



Annual Report  
2023  
MBB SE, Berlin

## MBB in figures

| Financial year   | 2023                 | 2022                 | Δ 2023<br>/ 2022 |
|--|----------------------|----------------------|------------------|
| <b>Earnings figures (adjusted*)</b>                            |                      |                      |                  |
|  | <b>€k</b>            | <b>€k</b>            | <b>%</b>         |
| <b>Revenue</b>   | <b>954,620</b>       | <b>896,453</b>       | <b>6.5</b>       |
| Operating performance  | 954,413              | 900,775              | 6.0              |
| Total performance  | 994,074              | 939,471              | 5.8              |
| Cost of materials  | -591,324             | -550,874             | 7.3              |
| Personnel expenses   | -252,726             | -233,927             | 8.0              |
| EBITDA   | 80,216               | 93,166               | -13.9            |
| <i>EBITDA margin</i>   | <i>8.4%</i>          | <i>10.3%</i>         |                  |
| EBIT   | 38,208               | 53,335               | -28.4            |
| <i>EBIT margin</i>   | <i>4.0%</i>          | <i>5.9%</i>          |                  |
| EBT  | 39,778               | 49,024               | -18.9            |
| <i>EBT margin</i>  | <i>4.2%</i>          | <i>5.4%</i>          |                  |
| <b>Consolidated net profit after non-controlling interests</b> | <b>15,029</b>        | <b>16,766</b>        | <b>-10.4</b>     |
| eps in €   | 2.62                 | 2.88                 | -9.0             |
| Average number of shares in circulation (in thousand)          | 5,735                | 5,814                | -1.4             |
| <b>Earnings figures (IFRS)</b>                                 |                      |                      |                  |
|  | <b>€k</b>            | <b>€k</b>            | <b>%</b>         |
| EBITDA   | 78,190               | 87,978               | -11.1            |
| Consolidated net profit after non-controlling interests        | 12,150               | 11,764               | 3.3              |
| eps in €   | 2.12                 | 2.02                 | 5.0              |
| <b>Figures from the statement of financial position (IFRS)</b> |                      |                      |                  |
|  | <b>31 Dec<br/>€k</b> | <b>31 Dec<br/>€k</b> | <b>%</b>         |
| Non-current assets   | 396,366              | 359,831              | 10.2             |
| Current assets   | 752,655              | 761,697              | -1.2             |
| thereof liquid funds**   | 529,635              | 512,978              | 3.2              |
| Issued capital (share capital)                                 | 5,716                | 5,804                | -1.5             |
| Other equity   | 758,192              | 763,723              | -0.7             |
| <b>Total equity</b>  | <b>763,908</b>       | <b>769,527</b>       | <b>-0.7</b>      |
| <i>Equity ratio</i>  | <i>66.5%</i>         | <i>68.6%</i>         |                  |
| Non-current liabilities  | 102,662              | 105,454              | -2.6             |
| Current liabilities  | 282,450              | 246,546              | 14.6             |
| <b>Total assets</b>  | <b>1,149,020</b>     | <b>1,121,527</b>     | <b>2.5</b>       |
| <b>Net cash (+) or net debt (-)**</b>                          | <b>475,293</b>       | <b>445,204</b>       | <b>6.8</b>       |
| <b>Employees (as of closing date)</b>                          |                      |                      |                  |
|  | <b>3,782</b>         | <b>3,571</b>         | <b>5.9</b>       |

\* For details of the adjustments, please see the information on results of operations, financial position and net assets in the combined management and Group management report.

\*\* This figure includes the value of physical gold stocks and securities.

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## Welcome Note from the Executive Management

Dear fellow shareholders,

In a year that was yet again characterised by macroeconomic and geopolitical uncertainties, MBB has once more demonstrated its resilience. Although the rise in interest rates, cost increases for materials, energy and personnel and weaker demand were noticeable in 2023, they hardly slowed MBB's growth.

The MBB Group's revenues increased by 6.5% to €954.6 million in the past financial year. Growth rates within the Group differed significantly between the segments: while the Technological Applications segment recorded significant double-digit growth, revenues in the Service & Infrastructure segment remained roughly at the previous year's level. The Consumer Goods segment recorded a slight decline in revenues.

The Group's adjusted EBITDA fell by 13.9% to €80.2 million in 2023. Here, the development within the Group is highly heterogeneous as well: The Technological Applications segment substantially increased its profitability, while the other two segments saw a decline. Once again, the diversification of the MBB Group paid off. Individual challenges, such as rising energy prices, may have a strong negative impact on parts of the Group, but are then at least partially offset by positive developments in other parts.

In addition to diversification, a key secret of the MBB Group's success lies in its focus on growth trends that make us less dependent on macroeconomic developments. For example, the energy transition presents many companies with the challenge of rising energy prices. However, Friedrich Vorwerk is benefiting significantly from the necessary investments in the German energy grid. In the same way, e-mobility leads to falling margins and high investments in many parts of the automotive industry. For Aumann, the increasing need for investment also means growing business. Finally, while many companies are suffering from the high number of cyber attacks, DTS is benefiting from the growing demand for IT security products that enable the defence against such attacks.

### Segment development in 2023

The **Service & Infrastructure** segment is the MBB Group's largest segment, accounting for around 50% of revenues. In the past financial year, segment revenues reached €481.3 million, which corresponds to a growth of 0.9%. However, the low growth in 2023 is put into perspective when one considers that segment revenue grew rapidly by 32.8% in 2022. DTS even grew by 36.1% in the previous year due to special effects, which led to a particularly high comparative figure in 2023. In our view, consolidating revenue at this high level is the prerequisite for significantly higher growth rates in the coming financial years.

Profitability in the Service & Infrastructure segment fell by 29.6% to €47.0 million EBITDA in 2023. This development explains most of the decline in margins for the entire MBB Group. It is mainly due to increased material and personnel costs, which had a significant negative impact on individual major projects acquired by Friedrich Vorwerk in 2020 and 2021. As these projects are now almost complete, we expect a significant increase in the EBITDA margin in 2024.

Order intake in the Service & Infrastructure segment developed extremely positively. Friedrich Vorwerk in particular contributed to this, acquiring the largest order in MBB's history with the A-Nord cable route. The approximately 300 km long "electricity highway", which will transport wind power to the south and will be followed by numerous other major power line projects, amounts to a cumulative revenue volume of more than €600 million for Friedrich Vorwerk until 2026. As a result, Friedrich Vorwerk's order backlog rose to over one billion euros at the end of 2023.

The second-largest division in the MBB Group, accounting for around 40% of revenue, is the **Technological Applications** segment. In 2023, the segment achieved growth of 20.0% to €375.7 million in revenue. Aumann accounted for the largest share of this growth, increasing its revenue by 34.5% to €289.6 million. This made Aumann by far the fastest-growing company in the MBB Group last year. Delignit also grew by 14.2% to €86.0 million in revenue.

Adjusted EBITDA in the Technological Applications segment rose by an impressive 74.7% to €28.3 million. The main driver of the increase in profitability was once again Aumann, which more than doubled its adjusted EBITDA to €21.3 million. Looking at Aumann's incoming orders, which reached a record €339.4 million in 2023, further growth combined with another significant increase in profitability is also on the cards for 2024. According to industry experts, the need for car manufacturers to invest in production lines for electric vehicles will continue.

With a 10% share of revenue, the **Consumer Goods** segment is the smallest business area of the MBB Group. Last year, the two companies in this segment felt the effects of the economic slowdown and the high volatility of energy prices the most. Both the tissue manufacturer Hanke and the mattress manufacturer CT Formpolster recorded a decline in revenues. In total, segment revenues fell by 7.9% to €98.4 million. Increased energy costs led to a significant decline in profitability, particularly at Hanke. The segment's adjusted EBITDA therefore fell to €5.9 million, but is expected to recover significantly in 2024.

### Positioning of the MBB Group

There are many indications that the German economy will at best move sideways in 2024. The rise in interest rates on the one hand and country-specific conditions on the other pose new challenges for numerous companies. As MBB, we

will not be able to completely decouple ourselves from these developments, but our strong equity financing, our diversification and our focus on growth trends will further improve MBB's relative positioning.

The period of historically low interest rates that we have experienced in recent years has had a significant positive impact on economic and investment momentum in Germany. This phase offered unique opportunities for both industrial companies and investors. At the same time, the willingness to take risks increased, as capital was always available in abundance and at favourable rates. As MBB, we nevertheless selected our investments very carefully during this phase and did not increase our risk positioning by taking on debt. As a result, half of our subsidiaries now have significant net cash positions despite the low-interest phase. In addition, the holding company has net cash of €311.1 million at the end of 2023.

The normalisation of the interest rate landscape will have far-reaching consequences for companies and financial investors whose success was linked to the availability of cheap capital. The willingness to take risks will decrease in many areas and the willingness of company buyers to pay has already decreased noticeably. These developments mean a relative improvement in the competitive position of our conservatively financed MBB companies. The number and attractiveness of investment opportunities for MBB SE itself are also increasing. Our aim is to turn the improvement in our competitive position into sustainable growth and long-term value creation.

MBB SE used the transition year 2023 to invest in its own Group. At the beginning of the financial year, MBB SE acquired shares in Aumann worth just under €8 million. Aumann itself invested a further €9 million in the buyback of treasury shares over the course of the year, increasing MBB's notional interest in Aumann to over 50%. MBB SE also invested around €28 million in shares in Friedrich Vorwerk in 2023. At the beginning of the 2024 financial year, it acquired further shares worth €9 million, increasing its stake in Friedrich Vorwerk to just under 50%. Finally, MBB acquired treasury shares worth €7 million in the 2023 financial year and cancelled them. The public buyback offer at the beginning of the 2024 financial year added treasury shares worth €38 million. These investments totalling almost €100 million in our own portfolio are an expression of our deep conviction in the exceptional quality of our companies, MBB's superior positioning and the very high potential for sustainable value growth.

#### Looking ahead to 2024

Most MBB companies expect to increase their revenue and profitability in 2024. With Friedrich Vorwerk and Aumann, two of MBB's driving forces are expecting an increase in the EBITDA margin of several percentage points. Both companies have extremely well-filled order books, which allow a high level of visibility on business development. DTS also expects another significant increase in revenue in 2024 with the usual high EBITDA margin. Finally, the Consumer Goods segment is also anticipating a noticeable improvement in margins.

As a Group, we therefore expect revenue of €1 billion in 2024 with an adjusted EBITDA margin of 10%. The triad of diversification, focussing on growth trends and equity-based financing will also underpin the resilience of the MBB Group in 2024. We believe that this provides us with the best conditions for further organic and inorganic growth.

We thank you for your continued interest in MBB and would be delighted if you were part of our growth story.

Berlin, 22 March 2024


The Executive Management of MBB



Dr Constantin Mang  
*Chief Executive Officer*



Dr Jakob Ammer  
*Chief Operating Officer*



Torben Teichler  
*Chief Investment Officer*



Dr Christof Nesemeier  
*Executive Chairman*

## Report of the Board

In the past financial year, the Board kept itself continuously informed about the business and strategic development of the Company and advised and monitored the Executive Management in accordance with the duties and responsibilities imposed on it by law and the Articles of Association as well as the provisions of the German Corporate Governance Code. The Board was, thus, informed about the strategy, business policy, planning, risk situation and the net assets, financial position and results of operations of the MBB Group at all times.

This took place both in personal discussions between members of the Board and with Executive Directors, through regular information from the Executive Management regarding the course of business, and additionally during the meetings of the Board held on 7 February, 29 March, 12 June, 20 September and 20 December 2023, which were attended by all members of the Board in person or by video conference.

### Focus of the discussions and resolutions

During the individual meetings, the Board together with the Executive Directors analyzed the current business development and discussed the strategic direction. The discussions covered both the economic situation of the Company and the individual subsidiaries. In addition to the operational development of the Group, investments and M&A topics were also discussed at the Board meetings. In case individual transactions required the approval of the Board in accordance with the Articles of Association or statutory provisions, the Board examined them and decided whether to grant their approval.

A key focus of the discussions on business development in the 2023 financial year was on Friedrich Vorwerk's profitability, which had declined, and possible measures to restore it. The Board of Directors held its first extraordinary meeting for this purpose on 7 February 2023. The Board also dealt in detail with the capital increase at Delignit AG and discussed the Group's relevant target markets with regard to their order situation, competitive environments and the raw material and energy price situation. In the area of capital investment, the volatile capital market environment and the effects of the interest rate turnaround were discussed in particular and decisions were made on the investment of cash and cash equivalents. In the area of M&A, advice was provided on several investment opportunities and due diligence results.

### Committees and composition

The members of the Board are:

- Dr Christof Nesemeier (Chairman and Executive Management)
- Gert-Maria Freimuth (Deputy Chairman)
- Anton Breitkopf
- Dr Peter Niggemann

The Board consists of four members. There is a separate Audit Committee, to which all members of the Board of Directors belong. Anton Breitkopf was elected Chairman of the Audit Committee. The Chairman of the Audit Committee was closely involved in the audit of MBB's consolidated financial statements for the 2023 financial year. There is also a Nomination Committee, which also consists of all members of the Board and is chaired by Gert-Maria Freimuth. The Nomination Committee did not meet last year as there were no new appointments to the Executive Management or changes to the remuneration. Due to its size and composition, the Board of Directors currently identifies no need to form further committees.

The Board aims to increase the representation of women in management positions. The Board of MBB SE therefore resolved on 14 April 2021 the goal to achieve a 20% ratio of women for members of the Board and the Executive Management in the mid-term. This ratio of women on the supervisory boards of the listed subsidiaries Friedrich Vorwerk, Aumann and Delignit has already been achieved.

### Corporate Governance

As corporate governance significantly contributes to the responsible management and control of the company's management with a focus on value creation, the Board of Directors continued to deal with topics and matters relating to corporate governance in 2023. Together with Executive Management, the Board of Directors issued the annual declaration in accordance with Section 161 of the German Stock Corporation Act (AktG) on the recommendations of the German Corporate Governance Code. Further information on corporate governance can be found in the summarised corporate governance declaration in accordance with Section 315d HGB in conjunction with Section 289f HGB. The summarised corporate governance statement also contains the corporate governance report prepared by the Executive Management and the Board of Directors as well as the statement on the recommendations of the German Corporate Governance Code. The summarised corporate governance statement is permanently available on the MBB SE website at [www.mbb.com](http://www.mbb.com). The Executive Management and the members of the Board disclose any conflicts of interest to the Board promptly without delay. In the past financial year, the Board received no reports or indications of conflicts of interest of the Executive Management or members of the Board.

### Audit of annual and consolidated financial statements

The Board duly commissioned RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, which was elected by the Annual General Meeting as auditor, to audit the annual financial statements and the consolidated financial statements as well as the combined management report and Group management report for financial year 2023. On 18 September 2023, the shareholders of RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft resolved the carve-out of a part of the business, including the Düsseldorf office, to Nexia GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft by way of universal succession in accordance with sections 125 et seq. of the UmwG. This also included the appointment of RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, as the auditor for the audit of the annual and consolidated financial statements of MBB SE as at 31 December 2023. The responsible auditors are part of the carve-out to Nexia GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft.

The auditor has complied with the annual confirmation of independence to the Board and the auditor's case-related reporting obligation to the Board in accordance with the Stock Corporation Act. The declaration confirms that there are no professional, financial or other relationships between the auditor, its executive bodies and audit managers on the one hand and the Company and its executive body members on the other that could give rise to doubts about its independence.

The annual financial statements of MBB SE as at 31 December 2023 and the combined management report for MBB SE and the MBB Group were prepared in accordance with the German principles of commercial law, while the consolidated financial statements as at 31 December 2023 were prepared in accordance with International Financial Reporting Standards (IFRS). They have been audited by Nexia GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf (formerly RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf), which was elected by the Annual General Meeting and appointed by the Chairman of the Board, and issued with an unqualified audit opinion dated 22 March 2024.

The Board examined the annual financial statements prepared by the Executive Management, the joint management report for MBB SE and the MBB Group, the proposal for the appropriation of profits and the consolidated financial statements and discussed them with the auditor at the meeting on 22 March 2024. Prior to the meeting, the Chairman of the Audit Committee discussed the results of the audit with the auditor. All questions raised by the Board were answered in full by the auditor. The Board received the auditors' report prior to the financial statements meeting. Based on the final results of the audit carried out by the Board, there are no objections to the annual financial statements, the management report and the consolidated financial statements. The consolidated financial statements were approved by the Board on 22 March 2024. The annual financial statements of MBB SE have been endorsed.

The Board shares the assessment of the situation by the Executive Management in the combined management report and Group management report and agrees with the proposal of the Executive Management on the appropriation of net retained profits.

The Board would like to thank the Executive Management, the management of the subsidiaries and all employees of the MBB Group for their commitment and the good results achieved in the past financial year.

Berlin, 22 March 2024

The Board



*Dr Christof Nesemeier*  
Chairman

## Combined Management Report and Group Management Report

MBB SE is a medium-sized family-owned company which, together with its subsidiaries, forms the MBB Group.

The separate financial statements of MBB SE were prepared in accordance with the provisions of the Handelsgesetzbuch (HGB - German Commercial Code) and the Aktiengesetz (AktG - German Stock Corporation Act), while the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), including the interpretations of the IFRS Interpretations Committee (IFRS IC) on IFRSs as adopted by the European Union, and the additional requirements of German commercial law pursuant to section 315e (1) of the HGB.

In addition to the MBB Group (hereinafter also referred to as "the Group" or "MBB"), the combined management report also includes the parent company, MBB SE, Berlin, Germany. It was prepared in accordance with the provisions of the German Commercial Code (HGB) and German Accounting Standard (GAS) No. 20. The reporting on the position of the Group generally corresponds with the reporting of MBB SE. Supplementary disclosures on the annual financial statements of MBB SE are presented in the results of operations, financial position and net assets.

In a challenging economic environment, MBB achieved record revenue in 2023, but at the same time recorded a decline in the EBITDA margin. The Group's net liquidity increased significantly despite significant share increases in Friedrich Vorwerk and Aumann and the share buyback programmes at MBB and Aumann. The high level of liquidity had a positive effect on earnings due to the sharp increase in interest rates.

MBB Group revenue amounted to €954.6 million in 2023, compared with €896.5 million in the previous year. Adjusted EBITDA amounted to €80.2 million (€78.2 million prior to adjustments), whereas Group earnings after non-controlling interests amounted to €15.0 million or €2.62 per share (before adjustments €12.1 million or €2.12 per share).

In the financial year, EBITDA was adjusted for non-recurring transactions amounting to €2.0 million. These relate entirely to the adjustments of personnel expenses from the stock option programmes of MBB SE and Aumann AG.

In addition, depreciation and amortization of assets amounting to €2.3 million were adjusted, which were capitalized as part of purchase price allocations. Adjustments below EBIT of €0.7 million relate to effects from the remeasurement of contingent consideration from put options, and of €-2.1 million to adjustments for non-controlling interests and taxes.

As at 31 December 2023, net cash and cash equivalents (bank balances and cash, current and non-current securities and physical gold holdings less bank, lease and other loan liabilities) amounted to €475.3 million (31 December 2022: €445.2 million). In the 2023 financial year, a further increase in the basic dividend of €1.00 per share or €5.7 million was paid. As in previous years, investments in the growth of all subsidiaries continued unabated.

The MBB Group's equity decreased from €769.5 million as at 31 December 2022 to €763.9 million, while total assets increased by 2.5% to €1,149.0 million. As a result, the equity ratio fell from 68.6% to 66.5%. The decrease in equity is mainly due to the acquisition of shares in Aumann and Friedrich Vorwerk, the purchase of treasury shares and profit distributions.

The Board and the Executive Management will propose a dividend of €1.01 per share to the Annual General Meeting in view of the annual result and the share buyback programme of €7.0 million carried out in 2023. This corresponds to a further increase in the basic dividend, which has never decreased since MBB's IPO and has risen every year since 2010.

Unless otherwise stated, all figures in this report refer to 31 December 2023 or the fiscal year from 1 January to 31 December 2023. Percentages and figures in this report may be subject to rounding differences.

Only for reasons of readability, we have refrained from using the masculine, feminine or other gender forms of expression simultaneously. All references to persons apply to all genders unless otherwise stated.



## Business and economic conditions

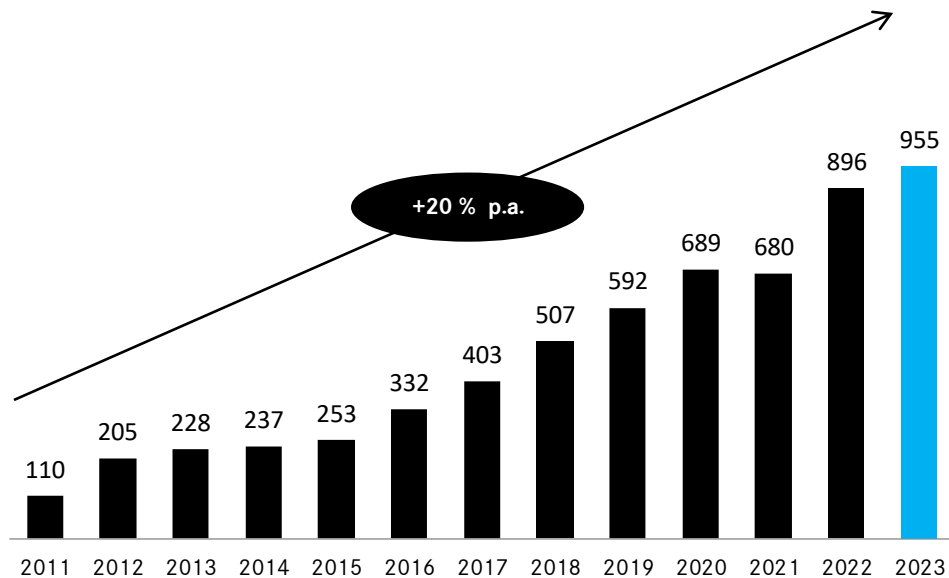
### Strategic orientation

MBB SE is a medium-sized, family-owned company specialising in the acquisition and management of medium-sized companies with considerable technology and engineering expertise. MBB's extraordinary growth in revenue and value is based on six success factors:

### Growth

Since its foundation, MBB has achieved above-average revenue and earnings growth. Calculated from the IPO in 2006, revenue grew by an average of 20% per year. MBB intends to continue to grow organically and by acquiring companies in the future.

Development of Group revenue  
€ million



### Technological expertise

MBB stands for Messerschmitt-Bölkow-Blohm and is the only remaining independent company with this name to have emerged directly from the original MBB Group. In post-war Germany, MBB was synonymous with engineering. Bound by this tradition, our companies can boast expertise in their respective markets dating back several centuries in some cases. Today, too, we actively pursue superior technology expertise and believe that Germany offers conditions for achieving success on the global markets that cannot be found in any other location in the world.

### Mittelstand

Our companies are organized in independent units of between around 100 and 1,700 employees and belong to the category of small and medium-sized enterprises (SME) in Germany known as the Mittelstand. Tradition, regional identity and a commitment to training, employees and the common good are key pillars of our actions. More than 28 years of first-class references for SME acquisitions are our distinction when searching for new subsidiaries.

### Capital markets

MBB SE is listed in the Prime Standard of the Frankfurt Stock Exchange, meaning it meets the highest standards in terms of transparency and compliance. Thanks to 18 years of outstanding share price and dividend performance, MBB has not only reached a large group of international shareholders, but its attractiveness as an employer and business partner has also increased as a result. This means that our stock exchange listing provides the ideal conditions for our extraordinary growth plans. In addition to MBB SE, three other companies in the Group are listed on the stock exchange: Friedrich Vorwerk, Aumann and Delgnit. The breadth of this capital market expertise characterises MBB in the German SME sector.

## Family-owned company

Gert-Maria Freimuth (Deputy Chairman of the Board) and Dr Christof Nesemeier (Executive Chairman) formed the company in 1995 and hold the majority of the share capital for the long term. We are confident that the personal commitment and continuity of its management team are key pillars in its success, giving the company a clear sense of reliability and identity.

## Sustainability

Sustainability and responsibility play a central role in MBB's corporate strategy. This is expressed not only in the long-term oriented holding periods of our invested capital, but also in our ongoing efforts to ensure compliance with ecological and social standards and values in all corporate decision-making and investment processes.

## Market development

MBB's regional focus is on the German-speaking area. At the same time, MBB is increasing its international presence thanks to its global markets and customers as well as foreign subsidiaries.

## Macroeconomic environment

The global economy proved to be more robust than initially expected in 2023 against the backdrop of high inflation rates and rising interest rates. For example, the United States and several large emerging and developing countries achieved higher-than-expected economic growth in the second half of 2023. Rising government and private spending contributed to the upturn. There was also an expansion on the supply side, which was reflected in a broad increase in labour force participation and less bottlenecks in the supply chains. To limit inflation, the major central banks raised interest rates in 2023, which had a negative impact on debt refinancing, credit availability and housing investment.

In view of favourable global supply developments, inflation rates have since fallen again, leading to market expectations of key interest rate cuts in the near future. With the prospect of decreasing interest rates, the capital markets finally reached new highs.

The International Monetary Fund (IMF) expects global gross domestic product (GDP) to grow by 3.1% in 2023 as a whole, with economic development varying greatly from region to region and over the course of the year. Compared to the previous year, in which global GDP grew by 3.5%, the growth rate has fallen slightly. The average annual global inflation rate for 2023 is estimated at 6.8%, which is significantly lower than the previous year's high figure of 8.7%.

Compared to other economic regions, growth momentum in the eurozone was significantly weaker, which is primarily due to subdued consumer sentiment and cautious corporate investment. The effects of the war in Ukraine, for example on energy prices, are also still being felt in the eurozone. For the full year the European Commission is forecasting GDP growth of 0.5% for the European Union, which is significantly lower than the previous year's figure of 3.5%. Overall economic production remained largely unchanged from the fourth quarter of 2022 to the fourth quarter of 2023. Nevertheless, the labour markets in the eurozone remain tense. The demographically induced shortage of labour is increasing search costs and reducing companies' recruitment opportunities. This is reflected in the EU labour market with persistently high employment and participation rates and a comparatively low unemployment rate of 5.7% at the end of the year. After seven months of declining inflation rates, inflation in the eurozone rose again slightly to 2.9% in December 2023 compared to 2.4% in the previous month. The annual average inflation rate in the EU was 6.4%, well below the previous year's high level of 9.2%. Falling energy prices in particular contributed to the reduction in the inflation rate.

In Germany, price-adjusted gross domestic product fell by 0.3% in 2023, following growth of 1.9% in the previous year. Economic output essentially moved sideways over the course of 2023, with the slight growth in the first half of the year being cancelled out by the downward trend in the second half. In terms of the year as a whole, the economic weakness was primarily due to declining consumption and weak foreign business. Building construction activity also continued to trend downwards. Consumer prices in Germany increased by 5.9% on average in 2023 compared to 2022. According to the Federal Statistical Office (Destatis), the inflation rate for 2023 was therefore lower than in the previous year, when it was 6.9%. As in the previous year, inflation for 2023 was influenced by the effects of the war and crisis situations, but over the course of the year there was an easing in price trends, particularly for energy, in the form of lower inflation rates and a downward price trend in October and November 2023. The IMF is forecasting economic growth of 0.5% for Germany in 2024.

## Industry-related environment

The submarkets relevant to MBB developed differently in the reporting year.

## Automotive

The major international automotive markets recorded a significant increase in new registrations in 2023 as a whole. Compared to 2022, vehicle availability improved significantly, which had a positive impact on car sales. In addition, the previous year's figures were weak, but their base effect had less and less of a supporting effect on growth rates over the course of the year. Nevertheless, the business environment for the automotive industry remains challenging. In Europe in particular, but also in other regions, geopolitical and macroeconomic uncertainties have recently led to subdued overall economic demand and thus to subdued economic growth. The persistently high energy and consumer prices are also having a negative impact on overall economic demand. In the USA, the number of vehicles sold rose by 12.4% to 15.5 million vehicles. In the European Union, the number of registrations rose by 13.9% to 10.5 million vehicles in the same period. According to the China Association of Automobile Manufacturers (CAAM), around 12.0% more vehicles were sold on the Chinese market in 2023 than in the previous year, with 30.1 million vehicles sold. In all main markets, electric vehicles were once again able to gain significant market share over vehicles with conventional combustion engines thanks to comprehensive government subsidy programmes.

The German market for passenger cars was also robust in the challenging economic environment and recorded a significant increase compared to the previous year. At 2.84 million units, the number of newly registered vehicles rose by 7% compared to the previous year's figure of 2.65 million vehicles. Due to the originally planned reduction in the environmental bonus, there was also a preferential effect at the end of 2023, but this had less of an impact than in the previous year. The expiry of government subsidy programmes for plug-in hybrid vehicles (PHEV) led to a decline in new PHEV registrations of around 51% in 2023. In contrast, new registrations of purely battery electric vehicles increased by 11% compared to the previous year. Over the year as a whole, around one in four newly registered passenger cars in Germany was either a purely electric or a plug-in hybrid vehicle.

The market for light commercial vehicles recorded strong growth in 2023. In the European Union, the number of registered vehicle units rose by 14.6% to 1.5 million vehicles over the year as a whole. In the previous year, 1.3 million vehicles had been registered. Growth was driven by the main sales markets of Italy with growth of 22.7%, closely followed by Spain with 22.0%. The market for light commercial vehicles also recovered in Germany compared to 2022. While 231,000 registrations were recorded in the previous year, the figure for 2023 was 12.1% higher at 259,000 vehicles.

The German Association of the Automotive Industry (VDA) expects a slight decline in sales of 1% for the German passenger car market in 2024. Sales of electric cars are expected to decline by 9%, which is also due to the abrupt end of state subsidies announced on 17 December 2023. In contrast, moderate sales growth is expected on the main international markets. The European Automobile Manufacturers' Association (ACEA) is forecasting weaker growth of 2.5% to 10.7 million vehicles in 2024. The car market in China is expected to grow by 3% in 2024 according to the Chinese Association of Automobile Manufacturers (CAAM), which is also significantly weaker. The US market is in line with the moderately positive expectations for 2024. The National Automobile Dealers Association (NADA) expects a slight increase in new US registrations to around 15.9 million vehicles in 2024.

## Mechanical engineering

According to the German Engineering Federation (VDMA), slower global market growth is also impacting business in the mechanical and plant engineering sector. The association expects a decline in production of around 4% for its companies in 2024, following a slight price-adjusted decline in production of 1% in 2023. The forecast low investment activity for machinery in important markets such as the USA, where investment activity could slow down due to the economic situation, or in China, where it is already forecast to be weak, is a major factor hampering growth.

## IT security

According to the German Association for Information Technology, Telecommunications and New Media (Bitkom), the German market for IT security solutions has experienced another year of growth. According to a survey by Check Point Research (CPR), one in ten organisations faced an attempted ransomware attack in 2023, an increase of 33% compared to the previous year. Bitkom estimates that the German economy will suffer losses of around €206 billion in 2023 due to the theft of IT equipment and data, espionage and sabotage. Against the backdrop of the overall change in the geopolitical security situation and the rapid rise in cyberattacks, companies' expenditure on hardware, software and services for IT security in 2023 rose at a significantly above-average rate of 13% to €9.2 billion. At around €4.3 billion, expenditure on security software will account for the largest share of expenditure in 2023 (+18%), followed by expenditure on IT security services (€4.0 billion, +12%). A further €0.9 billion was still spent on IT security hardware. Spending on IT security is expected to continue its growth trajectory in the coming

years. Bitkom currently assumes that expenditure will increase by around 13% to €10.3 billion in the coming year.

### Energy infrastructure

In 2023, the market for products and services in the energy infrastructure continued to be characterised by the ongoing energy transition (“Energiewende”).

According to the German government's plans, at least 80% of Germany's gross electricity consumption is to be covered by renewable energies by 2040 in order to achieve climate protection targets and to become independent of fossil fuel imports. In the first half of 2023, legislative amendments were presented to accelerate certain approval procedures. In addition, the Heat Planning and Decarbonisation of Heating Networks Act was passed on 17 November 2023 and came into force on 1 January 2024. The law obliges the federal states and municipalities to draw up municipal heating plans for a comprehensive, greenhouse gas-neutral heat supply.

The outbreak of the Russian war against Ukraine further increased the urgency of energy policy measures. As a result of the unexpected loss of Russia as a reliable and favourable energy supplier, the Federal Republic of Germany, like many other European countries, was confronted with the challenge of developing alternative energy sources at record speed and creating the necessary infrastructure. First and foremost is the development of a functioning import infrastructure for liquified natural gas (LNG), which has been fast-tracked since 2022 with the help of the LNG Acceleration Act and for which the German government has pledged up to €3 billion in investment over the next ten years. The first floating LNG terminal, the terminal in Wilhelmshaven, went into operation in December 2022, followed by two more in Lubmin and Brunsbüttel in January 2023. Six more floating or stationary terminals are currently in the planning or construction phase. In addition to the billions spent on the import terminals, considerable additional investment is required in large connection pipelines that allow the imported natural gas to be fed into the existing network on land.

At the same time, the pressure for a rapid expansion of renewable energies and the hydrogen economy is massive. Hydrogen is considered crucial for a climate-neutral energy supply in the future. In the second half of 2023, important steps were taken to establish a 9,700-kilometre hydrogen core network in Germany. The core network will initially be used to transport hydrogen nationwide and, as the first network expansion phase, will form a basic framework for the whole of Germany. Between 2025 and 2032, the hydrogen pipelines will gradually go into operation. Existing natural gas pipelines can be converted for 60% of the network. Further regions and locations will then be connected in subsequent development stages and the network will be optimised and expanded in line with demand. To this end, an integrated network development plan for gas and hydrogen will be drawn up every two years on the basis of scenario and demand-based planning. The first integrated network development plan is to be confirmed by the Federal Network Agency in 2026. On 15 November 2023, the Federal Cabinet approved the legal framework for an integrated hydrogen and gas network development plan and core network financing. Despite having its own hydrogen infrastructure in the future, Germany will have to cover a large proportion of its hydrogen needs (around 50 to 70% in 2030) through imports from abroad. To this end, the hydrogen core network is to be closely embedded in the European hydrogen network and further cooperation with other EU member states is to be established.

In addition to the expansion of the pipeline network for hydrogen, the expansion of the electricity grid is an important component of the energy transition in Germany. In order to achieve the German government's goal of climate neutrality in the electricity sector, thousands of kilometres of high-voltage lines will have to be completed over the coming years and decades. The Federal Network Agency estimates the need for grid expansion at around 14,000 kilometres. A significant proportion of the so-called electricity motorways will be constructed underground.

### Market position

The position of the MBB companies in their respective markets improved further in 2023. The past financial year once again showed that MBB companies can benefit from macroeconomic trends time and again. For example, Friedrich Vorwerk was able to win numerous other major projects in 2023 in addition to the record order A-Nord and thus benefit from the consequences of the energy transition. Friedrich Vorwerk alone was thus able to expand its order backlog to over €1 billion. In addition to the trend towards E-mobility, Aumann is also benefiting from the increased localisation of production processes and, with revenue growth of 35%, has proven its claim to leadership in the market for sophisticated E-mobility automation technologies. At the same time, DTS consolidated the very high revenue level of the previous year and successfully maintained its strong position in the market for IT security solutions.

MBB's positioning in the market for succession solutions is also outstanding. Thanks to more than two decades of experience, MBB can offer references for a wide range of different scenarios for SME acquisitions, ranging from former family entrepreneurs and shareholders, managers, employee representatives, trade unions and banks to core customers and suppliers. Due to its experience, its network, its portfolio of companies enjoying profitable growth and its stock exchange listing, MBB SE is one of the leading industrial holding in the German SME sector. In the current interest rate environment, MBB's equity strength has led to a further improvement in its market position for succession solutions.

Net cash of the MBB Group amounted to €475.3 million as of the balance sheet date, of which €311.1 million is attributable to the holding company MBB SE itself. With this liquidity position, MBB has a solid basis to lead the Group companies into the future. Together with the references mentioned above, the liquidity position also provides excellent conditions for non-organic growth. The number of succession opportunities in Germany will continue to increase due to demographic change, which allows additional growth potential for MBB.

### Stock exchange listing

MBB SE has been listed on the stock exchange since 2006 and in the Prime Standard since 2008. The founders of MBB SE still hold the majority of the share capital of approximately 69% as at 31 December 2023, and thus ensure MBB's sustainable, medium-sized and entrepreneurial development.

MBB SE's share price rose briefly at the beginning of the financial year, but then declined to well below €80.00, in particular due to the weaker than expected profitability at Friedrich Vorwerk. The share price recovered again towards the end of the year. The XETRA closing price as at 31 December 2023 was €94.30, around 3% higher than the previous year's closing price of €91.80.

### Research and development

Innovation, as well as continuous development of our products, production technologies and solutions, are central components of the corporate philosophy of all our subsidiaries.

For example, Aumann works very closely with customers to further develop and improve production facilities and ultimately the products manufactured. The development of innovative production solutions, digitalization and automation is of significant importance. The new and further development of technologies in the e-mobility segment represents an important strategic focus. In the last years, new automation solutions have been developed, particularly in the area of battery production. Aumann has also been active in the promising hydrogen segment for years and has, for example, developed a concept that can multiply the production speed of typical fuel cell stacks. With the acquisition of LACOM, now operating under the name Aumann Lauchheim, Aumann has gained a new development focus that will enable it to enter the battery cell production market.

Friedrich Vorwerk's research and development activities, similar to those of Aumann, are project-oriented and in most cases carried out together with a customer in order to optimize an existing solutions or to develop new products and solutions for customer specific needs. Friedrich Vorwerk's research and development efforts are aimed at delivering innovations with high market acceptance, rapid adoption potential and far-reaching upgrade potential for existing infrastructures. To consolidate its position as a leading supplier of energy infrastructure, Friedrich Vorwerk is working on a number of new technologies such as hydrogen-compatible flow metering and control systems, special near-surface HDD drilling methods or hydrogen-compatible safety and control valves. At the same time, Friedrich Vorwerk is constantly working on making existing welding processes more efficient and safer by means of innovative automation technologies.

At DTS, the focus of R&D activities is on the development of proprietary software products in the area of IT security. This has enabled DTS to develop innovative products in the areas of Managed Detection & Response (MDR), Identity & Access Management (IAM) and Network Access Control (NAC) to market maturity. This is complemented by innovative services in the area of the Security Operations Center (SOC), which, in conjunction with the company's own software products, ensures maximum IT security.

Similar to Friedrich Vorwerk, DTS and Aumann, we also pursue the continuous further development of products and production technologies in our other subsidiaries with the aim of achieving the greatest customer benefit possible. One example of this is Delignit, which uses its extensive expertise in the production and processing of specialised wood-based materials to develop innovative and sustainable solutions in the field of E-mobility.

