Annual Report 2021

Aumann AG, Beelen

Aumann in figures

Fiscal year	2021	2020	Δ 2021 / 2020
	€k	€k	%
Order backlog	**176.909**	**102.813**	72,1%
Order intake	**236.623**	**157.332**	50,4%
Earnings figures	**€k**	**€k**	**%**
Revenue	**161.127**	**172.833**	**-6,8%**
there of E-mobility	96.612	108.856	-11,2%
Operating performance	161.129	172.171	-6,4%
Total performance	174.067	178.153	-2,3%
Cost of materials	-111.071	-109.237	-1,7%
Staff costs	-56.455	-69.263	18,5%
EBITDA	-2.879	-13.612	78,8%
EBITDA margin	*-1,8%*	*-7,9%*	
EBIT	-7.877	-19.754	60,1%
EBIT margin	*-4,9%*	*-11,4%*	
EBT	-8.592	-20.693	58,5%
EBT margin	*-5,3%*	*-12,0%*	
Consolidated net profit	**-6.160**	**-18.327**	**66,4%**
Earnings figures (adjusted)*	**T€**	**T€**	**%**
Adj. EBITDA	-1.625	1.739	-193,4%
Adj. EBITDA-Marge	*-1,0%*	*1,0%*	
Adj. EBIT	-6.562	-3.326	-97,3%
Adj. EBIT-Marge	*-4,1%*	*-1,9%*	
Adj. EBT	-7.278	-4.265	-70,6%
Adj. EBT-Marge	*-4,5%*	*-2,5%*	
Figures from the statement	**31 Dec**	**31 Dec**	
	€k	**€k**	**%**
Non-current assets	114.158	103.170	10,7%
Current assets	184.323	184.811	-0,3%
there of cash and equivalents **	103.258	90.234	14,4%
Issued capital (share capital)	15.250	15.250	0,0%
Other equity	174.097	171.088	1,8%
Total equity	189.347	186.338	1,6%
Equity ratio	*63,4%*	*64,7%*	
Non-current liabilities	32.528	39.503	-17,7%
Current liabilities	76.606	62.140	23,3%
Total assets	**298.481**	**287.981**	**3,6%**
Net cash (+) or net debt (-)) **	90.318	73.147	23,5%
Employees	**775**	**968**	**-19,9%**

* For details of adjustments please see the information in the section on the earnings position.

** This figure includes securities.

Rounding differences can occur in this report with regard to percentages and figures.

Contents

Welcome note from the Executive Board

Dear Shareholders,

A look at the international vehicle markets shows that the E-mobility boom continued undeterred in 2021 and even gained an additional boost in places thanks to government subsidy programs. Sales of vehicles with electric drives increased significantly in the three major markets of the EU, US and China, and electric vehicles' market share continued to grow.

We are proud to have increased order intake by 50.4% to €236.6 million in 2021. By doubling the E-mobility order intake to €169.1 million in 2021, we achieved the strongest order intake in this segment in the company's history so far. More than 70% of our order intake is now generated in the future-oriented E-mobility segment. Over the course of 2021, we repeatedly won forward-looking, major orders for battery systems, proving that our energy storage expertise is a particular growth driver. In addition to orders for highly automated production lines for premium cars, we also demonstrated our know-how in production solutions for all-electric commercial vehicles with another major order at the end of the year. We are making a valuable contribution to carbon-neutral goods transport here and are further advancing the transition to a sustainable future. Overall, Aumann generated an order intake volume in the high double-digit million euro area in battery system solutions in 2021.

Across the segments, our order backlog grew by 72.1% year-on-year to around €176.9 million; in the E-mobility segment, it increased by 141.9% to €120.4 million. Due to the long-term realisation period of contracts with customers, revenue has not yet benefited from the positive developments in order intake and order backlog in 2021. At €161.1 million, revenue was still 6.8% below the previous year's figure in 2021. EBITDA totalled €-2.9 million, while adjusted EBITDA was up €1.3 million to €-1.6 million. EBITDA margin improved year-on-year to -1.8%, but was still influenced by weaker price realisation as a result of the pandemic and challenges on the procurement markets. While both key figures were therefore in line with our published forecast, we expect significant revenue growth to over €200 million as well as an incremental recovery in the EBITDA margin to between 4 and 5% in 2022.

The car manufacturers in the growing E-mobility market have massive investment plans. General forecasts predict that around 30 million new electric vehicles will be registered worldwide in 2030. This is five times as many as in 2021. Aumann will also benefit from this in the long term. With flexible corporate structures and an optimised cost structure, Aumann is emerging from the coronavirus crisis stronger and sees itself exceptionally well positioned strategically, technologically and structurally. We even built up our already existing strong liquidity position to €103.3 million in the past financial year. At 63.4%, our equity ratio is above average and solid. At the same time, the market conditions for planned corporate acquisitions are better than ever before.

We owe particular thanks to our employees for their commitment and their loyalty. We would also like to thank our customers and business partners, with whom we will continue to shape the market of E-mobility together. We also thank you, dear shareholders, for your solidarity and your trust.

Sincerely,

Sebastian Roll	Jan-Henrik Pollitt
Chief Executive Officer	Chief Financial Officer

Report of the Supervisory Board

In the 2021 financial year, the Supervisory Board ensured that it was informed at all times about the business and strategic development of the company and advised and monitored the Executive Board in accordance with the tasks and responsibilities required of it by law, the Articles of Association and the provisions of the German Corporate Governance Code. This meant that the Supervisory Board was informed about the strategy, business policy and planning, the risk situation and the net assets, financial position and results of operations of the Aumann Group at all times.

This took place in personal discussions among the Supervisory Board members and with the Executive Board and regular reports on business developments by the Executive Board, and at the regular meetings of the Supervisory Board on 15 April, 16 June, 16 September and 30 November 2021, which were attended by all members of the Supervisory Board and by the Executive Board represented by the CEO and CFO in person or by video conference.

At the individual meetings, the Supervisory Board analysed the company's current business development together with the Executive Board and discussed its strategic focus. The discussions covered both the company's general economic situation and the particular conditions in the 2021 financial year. To the extent that individual transactions required the approval of the Supervisory Board in accordance with the Articles of Association or the law, the Supervisory Board examined these transactions and resolved whether to grant its approval.

With effect from 1 July 2021, the Supervisory Board made changes to the Executive Board of Aumann AG. Sebastian Roll, previously the company's CFO, was appointed as the new CEO and is responsible in particular for Strategy, M&A and Operations. Jan-Henrik Pollitt, who previously led the Corporate Development unit, was appointed as Executive Board member and CFO of Aumann AG and is responsible in particular for Finance, Digitisation and Investor Relations. Roll and Pollitt were both appointed as Executive Board members for five years with a term until 30 June 2026. The former CEO Rolf Beckhoff left the Executive Board as at 30 September 2021 at his own request. The Supervisory Board and Executive Board of Aumann AG thank him for 18 years of successful work for the company, eight of which he spent as Managing Director and CEO. In order to further build upon Aumann's technological strength, the Executive Board is to be augmented by a third member responsible for Technology and Sales.

In addition, the Supervisory Board again led intensive discussions with the Executive Board in 2021 about the impact of the COVID-19 pandemic on the Aumann Group and appropriate arrangements to organise the protection of employees' health as a matter of priority while also protecting the company's economic position. Given the challenging situation in the international procurement markets, the Supervisory Board regularly communicated with the Executive Board about the latest developments and measures taken. In addition, the Supervisory Board was in close contact with the Executive Board regarding the optimisation of the cost structure and kept continually up to date on the progress and conclusion of the structural measures. Another focal point of the discussions and decision-making in the Supervisory Board was the remuneration system for Executive Board members, which was approved by the Annual General Meeting on 2 June 2021.

The Audit Committee dealt with the auditing of accounting, the non-financial statement, the monitoring of the accounting process, the effectiveness of the internal control system, the risk management system and the internal auditing system, as well as the auditing of financial statements and compliance. In preparation for the 2021 annual financial statements, there were also consultations regarding the EU taxonomy and the associated new rules and regulations.

The Supervisory Board also discussed corporate governance and the German Corporate Governance Code. The Supervisory Board continuously monitored the development of the corporate governance standards. At the Supervisory Board meeting on 30 March 2022, a Nomination Committee for the Supervisory Board was elected for the first time in view of the re-election of all members of the Supervisory Board at the 2022 Annual General Meeting. Gert-Maria Freimuth is the Chairman of this committee, to which all three members of the Supervisory Board belong. The Nomination Committee will nominate suitable candidates for the Supervisory Board to propose to the 2022 Annual General Meeting for the election of Supervisory Board members. Aumann AG largely complies with the recommendations of the German Corporate Governance Code in the version dated 16 December 2019. The only exceptions relate to the publication deadlines recommended by the German Corporate Governance Code and the contract term on initial appointment of Executive Board members. These exceptions are therefore presented and explained in the declaration of compliance submitted with the Executive Board in accordance with section 161 of the Aktiengesetz (AktG – German Stock Corporation Act) on 11 March 2022. From the 2022 financial year, the company will report in accordance with the deadlines recommended by the German Corporate Governance Code, so the Supervisory Board and Executive Board will submit an updated declaration without deviations on 31 March 2022. These declarations are published on the company's website at www.aumann.com; the one dated 11 March 2022 is also included in this annual report.

The Supervisory Board duly engaged the auditor elected by the Annual General Meeting, RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, to audit the annual and consolidated financial statements for the 2021 financial year. The auditor has performed the annual confirmation of independence to the Supervisory Board and the auditor's case-related obligation to report to the Supervisory Board in accordance with the German Stock Corporation Act. This declaration confirms that there are no business, financial or other relationships between the auditor, its executive bodies and head auditors on the one hand, and the company and the members of its executive bodies on the other, that could give rise to doubt as to its independence.

The annual financial statements of Aumann AG as at 31 December 2021 and the combined management report for Aumann AG and the Aumann Group prepared in accordance with the principles of German commercial law and the consolidated financial statements as at 31 December 2021 prepared in accordance with the International Financial Reporting Standards (IFRS) were audited by the auditor elected by the Annual General Meeting and engaged by the Chairman of the Supervisory Board, RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, and issued with an unqualified auditor's report on 30 March 2022.

The Supervisory Board and the Audit Committee examined the annual financial statements prepared by the Executive Board, the combined management report for Aumann AG and the Aumann Group, the proposal for the appropriation of net profit and the consolidated financial statements and Group management report and discussed them with the auditor at the meeting on 30 March 2022. The auditor comprehensively answered all the Supervisory Board's questions. The Supervisory Board received the audit report in good time before the meeting. Following the completion of its examination, the Supervisory Board did not raise any objections to the annual financial statements, the management report or the consolidated financial statements. The Supervisory Board and the Audit Committee concur with the opinion of the Executive Board as expressed in the management report of Aumann AG and in the Group management report.

The consolidated financial statements were approved by the Supervisory Board on 30 March 2022, and the annual financial statements of Aumann AG have therefore been adopted.

The Supervisory Board would like to thank the Executive Board and all employees of Aumann Group for their great commitment in the past financial year.

Beelen, 30 March 2022

The Supervisory Board

Gert-Maria Freimuth

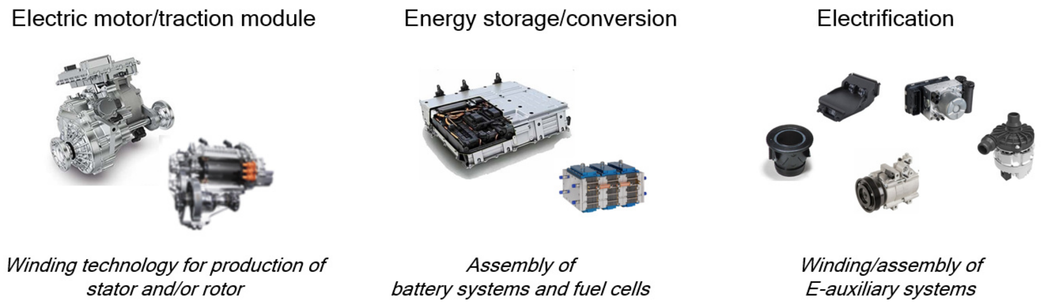
Chairman of the Supervisory Board

Combined management report and Group management report

The annual financial statements of Aumann AG are prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG), while the consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) in line with section 315e HGB. The reporting on the situation of the Group is consistent with the reporting of Aumann AG. Additional information on the annual financial statements of Aumann AG is included in the section on the results of operations, financial position and net assets.

Description of the business model

Aumann is a world-leading manufacturer of innovative speciality machinery and automated production lines with a focus on E-mobility. With its German sites in Beelen, Espelkamp and Limbach-Oberfrohna in Europe, the Chinese company in Changzhou and a site in Clayton in the US, the company has five locations in its three most important markets. The entire automotive industry is undergoing a continuous transformation that is taking it away from the complex mechanical drive concept centred on the combustion engine towards a significantly more streamlined electric drive concept. Accordingly, Aumann geared its strategy and its portfolio towards the needs of the E-mobility megatrend a number of years ago. Aumann's product solutions enable the highly efficient and technologically advanced series production of a wide range of components and modules, including energy storage and conversion systems (batteries and fuel cells), electric traction modules, power-on-demand units, auxiliary motors, and electronic components for sensor and control applications.



In these overarching application areas in the E-mobility segment, Aumann has wide-ranging system, process and product know-how and can thus offer its customers technologically sophisticated and innovative turnkey production solutions.

The illustration below provides a schematic overview of Aumann's relevant process expertise. Further insights into the technological innovations in Aumann AG's portfolio of know-how can be found in the "Research and development" section of this annual report.

Another of Aumann's special skills is supporting customers during the development of their products in order to ensure the feasibility of subsequent, highly automated series production. In this phase, Aumann develops the manufacturing process alongside the customer's product development (simultaneous engineering). Aumann has decades of experience in the individual manufacturing technologies and processes. This allows Aumann to offer its customers highly innovative and validated production solutions even for challenging applications. Various production- and product-related services from engineering to full service round off Aumann's business.

Aumann's key and considerable strengths can be summarised as follows:

- Decades of automotive experience and customer relationships in the automotive industry
- Strategic focus on the growth market of E-mobility

- Interdisciplinary use of automotive know-how in the Classic segment
- Turnkey solutions based on unique winding technologies and automation processes
- Asset-light business model enables profitable growth
- Solid statement of financial position and liquidity including securities of over €100 million
- Potential for expansion, including through strategic corporate acquisitions

Business and economic conditions

After the pandemic-driven recession in 2020, the global economy returned to the path to recovery in 2021 and boasted positive growth with a 5.9% increase in GDP. Global stimulus programmes, mainly in the EU and the US, and a now digitalised working world ensured that the worldwide upturn that began at the end of 2020 could continue. A significant contribution to the positive economic development was made by vaccines, which the first countries were approved in December 2020 and rolled out around the world at a sometimes rapid pace. This enabled the measures to contain the pandemic to be relaxed in many places, which led to a successive reopening of numerous service industries and provided important impetus for the revival of industrial activity.

Meanwhile, the virtually simultaneous economic upturn around the world posed substantial challenges for industry. A rapidly rising demand curve and corresponding order intake met with still significantly disrupted international logistics chains and curbed production capacities. The impact was expressed in the form of wide-ranging supply shortages and in some cases massively spiralling prices for numerous primary industrial products and raw materials. In particular, the global shortage of semiconductor products significantly curbed industrial production, especially in the automotive industry. According to World Semiconductor Trade Statistics (WSTS), the global semiconductor market grew by 25.6% in 2021, with demand significantly exceeding supply in many areas. Meanwhile, the value of vehicles not manufactured as a result of the semiconductor shortage is estimated at USD 210 billion, with considerable feedback effects on the entire automotive value chain. The upturn in industrial production, which had already been slowed by the shortages, was additionally dampened by the rapid spread of the Delta variant of coronavirus from July 2021 and the Omicron variant from December, which drove infection rates back up in many places and considerably hampered international maritime trade as a result of the emphatic containment measures in China. Overall, these factors meant that the recovery of the global economy lost momentum in the second half of the year despite the demand situation remaining positive.

In 2021, the EU economy also recovered at surprising speed from the significant, pandemic-driven economic downturn of 2020. Here too, however, a very different growth pattern emerged during the year. In the first quarter of 2021, the economy persisted at the level of the fourth quarter of 2020. Growth only turned clearly positive in the second and third quarters with rates of 2.1% and 2.2% compared with the respective previous quarters, as the vaccination drive progressed and social distancing rules were successively eased. The global economy thus nearly caught up with the pre-crisis level. The fourth quarter was increasingly influenced by shortages and disruptions in global supply chains, so economic growth slowed significantly here, too, with a rate of 0.4% against the previous quarter. For the year as a whole, Eurostat assumes economic growth of 5.2% year-on-year for the EU and for the euro area. In December 2021, the EU unemployment rate was 6.4%, 1.1 percentage points lower than in December 2020.

In a global comparison, the European economy is therefore lagging behind the economic development in the US and China. The United States posted economic growth of 5.7% in 2021. In 2020, the first year of the pandemic, the economy there dropped by only 3.5%, as the impact of the coronavirus pandemic made itself felt later than in Europe. China reported growth as high as 8.1% in 2021, after a 2.3% increase in economic output in the previous year. The rapid economic upturn and the associated resource and material shortages resulted in historically high inflation rates in the EU as well as other major economic areas. In December 2021, the annual inflation rate in the EU was 5.3%. A year before, it had been 0.3%. The greatest contribution to the annual inflation was made by energy prices, which underwent sometimes drastic price movements over the course of the year and increased by an average of 26% across Europe.

In Germany, gross domestic product moved up by 2.7% in 2021, after a decline of 4.6% in the previous year. Despite the return to economic growth, the pre-crisis level therefore remained out of reach. Germany performed relatively poorly compared with the rest of Europe. Other countries – such as France (+7.0%), Spain (+5.0%) and Italy (+6.3%) – reported much higher economic growth for the year as a whole. In addition to declining economic output in the first quarter (-1.7% compared with the previous quarter), a key driver for the comparatively low total growth was a surprisingly weak fourth quarter (-0.7% compared with the previous quarter). The reasons for this are the necessary re-introduction of restrictions in contact-intensive services as a result of the increasing spread of the Omicron variant as well as the ongoing production difficulties in industry due to ongoing supply shortages. In particular, the shortage of important primary products and raw materials severely curbed the economic upturn in Germany as an industrial centre despite very high order backlogs. According to the ifo Institute, nearly 75% of industrial companies surveyed in November 2021 indicated that they were affected by production restrictions as a result of shortages of raw and primary materials. The ongoing shortages and the sharp rise in energy prices also resulted in strong price pressure in Germany. In December 2021, the inflation rate climbed to 5.3%, its highest level since June 1992. The average inflation rate over 2021 as a whole was 3.1%. Limited catch-up effects are expected for 2022, but in the BMWI's view this will not be associated with a macroeconomic risk.

With regard to the development in German mechanical engineering, the past financial year proceeded positively. According to the German Mechanical Engineering Industry Association (VDMA), the companies of the industrial sector in Germany have in the past year made a significant recovery from the sharp decline as a result of the 2020 coronavirus crisis. VDMA figures show that the order intake has increased by around 32% in real terms, with demand from abroad (+39%) making a particular contribution to the historically high growth. In 2021, 18% more orders came from within Germany. Accordingly, the companies started the new year with an above-average order backlog. This is one of the reasons why the association is confident that 2022 will be a successful year despite ongoing supply shortages.

Market development

In 2021, the majority of vehicles sold and held around the world continued to be equipped with conventional combustion engines. Nevertheless, the E-mobility boom continued undeterred and even gained an additional boost in places thanks to government subsidy programmes. Sales of vehicles with electric drives increased significantly in the three major markets of the EU, US and China, and electric vehicles' market share continued to grow.

According to figures from the European Automobile Manufacturers' Association (ACEA), the number of vehicles registered in the EU declined by a total of 2.4% to 9.7 million in 2021. While positive growth effects due to the coronavirus restrictions of the previous year provided support in the first half of 2021, the insufficient availability of primary and intermediate products such as semiconductors halted the growth in the final months of the year in particular. At look at largest markets in the EU shows a significant regional discrepancy in new registrations. Italy (+5.5% to 1.5 million vehicles), Spain (+1.0% to 0.9 million) and France (+0.5% to 1.7 million) posted positive growth rates. In contrast, the German automotive market contracted by 10.1% to 2.6 million newly registered vehicles in 2021.

These effects were not seen in the electric car segment. In the EU, ACEA figures show that 66.8% more battery-powered vehicles were registered than in 2020, or a total of 1.7 million new battery electric vehicles (BEV) and plug-in hybrids (PHEV). More electric cars were also newly registered in Germany over the course of 2021. Registrations surged by as much as 72.7% or 0.7 million vehicles. Overall, nearly one in five newly registered cars in the EU was equipped with an electric drive; in Germany, this rises to more than one in four.

In China, the world's largest automotive market, growth was reported in 2021 for the first time since 2018. According to the figures from the China Passenger Car Association (CPCA), the number of vehicles sold increased by 4.5% to around 20.5 million units. The lockdown in spring 2020 also resulted in a sharp increase in sales in China in the first half of 2021. However, growth stalled in the second half of 2021 due to the semiconductor shortage. Sales of electric vehicles nevertheless surged by nearly 170% to 3.5 million vehicles in the past year, with purely battery-electric vehicles leading the statistics.

According to statistics from the National Automobile Dealers Association (NADA), the vehicle market in the United States closed 2021 with growth of 3.1% to 14.9 million newly registered vehicles. The negative external influences mentioned above were equally visible here. As in other regions, vehicles with alternative drives enjoyed the strongest growth rates in the US. According to management consulting company Strategy&, registrations of electric vehicles increased by 79.6%. Compared with battery electric vehicles (BEV), which grew by 62.0%, plug-in hybrids (PHEV) in particular enjoyed stronger demand in the US. Here, new registrations increased by 140% or 0.2 million vehicles. With around 0.5 million newly registered electric vehicles in 2021, the US still remained well behind the other two major regions in terms of units, but is now delivering promising rates of growth.

