligations of the shareholders arise in detail from the Articles of Association of the company and from the provisions of the SE Council Regulation, the SE Implementation Act, and the German Stock Corporation Act, in particular from Art. 53 SE Council Regulation in conjunction with Sections 12, 118 et seq. of the German Stock Corporation Act, Art. 9 (1) lit. c ii SE-Reg. in conjunction with Section 53a AktG and Art. 5 SE-Reg. in conjunction with Section 186 AktG. The shares are in the shareholder's name. There are no different classes of shares. Each no-par value share has an arithmetical share in the share capital of EUR 1.00. The company does not currently hold any treasury shares. MAX Automation SE is listed on the stock exchange (Prime Standard segment of Deutsche Börse AG).

b) Restrictions on voting rights and transfer

According to the Articles of Association of MAX Automation SE, the voting right in accordance with Section 134 (2) sentences 3 and 5 German Stock Corporation Act (AktG) begins with the payment of the statutory minimum contribution. In addition, in accordance with the Articles of Association in conjunction with Sections 123 (5), 67 (2) AktG, only those persons who are registered as shareholders in the share register and who have registered in due time are entitled to attend the Annual General Meeting and to exercise their voting rights. According to the voting rights notification dated 14 April 2022, LS Digital & Management Services GmbH & Co. KG, Orpheus Capital II GmbH & Co. KG and Othello Drei Beteiligungs GmbH & Co. KG entered into a voting trust agreement with

regard to the 24,319,244 shares they hold. Beyond this, the Supervisory Board is not aware of any restrictions affecting voting rights or the transfer of shares.

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

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

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

d) Shares with special rights conferring powers of control

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

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

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

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

MAX Automation SE, as a company with a monistic corporate management and control structure, relates the disclosure obligation pursuant to Section 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 as well as the provisions of the Articles of Association apply to their appointment. Pursuant to Section 11 (1) sentence 1 of the Articles of Association, MAX Automation SE has one or more Managing Directors; this applies irrespective of the amount of the share capital. Pursuant to Section 11 (2) sentence 1 of the Articles of Association, the Supervisory Board determines the number of Managing Directors. The appointment and dismissal of the Managing Directors is carried out in accordance with the legal provisions of Section 40 (1) sentence 1 and (5) sentence 1 SEAG in conjunction with Section 11 (2) and (4) of the Articles of Association. Accordingly, with the exception of a substitute appointment by a court pursuant to Section 45 SEAG, the Supervisory Board alone is responsible for the appointment and dismissal of Managing Directors.

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

Pursuant to Section 11 (4) of the Articles of Association, a revocation of the appointment, in deviation from Section 40 (5) of the SEAG, is only possible for good cause within the meaning of Section 84 (4) of the German

Stock Corporation Act (AktG) (formerly Section 84 (3) 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.

In accordance with Article 59 (1) and (2) of the SE Regulation and Section 51 of the SEAG in conjunction with Section 17 (1) sentence 2 of the Articles of Association, amendments to the Articles of Association of MAX Automation SE require a resolution of the Annual General Meeting with 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, unless mandatory statutory provisions provide otherwise. 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. Pursuant to Section 22 (6) SEAG in conjunction with Section 179 (1) sentence 2 AktG in conjunction with Section 17 (2) of the Articles of Association, the Supervisory Board is authorised to make amendments to the Articles of Association that affect only the wording. In all other respects, the statutory provisions of Art. 57 and 59 SE Regulation, Section 51 SEAG shall apply.

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

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

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

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

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

MAX Automation SE did not increase the company's share capital in the reporting year.

By resolution of the Annual General Meeting on 25 May 2023, the Supervisory Board is authorised until 24 May 2028 to acquire shares in the company with a proportionate amount of the share capital of up to EUR 4,124,318.00 (corresponding to around 10% of the current share capital), provided that the shares acquired on the basis of this authorisation, together with other shares in the company which the company has already acquired and still holds or which are attributable to it in accordance with Sections 71d and 71e AktG, do not at any time account for more than 10% of the company's share capital. The authorisation may be exercised in whole or in part. The shares may be acquired in partial tranches, spread over various acquisition dates, within the authorisation period until the maximum acquisition volume is reached. The acquisition may also be carried out by dependent Group companies of MAX Automation SE within the meaning of Section 17 AktG or by third parties for its or their account. The acquisition is carried out in compliance with the principle of equal treatment (Section 53a AktG) at the discretion of the Supervisory Board either via the stock exchange or by means of a public purchase offer addressed to all shareholders. The acquisition may not serve the purpose of trading in treasury shares. Furthermore, the requirements of Section 71 (2) sentences 2 and 3 AktG must be observed.

If the shares are acquired via the stock exchange, the purchase price for the acquisition per share (excluding incidental acquisition costs) may not exceed the average market price of the share on the Frankfurt Stock Exchange on the last three trading days prior to the acquisition of the shares, calculated on the basis of the arithmetic mean of the closing auction prices of the MAX Automation share in XETRA trading on the Frankfurt Stock Exchange or an electronic trading system replacing it, by more than 10% and may not fall below this price by more than 20%.

If the acquisition is made by way of a public purchase offer to all shareholders, the offer price per share and the limits of the purchase price range offered (in each case excluding ancillary acquisition costs) may not exceed the average market price of the share on the Frankfurt Stock Exchange in the period from the 5th to the 3rd trading day prior to publication of the offer. The offer price may not exceed by more than 10% or fall below by more than 20% the average market price of the MAX Automation share on the Frankfurt Stock Exchange in the period from the fifth to the third trading day prior to the publication of the offer, calculated on the basis of the arithmetic mean of the closing auction prices of the MAX Automation share in XETRA trading on the Frankfurt Stock Exchange or an electronic trading system replacing it on the fifth, fourth and third trading days prior to the publication of the offer. The volume of the offer may be limited. If the total number of shares tendered exceeds this volume, the shares may be purchased in proportion to the number of shares tendered (tender ratios). In addition, preferential acceptance of small numbers of shares (up to 100 shares per shareholder) and rounding in accordance with commercial principles to avoid fractions of shares may be provided for. Any further tender rights of shareholders are excluded in this respect.

By resolution of the Annual General Meeting, the Supervisory Board is also authorised to resell treasury shares acquired on the basis of the aforementioned purchase authorisation via the stock exchange, taking the principle of equal treatment (Section 53a AktG) into account.

In addition, the Supervisory Board is authorised by resolution of the Annual General Meeting to offer these treasury shares to shareholders for subscription on the basis of an offer addressed to all shareholders, subject to their subscription rights and in compliance with the principle of equal treatment (Section 53a AktG).

Furthermore, the Supervisory Board is authorised by resolution of the Annual General Meeting to redeem treasury shares without the need for a further resolution by the Annual General Meeting. The cancellation leads to a capital reduction. In derogation of this, the Supervisory Board may determine that the share capital shall remain unchanged upon cancellation and that the proportion of the remaining shares in the share capital shall instead increase as a result of the cancellation in accordance with Section 8 (3) AktG. In this case, the Supervisory Board is authorised to adjust the number stated in the Articles of Association.

In addition, the Supervisory Board is authorised by resolution of the Annual General Meeting to sell the treasury shares in a manner other than via the stock exchange or by means of an offer to sell to all shareholders if the shares are sold for cash at a price which is not significantly lower than the average market price of the company's share on the Frankfurt Stock Exchange on the last five trading days prior to the final determination of the selling price by the Supervisory Board, calculated on the basis of the arithmetic mean of the closing auction prices of the MAX Automation share in XETRA trading on the Frankfurt Stock Exchange or an electronic trading system replacing it; this authorisation is limited to a total of 10% of the share capital at the time the resolution is adopted by the Annual General Meeting on 25 May 2023 or - if this value is lower – 10% of the company's share capital existing at the time the shares are sold. The authorisation volume is reduced by the proportionate amount of the share capital attributable to shares or to which conversion or option rights or obligations from bonds relate that have been issued or sold since 25 May 2023 with the exclusion of subscription rights in direct, corresponding or analogous application of Section 186 (3) sentence 4 AktG.

Finally, the Supervisory Board is authorised by resolution of the Annual General Meeting to grant treasury shares to third parties as consideration in the context of mergers with other companies or the acquisition of companies, parts of companies or equity interests in companies.

The resolution of the Annual General Meeting provides for the exclusion of shareholders' subscription rights if the Supervisory Board sells treasury shares via the stock exchange. Subscription rights are also excluded if the treasury shares are sold for cash at a price that is not significantly lower than the average stock market price or are granted to third parties as consideration in connection with a merger with other companies or the acquisition of companies, parts of companies or equity interests in companies. In addition, the Supervisory Board may exclude shareholders' subscription rights for fractional amounts in the event of the sale of treasury shares by way of an offer to all shareholders.

However, the total pro rata amount of the share capital attributable to shares for which subscription rights are excluded, together with the pro rata amount of the share capital attributable to new shares from authorised capital or to which conversion and/or option rights or obligations from bonds relate, may not exceed 10% of the share capital of MAX Automation SE; the amount of the share capital as of 25 May 2023 or – if this value is lower – at the time of the sale of the shares is decisive. The exclusion of subscription rights is also deemed to apply if the sale or issue is carried out in direct, corresponding or analogous application of Section 186 (3) sentence 4 AktG.

The above authorisations to use treasury shares may be exercised once or several times, individually or collectively and with regard to partial volumes of the acquired treasury shares.

No treasury shares were acquired in the reporting year.

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 amounts owed and ancillary outstanding amounts (i.e. liabilities under credit facilities with individual lenders of the syndicated loan), plus interest and all other amounts owed, within 10 business days or at the end of an ongoing interest period, whichever is earlier. The prerequisite for a change of control is that a person or a group of persons acting jointly (with the exception of Mr. Oliver Jaster or companies in which he holds a majority interest) directly or indirectly owns 50% or more of the shares and/or voting rights in MAX Automation SE; or otherwise gains a controlling influence on MAX Automation SE; for the utilisation of the loan, reference is made to the disclosures in the Notes to the Consolidated Financial Statements in the "Long-term loans" section.

In addition, MAX Automation SE is the policyholder under a surety insurance contract for guarantees. If, in the event of a change of control, no agreement can be reached between MAX Automation SE and the insurers on a continuation of the surety insurance contract, possibly under changed conditions, the insurer has an immediate right of cancellation for good cause. A change of control occurs as soon as a person or a group of persons acting in concert who are not direct or indirect shareholders of MAX Automation SE (or their heirs) at the time the surety insurance contract is signed, acquires direct or indirect control over more than 50% of the capital or voting rights in MAX Automation SE, or is determined to hold such control.

Furthermore, 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 and Section 315a sentence 1 no. 9 of the German Commercial Code (HGB) with regard to the disclosure of compensation agreements of the parent company that have been made with the members of the Management Board in the event of a takeover bid to the Managing Directors. The company has not concluded any compensation agreements with the Managing Directors or employees in the event of a takeover bid.

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

The Corporate Governance Statement required under Section 289f HGB in connection with Article 83 (1) sentence 1 and sentence 2 EGHGB and Section 315d HGB was issued by the Supervisory Board on 16 February 2024 and can be found on the website under www.maxautomation.com/en/investor-relations/corporate-governance/.

DECLARATION OF CORPORATE GOVERNANCE

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

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

Information on corporate governance practices applied

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

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

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

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

General information on corporate governance at MAX Automation SE

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

General information on the governance structure

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

The Supervisory Board of MAX Automation SE

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

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

Mr. Jaster was already a member of the Supervisory Board from November 2013 until the Annual General Meeting on 29 May 2020 and has been Deputy Chairman of the Supervisory Board since the Annual General Meeting on 28 May 2021. Mrs. Karoline Kalb has been a member of the Supervisory Board since the Annual General Meeting on 29 May 2020.

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

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

According to the assessment of the Supervisory Board, which consists solely of shareholder representatives, Mr. Guido Mundt, Dr. Wolfgang Hanrieder, Mrs. Karoline Kalb and Dr. Nadine Pallas are classified as independent within the meaning of recommendations C.6 to C.8 of the Code in the reporting period, financial year 2023. In the competence profile it adopted on 20 January 2023, the Supervisory Board once again stipulated that at least 50% of its members should be independent. This quota was exceeded in the reporting period. The Supervisory Board regularly assesses how effectively the Board and its committees fulfil their tasks by way of an analytical exchange within the Board (a so-called self-assessment). The last self-assessment took place in 2022. The next self-assessment is scheduled to take place in 2024.

The Supervisory Board has established a Personnel Committee, which was developed into a Presiding Committee in August 2023, and an Audit Committee to perform its duties. In February 2023, the Supervisory Board also formed a committee to oversee the special audit (Special Committee). Three members of the Supervisory Board belong to the Personnel Committee. These were previously members of the Personnel Committee. During the reporting period, these were Mr. Guido Mundt (Chairman), Mr. Oliver Jaster (Deputy Chairman) and Dr. Wolfgang Hanrieder (ordinary member). The Personnel Committee, which existed until August 2023, prepares the personnel decisions of the Supervisory Board, in particular it makes proposals for the appointment of the Managing Directors and their remuneration. In addition to the previous tasks of the Personnel Committee, the now existing Presiding Committee, then in cooperation with the Managing Directors, prepares and supports the key strategic issues of MAX Automation SE and its subsidiaries. Three members of the Supervisory Board belong to the Audit Committee. These are namely Mrs. Karoline Kalb (Chairwoman), Dr. Nadine Pallas (Deputy Chairwoman) and Mr. Guido Mundt (ordinary member). The Audit Committee deals with accounting, risk management, compliance and auditing issues. The members of the Audit Committee in office during the reporting period each have expertise in the fields of auditing and accounting; Mrs. Karoline Kalb and Mr. Guido Mundt also with regard to sustainability reporting and its audit. The Supervisory Board receives regular reports on the work of the committees. The composition and tasks of the Audit Committee and the Personnel Committee are regulated by the respective Rules of Procedure.

The Special Committee consists of three members of the Supervisory Board, namely Dr. Nadine Pallas (Chairwoman), Mr. Guido Mundt (Deputy Chairman) and Dr. Wolfgang Hanrieder (ordinary member). The Special Committee deals with the processing of any claims for damages of MAX Automation SE against former board members in connection with the acquisition of the AIM Group by the company in 2013 and with the monitoring of the special audit.

The Managing Directors of MAX Automation SE

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

The Managing Directors are appointed by the Supervisory Board. The Supervisory Board also determines the number of Managing Directors and is authorised to name a Chairman, if more than one Managing Director is appointed. Members of the Supervisory Board may be appointed Managing Directors provided that the majority of the Supervisory Board continues to be composed of non-executive Managing Directors. Managing Directors are appointed for a maximum period of five years. Reappointments are possible. According to the Rules of Procedure of the Supervisory Board, only those who have not yet reached the age of 65 are eligible to be Managing Directors. This age limit was observed. The company is represented by two Managing Directors jointly or by one Managing Director together with an authorised signatory. If there is only one Managing Director, he or she shall represent the company alone. The Managing Directors of MAX Automation SE during the reporting period were Mr. Hartmut Buscher (CFO) and Dr. Ralf Guckert (COO). Until his resignation from office with effect from 31 August 2023, Dr. Christian Diekmann was also Managing Director (CEO) of the company. No successor to Dr. Christian Diekmann has been appointed. Instead, his duties were distributed among the Presiding Committee and the Managing Directors Dr. Ralf Guckert and Hartmut Buscher in accordance with their management and leadership functions. In this context, the Presiding Committee assumed Dr. Diekmann's preparatory tasks for the management function of the entire Supervisory Board.

The Managing Directors are obliged to disclose conflicts of interest to the Supervisory Board without delay and to inform the other Managing Directors thereof. The principles of cooperation between the Managing Directors of MAX Automation SE are regulated in the Rules of Procedure for the Managing Directors.

Annual General Meeting

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

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

before the meeting (the so-called technical record date), so that the technical record date is the definitive date for the legitimization of shareholders to participate in the Annual General Meeting.

The 2023 Annual General Meeting was held in person again for the first time since the coronavirus pandemic.

Working methods of the Supervisory Board and the Managing Directors

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

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

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

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

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

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

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

Accounting, auditing and risk management

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

Prior to submitting the election proposal to the Annual General Meeting on 25 May 2023, the Supervisory Board of MAX Automation SE obtained confirmation of independence from the envisaged auditor. The auditor was asked by the Chairman of the Audit Committee to report immediately on any matters arising during the audit that relate in the broadest sense to the duties of the Supervisory Board on material findings or occurrences if they cannot be remedied immediately. On 25 May 2023, the Annual General Meeting approved the proposal of the Supervisory Board to appoint PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, as the auditor of MAX Automation SE and the auditor of the Consolidated Financial Statements for financial year 2023.

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

Transparency

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

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

Reportable securities transactions and significant voting interests

In accordance with the provisions of the Market Abuse Regulation (MMVO), MAX Automation SE publishes the so-called Directors' Dealings notifications pursuant to Art. 19 MMVO, i.e. the notifications of members of the Supervisory Board, the Managing Directors and other persons who perform management tasks at MAX Automation SE within the meaning of Art. 19 MMVO, as well as natural and legal persons closely related to these persons, regarding securities transactions relating to the MAX Automation share immediately upon receipt. These notifications are also published on the company's website at www.maxautomation.com/en/investor-relations/corporate-governance/.

The company also publishes notifications on the acquisition or sale of significant voting shares in accordance with Section 33 of the German Securities Trading Act (WpHG) or on the holding of financial instruments and other instruments in accordance with Section 38 of the German Securities Trading Act (WpHG), taking into account a corresponding attribution in accordance with Section 39 of the German Securities Trading Act (WpHG), on the website at www.maxautomation.com/en/investor-relations/corporate-governance/ without delay after their receipt. The respective notifications for the past financial year are also included in the Notes to the Consolidated Financial Statements in the Annual Report.

Declaration of Conformity – German Corporate Governance Code

On 3 February 2024, the Supervisory Board published the Declaration of Conformity pursuant to Art. 9 (1) lit. c) (ii) SE Regulation, Section 22 (6) SEAG in conjunction with Section 161 AktG with regard to the German Corporate Governance Code applicable on 3 February 2024 in the version of 28 April 2022 published in the official section of the Federal Gazette on 27 June 2022. Deviations from the recommendations of the Code were explained and justified in the Declaration of Conformity. The Declaration of Conformity dated 3 February 2024, including the reasons for the deviations, can be found below and also on the company's website at www.maxautomation.com/en/investor-relations/corporate-governance/.

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

Disclosures on the Remuneration Report

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

Disclosures on the remuneration of the Managing Directors

The remuneration of the Managing Directors in office in financial year 2023 is disclosed individually in the Notes and in the Remuneration Report. The applicable remuneration system for the remuneration of the Managing Directors is also available at www.maxautomation.com/en/investor-relations/corporate-governance/.

Disclosures on the remuneration of the members of the Supervisory Board

The remuneration of the members of the Supervisory Board in financial year 2023 is disclosed individually in the Notes and in the Remuneration Report. The latest remuneration resolution of the Annual General Meeting on the remuneration of the members of the Supervisory Board is also available at www.maxautomation.com/en/investor-relations/corporate-governance/.

Declaration of the Supervisory Board of MAX Automation SE dated 3 February 2024 on the recommendations of the Government Commission in the German Corporate Governance Code as amended on 28 April 2022 pursuant to Article 9 (1) c) (ii) of the SE Regulation, Section 22 (6) SEAG in conjunction with Section 161 of the German Stock Corporation Law (AktG)

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

Furthermore, with the following exceptions and taking the special features of the monistic system of MAX Automation SE described below into account, MAX Automation SE has complied with all recommendations of the Code since the last Declaration of Compliance was issued on 3 February 2023, insofar as they are applicable.