If the requirements of IAS 38 are met, the development costs are capitalized and amortized over the expected useful life. Development costs of €3.2 million were capitalized in the MBB Group in the financial year. Of this amount, €2.7 million is attributable to Aumann. Aumann has a clear focus on the new and further development of technologies in the E-mobility segment.

## Subsidiaries

MBB SE has six direct subsidiaries at the end of the 2023 financial year. As these direct subsidiaries of MBB SE themselves have subsidiaries and sub-subsidiaries, the consolidated group as of 31 December 2023 consisted of MBB SE and a total of 40 subsidiaries. The following section lists these companies according to their ownership structure and the respective equity interest in them:

| Companies included in the consolidated financial statements<br>Name and registered office of the company | Ownership<br>interest in % |
|--|----------------------------|
| <b>Subsidiaries (fully consolidated)</b>   |                            |
| <b>Aumann AG, Beelen, Germany</b>  | <b>48.53</b>               |
| Aumann Beelen GmbH, Beelen, Germany  | 48.53                      |
| Aumann Berlin GmbH, Beelen, Germany  | 48.53                      |
| Aumann Winding and Automation Inc., Clayton, USA   | 48.53                      |
| Aumann Lauchheim GmbH, Lauchheim, Germany  | 48.53                      |
| Aumann Espelkamp GmbH, Espelkamp, Germany  | 48.53                      |
| Aumann Immobilien GmbH, Espelkamp, Germany   | 46.06                      |
| Aumann Limbach-Oberfrohna GmbH, Limbach-Oberfrohna, Germany  | 48.53                      |
| Aumann Technologies (China) Ltd. Changzhou, China  | 48.53                      |
| <b>CT Formpolster GmbH, Löhne, Germany</b>   | <b>100.00</b>              |
| <b>Delignit AG, Blomberg, Germany</b>  | <b>60.37</b>               |
| Blomberger Holzindustrie GmbH, Blomberg, Germany   | 60.37                      |
| Hausmann Verwaltungsgesellschaft mbH, Blomberg, Germany  | 60.37                      |
| Delignit Immobiliengesellschaft mbH, Blomberg, Germany   | 60.37                      |
| Delignit North America Inc., Atlanta, USA  | 60.37                      |
| DHK automotive GmbH, Oberlungwitz, Germany   | 60.37                      |
| <b>DTS IT AG, Herford, Germany</b>   | <b>80.00</b>               |
| DTS CLOUD SECURITY MonEPE, Athens, Greece  | 80.00                      |
| DTS Systeme GmbH, Herford, Germany   | 80.00                      |
| DTS Systeme Münster GmbH, Münster, Germany   | 80.00                      |
| ISL Internet Sicherheitslösungen GmbH, Bochum, Germany   | 64.27                      |
| <b>Friedrich Vorwerk Group SE, Tostedt, Germany</b>  | <b>46.86</b>               |
| Friedrich Vorwerk Management SE, Tostedt, Germany  | 46.86                      |
| Friedrich Vorwerk SE & Co. KG, Tostedt, Germany  | <b>42.19</b>               |
| Bohlen & Doyen Anlagenbau Holding GmbH, Tostedt, Germany   | 42.19                      |
| Bohlen & Doyen Service und Anlagentechnik GmbH, Wiesmoor, Germany  | 42.19                      |
| Bohlen & Doyen Bau Holding GmbH, Tostedt, Germany  | 42.19                      |
| Bohlen & Doyen Bau GmbH, Wiesmoor, Germany   | 42.19                      |
| EAS Einhaus Anlagenservice GmbH, Geeste, Germany   | 42.19                      |
| European Pipeline Services GmbH, Tostedt, Germany  | 42.19                      |
| Gottfried Puhmann GmbH, Marne, Germany   | 42.19                      |
| Gottfried Puhmann GmbH Havelländische Bauunternehmung, Berlin, Germany                                   | 42.19                      |
| Gottfried Puhmann Hamburg GmbH, Tostedt, Germany   | 42.19                      |
| Hempel Aluminiumbau GmbH, Storkow (Mark), Germany  | 42.19                      |
| KORUPP GmbH, Twist, Germany  | 42.19                      |
| Vorwerk - ASA GmbH, Herne, Germany   | 42.19                      |
| Vorwerk-EEE GmbH, Tostedt, Germany   | 42.19                      |
| Vorwerk Pipeline- und Anlagenservice GmbH, Petersberg, Germany   | 42.19                      |
| Vorwerk Verwaltungs GmbH, Tostedt, Germany   | 42.19                      |
| 5C-Tech GmbH, Tostedt, Germany   | 29.53                      |
| <b>Hanke Tissue Sp. z o.o., Kostrzyn, Poland</b>   | <b>94.08</b>               |

## Segments

The individual segments in which MBB Group companies operate have different focus areas in terms of their business activities. These are described in brief in the following section. Detailed information on the

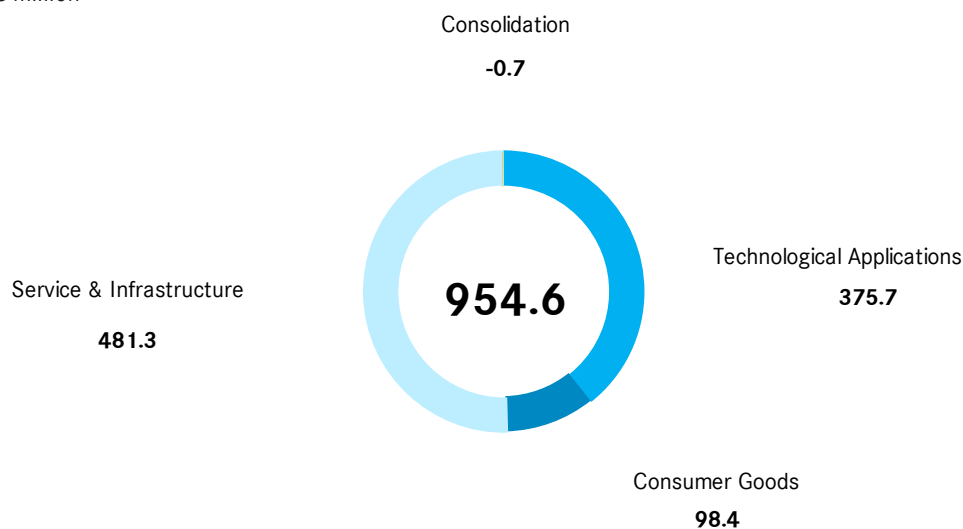


individual companies is not published in order to prevent the possibility of adverse effects on their business activities. Nevertheless, our listed subsidiaries of course fully comply with their respective disclosure requirements.

The structure of the business segments is as follows as at the end of the reporting period:

- Service & Infrastructure: DTS IT AG and Friedrich Vorwerk Group SE
- Technological Applications: Aumann AG and Delignit AG
- Consumer Goods: CT Formpolster GmbH and Hanke Sp. z o.o.

Group-revenue by segment  
€ million



### Service & Infrastructure

The Service & Infrastructure segment comprises Friedrich Vorwerk, which operates in the field of energy infrastructure as well as the companies of DTS, which specialises in IT security.

**Friedrich Vorwerk**, with about 1,700 employees, is a leading provider in the field of complex solutions for energy infrastructure and thus a major beneficiary of the European energy transition. For 60 years now, Friedrich Vorwerk's name has stood for high technical competence, industry-leading innovation and disciplined project implementation in the design, realization and operational management of energy infrastructure in its three core markets natural gas, electricity and hydrogen. Thanks to an integrated turn-key approach and a number of own components and systems, Friedrich Vorwerk is able to offer its customers sustainable and bespoke solutions from a single source. For this reason, numerous grid operators, energy suppliers, industrial companies and local authorities have been relying on Friedrich Vorwerk's expertise for decades.

As one of the most efficient German companies in the fields of Planning & Design (planning & process engineering), Energy Grids (pipeline and underground power cable construction), Energy Transformation (complex plant construction) and Service & Operations (service & operation), Friedrich Vorwerk covers all key stages of the value chain. In this way, Friedrich Vorwerk not only supports its customers in constructing and operating reliable and secure energy infrastructure, but also makes a significant contribution to energy supply security in Europe.

The 2023 financial year was once again characterised by numerous major projects that were implemented in parallel. In addition to the LNG connection pipelines in Wilhelmshaven and Brunsbüttel, which were started in the previous year, and the district heating pipelines in Hamburg and Bremen, which together made significant contributions to sales, the Electricity segment in particular recorded considerable growth in 2023. In March, for example, the company was able to announce the contract for the realisation of the onshore underground cable connection in the BorWin6 offshore connection project. This was followed shortly afterwards by the conclusion of a framework agreement with the transmission system operator TenneT for the realisation of horizontal drilling for various planned offshore connection lines, from which the first services with a volume well into the three-digit million range have already been ordered. By far the largest contract in the company's history was finally won in August with the order for the realisation of the new direct current connection A-Nord by the transmission system operator Amprion. In addition to the civil engineering work and the construction of the protective conduit systems required for the underground cables along the approximately 300 km long route, the scope of the A-Nord project also

includes the parallel construction of the offshore grid connection systems BorWin 4 and DolWin 4, which are also to be realised by Amprion, over a distance of around 100 km. Together with Bohlen & Doyen, the consortium of contractors consists of six other partner companies. The agreed project volume amounts to €1.5 billion, of which Bohlen & Doyen accounts for around 40%. The contract, which is being handled as a multi-party agreement (IPA) and is based on a "cost-plus-incentive-fee" remuneration structure with a bonus-malus rule, is already laying the foundations for profitable growth in the coming financial years.

In total, Friedrich Vorwerk generated revenue of €373.4 million, which corresponds to 39.1% of Group revenue (previous year: 41.1%) and an increase of 1.4% compared to the same period in the previous year (previous year: €368.2 million). Adjusted EBITDA remained below the previous year's level at €32.0 million. The reasons for the weaker profitability lie in particular in the persistently high material and personnel costs, which are impacting individual legacy projects. In this context, a provision of €7.4 million was recognised in the third quarter as a precautionary measure for a plant construction project in the Natural Gas segment that was particularly affected by cost increases, meaning that no negative effects from this project are expected in the future. With an EBITDA margin of just under 12%, Friedrich Vorwerk was already able to significantly increase its profitability in the fourth quarter of 2023. Incoming orders totalled €1,059.1 million in the reporting period, which corresponds to a significant increase compared to the previous year (previous year: €370.5 million). As a result, the order backlog reached a new record of €1,000.8 million as at 31 December. The main driver of this rapid growth is the A-North project, which has an order value of around €600 million for Friedrich Vorwerk.

In the field of IT security, **DTS** customers benefit from products and services that increase security in corporate networks. This includes the development of our own software products and the provision of the so-called Security Operations Center (SOC), where DTS security specialists monitor customer systems for anomalies and attacks around the clock. This is particularly important because many network attacks take place overnight, whereas most companies cannot ensure 24/7 monitoring.

The DTS headquarters in Herford was founded in 1983 and houses the company's largest data center. With sales and service offices in numerous major German cities, the sales network has been expanded nationwide since the majority takeover by MBB in 2008. DTS Systeme Münster GmbH (formerly: ICSmedia GmbH), Münster, was acquired in August 2010. DTS Systeme Münster GmbH has its own data center and works in close cooperation with DTS Systeme GmbH to offer state-of-the-art, high-quality cloud computing solutions and high-end consulting services. This European presence was expanded further in 2018 with the establishment of DTS CLOUD SECURITY MonEPE, Athens. Highly specialised experts based in Greece work with their German colleagues in international and interdisciplinary teams to protect the IT landscapes of their local customers against attacks, analyze network activities and immediately initiate countermeasures when attacks are discovered. The Athens site is also home to many of the Group's software developers.

DTS IT AG acquired 66% of shares in ISL Internet Sicherheitslösungen GmbH in February 2019 and increased its shareholding to 80.34% in the first quarter of 2021. ISL is a leading German software developer in the area of IT security with a focus on network access control (NAC). Well known companies from industry and retail as well as banks, public authorities and research institutions rely on ISL's ARP-GUARD software to protect their IT infrastructure against undetected intrusion by unauthorized devices and internal attacks. With the support of DTS and MBB, ISL is seeking to accelerate its growth of recent years and thereby benefit from the rapid expansion of the IT security market in the long term. Within the market for IT security, network access control is becoming increasingly important. A key growth driver is the Internet of Things (IoT), which is significantly increasing the number of devices in business networks.

Following exceptionally strong revenue growth in 2022, DTS's revenue in 2023 fell slightly by 0.7% to €108.4 million (previous year: €109.1 million), which was due in particular to a weaker start to the year. In the second half of the year, DTS's revenue was again significantly higher than the previous year. The company thus contributed 11.4% (previous year: 12.2%) to the MBB Group's revenue. Against the backdrop of the changed geopolitical security situation in Europe and a sharp rise in the number of cyberattacks, numerous companies are investing in strengthening their IT security, resulting in an increase in incoming orders, which cumulatively in 2023 are up on the previous year's level. This applies in particular to the business with specialised software solutions that DTS offers its customers to monitor and secure their systems. DTS's EBITDA margin remains at a high level of 13.8%.

Capital expenditure in the Service & Infrastructure segment amounted to €41.5 million in the reporting year (previous year: €42.4 million) of which the vast majority is attributable to Friedrich Vorwerk.

Both Friedrich Vorwerk and DTS can therefore look back on a successful year with high market demand in a challenging macroeconomic environment. Both companies are benefiting from strong and sustainable growth drivers, be it the need for a decisive and rapid energy transition or the growing need for IT security in a geopolitically uncertain environment. The increasing demand in the markets is faced with a limited pool of qualified specialists. As a result, companies may not be able to grow indefinitely despite considerable market potential. Due to the solid order book and continuing market demand, Friedrich Vorwerk is



aiming for a slightly higher level of revenue in 2024. The Executive Board of Friedrich Vorwerk expects Group revenue of more than €380 million for the financial year 2024. Now that the high price increases have also been taken into account in the calculation of new projects, the Executive Board expects the EBITDA margin to recover to 11-13%. Overall, our growth prospects for the Service & Infrastructure segment remain very good.

### Technological Applications

This segment combines subsidiaries with technical products and industrial customers. The segment consists of the companies of Aumann and Delignit. The majority of the shares in OBO-Werke GmbH were sold on November 24, 2022 and the company was therefore no longer included in the basis of consolidation of the MBB Group. The previous year's revenue and earnings of OBO were included in the segment up to the date of disposal.

**Aumann** is a leading manufacturer of innovative specialty machinery and automated production lines with a focus on E-mobility. Leading automotive manufacturers around the world rely on Aumann solutions for the series production of electric motors and battery systems for purely electric and hybrid vehicles, and on solutions for production automation. In Germany, Aumann has locations in Beelen, Espelkamp, Limbach-Oberfrohna and Lauchheim. It has also has a location in Changzhou, China, since June 2013. The main aim of the location in China is to locally manufacture and maintain plants for Chinese production sites to customers of the German Aumann companies. In addition, the company serves Asian customers that are not part of the German Aumann companies' customer base but that require technologically advanced system solutions for manufacturing high-quality products.

In the field of E-mobility, Aumann is characterized by highly automated production lines for the full assembly and production of all key electric powertrain components from a single source: battery module, battery pack, battery tray, fuel cell, rotor and stator. In addition, in its Classic segment, Aumann offers automated lines for the production of conventional drive components as well as assembly solutions for electrical engineering, consumer electronics and specific solutions for other sectors.

With effect from 1 November 2023, Aumann has acquired the business operations and technology portfolio of LACOM GmbH ("LACOM"), based in the Swabian town of Lauchheim, as part of an asset deal. LACOM specialises in laminating and coating systems, particularly in the areas of electrode and MEA (membrane electrode assembly) production. The strategic acquisition of LACOM fits seamlessly into Aumann's E-mobility strategy and opens up technological access to upstream processes in the production of battery and fuel cells. In the area of battery systems, Aumann is expanding its existing portfolio of battery module and battery pack assembly to include coating systems for electrode production. In the fuel cell sector, Aumann is now able to offer innovative production solutions along the entire value chain - from coating and stacking to final assembly.

In 2023, Aumann's revenue increased by 34.5% to €289.6 million (previous year: €215.3 million). This corresponds to a share of 30.3% (previous year: 24.0%) of MBB SE's consolidated revenue. At €339.4 million, incoming orders for the year as a whole were significantly higher than in the strong previous year (previous year: €295.3 million). Aumann more than doubled its adjusted EBITDA to €21.3 million (previous year: €9.0 million) and achieved an adjusted EBITDA margin of 7.3%. Incoming orders in the E-mobility segment reached €274.2 million and accounted for almost 80.8% of total incoming orders. The main drivers of the excellent order situation were again projects in the high-growth area of battery assembly. With its center of excellence in Beelen, Aumann has established an excellent market position in this area, with well-known automotive manufacturers ordering pilot plants at an early stage of development in order to test new processes.

Considering the strong incoming-orders, Aumann's Executive Board expects consolidated revenue to grow to over €320 million in financial year 2024, with an EBITDA margin of 9 to 11%. The company is thus continuing on its growth path and the gradual recovery of its profitability level. In addition, a liquidity position of €143.8 million and an equity ratio of 53.7% provide a solid basis for future growth.

**Delignit**, since 1799, has been developing and manufacturing ecological materials and system solutions primarily based on hardwood. Delignit is a recognized development and project partner and series supplier for technology industries such as the automotive and rail sectors. The products have special technical properties and are used, for example, in built-in systems for commercial vehicles, fire-safe building facilities and innovative materials handling technology. The materials used in Delignit's products are generally based on beech wood and are lifecycle carbon-neutral, making them ecologically superior to non-regenerative materials such as plastic or steel.

Delignit's revenue amounted to €86.1 million in the reporting year (previous year: €75.4 million), which corresponds to 9.0% of MBB SE's consolidated revenue (previous year: 8.4%) and an increase of 14.2% compared to the previous year. The first half of the financial year was characterised by a significant increase in demand, which lost momentum in the second half of the year. Delignit was confronted with

significant and unexpected call-off cuts in the motorhome market. Despite the challenging market environment, the company was able to achieve an EBITDA margin of 8.2% in the 2023 financial year and thus generate earnings within the forecast range. The outlook for Delignit is significantly influenced by two factors. On the one hand, interest in ecological system solutions remains high and may lead to significant incoming orders. On the other hand, the Delignit Group is facing significant downward trends in its lead markets at the start of 2024. In addition to persistently weak demand in the motorhome market, Delignit's core market of light commercial vehicles is also showing declining trends for the first time since the economic downturn in Europe. Therefore, the expectations of Delignit AG's Executive Board for the 2024 financial year are less optimistic than previously assumed. The Executive Board of Delignit AG expects revenue to decline to between €75 million and €80 million with an EBITDA margin of 6% to 7%.

In the previous year, **OBO** generated revenue of €22.4 million until its deconsolidation.

Investments in the Technological Applications segment amounted to €7.0 million (previous year: €7.7 million).

For the companies in the Technological Applications segment, we expect continued growth and a further year-on-year improvement in profitability in financial year 2024.

### Consumer Goods

The Consumer Goods segment includes the subsidiaries whose products are predominantly used by private consumers. Accordingly, this segment contains the subsidiaries Hanke and CT Formpolster.

**Hanke** produces tissue mother rolls, napkins, handkerchiefs, toilet paper and kitchen rolls. Operating under the name of "aha", the company has a strong own consumer brand in the Eastern Europe consumer product market. Hanke also produces white and coloured tissue paper and end products for various private labels in Europe.

Since its acquisition by MBB in 2006, Hanke has invested significantly in its plant and equipment, allowing it to achieve considerable growth and expand its market position. Continuous investment is intended to increase conversion capacity in particular over the coming years, which will have a positive impact on the company's margin in the medium term.

Energy is an important input factor for the company, which is why the management decided to secure forward energy supplies for 2022 and 2023 in light of the uncertain supply situation in 2022. The prices agreed at the time were significantly too high compared to the market level, which had a negative impact on earnings in the years in question.

In 2023, Hanke contributed around 6.7% (previous year: 7.8%) to Group revenue with €64.0 million (previous year: €69.7 million). The EBITDA margin was only 5.7%. Hanke was therefore unable to match the previous year in terms of revenue and earnings.

Hanke is free of the unfavorable forward contracts for the 2024 financial year and is planning a very significant recovery in the EBITDA margin with constant revenue.

**CT Formpolster** manufactures mattresses and other flexible polyether foam products. Since its acquisition by MBB in the year 2010, CT Formpolster has gradually developed into a one-stop shop for online mattress sellers. As part of the digital upheaval in the mattress industry, many providers are looking for innovative offers to meet changing customer expectations. What sets CT Formpolster apart is its ability to develop full customer products, produce them in series and deliver to retailers or directly to consumers in compact boxes within a few hours or days.

CT Formpolster's revenue fell from €37.1 million in the previous year to €34.3 million in the year reporting year. CT Formpolster thus accounted for 3.6% of MBB's consolidated revenue (previous year: 4.1%). The 7.4% decline in revenue is due in particular to weaker market demand in the mattress and furniture industry in the third quarter. This also had a negative impact on EBITDA profitability, which is below the previous year's level. A return to the growth path with an improved EBITDA margin is expected in the 2024 financial year.

Investments in the Consumer Goods segment amounted to €2.0 million (previous year: €1.4 million).

The companies in the Consumer Goods segment were unable to achieve their usual level of profitability in the 2023 financial year due to price fluctuations and moderate demand. For the coming year, we expect a moderate increase in sales and a significantly improved margin situation due to demand and prices.

### Employees

MBB SE had a total of 11 employees at the end of 2023 including the four members of Executive Management. In addition to Executive Management, the company had employees for the areas of finance, M&A, operations, financial funds and office management in 2023.

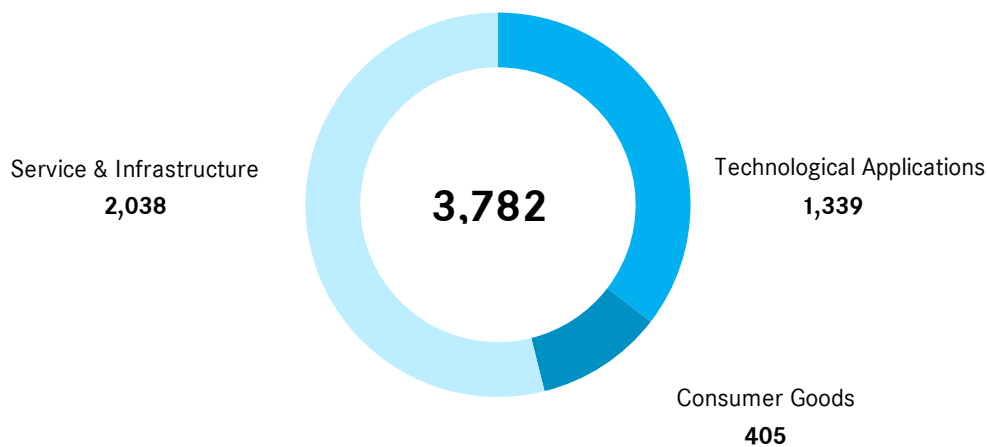
The aim of MBB SE's management is to ensure the sustainable performance of the MBB Group. The founders Dr Christof Nesemeier and Gert-Maria Freimuth together hold more than two thirds of the outstanding share capital of MBB SE as of 31 December 2023. Appropriate fixed compensation is supplemented by performance-based short- and medium-term variable components and long-term incentive programs, which may also be share-based. There are no severance or pension agreements.

The MBB Group had an average of 3,645 employees (excluding trainees) in the 2023 financial year, compared to an average of 3,622 in the previous year.

As of 31 December 2023, the MBB Group had 3,782 employees (previous year: 3,571) in the following segments:

- Service & Infrastructure: 2,038 employees (previous year: 1,960)
- Technological Applications: 1,339 employees (previous year: 1,196)
- Consumer Goods: 405 employees (previous year: 415)

Headcount by segment



The increase in the number of employees is attributable to the expansion of business and newly recruited employees in the Service & Infrastructure and Technological Applications segment. In the Technological Applications segment, the acquisition of the business operations of LACOM also contributed to the increase in personnel.

The number of employees by country as of 31 December 2023 (31 December 2022) was as follows:

- 3,344 employees in Germany (previous year: 3,134)
- 300 employees in Poland (previous year: 315)
- 84 employees in China (previous year: 82)
- 54 employees in Greece (previous year: 40)

MBB considers supporting and challenging its employees to be a key factor in its success. The management and senior employees of the subsidiaries, who have a major influence on the success of their business activities, receive variable remuneration components that are also dependent on the results achieved and the value growth of the companies.

For 2024, due to growth, the Group's headcount is expected to be above prior year level, though developments may differ at individual subsidiaries in line with capacity utilization.

MBB SE's subsidiaries place a high importance on training, and, in total, there are 280 people either in training or on a dual study program as of 31 December 2023 (previous year: 261). This will ensure a steady supply of junior talent even in times of a growing shortage of qualified employees. With regard to current employees, the MBB Group is constantly striving to improve the quality of its workforce through training and continuing professional development.

Diversity is taken into account in recruiting processes throughout the Group. We always consider applicants of male, female and diverse gender. When making hiring decisions, we focus on the professional and personal qualifications of the respective person. On 14 April 2021, the Board of MBB SE resolved to achieve a 20% share of female members for the Board and the Executive Management in the medium term. We pursue similar targets for our subsidiaries, whereby the Supervisory Boards of Friedrich Vorwerk Group SE, Aumann AG and Delignit AG already have one female member.

Overall, the development and recruitment of qualified personnel represents an ever-increasing challenge for management in the MBB Group. The growth of our companies coupled with unfavourable demographic developments is increasingly exacerbating this situation. The MBB Group is therefore investing with the highest priority in the expansion of outstanding human resources management as a key cornerstone of securing the future.

## Results of operations, financial position and net assets

MBB SE and the MBB Group have had a successful and profitable 2023 financial year.

Continuous value appreciation – for example, in terms of the growth in equity from €15.5 million in 2005 to €763.9 million in 2023 or the turnaround from net debt of €13.8 million in 2005 to net cash of €475.3 million at the end of 2023 – serves to highlight the sustainable success of our business model and the high quality of our investments. The high level of cash and cash equivalents in MBB Group is supporting its business model and will allow future company acquisitions to be conducted independently and without the need for external financing. The MBB Group therefore intends to acquire further companies with the goal of increasing its value.

The following section discusses MBB SE and the MBB Group more detailed.

### Notes to the separate financial statements of MBB SE (HGB)

The annual financial statements of MBB SE for the 2023 financial year were prepared in accordance with the provisions of the German Commercial Code (HGB) and the supplementary provisions of the German Stock Corporation Act (AktG).

### Results of operations

MBB SE generated revenue of €2.0 million in the reporting year (previous year: €1.8 million). The revenue is mainly attributable to the provision of management services to the subsidiaries. In the year under review, fees for consulting services in connection with M&A and capital transactions were charged, which is why revenue slightly increased.

In addition, MBB SE generated income from investments of €3.3 million (previous year: €2.6 million).

Other operating income amounted to €0.4 million (previous year: €1.0 million). This mainly includes income from currency translation of €0.2 million (previous year: €0.8 million).

This was offset by personnel expenses of €3.3 million (previous year: €3.5 million) relating to the remuneration of the management and team of MBB SE.

Other operating expenses amounted to €4.9 million (previous year: €8.7 million). They mainly comprise expenses from the disposal of securities in the amount of €2.1 million (previous year: €5.5 million), expenses from currency translations in the amount of €1.3 million (previous year: €0.6 million), legal and consultancy costs of €0.5 million (previous year: €0.5 million), rental and leasing expenses of €0.4 million (previous year: €0.4 million) and insurance expenses of €0.2 million (previous year: €0.1 million).

Depreciation and amortization amounted to €8.4 million in the reporting year (previous year: €8.3 million). They mainly relate in the amount of €7.4 million (previous year: €8.2 million) to write-downs of long-term financial assets and in the amount of €1.0 million (previous year: €0.0 million) to write-downs of current securities. This is offset by €15.7 million (previous year: €3.4 million) in unrealized stock and bond price gains, which are not accounted for under HGB.

In the financial year 2023, income from securities amounting to €13.9 million (previous year: €27.3 million) and interest and similar income amounting to €5.5 million (previous year: €1.3 million) were realized. After taking into account tax expenses of €0.6 million (previous year: €0.0 million), net income for the year amounted to €7.8 million (previous year: €12.9 million).

### Net assets and financial position

Equity decreased from €389.5 million in the previous year to €385.3 million as of 31 December 2023.

The decrease is mainly due to the payment of the dividend to the shareholders of MBB and the acquisition of treasury shares. The net profit for the current financial year had an offsetting effect. The equity ratio at the reporting date was 99.2% (previous year: 99.4%).

Total assets decreased from €391.8 million to €388.4 million as at 31 December 2023. On the assets side, the decrease is mainly due to the net change in cash and cash equivalents, financial assets and securities. The development of securities is due in particular to investments in bonds (€87.4 million) and shares (net €8.1 million), which are offset by proceeds from maturing bonds totalling €58.0 million. In equity and liabilities, the reduction in the balance sheet primarily results from the decrease in equity.

MBB SE's cash and cash equivalents, including non-current and current securities and physical gold, amounted to €293.5 million at the end of the financial year (previous year: €334.4 million). Net cash and cash equivalents also decreased to €293.5 million (previous year: €334.4 million). The decrease is mainly due to the payment of the dividend to the shareholders of MBB, the acquisition of an additional 10.86% stake in Friedrich Vorwerk and 3.79% stake in Aumann and the purchase of treasury shares. Accumulated, unrealized changes in the price of physical gold holdings and securities are not included in this presentation of earnings and cash and cash equivalents, which is why the amount differs from the net cash and cash equivalents of the holding company MBB SE of €311.1 million reported in accordance with IFRS.

A dividend of €1.00 per share or €5.7 million was distributed (previous year: dividend of €0.99 per share plus a special dividend of the same amount, or €11.5 million).

## MBB Group

### Results of operations

The MBB Group generated revenue of €954.6 million in the 2023 financial year (previous year: €896.5 million). The growth of 6.5% is due in particular to the sharp increase in demand in the E-mobility (Aumann) and ecological system solutions (Delignit) segments.

Development of Group revenue  
€ million



The adjusted consolidated total operating performance also increased from €939.5 million in the previous year to €994.1 million in the current financial year. Other operating income of €24.9 million (previous year: €22.6 million) includes income from reimbursements and government grants (€4.5 million), income from own work capitalised (€4.3 million), income from securities (€3.8 million), income from the offsetting of non-cash benefits (€2.9 million), income from rental and leasing (€1.3 million), income from the reversal of provisions (€1.2 million), exchange rate gains (€0.8 million), insurance and other compensation (€0.6 million), income from the reversal of value adjustments (€0.5 million), income from the disposal of assets (€0.5 million) and miscellaneous other income (€4.6 million).

Income from investments accounted for using the equity method, which includes the pro rata results from joint ventures, totalled €14.7 million in the financial year (previous year: €16.1 million).

The cost of materials totalled €591.3 million in the reporting year (previous year: €550.9 million). The ratio of cost of materials to operating performance increased from 61.2% in the previous year to 62.0%.

Adjusted personnel expenses increased from €233.9 million in 2022 to €252.7 million in 2023.

Adjusted other operating expenses totalled €69.8 million in the reporting year (previous year: €61.5 million). This primarily includes maintenance expenses, travel expenses, legal and consulting costs, rents and leases, advertising costs, insurance premiums and telecommunications expenses.

The MBB Group thus generated adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) of €80.2 million in 2023 (previous year: €93.2 million). The adjusted EBITDA margin was 8.4% (previous year: 10.3%). EBITDA before adjustments totalled €78.2 million (previous year: €88.0 million).

In the financial year, personnel expenses of €2.0 million (previous year: €2.2 million) from share option programmes of MBB SE and Aumann AG were adjusted. The adjustments in the previous year also included losses of €3.4 million in connection with the deconsolidation of OBO-Werke GmbH and other income of €0.4 million resulting from the sale of property, plant and equipment at Aumann that had previously been written off as part of a restructuring project.

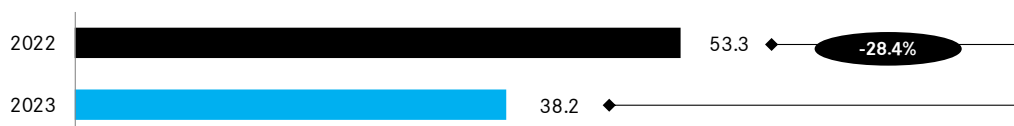
Development of adjusted Group EBITDA  
€ million



The adjusted depreciation and amortisation of €42.0 million (previous year: €39.8 million) mainly relates to depreciation of property, plant and equipment and amortisation of intangible assets. Depreciation of assets in the amount of €2.3 million (previous year: €3.6 million), which were capitalised as part of purchase price allocations, were adjusted.

This resulted in adjusted EBIT (earnings before interest and taxes) of €38.2 million (previous year: €53.3 million). This corresponds to an adjusted EBIT margin of 4.0% (previous year: 5.9%). EBIT before adjustments totalled €33.9 million (previous year: €44.6 million).

Development of adjusted Group EBIT  
€ million



The adjusted financial result totalled €1.6 million compared to €-4.3 million in the previous year. In addition to interest income and interest expenses, the financial result includes the adjusted earnings attributable to non-controlling shareholders of Friedrich Vorwerk SE & Co. KG in the amount of €-0.4 million (previous year: €-2.2 million). An offsetting effect of €+0.7 million from the revaluation of contingent consideration from put options (previous year: €-2.5 million) was adjusted.

The resulting earnings before taxes (EBT) totalled €39.8 million (previous year: €49.0 million).

The reported adjusted tax expense totalled €11.7 million in the financial year (previous year: €19.2 million) and is mainly attributable to current income taxes and deferred taxes. The adjustment of the tax expense corresponds to the adjustments explained above.

Overall, the adjusted consolidated net income totalled €28.1 million (previous year: €29.8 million).

The adjusted consolidated net income consists of net income attributable to shareholders of the parent company in the amount of €15.0 million (previous year: €16.8 million) and net income attributable to non-controlling interests in the amount of €13.1 million (previous year: €13.0 million). The average number of shares issued in the reporting period totalled 5,735,490 (previous year: 5,814,059). Adjusted earnings per share totalled €2.62 (previous year: €2.88) or €2.12 (previous year: €2.02) before adjustments.

The MBB Group's IFRS comprehensive income of €45.7 million (previous year: €-6.7 million) comprises unadjusted earnings after taxes of €24.3 million (previous year: €24.2 million) and other comprehensive income of €21.5 million (previous year: €-30.8 million). Other comprehensive income includes gains from the fair value measurement of shares of €15.9 million (previous year: losses of €-34.7 million) and the measurement of bonds and gold of €2.8 million (previous year: €-2.3 million). Of this amount, MBB SE recognised gains of €15.4 million from the measurement of shares (previous year: losses of €-29.4 million) and gains on the measurement of bonds and gold of €2.6 million (previous year: €-2.3 million).

### Calculation of adjusted earnings figures

As described in the section on the controlling system, the adjusted earnings figures offer greater transparency of the company's actual performance. The following table shows the reconciliation of the IFRS earnings figures to the adjusted earnings figures.

|   | Notes  | 1 Jan -<br>31 Dec 2023<br>€k | 1 Jan -<br>31 Dec 2022<br>€k |
|---|--------|------------------------------|------------------------------|
| <b>Revenue</b>  | III.1. | <b>954,620</b>               | <b>896,453</b>               |
| Increase (+)/decrease (-) in finished goods and work in progress                        |        | -207                         | 4,322                        |
| <b>Operating performance</b>  |        | <b>954,413</b>               | <b>900,775</b>               |
| Income from joint ventures and associates   | III.2. | 14,740                       | 16,057                       |
| Other operating income and Badwill  | III.3. | 24,922                       | 23,077                       |
| <b>Adjustments:</b>   |        |                              |                              |
| Income from sale of previously impaired property, plant and equipment                   |        | 0                            | -438                         |
| <b>Total performance</b>  |        | <b>994,074</b>               | <b>939,471</b>               |
| Cost of raw materials and supplies  |        | -360,239                     | -318,419                     |
| Cost of purchased services  |        | -231,086                     | -232,455                     |
| <b>Cost of materials</b>  |        | <b>-591,324</b>              | <b>-550,874</b>              |
| Wages and salaries  |        | -203,588                     | -186,945                     |
| Social security and pension costs   |        | -51,163                      | -49,195                      |
| <b>Personnel expenses</b>   |        | <b>-254,751</b>              | <b>-236,140</b>              |
| <b>Other operating expenses</b>   | III.4. | <b>-69,808</b>               | <b>-64,917</b>               |
| <b>Adjustments:</b>   |        |                              |                              |
| Loss from deconsolidation of OBO-Werke GmbH   |        | 0                            | 3,412                        |
| Non-operating costs   |        | 2,025                        | 2,213                        |
| <b>Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA)</b> |        | <b>80,216</b>                | <b>93,166</b>                |
| Depreciation and amortization expense   | III.5. | -44,272                      | -43,407                      |
| <b>Adjustments:</b>   |        |                              |                              |
| Depreciation and amortization of assets acquired in a business combination              |        | 2,264                        | 3,576                        |
| <b>Adjusted earnings before interest and taxes (EBIT)</b>                               |        | <b>38,208</b>                | <b>53,335</b>                |
| Finance income  | III.6. | 6,095                        | 3,898                        |
| Finance costs   | III.7. | -4,836                       | -3,550                       |
| Earnings attributable to non-controlling interests                                      |        | -350                         | -2,013                       |
| <b>Net finance costs</b>  |        | <b>908</b>                   | <b>-1,665</b>                |
| <b>Adjustments:</b>   |        |                              |                              |
| Interest on non-operating items   |        | 704                          | -2,491                       |
| Non-controlling interests on adjustments  |        | -42                          | -155                         |
| <b>Adjusted earnings before taxes (EBT)</b>   |        | <b>39,778</b>                | <b>49,024</b>                |
| Income tax expense  | III.8. | -9,687                       | -17,862                      |
| Other taxes   | III.8. | -887                         | -889                         |
| <b>Adjustments:</b>   |        |                              |                              |
| Deferred taxes on adjustments   |        | -1,081                       | -466                         |
| <b>Adjusted earnings after taxes</b>  |        | <b>28,124</b>                | <b>29,806</b>                |
| Non-controlling interests   |        | 12,104                       | 12,391                       |
| <b>Adjustments:</b>   |        |                              |                              |
| Non-controlling interests on adjustments  |        | -991                         | -649                         |
| <b>Adjusted consolidated net profit after non-controlling interests</b>                 |        | <b>15,029</b>                | <b>16,766</b>                |
| Adjusted earnings per share (in €)  | III.9. | 2.62                         | 2.88                         |

### Achievement of targets by the Group

| Key figures                | Forecast<br>2023<br>published<br>March 2023 | Forecast<br>2023<br>updated Au-<br>gust 2023 | Attained<br>2023 |
|----------------------------|---|--|------------------|
| Revenue (€ million)        | 850 - 900                                   | 850 - 900                                    | 954.6            |
| Adjusted EBITDA margin (%) | 9 - 11                                      | 8 - 10                                       | 8.4              |



### Net assets

Equity amounted to €763.9 million as at 31 December 2023 (31 December 2022: €769.5 million). The decrease of 0.7% is mainly due to the acquisition of additional shares of 10.86% in Friedrich Vorwerk and 3.79% in Aumann, the acquisition of treasury shares and profit distributions, which were partially offset by gains from the measurement of securities, the capital increase at Delignit and earnings after taxes. In relation to the consolidated total assets of €1,149.0 million, the equity ratio as at the balance sheet date was 66.5% (previous year: 68.6%). In the opinion of the Executive Management, the MBB Group has a very strong equity base.

