Götene Kyltransporter AB
Org nr 556280-9649

Årsredovisning för räkenskapsåret 2022

Styrelsen och verkställande direktören avger följande årsredovisning.

Innehåll Sida

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- resultaträkning 5
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Om inte annat särskilt anges, redovisas alla belopp i tusental kronor (SEK). Uppgifter inom parentes avser föregående år. Styrelsens säte är i Götene.

Undertecknad styrelseledamot i Götene Kyltransporter AB intygar härmed att resultaträkningen och balansräkningen i årsredovisningen fastställts på årsstämma den 2023-11-14.

Årsstämman beslöt att godkänna styrelsens förslag till vinstdisposition.

Jag intygar också att innehållet i årsredovisningen, revisionsberättelsen och övriga bifogade handlingar stämmer överens med originalen.

Götene den 2023-11-15 .

Peter Haveneth

20231117056935

Götene Kyltransporter AB
Org nr 556280-9649

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20231117056694

Förvaltningsberättelse

Information om verksamheten

Bolaget har sitt säte i Götene och har som sin huvudsakliga verksamhet kylda och frysta transporter inom livsmedelssektorn. Under 2022 har bolaget även bedrivet uthyrning av kundanpassade lokaler, främst till det helägda dotterbolaget Götene Kyllager AB. Fastigheterna är idag sålda och Götene Kyllager hyr istället sina lokaler. Genom samarbetet med Götene Kyllager AB samt övriga bolag inom Frigoscandia-koncernen kan vi erbjuda en komplett service i form av kyl och fryslagring med tillhörande transporter.

Bolagets huvudkontor ligger i Götene, men för att kunna täcka kundernas behov på ett rationellt sätt så har vi filialer i Jönköping, Halmstad, Örebro, Falköping och Uddevalla.

Götene Kyltransporter AB har under lång tid varit inriktad på att utveckla tjänster som passar vårt kundsegment, vilket har utvecklats succesivt i takt med vårt utökade tjänsteutbud. De senaste årens framgångar visar att den strategin varit välgrundad och riktig. Vårt geografiska läge ger oss en konkurrensfördel då vi når ett stort antal kunder inom ett relativt kort tidsperspektiv. Arbetssituationen har innevarande år liksom tidigare år varit intensiv. Vår organisation har krävt stor flexibilitet för att uppfylla våra kunders behov.

Väsentliga händelser under räkenskapsåret samt efter dess utgång

I november 2022 blev Götene Kyltransporter AB ett helägt dotterbolag till Frigoscandia och är numer en del av Frigoscandia-koncernen. I samband med detta avyttrades även alla fastigheter. Bolaget sitter kvar på samma ställe och nyttjar lokalerna på samma sätt som tidigare, men hyr istället lokalerna av en extern part.

Miljöpåverkan

Bolaget bedriver anmälningspliktig verksamhet enligt miljöbalken. Anmälningsplikten avser lagring av dieselolja.

Bolaget arbetar aktivt med att försöka minimera miljöpåverkan från transporter. Under 2017 genomförde bolaget tillsammans med Volvo fältprov med två st biogasbilar. Bilarna har gått i normal drift och testerna har fallit väl ut varför beslut togs under 2018 om att investera i egna gasdrivna bilar framgent. Uppskattad investerinstakt vid en normal marknad är 5-10 nya gasbilar varje år. I dagsläget är 15 st gasbilar i daglig drift.

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Framtida utveckling, risker och osäkerhetsfaktorer

Bolagets målsättning är att ytterligare utveckla samarbetet med befintliga och tillkommande kunder för att fortsätta utvecklingen av Götene Kyltransporter AB.

Konkurrensmässigt kommer vi fortsatt att vara utsatta för en stor konkurrens varför vi liksom tidigare år får trimma organisationen för att bibehålla vår konkurrenskraft, vilket är en del av det dagliga arbetet. Vi har under ett antal år arbetat med att utföra transporter så miljömässigt bra som möjligt, dels genom att arbeta med olika miljöbränslen, dels med ökad utbildning för våra chaufförer. Det miljöarbetet kommer vi att aktivt fortsätta med.

Väsentliga riskfaktorer som kan inverka på bolagets resultat och ställning är främst prisutvecklingen på drivmedel samt politiska beslut som kan på verka kostnadsbilden negativt. Då i huvudsak alla inköp och all försäljning sker i SEK föreligger ingen valutaexponering.

Ägarförhållanden

Bolaget är ett helägt dotterbolag till Frigoscandia AB, 556052-0263.

Förändring av eget kapital

	Aktie-kapital	Reserv-fond	Övrigt fritt eget kapital	Summa eget kapital
Eget kapital 2020-12-31	**500**	**100**	**32 770**	**33 370**
Utdelning enlig beslut av årsstämman	-	-	-5 000	-5 000
Årets resultat			1 825	1 825
Eget kapital 2021-12-31	**500**	**100**	**29 595**	**30 195**
Årets resultat			-15 042	-15 042
Eget kapital 2022-12-31	**500**	**100**	**14 553**	**15 153**

Aktiekapitalet består av 5 000 aktier med kvotvärde 100 kr

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Flerårsjämförelse

Bolagets ekonomiska utveckling i sammandrag.

		2022	2021	2020	2019	2018
Omsättning	tkr	368 391	329 608	336 416	342 514	314 845
Resultat efter finansiella poster	tkr	-7 731	-3 310	984	4 055	2 112
Balansomslutning	tkr	159 771	225 365	228 429	232 676	225 818
Antal anställda	st	248	259	262	266	261
Soliditet	%	28	23	25	25	26
Avkastning på totalt kapital	%	neg	neg	2	3	2
Avkastning på eget kapital	%	neg	neg	2	7	4

Nyckeltalsdefinitioner framgår av not 1

Förslag till vinstdisposition

Till årsstämmans förfogande står följande vinstmedel:

Balanserade vinstmedel		29 595 055
Årets resultat		-15 041 981
	kronor	14 553 074

Styrelsen föreslår att vinstmedlen disponeras så att

i ny räkning överförs		14 553 074
	kronor	14 553 074

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Resultaträkning	**Not**	**2022**	**2021**
Nettoomsättning	2	332 959	304 096
Övriga rörelseintäkter		35 432	25 512
		368 391	329 608
Rörelsens kostnader	2		
Råvaror och förnödenheter		-129 671	-103 938
Övriga externa kostnader	3, 4	-39 050	-38 540
Personalkostnader	5	-160 064	-162 181
Av- och nedskrivningar av materiella och immateriella anläggningstillgångar		-25 036	-25 570
Övriga rörelsekostnader		-19 936	-609
Summa rörelsens kostnader		-373 757	-330 838
Rörelseresultat		-5 366	-1 230
Resultat från finansiella poster			
Resultat från övriga värdepapper och fordringar som är anläggningstillgångar		-	84
Övriga ränteintäkter och liknande resultatposter		9	16
Räntekostnader och liknande resultatposter		-2 375	-2 180
Summa resultat från finansiella poster		-2 366	-2 080
Resultat efter finansiella poster		-7 732	-3 310
Bokslutsdispositioner	6	-10 750	5 525
Skatt på årets resultat	7, 8	3 440	-390
Årets resultat		-15 042	1 825

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20231111705698

Balansräkning	**Not**	**2022-12-31**	**2021-12-31**
Tillgångar			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Byggnader och mark	9	-	76 089
Inventarier, verktyg och installationer	10	78 507	91 987
Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar	11	1 646	-
		80 153	168 076
Finansiella anläggningstillgångar			
Andelar i koncernföretag	12	1 350	1 350
Andra långfristiga värdepappersinnehav	13	259	259
Kapitalförsäkring		-	683
Andra långfristiga fordringar		500	700
		2 109	2 992
Summa anläggningstillgångar		82 262	171 068
Omsättningstillgångar			
Varulager m m			
Råvaror och förnödenheter		627	724
Kortfristiga fordringar			
Kundfordringar		37 958	41 239
Fordringar hos koncernföretag		3 347	5 323
Aktuella skattefordringar		1 455	1 423
Övriga kortfristiga fordringar		11	147
Förutbetalda kostnader och upplupna intäkter	14	4 585	5 441
		47 356	53 573
Kassa och bank		29 526	-
Summa omsättningstillgångar		77 509	54 297
Summa tillgångar		159 771	225 365

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Balansräkning	Not	2022-12-31	2021-12-31
Eget kapital och skulder			
Eget kapital			
Bundet eget kapital			
Aktiekapital		500	500
Reservfond		100	100
		600	600
Fritt eget kapital	15		
Balanserad vinst eller förlust		29 595	27 771
Årets resultat		-15 042	1 825
		14 553	29 596
Summa eget kapital		15 153	30 196
Obeskattade reserver	16	37 900	27 400
Avsättningar			
Avsättning för pensioner och liknande förpliktelser	17	-	848
Uppskjuten skatteskuld	7	-	3 440
Summa avsättningar		0	4 288
Långfristiga skulder	18		
Checkräkningskredit	19	-	7 938
Skulder till kreditinstitut		22 860	62 166
Summa långfristiga skulder		22 860	70 104
Kortfristiga skulder			
Skulder till kreditinstitut		16 301	27 115
Skulder till koncernföretag	2	6 795	-
Leverantörsskulder		18 336	18 493
Övriga skulder		15 116	18 826
Upplupna kostnader och förutbetalda intäkter	20	27 310	28 943
Summa kortfristiga skulder		83 858	93 377
Summa eget kapital och skulder		159 771	225 365

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20231111705700

Kassaflödesanalys	**2022**	**2021**
Den löpande verksamheten		
Rörelseresultat före finansiella poster	-5 366	-1 231
Justering för poster som inte ingår i kassaflödet, mm		
Förändring avsättningar	-848	494
Erhållen ränta	9	16
Erlagd ränta	-2 375	-2 180
Avskrivningar	25 036	25 570
Resultat vid försäljning av anläggningstillgångar	16 817	350
Inkomstskatt	-	-2
Övriga poster som inte ingår	-21	-
	33 252	23 017
Ökning/minskning varulager	97	-172
Ökning/minskning kundfordringar	3 281	-3 415
Ökning/minskning övriga kortfristiga fordringar	2 936	1 238
Ökning/minskning leverantörsskulder	-157	5 024
Ökning/minskning övriga kortfristiga rörelseskulder	1 452	2 789
Kassaflöde från den löpande verksamheten	40 861	28 481
Investeringsverksamheten		
Koncernbidrag	-250	3 675
Investering i materiella anläggningstillgångar	-2 160	-3 923
Försäljning av byggnader och mark	54 232	-
Investeringar i fordon och inventarier	-14 413	-19 467
Ersättning för sålda fordon och inventarier	8 431	2 340
Placeringar i övriga finansiella anläggningstillgångar	-	90
Avyttring övriga finansiella anläggningstillgångar	883	150
Kassaflöde från investeringsverksamheten	46 723	-17 135
Finansieringsverksamheten		
Förändring av checkräkningskredit	-7 938	884
Förändring skulder till kreditinstitut	-50 120	-7 230
Utbetald utdelning	-	-5 000
Kassaflöde från finansieringsverksamheten	-58 058	-11 346
Årets kassaflöde	29 526	0
Likvida medel vid årets början	-	-
Likvida medel vid årets slut	29 526	0

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20231117057O1

Noter

Not 1 Redovisnings- och värderingsprinciper

Årsredovisningen upprättas med tillämpning av årsredovisningslagen (1995:1554) och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3). Redovisningsprinciperna är oförändrade i jämförelse med föregående år.

Tillgångar och skulder redovisas till anskaffningsvärde om inget annat anges nedan

Koncernredovisning
Företaget är moderbolag, men med hänvisning till undantagsreglerna i årsredovisninslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Moderföretag i den största koncern Götene Kyltransporter AB är dotter företag och koncernredovisning och hållbarhetsrapport upprättas är Mutares SE & KGaA, 14310122859. Munchen, Tyskland. Koncernredovisningen kan erhållas hos Mutares SE & CO KGaA, Arnulfstrasse 19, DE-80335, Munchen

Intäkter
Intäkter för utförda tjänster redovisas i den period tjänsten är slutförd. Hyresintäkter redovisas i den period uthyrningen avser. Försäljning av varor redovisas när väsentliga risker och fördelar övergår från säljare till köpare i enlighet med försäljningsvillkoren. Försäljningen redovisas efter avdrag för moms och rabatter.
Ränteintäkter redovisas i enlighet med effektivräntemetoden. Utdelning redovisas när rätten att erhålla utdelningen är säkerställd.
Reservering görs för osäkra kundfordringar/intäkter

Inkomstskatter
Aktuella skatter värderas utifrån de skattesatser och skatteregler som gäller på balansdagen. Uppskjutna skatter värderas utifrån de skattesatser och skatteregler som är beslutade före balansdagen. Uppskjuten skatteskuld avseende temporära skillnader som hänför sig till investeringar i dotterföretag redovisas inte i koncernredovisningen då moderföretaget i samtliga fall kan styra tidpunkten för återföring av de temporära skillnaderna och det inte bedöms sannolikt att en återföring sker inom överskådlig framtid. Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den utsträckning det är sannolikt att avdraget kan avräknas mot överskott vid framtida beskattning. Fordringar och skulder nettoredovisas endast när det finns en legal rätt till kvittning. Aktuell skatt, liksom förändring i uppskjuten skatt, redovisas i resultaträkningen om inte skatten än hänförlig till en händelse eller transaktion som redovisas direkt i eget kapital. Skatteeffekter av poster som redovisas direkt mot eget kapital, redovisas mot eget kapital.

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20231117057O2

Finansiella instrument
Finansiella instrument som redovisas i balansräkningen inkluderar värdepapper, kundfordringar, övriga fordringar, leverantörsskulder och låneskulder.

Kundfordringar och övriga fordringar
Fordringar redovisas som omsättningstillgångar med undantag för poster med förfallodag mer än 12 månader efter balansdagen, vilka klassificeras som anläggningstillgångar. Fordringar tas upp till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Andra långfristiga värdepappersinnehav
Tillgångar ingående i posten och redovisas inledningsvis till anskaffningsvärde. I efterföljande redovisning redovisas aktierna till anskaffningsvärde med bedömning av om nedskrivningsbehov föreligger.

Nedskrivningsprövning av finansiella anläggningstillgångar
Vid varje balansdag bedömer bolaget om det finns någon indikation på nedskrivningsbehov i någon utav de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående. Nedskrivningsbehovet prövas individuellt för aktier och andelar och övriga enskilda finansiella anläggningstillgångar som är väsentliga. Om nedskrivning av aktier sker fastställs nedskrivningsbeloppet som skillnaden mellan det redovisade värdet och det högsta av verkligt värde med avdrag för försäljningskostnader och nuvärdet av framtida kassaflöden(som baseras på företagsledningens bästa uppskattning).

Varulager
Varulagret värderas, med tillämpning av först-in först-ut-principen, till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen.

Anläggningstillgångar
Anläggningstillgångar redovisas till anskaffningsvärde minskat med avskrivningar. Linjär avskrivningsmetod används för samtliga typer av tillgångar. Följande avskrivningstider tillämpas:

Byggnader	15-75 år
Fordon och släp	5-10 år
Inventarier, verktyg och installationer	5 år

Fordringar
Fordringar med förfallodag mer än 12 månader efter balansdagen redovisas som anläggningstillgångar, övriga som omsättningstillgångar. Fordringar upptas till det belopp som efter individuell prövning beräknas bli betalt.

Avsättningar
Avsättningar redovisas när bolaget har en legal eller informell förpliktelse till följd av inträffade händelser, det är mer sannolikt att ett utflöde av resurser krävs för att reglera åtagandet än att så inte sker, och beloppet har kunnat beräknas på ett tillförlitligt sätt.

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20231111705703

Leasingavtal
Leasingavtal där de ekonomiska fördelar och risker som är hänförliga till leasingobjektet i allt väsentligt kvarstår hos leasegivaren, klassificeras som operationell leasing. Betalningar, inklusive en första förhöjd hyra, enligt dessa avtal redovisas som kostnad linjärt över leasingperioden. Bolaget klassificerar alla leasingavtal som operationella.

Ersättningar till anställda
Kortfristiga ersättningar: Kortfristiga ersättningar utgörs av lön, sociala avgifter, betald semester, betald sjukfrånvaro, sjukvård och bonus. Kortfristiga ersättningar redovisas som en kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning.
Ersättningar efter avslutad anställning: I bolaget förekommer såväl avgiftsbestämda som förmånsbestämda pensionsplaner.
I avgiftsbestämda planer betalar företaget fastställda avgifter till ett annat företag och har inte någon legal eller informell förpliktelse att betala något ytterligare även om det andra företaget inte kan uppfylla sitt åtagande.Bolaget belastas för kostnader i takt med att de anställdas tjänster utförts. Götene Kyltransporter AB redovisar förmånsbestämda pensionsplaner i enlighet med K3s förenklingsregler.
Ersättningar vid uppsägning: Ersättningar vid uppsägning utgår då bolaget beslutar att avsluta en anställning före den normala tidpunkten för anställningens upphörande eller då en anställd accepterar ett erbjudande om frivillig avgång i utbyte mot sådan ersättning. Om ersättningen inte ger företaget någon framtida ekonomisk fördel redovisas en skuld och en kostnad när företaget har en legal eller informell förpliktelse att lämna sådan ersättning. Ersättningen värderas till den bästa uppskattningen av den ersättning som skulle krävas för att reglera förpliktelsen på balansdagen.

Nedskrivningar av icke-finansiella tillgångar
När det finns en indikation på att en tillgångs värde minskat, görs en prövning av nedskrivningsbehov. Har tillgången ett återvinningsvärde som är lägre än det redovisade värdet, skrivs den ner till återvinningsvärdet. Vid bedömning av nedskrivningsbehov grupperas tillgångarna på de lägsta nivåer där det finns separata identifierbara kassaflöden (kassagenererande enheter). För tillgångar, andra än goodwill, som tidigare skrivits ner görs per varje balansdag en prövning av om återföring bör göras

Kassaflödesanalys
Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medför in- eller utbetalningar.

Uppskattningar och bedömningar
Bolaget gör uppskattningar och bedömningar om framtiden. De uppskattningar och antaganden som innebär en betydande risk för väsentliga justteringar i redovisade värden för tillgångar och skulder under nästkommande år behandlas i huvuddrag här. Under innevarande år gör bolaget bedömningen att ingen av uppskattningarna eller bedömingarna har någon väsentlig påverkan på redovisningen.

Offentliga bidrag
Bolaget har erhållet offentliga bidrag som hänför sig till förvärv av tillgångar. Dessa bidrag redovisas som en minskning av tillgångens anskaffningsvärde. Bidraget minskar det avskrivningsbara beloppet och därmed kostnaden för avskrivningar.

20231117057O4

Nyckeltalsdefinitioner

Soliditet
Eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt) i förhållande till balansomslutningen.

Avkastning på totalt kapital
Resultat före avdrag för räntekostnader i förhållande till balansomslutningen.

Avkastning på eget kapital
Resultat efter finansiella poster i förhållande till eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt).

Not 2 Transaktioner med närstående

		2022	2021
Inköp och försäljning mellan koncernföretag			
Nedan anges andelen av årets inköp och försäljning avseende koncernföretag.			
Inköp	(%)	1	-
Försäljning	(%)	12	11

Övrigt
I separata noter finns upplysningar om
- löner mm till styrelse och VD

Not 3 Ersättning till revisorerna

	2022	2021
Ernst & Young		
Revisionsuppdraget	133	147
Övriga tjänster	25	24
Summa	158	171

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20231111705705

Not 4 Operationella leasingavtal

	2022	2021
Värdet av framtida minimileasingavgifter, avseende icke uppsägningsbara leasingavtal:		
Förfaller till betalning inom ett år	14 486	5 256
Förfaller till betalning senare än ett men inom 5 år	44 044	4 232
Förfaller till betalning senare än fem år	32 745	-
	91 275	9 488
Under perioden kostnadsförda leasingavgifter	7 220	4 871

I koncernens redovisning utgörs den operationella leasingen i allt väsentligt av hyrda fordon och truckar samt lokalhyra

Not 5 Löner, andra ersättningar och sociala kostnader

	2022	2021
Medelantalet anställda		
Kvinnor	32	38
Män	216	221
Totalt	248	259
Löner, ersättningar, sociala avgifter och pensionskostnader		
Löner och ersättningar till styrelsen och verkställande direktören	1 810	910
Löner och ersättningar till övriga anställda	115 700	118 495
	117 510	119 405
Sociala avgifter enligt lag och avtal	36 808	36 870
Pensionskostnader för styrelsen och verkställande direktören	219	97
Pensionskostnader för övriga anställda	4 955	4 971
Totalt	159 492	161 343

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20231117057O6

	2022	2021
Styrelseledamöter och ledande befattningshavare		
Antal styrelseledamöter och andra ledande befattningshavare på balansdagen		
Kvinnor	-	1
Män	5	3
Totalt	5	4

Not 6 Bokslutsdispositioner

	2022	2021
Skillnad mellan bokförda avskrivningar och avskrivningar enligt plan	-10 500	1 850
Koncernbidrag	-250	3 675
Summa	-10 750	5 525

Not 7 Uppskjuten skatt

	2022	2021
Skillnaden mellan å ena sidan den inkomstskatt som har redovisats i resultaträkningen samt å andra sidan den inkomstskatt som belöper sig på verksamheten utgörs av		
Uppskjuten skattefordran på kapitalförsäkring och till denna hänförlig löneskatt	-	-175
Uppskjuten skatteskuld på värdeminskning byggnader	-	3 614
	0	3 439

20231117057O7

Not 8 Skatt på årets resultat

	2022	2021
Uppskjuten skatt	-3 439	388
Aktuell skatt	-	2
Skatt på årets resultat	-3 439	390
Redovisat resultat före skatt	-18 482	2 215
Skatt beräknad enligt gällande skattesats	-3 807	456
Skatteeffekt av ej avdragsgilla kostnader	162	23
Skatteeffekt byggnader	3 645	-477
Redovisad skattekostnad	0	2

Not 9 Byggnader och mark

	2022	2021
Ingående ackumulerade anskaffningsvärden	123 271	119 348
Inköp	514	3 923
Försäljningar och utrangeringar	-123 785	-
Utgående ackumulerade anskaffningsvärden	0	123 271
Ingående ackumulerade avskrivningar	-47 182	-43 815
Försäljningar och utrangeringar	50 358	-
Årets avskrivningar	-3 176	-3 367
Utgående ackumulerade avskrivningar	0	-47 182
Utgående restvärde enligt plan	0	76 089
Bokfört värde byggnader	-	62 000
Bokfört värde mark	-	11 927
Bokförtvärde markanläggningar	-	2 162

20231111705708

Not 10 Inventarier, verktyg och installationer

	2022	2021
Ingående ackumulerade anskaffningsvärden	284 289	280 126
Inköp	14 413	19 467
Försäljningar och utrangeringar	-36 760	-15 304
Utgående ackumulerade anskaffningsvärden	261 942	284 289
Ingående ackumulerade avskrivningar	-192 302	-182 714
Försäljningar och utrangeringar	30 726	12 615
Årets avskrivningar	-21 859	-22 203
Utgående ackumulerade avskrivningar	-183 435	-192 302
Utgående restvärde enligt plan	78 507	91 987

Not 11 Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar

	2022	2021
Under året nedlagda kostnader	1 646	-
Utgående nedlagda kostnader	1 646	0

Not 12 Andelar i koncernföretag

Moderbolaget	Kapital-andel %	Rösträtts-andel %	Antal aktier	Bokfört värde 22-12-31	Bokfört värde 21-12-31
Götene Kyllager AB	100	100	1 000	1 350 000	1 350 000

Not 13 Andra långfristiga värdepappersinnehav

	2022	2021
Ingående ackumulerade anskaffningsvärden	259	409
Avyttrat under året	-	-150
Utgående redovisat värde	259	259

20231111705709

Not 14 Förutbetalda kostnader och upplupna intäkter

	2022-12-31	2021-12-31
Förutbetalda driftskostnader	1 954	2 930
Upplupna intäkter	2 631	2 511
Summa	4 585	5 441

Not 15 Förslag till disposition av resultatet

	2022	2021
Till årsstämmans förfogande står följande medel:		
Balanserade vinstmedel	29 595	27 771
Årets resultat	-15 042	1 825
	14 553	29 596
Styrelsen föreslår att vinstmedlen disponeras så att		
i ny räkning överförs	14 553	29 595

Not 16 Obeskattade reserver

	2022-12-31	2021-12-31
Ackumulerad skillnad mellan bokförda avskrivningar och avskrivningar enligt plan	37 900	27 400
Summa	37 900	27 400

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20231117057710

Not 17 Avsättningar

	2022	2021
Avsättningar för pensioner och liknande		
Avsättning vid periodens ingång	848	744
Periodens återföringar av outnyttjade belopp	-848	-
Värdeförändring	-	104
Avsättning vid periodens utgång	0	848

Not 18 Upplåning

	2022-12-31	2021-12-31
Räntebärande skulder		
Långfristiga skulder		
Skulder till kreditinstitut	22 860	62 166
Kortfristiga skulder		
Skulder till kreditistitut	16 301	27 115
Summa räntebärande skulder	39 161	89 281
Förfallotider		
Den del av långfristiga skulder som förfaller till betalning senare än fem år efter balansdagen		
Skulder till kreditinstitut	-	9 071

Not 19 Checkräkningskredit

	2022-12-31	2021-12-31
Beviljat belopp på checkräkningskredit uppgår till	25 000	25 000

Not 20 Upplupna kostnader och förutbetalda intäkter

	2022-12-31	2021-12-31
Upplupna löner	14 707	16 123
Upplupna sociala avgifter	7 914	8 615
Övriga poster	4 690	4 205
Summa	27 311	28 943

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20231117057111

Not 21 Ställda säkerheter

	2022-12-31	2021-12-31
För egna avsättningar och skulder		
Avseende avsättningar för pensioner och liknande förpliktelser		
- Kapitalförsäkring	-	683
Avseende Skulder till kreditinstitut		
- Fastighetsinteckningar	-	53 650
- Företagsinteckningar	25 000	15 600
- Fordon med ägandreättsförbehåll	58 290	74 318
Summa ställda säkerheter	83 290	144 251

Götene

Peter Haveneth
Styrelseordförande

Peter Dahlqvist
Verkställande direktör

Erik Börtemark

Kristian Jönsson

Vår revisionsberättelse har lämnats

Ernst & Young AB

Christer Larsson
Auktoriserad revisor

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20231111705712

Verifikat

Transaktion 09222115557504224406

Dokument

GKT 221231 årsredovisning
Huvuddokument
19 sidor
Startades 2023-11-07 11:49:33 CET (+0100) av Anna Forssell (AF)
Färdigställt 2023-11-08 13:06:53 CET (+0100)

Initierare

Anna Forssell (AF)
Frigoscandia AB
Org. nr 5560520263
anna.forssell@frigoscandia.com
+460708445637

Signerare

Peter Haveneth (PH)
Identifierad med svenskt BankID som "PETER HAVENETH"
Götene Kyltransporter AB
Personnummer 730921 5593
peter.haveneth@frigoscandia.com

BankID

Namnet som returnerades från svenskt BankID var "PETER HAVENETH"
Signerade 2023-11-07 12:07:04 CET (+0100)

Peter Dahlqvist (PD)
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peter.dahlqvist@frigoscandia.com

BankID

Namnet som returnerades från svenskt BankID var "PETER DAHLQVIST"
Signerade 2023-11-07 12:10:06 CET (+0100)

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Verifikat

Transaktion 09222115557504224406

Erik Börtemark (EB)
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Götene Kyltransporter AB
Personnummer 750830-2010
erik.bortemark@frigoscandia.com

BankID

Namnet som returnerades från svenskt BankID var "Erik Börtemark"
Signerade 2023-11-08 12:09:12 CET (+0100)

Kristian Jönsson (KJ)
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Götene Kyltransporter AB
Personnummer 761108-4059
kristian.l.jonsson@frigoscandia.com

BankID

Namnet som returnerades från svenskt BankID var "KRISTIAN JÖNSSON"
Signerade 2023-11-08 12:12:39 CET (+0100)

Kjell Christer Larsson (KCL)
Identifierad med svenskt BankID som "Kjell Christer Larsson"
E&Y
Personnummer 620916-4950
christer.larsson@se.ey.com

BankID

Namnet som returnerades från svenskt BankID var "Kjell Christer Larsson"
Signerade 2023-11-08 13:06:53 CET (+0100)

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EY

Revisionsberättelse

Till bolagsstämman i Götene Kyltransporter Aktiebolag, org.nr 556280-9649

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Götene Kyltransporter Aktiebolag för räkenskapsåret 2022-01-01 – 2022-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Götene Kyltransporter Aktiebolags finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Götene Kyltransporter Aktiebolag enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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20231117057I5

EY

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av Götene Kyltransporter Aktiebolag för räkenskapsåret 2022-01-01 – 2022-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Götene Kyltransporter Aktiebolag enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Lidköping den dag som framgår av vår elektroniska underskrift

Ernst & Young AB

Christer Larsson

Christer Larsson
Auktoriserad revisor

Penneo dokumentnyckel: Q3S33-S1A5I-CB852-DN16K-ZVPUB-EH7MM

20231117057716

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"Med min signatur bekräftar jag innehållet och alla datum i detta dokumentet."

Kjell Christer Larsson (SSN-validerad)
Signing Partner
Serienummer: 19620916xxxx
IP: 213.115.xxx.xxx
2023-11-08 12:03:46 UTC

BankID

Vi äll mäl Anna Fenell 0708-443637 Anna Fenell

Penneo dokumentnyckel: Q3533-S1A5I-CB852-DN16K-ZVPUB-EH7MM

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MUTARES

Acting local, growing global



ANNUAL REPORT 2022

MUTARES IN FIGURES

Leading
Private Equity
Special Situations
Investor

HOLDING

REVENUES

EUR 71.1 million

HOLDING NET INCOME

EUR 72.9 million

INVESTED CAPITAL

EUR 256.6 million

GROUP

REVENUES

EUR 3,751.7 million

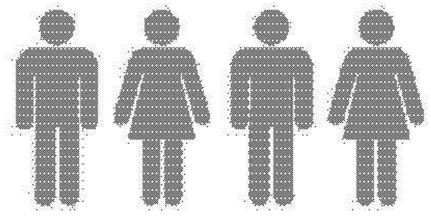
EBITDA

EUR 181.5 million

ADJUSTED EBITDA

EUR –32.7 million

EMPLOYEES (31/12/2022)



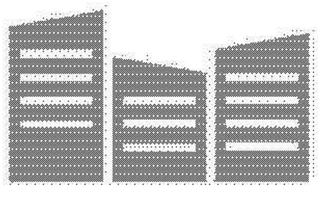
HOLDING

> 190

GROUP

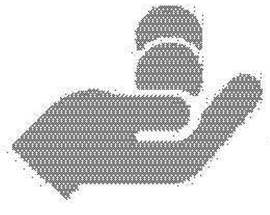
> 19,000

PORTFOLIO COMPANIES (31/12/2022)



29

DIVIDEND



EUR 1.50 2021

GUIDANCE

ca. EUR 7 billion
GROUP REVENUES BY 2025

EXITS

6 COMPLETED IN 2022

REALIZED ROIC

7–10x
ON AVERAGE

ACQUISITIONS

+ 14 IN 2022, 12 CLOSED IN 2022

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TEST UNTERNEHMEN DES JAHRES 2022 MUTARES MONEY

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01 ABOUT MUTARES

Mutares is specialized on the acquisition of medium-sized companies in special situations. Mutares pursues the aim of leading the acquired companies onto a stable path of profitable growth through intensive operational cooperation. Our transaction teams at eleven European locations identify suitable companies. After the acquisition, our own operational team, together with the management of the portfolio companies, develops a comprehensive improvement program along the entire value chain and supports its implementation. Our objective is to return the company to sustainable and long-term success and to subsequently support its value. This can also be done through add-on acquisitions.

Extensive operational industry and turnaround experience, combined with transactional and operational support, build the foundation for mastering the challenges involved in developing our portfolio companies.

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MUTARES SE & CO. KGAA
Founded in 2008, Mutares acquires mid-sized companies that are headquartered in Europe to develop them long-term-oriented and sustainably.

MUTARES GROUP
As of 31 December 2022, the Mutares Group comprised 29 operating companies.

PORTFOLIO COMPANIES
The portfolio companies operate independently and are managed on their own reporting responsibility. They are integrated into the Mutares Group reporting.

OUR MANAGEMENT BOARD

The Mutares Management Board consists of three members, all of whom have years of international experience in various industries.



From right to left:

CEO
ROBIN LAIK
born in 1972,
is founder, CEO and main shareholder of Mutares.
He is responsible for strategy and business development.

CIO
JOHANNES LAUMANN
born in 1983,
joined Mutares in 2016.
In 2019, he was appointed CIO. He is responsible for M&A and Investor Relations, as well as the portfolio development.

CFO
MARK FRIEDRICH
born in 1978,
has been with Mutares since 2012. In 2015, he took over the CFO position. He is responsible for the finance sector of the Mutares Group, as well as consulting, HR and compliance.

More information on the careers can be found at:

↗ www.mutares.de/en/team/#executive-board

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DEAR SHAREHOLDERS, LADIES AND GENTLEMEN,

Resilient business model secures net income even in uncertain times.

Mutares SE & Co. KGaA achieved further growth in the financial year 2022 thanks to a business model that is resilient even in uncertain times. This fills us with even more gratitude as the year was characterized by numerous, external geopolitical influences and resulting market-driven challenges. In the context of the indirect effects of the war in Ukraine such as supply chain disruptions, significant price increases for raw materials, inputs and energy, and the overall resulting economic slowdown, we were able, with another high level of activity on the acquisition side, to lay the foundation for further growth in the financial year 2023 in the Mutares Group and Mutares Holding and beyond.

Net income grows by 44% in the financial year 2022

The revenues of the listed **Mutares Holding**, resulting from consulting services to and management fees from the portfolio companies, increased to EUR 71.1 million in the financial year 2022 (previous year: EUR 50.5 million). The 41% increase isa consequence of the high transaction activity and the related portfolio growth. Sales revenues and dividends from the portfolio result in the so-called "portfolio income", which more than doubled to EUR 139.8 million in the financial year 2022 (previous year: EUR 64.9 million). Net income increased by 44% to EUR 72.9 million (previous year: EUR 50.7 million).

The **Mutares Group** generated consolidated revenues of EUR 3,751.7 million in the financial year 2022 (previous year: EUR 2,504.0 million). The significant year-on-year growth of almost 50% again reflects the high acquisition activity. Group EBITDA (earnings before interest, taxes, depreciation and amortization) amounted to EUR 181.5 million in the financial year 2022 (previous year: EUR 566.5 million). In a year-on-year comparison, it should be taken into account that the previous year benefited extraordinarily positively from the acquisition of Lapeyre and the associated high bargain purchase of EUR 460.8 million. Adjusted EBITDA was EUR –32.7 million in the financial year 2022 (previous year: EUR –41.3 million), whereby the improvement realized compared to the previous year is the result of successfully implemented optimization programs.

Despite the challenges mentioned, we succeeded in maintaining stability and generating further growth as promised. Especially in the second and third quarter of the financial year, the extraordinarily increased energy and raw material prices represented a strong burden for the portfolio companies. Mutares, together with the entire management team and the management and employees of the portfolio companies, successfully implemented numerous measures to cushion the negative effects. These include the establishment of a procurement management system and the close monitoring of the respective suppliers as well as the implementation of measures to pass on price increases to customers and to reduce energy consumption. In the fourth quarter of 2022 and in the course of 2023 to date, there has been a gradual improvement in the external environment, so that initial tendencies towards normalization are discernible. Crucially, the portfolio companies have made tangible progress with operational improvement programs despite severe headwinds for much of the financial year 2022. In particular, the Management Board considers the development at Terranor, La Rochette, Frigoscandia, Clecim, Ganter and Special Melted Products to be positive. The development of the Group's largest investments in terms of revenues (Lapeyre Group, LMS and Donges Group) is also satisfactory to the Management Board, despite the clearly visible negative impact of the indirect effects of the war in Ukraine.

High transaction activity and further expansion of the portfolio

The financial year 2022 represents a record year in terms of transactions, with a total of 20 buy- and sell-side transactions. Mutares signed agreements for eleven platform and three add-on acquisitions in the past year and successfully closed ten of these acquisitions in the reporting year and two more that were already signed in the previous year. As expected, the portfolio growth was massively driven forward in the financial year 2022, thus almost doubling the invested capital to EUR 256.6 million. This forms the basis for our ROIC target of 7 to 10 times return on this same invested capital and provides a good foundation for the planned performance of our portfolio. On the one hand, the expansion of the portfolio is the basis for the returns from "portfolio income" (sales revenues and dividends from the portfolio) that can be planned in the future. On the other hand, a growing portfolio is also synonymous with an increasing exit potential of the "mature" investments.

Our Nordic locations made a significant contribution to the transaction success with six out of 20 transactions in the financial year 2022. Apart from the fact that the Nordic countries offer great potential for further transactions – both on the buy and sell side – Mutares' successful development in this region is a blueprint for the geographic expansion of our value-creating business approach.