Special features of the monistic corporate governance system

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

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

- The responsibilities of a Management Board as defined in recommendations A.1 (Sustainable Management) and A.2 (Appointment to Management Functions) of the Code are the responsibility of the Supervisory Board of MAX Automation SE, Section 22 (6) SEAG.
- In deviation from recommendations B.3 (initial appointment of board members) and B.4 (reappointment of board members) of the Code, Managing Directors, as opposed to Management Board members, are not subject to a fixed and maximum permissible term of appointment, Section 40 (1) (1) SEAG.
- In deviation from recommendations C.6, C.7 and C.10 of the Code, which regulate the independence of the members of a Supervisory Board and the Chairman of the Supervisory Board, and in deviation from recommendation E.1 (Dealing with conflicts of interest in the Supervisory Board), members of the Supervisory Board may be appointed Managing Directors, provided that the majority of the Supervisory Board continues to consist of members who are not Managing Directors, Section 40 (1) (2) SEAG.
- Recommendation D.5 (Exchange of Information) of the Code applies to the Supervisory Board and the Managing Directors of MAX Automation SE, Sections 22 (6) and 40 (6) SEAG.
- Recommendation D.6, according to which the Supervisory Board should meet regularly without the Management Board, is not applicable at MAX Automation SE if a Managing Director is also a member of the Supervisory Board. In light of the fact that Mr. Hartmut Buscher was a member of the Supervisory Board and was appointed a Managing Director, this recommendation, which is tailored to dualistically organised companies, could not be taken into account by the company for the reporting period.

Exceptions to the recommendations of the Code

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

Regarding recommendations A.1 and A.3

MAX Automation SE is committed to the principles of sustainable action. In the company's understanding, risk and opportunity analysis, strategy and corporate planning as well as sustainability aspects cannot be separated from one another. The internal control system and the risk management system of MAX Automation SE take sustainability-related objectives into account. As part of the internal control system, processes were established in financial year 2023 to explicitly query sustainability-related data.

Regarding recommendations B.1

According to the competence profile, at least one woman should be represented on the Supervisory Board. With Mrs. Karoline Kalb and Dr. Nadine Pallas, the actual share of women on the Supervisory Board is currently higher. When appointing Managing Directors, MAX Automation SE is guided by the professional and personal suitability of the candidates, diversity aspects, as well as appropriate considerations of expediency. These include, for example, the relevant entrepreneurial experience of the members, diversity in terms of age, gender and professional background. The Supervisory Board has set a target of 0% for women as Managing Directors. This is due to the fact that MAX Automation SE currently has two Managing Directors, Mr. Hartmut Buscher and Dr. Ralf Guckert. Dr. Christian Diekmann stepped down as Managing Director with effect from 31 August 2023. There are no plans to appoint a successor. In view of the expertise and length of appointment of the current Managing Directors, it does not appear appropriate to set a quota for women other than 0% for the Managing Directors. For the management level below the Managing Directors, the Supervisory Board has set the share of women at a minimum of 30%, a figure that has been achieved. There is no further management level below this.

Regarding recommendation C.15

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

Regarding recommendation D.1

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

Regarding recommendation G.3

In May 2023, the Supervisory Board conducted an appropriateness review of the remuneration of the Managing Directors with the assistance of an external remuneration consultant. The review examined the market conformity of the remuneration for financial year 2023 by comparing it with companies in the SDAX and an industry-specific peer group. By resolution dated December 22, 2023, the Supervisory Board reappointed the current Managing Directors until 31 December 2027. Based on the results of the appropriateness review and the remuneration system resolved at the 2023 Annual General Meeting, new employment contracts were concluded with the Managing Directors. Accordingly, the remuneration system with the redesigned Long Term Incentive (LTI) component will apply retroactively for the period from 1 January 2023. Dr. Ralf Guckert and Mr. Hartmut Buscher have waived payment of the variable remuneration for 2023 under the previous LTI. Due to the departure of Dr. Christian Diekmann (Managing Director until 31 August 2023), no corresponding adjustment was made to his employment contract.

Regarding recommendations G.6 and G.10

According to the new employment contracts of Dr. Ralf Guckert and Mr. Hartmut Buscher, the variable remuneration of the Managing Directors, which is based on the achievement of long-term targets, exceeds the portion based on short-term targets. This is not the case for Dr. Christian Diekmann, whose variable remuneration is based on the previous remuneration system. The variable remuneration amounts granted to the Managing Directors are not predominantly granted in the form of shares in the company or share-based

remuneration. This results from the special structure of the LTI of the Managing Directors under the new remuneration system. The LTI component is not based on the share price, but rather directly on the performance of the portfolio companies in order to provide the Managing Directors with a stronger incentive to successfully implement MAX Automation SE's strategy as a medium-sized finance and investment company. The LTI under the previous remuneration system, which applies to Dr. Christian Diekmann, was deliberately not structured as a bonus plan with specific performance criteria, but rather as a personal investment combined with an annual allocation of phantom shares in order to strengthen the respective Managing Director's loyalty to the company. The current Managing Directors are able to dispose of the long-term variable payout amounts after three years. MAX Automation SE considers this period to be standard market practice and appropriate.

Regarding recommendation G.9

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

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

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

Accordingly, the Supervisory Board is to be composed in such a way that its members as a whole have the knowledge, skills and professional experience necessary to properly perform their duties and are familiar with the company's industry. At least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing. When appointing members, the Supervisory Board shall give due consideration to the international activities of the company, potential conflicts of interest and diversity in the context of the company's specific situation. The Supervisory Board shall, as a whole, have the competencies to ensure comprehensive and effective advice to and supervision of the Managing Directors with respect to the implementation of the policies determined by the Supervisory Board. In the opinion of the Supervisory Board, essential components of this range of competences are knowledge and experience in the company's industry, knowledge in the area of accounting and auditing, with regard to financing issues, capital and financial markets, with regard to business strategy and planning, with regard to investment management and M&A processes, in controlling and risk management, in the area of governance and compliance for a listed, internationally active company, as well as on sustainability issues of importance to the company. In view of the international activities of the MAX Automation Group, care should be taken to ensure that the Supervisory Board includes a sufficient number of members who, by virtue of their background, education and professional experience, have a special connection to the international markets relevant to the MAX Automation Group. Before a candidate is proposed, personal competences as well as professional competences must be assessed. The Supervisory Board is convinced that its current members meet the requirements set out in the competence profile.

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

Persons who have been members of the Supervisory Board for more than 12 years may not be reappointed members of the Supervisory Board. This is the case.

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

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

Supervisory Board of MAX Automation SE: Overview of qualifications

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

When appointing Managing Directors, the main criteria are professional qualifications for the position to be filled, diversity aspects, previous performance and leadership qualities as well as knowledge of the company. The Supervisory Board has set a target of 0% for women as Managing Directors.

This is due to the fact that MAX Automation SE currently has two Managing Directors, Mr. Hartmut Buscher and Dr. Ralf Guckert. Dr. Christian Diekmann stepped down as Managing Director with effect from 31 August 2023. There are no plans to appoint a successor. In view of the length of appointment of the current Managing Directors, it does not appear appropriate to set a quota for women other than 0% for the Managing Directors.

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

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

Hamburg, 16 February 2024

The Supervisory Board and Managing Directors

Guido Mundt
(Chairman of the Supervisory Board)

Dr. Ralf Guckert
(Managing Director)

Hartmut Buscher
(Managing Director)

DEPENDENCY REPORT

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

In financial year 2023, MAX Automation SE was a company dependent on Orpheus Capital II GmbH & Co. KG, LS Digital & Management Services GmbH & Co. KG, as well as Othello Drei Beteiligungs GmbH & Co. KG, each with their registered office in Hamburg, Germany, in the sense of Section 17 AktG. There is a mutual attribution of voting rights between Orpheus Capital II GmbH & Co. KG and LS Digital & Management Services GmbH & Co. KG based on a voting agreement that came into force on 26 August 2020. Othello Drei Beteiligungs GmbH & Co. KG joined the voting agreement on 14 April 2022. The highest controlling parent company according to the AktG of Orpheus Capital II GmbH & Co. KG and of LS Digital & Management Services GmbH & Co. KG as well as Othello Drei Beteiligungs GmbH & Co. KG is Oliver Jaster, Germany. Control results from a majority shareholding in MAX Automation SE. There is no control or profit and loss transfer agreement between MAX Automation SE and Orpheus Capital II GmbH & Co. KG, LS Digital & Management Services GmbH & Co. KG or Othello Drei Beteiligungs GmbH & Co. KG. The Managing Directors of MAX Automation SE have therefore prepared a report by the Managing Directors on relationships with affiliated companies pursuant to Section 312 (1) of the German Stock Corporation Act (AktG), which contains the following concluding statement:

“In the legal transactions listed in the report on relationships with affiliated companies, MAX Automation SE received appropriate consideration for each legal transaction according to the circumstances known to the Managing Directors at the time the legal transactions were undertaken and received appropriate consideration for every legal transaction.”

OPPORTUNITY AND RISK REPORT

Risk Management System / Internal Control System

Scope of Application*

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

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

Goals and principles*

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

The following risk policy principles are derived from this:

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

Methods and processes*

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

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

The assessment of individual risks is the task of the risk management of the portfolio companies and MAX Holding. The risk management manual serves as a guideline. The assessment process consists of three steps: First, the damage potential is calculated – if possible – the maximum effect that a risk can have on EBT within the next 12 months. Then the probability of occurrence of the individual risk is determined. In the third step, the effectiveness of possible countermeasures is examined, and it is assessed whether these reduce the risk. Finally, the net risk potential, i.e. the net EBT 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:

- unlikely
- possible
- likely
- very likely

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

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

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

Key features of the Internal Control System within Risk Management*

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

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

The ICS supports the systematic control and monitoring of business activities and the implementation of effective monitoring measures to detect potential weaknesses is established.

*These sections of the Risk Management System / Internal Control System chapter are unaudited.

Key features of the risk management system for the accounting process

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

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

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

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

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

The accounting-related ICS was optimised and further developed in 2018. Building on this, a cross-process ICS Guideline was also introduced in 2020. In this context, significant portfolio companies have appointed local ICS officers who ensure the local implementation of the specified minimum controls. In 2021 and 2023, the risk control matrices (RCM) of the ICS Guideline were supplemented by adding additional process controls following a risk-based analysis.

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

- (1) Process
- (2) Sub-process
- (3) Control point (control objective)
- (4) Risk number and description
- (5) (Local) control number and description, evidence, performer, frequency of execution

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

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

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

Opportunity report

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

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

Opportunity management

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

Key opportunities of the portfolio companies

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

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

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

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. Such solutions can also be used outside the food and beverage industry, which offers additional opportunities for the MAX Group and its product portfolio.

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

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

Other opportunities

In addition to the respective growth drivers in its portfolio companies, the MAX Group sees opportunities in the optimisation of different scopes in the area of cross-functional capacity planning as well as in production and assembly concepts. Additional potential can arise from bundling in the areas of purchasing (purchasing volumes and benchmarking in favour of purchasing advantages) and financing.

A transfer of know-how and technology as well as the exchange of best practice procedures within the MAX Group can lead to the development of new applications in the portfolio companies and enable further growth opportunities.

Risk Report

Risk fields

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

Strategic risks:

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

Market risks and economic risks:

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

The portfolio companies of the MAX Group are exposed to general economic risks as well as typical risks of their respective sales markets, political or financial changes and risks from current or new competitors. Raw material prices and exchange rates also influence the course of business and can have a negative impact on the future success of the MAX Group. Due to the high export orientation of the portfolio companies, economic fluctuations could result in both the domestic market and abroad. The MAX Group's broad diversification can offset economic fluctuations in individual sectors to a certain extent and reduce risks from economic cycles. The portfolio companies are highly specialised and have strong positions in attractive market niches, which further reduces market risks. As of 31 December 2023, the MAX Group had an order backlog of EUR 206.0 million (previous year: EUR 261.3 million), which provides a time buffer to counteract market and economic risks.

The situation in Ukraine and the sanctions against Russia harbour serious risks for global economic development that cannot be assessed and, due to the close economic ties, especially for Germany and Europe and thus also for the economic development of the MAX Group. The persistent attacks on shipping in the Red Sea, which accounts for around 11% of global trade, harbour the risk of further supply bottlenecks and related price increases for food, energy and transport. According to the International Monetary Fund (IMF), the cost of container shipping has already risen sharply.

Risks from business activities, project risks:

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

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

Financial risks:

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

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

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 the joint venture partner Roger Li Liujie and awarded MAX Automation SE an amount of USD 6.2 million in exchange for the transfer of the shares in MAX Automation Hongkong to Roger Li Liujie, while all counterclaims were dismissed. MAX Automation SE initiated legal action at the end of February 2022 to enforce the arbitration award, which will still take a while to enforce. The outcome of the enforcement is uncertain. The enforcement of the arbitration award could give rise to additional legal, advisory and enforcement costs.

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

In September 2022, Ningbo Lehui International Engineering Equipment Co., Ltd. filed a second arbitration against MAX Automation SE in connection with the sale of the former Group company NSM Packtec GmbH, which is currently ongoing at the German Institution of Arbitration (DIS). MAX Automation SE's prospects of success in this arbitration are currently considered to be predominantly positive.

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

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

Risks from shareholdings in companies:

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

Other risks

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

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

The MAX Group's business activities require the appropriate software and hardware equipment as well as reliable data backup and unrestricted data access for authorised persons as well as network redundancy and resilience.

Like all organisations, the MAX Group's IT environment is exposed to a growing threat from cybercrime and cyber-attacks on its own IT networks or the IT networks of IT service providers. Disruptions caused by cyber-attacks can have a negative impact on the foundations of IT security: the availability, integrity and confidentiality of an organisation's own data or the data of third parties such as customers, suppliers or partners.

The MAX Group counters these risks by introducing, applying and ensuring standardised controls, processes and technologies based on globally recognised frameworks. This demonstrates the Group's commitment to combating the growing IT risks and cyber threats that can lead to potential disruptions. The Managing Directors anticipate that attacks on the IT infrastructure of large German companies and also on the MAX Group will continue to increase in terms of quality and quantity.

Overall assessment of the opportunity and risk situation

The Audit Committee of MAX Automation SE informs itself regularly about the ICS and RMS and verifies that they are up to date and effective. The overall picture of the MAX Group's opportunity and risk situation is made up of the opportunities and individual topics of all risk categories described here. In addition to the opportunities and risk categories presented, there are unexpected events that can have a positive impact in the case of opportunities and a negative impact in the case of risks on the business development and thus on the earnings, financial and asset position of the MAX Group. The current Opportunity and Risk Management System is constantly monitored and further developed in order to identify opportunities and risks at an early stage and to successfully counter the current opportunity and risk situation. The overall risk situation of the MAX Group has decreased slightly compared to the previous year. Around 36% of the total risk potential is attributable to the risk area "Risks from business activities and projects".

Company risks	Probability of occurrence	Possible financial impact	Risk situation 2023 compared to 2022
Strategic risks	unlikely	low	lower
Market risks and economic risks	possible	high	higher
Risks from business activities and projects	possible	high	lower
Financial risks	possible	medium	lower
Legal risks	possible	medium	higher
Risks from equity investments	unlikely	low	lower
Other risks	possible	high	higher

Extent of the possible financial impact on the consolidated result or consolidated EBT: low (< EUR 100 thousand), medium (from EUR 100 thousand to EUR 500 thousand), high from (EUR 500 thousand to EUR 1 million) and very high (> EUR 1 million)

Characterisation of the probability of occurrence: unlikely, possible, likely, very likely.

The MAX Group's total risk potential amounted to around EUR 13.5 million at the end of 2023 (previous year: EUR 7.3 million). This includes the net risk potential of 37 (previous year: 35) quantifiable individual risks. 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 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 Opportunity and Risk Report.

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

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

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

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

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

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

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

The MAX Group's Risk Management and Internal Control System was restructured in 2018 and further expanded and optimised in 2022. This continuous process to optimise reporting and controlling instruments as well as internal control structures will also continue in 2024.

FORECAST REPORT

Overall economic environment

The International Monetary Fund (IMF) expects the global economy to grow by 3.1% in 2024, which is 0.2 percentage points more than in the October outlook due to increases for China, the US and the most important emerging and developing countries. Despite the global economy's expected expansion of 3.5% in 2025, growth remains below the long-term average of 3.8%. Economic growth in the US is expected to slow to 2.1% in 2024 and thus grow 0.6 percentage points stronger than assumed in the October forecast due to carry-over effects from the strong final quarter of 2023. The IMF raised its forecast for China by 0.4 percentage points and now expects growth of 4.6%. The increase reflects the carry-over effects of the unexpectedly strong growth in 2023 and increased government spending on disaster control. Assuming falling energy and commodity prices while interest rates rise, the IMF expects global inflation to fall from an average of 6.8% in 2023 to 5.8% in 2024 and 4.4% in 2025.

The Kiel Institute for the World Economy (IfW) expects economic output in the eurozone to continue to stagnate at the beginning of 2024, with the economic weakness expected to be overcome as the year progresses. Private consumption is expected to pick up with falling inflation, while financing conditions should improve due to the expected easing of monetary policy. The IfW also anticipates an increase in foreign trade stimuli. For instance, economic growth is still expected to be weak at 0.8% in 2024 and only rise towards potential growth of 1.5% in 2025.

According to the IfW, the German economy will expand moderately in 2024 after stagnating in the past financial year. Due to the expected consolidation measures following the Federal Court of Justice's ruling on the federal budget, the IfW has reduced its expectations by 0.3 percentage points compared to the autumn 2023 forecast and expects growth of 0.9% overall. While the rise in interest rates will continue to weigh on the construction sector and there will be no major stimulus from the global economy, private consumption is expected to increase due to wage increases and government transfer payments. The construction and export industries are expected to recover in the second half of 2024. According to the IfW, inflation is expected to fall from 5.9% to an average of 2.3% in 2024.

Development in relevant industries

The mechanical and plant engineering industry in Germany is increasingly feeling the effects of the global economic downturn. Companies' declining order backlogs are less and less able to support production, with the German Engineering Federation (VDMA) now forecasting a 4% decline in production for 2024, compared to minus 2% previously. In October, the order backlog for more than half of German mechanical engineering companies was below the long-term average. While investment activity in China is expected to remain weak, the VDMA also expects investment momentum in the US to be subdued due to the economic situation.

The robotics and automation industry will continue its growth trajectory in 2024. According to the VDMA Robotics + Automation industry association, sales are set to increase by 4% to a new record of EUR 16.8 billion. According to the VDMA, the robotics and automation industry plays a pivotal role as a key technology in

overcoming a variety of challenges such as demographic change, the transformation to climate neutrality and the strengthening of resilience and competitiveness.

The German Association of the Automotive Industry (VDA) expects moderate growth of 2% for the international passenger car markets in 2024, which is roughly the same level as before the outbreak of the pandemic. The markets in Europe (+4%) and the US (+2%) are expected to grow slightly faster than the Chinese market (+1%) due to the weak previous year's level. In Germany, on the other hand, the VDA expects a decline of 2%. This means that the German market is still around a quarter below the level before the outbreak of the pandemic. With regard to electric vehicles, the VDA expects sales in Germany to decline by 9% overall, corresponding to a lower share of e-cars in all car registrations of 23% after 30% in the previous year. Demand for purely battery-electric passenger cars (BEVs) is expected to increase by 14%, while sales of plug-in hybrids are projected to increase by 5%.

According to the industry association SPECTARIS, the growth prospects for the global medical technology market are intact in the medium and long term. This includes demographic trends, particularly in industrialised countries, as well as increasing investment in healthcare systems in many emerging countries. At the same time, the industry is facing challenges, particularly due to the shortage of skilled labour, complex and bureaucratic sustainability requirements and the EU Medical Device Regulation (MDR). A current forecast by the industry association SPECTARIS on the development of the industry in 2023 was not available at the time this report was prepared.

The German Association for Secondary Raw Materials and Waste Management (bvse) expects the waste management industry to play a more pivotal role in the provision of raw materials due to the increasing establishment of the circular economy to reduce resource consumption. According to the bvse, the waste management industry can contribute to reducing dependence on energy and raw material imports both through the recycling of raw materials and through energy recovery. The VDMA Waste and Recycling Technology Association did not present any current forecast for the development of the industry in 2024 at the time that this report was prepared.

Expected development in financial year 2024

The Managing Directors will continue to consistently implement the MAX Group's strategy in financial year 2024. The goal is to expand the already strong Group organically and inorganically into a more diversified portfolio of leading companies in niche growth markets with strong cash flows. The ongoing measures to continuously improve the performance of the portfolio companies will be continued. The focus here is on increasing profitability through targeted measures to optimise costs and processes as well as activities that promote growth in sales and in the area of human resources.

The forecast for financial year 2024 takes the opportunities and risks described above into account, as well as the assumptions regarding macroeconomic and industry-specific developments. Among other developments, the Managing Directors expect the uncertainty caused by the ongoing war in Ukraine and the resulting higher energy and material costs as well as supply chain disruptions and the general reluctance to invest due to the rise in interest rates to decrease further in financial year 2024. At the same time, the Middle East conflict and the related attacks by the Houthi rebels on shipping in the Red Sea, one of the world's busiest waterways, have created new risks that could lead to disruptions in supply chains and sales opportunities. Should the economic development weaken more than expected, the sales, asset and earnings position as well as the strategic plans for the MAX Group in financial year 2024 could be adversely affected.