Intangible assets totalled €69.8 million as at the balance sheet date (previous year: €70.3 million). Additions of €9.4 million were offset by amortisation (€10.5 million). MBB subjected goodwill to an annual impairment test. The impairment test confirmed the recoverability of all capitalised goodwill.

Property, plant and equipment increased from €190.9 million as at 31 December 2022 to €207.9 million as at 31 December 2023. Additions to right-of-use assets and from investments of €51.0 million were partially offset by regular depreciation (€33.7 million).

Financial assets increased from €84.3 million in the previous year to €100.0 million as at 31 December 2023. This mainly includes shares (€89.0 million) and shares in joint ventures accounted for using the equity method (€10.6 million). The increase in the carrying amount of financial assets is mainly due to investments in shares totalling €7.1 million net, the valuation of shares (€15.9 million) and the decrease in the carrying amount of shares in joint ventures accounted for using the equity method (€-6.5 million).

Inventories amounted to €54.4 million as at the reporting date (31 December 2022: €65.0 million). The change in inventories is primarily due to the decline in advance payments made at Aumann and construction materials at Friedrich Vorwerk.

The increase in trade receivables, contract assets and other current assets from €249.4 million to €257.5 million as at 31 December 2023 is mainly due to higher project-related receivables from joint ventures in individual major projects.

The financial assets reported under current assets had a carrying amount of €126.9 million as at the reporting date (31 December 2022: €84.6 million). The increase is mainly due to investments in the bond portfolio totalling €40.0 million net and the valuation of bonds and gold holdings (€2.8 million).

Bank balances and cash decreased to €313.9 million in the reporting year (31 December 2022: €362.7 million). Information on the decrease in cash and cash equivalents is presented below in the financial position.

The Group's bank and lease liabilities amounted to €54.1 million as at 31 December 2023 (31 December 2022: €67.8 million). The decrease in the carrying amount is due to repayments of €42.5 million and was offset by the assumption of liabilities to banks (€19.3 million) as well as the conclusion of new leases (€9.1 million).

Liabilities to non-controlling interests decreased from €4.8 million in the previous year to €3.8 million as at the balance sheet date.

Contract liabilities from advance payments received increased from €48.8 million as at 31 December 2022 to €97.9 million as at the balance sheet date. The increase is primarily due to the rise in incoming orders at Aumann and Friedrich Vorwerk and the associated advance payments received.

Provisions that are by nature considered liabilities increased slightly from €35.7 million to €37.3 million.

Pension provisions increased to €18.9 million (previous year: €18.6 million), in particular due to changes in valuation assumptions.

At €66.3 million as at the balance sheet date, trade payables were at the previous year's level (previous year: €66.6 million).

Net cash and cash equivalents (bank balances and cash, current and non-current securities and physical gold holdings less bank, lease and other loan liabilities) thus totalled €475.3 million as at the balance sheet date (previous year: €445.2 million). The increase in net cash and cash equivalents is primarily due to a positive cash flow from operating activities totalling €126.4 million and the capital increase at Delignit with a gross inflow of €8.0 million. Net investments in property, plant and equipment (€-39.7 million) and intangible assets (€-8.6 million), payments to increase the shares in Friedrich Vorwerk (€-27.8 million) and Aumann (€-7.9 million), the acquisition of treasury shares by MBB SE (€-7.0 million) and Aumann AG (€-8.9 million), profit distributions to the shareholders of MBB SE (€-5.7 million) and to non-controlling interests from equity (€-2.7 million) and from borrowings from partnerships (€-1.2 million) had an offsetting effect. Non-cash effects also had an impact on net cash, with the conclusion of new leases and the associated increase in lease liabilities (€-9.1 million) and the measurement of securities at fair value



(€18.6 million) having the opposite effect. In the opinion of the Executive Management, the MBB Group therefore continues to have very good financial resources.

### Financial position

The cash-effective change in cash and cash equivalents totalled €-48.7 million in the reporting year (previous year: €-54.0 million) and is broken down as follows:

The net cash inflow from operating activities increased from €35.4 million in the previous year to €126.4 million in the reporting year. The net cash inflow primarily consists of the operating business of the subsidiaries and the resulting cash inflows. It also includes changes in assets and liabilities that are not attributable to investing or financing activities. The increase is mainly due to changes in working capital totalling €53.9 million (previous year: €-21.4 million). This is due to a significant increase in invoicing at Friedrich Vorwerk.

Cash flow from investing activities totalled €-95.0 million (previous year: €-26.7 million). Firstly, it results from net investments in intangible assets (€-8.6 million) and property, plant and equipment (€-39.7 million). Additionally, there are net payments for financial assets and securities totalling €-46.5 million. These consist of investments in bonds (€-98.5 million) and shares (net €-7.1 million), which are offset by proceeds from maturing bonds totalling €58.5 million.

Cash flow from financing activities totalled €-80.1 million (previous year: €-62.6 million). The main effects were dividend payments to shareholders of MBB SE and non-controlling interests in the amount of €-5.7 million and €-4.0 million respectively, the acquisition of an additional 10.86% of the shares in Friedrich Vorwerk (€-27.8 million) and 3.79% of the shares in Aumann (€-7.9 million), the acquisition of treasury shares by MBB SE (€-7.0 million) and Aumann AG (€-8.9 million), as well as repayments of loan and lease obligations totalling €-43.7 million. This was offset by the raising of loan liabilities (€20.7 million) and the capital increase at Delignit with a gross inflow of €8.0 million.

All Group companies were able to fulfil their payment obligations in full at all times during the reporting year.

### Summary assessment

In the 2023 financial year, Executive Management assess the development of the MBB Group overall as positive. The Group has grown slightly in terms of revenue, but has had to accept significant reductions in profitability in the first three quarters. However, important investments for the future were made at all subsidiaries.

### Principles and objectives of financial management

The foundations of the Group's financial policy are determined by Executive Management. The primary objectives of our financial management are to safeguard liquidity and limit financial risks. Furthermore, our goal is to generate a return from the free liquidity of the Group. Thus, parts of these funds are invested in securities until they are needed to finance new acquisitions.

Intragroup transactions are usually conducted in euro. As the subsidiaries hedge extraordinary foreign currency positions independently, unhedged positions of operating activities have not occurred to any significant extent at Group level to date. As such, the MBB Group does not use active exchange rate hedging at Group level. Currency forwards can be used in special circumstances. Similarly, the management of the credit risks of our contract partners is the responsibility of the individual subsidiaries. However, monitoring at Group level serves to ensure timely intervention as necessary.

Our business activities and the cash inflows they generate provide our main source of financing. However, long-term investments tend to be financed with long-term loans.

### Controlling system

The MBB Group's systematic focus on increasing enterprise value is also reflected in its internal controlling system. To this end, MBB has implemented a mentor system in which an employee or member of Executive Management of MBB SE acts as the mentor for a subsidiary. In this role, the mentor is the first point of contact for the respective management on site and is closely involved in the strategic, operational and financial orientation of one or more subsidiaries. Furthermore, all relevant developments at the subsidiaries and at MBB SE are discussed at the Executive Management meetings held at least monthly. In these meetings discussions also relate to potential investment opportunities and the investment of free cash funds available for investment purposes. The development of various key figures, in particular revenue and EBITDA as well as, occasion-related, incoming orders and sustainability information of the individual Group companies is analysed here. MBB SE uses consolidated revenue and (adjusted) EBITDA as its financial performance indicators relevant to forecasts.

Typically, the forecast for the following financial year is published with the annual report at the latest. This is based on detailed bottom-up planning by the individual Group companies. The published forecast is reviewed regularly and updated by Executive Management if necessary. The earnings figures include IFRS remeasurement effects, such as negative goodwill from business combinations and write-downs on hidden reserves identified in conjunction with business combinations. These effects are triggered by unforeseeable (dis)investments and are therefore not predictable. MBB is therefore forecasting an operating result adjusted for these and other non-operating income and expenses that more transparently and more sustainably reflects the company's operating earnings power and development. The earnings projections for the 2024 financial year included in the forecast are also based on the adjusted earnings figures.

The key performance indicators for controlling the Group's net assets and financial position are firstly net cash (including all cash equivalents) and net debt and secondly cash flow. Operating cash flow is calculated using the indirect method in accordance with IAS 7. Interest expenses are allocated to cash flow from financing activities, while interest and dividend income are reported in cash flow from operating activities.

## Report on risks and opportunities

The business development of MBB SE is subject to the same risks and opportunities as the Group. Thus, the risks and opportunities are essentially presented from the perspective of the MBB Group below.

### Opportunities

In the opinion of the Executive Management, the MBB Group will have opportunities in the future in the following areas in particular:

#### Mergers & Acquisitions:

- MBB has a high level of cash funds that it primarily intends to invest in further growth through acquisitions.
- The sustained high number of SMEs available for sale means opportunities for acquisitions that will add value to the Group.
- Investing in and increasing the value of small and medium-sized companies allows high returns above average if successful.
- MBB's relative market position in the acquisition of companies could improve due to a reduced number of potential buyers, lack of debt financing as well as liquidity shortages of potential target companies in the wake of the developments surrounding the more restrictive interest rate environment.
- MBB's profitable development over a number of years serves to increase its attractiveness as a shareholder, borrower or business partner and will boost MBB SE's importance as a holding company for SMEs in Germany.
- The experience and network of the current management offers a strong starting position for the continued growth of the MBB Group.

#### Investments:

- The strong investment activity of Group companies offers opportunities for further profitable growth.
- The consistent investment focus on sustainable and structural growth areas and markets offers above-average growth potential.
- As the substance and growth of the Group companies increases, so does the attractiveness of their shares for major global investment companies and thus the opportunity for more attractive valuations.

#### Diversification in structural growth markets:

- The diversification of the MBB Group has been expanded substantially in recent years, greatly cushioning the potential impact of changes in demand on individual markets on the Group as a whole.
- Friedrich Vorwerk is a major beneficiary of the energy transition and, thanks to its outstanding technological expertise, excellent reputation and customer relationships, as well as its fully integrated business model, is ideally positioned to benefit sustainably from the significant investments in its core markets of underground natural gas, hydrogen and electricity pipeline construction as well as the associated plant construction projects (e.g. GDRM plants, compressor stations, cavern storage facilities and transformer stations).
- Aumann is a beneficiary of the mobility transition and is reporting order intake well above the sales level in the fiscal year, particularly in the strategically important e-mobility segment, and thus has opportunities to continue to grow significantly. In addition, the switch to electric drives, which is also being forced by law, will result in significant investment requirements on the part of OEMs, which Aumann will support in this transformation with its high-tech solutions.

- As a specialist for IT security solutions, DTS is benefiting from significant demand for specialized products and services that increase security in corporate networks. Since 2018, this has included the so-called Security Operations Center (SOC), in which security specialists from DTS monitor customers' systems around the clock for anomalies and attacks. At the latest with the start of the war in Ukraine, the relevance of and need for IT security solutions has increased once again.

In summary, MBB has considerable opportunities arising from the operating activities of its individual subsidiaries and from the potential expansion of its portfolio of companies.

## Risks

According to the assessment of the Executive Management, the MBB Group is exposed to the following risks in particular:

### *Exogenous risks*

From MBB's perspective, the following significant exogenous risks currently exist in particular:

- An economic and financial crisis could be on an unprecedented scale and could endanger the existence of individual subsidiaries. The economic and financial crisis could severely impact economic performance with all imaginable negative consequences and the possible simultaneous occurrence of several of the individual risks described below.
- Sustained high or renewed inflation and, in particular, an entrenched wage-price spiral could lead to a time lag in passing on price increases and adversely affect profitability levels
- Supply chain bottlenecks, particularly in the semiconductor sector, and associated price increases could mean that production targets cannot be met.

In addition, MBB believes that the following additional risks exist, among others:

- War or armed conflicts could significantly disrupt the economic cycle, and endanger the existence of individual subsidiaries.
- A sustained economic downturn could lead to falling revenue or earnings at MBB SE's existing subsidiaries.
- Individual subsidiaries could be affected by market downturns in specific industries.
- An intensification of the competitive situation in the core markets of our subsidiaries could lead to a deterioration in the earnings and profitability situation.
- Short-term changes in political conditions could render subsidiaries' individual business models unviable.
- Pandemics could worsen or new health risks of a different nature could emerge and severely impact the economic environment.
- A new increase in energy prices, problems with energy availability or even non-functioning energy markets could have a negative impact on profitability or lead to temporary production stoppages.
- A further tightening of the labour market could further exacerbate the shortage of skilled workers and result in our subsidiaries not having sufficient efficient and qualified personnel resources available to process orders.

### *Financial risks*

From MBB's perspective, the following significant financial risks currently exist in particular:

- Due to an abrupt turnaround in interest rates, the Group's floating-rate financial debt is subject to interest rate risk.
- The current inflationary environment, restricted supply chains, deglobalization trends and the completion of major projects may result in higher working capital being tied-up.
- Outstanding receivables could be paid late or not at all.

In addition, MBB believes that the following additional risks exist, among others:

- The funds invested in securities are subject to high fluctuations and can lose value for prolonged periods.
- As an international Group, MBB is subject to exchange rate fluctuations on the currency markets.
- Cash and cash equivalents could be insufficient to meet financial obligations in a certain amount and at a certain date.
- The refinancing of new business acquisitions might not be possible.
- Bank insolvencies could result in legally unsecured deposits having to be reduced or written off.

### *Liability risks*

From MBB's perspective, the following significant liability risks currently exist in particular:

- Despite comprehensive risk management, the Group companies are exposed to the general risks associated with their business activities. For example, the manufacturing companies within the Group in particular could be liable for warranty cases, environmental pollution or production downtime.
- MBB SE could be exposed to risks arising from sale and purchase agreement warranties, while its subsidiaries could be exposed to product liability or other statutory liability risks.
- Four of the companies within the Group are currently listed – MBB SE, Friedrich Vorwerk Group SE, Aumann AG and Delignit AG – which means additional expenses and liability risks specific to the capital market.
- MBB SE is liable in the long term in accordance with the Wertpapierprospektgesetz (WpPG – German Securities Prospectus Act) in the context of the IPO of Aumann AG and Friedrich Vorwerk Group SE.

#### *Other risks*

From MBB's perspective, the following significant other risks currently exist in particular:

- Cyber-security attacks have increased especially since the beginning of Ukraine war and can lead to temporary restrictions of IT systems as well as financial risks.
- Environmental risks comprise the risks associated with greenhouse gas emissions, waste and the consumption of resources caused by the Group.
- Supply chain risks include risks relating to the availability of materials and services, as well as human rights and environmental risks within the company's own business area and the supply chain.
- The handling of major long-term and complex projects at individual subsidiaries is subject to specific project risks.
- The high purchase price expectations of potential sellers could limit the number of attractive investment opportunities, and hence the Group's growth.

The overall assessment of the current risk and opportunity situation as of the end of the reporting period reveals no threats to the Group as a going concern.

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

The MBB 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 subsidiary controlling that uses monthly business controlling to continuously compare target, actual and forecast data at the level of the portfolio companies and MBB SE,
- Project controlling, which defines, develops and tracks the implementation of optimization measures within the Group and at each individual company,
- Regular management meetings within MBB SE and with the management of the respective subsidiaries,
- Regular external or internal auditing to examine the focal areas determined in advance,
- Structured M&A tools that are used to organize the proposal and acquisition process and test it for success, and the maintenance and continuous expansion of the network of M&A brokers and potential sellers,
- Central Group monitoring of key contractual risks and legal disputes by management and the engagement of qualified law firms as necessary.

The accounting-related internal control system is an integral component of MBB's risk management. Its primary objectives are 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 internal control system and the risk management system reflects that of the reporting entities. MBB Group subsidiaries are subject to uniform accounting policies, compliance with which is monitored on an ongoing basis. At Group level, the specific control activities for ensuring the compliance and reliability of Group accounting include the analysis and, where necessary, correction of the separate financial statements submitted by the Group companies. To this end, the reporting tools and the consolidation system already feature automatic control mechanisms and plausibility checks. 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 (unaudited)

The Board reports on corporate governance in accordance with principle 23 of the German Corporate Governance Code and section 315d HGB in conjunction with section 289f HGB. The disclosures made in the corporate governance statement are not subject to the audit.

### *Declaration in accordance with section 161 AktG*

The Board issued the most recent declaration of compliance in accordance with section 161 AktG on 22 March 2024. It reads as follows:

*The Executive Management and Board of MBB SE submitted the last declaration of conformity in accordance with section 161 AktG on 29 March 2023 and complied with this declaration of conformity with the exceptions stated therein. The following declaration updates this declaration with the special features presented below due to the one-tier system used by MBB SE. The Board declares on 22 March 2024 that it has complied and will continue to comply with the recommendations of the Government Commission on the German Corporate Governance Code (hereinafter "Code") as amended on 28 April 2022 with the following exceptions:*

*As a European stock corporation (Societas Europaea – SE), the company has a one-tier management and control structure. The Board manages the company, determines the basic principles governing its activities, monitors their implementation and has the additional responsibilities and authorities set out in section 22 of the German SE Implementation Act (SEAG). Executive Management manages the company's business by implementing the basic principles and standards set out by the Board.*

*MBB SE interprets the regulations of the Code intended for supervisory boards as applying to its Board, and those intended for management boards as applying to its Executive Management. The following exception apply with respect to the legal design of the one-tier system:*

- *Pursuant to Section 22 SEAG, the Board is responsible for developing the strategic direction of the Company.*
- *Pursuant to Section 40 SEAG, members of the Board may be appointed as Executive Directors, provided that the majority of the Board continues to consist of non-executive members.*

The above declaration of compliance has been published on our website and is available for download at <https://www.mbb.com/en/ir/corporate-governance.html>.

### *Composition of the Board*

The Board should represent the two founding and majority shareholder families with one seat each, secure the expertise of very important management members on a permanent basis after their departure, have at least one independent member with high qualifications for MBB's business activities and sufficiently represent the Company's diversity. The current composition of the Board meets this target. The length of service of each member of the Board is shown in section VIII.1 Executive Bodies of the notes to the consolidated financial statements. When making new appointments, the target quota of 20% women and sustainability criteria should be observed.

The following skills matrix provides in table form an overview of the skills profile of the Board:

|  | Dr Christof<br>Nesemeier<br>Executive Chair-<br>man | Gert-Maria<br>Freimuth<br>Deputy chairman | Anton<br>Breitkopf<br>Member | Dr Peter<br>Niggemann<br>Member |
|--|---|---|------------------------------|---------------------------------|
| Professional competence                    |   |   |                              |                                 |
| Corporate Management and Control           | x   | x   | x                            | x                               |
| Mergers & Acquisitions / Corporate Finance | x   | x   | x                            | x                               |
| Accounting and auditing                    | x   | x   | x                            | -                               |
| Human Resources & Social Affairs           | -   | x   | x                            | x                               |
| Digitalization and IT                      | x   | -   | x                            | x                               |
| Sustainability                             | x   | x   | -                            | x                               |
| Legal / Compliance / Corporate Governance  | x   | x   | x                            | x                               |

An Audit Committee was formed in the 2020 financial year and a Nomination Committee in the 2021 financial year. The Chairman of the Audit Committee is Anton Breitkopf. As former CFO of MBB SE, Mr. Breitkopf has extensive experience in all matters relating to accounting, auditing and internal control procedures. His focus in the Audit Committee is on the audit of the financial statements. Mr. Breitkopf is

responsible for the final approval of all payments made by MBB SE. Another member of the Audit Committee is Dr Christof Nesemeier, who focuses on the audit of the financial statements, monitoring of the accounting process, the effectiveness of the internal control system and the internal audit system. These implemented systems are considered appropriate and effective. In addition, as the founder and long-standing CEO of MBB SE, he also has extensive experience in auditing and financial statements. As the driving force behind the orientation of the MBB portfolio towards the sustainable growth areas of e-mobility, energy transition and IT security, Dr Christof Nesemeier is also the designated sustainability expert on the Board. The audit of the financial statements, compliance-relevant topics and sustainability-related issues are discussed with all members of the Board. The Chairman of the Nomination Committee is Gert-Maria Freimuth. He is responsible for nominating suitable candidates to the Board for its proposals to the Annual General Meeting for the election of members of the Board, as well as for achieving the desired diversity targets on the Board.

#### *Succession planning*

The age limit for members of the Board and the Executive Management is 85. The average age of the Executive Board is 41, which is comparatively low. In addition, MBB is a highly attractive employer for qualified and highly motivated junior staff. The Board believes that the Executive Committee has been well staffed at any time.

#### *Self-affirmation*

The Board sees its work confirmed by the success of the company since it was founded more than 28 years ago.

## **Corporate governance report**

#### *Directors' shareholding*

The shareholdings of the members of executive bodies are shown in the notes to the financial statements of MBB SE and under note 11.1 in II. Notes to the consolidated statement of financial position.

#### *Avoiding conflicts of interest*

In the year under review, there were no conflicts of interest among the members of Executive Management or the Board. It should be noted that the Board has agreed consulting contracts with Gert-Maria Freimuth and Anton Breitkopf. The agreed activities go beyond the extent of their responsibility as members of the executive bodies. For further information please refer to note "3. Remuneration of the executive bodies" in section "VIII. Other mandatory information".

#### *Share buyback programme*

On 9 February 2023, the Board of MBB SE resolved to make use of the authorization to acquire treasury shares resolved at the Annual General Meeting on 28 May 2019. In the period from 14 February 2023 to 26 April 2023, MBB SE acquired 87,805 treasury shares of the company at an average price of €79.74 (excluding incidental acquisition costs) on the stock exchange.

#### *Accounting and auditing*

MBB SE prepares its annual financial statements in accordance with the provisions of the German Commercial Code and the German Stock Corporation Act. The consolidated financial statements are prepared in accordance with the principles of the International Financial Reporting Standards as adopted by the EU and the supplementary provisions of section 315e(1) HGB.

The management report of MBB SE and the Group management report are combined in accordance with sections 315(5) and 298(2) HGB.

The Annual General Meeting of MBB SE elected RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, as the auditor of the financial statements of MBB SE and was engaged accordingly. On 18 September 2023, the shareholders of RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft resolved the carve-out of a part of the business, including the Düsseldorf site, to Nexia GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft by way of universal succession in accordance with sections 125 et seq. of the UmwG. This also includes the appointment of RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, as the auditor for the audit of the annual and consolidated financial statements of MBB SE as at 31 December 2023. The responsible auditors are part of the offices that were transferred to Nexia GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft.

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 MBB SE and the members of its executive bodies on the other, that could give rise to doubts as to the independence of the auditor. The Board of



MBB SE 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 Board and the auditor also agree on the reporting obligations set out in the German Corporate Governance Code.

The auditor participates in the discussions of the Board on the financial statements of MBB SE and consolidated financial statements and reports on the key findings of its audit.

#### *Long-term bonus programme/security-based incentive systems*

Details of the long-term bonus programme can be found under note “3. Remuneration of the executive bodies” in section “VIII. Other mandatory information” of the notes to the consolidated financial statements.

#### *Remuneration report*

The remuneration report was prepared separately this year in accordance with Section 162 of the German Stock Corporation Act (AktG) can be viewed on our website at <https://www.mbb.com/en/ir/corporate-governance.html>.

#### *Information on corporate governance practices*

The members of the Board and Executive Management manage the company’s business with the due care and diligence of a prudent and conscientious company director in accordance with the law, the Articles of Association of MBB SE, the relevant Rules of Procedure, the provisions of the applicable employment contracts and the resolutions adopted. There are no codified and publicly accessible corporate governance practices above and beyond these requirements to date.

#### *Procedures of Executive Management and the Board*

The Board manages the company, determines the basic principles governing its activities, monitors their implementation and has the additional responsibilities and authorities set out in section 22 of the German SE Implementation Act (SEAG). Executive Management manages the company’s business by implementing the basic principles and standards set out by the Board. The Board concluded the Executive Management contracts for the period from 1 July 2021 to 30 June 2025. The MBB Group does not have a right of co-determination, meaning that all the members of the Board are shareholder representatives.

The individual subsidiaries each have independent operational management teams, some of which hold shares. The management teams of MBB SE and the subsidiaries cooperate closely on the development of the respective companies.

#### *Diversity concept*

When filling positions in the management of MBB SE and in the two management levels below the Executive Management, attention is paid to diversity and applicants of the male, female and diverse genders are always considered. Due to the structure of MBB SE as a holding company with a flat hierarchy, no target figure is specified for the proportion of women at the two management levels below the Executive Management. In accordance with the requirements of stock corporation law, the primary criterion for the Board of Directors is that the candidate has the skills, knowledge and experience required for the work of the Executive Management.

On 14 April 2021, the MBB SE Board of Directors resolved to achieve a 20% share of women for members of the Board of Directors and also for the Executive Management in the medium term.

## **Disclosures in accordance with section 289a 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 of 31 December 2023 of €5,716,392.00 consists of 5,716,392 no-par value bearer shares and is fully paid in. Each share grants the bearer one vote at the Annual General Meeting. The company does hold 0 own non-voting shares not entitled to dividends as of the balance sheet date.

#### *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 financial statements of MBB SE and under note 11.1 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 Articles of Association on the appointment and dismissal of members of the Executive Management and on amendments to the Articles of Association*

Members of the Executive Management are appointed and dismissed in accordance with sections 84 et seq. AktG. Article 6 of the Articles of Association governs the appointment and dismissal of members of the Executive Management as follows:

“The company has one or more members of Executive Management. Individual members of the Board can be appointed as members of Executive Management provided that the majority of the Board still consists of non-executive members.

The Board is responsible for determining the number of members of the Executive Management and for their appointment, the conclusion of their employment contracts and the revocation of their appointment. Members of the Executive Management are elected for a maximum term of six years and can be dismissed by the Board at any time prior to the end of their term.

If more than one member of the Executive Management is appointed, the Board can nominate one of the members of the Executive Management as the Chairman or Chief Executive Officer (CEO). The Board can also nominate deputy members of the Executive Management.

The members of the Executive Management conduct the company’s business jointly in accordance with the law, the Articles of Association, the Rules of Procedure and the instructions issued by the Board. They implement the basic principles and standards set out by the Board. If only one member of the Executive Management is appointed, the company’s business is conducted solely by this member as described above.

The members of the Executive Management receive remuneration as determined by the Board in accordance with section 87 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 Board is authorized to make amendments to the Articles of Association that relate solely to their wording. In particular, the Board is authorized to amend the wording of the Articles of Association in the event of the full or partial implementation of an increase in the share capital.”

*Power of the Board with particular reference to the ability to issue or buy back shares*

The Annual General Meeting on 12 June 2023 cancelled the Authorised Capital 2018 and created new Authorised Capital 2023. The Board is authorised to increase the company’s share capital on one or more occasions by a total of up to €2,500,000 in the period until 11 June 2028 by issuing new no-par value bearer shares in exchange for cash and/or non-cash contributions (Authorised Capital 2023).

The Annual General Meeting on 12 June 2023 authorised the company to acquire treasury shares in the period until 11 June 2028 in compliance with the principle of equal treatment [Article 9 (1) (c) (ii) SE Regulation in conjunction with Section 53a of the German Stock Corporation Act (AktG)] to acquire treasury shares in an amount of up to 10% of the company's share capital existing at the time the resolution is adopted or - if this value is lower - of the share capital existing at the time this authorisation is exercised. The shares can also be purchased by dependent Group companies or by third parties on the company’s account. The acquired shares, together with other shares that the company has previously acquired and still holds or that are attributable to it in accordance with Art. 5 SE Regulation in conjunction with Sections 71a of the German Stock Corporation Act (AktG), may not exceed 10% of the share capital at any time. The authorisation cannot be used for the purposes of trading with treasury shares. The authorisation to acquire and use purchased treasury shares resolved by the Annual General Meeting on 28 May 2019 under item 7 of the agenda was cancelled when this authorisation became effective.

The Annual General Meeting on 24 August 2020 authorized the Company to issue stock options (Stock Option Program 2020), to create a new Contingent Capital 2020/I, and to make the necessary amendments to the Articles of Association.



The stock option program authorizes the Board to grant up to 240,000 subscription rights to up to 240,000 no-par value bearer shares of the company to beneficiaries within the meaning of Section 192 (2) no. 3 of the German Stock Corporation Act (AktG) until 30 June 2025. For further details, please find the separately published remuneration report within the meaning of Section 162 of the German Stock Corporation Act (AktG).

The capital stock of the company may be conditionally increased by up to €240,000 through the issue of up to 240,000 new no-par value bearer shares (Contingent Capital 2020/I). The contingent capital increase serves exclusively to fulfill entitlements under the equity-based stock option program 2020.

On 9 February 2023, MBB resolved to make use of the authorisation granted by the Annual General Meeting on 28 May 2019 to acquire treasury shares in accordance with section 71 (1) no. 8 AktG. In the period from 14 February 2023 to 26 April 2023, MBB repurchased 87,805 treasury shares at an average price of €79.74 for a total value of €7,001,676.80. A total of 224,359 treasury shares with a total value of €23,982,525.14 have therefore been acquired in several buyback programmes since 2020.

On 27 April 2023, the Board of MBB resolved to withdraw all 224,359 treasury shares for the purpose of a capital reduction at the proposal of the Executive Management. Following the withdrawal of the treasury shares and the effectiveness of the capital reduction, MBB SE's share capital amounts to €5,716,392.00 (previously: €5,940,751.00) and is divided into 5,716,392 bearer shares (previously 5,940,751 shares) with a notional interest in the share capital of €1.00 per share.

*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 Managing Board or employees for the event of a takeover bid*

There are no such compensation agreements.

The disclosures required in accordance with section 160 AktG(1) no. 2 can be found in the notes to the financial statements of MBB SE and in section II.11.1 Equity in the Notes to the consolidated financial statements.

## Non-financial statement in accordance with section 289b HGB and section 315b HGB (unaudited)

MBB sees sustainability as a central business task. Accordingly, various sustainability aspects are integrated into its corporate strategy, Group-wide controlling and the regular meetings of Executive Management. Economically oriented action combined with responsibility for the environment, employees and society characterize MBB's philosophy. In our daily efforts to achieve top performance, we reconcile sustainability-related objectives with economic aspects.

In accordance with the German Act to Strengthen Non-Financial Reporting (CSR Directive Implementation Act) of 11 April 2017, MBB hereby publishes 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 2023 financial year. The information includes all consolidated subsidiaries of the MBB Group. The disclosures made in the non-financial statement are not subject to audit.

In line with section 289d HGB, we examined which national, European or international frameworks could be applied in preparing the non-financial statement. No framework is comprehensively applied at present, however, as the cost of doing so would be disproportionate to the benefit in light of MBB's corporate structure and we do not consider any of the existing frameworks to be suitable for us.

According to the EU Taxonomy Regulation becoming effective, MBB is required to provide information on revenues, capital expenditure (CapEx) and operating expenditure (OpEx) associated with environmentally sustainable economic activities. In accordance with Article 8 of the EU Taxonomy Regulation, the environmental objectives of "climate change mitigation", "climate change adaptation", "sustainable use and protection of water and marine resources", "transition to a circular economy", "pollution prevention and control" and "protection and restoration of biodiversity and ecosystems" are reported on in the following. For a tabular overview, please refer to the end of this section.

### Business model

MBB is a medium-sized family-owned company that focuses on the acquisition and management of medium-sized companies with a high level of technological and engineering expertise. Further information on the business model and the individual segments and subsidiaries can be found in the "Segments" section within the combined management and group management report 2023 of MBB.

### Stakeholders

*Family owners:* The family shareholders Gert-Maria Freimuth and Dr Christof Nesemeier are MBB SE's main equity providers. Their focus is on responsible action and sustainable value added.

*Investors:* The other shareholders also expect MBB to take sustainable and responsible action, with a clear strategic focus and transparent reporting.

*Customers of the subsidiaries:* The customers of our subsidiaries want reliable partners to reliably provide innovative solutions while exercising ecological and social responsibility.

*Employees:* Our employees value an attractive and secure workplace where they can apply their skills as trained. Continuing professional development is part of MBB's sustainable human resources policy.

MBB is in regular contact with all stakeholder groups. While family shareholders play a key role in the co-determination of MBB's sustainability strategy in their roles as members of the Board and Executive Management, other stakeholders are included through various channels, including direct dialogue, regular financial reporting, conferences and roadshows.

### Materiality analysis

The materiality analysis, which was performed for the first time in 2017 and is regularly updated, identified "employee concerns" and "environmental concerns" as the core issues of MBB's sustainability strategy. These aspects are explained in more detail below. The issues of "social concerns", "respecting human rights" and "combating corruption and bribery" are also described. As we consider these topics important but, in our opinion, secondary as regards MBB's sustainability strategy, they will be discussed only briefly. Please see the table at the end of this section for an overview of key non-financial indicators.

### Environmental issues

The responsible use of natural resources is an important topic at all levels of the MBB Group, as operational decisions at our subsidiaries always have ecological consequences. This applies to the use of raw materials and materials as well as to the energy efficiency of the individual subsidiaries, but also in particular to the effects of our products and services on the environmental protection goals of our customers.

Many MBB companies make an important contribution to environmental protection through the responsible use of resources and a high level of energy efficiency and therefore have a high level of interest in this topic for strategic reasons alone. We also expect environmentally responsible behaviour and the conservation of natural resources from our business partners and suppliers.

**Friedrich Vorwerk** pursues a holistic approach in its project business by handling all phases along the project cycle and also taking into account long-term utilisation beyond the scope of the project. Since infrastructure projects by definition involve interventions in existing structures, our activities have a direct impact on people and the environment. To minimize the resulting impact, we attach particular importance to forward-looking and comprehensive planning. Environmental impacts include land consumption, soil excavation, interference with the water balance, the consumption of energy, water and raw materials, and the generation of noise, dust, vibrations, emissions, wastewater and waste. These factors vary depending on the type and scope of a project. As a specialist in horizontal drilling, Friedrich Vorwerk is, for example, able to lay power lines for the landscape in a minimally invasive way. The aim is to protect and preserve the natural environment in the best possible way by integrating the special features of each project into an individual project management. The extensive environmental protection activities required for the large-scale projects carried out by Friedrich Vorwerk are usually laid down in a legally binding form in a landscape conservation plan. In Germany, this plan presents the measures that are planned for a project that requires interventions in nature and the landscape in the immediate area of the project or its immediate surroundings in order to compensate for or minimize these interventions. These measures are part of the planning documents required for the approval of a project and become legally binding with the project's zoning decision. In the case of smaller projects, they include, for example, the implementation of tree protection measures, particularly in inner-city areas, which are also taken in coordination with the green space offices.

In the integrated management system operated by Friedrich Vorwerk, the areas of quality according to ISO 9001 and occupational health and safety according to SCC regulations are certified in addition to the areas of environment according to ISO 14001 and energy according to ISO 50001. This system forms the framework for the company's endeavours towards continuous improvement. Specifically, Friedrich Vorwerk defines annual environmental and energy targets and analyses their achievement as part of a management review.

Furthermore, Friedrich Vorwerk pursues the goal of continuously increasing the cost-effectiveness and efficiency of its vehicle fleet and technical equipment. Thus, fuel consumption and downtimes are constantly analyzed and fleet management is adjusted accordingly. Old vehicles, machines and equipment are constantly being replaced with new, more efficient and lower-emission ones, thereby reducing both pollutant emissions and noise emissions. In individual cases, new technologies are developed in-house. A cable conduit slide (KaRoSch) has been designed and manufactured at the Wiesmoor site since 2022. The KaRoSch speeds up the laying of power cables, which minimises the impact on the environment. Overall, the cable trenches are filled and recultivated more quickly and absolute soil replacement is minimised.

Energy efficiency and sustainability are taken into account in the procurement of materials, and it is expected that our suppliers and service providers meet the same environmental standards as we do. To this end, environmental certificates and indicators are requested from potential suppliers in the purchasing process and evaluated in addition to quality, delivery time and price in the procurement process.

Friedrich Vorwerk ensures through regular training of employees in all divisions that they have a high level of environmental awareness, observe the systems for waste separation and disposal, generally use all resources sparingly and comply with the applicable operating instructions for handling hazardous and water-polluting substances.

In the 2021 financial year, Friedrich Vorwerk began planning and developing a hydrogen electrolysis plant at the Wiesmoor site. The renewable energy generated by a photovoltaic system is transformed into green hydrogen by means of electrolysis and stored. If required, the hydrogen is stored again and converted into heat via a combined heat and power plant. The aim of the project, which is due to be completed in 2024, is to supply the Wiesmoor site with renewable electricity and heat.

At **Delignit**, strategic considerations regarding environmental protection also play a central role: Wood is ecologically unique as a material and energy raw material and represents the main raw material source for Delignit. Accordingly, Delignit supports the initiative "Using wood responsibly" of the Association of the German Wood-Based Panel Industry (Verband der Deutschen Holzwerkstoffindustrie e.V.). Through this, and particularly due to the renewable character of this main raw material, Delignit meets the definition of ecological sustainability in an exemplary manner. In addition, the use of wood as a substitute for products made from non-renewable raw materials is active climate protection. For example, beech wood weighs only 1/10 of structural steel with the same dimensions, but has 1/3 of its strength. The use of Delignit beech wood in the automotive industry thus reduces the CO<sub>2</sub> emissions of fossil resources. For many of Delignit customers, the environmental balance plays an essential role. When different application

solutions based on different materials are available, the sustainability of the Delignit product can be the deciding factor. In November 2023, Delignit was also awarded an Environmental Product Declaration (EPD) in this context, which means that the environmental impact of Delignit products can now be calculated and reported in detail. The Institut Bauen und Umwelt e.V. (IBU) serves as the EPD programme holder.