The pipeline of further acquisition opportunities is promising and has again grown strongly in the course of the financial year 2023 to date. On the exit side, Mutares has also initiated further sales processes for some of the "mature" investments.

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Important decisions after the balance sheet date

Mutares has made important decisions after the balance sheet date 2022. We successfully refinanced the existing bond with a volume of EUR 80 million, which matures in February 2024, with a new senior secured bond with a volume of EUR 100 million, which matures in March 2027. The funds exceeding the redemption amount are primarily intended for further acquisitions and investments in the existing portfolio.

In addition, under the umbrella of the newly founded wholly owned subsidiary Amaneos SE as a holding company, we have positioned a globally active Tier-1 automotive supplier, which is to realize the synergies from the legally independent portfolio companies Light Mobility Solutions, MoldTecs Group and SFC Group, as a new specialist for plastic-based systems for the automotive sector. As a global player, Amaneos brings with it the prerequisites to deliver new growth impulses and to create added value for OEMs as a strong partner.

Stable and appropriate dividend planned

In order to allow shareholders to participate in the success on a sustainable basis, the Management Board proposes to this year's Annual General Meeting to distribute a base dividend of EUR 1.00 per share (previous year: EUR 1.00) for the financial year 2022. An additional performance dividend of up to EUR 1.00 per share (previous year: EUR 0.50) is to be proposed, depending on further successful exits up to the date of the Annual General Meeting on 10 July 2023. In determining the final dividend amount, including the performance dividend, the Management Board will be acting prudently and, above all, with a view to growth.

Outlook 2023

In 2022, we further consolidated and expanded our position as Europe's leading specialist for carve-outs, restructurings and turnaround situations. The basis of our success and future growth is our successful expansion across Europe to now eleven European locations in Munich, Paris, Milan, London, Frankfurt, Madrid, Stockholm, Warsaw, Vienna, Amsterdam and Helsinki. The growing presence in combination with the high reputation in the market is reflected in a continuously growing pipeline.

Against this background, we can look into the future with confidence. Against this background, we can look to the future with confidence. Based on the completed and signed transactions of the current financial year 2023, the assumptions on further intended transactions in the course of the year as well as the planning of the individual portfolio companies prepared in the second half of the financial year 2022, the Management Board continues to expect an increase in annualised revenues for the Mutares Group to EUR 4.8 billion to EUR 5.4 billion in the financial year 2023. The net income of Mutares SE & Co. KGaA shall regularly be in a range of 1.8% to 2.2% of the consolidated revenues of the Mutares Group. Based on expected revenues for the Mutares Group of EUR 5.1 billion on average, the Management Board therefore expects a net income of EUR 92 million to EUR 112 million in the financial year 2023.

Together with our employees, the Management Board will do everything in its power to achieve this ambitious goal.

We would like to thank our employees throughout the Group for their extraordinary commitment and you, dear investors, for the trust you have placed in us. We cordially invite you to continue to accompany our successful growth path and are looking forward to future exchanges.

Sincerely,
The Management Board of Mutares Management SE,
General Partner of Mutares SE & Co. KGaA



Robin Laik, CEO



Mark Friedrich, CFO



Johannes Laumann, CIO

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OUR IDENTITY

Mutares creates value by transforming risk and opportunities into sustainable business success.

VISION

To be the undisputed international leader for mid-market special situations, driven by our sustainable investment principles.

VALUES

**Entrepreneurship,
Integrated Management, Sustainability
Personal Integrity**

MISSION

Transform distressed companies and their ownership into sustainable, lasting and value-enhancing opportunities for shareholders.

GOAL

Industry-leading, risk-optimized returns and direct performance contribution for each shareholder, through sustainable and increasing dividend.

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OUR BUSINESS MODEL

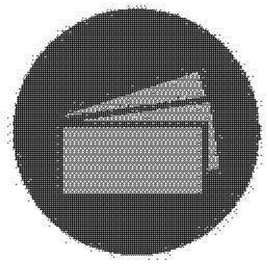
Taking calculated risks and turning losses into opportunities, ultimately creating successful turnarounds.



01 ACQUISITION

Taking calculated risks of loss-making companies

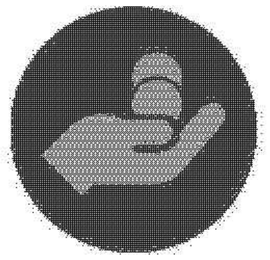
After the acquisition, Mutares initiates an extensive operational improvement program within the portfolio companies. The projects jointly defined with the company are implemented by Mutares consultants in close cooperation with the employees on site.



02 REALIGNMENT

Requesting cash financing from the seller

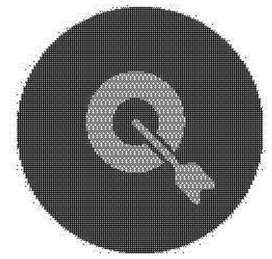
Mutares develops their companies in a successful and strategic way until the long-term reorganization is achieved. On completion of the improvement program, the company will have reestablished itself as an independent, profitable company in its respective market.



03 OPTIMIZATION

Investing in a successful turnaround

Mutares pursues an active investment management that reviews the company for further business opportunities and strengthens it in the growth phase through focused, strategic acquisitions (buy-and-build approach). For these add-on acquisitions, the strategic fit is decisive.



04 HARVESTING

Turnaround & profit from a profitable company

The objective of Mutares is to actively promote the company's value potential, by establishing the basis for a profitable sale of the company to ensure the sustainable development of the portfolio in the long term.

Learn more about the Mutares business model:
www.mutares.de/en/company

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OUR BUSINESS MODEL

Leading Private Equity Special Situations Investor

Mutares' business approach includes the acquisition, transformation (restructuring, optimization, and repositioning) and/or development of companies in special situations as well as their subsequent sale. When selecting target companies, Mutares focuses on the identification of existing value creation potential, which can be realized after an acquisition through extensive operational and strategic optimization and transformation measures.

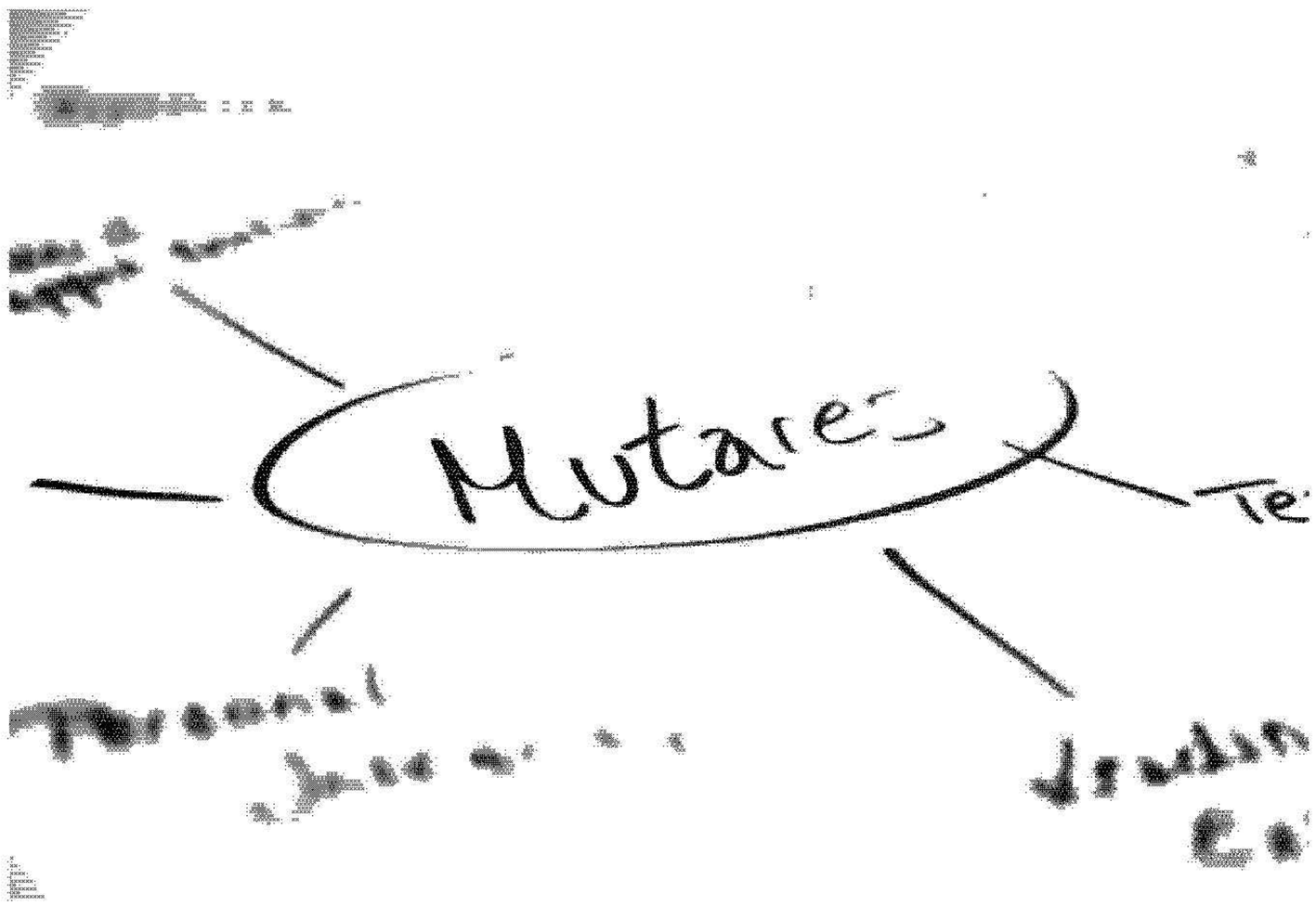
Within the framework of its business model, Mutares actively and systematically searches for target companies in special situations in order to leverage existing value potential with innovative and individually tailored solutions.

Mutares thus acts like a typical private equity investor for special situations; however, through Mutares SE & Co. KGaA, which is now listed in the Prime Standard, it is possible for a broad range of investors to participate directly in the success of a private equity-oriented business model under these regulatory conditions.

Mutares is committed to its portfolio companies during the entire time they are part of the Mutares Group and acts as a responsible and entrepreneurial shareholder who reliably and actively supports the upcoming change phases – based on extensive, long-term industry and restructuring experience. The aim is to transform companies that were unprofitable into independent and dynamic medium-sized enterprises with a competitive and profitable business model, to develop them through organic and inorganic growth and finally to sell them at a profit. Against the background of these core elements of the business model, Mutares refers to itself as an "investment entrepreneur".

Value creation approach

Mutares' business success depends to a large extent on experienced key personnel who must have outstanding cross-industry expertise in corporate transactions, financing, and corporate law as well as operational restructuring, while at the same time being highly resilient. Mutares competes globally with private equity firms in recruiting and retaining these key personnel, who are also in high demand for this profile. Mutares faces this competition and ensures through a bundle of measures that the company has sufficient highly qualified personnel to operate its business model. This does not only include variable, high performance-related compensation structures commensurate with the high level of expertise required; through careful personnel selection, a high degree of autonomy for the restructuring managers deployed, and a value-oriented management approach, Mutares attempts to offer an attractive working environment for entrepreneurial personalities.



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OUR STRATEGY

A sustainable and attractive dividend policy is one of the essential elements of the Mutares business model.

Mutares pursues the typical private equity strategy of allowing shareholders to participate directly and continuously in the Company's success. Against this background, a sustainable and attractive dividend policy is one of the essential elements of the Mutares business model. The net income of Mutares SE & Co. KGaA is derived from various sources, namely on the one hand from revenues from the consulting business and on the other hand from dividends from portfolio companies as well as exit proceeds from the sale of investments. Revenues and dividends (essentially income from portfolio companies received in the same period) result in the so-called "portfolio income". Due to this diversified revenue structure, Mutares believes that even in an operationally difficult year for various portfolio companies, it is generally in a position to generate a sufficiently high net income to continue its long-term sustainable dividend policy.

In addition to its home market Germany, Mutares is present in other strategic core markets in Europe through its own offices.

This makes it possible to compensate for regional fluctuations in the transaction markets and ensure a constant deal flow.

Transaction Focus

In selecting its acquisition targets, Mutares focuses on three segments:

Automotive & Mobility

Engineering & Technology

Goods & Services

Criteria for platform acquisitions

Mutares invests throughout Europe in companies and corporate spin-offs meeting the following characteristics:

- **Focus of activities in Europe**
- **Economically challenging situation or special situation (e.g. a short-term liquidity bottleneck or planned restructuring or reorganization)**
- **Established market position (products, brand, customer base)**
- **Operational improvement potential along the entire value chain**
- **Revenues from EUR 100 – 750 million**

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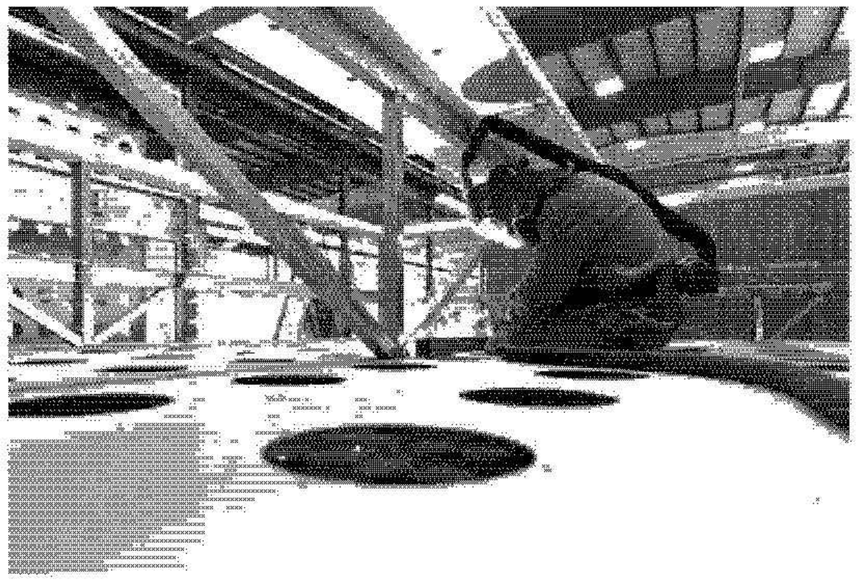
FINANCIAL YEAR 2022 AT A GLANCE

14 acquisitions and 6 exits in 2022

01 JANUARY

Mutares **compensates CO_2 of all flights** of the past in the holding. The climate protection contribution benefits the organization atmosfair, which thereby promotes the expansion of renewable energies.

Mutares is awarded the label **"Company of the Year 2022"** by Focus Money in the category holding companies.



02 FEBRUARY

Mutares completes the **acquisition of Toshiba Transmission & Distribution Europe** from Toshiba Group. The add-on investment strengthens the Balcke-Dürr Group in the Engineering & Technology segment and from now on operates under the new name Balcke-Dürr Energy Solutions.

Mutares **sells its subsidiary BEXity to Raben Group**.

03 MARCH

Lapeyre SAS has completed the **sale of all shares in its French subsidiary, SBL SAS**, to Winferm.

04 APRIL

Mutares publishes annual report 2021: **Net income of Mutares Holding rises to record level of EUR 50.7 million**. In addition, Mutares publishes a non-financial Group report for the first time.

Mutares successfully completes the **acquisition of Polar Frakt from private owners** as an add-on investment to Frigoscandia in the Goods & Services segment. The company specializes in the transport of goods from Oslo to northern Norway.

05 MAY

Mutares **completes the acquisition of the Sheffield business of Allegheny Technologies Incorporated**. The company is a manufacturer of robust quality products made of low-alloy steels, stainless steels and nickel-based superalloys and strengthens the Engineering & Technology segment as a new platform investment. It will operate under the new name Special Melted Products.

The Annual General Meeting of Mutares SE & Co. KGaA resolves a **dividend of EUR 1.50 per share**. This consists of a **base dividend of EUR 1.00 per share and a performance dividend of EUR 0.50 per share and confirms the attractive and long-term dividend policy**.

Raffaela Rein is elected as a new member of the Supervisory Board. She brings expertise in the field of sustainability and innovation.

Mutares completes the **acquisition of Vallourec Bearing Tubes from Vallourec**. The company is a manufacturer of seamless precision steel tubes and strengthens the Engineering & Technology segment as a new platform investment under the new name VALTI.

06 JUNE

The portfolio company Frigoscandia **has sold its French subsidiary** to the French logistics company Olano Services.

07 JULY

Mutares completes the **acquisition of Sealynx International and its subsidiaries from GMD Group** as an add-on investment for SFC Solutions Group. The company is a manufacturer and supplier of high-quality static and dynamic seals for motor vehicles.

09 SEPTEMBER

Mutares completes the **acquisition of Cimos from TCH** The company is a manufacturer of critical automotive components and strengthens the Automotive & Mobility segment.



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Mutares successfully completes the **acquisition of Sirti Energia** as an add-on investment to EXI in the Engineering & Technology segment. It operates from now on under the new name Six Energy.

Mutares signs an **agreement to acquire the Danish and Polish bus and Serbian business activities of Arriva Group**, which belongs to Deutsche Bahn.

Mutares expands its European presence and **opens an office in Madrid**.

10 OCTOBER

Mutares successfully completes the **acquisition of MANN+HUMMEL's high-performance plastic parts business**. The company with the new name MoldTecs develops intelligent filtration and separation solutions and has synergy effects with LMS and the SFC Solutions Group in the Automotive & Mobility segment.

Mutares **opens an office in Vienna** and gains access to Eastern European countries.

11 NOVEMBER

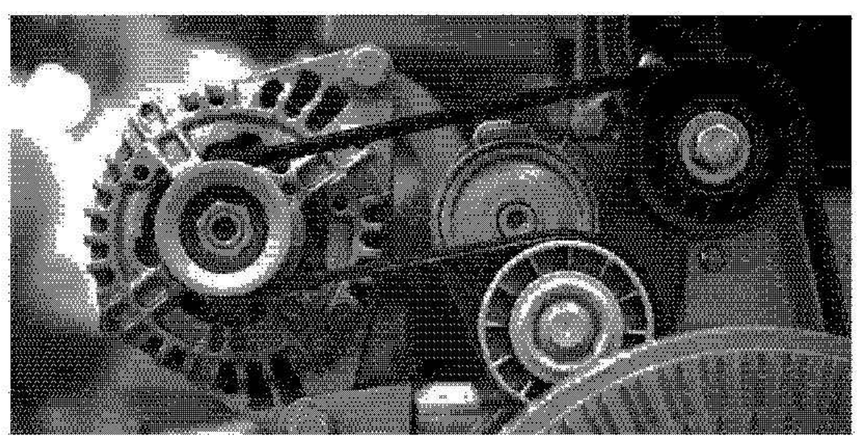
Mutares completes the **acquisition of Siemens Energy Engines and related assets from Siemens Energy** The company is a manufacturer of gas and diesel engines and strengthens the Engineering & Technology segment as a new platform investment under the new name Guascor Energy.

Mutares signs **an agreement in cooperation with Mahindra & Mahindra to acquire 50 % of the equity and a controlling stake of 80 % in Peugeot Motocycles** to strengthen the Automotive & Mobility segment.

Mutares **sells its subsidiary Nordec Group** to the buyer consortium consisting of Harjavalta and Tirinom.

Mutares successfully completes the **acquisition of Götene Kyltransporter from private owners as an add-on investment for Frigoscandia**. The company is a provider of temperature-controlled logistics with a strong presence in a strategically important area for Frigoscandia.

Mutares successfully completes the **acquisition of Steyr Motor Betriebs and Steyr Motors Immo**



from Thales Austria as a new platform acquisition in the Engineering & Technology segment.

12 DECEMBER

Mutares completes the **acquisition of the Heat Transfer Technology business of Siemens Energy** as a new platform acquisition in the Engineering & Technology segment. The company is a leading OEM in the field of heat recovery steam products and energy efficiency applications, and a global leader in exhaust and diversion solutions and has significant synergies with the Balcke-Dürr Group. In the future, it will operate under the name **NEM Energy**.

Mutares **sells its subsidiary Royal de Boer** to Turntide Technologies.

Mutares **signs an agreement to acquire Palmia from the City of Helsinki**. The company is a provider of comprehensive facility services, e.g. food/restaurants, cleaning, real estate and security and strengthens the Goods & Services segment as a new platform acquisition.

Mutares successfully **sells its subsidiary STF Balcke-Dürr** to C Capital.

Mutares signs **a contract to acquire an automotive supplier plant from Magna** in Bordeaux. The plant produces complete transmission sets for applications in gasoline and diesel vehicles and has high **synergy effects with the portfolio companies Cimos, PrimoTECS Group, KICO and ISH Group** in the Automotive & Mobility segment.

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Acting local, growing global

The financial year 2022 was once again a transaction-rich year for Mutares. With a total of 20 buy- and sell-side transactions, we achieved a new transaction record in the Company's history.

One of the main drivers behind this successful development is the expansion of our local presence. Deal sourcing is a local, regional business, especially in the special situations private equity area relevant to Mutares. Only those who are local and, like Mutares, recruit a staff of M&A and functional experts, build trust and a successful track record to establish a leading market position. **"First in mind, first in choice"** – this motto as a goal ensures sustainable deal flow region by region.

Mutares has been following the path of regional expansion for many years with proven success. We now operate out of eleven locations in nine countries. The newly opened offices in Madrid, Amsterdam, and Helsinki contributed to the 2022 growth with the first significant transactions. We want to continue to drive regional expansion and thus growth. Initiatives to this end are already underway in the direction of Eastern Europe and the USA.

In the financial year 2022, the fledgling **Nordics** sites in particular stood out positively with six out of 20 transactions, including four acquisitions and two successful exits. The region is representative of the growth ambition and especially the value generation at Mutares. The Nordics is characterized by a large number of carve-out opportunities , which is also reflected in Mutares' transaction history in the region. Mutares opened its first office in the Nordics end of 2021 in Stockholm, followed by a presence in Helsinki in 2022. The track record in the region to date: **Five platform acquisitions, three add-on acquisitions and two exits.** Of these, six transactions were in FY2022, highlighting how quickly the Nordics expansion is gaining momentum.

Helsinki, Finland

Partner of choice for Privatization and Carve-out Transactions

“

While the M&A market in the Nordics declined overall in 2022, the trend of corporations and state-owned enterprises focusing on their respective core activities continued in 2022. This trend has contributed to our high transaction activity, mainly thanks to excellent reputation of our local teams.”

Carl Kistenmacher,
Head of Nordics & UK

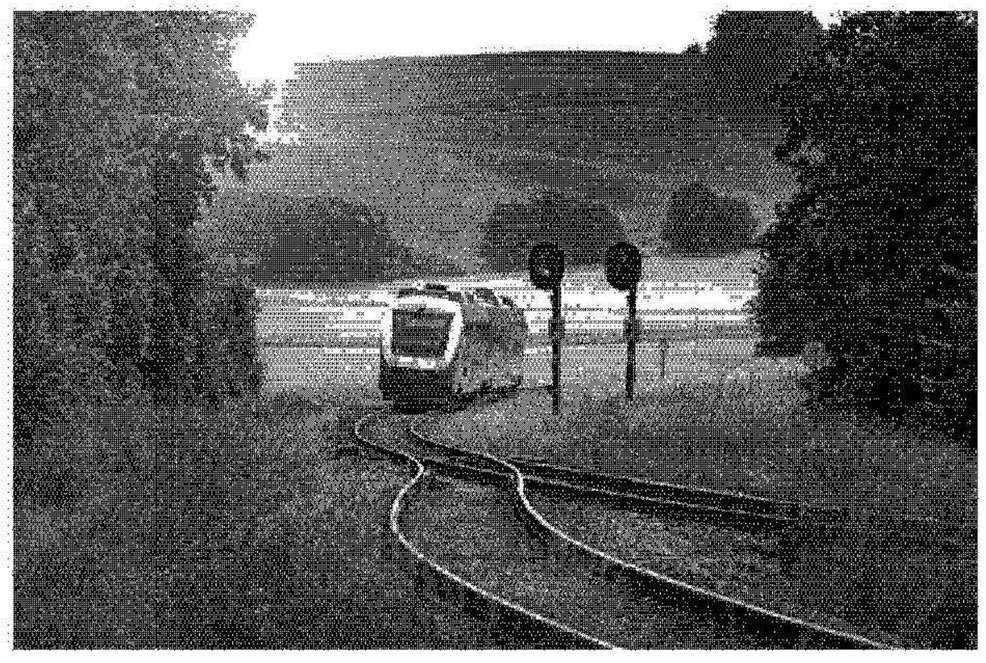


Within a short period of time, Mutares has also established itself as a **partner of choice for the privatization of public companies** with the expert teams at the locations in Sweden and Finland, which is underlined by the platform acquisitions of Frigoscandia, Arriva Denmark and Palmia from state or municipal owners.

Frigoscandia, headquartered in Helsingborg, Sweden, was originally part of the Norwegian state-owned company Posten Norge under the name Bring Frigo. The company is a market-leading provider of temperature-controlled logistics services in the Nordics and has a large network and a distinct presence in Europe, with a focus on the Nordic countries. The acquisition by Mutares was completed at the end of 2021.

In financial year 2022, Mutares Nordics successfully completed two add-on acquisitions for Frigoscandia with the purchase of Polar Frakt and Götene Kyltransporter, meaning that Mutares has invested in the growth of the group in addition to implementing substantial cost reduction measures.

In addition, two agreements were signed to acquire **Arriva Denmark,** a public transport and car sharing operator in Denmark, from Arriva Group, a subsidiary of Deutsche Bahn, and **Palmia,** a provider of comprehensive facility services, from the City of Helsinki, which has already been successfully completed during 2023.



An agreement to acquire Arriva Denmark, a provider of public transportation, was signed in 2022.

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Attractive market, high returns

NORDEC

>7
ROIC

Mutares was able to successfully transfer the high value creation potential of the business model to the Nordic locations, so that there is a successful track record in all phases of the typical investment lifecycle. With the exit of Frigoscandia France and Nordec Group, Mutares has successfully completed the final step in the investment lifecycle of two Nordics investments in 2022.

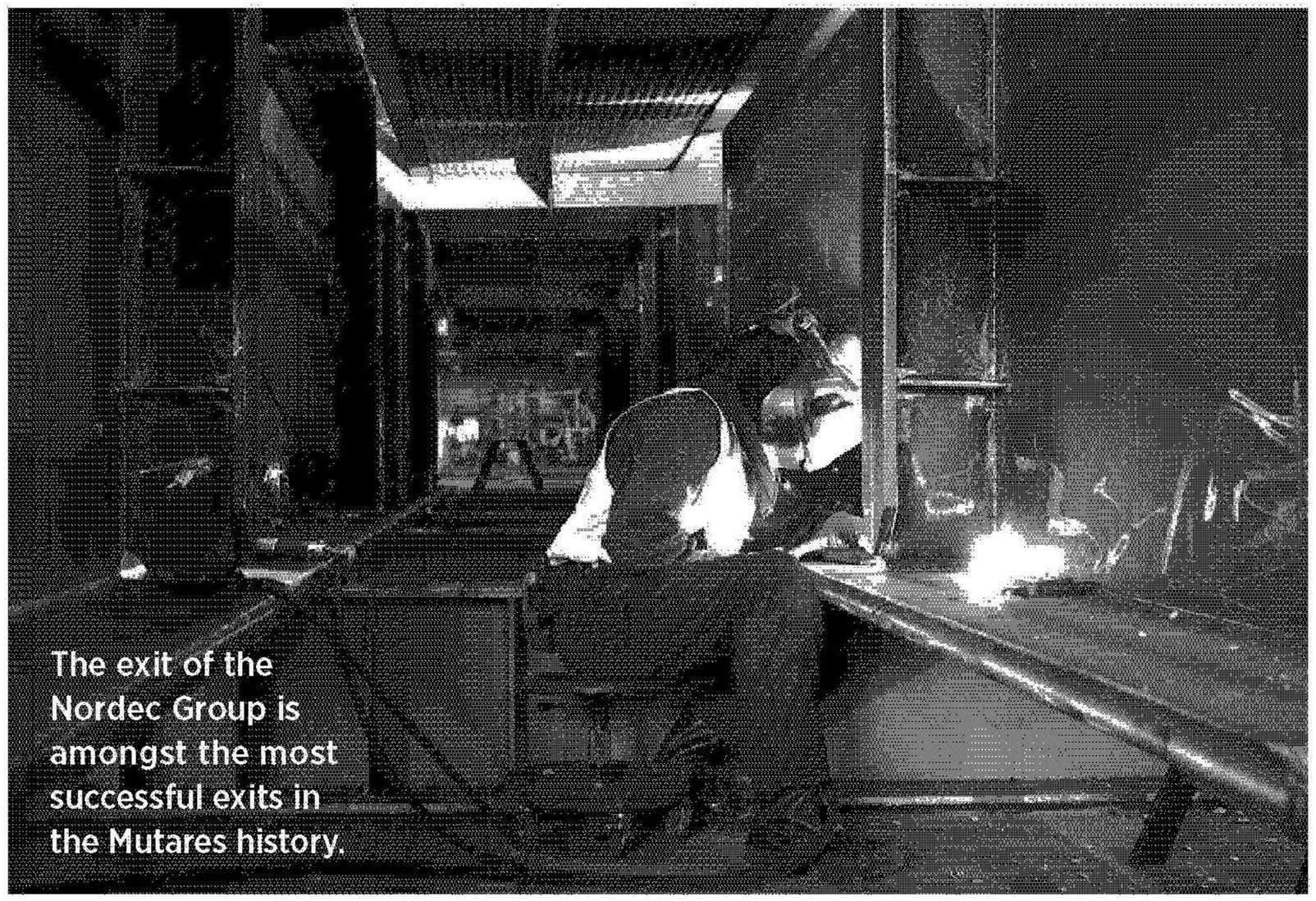
In both **exit deals,** Mutares was able to **achieve its internal ROIC target of 7 to 10 times invested capital.** The sale of Nordec Group is one of the most successful exits in Mutares' history.

Mutares Nordics has already established itself as a major player in the market after only two years since its official launch. With a team of 12, the Nordics region also has the potential to deliver significant growth momentum for Mutares in 2023.



FRIGOSCANDIA
France

>10
ROIC



The exit of the Nordec Group is amongst the most successful exits in the Mutares history.

"We expect a boost in special situation private equity deals in 2023 as companies face a variety of economic challenges, including continued pandemic losses, supply chain issues, high inflation and recession fears, as well as several severe geopolitical crises and uncertainties – such as the war in Ukraine or growing tensions between China and Western democracies. With our powerful value proposition and strong local teams, we are ideally positioned to take advantage of the opportunities."

Carl Kistenmacher, Head of Nordics & UK

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PORTFOLIO

OUR PORTFOLIO COMPANIES

Automotive & Mobility

Our Portfolio Companies in the Automotive & Mobility segment – our **early-cyclical business** – operate worldwide, supplying prominent international original equipment manufacturers (OEMs) for commercial vehicles and passenger cars.

Engineering & Technology

Our portfolio companies in the Engineering & Technology segment – our **late-cyclical business** – serve customers from various sectors, including the energy and chemical industries, public infrastructure and the rail sector, in particular in the area of plant and mechanical engineering.

Goods & Services

Our portfolio companies in the Goods & Services segment – our **non-cyclical business** – offer specialized products and services for customers in various sectors.

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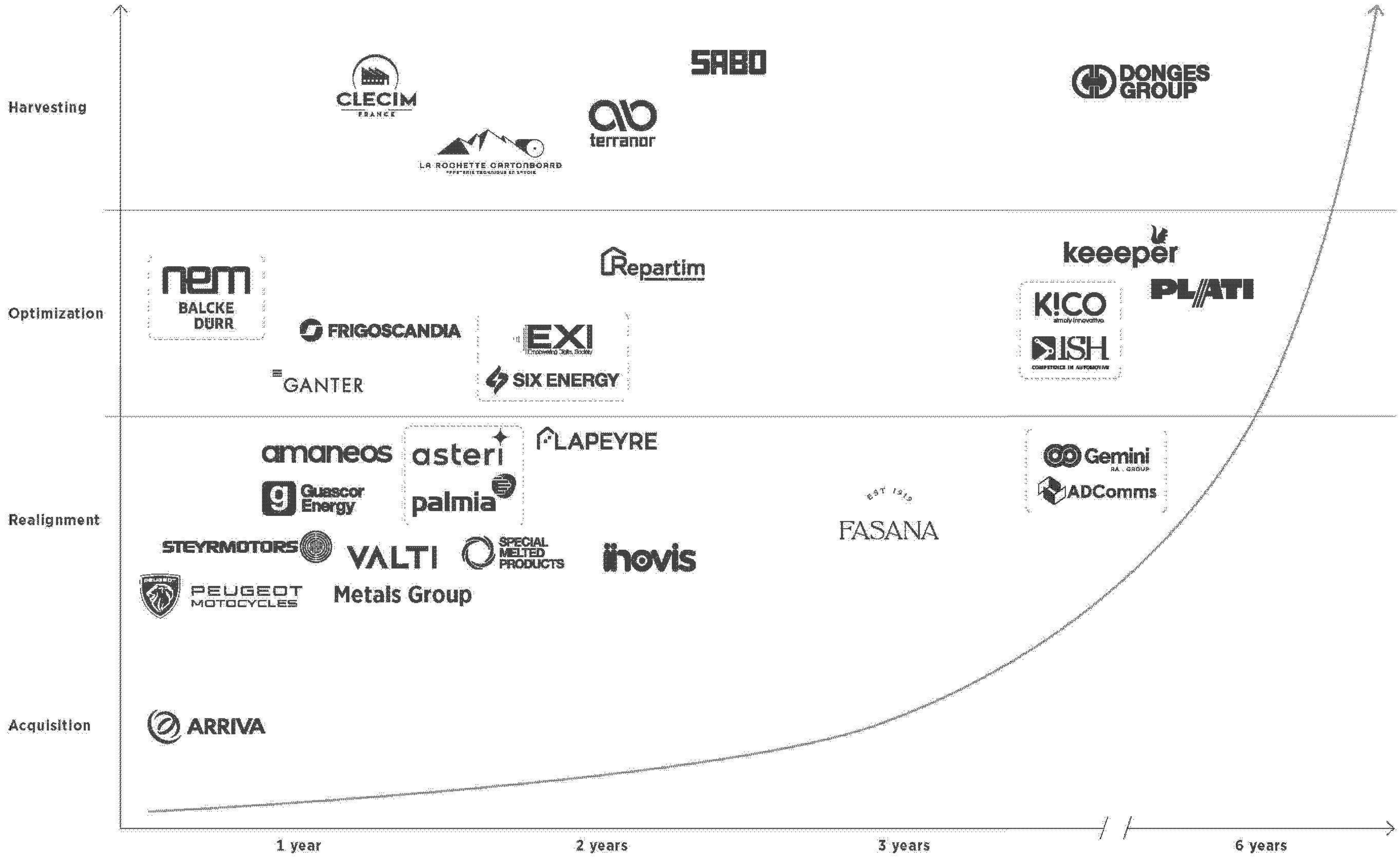
MUTARES PORTFOLIO ACROSS LIFECYCLE STAGES

Attractive exit opportunities increase with the maturity – the actual holding period in years.

ROIC target of 7–10x over the entire lifecycle.



as of April 2023

OUR FOOTPRINT

Since its foundation in 2008, with the first office in Munich, Mutares has become a European investor with activities worldwide. Mutares has 11 offices and currently holds 25 portfolio companies.



Portfolio Companies

1 **Amaneos Group** (Frankfurt/Main, Germany)
2 **Metals Group** (Frankfurt/Main, Germany)
3 **KICO & ISH Group** (Halver, Germany)
4 **Peugeot Motocycles** (Mandeure, France)
5 **iinovis Group** (Bad Friedrichshall, Germany)
6 **Plati Group** (Madone, Italy)
7 **NEM Energy Group** (Zoeterwoude, Netherlands)
8 **Donges Group** (Frankfurt/Main, Germany)
9 **La Rochette** (Valgelon-La Rochette, France)
10 **Special Melted Products** (Sheffield, UK)
11 **Gemini Rail & ADComms Group** (Wolverton and Scunthorpe, UK)
12 **Guascor Energy** (Zumaia, Spain)
13 **Clecim** (Savigneux, France)
14 **VALTI** (Montbard, France)
15 **Steyr Motors** (Steyr, Austria)
16 **Lapeyre Group** (Aubervilliers, France)
17 **Frigoscandia Group** (Helsingborg, Sweden)
18 **Terranor Group** (Stockholm, Sweden; Helsinki, Finland; Silkeborg, Denmark)
19 **Asteri & Palmia** (Helsinki, Finland; Stockholm, Sweden)
20 **keeeper Group** (Stemwede, Germany)
21 **EXI & SIX Energy Group** (Rome & Milan, Italy)
22 **Ganter Group** (Waldkirch, Germany)
23 **FASANA** (Euskirchen, Germany)
24 **Repartim Group** (Tours, France)
25 **SABO** (Gummersbach, Germany)

AUTOMOTIVE & MOBILITY

EUR million
2,200
annualized revenues[1]

Our Portfolio Companies in the Automotive & Mobility segment – our **early-cyclical business** – operate worldwide, supplying prominent international original equipment manufacturers (OEMs) for commercial vehicles and passenger cars.