Overall statement on the expected development

Despite the uncertainties mentioned above, the Managing Directors believe that the MAX Group and its portfolio companies remain strategically well-positioned. The order backlog of EUR 206.0 million at the end of the reporting year represents a solid starting point for the economic development of the MAX Group in the course of 2024. Taking the macroeconomic and industry-specific outlook in the markets of our portfolio companies into account, the Managing Directors expect demand for the solutions offered by MAX Group companies to remain positive.

Provided that the assumptions and expectations outlined above prove to be correct, the Managing Directors are confident about the economic development of the MAX Group in financial year 2024. The Managing Directors take the described uncertainties of the overall economic development into account with a forecast in intervals. Taking a conservative view, the Managing Directors assume that supply bottlenecks and raw material prices as well as the prevailing reluctance to invest due to the rise in interest rates will only improve slightly over the course of financial year 2024. The Managing Directors therefore expect the MAX Group to generate sales of between EUR 390 million and EUR 450 million and earnings before interest, taxes, depreciation and amortisation (EBITDA) of between EUR 31 million and EUR 38 million in financial year 2024.

Expected business development of the SE

The earnings situation of MAX Automation SE as a financial and investment holding company is highly dependent on the development of the MAX portfolio companies. Based on the expected development of the portfolio companies, the Managing Directors anticipate a slight overall decline in profit transfer and investment income in financial year 2024 compared to the reporting year. Furthermore, no reversals of impairment losses on securities held as fixed assets are expected in financial year 2024 in the same amount as in the reporting year. Lower income from securities held as financial assets is also assumed, as ZEAL Network SE distributed a special dividend in the reporting year. Overall, the Managing Directors expect lower net profit for financial year 2024 compared to the reporting year, but still consider MAX Automation SE, as a financial and investment holding company with the MAX portfolio companies, to be well positioned for the future.

Forward-looking statements

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

Hamburg, 4 March 2024

The Managing Directors

Dr. Ralf Guckert

Hartmut Buscher

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

of MAX Automation SE, Hamburg,
as of 31 December 2023

ASSETS	Notes	31/12/2023 EUR thousand	31/12/2022* EUR thousand
Non-current assets			
Property, plant and equipment	(1)	50,701	46,077
Investment properties	(2)	3,620	5,515
Intangible assets	(3)	4,721	4,773
Goodwill	(4)	21,737	38,633
Right-of-use assets	(5)	11,318	11,075
Non-current financial assets	(6)	43,759	37,127
Deferred tax assets	(7)	16,047	15,643
Other non-current assets		0	44
Total non-current assets		151,903	158,887
Current assets			
Inventories	(8)	92,540	89,640
Contract assets	(9)	30,164	42,124
Trade receivables	(9)	49,767	40,059
Other current financial assets	(10)	1,901	2,145
Other current assets	(10)	9,511	7,751
Cash and cash equivalents	(11)	23,209	35,699
Assets held for sale	(12)	25,985	0
Total current assets		233,077	217,418
Total assets		384,980	376,305

* Previous year's figures adjusted due to the first-time application of the amendments to IAS 12 "Deferred taxes on initial recognition of assets and liabilities arising from a single transaction" and for the purpose of comparability due to changes in presentation (see also "Accounting policies").

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

of MAX Automation SE, Hamburg,
as of 31 December 2023

EQUITY AND LIABILITIES	Notes	31/12/2023 EUR thousand	31/12/2022* EUR thousand
Equity			
Subscribed capital	(13)	41,243	41,243
Capital reserve	(14)	55,571	55,571
Retained earnings	(14)	9,243	-5,890
Revaluation reserve	(15)	12,426	11,355
Reserve for remeasurements of defined benefit plans		144	153
Revaluation reserve for financial assets recognised at fair value through other comprehensive income	(15)	-4,530	-11,094
Reserve for exchange rate differences		768	1,860
Capital and reserves attributable to the owners of MAX Automation SE		114,865	93,198
Non-controlling interests		0	782
Total equity		114,865	93,980
Non-current liabilities			
Non-current loans	(16)	120,865	116,964
Non-current lease liabilities	(22)	10,678	9,252
Deferred tax liabilities	(7)	9,726	10,263
Liabilities from defined benefit pension plans	(17)	542	551
Non-current provisions	(23)	6,077	5,783
Other non-current liabilities	(16)	10	9
Total non-current liabilities		147,898	142,822
Current liabilities			
Trade payables and other liabilities	(18)	52,225	62,937
Contract liabilities	(19)	38,276	61,100
Current loans	(20)	619	543
Income tax liabilities	(21)	3,092	1,591
Current lease liabilities	(22)	2,797	4,705
Current provisions	(23)	9,092	8,627
Liabilities directly associated with assets held for sale	(24)	16,116	0
Total current liabilities		122,217	139,503
Total liabilities		384,980	376,305

* Previous year's figures adjusted due to the first-time application of the amendments to IAS 12 "Deferred taxes on initial recognition of assets and liabilities arising from a single transaction" and for the purpose of comparability due to changes in presentation (see also "Accounting policies").

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

of MAX Automation SE, Hamburg,
for the period from 1 January to 31 December 2023

		2023	2022*
	Notes	EUR thousand	EUR thousand
Sales	(25)	397,368	342,676
Change in finished goods and work-in-progress	(8)	7,807	20,847
Own work capitalised		1,412	468
Total performance		406,587	363,991
Other operating income	(26)	6,733	9,337
Result from the valuation of investment properties	(27)	-486	-89
Cost of materials	(28)	-199,498	-186,097
Personnel expenses	(29)	-122,385	-106,979
Reversal of impairment	(30)	0	942
Depreciation and amortisation	(30)	-15,398	-8,830
Other operating expenses	(31)	-56,392	-50,807
Operating result		19,161	21,468
Investment income	(32)	4,589	2,677
Financial income	(32)	106	430
Financial expenses	(32)	-12,750	-8,807
Financial result		-8,055	-5,700
Earnings before income taxes		11,106	15,768
Income taxes	(33)	-5,507	811
Result from continuing operations		5,599	16,579
Result after taxes from discontinued operations	(34)	9,576	-1,607
Annual result		15,175	14,972
Annual result - thereof attributable to non-controlling interests		1	284
Annual result - thereof attributable to shareholders of MAX Automation SE		15,174	14,688
Other comprehensive income that is never to be reclassified to the income statement		7,626	-10,848
Revaluation of land and buildings		1,071	-3
Actuarial gains and losses on employee benefits		-12	354
Income taxes on actuarial gains and losses		3	-105
Changes in the fair value of financial investments in equity instruments		6,564	-11,094
Other comprehensive income that may be reclassified to the income statement		-1,092	1,205
Change arising from currency translation		-1,092	1,205
Total comprehensive income		21,709	5,329

Total comprehensive income - thereof attributable to non-controlling interests	1	284
Total comprehensive income - thereof attributable to shareholders of MAX Automation SE	21,708	5,045
Earnings per share (diluted and undiluted) in EUR	0.37	0.39
Earnings per share (diluted and undiluted) in EUR - thereof from continuing operations	0.14	0.43
Earnings per share (diluted and undiluted) in EUR - thereof from discontinued operations	0.23	-0.04

* Previous year's figures adjusted due to accounting in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations".

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

CONSOLIDATED STATEMENT OF CASH FLOWS

of MAX Automation SE, Hamburg,
for the period from 1 January to 31 December 2023

		01/01/- 31/12/2023 EUR thousand	01/01/- 31/12/2022 EUR thousand
1 Cash flow from operating activities	Notes		
Annual result		15,175	14,972
Adjustments relating to the reconciliation of consolidated annual result for the year to cash flow from operating activities			
Income taxes	(33)	4,454	1,048
Net interest result	(32)	12,776	7,917
Amortisation of intangible assets incl. right of use	(30)	11,626	6,520
Depreciation of property, plant and equipment	(30)	5,805	4,931
Adjustment of investment properties	(2)	486	89
Gain (-) / loss (+) on disposal of property, plant and equipment	(1)	-21	-52
Other non-cash expenses (+) and income (-)		634	-4,669
Changes in assets and liabilities			
Increase (-) / decrease (+) in other non-current assets		0	-71
Increase (-) / decrease (+) in inventories	(8)	-7,270	-29,677
Increase (-) / decrease (+) in trade receivables	(9)	-12,849	-8,346
Increase (-) / decrease (+) in contract assets	(9)	10,119	-5,177
Increase (-) / decrease (+) in other financial and other assets	(10)	-3,431	180
Increase (-) / decrease (+) in other non-current financial liabilities		-189	-312
Increase (-) / decrease (+) in liabilities from defined benefit pension plans	(17)	-22	-44
Increase (+) / decrease (-) in trade payables and contract liabilities	(18, 19)	-22,121	8,439
Increase (-) / decrease (+) in other provisions and liabilities	(18, 23)	2,723	5,276
Income tax paid	(33)	-3,103	-4,066
Income tax reimbursed	(33)	2,399	174
= Cash flow from operating activities		17,191	-2,868
2 Cash flow from investing activities			
Outgoing payments for investments in intangible assets	(3)	-1,907	-1,793
Outgoing payments for investments in property, plant and equipment	(1)	-8,883	-7,521
Outgoing payments for investments in financial assets	(6)	0	-69
Payments received (+) / outgoing payments (-) for loans granted to third parties	(6)	-149	668
Payments received from disposals of intangible assets	(3)	0	6
Payments received from disposals of property, plant and equipment	(1)	477	285
Payments received from disposals of investment properties	(2)	1,410	0
= Cash flow from investing activities		-9,052	-8,424

3 Cash flow from financing activities	Notes		
Payments received from capital increases		0	3,058
Outgoing payments from capital increases		0	-2,155
Borrowing of non-current financial loans	(16)	15,000	117,500
Borrowing of current financial loans		114	0
Repayment of non-current financial loans	(16)	-10,724	-500
Repayment of current financial loans	(20)	0	-86,617
Change in non-current financial debt including non-current lease liabilities		-419	331
Change in current financial debt including current lease liabilities		-9,851	-6,880
Interest paid	(32)	-10,650	-8,149
Interest received	(32)	75	2
Payments to third-party shareholders		-832	-316
= Cash flow from financing activities		-17,287	16,274

	Notes	01/01/- 31/12/2023 EUR thousand	01/01/- 31/12/2022 EUR thousand
4 Cash and cash equivalents			
Increase / decrease in cash and cash equivalents		-9,148	4,982
Effect of changes in exchange rates		65	531
Cash and cash equivalents at the start of the financial year		35,699	30,186
Cash and cash equivalents at the end of the financial year		26,616	35,699
5 Composition of cash and cash equivalents			
= Cash and cash equivalents	(11)	26,616	35,699

		01/01/- 31/12/2023 EUR thousand	01/01/- 31/12/2022 EUR thousand
Cash and cash equivalents at the start of the financial year		35,699	30,186
Cash flow from operating activities		17,191	-2,868
Cash flow from investing activities		-9,052	-8,424
Cash flow from financing activities		-17,287	16,274
Effect of changes in exchange rates		65	531
Cash and cash equivalents at the end of the financial year		26,616	35,699

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

of MAX Automation SE, Hamburg,
for the periods from 1 January to 31 December 2022 and from 1 January to 31 December 2023

	Subscribed capital EUR thousand	Capital reserve EUR thousand	Retained earnings ¹⁾ EUR thousand	Revaluation reserve EUR thousand	Reserve for remeasure- ments of defined benefit plans EUR thousand	Revaluation reserve for financial assets recognised at fair value through other comprehend- sive income EUR thousand	Reserve for exchange rate differences EUR thousand	Non- controlling interests ²⁾ EUR thousand	Total ¹⁾ EUR thousand
As of 01/01/2022	29,459	18,907	-20,580	11,358	-96	0	656	815	40,519
Capital increase	11,784	36,664	0	0	0	0	0	0	48,448
Minority interests	0	0	0	0	0	0	0	-317	-317
Revaluation of real estate and buildings	0	0	0	-3	0	0	0	0	-3
Total comprehensive income	0	0	14,689	0	249	-11,094	1,205	284	5,332
As of 31/12/2022	41,243	55,571	-5,891	11,355	153	-11,094	1,860	782	93,980
As of 01/01/2023	41,243	55,571	-5,891	11,355	153	-11,094	1,860	782	93,980
Minority interests	0	0	-78	0	0	0	0	-744	-823
Revaluation of real estate and buildings	0	0	0	1,071	0	0	0	0	1,071
Allocation to retained earnings	0	0	38	0	0	0	0	-38	0
Total comprehensive income	0	0	15,174	0	-9	6,564	-1,092	1	20,638
As of 31/12/2023	41,243	55,571	9,243	12,426	144	-4,530	768	0	114,865

1) The opening balance sheet values as of 1 January 2022 were adjusted due to the first-time application of the amendments to IAS 12 "Deferred taxes on initial recognition of assets and liabilities arising from a single transaction". For details, see the chapter "Accounting policies".

2) Increase in shares in Vecoplan Midwest LLC to 100%.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

The company

MAX Automation SE (hereinafter “company” or “the MAX Group”) is a European stock corporation based in Germany. The company’s registered office and principal place of business is Steinhöft 11 in 20459 Hamburg, Germany. It is listed in the Commercial Register of the Local Court of Hamburg under HRB 181686.

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, AIM Micro, NSM + Jücker and ELWEMA. The former reportable segments INDAT and MA micro Group are recognised as discontinued operations in accordance with IFRS 5 in the reporting year. MAX Automation SE therefore assumes the role of the lead parent company of the Group.

Consolidated Financial Statements

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

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

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

The Consolidated Financial Statements for the financial year ending 31 December 2022, duly audited, and issued with an unqualified audit certificate, were approved by the Supervisory Board on 8 March 2023. The audited Consolidated Financial Statements for the year ending 31 December 2023 were approved by the Supervisory Board on 7 March 2024.

ACCOUNTING POLICIES

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

When applying the IFRSs, estimates and assumptions need to be made in certain cases that have a corresponding impact on the asset, financial and earnings position of the company. The assumptions and estimates made could have been entirely different in the same reporting period for equally understandable reasons.

The assumptions and estimates made are routinely reviewed and adjusted. The company points out that actual future results may deviate from the estimates and assumptions made.

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) have approved a number of amendments to the current International Financial Reporting Standards (IFRS), which are mandatory for the MAX Group from financial year 2023 on, and they have also adopted some further standards and interpretations as well as amendments to the current standards that are not yet mandatory in the EU. The amendments and standards are as follows:

Announce- Title ment		Mandatory application / voluntary application for the MAX Group from	Expected effects on the presentation of the asset, financial and earnings position of the MAX Group
Amended standards			
IAS 1	Disclosure of accounting policies	01/01/2023	No effects
IAS 8	Definition of accounting estimates	01/01/2023	No effects
IAS 12	Deferred taxes related to initial recognition of assets and liabilities	01/01/2023	As of the balance sheet date, there were deferred tax assets on lease liabilities totalling EUR 3.6 million and deferred tax liabilities on right-of-use assets totalling EUR 3.0 million.
IAS 12	International tax reform - Pillar two model rules	01/01/2023 and 23/05/2023	No effects
IFRS 17	Insurance contracts incl. amendments	01/01/2023	No effects

New standards to be applied in future

IAS 21	Lack of Exchangeability	01/01/2025	The company does not currently anticipate any material effects on the company's asset, financial and earnings positions.
IAS 7 / IFRS 7	Supplier Finance Arrangements	01/01/2024	The subsidiary ELWEMA utilises the option of reverse factoring to a limited extent; the volume currently amounts to up to EUR 4.5 million. Further information on this is provided under the accounting policies for liabilities.
IFRS 16	Lease liability in a sale and leaseback transaction	01/01/2024	The company does not currently anticipate any material effects on the company's asset, financial and earnings positions.
IAS 1	Classification of debts with covenants	01/01/2024	The company does not currently anticipate any material effects on the company's asset, financial and earnings positions.
IAS 1	Classification of liabilities as current or non-current	01/01/2024	The company does not currently anticipate any material effects on the company's asset, financial and earnings positions.

Use of judgements and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively; this applies in particular with regard to the potential impact of the conflict in the Middle East and the related attacks by Houthi rebels on shipping in the Red Sea, the ongoing war in Ukraine and climate change. The outbreak of war in Ukraine in February 2022 has given rise to uncertainties whose further development and potential impact on business performance cannot be estimated at present. These include higher energy and material costs as well as supply chain disruptions and the willingness to invest. Further uncertainties result from the rise in interest rates and the Middle East conflict as well as the related attacks by Houthi rebels on shipping in the Red Sea, one of the busiest waterways in the world, which could lead to disruptions to supply chains and sales opportunities.

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 2023 that could have a significant risk of causing a material adjustment to the carrying amounts of recognised assets and liabilities within the next financial year arises in connection with the following matters:

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

Assets

Property, plant and equipment

Property, plant and equipment is capitalised at acquisition or production cost and depreciated over its estimated useful lives or written down, if necessary.

For land and buildings, the MAX Group uses the revaluation model of IAS 16. The reason for using this revaluation model is that the MAX Group intends to present assets with very long useful lives adjusted for inflation effects. The effects of inflation can cause the replacement costs of this property, plant and equipment to be significantly higher than the historical acquisition or production costs reduced by depreciation. The revaluation model thus has a capital preservation function.

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

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

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

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

Expected useful lives	
Buildings	1 to 50 years
Outdoor facilities	2 to 33 years
Technical equipment and machinery	1 to 14 years
Other equipment and operating and office equipment	1 to 23 years

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

Assets under construction are carried at their production costs. These assets begin to depreciate upon their completion or when they are ready for operational use.

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

If the past cause of an impairment ceases to apply, the carrying amount of the asset is increased again accordingly. The increase in the carrying amount is limited to the value that would have resulted if no impairment loss had been recognised for the asset in previous years. The reversal of the impairment loss is also recognised in profit or loss.

Investment properties

Investment properties are properties held for rental income and/or for capital appreciation purposes. In the MAX Group, the fair value model is applied to all investment properties rather than the amortised cost model. In the opinion of the management, the fair value model is the more relevant form of presenting a more accurate picture of the asset, financial and earnings position of the MAX Group. Fair value was determined using the income capitalisation approach, which involves a model with input factors that are based on unobservable market data (Level 3 according to IFRS 13).

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

Acquired intangible assets

Acquired intangible assets (patent rights, licenses, 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 segments as cash-generating units: bdtronic Group, Vecoplan Group as well as the individual companies AIM Micro Systems GmbH, ELWEMA Automotive GmbH, Mess- und Regeltechnik Jücker GmbH und 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 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. Auxiliary, the residual carrying amounts as of 30 November of the financial year are used.

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

When determining the fair value less costs to sell, primarily market price-oriented methods are used. The value in use is calculated on the basis of the discounted cash flow (DCF) method.

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

The following requirements must be taken into account:

- Under IAS 36.50, cash flows from financing and for income taxes are not to be included in the calculation of value in use.
- The capitalisation rate is a pre-tax interest rate that reflects current market estimates of the time value of money and the specific risks of the valuation object. Since the returns on risk-bearing equity securities that can be observed in the capital markets routinely include tax effects, the weighted capitalisation rate is adjusted for these tax effects.
- The cost of equity is calculated on the basis of the Capital Asset Pricing Model. This calculation involves the risk-free base interest rate, a risk premium and the beta factor of the respective business unit's peer group. The borrowing rate used similarly results from the specific peer group. The weighted average costs of capital below reflect the individual debt-equity ratio.
- In accordance with the range of 6 - 8% recommended by the IDW, a value of 6.75% was used as the market risk premium.