For 2022, the prospects for macroeconomic development in Europe and Germany are still predominantly positive. In its 2021 autumn forecast for the European economy in 2022, the European Commission expects the resumed growth to continue. With an expected rate of 4.0%, however, the economic growth will be lower than in 2021 due to the previous year's higher base. In the European Commission's view, the forecast remains subject to a very high uncertainty and risk.

A material risk arises from the still uncertain development of the COVID-19 pandemic. The steady progress of vaccination in most EU countries means a much milder illness and therefore a comparatively low hospitalisation rate, but if there are further waves of infection and restrictions in important sectors of industry as the year progresses – due to the emergence of new virus variants, for example – this could lead to a significant deterioration of the economic situation. The duration and extent of the currently still ongoing supply and material shortages will have a considerable influence on the momentum of growth in 2022. The current forecast predicts that the supply shortages will gradually resolve themselves over the course of the year and industry can thus successively work through the accumulated order backlog. A further delay or even aggravation of the supply chain problems or of the shortage of important primary products – especially with regard to semiconductors – could therefore severely slow down the European economy's growth in the longer term. Lastly, a further risk lies in accelerated inflation in the EU. In its winter forecast, the European Commission anticipates inflation of 3.9% in the EU in 2022. With persistently high energy prices, continuing supply shortages and increasing wages as a result of the growing labour shortage, the inflation rate could nevertheless prove higher than forecast.

In its annual projection for 2022, the German government forecasts growth in gross domestic product of 3.6% this year and thus slightly higher growth than in 2021. Due to the continuing restrictions as a result of the fourth wave of the coronavirus, moderate growth is expected for the start of the year. With an assumed flattening of the infection rate and a gradual alleviation of the supply chain problems, however, growth ought to pick up significantly as the year goes on. At the same time, prices are also expected to continue rising sharply in Germany. According to current estimates, the ifo Institute assumes inflation of between 5.1% and 6.1% for 2022.

The VDMA anticipates production growth for its companies in 2022. In real terms, production is expected to increase by 7%, like in the previous year. In the coronavirus crisis of 2020, production dropped by nearly 12%.

Expectations for the development of the international automotive markets are also positive on balance. Overall, the European Automobile Manufacturers' Association (ACEA) forecasts growth of 7.9% to 10.5 million vehicles in 2022 on the basis of a stabilisation in semiconductor supply. The China Passenger Car Association (CPCA) likewise expects the Chinese automotive market to grow again in 2022. The association also recently raised its forecast for the sale of electric vehicles from 4.8 million to 5.5 million alternative-drive vehicles sold in 2022. The US market is also joining the ranks of the positive forecasts for 2022. The National Automobile Dealers Association (NADA) expects new registrations in 2022 to increase by 3.4% to around 15.4 million vehicles.

Based on the dynamic development of electrified vehicles, Aumann expects the absolute number and the relative share of electric vehicles to continue to grow significantly in the coming years. The following technological trends and political factors are supporting the transition to E-mobility:

- Regulations on emissions reductions up to banning combustion engines;
- Investment in plant conversion by car manufacturers for electric and hybrid models, partly accompanied by massive savings programmes in other areas;
- State subsidies for environmentally friendly vehicles;
- Infrastructure investment in a larger network of charging stations;
- further declines in prices for vehicles with electric and hybrid drives, also compared to vehicles with combustion engines;
- Improved range of electric vehicles thanks to more efficient engines and batteries;
- Rising demand as a result of the growing attractiveness of new vehicles with electric drives;
- Cost advantages in the operating costs of electric vehicles;
- 'All-electric society' trend

Business performance

In 2021, Aumann significantly increased its order intake by 50.4% to €236.6 million. In the E-mobility segment in particular, order intake more than doubled to €169.1 million. For the first time, the strategically important segment's order intake therefore accounted for over 70% of the total order intake and reached the highest order intake for the segment in the company's history so far. Aumann was particularly successful at acquiring orders for battery systems in 2021. Over the course of 2021, Aumann repeatedl won forward-looking, major orders for battery systems. In addition to orders for highly automated production lines for premium cars, we also demonstrated our know-how in production solutions for all-electric commercial vehicles with another major order at the end of the year. We are making a valuable contribution to carbon-neutral goods transport here and are further advancing the transition to a sustainable future. Overall, Aumann generated an order intake volume in the high double-digit million euro area in battery systems in 2021.

At €161.1 million, revenue in 2021 was 6.8% lower than in the previous year, which is attributable to the weak order intake as a result of the pandemic in 2020. Also due to the repercussions of the previous year, the EBITDA margin was -1.8% (previous year: -7.9%). Both key figures thus met the forecast, which projected revenue of €160 million and an EBITDA margin of between -2.5% and 2.5%. Adjusted EBITDA was at €-1.6 million (previous year: €1.7 million) with an adjustment of €1.3 million. For details of adjustments please see the information in the section on the earnings position.

Segment performance

Given their different market prospects, Aumann differentiates between the E-mobility and Classic segments, which are described in more detail below.

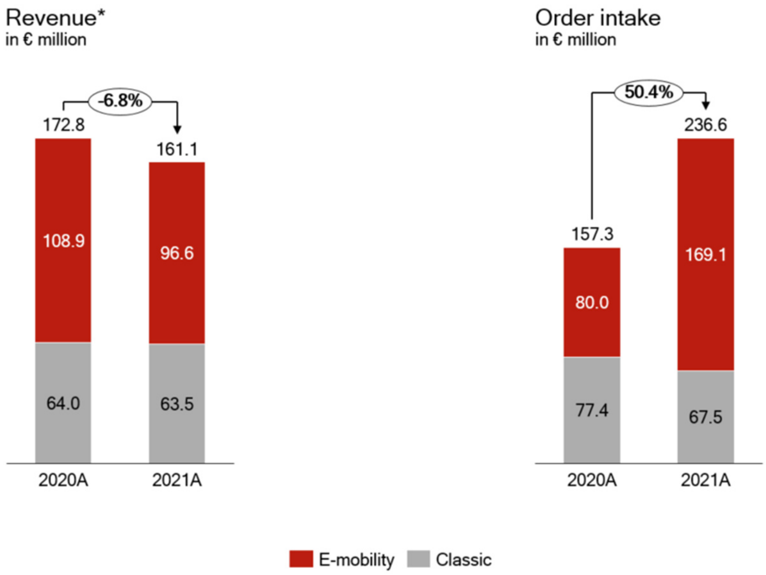
In its E-mobility segment, Aumann predominantly manufactures speciality machinery and automated production lines with a focus on the automotive industry. Aumann's offering enables customers to carry out the highly efficient and technologically advanced mass production of a wide range of electric powertrain components and modules. These range from various energy storage systems and e-traction engines to power-on-demand units and electronic components. A particular strategic focal point for Aumann is highly automated production lines for the production of energy storage and conversion systems such as the battery and the fuel cell. Aumann continued to realise high-end production and assembly solutions with renowned customers in this area in the past financial year. A further strategic focus is on production lines for electric motor components and their assembly, which enable series production thanks to product solutions featuring innovative and efficient process flows. Aumann applies highly specialised and, in some cases, unique winding and assembly technologies with which copper wire is introduced into electric components. Well-known customers from the automotive industry use Aumann technology for the series production of their latest generations of energy storage systems, e-traction engines and electric auxiliary motors in the highest quality.

Revenue in the E-mobility segment decreased by 11.2% year-on-year to €96.6 million in 2021. EBITDA amounts to €-4.3 million (previous year: €-2.0 million), corresponding to an EBITDA margin of -4.5%. Adjusted for non-recurring effects, EBITDA came to €-3.1 million with a margin of -3.2%. Cumulative order intake amounted to €169.1 million, an increase of 111.5%.

In the Classic segment, Aumann mainly manufactures speciality machinery and automated production lines for the automotive, consumer electronics, appliances and other industry sectors. Aumann's solutions include systems for the production of drive components (including built camshafts, camshaft modules, and cylinder deactivation modules) and lightweight components that reduce CO2 emissions from combustion engine vehicles. On the basis of its wide-ranging product and process knowledge from the automotive industry, Aumann is also a sought-after provider of highly automated manufacturing and assembly solutions for customers from other sectors.

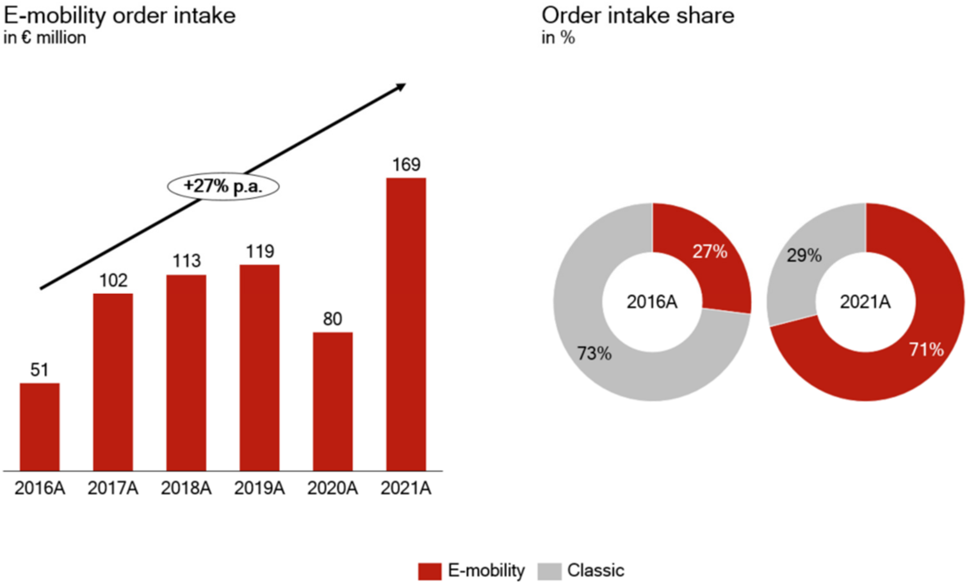
At €63.5 million, the revenue in the Classic segment in 2021 is roughly on a par with the previous year's level of €64.0 million. EBITDA amounted to €2.2 million (previous year: €-11.7 million), corresponding to an EBITDA margin of 3.4%. Adjusted for non-recurring effects, EBITDA came to €1.3 million with a margin of 2.0%. Cumulative order intake in the Classic segment amounted to €67.5 million.

The following charts illustrate the developments of the E-mobility and Classic segments with regard to revenue and order intake as well as the segment contribution to order intake. Total order intake increased by 50.4% to €236.6 million and accordingly will be steadily expressed in revenue in the ongoing 2022 financial year.



* Not shows are effects from reconciliation

While the order intake of the past 2021 financial year in Classic segment fell short of the previous year, the order intake in the E-mobility segment increased to €169.1 million, the highest figure in the company's history so far. Over the past five years, the order intake of the E-mobility segment has increased by a strong average of 27% per year, and the segment's share in total order intake has grown from 27% to 71% in the same period.



Capital measures

There were no capital measures in the 2021 financial year.

Research and development

Aumann attaches great importance to the innovative development of processes and production solutions and growing digitalisation in production. In particular, work on development projects serves the following strategic objectives:

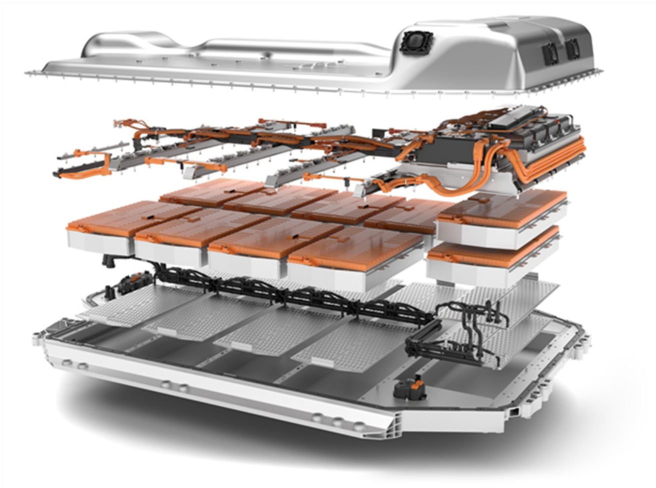
- Safeguarding technology leadership;
- Entering new areas of technology, in terms of both products and processes;
- Increasing competitiveness.

Much of the technical development by the Aumann Group is done in the context of work on customer orders. If the requirements of IAS 38 are met, the development costs are capitalised and amortised over their expected useful life. Development costs of around €1.7 million were capitalised in the 2021 financial year, corresponding to 1.1% of revenue.

Aumann pursues a selective strategy to safeguard its technological expertise in specific fields. Among other things, it achieves this through an active patent strategy in which national and international patent applications are filed. Aumann ensures legal protection for new developments at both machine and process level on a case-by-case basis, and continued to do so in the 2021 financial year. Individual (technological and market-specific) patent families are also expanded regionally on the basis of regular strategic market analyses.

Aumann also made additional advances in existing solutions as well as entirely new production technologies for key growth and future markets in 2021. In line with the Group's general strategy, there was a clear focus on developing new and existing technologies in the E-mobility segment.

Energy storage systems play a key role in electric vehicles firstly because the vehicle manufacturers can differentiate themselves according to their features and secondly because they make up a considerable portion of the vehicles' total production costs. For the highly efficient and flexible assembly of battery packs, the Aumann Group has developed and implemented effective production concepts, whereby innovative automation solutions were optimised specifically for the requirements of the fully automated assembly processes. As an established supplier in the premium OEM segment, Aumann has acquired additional major orders in this rapidly growing segment and also demonstrated its expertise with a new customer in the commercial vehicle segment.



Example of a battery system

Fuel cells are also becoming increasingly relevant in the field of energy storage systems. Aumann offers innovative solutions here. In the 2021 financial year, two contracts were sold for the series production of automated fuel cell stack production systems each with a production capacity of up to 2,500 fuel cell units per year.

In the area of stators for electric traction drives, Aumann has long offered its customers a very wide range of state-of-the-art production solutions and special-purpose machinery. A distinction is drawn between profile wire and round wire applications. With regard to profile wire applications, Aumann has particularly focused in the past year on innovative continuous hairpin solutions. In cooperation with customers, adapted product concepts have been designed including specially tailored production solutions to address inherent characteristics of the technology. This creates additional application potential for efficient series production. In hairpin technology, Aumann's portfolio includes the modular high-speed bending machine "A-HPM", a solution for a key process that is unique amongst the competition. In the reporting period, its performance, modularity and flexibility were considerably increased.

In the field of the power electronics (inverters), which with regard to the performance of electric vehicles is another distinguishing feature of the powertrain, Aumann has continued to develop plant technology for manufacturing particularly competitive products. The focus here was particularly on the successful implementation of several technological solutions for process-stable processing of individual components subject to tolerances.

Both the digitalisation of the production processes and the associated flexibilisation of processes, especially through the use of optical technologies, continue to grow in importance. Aumann is actively shaping these trends through the use of state-of-the-art technologies, for which partly application-specific, but partly also customer-specific enhancements are devised and made ready to be used in practice. The spectrum includes the virtual commissioning of entire production lines for the purpose of a digital factory, vision-assisted testing and production processes, and web services that allow customers to monitor their production lines and relevant key figures in real time.

Aumann actively promotes scientific discourse with universities and research institutes. Here, Aumann plays an active part in academic discussions by producing and publishing practice-oriented and scientific articles. This continuous dialogue was also palpably visible in the order intake in 2021. For example, Aumann will provide a full-scale technical centre for the validation of highly complex production processes relating to electric traction drives for an international university, which can also be used by industrial customers for their tests. The outstanding feature is the particular plant flexibilisation, which is currently unavailable on the market or in a freely accessible university environment.

Subsidiaries

Aumann AG had six direct subsidiaries and one indirect subsidiary as at the end of the 2021 financial year.

Employees

The number of employees not including trainees and temporary employees was 775 as at 31 December 2021 (previous year: 968). Aumann also had 87 trainees and 19 temporary employees as at the end of the year, bringing its total headcount to 881 (previous year: 1,078).

In the 2021 financial year, an extensive package of measures was implemented to optimise cost structure and vertical integration as well as to adjust capacity to the considerably reduced demand in the automotive industry. The core areas of competence for order acquisition and processing were largely unaffected by these measures. Due to the improving order situation in the second half of 2021, employees have already been selectively recruited again, especially to further strengthen the core competencies.

Results of operations, financial position and net assets

Aumann AG (notes based on HGB figures)

Aumann AG generated revenue of €2.6 million (previous year: €3.0 million) from the rental of land and buildings and the performance of services to Group companies in the 2021 financial year. Other operating income was constant at €0.1 million (previous year: €0.1 million). Revenue, together with other operating income, resulted in total performance of €2.7 million (previous year: €3.0 million).

This was offset by cost of purchased services of €0.4 million (previous year: €0.4 million), which essentially include costs for normal business operations. The staff costs of €2.7 million (previous year: €1.5 million) comprised the Executive Board remuneration and the staff costs for the employees. Other operating expenses amounted to €1.2 million (previous year: €1.4 million) and largely comprised consulting and maintenance costs.

The depreciation and amortisation of €1.5 million (previous year: €11.4 million) contained €1.1 million in specific valuation allowances on the receivable from Aumann Berlin GmbH (previous year: €7.7 million).

The net profit for the year amounted to €8.0 million, up on the previous year (€-13.0 million). This was due in particular to higher income from profit and loss transfer agreements and lower other operating expenses.

No dividend was distributed in the 2021 financial year.

Aumann AG's equity increased to €168.4 million as at the end of the reporting period (previous year: €160.3 million) as a result of earnings performance. The equity ratio rose by 1.1 percentage points to 94.6% (previous year: 93.5%).

Financial assets remained constant year-on-year at €74.1 million (previous year: €74.1 million).

The cash in hand and bank balances of Aumann AG amounted to €36.0 million as at the end of the financial year (previous year: €51.5 million). Receivables from affiliated companies increased to €56.9 million (previous year: €33.2 million). As in the previous year, this item included current loan receivables and receivables from the profit transfer agreement with Aumann Beelen GmbH.

Aumann Group

Target achievement

Key figures	Target 2021 published	Achievement 2021
Revenues (€m)	160,0	161,1
EBITDA-margin	-2,5% to +2,5%	-1,8%

Results of operations

Including capitalised development costs and other operating income, total performance declined by €4.1 million year-on-year to €174.1 million (previous year: €178.2 million). Other operating income exceeded the previous year's figure (€4.1 million) by €7.0 million. The increase was based primarily on reversals of provisions – including due to optimised restructuring plans – and securities income.

The cost of materials amounted to €111.1 million (previous year: €109.2 million). The ratio of cost of materials to revenue increased by 5.8 percentage points to 69.0% due to the reduction of the vertical integration and lower price realisation as a result of the crisis and in some cases higher material prices. The ratio of staff costs to sales decreased by 5.0 percentage points to 35.1% due to the reduction of the vertical integration. Staff costs were reduced to €56.5 million (previous year: €69.3 million).

EBITDA increased to €-2.9 million in the financial year (previous year: €-13.6 million). After depreciation and amortisation of €5.0 million (previous year: €6.2 million), the Aumann Group's EBIT amounted to €-7.9 million (previous year: €-19.8 million). Adjusted for net finance costs of €-0.7 million, EBT was

€-8.6 million (previous year: €-20.7 million). Consolidated net loss amounted to €-6.2 million (previous year: €-18.3 million) or €-0.40 per share (previous year: €-1.20 per share).

Aumann was able to optimize the restructuring measures planned in 2020 due to a market recovery that became apparent in the course of the 2021 financial year. Capacity utilisation was secured short-term through two acquired orders. On the one hand, this resulted in reversals of restructuring provisions in the amount of €4.7 million, and on the other hand, one-off expenses occurred for orders to secure capacity utilisation in the amount of €5.1 million. The reversals had a negative impact on the result, while the one-off expenses had a positive effect on the result and improved adjusted EBITDA. The adjustment of the one-off expenses of the two loss-making orders is exclusively due to the direct connection to securing capacity utilisation, which was chosen here as a milder measure compared to the restructuring plans planned originally. Personnel expenses of €0.4 million in connection with Aumann AG's stock option programme and severance payments of €0.5 million were also adjusted. The adjusted EBITDA thus amounted to €-1.6 million (previous year: €1.7 million). In addition, there were adjustments for depreciation on assets capitalised in connection with the purchase price allocation of Aumann Limbach-Oberfrohna GmbH amounting to €0.1 million, bringing adjusted EBIT to €-6.6 million (previous year: €-3.3 million).

Cumulative order intake amounted to €236.6 million as at the end of the financial year. The order backlog amounted to €176.9 million as at the end of the year.

Financial position

Cash and cash equivalents came to €72.8 million as at 31 December 2021 (previous year: €69.5 million).

Cash flow from operating activities amounted to €14.7 million (previous year: €3.7 million), because a considerable working capital reduction significantly more than compensated for the negative EBIT.

Cash flow from investing activities improved by €0.8 million to €-6.5 million, comprising investment of €-3.5 million in intangible assets, €-0.5 million in property, plant and equipment and €-2.5 million in securities. Half the additions to intangible assets of €3.5 million resulted from the capitalisation of a new ERP system at the Beelen site and half from capitalised development costs. Investments in property, plant and equipment primarily included replacement investments.

Cash flow from financing activities were down €0.7 million on the previous year at €-5.1 million. It comprised loan repayments of €-3.7 million as well as repayments of lease liabilities of €-0.7 million and interest payments of €-0.7 million.

Liquidity, including securities, totalled €103.3 million (31 December 2020: €90.2 million). Financial liabilities amounted to €12.9 million as at 31 December 2021 (previous year: €17.1 million). Accordingly, net cash from the above liabilities and cash items amounted to €90.4 million (previous year: €73.1 million).

Net assets

As at 31 December 2021, consolidated equity amounted to €189.3 million (previous year: €186.3 million). Based on total consolidated assets of €298.5 million, the equity ratio was 63.4% (previous year: 64.7%). The absolute increase was based in particular on increased market values of securities, which increased equity through other comprehensive income.

The share of total assets accounted for by non-current assets (€114.2 million) increased to 38.2% (previous year: 35.8%), primarily due to the €10.0 million increase in securities. At €184.3 million, current assets were around the previous year's level.