Portfolio company	Industry	Acquisition	Revenue[1]	Phase
Amaneos Group	Global partner for plastic-based systems for the automotive industry	2020 2021 2022	EUR million 1,200	Realignment
Metals Group	Multinational supplier for multi-material machined solutions and systems	2020 2022 2023	EUR million 600	Realignment
KICO & ISH Group	System supplier of high-quality automotive technology	2019 2021	EUR million 190	Optimization
Peugeot Motocycles	Manufacturer of two- and three-wheeler scooters and motorcycles	2023	EUR million 140	Realignment
Iinovis Group	Engineering service provider for automotive engineering	2020	EUR million 40	Realignment
Plati Group	Manufacturer of wiring harnesses and cabling	2019	EUR million 30	Optimization
			EUR million 2,200	

[1] [illegible]

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AMANEOS GROUP

amaneos

Global partner for plastic-based systems for the automotive industry

part of the portfolio since
2020, 2021, 2022

approx.
7,500
employees

approx. EUR million
1,200
annualized revenues

Headquarters
Frankfurt/Main, Germany

Company profile

Amaneos is a global partner for automotive manufacturers based in Frankfurt/Main. The company brings together three internationally active automotive suppliers for plastic-based systems. The independently operating companies Light Mobility Solutions GmbH (LMS), MoldTecs GmbH and SFC Group supply leading global OEMs with a product portfolio ranging from high-quality fluid transfer systems, sealing solutions and compound and rubber components to lightweight components and exterior and interior systems as well as high-performance plastic parts.

Amaneos has more than 30 sites worldwide and a network of manufacturing and development facilities – in Europe and North Africa in Germany, France, Italy, Spain, Poland, Portugal, Slovakia and Morocco; in Asia Pacific in India and China (planned); and in North America in Mexico and the USA (planned).

Strategy

Amaneos' goal is to be a global mobility partner to drive OEM progress and leverage the respective strengths of LMS, MoldTecs and SFC to create value for customers. Thanks to its global presence, Amaneos is able to flexibly and quickly serve customers worldwide with high-quality products. The three companies focus on continuous innovation as well as the upheaval of new and traditional technologies to keep pace with the evolving needs of OEMs in all relevant markets.

Transactions

- **2022** — Acquisition of MoldTecs from MANN+HUMMEL
- **2021** — Acquisition of Light Mobility Solutions (LMS) from Magna
- **2020** — Acquisition of SFC Solutions Group from Cooper Standard

www.amaneos.com



METALS GROUP

PRIMO TECS GROUP
CIMOS
MMT - Bordeaux

Multinational supplier for multi-material machined solutions and systems

part of the portfolio since
2020, 2022, 2023

approx.
3,500
employees

approx. EUR million
600
annualized revenues

Headquarters
Frankfurt/Main, Germany

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Company profile

Metals Group is a multinational, European supplier for automotive manufacturers based in Frankfurt/Main, Germany. The company brings together five domestic and internationally active automotive suppliers for metal-based components and systems. The independently operating companies PrimoTECS Group (including Rasche Umformtechnik and BEW Umformtechnik), Cimos, and MMT-B (Manufacturing Mobility of Tomorrow – Bordeaux), supply leading global OEMs with a product portfolio ranging from cast iron to aluminum gravity, high and low pressure die castings; from raw cold, warm and hot forgings to machined shafts and gears in near net shape; from components supply to assembled sub-systems and fully finished 6-speed manual gearboxes.

Metal Group has more than 12 sites and a network of manufacturing and development facilities – in Germany, France, Italy, Slovenia, Croatia, Serbia and Bosnia-Herzegovina.

Strategy

Metals Group's vision is to become a global mobility partner to drive OEM progress and leverage the respective strengths of PrimoTECS Group, Cimos and MMT-B to create value for customers. Thanks to its balanced footprint, the Metals Group is able to flexibly and quickly serve customers with high-quality solutions combined with a European best cost country footprint. The company focuses on continuous operational improvement as well as the development of technologies and innovation to keep pace with the evolving needs of OEMs in all relevant markets.

Transactions

- **2023** — Add-on acquisition of BEW Umformtechnik from Marigold Capital[1]
- **2023** — Acquisition of MMT-B from Magna
- **2022** — Acquisition of Cimos from TCH
- **2021** — Add-on acquisition of Rasche Umformtechnik from private owners
- **2020** — Acquisition of PrimoTECS from Tekfor Group

↗ www.primotecs.com
↗ cimos.eu



KICO & ISH GROUP

KICO simply innovative

ISH COMPETENCE IN AUTOMOTIVE

System supplier of high-quality automotive technology

part of the portfolio since
2019, 2021

approx.
1,000
employees

approx. EUR million
190
annualized revenues

Headquarters
Halver and Hainichen, Germany

Company profile

KICO is a leading and rich in tradition supplier for the international automotive industry. In addition to its headquarters in Germany, KICO operates two other sites in Poland. KICO develops, industrializes, and manufactures market-oriented, competitive safety components for passenger cars. The products meet the elevated requirements of the European automotive industry and range from active and passive hinges and closure systems, through mechatronic backrest adjusters to active aerodynamic systems. As a Tier-1 supplier KICO mainly serves automotive OEMs and, thanks to its high flexibility and in-depth know-how, can offer its customers tailor-made solutions with the expected highest product and delivery quality.

Innomotive Systems Hainichen (ISH) is a leading manufacturer of high-precision machined door hinges made of steel or aluminium, as well as complex door checks, hinges for hoods, tailgates, and lids. The company is the world's number one supplier of aluminium hinges for automotive applications with headquarters in Hainichen, Germany and subsidiary in Nanjing, China. Since its foundation in 1992, ISH established itself as a leading Tier-1 supplier serving automotive OEMs products for passenger as well as commercial vehicles. ISH offers to its customers a one-stop-shop covering the entire value chain from customer-specific development of products, CNC machining, broaching, welding, hardening to semi and fully automated assembly lines with integrated quality checks.

Strategy

ISH is deeply involved in the co-development of customer components taking advantage of its highly skilled R&D team. ISH focuses on strengthening and diversifying its OEM portfolio, delivering customized solutions. To support its international reach, ISH plans to further leverage its subsidiary in China and further develop its growth.

KICO positions itself as a preferred strategic partner with a high degree of connectivity and expertise for customers in the automotive industry. With its technical competence, KICO aims to further expand its market position in the areas of closure systems and hinges and to consolidate and strengthen the market position already achieved in the still young product area of aerodynamic systems. KICO focuses on the optimization of operational excellence to further strengthen the basis for the future growth.



In addition, the two companies will grow closer together as synergies are leveraged. This will lead to cost reduction potential in the administrative area as well as growth potential on the sales side through cross-selling and higher competitiveness due to the international production footprint.

Transactions

- **2021** — Acquisition of Innomotive Systems Hainichen from a Chinese state-controlled enterprise
- **2019** — Acquisition of KICO Group from the owner family

↗ www.kico.de
↗ www.ish-automotive.de

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PEUGEOT MOTOCYCLES

PEUGEOT MOTOCYCLES

Manufacturer of two- and three-wheeler scooters and motorcycles

part of the portfolio since
2023

approx.
350
employees

approx. EUR million
140
annualized revenues

Headquarters
Mandeure, France

Company profile

Peugeot Motocycles is the most reputed French motorcycles brand, manufacturing two and three-wheeler scooters which are distributed across 3,000 points of sale through subsidiaries, importers, and dealers in France and internationally, across three continents. The company has its own manufacturing facility in Mandeure, a joint venture with JNQQ (Jinan Qingqi Motorcycle Co., Ltd.) in China, as well as manufacturing partnerships with several large Asian players including THACO in Vietnam.

Strategy

Peugeot Motocycles is well positioned for its future growth with the launch of 5 new models in 2023, addressing market trends, including electric vehicles. The company is an international Original Equipment Manufacturer (OEM), with a very strong brand, which could also benefit from significant synergies potential with other Mutares' portfolio companies.

Transactions

- **2023** — Acquisition of 50% equity and a controlling stake of 80% from Mahindra & Mahindra

↗ www.peugeot-motocycles.fr



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IINOVIS GROUP

iinovis

Engineering service provider for automotive engineering

part of the portfolio since
2020

approx.
400
employees

approx. EUR million
40
annualized revenues

Headquarters
Bad Friedrichshall, Germany

Company profile

iinovis is a leading automotive and industrial engineering service provider with expertise in key growth areas such as simulation, testing, electrical/electronics and vehicle development (cars & motorcycles). In addition to engineering services, the company is also active in prototyping as well as small series production and in the production of wire harnesses. The company operates at five locations in Germany and has a test track access in Spain for specific testing demands of automotive customers. Furthermore, iinovis cooperates with a strategic engineering service provider in India to ensure price competitiveness.

Strategy

iinovis is well positioned for its future growth and will benefit from the increasing demand of OEMs in the development area in the field of electrification (battery and fuel cell technology).

Transactions

- **2020** — Acquisition of the Engineering Services segment of Valmet Automotive

↗ www.iinovis.com



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PLATI GROUP

PLATI

Manufacturer of wiring harnesses and cabling

part of the portfolio since
2019

approx.
600
employees

approx. EUR million
30
annualized revenues

Headquarters
Madone, Italy



Company profile

Founded in 1973, the Plati Group is now a global supplier of wire harnesses. With its two production sites in Poland and Ukraine and a sales office in Italy, the company has the best knowledge and experience in the production of customized and safety-related products for various industries such as automotive, consumer goods and industrial, as well as electronic devices, healthcare and telecommunications.

With a strong customer-focused approach, adherence to global safety, environmental, sustainability and quality standards, and 50 years of experience, Plati serves a broad customer base, including manufacturers of household and consumer electronics.

Strategy

Following the successful completion of the simplification of logistics processes in 2019, the reduction of loss-making products and a strong improvement in work organization and productivity, the focus since then has been on growth.

Plati Group develops its business along the six sales markets automotive, consumer goods, industry, electronic devices, healthcare, and telecommunications. Against the background of a technological upheaval in the automotive industry and the increasing electrification of mobility, Plati is excellently positioned and considers the markets for vehicle wiring harnesses and for medical electronics, to be very attractive and promising for its own product range.

Transactions

- **2019** — Acquisition of Plati from Deren Group

↗ www.plati.it

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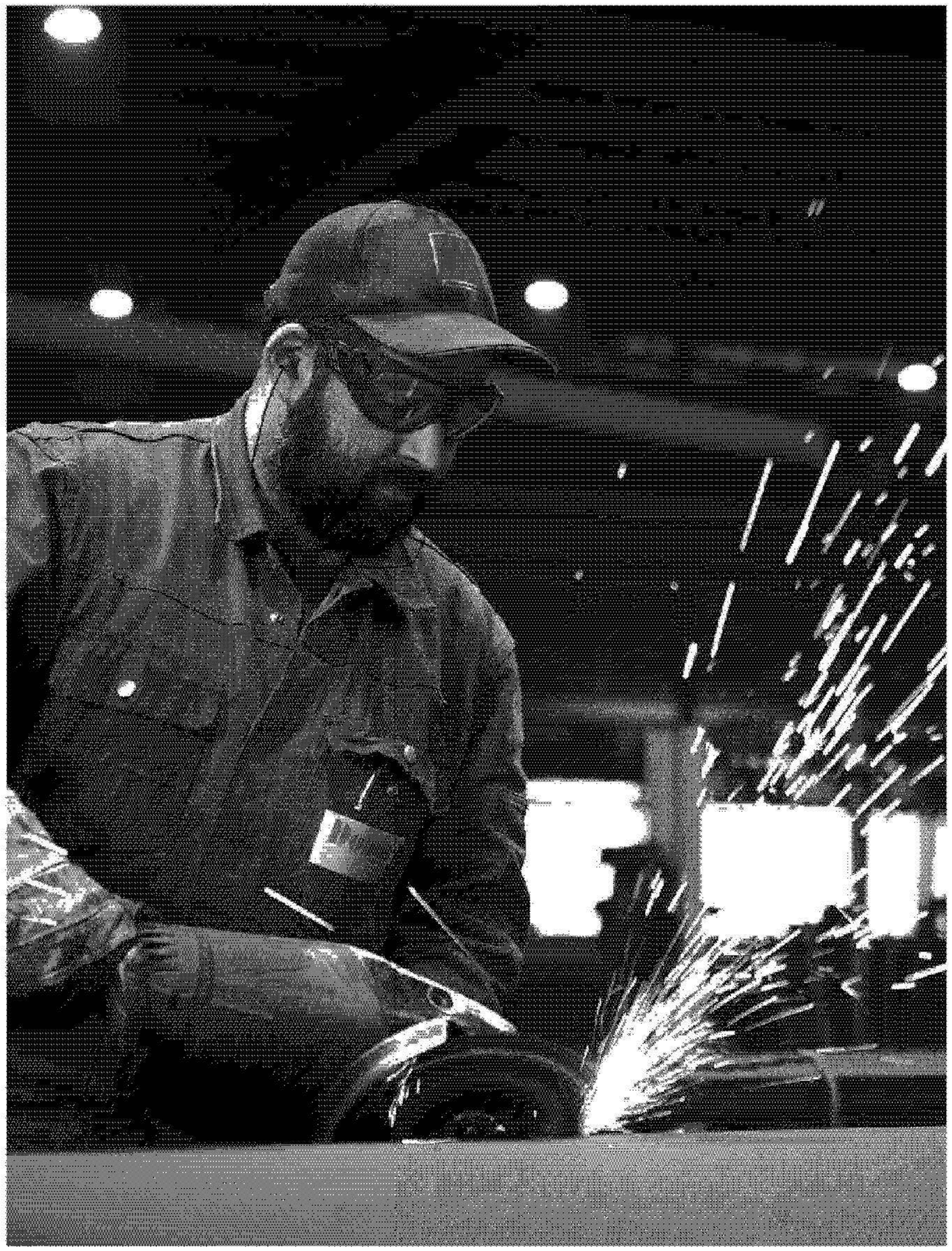
ENGINEERING & TECHNOLOGY

Our portfolio companies in the Engineering & Technology segment – our **late-cyclical business** – serve customers from various sectors, including the energy and chemical industries, public infrastructure and the rail sector, in particular in the area of plant and mechanical engineering.

EUR million
1,125
annualized revenues[1]

Portfolio company	Industry	Acquisition	Revenue[1]		Phase
NEM Energy Group	Supplier and service provider of heat recovery steam generators, heat exchangers and reactors	2016 2022	EUR million	340	Optimization
Donges Group	Full-service provider for building envelopes and steel structures	2017	EUR million	180	Harvesting
La Rochette	Producer of folding boxboard	2021	EUR million	175	Harvesting
Special Melted Products	Supplier of forged and machined specialist steel products	2022	EUR million	140	Realignment
Gemini Rail & ADComms Group	Industrial, technological, and infrastructure service provider for the rail industry	2018 2021	EUR million	80	Realignment
Guascor Energy	Manufacturer of gas and diesel engines	2022	EUR million	80	Realignment
Clecim	Supplier of high-end steel processing line solutions	2021	EUR million	50	Harvesting
VALTI	Manufacturer of seamless high-precision steel tubes	2022	EUR million	50	Realignment
Steyr Motors	Manufacturer of durable diesel engines and auxiliary electric drives for special applications	2022	EUR million	30	Realignment
			EUR million	**1,125**	

[1] [illegible]



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NEM ENERGY GROUP

Supplier and service provider of heat recovery steam generators, heat exchangers and reactors

part of the portfolio since
2016, 2022

approx.
500
employees

approx. EUR million
340
annualized revenues

Headquarters
Zoeterwoude, the Netherlands

Company profile

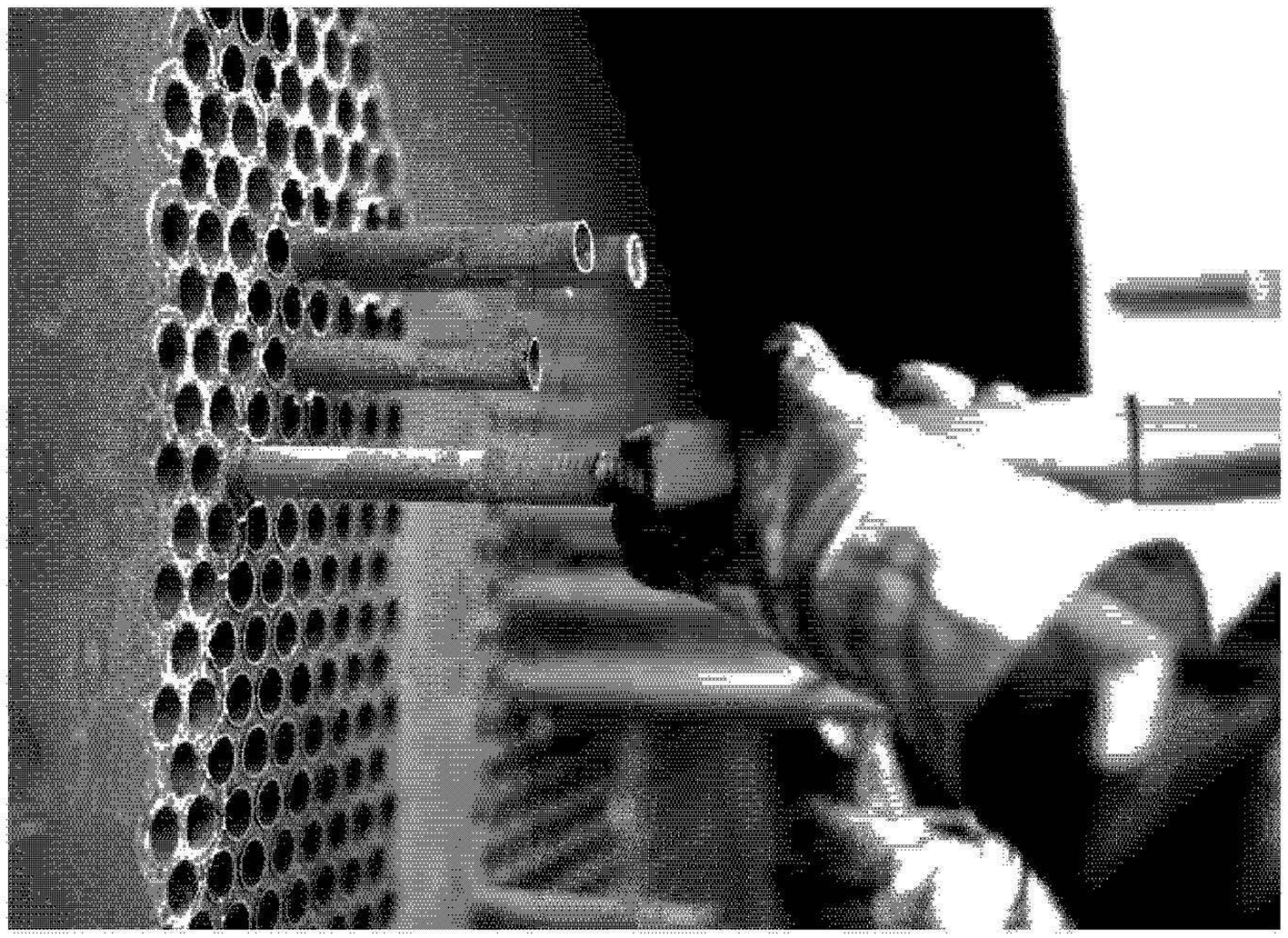
With more than 130 years of experience, the Balcke-Dürr Group offers innovative energy efficiency solutions for utilities and companies active in the nuclear, gas power generation as well as the chemical industries. The product portfolio ranges from standard modules to complete thermal systems. Balcke-Dürr's experienced engineers specialize in solutions that meet the highest safety and sustainability requirements. The product portfolio includes heat exchangers, cooling towers, small modular reactors, nuclear decommissioning, and maintenance & inspection services.

In December 2022, Mutares successfully completed the acquisition of NEM Energy (formerly the Heat Transfer Technology business of Siemens Energy). The company will operate as a platform with the goal of integrating with the Balcke-Dürr Group in the future, aiming for future growth with the support and leadership of Mutares. With more than 95 years of experience, NEM offers a product portfolio focused on heat recovery steam generators (HRSG) for power plants ranging from industrial size to very large boilers behind the most powerful gas turbines. Furthermore, the portfolio of NEM Energy includes pre-assembled WHRU (Waste Heat Recovery Units) as well as exhaust gas and diverter systems focusing on simple and combined cycle power plant applications. The company is among the top three suppliers globally in terms of total number of units installed and a leading innovator in the field of both horizontal and vertical boilers.

Strategy

The integration of the Balcke-Dürr Group with NEM Energy will be actively pursued in 2023, materializing significant synergies and providing a broad range of service offering to the extended customer base.

Thus, among other things, a significant increase in the service business and the expansion of the business, which focuses on dismantling services for nuclear power plants.



Transactions

- **2022** — Sale of STF Balcke-Dürr
- **2022** — Acquisition of Heat Transfer Technology (NEM Energy) from Siemens Energy
- **2022** — Add-on acquisition of Toshiba Transmission & Distribution Europe
- **2021** — Sale of La Meusienne business
- **2021** — Sale of Rothemühle business
- **2020** — Sale of Balcke-Dürr Polska
- **2020** — Add-on acquisition of Loterios
- **2018** — Add-on acquisition of the heat exchanger business of STF
- **2016** — Acquisition of Balcke-Dürr Group from SPX

↗ www.nem-energy.com
↗ www.balcke-duerr.com

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DONGES GROUP

DONGES GROUP

Full-service provider for building envelopes and steel structures

part of the portfolio since
2017

approx.
600
employees

approx. EUR million
180
annualized revenues

Headquarters
Frankfurt/Main, Germany

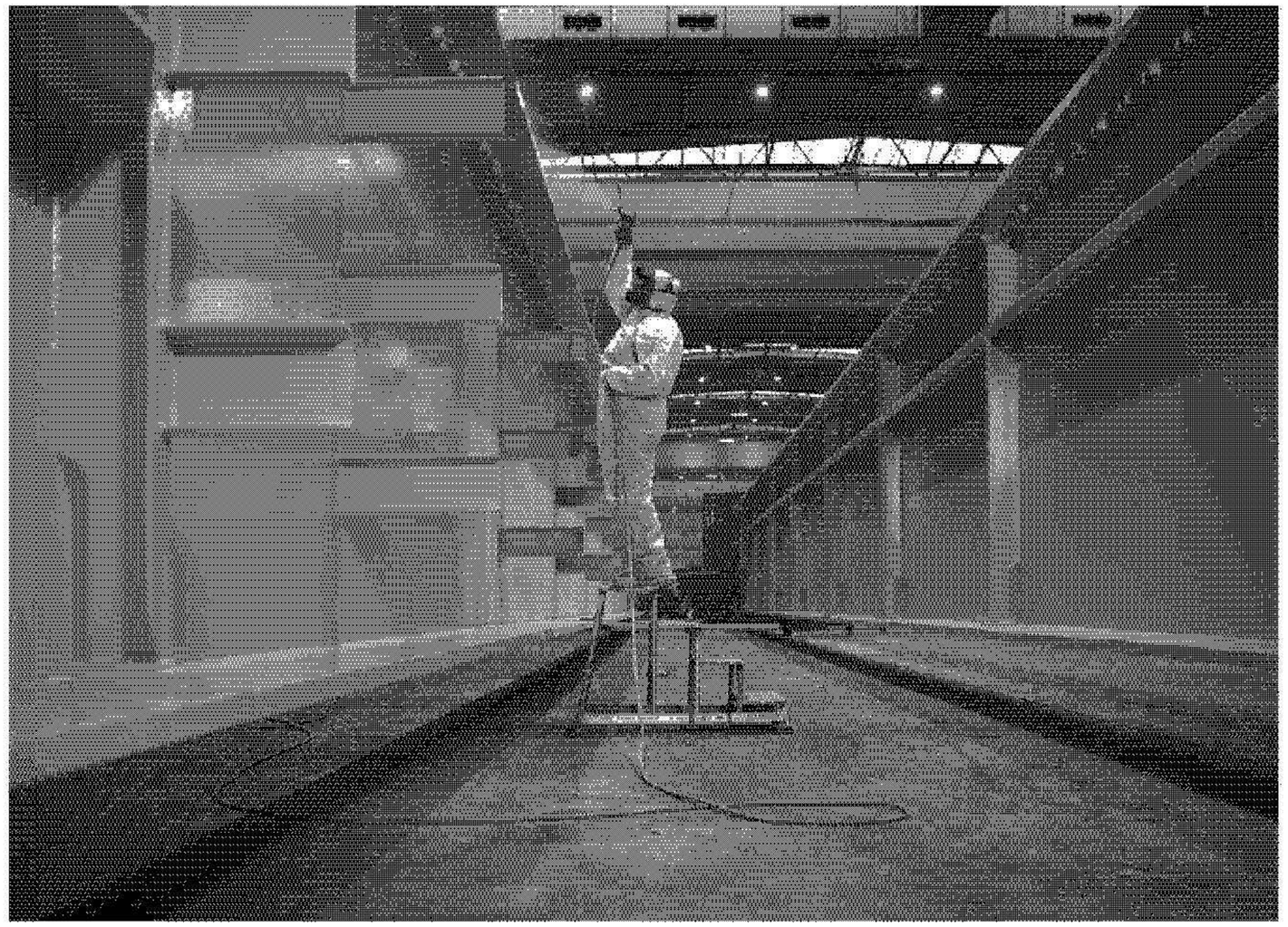
Company profile

The Donges Group is one of the leading full-range suppliers of steel bridges, steel structures and facade systems in Europe. With the excellently positioned brands; Donges SteelTec, Kalzip and Permasteelisa España, the Group delivers solutions for the construction of individual and sustainably designed buildings worldwide.

With its products, Donges serves architects, planners, building developers, general contractors and builders, the public sector as well as craftsmen and processing companies. The Donges Group employs over 600 people at ten production sites in Europe and international sales offices in 35 countries.

Strategy

Following the recent add-on acquisition (Permasteelisa España), Donges is aiming for further growth and consolidation of its very good positioning in the European market.



The cornerstones of this strategy are the realization of synergies through the joint processing of the existing customer portfolio and existing sales channels, as well as the development of Northern and Southern European markets in the areas of facade solutions and steel construction.

Transactions

- **2023** — Sale of FDT
- **2022** — Sale of Nordec
- **2021** — Sale of Norsilk
- **2021** — Add-on acquisition: Donges Group buys Permasteelisa España from Permasteelisa Group
- **2020** — Add-on acquisition: Donges Group buys Nordec (Ruukki Building Systems) from SSAB
- **2019** — Add-on acquisition: Donges Group buys Normek from private individual and fund company
- **2019** — Add-on acquisition: Donges Group buys FDT flat roof technology from private individual
- **2018** — Add-on acquisition: Donges SteelTec becomes Donges Group: acquisition of Kalzip from Tata Steel Europe
- **2017** — Acquisition of Donges SteelTec from Mitsubishi Hitachi Power Systems Europe

↗ www.donges-group.com

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LA ROCHETTE CARTONBOARD

Producer of folding boxboard

part of the portfolio since
2021

approx.
320
employees

approx. EUR million
130
annualized revenues

Headquarters
Valgelon-La Rochette, France

Company profile

La Rochette Cartonboard was founded in 1873 and is a leading manufacturer of cartonboard packaging, mainly for the pharmaceutical and food sectors. From its production site in Valgelon-La Rochette (France), the company serves a diversified customer base mainly in Europe.

Strategy

La Rochette Cartonboard uses mainly domestic wood pulp for its folding boxboard, a virgin fiber board for the packaging industry. Various coating techniques and thicknesses can be used to achieve different product properties. The increasing demand for high quality and food safety standard of paper products will further support the development of La Rochette Cartonboard. A positive market trend towards the reduction of plastics in the packaging industry is an additional driving factor.

Transactions

- 2021 – Acquisition of La Rochette Cartonboard from Reno De Medici Group

↗ www.larochette-cartonboard.com



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SPECIAL MELTED PRODUCTS

SPECIAL MELTED PRODUCTS

Supplier of forged and machined specialist steel products

part of the portfolio since
2022

approx.
190
employees

approx. EUR million
140
annualized revenues

Headquarters
Sheffield, UK

Company profile

Special Melted Products uses Vacuum Induction Melting (VIM), secondary remelting and rotary precision forging to produce a range of high integrity products in low alloy steels, stainless steels and nickel-based super alloys. Steel has been made on SMP's site since the late 1700s, (with the business inventing stainless steel in 1913). Today, the business has leveraged its industrial revolution heritage to become one of only a handful of highly-specialized suppliers into Oil & Gas, Aerospace and Nuclear end-markets.

Based in Sheffield, UK, the business benefits from extensive in-house metallurgical, forging and machining competencies, enabling it to supply a wide range of products thereby reducing supply chain complexity for its customers by serving as a "one-stop-shop." Key products include billet & forged bars, rolled bars, drill collars, engine shafts and fuel cell components.

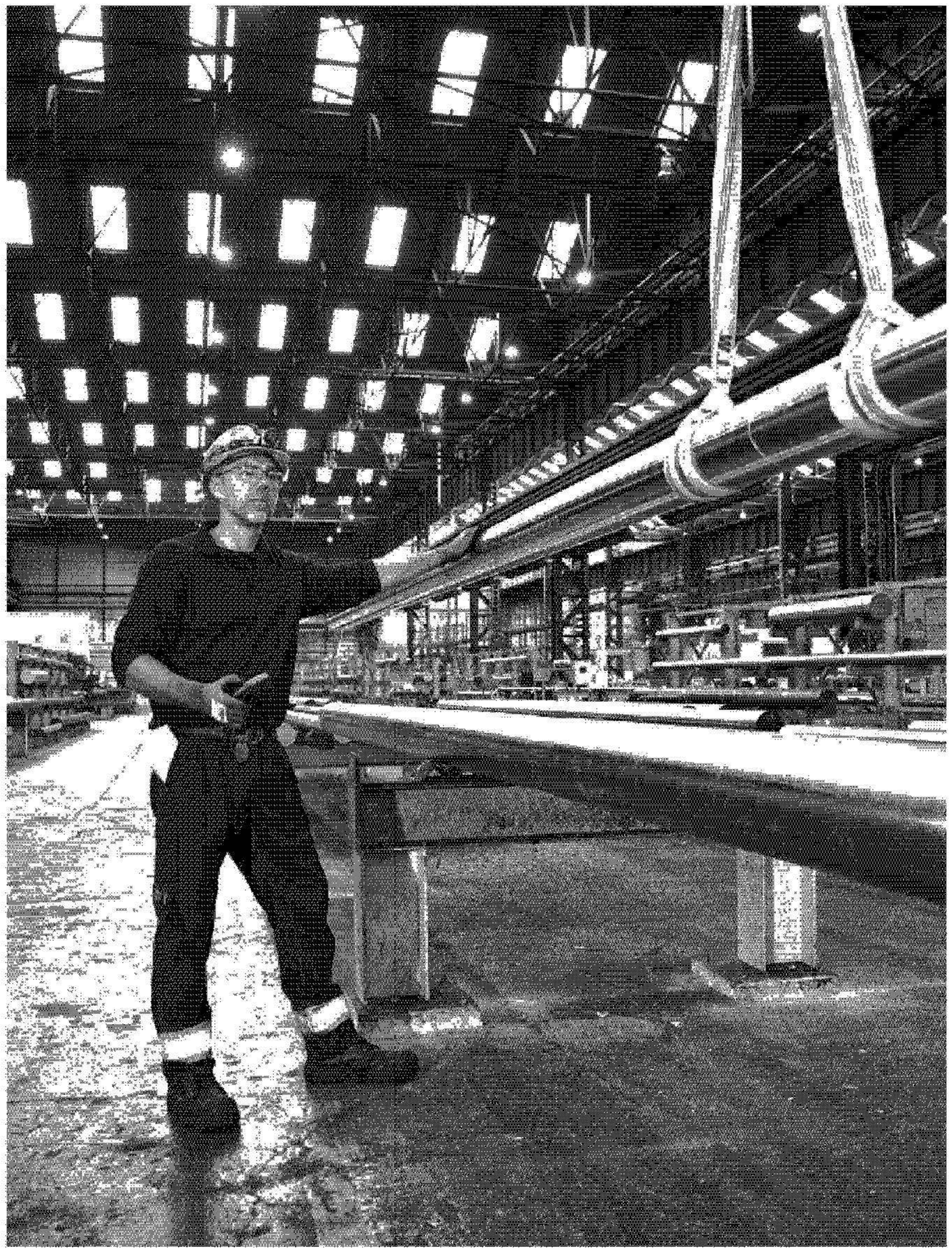
Strategy

Special Melted Products benefits from a strong reputation and a high level of expertise in rotary precision forging. The company is intensifying commercial efforts to gain further market share in its growing end-markets, both organically and inorganically. Furthermore, the business focuses on operational excellence and lean manufacturing to drive more profitable production.

Transactions

2022 — Acquisition of Special Melted Products from Allegheny Technologies Incorporated

↗ www.smp.ltd



GEMINI RAIL & ADCOMMS GROUP

Industrial, technological, and infrastructure service provider for the rail industry

part of the portfolio since
2018, 2021

approx.
270
employees

approx. EUR million
80
annualized revenues

Headquarters
Wolverton and Scunthorpe, UK

Company profile

Gemini Rail, one of the UK's leading rail engineering businesses, specializes in the modernization and refitting of rail vehicles. With its inhouse team of specialized engineers, Gemini Rail offers turnkey solutions for train refurbishment, modernization, and external project management. In addition, under the GemECO brand, the company has established itself as the leading technology retrofitter for hybrid rail vehicle propulsion systems. In the UK, Gemini is the second largest OEM-independent supplier and counts UK railway operating and stock owning companies as well as railroad manufacturer among its customers.

With extensive experience in the telecommunications and networks markets, ADComms works with clients to develop intelligent connected solutions that solve operational challenges. Predominantly working in the UK rail network, this includes radio and fixed network infrastructure, third party communications (including track-to-train and tunnel connectivity) and station communications and management systems (including single person/driver only operations and core CCTV systems). In particular, a new piece of in house developed software "CCTV Cloud Broker Solution" is leading the modernization of reliable retrieval of CCTV footage from on board systems in live time. The business offers end-to-end solutions and works closely with the key rail network infrastructure managers and major railway infrastructure operators and large transport companies.

Strategy

Both, ADComms and Gemini Rail will focus on expanding customer relationships within the UK rail industry, with an emphasis on network infrastructure operators and individual transport operators.

With its bespoke solutions operating at the forefront of contemporary transport technology, ADComms is a key player in the expanding rail network as the UK enters a period of sustained infrastructure investment.

Gemini Rail continues to focus on a redefined market strategy and further developing its product portfolio. Gemini is a pioneer for hybrid propulsion systems in the UK and through the GemECO brand and realizes orders for the conversion of rail vehicles to electric, battery, and hydrogen hybrid propulsion systems.