Cost of capital before taxes

Business Unit	2023	2022
bdtronic Group	11.51%	10.97%
Vecoplan Group	9.82%	9.83%
AIM Micro Systems GmbH	14.76%	12.46%
ELWEMA Automotive GmbH	11.11%	9.81%
Mess- und Regeltechnik Jücker GmbH	13.17%	12.27%
NSM Magnettechnik GmbH	13.32%	12.37%

Value in use is determined based on the present value of the cash flow from two growth phases. The first phase is based on the 5-year plan prepared by the management of the respective cash-generating unit and approved by the Supervisory Board. This also included climate change-related opportunities and risks. Any new information that has come to light in the meantime has been considered. A perpetuity equal to the permanently recoverable amount according to the last year of the detailed forecast period is taken as a basis for the second phase, allowing for a growth rate of 1%. Based on the order backlog and its processing time, the selected planning horizon mainly

reflects the following assumptions for short to medium-term market developments: development of sales, market shares and growth rates, raw material costs, customer acquisition and customer retention costs, personnel development and investments. The MAX Group is planning strong increases in sales and EBIT for the periods 2024 to 2028. The assumptions are determined internally and mainly reflect past experience or are compared to external market values.

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

As of 31 December 2023, an impairment requirement of EUR 5,219 thousand was identified for NSM Magnettechnik GmbH due to the impairment test; the goodwill was written down accordingly. As of the balance sheet date, the fair value corresponds to the residual carrying amount of the cash-generating unit totalling EUR 33,282 thousand.

An additional potential impairment requirement for the cash-generating unit NSM Magnettechnik GmbH was derived from the sensitivity analyses for the cash-generating units to which significant goodwill has been allocated. The increase in the discount rates by one percentage point and a simultaneous reduction in the cash flows by 10% led to a decrease in the value in use of NSM Magnettechnik GmbH in the amount of EUR 7,953 thousand. On the balance sheet date, the value in use corresponded to the remaining residual carrying amount of the cash-generating unit NSM Magnettechnik GmbH due to the impairment recognised on goodwill.

Non-current financial assets

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

Loans are carried at amortised cost. Long-term securities are assigned to the category “equity instruments not held for trading at fair value through other comprehensive income” due to the lack of trading intention (cf. IFRS 9 5.7.5). Accordingly, all changes in fair value are recognised in other comprehensive income as non-reclassified items. Dividend payments, on the other hand, are to be recognised in profit or loss according to this valuation model and are reported in income from securities held as financial assets.

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

Inventories

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

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

Contract assets

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

The IFRS 15 criteria for this are:

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

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

With the percentage-of-completion method, the assessment of the degree of completion is of particular importance; it can also include estimates of the scope of supplies and services required to fulfil the contractual obligations. These material estimates include total estimated costs, total estimated sales, contract risks – including technical, political, and regulatory risks – and other relevant variables. According to the percentage of completion method, changes in estimates can increase or decrease sales.

All other sales that do not meet the criteria for period-based sales recognition are recorded on a point-in-time basis. Revenue is recognised when the significant risks and rewards of ownership of the goods and products sold have been transferred to the customer. This is usually the case when the goods are delivered to and simultaneously accepted by the customer (acceptance reports). Sales from contracts with customers correspond to the transaction price. The transaction price only includes variable consideration if there is a high probability that the actual occurrence of the variable consideration, e.g. a contractual penalty, will not result in a significant cancellation of revenue. The transaction price is not adjusted for a financing component since the period between the transfer of goods and services and the payment by the customer is always less than 12 months.

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

The other share of sales from contracts with customers is generated both from the sale of standard machinery, replacement parts and other goods as well as from the rendering of services. This revenue is recognised at the time when the customer obtains control over the promised asset. This is usually when the machinery is delivered to the customer so that he acquires ownership or accepts delivery. Services rendered are recognised as sales upon their fulfilment.

For standard machinery and replacement parts, customer payment takes place after invoicing. Depending on the structure of the contract, it takes place after delivery or acceptance. Invoices for payments on account are also issued to customers.

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

Contract assets are tested for impairment using the simplified approach. For a more detailed explanation, please refer to the chapter “Risk Management”.

Performance obligations

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

Current financial assets

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

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

Cash and cash equivalents

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

Equity and liabilities

Equity procurement costs

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

Adjustment item for minority interests

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

Pension obligations

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

Other provisions

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

The determination of provisions for onerous contracts, warranty provisions, provisions for dismantling, decommissioning and similar obligations and provisions for legal disputes, regulatory procedures, and official investigations (legal disputes) involves estimates to a considerable extent. Provisions for onerous contracts with customers are recognised when the current estimated total costs exceed the estimated sales. Losses from contracts with customers are identified through ongoing monitoring of project progress and the updating of estimates. This requires to a considerable extent assessment regarding the fulfilment of certain performance requirements as well as the assessment of warranty expenses and project delays, including an assessment of the attribution of these delays to the project partners involved.

Litigation is often based on complex legal issues and involves considerable uncertainty. Accordingly, the assessment of whether a current obligation from a past event is likely as of the reporting date, whether a future outflow of funds is probable and the amount of the obligation can be reliably estimated, is based on considerable judgment. This assessment is usually carried out in consultation with internal and external lawyers.

It may be necessary to set up a provision for ongoing proceedings due to new developments or to adjust the amount of a current provision. In addition, the outcome of proceedings can result in expenses for the company that exceed the provision made for the matter. Legal disputes can have a significant impact on the company's asset, financial and earnings position.

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

Liabilities

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

The subsidiary ELWEMA uses the option of reverse factoring to a limited extent as part of its management of working capital requirements, which enables supplier payment targets to be extended to up to 120 days (previous year: 90 days). As of the balance sheet date, the option of reverse factoring was used for trade payables in the amount of EUR 3,757 thousand (previous year: EUR 5,173 thousand). These liabilities are reported under trade payables in accordance with their operational nature. Payment flows from reverse factoring are therefore reported in cash flow from operating activities.

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

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

Contract liabilities

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

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.

Leases

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

As the lessee

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

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

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

For the first time, the lease liability is recognised at the present value of the lease payments not yet made on the provision date, discounted using the interest rate on which the lease is based or, if this cannot be easily determined, using the incremental borrowing rate of the MAX Group. Typically, the company uses its incremental borrowing rate as the discount rate. The incremental borrowing rate of the MAX Group results from the interest on the syndicated loan of the MAX Group. To the extent that an asset would not be acquired under a lease, the purchase of the corresponding asset would be financed via the Group's syndicated loan.

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

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

The lease liability is measured at its amortised carrying amount using the effective interest method. It is revalued if the future lease payments change due to a change in the index or (interest) rate, if the company adjusts its estimate of the expected payments as part of a residual value guarantee, if the company changes its estimate of the exercise of a purchase, extension or termination option or a de facto fixed lease payment change. In the event of such a revaluation of the lease liability, a corresponding adjustment is to be made to the carrying amount of the right-of-use or this is made affecting income if the carrying amount of the right-of-use has decreased to zero.

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

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

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

As the lessor

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

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

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

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

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

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

Share-based payment agreements

The fair value on the day of granting share-based payment agreements to employees is recognised as an expense with a corresponding increase in equity over the period in which the employees acquire an unrestricted entitlement to their bonuses. The expense amount is adjusted to reflect the number of bonuses for which the applicable service terms and non-market performance terms are expected to be met, so that the ultimate expense amount is based on the number of bonuses that the applicable service terms and non-market performance terms end up with at the end of the vesting period. For share-based payments with non-exercise conditions, the fair value is determined on the date of granting taking these conditions into account; there is no need to adjust the differences between expected and actual results.

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

Statement of comprehensive income

Operating result

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

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

Research and development expenses

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

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

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is highly probable. They are measured at the lower of their carrying amount or 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 recognised at fair value, as well as contractual rights from insurance contracts, which are explicitly excluded from this rule.

An impairment loss is recognised for initial or subsequent write-downs of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for subsequent increases in the fair value less costs to sell of an asset (or disposal group), but not in excess of a previously recognised accumulated impairment loss. Any gain or loss not previously recognised up to the date of disposal of the non-current asset (or disposal group) is recognised at the date of disposal.

Non-current assets (including those that are part of a disposal group) are not amortised 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 continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are recognised separately from other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are also recognised separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations that is part of a single coordinated plan to dispose of such a line of business, or a line of business or subsidiary acquired exclusively with a view to resale. The results from discontinued operations are recognised separately in the 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 recognised in profit or loss in other operating income or other operating expenses in the Consolidated Statement of Income.

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

The statements of financial position are translated using the closing rate method from their functional currency to the reporting currency at the mean spot exchange rate as of the balance sheet date.

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

Equity is translated at historical exchange rates.

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

	EUR=	Balance sheet: reporting date rate		Income statement: average rate	
		31/12/2023	31/12/2022	31/12/2023	31/12/2022
China	CNY	7.85090	7.35820	7.65906	7.08008
Great Britain	GBP	0.86910	0.88690	0.86992	0.85262
Poland	PLN	4.33950	4.68080	4.54206	4.68447
Switzerland	CHF	0.92600	0.98470	0.97174	0.98649
Singapore	SGD	1.45910	1.43000	1.45233	1.43126
USA	USD	1.10500	1.06660	1.08159	1.05388

Financial instruments

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

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

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

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

The Group does not make use of the option to designate financial assets and liabilities as at fair value through profit or loss upon initial recognition (fair value option).

In determining whether the default risk of a financial asset has increased significantly since initial recognition and in estimating expected credit losses, the Group considers appropriate and reliable information that is relevant and available without incurring unreasonable time and expense. This includes both quantitative and qualitative information and analysis based on the Group’s experience and sound judgement, including forward-looking information using CDS spreads.

A financial asset is considered to be in default if it is unlikely that the debtor will be able to pay his loan obligation in full to the Group. The asset is written off if there is no reasonable expectation that the contractual cash flows will be realised.

Derivative financial instruments and hedging transactions

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

The Group’s derivative instruments have not been designated for hedge accounting and are therefore classified as “held for trading” for accounting purposes and carried at fair value through profit or loss. They are presented as current assets and liabilities to the extent that they are expected to be settled 12 months after the end of the reporting period.

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

Income taxes

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

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

Current taxes

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

Deferred taxes

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

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

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

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

Deferred tax liabilities and tax assets are determined based on the tax rates and tax laws that are expected to apply when the liability is settled or the asset realised. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the way the Group expects to settle the liability or realise the asset as of the reporting date.

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

Changes to statement

As of 31 December 2023, the MAX Group decided to adjust the structure and item designations of the balance sheet to improve legibility. Where relevant for an understanding of the MAX Group's asset and financial position, further subdivisions were made; the generally accepted item designations for IFRS financial statements were used. In this context, the reported figures for financial year 2022 were partially adjusted to ensure comparability of the respective contents.

CONSOLIDATION

Consolidation principles

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

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

Scope of consolidation

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

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

In line with the clear strategic orientation, the current companies were divided into the segments bdtronic Group, Vecoplan Group, AIM Micro, NSM + Jücker, ELWEMA and Headquarters as well as Other. As previously reportable segments, the MA micro Group and iNDAT are recognised as discontinued operations in accordance with IFRS 5. Further information on discontinued operations can be found in the "Discontinued operations" section of the Notes to the Consolidated Financial Statements.

The scope of consolidation is comprised as follows:

Number of companies included	2023	2022
AIM Micro	1	1
bdtronic Group	7	7
ELWEMA	1	1
Headquarters (MAX Management)	1	1
iNDAT	1	1
MA micro Group	4	4
NSM + Jücker	3	3
Vecoplan Group	10	10
Other	2	2
Group	30	30

The indirect and ultimate holding company of MAX Automation SE is Günther SE with its registered office in Bamberg. It holds 58.97% (2022: 58.97%) of the ordinary shares in MAX Automation SE.

Changes in the scope of consolidation

There were no changes to the scope of consolidation in financial year 2023.

EXPLANATORY NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(1) Property, plant and equipment

The revaluation method for land and buildings has been applied in the MAX Group since December 2019. The revaluation was updated as of 30 November 2023, resulting in a revaluation of the land and buildings concerned totalling EUR 1,549 thousand.

If the acquisition cost model had continued to be used, the carrying amount of the land and buildings as of 31 December 2023 would have been EUR 19,835 thousand (previous year: EUR 16,414 thousand).

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

The impairment losses in the previous year totalling EUR 122 thousand mainly resulted from impairment losses on operating and office equipment at MAX Automation SE.

EUR thousand	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Assets under construction	Pre-payments made	Total
Acquisition or production cost						
01/01/2023	37,644	23,208	26,167	3,701	4	90,724
Currency differences	-102	-33	-145	-3	0	-283
Additions	3,132	3,165	3,001	1,252	76	10,626
Additions from revaluation	338	0	0	0	0	338
Disposals	-83	-1,157	-857	-227	0	-2,324
Disposals from revaluation	-413	0	0	0	0	-413
Reclassifications	1,569	1,115	1,295	-3,847	-28	104
31/12/2023	42,085	26,298	29,461	876	52	98,772
Accumulated depreciation						
01/01/2023	8,093	17,396	19,086	72	0	44,647
Currency differences	-6	-29	-103	0	0	-138
Additions	1,070	2,291	2,444	0	0	5,805
Impairment	0	0	0	0	0	0
Reversal of impairment	0	0	0	0	0	0
Disposals	-83	-948	-837	0	0	-1,868
Disposals from revaluation	-1,624	0	0	0	0	-1,624
Reclassifications	0	-636	636	0	0	0
31/12/2023	7,450	18,074	21,226	72	0	46,822
Reclassification to assets held for sale						
Reclassification to assets held for sale	-178	-339	-629	-103	0	-1,249
Carrying amount						
31/12/2023	34,457	7,885	7,606	701	52	50,701

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

(2) Investment properties

The investment property item essentially includes the lease for the leased property on Kesselbachstrasse in Bermatingen. As a result of the closure of the operating business of IWM Bodensee GmbH, this property has been classified as an investment property since 30 June 2019 due to the intention to let the property. Rental income of EUR 546 thousand (previous year: EUR 466 thousand) was generated in the financial year.

For the financial years 2024 to 2026, rental income of approx. EUR 303 thousand per year is expected based on the current rental agreements. In financial year 2027, rental income of EUR 78 thousand will still be generated, considering the basic rental period of the contracts, as well as EUR 36 thousand in financial year 2028. All rental contracts automatically self-renew at the end of the base lease term if they are not terminated.

The property in Dettenhausen was partially sold in the amount of EUR 1,350 thousand on 20 June 2023. In this connection, the fair value of the property was revalued in accordance with IAS 40 by EUR 610 thousand from EUR 800 thousand to EUR 1,410 thousand on the basis of the agreed total selling price. The sale of the remaining part of this property in the amount of EUR 60 thousand and thus the complete disposal took place on 29 August 2023.

In the Consolidated Statement of Comprehensive Income, there were impairments totalling EUR 485 thousand (previous year: EUR 89 thousand) in the financial year, taking the appreciation in the fair value of the property in Dettenhausen in the amount of EUR 610 thousand into account.

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

In the financial year, EUR 79 thousand (previous year: EUR 180 thousand) in costs were incurred for the maintenance of the investment property, whereby EUR 76 thousand (previous year: EUR 170 thousand) was attributable to the property on Kesselbachstrasse and EUR 3 thousand (previous year: EUR 10 thousand) to the property in Dettenhausen. The development of the investment properties can be seen in the following table and follows the classic presentation of a schedule of assets:

EUR thousand	Investment properties
01/01/2023	5,515
Additions	0
Disposals	-1,410
Impairment	-485
Transfer from being an owner-occupied property	0
31/12/2023	3,620

EUR thousand	Investment properties
01/01/2022	5,604
Additions	0
Disposals	0
Impairment	-89
Transfer from being an owner-occupied property	0
31/12/2022	5,515

(3) Intangible assets

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

EUR thousand	Concessions, industrial property rights and similar rights and assets, and licenses to such rights and assets	Internally generated intangible assets	Prepayments made and intangible assets under construction	Total
Acquisition or production cost				
01/01/2023	33,882	11,717	1,604	47,203
Change in scope of consolidation	0	0	0	0
Currency differences	-31	0	0	-31
Additions	816	0	1,196	2,012
Disposals	-418	0	0	-418
Reclassifications	0	0	-105	-105
31/12/2023	34,249	11,717	2,695	48,661
Accumulated amortisation				
01/01/2023	30,863	11,517	50	42,430
Change in scope of consolidation	0	0	0	0
Currency differences	-28	0	0	-28
Additions	1,306	65	111	1,482
Impairment	0	0	0	0
Reversal of impairment	0	0	0	0
Disposals	-418	0	0	-418
Reclassifications	0	0	0	0
31/12/2023	31,723	11,582	161	43,466
Reclassification to assets held for sale				
Reclassification to assets held for sale	-381	-93	0	-474
Carrying amount				
31/12/2023	2,145	42	2,534	4,721

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

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

At ELWEMA Automotive GmbH, reversals of impairment of EUR 695 thousand were recognised in the area of intangible assets in the previous year, which resulted from the outcome of the impairment test. Due to the successful turnaround in the course of financial year 2022 and the subsequent positive forecast for the planning years based on this, the impairment test resulted in a value in use of EUR 27,161 thousand, which is significantly higher than the net assets.

In addition, impairment losses of EUR 39 thousand were recognised in the previous year.

(4) Goodwill

The reported goodwill comprises the following in detail:

EUR thousand	Goodwill
Acquisition or production cost	
01/01/2023	63,082
Currency differences	-15
Additions	0
Disposals	0
31/12/2023	63,067
Accumulated amortisation	
01/01/2023	24,449
Currency differences	-2
Additions	5,219
Disposals	0
31/12/2023	29,666
Reclassification to assets held for sale	
Reclassification to assets held for sale	-11,664
Carrying amount	
31/12/2023	21,737

EUR thousand	Goodwill
Acquisition or production cost	
01/01/2022	63,058
Currency differences	24
Additions	0
Disposals	0
31/12/2022	63,082
Accumulated amortisation	
01/01/2022	24,447
Currency differences	2
Additions	0
Disposals	0
31/12/2022	24,449
Carrying amount	
31/12/2022	38,633

Goodwill decreased in the financial year to EUR 21,737 thousand (previous year: EUR 38,633 thousand). The decline of EUR 16,896 thousand is mainly due to the reclassification of EUR 11,664 thousand of the MA micro Group's goodwill to assets held for sale and the impairment of EUR 5,219 thousand of the goodwill of NSM Magnettechnik resulting from the outcome of the impairment test. The increase of EUR 13 thousand results from the currency translation of the Vecoplan Group.

EUR thousand	31/12/2023	31/12/2022
Goodwill	21,737	38,633
AIM Micro	860	860
bdtronic Group	6,163	6,163
ELWEMA	0	0
Headquarter (MAX Management)	0	0
iNDAT	0	0
MA micro Group	0	11,664
NSM + Jücker	8,309	13,528
- thereof NSM Magnettechnik	6,906	12,124
- thereof Mess- und Regeltechnik Jücker	1,403	1,403
Vecoplan Group	6,405	6,418
Other	0	0

(5) Right-of-use assets

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

EUR thousand	Right-of-use assets
Acquisition or production cost	
01/01/2023	25,883
Change in scope of consolidation	0
Currency differences	-149
Additions	9,627
Disposals	-9,097
Reclassifications	0
31/12/2023	26,264
Accumulated amortisation	
01/01/2023	14,808
Change in scope of consolidation	0
Currency differences	-57
Impairment	0
Additions	4,926
Disposals	-6,718
Reclassifications	0
31/12/2023	12,959
Reclassification to assets held for sale	
Reclassification to assets held for sale	-1,987
Carrying amount	
31/12/2023	11,318

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

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

EUR thousand	31/12/2023	31/12/2022
Land and buildings	7,673	7,636
Technical equipment and machinery	689	1,049
Other plant and office equipment (vehicles - passenger cars)	1,743	1,478
Other plant and office equipment (industrial vehicles)	344	479
Other plant and office equipment (other)	869	433
Total right-of-use assets	11,318	11,075

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

EUR thousand	2023*	2022*
Depreciation of land and buildings	2,067	1,792
Depreciation of technical equipment and machinery	360	340
Depreciation of other plant and office equipment (vehicles - passenger cars)	1,001	959
Depreciation of other plant and office equipment (industrial vehicles)	136	175
Depreciation of other plant and office equipment (other)	336	219
Depreciation of right-of-use assets	3,900	3,485

* Deviation from additions from depreciation and amortisation in 2023 due to the separate presentation of movements in connection with assets held for sale and in 2022 due to the reclassification in the Consolidated Statement of Comprehensive Income to the result from discontinued operations.

In the previous year, impairments of EUR 38 thousand were made.