**Aumann** also makes a significant contribution to reducing emissions and protecting the environment. Aumann offers specialised machinery and highly automated production solutions that enable customers to mass produce a wide range of individual components and modules for the electrified powertrain in a highly efficient and technologically advanced manner. A particular focus is on production lines for the manufacture of energy storage and conversion systems such as batteries and fuel cells, where Aumann once again realised sophisticated production and assembly solutions with well-known customers in the past financial year. Thanks to the realisation of production lines for premium cars and fully electric commercial vehicles, Aumann is making a valuable contribution to the climate-neutral transport of goods and is continuing to drive the transition towards a sustainable future. In addition, Aumann has been successfully involved in fuel cell production in the automotive sector since 2007 and was also able to implement these competences in the field of electrolyzers for hydrogen production in 2023. By acquiring the business operations of LACOM GmbH in the 2023 financial year, Aumann is expanding its portfolio in the area of battery systems to include coating systems for electrode production and is now in a position to offer innovative product solutions along the entire value chain in the area of fuel cells. Aumann is pursuing the goal of operating its German production facilities and office buildings in a CO<sub>2</sub>-neutral manner by 2030. On the way there, the aim is to obtain all electricity from renewable resources by 2025.

Not least due to increasing customer demand, the other companies in our Group are making their contribution to our environment, thus meeting the demand for responsible action and sustainable products. For example, the foams of **CT Formpolster** are certified according to OekoTex 100, Class 1 for babies. In addition, many of the foams have the test mark "LGA tested". Our subsidiaries also set a good example in the use and disposal of waste. Most of the waste from CT Formpolster is put to good use, for example as undercarpet material. **Hanke** continuously develops and implements measures to reduce energy and water consumption and to recycle scrap material.

**DTS**, as an operator of its own ISO 27001-certified high-performance data centers, pays particular attention to efficient energy use. In the past, for example, cooling systems were replaced by modern, highly efficient turbo compressors, which have significantly reduced energy consumption. Whenever the company's own data center capacity is expanded, the newest findings in air-conditioning technology are taken into account with a view to maximum efficiency.

Significant environmental risks associated with the products and services of the subsidiaries result from accidents and hazards that are unlikely but cannot be completely ruled out. The theoretical case of an accident affecting environmental aspects is countered by established processes in the individual subsidiaries. We attach particular importance to high quality requirements for our suppliers and high quality standards.

The majority - over 70% of Group revenue - of MBB's subsidiaries are certified in accordance with ISO 50001 (energy management) and ISO 14001 (environmental management) and therefore fulfil the internationally recognised basic principles of energy and environmental management systems.

### Employee matters

The protection and respect of every human being is a top priority in the MBB Group. Compliance with internationally applicable human rights and labor standards is a matter of course for us. We condemn any form of discrimination, for example on the basis of ethnic origin, religion, political views, gender, physical constitution, appearance, age or sexual orientation.

The most important resource of our group of companies are our employees. Therefore, the recruitment of new, motivated employees as well as a high level of satisfaction and motivation as well as a low fluctuation of the existing workforce is a central component of our sustainability strategy. We want to be an attractive employer for employees and junior staff.

MBB sees attracting qualified employees as its biggest challenge, and it is one that we actively address. In addition to conventional job adverts and recruitment consultants, we are increasingly also achieving this by using social media and positioning MBB and its individual subsidiaries as attractive employers. We intend to continue this approach moving ahead. Our Group currently has 3,782 employees. In addition, we employ 135 temporary workers as of 31 December 2023, a large number of whom we have regularly taken on as regular employees in the past, provided they are suitable in principle.

MBB considers the development and challenge of its employees to be an important success factor. The qualification of our employees is achieved through training and further education in all areas of the Group, as well as through high occupational health and safety standards and the targeted promotion of junior

management. For example, MBB currently employs 280 apprentices or trainees on a dual course of study (previous year: 261). The distribution per subsidiary varies; the ratio of trainees to permanent employees at DTS is a pleasing 17%. As a matter of principle, we aim to take on all trainees (including those on a dual course of study) who have completed their training with us as permanent employees. This is reflected in impressive results: At DTS, for example, around one third of employees are recruited from former trainees and dual students.

In order to remain an attractive employer, all our subsidiaries invest in their employees, whether through direct support for employee training, through the modern training centre at Aumann or the possibility of mobile working. As far as possible, the opportunities for our employees to work from home will continue to be available beyond the pandemic. In addition, some subsidiaries are providing their employees with free fruit and offering health-promoting workshops in cooperation with various health insurers. At the Friedrich Vorwerk site in Tostedt, we will be opening a new canteen at the beginning of 2024 so that we can offer our employees healthy food at the workplace.

Gender equality is a particular concern for us. Women, men and intersexuals have equal opportunities in our company. We strive for gender balance at all hierarchical levels. Due to the business model's inherent focus on technical professions, women are still underrepresented both in studies and in the application process, making the latter a challenge when filling positions.

When selecting managers, the managing directors always pay attention to diversity and take into account male and female applicants as well as applicants of different genders. In the final appointment, the focus is always on the professional and personal qualifications of the respective person.

The MBB Group currently employs 16.4% female staff. Two persons of the female gender are employed at the first management level, while 22 persons of the female gender are employed at the second management level.

MBB attaches great importance to the design of a safe working environment in view of the fact that the majority of its subsidiaries are active in the manufacturing sector. Employees in production are generally exposed to an increased health risk. For this reason, we set high standards for safety, especially when dealing with hazardous substances and other sources of danger. We promote our employees' skills and awareness of safe working practices by offering regular training and continuing education.

Reportable occupational accidents are recorded and evaluated at regular intervals. The number of reportable occupational accidents decreased from 91 in the previous year to 73 in the past financial year. As in the previous year, the number of fatal occupational accidents was zero. Our goal is to reduce the number of occupational accidents by introducing new safety concepts and further developing existing ones.

As an example, Friedrich Vorwerk fundamentally restructured the HSEQ (Health, Safety, Environment and Quality) department in the year 2021. The primary task of this department is to maintain and further develop the joint integrated management system and to create and implement uniform standards and methods in the areas of quality, occupational health and safety, and the environment and energy. Friedrich Vorwerk also has SCL certification to establish a stronger safety culture: The Safety Culture Ladder (SCL) is an assessment method for measuring the safety awareness and conscious safe behaviour of each individual employee in the company.

### **Social issues, respecting human rights and combating corruption and bribery**

*Social issues:* Dealing with our customer and supplier stakeholders respectfully and in a socially responsible manner is one of our guiding principles. We firmly believe that continuous product innovation, acting fairly with respect to suppliers and entering into a constant dialogue with our customers are key elements of our business success. The MBB Group companies are involved in voluntary social projects at municipal level. In addition to their role as an employer, they also contribute to the good of these communities through, for example, cooperations with schools or sports clubs. These social activities are not managed centrally, but rather are organised by the responsible officers at the respective subsidiaries.

*Respecting human rights:* MBB's subsidiaries have deep roots in Germany and Europe, and respect the human rights of employees, suppliers and business partners in their day-to-day operations. We have not identified any risks of non-standard remuneration, inappropriate working hours, restrictions on the freedom of assembly or equal rights at either our subsidiaries or their suppliers. MBB is committed to upholding internationally recognized human rights standards and does not tolerate any form of slavery, forced labor, child labor, human trafficking or exploitation in its own business activities or its supply chain.

*Combating corruption and bribery:* We have always considered compliance with legal provisions and guidelines, in addition to correct conduct in business transactions, to be a core component of sustainable corporate governance. In order to uphold this long-standing principle, compliance management systems were established at our subsidiaries and are still being developed on an ongoing basis. The respective

Codes of Conduct and anti-corruption policies serve as frameworks for activities both within the company and in respect of third parties. Using cyclical reporting structures, the respective management of the various Group companies is required to report regularly to the corresponding supervisory boards or to the Executive Management of MBB SE, respectively, on the effectiveness of the respective compliance management system and any incidents occurring.

**Negative consequences and risks in connection with business activities**

In our opinion, there are no material risks in connection with our business activities, our products or our services that could have serious negative consequences in terms of employee, environmental or social concerns, or that could lead to a violation of human rights and to corruption.

**Overview of key non-financial indicators in accordance with section 289 (3) HGB**

|   | 2023  | 2022  |
|---|-------|-------|
| <b>Employee matters</b>   |       |       |
| Number of female executives (first and second level)                                  | 24    | 29    |
| Share of female employees in relation to total employees                              | 16.4% | 12.7% |
| Share of temporary workers in relation to total employees                             | 3.6%  | 4.6%  |
| Number of apprentices   | 232   | 216   |
| Number of employees in cooperative study programs                                     | 48    | 45    |
| Reportable work accidents   | 73    | 73    |
| Deadly work accidents   | 0     | 0     |
| <b>Environmental issues</b>   |       |       |
| Energy intensity in MWh / €m revenue  | 176   | 167   |
| Water intensity in m <sup>3</sup> / €m revenue  | 320   | 348   |
| Waste intensity in t / €m revenue   | 3.8   | 4.5   |
| <b>Social issues</b>  |       |       |
| Charitable donations and sponsoring in €k (culture, education, sport, social affairs) | 26    | 45    |

**EU Taxonomy**

In accordance with the EU Taxonomy Regulation and the supplementary delegated acts, we report below our proportion of taxonomy-eligible, group-wide revenue, capital expenditure, and operating expenditure for the financial year 2023 in relation to the six EU environmental objectives "climate change mitigation", "climate change adaptation", "sustainable use and protection of water and marine resources", "transition to a circular economy", "pollution prevention and control" and "protection and restoration of biodiversity and ecosystems" elaborated in the EU Taxonomy.

The aim of the EU Taxonomy is to encourage investment flows from the financial sector to companies engaged in environmentally sustainable activities. It is thus intended to help the EU implement the European Green Deal which commits to climate neutrality by 2050. In doing so, the EU Taxonomy is intended to create a common understanding of the environmental sustainability of activities and investments. Furthermore, the EU taxonomy provides guidance on whether companies are contributing to sustainable development with their economic activities. The regulation obliges companies to report on these economic activities.

Reporting for taxonomy-compliant economic activities has been applicable since the 2022 financial year. Taxonomy-compliant economic activities fulfil the technical assessment criteria and minimum protection criteria of the European Union.

*Procedure in impact analysis*

In order to determine taxonomy eligibility, the activities eligible for taxonomy in the MBB Group were identified in the first step with reference to the NACE codes indicated in Annexes 1 and 2 of the legal act on Regulation (EU) 2020/852. In addition, the definitions of the indicators revenue, operating expenditure (OpEx) and capital expenditure (CapEx) listed in Annex 1 to the Regulation were analyzed and the data for the respective reference figures (denominator of the indicator) were collected. In the area of operating expenses in particular, the cost types relevant here were identified. Subsequently, approaches to determine revenue, operating expenditure and capital expenditure that relate to taxonomy-eligible activities were defined.

Due to the ongoing dynamic developments with regard to the wording of the EU Taxonomy Regulation, there are currently still uncertainties of interpretation with regard to the wording and terms contained therein. Therefore, there may be adjustments to the impact analysis in the future.



*Identified taxonomy-eligible economic activities*

The following economic activities were identified as taxonomy-eligible:

## Friedrich Vorwerk

- Transmission and distribution of electricity
- Transmission and distribution networks for renewable low-carbon gases
- Production of renewable energy technologies
- Construction, expansion and operation of systems for collection, treatment and supply of water
- District heating /cooling distribution

## Aumann

- Production of low carbon dioxide transport technologies

## Delignit

- Production of low carbon dioxide transport technologies

*Analysis and calculation*

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

The definition of the EU taxonomy for determining the relevant operating expenditure includes expenses for research and development, building refurbishment measures, short-term leasing, maintenance and repair, as well as other direct expenses in connection with the daily maintenance of property, plant and equipment, which are reported in the consolidated income statement under other operating expenses.

At Friedrich Vorwerk, in order to determine the proportion of taxonomy-eligible operating expenditure for a project that has taxonomy-eligible revenue, the related operating expenses were counted proportionately as taxonomy-eligible.

Capital expenditure includes additions to property, plant and equipment as well as intangible assets (including acquisitions, excluding goodwill in accordance with the EU taxonomy). Taxonomy-eligible capital expenditures relate to assets and projects associated with taxonomy-eligible economic activities. In addition, individual capital expenditures from the acquisition of assets from taxonomy-eligible economic activities and the implementation of individual measures to achieve climate targets were taken into account. The various taxonomy-eligible capital expenditures were related to the capital expenditures reported in the annual report.

Materiality aspects were taken into account when determining the relevant activities.

Technical screening criteria determine the taxonomy compliance of the respective economic activities. Information on the screening and evaluation of these criteria is largely not available, so that the taxonomy conformity of the economic activities was reported as 0%.

*Results of analysis*

The following tables shows the taxonomy key figures for the MBB Group.









### **Report on expected developments**

In line with the forecasts for the individual segments of the MBB Group described above in the Segments section, MBB SE expects revenue of around €1 billion with an adjusted EBITDA margin of 10% for the financial year 2024. In addition, MBB sees very good opportunities for further company acquisitions in 2024 and plans to grow through both add-on as well as stand-alone acquisitions into new business areas.

Berlin, 22 March 2024

The Executive Management of MBB SE

## MBB SE Condensed Annual Financial Statements for 2023

| Income statement (HGB)  | 2023<br>audited<br>€k | 2022<br>audited<br>€k |
|---|-----------------------|-----------------------|
| Revenue   | 2,046                 | 1,774                 |
| Other operating income  | 429                   | 1,036                 |
| Personnel expenses  | 3,289                 | 3,520                 |
| Depreciation and amortization expenses of intangible assets and property, plant and equipment | 51                    | 47                    |
| Other operating expenses  | 4,949                 | 8,675                 |
| Income from equity investments  | 3,318                 | 2,608                 |
| Income from long-term securities and loans reported under financial assets                    | 13,851                | 27,345                |
| Other interest and similar income   | 5,495                 | 1,267                 |
| Depreciation on securities  | 8,396                 | 8,278                 |
| Interest payable and similar expenses   | 1                     | 585                   |
| Tax expense   | 632                   | 10                    |
| <b>Net profit (+) / loss (-) for the year</b>   | <b>7,820</b>          | <b>12,915</b>         |
| Profit carried forward from the previous year   | 362,523               | 366,265               |
| Dividends paid  | -5,716                | -11,492               |
| Contributions to retained earnings  | -23,983               | 0                     |
| Withdrawals from retained earnings  | 23,983                | 0                     |
| Income from reduction of capital reserves   | 224                   | 0                     |
| Additions to capital reserves   | -224                  | 0                     |
| Expenses from the withdrawal of shares  | -224                  | 0                     |
| Purchase of treasury shares   | -6,914                | -5,165                |
| <b>Balance sheet profit</b>   | <b>357,488</b>        | <b>362,523</b>        |
| Statement of financial position (HGB)   | 2023                  | 2022                  |
| Assets  | audited<br>€k         | audited<br>€k         |
| Intangible assets   | 25                    | 30                    |
| Property, plant and equipment   | 122                   | 157                   |
| Financial assets  | 158,288               | 109,719               |
| <b>Non-current assets</b>   | <b>158,435</b>        | <b>109,906</b>        |
| Receivables and other assets  | 11,877                | 9,999                 |
| Securities  | 109,423               | 82,556                |
| Cash in hand and bank balances  | 108,626               | 189,353               |
| <b>Current assets</b>   | <b>229,926</b>        | <b>281,908</b>        |
| Prepaid expenses  | 16                    | 28                    |
| <b>Total assets</b>   | <b>388,377</b>        | <b>391,842</b>        |
| Equity and liabilities  | €k                    | T€                    |
| <b>Equity</b>   | <b>385,304</b>        | <b>389,499</b>        |
| <b>Provisions and accruals</b>  | <b>2,831</b>          | <b>1,989</b>          |
| <b>Liabilities</b>  | <b>242</b>            | <b>354</b>            |
| <b>Total Equity and liabilities</b>   | <b>388,377</b>        | <b>391,842</b>        |

### Appropriation of earnings

The HGB net profit for the year of €7,820,099.65 is reported with the profit carryforward of €362,522,887.53 less the purchase of treasury shares of €6,913,871.80 and dividend distributions of €5,716,392.00 and the expense from the withdrawal of shares in the amount of €224,359.00 as retained earnings. The Board and the Executive Management will propose a further increase in the dividend to €1.01 at the Annual General Meeting. The remaining retained earnings are to be carried forward.

## IFRS Consolidated Financial Statements for 2023

| IFRS consolidated statement of profit or loss                                  | Notes  | 1 Jan - 31<br>Dec 2023 | 1 Jan - 31<br>Dec 2022 |
|--|--------|------------------------|------------------------|
|  |        | €k                     | €k                     |
| <b>Revenue</b>   | III.1. | <b>954,620</b>         | <b>896,453</b>         |
| Increase (+), decrease (-) in finished goods and work in progress              |        | -207                   | 4,322                  |
| <b>Operating performance</b>   |        | <b>954,413</b>         | <b>900,775</b>         |
| Income from joint ventures and associates                                      | III.2. | 14,740                 | 16,057                 |
| Other operating income   | III.3. | 24,922                 | 23,077                 |
| <b>Total performance</b>   |        | <b>994,074</b>         | <b>939,909</b>         |
| Cost of raw materials and supplies   |        | -360,239               | -318,419               |
| Cost of purchased services   |        | -231,086               | -232,455               |
| <b>Cost of materials</b>   |        | <b>-591,324</b>        | <b>-550,874</b>        |
| Wages and salaries   |        | -203,588               | -186,945               |
| Social security and pension costs  |        | -51,163                | -49,195                |
| <b>Personnel expenses</b>  |        | <b>-254,751</b>        | <b>-236,140</b>        |
| Other operating expenses   | III.4. | -69,808                | -64,917                |
| <b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b> |        | <b>78,190</b>          | <b>87,978</b>          |
| Depreciation and amortization expense  | III.5. | -44,272                | -43,407                |
| <b>Earnings before interest and taxes (EBIT)</b>                               |        | <b>33,919</b>          | <b>44,571</b>          |
| Finance income   | III.6. | 6,095                  | 3898                   |
| Finance costs  | III.7. | -4,836                 | -3,550                 |
| Earnings attributable to non-controlling interests                             |        | -350                   | -2,013                 |
| <b>Net finance costs</b>   |        | <b>908</b>             | <b>-1,665</b>          |
| <b>Earnings before taxes (EBT)</b>   |        | <b>34,827</b>          | <b>42,906</b>          |
| Income tax expense   | III.8. | -9,687                 | -17,862                |
| Other taxes  | III.8. | -887                   | -889                   |
| <b>Earnings after taxes</b>  |        | <b>24,253</b>          | <b>24,154</b>          |
| of which attributable to:  |        |                        |                        |
| - Shareholders of MBB SE   |        | 12,150                 | 11,764                 |
| - Non-controlling interests  |        | 12,104                 | 12,391                 |
| <b>Basic Earnings per share (in €)</b>   | III.9. | <b>2.12</b>            | <b>2.02</b>            |
| <b>Diluted earnings per share (in €)<sup>1</sup></b>                           | III.9. | <b>2.10</b>            | <b>2.00</b>            |

<sup>1</sup> The previous year's figure for diluted earnings per share has been adjusted (see section III.9 in the notes to the consolidated financial statements).

| IFRS consolidated statement of comprehensive income                 | Notes   | 1 Jan - 31<br>Dec 2023<br>€k | 1 Jan - 31<br>Dec 2022<br>€k |
|---|---------|------------------------------|------------------------------|
| <b>Earnings after taxes</b>   |         | <b>24,253</b>                | <b>24,154</b>                |
| Items that may be subsequently reclassified to profit and loss      |         |                              |                              |
| Fair value changes bonds and gold                                   | III.10  | 2,764                        | -2,299                       |
| Currency translation differences                                    | II.11.4 | 1,579                        | -481                         |
| Reclassifications to profit or loss                                 |         | 1,573                        | 0                            |
| Items that will not be subsequently reclassified to profit and loss |         |                              |                              |
| Fair value changes shares   | III.10  | 15,862                       | -34,652                      |
| Reserve for pensions  | II.11.4 | -286                         | 9,427                        |
| thereof deferred taxes  |         | -20                          | -2,825                       |
| <b>Other comprehensive income after taxes</b>                       |         | <b>21,473</b>                | <b>-30,830</b>               |
| <b>Comprehensive income for the reporting period</b>                |         | <b>45,726</b>                | <b>-6,676</b>                |
| thereof attributable to:  |         |                              |                              |
| - Shareholders of the parent company                                |         | 33,443                       | -19,248                      |
| - Non-controlling interests   |         | 12,283                       | 12,572                       |

| Statement of financial position                            | Notes   | 31 Dec 2023      | 31 Dec 2022      |
|--|---------|------------------|------------------|
| Assets (IFRS)  |         | audited          | audited          |
|  |         | €k               | €k               |
| <b>Non-current assets</b>                                  |         |                  |                  |
| Concessions, industrial property and similar rights        | II.3.   | 21,094           | 21,577           |
| Goodwill   | II.2.   | 48,726           | 48,726           |
| Advance payments   | II.3.   | 4                | 41               |
| <b>Intangible assets</b>                                   |         | <b>69,824</b>    | <b>70,344</b>    |
| Land and buildings including buildings on third-party land | II.4.   | 91,875           | 86,728           |
| Technical equipment and machinery                          | II.4.   | 62,238           | 62,297           |
| Other equipment, operating and office equipment            | II.4.   | 37,130           | 33,072           |
| Advance payments and assets under development              | II.4.   | 16,647           | 8,794            |
| <b>Property, plant and equipment</b>                       |         | <b>207,891</b>   | <b>190,890</b>   |
| Joint ventures and associates                              | II.5.   | 10,578           | 17,059           |
| Other participations                                       | II.5.   | 1                | 1                |
| Long-term securities                                       | II.5.   | 89,020           | 66,039           |
| Other loans  | II.5.   | 414              | 1,184            |
| <b>Financial assets</b>                                    |         | <b>100,012</b>   | <b>84,283</b>    |
| <b>Deferred tax assets</b>                                 | II.10.1 | <b>18,639</b>    | <b>14,314</b>    |
|  |         | <b>396,366</b>   | <b>359,831</b>   |
| <b>Current assets</b>                                      |         |                  |                  |
| Raw materials and supplies                                 | II.6.   | 24,570           | 26,867           |
| Work in progress   | II.6.   | 9,285            | 9,851            |
| Finished goods and commodities                             | II.6.   | 9,775            | 10,241           |
| Advance payments   |         | 10,747           | 18,068           |
| <b>Inventories</b>   |         | <b>54,377</b>    | <b>65,027</b>    |
| Trade receivables  | II.7.   | 81,962           | 65,469           |
| Contract assets  | II.8.   | 149,563          | 161,830          |
| Income tax receivables                                     | II.10.2 | 14,424           | 12,326           |
| Other current assets                                       | II.9.   | 11,542           | 9,785            |
| <b>Trade receivables and other current assets</b>          |         | <b>257,491</b>   | <b>249,410</b>   |
| Gold   | II.5.   | 4,808            | 4,394            |
| Securities   | II.5.   | 121,906          | 79,839           |
| Derivative financial instruments                           | II.5.   | 172              | 321              |
| <b>Financial assets</b>                                    |         | <b>126,886</b>   | <b>84,554</b>    |
| Cash in hand   | V.      | 51               | 63               |
| Bank balances  | V.      | 313,850          | 362,644          |
| <b>Cash in hand, bank balances</b>                         |         | <b>313,901</b>   | <b>362,706</b>   |
|  |         | <b>752,655</b>   | <b>761,697</b>   |
| <b>Total assets</b>  |         | <b>1,149,020</b> | <b>1,121,527</b> |



| Statement of financial position                  | Notes   | 31 Dec 2023      | 31 Dec 2022      |
|--|---------|------------------|------------------|
| Equity and liabilities (IFRS)                    |         | audited          | audited          |
|  |         | €k               | €k               |
| <b>Equity</b>                                    |         |                  |                  |
| Issued capital                                   | II.11.1 | 5,716            | 5,804            |
| Capital reserve                                  | II.11.2 | 469,193          | 475,240          |
| Legal reserve                                    | II.11.3 | 61               | 61               |
| Retained earnings and other comprehensive income | II.11.4 | 80,355           | 61,436           |
| Non-controlling interests                        | II.11.5 | 208,582          | 226,987          |
|  |         | <b>763,908</b>   | <b>769,527</b>   |
| <b>Non-current liabilities</b>                   |         |                  |                  |
| Liabilities to banks                             | II.13.  | 23,044           | 30,396           |
| Lease liabilities                                | II.16.  | 10,759           | 10,484           |
| Liabilities from participation rights            | II.13.  | 10,213           | 10,213           |
| Contract liabilities                             | II.13.  | 810              | 0                |
| Liabilities to non-controlling interests         | II.13.  | 1,967            | 2,231            |
| Other liabilities                                | II.14.  | 2,769            | 2,970            |
| Pension provisions                               | II.12.  | 18,928           | 18,615           |
| Other provisions                                 | II.15.1 | 4,739            | 3,709            |
| Deferred tax liabilities                         | II.10.1 | 29,433           | 26,835           |
|  |         | <b>102,662</b>   | <b>105,454</b>   |
| <b>Current liabilities</b>                       |         |                  |                  |
| Liabilities to banks                             | II.13.  | 12,473           | 18,759           |
| Lease liabilities                                | II.16.  | 7,865            | 8,136            |
| Trade payables                                   | II.13.  | 66,316           | 66,571           |
| Contract liabilities                             | II.13.  | 97,086           | 48,783           |
| Liabilities to non-controlling interests         | II.13.  | 1,787            | 2,534            |
| Other liabilities                                | II.14.  | 33,028           | 38,422           |
| Accruals   | II.15.1 | 37,278           | 35,673           |
| Income tax liabilities                           | II.10.2 | 8,997            | 13,816           |
| Other provisions                                 | II.15.1 | 17,619           | 13,851           |
|  |         | <b>282,450</b>   | <b>246,546</b>   |
| <b>Total equity and liabilities</b>              |         | <b>1,149,020</b> | <b>1,121,527</b> |

| Consolidated statement of cash flows   | 1 Jan - 31<br>Dec 2023 | 1 Jan - 31<br>Dec 2022 |
|--|------------------------|------------------------|
|  | €k                     | €k                     |
| <b>1. Cash flow from operating activities</b>                                    |                        |                        |
| <b>Earnings before interest and taxes (EBIT)</b>                                 | <b>33,919</b>          | <b>44,571</b>          |
| Depreciation and amortization expense  | 44,272                 | 43,407                 |
| Increase (+), decrease (-) in provisions   | 4,157                  | -12,642                |
| Gains (-), Losses (+) from disposal of non-current assets                        | -79                    | -2,295                 |
| Income from joint ventures and associates  | -14,740                | -16,057                |
| Other non-cash expenses and income   | 853                    | 6,887                  |
| <b>Adjustments for non-cash transactions</b>                                     | <b>34,463</b>          | <b>19,301</b>          |
| Increase (-), decrease (+) in inventories, trade receivables and other assets    | 10,403                 | -71,024                |
| Decrease (-), increase (+) in trade payables and other liabilities               | 43,455                 | 49,631                 |
| <b>Change in working capital</b>   | <b>53,858</b>          | <b>-21,393</b>         |
| Income taxes paid  | -18,252                | -16,950                |
| Other taxes paid   | -887                   | 0                      |
| Interest received  | 7,450                  | 533                    |
| Dividend proceeds from joint ventures and associates                             | 15,834                 | 9,309                  |
| Disclosure correction (reclassification)   | -21                    | 0                      |
| <b>Cash flow from operating activities</b>                                       | <b>126,364</b>         | <b>35,370</b>          |
| <b>2. Cash flow from investing activities</b>                                    |                        |                        |
| Investments (-), divestments (+) intangible assets                               | -8,554                 | -8,033                 |
| Investments (-), divestments (+) property, plant and equipment                   | -39,671                | -36,270                |
| Investments (-), divestments (+) long-term financial assets and securities       | -46,455                | 17,924                 |
| Business combinations (less cash received)                                       | -294                   | -181                   |
| Disposals of businesses (less cash decrease from deconsolidation)                | 0                      | -137                   |
| <b>Cash flow from investing activities</b>                                       | <b>-94,975</b>         | <b>-26,697</b>         |
| <b>3. Cash flow from financing activities</b>                                    |                        |                        |
| Proceeds from equity contributions from other shareholders                       | 7,989                  | 0                      |
| Payments for transaction costs from the issue of equity instruments              | -342                   | 0                      |
| Profit distribution to shareholders  | -5,716                 | -11,492                |
| Payments to non-controlling interests  | -3,980                 | -7,139                 |
| Payments for (-), proceeds from disposal of (+) shares without change of control | -35,674                | -12,341                |
| Purchase of treasury shares  | -7,002                 | -5,207                 |
| Acquisition of treasury shares by subsidiaries                                   | -8,899                 | 0                      |
| Proceeds from borrowings   | 20,665                 | 13,296                 |
| Repayments of loans  | -34,522                | -26,858                |
| Payments for lease liabilities   | -9,196                 | -9,394                 |
| Interest payments  | -3,419                 | -3,495                 |
| <b>Cash flow from financing activities</b>                                       | <b>-80,097</b>         | <b>-62,630</b>         |
| <b>Cash and cash equivalents at end of period</b>                                |                        |                        |
| Change in cash and cash equivalents (Subtotal 1-3)                               | -48,707                | -53,956                |
| Effects of changes in foreign exchange rates (non-cash)                          | -98                    | -113                   |
| Cash and cash equivalents at start of reporting period                           | 362,706                | 416,775                |
| <b>Cash and cash equivalents at end of period</b>                                | <b>313,901</b>         | <b>362,706</b>         |

| Consolidated statement of cash flows              | 1 Jan - 31<br>Dec 2023 | 1 Jan - 31<br>Dec 2022 |
|---|------------------------|------------------------|
|   | €k                     | €k                     |
| <b>Composition of cash and cash equivalents</b>   |                        |                        |
| Cash on hand                                      | 51                     | 63                     |
| Bank balances                                     | 313,850                | 362,644                |
| Reconciliation to liquid funds as of 31 December  |                        |                        |
| <b>Cash and cash equivalents at end of period</b> | <b>313,901</b>         | <b>362,706</b>         |
| Gold  | 4,808                  | 4,394                  |
| Securities  | 210,925                | 145,878                |
| <b>Liquid funds as of 31 December</b>             | <b>529,635</b>         | <b>512,978</b>         |

| Statement of changes in consolidated equity                   |                |                 |               |  |                    |                      |               |                   |                                     |                           |                     |
|---|----------------|-----------------|---------------|--|--------------------|----------------------|---------------|-------------------|-------------------------------------|---------------------------|---------------------|
|   | Issued capital | Capital reserve | Legal reserve | Retained earnings and other comprehensive income |                    |                      |               | Retained earnings | Attributable to MBB SE shareholders | Non-controlling interests | Consolidated equity |
|   |                |                 |               | Currency translation difference                  | Fair value reserve | Reserve for pensions | Other reserve |                   |                                     |                           |                     |
|   | €k             | €k              | €k            | €k   | €k                 | €k                   | €k            | €k                | €k                                  | €k                        | €k                  |
| <b>1 Jan 2022</b>   | <b>5,847</b>   | <b>479,089</b>  | <b>61</b>     | <b>-1,970</b>                                    | <b>54,517</b>      | <b>-2,390</b>        | <b>-937</b>   | <b>46,903</b>     | <b>581,120</b>                      | <b>227,357</b>            | <b>808,479</b>      |
| <b>Dividends paid</b>   | <b>0</b>       | <b>0</b>        | <b>0</b>      | <b>0</b>   | <b>0</b>           | <b>0</b>             | <b>0</b>      | <b>-11,492</b>    | <b>-11,492</b>                      | <b>-3,554</b>             | <b>-15,047</b>      |
| Amounts recognized in other comprehensive income              | 0              | 0               | 0             | 0  | -33,895            | 3,288                | 0             | 0                 | -30,607                             | 258                       | -30,349             |
| Currency translation difference                               | 0              | 0               | 0             | -404   | 0                  | 0                    | 0             | 0                 | -404                                | -77                       | -481                |
| Consolidated net profit                                       | 0              | 0               | 0             | 0  | 0                  | 0                    | 0             | 11,764            | 11,764                              | 12,391                    | 24,154              |
| <b>Total comprehensive income</b>                             | <b>0</b>       | <b>0</b>        | <b>0</b>      | <b>-404</b>                                      | <b>-33,895</b>     | <b>3,288</b>         | <b>0</b>      | <b>11,764</b>     | <b>-19,248</b>                      | <b>12,572</b>             | <b>-6,676</b>       |
| Purchase of treasury shares                                   | -43            | -5,165          | 0             | 0  | 0                  | 0                    | 0             | 0                 | -5,207                              | 0                         | -5,207              |
| Capital transactions involving a change in ownership interest | 0              | 0               | 0             | 24   | 413                | -124                 | 0             | -3,463            | -3,151                              | -9,191                    | -12,341             |
| Changes in the scope of consolidation                         | 0              | 0               | 0             | 0  | 0                  | 0                    | 0             | 0                 | 0                                   | -811                      | -811                |
| Other changes   | 0              | 1,315           | 0             | -198   | 28                 | -95                  | -734          | 202               | 517                                 | 614                       | 1,132               |
| <b>31 Dec 2022</b>  | <b>5,804</b>   | <b>475,240</b>  | <b>61</b>     | <b>-2,548</b>                                    | <b>21,063</b>      | <b>678</b>           | <b>-1,672</b> | <b>43,913</b>     | <b>542,541</b>                      | <b>226,987</b>            | <b>769,527</b>      |
| <b>Dividends paid</b>   | <b>0</b>       | <b>0</b>        | <b>0</b>      | <b>0</b>   | <b>0</b>           | <b>0</b>             | <b>0</b>      | <b>-5,716</b>     | <b>-5,716</b>                       | <b>-2,745</b>             | <b>-8,462</b>       |
| Amounts recognized in other comprehensive income              | 0              | 0               | 0             | 0  | 19,734             | -68                  | 0             | 0                 | 19,666                              | 227                       | 19,893              |
| Currency translation difference                               | 0              | 0               | 0             | 1,627  | 0                  | 0                    | 0             | 0                 | 1,627                               | -48                       | 1,579               |
| Consolidated net profit                                       | 0              | 0               | 0             | 0  | 0                  | 0                    | 0             | 12,150            | 12,150                              | 12,104                    | 24,253              |
| <b>Total comprehensive income</b>                             | <b>0</b>       | <b>0</b>        | <b>0</b>      | <b>1,627</b>                                     | <b>19,734</b>      | <b>-68</b>           | <b>0</b>      | <b>12,150</b>     | <b>33,443</b>                       | <b>12,283</b>             | <b>45,726</b>       |
| Purchase of treasury shares                                   | -88            | -6,914          | 0             | 0  | 0                  | 0                    | 0             | 0                 | -7,002                              | 0                         | -7,002              |
| Acquisition of treasury shares in subsidiaries                | 0              | 0               | 0             | 2  | 109                | 49                   | 0             | -1,055            | -896                                | -8,003                    | -8,899              |
| Capital increases in subsidiaries                             | 0              | 0               | 0             | -8   | 0                  | 85                   | 0             | 556               | 633                                 | 7,014                     | 7,647               |
| Capital transactions involving a change in ownership interest | 0              | 0               | 0             | 10   | 171                | 186                  | 0             | -8,873            | -8,505                              | -27,169                   | -35,674             |
| Changes in the scope of consolidation                         | 0              | 0               | 0             | 0  | 0                  | 0                    | 0             | 0                 | 0                                   | 8                         | 8                   |
| Other changes   | 0              | 867             | 0             | 0  | 0                  | 0                    | 0             | -39               | 828                                 | 207                       | 1,036               |
| <b>31 Dec 2023</b>  | <b>5,716</b>   | <b>469,193</b>  | <b>61</b>     | <b>-917</b>                                      | <b>41,077</b>      | <b>930</b>           | <b>-1,672</b> | <b>40,936</b>     | <b>555,326</b>                      | <b>208,581</b>            | <b>763,907</b>      |

## Notes to the Consolidated Financial Statements for 2023

### I. Methods and principles

#### 1. Basic accounting information

##### 1.1 Information on the company

MBB SE is headquartered at Joachimsthaler Str. 34, 10719 Berlin, Germany. It is registered in the commercial register of the Berlin-Charlottenburg District Court under HRB 165458. MBB SE has been listed since 9 May 2006 and included in the Prime Standard of the Frankfurt Stock Exchange under the securities identification number A0ETBQ since 20 June 2008. It is the parent company of the MBB Group.

MBB SE is a family-owned, medium-sized group that has expanded continuously since its formation through organic growth and company acquisitions. The business model focuses on the sustainable value growth of the individual companies and the Group in its entirety.

The consolidated financial statements of MBB SE for the 2023 financial year were approved by the Board of MBB SE on 22 March 2024 and published on 26 March 2024.

##### 1.2 Accounting policies

Due to its admission to the regulated market, MBB SE prepares its consolidated financial statements in accordance with IFRS. The consolidated financial statements for the year ended 31 December 2023 are prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as adopted by the EU and effective 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 (IFRS IC). The consolidated financial statements are supplemented by a combined management report and Group management report in accordance with section 315 HGB and additional disclosures in accordance with section 315e HGB.

Figures in this report refer to 31 December 2023, or the fiscal year from 1 January to 31 December 2023, unless otherwise stated. Percentages and figures in this report may be subject to rounding differences.

##### Application of new and amended standards

In the financial year 2023, there were no significant changes in accounting standards that have an impact on these consolidated financial statements.

The following new and amended standards were required to be initially applied in financial year 2023.

| Regulation | Title  | Effects    |
|------------|--|------------|
| IAS 1      | Amendment - Disclosure of Accounting policies  | immaterial |
| IAS 8      | Amendment - Definition of Accounting Estimates   | none       |
| IAS 12     | Amendment - Deferred Tax related to Assets and Liabilities arising from a Single Transaction | none       |
| IAS 12     | Amendment - International Tax Reform - Pillar Two Model Rules                                | none       |
| IFRS 17    | Insurance contracts  | none       |
| IFRS 17    | Amendment - Initial Application of IFRS 17 and IFRS 9 - Comparative Information              | none       |

##### Accounting standards to be applied after the financial year

The following newly issued standards, standards endorsed in 2023 or amended standards or interpretations that were not yet effective were not applied early in these consolidated financial statements. Where amendments affect MBB, their future effect on the consolidated financial statements is still being examined or is not material.

| Regulation | Title   | Application | Effect              |
|------------|---|-------------|---------------------|
| IAS 1      | Amendment - Non-current Liabilities with Covenants  | 01/01/2024  | no material effects |
| IFRS 16    | Amendment - Lease Liability in a Sale and Leaseback | 01/01/2024  | no material effects |

Any standards that are not listed in the overview above are of secondary importance to the financial statements of MBB.

### 1.3 Business combinations

One business combination has been recognised in the financial year:

#### LACOM

Effective 1 November 2023, Aumann AG has acquired the business operations and technology portfolio of LACOM, based in Lauchheim, Swabia, via its indirect subsidiary Aumann Lauchheim GmbH, as part of an asset deal.