The decline in non-current liabilities by €7.0 million to €32.5 million largely resulted from the repayment of liabilities to banks (€3.7 million) and a reduction in pension provisions (€1.7 million), especially due to the increased discount rate. Current liabilities increased to €76.6 million (previous year: €62.1 million). Most of this change resulted from the €19.7 million increase in contract liabilities from advances received.

Summary assessment

The 2021 financial year was characterised by a significant recovery in order intake, especially in the E-mobility segment. Order intake came to €236.6 million in the year under review, which led to a considerable rise in the order backlog to €176.9 million (previous year: €102.8 million). At the same time, all measures to optimise cost structure and vertical integration as well as to adjust capacity were completed.

In its new set-up, Aumann is emerging stronger from the crisis, believes it is in a good position as regards to strategy, technology and structure, and is optimistic about the new financial year. As at the end of 2021, the company also had liquidity including securities of €103.3 million with an equity ratio of 63.4%.

Meanwhile, the course of the war in Ukraine and the associated uncertainties, especially regarding whether the conflict and associated sanctions will stay confined to the region or also result in far-reaching upheaval for the entire European or German economy, remain difficult to predict. In this context, a negative influence on the Aumann Group's financial position, results of operations and net assets cannot currently be ruled out. However, Aumann does not currently anticipate a significant threat to the operating business and the company.

Principles and objectives of financial management

The foundations of the Group's financial policy are determined by the Executive Board. The primary objectives of financial management are to safeguard liquidity and limit financial risks. Thus, some of these funds are invested in short-term, highly diversified securities, if and only to the extent that they are not required for further acquisitions, for example.

Intragroup transactions are usually conducted in euro. If necessary, currency hedging is coordinated centrally by Aumann AG. In the 2021 financial year, forward exchange contracts were concluded at nominal values of USD 546 thousand and GBP 2,517 thousand for order-related hedging. The review and monitoring of the credit risks of our contract partners and initiation of any measures (such as optimisation of payment terms, guarantees and commercial credit insurance) are the responsibility of the individual equity investments. Monitoring at Group level serves to review the effectiveness of the measures and is able to intervene further if necessary.

A key source of corporate finance is our operational business and the cash inflows it generates. However, long-term investments are financed with long-term loans. At the level of Aumann AG, there are also framework credit facilities for the German Group companies and for Aumann Technologies (China) Ltd., which were not utilised in 2021.

Controlling system

The systematic focus on increasing enterprise value is also reflected in our internal controlling system. All relevant developments in the Aumann Group are discussed in the monthly meeting of the Executive Board. The development of various key figures, in particular order intake, revenue, EBITDA and EBIT, of the Group and of the individual Group companies and their respective E-mobility shares are analysed here. Aumann AG defines consolidated revenue and EBITDA as its key financial performance indicators relevant to forecasts. The key performance indicator for controlling the Group's net assets and financial position is the net position of liquidity including securities and financial liabilities (net cash/net debt). Another key performance indicator is trade working capital, which consists of inventories, trade and completed contract receivables, advances received and trade payables. In addition to the above financial indicators of day-to-day operating business, the non-financial indicators of the non-financial statement also come into focus when the occasion demands.

Report on risks and opportunities

In the Executive Board's view, the following opportunities are available to the Aumann Group in the future:

- Rapid increase in production capacity for E-mobility
- Further electrification of the powertrain as well as other vehicle components
- Europe and especially Germany as a production location for global battery manufacturers
- Progressive focus on efficiency and environmentally friendliness of combustion engines
- Competitive advantages from special core competencies and broad technology portfolio
- Normalisation of the strained procurement market situation
- High cash and cash equivalents to generate organic and inorganic growth
- Early customer retention through development partnerships with OEMs and tier one customers

In summary, the Aumann Group has substantial opportunities from operating business and from potential organic and inorganic growth.

The management sees the following risks:

Market risks

- Geopolitical conflicts and economic effects on Aumann's markets
- Further intensification of the COVID-19 pandemic
- Political uncertainty and its economic implications
- Trade barriers that hamper access to Aumann's markets
- Deterioration of the general economic situation in Aumann's markets
- Volatility in the automotive industry, especially in the E-mobility market

- Intensification of competition, for example due to market consolidation
- Financial instability among customers as a result of the rapid changes due to E-mobility

Business risks

- Disruption of supply chains and highly inflationary price developments at suppliers
- Dependence on the growth of the automotive market, especially the E-mobility market
- Challenges in the planned internationalisation strategy
- Increased technical risks when entering new areas of technology
- Longer delivery times and the associated loss of orders
- Reduction of state incentives for E-mobility
- Rising prices and delivery times among suppliers and service providers

Legal, regulatory and tax risks

- Violation of property rights by third parties or Aumann
- Antitrust violations
- Violation of anti-corruption provisions

Financial risks

- Outstanding receivables could be paid late or not at all
- Cash and cash equivalents could be insufficient to meet financial obligations in a certain amount and at a certain date
- The funds invested in securities are subject to high fluctuations and can lose value for prolonged periods
- Withdrawal, conversion or claims for damages as a result of breaches of contract (e.g. deviations from or non-compliance with technical performance parameters and/or missing the agreed delivery deadlines)

However, there are hardly any significant currency risks that could affect the net assets, financial position and results of operations of the company as the company predominantly processes its foreign projects within the euro area or in euro. Hedging transactions are usually entered into for significant transactions in foreign currencies.

In the Aumann Group's risk warning system, there is a regular assessment of the above risks their potential effects on the Sales (e.g. order intake and sales pipeline), Finance (e.g. revenue and earnings), Operations (e.g. procurement and capacity) and Legal and Compliance divisions. This risk warning system is part of the reporting of the Executive Board to the Supervisory Board and of the management of the subsidiaries to the Executive Board.

The overall assessment of the present opportunity and risk situation as at the end of the reporting period reveals that there are no risks that jeopardise the Group as a going concern.

Meanwhile, the course of the war in Ukraine and the associated uncertainties, especially regarding whether the conflict and associated sanctions will stay confined to the region or also result in far-reaching upheaval for the entire European or German economy, remain difficult to predict. In this context, a negative influence on the Aumann Group's financial position, results of operations and net assets cannot currently be ruled out.

Principles of the risk management system and the accounting-related internal control system

The Aumann Group has established a risk management system to address the above risks. Measures are initiated at an early stage in order to prevent any disadvantage to the company. This system includes:

- Integrated equity investment controlling that uses monthly business controlling to continuously compare target, actual and forecast data at the level of the portfolio companies and the Group;
- Project controlling that monitors the operating projects of the individual companies;
- Regular management meetings within the individual companies;
- Structured M&A tools;
- Central Group monitoring of key contractual risks and legal disputes by management, the internal legal advisor, and qualified law firms as necessary.

The accounting-related internal control system is an integral component of the Aumann Group's risk management. Its primary objective is to ensure that all transactions are accurately reflected in reporting and to prevent deviations from internal or external provisions. In terms of external accounting, this means that the conformity of the financial statements with the applicable regulations must be guaranteed. Accordingly, the structure of the accounting-related internal control system and the risk management system reflects that of the reporting entities. There are uniform accounting policies in the companies of the Aumann Group. External specialists are commissioned on a case-by-case basis to control individual accounting risks, e.g. in connection with actuarial valuations.

Declaration on corporate governance

The Supervisory Board reports on corporate governance in accordance with principle 22 of the German Corporate Governance Code and section 315d HGB in conjunction with section 289f HGB. This declaration on corporate governance in accordance with section 315d in conjunction with section 289f HGB must include:

1. The declaration of compliance with the German Corporate Governance Code by the Executive Board and the Supervisory Board in accordance with section 161 of the German Stock Corporation Act;
2. The corporate governance report;
3. Relevant information on corporate governance practices going beyond the statutory requirements and details of where they are publicly accessible;
4. A description of the procedures of the Executive Board and the Supervisory Board and the composition and procedures of their committees; if this information is publicly available on the company's website, reference can be made to this fact;
5. Presentation of targets for the share of women in the Supervisory Board, Executive Board and the two management levels below Executive Board and their achievement;
6. A description of the diversity concept and succession planning for the composition of the Executive Board and the Supervisory Board.

1. Declaration in accordance with section 161 AktG

The Supervisory Board submitted the latest declaration of conformity in accordance with section 161 of the German Stock Corporation Act (AktG) on 11 March 2022. It states:

The Managing Board and the Supervisory Board of Aumann AG issued the last declaration of conformity as per section 161 of the German Stock Corporation Act (AktG) on 12 March 2021 and followed it with the deviations named therein. The following declaration renews this declaration of conformity. The Supervisory Board declares that the recommendations of the "Government Commission on the German Corporate Governance Code" (Regierungskommission Deutscher Corporate Governance Kodex, hereinafter referred to as the "Code") in the version dated 16 December 2019 have been and will be adhered to with the following exceptions.

The Code has been deviated from as follows:

- Jan-Henrik Pollitt was appointed to the Executive Board for the first time with effect from 1 July 2021 until 30 June 2026. Due to the many years of his service with the company, a deviation was made from recommendation B.3 of the Code, which provides for the initial appointment of members of the Executive Board for a maximum period of three years.
- Past consolidated financial statements and interim reports were published within the deadlines set by the German Stock Exchange (Deutsche Börse) for the Prime Standard segment. With the publication of the Annual Report 2021, the consolidated financial statements and interim reports will be made publicly available within the deadlines set in recommendation F.2 of the Code, so that this requirement of the Code will be met in future.

2. Corporate governance report

Directors' shareholdings

The shareholdings of the members of executive bodies are shown under note 9.1 in II. Notes to the consolidated statement of financial position.

Composition of the Supervisory Board

The members of the Supervisory Board must, as a whole, have practical experience in the area of management, industry expertise and business and legal knowledge. The current members of the Supervisory Board fulfil this objective.

The targets for the composition of the Supervisory Board are that

- there is at least one independent member with extensive industry expertise; and
- the diversity of the company is sufficiently represented.

Christoph Weigler is appointed as an independent member of the Supervisory Board.

The age limit for members of the Executive Board and Supervisory Board is 67 years.

The term of Supervisory Board membership for the individual members is between three and five years.

As the committee with relevant specialist expertise, the Audit Committee is entrusted among other things with the auditing of accounting, the monitoring of the accounting process, the effectiveness of the internal control system, the risk management system and the internal auditing system, as well as the auditing of financial statements and compliance. All Supervisory Board members are also members of the Audit Committee, which is chaired by Christoph Weigler.

Auditor

The Annual General Meeting of Aumann AG elected RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, as the auditor of the financial statements of Aumann AG. At no point were there any business, financial, personal or other relationships between the auditor, its executive bodies and head auditors on the one hand, and Aumann AG and the members of its executive bodies on the other, that could give rise to doubts as to the independence of the auditor. The Supervisory Board of Aumann AG issues the audit engagement to, and agrees the corresponding fees with, the auditor elected by the Annual General Meeting. When issuing the audit engagement, the Supervisory Board and the auditor also agree on the reporting duties in accordance with the German Corporate Governance Code. The auditor participates in the discussions of the Supervisory Board on the annual and consolidated financial statements and reports on the key audit findings.

Long-term bonus programme/security-based incentive systems

For details of the current long-term bonus programme, please refer to the chapter "3. Executive body remuneration" under item "VIII. Other required information".

Remuneration report

The remuneration report was prepared separately this year in accordance with § 162 of the German Stock Corporation Act (AktG) and is published, including the auditor's report, on our website https://www.aumann.com/investor-relations/hauptversammlung/.

3. Information on corporate governance practices

The Executive Board of Aumann AG complies with the applicable laws. There are no codified or publicly accessible corporate governance practices going beyond these requirements. The Supervisory Board will consider whether Group-wide regulations should be reasonably codified and published in future.

4. Working methods of the Executive Board and the Supervisory Board

As a listed German stock corporation, Aumann AG has a dual management system. The Executive Board manages the company, while the Supervisory Board appoints, monitors and advises the Executive Board. All members of the Executive Board are appointed until 30 June 2026.

The individual subsidiaries each have independent operational management teams. The management teams of Aumann AG and its subsidiaries cooperate closely on the development of the respective companies.

The Supervisory Board meets at least four times a year. Extraordinary meetings are held when special developments or measures must be discussed or decided at short notice.

The Supervisory Board assesses, at regular intervals, how effectively the Supervisory Board as a whole and its committees fulfil their tasks. The Supervisory Board sees the company's solid financial position as vindication of its work.

5. Targets for the share of women

The percentage of women on the Supervisory Board and the Executive Board of Aumann AG is 0%. This corresponds to the current target figure and is based on the resolution from 2018, which is valid for five years. In the medium term, the Supervisory Board has set itself a target of 20% female members on the Supervisory Board and the Executive Board.

6. Diversity concept/succession planning

When appointing members of the Supervisory Board and the Executive Board, the Supervisory Board will follow the requirements of the German Stock Corporation Act (AktG) by ensuring that candidates have the skills, knowledge, and experience that are required for the work of the Supervisory Board or the Executive Board. The current target is based on the resolution from 2018 and is valid for five years.

The Executive Board is relatively young with an average age of 39 years as at the end of the 2021 financial year. In addition, the company has highly qualified young managers that are successively supported in their careers and thus given the opportunity to be promoted to the Executive Board. Furthermore, Aumann is a highly attractive employer for qualified and highly motivated young talent. The Supervisory Board therefore believes that the Executive Board will continue to have qualified members at all times.

Disclosures in accordance with section 289a HGB and section 315a HGB

In accordance with sections 289a and 315a HGB, the management report must contain the following disclosures:

Composition of issued capital

The share capital reported in the statement of financial position as at 31 December 2021 of €15,250,000 consists of 15,250,000 no-par value bearer shares and is fully paid in. Each share grants the bearer one vote at the Annual General Meeting.

Restrictions on voting rights or the transfer of shares

There are no restrictions on voting rights or the transfer of shares.

Direct or indirect equity interests exceeding 10% of the voting rights

Direct or indirect equity interests exceeding 10% of voting rights are presented in the notes to the consolidated financial statements under note 9.1 in II. Notes to the consolidated statement of financial position.

Bearers of shares conferring special rights

No shares conferring special rights have been issued.

Nature of control of voting rights in the event of employee participation

There are no corresponding employee participation schemes.

Statutory provisions and regulations in the Articles of Association on the appointment and dismissal of members of the Executive Board and amendments to the Articles of Association

Members of the Executive Board are appointed and dismissed in accordance with sections 84 et seq. AktG.

In accordance with section 179(1) AktG, all amendments to the Articles of Association require a corresponding resolution by the Annual General Meeting. In accordance with Article 24 of the Articles of Association, amendments to the Articles of Association require a simple majority of the votes cast at the Annual General Meeting, to the extent that this is permitted by law; abstentions do not count as votes cast.

Article 11(2) of the Articles of Association also states that the Supervisory Board is authorised to make amendments to the Articles of Association that relate solely to their wording. In particular, the Supervisory Board is authorised to amend the wording of the Articles of Association after a full or partial increase in share capital from authorised capital (Article 4(5) of the Articles of Association) or after the authorisation period expires to reflect the extent of the capital increase from authorised capital.

Powers of the Executive Board with particular reference to the ability to issue or buy back shares

By way of resolution of the Annual General Meeting on 2 June 2021, the Executive Board is authorised in accordance with section 71(1) no. 8 AktG to buy and sell treasury shares up to an amount of 10% of the share capital as at the authorisation date until 1 June 2026. The authorisation can be exercised in full or in part, and on one or more occasions. The authorisation cannot be used for the purposes of trading in treasury shares.

The Executive Board is authorised, with the approval of the Supervisory Board, to contingently increase the share capital by up to €7,000,000.00 until 1 June 2026 (Contingent Capital 2021/I). The contingent capital increase is to be carried out only to the extent that the creditors of convertible or warrant bonds issued by the company until 1 June 2026 on the basis of the authorisation resolution of the Annual General Meeting on 2 June 2021 have exercised their conversion right and the company has not otherwise fulfilled the conversion right, or to the extent that these creditors are subject to a conversion obligation.

By way of resolution of the Annual General Meeting on 21 August 2020, the Executive Board is authorised to issue members of the Executive Board and other managers of Aumann AG and its direct and indirect subsidiaries option rights to shares in the company as part of a stock option programme ("2020 stock option programme") and, with the approval of the Supervisory Board, to contingently increase the share capital in order to fulfil this stock option by up to €300,000 by issuing 300,000 no-par value bearer shares until 30 June 2025 (Conditional Capital 2020/I). On 1 July 2021, the company granted a total of 282,800 subscription rights from the stock option programme.

In accordance with Article 4 of the Articles of Association, the Executive Board was authorised until 8 February 2022, with the approval of the Supervisory Board, to increase the share capital of the company on one or more occasions by up to a total of €5,000,000 by issuing new no-par value bearer shares in exchange for cash or non-cash contributions (Authorised Capital 2017/I). This option was not utilised.

The Executive Board is not currently authorised to increase the share capital of the company through the use of authorised capital.

Material agreements subject to the condition of a change of control as a result of a takeover bid

There are no such agreements.

Compensation agreements with members of the Executive Board or employees in the event of a takeover bid

There are no such compensation agreements.

Non-financial statement* in accordance with section 289b HGB and section 315b HGB

On the basis of the Act to Strengthen Non-Financial Reporting (CSR Directive Implementation Act) of 11 April 2017, Aumann AG hereby issues the non-financial statement for the company and the Group in accordance with section 289b HGB and section 315b HGB. The reporting period for the non-financial statement is the 2021 financial year. The quantitative disclosures cover all consolidated subsidiaries of the Aumann Group.

In line with section 289d HGB, we examined which national, European or international frameworks could be used to prepare the non-financial statement. Currently, however, we are not fully applying any framework, as the benefit-cost ratio would not be reasonable given the Aumann Group's corporate structure, and we do not consider the existing frameworks to be suitable for us.

Sustainability

Considering sustainability aspects is a central business task for Aumann. Due to the strategic focus on E-mobility, sustainability is an intrinsic part of the business model. Accordingly, various sustainability aspects are integrated into the corporate strategy, Group-wide controlling and the regular meetings of the Executive Board ("everyday activity"). Aumann's philosophy is characterised by a business focus in parallel with responsibility for the environment, employees and society, which simultaneously reinforces the future viability of the company.

Business model

Aumann is a world-leading manufacturer of innovative speciality machinery and automated production lines with a focus on E-mobility. The company combines unique winding technology for the highly efficient production of electric motors with decades of automation experience, particularly in the automotive industry. Leading companies around the world rely on Aumann solutions for the series production of purely electric and hybrid vehicle drives and on solutions for production automation. Further information on the business model as well as the individual segments can be found in the "Segment performance" section of Aumann's combined management report for 2021.

*Unaudited

Stakeholders

Investors: Our shareholders expect Aumann to act in a sustainable and responsible manner, to set a clear strategic direction and to report transparently.

Customers: Our customers are looking for a reliable partner to support them with innovative solutions while taking the necessary ecological and social responsibility.

Employees: Our employees appreciate an attractive workplace where they can use their skills according to their training. Further education and promotion for employees are part of Aumann's sustainable HR policy.

Aumann is in regular dialogue with all stakeholder groups. While the Executive Board plays a decisive role in determining Aumann's sustainability strategy by virtue of its functions, the other stakeholders are also involved in various ways, such as direct dialogue, regular financial reporting or capital market conferences and roadshows. In addition, Aumann provides further information about sustainability for interested stakeholders on the company's website at www.aumann.com.

Materiality analysis

Aumann's first material analysis in 2020 identified "employee issues" and "environmental issues" as key issues for its sustainability strategy. These aspects are discussed in more detail below. The "social issues", "respect for human rights" and "combating corruption and bribery" aspects are also discussed. Please see the table at the end of this section for an overview of material non-financial key figures.

Employees

The protection of and respect for every individual is the top priority in the Aumann Group. It goes without saying that we comply with international human rights and labour standards. We condemn all forms of discrimination, for example due to ethnic background, religion, political beliefs, gender, physical ability, appearance, age or sexual orientation. Diversity enriches our lives and our work. We promote a culture in which various mindsets and ways of working can unfold.

Our employees are our Group's most important resource, and we want to be an attractive employer for our employees and young talent. To this end, Aumann invests in its employees, be it via direct facilitation of employee education or via modern training centres in the Aumann Group. In addition to these traditional training and education measures, Aumann also maintains partnerships with universities and conducts research and development work. We thus continually foster the wealth of ideas needed in order to build on our core technological expertise for the E-mobility future.

In Aumann AG's opinion, the acquisition, retention and development of qualified employees is fundamental to a sustainable corporate governance. We recruit staff via traditional job advertisements, the use of internal recruiters and external recruitment fairs, via social media and Aumann's general positioning as an attractive employer. We wish to continue on this path in the future. There were 775 employees in our Group as at the end of the reporting period. We also employed 19 temporary employees as at 31 December 2021.

Aumann also sees supporting and challenging its employees as a significant success factor. Our employees are qualified through training and education all areas of the Group, high occupational safety standards and the targeted promotion of future managers. For example, Aumann currently employs 87 trainees and students in cooperative study programs, who thus make up 11.2% of the workforce. Aumann aims to guarantee a permanent trainee ratio of over 10%. We thus safeguard our future development and meet our societal obligations with an above-average trainee ratio.

Gender equality is a particular concern of ours. People who identify as female, male and non-binary all have equal opportunities in our Group. Because of the focus on technical occupations inherent in the business model and the under-representation of women in relevant study programmes, it remains a challenge to maintain an even ratio when filling positions. We are therefore committed to making our industry more attractive to female employees and managers. We aim to continuously increase female representation. The Executive Board and Supervisory Board of Aumann AG also plan to increase the ratio of women in the medium term, including by achieving the target of 20% female members on the Supervisory Board and the Executive Board in the medium term.

The Aumann Group employed a total of 99 women as at 31 December 2021. Nine women currently work in the management of the Aumann Group.

The Executive Board always pays attention to diversity when selecting managers and gives equal consideration to male, female and non-binary applicants. In the final decision, priority is always given to the professional and personal suitability of the person in question.

Because of its activity in the manufacturing sector, it is very important for Aumann to create a safe working environment. Employees in production are generally exposed to greater health risks. We therefore set high safety standards, especially with regard to handling hazardous substances and other safety hazards.