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

EUR thousand	2023	2022
Additions land and buildings	7,148	1,776
Additions technical equipment and machinery	0	189
Additions other plant and office equipment (vehicles - passenger cars)	1,697	1,350
Additions other plant and office equipment (industrial vehicles)	0	180
Additions other plant and office equipment (other)	783	556
Disposals land and buildings	7,382	1,163
Disposals technical equipment and machinery	0	0
Disposals other plant and office equipment (vehicles - passenger cars)	1,355	1,128
Disposals other plant and office equipment (industrial vehicles)	26	41
Disposals other plant and office equipment (other)	333	974

The disposal of rights of use resulted in a book loss of EUR 191 thousand (previous year: book profit/loss of EUR 0 thousand). The disposals result from the premature termination of leases.

(6) Other financial assets

As of 31 December 2023, other financial assets amounted to EUR 43,759 thousand (previous year: EUR 37,127 thousand). They increased mainly due to the fair value measurement of the shares in ZEAL Network SE contributed as a non-cash contribution in the previous year (EUR 6,564 thousand). The carrying amount of ZEAL Network SE shares therefore totalled EUR 42,444 thousand as of the balance sheet date (previous year: EUR 35,880 thousand). Due to the lack of intention to trade, this was assigned to the category "equity instruments not held for trading at fair value through other comprehensive income" (cf. IFRS 9 5.7.5). Accordingly, all changes in fair value are recognised in other comprehensive income as non-reclassified items. Dividend payments, on the other hand, are to be recognised in profit or loss according to this valuation model and are reported in income from securities held as financial assets.

In addition, the positive fair value from the market value measurement as of the balance sheet date of the long-term interest rate hedge concluded by MAX Automation SE in the amount of EUR 173 thousand (previous year: EUR 340 thousand) is shown in this item. In addition, a tenant loan of EUR 1,031 thousand (previous year: EUR 863 thousand), security deposits of EUR 56 thousand (previous year: EUR 44 thousand) as well as trade receivables and other assets totalling EUR 55 thousand (previous year: EUR 0 thousand).

(7) Deferred taxes

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

EUR thousand	31/12/2023		31/12/2022	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Non-current balance sheet items				
A. Non-current assets	30,140	9,573	32,159	9,504
I. Intangible assets	125	377	150	717
II. Property, plant and equipment	295	8,941	386	8,729
III. Non-current financial assets	0	255	0	58
Deferred tax assets for tax loss carryforwards				
IV. including interest carryforward	29,720	0	31,623	0
B. Non-current liabilities	3,812	55	4,065	59
Current balance sheet items				
C. Current assets	3,113	7,640	2,651	11,531
I. Inventories and trade receivables	3,113	7,545	2,651	11,096
II. Current financial assets	0	95	0	435
D. Current liabilities	2,001	0	1,658	29
Subtotal	39,066	17,268	40,533	21,123
Value adjustments on loss carryforwards including interest carryforward	-15,477	0	-14,029	0
Netting	-7,542	-7,542	-10,861	-10,861
Total	16,047	9,726	15,643	10,262

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

Domestic trade tax losses of EUR 19,261 thousand (previous year: EUR 23,919 thousand) were carried forward at the parent company of the Group with deferred tax assets of EUR 2,668 thousand (previous year: EUR 3,313 thousand), and domestic corporation tax losses of EUR 23,787 thousand (previous year: EUR 26,985 thousand) were carried forward at the parent company of the Group with deferred tax assets of EUR 3,765 thousand (previous year: EUR 4,272 thousand) as well as loss carryforwards from Section 4h EStG (interest barrier) of EUR 9,321 thousand (previous year: EUR 8,484 thousand) with deferred tax assets of EUR 1,396 thousand (previous year: EUR 1,271 thousand).

In addition, there are domestic trade tax loss carryforwards of EUR 64,843 thousand (previous year: EUR 70,381 thousand) and corporation tax loss carryforwards of EUR 68,810 thousand (previous year: EUR 73,545 thousand) as well as loss carryforwards from Section 4h EStG (interest barrier) of EUR 11,458 thousand (previous year: EUR 7,400 thousand) with deferred tax assets totalling EUR 20,808 thousand (previous year: EUR 21,634 thousand).

The domestic loss carryforwards including the interest carryforward of EUR 14,705 thousand (previous year: EUR 13,200 thousand) were not (no longer) capitalised. Due to the reclassification of the MA micro Group as a discontinued operation, there was an increase of EUR 6,834 thousand in the value adjustment of deferred taxes on loss carryforwards and, as an offsetting effect, an increase of EUR 1,446 thousand in the recognition of deferred taxes on interest carryforwards (balance: EUR 5,388 thousand). This is offset by a reduction in the valuation allowance of EUR 2,985 thousand, which is based on the positive planning of the remaining companies.

Foreign losses carried forward amounted to EUR 4,587 thousand (previous year: EUR 4,889 thousand). The related deferred tax assets of EUR 1,083 thousand (previous year: EUR 1,133 thousand) were not (no longer) recognised in the amount of EUR 772 thousand (previous year: EUR 828 thousand).

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

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

Of the deferred tax assets on loss carryforwards including the interest carryforward of EUR 14,243 thousand (previous year: EUR 17,594 thousand), EUR 13,877 thousand (previous year: EUR 13,479 thousand) is covered by deferred tax liabilities. Deferred tax assets on loss carryforwards that are not covered by deferred tax liabilities and that arose in connection with losses recorded in previous periods amount to EUR 367 thousand (previous year: EUR 4,116 thousand). Measures geared to the short-term exploitation of losses have been and are being carried out.

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

EUR thousand	31/12/2023	31/12/2022
Deferred tax assets:		
- from deductible differences	9,346	8,910
- from tax losses carried forward incl. interest carried forward	14,243	17,594
- Netting with deferred tax liabilities	-7,542	-10,861
Total deferred tax assets	16,047	15,643
Deferred tax liabilities:		
- from taxable temporary differences	17,268	21,123
- Netting with deferred tax assets	-7,542	-10,861
Total deferred tax liabilities	9,726	10,262

Deferred tax liabilities on temporary differences in shares in subsidiaries of EUR 197 thousand were recognised due to the recognition of the MA micro Group as a discontinued operation. EUR 1,415 thousand (previous year: EUR thousand 1,740) were not recognised since it is improbable that they will reverse in the foreseeable future.

Deferred taxes of EUR 2,727 thousand (previous year: EUR 2,253 thousand) were recognised in the Consolidated Statement of Financial Position as a reduction in equity relating to income and expenses recognised directly in equity. Of this, deferred taxes increasing equity were recorded on the following items: Costs for capital increases: EUR 698 thousand (previous year: EUR 698 thousand) and IFRS adjustments using the modified retrospective method: EUR 1,606 thousand (previous year: EUR 1,606 thousand).

Deferred taxes on the following items were recognised to reduce equity: actuarial gains and losses on employee benefits: EUR 61 thousand (previous year: equity-increasing EUR 65 thousand), revaluation of property, plant and equipment: EUR 4,186 thousand (previous year: EUR 3,708 thousand) and a change in use of real estate of EUR 784 thousand (previous year: EUR 784 thousand).

(8) Inventories

EUR thousand	31/12/2023	31/12/2022
Raw materials, consumables and supplies	35,130	35,546
Work in progress and services	27,983	24,944
Finished goods and services	25,561	23,122
Advance payments made	3,866	6,028
Inventories	92,540	89,640

Compared to the previous year, there was a change in inventories of finished goods and work in progress of EUR 7,807 thousand (previous year: EUR 20,847 thousand) that is reported in the Consolidated Statement of Comprehensive Income. Deviations from the respective Consolidated Statement of Financial Position items result from the reclassification of inventories of the MA micro Group to assets held for sale and from exchange rate-related changes in the value of inventories of foreign Group companies.

Inventories include value adjustments totalling EUR 6,142 thousand (previous year: EUR 5,206 thousand).

(9) Contract assets and trade receivables

EUR thousand	31/12/2023	31/12/2022
Contract assets	30,464	42,389
<i>thereof receivables from construction contracts</i>	<i>138,410</i>	<i>210,841</i>
<i>thereof advances received for construction contracts</i>	<i>-107,946</i>	<i>-168,452</i>
Trade receivables	53,439	42,742
Specific valuation allowance	-3,462	-2,359
Expected credit loss	-510	-590
Total	79,931	82,182

The change in contract assets is due, on the one hand, to the intention to sell the MA micro Group and the discontinuation of the iNDAT division and, on the other, to a decline in the NSM + Jücker segment. This is mainly due to the reluctance to place orders in the area of packaging automation coupled with supply bottlenecks.

The increase in trade receivables is mainly attributable to the bdtronic Group segment. This is the result of both the high order backlog from the previous year and the increased demand in the area of dispensing and impregnation tech.

The development of contract assets is presented in detail below taking value adjustments into account:

Contract assets	EUR thousand
31/12/2022	42,124
Reclassifications from contract assets to trade receivables	-32,661
Changes due to the adjustment of progress	76,609
Impairment of contract assets	-35
Changes due to prepayments received	-54,866
Reclassification to assets held for sale	-1,007
31/12/2023	30,164

(10) Other current assets

EUR thousand	31/12/2023	31/12/2022
Receivables towards tax authorities	6,968	5,311
Accruals and deferred income	2,542	2,439
Creditors with debit balances	242	188
Receivables from employees	198	179
Research allowances	0	160
Security deposits	34	37
Other receivables	1,428	1,582
Total	11,412	9,896

(11) Cash and cash equivalents

Cash and cash equivalents amounting to EUR 23,209 thousand (previous year: EUR 35,699 thousand) include cash in hand, checks and deposits with banks.

(12) Assets held for sale

The following assets were reclassified as "held for sale" as of 31 December 2023:

EUR thousand	31/12/2023
Property, plant and equipment	1,248
Intangible assets	474
Goodwill	11,664
Right-of-use assets	1,987
Deferred tax assets	594
Inventories	2,244
Contract assets and trade receivables	3,690
Other current assets	676
Cash and cash equivalents	3,408
Assets held for sale	25,985

Equity and liabilities

Shareholders' equity

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

(13) Subscribed capital

The fully paid-in share capital of the company amounts to EUR 41,243,181 (previous year: EUR 41,243,181).

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

The shares are in the shareholder's name.

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

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

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

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

The proportionate amount of the share capital attributable to shares for which the subscription right is excluded on the basis of the above authorisations, together with the proportionate amount of the share capital attributable to shares or to which option or conversion rights or obligations relate from bonds that have been issued or sold since 28 May 2021 using other authorisations to exclude subscription rights, may not exceed 10%.

The amount of the share capital as of 28 May 2021 or – if this value is lower – as of the time of the utilisation of the authorisation shall be decisive. The exclusion of subscription rights shall also be deemed to apply if the issue is made by direct, analogous or mutatis mutandis application of Section 186 (3) 4 of the German Stock Corporation Act (AktG).

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

As of 13 April 2022, MAX Automation SE successfully placed the subscription rights capital increase from authorised capital against cash contributions and a contribution in kind resolved on 28 March 2022. Making partial use of the authorised capital, the company's share capital increased from EUR 29,459,415.00 by EUR 11,783,766.00 (corresponding to 40.00% of the current share capital) to EUR 41,243,181.00. The company received gross proceeds of EUR 3,058,138.16 against the issue of 721,259 new shares by way of a capital increase against cash contributions. A total of 11,062,507 new shares were issued to Günther Holding SE against contribution in kind, for which Günther Holding SE contributed a total of 1,274,594 shares in ZEAL Network SE ("ZEAL") as contribution in kind, corresponding to a 5.69% share in ZEAL. A total of 11,783,766 new registered shares with an arithmetical share in the share capital of EUR 1.00 each were thus issued. The new shares carry full dividend rights from 1 January 2021. The new shares were included in the existing listing on the regulated market of the Frankfurt Stock Exchange and in the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange on 21 April 2022 after the capital increase was entered in the commercial register on 14 April 2022.

(14) Capital reserves and revenue reserves

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

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

Revenue reserves reflect the actuarial gains and losses of the pension provisions and income taxes. They amounted to EUR 144 thousand in 2023 (previous year: EUR 153 thousand).

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

The amendments to IAS 12 – Income Taxes, which have been mandatory since the beginning of the past financial year and which affect deferred taxes on the initial recognition of an asset or liability from a single transaction by abandoning the initial recognition exception, were applied to leases at the MAX Group. In this context, deferred tax assets of EUR 2,936 thousand and deferred tax liabilities of EUR 3,009 thousand were recognised. The difference between deferred tax assets and liabilities of EUR -73 thousand for the opening balance sheets was recognised retrospectively in retained earnings in accordance with the modified standard.

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 2023, unappropriated retained losses of EUR -60,388 thousand are reported in the individual financial statements of MAX Automation SE.

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

Capital management

The framework conditions for optimal capital management are set by the strategic orientation of the MAX Group. The focus is on long-term appreciation in value in the interests of investors, employees and customers. This is to be taken into account by continuously improving the result through growth and increased efficiency. Further information on this can be found in the Group Management Report in the chapter Control System.

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

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

The revaluation reserve includes the changes in value resulting from the application of the revaluation model according to IAS 16 as well as value adjustments of properties that are reclassified from owner-occupied properties to investment properties. The amount of EUR 12,426 thousand is composed of land and buildings revalued in 2019 and 2023 in the amount of EUR 14,567 thousand and deferred tax liabilities of EUR 4,185 thousand recognised thereon and EUR 2,829 thousand from value adjustments from the reclassification of properties to investment properties together with deferred taxes of EUR 785 thousand.

The result from equity instruments measured at fair value without effect on profit or loss amounted to EUR 6,564 thousand (previous year: EUR -11,094 thousand) and was related to the change in the fair value of the share in ZEAL Network SE contributed as part of the capital increase in 2022.

Non-current liabilities

(16) Non-current loans and other non-current financial liabilities

EUR thousand	31/12/2023	31/12/2022
Non-current loans less current portion	120,865	116,964
Residual term 1-5 years	120,865	116,964
Residual term > 5 years	0	0
Other non-current liabilities	10	9
Residual term 1-5 years	10	9
Residual term > 5 years	0	0
Total	120,875	116,973

The non-current loans relate to liabilities to banks and include the syndicated loan of the parent company in the amount of EUR 120,801 thousand (previous year: EUR 116,434 thousand).

Non-current loans less current portion

On 16 February 2022, MAX Automation SE prematurely concluded a new syndicated loan with its long-standing banking partners Deutsche Bank, HypoVereinsbank/UniCredit and the LBBW Group under the lead management of Commerzbank. The credit facility was refinanced at standard market conditions. As before, the total volume of the syndicated loan is EUR 190 million with a term of three years, plus two extension options of one year each. The covenants in the syndicated loan agreement include minimum values for the absolute equity and the absolute EBITDA of the last 12 months of the MAX Group. These were complied with in the financial year 2023 that just ended. The liabilities from the syndicated loan are reported under long-term loans due to their maturity.

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

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

(17) Liabilities from defined benefit pension plans

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

The following main assumptions were made in the actuarial calculations:

EUR thousand	31/12/2023	31/12/2022
Interest rate	3.30%	3.80%
Salary growth	No	No
Pension dynamics	2.0%	2.0%
Calculated fluctuation	No	No
Calculated retirement age	65 years	65 years

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

The present value of the pension obligations developed as follows:

EUR thousand	31/12/2023	31/12/2022
As of 01/01/	551	949
Service cost	0	0
Interest cost	20	9
Actuarial gains / losses	13	-354
Pensions paid	-42	-53
Offsetting of pension liability insurance	0	0
Pension provisions	542	551

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

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

EUR thousand	2023	2022	2021	2020	2019
Balance sheet value of pension provisions	542	551	949	1,057	1,048
Allocated plan assets	0	0	0	0	0

In addition to the pension payments in the amount of EUR 43 thousand, interest expenses of presumably EUR 17 thousand will be incurred in 2024.

No sensitivity analysis was carried out with respect to the pension obligations due to their relative insignificance for the asset, financial and earnings position of the MAX Group.

(18) Trade payables and other current liabilities

EUR thousand	31/12/2023	31/12/2022
Trade payables	31,268	39,138
Debtors with credit balances	1,008	636
Negative market values of derivative financial instruments	12	0
Other current liabilities	4,173	3,862
Other current financial liabilities	5,193	4,498
Wages and salaries	8,649	11,259
Holiday wages / salaries and overtime	3,903	3,818
Liabilities as part of social security	847	860
Liabilities to employees	13,399	15,937
Other current liabilities	2,365	3,364
Trade payables and other liabilities	52,225	62,937

Wages and salaries include bonuses and royalties amounting to EUR 6,647 thousand (previous year: EUR 7,737 thousand).

(19) Contract liabilities

Contract liabilities	EUR thousand
01/01/2023	61,100
Sales included in contract liabilities at the beginning of the period	-21,039
Increase due to customer payments received less the amount recognised as sales during the period	11,985
Reclassification to liabilities directly associated with assets held for sale	-13,881
Other changes	111
31/12/2023	38,276

The decrease is mainly due to the completion of projects for which advance payments were received in the previous year and to reclassifications in accordance with IFRS 5.

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

Current bank loans of EUR 619 thousand (previous year: EUR 543 thousand) were utilised. Interest rates at market conditions were charged for the loans.

(21) Income tax liabilities

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

The standardised tax rate of 15% plus 5.5% solidarity surcharge applies to corporation tax, while trade tax averages around 14%. This results in an unchanged average tax rate of 29.83% in Germany. Outside Germany, the MAX Group primarily generates taxable income in the US. The uniform tax rate in the US (Federal Tax) is 21%. The average tax rate including state tax is 22.82% (previous year: 23.67%).

Provisions for taxes developed as follows:

EUR thousand	31/12/2022	Utilisation	Reversals	Additions	Reclassifications	Currency translation	31/12/2023
Corporation tax including solidarity surcharge	318	-72	-5	1,128	0	0	1,369
Trade tax	35	0	-32	1,364	0	0	1,367
Other taxes	1,238	-908	-4	48	0	-18	356
Total liabilities	1,591	-980	-41	2,540	0	-18	3,092

Further explanatory notes on income taxes are provided in the chapter "Income taxes".

(22) Leases

Leasing activities of the MAX Group

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

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

EUR thousand	31/12/2023	31/12/2022
Undiscounted lease liabilities		
Residual term < 1 year	3,509	5,057
Residual term 1-5 years	8,120	8,683
Residual term > 5 years	4,810	999
Total undiscounted lease liabilities	16,439	14,739
Future interest expense	2,964	782
Total discounted lease liabilities	13,475	13,957

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

EUR thousand	2023	2022
Interest for land and buildings	447	231
Interest for technical plant and machinery	20	27
Interest for other plant and office equipment (vehicles – passenger cars)	84	60
Interest for other plant and office equipment (industrial vehicles)	18	28
Interest for other plant and office equipment (other)	51	19
Total interest for leases	620	365

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

Terms in years	MAX	MIN
Land and buildings	22	1
Technical plant and machinery	6	2
Other plant and office equipment (vehicles – passenger cars)	6	2
Other plant and office equipment (industrial vehicles)	8	3
Other plant and office equipment (other)	10	2

The following table shows the cash outflows for leases:

EUR thousand	2023	2022
Total cash outflows for leases	4,394	6,483

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

EUR thousand	2023	2022
Interest expenses for leases	620	365
Expenses for current leases	32	75
Expenses for leases for assets of low value	281	183

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 such options is sufficiently certain. The MAX Group reassesses whether the exercise of a renewal option or termination option is reasonably certain upon the occurrence of a significant event or significant change in circumstances within its control.

The MAX Group estimates that the potential future lease payments, if the renewal or termination options are exercised, would result in a lease liability of approximately EUR 10,791 thousand (previous year: EUR 6,803 thousand).

(23) Other provisions

Other provisions comprise the following:

EUR thousand	31/12/2022	Utilisation	Reversals	Reclassi- fications	Additions	Reclassifi- cations to assets held for sale	31/12/2023
Non-current warranty provisions	2,379	-537	0	-308	1,094	-1,141	1,487
Non-current provisions for personnel costs	3,394	-236	0	0	1,395	0	4,553
Other miscellaneous non-current provisions	10	0	0	16	11	0	37
Total other non-current provisions	5,783	-773	0	-292	2,500	-1,141	6,077
Warranty provisions	2,941	-659	-1,015	308	1,731	0	3,306
Personnel cost provisions	268	-22	0	0	0	0	246
Other miscellaneous current provisions	5,418	-3,156	-975	-16	4,854	-585	5,540
Total other current provisions	8,627	-3,837	-1,990	292	6,585	-585	9,092

Warranty and guarantee provisions

Provisions were recognised for warranty and guarantee obligations for products sold. Measurement was based on past experience. The assumptions underlying the calculations are based on currently available information on complaints for all products sold within the warranty or guarantee period. These costs are expected to be incurred within the respective warranty periods.