LACOM specialises in laminating and coating systems, particularly in the areas of electrode and MEA (membrane electrode assembly) production. The strategic acquisition of LACOM fits seamlessly into Aumann's e-mobility strategy and allows technological access to upstream processes in the production of battery and fuel cells. In the area of battery systems, Aumann is expanding its existing portfolio of battery module and battery pack assembly to include coating systems for electrode production. In the fuel cell sector, Aumann has strengthened its position to offer innovative production solutions along the entire value chain - from coating and stacking to final assembly.

Prior to the takeover, LACOM's business operations extended to the parent company Kiener Maschinenbau GmbH in addition to LACOM GmbH in the area of operational order processing. LACOM GmbH has also been in insolvency proceedings since mid-2023 as a result of the parent company's insolvency.

The company was consolidated for the first time on 1 November 2023. No goodwill has been recognized from this business combination. The purchase price paid for the acquisition of the assets and liabilities as part of the asset deal amounted to €106 thousand.

The assets acquired and liabilities assumed, measured at their fair values, are presented as follows in the preliminary purchase price allocation:

| €k                                    | Fair Value according to PPA |
|---------------------------------------|-----------------------------|
| <b>Assets and liabilities</b>         |                             |
| Intangible assets                     | 166                         |
| Property, plant and equipment         | 182                         |
| Current assets                        | 36                          |
| Provisions for employee benefits      | 278                         |
| <b>Identified acquired net assets</b> | <b>106</b>                  |
| <b>Calculation of difference</b>      |                             |
| Purchase price for acquired assets    | 106                         |
| <b>Total acquisition costs</b>        | <b>106</b>                  |
| Identified acquired net assets (100%) | 106                         |
| <b>Goodwill (+)</b>                   | <b>0</b>                    |
| Net cash outflow from the acquisition | 294                         |

Trade receivables were not acquired.

The incremental acquisition costs amount to €188 thousand. They are recognised in the consolidated income statement under "Other operating expenses".

Since the date of initial consolidation on 1 November 2023, revenue of €1,576 thousand and a loss of €371 thousand have been recognised in the 2023 consolidated financial statements. The loss is essentially due to the fact that no customer orders were directly transferred as part of the asset deal, which led to minor idle capacity costs in the first few months. It is not possible to reliably determine the corresponding values from January to October 2023 due to the insolvency proceedings of LACOM GmbH and Kiener Maschinenbau GmbH and the renegotiation of customer orders. The business combination has no material impact on the net assets, financial position and results of operations of the MBB Group for the 2023 financial year, which is why no separate disclosures are made. Profitable revenue in the low double-digit million range is expected for the 2024 financial year.

The purchase price allocation used as a basis for initial consolidation is provisional, as findings may arise after the purchase price allocation has been prepared that may lead to subsequent adjustments within one year of acquisition. These changes may arise in particular in the valuation of intangible assets.

#### 1.4 Legal and structural changes in 2023

On 9 February 2023, the Board of MBB SE decided to make use of the authorisation granted by the Annual General Meeting on 28 May 2019 to acquire treasury shares in accordance with section 71 (1) no. 8 AktG. In the period from 14 February 2023 to 26 April 2023, MBB SE repurchased 87,805 treasury shares at an average price of €79.74 with a total value of €7,002 thousand. The nominal value of the treasury shares acquired of €88 thousand is deducted from subscribed capital. The difference between the acquisition cost of the treasury shares and the nominal value of the treasury shares acquired was offset against the capital reserves in the amount of €6,914 thousand.

On 27 April 2023, following the proposal of the Executive Management the Board of MBB decided to withdraw all 224,359 treasury shares acquired in several buyback programmes since 2020 for the purpose of a capital reduction. Following the withdrawal of the treasury shares and the capital reduction taking effect, MBB SE's share capital amounts to €5,716 thousand (previously €5,941 thousand) and is divided into 5,716,392 no-par value bearing shares with a notional interest in the share capital of €1.00 per share.

On 12 July 2023, Delignit AG carried out a capital increase with gross issue proceeds of €7,989 thousand to strengthen its investment and growth capacity. MBB SE waived its subscription rights in order to attract new investors to the company and strengthen the liquidity of the share by means of a higher free float. As a result of this measure, the shareholding ratio of MBB SE decreased from 75.47% to 60.37%.

Aumann AG acquired 556,497 treasury shares as part of two share buy-back programmes with a total value of €8,899 thousand in the past financial year and holds treasury shares representing 3.6% of the share capital as at 31 December 2023.

MBB SE acquired a total of 578,374 shares in Aumann AG for a purchase price of €7,856 thousand in the 2023 financial year. MBB's shareholding was 48.53% as at the end of the reporting period (31 December 2022: 44.74%).

MBB SE also acquired a total of 2,172,983 shares in Friedrich Vorwerk Group SE for a purchase price of €27,789 thousand in the 2023 financial year. MBB's shareholding as at the reporting date is 46.86% (31 December 2022: 36.00%).

In September 2023, Friedrich Vorwerk SE & Co. KG acquired the non-controlling interests in Gottfried Puhlmann GmbH (25.00%) and Gottfried Puhlmann GmbH Havelländische Bauunternehmung (3.57%) in September 2023 and has been the sole shareholder of these companies since then.

In the third quarter of 2023, Friedrich Vorwerk also founded 5C-Tech GmbH with two partners, in which Friedrich Vorwerk directly holds a 70% stake. The company focuses on the development, production and sale of solutions in the field of automated welding technology.

In the 2023 financial year, the remaining 10.1% of the shares in OBO-Werke GmbH were sold for €1.00 using the agreed call and put option. Due to the impairment recognised in the previous year, the selling price corresponded to the carrying amount of the remaining shares.



## 2. Group of consolidated companies

In addition to the parent company MBB SE, 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.

| Companies included in the consolidated financial statements<br>Name and registered office of the company | Ownership<br>interest in % |
|--|----------------------------|
| <b>Subsidiaries (fully consolidated)</b>   |                            |
| <b>Aumann AG, Beelen, Germany</b>  | <b>48.53</b>               |
| Aumann Beelen GmbH, Beelen, Germany  | 48.53                      |
| Aumann Berlin GmbH, Beelen, Germany  | 48.53                      |
| Aumann Winding and Automation Inc., Clayton, USA   | 48.53                      |
| Aumann Lauchheim GmbH, Lauchheim, Germany  | 48.53                      |
| Aumann Espelkamp GmbH, Espelkamp, Germany  | 48.53                      |
| Aumann Immobilien GmbH, Espelkamp, Germany   | 46.06                      |
| Aumann Limbach-Oberfrohna GmbH, Limbach-Oberfrohna, Germany  | 48.53                      |
| Aumann Technologies (China) Ltd. Changzhou, China  | 48.53                      |
| <b>CT Formpolster GmbH, Löhne, Germany</b>   | <b>100.00</b>              |
| <b>Delignit AG, Blomberg, Germany</b>  | <b>60.37</b>               |
| Blomberger Holzindustrie GmbH, Blomberg, Germany   | 60.37                      |
| Hausmann Verwaltungsgesellschaft mbH, Blomberg, Germany  | 60.37                      |
| Delignit Immobiliengesellschaft mbH, Blomberg, Germany   | 60.37                      |
| Delignit North America Inc., Atlanta, USA  | 60.37                      |
| DHK automotive GmbH, Oberlungwitz, Germany   | 60.37                      |
| <b>DTS IT AG, Herford, Germany</b>   | <b>80.00</b>               |
| DTS CLOUD SECURITY MonEPE, Athens, Greece  | 80.00                      |
| DTS Systeme GmbH, Herford, Germany   | 80.00                      |
| DTS Systeme Münster GmbH, Münster, Germany   | 80.00                      |
| ISL Internet Sicherheitslösungen GmbH, Bochum, Germany   | 64.27                      |
| <b>Friedrich Vorwerk Group SE, Tostedt, Germany</b>  | <b>46.86</b>               |
| Friedrich Vorwerk Management SE, Tostedt, Germany  | 46.86                      |
| Friedrich Vorwerk SE & Co. KG, Tostedt, Germany  | <b>42.19</b>               |
| Bohlen & Doyen Anlagenbau Holding GmbH, Tostedt, Germany   | 42.19                      |
| Bohlen & Doyen Service und Anlagentechnik GmbH, Wiesmoor, Germany  | 42.19                      |
| Bohlen & Doyen Bau Holding GmbH, Tostedt, Germany  | 42.19                      |
| Bohlen & Doyen Bau GmbH, Wiesmoor, Germany   | 42.19                      |
| EAS Einhaus Anlagenservice GmbH, Geeste, Germany   | 42.19                      |
| European Pipeline Services GmbH, Tostedt, Germany  | 42.19                      |
| Gottfried Puhmann GmbH, Marne, Germany   | 42.19                      |
| Gottfried Puhmann GmbH Havelländische Bauunternehmung, Berlin, Germany                                   | 42.19                      |
| Gottfried Puhmann Hamburg GmbH, Tostedt, Germany   | 42.19                      |
| Hempel Aluminiumbau GmbH, Storkow (Mark), Germany  | 42.19                      |
| KORUPP GmbH, Twist, Germany  | 42.19                      |
| Vorwerk - ASA GmbH, Herne, Germany   | 42.19                      |
| Vorwerk-EEE GmbH, Tostedt, Germany   | 42.19                      |
| Vorwerk Pipeline- und Anlagenservice GmbH, Petersberg, Germany   | 42.19                      |
| Vorwerk Verwaltungs GmbH, Tostedt, Germany   | 42.19                      |
| 5C-Tech GmbH, Tostedt, Germany   | 29.53                      |
| <b>Hanke Tissue Sp. z o.o., Kostrzyn, Poland</b>   | <b>94.08</b>               |

The following table shows the associates and joint ventures included in the consolidated financial statements. The ownership interests are stated from the perspective of the respective subgroup parent.

| Name and registered office of the company                                       | Ownership interest in % |
|---|-------------------------|
| <b>Joint ventures (Consortiums)</b>   |                         |
| ARGE Bavaria Loop Süd   | 33.33%                  |
| ARGE DOW Ohrensen K28   | 50.00%                  |
| ARGE EGL 442  | 58.00%                  |
| ARGE EmCo KÜA   | 50.00%                  |
| ARGE ETL 178 Walle - Wolfsburg  | 50.00%                  |
| ARGE EUGAL Los 7+8  | 37.50%                  |
| ARGE Flugplatz WTM IT-Ltg   | 50.00%                  |
| ARGE Get H2 Lingen  | 10.00%                  |
| ARGE Kabeltrasse A310   | 50.00%                  |
| ARGE Kabeltrasse GSH  | 40.00%                  |
| ARGE Kabeltrasse Mehringen  | 45.00%                  |
| ARGE Kabeltrasse WMC  | 40.00%                  |
| ARGE Konverter A-Nord   | 33.33%                  |
| ARGE KÜA A310   | 50.00%                  |
| ARGE KÜA Beverbruch   | 50.00%                  |
| ARGE LNG Brunsbüttel  | 50.00%                  |
| ARGE NWKG - 3. BA   | 50.00%                  |
| ARGE NWKG K301/K603   | 50.00%                  |
| ARGE NWKG K302/K308   | 50.00%                  |
| ARGE RamBO SuedLink   | 50.00%                  |
| ARGE SEL 01   | 50.00%                  |
| ARGE STORAG ETZEL VT 8 / VT 16  | 50.00%                  |
| ARGE VS Würselen - MCC-I  | 45.00%                  |
| ARGE VS Würselen - Vorabmaßnahmen   | 50.00%                  |
| ARGE Werne-Schlüchtern  | 50.00%                  |
| ARGE Zeelink 3+5 (Beistellung)  | 50.00%                  |
| Dach-ARGE A310 Tunnel Henstedt  | 33.73%                  |
| Dach-ARGE Ausbau Mantelrohre 2023/2024  | 50.00%                  |
| Dach-ARGE Baltrum Büsum   | 33.33%                  |
| Dach-ARGE BORWIN 5  | 50.00%                  |
| Dach-ARGE Elbchaussee 1. BA   | 36.00%                  |
| Dach-ARGE Fehlstellensanierung  | 50.00%                  |
| Dach-ARGE Fehlstellensanierung 2021 - Stationssanierung AS Asbeck               | 50.00%                  |
| Dach-ARGE Fehlstellensanierung 2021 - Stationssanierung AS Frömer, AS Böttersen | 50.00%                  |
| Dach-ARGE Fehlstellensanierung 2021 - Stationssanierung Campus Rehden           | 50.00%                  |
| Dach-ARGE Fehlstellensanierung 2021 - Umbau K 460 BASF                          | 50.00%                  |
| Dach-ARGE Fehlstellensanierung 2021 - Umhüllungen                               | 50.00%                  |
| Dach-ARGE GDRM Anlagen Zeelink  | 50.00%                  |
| Dach-ARGE HD-Leitung Iserlohn   | 52.34%                  |
| Dach-ARGE HD-Leitung Kaisersesch  | 50.00%                  |
| Dach-ARGE Kabeltrasse A250 Mehringen  | 50.00%                  |
| Dach-ARGE Kabeltrasse Ganderkesee - St. Hülfe                                   | 50.00%                  |
| Dach-ARGE Kabeltrasse WMC   | 50.00%                  |
| Dach-ARGE Ostwind 3 Los 1 Anlandung   | 33.33%                  |
| Dach-ARGE RamBo WMC Kabelzug  | 38.68%                  |
| Dach-ARGE RV Ruhrtaalleitung BA 2+3   | 45.00%                  |
| Dach-ARGE Stadtbeleuchtung II   | 50.00%                  |
| Dach-ARGE TAV   | 50.00%                  |
| Dach-ARGE Technische Dienstleistung Gasunie Deutschland                         | 33.30%                  |

| Name and registered office of the company                  | Ownership interest in % |
|--|-------------------------|
| Dach-ARGE Thyssengas STEAG Leitung                         | 63.70%                  |
| Dach-ARGE ZEELINK Los 3 - (bis) 5                          | 25.00%                  |
| Dach-ARGE Zollvereinring                                   | 66.67%                  |
| JV Baltic Pipe   | 33.33%                  |
| <b>Associates at amortized cost</b>                        |                         |
| S.C. Cildro Plywood S.R.L., Drobeta Turnu Severin, Romania | 24.00%                  |
| S.C. Cildro S.A., Drobeta Turnu Severin, Romania           | 17.90%                  |
| S.C. Cildro Service S.R.L., Drobeta Turnu Severin, Romania | 17.90%                  |

There are significant non-controlling interests in Aumann AG and Friedrich Vorwerk Group SE. MBB's ownership interest in Aumann AG amounts to 48.53% as of the end of the reporting period (previous year: 44.74%) and to 46.86% in Friedrich Vorwerk Group SE (previous year: 36.00%).

Please see note I.3.1 in the notes to the consolidated financial statements for information on the consolidation of Aumann AG and Friedrich Vorwerk Group SE.

With regards to financial information for Aumann AG we refer to Aumann AG published annual report available on <https://www.aumann.com/en/investor-relations/financial-reports/>

With regards to financial information for Friedrich Vorwerk Group SE we refer to Friedrich Vorwerk Group SE published annual report available on <https://www.friedrich-vorwerk-group.de/en/investor-relations/financial-reports/>.

### 3. Principles of consolidation

The consolidated financial statements comprise the financial statements of MBB SE and its subsidiaries as of 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 balance sheet date for all subsidiaries included in the consolidated financial statements is 31 December of the relevant financial year.

#### 3.1 Subsidiaries

Subsidiaries are the companies controlled by MBB SE. A company controls another entity in case 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 significantly. Subsidiaries are consolidated from the date on which the parent can control the subsidiary and ends when this is no longer applicable.

Acquisition accounting is performed using the purchase method in accordance with IFRS 3. If the acquisition cost exceed the fair value of the net assets attributable to the Group, the difference is capitalized as goodwill.

If the fair value of the net assets attributable to the Group is higher than the acquisition cost of the shares, this results in a gain on a bargain purchase that must be recognised in profit or loss immediately after another review of the purchase price allocation and of the fair value of the acquired assets, liabilities and contingent liabilities. If not all the shares in a subsidiary were acquired, non-controlling interests are initially measured at the proportionate share of the acquiree's identifiable net assets as at the acquisition date.

MBB SE consolidates both Aumann AG and Friedrich Vorwerk Group SE, although the respective share in the companies is less than 50%. The decision on full consolidation as per IFRS 10 is based not only on the percentage of ownership, but also on the actual control.

For Aumann AG, the criterion of control under IFRS 10 is met because MBB SE holds an absolute majority of the voting rights at the annual general meeting of Aumann AG. As a result of the increase in shares in the 2023 financial year, MBB SE held 48.53% of the shares in Aumann AG as at the reporting date (previous year: 44.74%). As Aumann's treasury shares also do not carry voting rights, MBB held more than 50% of the voting shares as at the reporting date.

For Friedrich Vorwerk Group SE, the control criterion is met because MBB SE, which holds 46.86% of the shares, and ALX Beteiligungsgesellschaft mbH, which holds 18.75% of the shares, have an agreement to exercise voting rights unanimously.

### 3.2 Non-controlling interests

At the time of acquisition, non-controlling interests are initially measured at their corresponding share of the identifiable net assets of the acquired company. Changes in the Group's share in a subsidiary that do not result in a loss of control are recognized as equity transactions.

### 3.3 Associates

Companies in which MBB holds between 20.0% and 50.0% of the share capital are classified as associates if MBB has a significant influence but does not control them. In cases of a controlling influence, the respective companies are fully consolidated (see section 3.1).

Associates are included in the consolidated financial statements using the equity method. Associates not accounted for using the equity method due to immateriality are measured at amortized cost and reported under „Financial assets“ within non-current assets.

### 3.4 Joint arrangements

Joint ventures are those in which the Group exercises joint control together with a third party in accordance with IFRS 11. Joint ventures are accounted for at MBB using the equity method and reported under “Financial assets” within non-current assets. Joint ventures not accounted for using the equity method due to immateriality are measured at amortized cost.

Consortiums are particularly common in Germany, where they are most frequently found in the construction industry. According to a statement by the Institute of Public Auditors in Germany, a typical German consortium satisfies the requirements for classification as a joint venture. The results of consortiums are reported pro rata under Income from joint ventures and associates. In particular, receivables from and liabilities to consortiums include cash receipts and payments and cost allocations, and are reported under trade receivables and other liabilities.

## 4. Presentation of accounting policies

### 4.1 General information

With the exception of the change in the calculation of diluted earnings per share described under III.9 Earnings per share, the accounting policies applied are the same as those used in the previous year's consolidated financial statements.

The consolidated financial statements were prepared on a going concern basis. 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

Currency translation is performed in accordance with the provisions of IAS 21.

The items included in the financial statements of the respective company are measured using the functional currency of the group company. 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 recognized 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 operations are translated into euro at the closing rate. Income and expenses are translated at the average exchange rate for the financial year. The resulting currency translation differences are recognized as a separate component of equity.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities resulting from the acquisition of that foreign operation are translated at the closing rate.

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

|                        | Closing rate<br>31 Dec 2023 | Average rate<br>2023 |
|------------------------|-----------------------------|----------------------|
| Polish zloty (PLN)     | 4.3395                      | 4.5421               |
| Chinese renminbi (CNY) | 7.8509                      | 7.6591               |
| US-Dollar (USD)        | 1.1050                      | 1.0816               |

|                        | Closing rate<br>31 Dec 2022 | Average rate<br>2022 |
|------------------------|-----------------------------|----------------------|
| Polish zloty (PLN)     | 4.6808                      | 4.6845               |
| Chinese renminbi (CNY) | 7.3582                      | 7.0798               |
| US-Dollar (USD)        | 1.0666                      | 1.0538               |

#### 4.4 Intangible assets

Intangible assets are recognised and initially measured at cost in accordance with the criteria of IAS 38 and, in the case of business combinations, at fair value in accordance with IFRS 3.

Costs for research activities are charged as expenses in the period in which they are incurred, whereas development costs are capitalised if all of the capitalisation criteria of IAS 38 are met.

If these criteria are not met, the development costs are expensed in the period in which they are incurred.

Intangible assets are subsequently measured using the cost model in accordance with IAS 38. Intangible assets (excluding goodwill) are amortised on a straight-line basis over their estimated useful life.

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

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

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

Patents are amortized over a useful life of 10 years.

Costs incurred in order to restore or maintain the future economic benefits that the company had originally expected are recognized 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 recognized in profit or loss in the period in which the asset is disposed of.

#### 4.5 Goodwill

Goodwill from business combinations accounted for in accordance with IFRS 3 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 allocated to a cash-generating unit ("CGU") as part of the business combination. The goodwill is tested for impairment at least once a year in accordance with the provisions of IAS 36.

If a subsidiary is sold, the amount of the goodwill attributable to the subsidiary is taken into account in calculating the gain on disposal.

#### 4.6 Property, plant and equipment

Expenditure on property, plant and equipment is recognised and initially measured at cost in accordance with the criteria of IAS 16 and, in the case of business combinations, at fair value in accordance with IFRS 3.

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: 5 to 50 years
- Technical equipment and machinery: 1 to 21 years
- Computer hardware: 3 years
- Other office equipment: 2 to 23 years

Land is not depreciated.

Prepayments made and property, plant and equipment under construction are not depreciated or amortised until completion.

If items of property, plant and equipment are disposed of or scrapped, the corresponding cost and the cumulative depreciation are derecognized; any realized gain or loss from the disposal is recognised in profit or loss.

#### 4.7 Leases

Leases are identified in accordance with the provisions of IFRS 16. Leases are recognised by capitalising a right-of-use asset and recognising the present value of the lease payments (lease liability) as a liability.

In particular, the Group leases properties, vehicles and other technical equipment and machinery.

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. MBB 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 in accordance with IFRS 16.24 at commencement date. Subsequent measurement is based on the cost model with straight-line amortisation of the right-of-use asset and any remeasurements due to impairment losses or remeasurements of the lease liability from contract modifications.

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

Some leases, in particular those for property, include extension options. When determining the lease term, such options are only taken into account if it is reasonably certain that they are exercised. The assessment of whether options are reasonably certain to be exercised affects the term of the lease and can therefore have a significant effect on the measurement of the lease liabilities and the right-of-use assets.

MBB exercises the option under IFRS 16 not to recognize 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.

In rare cases, MBB is the lessor. These leases are not material to the company's consolidated financial statements.

MBB 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 manufacturing of qualifying assets. In this case, the borrowing costs are added to the cost of these assets. Interest expenses are capitalised for qualifying assets.

#### 4.9 Impairment of non-financial assets

Non-financial assets are tested for impairment in case 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) as defined under IAS 36 must be determined. 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.

Non-financial assets other than goodwill are recognised in profit or loss in accordance with the requirements set out in IAS 36.110 and the carrying amounts and limits set out in IAS 36.117 and IAS 36.122.

#### 4.10 Financial instruments – Initial recognition and subsequent measurement

The classification, measurement and impairment of financial instruments as well as the recognition of derecognition are carried out in accordance with the provisions of IFRS 9. 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.

##### *1) Financial assets*

###### *Initial recognition and measurement*

With the exception of trade receivables, the Group measures financial assets at fair value on initial recognition. Trade receivables that do not contain a significant financing component are measured at the transaction price calculated in accordance with IFRS 15.

A purchase or sale of financial assets carried out at market conditions is measured on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

On initial recognition, financial assets must be classified in accordance with the criteria of IFRS 9.4.1 for the purposes of subsequent measurement. Further information on the classification criteria and subsequent measurement is presented below.

###### *Subsequent measurement*

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

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

###### *Financial assets measured at amortised cost (debt instruments)*

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.
- The financial assets' contractual cash flows 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 is impaired.

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

###### *Financial assets measured 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 financial assets' contractual cash flows 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 measured at fair value through other comprehensive income include listed bonds reported under short-term securities.

*Financial assets measured 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 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 recognized in profit or loss as other income when the right to receive payment of the dividend is established. Equity instruments at fair value through other comprehensive income are not tested for impairment.

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

*Financial assets measured at fair value through profit or loss*

Financial assets at fair value through profit or loss include according to IFRS 9.4.1.4

- financial assets "held for trading" according to the definition of IFRS 9, including derivatives not designated as hedging instruments,
- financial assets that are categorised at fair value through profit or loss upon initial recognition, or
- financial assets that are required to be measured at fair value.

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 held for trading.

*Derecognition*

A financial asset is generally derecognised if, in accordance with IFRS 9.3.2, the contractual rights to receive cash flows from the financial asset have either expired or have been transferred. In the event of a transfer, the associated transfer of significant risks and rewards or the transfer of control leads to the derecognition of the asset.

*Impairment of financial assets*

The Group recognises impairment for expected credit losses (ECL) on all debt instruments that are not measured at fair value through profit or loss in accordance with IFRS 9.5.5.1.

The measurement period of the expected credit loss is generally dependent on a significant increase in the default risk since initial recognition of the financial instrument. It is based on the expected 12-month credit loss if there is no significant increase in the default risk and on the remaining term (lifetime ECL) if there is a significant increase.

For trade receivables and contract assets, the Group applies the accounting option for risk provisioning, which is generally based on the lifetime ECL without examining changes in risk. 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 of the borrower and the economic environment can be determined at reasonable effort.

For debt instruments measured at fair value through other comprehensive income that entirely comprise listed bonds, the Group uses the simplification for financial instruments with low credit risk. To do so, it assess whether the debt instrument has a low credit risk at the end of each reporting period. 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. It also takes into account that there is a significant increase in credit risk if contractual payments are more than 30 days overdue. 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 impaired in case there is no valid expectation that the contractual cash flows will eventually 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, liabilities, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and liabilities, 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 subsequent measurement of financial liabilities is dependent on their classification:

#### *Financial liabilities measured at fair value through profit or loss*

In accordance with IFRS 9.4.2.1 and IFRS 9.4.2.2, financial liabilities at fair value through profit or loss include financial liabilities "held for trading" as defined in IFRS 9 as well as financial liabilities classified as at fair value through profit or loss upon initial recognition.

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 and as such are effective.

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

The Group has only to a small extent financial liabilities measured at fair value through profit or loss.

#### *Loans and liabilities*

After initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Fees paid between the contracting parties as well as transaction costs, premiums and discounts are included in the calculation of the effective interest rate. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through amortisation process using the effective interest rate method reported under finance expenses.

#### *Derecognition*

According to IFRS 9.3.3 a financial liability is derecognised when the obligation underlying the liability is discharged or cancelled or expires. 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 recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

### *4.11 Put options of non-controlling shareholders*

If they arise in the course of business combinations and represent contingent consideration, put options must be recognized at fair value at the time of the business combination according to IFRS 3.58. Contingent consideration classified as an asset or liability is measured at fair value at each reporting date with changes recognized in profit or loss.

### *4.12 Derivative financial instruments*

The Group uses derivative financial instruments to a limited extent, such as currency futures, interest rate swaps or commodity swaps to hedge against commodity price risks, foreign exchange rate risks and interest rate risks. They are accounted for under IFRS 9. These derivative financial instruments are initially and subsequently carried and remeasured at fair value. Derivative financial instruments with a positive fair value are recognised as financial assets, while derivative financial instruments with a negative fair value are recognised as financial liabilities. These derivative financial instruments are not designated as hedges, but instead are classified as held for trading.

#### 4.13 Inventories

Inventories are accounted for under IAS 2 and are reported at the lower of cost or net realizable value (less costs necessary to make the sale) taking their planned use into account. 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. In addition to the cost of production material and production wages, the production cost of work in progress and finished goods also includes pro rata material and production overheads assuming normal capacity utilization. Appropriate impairments are recognised for inventory risks from storage periods and reduced usability.

#### 4.14 Contract assets and contract liabilities

##### *Construction contracts with customers (Service & Infrastructure segment)*

Contract assets and contract liabilities are recognised in accordance with IFRS 15. If revenue is recognised due to the fulfilment of a contractual performance obligation before the conditions for invoicing have been met or the customer has made a payment, the corresponding claim is recognised as a contract asset.

If payments are made by customers or receivables from a customer are contractually due before a contractual performance obligation has been satisfied and revenue has therefore been recognised, future revenue is measured in accordance with IFRS 15 and recognised as a contract liability. The contract liabilities are then released to revenue in accordance with the fulfilment of the contractual performance obligations.

If the contract asset value of a customer order exceeds the advance payments received on it, it is recognised as an asset under contract assets. In the opposite case, amounts are reported under "Contract liabilities".

If it is probable that the production costs of construction contracts will exceed the recoverable amount, the expected losses are recognised immediately as an expense. In such cases, impairment is recognised up to the amount of the respective contract asset or – if the contract asset is exceeded – a provision for onerous contracts is recognised under short-term provisions in accordance with IAS 37. This recognition is case-based at the amount required to fulfil the current obligation of the contract.

##### *Construction contracts in the area of energy grids (Service & Infrastructure segment)*

For construction contracts related to energy grids (pipeline and underground power cable construction), revenue from construction contracts with customers is recognised, in accordance with IFRS 15, over a period of time as the projects are built on the customers' site, and the customers therefore controls the assets created or improved. Project realisation is accounted for on the basis of individual contracts. The transaction price is allocated to separate performance obligations on the basis of cost estimates. The MBB Group uses the value of a contract agreed with the customer to determine the transaction price.

Revenue from these projects is recognised over a period of time using the output-oriented method on the basis of work performed to date. The work performed and the corresponding revenue are calculated at the level of the individual items according to the cost estimate. The direct progress estimate from work performed to date is the best indicator due to potential unforeseen deviations in budget costs. Work performed must be ascertained directly by the project team each month.

Payments for construction contracts are typically made in line with performance on the basis of regular invoices. Advance payments before commencement of the construction are common in plant engineering.

Revenue from construction contracts performed in consortiums is recognized over a period of time based on the work actually performed as at the end of the reporting period.

Inventories not yet used in construction but already available on construction sites are reported separately under inventories. Work already invoiced is recognised under trade receivables.

Supplementary work in connection with construction contracts is work that cannot be charged under existing contractual agreements, whose chargeability or acknowledgement has yet to be agreed with the customer. While the costs are recognised immediately in profit or loss when they are incurred, the revenue from supplementary work is only recognized after the customers' written acknowledgement has been received or on payment of the supplementary work, if payment is received before written acknowledgement.

##### *Revenue in plant engineering (Service & Infrastructure segment)*

Revenue is recognised over a period of time if a contractual arrangement leads to the construction of an assets without alternative use and there is a claim to payment including a profit margin on work already performed. The description on construction contracts related to energy grids applies accordingly.

In this segment, advance payments for plant construction prior to performance of services are customary for individual projects.

*Construction contracts (Technological Applications segment)*

For long-term construction contracts in the Technological Applications segment, revenue is recognised over a period of time if a contractual arrangement leads to the construction of an assets without alternative use and there is a claim to payment including a profit margin on work already performed. Revenue from these projects is recognised over time using the input-oriented method. When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised by reference to the performance progress (percentage of completion) of the contract at the reporting date. 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 recognized as contractual assets 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 less advances received. 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 recognized up to a maximum of the costs incurred. Contract costs are recognised in the period in which they are incurred.

4.15 Cash and cash equivalents / cash flow

Cash and cash equivalents disclosed 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 are measured at cost.

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

Interest and dividends received are presented in cash flow from operating activities, interest paid in cash flow from financing activities.

4.16 Equity

The components of equity are accounted for in accordance with IAS 32 - Financial Instruments: Presentation. Ordinary shares are classified as equity.

Treasury shares are accounted for as a deduction from equity. The nominal value of treasury shares is deducted from issued capital, the remaining difference to the purchase price is deducted from capital reserves.

4.17 Provisions

In accordance with IAS 37, provisions are recognised for present obligations from a past event that will probably lead to a future outflow of resources embodying economic benefits in the amount of the reliably estimable expenditure.

Provisions that do not lead to an outflow of resources in the following year are recognised at their settlement amount discounted to the balance sheet date. The settlement amount also includes expected cost increases. Provisions are not offset against rights of recourse. If the Group expects at least a partial refund of a provision recognized as a liability, the refund is recognized as a separate asset provided the receipt of the refund is almost certain.

Accruals are recognised for obligations for which an exchange of services has taken place and the amount of the consideration is established with sufficient certainty. They are reported under liabilities.

4.18 Share-based payments

Share-based payments are recognised in accordance with IFRS 2. If they are settled with equity instruments, they are recognised at the grant date at the fair value of the equity instruments vested at the point of time. The fair value of the obligation is therefore recognised pro rata over the vesting period in which the beneficiaries acquire an unrestricted claim to the options as personnel expenses and offset directly against the capital reserve in equity.

Obligations from cash-settled share-based payments are recognised as other provisions and remeasured at fair value on each reporting date. The expenses are recognised as personnel expenses over the vesting period.

#### 4.19 Pensions and other post-employment benefits

The pension obligations are measured in accordance with IAS 19. Payments for defined contribution pension plans are expensed. For defined benefit pension plans, the obligation is recognized 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.

#### 4.20 Revenue recognition

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

##### *Sale of goods and products and provision of services at Delignit, DTS and the Consumer Goods segment*

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 corresponding services are rendered, thereby giving the customer control of the service.

If performance obligations do not fulfil the criterion of abstract or concrete independence of IFRS 15.27, they must be combined with other promised goods or services in accordance with IFRS 15.30 until an independent bundle of goods and services is identified. In the event that the revenue of the partial services would have to be recognised differently if they were independent, a uniform recognition model is applied to the entire contract using the so-called "predominant deliverable model", i.e. the revenue recognition of all partial services follows the predominant partial service. Thus, the delivery of hardware and software as the predominant partial performance with the contractually linked service does not fulfil the criterion of a period-related performance obligation and together represent a time-related performance obligation.

##### *Construction contracts and plant engineering in segments Technological Applications and Service & Infrastructure*

Revenue from long-term construction contracts and plant engineering is recognised over a period of time in accordance with IFRS 15. Please see the information on contract assets for further details.

##### *Interest income*

Interest income is recognized 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).

##### *Dividends*

Dividend income is recognized when the legal right to payment arises.

#### 4.21 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*

Deferred tax liabilities are recognised in accordance with IAS 12 for all taxable temporary differences, with the exception of the deferred tax liability from the initial recognition of goodwill.

Deferred tax assets are recognised for all deductible temporary differences and unused tax loss carryforwards to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the unused tax loss carryforwards can be utilised.

Investment-dependent tax credits are recognised in analogous application of the provisions of IAS 12. They are not offset against the corresponding investment.

Deferred tax assets and liabilities are netted if they are attributable to future charges or reductions by the same taxpayer and due to the same tax authority. Deferred taxes are netted for each company on a

factual basis. Offsetting is primarily performed for deferred taxes from IFRS 16 (Leases) and IAS 28 (Investments in Associates and Joint Ventures).

Deferred taxes are measured using tax rates that fulfil the requirements of IAS 12.47 et seq. Deferred taxes are recognised as tax income or expense in the statement of comprehensive income and, if they relate to items recognised directly in equity, are also recognised directly in equity.

#### 4.22 Contingent liabilities and contingent assets

Contingent liabilities are disclosed separately in the notes unless the probability of an outflow of resources embodying economic benefits is low.

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, but are disclosed in the notes when receipt of economic benefits is probable.

#### 4.23 Government grants

Income related government grants is recognised as profit or loss on a systematic basis in the periods in which the related expenses are recognised and if it is sufficiently certain that the conditions imposed in connection with the grants will be fulfilled.

Provided that the grants offset future expenses, the grants received are reported as deferred income in the statement of financial position under liabilities.

#### 4.24 Fair value measurement

Inputs used to determine the fair value are categorised into different levels of the so called fair value hierarchy in accordance with IFRS 13.72 et seq., requiring that the (unadjusted) prices quoted in active markets for identical assets or liabilities (level 1 inputs) are deemed the highest priority for application, while unobservable inputs are deemed the lowest priority (level 3 inputs).

If the inputs used to measure the fair value of an asset or liability can be categorized into different levels of the fair value hierarchy, the fair value measurement is categorized in its entirety into the level of the fair value hierarchy that corresponds to the lowest level input that is significant to the measurement as a whole.

Fair value disclosures are not made if the carrying amounts of the financial assets and liabilities that are not measured at fair value essentially correspond to the fair values.

#### 4.25 Classification of expenses

Expenses recognised in the income statement are classified by nature in accordance with the nature of expense method.

Other taxes comprise taxes apart from income taxes and are presented separately in the item "Other taxes".

### 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 reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed 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 in case there are indications of impairment. Other non-financial assets are tested for impairment in case 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 of defined benefit post-employment plans 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 recognized 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 may differ from the amounts recognized as provisions.

*d) Deferred tax assets*

Deferred tax assets are recognized for all unused tax loss carryforwards and for temporary differences to the extent that it is probable that taxable income will be available for this, meaning that the loss carryforwards can actually be used. 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) Revenue from contracts with customers*

The majority of the transactions conducted by the companies of the Aumann and Vorwerk are construction contracts, for which revenue is recognized over time by reference to the percentage of completion. 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 services already provided, 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. For technically complex and sophisticated projects especially, there is a risk that the estimate of total costs could differ considerably from the costs actually incurred.

*f) Accounting for gold reserves*

MBB SE owns physical gold reserves that are held as a liquidity reserve and reported in total liquidity. No specific IFRS standard is applicable: Gold reserves cannot be accounted for in accordance with IAS 2 as they are not held for use in a production process and also IFRS 9 is not applicable as gold does not meet the definition of a financial asset as set out in IAS 32.11, and hence is not in scope of IFRS 9.

As such, there is a gap in the IFRS regulation when it comes to accounting for physical gold reserves that the Group seeks to close by applying the provisions of IFRS 9. Physical gold reserves are measured at fair value on initial recognition. In subsequent periods, changes in the value of gold reserves are recognised directly in equity in other comprehensive income.