We promote our employees' awareness and ability to work safely by offering regular training and education. Reportable workplace accidents are recorded continuously and evaluated at regular intervals. The number of reportable workplace accidents decreased from 13 in the previous year to 11 in the past financial year. As in the previous year, the number of fatal accidents was zero. Our aim is to avoid workplace accidents entirely.

Environment

The responsible use of natural resources is an important topic at all levels of the Aumann Group, as operating decisions in our company always have ecological ramifications. This applies to the use of commodities and materials and to energy efficiency, but especially to the impact of our products and services on our customers' environmental protection targets. Aumann makes a vital contribution to environmental protection via the responsible use of resources and high energy efficiency. In our company, for example, relevant standards have already been complied with and energy and environmental management systems implemented and certified. We aim to operate our German production sites and office buildings carbon neutrally by 2030. A milestone on this journey will be to supply the German sites entirely with renewable energy by 2025.

Aumann makes a vital contribution to emissions reduction and environmental protection. The company provides speciality machinery and highly automated production solutions, which enable customers to carry out the highly efficient and technologically advanced mass production of a wide range of electric powertrain components and modules. A particular focal point is production lines for the production of energy storage and conversion systems such as the battery and the fuel cell. Aumann continued to realise high-end production and assembly solutions with renowned customers in this area in the past financial year. In addition to production lines for premium cars, this also comprises production solutions for all-electric commercial vehicles. Aumann is making a valuable contribution to carbon-neutral goods transport here and further advancing the transition to a sustainable future. Another focal point is production lines for e-traction engines, power-on-demand units and electronic components, where Aumann enables series production with innovative process flows. However, Aumann's systems for the production of drive components for combustion engines, such as transmissions, built camshafts, cylinder activation and deactivation modules and lightweight components, also make a contribution to reducing CO2 emissions in the traditional business. Our employees already consider efficiency and environmental protection in the development phase of our production solutions. And in order to counteract the consumption of resources as growth increases, we also help our customers to recycle our production lines and make our contribution to the circular economy.

Material environmental risks associated with our products and services result from accidents and incidents that are unlikely but cannot be completely ruled out. We have established processes to deal with theoretical accidents with effects on environmental aspects. Risks likewise result from the base materials used, some of which can be toxic in their unprocessed state. This risk is countered with high quality requirements for our suppliers and high quality standards.

Social issues, respect for human rights, and combating corruption and bribery

Social issues: Respectful and social dealings with our stakeholders on the customer and supplier side are a precept for our activities. We firmly believe that continuous product innovation, fair treatment of suppliers and constant dialogue with our customers are an important requirement for our business success. Voluntary social projects and other social activities are not subject to a central management process, but are rather organised locally by the managers of the companies, as the projects often have a regional focus.

Respect for human rights: Aumann operates globally and respects the human rights of employees, suppliers and business partners in its day-to-day work. We see no risks of remuneration below the market standard, inappropriate working hours, or the restriction of freedom of assembly or equal rights in the Group or at our suppliers. Aumann is committed to compliance with internationally recognised human rights standards and does not tolerate any form of slavery, forced labour, child labour, human trafficking or exploitation in its own business activities or supply chain.

Combating corruption and bribery: We have always seen compliance with legal requirements and guidelines and correct business conduct as a central component of sustainable corporate governance. A compliance management system was established in order to abide by this long-practised maxim and is developed on a continuous basis. The existing codes of conduct and the Group's anti-corruption guideline serve as a framework for regulating conduct in the company and with third parties. The code of conduct is fleshed out with guidelines and instructions developed further. In addition, the individual companies or their compliance officers are obliged to submit regular compliance reports to Aumann AG and to report any incidents that occur.

Negative effects and risks of business activity

In our view, there are no material risks from our business activity, our products or our services that could have a significant negative impact on employee, environmental or social issues or lead to a violation of human rights or corruption.

Overview of material non-financial key figures

	2021	2020
Employees		
Share of female employees in relation to total employees	12,8%	12,8%
Number of female executives	9	8
Share of temporary workers in relation to total employees	2,4%	0,5%
Number of apprentices	87	105
Number of employees in cooperative study programs	38	34
Apprenticeship quota	11,2%	10,8%
Reportable work accidents	11	13
Deadly work accidents	0	0
Environment		
Energy intensity in MWh / €m revenue	35	36
Water intensity in m3 / €m revenue	20	27
Waste intensity in t / €m revenue	1,3	1,2
Social		
Charitable donations and sponsoring locally in €k (culture, education, sports, social)	7	4

EU taxonomy

In accordance with the EU Taxonomy Regulation and the supplementary delegated acts, we disclose the proportion of our Group-wide revenue, capital expenditure and operating expenditure for the 2021 financial year that is taxonomy-eligible with regard to the environmental objectives “climate change mitigation” and “climate change adaptation” currently set out in the EU taxonomy for the first time below.

The EU taxonomy aims to promote flows of investment from the finance sector to companies that conduct environmentally sustainable activities. It is thus intended to help the EU to implement the European Green Deal. The EU taxonomy is also intended to create a shared understanding of the environmental sustainability of activities and investments. Furthermore, the regulation obliges companies to report on these economic activities. In mid-2021, criteria for the first environmental objectives “climate change mitigation” and “climate change adaptation” of the taxonomy were included in EU legislation.

For the 2021 financial year, the regulation takes effect with expedients for reporting, so the following disclosures relate only to the taxonomy-eligibility of the economic activities and not to their taxonomy-alignment. Moreover, these disclosures relate only to the environmental objectives “climate change mitigation” and “climate change adaptation”.

Approach to impact analysis

The first step to determine taxonomy-eligibility was to determine the taxonomy-eligible activities in the Aumann Group by reference to the definitions of NACE codes referenced in Annexes 1 and 2 of the Act on Regulation (EU) 2020/852. In addition, the definitions of the key performance indicators revenue, operating expenditure (OpEx) and capital expenditure (CapEx) provided in Annex 1 of the Regulation were analysed and data gathered for the respective reference values (denominator of the KPI). Especially with regard to operating expenditure, the relevant cost types were identified. For the taxonomy-eligible activities, approaches were then determined for the assessment and ascertainment of the corresponding revenue, operating expenditure and capital expenditure.

Due to the ongoing dynamic developments with regard to the formulation of the EU Taxonomy Regulation, there are currently still uncertainties about how to interpret the wording and terminology contained therein. Adjustments could therefore be made to the impact analysis in the future.

Identified taxonomy-eligible economic activities

The following economic activities were identified as taxonomy-eligible:

- Production of other low-CO2 technologies

Analysis and calculation

The assessment of the taxonomy-eligibility of revenue is based on revenue as defined and reported in the consolidated financial statements.

The EU taxonomy's definition for the calculation of relevant operating expenditure comprises expenses for research and development, building renovation measures, short-term leasing, maintenance and repair, and other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment, which are recognised under other operating expenses in the consolidated income statement.

To determine the proportion of taxonomy-eligible operating expenditure for a project with taxonomy-eligible revenue at Aumann, the associated operating expenditure was counted as taxonomy-eligible pro rata.

Capital expenditure includes additions to property, plant and equipment and intangible assets (including acquisitions, not including goodwill in accordance with the EU taxonomy).

Results of the analysis

The table below shows the taxonomy-eligible KPIs for the Aumann Group.

EU-taxonomy	Total €k	Taxonomy-eligible €k	Taxonomy-eligible %
Revenue	161,127	96,612	60%
Operating expenditure (OpEx)	1,752	0	0%
Capital expenditure (CapEx)	4,449	1,426	32%

Disclosures in accordance with section 312(3) AktG

According to the circumstances known to us at the time at which the transactions and measures stated in the dependent company report were executed, implemented or omitted, our company received appropriate consideration for every transaction and was not disadvantaged by the implementation or omission of any measures.

Report on expected developments

Given the good order situation, the company expects revenue to increase to over €200 million in 2022. Although the profitability in the order backlog is still partially influenced by the challenging market situation of the last two years, management expects the EBITDA margin to grow to between 4% and 5% in 2022. The company will thus gradually return to profitability and increase its capacity again over the course of the financial year.

This forecast is based on the fact that Aumann currently has no direct supply relationships with Russian or Ukrainian business partners and the assumption that the war in Ukraine will not escalate further.

Beelen, 30 March 2022

Sebastian Roll
Chief Executive Officer

Jan-Henrik Pollitt
Chief Financial Officer

Aumann AG condensed annual financial statements for 2021

Income statement (HGB)	2021 €k	2020 €k
Revenue	2.633	2.963
Other operating income	57	53
Cost of purchased services	-367	-391
Staff costs	-2.716	-1.527
Depreciation and amortisation	-1.513	-11.408
Other operating expenses	-1.219	-1.433
Income from profit transfer agreement	10.571	0
Other interest and similar income	1.319	1.368
Interest and similar expenses	-237	-199
Income tax expense / Other taxes	-577	-442
Expenses from loss transfer agreement	0	-1.977
Net profit for the year	**7.951**	**-12.993**
Profit carried forward from the previous year	606	13.599
Unappropriated surplus	**8.557**	**606**

Statement of financial position (HGB) Assets	31 Dec 2021 €k	31 Dec 2020 €k
Property, plant and equipment	10.876	11.244
Financial assets	74.095	74.095
Noncurrent assets	**84.971**	**85.339**
Receivables and other assets	57.089	34.716
Cash in hand and bank balances	35.991	51.455
Current assets	**93.080**	**86.171**
Total assets	**178.051**	**171.510**
Equity and liabilities	€k	€k
Shareholders' equity	**168.439**	**160.293**
Provisions	**1.579**	**648**
Liabilities	**8.033**	**10.569**
Total Equity and liabilities	**178.051**	**171.510**

Appropriation of earnings

The net profit of €7,951 thousand together with the profit carried forward results in unappropriated surplus of €8,557 thousand. The Executive Board and the Supervisory Board will propose to the Annual General Meeting the payment of a dividend. This will amount to € 1,525,000 or 10 € cents per share.

IFRS consolidated financial statements for 2021

IFRS consolidated statement of comprehensive income	Notes	1 Jan - 31 Dec 2021 €k	1 Jan - 31 Dec 2020 €k
Revenue	III.1.	**161.127**	**172.833**
Increase (+)/decrease (-) in finished goods and work in progress		2	-662
Operating performance		**161.129**	**172.171**
Capitalised development costs		1.741	1.892
Other operating income	III.2.	11.197	4.090
Total performance		**174.067**	**178.153**
Cost of raw materials and supplies		-94.023	-89.918
Cost of purchased services		-17.048	-19.319
Cost of materials		**-111.071**	**-109.237**
Wages and salaries		-47.066	-56.181
Social security and pension costs		-9.389	-13.082
Staff costs		**-56.455**	**-69.263**
Other operating expenses	III.3.	-9.420	-13.265
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)		**-2.879**	**-13.612**
Amortisation and depreciation expense	III.4.	-4.998	-6.142
Earnings before interest and taxes (EBIT)		**-7.877**	**-19.754**
Other interest and similar income	III.5.	15	46
Interest and similar expenses	III.6.	-730	-985
Net finance costs		**-715**	**-939**
Earnings before taxes (EBT)		**-8.592**	**-20.693**
Income tax expense	III.7.	2.950	2.478
Other taxes	III.7.	-518	-112
Consolidated net loss		**-6.160**	**-18.327**
Earnings per share (in €) - undiluted	III.8.	-0,40	-1,20
Earnings per share (in €) - diluted	III.8.	-0,37	-1,20

IFRS consolidated statement of comprehensive income	Notes	1 Jan - 31 Dec 2021 €k	1 Jan - 31 Dec 2020 €k
Consolidated net profit		**-6.160**	**-18.327**
Items that may be reclassified subsequently to profit and loss			
Currency translation changes		513	-108
Fair Value Reserve - Debt instruments	II.9.3.	3	-106
Items that will not be reclassified to profit and loss			
Fair Value Reserve - Equity instruments	II.9.3.	7.210	1.486
Remeasurement of defined benefit obligation	II.10.	1.796	330
Deferred Tax Liabilities		-547	-101
Other comprehensive income after taxes		**8.975**	**1.501**
Comprehensive income for the reporting period		**2.815**	**-16.826**

Statement of financial position Assets (IFRS)	Notes	31 Dec 2021 €k	31 Dec 2020 €k
Non-current assets			
Own produced intangible assets	II.1.	9.945	9.518
Concessions, industrial property rights and similar rights	II.1.	2.909	503
Goodwill	II.1.	38.484	38.484
Advance payments	II.1.	0	1.145
Intangible assets		**51.338**	**49.650**
Land and buildings including buildings on third-party land	II.1.	24.348	25.134
Technical equipment and machinery	II.1.	2.817	3.452
Other equipment, operating and office equipment	II.1.	2.599	3.602
Advance payments and assets under development	II.1.	416	413
Property, plant and equipment		**30.180**	**32.601**
Financial assets	II.7.	**30.442**	**20.444**
Deferred tax assets	II.8.	**2.198**	**475**
		114.158	**103.170**
Current assets			
Raw materials and supplies	II.3.	1.254	1.776
Work in progress	II.3.	2.084	1.314
Finished goods	II.3.	0	149
Advance payments	II.3.	5.493	4.949
Inventories		**8.831**	**8.188**
Trade receivables	II.4.	26.469	31.108
Contractual assets	II.5.	73.942	70.906
Other current assets	II.6.	2.265	4.819
Trade receivables and other current assets		**102.676**	**106.833**
Securities	II.7.	**61**	**340**
Cash in hand	V.	8	9
Bank balances	V.	72.747	69.441
Cash in hand, bank balances		**72.755**	**69.450**
		184.323	**184.811**
Total assets		**298.481**	**287.981**

Statement of financial position Equity and liabilities (IFRS)	Notes	31 Dec 2021 €k	31 Dec 2020 €k
Equity			
Issued capital	II.9.	15.250	15.250
Capital reserves	II.9.	141.112	140.918
Retained earnings	II.9.	32.985	30.170
		189.347	**186.338**
Non-current liabilities			
Pension provisions	II.10.	20.524	22.246
Liabilities to banks	II.11.	8.274	11.992
Liabilities from Leasing	II.11.	364	753
Other provisions	II.13.	1.100	838
Deferred tax liabilities	II.8.	1.369	2.669
Other liabilities	II.12.	897	1.005
		32.528	**39.503**
Current liabilities			
Other provisions	II.13.	13.942	11.163
Trade payables	II.11.	21.023	25.878
Contractual obligations	II.11.	23.574	3.878
Provisions with the nature of a liability	II.13.	7.771	5.894
Restructuring provisions	II.13.	214	7.517
Liabilities to banks	II.11.	3.718	3.719
Liabilities from Leasing	II.11.	584	623
Tax provisions	II.13.	654	1.124
Other liabilities	II.12.	5.126	2.344
		76.606	**62.140**
Total equity and liabilities		**298.481**	**287.981**

Consolidated statement of cash flows	1 Jan - 31 Dec 2021 €k	1 Jan - 31 Dec 2020 €k
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	**-7.877**	**-19.754**
Adjustments for non-cash transactions		
Write-downs on non-current assets	4.998	6.142
Increase (+)/decrease (-) in provisions	-4.189	7.713
Gains (+)/ Losses (-) from disposal of PPE	0	0
Other non-cash expenses/income	572	334
	1.381	**14.189**
Change in working capital:		
Increase (-)/decrease (+) in inventories, trade receivables and other assets	2.064	32.395
Decrease (-)/increase (+) in trade payables and other liabilities	19.393	-21.867
	21.457	**10.528**
Income taxes paid	-249	-1.353
Interest received	15	46
	-234	**-1.307**
Cash flow from operating activities	**14.727**	**3.656**
2. Cash flow from investing activities		
Investments in (-)/divestments of (+) intangible assets	-3.494	-3.241
Investments in (-)/divestments of (+) property, plant and equipment	-588	-1.067
Investments in (-)/ divestments of (+) of available-for-sale financial assets and securities	-2.507	-3.071
Cash from disposal of assets	64	45
Cash flow from investing activities	**-6.525**	**-7.334**
3. Cash flow from financing activities		
Profit distribution to shareholders	0	0
Proceeds from borrowing financial loans	0	0
Repayments of financial loans	-3.719	-3.719
Repayments of leasing liabilities	-646	-1.075
Interest payments	-730	-985
Cash flow from financing activities	**-5.095**	**-5.779**
Cash and cash equivalents at end of period		
Change in cash and cash equivalents (Subtotal 1-3)	3.107	-9.457
Effects of changes in foreign exchange rates (no cash effect)	198	-25
Cash and cash equivalents at start of reporting period	69.450	78.932
Cash and cash equivalents at end of period	**72.755**	**69.450**
Composition of cash and cash equivalents		
Cash in hand	8	9
Bank balances	72.747	69.441

Reconciliation to liquidity reserve on 31 Dec	2021	2020
Cash and cash equivalents at end of period	72.755	69.450
Securities	30.503	20.784
Liquidity reserve on 31 Dec	**103.258**	**90.234**

Statement of changes in consolidated equity

	Issued capital	Capital reserves	Retained earnings: Currency translation difference	Retained earnings: Fair Value Reserve	Retained earnings: Pension Reserve	Retained earnings: Generated consolidated equity	Consolidated equity
	€k	€k	€k	€k	€k	€k	€k
1 Jan 2020	**15.250**	**140.918**	**-1**	**1.567**	**-4.130**	**49.560**	**203.164**
Dividends paid	0	0	0	0	0	0	0
Subtotal	**15.250**	**140.918**	**-1**	**1.567**	**-4.130**	**49.560**	**203.164**
Amounts recognised in other comprehensive income	0	0	0	1.380	229	0	1.609
Currency translation difference	0	0	-108	0	0	0	-108
Consolidated net profit	0	0	0	0	0	-18.327	-18.327
Total comprehensive income	**0**	**0**	**-108**	**1.380**	**229**	**-18.327**	**-16.826**
31 Dec 2020	**15.250**	**140.918**	**-109**	**2.947**	**-3.901**	**31.233**	**186.338**
Dividends paid	0	0	0	0	0	0	0
Subtotal	**15.250**	**140.918**	**-109**	**2.947**	**-3.901**	**31.233**	**186.338**
Amounts recognised in other comprehensive income	0	0	0	7.213	1.249	0	8.462
Currency translation difference	0	0	513	0	0	0	513
Consolidated net profit	0	0	0	0	0	-6.160	-6.160
Total comprehensive income	**0**	**0**	**513**	**7.213**	**1.249**	**-6.160**	**2.815**
Capital increase	0	194	0	0	0	0	194
31 Dec 2021	**15.250**	**141.112**	**404**	**10.160**	**-2.652**	**25.073**	**189.347**

Notes to the consolidated financial statements for 2021

I. Methods and principles

1. Basic accounting information

1.1 Information on the company

Aumann AG (Aumann) is headquartered at Dieselstrasse 6, 48361 Beelen, Germany. It is entered in the commercial register of the Münster District Court under HRB 16399. It is the parent company of the Aumann Group.

Aumann AG is a leading international supplier of production solutions for the automotive industry and other industries with a focus on E-mobility.

The consolidated financial statements of Aumann AG for the 2021 financial year were approved by the Supervisory Board of Aumann AG on 30 March 2022.

1.2 Accounting policies

The consolidated financial statements for the year ended 31 December 2021 are prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as adopted by the EU and applicable at the end of the reporting period. The term “IFRS” includes the International Accounting Standards (IAS) still applicable, the International Financial Reporting Standards (IFRS) and the interpretations of the Standing Interpretations Committee (SIC) and of the International Financial Reporting Interpretations Committee (IFRIC).

Application of new and amended standards

The following new or amended standards were effective for the first time in the 2021 financial year, but had no material effect on the consolidated financial statements:

Regulation	Title
IFRS 4	Insurance Contracts
IFRS 16	Leases - Covid-19-Related Rent Concessions
IFRS 9 / IAS 39 / IFRS 7 / IFRS 4 / IFRS 16	Interest Rate Benchmark Reform Phase 2

Standards not listed in the following overview are of minor significance to the Aumann Group.

Regulation	Title	Application	Effects
	Annual Improvements 2018 - 2020	01.01.2022	no material effects
IAS 16	Propert, Plant and Equipment	01.01.2022	no material effects
IFRS 3	Business Combination	01.01.2022	no material effects
IAS 1	Presentation of Financial Statements	01.01.2023	no material effects
IAS 8	Accounting policies, changes in accounting estimates and errors	01.01.2023	no material effects
IAS 12	Income taxes	01.01.2023	no material effects
IAS 37	Provisions, contingent liabilities and contingent assets	01.01.2023	no material effects
IFRS 17	Insurance Contracts	01.01.2023	no material effects

1.3 Company law changes and structural changes in 2021

There were no company law or structural changes in the 2021 financial year.

2. Consolidated group

In addition to the parent company Aumann AG, the companies listed below are included in the consolidated financial statements. The ownership interests are calculated by multiplying the number of shares held in the respective company. The companies listed in bold hold direct or indirect interests in the companies below them.

Companies included in the consolidated financial statements Name and registered office of the company	Ownership interest in %
Subsidiaries (fully consolidated)	
Aumann AG, Beelen, Deutschland	**100,00**
Aumann Beelen GmbH, Beelen, Deutschland	100,00
Aumann Berlin GmbH, Beelen, Deutschland	**100,00**
Aumann Winding and Automation Inc., Clayton, USA	100,00
Aumann Espelkamp GmbH, Espelkamp, Deutschland	100,00
Aumann Immobilen GmbH, Espelkamp, Deutschland *	94,90
Aumann Limbach-Oberfrohna GmbH, Limbach-Oberfrohna, Deutschland	100,00
Aumann Technologies (China) Ltd., Changzhou, China	100,00

* No non-controlling interests are reported on account of a purchase option

3. Principles of consolidation

The consolidated financial statements comprise the financial statements of Aumann AG and its subsidiaries as at 31 December of each financial year. The financial statements of the subsidiaries are prepared using uniform accounting policies and for the same reporting period as the financial statements of the parent company. The reporting date for all subsidiaries included in the consolidated financial statements is 31 December of the relevant financial year.