Other miscellaneous provisions

Other miscellaneous provisions include all obligations and risks from which the Group is likely to incur an outflow of funds that can be reliably estimated. These include obligations due to the special audit ordered regarding the acquisition of the AIM Group by the MAX Group in 2013 of EUR 1,600 thousand (previous year: EUR 1,560 thousand), for consulting costs of EUR 714 thousand (previous year: EUR 494 thousand) and for other matters of EUR 3,263 thousand (previous year: EUR 3,374 thousand). These costs are expected to be incurred in the next financial year.

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

(24) Liabilities directly associated with assets held for sale

The following liabilities were reclassified to the "held for sale" category as of 31 December 2023:

EUR thousand	31/12/2023
Deferred tax liabilities	1,947
Trade payables and other payables	4,835
Contract liabilities	5,531
Lease liabilities	2,080
Provisions	1,723
Liabilities directly associated with assets held for sale	16,116

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(25) Sales

The following tables show sales by segment:

2023	bdtronic Group	Vecoplan Group	AIM Micro	NSM + Jücker	ELWEMA
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Total segment sales	103,785	177,797	6,812	55,592	53,180
Intercompany sales	0	0	0	129	215
Sales with external customers	103,785	177,797	6,812	55,463	52,965
Timing of revenue recognition					
At a certain point in time	57,496	135,008	6,812	28,413	23,378
Over a period of time	46,289	42,789	0	27,050	29,587
Sales by regions					
Germany	36,678	23,143	3,634	21,231	8,678
Other EU countries	33,697	57,749	1,980	8,753	5,903
North America	11,887	76,706	48	10,172	14,410
China	8,650	0	0	4,031	10,393
Rest of the world	12,873	20,199	1,150	11,276	13,581
Intercompany sales	0	0	0	129	215

2023	Other	Discontinued operation iNDAT	Discontinued operation MA micro Group	Recon- ciliation ¹⁾	Total
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Total segment sales	546	413	46,512	-47,269	397,368
Intercompany sales	0	15	807	-1,166	0
Sales with external customers	546	398	45,705	-46,103	397,368
Timing of revenue recognition					
At a certain point in time	546	398	14,958	-15,356	251,653
Over a period of time	0	0	30,747	-30,747	145,715
Sales by regions					
Germany	546	347	11,449	-11,796	93,910
Other EU countries	0	51	295	-346	108,082
North America	0	0	16,127	-16,127	113,223
China	0	0	1,538	-1,538	23,074
Rest of the world	0	0	16,296	-16,296	59,079
Intercompany sales	0	15	807	-1,166	0

1) The "Reconciliation" column contains the figures of the parent company, the figures of another holding company, consolidations for the purpose of eliminating business transactions between the segments and reclassifications relating to discontinued operations. It is used to reconcile the amounts to the Group figures.

2022	bdtronic Group	Vecoplan Group	AIM Micro	NSM + Jücker	ELWEMA
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Total segment sales	65,171	173,958	6,041	57,054	40,473
Intercompany sales	1	32	0	50	417
Sales with external customers	65,170	173,926	6,041	57,004	40,056
Timing of revenue recognition					
At a certain point in time	38,287	156,356	6,041	20,222	11,401
Over a period of time	26,883	17,570	0	36,782	28,655
Sales by regions					
Germany	25,376	25,251	3,110	17,958	4,710
Other EU countries	17,790	43,601	1,505	17,658	5,661
North America	6,161	73,028	30	6,338	818
China	8,530	0	0	6,028	10,424
Rest of the world	7,313	32,046	1,396	9,022	18,443
Intercompany sales	1	32	0	50	417

2022	Other	Discontinued operation iNDAT	Discontinued operation MA micro Group	Recon- ciliation ¹⁾	Total
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Total segment sales	466	2,308	64,318	-67,113	342,676
Intercompany sales	0	108	1	-609	0
Sales with external customers	466	2,200	64,317	-66,504	342,676
Timing of revenue recognition					
At a certain point in time	466	483	15,643	-16,113	232,786
Over a period of time	0	1,717	48,674	-50,391	109,890
Sales by regions					
Germany	466	1,994	18,587	-20,567	76,885
Other EU countries	0	206	199	-406	86,214
North America	0	0	22,909	-22,909	86,375
China	0	0	26	-26	24,982
Rest of the world	0	0	22,596	-22,596	68,220
Intercompany sales	0	108	1	-609	0

1) The "Reconciliation" column contains the figures of the parent company, the figures of another holding company, consolidations for the purpose of eliminating business transactions between the segments and reclassifications relating to discontinued operations. It is used to reconcile the amounts to the Group figures.

(26) Other operating income

EUR thousand	2023	2022
Income from the reversal of provisions	2,669	3,617
Income from currency differences	847	1,826
Income from the reduction of value adjustments	517	1,044
Income from the intended use of personnel-related liabilities	342	459
Income from damages	47	116
Other	2,311	2,275
Total	6,733	9,337

The item "Other" amounting to EUR 2,311 thousand (previous year: EUR 2,275 thousand) includes benefits in kind amounting to EUR 744 thousand (previous year: EUR 610 thousand).

(27) Result from the valuation of investment properties

The result from the valuation of investment property totalling EUR -486 thousand (previous year: EUR -89 thousand) includes an appreciation of EUR 610 thousand (previous year: EUR 0 thousand) in connection with the property in Dettenhausen, which was sold during the financial year, and an impairment of EUR 1,096 thousand (previous year: EUR 89 thousand) from changes in expected rental income values with regard to the property on Kesselbachstrasse in Bermatingen.

(28) Cost of materials

EUR thousand	2023	2022
Cost of goods purchased	158,624	151,687
Cost of services purchased	40,874	34,410
Total	199,498	186,097

(29) Personnel expenses

EUR thousand	2023	2022
Wages and salaries	103,160	90,031
Social security contributions	19,225	16,948
- thereof expenses for pensions and benefits	855	998
Total	122,385	106,979

Wages and salaries include expenses of EUR 1,211 thousand (previous year: EUR 696 thousand) incurred for the remuneration of management as part of IFRS 2 (Share-based Payment). In addition, severance payments of EUR 190 thousand (previous year: EUR 211 thousand) were included in personnel expenses in the financial year.

Average number of employees excluding trainees*	2023	2022
Wage-earners	499	453
Salaried employees	962	885
Total	1,461	1,338

* excluding discontinued operations

(30) Depreciation, amortisation and impairment losses

EUR thousand	2023	2022
On intangible assets	1,161	347
On right-of-use assets	3,900	3,485
On other property, plant and equipment	4,124	3,087
On goodwill	5,219	0
On buildings, leasehold improvements and outside facilities	994	969
- amortisation from purchase price allocations contained in the above	0	175
Total	15,398	7,888

Amortisation of intangible assets and rights of use in the previous year included impairment losses of EUR 77 thousand. An impairment loss on goodwill was recognised at NSM Magnettechnik GmbH in financial year 2023, which resulted from the outcome of the impairment test (previous year: EUR 0 thousand). In the previous year, depreciation of property, plant and equipment included impairment losses of EUR 121 thousand.

(31) Other operating expenses

EUR thousand	2023	2022
Legal and consulting expenses	8,910	7,059
Travel expenses	5,211	4,190
Outbound freight expenses	4,902	5,297
Maintenance expenses	4,702	3,705
Personnel expenses (incl. training)	3,465	2,554
Postage, telephone and IT expenses	2,606	2,550
Warranty expenses	2,358	1,602
Sales commissions	2,285	1,689
Insurance expenses	2,050	1,852
Trade fair costs	2,009	973
Advertising costs	1,539	2,347
Utility expenses	1,409	1,376
Expenses from currency effects	1,239	1,917
Tools	1,218	917
Packaging material	1,159	874
Other occupancy costs	999	866
Expenses for individual and general bad-debt allowances	913	1,221
Contributions and fees	398	438
Other miscellaneous expenses	9,020	9,380
Total	56,392	50,807

Other operating expenses increased by EUR 5,585 thousand to EUR 56,392 thousand (previous year: EUR 50,807 thousand). The change is mainly due to the increase in legal and consulting expenses by EUR 1,851 thousand, trade fair costs by EUR 1,035 thousand and travel expenses by EUR 1,021 thousand.

(32) Financial result

EUR thousand	2023	2022
Income from securities held as financial assets	4,589	2,677
Interest income	106	430
Interest expense	-12,750	-8,807
Financial result	-8,055	-5,700

Income from securities held as financial assets includes the dividend of EUR 3.60 per share received from the shares in ZEAL Network SE, which was resolved at the Annual General Meeting of ZEAL Network SE on 9 May 2023. The dividend was paid on 17 May 2023.

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

Interest expenses mainly include interest expenses incurred for the syndicated loan. In addition, interest in the amount of EUR 620 thousand (previous year: EUR 365 thousand) in connection with lease liabilities is included.

The financial result includes expenses from the compounding of non-current provisions in the amount of EUR 15 thousand (previous year: EUR 16 thousand) and income from the discounting of non-current provisions amounting to EUR 6 thousand (previous year: EUR 5 thousand).

With the exception of income from interest rate hedges, the financial result above results exclusively from financial assets and financial liabilities not measured at fair value through profit or loss.

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

EUR thousand	2023	2022
Financial assets and liabilities measured at fair value through profit and loss	-93	183
Loans, receivables and payables	-1,145	-789

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.

In addition to current income and expenses, net gains and losses on loans, receivables and liabilities include write-ups and impairments on trade receivables and write-ups and impairments on contract assets.

(33) Income taxes

Earnings before income taxes amounted to EUR 11,106 thousand (previous year: EUR 15,768 thousand).

EUR thousand	2023	2022
Current income taxes	-3,506	-3,418
Income taxes relating to other periods	361	-118
Deferred taxes	-2,362	4,347
– thereof taxes from losses carried forward	-3,319	5,945
Total	-5,507	811

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

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

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

EUR thousand	2023	2022
Annual profit before income taxes	11,106	15,768
Group income tax rate	29.68%	29.68%
Calculated income tax expense in the financial year	3,296	4,680
Differences from tax rates	-207	-193
Divergent tax burdens (country-specific features)	-159	-136
Tax Credits	-533	167
Deductible income taxes	-77	265
Impairment of goodwill	1,520	0
Deviations in the tax base (tax balance sheets)	-313	-770
Interest barrier	777	519
Non-deductible expenses	802	1,118
Tax-free income	-7	-17
Impairment / Non-recognition of deferred tax assets for losses carried forward	5,572	534
Write-up / Subsequent recognition of deferred tax assets on losses carried forward	-3,045	-5,859
Usage of losses carried forward	-1,703	-1,162
Impairment / Non-recognition of deferred tax assets	253	1
Taxes relating to other periods / Adjustment of prior years' deferred taxes	-391	-3
Currency translation differences	12	-21
Consolidation effects	-270	126
Non-recognition of deferred taxes related to IFRS 16	0	-1
Taxes to be borne by third parties	0	-59
Differences in current year's tax calculation	-28	6
Other	8	-6
Income taxes	-5,507	811
Effective tax rate	49.59 %	-5.14 %

The expected income tax expense is calculated by multiplying the annual result before income taxes by the tax rate of the Group parent company. Besides the additions from the interest barrier amounting to EUR 777 thousand (previous year: EUR 519 thousand), changes in loss carryforwards totalling EUR 3,045 thousand (previous year: EUR 5,859 thousand) and the impairment of the goodwill of NSM Magnettechnik GmbH in the amount of EUR 1,520 thousand (previous year: EUR 0 thousand) influenced income taxes. Due to the allocation of the MA micro Group to discontinued operations, a value adjustment of EUR 6,834 thousand was made to the recognition of deferred taxes on losses carried forward and, as an offsetting effect, the recognition of deferred taxes on interest carried forward was increased by EUR 1,446 thousand, resulting in a net amount of EUR 5,388 thousand. The consolidation effects amounting to EUR -270 thousand (previous year: EUR 126 thousand) result from the change in the disclosure of earnings before income taxes from discontinued operations in the intercompany area.

The reconciliation statement for the previous year was adjusted to reflect the change in presentation of the discontinued operations.

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.

(34) Discontinued operations

On 8 February 2022, the Supervisory Board resolved to wind up iNDAT Robotics GmbH in Ginsheim-Gustavsburg. The company has been in liquidation since the beginning of the reporting period. As a reportable segment, iNDAT's earnings after taxes have therefore been reported in accordance with the criteria of IFRS 5.13 in conjunction with IFRS 5.32 (a) since 27 June 2023 in the Consolidated Statement of Comprehensive Income separately under the item "Result after taxes from discontinued operations". The disclosure is made retrospectively at the beginning of the reporting period and includes a comparison with the previous year.

On 8 September 2023, the MAX Group informed the capital market that it was considering the sale of the MA micro Group as part of a structured sales process. The MAX Group holds 100% of the shares in the MA micro Group. The disposal process had not yet been completed as of 31 December 2023, but had made progress. Against this backdrop and in view of the status achieved in the sales process, the reportable segment MA micro Group was therefore reported as of 31 December 2023 in accordance with the criteria of IFRS 5.6 in conjunction with IFRS 5.32 (b) separately in the Consolidated Statement of Comprehensive Income under "Result after taxes from discontinued operations". The disclosure is made retrospectively at the beginning of the reporting period with a comparison to the previous year. In the balance sheet as of 31 December 2023, the discontinued operation MA Micro Group is reported separately in a new item as "Assets held for sale" and "Liabilities directly associated with assets held for sale".

	iNDAT		MA micro Group	
in EUR thousand	2023	2022	2023	2022
Sales	412	2,308	46,512	64,318
of which intercompany sales	15	108	807	1
External sales	397	2,200	45,705	64,317
Other income	2,603	409	1,235	1,251
of which other intercompany income	145	107	439	166
Other external income	2,458	302	796	1,085
Expenses	-1,077	-12,004	-40,212	-56,479
of which intercompany expenses	-289	-333	-167	-496
External expenses	-788	-11,671	-40,045	-55,983
Earnings before income taxes	1,938	-9,287	7,535	9,090
Income taxes	0	487	1,251	-2,345
Earnings after income taxes	1,938	-8,799	8,786	6,745
Result from discontinued operations	2,067	-8,681	7,707	7,074
Cash flow from operating activities	2,159	-7,359	2,258	69
Cash flow from investing activities	36	58	-634	-774
Cash flow from financing activities	65	8,245	-1,068	1,596

	Reconciliation		Total discontinued operations	
in EUR thousand	2023	2022	2023	2022
Sales	0	0	46,924	66,626
of which intercompany sales	0	0	822	109
External sales	0	0	46,102	66,517
Other income	0	0	3,838	1,660
of which other intercompany income	0	0	584	273
Other external income	0	0	3,254	1,387
Expenses	0	0	-41,289	-68,483
of which intercompany expenses	0	0	-456	-829
External expenses	0	0	-40,833	-67,654
Earnings before income taxes	0	0	9,473	-197
Income taxes	-197	0	1,054	-1,858
Earnings after income taxes	-197	0	10,527	-2,054
Result from discontinued operations	-197	0	9,576	-1,607
Cash flow from operating activities	0	0	4,417	-7,290
Cash flow from investing activities	0	0	-598	-716
Cash flow from financing activities	0	0	-1,003	9,841

In the financial year, discontinued operations accounted for EUR -19 thousand (previous year: EUR -55 thousand) in effects from currency translation, which were recognised in other comprehensive income.

OTHER NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows

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

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

EUR thousand	31/12/2022	Outflows	Inflows	Other changes	Changes in lease contracts	Reclassification of liabilities	Currency effects	31/12/2023
Non-current financial liabilities to banks ¹⁾	116,964	-10,724	15,000	-375	0	0	0	120,865
Current financial liabilities to banks ¹⁾	543	0	114	-38	0	0	0	619
Lease liabilities ²⁾	13,957	-4,394	0	963	5,095	-2,081	-65	13,475
Total	131,464	-15,118	15,114	550	5,095	-2,081	-65	134,959

1) In addition, interest payments on financial liabilities to banks totalled EUR 10,650 thousand. The accrued interest is shown in Chapter 22 "Leases". Other changes resulted from the application of the effective interest method.

2) Leasing liabilities accounted for total interest payments of EUR 376 thousand.

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

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

2) Leasing liabilities accounted for total interest payments of EUR 484 thousand.

Research and Development

Development costs totalling EUR 2,274 thousand (previous year: EUR 1,522 thousand) were incurred in 2023. No intangible assets had to be capitalised in accordance with IAS 38 (previous year: EUR 0 thousand). Neither amortisation (previous year: EUR 0 thousand) nor impairment losses on development costs were recognised (previous year: EUR 0 thousand).

Risk Management

General information on financial risks

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

- Credit risks
- Liquidity risks
- Market price risks

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

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

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

Risk categories

Credit risks

Credit risks are risks of an economic loss if a counterparty fails to meet its contractual or payment obligations. These risks basically comprise the default risk and the risk arising from a deterioration in creditworthiness.

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

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

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

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

In addition to individual allowances to be recognised for receivables in the event of a default event, an allowance for expected losses has also been recognised in accordance with IFRS 9. Financial assets of the Group that are subject to the expected credit loss model are trade receivables and contract assets.

The Group applies the simplified approach under IFRS 9 to measure expected credit losses. Accordingly, expected credit losses over the term are used for all trade receivables and contract assets.

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

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

Impairment Matrix as of 31 December 2023

	Expected default rate %	Gross book value trade receivables & contract assets EUR thousand	Expected credit loss EUR thousand
Customer specific	0.89%	37,933	338
Automotive Asia	0.33%	3,778	12
Automotive Europe	0.50%	8,092	41
Electrical / Electronics Europe	0.23%	3,014	7
Energy America	0.30%	1,764	5
Food & Beverage Europe	0.20%	4,577	9
Industries America	0.28%	1,773	5
Industries Europe	0.28%	2,177	6
Mechanical engineering Europe	0.57%	4,652	26
Pharmaceutical & healthcare industry Europe	0.24%	1,356	3
Other	0.39%	14,787	58
Total	0.61%	83,903	510

Impairment Matrix as of 31 December 2022

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

Furthermore, depreciation of contract assets and trade receivables was performed on a case-by-case basis in the amount of 3.462 thousand (previous year: 2.359 thousand).

As of 31 December 2023, there are no trade receivables that have been written off and are still subject to enforcement measures (previous year: EUR 51 thousand).

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

Value adjustment for expected credit losses

	Trade receivables & contract assets (simplified approach)
EUR thousand	
Value adjustment as of 1 January 2023	590
Addition recognised in profit or loss	0
Reversal recognised in profit or loss	-124
Currency translation differences and other changes	44
Value adjustment as of 31 December 2023	510

Opening balance gross book value as of 1 January 2023	85,131
Closing balance gross book value as of 31 December 2023	83,903

Value adjustment for expected credit losses

	Trade receivables & contract assets (simplified approach)
EUR thousand	
Value adjustment as of 1 January 2022	175
Addition recognised in profit or loss	593
Reversal recognised in profit or loss	-147
Currency translation differences and other changes	-31
Value adjustment as of 31 December 2022	590

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

Liquidity risk

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

The subsidiary ELWEMA uses the option of reverse factoring to a limited extent as part of its management of working capital requirements, which enables supplier payment targets to be extended to up to 120 days (previous year: 90 days). As of the balance sheet date, the option of reverse factoring was used for trade payables in the amount of EUR 3,757 thousand (previous year: EUR 5,173 thousand). There is no concentration risk as a result.