Transactions

- **2021** — Acquisition of ADComms from Panasonic Europe
- **2018** — Acquisition of Gemini Rail Group from Knorr-Bremse

www.geminirailgroup.co.uk
www.adcomms.ltd



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GUASCOR ENERGY

Guascor Energy

Manufacturer of gas and diesel engines

part of the portfolio since
2022

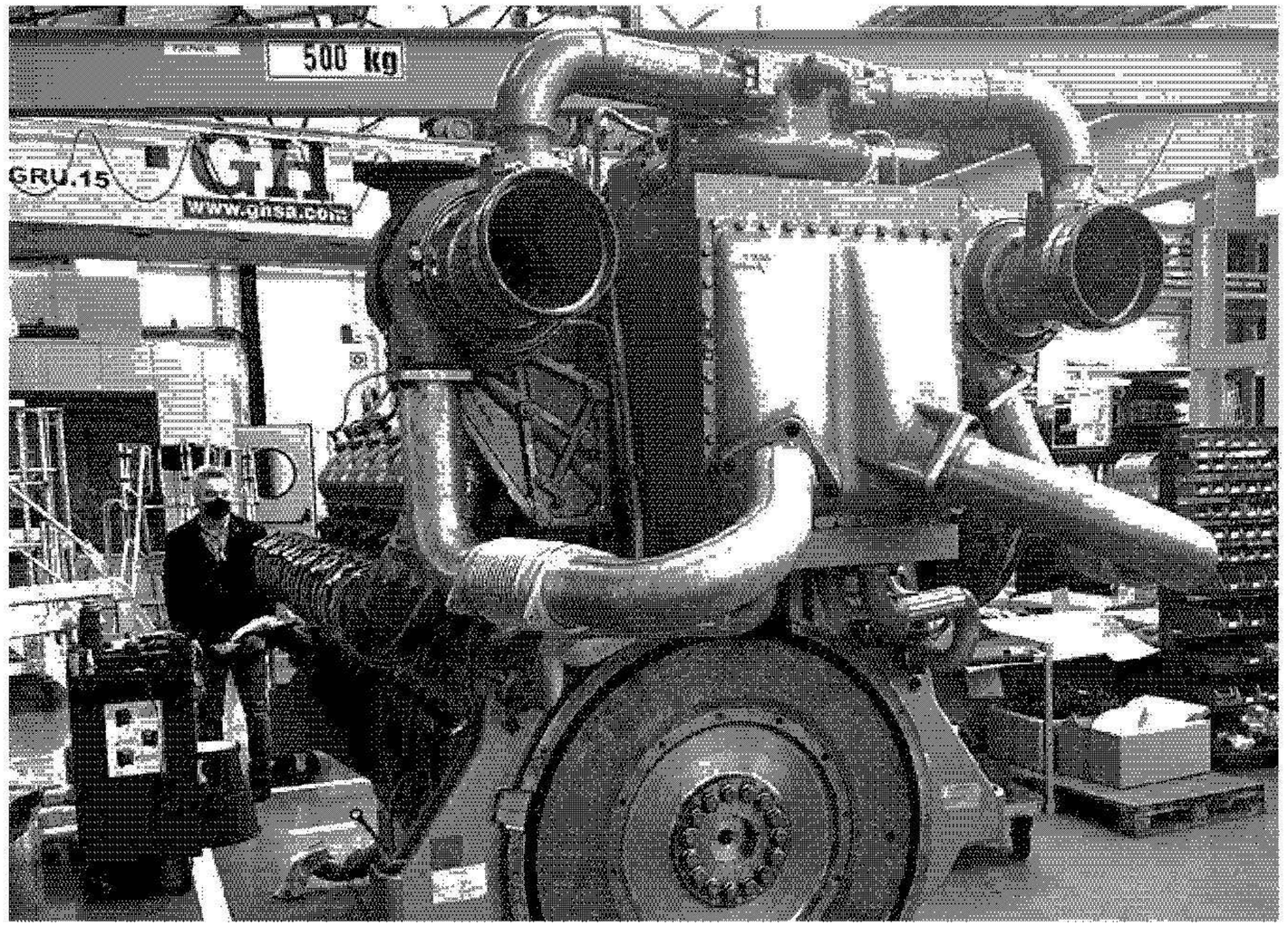
approx.
270
employees

approx. EUR million
80
annualized revenues

Headquarters
Zumaia, Spain

Company profile

With more than 50 years of experience, Guascor Energy (previously Siemens Energy Engines) offers a product portfolio focused on gas engines from 0.2 MW to 2.0 MW designed for power generation, cogeneration, waste-to-energy and marine uses. The product portfolio ranges from engines to spare parts and aftermarket services. The company has shown a successful innovation track-record by introducing some of the best-in-class reciprocating gas engines. The products are marketed through a large network of long-standing and well-established distributors, agents, and packagers with deep knowledge of local markets and access to loyal customer base. Furthermore, the company also engages in R&D and Innovation and is well positioned to benefit from trends such as decarbonization and decentralization of the oil and gas market. After being acquired by Siemens Energy in 2017, the company was then divested and will now operate independently, aiming for future growth with the help and lead of Mutares.



Strategy

Guascor Energy will focus on improving its production efficiency, as well as promoting its sales and commercial structure at its competitive sweet spot; fuel flexibility at scale. In order to achieve greater efficiency, the company will concentrate its efforts on developing an improved and concise procurement and manufacturing improvement plan. On the commercial perspective, the company will strive to be more customer centric by aiming for higher flexibility but replicating solutions all around the globe, with the ultimate goal of delivering custom-made solutions in a more efficient and reactive way. Ultimately, particular focus will be set on its flagship products to grow revenues and already tested solutions using H2 as part of the fuel mix.

Transactions

- **2022** — Acquisition from Siemens Energy

↗ www.guascor-energy.com

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CLECIM

Supplier of high-end steel processing line solutions

part of the portfolio since
2021

approx.
210
employees

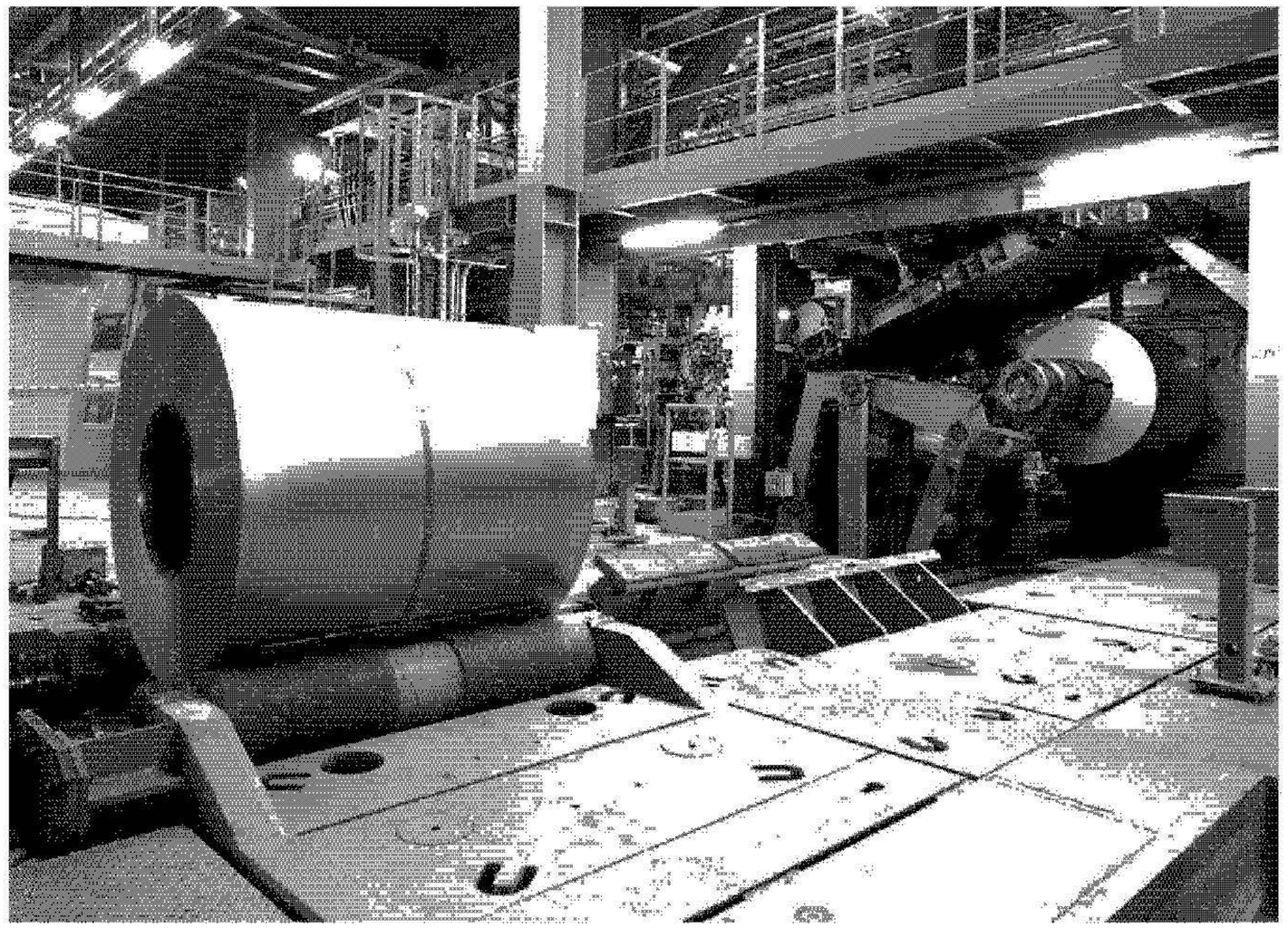
approx. EUR million
50
annualized revenues

Headquarters
Savigneux, France

Company profile

Clecim is a renowned supplier of carbon and stainless-steel processing lines, stainless steel rolling mills as well as mechatronic products and metallurgical services, serving steelmakers around the world for more than 100 years. As a provider of plants, products and services for the iron, steel and non-ferrous industries, the company offers its customers high-end technological solutions, lifecycle services and equipment of the highest processing quality.

Based in Savigneux, France, the company is fully integrated from design to manufacturing of complete mechatronics, new spare parts and maintenance or modernization solutions. Its production includes qualified specialists in mechanical welding, machining, assembly, piping, painting and testing, whose skills are also recognized in the tire industry, machining, forging and marine industries, amongst others.



Strategy

Clecim benefits from a very high level of expertise in high-end solutions for steel processing lines with leading-edge products in its market. The company is intensifying commercial efforts to further develop a new approach based on the clients support at each stage of the lifecycle of its plant or equipment (BDA services approach: Before, During and After). Furthermore, Clecim will focus on operational excellence in project planning and execution, more profitable projects and recurring services. Clecim will drive an active innovation policy based on the digital developments, business diversification and towards developments of lower carbon products and activities.

Transactions

2021 — Acquisition of Clecim from Primetals Technologies Group

↗ www.clecim.com

VALTI

VALTI

Manufacturer of seamless high-precision steel tubes

part of the portfolio since
2022

approx.
200
employees

approx. EUR million
50
annualized revenues

Headquarters
Montbard, France

Company profile

VALTI (former Vallourec Bearing Tubes) is one of the few European manufacturers of seamless high-precision steel tubes serving the bearing manufacturer industry as well as a large mechanical base of customers such as ThyssenKrupp, Manitou and Liebher. Active for more than 50 years, the company has become the second largest European player in the bearing tubes market with approx. 25% market share.

Based in Montbard, France, the company, which has over 200 employees, supplies seamless tubes to the Bearing, Mechanical and Oil & Gas industries with clients across the globe.

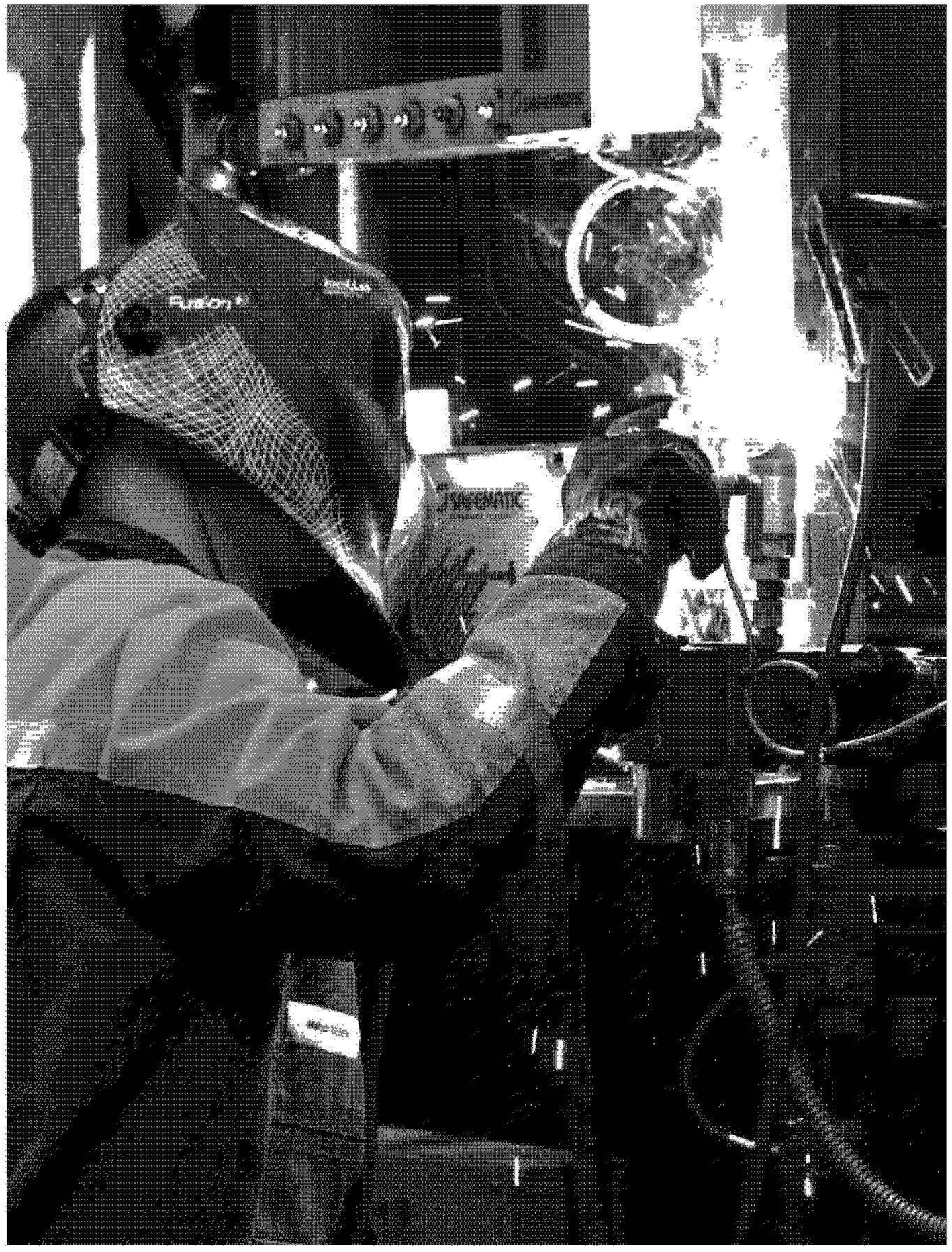
Strategy

VALTI aims at enhancing its geographical coverage across Europe by taking advantage of the steel tube market upturn. With the support of Mutares' operational consultants, the company's Management intends to strengthen its positions in the bearing industry focusing on contributive products, further developing its sales force and customer relationships on the Mechanical and Oil & Gas markets and focus on operational and manufacturing excellence in order to return to profitability.

Transactions

- **2022** — Acquisition of VALTI from Vallourec Group

www.valtitubes.com



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STEYR MOTORS

STEYRMOTORS

Manufacturer of durable diesel engines and auxiliary electric drives for special applications

part of the portfolio since
2022

approx.
130
employees

approx. EUR million
30
annualized revenues

Steyr, Austria

Company profile

Steyr Motors is a major niche specialist in the development and production of powerful and durable diesel engines and auxiliary electrical power units for special applications. The Steyr brand is associated with the highest Austrian engineering expertise for mission-critical applications.

With approximately 130 highly skilled and locally based employees, Steyr Motors develops, sells, manufactures and delivers its high-performance engines to reliably power and supply some of the most mission critical vehicles and boats under the harshest operating conditions. Few other engine manufacturers can deliver similar performance at such low weight and volume. That's why many of the world's renowned specialty vehicle manufacturers choose Steyr Motors engines for their vehicles as the logical choice to ensure the highest performance and reliability in the smallest space.

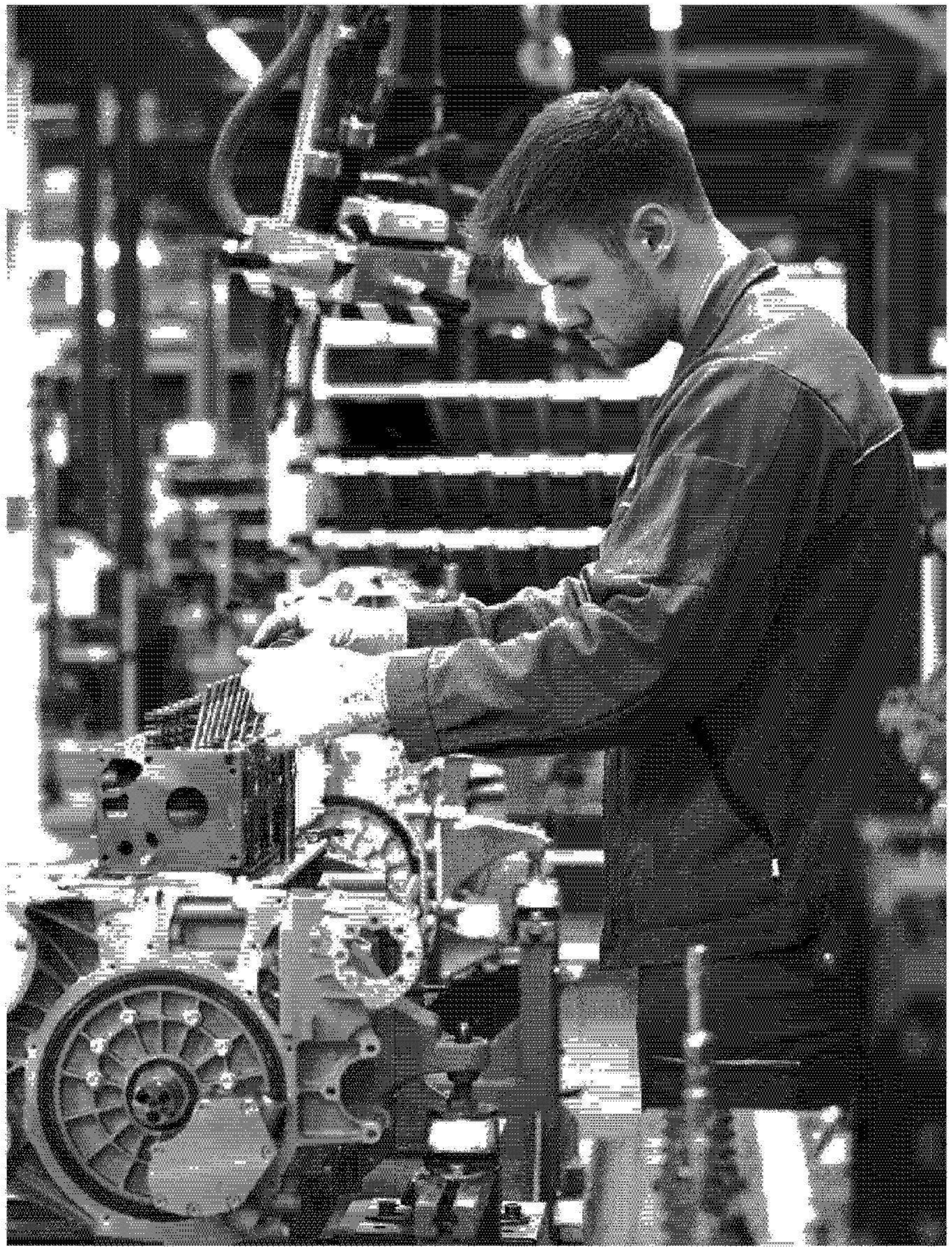
Strategy

The company aims to achieve sustainable growth, in particular by continuously developing its product offerings and expanding its service portfolio.

Transactions

- **2022** — Acquisition of Steyr Motors Betriebs and Steyr Motors Immo from Thales Austria

www.steyr-motors.com



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GOODS & SERVICES

EUR million
1,800
annualized revenues[1]

Our portfolio companies in the Goods & Services segment – our **non-cyclical business** – offer specialized products and services for customers in various sectors.

Portfolio company	Industry	Acquisition	Revenue[1]		Phase
Lapeyre Group	Manufacturer and distributor of home equipment products	2021	EUR million	720	Realignment
Frigoscandia Group	Provider of temperature-controlled logistic services	2021	EUR million	355	Optimization
Terranor Group	Provider of road operation and maintenance services	2020	EUR million	215	Harvesting
Asteri & Palmia	Differentiated service providers in the Nordics	2021 2023	EUR million	150	Realignment
keeeper Group	Manufacturer of household products	2019	EUR million	80	Harvesting
EXI & SIX Energy Group	Service provider in the telecommunications and energy infrastructure industries	2021	EUR million	75	Optimization
Ganter Group	General contractor in interior design and store fitting	2021	EUR million	70	Optimization
FASANA	Manufacturer of innovative and high-quality paper napkins	2020	EUR million	65	Realignment
Repartim Group	Provider of house repair and emergency services	2021	EUR million	40	Optimization
SABO	Manufacturer of lawn mowers	2020	EUR million	30	Harvesting
			EUR million	**1,800**	

[1] [illegible]



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LAPEYRE GROUP

LAPEYRE

Manufacturer and distributor of home equipment products

part of the portfolio since
2021

approx.
3,000
employees

approx. EUR million
720
annualized revenues

Headquarters
Aubervilliers, France

Company profile

Lapeyre is a leading manufacturer and distributor of home equipment products and furniture for indoor and outdoor use including windows, interior and exterior doors, stairs, kitchen and bathroom furniture. The company operates nine production sites, supplying an extensive network of over 130 shops in France. This brand “Lapeyre” is well known in the French market.

A strong competitive position results from the company’s vertically integrated model from production to distribution with innovation capability and fast time-to-market for new products.

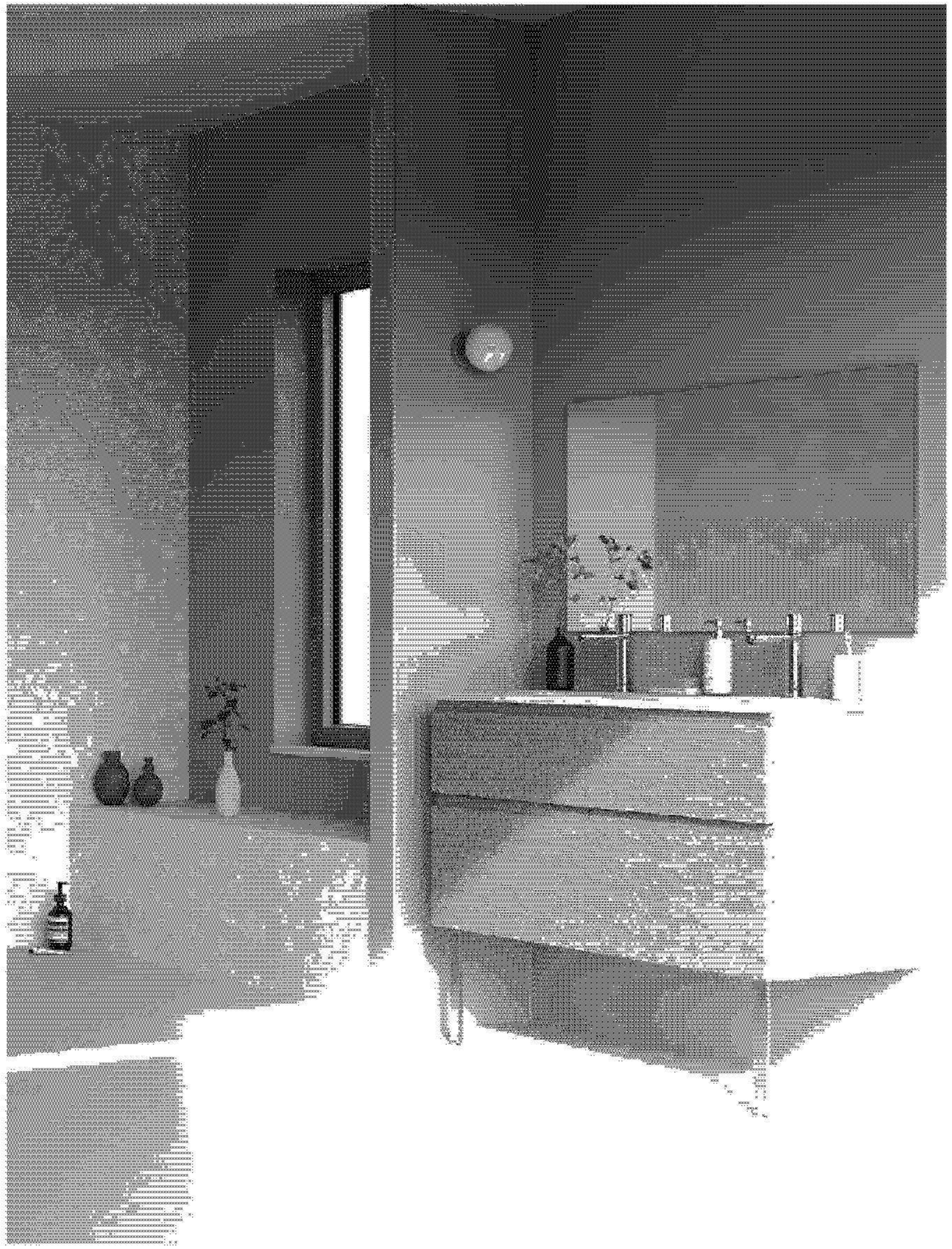
Strategy

Lapeyre capitalizes on its fundamental strengths to develop its product offering and network profitably. Thanks to strategic investments in its industrial tools, distribution network and support systems, the company is expected to return to profitability and growth within the next three years.

Transactions

- **2021** — Acquisition of Lapeyre from Saint-Gobain

↗ www.lapeyre.fr



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FRIGOSCANDIA GROUP

FRIGOSCANDIA

Provider of temperature-controlled logistic services

part of the portfolio since
2021

approx.
1,000
employees

approx. EUR million
355
annualized revenues

Headquarters
Helsingborg, Sweden

Company profile

Frigoscandia is a Nordic market leading provider of temperature-controlled logistic services. The company is headquartered in Helsingborg, Sweden with a large network and distinct presence in Europe with focus on the Nordics. Business areas include domestic transport, international transport and warehousing with a dynamic network of vehicles, terminals and warehouses.

Strategy

Frigoscandia's strategic initiatives include strengthening its presence and expanding its network in the Nordic countries (especially Sweden), its existing infrastructure, optimizing and developing the existing service portfolio, capturing the digitalization potential, developing the operating model and growth through targeted acquisitions.

Transactions

- **2022** — Add-on acquisition of Götene Kyltransporter in Sweden
- **2022** — Add-on acquisition of Polar Frakt in Norway
- **2022** — Sale of Frigoscandia in France
- **2021** — Acquisition of Frigoscandia from Posten Norge

↗ www.frigoscandia.com



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TERRANOR GROUP

terranor

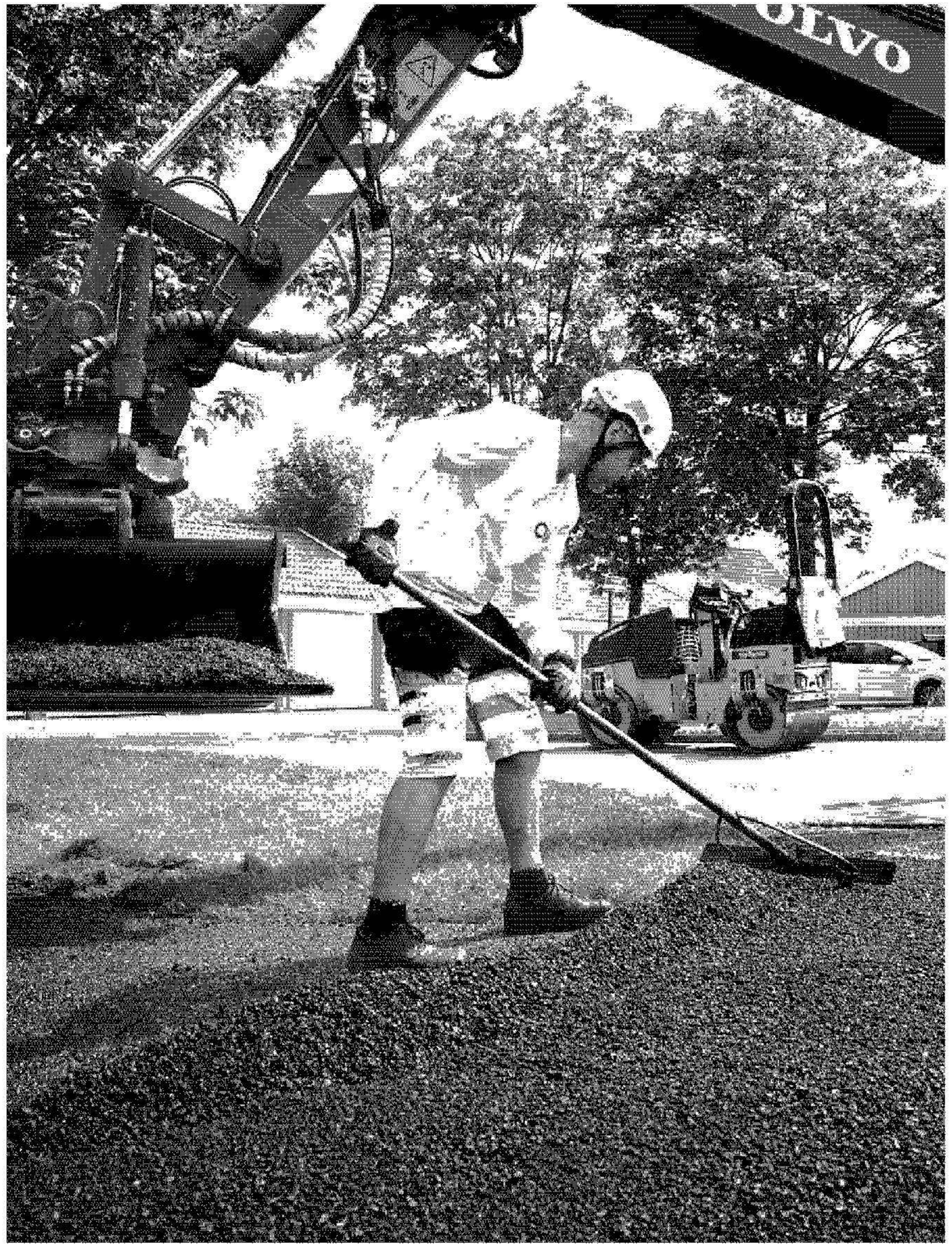
Provider of road operation and maintenance services

part of the portfolio since
2020

approx.
500
employees

approx. EUR million
215
annualized revenues

Headquarters
Stockholm, Sweden
Helsinki, Finland
Silkeborg, Denmark



Company profile

Terranor Group is the leading provider of operations and maintenance services to ensure safe traffic on and around roads in the countries of Scandinavia. Services include snow removal, road summer works, road maintenance, road markings, road cleaning, and management and execution of small infrastructure projects. The customers are mainly state and municipal entities, with some private customers.

Operations are managed from the headquarters in Stockholm, Sweden, and Helsinki, Finland, and Silkeborg, Denmark. Terranor Group has risen to become the largest cross-national player in road operation and maintenance services in the Nordic countries and continues to strive to expand market share through an expanded service offering and new customer contracts.

Strategy

Terranor Group stands for timely and high-quality execution of contracted services. These qualities are key factors for success and on the way to further increasing profitability and expanding regional coverage to neighbouring areas. Terranor Group will also expand its range of services in the future to capture additional market share in all three countries.

Transactions

- **2021** — Add-on acquisition: Terranor Group acquires Terranor Denmark from NCC
- **2020** — Acquisition of Terranor Sweden and Terranor Finland from NCC

↗ www.terranor.dk
↗ www.terranor.fi
↗ www.terranor.se

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ASTERI & PALMIA

Facility service provider for public sector clients

part of the portfolio since
2021, 2023

approx.
3,000
employees

approx. EUR million
150
annualized revenues

Headquarters
Stockholm, Sweden
Helsinki, Finland

Company profile

Asteri Facility Solutions (Asteri) is a facility management service provider in Sweden. The company is headquartered in Stockholm and operates in Sweden's largest metropolitan areas. Core competence lies in services around workplaces, including for example, regular cleaning of offices or factories, special or intensive cleaning services, window cleaning, reception services, coffee machines and other components of an attractive working environment. Asteri is also the exclusive partner of large hotel chains for daily room cleaning. The company serves both public and private sector clients in a variety of industries.

Palmia is a leading Finnish service provider for schools, day cares, hospitals and other facilities operated by the public sector. The company is headquartered in Helsinki and its services are offered in Southern Finland. Business areas include food services, cleaning services, security services, and real estate services. Palmia employs around 2,500 people with annual revenues of approx. EUR 120 million.



Strategy

The strategic focus for Asteri is on expanding the service portfolio, grow revenue and increase market shares with the goal to become one of the leading providers of sustainable facility management solutions in Sweden.

Palmia's strategic initiatives are focused on cost-optimization, strengthening its core business segments, expanding its presence in Finland and the existing client base, offering its services also to private company clients. To support organic growth with sustainable profits the company is optimizing and developing the existing service portfolio as well as its operating model. The organic growth is expected to be supported by strategic add-on acquisitions.

While operationally independent, the two companies are expected to enable each other by sharing best-practice and supporting each other in the application of innovations in the Facility Management industry.

Transactions

- **2023** — Acquisition of Palmia from City of Helsinki
- **2021** — Acquisition of Asteri Facility Services from Polaris

↗ www.asteri-fs.se
↗ www.palmia.fi

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KEEEPER GROUP

keeeper
keep on keeping

Manufacturer of
household products

part of the portfolio since
2019

approx.
600
employees

approx. EUR million
80
annualized revenues

Headquarters
Stemwede, Germany



Company profile

The keeeper Group, a company with over 60 years of tradition, is one of the leading European suppliers of innovative and high-quality plastic household products and paper. With five product lines for eco, kitchen, household, storage and children, the group serves well-known customers from the DIY, food retail, wholesale and furniture retail sectors in around 50 countries. As trade partner, keeeper fulfils not only product but also global delivery and service requirements in reliable quality.

Strategy

keeeper Group is a brand and quality provider of durable and functional household products that are made of environmentally friendly materials, affordable for everyone and necessary for a sustainably organized household. The group sells its products through consumer channels under its customers' own brands and under the German Brand Award-winning keeeper brand.

The operational focus of the specialist for organization solutions is on the development of new products and the opening up of new markets and sales channels, such as the kids segment and the expansion of online channels. Each product stands for at least one of the brand promises: ecological, efficient, essential – enjoy living!

Transactions

2019 — Acquisition of keeeper Group from Wrede Industrieholding

↗ www.keeeper.com

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EXI & SIX ENERGY GROUP

Service provider in the telecommunications and energy infrastructure industries

part of the portfolio since
2021

approx.
570
employees

approx. EUR million
75
annualized revenues

Headquarters
Rome & Milan, Italy

Company profile

EXI is a market leader in the design and maintenance of telecommunication networks and services, actively serving all major telecom operators in Italy. The focus of activities is currently on the expansion and maintenance of 4G networks and is shifting to the nationwide rollout of 5G networks in Italy. The company's capabilities and competencies range from network operations and design to network rollout, project management and governance. EXI has developed its fiber optic network design capabilities as it now works for two large Italian operators.

SIX Energy is an Italian leading player in the engineering, construction and maintenance of underground and aerial energy networks. The company's main services include projects for high, medium and low voltage networks, energy efficiency and e-mobility solutions. SIX Energy supports the entire supply chain, from permit applications to the construction of pylons, pipe excavations, testing and maintenance. Thanks to its well-known brand and its compelling set of qualifications, SIX Energy's customer base includes the largest Italian players in the energy and infrastructure sectors.



Currently, EXI and SIX Energy together employ about 570 people, including engineers, project managers, site workers and administrative staff, organized into more than 40 operational teams dedicated to the safety of energy networks.

Strategy

EXI's vision is to become the main player in Italy's digital transformation by continuing to grow its customer base in the mobile business, the geographic expansion by actively exploiting opportunities in emerging markets and by expanding into other areas such as broadband and fiber optic design.

SIX Energy is gearing to fully exploit the growth triggered by the energy transition to consolidate itself as a provider of best of breed for installation and maintenance services in the energy sector.

Transactions

- **2022** — Acquisition of SIX Energy from Sirti
- **2021** — Acquisition of EXI from Ericsson Telecomunicazioni

www.exispa.com
www.sixenergyspa.com

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GANTER GROUP

GANTER

General contractor in interior design and store fitting

part of the portfolio since
2021

approx.
150
employees

approx. EUR million
70
annualized revenues

Headquarters
Waldkirch, Germany

Company profile

Ganter Construction & Interiors GmbH (GCI), founded in 1995 and headquartered in Waldkirch (Germany), is a former family-run company that realizes projects for internationally renowned customers as a general contractor and expert for high-quality interior design. The company has successfully completed more than 1,000 projects worldwide.

The Ganter Group, headquartered in Waldkirch, Germany, operates as a general contractor and expert in high-quality interior design for customers in the commercial, public and private sectors. The customer spectrum today includes retailers, globally positioned brands and companies whose creative designs and wishes Ganter implements in collaboration with architects and designers. Ganter has developed the strategic growth areas of Commercial and Residential in addition to classic shopfitting in the luxury segment. The sectors are as diverse as the countries in which projects are realized – from fashion and lifestyle to gastronomy and hospitality to modern office space or private construction projects in France, Switzerland, Italy or the Middle East.

The group is a valued partner for architects and designers, (luxury) brands and retailers, commercial operators (hotels, restaurants, offices), shipyards, private property owners and investors.

Strategy

The Group adapts and applies its know-how and latest techniques to each individual project to meet customers' specific project requirements in terms of cost and schedule.

Transactions

- **2023** — Sale of Ganter France
- **2021** — Acquisition of Ganter from MIGATI Beteiligungsgesellschaft

↗ www.ganter-group.com



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FASANA

EST 1919
FASANA

Manufacturer of innovative and high-quality paper napkins

part of the portfolio since
2020

approx.
210
employees

approx. EUR million
65
annualized revenues

Headquarters
Euskirchen, Germany



Company profile

FASANA is a leading European brand and quality supplier of paper napkins and has been a reliable partner for food retailers, drugstores, discounters and AFH (away from home, for example hotels or catering) wholesale markets worldwide for over 100 years.

FASANA's services range from production on its own paper machine to the finished product for the trade. In addition to product requirements, also delivery and service requirements are met in compliance with global quality standards. The company sells its products through consumer channels under customers' own brands and under the FASANA Est 1919 brand.

Strategy

The operational focus of FASANA GmbH is on the development of new sustainable products and the development of new markets and distribution channels, such as in the FASANA Bioline range.