Subsidiaries are the companies controlled by Aumann AG. Control exists when an entity has the power of disposal over another entity. This is the case if there are rights embodying a present ability to control the significant activities of the other entity. Significant activities are those activities affecting the return generated by an entity. Subsidiaries are consolidated from the date on which the parent can control the subsidiary and ends when this is no longer possible.

Acquisition accounting is performed using the purchase method in accordance with IFRS 3, under which the acquisition cost of the acquired shares is offset against the proportion of the acquired subsidiary's equity attributable to the parent company at the acquisition date. All identifiable assets, liabilities and contingent liabilities are recognised at fair value and included in the consolidated statement of financial position. If the cost exceeds the fair value of the net assets attributable to the Group, the difference is capitalised as goodwill.

The share of the subsidiary's assets, liabilities and contingent liabilities attributable to non-controlling interests is also recognised at fair value. Receivables and liabilities between the consolidated companies are offset against each other. This also applies to intragroup transactions and to intragroup revenue, income and expenses. Accordingly, the earnings of the subsidiaries acquired during the financial year are included in the consolidated statement of comprehensive income from the date the acquisition becomes effective or until the disposal date respectively.

4. Presentation of accounting policies

4.1 General information

With the exception of the remeasurement of certain financial instruments, the consolidated financial statements were prepared using the historical cost method. Historical cost is generally based on the fair value of the consideration paid in exchange for the asset.

The statement of financial position is structured according to current and non-current assets and liabilities. The statement of comprehensive income is prepared in line with the nature of expense method for calculating the consolidated net profit for the period.

4.2 Reporting currency

The consolidated financial statements are prepared in euro, as the majority of Group transactions are conducted in this currency. Unless stated otherwise, all figures are rounded up or down to thousands of euro in line with standard commercial practice. The amounts are stated in euro (€), thousands of euro (€ thousand) and millions of euro (€ million).

4.3 Currency translation

Each company within the Group determines its own functional currency. The items included in the financial statements of the respective company are measured using this functional currency. Foreign currency transactions are then translated into the functional currency at the spot exchange rate on the date of the transaction.

Foreign currency monetary assets and liabilities are translated into the functional currency at the end of each reporting period using the closing rate. All exchange differences are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

The assets and liabilities of the foreign operation are translated into euro at the closing rate. Income and expenses are translated at the average exchange rate for the financial year. The resulting exchange differences are recognised as a separate component of equity.

The following exchange rates were applied (for €1.00):

	Closing rate 31 Dec 2021	Average rate 2021
Chinese renminbi (CNY)	7,1947	7,6351
US-Dollar (USD)	1,1326	1,1851

	Closing rate 31 Dec 2020	Average rate 2020
Chinese renminbi (CNY)	8,0225	7,8708
US-Dollar (USD)	1,2271	1,1413

4.4 Intangible assets

Intangible assets not acquired as part of a business combination are initially carried at cost. The cost of an intangible asset acquired in a business acquisition corresponds to its fair value at the acquisition date.

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will be received by the enterprise and the cost of the asset can be measured reliably.

Development costs are capitalised at cost to the extent that expenses are directly attributable and, in addition to technical feasibility, a future economic benefit from use is likely. In accordance with IAS 38, research costs cannot be capitalised and are therefore recognised as an expense in profit or loss.

For the purposes of subsequent measurement, intangible assets are recognised at cost less cumulative amortisation and cumulative impairment losses (reported under amortisation). Intangible assets (not including goodwill) are amortised on a straight-line basis over their estimated useful life. The amortisation period and amortisation method are reviewed at the end of each financial year.

Apart from goodwill, the Group does not have any intangible assets with indefinite useful lives.

The cost of acquisition of new software is capitalised and treated as an intangible asset unless it forms an integral part of the associated hardware. Software is amortised on a straight-line basis over a period of three to five years.

Capitalised development costs are amortised on a straight-line basis over a period of up to seven years.

Costs incurred to restore or maintain the future economic benefits that the company had originally expected are recognised as an expense.

Gains and losses from the disposal of intangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in profit or loss in the period in which the asset is disposed of.

4.5 Goodwill

Goodwill from business combinations is the residual amount of the excess of the cost of the business combination over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill is not amortised but instead tested for impairment at least once a year in accordance with IAS 36. For the purposes of impairment testing, the goodwill acquired in the business combination is allocated to the cash-generating units (CGUs) of the Group that benefit from the combination starting from the acquisition date. Goodwill is then written down if the recoverable amount of a cash-generating unit is lower than its carrying amount. Once recognised, impairment losses on goodwill are not reversed in future periods.

4.6 Property, plant and equipment

Property, plant and equipment is recognised at cost less cumulative depreciation and cumulative impairment losses. The cost of an item of property, plant and equipment consists of the purchase price and other non-refundable purchase taxes incurred in connection with the purchase as well as all directly attributable costs incurred to bring the asset to its location and to bring it to working condition for its intended use. Subsequent expenditure, such as servicing and maintenance costs, that is incurred after the non-current asset is put into operation is expensed in the period in which it is incurred. If it is likely that expenditure will lead to additional future economic benefits to the company in excess of the originally assessed standard of performance of the existing asset, the expenditure is capitalised as an additional cost.

Assets newly identified in the course of acquisitions are measured at the fair value (market value) calculated at the acquisition date, which is then depreciated over the subsequent periods.

Depreciation is calculated on a straight-line basis over the expected useful economic life, assuming a residual value of €0.00. The following estimated useful lives are used for the individual asset groups:

Buildings and exterior installations:	10 to 33 years
Technical equipment and machinery:	10 to 12 years
Computer hardware:	3 years
Other office equipment:	5 to 13 years

Land is not depreciated.

The useful life, the depreciation method for property, plant and equipment and the residual values are reviewed periodically.

If items of property, plant and equipment are disposed of or scrapped, the corresponding cost and the cumulative depreciation are derecognised. Any realised gain or loss from the disposal is reported in the statement of comprehensive income. The profit or loss resulting from the sale of an item of property, plant and equipment is determined as the difference between the proceeds from the sale and the carrying amount of the asset and is recognised in profit or loss.

4.7 Leases

All contracts that transfer the right to use a specific asset for a period of time in return for consideration are deemed leases. This also applies to contracts that do not expressly describe the transfer of such a right. In particular, the Group uses properties, vehicles and other technical equipment and machinery as a lessee.

As a lessee, the Group recognises right-of-use assets for leased assets and liabilities for the payment obligations entered into for all leases at present value in its statement of financial position. Lease liabilities include the following lease payments:

- Fixed payment, including in-substance fixed payments, less lease incentives yet to be paid by the lessor;
- Variable payments that depend on an index or a rate;
- Amounts expected to be payable on the basis of residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Variable lease payments are not included in the measurement of the lease liability. Lease payments are discounted at the interest rate implicit in the lease, if this can be readily determined. Otherwise they are discounted using the incremental borrowing rate. Aumann uses the incremental borrowing rate. This incremental borrowing rate is a risk-adjusted interest rate derived for the specific term and currency, also taking into account the credit rating of the individual Group companies.

The right-of-use asset is initially measured at cost as at the commencement date. This consists of the amount of the initial measurement of the lease liability, the lease payments made at or before the commencement date of the lease less any incentives received, any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The right-of-use asset is subsequently measured at cost less cumulative depreciation and adjustments required to remeasure the lease liability upon the occurrence of certain events. The right-of-use asset is depreciated on a straight-line basis over the term of the lease.

For contracts that contain lease and non-lease components, these components are separated.

Some leases, in particular those for property, include extension options. These contractual terms offer the Group the greatest possible flexibility. When determining the lease term, all facts and circumstances that create an economic incentive to exercise extension options are taken into account. When determining the term of the lease, such options are only taken into account if they are reasonably certain. The assessment of whether options are reasonably certain to be exercised affects the term of the lease and can therefore have a significant influence on the measurement of the lease liabilities and the right-of-use assets.

Aumann exercises the option under IFRS 16 not to recognise right-of-use assets and lease liabilities for low-value (i.e. value of underlying asset €5,000 or less on acquisition) and short-term leases (remaining term of twelve months or less). The lease payments associated with these leases are recognised as an expense on a straight-line basis over the term of the lease.

Aumann does not act as a lessor. Aumann has no investment property.

4.8 Borrowing costs

Borrowing costs are expensed in the period in which they are incurred, unless they are incurred for the acquisition, construction or manufacture of qualifying assets. In this case, the borrowing costs are added to the cost of these assets.

4.9 Impairment of non-financial assets

Non-financial assets are tested for impairment when facts or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For impairment testing, the recoverable amount of the asset or the cash-generating unit (CGU) must be determined. The recoverable amount is the higher of the fair value less costs to sell and the value in use. The fair value less costs to sell is defined as the price obtainable from the sale of an asset or CGU between knowledgeable, willing and independent parties less costs of disposal. The value in use of an asset or CGU is determined by the present value of an estimated anticipated cash flow on the basis of its current use. If the recoverable amount falls below the carrying amount, an impairment loss in the amount of the difference is immediately recognised in profit or loss.

An adjustment in profit or loss of impairment recognised in profit or loss in previous years is carried out for an asset (except for goodwill) if there are indications that the impairment no longer exists or could have decreased. The reversal is recognised in the income statement as income. However, the increase in value (or reduction in impairment) of an asset is only recognised to the extent that it does not exceed the carrying amount that would have resulted if no impairment loss had been recognised in the previous years (taking depreciation into account).

4.10 Financial instruments – initial recognition and subsequent measurement

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

I) Financial assets

Initial recognition and measurement

On initial recognition, financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss.

The classification of financial assets on initial recognition is dependent on the characteristics of the contractual cash flows of the financial assets and the Group's business model for managing its financial assets. Except for trade receivables that do not contain a significant financing component, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price calculated in accordance with IFRS 15.

To ensure that a financial asset can be classified and measured as at amortised cost or fair value through other comprehensive income, cash flows must consist solely of payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at the level of the individual financial instrument.

The Group's business model for managing financial assets reflects how an entity manages its financial assets to generate cash flows. Depending on the business model, cash flows arise from collecting contractual cash flows, the sale of financial assets or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income with reclassification of cumulative gains and losses (debt instruments);
- Financial assets at fair value through other comprehensive income without reclassification of cumulative gains and losses on derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This is the category most relevant to the Group financial statements. The Group measures financial assets at amortised cost when both the following conditions are met:

The financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost are subsequently measured using the effective interest rate method and are tested for impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or becomes impaired.

The Group's financial assets measured at amortised cost essentially comprise trade receivables and contract assets.

Financial assets at fair value through other comprehensive income (debt instruments)

The Group measures debt instruments at fair value through other comprehensive income if both the following conditions are met:

- The financial asset is held within the framework of a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments measured at fair value through other comprehensive income, interest income, gains and losses on currency translation and impairment losses or reversals of impairment losses are recognised in profit or loss and calculated in the same way as for financial assets measured at amortised cost. The remaining changes in fair value are recognised in other comprehensive income. On derecognition, the cumulative gain or loss from changes in fair value recognised in other comprehensive income is reclassified to profit or loss. The Group's debt instruments at fair value through other comprehensive income include listed bonds reported under short-term securities.

Financial assets at fair value through other comprehensive income (equity instruments)

On initial recognition, the Group can irrevocably elect to classify its equity instruments as equity instruments designated at fair value through other comprehensive income if they satisfy the definition of equity in accordance with IAS 32 Financial Instruments and are not held for trading. This classification decision is made individually for each instrument. Gains and losses from these financial assets are not reclassified to profit or loss. Dividends are recognised in profit or loss as other income when the right to receive payment of the dividend is established, unless the dividend represents a recovery of part of the cost of the financial asset. In this case, the gains are recognised in other comprehensive income. Equity instruments at fair value through other comprehensive income are not tested for impairment.

The Group has irrevocably elected to assign some of its listed equity instruments to this category.

Financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated at fair value through profit or loss on initial recognition and financial assets that must be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss regardless of the business model. Notwithstanding the above criteria for classifying debt instruments as “measured at amortised cost” or “at fair value through other comprehensive income”, debt instruments can be classified as at fair value through profit or loss on initial recognition if this would eliminate or significantly reduce an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented in the statement of profit or loss.

This category includes derivative financial instruments and listed equity instruments that the Group has not irrevocably elected to classify as at fair value through other comprehensive income. Dividends from listed equity instruments are also recognised as other income in the income statement when the right to receive payment is established.

As in the previous year, the carrying amounts of the financial assets and liabilities not measured at fair value are essentially equal to their fair values.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group’s consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired;
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred assets is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises impairment for expected credit losses on all debt instruments that are not measured at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows payable and the total cash flows the Group expects to receive. The forecast cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For financial instruments for which the risk of default has not increased significantly since initial recognition, a loss allowance is recognised in the amount of the expected cash shortfalls from an event of default within the next twelve months (12-month ECL). For financial assets for which the risk of default has increased significantly since initial recognition, an entity must recognise the lifetime expected credit losses regardless of when the default event occurs (lifetime ECL).

The Group uses a simplified method to calculate the expected credit losses on trade receivables and contract assets. It therefore does not track changes in credit risk, and instead recognises a loss allowance at the end of each reporting period based on the lifetime ECL. On the basis of its past experience of credit losses, the Group has prepared a provision matrix that is adjusted for future factors if specific future factors for the borrower and the economic environment can be determined at reasonable expense.

For debt instruments measured at fair value through other comprehensive income, the Group uses the simplification for financial instruments with low credit risk. To do so, it uses reasonable and supportable information that is available without undue cost or effort to assess whether the debt instrument has a low credit risk at the end of each reporting period. It also takes a significant increase in credit risk into account if contractual payments are more than 30 days past due.

The Group's debt instruments at fair value through other comprehensive income exclusively consist of listed bonds that management sees as investments with low credit risk. The Group measures the expected credit losses for these instruments on a 12-month basis. However, if the credit risk has increased significantly since initial recognition, the impairment loss is based on the lifetime ECL. The Group uses issuer credit default spreads to determine whether the credit risk on a debt instrument has increased significantly and to estimate the expected credit losses.

The Group considers a financial asset to be in default if contractual payments are 90 days past due and a subsequent detailed review of the debtor does not reveal other information. Moreover, it can assume in certain cases that a financial asset is in default if internal or external information indicates that it is unlikely that the Group will receive the outstanding contractual amounts in full before all credit enhancements held are taken into account. A financial asset is written down when there is no valid expectation that the contractual cash flows will be collected.

II) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, contract liabilities, other liabilities and loans, including overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated on initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated on initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans/liabilities

After initial recognition, these financial liabilities are measured at amortised cost using the effective interest method less impairment. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation underlying the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

III) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.11 Inventories

Inventories are recognised at the lower of cost or net realisable value (less costs necessary to make the sale). Raw materials, consumables, supplies and purchased goods are measured at cost using the average price method or, if lower, at their market prices at the end of the reporting period. The cost of finished goods and work in progress, in addition to the cost of materials used in construction, labour and pro rata material and production overheads, is taken into account assuming normal capacity utilisation. Appropriate write-downs were recognised for inventory risks from storage periods and reduced usability.

4.12 Cash and cash equivalents

Cash and cash equivalents shown in the statement of financial position comprise cash in hand, bank balances and short-term deposits with an original term of less than three months.

Cash and cash equivalents in the consolidated statement of cash flows are defined in line with the above.

4.13 Provisions

Provisions are reported when the Group has a current (legal or constructive) obligation due to a past event, it is probable that fulfilment of the obligation will lead to an outflow of resources embodying economic benefits and the amount of the obligation can be reliably estimated. If the Group expects at least a partial refund of a provision recognised as a liability, the refund is recognised as a separate asset provided the receipt of the refund is virtually certain. The expense from recognising the provision is reported in the income statement less the refund.

Provisions are reviewed at the end of each reporting period and adjusted to the current best estimate. The amount of the provision corresponds to the present value of the expenses expected to be required to fulfil the obligation where the time effect of money is material. The increase in the provision over time is recognised as interest expense.

Provisions with the nature of a liability are recognised for obligations for which an exchange of services has taken place and the amount of the consideration is established with sufficient certainty.

4.14 Pensions and other post-employment benefits

The pension obligations calculated at Aumann Beelen GmbH and Aumann Limbach-Oberfrohna GmbH are reported in accordance with IAS 19. Payments for defined contribution pension plans are expensed. For defined benefit pension plans, the obligation is recognised in the statement of financial position as a pension provision. These pension commitments are regarded as defined benefit plan commitments and are therefore measured in line with actuarial principles using the projected unit credit method.

Actuarial gains and losses are reported in other comprehensive income. The interest expense from pension discounting is reported in net finance costs.

The plan assets that can be allocated to the pension obligations of Aumann Limbach-Oberfrohna are netted against the pension obligation. Any obligation in excess of plan assets is recognised as a provision.

4.15 Revenue recognition

Revenue is recognised to show the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognised when the customer acquires control of the goods or services.

a) Sale of goods and products, performance of services

The customer achieves control when the goods and products are delivered or accepted. Revenue from service transactions is only recognised when it is sufficiently probable that the economic benefits associated with the transaction will flow to the Group. It is recognised in the accounting period in which the services in question are performed and the customer acquired control of the service.

b) Construction contracts

In the Aumann Group, the revenue of Aumann Beelen GmbH, Aumann Technologies China Ltd., Aumann Espelkamp GmbH, Aumann Berlin GmbH and Aumann Limbach-Oberfrohna GmbH from long-term construction contracts is typically recognised over time. The products are specially produced for the respective customer and there is no alternative use. Under this method, when the outcome of a construction contract can be estimated reliably, the contract revenue and contract costs associated with this construction contract are recognised by reference to the degree of completion of the contract activity at the end of the reporting period. The percentage of completion is calculated as the ratio of the contract costs incurred by the end of the reporting period to the total estimated contract costs as at the end of the reporting period (cost-to-cost method).

Construction contracts accounted for over time are recognised as contractual assets under receivables from construction contracts less advances received in the amount of the contract costs incurred by the end of the reporting period plus the proportionate profit resulting from the percentage of completion. Changes to contracts, additional amounts invoiced and incentive payments are recognised to the extent that a binding agreement has been concluded with the customer. If the result of a construction contract cannot be reliably estimated, the probable revenue is recognised up to a maximum of the costs incurred. Contract costs are recognised in the period in which they are incurred. If it is foreseeable that the total contract costs will exceed the contract revenue, the expected losses are expensed immediately.

c) Interest revenue

Interest revenue is recognised when the interest arises (using the effective interest rate, i.e. the computational interest rate at which estimated future cash inflows are discounted to the net carrying amount of the financial asset over the expected term of the financial instrument).

d) Dividends

Revenue is recognised when the legal right to payment arises.

4.16 Taxes

a) Current income taxes

Current tax assets and liabilities for the current period and earlier periods are measured at the amount of the refund expected to be received from the tax authority or the payment expected to be made to it. The calculation is based on tax rates and tax laws applicable at the end of the reporting period.

b) Deferred taxes

In accordance with IAS 12, deferred taxes are recognised using the liability method for temporary differences as at the end of the reporting period between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax liabilities are recognised for all taxable temporary differences with the exception of deferred tax liabilities from the initial recognition of goodwill or of an asset or liability from a transaction that does not constitute a business combination and, as at the transaction date, influences neither the accounting profit before taxes nor the taxable profit.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be applied. Deferred tax assets from deductible temporary differences due to the initial recognition of an asset or liability from a transaction that does not constitute a business combination and, as at the transaction date, influences neither the accounting profit before taxes nor the taxable profit, are not recognised.

Deferred tax assets and liabilities are offset to the extent that they can be allocated to future charges or reductions of the same taxable entity with respect to the same tax authority.

The carrying amount of deferred tax assets is tested at the end of each reporting period and reduced to the extent that it is no longer probable that a sufficient taxable result will be available against which the deferred tax asset can be at least partly utilised. Unrecognised deferred tax assets are tested at the end of each reporting period and recognised to the extent that it has become probable that taxable result in future will allow the realisation of deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates which are expected to apply in the periods in which an asset is realised or a liability is settled. This is based on the tax rates and tax laws applicable at the end of the reporting period. Future changes in the tax rates must be taken into account at the end of the reporting period if the material conditions for validity in a legislative process are fulfilled.

Deferred taxes are reported as tax income or tax expense in the statement of comprehensive income unless they relate to items reported directly in equity, in which case the deferred taxes are also reported in equity. Deferred taxes and tax liabilities are offset against each other if the Group has a legally enforceable right to set off tax assets against tax liabilities and they relate to income taxes of the same taxable entity levied by the same tax authorities.

4.17 Contingent liabilities and contingent assets

Contingent liabilities are either potential obligations that could lead to an outflow of resources but whose existence will be determined by the occurrence or non-occurrence of one or more future events, or current obligations that do not fulfil the criteria for recognition as a liability. They are disclosed separately in the notes unless the probability of an outflow of resources embodying economic benefits is low. In the year under review, there were no contingent liabilities apart from guarantees and other commitments.

In the context of business combinations, contingent liabilities are recognised in accordance with IFRS 3.23 if their fair value can be reliably determined.

Contingent assets are not reported in the financial statements, and instead are disclosed in the notes when receipt of economic benefits is probable.

5. Material judgements, estimates and assumptions

For the preparation of the consolidated financial statements in accordance with IFRS, estimates and assumptions must occasionally be made. These influence the amounts of assets, liabilities and financial obligations calculated as at the end of the reporting period and the reporting of expenses and income. The actual amounts can differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period resulting in a considerable risk that a major adjustment to the carrying amounts of assets and liabilities will be required within the next financial year are explained below.

a) Impairment of non-financial assets

The Group determines whether there are indications of impairment of non-financial assets at the end of each reporting period.