## II. Notes to the consolidated statement of financial position

## 1. Non-current assets

## 1.1 Statement of changes in non-current assets of the MBB Group as of 31 December 2023

|  | Opening<br>balance<br>cost | Additions<br>in the fin-<br>ancial year | Businss<br>acquisi-<br>tion | Reclassifi-<br>cation | Disposals<br>in the fin-<br>ancial year | Currency<br>translation<br>differ-<br>ences | Write<br>downs<br>(accumu-<br>lated) | Carrying<br>amount at<br>the end of<br>financial<br>year | Carrying<br>amount at<br>the end of<br>previous<br>year | Write<br>downs<br>in the fin-<br>ancial year<br><sup>1</sup> | Disposals<br>on write<br>downs | Currency<br>translation<br>differ-<br>ences |
|--|----------------------------|---|-----------------------------|-----------------------|---|---|--------------------------------------|--|---|--|--------------------------------|---|
| 31 Dec 2023  | €k                         | €k                                      | €k                          | €k                    | €k                                      | €k  | €k                                   | €k   | €k  | €k   | €k                             | €k  |
| <b>I. Intangible assets</b>  |                            |   |                             |                       |   |   |                                      |  |   |  |                                |   |
| 1. Concessions, industrial property rights and simi-<br>lar rights | 41,218                     | 6,180                                   | 166                         | 451                   | -155                                    | 197   | -39,307                              | 8,750  | 10,774  | -8,848   | 155                            | -170  |
| 2. Development Costs   | 16,930                     | 3,183                                   | 0                           | 0                     | 0                                       | 0   | -7,829                               | 12,284   | 10,710  | -1,609   | 0                              | 0   |
| 3. Customer base   | 0                          | 0                                       | 0                           | 0                     | 0                                       | 0   | 0                                    | 0  | 0   | 0  | 0                              | 0   |
| 4. Order backlog   | 10,702                     | 0                                       | 0                           | 0                     | 0                                       | 0   | -10,642                              | 60   | 93  | -33  | 0                              | 0   |
| 5. Goodwill  | 48,726                     | 0                                       | 0                           | 0                     | 0                                       | 0   | 0                                    | 48,726   | 48,726  | 0  | 0                              | 0   |
| 6. Advance payments  | 41                         | 0                                       | 0                           | -38                   | 0                                       | 0   | 0                                    | 4  | 41  | 0  | 0                              | 0   |
|  | <b>117,618</b>             | <b>9,364</b>                            | <b>166</b>                  | <b>413</b>            | <b>-155</b>                             | <b>197</b>                                  | <b>-57,778</b>                       | <b>69,824</b>  | <b>70,344</b>   | <b>-10,490</b>   | <b>155</b>                     | <b>-170</b>                                 |
| <b>II. Property, plant and equipment</b>                           |                            |   |                             |                       |   |   |                                      |  |   |  |                                |   |
| 1. Land and buildings including buildings on third-<br>party land  | 112,907                    | 7,494                                   | 0                           | 2,754                 | -1,792                                  | 1,219                                       | -30,706                              | 91,875   | 86,728  | -5,728   | 1,484                          | -283  |
| 2. Technical equipment and machinery                               | 129,645                    | 13,599                                  | 32                          | 1,389                 | -2,851                                  | 3,154                                       | -82,728                              | 62,238   | 62,297  | -15,856  | 2,559                          | -2,083                                      |
| 3. Other equipment, operating and office equip-<br>ment            | 73,543                     | 16,254                                  | 149                         | 121                   | -5,129                                  | 117   | -47,926                              | 37,130   | 33,072  | -12,092  | 4,727                          | -91   |
| 4. Advance payments and assets under develop-<br>ment              | 8,844                      | 13,695                                  | 0                           | -4,677                | -1,196                                  | 33  | -52                                  | 16,647   | 8,794   | 0  | 0                              | -1  |
|  | <b>324,938</b>             | <b>51,042</b>                           | <b>182</b>                  | <b>-413</b>           | <b>-10,968</b>                          | <b>4,522</b>                                | <b>-161,413</b>                      | <b>207,891</b>   | <b>190,890</b>  | <b>-33,676</b>   | <b>8,770</b>                   | <b>-2,459</b>                               |
| <b>Total</b>   | <b>442,556</b>             | <b>60,405</b>                           | <b>348</b>                  | <b>0</b>              | <b>-11,123</b>                          | <b>4,720</b>                                | <b>-219,190</b>                      | <b>277,715</b>   | <b>261,234</b>  | <b>-44,166</b>   | <b>8,925</b>                   | <b>-2,629</b>                               |

<sup>1</sup> The write-downs recognised in the income statement also include loss allowances on debt instruments amounting to €106 thousand.

## 1.2 Statement of changes in non-current assets of the MBB Group as of 31 December 2022

| 31 Dec 2022   | Opening balance<br>cost | Additions<br>in the financial year | Business acquisition | Reclassification | Disposals<br>in the financial year | Disposals<br>from deconsolidation | Currency translation differences | Write downs<br>(accumulated) | Carrying amount at the end of financial year | Carrying amount at the end of previous year | Write downs<br>in the financial year | Disposals on write downs<br>(deconsolidation) | Disposals on write downs<br>(others) | Currency translation differences |
|---|-------------------------|------------------------------------|----------------------|------------------|------------------------------------|-----------------------------------|----------------------------------|------------------------------|--|---|--------------------------------------|---|--------------------------------------|----------------------------------|
|   | €k                      | €k                                 | €k                   | €k               | €k                                 | €k                                | €k                               | €k                           | €k   | €k  | €k                                   | €k  | €k                                   | €k                               |
| <b>I. Intangible assets</b>                                   |                         |                                    |                      |                  |                                    |                                   |                                  |                              |  |   |                                      |   |                                      |                                  |
| 1. Concessions, industrial property rights and similar rights | 37,952                  | 5,361                              | 0                    | 44               | -1,214                             | -896                              | -28                              | -30,444                      | 10,774                                       | 13,091                                      | -7,404                               | 701   | 1,103                                | 17                               |
| 2. Development Costs  | 14,209                  | 3,461                              | 0                    | 0                | -740                               | 0                                 | 0                                | -6,220                       | 10,710                                       | 9,945                                       | -2,697                               | 0   | 740                                  | 0                                |
| 3. Customer base  | 885                     | 0                                  | 0                    | -3               | 0                                  | -882                              | 0                                | 0                            | 0  | 297   | -90                                  | 678   | 0                                    | 0                                |
| 4. Order backlog  | 11,059                  | 0                                  | -356                 | 0                | 0                                  | 0                                 | 0                                | -10,609                      | 93   | 1,011                                       | -562                                 | 0   | 0                                    | 0                                |
| 5. Goodwill   | 46,141                  | 0                                  | 2,585                | 0                | 0                                  | 0                                 | 0                                | 0                            | 48,726                                       | 46,141                                      | 0                                    | 0   | 0                                    | 0                                |
| 6. Advance payments   | 4                       | 38                                 | 0                    | 0                | 0                                  | 0                                 | 0                                | 0                            | 41   | 4   | 0                                    | 0   | 0                                    | 0                                |
|   | <b>110,249</b>          | <b>8,860</b>                       | <b>2,229</b>         | <b>41</b>        | <b>-1,955</b>                      | <b>-1,778</b>                     | <b>-28</b>                       | <b>-47,273</b>               | <b>70,344</b>                                | <b>70,489</b>                               | <b>-10,753</b>                       | <b>1,379</b>                                  | <b>1,844</b>                         | <b>17</b>                        |
| <b>II. Property, plant and equipment</b>                      |                         |                                    |                      |                  |                                    |                                   |                                  |                              |  |   |                                      |   |                                      |                                  |
| 1. Land and buildings including buildings on third-party land | 116,353                 | 5,384                              | 0                    | 417              | -5,268                             | -3,681                            | -298                             | -26,179                      | 86,728                                       | 90,756                                      | -5,053                               | 1,546   | 2,856                                | 68                               |
| 2. Technical equipment and machinery                          | 125,063                 | 16,273                             | 18                   | 1,551            | -6,654                             | -5,912                            | -696                             | -67,348                      | 62,297                                       | 62,862                                      | -15,098                              | 3,746   | 5,782                                | 423                              |
| 3. Other equipment, operating and office equipment            | 62,976                  | 18,173                             | 64                   | 450              | -4,782                             | -3,305                            | -34                              | -40,471                      | 33,072                                       | 27,067                                      | -11,610                              | 2,905   | 4,118                                | 26                               |
| 4. Advance payments and assets under development              | 3,044                   | 9,546                              | 0                    | -2,459           | -1,225                             | -60                               | 0                                | -50                          | 8,794  | 2,999                                       | -6                                   | 0   | 0                                    | 0                                |
|   | <b>307,436</b>          | <b>49,376</b>                      | <b>82</b>            | <b>-41</b>       | <b>-17,929</b>                     | <b>-12,958</b>                    | <b>-1,028</b>                    | <b>-134,048</b>              | <b>190,890</b>                               | <b>183,684</b>                              | <b>-31,766</b>                       | <b>8,197</b>                                  | <b>12,756</b>                        | <b>517</b>                       |
| <b>Total</b>  | <b>417,685</b>          | <b>58,236</b>                      | <b>2,311</b>         | <b>0</b>         | <b>-19,884</b>                     | <b>-14,736</b>                    | <b>-1,056</b>                    | <b>-181,321</b>              | <b>261,234</b>                               | <b>254,173</b>                              | <b>-42,519</b>                       | <b>9,576</b>                                  | <b>14,599</b>                        | <b>534</b>                       |

## 2. Goodwill

The carrying amount of goodwill is €48,726 thousand (previous year: €48,726 thousand).

Goodwill is subject to an annual impairment test. Therefore, goodwill acquired in business combinations was allocated to the cash-generating units (CGU). The allocation and parameters used for the impairment test are shown in the table below.

The impairment tests confirmed the recoverability of capitalised goodwill.

### Assumptions for the impairment test

The recoverable amount of the CGU is determined on the basis of the value in use calculation using cash flow forecasts based on a medium-term plan approved by the management of the respective CGU for a period of five years. Following the medium-term planning, the calculation is transferred to perpetuity, taking into account a sustainable growth rate of an unchanged 1.0%. Current and future probabilities, the expected economic development and other circumstances are taken into account when determining the budget figures. The forecasted cash flows are discounted using a pre-tax discount rate (WACC), the values and underlying parameters are shown in the following table.

| CGU per segment                                     | Goodwill<br>€k          | Market risk<br>premium<br>in % | Riskfree in-<br>terest rate<br>in % | WACC<br>pretax<br>in % | Revenue<br>growth*<br>in % |
|---|-------------------------|--------------------------------|-------------------------------------|------------------------|----------------------------|
| <b>Technological Applications</b>                   |                         |                                |                                     |                        |                            |
| Aumann Limbach-Oberfrohna<br><i>(previous year)</i> | 28,426<br><i>28,426</i> | 7.3<br><i>7.3</i>              | 2.7<br><i>2.0</i>                   | 10.0<br><i>10.3</i>    | 12.9<br><i>16.9</i>        |
| Aumann AUM<br><i>(previous year)</i>                | 10,057<br><i>10,057</i> | 7.3<br><i>7.3</i>              | 2.7<br><i>2.0</i>                   | 9.0<br><i>8.4</i>      | 4.6<br><i>9.7</i>          |
| <b>Service &amp; Infrastructure</b>                 |                         |                                |                                     |                        |                            |
| ISL<br><i>(previous year)</i>                       | 4,149<br><i>4,149</i>   | 7.5<br><i>7.5</i>              | 2.8<br><i>2.8</i>                   | 16.7<br><i>14.7</i>    | 15.8<br><i>15.0</i>        |
| Gottfried Puhlmann<br><i>(previous year)</i>        | 3,812<br><i>3,812</i>   | 7.5<br><i>7.5</i>              | 2.7<br><i>2.0</i>                   | 11.1<br><i>9.6</i>     | 4.4<br><i>7.7</i>          |
| DTS<br><i>(previous year)</i>                       | 1,180<br><i>1,180</i>   | 7.5<br><i>7.5</i>              | 2.8<br><i>1.8</i>                   | 16.9<br><i>17.2</i>    | 10.0<br><i>10.0</i>        |
| Korupp<br><i>(previous year)</i>                    | 314<br><i>314</i>       | 7.5<br><i>7.5</i>              | 2.7<br><i>2.0</i>                   | 11.7<br><i>10.3</i>    | 1.0<br><i>3.1</i>          |
| Hempel<br><i>(previous year)</i>                    | 151<br><i>151</i>       | 7.5<br><i>7.5</i>              | 2.7<br><i>2.0</i>                   | 11.7<br><i>10.2</i>    | 9.7<br><i>3.0</i>          |
| <b>Consumer Goods</b>                               |                         |                                |                                     |                        |                            |
| Hanke Tissue<br><i>(previous year)</i>              | 637<br><i>637</i>       | 7.5<br><i>7.5</i>              | 2.8<br><i>1.8</i>                   | 14.5<br><i>11.0</i>    | 4.3<br><i>6.6</i>          |

\* Planned growth in revenue including changes in inventories (operating performance), average of the next five years.

The CGU Aumann AUM comprises the companies Aumann Espelkamp GmbH and Aumann Immobilien GmbH.

When calculating the WACC, a peer group is formed for each CGU, which affects the calculation of the beta factor and the weighting of the cost of equity and debt. A country risk premium of 0.85% (previous year: 0.85%) is taken into account when calculating the WACC for the Hanke Tissue CGU.

### Estimation uncertainties in the impairment test

The following assumptions underlying the calculation of the value in use of the CGU are subject to the highest uncertainty of estimates:

- EBITDA margins
- discount rates
- revenue development

**EBITDA margin:** The EBITDA margins are based on the medium-term planning of the respective CGU. A decrease in the EBITDA margin by 0.5 percentage points would not lead to an impairment loss for any of the CGUs.

*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 any of the CGUs.

*Revenue development:* The forecasted revenue developments 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 assumptions for revenue development. Such a development could yield a reasonably possible alternative to the estimated development for the CGUs. A deviation from the forecast revenue developments by 1 percentage point would not lead to an impairment for any of the CGUs.

### 3. Intangible assets

Please see the statement of changes in non-current assets for information on the development of intangible assets.

The MBB Group's research and development activities mainly carried out at Aumann from order-related projects. The development expenses capitalised in the financial year amount to €3,183 thousand (previous year: €3,301 thousand).

### 4. Property, plant and equipment

Please see the statement of changes in non-current assets for information on the development of property, plant and equipment. Borrowing costs amounted to nil both for the year under review and previous year.

The following table provides an overview of the capitalized right-of-use assets in each asset class as of 31 December 2023:

| Right-of-use assets                             | 31 Dec 2023   | 31 Dec 2022   |
|---|---------------|---------------|
|   | €k            | €k            |
| Land and buildings                              | 6,992         | 4,732         |
| Technical equipment and machinery               | 3,722         | 6,366         |
| Other equipment, operating and office equipment | 3,719         | 2,934         |
| <b>Total</b>                                    | <b>14,433</b> | <b>14,033</b> |

The rights-of-use assets shown separately here are also included in the statement of changes in non-current assets in note II.1. Additions to right-of-use assets amounted to €8,633 thousand (previous year: €5,785 thousand), €0 thousand of which relates to business combinations (previous year: €14 thousand). Disposals of rights-of-use in the 2023 financial year amounted to €19 thousand (previous year: €791 thousand), of which €0 thousand (previous year: €27 thousand) related to disposals from the consolidated group. Depreciation of rights-of-use amounted to €7,434 thousand in financial year 2023 (previous year: €7,134 thousand).

### 5. Financial assets and securities

| Financial assets                    | 31 Dec 2023    | 31 Dec 2022   |
|-------------------------------------|----------------|---------------|
|                                     | €k             | €k            |
| Long-term securities                | 89,020         | 66,039        |
| Joint ventures and associates       | 10,578         | 17,059        |
| Other loans                         | 414            | 1,184         |
| Other participations                | 1              | 1             |
| <b>Carrying amount as of 31 Dec</b> | <b>100,012</b> | <b>84,283</b> |

The development of financial assets is shown in the following tables.

| Long-term securities                | 31 Dec 2023   | 31 Dec 2022    |
|-------------------------------------|---------------|----------------|
|                                     | €k            | €k             |
| <b>Carrying amount as of 1 Jan</b>  | <b>66,039</b> | <b>201,309</b> |
| Additions during the period         | 54,162        | 33,911         |
| Disposals during the period         | -36,013       | -118,034       |
| Revaluation                         | 4,831         | -51,146        |
| <b>Carrying amount as of 31 Dec</b> | <b>89,020</b> | <b>66,039</b>  |

| Joint ventures and associates       | 31 Dec 2023   | 31 Dec 2022   |
|-------------------------------------|---------------|---------------|
|                                     | €k            | €k            |
| <b>Carrying amount as of 1 Jan</b>  | <b>17,059</b> | <b>8,900</b>  |
| Share in net income                 | 9,353         | 17,922        |
| Distributions                       | -15,834       | -8,996        |
| Depreciation of hidden reserves     | 0             | -768          |
| Additions to scope of consolidation | 0             | 2             |
| <b>Carrying amount as of 31 Dec</b> | <b>10,578</b> | <b>17,059</b> |

## Disclosures on consortiums

In the Group, consortiums are classified as joint ventures and their results are reported under Income from joint ventures and associates. The table below shows the ten biggest consortiums in terms of performance for the 2023 financial year.

| Consortiums                             | Ownership interest in % |
|---|-------------------------|
| (BRU) ARGE LNG Brunsbüttel              | 50.00%                  |
| (442) ARGE EGL 442                      | 58.00%                  |
| (KAN) ARGE Konverter A-Nord             | 33.33%                  |
| (ELB) ARGE Elbchaussee 1. BA            | 36.00%                  |
| (KTM) ARGE Kabeltrasse Mehringen        | 45.00%                  |
| (GSH) ARGE Kabeltrasse GSH              | 40.00%                  |
| (3BA) ARGE NWKG 3. BA                   | 50.00%                  |
| (KT3) ARGE Kabeltrasse A310             | 50.00%                  |
| (ZEE) Dach-ARGE ZEELINK Los 3 - (bis) 5 | 25.00%                  |
| (DOW) ARGE DOW Ohrensen K28             | 50.00%                  |

The financial information for these working groups for the 2023 financial year is presented at 100%.

| Consortium | Revenue<br>€k | Assets            |               |                               | Liabilities       |               |
|------------|---------------|-------------------|---------------|-------------------------------|-------------------|---------------|
|            |               | Non-current<br>€k | Current<br>€k | thereof<br>liquid funds<br>€k | Non-current<br>€k | Current<br>€k |
| (BRU)      | 211,391       | 0                 | 271,758       | 9,422                         | 0                 | 257,653       |
| (442)      | 12,899        | 38                | 153,422       | 3,202                         | 0                 | 133,965       |
| (KAN)      | 11,501        | 0                 | 6,799         | 3,732                         | 0                 | 6,345         |
| (ELB)      | 6,894         | 0                 | 1,270         | 150                           | 0                 | 1,274         |
| (KTM)      | 6,405         | 0                 | 8,422         | 1,054                         | 0                 | 7,399         |
| (GSH)      | 5,259         | 1,263             | 72,162        | 1,318                         | 0                 | 64,769        |
| (3BA)      | 4,612         | 6                 | 3,451         | 1,203                         | 0                 | 5,165         |
| (KT3)      | 4,436         | 21                | 5,422         | 38                            | 0                 | 5,744         |
| (ZEE)      | 3,537         | 11                | 41,325        | 435                           | 0                 | 43,712        |
| (DOW)      | 2,607         | 0                 | 4,414         | 820                           | 0                 | 3,992         |

**Disclosures on cumulative losses from associates**

In the period under review all pro rata losses from associates have been recognised in profit or loss.

**Information on securities held as current assets**

The development of securities held as current assets is shown in the following table.

| Short-term securities                                      | 31 Dec 2023    | 31 Dec 2022   |
|--|----------------|---------------|
|  | €k             | €k            |
| <b>Carrying amount as of 1 Jan</b>                         | <b>79,839</b>  | <b>266</b>    |
| Additions during the period                                | 98,501         | 82,556        |
| Disposals during the period                                | -58,536        | -266          |
| Revaluation at market value - bond price                   | 2,245          | -2,717        |
| Revaluation at market value - foreign exchange rate effect | -142           | 0             |
| <b>Carrying amount as of 31 Dec</b>                        | <b>121,906</b> | <b>79,839</b> |

**Financial assets measured at fair value through other comprehensive income**

The financial assets of the MBB Group recognised at fair value through other comprehensive income comprise physical gold reserves and securities. The value of the physical gold reserves was €4,808 thousand (previous year: €4,394 thousand). The increase is due in full to fair value measurement as of 31 December 2023.

Of the securities, shares and bonds recognised at fair value through other comprehensive income totalling €210,925 thousand (previous year: €145,878 thousand), €89,020 thousand (previous year: €66,039 thousand) were reported under non-current assets and €121,906 thousand (previous year: €79,839 thousand) were reported under current assets. The Group's debt instruments recognised at fair value through other comprehensive income consist exclusively of listed bonds that are considered by management to be investments with a low credit risk. For expected credit losses on debt instruments (bonds), impairment losses of €106 thousand (previous year: €119 thousand) were recognised under depreciation and amortisation.

**6. Inventories**

| Inventories                         | 31 Dec 2023   | 31 Dec 2022   |
|-------------------------------------|---------------|---------------|
|                                     | €k            | €k            |
| Raw materials and supplies          | 24,570        | 26,867        |
| Work in progress                    | 9,285         | 9,851         |
| Finished goods and commodities      | 9,775         | 10,241        |
| Advance payments                    | 10,747        | 18,068        |
| <b>Carrying amount as of 31 Dec</b> | <b>54,377</b> | <b>65,027</b> |

Inventories include impairment losses of €1,479 thousand as of the balance sheet date (previous year: €1,373 thousand). Impairment loss reversals on inventories were included in the amount of €0 thousand (previous year: €13 thousand).

**7. Trade receivables**

|                                     | 31 Dec 2023   | 31 Dec 2022   |
|-------------------------------------|---------------|---------------|
|                                     | €k            | €k            |
| Trade receivables                   | 66,795        | 70,535        |
| Receivables from consortiums        | 18,851        | 1,313         |
| Less specific valuation allowances  | -3,608        | -6,342        |
| Less expected credit loss           | -77           | -37           |
| <b>Carrying amount as of 31 Dec</b> | <b>81,962</b> | <b>65,469</b> |

The trade receivables are all due within one year. Receivables are impaired on an individual basis if there are indications of default risks. Indications of impairment include failure to receive payments and information on changes in customers' credit rating. Given the broad customer base, there is no significant concentration of credit risk. The specific valuation allowances are mainly attributable to the offsetting of

receivables of Friedrich Vorwerk from those consortiums that had generated negative cumulative earnings as at the balance sheet date.

## 8. Contract assets and contract liabilities

Contract assets comprise the claims for remuneration from construction contracts, plant engineering projects and long-term construction contracts for work already performed as at the end of the reporting period. If the advances received exceed the claim to payment, they are reported under "Contract liabilities".

|                                   | 31 Dec 2023    | 31 Dec 2022    |
|-----------------------------------|----------------|----------------|
|                                   | €k             | €k             |
| Gross contract assets             | 569,512        | 448,570        |
| advance payments received thereon | -419,949       | -286,740       |
| <b>Contract assets</b>            | <b>149,563</b> | <b>161,830</b> |
| Contract liabilities              | 97,896         | 48,783         |

Revenue, which was included in the balance of contract liabilities at the beginning of the period, amounted to €48,001 thousand in financial year 2023.

## 9. Other current assets

Other assets maturing within one year break down as follows:

|                                     | 31 Dec 2023   | 31 Dec 2022  |
|-------------------------------------|---------------|--------------|
|                                     | €k            | €k           |
| Factoring receivables               | 2,525         | 2,021        |
| Receivables from other taxes        | 2,121         | 560          |
| Prepaid expenses                    | 1,634         | 1,580        |
| Receivables due from personnel      | 1,365         | 1,295        |
| Interest receivables                | 1,071         | 764          |
| Other current assets                | 2,827         | 3,566        |
| <b>Carrying amount as of 31 Dec</b> | <b>11,542</b> | <b>9,785</b> |

Tax receivables consist of tax refunds of €2,121 thousand (previous year: €560 thousand). Receivables due from employees are essentially for employee loans.

## 10. Income tax

### 10.1 Deferred taxes

Deferred tax assets and liabilities from temporary differences break down as follows as of 31 December 2023 and 31 December 2022.

|                          | 31 Dec 2023    | 31 Dec 2022    |
|--------------------------|----------------|----------------|
|                          | €k             | €k             |
| Deferred tax assets      | 18,639         | 14,314         |
| Deferred tax liabilities | 29,433         | 26,835         |
| <b>Net</b>               | <b>-10,793</b> | <b>-12,522</b> |



|                                    | 31 Dec 2023   | 31 Dec 2022   |
|------------------------------------|---------------|---------------|
|                                    | €k            | €k            |
| Temporary differences from:        |               |               |
| Intangible assets                  | 6,259         | 6,821         |
| Liabilities                        | 6,264         | 4,444         |
| Pension provisions                 | 3,060         | 3,144         |
| Provisions                         | 2,477         | 1,598         |
| Unused tax losses                  | 1,873         | 2,967         |
| Special economic zone tax benefits | 1,499         | 1,390         |
| Property, plant and equipment      | 1,399         | 1,334         |
| Receivables                        | 698           | 630           |
| Contract assets                    | 325           | 18            |
| Inventories                        | 145           | 34            |
| Other current assets               | 113           | 126           |
| Securities                         | 5             | 1             |
| Others                             | 26            | 1             |
| Netting                            | -5,504        | -8,194        |
| <b>Deferred tax assets</b>         | <b>18,639</b> | <b>14,314</b> |

|                                 | 31 Dec 2023   | 31 Dec 2022   |
|---------------------------------|---------------|---------------|
|                                 | €k            | €k            |
| Temporary differences from:     |               |               |
| Contract assets                 | 18,474        | 15,865        |
| Property, plant and equipment   | 6,787         | 6,779         |
| Intangible assets               | 4,056         | 4,367         |
| Financial assets                | 3,334         | 5,186         |
| Pension provisions              | 1,359         | 1,203         |
| Inventories                     | 557           | 1,177         |
| Receivables                     | 205           | 0             |
| Securities                      | 105           | 158           |
| Provisions                      | 30            | 179           |
| Liabilities                     | 29            | 3             |
| Others                          | 0             | 112           |
| Netting                         | -5,504        | -8,194        |
| <b>Deferred tax liabilities</b> | <b>29,433</b> | <b>26,835</b> |

The tax benefit from the Special Economic Zone reported in deferred tax assets relates to Hanke Tissue Sp. z o.o. in the Kostrzyn Special Economic Zone in Poland. The Special Economic Zone promotes investments and the creation of jobs by allowing up to 50% of the investment volume to be offset against the income tax due on income generated in the Special Economic Zone.

The netting of €5,504 thousand in the 2023 financial year is mainly due to leases (€4,259 thousand) and joint ventures (€577 thousand).

## 10.2 Current income tax

Income tax assets and income tax liabilities are as follows:

|                               | 31 Dec 2023   | 31 Dec 2022   |
|-------------------------------|---------------|---------------|
|                               | €k            | €k            |
| Corporate income tax          | 12,875        | 10,931        |
| Trade income tax              | 1,353         | 1,088         |
| Other income tax              | 196           | 307           |
| <b>Income tax receivables</b> | <b>14,424</b> | <b>12,326</b> |
| Corporate income tax          | 4,858         | 6,804         |
| Trade income tax              | 4,073         | 7,012         |
| Other income tax              | 66            | 0             |
| <b>Income tax liabilities</b> | <b>8,997</b>  | <b>13,816</b> |

## 11. Equity

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

### 11.1 Issued capital

MBB SE's issued capital amounts to €5,716,392.00 as of 31 December 2023 and is fully paid in. It is divided into 5,716,392 no-par value bearing shares.

#### *Purchase of treasury shares*

The Annual General Meeting on 12 June 2023 authorised the company to acquire treasury shares in the period until 11 June 2028 in compliance with the principle of equal treatment [Article 9 (1) (c) (ii) SE Regulation in conjunction with Section 53a of the German Stock Corporation Act (AktG)] to acquire treasury shares in an amount of up to 10% of the company's share capital existing at the time the resolution is adopted or - if this value is lower - of the share capital existing at the time this authorisation is exercised. The authorisation can be exercised on one or more occasions, in part or in full. The shares can also be purchased by dependent Group companies or by third parties on the company's account. The acquired shares, together with other shares that the company has previously acquired and still holds or that are attributable to it in accordance with Art. 5 SE Regulation in conjunction with Sections 71a of the German Stock Corporation Act (AktG), may not exceed 10% of the share capital at any time. The authorisation cannot be used for the purposes of trading with treasury shares. The authorisation to acquire and use purchased treasury shares resolved by the Annual General Meeting on 28 May 2019 under item 7 of the agenda was cancelled when this authorisation became effective.

On 9 February 2023, MBB decided to make use of the authorisation granted by the Annual General Meeting on 28 May 2019 to acquire treasury shares in accordance with section 71 (1) no. 8 AktG. In the period from 14 February 2023 to 26 April 2023, MBB repurchased 87,805 treasury shares at an average price of €79.74 for a total value of €7,001,676.80. A total of 224,359 treasury shares with a total value of €23,982,525.14 have therefore been acquired in several buyback programmes since 2020.

On 27 April 2023, the Board of MBB decided to withdraw all 224,359 treasury shares for the purpose of a capital reduction at the proposal of the Executive Management. Following the withdrawal of the treasury shares and the effectiveness of the capital reduction, MBB SE's share capital amounts to €5,716,392.00 (previously: €5,940,751.00) and is divided into 5,716,392 bearer shares (previously 5,940,751 shares) with a notional interest in the share capital of €1.00 per share.

#### *Authorised capital and contingent capital*

The Annual General Meeting on 12 June 2023 withdrew the Authorised Capital 2018 and created new Authorised Capital 2023. The Board is authorised to increase the company's share capital on one or more occasions by a total of up to €2,500,000 in the period until 11 June 2028 by issuing new no-par value bearing shares in exchange for cash and/or non-cash contributions (Authorised Capital 2023).

The Annual General Meeting on August 24, 2020 authorised the company to issue stock options (Stock Option Program 2020) to create a new Contingent Capital 2020/I and to make the necessary amendments to the Articles of Association.

The stock option program authorizes the Board to grant up to 240,000 subscription rights to up to 240,000 no-par value bearing shares of the company to beneficiaries within the meaning of Section 192 (2) no. 3 of the German Stock Corporation Act (AktG) until 30 June 2025. As of the balance sheet date, 230,000 subscription rights had been issued. For details, please refer to note “3. Remuneration of the executive bodies” in section “VIII. Other mandatory information”.

The capital stock of the company is conditionally increased by up to €240,000 through the issue of up to 240,000 new no-par value bearing shares (Contingent Capital 2020/I). The contingent capital increase serves exclusively to fulfill entitlements under the equity-based stock option program 2020.

The individual shareholdings of MBB SE are as follows:

|  | Dec 31, 2023     |                | Dec 31, 2022     |                |
|--|------------------|----------------|------------------|----------------|
|  | Number of shares | %              | Number of shares | %              |
| MBB Capital Management GmbH <sup>1</sup> | 2,066,666        | 36.153%        | 2,003,193        | 33.720%        |
| MBB Capital GmbH <sup>2</sup>            | 1,900,613        | 33.248%        | 1,900,613        | 31.993%        |
| Anton Breilkopf                          | 45,000           | 0.787%         | 45,000           | 0.757%         |
| Dr Peter Niggemann                       | 38,534           | 0.674%         | 38,534           | 0.649%         |
| Dr Constantin Mang                       | 7,200            | 0.126%         | 7,200            | 0.121%         |
| Dr Jakob Ammer                           | 1,588            | 0.028%         | 1,588            | 0.027%         |
| Torben Teichler                          | 1,550            | 0.027%         | 1,550            | 0.026%         |
| Treasury shares                          | 0                | 0.000%         | 136,554          | 2.299%         |
| Others                                   | 1,655,241        | 28.956%        | 1,806,519        | 30.409%        |
| <b>Total</b>                             | <b>5,716,392</b> | <b>100.00%</b> | <b>5,940,751</b> | <b>100.00%</b> |

<sup>1</sup> 100% of the shares in MBB Capital Management GmbH are held by Dr Christof Nesemeier.

<sup>2</sup> 100% of the shares in MBB Capital GmbH are held by Gert-Maria Freimuth.

### 11.2 Capital reserve

The capital reserve amounts to €469.2 million (previous year: €475.2 million) and comprises

- the premium received by the Company from the initial share issue in 2006
- Premiums and transaction costs arising from initial public offerings of subsidiaries
- Effects of share repurchases and retirement from capital reductions
- Effects from accounting for share-based payments.

In the reporting period capital reserve increased due to the stock option programs of MBB SE and Aumann AG by €1,037 thousand.

The capital reserve was reduced by the acquisition of treasury shares in 2023. The difference between the acquisition cost and the nominal value of the treasury shares acquired in the amount of €6,914 thousand was offset against the capital reserves.

In the reporting year, treasury shares were also withdrawn for the purpose of a capital reduction. Further information on the withdrawal of treasury shares and the capital reduction can be found in the issued capital section.

### 11.3 Legal reserve

5% of the parent company's net profit for 2006 was transferred to the legal reserve.

### 11.4 Retained earnings and other comprehensive income

#### *Currency translation difference*

The currency translation difference 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 the other hand.

#### *Fair value reserve*

The fair value reserve results from the remeasurement of financial assets at fair value at the end of the reporting period. In the statement of comprehensive income, other comprehensive income is broken down depending on whether these remeasurement gains/losses will be reclassified to profit or loss when they are realized.

#### *Reserve for pensions*

In accordance with IAS 19 (rev. 2011), actuarial gains/losses (adjusted for the associated deferred tax effects) are recognized in the reserve for pensions and reported in the statement of comprehensive income under other comprehensive income.

*Other reserve*

MBB SE acquired 66% of shares in ISL Internet Sicherheitslösungen GmbH, Bochum, through DTS IT AG on 19 February 2019. Put and call options were mutually agreed for the remaining 34% of the shares as part of the transaction. In the first quarter of 2021, the purchase option to acquire further shares in ISL was finalised, meaning that the shareholding ratio has been 80.34% since then. A financial liability was recognised for the put option and deducted from equity. An amount of €-2,090 thousand was added to other reserves after taking deferred tax effects into account. After consideration of non-controlling interests other reserves amount to €-1,672 thousand.

*Retained earnings*

This item contains the profits generated by the Group less distributed profits. Retained earnings decreased in total by €2,977 thousand in the financial year. Thus, a dividend of €5,716 thousand (€1.00 per share) was paid to the shareholders of MBB SE.

Furthermore, the consolidated net income of €12,150 thousand increased the retained earnings.

The further decrease in retained earnings of €8,873 thousand is attributable to the changes in shareholdings in subsidiaries described in section I.1.4 (Company law changes and structural changes in 2023) and the acquisition of treasury shares by Aumann AG (€-1,055 thousand). The capital increase carried out at Delignit AG had the opposite effect (€556 thousand).

The Executive Management and the Board propose that a dividend of €1.01 per dividend-bearing share to be distributed from MBB SE's net retained profits for 2023. Dividends totalling €5.4 million will therefore be proposed to the Annual General Meeting.

**11.5 Non-controlling interests**

Non-controlling interests result from equity investments in Aumann AG, Delignit AG, DTS IT AG, Friedrich Vorwerk Group SE and Hanke Tissue Sp. z o.o. The non-controlling interests decreased by €18,406 thousand in the financial year.

Non-controlling interests were mainly reduced by the changes in shareholdings in subsidiaries of €27,169 thousand described in section I.1.4 (Corporate and structural changes in 2023), by the treasury shares acquired by Aumann AG (€8,003 thousand) and by distributions of €2,745 thousand. This was offset by the share of consolidated comprehensive income attributable to non-controlling interests of €12,283 thousand and the capital increase of €7,014 thousand carried out at Delignit AG.

In accordance with IAS 32, the non-controlling interests in Friedrich Vorwerk SE & Co. KG are reported under current and non-current liabilities rather than in equity.

**12. Provisions for pensions and similar obligations**

Given the business model of MBB SE, post-employment benefits are not governed at Group level. Regulations on pensions are determined at the level of the individual subsidiaries, resulting in different pension schemes. However, for all pension obligations the benefits are in line with the statutory pension. There are pension obligations for Blomberger Holzindustrie GmbH, CT Formpolster GmbH, Aumann Beelen GmbH, Aumann Limbach-Oberfrohna GmbH, Friedrich Vorwerk SE & Co. KG and Gottfried Puhlmann GmbH. The pension agreements are closed, meaning that no further pension agreements are entered into for new appointments.

|                                 | 31 Dec 2023   |              |               | 31 Dec 2022   |              |               |
|---------------------------------|---------------|--------------|---------------|---------------|--------------|---------------|
|                                 | DBO           | Plan as-sets | Total         | DBO           | Plan as-sets | Total         |
|                                 | €k            | €k           | €k            | €k            | €k           | €k            |
| <b>As of 1 Jan</b>              | <b>19,035</b> | <b>420</b>   | <b>18,615</b> | <b>28,710</b> | <b>455</b>   | <b>28,255</b> |
| Payments                        | -870          | -40          | -830          | -889          | -35          | -854          |
| Service cost                    | 190           | 0            | 190           | 390           | 0            | 390           |
| Interest cost                   | 679           | 12           | 667           | 256           | 0            | 256           |
| Actuarial gains (-) /losses (+) | 279           | -7           | 286           | -9,432        | 0            | -9,432        |
| <b>As of 31 Dec</b>             | <b>19,313</b> | <b>385</b>   | <b>18,928</b> | <b>19,035</b> | <b>420</b>   | <b>18,615</b> |

Of the actuarial gains, €174 thousand resulted from experience adjustments and €105 thousand from actuarial adjustments.

The following actuarial assumptions were applied:

|                         | 2023         | 2022         |
|-------------------------|--------------|--------------|
| Actuarial interest rate | 3.64- 3.69%  | 3.12 - 3.80% |
| Salary trend            | 0.00 - 2.00% | 0.00 - 2.00% |
| Pension trend           | 0.00 - 2.00% | 1.00 - 2.00% |

The post-employment benefit plans are partially funded. The liabilities are equal to the obligation (DBO) less plan assets.

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

|  | 31 Dec 2023 | 31 Dec 2022 |
|--|-------------|-------------|
|  | €k          | €k          |
| Addition to provisions (service cost)  | -190        | -390        |
| Addition to provisions (interest cost) | -667        | -256        |
| <b>Total</b>                           | <b>-857</b> | <b>-646</b> |

The expected pension payments from the pension plans for 2024 amount to €1,353 thousand.

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

|                     | Change in as-<br>sumption | Impact on obligation      |                           |
|---------------------|---------------------------|---------------------------|---------------------------|
|                     |                           | Increase in<br>assumption | Decrease in<br>assumption |
| Interest rate       | 0.25%                     | -3.56%                    | +3.78%                    |
| Pension growth rate | 0.50%                     | +2.17%                    | -2.02%                    |
| Life expectancy     | + 1 year                  | +4.40%                    | -                         |

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.