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

As of 31 December 2023, the financial liabilities of the MAX Group resulted in the following cash outflows from interest and principal payments:

EUR thousand	Book value 31/12/2023	Cash flow up to 1 year	Cash flow 1 to 5 years	Cash flow over 5 years
Non-derivative financial liabilities				
Financial liabilities	121,484	10,553	122,739	0
Trade payables (excluding advance payments received)	31,268	31,268	0	0
Other interest-bearing and non-interest-bearing liabilities	32,077	23,174	9,268	4,794
Cash outflows from derivative financial instruments				
- Currency derivatives	28	2,731	0	0
- Interest rate derivatives	173	76	0	0
Cash inflows from derivative financial instruments				
- Currency derivatives	28	2,760	0	0
- Interest rate derivatives	173	137	0	0

EUR thousand	Book value 31/12/2022	Cash flow up to 1 year	Cash flow 1 to 5 years	Cash flow over 5 years
Non-derivative financial liabilities				
Financial liabilities	117,506	8,262	126,700	0
Trade payables (excluding advance payments received)	39,138	39,138	0	0
Other interest-bearing and non-interest-bearing liabilities	34,401	25,495	8,693	999
Cash outflows from derivative financial instruments				
- Currency derivatives	121	2,915	0	0
- Interest rate derivatives	340	74	0	0
Cash inflows from derivative financial instruments				
- Currency derivatives	121	3,036	0	0
- Interest rate derivatives	340	70	0	0

Market price risk

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

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

Currency risks

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

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

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

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

EUR thousand	Nominal volume		Fair value	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Forward exchange transactions (sale)	2,731	2,915	28	121

Financial instruments for currency hedging

The currency sensitivity analyses are based on the following assumptions:

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

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

USD sensitivity analysis (EUR thousand)	Impact on the annual Group result	
	2023	2022
Revaluation 10%	416	37
Devaluation 10%	-509	-45

GBP sensitivity analysis (EUR thousand)	Impact on the annual Group result	
	2023	2022
Revaluation 10%	-38	-40
Devaluation 10%	47	48

CNY sensitivity analysis (EUR thousand)	Impact on the annual Group result	
	2023	2022
Revaluation 10%	-9	-98
Devaluation 10%	12	119

SGD sensitivity analysis (EUR thousand)	Impact on the annual Group result	
	2023	2022
Revaluation 10%	0	73
Devaluation 10%	0	-90

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

Interest rate risks

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

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

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

There is an interest cap arrangement in a nominal amount of EUR 19 thousand – the contractual agreement of an interest rate ceiling – according to which the variable interest payable is limited to 4.35%. The cap is agreed for a fixed term until 7 June 2024.

EUR thousand	Nominal volume		Fair value	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Interest rate derivatives	15,019	15,056	173	340

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

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

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

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

Market interest rate sensitivity analysis (EUR thousand)	Impact on the annual Group result	
	2023	2022
Revaluation 100 basis points	-1,236	-1,201
Devaluation 100 basis points	1,236	25

Other price risks

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

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

Categorisation of financial instruments

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

EUR thousand		31/12/2023			31/12/2022		
	Valuation category according to IFRS 9	Book value	Fair Value Level 1	Fair Value Level 2	Book value	Fair Value Level 1	Fair Value Level 2
Financial assets							
Investments	FVTOCI	42,444	42,444		35,880	35,880	
Derivative financial instruments	FVTPL	173		173	340		340
Borrowings	AC	1,031		1,031	863		863
Trade receivables	AC	49,811			40,059		
Cash and cash equivalents	AC	23,209			35,699		
Other financial assets	AC	1,969			2,190		
Financial liabilities							
Loans	AC	121,484		121,484	117,506		117,506
Trade payables	AC	31,268			39,138		
Derivative financial instruments	FVTPL	12		12	0		0
Other financial liabilities	AC	18,591			20,444		

Measurement of fair value

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

- Level 1: Financial instruments traded on active markets whose quoted prices were adopted unchanged for measurement.
- Level 2: The valuation is based on valuation methods whose influencing factors are derived directly or indirectly from observable market data.
- Level 3: The valuation is based on valuation techniques whose influencing factors used are not exclusively based on observable market data.

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

Earnings per share

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

EUR thousand	2023	2022
Annual result attributable to the shareholders of MAX Automation SE used to determine the undiluted / diluted earnings per share	15,174	14,688
thereof from continuing operations	5,597	16,295
thereof from discontinued operations	9,577	-1,607
Number	2023	2022
Weighted average number of shares used as denominator to calculate undiluted / diluted earnings per share	41,243,181	37,950,183
in EUR	2023	2022
Undiluted / diluted earnings per share due to shareholders of MAX Automation SE	0.37	0.39
thereof from continuing operations	0.14	0.43
thereof from discontinued operations	0.23	-0.04

The number of shares issued as of 31 December 2023 is 41,243,181.

Segment reporting

Segment	bdtronic Group		Vecoplan Group	
Reporting period	2023	2022	2023	2022
	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Order intake	103,769	93,368	144,518	171,313
Order backlog	52,004	52,341	63,268	97,533
Segment sales	103,785	65,171	177,797	173,958
- With external customers	103,785	65,170	177,797	173,926
- Inter-segment sales	0	1	0	32
Segment operating profit before depreciation and amortisation (EBITDA)	14,837	9,389	20,387	19,673
EBITDA margin (in %, in relation to sales)	14.3%	14.4%	11.5%	11.3%
Reversal of impairment	0	0	0	0
Depreciation / amortisation	-3,315	-2,700	-4,319	-3,377
Impairment	0	0	0	0
Goodwill Impairment	0	0	0	0
Segment operating profit (EBIT before PPA amortisation)	11,522	6,689	16,068	16,296
Amortisation from purchase price allocation	0	-175	0	0
Segment operating profit after PPA amortisation (EBIT)	11,522	6,514	16,068	16,296
Income from securities held as financial assets	0	0	0	0
Interest and similar income	1	0	433	250
Interest and similar expenses	-2,242	-663	-682	-500
Segment result from ordinary activities (EBT)	9,281	5,851	15,819	16,046
Non-current segment assets (excluding deferred tax)	21,147	18,727	32,384	26,565
- thereof Germany	15,346	12,632	24,280	21,959
- thereof other EU countries	4,786	4,923	176	102
- thereof North America	858	957	7,862	4,387
- thereof rest of the world	157	215	66	117
Investments in non-current segment assets	4,093	1,739	4,093	4,112
Working capital	40,322	24,902	26,555	16,253
ROCE (in %) ¹⁾	21.4%	15.6%	27.7%	43.9%
Net debt	-36,408	-15,429	14,522	25,582
Average number of employees, excluding trainees	480	410	526	484

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

Segment	AIM Micro		NSM + Jücker	
Reporting period	2023	2022	2023	2022
	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Order intake	5,989	5,111	40,169	74,694
Order backlog	3,312	4,132	41,213	54,778
Segment sales	6,812	6,041	55,592	57,054
- With external customers	6,812	6,041	55,463	57,004
- Inter-segment sales	0	0	129	50
Segment operating profit before depreciation and amortisation (EBITDA)	2,098	1,771	5,166	5,597
EBITDA margin (in %, in relation to sales)	30.8%	29.3%	9.3%	9.8%
Reversal of impairment	0	0	0	0
Depreciation / amortisation	-350	-453	-1,077	-946
Impairment	0	0	0	0
Goodwill Impairment	0	0	0	0
Segment operating profit (EBIT before PPA amortisation)	1,748	1,318	4,089	4,651
Amortisation from purchase price allocation	0	0	0	0
Segment operating profit after PPA amortisation (EBIT)	1,748	1,318	4,089	4,651
Income from securities held as financial assets	0	0	0	0
Interest and similar income	0	0	0	5
Interest and similar expenses	-92	-98	-702	-245
Segment result from ordinary activities (EBT)	1,656	1,220	3,387	4,411
Non-current segment assets (excluding deferred tax)	1,374	1,596	12,252	11,011
- thereof Germany	1,374	1,596	12,236	11,011
- thereof other EU countries	0	0	0	0
- thereof North America	0	0	0	0
- thereof rest of the world	0	0	16	0
Investments in non-current segment assets	129	439	882	1,985
Working capital	1,558	1,749	19,114	22,760
ROCE (in %) ¹⁾	44.2%	31.6%	8.6%	11.3%
Net debt	-1,959	-2,421	-4,222	-7,422
Average number of employees, excluding trainees	25	24	261	256

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

Segment	ELWEMA		Other	
Reporting period	2023	2022	2023	2022
	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Order intake	46,769	60,263	0	0
Order backlog	46,227	52,478	0	0
Segment sales	53,180	40,473	546	466
- With external customers	52,965	40,056	546	466
- Inter-segment sales	215	417	0	0
Segment operating profit before depreciation and amortisation (EBITDA)	4,028	2,886	-850	-340
EBITDA margin (in %, in relation to sales)	7.6%	7.1%	-155.6%	-73.0%
Reversal of impairment	0	942	0	0
Depreciation / amortisation	-871	-617	-14	-37
Impairment	0	-38	0	-27
Goodwill Impairment	0	0	0	0
Segment operating profit (EBIT before PPA amortisation)	3,157	3,173	-864	-404
Amortisation from purchase price allocation	0	0	0	0
Segment operating profit after PPA amortisation (EBIT)	3,157	3,173	-864	-404
Income from securities held as financial assets	0	0	0	0
Interest and similar income	0	13	12	14
Interest and similar expenses	-1,091	-565	-213	-125
Segment result from ordinary activities (EBT)	2,066	2,621	-1,065	-515
Non-current segment assets (excluding deferred tax)	5,841	6,156	4,755	5,643
- thereof Germany	5,841	6,156	4,755	5,643
- thereof other EU countries	0	0	0	0
- thereof North America	0	0	0	0
- thereof rest of the world	0	0	0	0
Investments in non-current segment assets	2,423	229	54	52
Working capital	15,805	11,365	-10	-30
ROCE (in %) ¹⁾	14.6%	24.5%	-20.7%	-8.1%
Net debt	-13,819	-10,555	-444	-119
Average number of employees, excluding trainees	154	148	0	0

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

Segment	Discontinued operation iNDAT ²⁾		Discontinued operation MA micro Group ²⁾	
	2023	2022	2023	2022
Reporting period	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Order intake	-19	-1,075	26,177	20,974
Order backlog	0	365	22,023	41,681
Segment sales	413	2,308	46,512	64,318
- With external customers	398	2,200	45,705	64,317
- Inter-segment sales	15	108	807	1
Segment operating profit before depreciation and amortisation (EBITDA)	1,819	-8,378	9,253	11,216
EBITDA margin (in %, in relation to sales)	441.6%	-363.0%	19.9%	17.4%
Reversal of impairment	0	0	0	0
Depreciation / amortisation	0	-275	-2,033	-2,106
Impairment	0	-484	0	0
Goodwill Impairment	0	0	0	0
Segment operating profit (EBIT before PPA amortisation)	1,819	-9,137	7,220	9,110
Amortisation from purchase price allocation	0	0	0	0
Segment operating profit after PPA amortisation (EBIT)	1,819	-9,137	7,220	9,110
Income from securities held as financial assets	0	0	0	0
Interest and similar income	221	107	439	166
Interest and similar expenses	-102	-256	-124	-186
Segment result from ordinary activities (EBT)	1,938	-9,286	7,535	9,090
Non-current segment assets (excluding deferred tax)	0	5	3,712	4,760
- thereof Germany	0	5	3,424	4,538
- thereof other EU countries	0	0	0	0
- thereof North America	0	0	59	37
- thereof rest of the world	0	0	229	185
Investments in non-current segment assets	0	0	829	775
Working capital	8	1,929	-1,710	-7,181
ROCE (in %) ¹⁾	479.2%	-391.2%	3.4%	74.8%
Net debt	3,540	1,226	7,097	22,568
Average number of employees, excluding trainees	4	52	199	203

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

2) For reasons of clarity, the discontinued operations iNDAT and MA micro Group are presented as reportable segments.

Segment	Reconciliation ²⁾		Group	
Reporting period	2023	2022	2023	2022
	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Order intake	-26,158	-19,898	341,214	404,750
Order backlog	-22,024	-42,046	206,023	261,262
Segment sales	-47,269	-67,113	397,368	342,676
- With external customers	-46,103	-66,504	397,368	342,676
- Inter-segment sales	-1,166	-609	0	0
Segment operating profit before depreciation and amortisation (EBITDA)	-22,179	-12,458	34,559	29,356
EBITDA margin (in %, in relation to sales)	-	-	8.7%	8.6%
Reversal of impairment	0	0	0	942
Depreciation / amortisation	1,800	2,055	-10,179	-8,456
Impairment	0	350	0	-199
Goodwill Impairment	-5,219	0	-5,219	0
Segment operating profit (EBIT before PPA amortisation)	-25,598	-10,053	19,161	21,643
Amortisation from purchase price allocation	0	0	0	-175
Segment operating profit after PPA amortisation (EBIT)	-25,598	-10,053	19,161	21,468
Income from securities held as financial assets	4,589	2,677	4,589	2,677
Interest and similar income	-1,000	-124	106	431
Interest and similar expenses	-7,502	-6,169	-12,750	-8,807
Segment result from ordinary activities (EBT)	-29,511	-13,670	11,106	15,768
Non-current segment assets (excluding deferred tax)	54,390	68,781	135,855	143,244
- thereof Germany	54,678	68,781	121,934	132,321
- thereof other EU countries	0	0	4,962	5,025
- thereof North America	-59	0	8,720	5,381
- thereof rest of the world	-229	0	239	517
Investments in non-current segment assets	-695	-16	11,808	9,315
Working capital	1,285	-163	102,927	71,584
ROCE (in %) ¹⁾	-	-	9.7%	13.6%
Net debt	-80,058	-109,194	-111,751	-95,764
Average number of employees, excluding trainees	-188	-239	1,461	1,338

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

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

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

As previously reportable segments, the MA micro Group and iNDAT are recognised as discontinued operations in accordance with IFRS 5. Further information on the discontinued operations can be found in the “Discontinued operations” section of the Notes to the Consolidated Financial Statements.

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

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

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

NSM + Jücker comprises NSM Magnettechnik GmbH, headquartered in Olfen (North Rhine-Westphalia), and Mess- und Regeltechnik Jücker GmbH, headquartered in Dillingen (Saarland). NSM + Jücker is positioned as 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, NSM + Jücker 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.

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

The IWM companies included in the Other segment (IWM Bodensee GmbH, IWM Automation GmbH i.L.) are largely in the process of being wound up and liquidated. Negotiations on the economic conclusion of the only remaining project at IWM Bodensee GmbH continue. The company remains active as a real estate company within the MAX Group.

The discontinued operations comprise iNDAT (iNDAT Robotics GmbH i.L.), headquartered in Ginsheim-Gustavsburg (Hesse), and the MA Micro Group (MA micro automation GmbH and its subsidiaries), headquartered in St. Leon-Rot (Baden-Württemberg). iNDAT was active in robotics and production automation, particularly for customers in the automotive industry, and is reported as a discontinued operation in accordance with IFRS 5 as part of the liquidation.

Following the decision to wind up the company due to persistent losses in the previous year, liquidation was initiated at the beginning of the past financial year 2023. MA Micro Group, positioned as a technology leader for automation solutions in microassembly, particularly for the medical technology and optronic industries, is reported as a discontinued operation in accordance with IFRS 5 due to the decision to conduct a structured sales process. 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.

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. The reclassifications relating to the discontinued operations are also reported here.

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

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

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

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

Projects accounted for revenue of EUR 297,994 thousand (previous year: EUR 260,632 thousand), while sales of EUR 99,374 thousand (previous year: EUR 82,044 thousand) were generated by business with service and spare parts.

No customer accounted for more than 10% of sales revenue in 2023.

Events after the balance sheet date

No further events of particular significance for the asset, financial and earnings position of the MAX Group took place after the end of the reporting period.

Other financial obligations

The following financial obligations from other non-cancellable contracts exist as of 31 December 2023:

EUR thousand	2023	2022
up to 1 year	2,773	1,759
1 to 5 years	752	176
over 5 years	26	26
Total	3,551	1,961

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 2023, MAX Automation SE was a company dependent on Orpheus Capital II GmbH & Co. KG, LS Digital & Management Services GmbH & Co. KG, as well as Othello Drei Beteiligungs GmbH & Co. KG, each with their registered office in Hamburg, Germany, in the sense of Section 17 AktG. There is a mutual attribution of voting rights between Orpheus Capital II GmbH & Co. KG and LS Digital & Management Services GmbH & Co. KG based on a voting agreement that came into force on 26 August 2020. Othello Drei Beteiligungs GmbH & Co. KG joined the voting agreement on 14 April 2022. The ultimate controlling parent company according to the AktG of Orpheus Capital II GmbH & Co. KG and of LS Digital & Management Services GmbH & Co. KG as well as Othello Drei Beteiligungs GmbH & Co. KG is Oliver Jaster, Germany. Control results from a majority shareholding in MAX Automation SE. No control or profit and loss transfer agreement has been concluded between MAX Automation SE and Orpheus Capital II GmbH & Co. KG, LS Digital & Management Services GmbH & Co. KG or Othello Drei Beteiligungs GmbH & Co. KG. MAX Automation SE is included in the Consolidated Financial Statements of Günther SE, Bamberg. The Consolidated Financial Statements of Günther SE, as the largest group of consolidated companies, are disclosed in the electronic Federal Gazette (HRB 142504).

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

Related companies

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

A consulting contract was concluded with LS Digital & Management Service GmbH & Co. KG on 12 January 2022 with regard to the real estate inventory and strategy consulting. The consulting services purchased in this context during the financial year amounted to EUR 16 thousand (previous year: EUR 12 thousand).

Related persons

Business transactions with related natural persons totalled EUR 39 thousand (previous year: EUR 19 thousand). These relate to travel expenses incurred by Members of the Supervisory Board.

Auditor

Expenses for fees charged by the auditor of EUR 1,054 thousand (previous year: 1.059 thousand) were incurred in the year under review.

EUR thousand	2023	2022
1. Audit services	784	714
a) Services for current year	780	716
b) Services for prior year	4	-2
2. Other assurance services	270	345
Total	1,054	1,059

Other confirmation services in the financial year related to covenant confirmation services for the syndicated loan agreement as well as services in connection with a fairness opinion and a review.

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

Organs of MAX Automation SE

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

Managing Directors

Dr. Christian Diekmann, Hamburg, CEO (until 31 August 2023)

Member of the following other supervisory bodies:

- Chairman of the Supervisory Board of Vecoplan AG, Bad Marienberg (until 31 August 2023)
- Chairman of the Supervisory Board of Peter Kölln GmbH & Co. KGaA
- Member of the Advisory Board of DINSE GmbH
- Member of the Advisory Board of EKT GmbH & Co. KG

Dr. Ralf Guckert, Hamburg, COO

Member of the following other supervisory bodies:

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

Hartmut Buscher, Hamburg, CFO

Member of the following other supervisory bodies:

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

Total remuneration of the Managing Directors

The Managing Directors of MAX Automation SE were granted total benefits of EUR 3,521 thousand (previous year: EUR 2,265 thousand) in financial year 2023. Of this amount, EUR 1,557 thousand (previous year: EUR 1,569 thousand) was accounted for by short-term benefits, EUR 1,046 thousand (previous year: EUR 0 thousand) by termination benefits and EUR 918 thousand (previous year: EUR 696 thousand) by share-based payments in the financial year. Provisions and liabilities for bonuses and royalties totalled EUR 1,323 thousand (previous year: EUR 769 thousand) as of 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%.

A new remuneration system for the Managing Directors was approved at the 2023 Annual General Meeting that includes a new LTI programme. This new LTI programme was applied retroactively from 1 January 2023 to the contracts of Dr. Ralf Guckert and Hartmut Buscher as part of the contract extensions. The old LTI programme had previously applied to them.

The starting point of the old LTI programme is a personal investment by each Managing Director in shares of MAX Automation SE ("MAX shares"), the amount of which is determined individually but may not 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 may not 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 2023, a total of 242,532 phantom shares (previous year: 196,312) were taken into account for all beneficiaries in the determination of value, based on the settlement value determined on the grant date. The fair value amounts to EUR 1,402 thousand (previous year: EUR 948 thousand). 46,220 new phantom shares (previous year: 108,750) were granted in financial year 2023, which are included in the aforementioned total number of phantom shares. The fair value of the new phantom shares granted in the financial year amounts to EUR 267 thousand (previous year: EUR 525 thousand). This corresponds to the intrinsic value of the vested rights.

The provision for the phantom share programme in the amount of EUR 1,402 thousand (previous year: EUR 1,650 thousand) is reported under non-current liabilities within other provisions.