Goodwill with an indefinite useful life is tested for impairment at least once a year and when there are indications of impairment. Other non-financial assets are tested for impairment when there are indications that the carrying amount is higher than the recoverable amount. To estimate the value in use, management measures the expected future cash flows of the asset or cash-generating unit and selects an appropriate discount rate to determine the present value of these cash flows.

b) Pensions and other post-employment benefits

The expense from defined benefit plans post-employment is determined using actuarial calculations. The actuarial calculation is based on assumptions regarding discount rates, future increases in wages and salaries, mortality and future pension increases. In line with the long-term orientation of these plans, such estimates are subject to significant uncertainty.

c) Provisions

Other provisions are recognised and measured on the basis of an assessment of the probability of a future outflow of benefits, using values based on experience and circumstances known at the end of the reporting period. The actual obligation can differ from the amounts recognised as provisions.

d) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that taxable income will be available for this. In calculating the amount of deferred tax assets, management must make judgements with regard to the expected timing and amount of future taxable income and the future tax planning strategies.

e) Recognition of contract revenue

The majority of the transactions conducted by Aumann AG's subsidiaries are construction contracts over time, for which revenue is recognised by reference to the stage of completion of the transaction. This method requires an estimate of the percentage of completion. Depending on the method applied in determining the percentage of completion, the material estimates comprise the total contract costs, the costs to be incurred until completion, the total contract revenue, the contract risks and other judgements. The estimates are continuously reviewed by the company's management and adjusted as necessary.

II. Notes to the consolidated statement of financial position

1. Non-current assets

The development of intangible assets and property, plant and equipment is shown in the following statement of changes in non-current assets.

1.1 Statement of changes in non-current assets of the Aumann Group as at 31 December 2021

	31 Dec 2021	Total cost €k	Additions in the financial year €k	Reclas-sifica-tion €k	Disposals in the fi-nancial year €k	Exchange differences €k	Write downs (full amount) €k	Carrying amount at the end of financial year €k	Carrying amount at the beginning of financial year €k	Write downs in the finan-cial year €k	Disposals of write downs €k	Exchange differ-ences €k
I.	**Intangible assets**											
1.	Own produced intanbible assets	11.940	1.748	0	0	0	3.743	9.945	9.518	1.321	0	0
2.	Concessions, industrial property rights and similar rights	6.010	1.746	1.145	0	12	6.004	2.909	503	490	0	7
3.	Goodwill	38.484	0	0	0	0	0	38.484	38.484	0	0	0
4.	Advance payments	1.145	0	-1.145	0	0	0	0	1.145	0	0	0
		57.579	**3.494**	**0**	**0**	**12**	**9.747**	**51.338**	**49.650**	**1.811**	**0**	**7**
II.	**Property, plant and equipment**											
1.	Land and buildings including buildings on third-party land	30.648	337	5	786	28	5.884	24.348	25.134	1.096	744	18
2.	Technical equipment and machinery	6.401	140	84	534	16	3.290	2.817	3.452	829	492	4
3.	Other equipment, operating and office equipment	7.594	373	0	735	28	4.661	2.599	3.602	1.262	614	21
4.	Advance payments and assets under development	445	104	-89	16	4	32	416	413	0	0	0
		45.088	**954**	**0**	**2.071**	**76**	**13.867**	**30.180**	**32.601**	**3.187**	**1.850**	**43**
	Total	**102.667**	**4.448**	**0**	**2.071**	**88**	**23.614**	**81.518**	**82.251**	**4.998**	**1.850**	**50**

1.2 Statement of changes in non-current assets of the Aumann Group as at 31 December 2020

31 Dec 2020	Total cost	Additions in the financial year	Reclassification	Disposals in the financial year	Exchange differences	Write downs (full amount)	Carrying amount at the end of financial year	Carrying amount at the beginning of financial year	Write downs in the financial year	Disposals of write downs	Exchange differences
	€k	€k	€k	€k	€k	€k	€k	€k	€k	€k	€k
I. Intangible assets											
1. Own produced intanbible assets	10.036	1.904	0	0	0	2.422	9.518	8.814	1.200	0	0
2. Concessions, industrial property rights and similar rights	5.686	53	273	0	-2	5.507	503	534	355	0	0
3. Goodwill	38.484	0	0	0	0	0	38.484	38.484	0	0	0
4. Advance payments	134	1.284	-273	0	0	0	1.145	134	0	0	0
	54.340	**3.241**	**0**	**0**	**-2**	**7.929**	**49.650**	**47.966**	**1.555**	**0**	**0**
II. Property, plant and equipment											
1. Land and buildings including buildings on third-party land	30.417	66	169	0	-4	5.514	25.134	26.302	1.405	2	-4
2. Technical equipment and machinery	4.972	232	1.295	96	-2	2.949	3.452	3.396	1.455	83	1
3. Other equipment, operating and office equipment	7.063	807	0	269	-7	3.992	3.602	4.584	1.695	177	-5
4. Advance payments and assets under development	1.283	651	-1.464	24	-1	32	413	1.283	32	0	0
	43.735	**1.756**	**0**	**389**	**-14**	**12.487**	**32.601**	**35.565**	**4.587**	**262**	**-8**
Total	**98.075**	**4.997**	**0**	**389**	**-16**	**20.416**	**82.251**	**83.531**	**6.142**	**262**	**-8**

1.3 Statement of changes in leases of the Aumann Group as at 31 December 2021

31 Dec 2021	Total cost €k	Additions in the financial year €k	Reclassification €k	Disposals in the financial year €k	Exchange differences €k	Write downs (full amount) €k	Carrying amount at the end of financial year €k	Carrying amount at the beginning of financial year €k	Write downs in the financial year €k	Disposals of write downs €k	Exchange differences €k
Leasing											
1. Land and buildings	784	222	0	786	18	71	167	54	78	744	-7
2. Other equipment, operating and office equipment	2.468	143	0	716	4	1.125	774	1.314	570	601	-2
	3.252	**365**	**0**	**1.502**	**22**	**1.196**	**941**	**1.368**	**648**	**1.345**	**-9**

1.3 Statement of changes in leases of the Aumann Group as at 31 December 2020

31 Dec 2020	Total cost €k	Additions in the financial year €k	Reclassification €k	Disposals in the financial year €k	Exchange differences €k	Write downs (full amount) €k	Carrying amount at the end of financial year €k	Carrying amount at the beginning of financial year €k	Write downs in the financial year €k	Disposals of write downs €k	Exchange differences €k
Leasing											
1. Land and buildings	740	46	0	0	-2	730	54	376	367	2	1
2. Other equipment, operating and office equipment	2.059	645	0	235	-1	1.154	1.314	1.464	708	150	1
	2.799	**691**	**0**	**235**	**-3**	**1.884**	**1.368**	**1.840**	**1.075**	**152**	**2**

2. Intangible assets

Please see the statement of changes in non-current assets for information on the development of intangible assets. In 2020 and 2021, total project costs of €2,886 thousand were capitalised as acquisition costs in connection with the introduction of the new ERP system.

Goodwill is subject to an annual impairment test. As part of the impairment test, goodwill acquired in business combinations was allocated to the cash-generating units Aumann Limbach-Oberfrohna (€28,426.4 thousand) and Aumann EBI [Espelkamp, Berlin, Immobilien] (€10,057.5 thousand).

The impairment test as at 31 December 2021 confirmed the recoverability of all capitalised goodwill.

Aumann Limbach-Oberfrohna cash-generating unit

The recoverable amount of the Aumann Limbach-Oberfrohna CGU is determined based on a value in use calculation using cash flow projections from medium-term planning approved by management covering a three-year period. The calculation of the budget figures took into account current and future probabilities, the expected economic development and other circumstances. The pre-tax discount rate applied to the cash flow projections is 8.16% (previous year: 8.17%). Cash flows beyond the detailed planning period are extrapolated using a growth rate of 3.0% for the seven years following the medium-term planning. The perpetual annuity is calculated using a long-term growth rate of 1.0%.

Aumann EBI cash-generating unit

The recoverable amount of the Aumann EBI CGU is also determined based on a value in use calculation using cash flow projections from medium-term planning approved by management covering a three-year period. The calculation of the budget figures took into account current and future probabilities, the expected economic development and other circumstances. The pre-tax discount rate applied to the cash flow projections is 8.08% (previous year: 8.18%). Cash flows beyond the detailed planning period are extrapolated using a growth rate of 3.0% for the seven years following the medium-term planning. The perpetual annuity is calculated using a long-term growth rate of 1.0%.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for the two significant cash-generating units, Aumann Limbach-Oberfrohna and Aumann EBI, is most sensitive to the following assumptions:

- EBITDA margins;
- Discount rates;
- Growth rates used to extrapolate cash flows beyond the detailed forecast period.

EBITDA margins: EBITDA margins are based on average values achieved in the three financial years preceding the beginning of the budget period. The values calculated thus are adjusted for the detailed planning period, if necessary, if management receives better information about their amount. The EBITDA margins from the detailed planning period are extrapolated at a constant level. A reduction in the EBITDA margin of 1.0 percentage points would not result in impairment for either the Aumann Limbach-Oberfrohna CGU or the Aumann EBI CGU.

Discount rates: Discount rates represent the market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments. Adjustments to the discount rate are made to factor in the specific amount and timing of tax flows in order to reflect a pre-tax discount rate. An increase in the pre-tax discount rate of 0.5 percentage points would not result in impairment for either the Aumann Limbach-Oberfrohna CGU or the Aumann EBI CGU.

Growth rates: The estimated growth rates are based on past experience and growth assumptions for the target markets of the respective CGUs. The Group recognises that possible new competitors or a changing market environment can have a significant impact on growth rate assumptions. Such a development could yield a reasonably possible alternative to the estimated long-term growth rate of 3.0% for the seven years following the medium-term planning for the two cash-generating units. A reduction in the growth rate of 2 percentage points would not result in impairment for either the Aumann Limbach-Oberfrohna CGU or the Aumann EBI CGU.

3. Inventories

	31 Dec 2021 €k	31 Dec 2020 €k
Raw materials and supplies	1.254	1.776
Work in progress	2.084	1.314
Finished goods	0	149
Advance payments	5.493	4.949
Carrying amount as at 31 Dec	**8.831**	**8.188**

As at 31 December 2021, inventories were impaired by €1,474 thousand (previous year: €962 thousand). Impairment losses on inventories were reversed in the amount of €0 thousand (previous year: €0 thousand).

4. Trade receivables

	31 Dec 2021 €k	31 Dec 2020 €k
Trade receivables	27.877	32.023
Less specific valuation allowances	-1.401	-906
Less excpeted credite loss	-7	-9
Carrying amount as at 31 Dec	**26.469**	**31.108**

The trade receivables shown are allocated to the loans and receivables category and measured at amortised cost.

The trade receivables are all due within one year. The trade receivables are impaired as necessary. Indications of impairment include unpaid cash receipts and information on changes in customers' credit rating. Given the broad customer base, there is no significant concentration of credit risk.

5. Contract assets and contract liabilities

Receivables from construction contracts constitute contract assets as defined by IFRS 15 provided the corresponding contract is not fully completed. Contract assets comprise claims for remuneration from long-term construction contracts for work already performed as at the end of the reporting period. If the advances received exceed the claim for remuneration, they are reported under contract liabilities.

	31 Dec 2021 €k	31 Dec 2020 €k
Contractual assets gross	140.409	127.564
thereupon received prepayments	-66.468	-56.658
Contractual assets	**73.942**	**70.906**
Contractual liabilities	23.574	3.878

No costs of contract initiation or contract fulfilment were capitalised as separate assets in the financial year.

6. Other current assets

Other assets maturing within one year break down as follows:

	31 Dec 2021 €k	31 Dec 2020 €k
Tax receivables	1.308	3.163
Prepaid expenses	532	331
Receivables employment agency	58	486
Life insurance receivables	34	34
Creditors with debit balance	30	58
Personal Receivables	0	14
Miscellaneous other current assets	303	733
Carrying amount as at 31 Dec	**2.265**	**4.819**

Tax receivables consist of corporation tax and trade tax refunds of €734 thousand (previous year: €2,185 thousand) and input tax refunds of €574 thousand (previous year: €978 thousand).

7. Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income include securities of €30,503 thousand (previous year: €20,783 thousand), €30,442 thousand (previous year: €20,444 thousand) of which in shares reported as non-current assets and €61 thousand (previous year: €340 thousand) of which in bonds reported as current assets. Changes in the value of these securities are recognised in the fair value reserve in equity. Details can be found in the statement of changes in equity.

8. Deferred taxes

The volume of deferred tax assets and liabilities from temporary differences as at 31 December 2021 and 31 December 2020 was as follows:

	31 Dec 2021 €k	31 Dec 2020 €k
Deferred tax assets (offset)	2.198	475
Deferred tax liabilities (offset)	1.370	2.669
Total	**828**	**-2.194**

	31 Dec 2021 €k	31 Dec 2020 €k
Temporary differences from:		
Pension provisions	3.846	4.354
Other provisions	2.316	2.280
Loss carryforward	2.188	2.041
Liabilities	611	419
Other assets	132	1.961
Property, plant and equipment	38	61
Miscellaneous	47	30
Netting	-6.981	-10.671
Deferred tax assets	**2.198**	**475**

	31 Dec 2021 €k	31 Dec 2020 €k
Temporary differences from:		
Intangible assets	3.797	2.880
Receivables	3.586	9.574
Property, plant and equipment	666	686
Financial Assets	161	43
Other provisions	76	83
Pension provisions	53	71
Miscellaneous	13	3
Netting	-6.981	-10.671
Deferred tax liabilities	**1.370**	**2.669**

9. Equity

Please see the “Statement of changes in consolidated equity for 2021” for information on the development of equity.

9.1 Share capital

Aumann AG’s share capital amounts to €15.25 million (previous year: €15.25 million). It is divided into 15,250,000 registered shares each with a nominal value of €1.00 per share and is fully paid up.

Disclosures in accordance with section 160(1) no. 8 AktG:

In accordance with section 160(1) no. 8 AktG, the existence of an equity investment reported to the company in accordance with section 20(1) or (4) AktG or in accordance with section 33(1) or (2) of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act) must be disclosed. The content of the notification published in accordance with section 20(6) AktG or section 40(1) WpHG must be disclosed. If a reporting entity reaches, exceeds or falls below the thresholds specified in this provision multiple times, the most recent notification resulting in a threshold being reached, exceeded or fallen below is listed. All voting rights notifications received by Aumann AG can be viewed on the company’s website (https://www.aumann.com/investor-relations/corporate-governance/).

Declarant	Location	Date of threshold contact	Type of threshold contact	Notification threshold	Attribution according to WpHG	Equity investment in % [1]
MBB SE	Berlin, Germany	06/12/2017	underrun	50%	Section 21, 22	49.17*
Invesco Ltd. (formerly Oppenheimer Funds)	Wilmington, Delaware, US	01/11/2018	overrun	5%	Section 21, 22	6.56
Erste Group Bank AG	Vienna, Austria	01/28/2021	overrun	3%	Section 21, 22	3.05

[1] Equity investment at the date of the notification of the most recent threshold change
* MBB SE’s equity investment as at the reporting date of 31 December 2021 amounts to 40.05%.

The shareholdings of the members of the executive bodies as at the reporting date are shown in the following overview:

	31 Dec 2021 Number of shares	%	31 Dec 2020 Number of shares	%
MBB Capital Management GmbH	22.222	*1,146 %*	0	*0,000 %*
Christoph Weigler	870	*0,006 %*	870	*0,006 %*
Sebastian Roll	2.500	*0,016 %*	2.500	*0,016 %*
Rolf Beckhoff			2.500	*0,016 %*

The shares in MBB Capital Management GmbH are held by Dr Christof Nesemeier.

9.2 Capital reserves

Capital reserves amount to €141.11 million (previous year: €140.92 million).

The "2020 stock option programme" was resolved at the Annual General Meeting on 21 August 2020. On 1 July 2021, the company granted a total of 282,800 subscription rights from the stock option programme. The equity-based options from the stock option programme were measured once, and the pro rata fair value attributable to the 2021 financial year was recognised for the first time in staff costs and in the capital reserves at €194.3 thousand. A provision of €181.9 thousand was recognised for the corresponding tax expense in the 2021 financial year.

9.3 Retained earnings

Difference in equity due to currency translation

The difference in equity due to currency translation results from translation in line with the modified closing rate method. The difference arises from the translation of items of the income statements of subsidiaries that prepared their accounts in a foreign currency at the average rate and conversion of the statement of financial position items at the closing rate on the one hand, and the conversion of the equity of the respective subsidiaries at the historical rate on first-time consolidation on the other.

Fair Value Reserve

The fair value reserve results from cumulative gains or losses on the remeasurement of financial assets at fair value through other comprehensive income (FVOCI). These are recognised in the statement of comprehensive income under other income.

Reserve for pensions

In accordance with IAS 19, actuarial gains/losses (adjusted for the associated deferred tax effect) are recognised in the reserve for pensions and reported in the statement of comprehensive income under other income.

Reserve for generated consolidated equity

This item comprises the gains generated by the Group less distributed profits. There was no profit distribution to the shareholders in the financial year, as in the previous year.

10. Provisions for pensions and similar obligations

There are pension agreements at Aumann Beelen GmbH and Aumann Limbach-Oberfrohna GmbH. They relate to 343 employees, 126 of whom are active scheme members. 146 persons are retired and 71 persons have left the scheme. The pension agreements are closed, meaning that no further occupational pension agreements are entered into for new appointments.

	31 Dec 2021 €k	31 Dec 2020 €k
Pension provisions at beginning of the financial year	**22.723**	**22.857**
Utilisation	-489	-481
Addition to provisions (service cost)	416	451
Addition to provisions (interest cost)	112	178
Actuarial gains/losses	-1.796	-282
Pension provisions at end of the financial year	**20.966**	**22.723**
- Plan asset	-442	-477
Pension provision recognised in the balance sheet	**20.524**	**22.246**

€361 thousand of actuarial gains result from experience adjustments and €1,402 thousand from actuarial adjustments.

The following actuarial assumptions were applied:

	2021	2020
Actuarial interest rate	0,9%	0,5%
Salary trend	2,0%	2,0%
Pension trend	1,8%	1,7%

With exceptions at Aumann Limbach-Oberfrohna GmbH, the post-employment benefit plans are unfunded. The liabilities are equal to the obligation (DBO).

The expenses and income recognised in profit and loss are as follows:

	31 Dec 2021 €k	31 Dec 2020 €k
Addition to provisions (service cost)	-416	-451
Addition to provisions (interest cost)	-112	-178
Total	**-528**	**-629**

The expected pension payments from the pension plans for 2022 amount to €491 thousand.

The maximum potential sensitivity of the total pension obligation to changes in the weighted main assumptions is as follows:

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Interest rate	0,25%	- 4,86 %	+ 5,23 %
Pension growth rate	0,50%	+ 7,23 %	- 6,52 %
Life expectancy	+ 1 Jahr	+ 3,99 %	

The sensitivity of the defined benefit obligation to actuarial assumptions was calculated using the same method as the measurement of the pension provision on the statement of financial position. The sensitivity analysis is based on the change in an assumption while all other assumptions remain constant. It is unlikely that this would occur in reality. There could be a correlation between changes in some assumptions.

11. Liabilities

Liabilities have the following maturities:

31 Dec 2021	Up to 1 year €k	More than 1 year and up to 5 years €k	Over 5 years €k	Total €k
Trade payables	21.023	0	0	21.023
Liabilities to banks	3.718	6.687	1.587	11.992
Provisions with the nature of a liability	7.771	0	0	7.771
Contractual obligations	23.574	0	0	23.574
Liabilities from Leasing	584	364	0	948
Other liabilities	5.126	451	446	6.023
As at 31 Dec 2021	**61.796**	**7.502**	**2.033**	**71.331**

31 Dec 2020	Up to 1 year €k	More than 1 year and up to 5 years €k	Over 5 years €k	Total €k
Trade payables	25.878	0	0	25.878
Liabilities to banks	3.719	9.156	2.836	15.711
Contractual obligations	3.878	0	0	3.878
Provisions with the nature of a liability	5.894	0	0	5.894
Liabilities from Leasing	623	753	0	1.376
Other liabilities	2.344	1.005	0	3.349
As at 31 Dec 2020	**42.336**	**10.914**	**2.836**	**56.086**

Liabilities to banks have fixed interest rates of between 0.83% and 5.60% (previous year: 0.83% and 5.60%). A land charge of €23.0 million (previous year: €23.0 million) has been entered on the factory grounds to secure a bank loan.

In the Aumann Group, there are also framework credit facilities from banks totalling €180.5 million, which the German Group companies can optionally use as a guarantee credit facility up to a maximum of €163.5 million and as a cash credit facility up to€18.0 million. Moreover, Aumann Technologies (China) Ltd. has a cross-border sublimit of CNY 29.0 million, of which no more than CNY 7.0 million can be drawn as a cash credit facility. The cash credit facilities had not been utilised as of 31 December 2021.

12. Other liabilities

Other liabilities are composed as follows:

	31 Dec 2021 €k	31 Dec 2020 €k
Current		
Value Added tax	1.911	26
Debtors with credit balances	966	40
Wage and church tax	617	688
Wages and salaries	409	460
Commissions	132	308
Dividend tax	0	86
Miscellaneous	1.091	736
	5.126	**2.344**
Non-current		
Deferred Income	898	1.005
	898	**1.005**
Total	**6.024**	**3.349**

13. Provisions

13.1 Other provisions

Other non-current provisions, current provisions and provisions with the nature of a liability are composed as follows:

	31 Dec 2020 €k	Utili-sation €k	Re-versal €k	Addition €k	31 Dec 2021 €k
Long term Provisions					
Partial retirement	709	439	0	535	805
Options program	0	0	0	182	182
Anniversaries	129	16	0	0	113
	838	**454**	**0**	**717**	**1.100**
Accruals and short term provisions					
Provision for onerous contracts	2.046	1.370	0	5.355	6.031
Subsequent cost provision	5.965	5.199	0	4.804	5.570
Staff costs	2.672	2.653	0	3.167	3.186
Outstanding invoices	1.787	941	476	2.041	2.411
Warranty costs	2.666	800	700	618	1.784
Variable salary and commission	561	544	17	1.104	1.104
Holiday	626	626	0	756	756
Restructuring provisions	7.517	2.606	4.696	0	215
Accounting & audit costs	207	161	0	165	211
Miscellaneous	527	152	1	285	659
	24.574	**15.052**	**5.890**	**18.295**	**21.927**
	25.412	**15.507**	**5.890**	**19.012**	**23.027**

The increase in the provision for onerous contracts results from the lower price realisation as a result of the crisis and in some cases higher material prices in project business. The provision for subsequent costs relates to various projects at Aumann Group that are already complete and for which the final invoice has been issued, but which are still subject to costs for follow-up work and fault remediation. The provision for partial retirement obligations was recognised in accordance with the “Altersteilzeit FlexÜ” works agreement of 11 June 2014.