### 13. Liabilities

The liabilities mature as follows:

|  | Up to 1<br>year | More than<br>1 year<br>and up to<br>5 years | Over 5<br>years | Total          |
|--|-----------------|---|-----------------|----------------|
| 31 Dec 2023                              | €k              | €k  | €k              | €k             |
| Liabilities to banks                     | 12,473          | 19,292                                      | 3,752           | 35,517         |
| Lease liabilities                        | 7,865           | 9,275                                       | 1,484           | 18,625         |
| Liabilities from participation rights    | 0               | 0   | 10,213          | 10,213         |
| Trade payables                           | 66,316          | 0   | 0               | 66,316         |
| Contract liabilities                     | 97,086          | 810   | 0               | 97,896         |
| Liabilities to non-controlling interests | 1,787           | 0   | 1,967           | 3,754          |
| Other liabilities                        | 33,028          | 2,769                                       | 0               | 35,797         |
| Accruals                                 | 37,278          | 0   | 0               | 37,278         |
| <b>As of 31 Dec 2023</b>                 | <b>255,835</b>  | <b>32,146</b>                               | <b>17,416</b>   | <b>305,397</b> |

|  | Up to 1<br>year | More than<br>1 year<br>and up to<br>5 years | Over 5<br>years | Total          |
|--|-----------------|---|-----------------|----------------|
| 31 Dec 2022                              | €k              | €k  | €k              | €k             |
| Liabilities to banks                     | 18,759          | 24,811                                      | 5,585           | 49,155         |
| Lease liabilities                        | 8,136           | 9,657                                       | 827             | 18,620         |
| Liabilities from participation rights    | 0               | 0   | 10,213          | 10,213         |
| Trade payables                           | 66,571          | 0   | 0               | 66,571         |
| Contract liabilities                     | 48,783          | 0   | 0               | 48,783         |
| Liabilities to non-controlling interests | 2,534           | 0   | 2,231           | 4,765          |
| Other liabilities                        | 38,423          | 2,970                                       | 0               | 41,393         |
| Accruals                                 | 35,673          | 0   | 0               | 35,673         |
| <b>As of 31 Dec 2022</b>                 | <b>218,880</b>  | <b>37,438</b>                               | <b>18,856</b>   | <b>275,174</b> |

Liabilities to banks that cover investment and operating loans have both fixed and floating interest rates of between 0.65% and 8.05% (previous year: 0.65% and 7.03%). The weighted average interest rate for 2023 is 1.79% (previous year: 1.69%).

Land and buildings, technical equipment and machinery as well as inventories were pledged as collateral. The carrying amount of the pledged assets was €61,145 thousand (previous year: €70,564 thousand) as of the end of the reporting period, €53,838 thousand of which relates to property, plant and equipment (previous year: €58,884 thousand) and €7,307 thousand of which to inventories (previous year: €11,680 thousand).

As of the end of the reporting period, there is profit participation capital of €10,213 thousand in total (previous year: €10,213 thousand) issued by Friedrich Vorwerk SE & Co. KG. The profit participation rights grant a guaranteed interest rate of 2.5% above the applicable 3-month EURIBOR. Furthermore, the bearer of the profit participation certificates participates in the sub-group earnings of the Friedrich Vorwerk Group in the form of floating-rate interest. The total return on profit participation rights in the reporting year was 6.0% (previous year: 3.5%). The profit participation rights can be cancelled for the first time effective 31 December 2039.

Non-controlling interests in partnerships relate exclusively to Friedrich Vorwerk SE & Co. KG. Liabilities to non-controlling interests comprise earnings attributable to non-controlling interests. The withdrawable entitlements are presented as short term.

## 14. Other liabilities

Other liabilities break down as follows:

|  | 31 Dec 2023   | 31 Dec 2022   |
|--|---------------|---------------|
|  | €k            | €k            |
| <b>Current</b>                             |               |               |
| Value added tax                            | 13,867        | 7,598         |
| Consortiums                                | 8,946         | 14,695        |
| Wage tax                                   | 2,978         | 2,765         |
| Wages and salaries                         | 1,656         | 2,057         |
| Social security benefits                   | 1,202         | 1,646         |
| Debtors with credit balances               | 561           | 1,970         |
| Deferred income                            | 278           | 1,640         |
| Associates                                 | 183           | 183           |
| Capital gains tax                          | 89            | 0             |
| Commissions                                | 27            | 26            |
| Miscellaneous                              | 3,240         | 5,842         |
|  | <b>33,028</b> | <b>38,422</b> |
| <b>Non-current</b>                         |               |               |
| Contingent considerations from put options | 1,631         | 901           |
| Investment grant received                  | 790           | 1,369         |
| Support funds                              | 82            | 92            |
| Other deferred income                      | 249           | 609           |
| Miscellaneous                              | 16            | 0             |
|  | <b>2,769</b>  | <b>2,970</b>  |
| <b>Total</b>                               | <b>35,797</b> | <b>41,393</b> |

In conjunction with the acquisition of 66% of the shares in ISL Internet Sicherheitslösungen GmbH, Bochum, by DTS IT AG, Herford, on 19 February 2019 it was agreed that the original shareholders will have a put option to tender their remaining shares (34%) to DTS IT AG. At the same time, DTS IT AG has a call option to acquire their shares. The call and put options are designed identically. The option can be exercised from 1 January 2025 at the earliest. The exercise price is based on ISL's average EBIT.

In the first quarter of 2021, the purchase option to acquire further shares in ISL was finalised, meaning that the shareholding in ISL has since amounted to 80.34%.

A financial liability was recognised for the put option at fair value through profit or loss. When calculating the financial liability, it was assumed that the option will be exercised at the earliest possible date. The liability from put option is valued at €1,631 thousand (previous year: €901 thousand) and presented under other liabilities.

## 15. Provisions and accruals

The following table shows the development of provisions and accruals during the financial year.

The non-current bonus provisions mainly include the expected expense for the tax settlement from the stock option programs of MBB SE and Aumann AG totaling €3,380 thousand.

The provisions for project completion costs relate to projects of Aumann and Friedrich Vorwerk that have already been completed and finally invoiced, but which are still subject to costs of follow-up work and fault remediation.

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



| in € thousand                              | 1 Jan         | Reclas-<br>sifica-<br>tion | Initial<br>consoli-<br>dation | Use            | Release       | Addi-<br>tions | Cur-<br>rency<br>effect | Inter-<br>est<br>rate<br>effect | 31 Dec        |
|--|---------------|----------------------------|-------------------------------|----------------|---------------|----------------|-------------------------|---------------------------------|---------------|
| Financial year 2023                        |               |                            |                               |                |               |                |                         |                                 |               |
| <b>Long-term provisions</b>                |               |                            |                               |                |               |                |                         |                                 |               |
| Bonus program                              | 2,398         | 0                          | 0                             | 0              | -6            | 988            | 0                       | 0                               | 3,380         |
| Partial retirement                         | 1,047         | 0                          | 0                             | -294           | 0             | 359            | 0                       | 0                               | 1,112         |
| Anniversaries                              | 251           | 0                          | 0                             | -13            | -10           | 5              | 0                       | 2                               | 236           |
| Death grants                               | 13            | 0                          | 0                             | 0              | -3            | 0              | 0                       | 0                               | 10            |
|  | <b>3,709</b>  | <b>0</b>                   | <b>0</b>                      | <b>-307</b>    | <b>-18</b>    | <b>1,352</b>   | <b>0</b>                | <b>2</b>                        | <b>4,739</b>  |
| <b>Accruals and short-term provisions</b>  |               |                            |                               |                |               |                |                         |                                 |               |
| Outstanding invoices                       | 21,164        | -29                        | 0                             | -19,727        | -170          | 19,343         | 1                       | 0                               | 20,582        |
| Vacation                                   | 7,414         | 0                          | 116                           | -6,337         | -39           | 6,888          | 19                      | 0                               | 8,061         |
| Project completion costs                   | 4,435         | 0                          | 0                             | -3,664         | -76           | 6,408          | -48                     | 0                               | 7,055         |
| Guarantees and warranties                  | 3,613         | 0                          | 0                             | -844           | -122          | 1,466          | -7                      | 0                               | 4,105         |
| Variable salary and commissions            | 3,164         | 0                          | 162                           | -2,907         | -369          | 4,006          | 0                       | 0                               | 4,056         |
| Flexitime                                  | 3,094         | 0                          | 0                             | -308           | 0             | 569            | 0                       | 0                               | 3,355         |
| Onerous and unfavourable contracts         | 2,496         | 29                         | 0                             | -2,355         | 0             | 2,661          | -6                      | 0                               | 2,825         |
| Accounting and audit costs                 | 651           | 0                          | 0                             | -521           | -30           | 729            | 0                       | 0                               | 830           |
| Employers' liability insurance association | 738           | 0                          | 0                             | -554           | -228          | 802            | 0                       | 0                               | 758           |
| Staff costs                                | 621           | 0                          | 0                             | -146           | -13           | 303            | 4                       | -8                              | 762           |
| Legal disputes and damage compensation     | 252           | 0                          | 0                             | -252           | 0             | 158            | 0                       | 0                               | 158           |
| Reduction in earnings                      | 54            | 0                          | 0                             | -54            | 0             | 3              | 0                       | 0                               | 3             |
| Bonus program                              | 70            | 0                          | 0                             | -51            | -20           | 0              | 0                       | 0                               | 0             |
| Other                                      | 1,759         | 0                          | 0                             | -1,088         | -135          | 1,812          | 0                       | 0                               | 2,348         |
|  | <b>49,524</b> | <b>0</b>                   | <b>278</b>                    | <b>-38,808</b> | <b>-1,202</b> | <b>45,150</b>  | <b>-37</b>              | <b>-8</b>                       | <b>54,897</b> |
| <b>Total</b>                               | <b>53,233</b> | <b>0</b>                   | <b>278</b>                    | <b>-39,115</b> | <b>-1,220</b> | <b>46,503</b>  | <b>-37</b>              | <b>-6</b>                       | <b>59,636</b> |
| Financial year 2022                        |               |                            |                               |                |               |                |                         |                                 |               |
| <b>Long-term provisions</b>                |               |                            |                               |                |               |                |                         |                                 |               |
| Bonus program                              | 1,313         | 0                          | 0                             | 0              | -2            | 1,087          | 0                       | 0                               | 2,398         |
| Partial retirement                         | 862           | 0                          | 0                             | -300           | 0             | 485            | 0                       | 0                               | 1,047         |
| Anniversaries                              | 260           | 0                          | 0                             | -30            | 0             | 22             | 0                       | -1                              | 251           |
| Death grants                               | 12            | 0                          | 0                             | 0              | 0             | 1              | 0                       | 0                               | 13            |
|  | <b>2,447</b>  | <b>0</b>                   | <b>0</b>                      | <b>-330</b>    | <b>-2</b>     | <b>1,595</b>   | <b>0</b>                | <b>-1</b>                       | <b>3,709</b>  |
| <b>Accruals and short-term provisions</b>  |               |                            |                               |                |               |                |                         |                                 |               |
| Outstanding invoices                       | 10,737        | 180                        | 0                             | -9,355         | 0             | 19,883         | 3                       | -283                            | 21,164        |
| Vacation                                   | 5,592         | 0                          | 154                           | -4,103         | -242          | 6,054          | -4                      | -38                             | 7,414         |

| in € thousand                              | 1 Jan         | Reclas-<br>sifica-<br>tion | Initial<br>consoli-<br>dation | Use            | Release       | Addi-<br>tions | Cur-<br>rency-<br>re-<br>lated<br>ef-<br>fects | De-<br>con-<br>solida-<br>tion | 31 Dec        |
|--|---------------|----------------------------|-------------------------------|----------------|---------------|----------------|--|--------------------------------|---------------|
| Project completion costs                   | 5,570         | 0                          | 0                             | -4,717         | 0             | 3,597          | -15  | 0                              | 4,435         |
| Guarantees and warranties                  | 4,269         | 0                          | 0                             | -854           | -1,000        | 1,199          | -2   | 0                              | 3,613         |
| Variable salary and commissions            | 6,632         | 0                          | 46                            | -5,345         | -727          | 2,563          | 0  | -5                             | 3,164         |
| Flexitime                                  | 2,987         | 0                          | 18                            | -835           | 0             | 949            | 0  | -25                            | 3,094         |
| Onerous and unfavourable contracts         | 6,031         | 0                          | 3,014                         | -6,570         | 0             | 21             | 0  | 0                              | 2,496         |
| Employers' liability insurance association | 431           | 0                          | 0                             | -340           | -91           | 744            | 0  | -6                             | 738           |
| Accounting and audit costs                 | 935           | 0                          | 0                             | -780           | -71           | 603            | 0  | -36                            | 651           |
| Staff costs                                | 1,013         | 0                          | 0                             | -896           | -3            | 519            | 0  | -12                            | 621           |
| Legal disputes and damage compensation     | 279           | 0                          | 0                             | -65            | -7            | 46             | 0  | 0                              | 252           |
| Bonus program                              | 796           | 0                          | 0                             | -725           | 0             | 0              | 0  | 0                              | 70            |
| Reduction in earnings                      | 40            | 0                          | 0                             | -31            | 0             | 45             | 0  | 0                              | 54            |
| Restructuring                              | 215           | 0                          | 0                             | -215           | 0             | 0              | 0  | 0                              | 0             |
| Other                                      | 2,520         | -180                       | 4                             | -230           | -1,337        | 1,203          | 0  | -222                           | 1,759         |
|  | <b>48,048</b> | <b>0</b>                   | <b>3,236</b>                  | <b>-35,063</b> | <b>-3,478</b> | <b>37,427</b>  | <b>-18</b>                                     | <b>-627</b>                    | <b>49,525</b> |
| <b>Total</b>                               | <b>50,495</b> | <b>0</b>                   | <b>3,236</b>                  | <b>-35,393</b> | <b>-3,480</b> | <b>39,022</b>  | <b>-18</b>                                     | <b>-628</b>                    | <b>53,234</b> |

## 16. Leases

As of the balance sheet date lease liabilities break down as follows:

| Lease liabilities by asset type                 | 31 Dec 2023<br>€k | 31 Dec 2022<br>€k |
|---|-------------------|-------------------|
| Land and buildings                              | 7,138             | 4,795             |
| Technical equipment and machinery               | 7,756             | 10,871            |
| Other equipment, operating and office equipment | 3,730             | 2,954             |
| <b>Total</b>                                    | <b>18,625</b>     | <b>18,620</b>     |

Lease liabilities are recognised by maturity as follows:

| Lease liabilities by maturity | 31 Dec 2023<br>€k | 31 Dec 2022<br>€k |
|-------------------------------|-------------------|-------------------|
| Long-term                     | 10,759            | 10,484            |
| Short-term                    | 7,865             | 8,136             |
| <b>Total</b>                  | <b>18,625</b>     | <b>18,620</b>     |

The following lease effects were recognised in the consolidated statement of comprehensive income:

| Amounts recognized in the consolidated statement of comprehensive income | 2023<br>€k    | 2022<br>€k    |
|--|---------------|---------------|
| Depreciation and amortization expense                                    | 8,730         | 8,839         |
| thereof buildings  | 2,477         | 1,768         |
| thereof technical equipment and machinery                                | 4,127         | 4,521         |
| thereof other equipment, operating and office equipment                  | 2,126         | 2,550         |
| Interest expense   | 491           | 343           |
| Expenses for short-term leases   | 10,304        | 10,293        |
| Expenses for low-value leasing objects                                   | 320           | 114           |
| <b>Total</b>   | <b>19,845</b> | <b>19,589</b> |

The cash outflows for leases (including payments for short-term and low-value leases) amount to €20,311 thousand in total in the 2023 financial year (previous year: €20,144 thousand).

### III. Notes to the statement of comprehensive income

#### 1. Revenue

Revenue amounts to €954.6 million in the 2023 financial year (previous year: €896.5 million). Revenue of €689.6 million (previous year: €562.8 million) relate to contracts with customers recognised over time.

Revenue development is discussed in the management report. Segment reporting for revenue is structured primarily by business segment and secondly by geographic segment.

#### 2. Income from joint ventures and associates

|   | 2023<br>€k    | 2022<br>€k    |
|---|---------------|---------------|
| Income from joint ventures and associates recognized in financial assets            | 9,353         | 17,922        |
| Income from joint ventures and associates recognized in receivables and liabilities | 5,387         | -1,865        |
| <b>Total</b>  | <b>14,740</b> | <b>16,057</b> |

MBB Group's share in the cumulative profits of consortiums classified as joint ventures are reported under financial assets as Joint ventures and associates. The Group's revenue from deliveries and services to consortiums are recognised as revenue. The capital paid into a consortium, together with trade accounts receivable from the consortium after deduction of capital withdrawals and accumulated losses, is included in trade receivable or, if there is a net liability, in other liabilities.

#### 3. Other operating income

|   | 2023<br>€k    | 2022<br>€k    |
|---|---------------|---------------|
| Refunds and government grants                   | 4,510         | 769           |
| Own work capitalized                            | 4,252         | 4,760         |
| Securities                                      | 3,824         | 2,626         |
| Settlement of benefits in kind                  | 2,880         | 2,522         |
| Rentals and leases                              | 1,291         | 1,172         |
| Reversal of provisions                          | 1,198         | 3,480         |
| Release of prepaid expenses for CO2 emissions   | 1,192         | 692           |
| Exchange rate gains                             | 835           | 1,304         |
| Insurance and damage compensation               | 585           | 343           |
| Reversal of valuation allowances on receivables | 536           | 212           |
| Sale of non-current assets                      | 500           | 3,185         |
| Subsidies and investment grants                 | 175           | 160           |
| Relating to former periods                      | 149           | 137           |
| Other   | 2,995         | 1,716         |
| <b>Total</b>                                    | <b>24,922</b> | <b>23,077</b> |

The income from refunds and government grants and the income from subsidies and investment grants include grants related to income of €4,333 thousand (previous year: €859 thousand). These mainly comprise subsidies for energy-intensive industrial companies, of which €3,946 thousand is attributable to Hanke, as well as federal subsidies from the capping of electricity prices for companies in German industry (€112 thousand). The other government grants related to income primarily refer to public funds to promote electromobility, research and development and employment. There are no unfulfilled conditions or other contingencies associated with the grants.

In the reporting year, income from securities of €3,824 thousand also includes interest income on bonds, which was recognised under financial income in the previous year with a value of €721 thousand.

#### 4. Other operating expenses

|  | 2023           | 2022           |
|--|----------------|----------------|
|  | €k             | €k             |
| Maintenance expenses                                   | -16,960        | -15,650        |
| Rental agreements and leasing                          | -10,829        | -10,512        |
| Travel costs/vehicle costs                             | -7,754         | -6,398         |
| Insurance  | -3,471         | -2,748         |
| Expenses from security transactions                    | -3,068         | -362           |
| Legal and consulting                                   | -3,047         | -3,351         |
| Facility management, waste disposal and other services | -2,855         | -2,893         |
| Other personnel-related expenses                       | -2,250         | -1,764         |
| IT and license expenses                                | -2,049         | -1,869         |
| Costs for training and apprenticeship                  | -1,679         | -1,267         |
| Write-offs and bad debt allowances on receivables      | -1,625         | -1,153         |
| Contributions and fees                                 | -1,500         | -1,855         |
| Advertising costs                                      | -1,308         | -1,384         |
| Costs for telephone, post and data communication       | -1,283         | -1,361         |
| Foreign currency losses                                | -1,172         | -969           |
| Office supplies  | -702           | -629           |
| Incidental costs for monetary transactions             | -545           | -641           |
| Expenses from the disposal of non-current assets       | -421           | -1,121         |
| Previous period expenses                               | -59            | -85            |
| Loss from deconsolidation                              | 0              | -3,412         |
| Miscellaneous operating expenses                       | -7,232         | -5,493         |
| <b>Total</b>   | <b>-69,808</b> | <b>-64,917</b> |

#### 5. Depreciation and amortisation expense

|  | 2023           | 2022           |
|--|----------------|----------------|
|  | €k             | €k             |
| Depreciation and amortisation on intangible assets and property, plant and equipment | -44,154        | -42,519        |
| Release of revaluation reserves on joint ventures and associates                     | 0              | -768           |
| Expected credit losses on financial instruments                                      | -106           | -119           |
| Impairment losses on property, plant and equipment                                   | -12            | 0              |
| <b>Total</b>   | <b>-44,272</b> | <b>-43,407</b> |

#### 6. Finance income

|  | 2023         | 2022         |
|--|--------------|--------------|
|  | €k           | €k           |
| Interest and similar income                              | 6,095        | 686          |
| Income from valuation of financial liabilities           | 0            | 2,491        |
| Interest and similar income from securities transactions | 0            | 721          |
| <b>Total</b>   | <b>6,095</b> | <b>3,898</b> |

Interest and similar income of €6,095 thousand (previous year: €686 thousand) mainly comprises interest income on bank and time deposit balances. The valuation of contingent considerations from put options resulted in income of €2,491 thousand in the previous year, whereas an expense of €704 thousand is recognised under financing expenses in the current reporting year. Income from securities transactions in the previous year (€721 thousand) includes interest income on bonds. In the reporting year, interest income on bonds - in line with the presentation in the consolidated cash flow statement as cash flow from operating activities - is recognised under other operating income in the amount of €1,782 thousand.

## 7. Finance costs

|  | 2023          | 2022          |
|--|---------------|---------------|
|  | €k            | €k            |
| Bank interest                                    | -1,501        | -1,943        |
| Expenses from valuation of financial liabilities | -704          | 0             |
| Interest expense from pensions                   | -667          | -256          |
| Interest expense from participation rights       | -609          | -430          |
| Bank guarantee commissions                       | -573          | -356          |
| Interest expense from leases                     | -457          | -343          |
| Other interest and similar expenses              | -326          | -221          |
| <b>Total</b>                                     | <b>-4,836</b> | <b>-3,550</b> |

The expenses from the measurement of financial liabilities include the effect from the measurement of contingent considerations from the put option totalling €704 thousand.

## 8. Taxes

Details on deferred taxes can be found under note I.4.18 b). In recognising deferred taxes, the future local tax rate is applied. The income tax rate is 19% in Poland, 25% in China and 22% in Greece.

The reconciliation of income tax expense and the net profit multiplied by the Group's applicable tax rate for the 2023 and 2022 financial years is as follows:

|  | 2023          | 2022           |
|--|---------------|----------------|
|  | €k            | €k             |
| Corporate income tax (incl. capital gains tax) | -6,909        | -5,601         |
| Trade income tax                               | -4,425        | -7,472         |
| Deferred taxes                                 | 1,647         | -4,790         |
| <b>Total</b>                                   | <b>-9,687</b> | <b>-17,862</b> |

|  | 2023          | 2022          |
|--|---------------|---------------|
|  | €k            | €k            |
| Earnings before taxes (EBT)  | 34,827        | 42,906        |
| Other taxes  | -887          | -889          |
| <b>Consolidated net profit before income taxes and non-controlling interests</b> | <b>33,940</b> | <b>42,017</b> |
| Income taxes   | -9,687        | -17,862       |
| <b>Current income tax rate</b>   | <b>28.5%</b>  | <b>42.5%</b>  |

|  | 2023          | 2022          |
|--|---------------|---------------|
|  | €k            | €k            |
| Earnings before taxes (EBT)  | 34,827        | 42,906        |
| Other taxes  | -887          | -889          |
| <b>Consolidated net profit before income taxes and non-controlling interests</b> | <b>33,940</b> | <b>42,017</b> |
| Applicable (statutory) tax rate  | 30.0%         | 30.0%         |
| <b>Expected income tax expense</b>   | <b>10,182</b> | <b>12,605</b> |
| Effects due to the change in unrecognised loss carryforwards                     | 227           | 1,992         |
| Taxation of foreign establishments   | -788          | 0             |
| Effect from expenses not deductible for tax purposes                             | 678           | 1,165         |
| Effects from tax-exempt income   | -831          | -18           |

|   | 2023         | 2022          |
|---|--------------|---------------|
| Taxes relating to other periods                             | 227          | 1,898         |
| Effects due to deviations from the expected income tax rate | 105          | 5             |
| Other tax effects   | -113         | 215           |
| <b>Current income tax expense</b>                           | <b>9,687</b> | <b>17,862</b> |

## 9. Earnings per share

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

In accordance with IAS 33.32, diluted earnings per share are calculated by adjusting net profit for dilutive effects and then dividing it by the number of ordinary shares outstanding, including dilutive effects.

From the end of the 2023 financial year, the treasury stock method has been used to calculate the effects of the existing share option programme on diluted earnings per share. The treasury stock method is based on the actual potentially dilutive shares. The treasury stock method thus reflects the market value perspective and, in our opinion, improves the quality of information with regard to the presentation of any dilutive effects.

The application effects from the treasury stock method to the 2022 period of this report are shown below:

| Diluted earnings per share   | 2022<br>Applying the<br>Treasury-<br>Stock<br>Method | 2022<br>As previously<br>reported |
|--|--|-----------------------------------|
| Profit attributable to holders of ordinary shares of the parent after adjustments (in € thousand)                      | 11,764   | 13,226                            |
| Weighted average number of ordinary shares used to calculate earnings per share - after diluting effects (in thousand) | 5,890  | 6,044                             |
| <b>Earnings per ordinary share (in €) - diluted</b>  | <b>2.00</b>  | <b>2.19</b>                       |

Any dilutive effects in the 2023 financial year, as in the previous year, result from MBB SE's 2020 share option programme. Based on the structure of the 2020 share option programme, a total of 48,532 of the 230,000 share options issued are to be regarded as dilutive potential ordinary shares using the treasury stock method. These are added to the weighted average number of ordinary shares. For the previous-year period, 76,006 option rights are to be recognised as dilutive potential ordinary shares. There are now no effects on the earnings attributable to the holders of ordinary shares in the parent company.

|  | 2023        | 2022        |
|--|-------------|-------------|
| Profit attributable to holders of ordinary shares of the parent before adjustments (in € thousand)                     | 12,150      | 11,764      |
| Weighted average number of ordinary shares used to calculate earnings per share (in thousand)                          | 5,735       | 5,814       |
| <b>Earnings per ordinary share (in €) - basic</b>  | <b>2.12</b> | <b>2.02</b> |
| Profit attributable to holders of ordinary shares of the parent after adjustments (in € thousand)                      | 12,150      | 11,764      |
| Weighted average number of ordinary shares used to calculate earnings per share - after diluting effects (in thousand) | 5,784       | 5,890       |
| <b>Earnings per ordinary share (in €) - diluted</b>  | <b>2.10</b> | <b>2.00</b> |

## 10. Other comprehensive income

The IFRS total comprehensive income of €45,726 thousand (previous year: €-6,676 thousand) of MBB Group comprises earnings after taxes of €24,253 thousand (previous year: €24,154 thousand) and Other comprehensive income of €21,472 (previous year: €-30,830 thousand). Other comprehensive income includes gains from the measurement of stock portfolio at fair value of €15,862 thousand (previous year: losses of €-34,652 thousand) and from the measurement of bonds and gold of €2,764 thousand (previous year: €-2,299 thousand). Thereof, gains of €15,385 thousand (previous year: losses of €-29,413 thousand) from measurement of stock portfolio and gains of €2,566 thousand (previous year: losses of €-2,302 thousand) from measurement of bonds and gold are attributable to MBB SE.

## IV. Segment reporting

### 1. Information by segment

Segment reporting was prepared using 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 composition of the business segments is unchanged compared to the previous year and is as follows as of the balance sheet date:

#### Technological Applications

This segment bundles subsidiaries with technical products and industrial customers. The segment consists of the companies of Aumann and Delignit and for prior year OBO earnings until 24 November 2022.

#### Consumer Goods

The Consumer Goods segment includes the subsidiaries whose products are predominantly used by private consumers. Accordingly, this segment contains the subsidiaries Hanke and CT Formpolster.

#### Service & Infrastructure

The Service & Infrastructure segment comprises the companies of DTS, which specialize in IT security and cloud services, and the companies of Friedrich Vorwerk, a leading provider in the field of pipeline and plant engineering for gas, power grid and hydrogen applications.

#### Segment results

The accounting policies applied in segment reporting are as described under I. 4. Segment earnings are based on the adjusted EBITDA 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.

| Segment figures                                 | 2023           | 2022           | Δ 2023 / 2022  |               |
|---|----------------|----------------|----------------|---------------|
|   | €k             | €k             | €k             | in %          |
| <b>Service &amp; Infrastructure</b>             |                |                |                |               |
| Revenue   | 481,305        | 477,192        | 4,113          | 0.9%          |
| EBITDA (adjusted)                               | 46,980         | 66,699         | -19,719        | -29.6%        |
| Segment assets                                  | 272,800        | 273,837        | -1,037         | -0.4%         |
| Segment liabilities                             | 113,465        | 100,246        | 13,220         | 13.2%         |
| <b>Technological Applications</b>               |                |                |                |               |
| Revenue   | 375,656        | 313,057        | 62,599         | 20.0%         |
| EBITDA (adjusted)                               | 28,350         | 16,231         | 12,118         | 74.7%         |
| Segment assets                                  | 241,389        | 226,923        | 14,465         | 6.4%          |
| Segment liabilities                             | 151,223        | 117,253        | 33,970         | 29.0%         |
| <b>Consumer Goods</b>                           |                |                |                |               |
| Revenue   | 98,354         | 106,779        | -8,425         | -7.9%         |
| EBITDA (adjusted)                               | 5,926          | 10,102         | -4,175         | -41.3%        |
| Segment assets                                  | 58,977         | 60,447         | -1,469         | -2.4%         |
| Segment liabilities                             | 21,710         | 20,564         | 1,145          | 5.6%          |
| <b>Reconciliation</b>                           |                |                |                |               |
| Revenue intersegment Service & Infrastructure   | -527           | -484           |                |               |
| Revenue intersegment Technological Applications | -40            | 0              |                |               |
| Revenue intersegment Consumer Goods             | -128           | -92            |                |               |
| <b>Revenue</b>                                  | <b>-168</b>    | <b>-575</b>    |                |               |
| <b>EBITDA (adjusted)</b>                        | <b>-1,040</b>  | <b>134</b>     |                |               |
| <b>Group</b>                                    |                |                |                |               |
| Third party revenue Service & Infrastructure    | 480,778        | 476,708        | 4,070          | 0.9%          |
| Third party revenue Technological Applications  | 375,616        | 313,057        | 62,559         | 20.0%         |
| Third party revenue Consumer Goods              | 98,225         | 106,688        | -8,462         | -7.9%         |
| <b>Revenue</b>                                  | <b>954,620</b> | <b>896,453</b> | <b>58,167</b>  | <b>6.5%</b>   |
| <b>EBITDA (adjusted)</b>                        | <b>80,216</b>  | <b>93,166</b>  | <b>-12,950</b> | <b>-13.9%</b> |



Segment assets do not include any deferred tax assets, current cash funds or financial assets. Segment liabilities do not include any deferred tax liabilities, current tax liabilities, lease liabilities, or liabilities to banks.

| Reconciliation of EBITDA to consolidated net profit | 2023          | 2022          |
|---|---------------|---------------|
|   | €k            | €k            |
| <b>Total EBITDA (adjusted) of the segments</b>      | <b>81,256</b> | <b>93,032</b> |
| Adjustments of EBITDA                               | -2,025        | -5,188        |
| Reconciliation to Group EBITDA                      | -1,040        | 134           |
| <b>Group EBITDA</b>                                 | <b>78,190</b> | <b>87,978</b> |
| Depreciation and amortization expense               | -44,272       | -43,407       |
| Net finance costs                                   | 908           | -1,665        |
| <b>Earnings before taxes (EBT)</b>                  | <b>34,827</b> | <b>42,906</b> |
| Income tax expense                                  | -9,687        | -17,862       |
| Other taxes   | -887          | -889          |
| <b>Earnings after taxes</b>                         | <b>24,253</b> | <b>24,154</b> |
| Non-controlling interests                           | -12,104       | -12,391       |
| <b>Consolidated net profit</b>                      | <b>12,150</b> | <b>11,764</b> |

| Reconciliation of segment assets to assets of the group     | 2023             | 2022             |
|---|------------------|------------------|
|   | €k               | €k               |
| Service & Infrastructure segment                            | 272,800          | 273,837          |
| Technological Applications segment                          | 241,389          | 226,923          |
| Consumer Goods segment                                      | 58,977           | 60,447           |
| <b>Total segment assets</b>                                 | <b>573,166</b>   | <b>561,207</b>   |
| Deferred tax assets   | 18,639           | 14,314           |
| Cash in hand, bank balances and short-term financial assets | 440,787          | 447,260          |
| Financial assets  | 100,012          | 84,283           |
| Other assets  | 16,416           | 14,464           |
| <b>Total assets</b>   | <b>1,149,020</b> | <b>1,121,527</b> |

| Reconciliation of segment liabilities to equity and liabilities of the group | 2023             | 2022             |
|--|------------------|------------------|
|  | €k               | €k               |
| Service & Infrastructure segment   | 113,465          | 100,246          |
| Technological Applications segment   | 151,223          | 117,253          |
| Consumer Goods segment   | 21,710           | 20,564           |
| <b>Total segment liabilities</b>   | <b>286,397</b>   | <b>238,063</b>   |
| Equity   | 763,908          | 769,527          |
| Deferred tax liabilities   | 29,433           | 26,835           |
| Current tax liabilities  | 8,997            | 13,816           |
| Liabilities to banks   | 35,517           | 49,155           |
| Lease liabilities  | 18,625           | 18,620           |
| Other equity and liabilities   | 6,144            | 5,512            |
| <b>Total equity and liabilities</b>  | <b>1,149,020</b> | <b>1,121,527</b> |

In the 2023 financial year, the "Adjustments of EBITDA" mainly comprise personnel expenses of €2,025 thousand (previous year: €2,213 thousand) from stock option programs at MBB SE and Aumann AG.

The "Reconciliation to Group EBITDA" includes consolidation effects between the segments and the holding company's income and expenses that are not based on transactions with subsidiaries. In particular, this includes income and expenses from securities and remuneration of holding company personnel.

## 2. Information by region

### 2.1 Revenue from external customers

|                             | 2023           | 2022           |
|-----------------------------|----------------|----------------|
|                             | €k             | €k             |
| Germany                     | 705,850        | 659,034        |
| Europe                      | 205,289        | 189,325        |
| USMCA (Canada, Mexico, USA) | 24,799         | 25,335         |
| China                       | 10,429         | 15,293         |
| Miscellaneous               | 8,253          | 7,465          |
| <b>Total</b>                | <b>954,620</b> | <b>896,453</b> |

### 2.2 Non-current assets

MBB Group's non-current assets are predominantly located in Europe and include for subsidiaries in China and the US intangible assets and PPE of €173 thousand (previous year: €237 thousand).

## 3. Information on main customers

No single customer contributed more than 10% of consolidated revenue in 2023 and 2022.

## V. Notes to the consolidated statement of cash flows

The statement of cash flows is prepared in accordance with IAS 7 and presented separately showing the changes in cash and cash equivalents of MBB Group. It breaks down the changes in cash and cash equivalents into cash flows from operating, investing and financing activities. The reported cash funds are not subject to any third-party restrictions. The Group made no payments for extraordinary transactions. Payments for income taxes and interest are reported separately. Operating cash flow is presented using the indirect method. The following table shows the changes in liabilities from financing activities.

|  | Liabilities to banks | Lease liabilities | Other loans   | Total          |
|--|----------------------|-------------------|---------------|----------------|
|  | €k                   | €k                | €k            | €k             |
| <b>Balance sheet as of 1 Jan 2022</b>  | <b>66,000</b>        | <b>21,940</b>     | <b>2,812</b>  |                |
| Proceeds                               | 12,314               | 982               | 0             | 13,296         |
| Repayments                             | -24,046              | -9,394            | -2,812        | -36,251        |
| <b>Cash-effective changes</b>          | <b>-11,732</b>       | <b>-8,411</b>     | <b>-2,812</b> | <b>-22,955</b> |
| Changes in exchange rates              | -191                 | -39               | 0             | -229           |
| Changes in the scope of consolidation  | -4,937               | -3                | 0             | -4,939         |
| New leases                             | 0                    | 5,915             | 0             | 5,915          |
| Derecognitions                         | 0                    | -782              | 0             | -782           |
| Accrued interest                       | 14                   | 0                 | 0             | 14             |
| <b>Non-cash changes</b>                | <b>-5,113</b>        | <b>5,091</b>      | <b>0</b>      | <b>-22</b>     |
| <b>Balance sheet as of 31 Dec 2022</b> | <b>49,155</b>        | <b>18,620</b>     | <b>0</b>      |                |
| <b>Balance sheet as of 1 Jan 2023</b>  | <b>49,155</b>        | <b>18,620</b>     | <b>0</b>      |                |
| Proceeds                               | 19,265               | 0                 | 1,400         | 20,665         |
| Repayments                             | -33,322              | -9,196            | -1,200        | -43,718        |
| <b>Cash-effective changes</b>          | <b>-14,057</b>       | <b>-9,196</b>     | <b>200</b>    | <b>-23,053</b> |
| Changes in exchange rates              | 416                  | 108               | 0             | 524            |
| Changes in the scope of consolidation  | 0                    | 0                 | 0             | 0              |
| New leases                             | 0                    | 9,113             | 0             | 9,113          |
| Derecognitions                         | 0                    | -19               | 0             | -19            |
| Accrued interest                       | 3                    | 0                 | 0             | 3              |
| <b>Non-cash changes</b>                | <b>419</b>           | <b>9,201</b>      | <b>0</b>      | <b>9,620</b>   |
| <b>Balance sheet as of 31 Dec 2023</b> | <b>35,517</b>        | <b>18,625</b>     | <b>200</b>    |                |

## VI. Additional disclosures on financial instruments

The following overview shows the carrying amounts and fair values of financial instruments by class and IFRS 9 measurement category. In addition, the financial instruments measured at fair value are categorised in the IFRS 13 fair value hierarchy. The individual levels of this hierarchy are defined as follows:

Level 1: Fair value measurement is based on quoted prices in active markets (e.g. stock exchange prices).

Level 2: Market observable parameters are included in the market value calculation to a significant extent.

Level 3: The determination of market value is based on valuation methods that predominantly include non-market observable input factors.