Transactions

- **2020** — Acquisition of FASANA from Metsä Tissue

↗ www.fasana.com

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REPARTIM GROUP

Repartim

Provider of house repair and emergency services

part of the portfolio since
2021

approx.
350
employees

approx. EUR million
40
annualized revenues

Headquarters
Tours, France

Company profile

Repartim is a renowned French home repair and emergency specialist with two main activities. On the one hand, emergencies that require quick intervention on site to fix everyday problems in the home, such as glazing and locksmithing. And on the other hand, planned works and general renovations, such as painting, parquet laying or plumbing. Repartim is headquartered in Tours, France, and counts both corporate and private customers, who are served through a network of 20 agencies, ca. 350 employees and ca. 700 subcontractors throughout France.

Strategy

Under Mutares ownership over the last 18 months, Repartim has increased its average gross margin by ca. 130% and decreased its fixed costs by ca. 30%, while maintaining stable the topline. The strategy for 2023 is to seek further growth. Two additional insurance customers are secured already and the recruitment of a sales director – a newly created position – is expected to bring additional leverage.

Transactions

- **2021** — Acquisition of Repartim by Mutares (80%) and HomeServe (20%) from Belron

↗ www.repartim.fr



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SABO

SABO

Manufacturer of lawn mowers

part of the portfolio since
2020

approx.
80
employees

approx. EUR million
30
annualized revenues

Headquarters
Gummersbach, Germany



Company profile

SABO is one of the leading European manufacturers of innovative and high-quality lawn mowers and serves customers in 25 countries with gasoline and battery-powered mowers as well as battery-powered garden tools. The extensive product portfolio is complemented by hand tools such as leaf blowers, hedge trimmers and chainsaws, as well as a comprehensive portfolio of various accessories. The quality of the products and the high brand awareness make SABO a company with an outstanding market position for private and professional customers.

Strategy

SABO works with over 1,400 specialized dealers and distributes its products to corporate and private customers in Germany and abroad. SABO's operational focus is on expanding into new markets and developing the growth market for battery-powered lawn mowers and garden equipment.

Transactions

- **2020** — Acquisition of the SABO machine factory from John Deere

↗ www.sabo-online.com

03 TO OUR SHAREHOLDERS

- **Dividend** of **EUR 1.50** per share distributed for financial year 2021
- **Dividend yield** of **6.6%** at year-end price 2022
- Management Board reinforces long-term strategy and confidence in the Company
- Analyst ratings **recommend buy** with price target up to **EUR 37.00**

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“We are conscious of the great deal of trust that our investors put in us when they purchase shares, as well as the responsibility that comes with it. We aim to live up to this responsibility with the utmost transparency. We aim to create value for our investors by executing our strategy sustainably, delivering results and communicating our performance transparently.”

Johannes Laumann, Chief Investment Officer

MUTARES ON THE CAPITAL MARKET

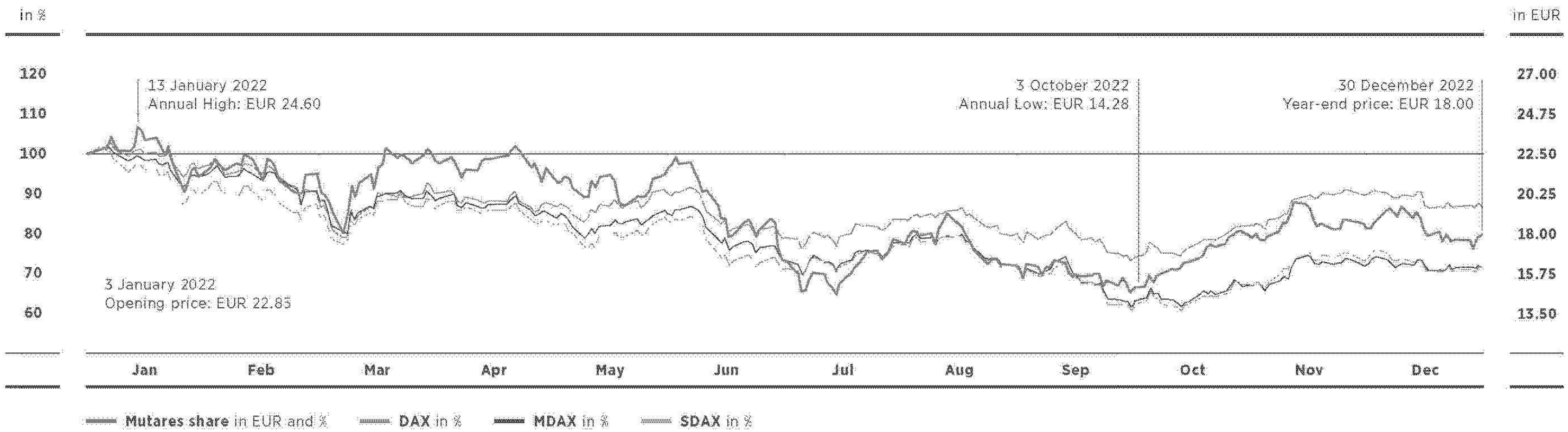
International stock markets were under pressure in 2022 after inflation, interest rate hikes and the war in Ukraine triggered the worst losses since the global financial crisis. In the process, the stock market year 2022 was the worst in 150 years from the perspective of both stock and bond investors. In total, financial investors lost about USD 35 trillion in the equity and bond markets worldwide – USD 25 trillion for equities and USD 10 trillion for bonds – roughly one-third of the world's gross domestic product.

The start of the war in Ukraine at the end of February 2022 weighed on the general economic environment. Energy prices went up rapidly as a result of the war and the sanctions measures introduced by the EU. China's zero COVID strategy also further impacted economic activity and global supply chains. The resulting rise in energy and commodity prices led to high inflationary pressures, which resulted in price increases on a broader basis in the EU and the US. In response, the US Federal Reserve tightened its monetary policy massively. By raising its key interest rate by 4.25 percentage points, it initiated the fastest and sharpest monetary policy tightening in economic history. All central banks in the industrialized nations followed the Fed's example by raising key interest rates.

As a result of these developments, expectations regarding economic development were first successively revised downwards and then partly upwards again. According to the OECD, global growth of only 2.6% is expected for 2023. In 2022, the growth rate was still 3.2% according to the OECD's interim report of March 2023. For Germany, the OECD predicts that the economy will only grow by 0.3% in 2023. In the euro zone and the US, economists expect the gross domestic product to grow by 0.8% and 1.5%, respectively, in 2023.[1]

In this market environment characterized by declining economic momentum, the German DAX share index recorded a significant correction in the reporting period. The German benchmark index ended 2022 down 12.3% on its closing price in 2021.[2]

PRICE DEVELOPMENT INCLUDING BENCHMARK INDICES



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EUR 1.50
dividend for FY 2021

6.6%
dividend yield

Mutares share in financial year 2022 in the wake of the overall market

The shares of Mutares closed the financial year 2022 at EUR 18.00 and thus with a minus of 20.9% compared to the closing price of the previous year (EUR 22.75). Taking into account the dividend of EUR 1.50 per share paid in May 2022, this resulted in a minus of 14.3%. The correction on the stock market had a particularly strong impact on the small- and mid-cap segment. The MDAX and SDAX were accordingly under greater pressure than the DAX. The small-cap selection index SDAX lost 27.3% in value compared with its year-end level in 2021. For the MDAX, the minus in 2022 adds up to 28.5%. The Mutares share was unable to escape this development despite its successful operating performance.

Mutares meets highest transparency standard

The Mutares shares have been listed on the Regulated Market (Prime Standard) of Deutsche Börse since fall 2021. This is associated with the highest transparency standards, which qualify the share for a broader, international group of investors. The average daily trading volume of the Mutares share was 31,736 shares in the financial year 2022.

KEY FIGURES OF THE MUTARES SHARE

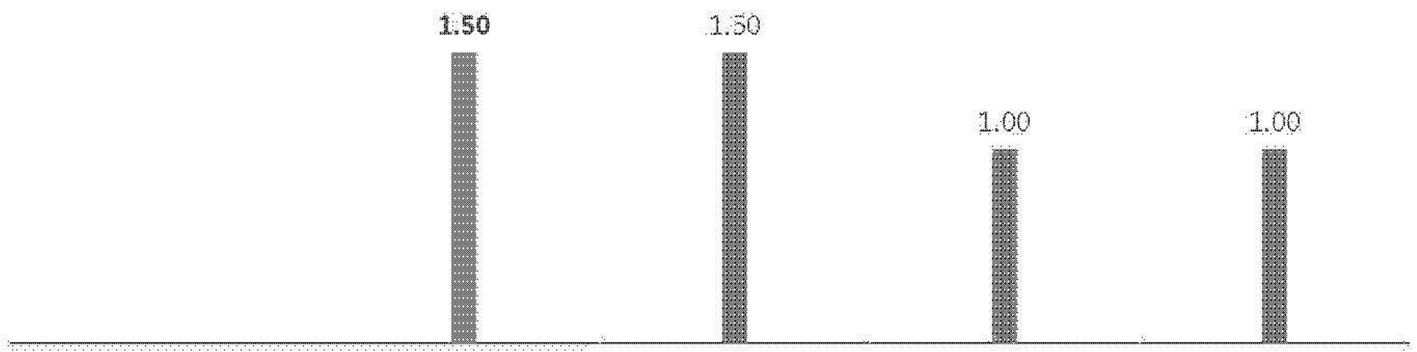
		2022	2021	2020	2019
Number of shares	Million pieces	20.6	20.6	15.5	15.5
Thereof treasury shares	Million pieces	0.01	0.01	0.5	0.3
Market capitalization	EUR million	371.5	469.5	243.3	197.1
Closing price[1]	EUR	18.00	22.75	15.70	12.72
Highest price[1]	EUR	24.60	30.00	16.86	13.06
Lowest price[1]	EUR	14.28	15.04	6.07	8.15
Trading volume (daily average)[1]	Piece	31,736	57,498	44,600	33,897

Distribution of a dividend of EUR 1.50 per share for the financial year 2021

The positive business development in 2021 in combination with successful exit transactions made it possible to once again distribute a dividend of EUR 1.50 per share to shareholders as resolved by the Annual General Meeting on 17 May 2022. As in the previous year, the total dividend consisted of the base dividend of EUR 1.00 plus a performance dividend of EUR 0.50 from the successful sale of investments. With the renewed distribution of EUR 1.50 per share, Mutares underlines the continuity and sustainability of the communicated dividend policy. Due to the increased number of shares in the course of the capital increase in October 2021, the total distribution amount has increased to EUR 30.9 million (previous year: EUR 23.1 million). Based on the year-end share price 2021, the Mutares share thus offered an attractive dividend yield of 6.6% (previous year: 9.6%).

DEVELOPMENT OF DIVIDEND PER SHARE

in EUR



	2021	2020	2019	2018
Total dividend payment for the financial year in EUR million	**30.9**	23.1	15.2	15.2
Dividend yield at the closing price of the financial year	**6.6%**	9.6%	7.9%	11.1%

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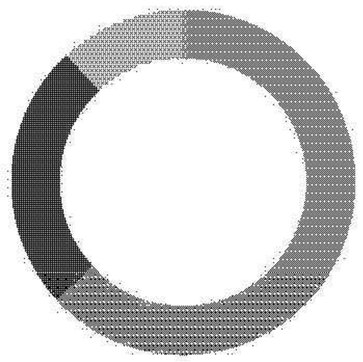
Mutares share with target price of up to EUR 37.00

SHAREHOLDINGS BY INVESTOR[1]



■	63.00%	Free Float
■	25.10%	CEO Robin Laik
■	11.90%	Management
■	0.05%	Treasury shares

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Director's Dealings

During the reporting period, members of the Management Board of the personal liable partner acquired shares in the value of approximately EUR 132,202. The active Management Board thus reaffirms its confidence in the strategy and growth potential of Mutares. Robin Laik, CEO and founder of Mutares, has transferred 390,000 shares each to his four children during the reporting period, underlining the strong signal of confidence in the set goals and the resulting guidance and in the cooperation with the existing management.

Broad shareholder structure

The number of Mutares shareholders fluctuated slightly in view of the weak stock market environment in the financial year 2022. At the end of the reporting period, more than 15,250 people were entered in the share register (previous year: 15,500). As of the publication date of this Annual Report, the number of shareholders was slightly above the prior-year figure of 15,700.

Through a pooling agreement in the Laik family, Robin Laik, CEO and founder of Mutares, is still the main shareholder with more than 25%. Members of the Management Board and Supervisory Board hold a further total of around 12% of the shares. Around 63% of the shares are in free float (as defined by Deutsche Börse), including those held by institutional investors, family offices, major individual shareholders and asset managers, as well as private investors. Mutares itself holds around 0.05% of the share capital through treasury shares.

Shareholdings by investor

At around 88%, the largest proportion of shares outstanding in free float is held by German investors, followed by investors from Switzerland with just under 5%. Investors from Ireland account for 1.8% of the shareholding, and investors from Austria for around 1.1%.

SHARE MASTER DATA

Symbol	MUX
WKN	A2NB65
ISIN	DE000A2NB650
Index membership	Prime All Share
Transparency level	Prime Standard
Market segment	Regulated Market
Stock exchanges	Xetra, Frankfurt, Berlin, Düsseldorf, Munich, Stuttgart, Tradegate
Sector	Corporate investments
Number of shares	20,636,731 (thereof 10,475 treasury shares)
Share class	Registered shares
Designated Sponsor	Hauck & Aufhäuser Lampe Privatbankiers Aktiengesellschaft

Financial analysts recommend the Mutares share with Buy

The Mutares share was analysed and rated by four investment banks and one specialist for second-line stocks in the reporting year 2022. The buy ratings of the analysts reflect the confidence in the business model, the development and the management of Mutares. The price targets for the Mutares share range up to EUR 37.00 (average: EUR 31.00). This corresponds to a potential of up to 106% based on the closing price on 30 December 2022.

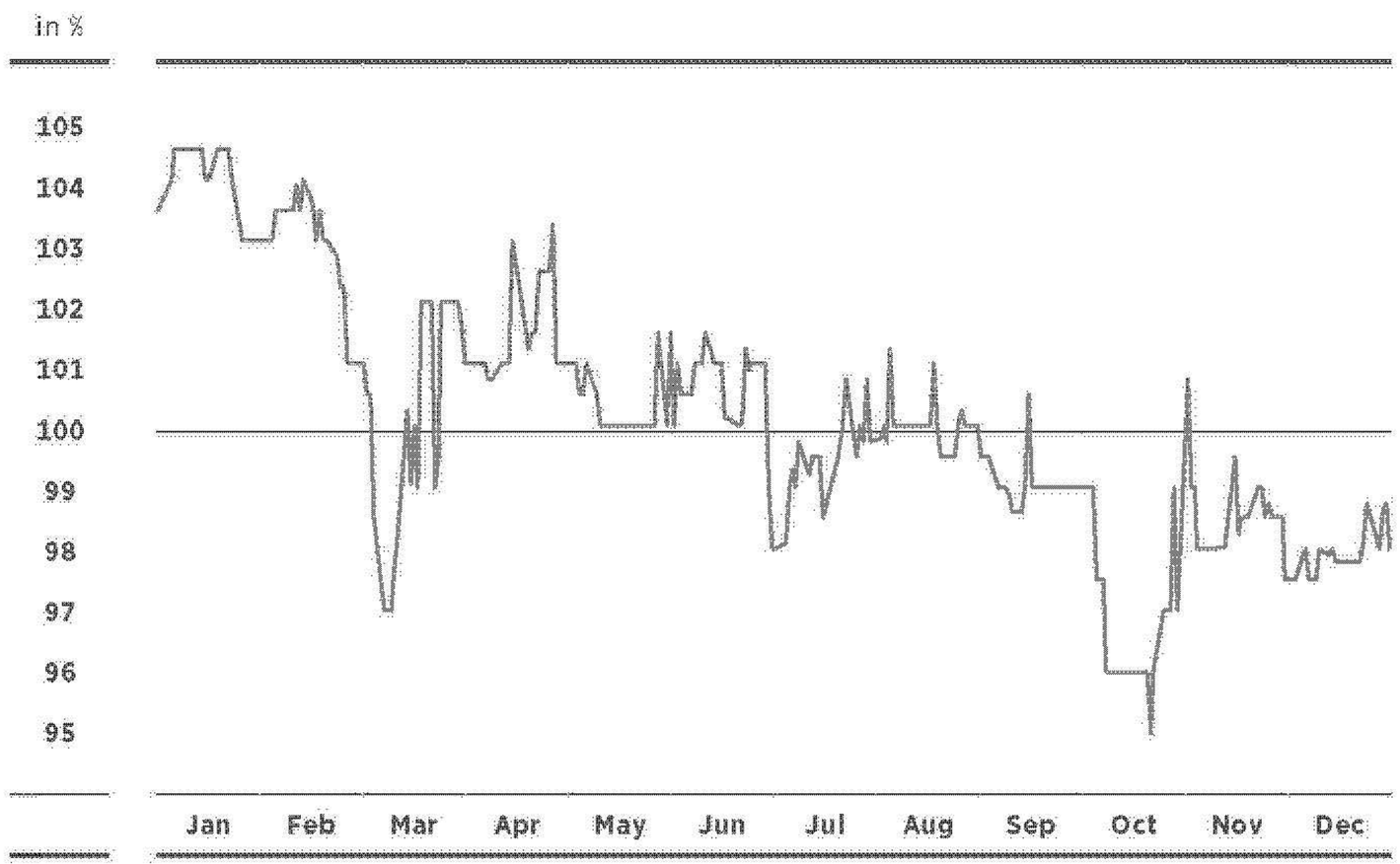
Further information is available in the financial analysis section at ↗ ir.mutares.de/en.

Mutares SE & Co. KGaA 6% 2020/2024 – Development January 2022 to December 2022

The bond, which was issued in the financial year 2020 and increased in February 2021 to a nominal volume of EUR 80 million, started on 3 January 2022 at a price of 104.00%. The bond reached its annual high in the financial year 2022 on 12 January 2022

at 105.25%, and its annual low fell to 95.00% on 10 October 2022. The closing price in the reporting year was 98%. The weaker performance is due in particular to the rising interest rate environment, as exemplified by the yield on the 10-year federal bond, which rose from –0.18% at the end of 2021 to 2.56% at the end of 2022.

MUTARES SE & CO.KGAA 6% 2020/2024 – DEVELOPMENT JANUARY 2022 TO DECEMBER 2022[1]



Mutares successfully places EUR 100 million of bond 2023/2027 and redeems existing bond 2020/2024 ahead of schedule

After the balance sheet date of 2022, Mutares SE & Co. KGaA has successfully placed EUR 100 million of a senior secured floating rate bond with a four-year maturity under Norwegian law. The issue and value date is 31 March 2023. The bond 2023/2027 bears interest at the 3-months EURIBOR plus a margin of 8.5% p.a.. The bond will be traded on the Open Market of the Frankfurt Stock Exchange under ISIN NO0012530965/GSIN A30V9T. Mutares will also apply for the inclusion of the bond in trading on the Nordic ABM segment of the Oslo Stock Exchange (Oslo Børs) within six months of the issue date.

With this transaction, Mutares has managed to successfully refinance the existing bond 2020/2024 well ahead of maturity. It was called early and repaid in full with effect from 11 April 2023. The additional capital will be used for the further growth of the Mutares Group and portfolio diversification.

BOND MASTER DATA

WKN	A30V9T
ISIN	NO0012530965
Market segment	Open Market
Stock exchanges	Frankfurt, Open Market, Oslo, Nordic ABM
Denomination	1,000
Nominal volume	100,000,000
Nominal volume outstanding (31/12/2022)	80,000,000
Issue date	31 March 2023
Maturity	31 March 2027
Interest rate	3-month EURIBOR plus 850 basis points
Interest dates	Quarterly

Investor Relations: Transparent dialog

Mutares stands for an open and transparent dialog with all stakeholders and therefore maintains a regular, constructive and transparent dialog with all stakeholders such as institutional investors, private investors, financial analysts and media representatives. Mutares has maintained the financial communication activities such as the Capital Markets Day, participation in conferences, roadshows (more than 15 days), other virtual events as well as its own formats at a consistently high level in the financial year 2022.

Further relevant information on the share and the bond is available for interested investors at ↗ ir.mutares.de/en.

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REASONS TO INVEST IN THE MUTARES SHARE

Our goal is to create value for our investors by sustainably implementing our strategy, delivering results and transparently communicating our performance.

01

ATTRACTIVE ACCESS TO THE PRIVATE EQUITY MARKET

The Mutares share offers easy and convenient access to the private equity market.

02

FAMILY AND OWNER MANAGED COMPANY

Around 37% of the shares are owned by the founding family and management. This commitment is a clear commitment.

03

SUCCESSFUL TRACK RECORD

The team has a high level of industry and functional expertise and can point to a correspondingly successful track record.

04

FOCUS ON GROWTH

Mutares is pursuing ambitious growth targets. The international M&A approach ensures a constant deal flow.

05

ATTRACTIVE DIVIDEND POLICY

Thanks to a high level of deal activity, Mutares is able to draw continuous returns from the portfolio companies, which are in different stages of maturity.

06

HIGH TRANSPARENCY

Strict disclosure requirements and transparency standards ensures a high level of information security for investors and partners. Active, personal and transparent capital market communication creates additional trust.

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WE CREATE SUSTAINABLE VALUE

Sustainability in practice goes beyond ecologically sensible measures and also includes social aspects and principles of good corporate governance.

07

SUSTAINABILITY ORIENTED

Mutares sees sustainable action and management as an integral part of its corporate philosophy. The three sustainability-related areas of responsibility Environmental, Social, Governance (ESG) provide the guidelines.

E

ENVIRONMENTAL

With the aim of minimizing our environmental impact, we implement continuous measures to consolidate the reduction of our CO_2-footprint.

S

SOCIAL

As an international player, we are aware of our social responsibility and pay attention to the impact of our business activities.

G

GOVERNANCE

Mutares is committed to acting in compliance with the law and with integrity according to nationally and internationally recognized standards.

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More information on the topic of sustainability can be found in our seperately published non financial report
www.mutares.de/en/sustainability

04 CORPORATE GOVERNANCE

Good Corporate Governance is deeply rooted in the corporate culture of Mutares. It has been an integral part of Mutares' business practice for many years. The Management Board and the Supervisory Board of Mutares SE & Co. KGaA are committed to the principles of a modern Corporate Governance. An active, open and transparent communication, a responsible risk management as well as an intensive and continuous dialog between Management Board and Supervisory Board are a substantial matter for us as private equity master of special situations.

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"We believe that effective corporate governance is not only a moral obligation, but also a key driver of sustainable business success and long-term value creation for all stakeholders."

Volker Rofalski, Chairman of the Supervisory Board

REPORT OF THE SUPERVISORY BOARD

Dear shareholders of Mutares SE & Co. KGaA,

For Mutares SE & Co. KGaA (the "Company"), the financial year 2022 was – notwithstanding significant adverse effects of an abrupt change in the general conditions on the Company's business and the challenging overall macroeconomic environment – due to the resilient business model overall successful. Mutares actively and systematically seeks companies in situations of transition as part of the business model it pursues. In times of high uncertainty, this opens up additional opportunities, particularly on the acquisition side, which Mutares again successfully mastered in 2022. In addition, Mutares SE & Co. KGaA achieved its highest annual result to date due to increased consulting revenues, received investment income (dividends) and sales of portfolio companies. Against this background, the Supervisory Board is satisfied with what has been achieved in 2022 and sees this as a good basis for the further positive development of Mutares.

Personnel and structure

There were the following changes to the Supervisory Board of the Company in the reporting year 2022: The long-standing member of the Supervisory Board of Mutares SE & Co. KGaA and Chairman of the Supervisory Board of Mutares Management SE, Prof. Dr. Micha Bloching, resigned from his positions at the close of the Annual General Meeting on 17 May 2022 and left the Supervisory Board by mutual agreement after many years of successful work for Mutares. Raffaela Rein was elected as a new member of the Supervisory Board to succeed Prof. Dr. Micha Bloching at the Annual General Meeting. Raffaela Rein has extensive expertise in the topics relevant to Mutares SE & Co. KGaA due to her many years as entrepreneur. In addition, she can contribute international experience in the fields of digitalization and sustainability.

The term of office of the four Supervisory Board members in office, Volker Rofalski (Chairman of the Supervisory Board), Dr. Axel Müller (Deputy Chairman of the Supervisory Board), Raffaela Rein and Dr. Lothar Koniarski, ends at the close of the Annual General Meeting in 2024.

In 2022, the Audit Committee of the Company's Supervisory Board consisted unchanged of the two members Dr. Axel Müller (Chairman) and Volker Rofalski.

The general partner Mutares Management SE assumes the management and representation of the Company through its Management Board, in the reporting year 2022 consisting of Robin Laik (Chairman), Mark Friedrich and Johannes Laumann (hereinafter "Management Board"). There were no personnel changes on the Management Board in the reporting year.

The Supervisory Board of the Company would like to thank the Management Board of Mutares Management SE for its continued trusting and close cooperation in the financial year 2022.

Activity report for the financial year 2022

The Supervisory Board of the Company performed the duties incumbent upon it by law, the Articles of Association and the Rules of Procedure. It met five times with all members of the Supervisory Board present (in some cases via video conference) and at least one member of the Board of Management present; the Supervisory Board also met regularly without the Management Board. In addition, resolutions of the Supervisory Board of the Company were prepared, dealt with, and adopted in resolution meetings by means of electronic communication. Transactions requiring the approval of the Supervisory Board were submitted in time; the transactions were carefully reviewed and discussed with the Management Board in each case before the decision on approval was made.

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Composition of the Supervisory Board – Individualized disclosure of meeting attendance
The attendance rate of members at meetings of the Supervisory Board and its committees was 100 percent.

In implementation of modern, more sustainable forms of meetings, meetings in the reporting year were held not only as face-to-face meetings, but also as virtual meetings by video conference or as face-to-face meetings with the option of participation in virtual form (so-called hybrid meeting). The participation of the members of the Supervisory Board in the meetings of the Supervisory Board and the committees is disclosed below in individualized form:

Meetings of the Supervisory Board of Mutares SE & Co. KGaA and its committees
Overview of plenary and committee meetings and individual attendance in financial year 2022

Member	Term	Plenum	in %	Audit Committee	in %
Volker Rofalski Chairman	until 2024	5/5	100	7/7	100
Dr. Axel Müller Deputy Chairman, Chairman of the Audit Committee	until 2024	5/5	100	7/7	100
Dr. Lothar Koniarski	until 2024	5/5	100		
Prof. Dr. Micha Bloching	until 5/2022[1]	2/2	100		
Raffaela Rein	until 2024	3/3	100		

[1] Retired at the end of the Annual General Meeting on 27 May 2022

In the year under review, the Supervisory Board of the Company accompanied the Management Board both in the operational development of the Group and in all portfolio decisions on the basis of a timely exchange of information and dealt regularly and in detail with the situation of the Company.

To this end, the Supervisory Board obtained regular reports from the Management Board on current developments in the Company and its net assets, financial position and results of operations, and discussed this information in detail with the Management Board. This also included information on deviations of the actual development from previously reported targets of the Company as well as deviations of the actual business development from the Company's planning.

In addition, the Management Board provided regular and comprehensive information on all relevant topics relating to operational management, including significant developments at the individual portfolio companies and their financial results. In the reporting period, this included an intensive ongoing exchange of information on the impact of the COVID-19 pandemic and the war in Ukraine on the Company's business performance and the operating businesses of the portfolio companies, as well as the measures taken in this regard, acquisitions and disposals of portfolio companies, and the topics of IT structure, human resources, compliance, risk management, major legal disputes, and IR activities.

The Supervisory Board fulfilled its duty to audit the content of the separate non-financial Group report by providing continuous audit support during its preparation. It was involved from the outset in identifying the main issues and associated concepts, measures and results. It was regularly informed at the Audit Committee meetings by the responsible CSR project team about the progress of the preparation of the non-financial Group report and provided with essential information. The Supervisory Board was directly involved in the management concepts and selection of the non-financial key performance indicators in order to ensure congruence with the long-term orientation of the Company.

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Outside of meetings, the Management Board also provided the members of the Supervisory Board of the Company with regular and timely information on current business, updated key financial figures and matters of particular importance. The Management Board submitted without delay all documents of the Company which the Supervisory Board wished to inspect in the course of fulfilling its statutory duties and answered all questions raised in this context to the full satisfaction of the Supervisory Board.

The Supervisory Board regularly reviews its activities for efficiency. Against this background, it has established an Audit Committee. In view of the small size of the Supervisory Board, there is no need for further committees or other efficiency-enhancing measures.

Each member of the Supervisory Board discloses to the Chairman of the Supervisory Board any conflicts of interest that may arise in accordance with the recommendations of the German Corporate Governance Code (GCGC). In the past financial year, there were no indications or notifications regarding conflicts of interest on the part of Supervisory Board members. The same applies to conflicts of interest of members of the Management Board.

The members of the Supervisory Board are responsible for their own training and development. They are supported in this by the Company. In the reporting period, the members of the Supervisory Board took part in various internal and external events to maintain and expand their expertise. At one meeting, the Supervisory Board dealt in detail with current regulatory developments in the areas of compliance and corporate governance as well as the German Corporate Governance Code (GCGC).

Report on the work of the Audit Committee

The Audit Committee of the Supervisory Board of Mutares SE & Co. KGaA met seven times in the reporting period, in addition to several informal votes. All meetings of the Audit Committee were attended by all committee members and at least one member of the Management Board during the reporting period.

In addition to preparing the audit and approval of the annual financial statements, topics included a review of the process for preparing the annual financial statements and consolidated financial statements of the Company for financial year 2021 together with the auditor and representatives of the Company's finance department, as well as an update on the preparation of the audits and the determination of audit priorities. In addition, the Audit Committee dealt intensively with the Company's non-financial (consolidated) reporting for financial year 2022 with the aim of gaining a direct impression of the quality of the preparation process sufficient for an audit of the report prepared by the Management Board, on which the Supervisory Board could then base its final audit opinion.

The Audit Committee is also authorized by the Supervisory Board to review and, if necessary, approve intended engagements of the Company's auditor for consulting services prior to awarding the contract if the auditor's independence is not impaired by the nature and scope of the engagement.

Corporate governance, responsibility and sustainability

The Company is listed in the Prime Standard of the Regulated Market of the Frankfurt Stock Exchange and has thus also opted for the highest level of transparency on the stock exchange with regard to corporate governance. The Supervisory Board continuously monitors the development of corporate governance practices. Together with the Supervisory Board, the Management Board reports in detail on the Company's corporate governance in the "Corporate Governance Statement". The Management Board and Supervisory Board last issued their annual Declaration of Conformity based on the GCGC as amended on 28 April 2022 in December 2022 (Section 161 of the German Stock Corporation Act (AktG)); the company makes this permanently available to the public on its website ↗ www.mutares.com.

Responsible action is firmly anchored in the corporate values at Mutares. Mutares has already committed to the UN initiative "Global Compact" on corporate responsibility and its four principles in the areas of human rights, labor, environment and corruption prevention in 2021. The Supervisory Board welcomes this extra-mandatory voluntary commitment as an important signal for long-term sustainably oriented corporate governance.

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Mutares has published a non-financial reporting for the financial year 2022 and thus fully informs investors and the public about the sustainability position of the Mutares Group according to CSR-RUG and EU taxonomy. The non-financial (Group) report is publicly available on the company's website.

Audit of the annual financial statements and consolidated financial statements for financial year 2022

Deloitte GmbH Wirtschaftsprüfungsgesellschaft audited the annual financial statements of Mutares SE & Co. KGaA (prepared in accordance with the German Commercial Code) and the consolidated financial statements of Mutares SE & Co. KGaA (prepared in accordance with IFRS), each as of 31 December 2022, prepared by the managing Mutares Management SE as general partner. The annual financial statements and the consolidated financial statements were each issued with an unqualified audit opinion.

In its meeting on 6 April 2023, which was also held by means of telecommunication, the Supervisory Board discussed and reviewed the annual financial statements and the consolidated financial statements for the financial year 2022 in detail; the auditor's reports were available to the Supervisory Board in each case. Both the Management Board of Mutares Management SE and the undersigned auditors from Deloitte GmbH Wirtschaftsprüfungsgesellschaft were present at the meeting. They were thus available for detailed explanations of both sets of financial statements and answered all questions of the Supervisory Board to its full satisfaction. The auditors reported on the scope, focus and main findings of their audit, in particular on the main points of the audit and the audit procedure. No material weaknesses in the internal control and risk management system were reported.

As a final result of its own review, the Supervisory Board – following the proposal of the Audit Committee at its meeting on 3 April 2023 – determined that there were no objections to the annual financial statements, consolidated financial statements and the combined management report. Following the proposal of the Audit Committee at its meeting on 3 April 2023, the Supervisory Board approved both the annual financial statements and the consolidated financial statements of the Company. At the same time, in agreement with the Management Board of Mutares Management SE, it resolved to propose to the Annual General Meeting of the Company that the annual financial statements of the Company for the financial year 2022 be adopted as prepared by the general partner in accordance with Section 286 (1) sentence 1 AktG.

In addition, the Management Board of Mutares Management SE has also prepared a non-financial (consolidated) report in accordance with Sections 289b, 315b HGB. In its meeting on 6 April 2023 – prepared by the meetings of the Audit Committee on 3 and 5 April 2023 and the previous close monitoring of the preparation of the report by the Audit Committee – the Supervisory Board reviewed the non-financial reporting and did not find any objections.

Valuation of the financial year 2022

In the view of the Supervisory Board, the business model of Mutares Group as a listed private equity house focused on restructuring has proven not only resilient but additionally promising even in the challenging crises of 2022.

Existential threats to the continued existence of individual portfolio companies were successfully averted, not least thanks to the intensive support provided by the Group's own consultants; significant restructuring progress was achieved at numerous portfolio companies despite multiple operating challenges.

The market opportunities that open up for restructuring specialists in economic crises were actively exploited: The financial year 2022 was again characterized by a high level of transaction activity, the core of Mutares' business model. Thus, all three segments were strengthened by a total of twelve completed acquisitions, seven of which were platform acquisitions and five add-on acquisitions. In addition, acquisition agreements were signed for four further acquisitions, for each of which the closing of the acquisition was still outstanding as of 31 December 2022. On the exit side, Mutares successfully completed six sales of portfolio companies in the financial year 2022.

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Thanks to significant contributions from all three earnings pillars of the Mutares business model – intragroup consulting services, dividends from portfolio companies, and exit proceeds – Mutares SE & Co. KGaA was once again able to achieve the highest net profit in its history in 2022, to the great satisfaction of the Supervisory Board.

A resilient and promising business model alone does not guarantee such outstanding economic successes in times of unforeseeable economic crises; rather, they are very much based on the impressive commitment and outstanding drive with which the enormous challenges of 2022 have been tackled by the Management Board. The Supervisory Board would like to express its great appreciation and special thanks to the Management Board for this.

Great thanks and appreciation also go to all employees of the Mutares Group for their once again excellent performance and great commitment.

Proposal for the appropriation of profits

According to the German Stock Corporation Act (AktG), the dividend distributable to shareholders is based on the net retained profits reported in the annual financial statements of Mutares SE & Co.KGaA.

The Supervisory Board of the Company follows the proposal for the appropriation of profits of the general partner Mutares Management SE and, for its part, has also resolved to propose to the Annual General Meeting of the Company to distribute an amount of EUR 20,626,256.00 (excluding treasury shares) from the Company's retained earnings as of 31 December 2022 of EUR 117,828,514.82 to the shareholders, which corresponds to a dividend of EUR 1.00 per dividend-bearing share, and to carry forward the remaining amount of EUR 97,202,258.82 to new account.

As a private equity company listed on the stock exchange, Mutares allows its shareholders to participate very directly in the profits of its successful business model, which is focused on restructuring, subject to a corresponding resolution by the Annual General Meeting.

Outlook

The war in Ukraine, which started with the military invasion of Russian forces on 24 February 2022, has direct and indirect effects on the business development, risks, results of operations and cash flows of the portfolio companies in the Mutares Group. From today's perspective, the Supervisory Board cannot rule out that the effects will have a negative overall impact on the financial position, net assets and results of operations of Mutares.

However, the Supervisory Board is optimistic that, despite the continuing challenging economic and geopolitical environment, the Group's key success factors – a promising business model, excellent management and highly committed employees – will continue to have a positive impact in 2023.

With this assessment, the Supervisory Board assumes that Mutares SE & Co. KGaA and the entire Mutares Group will continue their success story in the current financial year.

Munich, April 2023
The Supervisory Board of Mutares SE & Co. KGaA,



Volker Rofalski
Chairman of the Supervisory Board

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OUR SUPERVISORY BOARD



From right to left:

CHAIRMAN OF
THE SUPERVISORY BOARD
VOLKER ROFALSKI
born in 1970,
has been a member of
the Supervisory Board
of Mutares SE & Co. KGaA
since 2008.

MEMBER OF
THE SUPERVISORY BOARD
RAFFAELA REIN
born in 1986, has been
elected as a member of
the Supervisory Board
of Mutares SE & Co. KGaA
in May 2022.

MEMBER OF
THE SUPERVISORY BOARD
DR. LOTHAR KONIARSKI
born in 1955,
has been a member of
the Supervisory Board
of Mutares SE & Co. KGaA
since 2018.