The outflow of economic resources for current provisions is expected in the following year.

13.2 Tax provisions

Tax provisions break down as follows:

	31 Dec 2021 €k	31 Dec 2020 €k
Trade income tax	456	921
Corporate income tax	197	203
Carrying amount as at 31 Dec.	**654**	**1.124**

14. Leasing

	31 Dec 2021 €k	31 Dec 2020 €k
Payments from leases are due as follows		
Up to one year	589	731
More than one year and up to five years	366	1.096
Over five years	0	12
Total	**955**	**1.839**

An interest expense of €8.4 thousand was incurred in the 2021 financial year (previous year: €11.9 thousand). Leases that were not capitalised on account of their low value or short term resulted in an expense of €0.2 million (previous year: €0.3 million).

III. Notes to the statement of comprehensive income

1. Revenue

Revenue amounted to €161.1 million in the 2021 financial year (previous year: €172.8 million). Of the revenue, € 154.8 million (previous year: € 166.1 million) is attributable to revenue recognition over a period of time.

The following table shows a breakdown of revenue by region:

	2021 €k	2020 €k
Europe	136.270	147.712
China	13.275	15.414
USMCA	11.178	3.636
Miscellaneous	404	6.071
Total	**161.127**	**172.833**

The USMCA region comprises the US, Mexico and Canada.

The Aumann Group received order intake of €236.6 million in the 2021 financial year, €67.5 million of which related to the Classic segment and €169.1 million of which related to the E-mobility segment.

The Aumann Group had an order backlog of €176.9 million as at 31 December 2021, €55.7 million of which related to the Classic segment and €120.4 million of which related to the E-mobility segment.

2. Other operating income

	2021 €k	2020 €k
Income from		
the reversal of provisions	5.890	639
securities	2.854	298
own work capitalised	797	1.142
Reimbursement of social security contribution KUG	166	741
reversed write-downs charged on receivables	64	27
credit notes and compensation	19	95
miscellaneous	1.407	1.148
Total	**11.197**	**4.090**

€4.7 million of the reversal of provisions related to restructuring provisions.

3. Other operating expenses

	2021 €k	2020 €k
Travel costs/vehicle costs	2.073	2.292
Maintenance expenses	1.660	2.117
Legal and consulting	1.138	1.352
Write-downs charged on receivables	832	781
Other services	758	731
IT cost	753	745
Costs for telephone, post and data communication	457	466
Insurance	360	329
Rental agreements and leasing	225	304
Incidental costs for monetary transactions	174	117
Advertising costs	159	126
Contributions and fees	159	271
Office supplies	144	171
Expenses from securities transactions	99	308
Miscellaneous	429	3.155
Total	**9.420**	**13.265**

The legal and consulting costs also included consulting services by MBB SE.

4. Impairment losses and reversals of impairment losses

No impairment losses were recognised on assets in the financial year (previous year: €1.1 million). As in the previous year, there were no reversals of impairment losses.

5. Finance income

	2021 €k	2020 €k
Interest income from securities	15	46
Other interest and similar income	0	0
Total	**15**	**46**

6. Finance costs

	2021 €k	2020 €k
Other interest and similar expenses	390	585
Aval interest	332	388
Leasing interest	8	12
Total	**730**	**985**

7. Taxes

Details on deferred tax assets and liabilities can be found under I.4.16 b) “Deferred taxes”. In recognising deferred taxes, an income tax rate of 30% is applied as the basis for German subsidiaries, while the future local tax rate is applied for foreign subsidiaries.

	2021 €k	2020 €k
Corporate income tax	621	471
Trade income tax	91	374
Deferred taxes	-3.661	-3.323
Income tax	**-2.950**	**-2.478**
Other tax expense	518	112
Total	**-2.432**	**-2.366**

	2021 €k	2020 €k
Consolidated income before taxes	-8.592	-20.693
Taxes on income	-2.950	-2.478
Current tax rate	**34,3%**	**12,0%**

The reconciliation of income tax expense and the accounting net profit multiplied by the Group’s applicable tax rate for the 2021 and 2020 financial years is as follows:

	2021 €k	2020 €k
Consolidated income before taxes	-8.592	-20.693
Other taxes	-518	-112
Applicable (statutory) tax rate	30,3%	30,3%
Expected tax income/expense	**-2.763**	**-6.294**
Tax expense from prior periods		
Trade income tax	98	313
Not taxable income		
Non-capitalized loss carry forwards	373	2.715
from the sale of securities	-912	12
other effects	253	776
Current tax expenses	**-2.950**	**-2.478**

8. Earnings per share

Earnings per share are calculated by dividing the net profit attributable to the holders of shares in the parent company by the weighted average number of shares outstanding during the year.

To determine the diluted earnings per share, consolidated net profit is adjusted for expenses and earnings in connection with dilutive effects and then divided by the number of ordinary shares outstanding including dilutive effects in accordance with IAS 33.32.

The only dilutive effect in the 2021 financial year is Aumann AG's "2020 stock option programme". For the calculation of diluted earnings per share, consolidated net profit was adjusted for the staff costs of €376 thousand (previous year: €0.0 thousand) incurred in the financial year in connection with Aumann AG's "2020 stock option programme". In addition, 282,800 (previous year: 0) outstanding option rights were included in the weighted average number of ordinary shares.

	2021 €	2020 €
Result attributtable to the holders of shares	-6.160.108	-18.327.361
Weighted average number of shares to calculate the undiluted earnings per share	15.250.000	15.250.000
Earnings per share (in €) - undiluted	**-0,40**	**-1,20**
Result attributtable to the holders of shares after dilution	-5.783.904	-18.327.361
Weighted average number of shares to calculate the deluted earnings per share	15.532.800	15.250.000
Earnings per share (in €) - diluted	**-0,37**	**-1,20**

IV. Segment reporting

1. Information by segment

As in previous years, segment reporting was prepared in accordance with IFRS 8 “Operating Segments”, under which operating segments are defined as the components of an entity for which discrete financial information is available and under which the segment’s operating results are reviewed regularly by the segment’s chief operating decision maker to allocate resources to the segment and assess its performance.

The accounting policies applied in segment reporting are as described under I.4. Segment earnings are based on the EBT of the individual segments, as this is the basis on which the segments are managed. Transfer pricing between the operating segments is calculated on an arm’s-length basis. The key statement of financial position items for controlling the segments are receivables and advances received. The reconciliation includes items that cannot be allocated to the operating segments, such as expenses and income in connection with Aumann’s financial investments and personnel expenses of the holding company that cannot be offset or passed on within the Group. In addition, Aumann Berlin GmbH is allocated to the reconciliation because – unlike in the previous year – it merely wound down production after its operations were discontinued.

The Aumann Group’s management is divided into the business segments E-mobility and Classic.

E-mobility segment

In its E-mobility segment, Aumann predominantly manufactures speciality machinery and automated production lines with a focus on the automotive industry. Aumann’s offering enables customers to carry out the highly efficient and technologically advanced mass production of a wide range of electric powertrain components and modules. These range from various energy storage systems and e-traction engines to power-on-demand units and electronic components. A particular strategic focal point for Aumann is highly automated production lines for the production of energy storage and conversion systems such as the battery and the fuel cell. Aumann continued to realise high-end production and assembly solutions with renowned customers in this area in the past financial year. A further strategic focus is on production lines for electric motor components and their assembly, which enable series production thanks to product solutions featuring innovative and efficient process flows. Aumann applies highly specialised and, in some cases, unique winding and assembly technologies with which copper wire is introduced into electric components. Well-known customers from the automotive industry use Aumann technology for the series production of their latest generations of energy storage systems, e-traction engines and electric auxiliary motors in the highest quality.

Classic segment

In the Classic segment, Aumann mainly manufactures speciality machinery and automated production lines for the automotive, consumer electronics, appliances and other industry sectors. Aumann’s solutions include systems for the production of drive components (including built camshafts, camshaft modules, and cylinder deactivation modules) and lightweight components that reduce CO_2 emissions from combustion engine vehicles. On the basis of its wide-ranging product and process knowledge from the automotive industry, Aumann is also a sought-after provider of highly automated manufacturing and assembly solutions for customers from other sectors.

1 Jan - 31 Dec 2021	Classic	E-mobility	Recon-ciliation	Group
	€k	€k	€k	€k
Revenue from third parties	63.481	96.612	1.034	161.127
Other segments	0	0	0	0
Total revenue	**63.481**	**96.612**	**1.034**	**161.127**
EBITDA	**2.173**	**-4.349**	**-702**	**-2.879**
Amortisation and depreciation	-1.866	-3.055	-77	-4.998
EBIT	**307**	**-7.405**	**-779**	**-7.877**
Net finance cost	-51	-291	-373	-715
EBT	**256**	**-7.696**	**-1.152**	**-8.592**
EBITDA margin	*3,4%*	*-4,5%*	0	-1,8%
EBIT margin	*0,5%*	*-7,7%*	0	-4,9%
Trade receivables and Receivables from construction contracts	**32.042**	**62.277**	**6.092**	**100.411**
Contractual obligations	**8.338**	**15.173**	**64**	**23.574**

1 Jan - 31 Dec 2020	Classic	E-mobility	Recon-ciliation	Group
	€k	€k	€k	€k
Revenue from third parties	63.977	108.856	0	172.833
Other segments	0	0	0	0
Total revenue	**63.977**	**108.856**	**0**	**172.833**
EBITDA	**-11.697**	**-1.974**	**59**	**-13.612**
Amortisation and depreciation	-2.129	-3.946	-67	-6.142
EBIT	**-13.826**	**-5.920**	**-8**	**-19.754**
Net finance cost	-138	-847	46	-939
EBT	**-13.964**	**-6.767**	**38**	**-20.693**
EBITDA margin	*-18,3%*	*-1,8%*	0	-7,9%
EBIT margin	*-21,6%*	*-5,4%*	0	-11,4%
Trade receivables and Receivables from construction contracts	**43.693**	**58.321**	**0**	**102.014**
Contractual obligations	**1.408**	**2.470**	**0**	**3.878**

Reconciliation of EBIT to net profit for the year	2021	2020
	€k	€k
Total EBT of the segments	**-8.592**	**-20.693**
Taxes on income	2.950	2.478
Other taxes	-518	-112
PAT (profit after tax)	-6.160	-18.327
Net profit for the period	**-6.160**	**-18.327**

Reconciliation of segment assets to assets	2021 €k	2020 €k
Classic segment	32.042	43.693
E-mobility segment	62.277	58.321
Reconciliation	6.092	
Total segment receivables	**100.411**	**102.014**
Intangibles	51.338	49.650
Fixed assets	30.180	32.601
Financial Assets	30.442	20.444
Deferred tax assets	2.198	475
Inventories	8.831	8.188
Current funds	72.816	69.790
Other assets	2.265	4.819
Total assets	**298.481**	**287.981**

Reconciliation of segment Contractual obligations received to equity and liabilities	2021 €k	2020 €k
Classic segment	8.338	1.408
E-mobility segment	15.173	2.470
Reconciliation	64	
Total segment Contractual obligations received	**23.574**	**3.878**
Consolidated equity	189.347	186.338
Pension provisions	20.524	22.246
Other provisions	15.042	12.001
Deferred tax liabilities	1.369	2.669
Trade payables	21.023	25.878
Provisions with the nature of a liability	7.771	5.894
Restructuring provisions	214	7.517
Tax provision	654	1.124
Liabilities to banks	11.992	15.711
Liabilities from Leasing	948	1.376
Other liabilities	6.023	3.349
Total equity and liabilities	**298.481**	**287.981**

Key customers

In each of the 2021 and 2020 financial years, there was a single customer that contributed more than 10% to consolidated revenue.

For the reporting year, 2021, the revenue contribution of Customer A amounted to €21.0 million, of which €11.0 million related to the E-mobility segment and €10.0 million related to the Classic segment.

For the previous year, 2020, the revenue contribution of Customer B amounted to €23.0 million, of which €13.8 million related to the E-mobility segment and €9.2 million related to the Classic segment.

2. Information by region

2.1 Revenue from external customers

The breakdown of revenue with external customers by region is shown in the section on revenue.

2.2 Non-current assets

The Aumann Group’s non-current assets are predominantly located in Europe. The non-current assets of our subsidiary in China amounted to €799.0 thousand as at the end of the year (previous year: €752.8 thousand).

V. Notes to the consolidated statement of cash flows

The statement of cash flows was prepared in accordance with IAS 7. The cash flows in the statement of cash flows are presented separately as relating to "Operating activities", "Investing activities" and "Financing activities", with the total of the cash flows of these three sub-areas being identical to the change in cash and cash equivalents.

The statement of cash flows was prepared using the indirect method.

The reported liquidity is not subject to any third-party restrictions. The Group made no payments for extraordinary transactions. Payments for income taxes and interest are reported separately.

Income taxes paid amounted to €249 thousand in the 2021 financial year (previous year: €1,353 thousand).

	Non-current liabilities to banks	Current liabilities to banks	Non-current liabilities from leasing	Current liabilities from leasing	Total
	€k	€k	€k	€k	€k
Balance sheet as of 01/01/2021	**11.992**	**3.719**	**753**	**623**	
Borrowing					0
Redemption		-3.719	-78	-729	-4.526
Cash-effective changes	**0**	**-3.719**	**-78**	**-729**	**-4.526**
Reclassification	-3.718	3.718	-516	516	0
New leases			205	174	379
Non-cash effective	**-3.718**	**3.718**	**-311**	**690**	**379**
Balance sheet as of 31/12/2021	**8.274**	**3.718**	**364**	**584**	

VI. Additional disclosures on financial instruments

€k	Evaluation category IFRS 9*	31 Dec 2021 Carrying amount	Fair value
Assets			
Longterm Securities	FVTOCI	30.442	30.442
Trade receivables	AC	26.469	
Securities (debt instruments)	FVTOCI	61	61
Cash and cash equivalents	AC	72.755	
Equity and liabiliteis			
Liabilities to banks	FLaC	11.922	12.320
Accounts payable	FLaC	21.023	

€k	Evaluation category IFRS 9*	31 Dec 2020 Carrying amount	Fair value
Assets			
Longterm Securities	FVTOCI	20.444	20.444
Trade receivables	AC	31.108	
Securities (debt instruments)	FVTOCI	340	340
Cash and cash equivalents	AC	69.450	
Equity and liabiliteis			
Liabilities to banks	FLaC	15.711	16.361
Accounts payable	FLaC	25.878	

* FVTPL: fair value through profit or loss; FVTOCI: fair value through other comprehensive income; AC: amortised cost; FLaC: financial liabilities at amortised cost

The fair value of financial instruments for which the carrying amount is a reasonable approximation of fair value is not disclosed separately.

Liquidity and trade receivables predominantly have short remaining terms. Their carrying amounts as at the end of the reporting period are therefore approximately their fair value. The fair values of securities at fair value are based on the market price quoted on an active market. Investments in equity instruments are predominantly measured at fair value through other comprehensive income. This reporting is based on strategic management decisions.

Trade payables, advances received and other financial liabilities are typically short-term; the amounts recognised are approximately the fair values. The fair values of the financial liabilities are calculated as the present value of the expected future cash flows. Discounting uses standard market interest rates based on the corresponding maturities and credit ratings.

The fair values as at 31 December 2021 for financial instruments reported at fair value in the statement of financial position were calculated as follows:

€k	Level 1	Level 2	Level 3	Total
Assets				
Longterm Securities	30.442			30.442
Securities (debt instruments)	61			61
Total	**30.503**			**30.503**

There were no changes between levels in either the current financial year or the past financial year.

The following table shows the measurement methods used to determine fair values:

Financial Instrument	Measurement method	Material, unobservable Input factors
Securities	The fair value is based on the market price of equity and debt instruments as of 31 December 2021.	Not applicable

IFRS 7 also requires a maturity analysis for financial liabilities. The following maturity analysis shows how the undiscounted cash flows in connection with the liabilities as at 31 December 2021 affect the future liquidity situation of the Group.

Nature of the obligation	Carrying amount 31 Dec 2021 €k	Up to 1 year €k	More than 1 year and up to 5 years €k	Over 5 years €k
Liabilities to banks	11.992	3.718	6.687	1.587
Accounts payable	21.023	21.023		

Nature of the obligation	Carrying amount 31 Dec 2020 €k	Up to 1 year €k	More than 1 year and up to 5 years €k	Over 5 years €k
Liabilities to banks	15.711	3.719	9.156	2.836
Accounts payable	25.878	25.878		

If the contract partner can call a payment at different points in time, the liability relates to the earliest possible maturity date.

The Group uses a small amount of derivative financial instruments (forward exchange contracts) to hedge against currency risks from current and future underlying transactions. These derivative financial instruments are generally recognised at fair value at the date of contract conclusions and remeasured at fair value in subsequent period.

Forward exchange contracts were concluded at nominal values of USD 546 thousand and GBP 2,517 thousand for order-related hedging. The market value of these forward exchange contracts as at the end of the reporting period was €-71 thousand.

VII. Objectives and methods of financial risk management

1. Financial assets and financial liabilities

The Group's financial liabilities mainly include current and non-current liabilities to banks, current trade payables and other current and non-current liabilities. The Group's financial assets essentially consist of cash, securities and trade receivables. The carrying amount of the financial assets less impairment losses reported in the consolidated financial statements represents the maximum exposure to credit risk; this totalled €129,727 thousand in the year under review (previous year: €121,342 thousand). Business relationships are only entered into with partners of good credit standing. Trade receivables relate to a number of customers across various industries and regions. Ongoing credit assessments of the financial level of the receivables are performed. Payment terms of 30 days without deduction are usually granted. Impairment was not recognised for trade receivables that were past due at the end of the reporting period if no material changes in the customer's creditworthiness were observed and it is assumed that the outstanding amount will be paid.

Please see II.11 "Liabilities" and II.12 "Other liabilities" for details of the maturities of financial liabilities.

The measurement of the financial assets and liabilities of the Aumann Group is shown under I.4.10 "Financial instruments – initial recognition and subsequent measurement" and in the discussion of the general accounting policies.

The Group uses fair value measurement for securities classified as measured at fair value through other comprehensive income. The Group had no financial liabilities at fair value through profit or loss at either the end of this reporting period or the previous reporting period. There were no reclassifications.

2. Capital risk management

The Group manages its capital (equity plus liabilities less cash) with the aim of achieving its financial goals while simultaneously optimising its finance costs by way of financial flexibility. In this respect, the overall strategy is the same as in the previous year.

Management reviews the capital structure at least once every half-year. The cost of capital, the collateral provided, open lines of credit and available credit facilities are reviewed.

The capital structure in the year under review is as follows:

	31 Dec 2021	31 Dec 2020
Equity in € thousand	189.347	186.338
- in % of total capital	63,4%	64,7%
Liabilities in € thousand	109.134	101.643
- in % of total capital	36,6%	35,3%
Current liabilities in € thousand	76.606	62.140
- in % of total capital	25,7%	21,6%
Non-current liabilities in € thousand	32.528	39.503
- in % of total capital	10,9%	13,7%
Net gearing*	0,0	0,1

* Calculated as liabilities less cash and cash equivalents and securities in relation to the equity capital.

The agreement of multiple financial covenants when borrowing loans means that the Group and individual equity investments are required to comply with certain equity ratios.

3. Financial risk management

Financial risk is monitored centrally by the Executive Board. The individual financial risks are reviewed at least four times per year.

The material Group risks arising from financial instruments include liquidity risks and credit risks. Business relationships are only entered into with partners of good credit standing.

Assessments from independent rating agencies, other financial information and trading records are used to assess credit, especially for major customers. In addition, receivables are monitored on an ongoing basis to ensure that the Aumann Group is not exposed to major credit risks. The maximum default risk is limited to the respective carrying amounts of the assets reported in the statement of financial position.

The Group manages liquidity risks by holding appropriate reserves, monitoring and maintaining loan agreements and planning and coordinating cash inflows and outflows.

4. Market risks

Market risks can result from changes in exchange rates (exchange rate risks) or interest rates (interest rate risks). Based on the estimate of exchange rate risks, foreign exchange contracts were entered into for the Group as at 31 December 2021 (see note under VI.). The Group's invoices are essentially issued in euro or the respective local currency, thereby largely avoiding exchange rate risks. The Group is not exposed to interest rate risks as a result of borrowing financing at fixed interest rates.

5. Fair value risk

The financial instruments of the Aumann Group that are not carried at fair value are primarily cash, trade receivables, other current assets, liabilities to banks, trade payables and other liabilities. The carrying amount of cash is extremely close to its fair value on account of the short terms of these financial instruments. For receivables and liabilities with normal credit conditions, the carrying amount based on historical cost is also extremely close to fair value.

VIII. Other required information

1. Managing Board

- Sebastian Roll, businessman, Chief Executive Officer (CEO)
- Jan-Henrik Pollitt, businessman, Chief Financial Officer (CFO) since 1 July 2021
- Rolf Beckhoff, engineer, left the Executive Board as at 30 September 2021

The Supervisory Board resolved upon changes in the Executive Board during the 2021 financial year: Effective 1 July 2021, Sebastian Roll was appointed as the company's new CEO. Jan-Henrik Pollitt was appointed as the CFO from the same date. The two men's Executive Board contracts have fixed terms until 30 June 2026.

Rolf Beckhoff – CEO of the company until 30 June 2021 – left the Executive Board as at 30 September 2021 at his own request.

Sebastian Roll is Managing Director of Aumann Beelen GmbH and Aumann Immobilien GmbH, since 1 August 2021 Supervisor of Aumann Technologies (China) Ltd. and member of the Board of Directors of Aumann Winding and Automation, Inc.

Jan-Henrik Pollitt is Legal Representative of Aumann Technologies (China) Ltd., member of the Board of Directors of Aumann Winding and Automation, Inc. and was Managing Director of Aumann Espelkamp GmbH from 1 August 2021 to 28 February 2022.

Rolf Beckhoff was Managing Director of Aumann Espelkamp GmbH and Aumann Berlin GmbH up to and including 31 July 2021 and a member of the Board of Directors of Aumann Technologies (China) Ltd. and of Aumann Winding and Automation, Inc.