Assets, trade payables, liabilities to non-controlling interests and other financial liabilities recognised at cost under IFRS 9 mainly have short remaining terms. Their carrying amounts approximate their fair values as at the reporting date. In accordance with IFRS 7.29a, their fair value is not disclosed ("n/a"):

| 31 Dec 2023<br>€k  | Classifi-<br>cation<br>accord-<br>ing to<br>IFRS 9 <sup>1</sup> | Carry-<br>ing<br>amount | Fair value |            |            | Total   |
|--|---|-------------------------|------------|------------|------------|---------|
|  |   |                         | Level<br>1 | Level<br>2 | Level<br>3 |         |
| <b>Assets</b>  |   |                         |            |            |            |         |
| Long-term securities<br>(31 Dec 2022)                                  | FVTOCI  | 89,020                  | 89,020     |            |            | 89,020  |
|  |   | 66,039                  | 66,039     |            |            | 66,039  |
| Trade receivables<br>(31 Dec 2022)                                     | AC  | 81,962                  |            |            |            | n/a     |
|  |   | 65,469                  |            |            |            |         |
| Other financial assets <sup>2</sup><br>(31 Dec 2022)                   | AC  | 7,788                   |            |            |            | n/a     |
|  |   | 7,645                   |            |            |            |         |
| Securities (debt instruments)<br>(31 Dec 2022)                         | FVTOCI  | 121,906                 | 121,906    |            |            | 121,906 |
|  |   | 79,839                  | 79,839     |            |            | 79,839  |
| Derivatives without hedge relationship<br>(31 Dec 2022)                | FVTPL   | 172                     |            | 172        |            | 172     |
|  |   | 321                     |            | 321        |            | 321     |
| Cash on hand, bank balances<br>(31 Dec 2022)                           | AC  | 313,901                 |            |            |            | n/a     |
|  |   | 362,706                 |            |            |            |         |
| <b>Liabilities</b>   |   |                         |            |            |            |         |
| Liabilities to banks<br>(31 Dec 2022)                                  | FLaC  | 35,517                  |            | 34,651     |            | 34,651  |
|  |   | 49,155                  |            | 47,265     |            | 47,265  |
| Liabilities from participation rights<br>(31 Dec 2022)                 | FLaC  | 10,213                  |            | 13,845     |            | 13,845  |
|  |   | 10,213                  |            | 13,607     |            | 13,607  |
| Trade payables<br>(31 Dec 2022)  | FLaC  | 66,316                  |            |            |            | n/a     |
|  |   | 66,571                  |            |            |            |         |
| Liabilities to non-controlling interests<br>(31 Dec 2022)              | FLaC  | 3,754                   |            |            |            | n/a     |
|  |   | 4,765                   |            |            |            |         |
| Contingent considerations from put options<br>(31 Dec 2022)            | FVTPL   | 1,631                   |            |            | 1,631      | 1,631   |
|  |   | 901                     |            |            | 901        | 901     |
| Other financial liabilities and accruals <sup>2</sup><br>(31 Dec 2022) | FLaC  | 53,192                  |            |            |            | n/a     |
|  |   | 62,186                  |            |            |            |         |
| <b>Aggregated according to category</b>                                |   |                         |            |            |            |         |
| Financial assets   | AC  | 403,651                 |            |            |            | n/a     |
| Financial assets   | FVTOCI  | 210,925                 |            |            |            | 210,925 |
| Financial assets   | FVTPL   | 172                     |            |            |            | 172     |
| Financial liabilities  | FLaC  | 168,992                 |            |            |            | n/a     |
| Financial liabilities  | FVTPL   | 1,631                   |            |            |            | 1,631   |

<sup>1</sup> FVTPL: fair value through profit or loss; FVTOCI: fair value through other comprehensive income; AC: amortized cost; FLaC: financial liabilities at amortized cost

<sup>2</sup> Other financial assets and other financial liabilities include all other current assets and other liabilities that do not arise from taxes and prepaid expenses and deferred income.

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

Cash funds 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. At the balance sheet date, there were only equity instruments measured at fair value through other comprehensive income. This reporting is based on the business model and the underlying investment strategy.

The fair value of the financial liabilities, liabilities from profit participation rights and contingent considerations from put options are recognised at the present value of the expected future cash flows. Discounting is based on market interest rates for the respective maturities and credit ratings.

Contingent considerations from put option result from the acquisition of Internet Sicherheitslösungen GmbH, Bochum, and were recognised for the first time in the financial year 2019. Interest expenses from compounding of contingent consideration of €27 thousand (previous year: €26 thousand) and expenses from remeasurement of the contingent consideration of €704 thousand (previous year: income of €2,491 thousand) were recognised in the financial year due to increase in fair value.

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

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

| Financial instrument                       | Valuation technique   | Material, unobservable input factors   |
|--|---|--|
| Securities                                 | The fair value is based on the market price of equity and debt instruments as of December 31, 2023. | not applicable   |
| Contingent considerations from put options | Discounted cash flows based on contractually fixed mechanisms                                       | ISL's performance<br><br>The fair value of contingent consideration liabilities would decrease if ISL's performance were lower'. |

## VII. Objectives and methods of financial risk management

### 1. Financial assets and liabilities

The Group's financial liabilities mainly include current and non-current liabilities to banks, liabilities from profit participation rights, current trade payables and other current and non-current liabilities. The Group's financial assets are essentially 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 €677,089 thousand in the year under review (previous year: €678,667 thousand). Business relationships are only entered into with creditworthy partners. Trade receivables relate to a number of customers in various industries and regions. Ongoing credit assessments are performed for the financial receivables portfolio. Payment terms of 30 days without deduction are usually granted. Impairment was not recognized 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.13 "Liabilities" and II.14 "Other liabilities" for details of the maturities of financial liabilities.

The measurement of the financial assets and liabilities of the MBB Group is described under I.4.10 Financial instruments – Initial recognition and subsequent measurement.

### 2. Capital risk management

The Group manages its capital (equity plus liabilities less cash and cash equivalents) with the aim of achieving its financial goals while simultaneously optimizing 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, available lines of credit and available credit facilities are reviewed.

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

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

|                                | 31 Dec 2023 | 31 Dec 2022 |
|--------------------------------|-------------|-------------|
| Equity in €k                   | 763,908     | 769,527     |
| - <i>in % of total capital</i> | 66.5%       | 68.6%       |
| Liabilities in €k              | 385,112     | 352,000     |
| - <i>in % of total capital</i> | 33.5%       | 31.4%       |
| Current liabilities in €k      | 282,450     | 246,546     |
| - <i>in % of total capital</i> | 24.6%       | 22.0%       |
| Non-current liabilities in €k  | 102,662     | 105,454     |
| - <i>in % of total capital</i> | 8.9%        | 9.4%        |
| Net gearing*                   | -0.6        | -0.6        |

\* Calculated as the ratio of liabilities to banks and lease liabilities less cash and cash equivalents, securities and physical gold in relation to equity.

### 3. Financial risk management

Financial risk is monitored centrally by management. 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 creditworthy partners.

Assessments from independent rating agencies, other financial information and trading records are used to assess creditworthiness, especially for major customers. In addition, receivables are monitored on an ongoing basis to ensure that the MBB 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.

Impairment on trade receivables and contract assets is determined using a simplified approach.

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). The Group's invoices are essentially issued in euro or the respective local currency, thereby largely avoiding exchange rate risks. For order-related hedging purposes, Aumann entered into forward exchange contracts with nominal value of USD 190 thousand. The fair value of these forward exchange contracts as of the balance sheet date amounts to €-3 thousand.

The Group is exposed to interest rate risks as a result of borrowing at floating interest rates. The MBB Group manages these risks by maintaining an appropriate ratio between fixed and floating interest rate agreements. Hedging by derivatives (e.g. interest rate swaps or forward interest rate transactions) is carried out in exceptional cases. The Group had unhedged liabilities with floating interest rates in the amount of €7,362 thousand as of the end of the reporting period (previous year: €11,014 thousand). Hedging transactions existed in the form of three interest rate swaps with a nominal volume of €3,531 thousand and two interest rate floors with a nominal volume of €3,000 thousand. If, all else being equal and assuming corresponding average indebtedness, interest rates had been two percentage points higher (lower), pre-tax earnings would have been €184 thousand lower (higher).

### 5. Price risk

The listed equity and debt instruments held by the Group are subject to the market price risk resulting from the uncertain future value development of these securities. The Group manages price risk through diversification and by limiting its investments in individual instruments. Group management is provided with regular reports on the portfolio. Company management examines and approves all decisions concerning investments in these instruments.

### 6. Liquidity risk

Liquidity risk describes the risk that the Group will be unable to meet its payment obligations on maturity. The high level of cash and cash equivalents means there is no liquidity risk from financial liabilities. Responsibility for liquidity risk management ultimately lies with Executive Management and the managing boards and managing directors of the subsidiaries, each of which has established an adequate concept

for managing short-term and long-term financing and liquidity requirements. The Group and its subsidiaries manage liquidity risks by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and coordinating the maturity profiles of financial assets and liabilities.

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 of 31 December 2023 affect the future liquidity situation of the Group.

| 31 Dec 2023                                | Carrying amount | Undiscounted cashflows |                                    |               |
|--|-----------------|------------------------|------------------------------------|---------------|
|  |                 | Up to 1 year           | More than 1 year and up to 5 years | Over 5 years  |
| Type of liability                          | €k              | €k                     | €k                                 | €k            |
| Liabilities to banks                       | 35,517          | 13,125                 | 19,970                             | 3,842         |
| Lease liabilities                          | 18,625          | 8,347                  | 9,989                              | 1,598         |
| Liabilities from participation rights      | 10,213          | 637                    | 2,481                              | 17,736        |
| Trade payables                             | 66,316          | 66,316                 | 0                                  | 0             |
| Liabilities to non-controlling interests   | 3,754           | 1,787                  | 0                                  | 1,967         |
| Contingent considerations from put options | 1,631           | 0                      | 1,702                              | 0             |
| Accruals                                   | 37,278          | 37,278                 | 0                                  | 0             |
| Other financial liabilities                | 15,913          | 15,815                 | 98                                 | 0             |
| <b>Total</b>                               | <b>189,248</b>  | <b>143,306</b>         | <b>34,240</b>                      | <b>25,143</b> |

If the contract partner can demand a payment at different points in time, the liability relates to the earliest possible maturity date. Interest payments of floating-rate financial instruments are calculated on the basis of forward interest rates. If interest is performance-based, the interest for the year under review is assumed unless better information is available. The cash flows of financial and lease liabilities consist of their undiscounted interest and principal payments.

## VIII. Other mandatory information

### 1. Executive bodies

In line with the one-tier structure, MBB SE is represented by a Board and the Executive Management. In a one-tier system, management is not institutionally separate from monitoring, and instead both functions can be performed by the Board.

#### Board

- Dr Christof Nesemeier, business graduate, Chairman of the Board and Executive Chairman (Board member since 9 March 2015)
- Gert-Maria Freimuth, business graduate, Deputy Chairman, Chairman of Nomination Committee (Board member since 9 March 2015)
- Dr Peter Niggemann, lawyer, Board member (Board member since 9 March 2015)
- Anton Breitkopf, business management graduate, Chairman of the Audit Committee (Board member since 18 July 2018)

Dr Christof Nesemeier is the Chairman of the Supervisory Board of Friedrich Vorwerk Group SE and Friedrich Vorwerk Management SE.

Gert-Maria Freimuth is the Chairman of the Supervisory Board of Aumann AG, Delignit AG and DTS IT AG.

Anton Breitkopf is the Deputy Chairman of the Supervisory Board of DTS IT AG and Delignit AG.

All previous members of the Board were reappointed by the Annual General Meeting on 24 August 2020 until the end of the Annual General Meeting that resolves on the approval of the actions of the respective board member for the financial year 2025, but no longer than until 23 August 2026.

#### Executive Management

- Dr Constantin Mang, economist, Chief Executive Officer (CEO)

- Dr Jakob Ammer, business economist, Chief Operating Officer (COO)
- Torben Teichler, business economist, Chief Investment Officer (CIO)
- Dr Christof Nesemeier, business graduate, Executive Chairman

Dr Constantin Mang as CEO (Chief Executive Officer) is responsible for Strategy, Mergers & Acquisitions, Finance, Investor Relations and IT. Dr Jakob Ammer as COO (Chief Operating Officer) is responsible for the development of the investment portfolio and process optimization. As CIO (Chief Investment Officer), Torben Teichler is responsible for Investment, Treasury, Compliance and Legal.

Dr Constantin Mang is also a member of the Supervisory Board of DTS IT AG.

## 2. Remuneration components

### Reference to the remuneration system and long-term corporate development

The remuneration of the Executive Directors and the Board of MBB SE is based on the remuneration system of MBB SE and is thus determined in accordance with the provisions of the German Stock Corporation Act, taking into account the German Corporate Governance Code (GCGC). The structure and appropriateness of the remuneration of the Executive Directors of MBB SE are regularly reviewed by the Board. In this context, the level of remuneration of Executive Directors, managing directors and employees within the MBB Group is also taken into account. Board members are not entitled to vote on decisions concerning the amount of their own remuneration.

The Board focuses on promoting the business strategy and long-term corporate development. In particular, the aim is to increase the value of the company and thus the value for shareholders in the long term. By linking the variable remuneration components to the development of the equity under commercial law, the development of the share price of MBB SE and stock prices of equity securities held, a congruence is established between the interests and expectations of the shareholders and the remuneration of the Executive Directors. The Board has given a correspondingly high weighting to the proportion of multi-year remuneration components, which helps to ensure that the actions of the Executive Directors in the current financial year are also aligned with the long-term development of the company.

### Remuneration components of the Executive Directors

The remuneration components of the remuneration system for Executive Directors of MBB SE comprise:

#### Fixed remuneration components

- Basic salary
- Fringe benefits

#### Variable remuneration components

- Annual variable remuneration
- Share-based long-term incentive program with a term of several years (LTIP)

According to the underlying compensation system, MBB SE does not provide for the possibility of reclaiming annual variable compensation components. During the vesting period of the share-based long-term incentive program, any claims that MBB SE may have against employees due to gross breach of duty may be offset against the claims arising from the stock option program.

#### *Basic salary and fringe benefits*

The basic salary comprises annually fixed remuneration paid in twelve equal installments monthly in arrears and includes amounts subject to social security contributions, unless the Executive Director is exempt from social security contributions. Non-cash compensation includes the use of a company car.

The Executive Directors are also included in the Group accident insurance and the Groupwide directors and officers liability insurance (D&O insurance).

#### *Annual variable remuneration*

The annual variable remuneration of the Executive Directors depends on the increase in equity of MBB SE. The basis of assessment is a percentage of the amount by which the equity of MBB SE at the end of each financial year exceeds the equity at the beginning of the financial year. The equity comprises in each case the items of Section 266 para. 3 A. of the German Commercial Code (HGB). The basis of the calculation are the audited financial statements, whereby the equity is calculated with certain modifications. For example, assets that have a stock market price are recognized at the stock market price and sales of assets in which MBB SE holds more than 5% are only taken into account in defined individual cases.



If the assessment base is negative in one or more financial years, the resulting negative amount is carried forward to the following financial years and offset against the future additional amounts until the negative amounts carried forward are balanced.

The distribution rate is contractually determined for each individual member of the Executive Management based on the compensation system, duties, responsibilities, performance and length of employment. The entitlement to and amount of variable remuneration is determined by the Board at its reasonable discretion, at the first Board meeting following the end of the financial year.

The Board may set additional incentives for proceeds from sales of non-listed investments or re-placements in the context of IPOs at companies in which MBB SE holds more than 5%. Due to a negative bonus assessment basis for the financial year 2023, no variable bonus was paid to the Executive Management for the financial year 2023.

*Share-based long-term incentive program with multi-year term (LTIP)*

The business model of MBB SE is essentially based on the commitment of qualified, dedicated managers, who are to receive a long-term incentive with these models on the one hand to increase the value of MBB permanently and sustainably and on the other hand to remain connected to the company in the long term. In 2020, MBB SE launched an equity-based stock option program 2020, which ends on 26 August 2024.

By resolution dated 24 August 2020, the Annual General Meeting authorized the Board to grant up to 240,000 no-par value bearing shares of the company to beneficiaries with subscription rights in accordance with section 192 (2) no. 3 of the AktG until 30 June 2025.

The option program is based on the performance of the MBB SE share price within the term of the stock option program. The amount at which stock option rights issued can be exercised is determined using a price-criteria model.

The stock option program 2020 is composed of a criterion A (exceeding of price thresholds) and a criterion B (average price achieved). Each criterion determines a percentage exercisability related to the issued stock option rights.

Criterion A is based on the achievement of a price threshold. The respective threshold is deemed to be met if this value is reached or exceeded within the term of the stock option program on 90 XETRA trading days (not necessarily consecutively and as a moving average based on the respective daily closing price) and a total of at least 90,000 shares were traded on XETRA during this period. The following price thresholds apply:

| Price threshold | Cumulative percentage vesting of issued stock option rights |
|-----------------|---|
| €77.00          | 1.8%  |
| €88.00          | 4.8%  |
| €99.00          | 9.0%  |
| €111.00         | 14.4%   |
| €122.00         | 21.0%   |
| €133.00         | 28.8%   |
| €144.00         | 37.8%   |
| €155.00         | 48.0%   |
| €166.00         | 60.0%   |

At the end of the stock option program, criterion B evaluates the average price achieved with its increase measured against the target. The target is an average price at the end of the vesting period of €110.00, which results in a price increase of €50.00 on the exercise price of €60.00 as a further target value.

The arithmetical results of both criteria are added together, whereby the maximum exercisability of the issued stock options is limited to 100%.

The tax burden arising for each employee from the monetary advantage of the exercised stock option rights shall be borne by MBB SE.

The absolute maximum amount per beneficiary for exercisable stock option rights is €199.00 less the exercise price per share, then multiplied by the total number of stock option rights allocated to the beneficiary in each case. To the extent that the prerequisites for exercising the option rights are met, they may in particular only be exercised if the beneficiary has been employed by MBB SE for twelve months without interruption or termination and the waiting period of four years plus one working day commencing on the day of issue has been completed. Furthermore, exercise is only possible if the Board has determined the exercisability, the total amount of the exercisable stock option rights and the exercise price by resolution.

If a beneficiary leaves the company before the end of the term of the program, the allocation to the capital reserve and provision ends on his or her leaving date from the company. Termination of employment during the term has a reducing effect on the amount of exercisable stock option rights.

The subscription rights were valued using a Monte Carlo simulation taking into account the absolute performance targets. The following parameters were included in the valuation of the subscription rights:

| Parameter               |                |
|-------------------------|----------------|
| Valuation date          | 24 August 2020 |
| Exercise price          | €60.00         |
| Share price             | €72.40         |
| Risk-free interest rate | -0.73%         |
| Dividend yield          | 1.32%          |
| Expected volatility     | 41.84%         |
| Term                    | 4.1 years      |
| <b>Fair value</b>       | <b>€ 16.57</b> |

The estimates for the expected volatility were derived from the historical share price development of MBB SE. The remaining term of the option rights was used as the time slot.

230,000 subscription rights were granted from the stock option program as at the reporting date.

#### Remuneration components of the Board

The remuneration of the Board is based on the remuneration system of MBB SE and refers to the recommendations and suggestions of the German Corporate Governance Code.

The remuneration components of the remuneration system comprise for the Board members of MBB SE:

Fixed remuneration components

- Attendance fees
- Supervisory Board remuneration in MBB Group
- Consulting services

##### *Attendance fees*

Under the remuneration system currently in place, each member of the Board receives fixed compensation per meeting, which amounts to €5,000.00 plus any value-added tax. The Chairman of the Board receives three times this amount and the Deputy Chairman one and a half times this amount, in each case plus any value-added tax.

##### *Remuneration of the Supervisory Board in MBB Group*

Some of the members of the Board of MBB SE receive additional remuneration from their activities as supervisory board members of MBB subsidiaries, which are listed under the chapter "Executive bodies".

Supervisory Board remuneration paid to Executive Management members for intragroup mandates is offset against the remuneration from the capacity as Executive Director in accordance with the requirements of the German Corporate Governance Code. This applies to all new employment contracts of Executive Directors concluded from 1 July 2021.

##### *Consulting services*

There are consulting agreements with Gert-Maria Freimuth and Anton Breitkopf for specific individual projects that go beyond the scope that is owed anyway due to their position as Board members. Mr Gert-Maria Freimuth receives a daily rate of €2.0 thousand with an annual budget of €140.0 thousand, Mr Anton Breitkopf receives a daily rate of €1.5 thousand with an annual budget of €150 thousand.

##### *Fringe benefits*

The Board is included in the Group-wide directors' and officers' liability insurance (D&O insurance).

### 3. Remuneration of the executive bodies

#### Equity-based stock option program 2020

The equity-based options from the 2020 stock option program were measured once at the time of issue and the pro rata fair value attributable to the financial year 2023 was recognised in personnel costs and

in the capital reserve in the amount of €702.8 thousand (previous year: €744.1 thousand). To offset the tax expense, the corresponding provision was increased by €674.7 thousand in financial year 2023 (previous year: €718.6 thousand).

The number of options issued and the provision for the taxation of non-cash benefits developed as follows in the current financial year:

| Options from stock option program 2020 | Stock options granted |                | Provision for tax reimbursement |                |                  |
|--|-----------------------|----------------|---------------------------------|----------------|------------------|
|  | 1 Jan 2023            | 31 Dec 2023    | 1 Jan 2023                      | Additions      | 31 Dec 2023      |
|  | Units                 | Units          | €                               | €              | €                |
| Dr Christof Nesemeier                  | 100,000               | 100,000        | 879,367                         | 373,654        | 1,253,021        |
| Dr Constantin Mang                     | 50,000                | 50,000         | 517,061                         | 219,706        | 736,767          |
| Klaus Seidel                           | 50,000                | 50,000         | 158,675                         | 0              | 158,675          |
| Dr Jakob Ammer                         | 10,000                | 10,000         | 103,412                         | 43,941         | 147,353          |
| Torben Teichler                        | 10,000                | 10,000         | 87,937                          | 37,365         | 125,302          |
| Team                                   | 10,000                | 10,000         | 101,088                         | 0              | 101,088          |
|  | <b>230,000</b>        | <b>230,000</b> | <b>1,847,540</b>                | <b>674,666</b> | <b>2,522,206</b> |

The addition to capital reserve and provision for the stock option rights granted to Klaus Seidel ended upon his resignation on 30 June 2021. An early resignation will have a reducing effect on the number of exercisable option rights at the exercise date. The same applies to the resignation of team members.

#### Remuneration of Executive bodies

The following table shows the total remuneration of the Executive Directors and the Board for the past financial year and for the previous year in accordance with Section 285 No. 9 of the German Commercial Code (HGB). For further details reference is made to the remuneration report, published separately in accordance with Section 162 of the Stock Corporation Act (AktG).

| Remuneration         | 2023  | 2022  |
|----------------------|-------|-------|
|                      | T€    | T€    |
| Executive Management | 1,051 | 3,537 |
| Board                | 339   | 402   |

#### 4. Related party transactions

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

##### 4.1 Related persons

MBB SE also reports on transactions with related parties and their relatives in accordance with IAS 24. Executive Management, the Board and their relatives were identified as related parties as defined by IAS 24. There were no business transactions with relatives in either the financial year or the previous year.

The remuneration of management in key positions to be disclosed in accordance with IAS 24 comprises the remuneration of active members of Executive Management and the Board.

Their remuneration was as follows:

|  | 2023         | 2022         |
|--|--------------|--------------|
|  | €k           | €k           |
| Salaries and other short-term benefits | 1,390        | 3,939        |
| Share-based payments                   | 0            | 0            |
| <b>Total</b>                           | <b>1,390</b> | <b>3,939</b> |

*Executive Management and Board*

Please refer to the information on the remuneration paid as presented in the remuneration report of MBB SE. Other than the remuneration mentioned above, the members of the executive bodies have not entered into any other transactions with the MBB Group.

*Notification of transactions involving shares of MBB SE*

Persons with management duties, especially the members of Executive Management and the Board of MBB SE, and their related parties are required to disclose their transactions involving shares of MBB SE or related financial instruments. Notifications of relevant transactions are published on our website at <https://www.mbb.com/investor-relations/corporate-governance.html>.

*4.2 Related companies*

Subsidiaries are considered to be related companies irrespective of whether they are included in the consolidated financial statements or not. 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. Related companies are also considered to be those companies described as associated with the above related persons. Group companies performed the following transactions with related parties that do not belong to the Group over the course of the year:

MBB SE pays Mr Gert-Maria Freimuth for his consulting activities through MBB Capital GmbH, Münster. Consulting services provided by Mr Anton Breitkopf are billed to Tolea GmbH, Cologne.

Please refer to notes II.5 (Consortium disclosures), II.7 (Trade receivables) and II.14 (Other liabilities) for further information on relations to consortiums.

**5. Employees**

The number of employees in the 2023 financial year and in the previous year breaks down as follows:

|                                    | 2023         | 2022         |
|------------------------------------|--------------|--------------|
| Average number of employees        | Headcount    | Headcount    |
| Service & Infrastructure segment   | 2,008        | 1,936        |
| Technological Applications segment | 1,239        | 1,257        |
| Consumer Goods segment             | 398          | 429          |
| <b>Total</b>                       | <b>3,645</b> | <b>3,622</b> |

|                                    | Dec 31, 2023 | Dec 31, 2022 |
|------------------------------------|--------------|--------------|
| As of the reporting date           | Headcount    | Headcount    |
| Service & Infrastructure segment   | 2,038        | 1,960        |
| Technological Applications segment | 1,339        | 1,196        |
| Consumer Goods segment             | 405          | 415          |
| <b>Total</b>                       | <b>3,782</b> | <b>3,571</b> |

MBB Group has 280 (previous year: 261) trainees as of 31 December 2023 who are not included in the above figures.

## 6. Auditor's fees

The auditor's fees recognised in the 2023 financial year break down as follows:

|                          | 2023       | 2022       |
|--------------------------|------------|------------|
|                          | €k         | €k         |
| Audit services           | 563        | 559        |
| Tax consulting services  | 0          | 0          |
| Other assurance services | 0          | 0          |
| Other services           | 0          | 0          |
| <b>Total</b>             | <b>563</b> | <b>559</b> |

## 7. Contingent liabilities and off-balance sheet transactions

In the construction industry and in plant engineering, it is common and necessary to issue various guarantees to secure contractual obligations. These guarantees are typically issued by banks or credit insurance companies and essentially comprise contract performance, advance payment and performance guarantees. In the event that a guarantee is utilized, the banks have claims for recourse against the Group. There is only a risk of a guarantee being utilized if the underlying contractual obligations are not properly fulfilled. Such guarantees have not given rise to claims against the Group either in the financial year or in the past.

Obligations and probable risks under such guarantees are recognized in the statement of financial position as liabilities or provisions.

Furthermore, as is customary within the industry, there is joint and several liability with other partners for consortiums in which interests are held by MBB Group companies.

## 8. Other financial obligations

Other financial obligations mainly relate to obligations from purchases and lease obligations that have not been accounted for as a right of use asset and lease liability according to IFRS 16. As of 31 December 2023 their terms break down as follows:

| Other financial obligations             | 31 Dec 2023  | 31 Dec 2022  |
|---|--------------|--------------|
|   | €k           | €k           |
| Up to one year                          | 4,614        | 4,104        |
| More than one year and up to five years | 476          | 1,213        |
| Over five years                         | 34           | 1,149        |
| <b>Total</b>                            | <b>5,124</b> | <b>6,466</b> |

## 9. Declaration in accordance with section 161 AktG in conjunction with section 314 (1) no. 8 HGB

As a listed stock corporation in accordance with section 161 AktG, MBB SE is required to submit a declaration on the extent to which the recommendations contained in the Corporate Governance Code of the German Government Commission have been complied with. The Board submitted the latest version of this declaration on 22 March 2024. It is published online at <https://www.mbb.com/en/ir/corporate-governance.html>.

Our listed subsidiaries Friedrich Vorwerk Group SE and Aumann AG also issued a Declaration of Conformity with the German Corporate Governance Code in March 2024, which can be accessed at the Internet addresses below.

- Declaration of conformity of Friedrich Vorwerk Group SE  
<https://www.friedrich-vorwerk-group.de/en/investor-relations/corporate-governance/>
- Declaration of conformity of Aumann AG  
<https://www.aumann.com/en/investor-relations/corporate-governance/>

## 10. Events after the end of the reporting period

The board of MBB SE on 31 January 2024 to make use of the authorization granted by the Annual General Meeting on 12 June 2023 to acquire treasury shares in accordance with Section 71 (1) No. 8 AktG and to offer shareholders the buyback of up to 571,639 treasury shares (approx. 10% of the share capital) as part of a voluntary public buyback offer addressed to all shareholders.

MBB SE received tenders for 393,522 shares as part of its voluntary public share buyback offer by the end of the acceptance period on 4 March 2024. The shares were repurchased in full at a price of €96.00 per share. This corresponds to around 6.9% of the share capital and a total purchase price excluding acquisition costs of €37.8 million. In addition to free float shareholders, one of MBB's two major shareholders, Gert-Maria Freimuth, also tendered a significant number of shares. Major shareholder and Executive Chairman of MBB, Dr. Christof Nesemeier did not participate in the buyback. The settlement and thus the purchase price payment to the custodian banks took place in March 2024.

In first quarter 2024 and up to 22 March, MBB SE acquired a further 2.96% of the shares in its subsidiary Friedrich Vorwerk Group SE. The shareholding thus increased from 46.86% to 49.82%.

On 29 February 2024, Friedrich Vorwerk, via its subsidiary Friedrich Vorwerk SE & Co. KG, acquired 100% of the shares in Seyde und Coburg Kathodischer Korrosionsschutz GmbH, based in Ludwigsfelde. Seyde und Coburg generates profitable annual revenue of around €1.0 million.

Berlin, 22 March 2024

The Executive Management of MBB SE



Dr Constantin Mang  
*Chief Executive Officer*



Torben Teichler  
*Chief Investment Officer*



Dr Jakob Ammer  
*Chief Operating Officer*



Dr Christof Nesemeier  
*Executive Chairman*

## 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.

Berlin, 22 March 2024


The Executive Management of MBB SE



Dr Constantin Mang  
*Chief Executive Officer*



Dr Jakob Ammer  
*Chief Operating Officer*



Torben Teichler  
*Chief Investment Officer*



Dr Christof Nesemeier  
*Executive Chairman*

# Independent Auditor's Report

To MBB SE, Berlin, Germany

## Report on the audit of the consolidated financial statements and the Group Management Report

### Audit Opinions

We have audited the consolidated financial statements of MBB SE and its Subsidiaries (the Group) – consisting of consolidated statement of financial position as of 31 December 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the financial year from 1 January to 31 December 2023, and the notes to the consolidated financial statements, including a summary of the material accounting policies. Furthermore, we have audited the Group management report of MBB SE for the financial year from 1 January to 31 December 2023, which is combined with the management report of the company (hereinafter: „Group management report“). In accordance with German legal requirements, we have not audited the content of those part listed in “Other Information” section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit

- the accompanying consolidated financial statements comply, in all material respects with IFRS as adopted by the EU and the additional requirements of German commercial law in accordance with section 315e (1) of the Handelsgesetzbuch (HGB) and give a true and fair view of the net assets and financial position of the Group as of 31 December 2023 and of its results of operations for the financial year from 1 January 31 December 2023 in compliance with these provisions, and
- the accompanying Group management report as a whole provides an appropriate view of the Group's position. In all material respects, this Group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the Group management report does not cover the content of those parts of the Group management report listed in the “Other Information” section of our auditor's report.

Pursuant to section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the Group management report.

### Basis for Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with section 317 HGB and the EU Audit Regulation (No. 537/2014; hereinafter “EU-APrVO”) in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany - IDW). Our responsibilities under those requirements and principles are further described in the “Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report” section of our auditor's report. We are independent of the Group Entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, we declare pursuant to Article 10 (2) (f) of the EU-APrVO that we have not provided any prohibited non-audit services pursuant to Article 5 (1) of the EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on 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 from 1 January to 31 December 2023. These matters were taken into account in the context of our audit of the consolidated financial statements as a whole and in the forming our opinion thereon; we have not issued a separate opinion on these matters.

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

- Goodwill impairment
- Revenue recognition from production and construction contracts

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



1. Matter and problem definition
2. Audit approach and findings
3. Reference to further information

The key audit matters are presented below:

#### Goodwill impairment

1. Goodwill of €48.7 million is reported under the statement of financial position item "Intangible assets" in the consolidated financial statements of MBB SE. 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:
  - As part of our audit procedures, we obtained an understanding of the company's process for impairment test and we verified the methodological procedure for performing the impairment tests.
  - 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 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 consolidated financial statements.

#### Revenue recognition from production and construction contracts

1. A significant portion of the Group's business activities takes the form of production and 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 2023, €689.6 million relates to customer contracts that imply performance obligations satisfied over time. As of 31 December 2023 €149.6 million are accounted for as contract assets and €97.9 million are accounted for as contract liabilities from production and construction contracts.
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 production and 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 balance sheet 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 production and construction contracts.

3. The information provided by the company on the accounting methods used for accounting for production and construction contracts can be found in notes I.4.14, I.4.20, II.7, II.8 and III.1 to the consolidated financial statements.

#### Other information

The legal representatives and the Board, respectively, are responsible for other information. The other information comprises:

- the declaration on corporate governance,
- the non-financial statement in accordance with section 315b HGB in conjunction with section 289b HGB and all references to this,
- the remaining parts of the Annual Report (especially the report of the Board) with the exception of the audited consolidated financial statements and Group management report and our audit opinion,
- the assurance of legal representatives in accordance with section 297 (2) sentence 4 of the HGB for the consolidated financial statements and the assurance in accordance with section 315 (1) sentence 5 of the HGB for the Group management report.

The Board is responsible for the Board Report. The legal representatives and the Board are responsible for the declaration pursuant to Section 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code, which forms part of the corporate governance statement contained in the management report. In all other respects, the legal representatives are responsible for the other information.

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 express any audit opinion or any other form of audit conclusion thereon.

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

- contains material inconsistencies with the consolidated financial statements, the Group Management Report or our findings from the audit; or
- otherwise appears to be materially misstated.

#### Responsibilities of the Legal Representatives and the Board for the Consolidated Financial Statements and the Group Management Report

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the IFRS, as adopted by the EU, and the additional requirements of German law pursuant to 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 in compliance with German Legally Required Accounting Principles. In addition, the legal representatives are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement due to fraud (i.e., manipulation of the financial statements and misappropriation of assets) or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, unless actual or legal circumstances prevent this.

Furthermore, the legal representatives as executive directors are responsible for the preparation of the Group management report that as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a Group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the Group management report.

The board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the Group management report.

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

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

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with section 317 HGB and the EU-APrVO and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this Group management report.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the Group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the Group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the Group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the presentation, structure and content of the consolidated financial statements as a whole, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in compliance with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence for the accounting information of the Companies or business activities within the Group to express audit opinions on the consolidated financial statements and the Group management report. We are responsible for the direction, monitoring, and performance of the group audit. We are solely responsible for our audit opinions.
- Evaluate the consistency of the Group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the Group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control system that we identify during our audit.

We submit a declaration to those charged with governance, that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that can reasonably be expected to affect our independence and, where relevant, the actions taken or protective measures taken to eliminate threats to independence.

From the matters that we have discussed with those charged with governance, we have identified those matters that were most significant in the audit of the consolidated financial statements of the current reporting period and are therefore the key audit matters. We describe these matters in our audit opinion unless laws or regulations preclude public disclosure of the matters.

### Other legal and regulatory requirements

Assurance report in Accordance with sec. 317 (3a) HGB on the Electronic Reproduction of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes

#### Reasonable Assurance Conclusion

We have performed an assurance engagement in accordance with sec. 317 (3a) HGB to obtain reasonable assurance about whether reproduction of the consolidated financial statements and the Group management report (hereinafter "ESEF documents") contained in the attached electronic file [MBB\_SE\_IFRS\_2023] and prepared for publication purposes complies in all material respects with the requirements of sec. 328 (1) HGB for the electronic reporting format ("ESEF-Format"). In accordance with German legal requirements, this assurance engagement only extends 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 the information contained within the reproduction nor to any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the Group management report contained in the above-mentioned attached electronic file and prepared for publication purposes complies in all material respects with the requirements of sec. 328 (1) HGB for the electronic reporting format. We do not express an opinion on the information contained in this reproduction nor any other information contained in the above-mentioned electronic file beyond this reasonable assurance conclusion and our audit opinion on the accompanying consolidated financial statements and the accompanying Group management report for the financials year from 1 January through 31 December 2023 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above.

#### Basis for the Reasonable Assurance Conclusion

We conducted our assurance engagement on the reproduction of the consolidated financial statements and the Group management report contained in the above-mentioned attached electronic file in accordance with sec. 317 (3a) HGB and the IDW auditing standard: Audit of the electronic reproductions of annual financial statements and management reports created for disclosure purposes in accordance with Section 317 para. 3a HGB [IDW PS 410(06.2022)]. Accordingly, our responsibilities are further described in the "Group Auditor's Responsibilities for the Assurance Engagement on the ESEF-Documents" section. Our audit firm has applied to the requirements of the IDW Standard for Quality Management.

#### Responsibilities of Executive Directors and the Board for the ESEF-Documents

The executive directors of the company are responsible for the preparation of the ESEF-documents including the electronic reproduction of the consolidated financial statements and the Group management report in accordance with sec. 328 (1) sentence 4 No. 1 HGB and the tagging of the consolidated financial statements in accordance with sec. 328 (1) sentence 4 No. 2 HGB.

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

The Board is responsible for overseeing the process of preparation of the ESEF-Documents as part of the financial reporting process.

#### Group Auditor's responsibilities for the assurance engagement on the ESEF-Documents

Our objective is to obtain reasonable insurance about whether the ESEF-Documents are free from material non-compliance with the requirements of sec. 328 (1) HGB, whether due to fraud or error. We exercise professional judgement and maintain professional skepticism throughout the assurance engagement. We also:

- Identify and assess the risks of material non-compliance with the requirements of sec. 328 (1) HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance conclusion.
- Obtain an understanding of the internal control relevant to the assurance engagement on the ESEF-Documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance conclusion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF-Documents, i.e. whether this file meets the electronic requirements of the Delegated Regulation (EU) 2019/815 in the version applicable as of the balance sheet date on the technical specification for this electronic file.
- Evaluate whether the ESEF-Documents enables a HTML reproduction with content equivalent to the audited consolidated financial statements and to the audited Group management report.
- Evaluate whether the tagging of the ESEF-Documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815, as applicable at the reporting date, provides an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

#### Other information according to Article 10 of the EU Audit Regulation

RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft was appointed as the auditor of the consolidated financial statements by resolution of the Annual General Meeting of the parent company on 12 June 2023. We were affirming commissioned by the Board on 19 September 2023. Nexia GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft performed the audit engagement as universal successor. We have been the auditors of the Group without interruption since financial year 2017.

We declare that the audit opinions contained in this audit report are consistent with the additional report to the 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 and the audited Group management report as well as the assured ESEF documents. The consolidated financial statements and the Group management report converted to the ESEF format - including the versions to be placed in the Unternehmensregister [Company Register] - 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 assurance opinion contained therein are to be used solely together with the assured ESEF documents made available electronic form.

Responsible Auditor

The auditor responsible for the audit is Katrin Peters.

Düsseldorf, 22 March 2024

Nexia GmbH  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

signed Dr Grabs  
Auditor

signed Peters  
Auditor

## Financial calendar

### Quirin Champions Conference

23 April 2024

### Quarterly Report Q1 2024

15 May 2024

### Annual General Meeting 2024

26 June 2024

### Half-year financial report 2024

14 August 2024

### Berenberg and Goldman Sachs German Corporate Conference

23 – 25 September 2024

### Quarterly Report Q3 2024

14 November 2024

### Deutsches Eigenkapitalforum

25 – 27 November 2024

### End of Fiscal Year

31 December 2024

## Contact

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