VICE CHAIRMAN OF
THE SUPERVISORY BOARD
DR. AXEL MÜLLER
born in 1957,
has been a member of
the Supervisory Board
of Mutares SE & Co. KGaA
since 2018.

More information on
the careers can be found at:

www.mutares.com/team

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REMUNERATION REPORT

Preliminary note

The remuneration report summarizes the principles applied for determining the remuneration of the members of the Supervisory Board of Mutares SE & Co. KGaA **(Company)** as well as the members of the Management Board and the Supervisory Board of Mutares Management SE **(Mutares Management SE)**. Mutares Management SE is the managing general partner of the Company. The remuneration report presents and explains the remuneration granted and owed to the current and former members of the Supervisory Board of the Company and the current and former members of the Management Board of Mutares Management SE **(Management Board)** and the Supervisory Board of Mutares Management SE in the financial year 2022. The report complies with the requirements of Section 162 AktG. The remuneration report explains the amount and structure of the remuneration of the members of the Management Board, the Supervisory Board of the Company and the Supervisory Board of Mutares Management SE. In addition, the remuneration of Mutares Management SE as general partner of the Company is also reported. The members of the Company's Shareholders' Committee did not receive any remuneration in the reporting year.

According to the intention of the legislator, the remuneration report pursuant to Section 162 AktG shall in particular enable the shareholders to review whether the remuneration of the members of the management body was determined within the requirements of the remuneration system approved by the Annual General Meeting pursuant to Sections 87a, 120a AktG. After a thorough review, the Supervisory Board of Mutares Management SE, the Shareholders' Committee and the Supervisory Board of the Company have come to the conclusion that the regulations on the remuneration system for the Management Board pursuant to Sections 87a, 120a AktG are not applicable to the Company in the legal form of a partnership limited by shares (KGaA). The provisions in §§ 87 a, 120a AktG presuppose that the supervisory board of a company has the authority to decide on compensation, which the supervisory board of a KGaA is missing. Moreover, in accordance with Sec. 26j (1) Sentence 3 EGAktG and the explanatory memorandum of the GCGC, the previous compensation structure applicable at the time of the respective conclusion of the contract shall continue to apply to existing Management Board service contracts anyway. This is to be taken into account in this compensation report.

The Annual General Meeting of the Company on 17 May 2022 approved the compensation report for the financial year 2021 with 85.92% of the valid votes cast. Due to this high approval rate, the Supervisory Board and the Management Board therefore saw no reason to question the reporting or implementation.

Overview and highlights of the past financial year

- The year 2022 was again characterized by the expansion of the portfolio, which increased significantly in terms of both number of portfolio companies as well as revenue size in relation to consolidated revenues in the reporting year 2022. In connection with the expansion of the portfolio, there was a significant increase in the Company's consulting activities, which led to an increase in revenues of around 41% to EUR 71.1 million.

- The Company's net income increased by 43.4% from EUR 50.7 million to EUR 72.9 million compared to the financial year 2021.

- The Company was named "Company of the Year 2022" in the category investment companies by Focus Money.

- With the end of the Annual General Meeting on 17 May 2022 there was a change in the Supervisory Board of the Company and the Supervisory Board of Mutares Management SE: Prof. Dr. Micha Bloching resigned from both Supervisory Boards. Ms. Raffaela Rein was elected as a new member of the Company's Supervisory Board with effect from the end of the Company's Annual General Meeting on 17 May 2022. Dr.-Ing. Kristian Schleede was elected as a new member of the Supervisory Board of Mutares Management SE with effect from the end of the Annual General Meeting of Mutares Management SE on 17 May 2022 and has assumed the position of Chairman.

Main features of the compensation system in the financial year 2022

The total remuneration of the Management Board is composed of

- a fixed salary,
- a one-year variable compensation,
- a multi-year variable remuneration as well as
- fringe benefits.

The yardsticks for determining the appropriateness of compensation are in particular the duties of the respective Management Board member, his personal performance and the economic situation, success and future prospects of the Company. On the one hand, the compensation structures and the level of compensation are taken into account, as they are customary in the private equity business and necessary for attracting and

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retaining qualified executives. On the other hand, the compensation structures and compensation levels of comparable listed companies and an individual peer group are used. In order to ensure the appropriateness of the remuneration, the Supervisory Board of Mutares Management SE regularly conducts a horizontal as well as vertical remuneration comparison.

The Supervisory Board of Mutares Management SE is no longer entitled to grant a special bonus under the Management Board service agreements since the financial year 2021. A subsequent change of target values or comparison parameters for the variable remuneration also does not take place.

The service contracts of the Management Board members are regularly concluded with a term of three to five years. The Supervisory Board of Mutares Management SE could deviate from this in justified individual cases. Payments to Management Board members in the event of premature termination of the Management Board service contract are limited to the remuneration for the remaining term of the Management Board service contract that would have been owed without the premature termination. Even in the event of termination of the contract, any outstanding variable compensation components attributable to the period up to termination of the contract will be paid out in accordance with the originally agreed targets or comparison parameters and on the agreed due dates.

The monthly paid basic compensation and the fringe benefits form the non-performance-related components of total compensation. The **basic monthly compensation** ensures an appropriate basic income for attracting and retaining highly qualified Management Board members and at the same time prevents Management Board members from taking unreasonable risks. In this way, the basic monthly compensation contributes to the long-term development of the Company. The monthly basic compensation also reflects the role of the individual Management Board member and his area of responsibility on the Management Board.

The one-year variable compensation **(bonus)** is based on the Company's business performance in the reference period, which in this report is the financial/reporting year 2022. The bonus is exclusively (100%) dependent on the Company's net income. The basis for calculating the bonus is the audited annual financial statements of the Company in accordance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

The individual values of the bonus for the Chairman of the Management Board, Robin Laik, and the other members of the Management Board, Mark Friedrich and Johannes Laumann, were contractually determined on the basis of the Company's net income for the year calculated in accordance with German commercial law. The bonus for the Chairman of the Management Board for a net income of EUR 20.0 million amounts to EUR 1.0 million and EUR 1.8 million for a net income of EUR 30.0 million with a linear interpolation up to a net income of EUR 50.0 million and a bonus of EUR 3.0 million. With a net income of EUR 100.0 million, the bonus amounts to EUR 4.5 million. For the Management Board member Mark Friedrich, the bonus is always exactly half of the bonus of the Chairman of the Management Board Robin Laik. The values of the bonus between an annual result of EUR 50.0 million and EUR 100.0 million are interpolated in each case.

The bonus for the Management Board member Johannes Laumann amounts to EUR 0.5 million for a net income of EUR 20.0 million and EUR 0.9 million for a net income of EUR 30.0 million, with linear interpolation between EUR 20.0 million and EUR 30.0 million. From a net income of EUR 30.0 million, the bonus is always 3.0% of the net income. In the case of a net income of EUR 100.0 million, the bonus is EUR 3.0 million.

The maximum payment amount **(cap)** of the bonus amounts to EUR 4.5 million for the Chairman of the Management Board Robin Laik and EUR 2.25 million for the member of the Management Board Mark Friedrich (corresponding in both cases to a net income of EUR 100.0 million). For the Management Board member Johannes Laumann, the cap of the bonus amounts to EUR 3.0 million (also corresponds to net income of EUR 100.0 million). The members of the Management Board do not receive a bonus if the Company's net income for the year is below EUR 17.5 million. The bonus is intended to incentivize the ongoing achievement of high net income in line with the business strategy. A high net profit is an expression of the Company's performance and at the same time promotes the Company's dividend strategy.

The bonus is paid annually in April for the previous year. If a Management Board member's service contract commences during the year, he or she receives the bonus for the respective financial year on a pro rata temporis basis.

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Information on the assessment of the bonus in calendar year 2022 with the sole performance criteria "net income of the Company" (weighting: 100%):

	Information on the performance criteria		**Assessment of the Bonus**	
	a) Minimum target b) Remuneration	**a) Maximum target b) Remuneration**	**a) Minimum value b) Maximum value c) Intermediate values**	**a) Established parameter value b) Actual remuneration**
Robin Laik	a) Net income of EUR 17.5 million b) EUR 0.0	a) Net income of EUR 100.0 million b) EUR 4.5 million	a) EUR 0.0 (with net income of EUR 17.5 million) b) EUR 4.5 million (from net income of EUR 100.0 million) c) The bonus is determined on the basis of net income. The values between the above individual contractually determined values of the bonus are interpolated.	a) Net income of EUR 72.9 million b) EUR 3.9 million
Mark Friedrich	a) Net income of EUR 17.5 million b) EUR 0.0	a) Net income of EUR 100.0 million b) EUR 2.25 million	a) EUR 0.0 (with net income of EUR 17.5 million) b) EUR 2.25 million (from net income of EUR 100.0 million) c) The bonus is determined on the basis of net income. The values between the above individual contractually determined values of the bonus are interpolated.	a) Net income of EUR 72.9 million b) EUR 1.9 million
Johannes Laumann	a) Net income of EUR 17.5 million b) EUR 0.0	a) Net income of EUR 100.0 million b) EUR 3.0 million	a) EUR 0.0 (with net income of EUR 17.5 million) b) EUR 3.0 million (from net income of EUR 100.0 million) c) Linear interpolation between EUR 20.0 million and EUR 30.0 million. From EUR 30.0 million, the bonus is 3% of net income.	a) Net income of EUR 72.9 million b) EUR 2.2 million
Total				b) EUR 8.0 million

The multi-year variable compensation of the members of the Management Board consists of stock options, the exercise of which is linked to the achievement of a performance target (share price increase). To date, the following three stock option programs have been approved by the Company's Annual General Meeting:

1. the Stock Option Program 2016 **(SOP 2016)** by the Annual General Meeting on 3 June 2016,

2. the Stock Option Program 2019 **(SOP 2019)** by the Annual General Meeting on 23 May 2019, and

3. the Stock Option Program 2021 **(SOP 2021)** by the Annual General Meeting on 20 May 2021.

In all stock option programs, a stock option granted to the respective Management Board member entitles the holder to subscribe for one share at a price **(exercise price)** corresponding to 70% of the average, volume-weighted closing price of the Company's share in XETRA trading during the last 20 stock market trading days prior to the issue date of the stock options. The stock options granted under the SOP 2016, the SOP 2019 and the SOP 2021 can only be exercised if the average, volume-weighted closing price of the Company's shares in XETRA trading during the last 20 stock market trading days prior to the start of the respective exercise period **(comparison price)** exceeds the exercise price by at least 85.7% **(performance target)**.

All stock option programs contain an anti-dilution clause in the event of capital increases from company funds and other capital measures that have a comparable effect. SOP 2019 and SOP 2021 also provide for a corresponding adjustment of the exercise price if the Company pays, distributes or grants a cash or non-cash dividend to its shareholders after the issue date and before the effective exercise of the stock option by the Management Board member. There is a waiting period of four years for the exercise of the option for each tranche granted. On the day after expiry of the waiting period, the stock options may in principle be exercised for the first time, provided that the

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exercise conditions, in particular the achievement of the performance target described above, have been met. The exercise period following the waiting period is two years. If not exercised, the stock options expire without compensation six years after the issue date.

The share subscription as part of the multi-year variable compensation allows the Management Board members to participate in the development of the share price. This aligns the objectives of the Management Board and the shareholders and promotes the strategy of sustainably increasing shareholder value. The vesting period and subsequent exercise period incentivize the Management Board members to increase the value of the Company on a long-term and sustainable basis.

In the financial year 2022, a total of 180,000 stock options were issued to the members of the Management Board.

Information on the allocation of stock options from the SOP 2021 in calendar year 2022:

	Stock Option Program	Allocated stock options	Date of issue	Exercise price	Expiration waiting time	Exercise period	Performance target (share price)	Fair value at grant date
Robin Laik	SOP 2021	90,000	22 April 2022	EUR 15.62	21 April 2026	2 years	EUR 29.01	EUR 669,600
Mark Friedrich	SOP 2021	45,000	22 April 2022	EUR 15.62	21 April 2026	2 years	EUR 29.01	EUR 334,800
Johannes Laumann	SOP 2021	45,000	22 April 2022	EUR 15.62	21 April 2026	2 years	EUR 29.01	EUR 334,800
Total		180,000						

Development of stock options from the SOP 2016, the SOP 2019 and the SOP 2021 in financial year 2022:

	Balance at beginning of FY 2022	Allocated in FY 2022	Exercisable in FY 2022	Exercised in FY 2022	Balance at end of FY 2022
Robin Laik	360,000	90,000	0	0	450,000
Mark Friedrich	140,000	45,000	0	0	185,000
Johannes Laumann	140,000	45,000	0	0	185,000
Total	640,000	180,000	0	0	820,000

No variable compensation components were withheld or clawed back in the financial year 2022.

There is no pension commitment between the Company and the members of the Management Board. Therefore, the members of the Management Board are not entitled to a company pension.

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The members of the Management Board are granted the following **fringe benefits**:

- Company car, which may also be used privately,
- Smartphone, which may also be used privately,
- Contributions to statutory or private health and long-term care insurance,
- Assumption of the costs for a service apartment,
- Company's D&O insurance (without the corresponding deductible).

The fringe benefits granted mainly consist of contributions to statutory or private health insurance and D&O insurance, as well as the use of a company car. The Company's D&O insurance (pecuniary loss liability insurance) includes a deductible clause for the members of the Management Board in accordance with the statutory requirements (Section 93 (2) sentence 3 AktG), which they bear themselves. No advances or loans were granted to members of the Management Board.

Appropriateness of the remuneration of the Management Board

In accordance with the remuneration system, the Supervisory Board of Mutares Management SE conducts a review of the market appropriateness of the Management Board remuneration at regular intervals, whereby this is generally based on a horizontal and vertical comparison. The horizontal review of the appropriateness of the remuneration is carried out on the basis of a comparison with other listed portfolio companies from the private equity sector and comparable industries. The peer group comprises the four companies AURELIUS Equity Opportunities SE & Co. KGaA, Deutsche Beteiligungs AG, INDUS Holding AG and MBB SE. A high variable compensation component is typical for the industry.

When determining the remuneration for the members of the Management Board, the Supervisory Board of Mutares Management SE also takes into account in particular that there is global competition in the private equity industry for key personnel with industry experience, who are considered the central success factor in this industry. Non-competitive compensation for highly successful managers, as evidenced by their business results, both at Management Board level and at the other management levels, would pose a risk of key personnel leaving the Company and thus a significant risk to the Company's business success.

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Compensation granted and owed in the financial year 2022

The following tables show the compensation granted and owed individually in accordance with section 162 (1) sentence 1 AktG to the members of the Management Board in office in the financial year 2022. This relates to the fixed compensation and fringe benefits granted in the financial year 2022, the bonus for the financial year 2022 and the multi-year variable compensation. The former Management Board member Dr. Kristian Schleede, who left the company on 31 December 2021, was paid a bonus of EUR 1.5 million in the financial year 2022, which related to the financial year 2021.

Compensation is deemed to have been granted within the meaning of Section 162 (1) sentence 1 AktG if it actually accrues to the board member, irrespective of whether it has been credited to an account of the member of the corporate body or has otherwise become his economic or legal property. In the following table, compensation is also deemed to have been granted within the meaning of Section 162 (1) sentence 1 AktG if the underlying one-year or multi-year activity has been performed in full by the end of the financial year and the compensation is not transferred to the recipient's account until the beginning of the next financial year. The amounts reported from the bonus correspond to the payments for the financial year 2022, as the underlying service was performed in full by the end of the financial year on 31 December 2022 and the bonus was therefore earned in full (performance period: January to December 2022, payment expected in April 2023). The bonus for the financial year 2022 is therefore regarded as compensation granted within the meaning of section 162 (1) sentence 1 AktG. The stock options granted in the financial year 2022 under the SOP 2021 are considered to have been granted in the financial year 2022 and are measured at their fair value at the time of grant. In calculating the fair value, recourse was made to a recognized valuation method, namely the Cox-Ross-Rubinstein binomial model.

Compensation shall be deemed to be owed within the meaning of Section 162 (1) sentence 1 AktG if the Company has a legally existing obligation towards a member of a governing body which is due but not yet fulfilled.

REMUNERATION GRANTED AND OWED[1]

	Robin Laik, CEO				Mark Friedrich, CFO				Johannes Laumann, CIO			
	2022		2021		2022		2021		2022		2021	
	TEUR	%	TEUR	%	TEUR	%	TEUR	%	TEUR	%	TEUR	%
Fixed Compensation												
Basic remuneration	1,000.0	18%	1,000.0	21%	500.0	18%	500.0	21%	500.0	16%	500.0	20%
Fringe benefits[2]	83.0	1%	78.0	2%	87.0	3%	89.0	4%	88.0	3%	101.0	4%
Total fixed remuneration	**1,083.0**	**19%**	**1,078.0**	**23%**	**587.0**	**21%**	**589.0**	**25%**	**588.0**	**19%**	**601.0**	**24%**
Variable Compensation												
Short-term variable compensation												
Bonus	3,860.0	69%	3,000.0	63%	1,930.0	68%	1,500.0	62%	2,180.0	70%	1,500.0	61%
Long-term variable compensation												
AOP 2019	0.0	0%	278.0	6%	0.0	0%	139.0	6%	0.0	0%	139.0	6%
AOP 2021	670.0	12%	411.0	8%	335.0	12%	206.0	8%	335.0	11%	206.0	8%
Total variable compensation	**4,530.0**	**81%**	**3,689.0**	**77%**	**2,265.0**	**80%**	**1,845.0**	**76%**	**2,515.0**	**81%**	**1,845.0**	**75%**
Other												
Total[3] (total compensation within the meaning of Sec. 162 (1) AktG)	**5,612.0**	**100%**	**4,767.0**	**100%**	**2,852.0**	**100%**	**2,434.0**	**100%**	**3,103.0**	**100%**	**2,446.0**	**100%**

Third party services

The members of the Management Board participate in the Company's participation model for indirect participation of the members of the Management Board and selected other employees in the operating subsidiaries via investments from their private assets. This involves participation in the relevant cash flows between the operating subsidiaries and the Company. Relevant cash inflows are inflows in the form of dividend or profit distributions, other distributions/payments from the share capital (e.g. in the case of exits of operating subsidiaries) and/or repayments of acquired shareholder loans.

As participation in the Company's shareholding program is financed from the private assets of the Management Board members, the benefits are not promised or granted as consideration for or with regard to the Management Board activity, but with regard to the respective privately financed participation as (indirect) shareholder of the operating subsidiaries. Furthermore, in the opinion of the Supervisory Board, these benefits are not in the abstract likely to give rise to conflicts of interest with regard to the activity as a member of the Management Board. The benefits received by the members of the Management Board from third parties in the financial year 2022 in this sense are therefore not to be classified as third-party benefits within the meaning of §162 (2) AktG, and are also not shown in the table on compensation granted and owed (see above

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under "Compensation granted and owed in the 2022 financial year"). Nevertheless, these benefits are presented below as a precautionary measure.

The members of the Management Board were disbursed the following benefits in connection with the Company's participation model in financial year 2022:

In financial year 2022, Robin Laik received benefits from
BEXity Beteiligungs GmbH & Co. KG in the amount of EUR 487 thousand,
SABO Beteiligungs GmbH & Co. KG in the amount of EUR 33 thousand,
Carbon Beteiligungs GmbH & Co. KG in the amount of EUR 178 thousand,
Lacroix+Kress Beteiligungs GmbH & Co. KG in the amount of EUR 65 thousand
and from Clecim Beteiligungs GmbH & Co. KG in the amount of 217 thousand.

In financial year 2022, Mark Friedrich received benefits from
BEXity Beteiligungs GmbH & Co. KG in the amount of EUR 244 thousand,
SABO Beteiligungs GmbH & Co. KG in the amount of EUR 11 thousand,
Carbon Beteiligungs GmbH & Co. KG in the amount of EUR 59 thousand,
Lacroix+Kress Beteiligungs GmbH & Co. KG in the amount of EUR 22 thousand
and from Clecim Beteiligungs GmbH & Co. KG in the amount of EUR 72 thousand.

In financial year 2022, Johannes Laumann received benefits from
BEXity Beteiligungs GmbH & Co. KG in the amount of EUR 244 thousand,
SABO Beteiligungs GmbH & Co. KG in the amount of EUR 16 thousand,
Carbon Beteiligungs GmbH & Co. KG in the amount of EUR 89 thousand,
Lacroix+Kress Beteiligungs GmbH & Co. KG in the amount of EUR 32 thousand
and from Clecim Beteiligungs GmbH & Co. KG in the amount of 109 thousand.

In financial year 2022, Dr. Kristian Schleede received benefits from
BEXity Beteiligungs GmbH & Co. KG in the amount of EUR 81 thousand,
SABO Beteiligungs GmbH & Co. KG in the amount of EUR 5 thousand,
Carbon Beteiligungs GmbH & Co. KG in the amount of EUR 30 thousand and
Lacroix+Kress Beteiligungs GmbH & Co. KG in the amount of EUR 11 thousand.

Beyond this, no benefits were promised or granted to the Management Board members by a third party in or for the financial year 2022 with regard to their Management Board activities.

Supervisory Board compensation

Remuneration of the members of the Supervisory Board of Mutares SE & Co. KGaA
The current remuneration of the members of the Company's Supervisory Board was determined with effect from 1 January 2022 by resolution of the Company's Annual General Meeting on 17 May 2022. The members of the Supervisory Board of the Company receive a fixed basic remuneration of EUR 20 thousand for the respective financial year of the Company. The Chairman of the Supervisory Board receives a fixed basic remuneration of EUR 45 thousand and his deputy receives a fixed basic remuneration of EUR 30 thousand for the respective financial year of the Company. As the Supervisory Board in the financial year 2022 consisted of a Chairman, a Deputy Chairman and two other members, the total basic remuneration of the members of the Supervisory Board of the Company amounted to EUR 115 thousand in the financial year 2022. For work on the audit committee of the Supervisory Board, the Chairman of the committee receives EUR 15 thousand and each other member of the committee receives EUR 5 thousand for the respective financial year of the Company. The Company has an Audit Committee, to which Dr. Axel Müller, as Chairman and Volker Rofalski belong. For their work on other committees of the Supervisory Board, the Chairman of the committee receives an additional EUR 10 thousand and each other member of the committee receives an additional EUR 5 thousand for the respective financial year of the Company. In addition to the aforementioned remuneration, the members of the Supervisory Board are reimbursed for expenses incurred in the performance of their duties, which also include any value-added tax incurred.

The compensation is payable at the end of the respective financial year. Supervisory Board members who are members of the Supervisory Board or a committee, or hold the position of chairman or vice-chairman for only part of the entire financial year shall receive remuneration on a pro rata basis.

For the individual acting members of the Supervisory Board of the Company in the financial year 2022, the compensation pursuant to Section 162 (1) Sentence 1 of the German Stock Corporation Act (AktG) for the financial year 2022 presented below resulted, whereby the compensation of the members of the Supervisory Board included therein reflects the "compensation granted and owed" pursuant to Section 162 (1) Sentence 1 of the German Stock Corporation Act (AktG) as understood above under Compensation "granted and owed in the financial year 2022". No compensation was granted or owed to former members of the Company's Supervisory Board in financial year 2022. No advances or loans were granted to members of the Supervisory Board.

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MEMBERS OF THE SUPERVISORY BOARD OF MUTARES SE & CO. KGAA

	Volker Rofalski (Chairman of the Supervisory Board and member of the Audit Committee)				Dr. Axel Müller (Deputy Chairman of the Supervisory Board and Chairman of the Audit Committee)				Dr. Lothar Koniarski			
	2022		2021		2022		2021		2022		2021	
	TEUR	%	TEUR	%	TEUR	%	TEUR	%	TEUR	%	TEUR	%
Basic remuneration	45.0	90%	45.0	95%	30.0	67%	22.5	75%	20.0	100%	15.0	100%
Additional remuneration for committee work	5.0	10%	2.5	5%	15.0	33%	7.5	25%	0.0	0%	0.0	0%
Total compensation within the meaning of Sec. 162 (1) AktG	50.0	100%	47.5	100%	45.0	100%	30.0	100%	20.0	100%	15.0	100%

	Raffaela Rein[1]				Prof. Dr. Micha Bloching[2]				TOTAL COMPENSATION	
	2022		2021		2022		2021		2022	2021
	TEUR	%	TEUR	%	TEUR	%	TEUR	%	TEUR	TEUR
Basic remuneration	12.5	100%	0.0	0%	7.5	100%	15.0	100%	115.0	97.5
Additional remuneration for committee work	0.0	0%	0.0	0%	0.0	0%	0.0	0%	20.0	10.0
Total compensation within the meaning of Sec. 162 (1) AktG	12.5	100%	0.0	0%	7.5	100%	15.0	100%	135.0	107.5

In addition, the Company maintains a directors' and officers' liability insurance policy (D&O insurance) for the members of its corporate bodies. Of the D&O insurance premium paid in the financial year 2022, EUR 75 thousand is attributable pro rata to each member of the Company's Supervisory Board.

Remuneration of the members of the Supervisory Board of Mutares Management SE

The remuneration of the members of the Supervisory Board of Mutares Management SE was resolved at the Annual General Meeting of Mutares Management SE on 17 May 2022. The members of the Supervisory Board of Mutares Management SE receive a fixed basic remuneration of EUR 50 thousand for the respective financial year of the Company. The Chairman of the Supervisory Board receives a fixed basic remuneration of EUR 90 thousand and his deputy receives a fixed basic remuneration of EUR 70 thousand for the respective financial year of the Company. As the Supervisory Board currently consists of a Chairman, a Deputy Chairman and two other members, the total basic remuneration of the Supervisory Board members amounted to EUR 260 thousand in the financial year 2022. The Supervisory Board of Mutares Management SE has no committees.

For the individual acting members of the Supervisory Board of Mutares Management SE in the financial year 2022, the following remuneration pursuant to Section 162 (1) sentence 1 AktG for the financial year 2022 resulted, whereby the remuneration of the Supervisory Board members included therein represents the "remuneration granted and owed" pursuant to Section 162 (1) sentence 1 AktG in the sense of the understanding described above under "Remuneration granted and owed in the financial year 2022". No remuneration was granted or owed to former members of the Supervisory Board of Mutares Management SE in the financial year 2022. No advances or loans were granted to the members of the Supervisory Board.

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MEMBERS OF THE SUPERVISORY BOARD OF MUTARES MANAGEMENT SE

	Dr.-Ing. Kristian Schleede (Chairman of the Supervisory Board)[1]				Dr. Lothar Koniarski (Deputy Chairman)				Dr. Axel Müller			
	2022		2021		2022		2021		2022		2021	
	TEUR	%	TEUR	%	TEUR	%	TEUR	%	TEUR	%	TEUR	%
Basic remuneration	56.2	100%	–	–	70.0	100%	60.0	100%	50.0	100%	40.0	100%
Additional remuneration for committee work	0.0	0%	–	–	0.0	0%	0.0	0%	0.0	0%	0.0	0%
Total compensation within the meaning of Sec. 162 (1) AktG	56.2	100%	–	–	70.0	100%	60.0	100%	50.0	100%	40.0	100%

	Volker Rofalski				Prof. Dr. Micha Bloching (Chairman of the Supervisory Board)[2]				TOTAL COMPENSATION	
	2022		2021		2022		2021		2022	2021
	TEUR	%	TEUR	%	TEUR	%	TEUR	%	TEUR	TEUR
Basic remuneration	50.0	100%	40.0	100%	33.8	100%	80.0	100%	260.0	220.0
Additional remuneration for committee work	0.0	0%	0.0	0%	0.0	0%	0.0	0%	0.0	0.0
Total compensation within the meaning of Sec. 162 (1) AktG	50.0	100%	40.0	100%	33.8	100%	80.0	100%	260.0	220.0

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Remuneration of Mutares Management SE as General Partner

Mutares Management SE as general partner receives an annual remuneration, independent of profit and loss, in the amount of 4% of its share capital, plus any value added tax due, for assuming the management of the Company and the liability of the Company pursuant to Section 7 (7) of the Company's Articles of Association. For the financial year 2022, this remuneration amounted to EUR 4,800.00.

Comparative presentation of earnings development and annual change in compensation

In accordance with § 162 (1) sentence 2 no. 2 AktG, the following overview presents the relative development of the compensation granted and owed to the members of the Management Board and Supervisory Board in the respective financial year compared with the development of the Company's earnings. A comparative presentation of Management Board compensation with the compensation of employees on a full-time equivalent basis pursuant to § 162 (1) sentence 2 no. 2 AktG is provided in accordance with § 26 j (2) sentence 2 EGAktG only for the financial years 2021/2022 and 2020/2021.

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	Financial year				
%	2022	2021	2020	2019	2018
Earnings performance					
Consolidated net income (IFRS)	-105%	2,144%	18%	39%	-73%
Net income for the year (HGB)	44%	52%	48%	12%	14%
Average employee compensation	14%	50%			
Compensation of the Management Board					
Robin Laik	18%	53%	58%	-1%	38%
Mark Friedrich	17%	54%	57%	9%	42%
Johannes Laumann (since 1 June 2019)	27%	54%	90%		
Dr.-Ing. Kristian Schleede (until 31 December 2021)		63%	49%	10%	108%
Dr. Wolf Cornelius (until 24 July 2019)				-5%	46%
Dr. Axel Geuer (appointed until 21. Februar 2018)					-42%
Compensation of the Supervisory Board					
Volker Rofalski	4%	45%	-8%	-3%	90%
Dr. Axel Müller (since 2 August 2018)	17%	191%	-46%	151%	
Dr. Lothar Koniarski (since 20 July 2018)	8%	148%	-30%	80%	
Raffaela Rein (since 17 May 2022)					
Dr. Micha Bloching (until 17 May 2022)	-59%	276%	-54%	-45%	16%
Dr. Ulrich Hauck (until 31 March 2019)				-69%	49%
Remuneration of the Supervisory Board of Mutares Management SE					
Dr.-Ing. Kristian Schleede (since 17 Mai 2022)					
Dr. Lothar Koniarski (since 9 April 2019)	17%	50%	37%		
Dr. Axel Müller (since 6 Juli 2020)	25%	74%			
Volker Rofalski (since 9. April 2019)	25%	-33%	37%		
Dr. Micha Bloching (from 9 April 2019 until 17 Mai 2022)	-58%	0%	37%		

The development of earnings is generally presented on the basis of the development of the Company's net profit for the year in accordance with section 275 (2) no. 17 HGB. Since the remuneration of the members of the Management Board also depends to a significant extent on the development of Group key figures, the development of the IFRS consolidated net profit reported in the consolidated financial statements is also presented as the earnings performance of the Mutares Group.

The comparison with the average compensation of employees is based on the current first management level of the Mutares Group. The employees of the individual operating investees are not taken into account.

The chart shows the percentage development in the respective year compared to the previous year and includes, among other things, the ancillary costs for D&O insurance.

Munich, 5 April 2023

For Mutares Management SE

Robin Laik
Chairman of the Management Board

Mark Friedrich
Member of the Management Board

For the Supervisory Board of the Company

Volker Rofalski
Chairman of the Supervisory Board

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CORPORATE GOVERNANCE STATEMENT

The principles of responsible and good corporate governance determine the actions of the management and control bodies of Mutares SE & Co. KGaA. The Management Board of the general partner of Mutares SE & Co. KGaA, Mutares Management SE, as well as the Shareholders' Committee and the Supervisory Board of Mutares SE & Co. KGaA report below on corporate governance in accordance with Principle 23 of the German Corporate Governance Code (GCGC) and pursuant to Sections 289f, 315d HGB.

A. Declaration on the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG)

The Management Board of Mutares Management SE as general partner as well as the Shareholders' Committee and the Supervisory Board of Mutares SE & Co. KGaA **(Company)** declare pursuant to Section 161 of the German Stock Corporation Act **(AktG)** that the Company has complied with the recommendations of the German Corporate Governance Code **(GCGC)** as amended on 16 December 2019 **(GCGC 2020)**, which entered into force by publication in the Federal Gazette (Bundesanzeiger) on 20 March 2020, since issuance of the last declaration of conformity in December 2021 and has complied with the recommendations of the German Corporate Governance Code as amended on 27 June 2022 by publication in the Federal Gazette (Bundesanzeiger) on 20 March 2022. The Company complies with the recommendations of the German Corporate Governance Code as amended on 28 April 2022 **(GCGC 2022)**, which entered into force on 27 June 2022 by publication in the Federal Gazette (Bundesanzeiger), and will continue to do so in the future subject to the legal form-specific features of the partnership limited by shares **(KGaA)** described below and the structuring of this legal form by the Articles of Association, as well as with the exception of the deviations listed below.

I. Special features specific to legal forms

The GCGC is tailored to companies in the legal form of a stock corporation **(AG)** or a European Company (Societas Europaea, SE) and does not take into account the special features of the legal form of a KGaA. Many recommendations of the GCGC can therefore only be applied to the Company in modified form. Significant particularities result in particular from the following legal form-specific features.

1. Management
In the case of a KGaA, the tasks of a Management Board of an AG are performed by general partners. The sole general partner of the Company is Mutares Management SE, whose Management Board is thus responsible for managing the Company's business.

2. Shareholders' Committee
The legal form of the KGaA, unlike that of the AG, offers the possibility of creating further optional corporate bodies. The Shareholders' Committee established at the Company in accordance with the Articles of Association and elected by the General Meeting of the Company has power of representation and management authority for the legal relationships between the Company on the one hand and the General Partner and/or its board members on the other.

In addition, he exercises all rights in connection with the shares held by the Company in the General Partner; in particular, he is responsible for exercising voting rights at the General Partner's Annual General Meeting and for disposing of the Company's shares in the General Partner.

3. Supervisory Board
Compared to the supervisory board of an AG, the rights and duties of the supervisory board of a KGaA are limited. In particular, the Supervisory Board of the Company has no personnel authority with respect to the management of the Company. The supervisory board of the KGaA is therefore not responsible for appointing or dismissing the general partner or its management board members. Thus, it is also not responsible for regulating their contractual terms and conditions such as, in particular, remuneration or consideration of the relationship of the remuneration of the Management Board to the remuneration of the senior management and the workforce; likewise, the Supervisory Board of the KGaA has no competence with regard to setting an age limit for the members of the Management Board, the composition of the Management Board, the duration of the appointment, succession planning, issuing rules of procedure for the Management Board or determining transactions requiring approval. These tasks are performed by the Supervisory Board of Mutares Management SE.

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4. Annual General Meeting
The Annual General Meeting of a KGaA basically has the same rights as the Annual General Meeting of an AG. In addition, it resolves on the approval of the annual financial statements of the company, the discharge of the general partner and the election and discharge of the shareholders' committee. Numerous resolutions of the Annual General Meeting require the approval of the general partner; this includes, among other things, the approval of the annual financial statements of the Company.

II. Deviations from recommendations of the GCGC 2020 and GCGC 2022

Recommendation D.5 GCGC 2020 / D.4 GCGC 2022
According to Recommendation D.5 GCGK 2020/D.4 GCGC 2022, the Supervisory Board shall form a Nomination Committee composed exclusively of shareholder representatives which nominates suitable candidates to the Supervisory Board for its proposals to the Annual General Meeting for the election of Supervisory Board members. Due to the current size of the Supervisory Board, which consists of four shareholder representatives, the Supervisory Board does not consider it necessary to form a nomination committee. The decision on the Supervisory Board's election proposals to the Annual General Meeting can be prepared and made by the full Supervisory Board.

Recommendation F.2 GCGC 2020 / F.2 GCGC 2022
According to Recommendation F.2 GCGK 2020/F.2 GCGC 2022, the consolidated financial statements and the Group management report shall be publicly accessible within 90 days of the end of the financial year. The Company shall make the consolidated financial statements and the Group management report publicly accessible in accordance with the provisions of commercial and stock exchange law (sections 325 (3), (4) sentence 1 HGB and sections 51 (2), 50 BörsO of the Frankfurt Stock Exchange) within four months of the reporting date for the financial year 2022. The Company believes that publication within these deadlines is sufficient for the information interests of shareholders, creditors and other stakeholders as well as the public.

Section G.1 GCGC 2020 / G.1 GCGC 2022
Recommendations G.1 to G.16 GCGC 2020/G.1 bis G.16 GCGC 2022 contain detailed requirements which the Supervisory Board should take into account when determining the compensation of the Management Board. However, the Supervisory Board of the Company has no authority to determine the remuneration of the Management Board of the General Partner, so the recommendations on Management Board remuneration do not apply to the Company due to their structure. The compensation of the Management Board of the General Partner is determined by the Supervisory Board of the General Partner. Only as a highly precautionary measure, the Company also declares a deviation from the aforementioned recommendations.

Munich, December 2022

The Management Board The Shareholders' Committee The Supervisory Board of the General Partner

The declaration of compliance is available on the website of Mutares SE & Co. KGaA at ↗ ir.mutares.de/en/corporate-governance/#dokumente.

B. Remuneration system for members of the Supervisory Board and renumeration report

On the website of Mutares SE & Co. KGaA under ↗ ir.mutares.de/en/corporate-governance/#dokumente, the remuneration report for the financial year 2022 and the auditor's report pursuant to Section 162 AktG are made publicly available. On the website of Mutares SE & Co. KGaA at ↗ ir.mutares.de/en/event/annual-general-meeting-2022 is also the latest resolution adopted by the Annual General Meeting on 17 May 2022 regarding the remuneration report and the remuneration system for the members of the Supervisory Board of Mutares SE & Co. KGaA have been made publicly available in accordance with section 113 (3) AktG.