The new LTI is a long-term, multi-year, performance-related remuneration that is awarded in several independent, three-year tranches over a total programme term of five years ("programme term") starting on 1 January of each year ("start date") for each of the individual financial years in which a Managing Director is active during the programme term. The LTI is designed as a system for Managing Directors to participate in the long-term performance of the portfolio companies, i.e. the portfolio of investee companies and strategically oriented financial investments, and thus incentivises a sustainable increase in the value of the portfolio companies. To this end, a virtual investment capital is defined, the performance of which is measured. Managing Directors participate in the interest on the virtual investment capital resulting from the increase in value if a certain minimum interest rate is exceeded. As of the reporting date of 31 December 2023, the fair value of the remuneration entitlement from the new LTI programme for all eligible Managing Directors totalled EUR 1,198 thousand, which is reported under non-current liabilities within other provisions.

Expenses arising from share-based payments in financial year 2023 totalled EUR 1,211 thousand (previous year: EUR 696 thousand). Of this amount, EUR 917 thousand was attributable to Managing Directors and EUR 294 thousand to selected managers of the MAX Group. The fair value of the entitlements of the selected managers of the MAX Group amounted to EUR 294 thousand as of the balance sheet date and is recognised under non-current liabilities within other provisions.

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).

Members of the Supervisory Board

Guido Mundt, Düsseldorf

Freelance advisor to banks, family offices and hedge funds

Chairman of the Supervisory Board

Member of the following other supervisory bodies:

- Chairman of the Supervisory Board of Vecoplan AG, Bad Marienberg (from 1 September 2023)
- Member and Chairman of the Supervisory Board of Bankhaus Bauer AG, Essen
- Member of the Supervisory Board of Oddo BHF AIF Plc., Dublin (Ireland)

Oliver Jaster, Hamburg

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

Deputy Chairman of the Supervisory Board

Member of the following other supervisory bodies:

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

Hartmut Buscher, Hamburg

Managing Director and CFO of Günther Holding SE, Hamburg

Member of the Supervisory Board

Member of the following other supervisory bodies:

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

Dr. Wolfgang Hanrieder, Planegg

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

Member of the Supervisory Board

Member of the following other supervisory bodies:

- No membership in other supervisory bodies

Karoline Kalb, Augsburg

Self-employed lawyer

Member of the Supervisory Board

Member of the following other supervisory bodies:

- No membership in other supervisory bodies

Dr. Nadine Pallas, Munich

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

Member of the Supervisory Board

Member of the following other supervisory bodies:

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

Total remuneration of the Supervisory Board

The remuneration of the Supervisory Board for 2023 amounted to EUR 579 thousand (previous year: EUR 624 thousand). On the balance sheet date, there were liabilities from remuneration claims from members of the Supervisory Board in the amount of EUR 438 thousand (previous year: EUR 474 thousand).

In addition to reimbursement of their expenses, the Chairman of the Supervisory Board receives EUR 80 thousand, the Deputy Chairman EUR 60 thousand and the remaining members of the Supervisory Board EUR 40 thousand as remuneration after the end of the financial year. Furthermore, the chairman of a committee of the Supervisory Board receives EUR 25 thousand and each other member of a committee EUR 20 thousand for each full financial year. Only one committee is taken into account. Also, the members of the Supervisory Board receive an attendance fee of EUR 1,5 thousand for each meeting of the Supervisory Board or its committees that they attend. If a member of the Supervisory Board is also appointed Managing Director of the company and already receives remuneration as such, this member does not receive any separate remuneration for his or her work as a Supervisory Board member.

The members of the Supervisory Board did not receive any loans or advances in financial year 2023.

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

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

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

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

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

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

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

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

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

On 7 September 2023, MAX Automation published pursuant to Section 40 (1) WpHG that it had received notification on 6 January 2023 that the voting rights of Hauck & Aufhäuser Fund Services S.A., Munsbach, Luxembourg, had increased from 8.03% to 10.002% on 5 September 2023 due to the acquisition of voting rights by managed special assets of LOYS SICAV, Munsbach, Luxembourg, and that it now holds 4,125,147 voting rights of the total number of voting rights of 41,243,181.

On 16 October 2023, MAX Automation published pursuant to Section 40 (1) WpHG that it received notification on 16 October 2023 that the voting rights of LOYS SICAV, Munsbach, Luxembourg, on 23 October 2023 amounted to 5.10% due to the acquisition of shares with voting rights and now holds 2,101,358 voting rights of the total number of 41,243,181 voting rights.

DECLARATION PURSUANT TO SECTION 161 AKTG ON THE CORPORATE GOVERNANCE CODE

As a listed German corporation, MAX Automation SE, Hamburg, issued the declaration required under Section 161 AktG on 3 February 2024 and published it on its website at www.maxautomation.com/en/investor-relations/corporate-governance/ to make it permanently available to its shareholders.

EXEMPTION FROM DISCLOSURE FOR SUBSIDIARIES

The following domestic subsidiaries exercise the right of exemption under Section 264 (3) HGB in respect of the disclosure of their annual accounts and the preparation of the management report and notes for financial year 2023:

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

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

MAX Automation SE publishes its Consolidated Financial Statements for the year and its Group Management Report in the company register, duly exempting these companies from this duty.

Hamburg, 4 March 2024

The Managing Directors

Dr. Ralf Guckert

Hartmut Buscher

SHAREHOLDINGS

MAX Automation SE, Hamburg, list of shareholdings as of 31 December 2023

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

¹⁾ not consolidated

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To MAX Automation SE, Hamburg

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

Audit Opinions

We have audited the Consolidated Financial Statements of MAX Automation SE, Hamburg, and its subsidiaries (the Group), which comprise the Consolidated Statement of Financial Position as of 31 December 2023, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the financial year from 1 January to 31 December 2023, and the Notes to the Consolidated Financial Statements, including a summary of significant accounting policies. We have also audited the Group Management Report of MAX Automation SE, which is combined with the Management Report of the company, for the financial year from 1 January to 31 December 2023. In accordance with German legal requirements, we have not audited the content of those parts of the Group Management Report listed in the "Other Information" section of our Auditor's Report.

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

- the accompanying Consolidated Financial Statements comply in all material respects with IFRS as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) of the German Commercial Code (HGB) and give a true and fair view of the financial position of the Group as of 31 December 2023 and of its financial performance for the financial year from 1 January to 31 December 2023 in accordance with these requirements; and
- the accompanying Group Management Report as a whole provides a suitable view of the Group's position. In all material respects, this Group Management Report is consistent with the Consolidated Financial Statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Our audit opinion on the Group Management Report does not cover the content of the components of the Group Management Report mentioned in the section "Other information".

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

Basis for the audit judgements

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

Furthermore, pursuant to Article 10 (2) (f) EU-APrVO, we declare that we have not performed any prohibited non-audit services pursuant to Article 5 (1) EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the Consolidated Financial Statements and the Group Management Report.

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

Particularly important audit matters are those matters which, in our professional opinion, were of greatest significance in our audit of the Consolidated Financial Statements for the financial year from 1 January to 31 December 2023. These matters were considered in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

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

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

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

- ① Subject matter and problem definition
- ② Audit procedure and findings
- ③ Reference to further information

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

- ① Recoverability of goodwill
- ① In the company's Consolidated Financial Statements, goodwill totalling EUR 21.7 million (5.6% of the balance sheet total) is reported separately under non-current assets; further goodwill totalling EUR 11.7 million (3.0% of the balance sheet total) has been reclassified to assets held for sale according to IFRS 5 regulations. Goodwill is subjected to an impairment test by the company once a year or on an ad hoc basis in order to determine a possible need for depreciation. The impairment test is carried out at the level of the groups of cash-generating units to which the respective goodwill is allocated. As part of the impairment test, the carrying amount of the respective cash-generating units including goodwill is compared with the corresponding recoverable amount. The recoverable amount is generally determined on the basis of the value in use. The basis for the valuation is generally the present value of future cash flows of the respective group of cash-generating units. The present values are determined using discounted cash flow models. The starting point is the Group's approved medium-term planning, which is updated with assumptions about long-term growth rates. Expectations about future market developments and assumptions about the development of macroeconomic factors are also taken into account. Discounting is carried out using the weighted average cost of capital of the cash-generating units or a respective group thereof. As a result of the annual impairment test, an

impairment requirement of EUR 5.2 million was identified for NSM Magnettechnik GmbH and goodwill was written down accordingly.

The results of the respective valuations are highly dependent on the assessment of the legal representatives with regard to the future cash inflows of the respective group of cash-generating units, the discount rate used, the growth rate and other assumptions, and are thus subject to considerable uncertainty. In view of this and due to the complexity of the valuation, this matter was of particular importance in the context of our audit.

- ② In the course of our audit, we verified, among other information, the methodical procedure for carrying out the impairment test. Furthermore, we assessed the derivation of the discounted future cash flows used in the calculation of the value in use. For this purpose, we checked the plausibility of the medium-term planning relevant for the respective cash-generating unit, among other information, against the backdrop of industry-specific market expectations. We also assessed the appropriate consideration of the costs of Group functions. Knowing that even relatively small changes in the discount rate used can have a significant impact on the amount of the enterprise value determined in this way, we dealt intensively with the parameters used in the determination of the discount rate and comprehended the calculation scheme. In order to take the current forecast uncertainties into account, we reproduced the sensitivity analyses prepared by the company and carried out our own sensitivity analyses for the groups of cash-generating units with a low surplus (carrying amount compared to the recoverable amount).

In our view, the valuation parameters and assumptions applied by the legal representatives are justifiable overall and lie within justifiable bandwidths.

- ③ The company's disclosures on goodwill are included in the section "Goodwill" and in Note 2 to the Consolidated Financial Statements.

- ② Application of the so-called cost-to-cost method for revenue recognition in the context of longer-term contract manufacturing

- ① In the Consolidated Financial Statements of the company as of 31 December 2023, sales of EUR 397.4 million are recognised in the income statement, which were realised in the main period. Contract assets of EUR 30.2 million and contract liabilities of EUR 38.3 million are recognised in the Consolidated Statement of Financial Position as of 31 December 2023. Revenue from customer-specific contracts is recognised over a period of time when an asset is created that has no alternative use to the company and there is a legal right to payment for the services already provided. Revenue is also recognised over time when an asset is constructed or improved and the customer obtains control of the asset in the process. When revenue is recognised over a period of time, revenue is recognised based on the stage of completion, which is the ratio of actual contract costs incurred to estimated total costs. In view of the complex production processes, recognising revenue over time requires, in particular, an effective internal budgeting and reporting system including a concurrent project costing as well as a functioning internal control system.

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

② Knowing that there is an increased risk of misstatement of the financial statements due to the complexity and the estimates and assumptions to be made, we assessed the processes and controls in place by the Group for the recognition of revenue from customer specific contracts. Our specific audit procedures included the testing of controls and expressive audit procedures, in particular:

- Assessment of the process of proper identification of performance obligations and classification of performance after a certain period or a certain point in time.
- Assessment of the cost accounting system as well as other relevant systems to support the accounting of customised contracts.
- Assessment of the proper recording and allocation of direct costs as well as the amount and allocation of overhead surcharges.
- Assessment of the project calculations underlying the customer-specific contracts as well as the determination of the degree of completion.

We were able to convince ourselves that the systems and processes put in place, as well as the controls in place, are adequate and that the estimates and assumptions made by the legal representatives are sufficiently documented and substantiated to ensure appropriate revenue recognition from customer-specific contracts.

③ The company's disclosures on revenue recognition in the context of long-term construction contracts are explained in the sections "Contract assets" and "Contract liabilities" as well as in Notes 10, 20 and 27 of the Notes to the Consolidated Financial Statements.

Other Information

The legal representatives are responsible for the other information. The other information comprises the following components of the Group Management Report that have not been audited in terms of their content:

- the Corporate Governance Statement pursuant to Section 289f HGB and Section 315d HGB contained in the section "Corporate Governance Statement (pursuant to Section 289f HGB in conjunction with Article 83 (1) sentence 1 and sentence 2 EGHGB and Section 315d HGB)" of the Group Management Report
- the section "Risk Management System / Internal Control System" of the Group Management Report

The other information also includes:

- the separate Non-Financial Group Report to comply with Sections 315b to 315c of the German Commercial Code (HGB)

All other parts of the Annual Report – without further cross-references to external information – with the exception of the audited Consolidated Financial Statements, the audited Group Management Report and our auditor's opinion.

Our audit opinions on the Consolidated Financial Statements and the Group Management Report do not cover the other information and, accordingly, we do not express an opinion or any other form of conclusion on it.

In connection with our audit, we have a responsibility to read the other information referred to above and, in doing so, assess whether the other information

- contains material inconsistencies with the Consolidated Financial Statements, the content of the audited Group Management Report disclosures or our knowledge obtained in the audit; or
- otherwise appears to be materially misrepresented.

Responsibility of the legal representatives and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The management is responsible for the preparation and fair presentation of these Consolidated Financial Statements in accordance with IFRSs as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) HGB and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error. Furthermore, the management is responsible for such internal control as it deems necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error (i.e., manipulation of the accounting system or misstatement of assets).

In preparing the Consolidated Financial Statements, the management is responsible for assessing the Group's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to a going concern. Furthermore, they are responsible for accounting on a going concern basis unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the management is responsible for the preparation of the Group Management Report, which as a whole provides a suitable view of the Group's position and is consistent in all material respects with the Consolidated Financial Statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, the management is responsible for the arrangements and measures (systems) that it has deemed necessary to enable the preparation of a Group Management Report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made in the Group Management Report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the Consolidated Financial Statements and the Group Management Report.

Auditor's responsibility for the audit of the Consolidated Financial Statements and the Group Management Report

Our objective is to obtain reasonable assurance as to whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and whether the Group Management Report as a whole provides a suitable view of the Group's position and is consistent, in all material respects, with the Consolidated Financial Statements and the audit findings, complies with German legal requirements and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinion on the Consolidated Financial Statements and the Group Management Report.

Reasonable assurance is a high level of assurance, but is not a guarantee, that an audit conducted in accordance with Sections 317 HGB and EU-APrVO and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements and the Group Management Report.

During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore,

- we identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Group Management Report due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error because fraud can involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls.
- we obtain an understanding of internal control relevant to the audit of the Consolidated Financial Statements and of the arrangements and actions relevant to the audit of the Group Management Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those systems.
- we evaluate the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the accounting estimates and related disclosures made by the legal representatives.
- we conclude on the appropriateness of the going concern basis of accounting used by the management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that could cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements and the Group Management Report or, if such disclosures are inadequate, to modify our respective audit opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or conditions could result in the Group being unable to continue as a going concern.
- we assess the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that the Consolidated Financial Statements give a true and fair view of the asset, financial and earnings position of the Group in accordance with IFRSs as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) of the German Commercial Code (HGB).
- we obtain sufficient appropriate audit evidence regarding the accounting information of the entities or business activities within the Group to express opinions on the Consolidated Financial Statements and on the Group Management Report. We are responsible for directing, supervising and performing the audit of the Consolidated Financial Statements. We are solely responsible for our audit opinions.
- we assess the consistency of the Group Management Report with the Consolidated Financial Statements, its compliance with the law and the view of the Group's position conveyed by it.
- we perform audit procedures on the forward-looking statements made by management in the Group Management Report. On the basis of sufficient appropriate audit evidence, we in particular verify the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the appropriate derivation of the forward-looking statements from these assumptions. We do not express an independent opinion on the forward-looking statements or the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

We discuss with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We make a declaration to those charged with governance that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be thought to bear on our independence and, where relevant, the actions taken or safeguards implemented to address independence threats.

From the matters discussed with those charged with governance, we determine those matters that were of the greatest importance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless the law or regulations preclude public disclosure of the matter.

OTHER STATUTORY AND OTHER LEGAL REQUIREMENTS

Report on the audit of the electronic reproductions of the Consolidated Financial Statements and the Consolidated Management Report prepared for the purpose of disclosure pursuant to Section 317 (3a) of the German Commercial Code (HGB)

Audit opinion

Pursuant to Section 317 (3a) of the German Commercial Code (HGB), we have performed a reasonable assurance engagement to determine whether the reproductions of the Consolidated Financial Statements and the Group Management Report (hereinafter also referred to as "ESEF documents") contained in the file MAX_Automation_SE_KA_LB_ESEF-2023-12-31.zip and prepared for the purpose of disclosure comply in all material respects with the requirements of Section 328 (1) of the German Commercial Code regarding the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit only covers the conversion of the information in the Consolidated Financial Statements and the Group Management Report into the ESEF format and therefore neither the information contained in these reproductions nor any other information contained in the aforementioned file.

In our opinion, the reproductions of the Consolidated Financial Statements and the Group Management Report contained in the aforementioned file and prepared for the purpose of disclosure comply in all material respects with the requirements of Section 328 (1) of the German Commercial Code (HGB) concerning the electronic reporting format. We do not express an opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file beyond this opinion and our opinions on the accompanying Consolidated Financial Statements and the Group Management Report for the financial year from 1 January to 31 December 2023 contained in the preceding "Report on the audit of the Consolidated Financial Statements and the Group Management Report".

Basis for the audit opinion

We conducted our audit of the reproductions of the Consolidated Financial Statements and the Group Management Report contained in the above-mentioned file in accordance with Section 317 (3a) HGB and the IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for Disclosure Purposes in Accordance with Section 317 (3a) HGB (IDW PS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility thereafter is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents." Our auditing practice has complied with the quality assurance system requirements of the IDW Quality Assurance Standard: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1).

Responsibility of the legal representatives and the Supervisory Board for the ESEF documents

The legal representatives of the company are responsible for the preparation of the ESEF documents with the electronic reproductions of the Consolidated Financial Statements and the Group Management Report in accordance with Section 328 (1) sentence 4 no. 1 of the German Commercial Code and for the marking of the Consolidated Financial Statements in accordance with Section 328 (1) sentence 4 no. 2 of the German Commercial Code.

Furthermore, the company's management is responsible for the internal controls as they deem necessary to enable the preparation of the ESEF documents that are free from material non-compliance, whether due to fraud or error, with the electronic reporting format requirements of Section 328 (1) of the German Commercial Code HGB.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documentation as part of the financial reporting process.

Auditor's Responsibility for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance as to whether the ESEF documents are free from material non-compliance, whether due to fraud or error, with the requirements of Section 328 (1) of the German Commercial Code (HGB). During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore,

- we identify and assess the risks of material non-compliance with the requirements of Section 328 (1) of the German Commercial Code (HGB), whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- we obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those controls.
- we assess the technical validity of the ESEF documentation, i.e., whether the file containing the ESEF documentation meets the requirements of Delegated Regulation (EU) 2019/815, as amended at the reporting date, for the technical specification for that file.
- we assess whether the ESEF documentation provides a consistent XHTML representation of the audited Consolidated Financial Statements and the audited Group Management Report.

- we assess whether the mark-up of the ESEF documents with inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815, as applicable at the reporting date, provides an adequate and complete machine-readable XBRL copy of the XHTML rendition.

Other information according to Article 10 EU-APrVO

We were elected auditors of the Consolidated Financial Statements by the Annual General Meeting on 25 May 2023. We were appointed by the Supervisory Board on 1 December 2023. We have served as auditors of the Consolidated Financial Statements of MAX Automation SE, Hamburg, without interruption since financial year 2019.

We declare that the audit opinions contained in this audit opinion are consistent with the additional report to the audit committee pursuant to Article 11 EU-APrVO (audit report).

NOTE ON OTHER MATTERS – USE OF THE AUDIT OPINION

Our audit opinion should always be read in conjunction with the audited Consolidated Financial Statements and the audited Group Management Report as well as the audited ESEF documents. The Consolidated Financial Statements and the Group Management Report converted into the ESEF format – including the versions to be entered in the company register – are merely electronic reproductions of the audited Consolidated Financial Statements and the audited Group Management Report and do not replace them. In particular, the “Report on the audit of the electronic reproductions of the Consolidated Financial Statements and the Group Management Report prepared for disclosure purposes in accordance with Section 317 (3a) HGB” and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Uwe Rittmann.

Düsseldorf, 7 March 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Uwe Rittmann
Auditor

Nobert Klütsch
Auditor

ASSURANCE OF THE LEGAL REPRESENTATIVES

ASSURANCE OF THE LEGAL REPRESENTATIVES

To the best of our knowledge, we assure that pursuant to the applicable accounting principles, the Consolidated Financial Statements convey a true and fair view of the Group's asset, financial and earnings position, and that the course of business, including the business results and the Group's position, are presented in the Group Management Report that is combined with the Management Report for MAX Automation SE so as to convey a true and fair view, and that the significant opportunities and risks pertaining to the Group's prospective development are described.

Hamburg, 4 March 2024

The Managing Directors

Dr. Ralf Guckert

Hartmut Buscher

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