2. Supervisory Board

The elected members of the Supervisory Board of Aumann AG are:

- Gert-Maria Freimuth, businessman, Chairman (Deputy Chairman of the Board of MBB SE, Chairman of the Supervisory Board of DTS IT AG and Delignit AG)
- Christoph Weigler, businessman, Deputy Chairman (General Manager of Uber Germany, Austria and Switzerland)

- Dr Christof Nesemeier, businessman (Chairman of the Board and Managing Director of MBB SE, Chairman of the Supervisory Board of Friedrich Vorwerk Group SE and of Friedrich Vorwerk Management SE as well as a member of the Supervisory Board of Delignit AG)

3. Executive body remuneration

2021	Total remuneration [in €k]
Managing Board	**1.291,3**
Supervisory Board	**60,0**

2020	Total remuneration [in €k]
Managing Board	**516,8**
Supervisory Board	**60,0**

By resolution of 21 August 2020, the Annual General Meeting authorised the Executive Board, with the approval of the Supervisory Board, to grant up to 300,000 subscription rights to up to 300,000 no-par value bearer shares of the company to entitled recipients in accordance with section 192(2) no. 3 until 30 June 2025. The programme is based on the price performance of the Aumann AG share. The exercisable amount of the subscription rights is determined using a price-criteria model. The exercise price of a subscription right is €11.00, and the duration and vesting period of the subscription rights is four years. The equity-based 2020 stock option programme comprises criterion A (achievement of price thresholds) and criterion B (average price attained). Each criterion determines an exercisable percentage based on the stock options issued.

Criterion A is based on the achievement of a price threshold. The respective threshold value is deemed to be met when this value was reached or exceeded on 90 XETRA trading days (as a moving average on the basis of the respective daily closing price) and a total of at least 90,000 shares were traded on XETRA in this period. The price thresholds are as follows:

Price threshold	Cumulative percentage vesting of issued stock option rights
15,00 €	1,8%
19,50 €	4,8%
23,00 €	9,0%
26,50 €	14,4%
30,00 €	21,0%
33,50 €	28,8%
37,00 €	37,8%
40,50 €	48,0%
44,00 €	60,0%

Criterion B measures the average price attained at the end of the stock option programme with its increase as against the target. The target is an average price at the end of the vesting period of €27.50, resulting in a price increase of €16.50 on the exercise price of €11.00 as an additional target value.

The calculated results of both criteria are added together, with the maximum exercisable percentage of the issued stock options capped at 100%. The absolute maximum per entitled recipient for exercisable stock options is €50.00 less the exercise price per share, then multiplied by the total number of stock options granted to the entitled recipient.

The tax on the non-cash benefit of exercised stock options is paid by Aumann AG.

The subscriptions rights were measured with a Monte Carlo simulation, taking the absolute performance targets into account. The following parameters are considered in the measurement of subscription rights:

Parameter	
Valuation date	07/01/2021
Exercise price	11,00 €
Share price	17,48 €
Risk-free interest rate	-0,65%
Dividend yield	0,22%
Expected volatility	57,19%
Due date	07/31/2025
Fair value	5,49 €

The estimates for expected volatility were derived from the historical share price performance of Aumann AG. The remaining term of the options was taken as the timeframe.

A total of 282,800 subscription rights were granted from the stock option programme in the 2021 financial year, of which 150,000 subscription rights were allocated to the Executive Board of Aumann AG and 132,800 subscription rights to other managers of Aumann AG and its direct and indirect subsidiaries.

The stock options were measured once at the issue date. The fair value of the Executive Board's stock options, which is recognised pro rata in staff costs and in the capital reserves over the full term of the programme, amounts to €823.5 thousand. The corresponding tax expense, for which a provision is recognised pro rata over the full term of the programme, amounts to €744.3 thousand.

4. Group companies

The companies are included in the consolidated financial statements of MBB SE, Berlin, which prepares the consolidated financial statements for the largest group of companies. The consolidated financial statements are published on the MBB SE website.

5. Related party transactions

Parties are considered to be related if they have the ability to control the Aumann Group or exercise significant influence over its financial and operating decisions.

The companies included in the consolidated financial statements are considered to be related companies. Transactions between the company and its subsidiaries are eliminated in consolidation and are not shown in this note, or are of subordinate significance and typical for the industry.

Other related companies include MBB SE, the parent company of Aumann AG, and the companies included in consolidation by MBB SE. Transactions were performed with these companies at market conditions. Aumann AG, Beelen, paid MBB SE, Berlin, €208 thousand for consulting services in the 2021 financial year (2020: €218 thousand).

6. Employees

The Group employed 775 people as at the end of the reporting period (previous year: 968), eight of whom were managing directors or members of the Executive Board (previous year: five). The Group also employed 87 trainees (previous year: 105) and 19 temporary employees (previous year: five) in 2021. It employed 845 people on average over the year (previous year: 1,026).

7. Auditor's fees

	2021 €k	2020 €k
Audit services (incl. special audit ERP Migration)	161,5	152,0
Summe	**161,5**	**152,0**

8. Events after the end of the reporting period

There were no events or developments after the end of the financial year that would have led to a material change in the reporting or measurement of the individual assets or liabilities as at 31 December 2021 or that would be reportable.

9. Other financial obligations

Other financial obligations	31 Dec 2021 €k	31 Dec 2020 €k
Up to one year	92	103
More than one year and up to five years	247	332
Over five years	0	7
	339	**442**

10. Declaration in accordance with section 161 AktG

As a listed stock corporation in accordance with section 161 AktG, Aumann AG is required to submit a declaration on the extent to which the recommendations of the Corporate Governance Code of the German Government Commission have been complied with. The Executive Board and the Supervisory Board submitted the latest version of this declaration on 11 March 2022. It forms part of the management report and is published online at www.aumann.com.

11. Events after closing date

The war in Ukraine has the potential to put a significant damper on the global economy's recovery from the COVID-19 pandemic. The consequences for the global financial markets, international supply chains and economic life in Germany and the Aumann Group cannot be foreseen at present due to the highly dynamic nature of the current situation. In the combined management and group management report, reference has been made at appropriate points to possible consequences and risks, without these remarks claiming to be able to provide a complete picture of the situation and its effects at this stage.

12. Exemption under section 264(3) HGB

These consolidated financial statements exempt Aumann Beelen GmbH in accordance with section 264(3) HGB.

Beelen, 30 March 2022

Sebastian Roll
Chief Executive Officer

Jan-Henrik Pollitt
Chief Financial Officer

Responsibility statement

To the best of our knowledge, and in accordance with the generally accepted principles of proper Group financial reporting, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Beelen, 30 March 2022

Sebastian Roll Chief Executive Officer	Jan-Henrik Pollitt Chief Financial Officer

Independent auditor's report

To Aumann AG, Beelen

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

Audit opinions

We have audited the consolidated financial statements of Aumann AG and its subsidiaries (the Group) – consisting of the consolidated statement of financial position as at 31 December 2021, 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 2021 to 31 December 2021 and the notes to the consolidated financial statements including a summary of the significant accounting policies. Furthermore, we have audited the Group management report of Aumann AG for the financial year from 1 January 2021 to 31 December 2021, which is combined with the management report of the company and hereinafter referred to as "Group management report". In accordance with the provisions of German law, we have not audited the content of the elements set out in the "Other information" section of our auditor's report.

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

- the attached consolidated financial statements, in all material respects, comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law in accordance with section 315e(1) HGB, and give a true and fair view of the net assets and financial position of the Group in accordance with these requirements as at 31 December 2021 and its results of operations for the financial year from 1 January 2021 to 31 December 2021 in accordance with these provisions; and
- as a whole, the attached Group management report provides a suitable view of the Group's position. In all material respects, this Group management report is consistent with the consolidated financial statements and with German legal requirements, and accurately presents the risks and opportunities of future development. Our audit opinion on the Group management report does not extend to the content of the elements of the Group management report set out in the "Other information" section.

In accordance with section 322(3) sentence 1 HGB, we declare that our audit has not led to any objections to the regularity of the consolidated financial statements or the Group management report.

Basis for audit opinions

We conducted our audit in accordance with section 317 of the Handelsgesetzbuch (HGB – German Commercial Code), the EU Audit Regulation (No. 537/2014) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW – German Institute of Public Auditors). Our responsibility under these provisions and policies is described further in the section of our auditor's report entitled "Auditor's responsibility for the audit of the consolidated financial statements and the Group management report". We are independent from the Group companies in accordance with the commercial and professional regulations of European and German law and have fulfilled our other German professional obligations in accordance with these requirements. Furthermore, in accordance with Article 10(2)(f) of the EU Audit Regulation, we declare that we have not performed any prohibited non-audit services as defined by Article 5(1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinions on the consolidated financial statements and the Group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those that, based on our professional judgement, were most significant in our audit of the consolidated financial statements for the financial year 1 January 2021 to 31 December 2021. These matters were taken into account in the context of our audit of the consolidated financial statements as a whole and in the formation of our audit opinion; we have not issued a separate opinion on these matters.

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

- Goodwill impairment
- Recognition of contract revenue

Our presentation of these key audit matters is structured as follows:

1. matter and problem
2. audit procedure and findings
3. reference to further information

The key audit matters are presented below:

Goodwill impairment

1. Goodwill of €38.5 million is reported under the statement of financial position item "Intangible assets" in the consolidated financial statements of Aumann AG. The company allocates the goodwill to the relevant groups of cash-generating units. The company tests goodwill for impairment annually as at the end of the reporting period or on an ad hoc basis. This is done by comparing the calculated value in use to the carrying amount of the corresponding group of cash-generating units. These values are usually based on the present value of the future cash flows of the cash-generating unit to which the respective goodwill has been allocated. The values are calculated using forecasts for the individual cash-generating units based on the financial planning approved by management. Discounting is performed using the weighted average cost of capital of the respective cash-generating unit. The result of this is largely dependent on the estimate of future cash inflows by the company's officers and the discount rate used, and is therefore subject to considerable uncertainty, hence this is a key audit matter.

2. To address this risk, we critically examined the assumptions and estimates by management, and performed audit procedures including the following:
   - In the course of our audit procedures, we obtained an understanding of the company's impairment testing process and verified the methodological procedure for performing the impairment test.
   - We satisfied ourselves that the future underlying cash flows and discount rates used in measurement form an appropriate basis for the impairment testing of the individual cash-generating units.
   - In our assessment, we used comparisons against general and industry-specific market expectations and extensive information from management on the key value drivers in planning, and we compared this information against the current budget in the planning approved by the Supervisory Board.
   - Knowing that even relatively small changes in the discount rate can have a material impact on the value in use calculated thus, we examined the parameters used to determine the discount rate applied, including the weighted average cost of capital, and verified the company's calculation scheme.
   - Furthermore, we conducted our own additional sensitivity analysis to be able to estimate a possible impairment risk in the event of a possible change in a key measurement assumption. The selection was based on qualitative aspects and the amount by which the respective carrying amount is exceeded by the value in use.

   We found that the respective goodwill and, in general, the total carrying amounts of the relevant groups of cash-generating units as at the end of the reporting period are covered by the discounted future cash flows.

3. The information provided by the company on goodwill can be found in notes I.4.5 and II.2. to the financial statements.

Recognition of contract revenue

1. A significant portion of the Group's business activities takes the form of construction contracts. Revenue recognition in accordance with IFRS 15 is dependent on the fulfilment of the performance obligation and must be assessed on the basis of the underlying contracts. Given the complexity of revenue recognition, revenue recognition is an area with a significant risk of material misstatement (including the potential risk of managers bypassing controls) and is therefore a key audit matter. Of the revenue, €154.8 million relates to time-period contracts with customers in 2021. As at 31 December 2021, €73.9 million in contract assets and €23.6 million in contract liabilities from construction contracts are recognised.

2. To address this risk, we critically examined the assumptions and estimates by management, and performed audit procedures including the following:

- In the context of our audit, we reviewed the company's internal methods, procedures and project management control mechanisms in the bidding and performance phase of construction contracts. We also assessed the design and effectiveness of accounting-related internal controls by tracking business transactions specific to contract manufacturing, from the time they arise to their presentation in the consolidated financial statements, and by testing controls.
- Using samples selected on a risk-oriented basis, we assessed the estimates and assumptions made by the company's officers in the context of individual audits. Our audit procedures also included a review of the contractual basis and contractual conditions, including contractually agreed regulations on partial delivery of goods and services, termination rights, default and contractual penalties and damages. For the selected projects, in order to assess the calculation of revenue on an accrual basis, we also examined the revenue billable as at the end of the reporting period and the associated costs of sales recognised in profit or loss in line with the percentage of completion and reviewed the accounting of the related items.
- Furthermore, we questioned project management (both commercial and technical project managers) on the development of projects, the reasons for discrepancies between planned costs and actual costs, the current assessment of the costs expected to be incurred by the time of completion and the assessments of the company's officers of potential contract risks.

  Our audit procedures did not give rise to any objections regarding revenue recognition from construction contracts.

3. The information provided by the company on the accounting methods used for accounting for construction contracts can be found in notes I.4.15, II.4, II.5 and III.1 to the financial statements.

Other information

The company's officers are responsible for the other information. The other information comprises:

- the Group declaration on corporate governance;
- the consolidated non-financial statement in accordance with section 315b HGB in conjunction with section 289b HGB;
- other parts of the annual report, with the exception of the audited consolidated financial statements, the Group management report and our auditor's report;
- the statement in accordance with section 297(2) sentence 4 HGB on the consolidated financial statements and the statement in accordance with section 315(1) sentence 5 HGB on the Group management report.

Our audit opinions on the consolidated financial statements and the Group management report do not extend to the other information, and accordingly we do not offer any audit opinion or any other form of audit conclusion on it.

In connection with our audit, we have the responsibility to read the other information and to assess whether the other information:

- contains material inconsistencies with the consolidated financial statements, the Group management report or our findings from the audit; or
- is otherwise materially misrepresented.

Responsibility of the company's officers and the Supervisory Board for the consolidated financial statements and the Group management report

The company's officers are responsible for the preparation of the consolidated financial statements that, in all material respects, comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law in accordance with section 315e(1) HGB, and that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group. Furthermore, the company's officers are responsible for the internal controls that they have deemed necessary to enable the preparation of consolidated financial statements that are free from – intentional or unintentional – material misstatement.

In preparing the consolidated financial statements, the company's officers are responsible for assessing the Group's ability to continue as a going concern. They are also responsible for disclosing matters in connection the continuation of business activities, if relevant. Furthermore, they are responsible for accounting on the basis of the going concern principle, unless they intend to liquidate the Group or discontinue its business operations, or there is no realistic alternative.

Moreover, the company's officers are responsible for the preparation of the Group management report that, on the whole, provides a suitable view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and with German legal requirements, and accurately presents the risks and opportunities of future development. Also, the company's officers are responsible for the precautions and measures (systems) that they deem necessary to enable the preparation of a Group management report in accordance with the applicable German legal requirements to provide sufficient suitable evidence for the statements in the Group management report.

The Supervisory Board is responsible for monitoring the Group's accounting 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 – intentional or unintentional – misstatement and whether the Group management report as a whole provides a suitable view of the Group's position and, in all material respects, is consistent with the consolidated financial statements, audit findings and German legal requirements, and accurately presents the risks and opportunities of future development, and to issue an auditor's report containing our audit opinions on the consolidated financial statements and the Group management report.

Reasonable assurance is a high degree of assurance, but not a guarantee that an audit performed in accordance with section 317 HGB, the EU Audit Regulation and the German generally accepted standards for the audit of financial statements promulgated by the IDW will always reveal a material misstatement. Misstatements can result from violations or inaccuracies, and are considered material if they could reasonably be expected, individually or collectively, to influence the economic decisions that users make on the basis of these consolidated financial statements and the Group management report.

We exercise due discretion and maintain a critical approach. Furthermore:

- We identify and assess the risks of – intentional or unintentional – material misstatements in the consolidated financial statements and the Group management report, we plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to form the basis of our audit opinions. The risk that material misstatements are not detected is greater for violations than for inaccuracies, as violations can include fraud, falsification, intentional omissions, misrepresentation or the invalidation of internal controls;
- We gain an understanding of the internal control system relevant to the audit of the consolidated financial statements and of the systems relevant to the audit of the Group management report in order to plan audit procedures that are appropriate under the given circumstances, but not with the objective of expressing an opinion on the effectiveness of these systems;
- We assess the appropriateness of the accounting policies applied by the company's officers and the reasonableness of the estimates and related disclosures by the company's officers;
- We draw conclusions about the appropriateness of the going concern principle applied by the company's officers and, on the basis of the audit evidence obtained, whether there is material uncertainty about events or circumstances that can give rise to significant doubts about the Group's ability to continue as a going concern. If we come to the conclusion that material uncertainty exists, we are required to refer to the relevant disclosures in the consolidated financial statements and the Group management report in the auditor's report or, if these disclosures are inappropriate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances can lead to the Group being unable to continue its business activities;
- We assess the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements present the underlying transactions and events in such a way that the consolidated financial statements, in accordance with the IFRSs as adopted by the EU and the additional requirements of German commercial law in accordance with section 315e(1) HGB, give a true and fair view of the net assets, financial position and results of operations of the Group;
- We obtain sufficient, suitable audit evidence for the accounting information of the companies or business activities within the Group in order to issue audit opinions on the consolidated financial statements and the Group management report. We are responsible for designing, monitoring and performing the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions;
- We assess that the Group management report is consistent with the consolidated financial statements and the law, and the view of the position of the Group that it provides;

- We perform audit procedures on the forward-looking statements made in the Group management report by the company's officers. In particular, on the basis of sufficient and suitable audit evidence, we analyse the significant assumptions on which the forward-looking statements are based, and assess whether the forward-looking statements have been properly derived from these assumptions. We do not issue a separate audit opinion on the forward-looking statements or the underlying assumptions. There is a considerable yet unavoidable risk that future events will deviate materially from the forward-looking statements.

Among other things, we discuss with those responsible for overseeing the audit the planned scope and scheduling of the audit and significant audit findings, including any deficiencies in the internal control system that we identify during our audit.

We declare to those responsible for overseeing the audit that we complied with the relevant independence requirements and discuss with them all relationships and other matters that can reasonably be assumed to affect our independence, and the precautions taken against this.

Of the matters we discussed with those responsible for overseeing the audit, we determine which matters were most significant in the audit of the consolidated financial statements for the current reporting period and that are therefore the key audit matters. We describe these matters in our auditor's report, unless the public disclosure of such matters is prevented by law or other legal provisions.

OTHER STATUTORY AND LEGAL REQUIREMENTS

Report on the assurance on the electronic rendering of the consolidated financial statements and the Group management report prepared for publication purposes in accordance with section 317 (3a) HGB

Audit opinion

Pursuant to section 317(3a) HGB, we have performed assurance work to obtain reasonable assurance about whether the rendering of the consolidated financial statements and of the Group management report contained in the electronic file [Aumann AG_KA+KLB_ESEF_20211231] made available and prepared for publication purposes (also referred to hereinafter as the "ESEF documents") satisfies the requirements of section 328(1) HGB relating to the electronic reporting format ("ESEF format") in all material respects. In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the Group management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and of the Group management report contained in the file made available, identified above, and prepared for publication purposes meet the requirements of section 328(1) HGB relating to the electronic reporting format in all material respects. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying Group management report for the financial year from 1 January 2021 to 31 December 2021 contained in the preceding "Report on the audit of the consolidated financial statements and the Group management report", we do not issue any assurance opinion whatsoever on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the audit opinion

We conducted our assurance work on the rendering of the consolidated financial statements and of the Group management report contained in the file made available and identified above in accordance with section 317(3a) HGB and the IDW assurance standard: Assurance work on the electronic rendering of financial statements and management reports prepared for publication purposes in accordance with section 317(3a) HGB (IDW PS 410). Our responsibility according to these provisions is described in further detail under "Responsibility of the auditor for the audit of the ESEF documents". Our audit practice has applied the requirements for quality assurance systems set out in the IDW standard on quality management: Requirements for quality management in audit firms (IDW QS 1).

Responsibility of the company's officers and the Supervisory Board for the ESEF documents

The company's officers responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the Group management report in accordance with section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with section 328 (1) sentence 4 item 2 HGB.

In addition, the company's officers are responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the creation of the ESEF documents as part of the financial reporting process.

Responsibility of the auditor for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material violations, whether due to fraud or error, of the requirements of section 328(1) HGB. We exercise due discretion and maintain a critical approach. Furthermore:

- We identify and assess the risks of material breaches of the requirements of section 328(1) HGB, whether due to fraud or error, plan and perform audit procedures in response to those risks, and obtain assurance evidence that is sufficient and appropriate to form the basis of our assurance opinion;
- We gain an understanding of internal controls 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 these controls;
- We assess the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815, as amended as at the end of the reporting period, relating to the technical specification for this file;
- We assess whether the ESEF documents enable the audited consolidated financial statements and the audited Group management report to be reproduced in XHTML with the same contents;
- We assess whether the mark-up of the ESEF documents with Inline XBRL technology (iXBRL) enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction to be made.

Other disclosures pursuant to Article 10 of the EU Audit Regulation

We were elected as the auditor of the consolidated financial statements by the Annual General Meeting on 2 June 2021. We were engaged by the Supervisory Board on 17 December 2021. We have served as the auditor of Aumann AG's consolidated financial statements since the 2017 financial year.

We declare that the audit opinions contained in this auditor's report are consistent with the additional report to the Supervisory Board in accordance with Article 11 of the EU Audit Regulation (audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read in conjunction with the audited consolidated financial statements, the audited Group management report and the audited ESEF documents. The consolidated financial statements and group management report converted into ESEF format –including the versions to be published in the German Federal Gazette – are merely electronic renderings of the audited consolidated financial statements and the audited Group management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic format.

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Katrin Peters.

Düsseldorf, 30 March 2022

RSM GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dr Grabs Wirtschaftsprüfer (German Public Auditor)	Peters Wirtschaftsprüferin (German Public Auditor)

Financial calendar

Annual Report 2021
31 March 2022

Interim Statement Q1 2022
13 May 2022

Annual General Meeting 2022
8 June 2022

Half-year Financial Report 2022
12 August 2022

Interim Statement Q3 2022
11 November 2022

End of the 2022 financial year
31 December 2022

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