C. Relevant disclosures on corporate governance practices

Mutares SE & Co. KGaA acts as an international investor that actively supports its portfolio companies in defining and implementing comprehensive turnaround and optimization programs. In all its decisions, however, the company not only focuses on the organic growth and lasting success of the portfolio companies, but also pays attention to the compliance and implementation of ecological, social and corporate values and standards. Responsible action is anchored in the corporate values at Mutares SE & Co. KGaA. Sustainability is more than just an environmental issue for us. As a group of companies, we have a responsible duty towards our employees and society and are committed to good corporate governance. Mutares SE & Co. KGaA sets itself as guidelines the three most important sustainability-related areas of responsibility of a company: **Environmental, Social and Governance**.

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Sustainability plays a fundamental role at the Company. In 2021, the UN Global Compact was signed and the company committed itself to respecting and implementing the ten sustainable principles set out therein and to promoting sustainable development worldwide. The Company also fulfills this responsibility through Group-wide reporting and monitoring activities relating to environmental, social and governance issues.

Environmental

We see environmental protection as a success factor for the future sustainable development of our business activities. In this context, we continuously work on identifying the essential topics and challenges for the business activities of the Mutares Group. Particularly at the subsidiaries, attention is paid to the implementation of environmentally friendly behavior in the internal corporate processes. A large number of our portfolio companies are therefore certified according to ISO 14001:2015 (environmental management system).

Social

The company places a particularly high value on its employees. In this regard, Mutares SE & Co. KGaA is guided by the principles of labor standards and human rights of the United Nations Global Compact. Occupational safety and health protection are important aspects for the Mutares Group. We strive to introduce and maintain a "Zero-Accident" safety culture at our subsidiaries. Respect for and observance of human rights are anchored in our Code of Conduct and are thus important components of our corporate responsibility. In addition, it is part of our standard to treat everyone equally with respect, trust and dignity. Our goal is to create a working environment that is free of any discrimination and harassment. Our Code of Conduct provides guidance for conducting our business in accordance with our values and applicable laws. Our Code of Conduct applies to all employees and business partners of Mutares.

Governance

The company is committed to acting with integrity and in compliance with nationally and internationally recognized standards, assuming corporate responsibility and paying attention to the impact of its business activities. All employees, our suppliers and third parties who have a business relationship with us must comply with the applicable laws of the country in which the site is located. As a global company, this means that the laws and regulations of each location in which we do business also apply. Failure to comply with these laws may result in civil, criminal and labor law consequences.

Internal Control System and Risk Management, including Compliance management system

The internal control and risk management system for the accounting process is designed to ensure that all business processes and transactions are recorded in a timely, uniform and correct manner. The aim of the internal control system for the consolidation of the subsidiaries included in the consolidated financial statements is to ensure compliance with legal standards, accounting regulations and internal accounting instructions. Changes to these are analyzed on an ongoing basis with regard to their relevance and impact on the consolidated financial statements and taken into account accordingly. In addition to defined controls, system-based and manual reconciliation processes, the separation of executive and control functions, and compliance with guidelines and work instructions are an essential part of the internal control system.

Furthermore, the Company has installed and organizationally anchored a systematic, multi-stage risk management system which also identifies, assesses and communicates sustainability risks. Material risks are identified by a combination of bottom-up and top-down analysis based on defined risk areas. The risks identified in this way are assessed on the basis of their monetary impact on the earnings and/or financial situation of the Company and their expected probability of occurrence in relation to a one-year observation horizon. In each case, the focus is on the most likely risk scenario. The risk assessment also distinguishes between gross and net assessment. The identified risks are then actively managed and controlled by the management responsible for operations.

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In addition, the Company has established a compliance management system with a code of conduct for all relevant areas. Responsible, ethically correct and integrity behavior is expected of all employees at all levels. This expectation also applies to third parties, such as business partners and suppliers, who contribute to the good image of our company. Individual policies are in place for anti-corruption, capital market compliance, antitrust law, terrorist financing and money laundering, and data protection, among others. The policy management software implemented ensures that employees always have access to the policies in force. In addition, the company has set up a whistleblower portal which enables whistleblowers to report possible violations of the law or the company's Code of Conduct, also anonymously. The company's compliance department investigates all such reports independently.

The Company's Compliance function consists of a Compliance Officer with overall responsibility for the implementation and monitoring of the compliance management system at the holding level of the Company and its direct subsidiaries.

In addition, the portfolio companies, as indirect subsidiaries of the Company, are required to establish appropriate compliance management systems, including a specifically defined responsible position, as part of their corporate governance. In order to ensure compliance with the common standards, the Company intends to establish a regular exchange between the compliance functions at the different levels within the Mutares Group.

For more information, visit the website of Mutares SE & Co. KGaA at ↗ mutares.de/en/sustainability.

D. Partnership limited by shares

Mutares SE & Co. KGaA is a partnership limited by shares (KGaA). A KGaA is a company with its own legal personality (legal entity), in which at least one shareholder has unlimited liability to the company's creditors (general partner) and the other shareholders have an interest in the share capital, which is divided into shares, without being personally liable for the company's obligations (limited shareholders, Section 278 (1) AktG).

The legal form of a KGaA is a hybrid of a stock corporation (AG) and a limited partnership with a focus on stock corporation law. The main differences to an AG are as follows: The tasks of the Management Board of an AG are performed by Mutares Management SE – acting through its Management Board – as the sole general partner of Mutares SE & Co.KGaA.

Compared to the supervisory board of an AG, the rights and duties of the supervisory board of a KGaA are limited. In particular, the supervisory board does not have the competence to appoint personally liable partners and to regulate their contractual conditions, to issue rules of procedure for the management or to determine transactions requiring approval. These tasks are performed at the Company by the Supervisory Board of Mutares Management SE.

The Annual General Meeting of a KGaA basically has the same rights as the Annual General Meeting of an AG. This means that it resolves, among other things, on the appropriation of profits, the election and discharge of the members of the Supervisory Board, the election of the auditor, and on amendments to the Articles of Association and capital measures to be implemented by the Management Board. In addition, depending on the legal form of the Company, it resolves on the approval of the annual financial statements of the Company and the discharge of the General Partner, as well as on the election and discharge of the members of the Shareholders' Committee established in accordance with the Articles of Association. Resolutions of the General Meeting require the approval of the General Partner insofar as they relate to matters for which, in the case of a limited partnership, the consent of the General Partners and the limited partners is required (Section 285 (2) AktG) or it relates to the approval of the annual financial statements (Section 286 (1) AktG).

As an additional body, a Shareholders' Committee has been established at Mutares SE & Co. KGaA to perform the duties assigned to it by the Annual General Meeting and by the Articles of Association (for details, see section D.IV.).

There were no changes to the Group management and supervisory structure in the reporting year.

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E. Description of the working methods and composition of the corporate bodies of Mutares SE & Co. KGaA and Mutares Management SE and their committees

I. Description of the functioning of Mutares Management SE including its Management Board and Supervisory Board

A basic principle of German stock corporation law is usually a dual management system with a Management Board as the Management Body and a Supervisory Board as the Monitoring Body. In the legal form of a KGaA, there is the special feature that its business is managed by a general partner. At Mutares SE & Co. KGaA, Mutares Management SE assumes the role of the Management Body as general partner according to the Articles of Association. The Supervisory Board of Mutares SE & Co. KGaA monitors the management of the general partner in accordance with the competences assigned to it by law and the Articles of Association. Mutares Management SE is a dualistically structured European stock corporation (SE). The corporate bodies of Mutares Management SE are the General Meeting, the Management Board and the Supervisory Board. Mutares Management SE – represented by its Management Board – manages the business of Mutares SE & Co. KGaA with the diligence of a prudent and conscientious manager and is thereby committed to the corporate interest of Mutares SE & Co. KGaA. It also represents Mutares SE & Co. KGaA externally.

1. The Management Board of Mutares Management SE

a) Composition of the Management Board

According to the Articles of Association, the Management Board of Mutares Management SE may consist of one or more persons. The Supervisory Board of Mutares Management SE determines the specific number of members of the Management Board. For their appointment and dismissal, a simple majority of the votes cast by the members of the Supervisory Board is required. In the event of a tie, the vote of the chairman of the supervisory board shall be decisive. The members of the Management Board may be appointed for a maximum period of six years, whereby reappointments are permitted. The Management Board of Mutares Management SE currently consists of three members.

As of 31 December 2022, the Management Board of Mutares Management SE comprised the following members:

Robin Laik (*1972)
- Chairman of the Management Board, CEO
- First appointment (effective): 22 February 2019 (previously member of the Management Board of mutares AG since 2008)
- Appointed until: 31 December 2024
- Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022):
  - mutares Holding-02 AG (Member of the Supervisory Board)
  - mutares Holding-11 AG i.L. (Member of the Supervisory Board)
  - mutares Holding-13 AG i.L. (Member of the Supervisory Board)
  - mutares Holding-20 AG i.L. (Member of the Supervisory Board)
  - mutares Holding-21 AG (Member of the Supervisory Board)

Mark Friedrich (*1978)
- CFO
- First appointment (effective): 9 April 2019 (previously member of the Management Board of mutares AG since 2015)
- Appointed until: 31 December 2023
- Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022): none

Johannes Laumann (*1983)
- CIO
- First appointment (effective): 9 April 2019
- Appointed until: 31 March 2024
- Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022):
  - Atrium 248. Europäische VV SE (Member of the Supervisory Board)

The curricula vitae of the Management Board members are published and regularly updated on the website of Mutares SE & Co. KGaA at ↗ mutares.de/en/team/#executive-board. Information on the remuneration of the Management Board members can be found in the remuneration Report for the respective financial year.

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2. The Supervisory Board of Mutares Management SE

a) Functioning of the Supervisory Board

The Supervisory Board of Mutares Management SE consists of four members. Chairman of the Supervisory Board of Mutares Management SE is Dr.-Ing. Kristian Schleede.

b) Composition of the Supervisory Board

In the financial year 2022, the Supervisory Board of Mutares Management SE comprised the following members:

Dr.-Ing. Kristian Schleede (*1958)
- Chairman of the Supervisory Board
- Member since: End of General Meeting on 17 May 2022
- Elected until: End of the Annual General Meeting in the calendar year 2024
- Main activity: Management Consultant, Managing Partner of KSBI GmbH, Zug, Switzerland
- Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022): none

Dr. Lothar Koniarski (*1955)
- Vice Chairman of the Supervisory Board
- Member since: 2019
- Elected until: End of the Annual General Meeting in calendar year 2024
- Main activity: Managing Director of ELBER GmbH
- Memberships in supervisory boards required by law or in comparable domestic or foreign supervisory bodies of business enterprises (as of 31 December 2022):
  - Mutares SE & Co. KGaA, Munich (Member of the Supervisory Board, Member of the Shareholders' Committee)
  - CANCOM SE, Munich (Deputy Chairman of the Supervisory Board and Chairman of the Audit Committee)
  - SBF AG, Leipzig (Chairman of the Supervisory Board)
  - DV Immobilien GmbH (Vice Chairman of the Supervisory Board)

Volker Rofalski (*1970)
- Member since: 2019
- Elected until: End of the Annual General Meeting in the calendar year 2024
- Main activity: Managing Director of only natural munich GmbH
- Memberships in supervisory boards required by law or in comparable domestic or foreign supervisory bodies of business enterprises (as of 31 December 2022):
  - HELIAD Equity Partners GmbH & Co. KGaA, Frankfurt/Main (Chairman of the Supervisory Board)
  - Bio-Gate AG, Nuremberg (Chairman of the Supervisory Board)
  - Mutares SE & Co. KGaA, Munich (Chairman of the Supervisory Board, Chairman of the Shareholders' Committee)
  - FinLab AG, Frankfurt/Main (Member of the Supervisory Board)
  - paycentive Group AG, Augsburg (Member of the Supervisory Board)

Dr. Axel Müller (*1957)
- Member since: 2020
- Elected until: End of the Annual General Meeting in the calendar year 2024
- Main activity: Self-employed management consultant
- Memberships in supervisory boards required by law or in comparable domestic or foreign supervisory bodies of business enterprises (as of 31 December 2022):
  - Mutares SE & Co. KGaA, Munich (Member of the Supervisory Board, Vice Chairman of the Shareholders' Committee, Chairman of the Audit Committee)
  - Mellifera Sechsunddreißigste Beteiligungsgesellschaft mbH (MIP Pharma group of companies), Berlin (Chairman of the Advisory Board)

Prof. Dr. Micha Bloching (*1968)
- Member until 2022
- Resignation from the Supervisory Board with the End of the Annual General Meeting on 17 May 2022
- Main activity: Tax consultant, attorney, university lecturer

The curricula vitae of the acting Supervisory Board members are published and regularly updated on the website of Mutares SE & Co. KGaA at ↗mutares.de/en/team/#supervisory-board. Information on the remuneration of the Supervisory Board members of Mutares SE can be found in the renumeration Report for the respective financial year.

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3. Cooperation between the Management Board and Supervisory Board of Mutares Management SE

The Management Board reports to the Supervisory Board of Mutares Management SE in accordance with the statutory provisions, the Articles of Association and the rules of procedure of the Supervisory Board and the Management Board, as well as at the request of the Supervisory Board in individual cases. The reports of the Management Board shall comply with the principles of conscientious and faithful accountability. Reporting shall be carried out in such a way that the Supervisory Board is informed regularly, promptly, comprehensively and generally in text form about all issues relevant to the enterprise, in particular strategy, planning, business development, risk situation, risk management and compliance. In doing so, the Board of Management must address any deviations in the course of business from the targets agreed in the plans drawn up, stating the reasons for such deviations.

In addition, the Chairman of the Supervisory Board shall receive reports on other important occasions; an important occasion shall also be a business transaction at an affiliated company of which the Management Board becomes aware and which may have a significant influence on the situation of the Company.

The Supervisory Board of Mutares Management SE may at any time request a report from the Management Board on matters concerning Mutares Management SE, on its legal and business relationships with affiliated companies as well as on business transactions at these companies which may have a significant influence on the situation of Mutares Management SE. An individual member may also request a report, but only to the Supervisory Board.

Pursuant to Section 9 (7) of the Articles of Association of Mutares Management SE, the Supervisory Board of Mutares Management SE may, without prejudice to the overall responsibility of the Management Board, allocate the Management Board duties to the individual members of the Management Board and, within the framework of the statutory provisions and the Articles of Association, regulate the relationships of the members of the Management Board with each other and with Mutares Management SE and determine that certain transactions or types of transactions may only be conducted with the consent of the Supervisory Board. The Supervisory Board of Mutares Management SE may grant approvals for a certain group of transactions revocably also in general, for a limited or unlimited period of time, or in advance in the event that the individual transaction meets certain requirements, also to individual members and in particular to the Chairman of the Management Board.

II. Description of the Working Procedures and Composition of the Supervisory Board of Mutares SE & Co. KGaA and its Committees

1. Working methods of the Supervisory Board of Mutares SE & Co. KGaA

The main task of the Supervisory Board of Mutares SE & Co. KGaA is to monitor the management by Mutares Management SE as general partner. This is done on the basis of the statutory provisions, taking into account the recommendations of the GCGC – with the exception of the deviations mentioned in the Declaration of Conformity –, the Articles of Association of Mutares SE & Co. KGaA and the Rules of Procedure for the Supervisory Board. The Supervisory Board is authorized to make amendments to the Articles of Association that affect only the wording. In particular, it may also adjust the authorized capital in the Articles of Association in accordance with the respective issue of subscription shares; the same applies in the event that the authorization to issue subscription rights is not utilized. The rules of procedure for the Supervisory Board of Mutares SE & Co. KGaA, which contain more detailed provisions on convening and holding Supervisory Board meetings and on forming committees, can be viewed on the website of Mutares SE & Co. KGaA at ↗ ir.mutares.de/en/corporate-governance/#dokumente.

2. Composition of the Supervisory Board of Mutares SE & Co. KGaA

The Supervisory Board of Mutares SE & Co. KGaA consists of:

Volker Rofalski
- (for personal details see above under E.I.2.b)) as Chairman of the Supervisory Board;

Dr. Axel Müller
- (for personal details see above under E.I.2.b)) as Vice Chairman of the Supervisory Board;

Dr. Lothar Koniarski
- (for personal details see above under E.I.2.b)) as member of the Supervisory Board;

Raffaela Rein (*1986) as member of the Supervisory Board:
- Member since: End of Annual General Meeting on 17 May 2022
- Elected until: End of the Annual General Meeting in calendar year 2024
- Main activity: Founder and Managing Director of WildWildVen-tures GmbH, Berlin

- Memberships of other statutory supervisory boards or comparable German or foreign boards of business (at the end of 31 December 2022):
  - Member of the Advisory Board, IU International University of Applied Sciences
  - Member of the Sustainability Advisory Board, Porsche AG
  - Member of the extended executive board, Bundesverband Deutscher Startups e.V. (German Startups Association)

Prof. Micha Bloching resigned from the Supervisory Board during the course of the financial year 2022 and left the Supervisory Board of Mutares SE & Co. KGaA with the end of the Annual General Meeting on 17 May 2022.

Members of the Supervisory Board were members of the Supervisory Board of the Company in the legal form of a stock corporation (mutares AG) prior to the change of legal form into a partnership limited by shares (KGaA), i.e. Prof. Dr. Micha Bloching since 2008, Dr. Lothar Koniarski since 2018, Volker Rofalski since 2008 and Dr. Axel Müller since 2018.

Information on the remuneration of the members of the Supervisory Board of Mutares SE & Co. KGaA can be found in the remuneration report for the respective financial year.

Age limit

The Rules of Procedure for the Supervisory Board of Mutares SE & Co. KGaA stipulate that, as a rule, only persons who have not reached the age of 75 at the time of the election.

Audit Committee

To increase the efficiency of its activities, the Supervisory Board of Mutares SE & Co. KGaA has established an Audit Committee. The Audit Committee deals in particular with the audit of the financial statements, the monitoring of the financial reporting process, the effectiveness of the internal control system, the risk management system and the internal audit system, as well as the audit of the financial statements, in particular the selection and independence of the auditor, the quality of the audit and the additional services provided by the auditor, and compliance. The Audit Committee discusses the assessment of the audit risk, the audit strategy and audit planning, and the audit results with the auditor.

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The Audit Committee may make recommendations or proposals to ensure the integrity of the financial reporting process.

The Audit Committee consists of two members. The members of the Audit Committee are Dr. Axel Müller and Volker Rofalski. The Chairman of the Audit Committee is Dr. Axel Müller. Dr. Axel Müller has expertise in the fields of accounting and auditing. In the course of his professional career, Dr. Axel Müller held numerous management positions, in particular in the areas of strategy and M&A as well as operations, at STADA Arzneimittel AG, which was listed on the stock exchange and listed on the MDAX at the time, and was most recently responsible for production and development as a member of the Management Board for several years. In this context, he also brings many years of experience in the area of investor relations. After several years as a Senior Advisor at Arthur D. Little, he has been an Associate Partner at Fidelio Healthcare Partners and an independent management consultant since 2018. He therefore brings special knowledge and experience in the application of accounting principles and internal control and risk management systems, as well as special knowledge and experience in the field of auditing. Dr. Axel Müller regularly attends further training courses in these areas, in particular also in the field of ESG as well as sustainability reporting and its auditing, and brings this expertise to the Audit Committee. Volker Rofalski has expertise in the field of accounting. In the course of his professional career, Volker Rofalski was co-founder and board member of the first internet-based capital market platform in Germany, Webstock AG, as well as founder and CFO of a financial services company, TradeCross AG, for many years. From these professional positions he has special knowledge and experience in the application of accounting principles and internal control and risk management systems. In addition, Volker Rofalski regularly attends further training courses in this area, particularly in the field of ESG and sustainability reporting, and brings this expertise to the Audit Committee.

Self-assessment

The Supervisory Board of Mutares SE & Co. KGaA regularly assesses itself how effectively the Supervisory Board as a whole and its committees fulfill their tasks. In addition to qualitative criteria to be defined by the Supervisory Board, the subject of the efficiency review is in particular the procedural processes in the Supervisory Board as well as the timely and sufficient provision of information to the Supervisory Board. The most recent self-evaluation was carried out in December 2022.

Competence profile

According to Recommendation C.1 GCGC, the Supervisory Board shall specify concrete objectives for its composition and develop a competence profile for the entire body, paying attention to diversity. The competence profile should also include expertise on sustainability issues of importance to the Company. Applying Recommendation C.1 GCGC accordingly, the Supervisory Board of the Company has developed corresponding objectives for its composition and a competence profile.

The Supervisory Board of Mutares SE & Co. KGaA shall have overall competencies that are considered essential in view of the Company's activities. These include, in particular, in-depth experience and knowledge

- in the management of a (international) company,
- in industrial business and value creation along different value chains,
- in the fields of production, marketing, sales, digitalization, restructuring,
- to the main markets in which the Mutares Group operates,
- financial reporting and final audit,
- in controlling and risk management,
- in the area of governance and compliance,
- in the field of sustainability (environmental and social).

At least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing.

Diversity

The Supervisory Board of Mutares SE & Co. KGaA strives for sufficient diversity in terms of personality, gender, internationality, professional background, expertise and experience, and age distribution.

The gender-related composition of the Supervisory Board of Mutares SE & Co. KGaA does meet the target by 2026.

Independence

In the opinion of the Supervisory Board of Mutares SE & Co. KGaA, all of its members are independent. Thus, it also includes what it considers to be an appropriate number of independent members who are independent of the Company and the Management Board of the General Partner as well as independent of the controlling shareholder.

This also applies to Mr. Volker Rofalski, who has been a member of the Supervisory Board of Mutares SE & Co. KGaA for more than twelve years. The member continues to maintain the necessary distance to the Company, the General Partner as well as to the controlling shareholder, which is required for the supervision of the management of the Company by Mutares Management SE. His past and present performance of his duties proves that he continues to be in a position to advise and monitor the General Partner properly. The Supervisory Board is convinced that the duration of membership of more than twelve years is not suitable in the present case to give rise to conflicts of interest that could jeopardize the independence of the member.

The following qualification matrix reflects the status of implementation:

	Volker Rofalski	Dr. Axel Müller	Dr. Lothar Koniarski	Raffaela Rein
Management of a (international) company		✓	✓	✓
Industrial business and value creation along different value chains		✓	✓	
Production, marketing, sales, digitalization, restructuring		✓		✓
Main markets	✓		✓	
Financial reporting and final audit	✓	✓	✓	
Controlling and risk management	✓	✓	✓	
Governance and Compliance	✓	✓	✓	✓
Sustainability (environment and social)	✓	✓		✓
Independence	✓	✓	✓	✓

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III. Cooperation of the Supervisory Board of Mutares SE & Co. KGaA with the General Partner

The basis of the cooperation between the Supervisory Board of Mutares SE & Co. KGaA and the general partner, Mutares Management SE, is the principle of the dual management system as prescribed by law for the structure of a KGaA. Essential to this is the separation of the management and executive duties assigned to the general partner from the supervisory duties assigned to the Supervisory Board. Further foundations are provided by the rules of procedure, which the responsible bodies have issued taking into account the legal form-specific particularities of a KGaA as well as – with regard to the general partner – of a dualistic European stock corporation (Mutares Management SE).

The Supervisory Board is informed by the General Partner – acting through its Management Board – in a regular, timely and comprehensive manner and generally in text form about all issues relevant to the Company, in particular strategy, planning, business development, risk situation, risk management and compliance. In addition, reports are to be submitted at least once a year on fundamental issues of corporate planning, in particular financial and personnel planning. The Chairman of the Supervisory Board maintains regular contact with the General Partner, in particular with the Chairman of the Management Board of the General Partner, and discusses the strategy, business development, compliance and risk management of the Company with him. The Chairman of the Supervisory Board is informed without delay by the Chairman of the Management Board of the General Partner about important events that are of material significance for the assessment of the situation and development as well as for the management of the Company. The Chairman of the Supervisory Board then informs the Supervisory Board and, if necessary, convenes an extraordinary meeting of the Supervisory Board.

IV. The Shareholders' Committee of Mutares SE & Co. KGaA

1. Overview and Working Procedures of the Shareholders' Committee of Mutares SE & Co. KGaA

In accordance with the Articles of Association, in addition to the Supervisory Board there is also a Shareholders' Committee consisting of four members elected by the Annual General Meeting. The term of office is five years, unless otherwise specified at the time of election. The Shareholders' Committee must hold at least one meeting per calendar year. The Shareholders' Committee shall pass its resolutions by a majority of the votes cast, unless the Articles of Association mandatorily provide otherwise. The Members' Committee shall be responsible for carrying out the matters assigned to it by the General Meeting or by the Articles of Association. It has power of representation and management authority for the legal relationships between the Company on the one hand and the General Partner and/or its corporate bodies on the other. It exercises all rights arising from or in connection with the shares held by the Company in the General Partner, in particular it is responsible for exercising voting rights at the General Meeting of the General Partner and for disposing of the shares in the General Partner. The Shareholders Committee may also exempt individual, several or all members of the Management Board of the General Partner from the prohibition of multiple representation pursuant to Sec. 181 Alt. 2 of the German Civil Code (BGB), whereby Section 112 of the German Stock Corporation Act (AktG) remains unaffected.

The Shareholders' Committee also has the task and the right to decide on approval with regard to management measures requiring approval with related parties pursuant to Section 111b (1) AktG. The Shareholders' Committee has also been assigned the duty to establish an internal procedure pursuant to Section 111a (2) Sentence 2 AktG to regularly assess whether transactions are conducted with related parties in the ordinary course of business and at arm's length.

For further details, the Shareholders' Committee has adopted rules of procedure.

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2. Composition of the Shareholders' Committee of Mutares SE & Co. KGaA
The Shareholders' Committee of Mutares SE & Co. KGaA consists of:

Volker Rofalski
- (for personal details see above under E.I.2.b))
  as Chairman of the Shareholders' Committee;

Dr. Axel Müller
- (for personal details see above under E.I.2.b))
  as Vice Chairman of the Shareholders' Committee;

Dr. Lothar Koniarski
- (for personal details see above under E.I.2.b))
  as a member of the Shareholders' Committee.

Raffaela Rein
- (for personal details see above under E.I.2.b))
  as a member of the Shareholders' Committee.

Prof. Micha Bloching resigned from his mandate as member of the Shareholders' Committee during the financial year 2022 and left the Shareholders' Committee of Mutares SE & Co. KGaA at the end of the Annual General Meeting on 17 May 2022.

F. Diversity

I. Gender-related composition of the Supervisory Board of Mutares SE & Co. KGaA and management levels

In accordance with Section 111 (5) AktG, the Supervisory Board of Mutares SE & Co. KGaA set the percentage of women on the Supervisory Board at 25% on 16 December 2021 and a deadline of 31 December 2026 to achieve the target figure. The percentages of women on the Supervisory Board of Mutares SE & Co. KGaA was 25% as of 31 December 2022, in line with the defined target.

Pursuant to Section 76 (4) AktG, the Management Board of the general partner of Mutares SE & Co. KGaA, Mutares Management SE, on 16 December 2021 set the target for the proportion of women in the first management level of Mutares SE & Co. KGaA below the Management Board to at least 33,33% (this corresponds to 3 women), and the target for the proportion of women in the second management level of Mutares SE & Co. KGaA below the Management Board to at least 26,31% (this corresponds to 5 women) and a deadline of 31 December 2026 to achieve the target figure.

II. Diversity concept with regard to the composition of the Supervisory Board of Mutares SE & Co. KGaA

For the Supervisory Board of Mutares SE & Co. KGaA exist a diversity concept, which is described below. Diversity is strived for with regard to age, gender, education and professional background and international experience.

In accordance with recommendation C.1 GCGC, the Supervisory Board of Mutares SE & Co. KGaA strives for sufficient diversity in terms of personality, gender, internationality, professional background, expertise and experience, and age distribution. When considering potential candidates for Supervisory Board positions, the aspect of diversity shall be adequately taken into account at an early stage in the selection process. Together with the objectives for the composition and the competence profile for the Supervisory Board, the Supervisory Board of Mutares SE & Co. KGaA shall thus be composed in such a way that a qualified control and advice of the Management Board of the general partner is ensured by the Supervisory Board.

Furthermore, the Supervisory Board of Mutares Management SE pays attention to diversity in the composition of the Management Board in accordance with recommendation B.1 GCGC.

Age
A mixture of experience and new ways of thinking is required to serve on the Supervisory Board. Therefore, the Supervisory Board of Mutares SE & Co. KGaA shall consist of experienced and newly added members. This will not only ensure knowledge transfer, but also enable new influences to be gained.

Gender
In principle, a mix of women and men on the Supervisory Board of Mutares SE & Co. KGaA is aimed for. In this context, it should also be examined whether the proportion of women on the board can be increased with suitable female candidates. However, expertise and relevant qualifications are ultimately the decisive criteria for the office as a member of the Supervisory Board.

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Education and professional background
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- in the management of an (international) company,
- in industrial business and value creation along different value chains,
- in the fields of production, marketing, sales, digitalization, restructuring,
- on the main markets in which the Mutares Group operates,
- in accounting and auditing,
- in controlling and risk management,
- in the area of governance and compliance,
- in the area of sustainability (environment and social affairs)

At least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing; the members as a whole must be familiar with the sector in which the Company operates.

International experience
Mutares SE & Co.KGaA is active as an international investor in various European markets, but also worldwide. An appropriate number of members of the Supervisory Board of Mutares SE & Co. KGaA shall have gained experience in internationally operating companies due to their education or professional activities.

Implementation
The decisive factor for the decision on filling a specific position on the Supervisory Board of Mutares SE & Co. KGaA is always the interest of the Company, taking into account all circumstances of the individual case.

The Supervisory Board of Mutares SE & Co. KGaA takes the objectives for the composition and the requirements set out in the diversity concept into account in the selection process and the nomination of candidates for the Supervisory Board. The election of a new Supervisory Board member in the 2022 reporting period took account of the requirements set out in the diversity concept. In selecting and nominating the candidate, Ms. Raffaela Rein, particular attention was paid to her age, gender, education and professional background.

G. Accounting, audit of financial statements

Mutares SE & Co. KGaA prepares its consolidated financial statements and interim financial statements in accordance with International Financial Reporting System (IFRS) as adopted by the European Union. After preparation by the general partner, the financial statements are audited by the auditor elected by the Annual General Meeting. On the basis of the audit reports and the documents relating to the consolidated financial statements, the Supervisory Board approves the consolidated financial statements, if necessary after a preliminary review by its Audit Committee. The Annual General Meeting of Mutares SE & Co. KGaA is legally responsible for adopting the annual financial statements. This resolution requires the approval of Mutares Management SE as general partner. Interim announcements and half-year reports are discussed by the general partner with the Audit Committee of the Supervisory Board of Mutares SE & Co. KGaA prior to publication.

H. Transparency

Uniform, comprehensive and timely disclosure of information is a high priority at Mutares SE & Co. KGaA. Reporting on the business situation and the results of Mutares SE & Co. KGaA takes place in the annual report, in the quarterly reports, half-year reports, at the annual analysts' and investors' conference and through regular conference calls. Furthermore, information is provided through press releases or ad hoc announcements as well as other mandatory publications, to the extent required by law. Mutares SE & Co. KGaA maintains insider lists. The respective persons concerned have been or will be informed about the legal obligations and sanctions.

The members of the Management Board, the Supervisory Board, the Shareholders' Committee as well as persons closely associated with them, are required under Art. 19 of the Market Abuse Regulation to disclose proprietary transactions in shares, debt instruments and related derivatives or other financial instruments. The directors' dealings made in the reporting year are published at ↗ ir.mutares.de/en/corporate-governance/directors-dealings.

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1 FUNDAMENTALS OF THE COMPANY AND THE GROUP

1.1 Business model and organization

The business model of Mutares SE & Co. KGaA, Munich, (hereinafter referred to as "the Company" or also "Mutares") comprises the acquisition, transformation (restructuring, optimization and repositioning) and/or development of companies in situations of transition as well as their subsequent sale. When selecting target companies ("targets"), Mutares focuses on the identification of existing value enhancement potential, which can be realized after an acquisition through extensive operational and strategic optimization or transformation measures.

Within the framework of this business model, Mutares actively and systematically searches for targets in situations of transition in order to leverage existing value potential with innovative and individually tailored solution approaches.

Mutares thus acts like a typical private equity investor for special situations; however, through Mutares SE & Co. KGaA, which is now listed in the Prime Standard, it is also possible for broad groups of investors to participate directly in the business success of a private equity-oriented business model under these regulatory conditions.

Mutares' investment focus is on European companies with high development potential, which already have an established business model – often combined with a strong brand. Against this background, targets with the following characteristics are of particular interest to Mutares for an initial **acquisition** as so-called "platform investments" – i.e. as targets without direct operational links to a company already in the Mutares portfolio:

- Spin-off of groups
- Sales from EUR 100–750 million
- Established market position (products, brand, customer base, technology/know-how)
- Economically challenging situation or situation of upheaval (e.g. pending restructuring)
- Operational improvement potential along the value chain
- Focus of activities in Europe

Mutares is committed to its portfolio companies during the entire time they are part of the Mutares Group and acts as a responsible and entrepreneurial shareholder who actively supports the upcoming change phases – based on extensive, long-term industrial and restructuring experience. The aim is to turn companies that were unprofitable at the time of acquisition into independent and dynamically operating medium-sized companies with competitive and profitable business models, to develop them further through organic and inorganic growth and finally to sell them at a profit. Against the background of these core elements of the business model, Mutares refers to itself collectively as an "investment entrepreneur".

Other core aspects of Mutares' business model are:

- After acquiring targets through its own acquisition companies, Mutares identifies improvement projects along the entire value chain in the portfolio companies using its own specialists and in close cooperation with the local management, which in total result in a comprehensive optimization or transformation program.
- The management and employees of the portfolio company play a central role in managing the change associated with **operational optimization**. Involving employees and management in the company's success is a central element of the development strategy for Mutares. Through their close cooperation with Mutares consultants on site, the recovery course of the acquired companies is supported in a targeted manner by bringing in Mutares' extensive restructuring know-how. Even after the successful completion of an initial optimization or transformation program, Mutares continues an active investment management. This includes the continuous improvement of processes and the monitoring of further development progress, for example through regular reviews in the context of so-called "audits".
- Already during the operational stabilization of a company acquired as a platform investment, **measures for growth** are examined, developed and implemented. These include initiatives for internal growth such as the broadening of the product portfolio through the development of innovative products or the development of new markets and sales channels, partly by means of investments in sales and (production) facilities. In addition, Mutares systematically looks for opportunities to develop its investments inorganically as well: With strategic additions, so-called "add-on acquisitions", the rapid implementation of the planned growth strategy of a focused buy-and-build approach is aimed at.

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- A **sale** of a portfolio company in order to realize the value potential is generally pursued by Mutares within a period of three to five years after their acquisition and pursues the goal of achieving an appropriately high return on invested capital over the holding period. Over the entire life cycle (i.e. the period between acquisition and sale), the return on invested capital (ROIC) for Mutares should be a multiple of 7–10.

Mutares' business success depends to a large extent on experienced **key personnel** who must have cross-industry expertise in corporate transactions, financing and corporate law, as well as operational restructuring, while at the same time being highly resilient. Mutares competes globally with private equity firms in recruiting and retaining these key personnel, who are also in high demand for this profile. Mutares faces this competition and tries to ensure through a bundle of measures that the company has sufficient highly qualified personnel to operate its business model. These include not only variable, highly performance-related remuneration structures commensurate with the high level of expertise required; through careful personnel selection, a high degree of autonomy for the restructuring managers deployed, and value-oriented management behavior, Mutares is attempting to offer an attractive working environment for entrepreneurially oriented personalities.

Mutares pursues the private equity-typical strategy of allowing the shareholders of Mutares SE & Co. KGaA to participate directly and continuously in the company's success. Against this background, a sustainable and attractive **dividend policy** is one of the essential elements of the Mutares business model. The net income of Mutares SE & Co. KGaA is mainly derived from three different sources, namely from revenues from the intra-group consulting business, dividends from portfolio companies and exit proceeds from the sale of investments. Sales revenues and dividends (mainly income from investments received in the same period) make up what is known as "portfolio income". Due to this diversified revenue structure, Mutares believes that even in a year that was operationally difficult for various portfolio companies, it is generally in a position to generate a sufficiently high net income to be able to continue its long-term sustainable dividend policy.

Mutares is present in other strategic core markets in Europe through its own offices, in addition to its home market of Germany. This is intended to compensate for regional fluctuations in the transaction markets and ensure a constant deal flow.

As of 31 December 2022, the portfolio of Mutares SE & Co. KGaA contains a total of 29 operating investments or investment groups (previous year: 23), which are divided into three segments:

Automotive & Mobility

The portfolio companies in the Automotive & Mobility segment operate worldwide and supply renowned international original equipment manufacturers ("OEMs") for passenger cars and commercial vehicles.

- MoldTecs Group
- Light Mobility Solutions
- ESF Industrial Solutions Group[1]
- KICO Group and ISH Group
- Cimos Group
- PrimoTECS Group
- iinovis Group
- Plati Group[1]

Engineering & Technology:

The portfolio companies in the Engineering & Technology segment serve customers from various sectors, including the energy and chemical industries, public infrastructure and the rail sector, in particular in the area of plant and mechanical engineering.

- Balcke-Dürr and NEM Energy Group
- Donges Group
- La Rochette Cartonboard
- Lacroix + Kress
- Special Melted Products
- Gemini Rail and ADComms Group
- Guascor Energy
- VALTI
- Clecim
- Steyr Motors Group
- Japy Tech[2]

Goods & Services

The portfolio companies in the Goods & Services segment offer specialized products and services for customers from various sectors.

- Lapeyre Group
- Frigoscandia Group
- Terranor Group
- keeeper Group
- EXI and SIX Energy Group
- Ganter Group
- FASANA
- Repartim Group
- SABO
- Asteri Facility Solutions

1.2 Research and development

The Group's research and development activities are conducted exclusively in Mutares' operating portfolio companies. As a rule, these do not conduct basic research. Product-related development is carried out in particular in the technology-driven investments of the Mutares Group, above all in the Automotive & Mobility segment.

Overall, as in the previous year, the Group invested a single-digit million amount in research and development in the financial year 2022; capitalized development costs are of minor importance for the Group as a whole.

2 ECONOMIC REPORT

2.1 Macroeconomic and industry-specific conditions

World

According to the Munich-based ifo Institute's economic report ("ifo Economic Forecast Winter 2022"[3], published in December 2022), the global economy has experienced a downturn since the beginning of 2022. Furthermore, consumer price inflation in many countries rose to a decade-long high. This was due to higher energy prices caused by geopolitical tensions and higher food prices caused in part by extreme climate conditions, such as heat waves and droughts. Although the Corona pandemic has weakened significantly, persistent waves, particularly in China, continued to impact economic activity.

Both manufacturing and market services in industrialized and emerging countries are affected by the slowdown in economic activity. Even an increase in industrial production in the third quarter of 2022 only partially offset the previous decline. As a result of the economic downturn, many raw material prices have also declined in recent months. This affected industrial raw materials in particular, but also oil prices. European gas and electricity prices also fell significantly from their record highs since August. Despite these countervailing developments, inflation is expected to reach 8.8% in 2022.[4]

Europe

According to the European Commission's "Winter Forecast 2023"[5], economic growth in the first half of 2022 eased in the third quarter. This was followed by a much more positive development in the fourth quarter, so that the growth rate for 2022 in the euro area is estimated at 3.5% overall.

The broader positioning of the energy supply and the reduction in gas consumption made a positive contribution to the development. In addition, the unemployment rate in the EU remained at an exceptionally low level of 6.1% until the end of 2022. Continuing high energy costs for consumers and companies increased core inflation, further reducing the purchasing power of private households.

The ECB has tightened its monetary policy to counteract a permanent increase in inflation expectations. As a result, interest rates on government bonds have already risen in many eurozone countries.[6]

Germany

According to the "ifo Economic Forecast Winter 2022"[7], the German economy suffered from bottlenecks in the supply of energy, intermediate products and merchandise and was burdened by labor shortages. This led to a restriction of production possibilities, as well as to an increase in production costs.

Despite these developments, demand for goods and services remained high and private consumption also expanded into late summer. The waning of the Corona pandemic had a positive impact on consumer-related service sectors and the normalization of household spending patterns. In addition, the reduction of surplus savings from the pandemic period and broad-based fiscal relief, packages counteracted the inflation-related loss of purchasing power, so that production capacities were overutilized in some cases. In some sectors of the economy, the high demand led companies to expand their profits, which further increased prices, which had already risen due to the inflation of energy, raw materials and intermediate products. As a result, the inflation rate since October 2022 has exceeded 10%, the highest level since 1951, and the annual average for 2022 as a whole is 7.9%.

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Investment industry

Developments in the private equity sector showed a degree of robustness in 2022 following the record years prior to the pandemic, according to the Bundesverband Deutscher Kapitalbeteiligungsgesellschaften (BVK – German Private Equity and Venture Capital Association) ("The German Private Equity Market 2022," March 2023[8]).

The investments of the investment companies based in Germany in the financing phase of the buyouts relevant for Mutares reached EUR 3.4 billion (previous year: EUR 4.3 billion). The volume of investment sales showed different developments in 2022 in the exit channels that are particularly important for Mutares: While sales to strategic investors decreased to EUR 0.7 billion (previous year: EUR 1.6 billion), sales to other investment companies increased to EUR 1.9 billion (previous year: EUR 1.7 billion).

2.2 Business performance

In the financial year 2022, the **Mutares Group** generated revenues of EUR 3,751.7 million (previous year: EUR 2,504.0 million) and EBITDA according to IFRS of EUR 181.5 million (previous year: EUR 566.5 million). Adjusted EBITDA (as defined below in connection with the presentation of financial performance indicators – see section 5.1) amounts to EUR –32.7 million (previous year: EUR –41.3 million).

The revenues of the **Mutares Holding**, i.e. Mutares SE & Co. KGaA, result from consulting services to affiliated companies and management fees. The increase to EUR 71.1 million (previous year: EUR 50.5 million) is a consequence of the high transaction activity in the past and a resulting enlarged portfolio. Sales revenues and dividends from the portfolio (mainly income from investments received in the same period) result in the so-called **"Portfolio Income"**, which for the financial year 2022 amounts to EUR 139.8 million (previous year: EUR 64.9 million). As a result, the net profit for the year according to HGB amounts to EUR 72.9 million, compared to EUR 50.7 million in the previous year.

Mutares' business performance in the financial year 2022 was characterized by the following significant events:

- **Attractive, long-term dividend policy confirmed by the Annual General Meeting**
  On 17 May 2022, the Company's Annual General Meeting again approved a **dividend of EUR 1.50** per share for the financial year 2021. This consists of a basic dividend of EUR 1.00 per share and a performance dividend of EUR 0.50 per share. This confirms what the Management Board considers to be an attractive, long-term dividend policy.

- **High transaction activity**
  The financial year 2022 was again characterized by a high level of transaction activity at Mutares. All three segments were strengthened by a total of **twelve completed acquisitions**, seven of which were platform acquisitions and five add-on acquisitions.[9] In addition, agreements were signed for four further acquisitions for each of which the closing of the acquisition was still outstanding as of 31 December 2022.

The acquisitions resulted in gains from bargain purchases[10] totaling EUR 262.0 million (previous year: EUR 692.7 million), which are recognized in other income.

On the exit side, Mutares successfully completed **sale of six** portfolio companies in the financial year 2022. The deconsolidations resulted in gains of EUR 31.8 million (previous year: EUR 32.8 million[11]) and losses of EUR 3.2 million (previous year: EUR 36.7 million), which are recognized in other income and other expenses, respectively. In addition, an agreement was signed for the sale of Japy Tech in the financial year 2022, with closing taking place in January 2023.

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- **Impact of the Ukraine war and economic environment**
  The war in Ukraine, which started with the military invasion by Russian forces on 24 February 2022, has a direct and indirect impact on the business development, risks, results of operations as well as cash flows of the portfolio companies in the Mutares Group.

  Direct effects in the form of lost sales to customers in Ukraine, Russia or Belarus, as well as production stoppages or delivery problems at the Plati plant in Ukraine, had less impact than the indirect effects, such as the increasingly frequent disruptions to supply chains, significant price increases for raw materials, intermediates and energy, and the resulting overall weakening of the economy. The indirect effects are clearly visible and are having a noticeably negative impact on both the earnings situation and the financial situation of individual portfolio companies.

  Mutares has taken numerous measures with the entire management team and the managements and workforces of the portfolio companies to mitigate the direct and indirect effects on liquidity and profitability. These include the establishment of a procurement management system and the strict monitoring of the respective suppliers as well as the initiation of measures to pass on price increases to customers and to reduce energy consumption.

- **Restructuring and development progress**
  In addition to the extensive activities related to the buy-side and sell-side transactions, the various portfolio companies of Mutares have each implemented comprehensive operational improvement programs in the course of the financial year 2022 in a partly very challenging environment, with the aim of significantly increasing the value of the respective investment in the event of a subsequent exit. In particular, the Management Board considers the development at Terranor, La Rochette, Frigoscandia, Clecim, Ganter and Special Melted Products to be positive. The development of the Group's largest shareholdings in terms of sales (Lapeyre Group, LMS and Donges Group) is also satisfactory overall, despite the clearly visible negative impact of the indirect effects of the war in Ukraine.

2.3 Reports from the portfolio companies

The following explanations reflect the developments of the individual segments or portfolio companies in the Mutares Group in the financial year 2022.

AUTOMOTIVE & MOBILITY SEGMENT

No.	Participation	Branch	Headquarters	Acquisition
1	**MoldTecs Group**[12]	Supplier of high-performance plastic parts for the automotive industry	Laval / FR	09/2022
2	**Light Mobility Solutions**[12]	Supplier of plastic components for the automotive industry	Obertshausen / DE	07/2021
3	**ESF Industrial Solutions Group**[12,13]	Automotive supplier for fluid transfer systems and sealing solutions	various	08/2009 07/2020
4	**KICO and ISH Group**	System supplier for Automotive Engineering	Halver / DE Hainichen / DE	07/2019 09/2021
5	**Cimos Group**	Automotive components supplier	Koper / SVN	09/2022
6	**PrimoTECS Group**	Supplier of forged parts in the fields of engine, transmission and drivetrain.	Avigliana / IT	01/2020
7	**linovis Group**	Engineering service provider for Automotive Engineering	Munich / DE	11/2020
8	**Plati Group**[13]	Wire harness and cabling manufacturer	Madone / IT	01/2019

According to the German Association of the Automotive Industry ("VDA")[14], the international automotive markets remained overall at the previous year's level in terms of volumes in 2022. However, the dynamics varied, with the markets in Europe, Japan and the USA falling short of the previous year's level and sales in China increasing significantly. Rising energy and material costs as well as the negative impact of interrupted supply chains, together with continuing uncertainty due to geopolitical tensions, prevented a better result for the industry.

These industry-wide dynamics were reflected in the segment's investments: On the sales side, short-term cancellations or postponements of call-offs and the delayed start-up of product series led to sales shortfalls. On the procurement side, significant price increases for energy and raw materials, as well as for other operating expenses (e.g. logistics), resulted in operating earnings shortfalls. Even a wide range of countermeasures introduced – including price increases and cost overcharges, the use of short-time working allowances, and additional cost savings – were only able to partially mitigate the negative business development in the segment or will only mitigate the negative effects with a delay that is in some cases considerable.

The sales revenue of the Automotive & Mobility segment for the financial year 2022 amounts to EUR 1,081.6 million (previous year: EUR 719.9 million). In addition to higher sales, in particular due to implemented price increases, the increase was primarily due to the acquisitions of the financial year (MoldTecs, Cimos and SFC Automotive France) and the full inclusion of the acquisitions from the previous year (LMS, ISH and Rasche), which were only included in the Group from the acquisition date in financial year 2021. The EBITDA of this segment for the financial year 2022 amounts to EUR 34.8 million (previous year: EUR 86.4 million). This includes gains from bargain purchases from the acquisitions totaling EUR 86.0 million (previous year: EUR 123.9 million), in particular from the acquisition of MoldTecs. Adjusted EBITDA, on the other hand, was burdened by the above-mentioned influences as well as the still negative earnings contributions from the new acquisitions and thus decreased to EUR –49.0 million (previous year: EUR –20.0 million).

MoldTecs Group

To strengthen the segment, Mutares completed the acquisition of the high-performance plastic parts business of MANN+HUMMEL in September 2022. The acquired company operates three plants in Germany and France and now trades under the name MoldTecs Group.

MoldTecs Group is a supplier of high performance plastic parts for the automotive industry and supplies all the world's leading automotive manufacturers ("original equipment manufacturers", "OEMs") with a comprehensive product portfolio that includes intake manifolds, high-pressure air lines, air ducts and all types of fluid reservoirs. At the three plants, these products are manufactured and then assembled using state-of-the-art injection molding, blow molding and welding technologies.

Together with the local management, a transformation program was initiated immediately after the acquisition. This is aimed at expanding the production and sales network globally via further production sites in the USA and China and sales units in Mexico, Brazil, Japan, South Korea and India. With the measures initiated, MoldTec's Group is expected to achieve a positive operating result in the financial year 2024 following a transformation year in 2023.

Light Mobility Solutions

Light Mobility Solutions ("LMS") is a supplier of exterior elements and systems for the automotive industry, supplying all leading European OEMs with a comprehensive product portfolio including fascias, radiator grilles, sill, side and roof panels as well as spoilers and other exterior trim parts. The company manufactures at three production sites in Germany with technology focus on injection molding, surface treatment (painting and chrome plating) and assembly. The modern logistics processes allow the final delivery of the products directly to the assembly lines of the OEMs.

The transformation plan for LMS envisages improving the product and customer portfolio and creating competitive cost structures. As a major milestone from this, a comprehensive reduction in the workforce was agreed and implemented with the trade union in the financial year 2022 by means of a social plan, and a collective agreement was initiated.

In a difficult market environment, LMS significantly improved its operating result year-on-year in the financial year 2022 thanks to the measures implemented and consistent negotiations with customers, and was already able to achieve a positive operating result in the fourth quarter of the financial year. At the same time, LMS recorded an outstanding volume of incoming orders, also with new customers. On this basis, management expects that LMS will significantly increase sales in the financial year 2023 and thus achieve an extraordinarily improved positive operating result.

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ESF Industrial Solutions Group

ESF Industrial Solutions combines SFC Solutions Group, a provider of fluid transfer systems and sealing solutions, and Elastomer Solutions Group, a manufacturer of rubber and thermoplastic components.[15]

SFC Solutions is an automotive supplier in the field of fluid transfer systems and sealing solutions with sites in Europe and India. Business development in the reporting period was characterized by a difficult European market environment with significantly declining sales volumes and simultaneously rising energy and material costs. As a result, profitability in the financial year 2022 was impacted and the operating result of the European units was slightly negative. Based on cost-cutting measures introduced and intensified negotiations with customers on passing on cost increases, SFC expects a more positive development and an overall balanced operating result for the 2023 financial year.

With the add-on acquisition of Sealynx International in July 2022, SFC Solutions' European production network will be complemented by manufacturing sites in France, Romania and Morocco. The company, which now operates as SFC Automotive France, is a manufacturer of high-quality static and dynamic vehicle seals with a competitive market position and established business relationships with European OEMs. In financial year 2023, the focus will therefore be on integrating the plants in Poland, Italy, Spain, France, Romania and Morocco with the aim of improving competitiveness and increasing efficiency in production and logistics processes.

The market recovery in India combined with a focused transformation plan for the Indian sites led to a slightly positive operating result in the financial year 2022. Based on the cost-cutting measures implemented and the intensification of partnerships with customers, the pleasing development is expected to continue in the financial year 2023 with an operating profit at a materially positive level.

Elastomer Solutions manufactures rubber and thermoplastic components at sites in Portugal, Slovakia, Morocco and Mexico. The consistent implementation of cost-cutting measures in the past counteracted the negative effects of volatile markets and increased raw material prices in the financial year 2022, resulting in a materially positive operating result. For the financial year 2023, management expects a significant increase in sales revenues and a further extraordinary improvement in the positive operating result based on a high order intake.

KICO and ISH Group

As a supplier to the automotive industry, KICO develops, industrializes and manufactures closure systems for passenger cars at its production and assembly plants in Germany, Poland and Mexico. Innomotive Systems Hainichen GmbH ("ISH") is a manufacturer of sophisticated, high-precision door hinges made of steel or aluminum as well as door retainers and complex hinges for hoods, liftgates and lids. ISH operates two production facilities in Germany and China and offers its customers products and services along the entire value chain from customized product development to CNC machining, broaching, welding, hardening and semi- and fully automated assembly lines with integrated quality control.

In the financial year 2022, KICO and ISH focused on identifying and implementing synergy measures. One core element was the merging of functions, particularly in the administrative area. In addition, the establishment of a service center in Romania was initiated. KICO benefited strongly in the financial year 2022 from the improvement measures implemented in the past, while at ISH the transformation program initiated immediately after the acquisition at the end of the third quarter of the previous year led to efficiency improvements in production processes while reducing direct material and other costs. In addition, the site in China successfully implemented a large number of new ramp-ups in the financial year, so that a significantly positive contribution to operating profit is expected for 2023.

In a difficult market environment and due to the start-up losses in China customary in the industry, it was nevertheless only possible to achieve a balanced operating result overall in the financial year 2022 due to higher material and energy costs. For the financial year 2023, however, the management expects an improvement to a slightly positive level driven by a market normalization in combination with the initiated measures.

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Cimos Group

In September 2022, Mutares completed the acquisition of Cimos d.d. and its subsidiaries. Headquartered in Slovenia, the company is a manufacturer of automotive components such as compressor and center housings, engine mounts, brake discs and drums, transmission parts, nozzle rings and flywheels and has eight plants in Slovenia, Croatia, Serbia and Bosnia-Herzegovina.

Together with the local management, a transformation program was initiated immediately after the takeover. On the one hand, this focuses on securing future competitiveness in the automotive market and, on the other, on placing Cimos on a sound financial footing for the long term. The consistent passing-on of price increases on the procurement side and a strict efficiency enhancement program are intended to improve profitability and at the same time have a positive impact on liquidity. The key points of the efficiency enhancement program are energy cost savings through more sustainable internal processes and procedures, improved production efficiency, more favorable use of cross-site synergies, a significant reduction in quality costs, and strict cost discipline.

On this basis, management expects a material increase in sales and operating profit at a materially positive level in the financial year 2023.

PrimoTECS Group

PrimoTECS produces forged parts used in electric, hybrid and conventional powertrains in the automotive industry at two sites in northern Italy. Fiscal year 2022 was strongly impacted by the high volatility of steel and energy prices and closed with a clearly negative operating result despite a significant year-on-year increase in sales revenue. For the financial year 2023, PrimoTECS expects an extraordinary increase in sales revenue and an operating result at a slightly positive level due to its good positioning in the market and agreements with customers on more flexible sales prices based on raw material and energy costs.

In the fourth quarter of the financial year 2021, Rasche Umformtechnik GmbH & Co KG ("Rasche") was acquired as an add-on acquisition for PrimoTECS. Rasche produces forgings that are supplied as blanks, semi-finished products, finished parts or assemblies to customers in the automotive, industrial truck, aerospace, valve and mechanical engineering industries. Despite lower volumes, especially in the second half of the year, a slightly positive operating result was achieved in the financial year 2022, boosted by successful cooperation with customers and the passing on of increased costs for raw materials and energy. For the financial year 2023, the management expects further sales growth and a resulting improvement in operating profit.

iinovis Group

iinovis provides engineering services in the field of automotive and industrial technology with competencies in key growth areas such as simulation, testing, electrics/electronics and vehicle development (cars, motorcycles and their components). In addition to engineering services, which are increasingly in demand by other Mutares portfolio companies, iinovis is also active in prototype and small series production as well as in the production of wire harnesses. In addition to its four locations in Germany, the company has test track access in Spain for specific customer test requirements and cooperates with a strategic engineering service provider in India to ensure price competitiveness.

The market environment for iinovis remained challenging in the financial year 2022 and was characterized by low order volumes and tough competition. Due to the extensive reduction of the workforce in the previous year and further cost measures, the operating result in the financial year 2022 improved significantly, but was still negative. The local management continued the strategy for new technologies such as e-mobility and successfully started to contribute to the innovation process of other Mutares portfolio companies. In combination with a pleasing order intake, this forms the basis for an expected extraordinary increase in operating profit to a materially positive level in the financial year 2023.

Plati

Plati is a manufacturer of wire harnesses, special cables and connectors with two production sites in Poland and Ukraine and a sales office in Italy. Despite the war in Ukraine, production was maintained at both sites in the financial year 2022. In the first half of the financial year 2022, Plati recorded an increase in sales revenue compared to the same period of the previous year due to new projects in the fields of e-mobility and

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electrical engineering. However, delivery problems with components led to a significant backlog in shipments to customers. Overall, in a difficult market environment, operating profit in the financial year 2022 amounted to a slightly improved but still materially negative level compared with the previous year. Negotiations with suppliers on payment terms and with customers on pricing were intensified to eliminate liquidity bottlenecks. Based on further optimization initiatives and a market recovery, management expects a substantial increase in sales revenue and an exceptionally improved operating result at a slightly positive level in the financial year 2023.

ENGINEERING & TECHNOLOGY SEGMENT

No.	Participation	Branch	Headquarters	Acquisition
9	**Balcke-Dürr and NEM Energy Group**	Supplier and service provider for steam generators with heat recovery, heat exchangers and reactors	Düsseldorf / DE Zoeterwoude / NL	12/2016 11/2022
10	**Donges Group**	Full-range supplier of steel structures, roof and facade systems	Darmstadt / DE	11/2017
11	**La Rochette Cartonboard**	Folding carton manufacturer	Valgelon-La Rochette / FR	04/2021
12	**Lacroix + Kress**	Oxygen free copper wire manufacturer	Bramsche / DE	11/2020
13	**Special Melted Products**	Supplier of forged and machined special steel products	Sheffield / UK	05/2022
14	**Gemini Rail and ADComms Group**	Industrial, technological and infrastructure service provider for the British railroad industry	Wolverton / UK Scunthorpe / UK	11/2018 05/2021
15	**Guascor Energy**	Gas and diesel engine manufacturer	Zumaia / ES	10/2022
16	**VALTI**	High precision seamless tube manufacturer	Montbard / FR	05/2022
17	**Clecim**	Supplier of high-end solutions for steel processing lines	Savigneux / FR	03/2021
18	**Steyr Motors Group**	Manufacturer of diesel engines and auxiliary electric drives for special applications	Steyr / AT	11/2022
19	**Japy Tech**	Cooling tank manufacturer	Dijon / FR	12/2020

The investments of the Engineering & Technology segment generated sales of EUR 1,176.0 million (previous year: EUR 871.9 million). The full-year effect of La Rochette Cartonboard and Clecim, which were acquired in the course of the previous year, contributed significantly to the increase in sales. In addition, the acquisitions of the financial year 2022, in particular Special Melted Products and VALTI, also made a significant contribution for the first time from the date of their respective acquisitions. Furthermore, Royal de Boer, which was divested in December 2022, is still included in the financial year 2022 with sales for a full twelve months. Benefiting from bargain purchase gains of EUR 172.2 million and deconsolidation effects of EUR 7.6 million (previous year: EUR 21.2 million) in connection with the transactions of the segment, EBITDA amounts to EUR 138.5 million (previous year: EUR 64.3 million). In addition to the still negative contributions from the recent acquisitions, adjusted EBITDA was also burdened by delays in the awarding of tenders and in the execution of ongoing projects at Gemini Rail and ADComms Group as well as Balcke-Dürr Group and amounted to EUR –3.9 million (previous year: EUR –2.0 million).

Balcke-Dürr and NEM Energy Group

In the financial year 2021, Balcke-Dürr Group completely withdrew from activities related to coal-fired power generation. The realignment of sales activities and optimization of project management were the focus in the financial year 2022. However, the situation on the sales markets remained very challenging, which led to a significant shortfall in terms of sales revenue and a materially negative operating result.

At the same time, Balcke-Dürr's strategic focus was sharpened by the following transactions: In November 2022, Heat Transfer Technology was acquired from Siemens Energy. The activities now operate under the name NEM Energy, as they did before the takeover by Siemens Energy. The company covers a wide range of heat transfer applications, from industrial-sized waste heat plants to large heat recovery steam generators for gas-fired power plants, and is active worldwide in the development, design, engineering, procurement and supply of components for power plants. On the other hand, the Balcke-Dürr Group has divested its activities in Italy and sold its subsidiary STF Balcke-Dürr, effective December 2022. The company is active in the development, design, production and on-site assembly of heat exchanger components, titanium components and air filter systems for various industries.

Donges Group

The Donges Group offers comprehensive solutions for steel construction, roof and facade systems. Since the initial takeover of Donges SteelTec GmbH in the 2017 financial year, numerous add-on acquisitions have created a European full-service provider. By dovetailing the operating areas, both product-side and operational synergies can be realized without giving up the independence of the individual units.

The partly challenging situation in the supply of raw materials was largely compensated by the stable supplier network and, after a volatile first half of 2022, was overcome without major disruptions in the second half of the year. Donges SteelTec and Kalzip were thus able to meet their budgets in terms of operating profit in the financial year 2022, while FDT Flachdach Technologie ("FDT") and Smart Curtain Walls (formerly Permasteelisa España) fell short of expectations. As in previous years, Nordec performed at a consistently high level. As a result, the sale of all shares in the Nordec Group was successfully completed in November 2022. Furthermore, following repositioning, FDT was sold in the first quarter of the financial year 2023.

On the basis of a promising order intake, in particular for Donges SteelTec, the management of the Donges Group expects a significant increase in sales revenues for the remaining group in the financial year 2023 as well as an extraordinary improvement of the operating result to a slightly positive level.

La Rochette Cartonboard

At its French site, La Rochette Cartonboard produces folding cartons based on virgin fibers mainly for the pharmaceutical and food packaging industries.

The measures initiated after the acquisition and further optimization activities, in particular pricing in the context of increased energy costs, were the focus of management in the financial year 2022. La Rochette Cartonboard has been very successful in compensating for the extraordinary increase in energy prices by adjusting prices with customers and has once again been able to significantly improve the operating result to a materially positive level compared to the already ambitious planning.

Based on the now fully completed transformation of La Rochette Cartonboard and the continuing high demand from customers, the management expects a continuation of the positive development and a further material increase in sales and operating profit for the financial year 2023.

Lacroix + Kress

Lacroix + Kress is a manufacturer of oxygen-free copper wire with two locations in Germany and customers within Tier 1 and Tier 2 representatives from the automotive industry as well as white goods and general industrial applications.

After a difficult start to the financial year 2022 due to the sharp increase in energy costs, Lacroix + Kress was able to at least break even in operating profit in the financial year 2022 by introducing energy-indexed pricing.

In the first quarter of the financial year 2023, Lacroix + Kress was sold to Superior Essex Global LLC.

Special Melted Products

In May 2022, Mutares completed the acquisition of Special Melted Products ("SMP"), a specialized steel forging and rolling mill business with applications in the oil and gas industry. Immediately after the acquisition, Mutares' team, in cooperation with SMP's local management, implemented a restructuring plan with extensive optimization measures. These are aimed in particular at passing on increased energy and raw material costs to customers, making production processes more efficient, and reducing scrap in the production process. In addition, local management is focusing on increasing sales volume while optimizing and diversifying the product portfolio.

For the financial year 2023, management expects further positive impetus from the market situation, which is currently favored by the high demand from the oil and gas industry, and therefore anticipates a further significant increase in sales revenue. Due to this, as well as benefiting from the successful passing on of increased costs to customers, the operating result is expected to improve extraordinarily to an already positive level.

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Gemini Rail and ADComms Group

Gemini Rail is a provider of industrial, technology and infrastructure services to the UK rail industry, focusing in particular on engineering and maintenance services for rolling stock. Alan Dick Communications Limited ("ADComms") works with its customers to develop intelligent, networked solutions in the field of radio and fixed network infrastructure, third-party communications and station communications.

Due to delays in the awarding as well as in the execution of ongoing (major) projects, the operating result in the financial year 2022 was burdened and remained extraordinarily behind the original planning. The management, supported by a Mutares team, has initiated countermeasures to adjust activities to the current market situation. For the financial year 2023, the situation is expected to ease due to positive signals in the tendering of new projects with an expected extraordinary increase in revenues. As a result of this and the improvement measures introduced, the management expects a positive development of the operating result to a slightly positive level.

Guascor Energy

In October 2022, Mutares acquired Siemens Energy Engines in Spain and related assets from Siemens Energy. The company is a manufacturer of gas and diesel engines for power generation, cogeneration, waste-to-energy and marine applications and now operates as Guascor Energy.

Immediately after the acquisition, a team from Mutares started working together with the local management on a restructuring plan, which is now being implemented. In addition to extensive measures on the sales side, the core elements of this restructuring plan are the optimization of the cost base and the establishment of an in-house IT infrastructure.

VALTI

As Vallourec Bearing Tubes, the activities for the production of seamless precision steel tubes in France, now operating as VALTI, were acquired in May 2022. Immediately after the acquisition, the Mutares team, in cooperation with the local management of VALTI, developed a restructuring plan with extensive optimization measures, which is currently being implemented. In the past the financial year, VALTI was able to successfully cushion the effect of significantly increased production costs (especially for raw materials and energy) through price increases. The main focus of the optimization measures is on redesigning the product portfolio and concentrating on higher-margin and customer-specific products. In addition, new markets are to be opened up and services expanded. Production processes were also optimized.

On this basis, management expects an extraordinary improvement from an overall operating profit that is still clearly negative in the financial year 2022 to an operating profit that is only slightly negative in the financial year 2023.

Clecim

Clecim, acquired in the financial year 2021, is a supplier of steel processing lines, stainless steel rolling mills, and mechatronic products and services in France.

The action plan of the restructuring program was aimed in particular at intensifying sales activities to increase sales revenues on the basis of a concrete product and service strategy, adjusting cost structures, among other things with the help of extensive staff reductions, and further measures to increase efficiency, and was already implemented to a large extent in the financial year 2021. On this basis, and benefiting from a reactivation of major projects that had been suspended in the meantime, Clecim was able to significantly increase its sales revenues in the financial year 2022 compared with the original plans and achieve an already materially positive operating result.

For the financial year 2023, management expects a further significant increase in sales revenues and, benefiting from the implemented improvement initiatives in the area of project management, a further extraordinary improvement in the positive operating result.

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Japy Tech

Japy Tech is a manufacturer of cooling tanks with a production site in France. The successful implementation of the measures under the transformation plan resulted in an exceptionally improved and already slightly positive operating result in the financial year 2022, with sales at the level of the previous year. Japy was sold at the beginning of the financial year 2023.

In December 2022, Mutares sold Royal de Boer Stalinrichtingen BV to Turntide Technologies. Royal de Boer is a manufacturer of barn equipment such as feed fences, cubicles, ventilation systems and manure technology and operates a production facility in Leeuwarden, the Netherlands.

GOODS & SERVICES SEGMENT

No.	Participation	Branch	Headquarters	Acquisition
20	**Lapeyre Group**	Manufacturer and distributor of products for home furnishing	Aubervilliers / FR	06/2021
21	**Frigoscandia Group**	Supplier for temperature-controlled logistics services	Helsingborg / SE	12/2021
22	**Terranor Group**	Provider of road operation and maintenance services	Solna / SE	11/2020
23	**keeeper Group**	Household products manufacturer	Stemwede / DE	06/2019
24	**EXI and SIX ENERGY Group**	Service provider for telecommunications and energy infrastructure	Rome / IT Milan / IT	03/2021 09/2022
25	**Ganter Group**	General contractor in interior design and store fitting	Waldkirch / DE	10/2021
26	**FASANA**	Paper napkins manufacturer	Euskirchen / DE	02/2020
27	**Repartim Group**	Home repair and emergency services provider	Tours / FR	04/2021
28	**SABO**	Lawn mower manufacturer	Gummersbach / DE	08/2020
29	**Asteri Facility Solutions**	Service provider in the field of facility management	Solna / SE	12/2021

Sales revenues of the Goods & Services segment in the financial year 2022 amount to EUR 1,494.2 million (previous year: EUR 912.4 million). The development is mainly transaction-related: The acquisitions of the previous year, namely the acquisition of the Lapeyre Group, the largest acquisition in terms of sales and number of employees in the history of Mutares in June 2021 as well as the acquisition of the Frigoscandia Group at the end of the financial year 2021 contributed significantly to the increase in sales in the financial year 2022 due to the first-time inclusion for a full financial year. The exits in the financial year 2022 and the previous year, above all BEXity in February 2022, had a counteracting effect. EBITDA of the Goods & Services segment for the financial year 2022 amounts to EUR 23.7 million; the EBITDA of the previous year of EUR 450.8 million was influenced in particular by the gain on bargain purchase of Lapeyre. With regard to the adjusted EBITDA of this segment, some investments, above all Terranor Group, Frigoscandia Group and Ganter, showed a pleasing development in the financial year 2022. As a result, the adjusted EBITDA of the segment increased to EUR 24.8 million (previous year: EUR –13.2 million).

Lapeyre Group

Lapeyre Group manufactures exterior and interior home products, such as windows, doors, kitchens, bathroom furniture, and stairs, at ten French locations. The company distributes and installs these, along with merchandise, through an extensive network of stores in France under the well-known corporate brand.

Lapeyre is currently working successfully to strengthen its positioning in the French market with a variety of strategic initiatives such as redesigning of its product offering, the development of additional services for its business customers, the optimization of its digital and physical presence, the development of IT solutions for better customer service, and the optimization of its branch network. In addition to developing these strategic initiatives, numerous other measures have already been implemented to reduce the fixed cost base. These include improving purchasing conditions to cushion higher procurement prices, optimizing supply chains, and implementing a comprehensive productivity improvement plan.

Lapeyre's sales in the financial year fell materially short of original plans in a challenging market environment. At the same time, however, comprehensive cost control measures resulted in an extraordinary improvement in operating profit (excluding one-time expenses, in particular for the spin-off of all activities from the group structures of the former owner) to an already break-even level. For the financial year 2023, management expects a further extraordinary improvement in the operating result with materially increased sales revenues due to price increases.

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Frigoscandia Group

Frigoscandia Group is a player in logistics solutions for fresh, chilled and frozen food in Northern Europe. The company has 25 warehouses and terminals in Sweden and Norway and operates in three areas: domestic transport, international transport and warehousing.

The transformation plan for Frigoscandia provides for a realignment of the warehouse and logistics concepts as well as sales initiatives and cost-cutting measures. Major milestones of this plan were initiated or already implemented in the financial year 2022. Despite challenges in the context of high energy and fuel prices, Frigoscandia already achieved a slightly positive operating result.

Frigoscandia aims to become the leading temperature-controlled logistics platform in Northern Europe. With the acquisitions of Polar Frakt and Götene Kyltransporter, two acquisitions were consequently made in the financial year 2022 to expand the logistics network and strengthen the presence in the core markets. At the same time, the sale of the French subsidiary enables Frigoscandia to focus strategically on the countries of Northern Europe.

Based on performance to date, management believes that Frigoscandia is well positioned to significantly increase revenues in the financial year 2023, taking into account the integrated add-on acquisitions, while improving operating income to a materially positive level.

Terranor Group

In the financial year 2022, Terranor Group, a provider of operations and maintenance services to ensure safe traffic on and around roads in Scandinavian countries, was able to fully complete the restructuring phase and move into a growth phase.

The three companies in Sweden, Finland and Denmark recorded above-average growth rates in their order books thanks to significantly improved bid costing. In particular, the Swedish company was able to expand its activities in the local markets through additional orders in the small and medium-size segment and was particularly convincing thanks to its clear vision and the high quality standards derived from it in project planning and implementation. Thanks to successfully completed optimization measures, Terranor achieved an extraordinary increase in operating profit compared with the previous year.

In the financial year 2023, the companies in Sweden and Finland will focus on accelerating the expansion of their core business and, in addition to horizontal diversification, aim for vertical diversification in order to tap into adjacent market segments. The company in Denmark will defend its 100% market share in the maintenance of state roads and develop further measures to increase efficiency in the handling of projects. On this basis, Terranor's management expects to once again materially increase revenues and operating profit compared to the past the financial year 2022.

keeeper Group

In the first half of the financial year 2022, keeeper Group, a manufacturer of household products, was affected by a slump in demand, an extraordinary increase in raw material prices, and significantly higher energy and freight costs. Measures introduced to increase efficiency and reduce costs were only able to partially compensate for the decline in sales and cost pressure. The negative effects of this were only offset in the course of the second half of the year by price increases and in the context of declining prices on the raw material markets. Nevertheless, profitability remained depressed overall in the financial year 2022 and operating profit was slightly negative.

Following the relocation of production activities to the Polish site in the past, all logistics processes will also be integrated there in the financial year 2022. The management expects this measure to have further positive implications for keeeper's cost base. Based on this, the positive development is to be continued in the 2023 financial year and, in the context of materially higher sales revenues, an extraordinarily increased, positive operating result is to result.

EXI and SIX ENERGY Group

EXI is active in the field of design, construction and maintenance of networks and communication services for all major telecom operators in Italy, with a particular focus on advanced 5G technologies and fiber links. Tower operators and private network operators are also part of EXI's customer network.

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The restructuring plan for EXI was essentially aimed at optimizing the organizational structure, significantly reducing costs and establishing a new sales structure with the aim of winning new customers. The transformation of the organization has now largely been implemented. However, developments on the market led to project awards by established customers being cancelled in some cases and postponed in others. As a result, revenues in the financial year 2022 did not reach the planned level, with a corresponding negative impact on the operating result. EXI continues to work on the development of additional new business and has already achieved initial successes. On this basis, management expects a material increase in revenues and an extraordinarily improved, but still slightly negative operating result for the financial year 2023.

Mutares completed the acquisition of Sirti Energia in September 2022. The company, which now operates under the name SIX Energy, is a provider of construction and maintenance services in the energy infrastructure market and, as such, has the installation and maintenance of medium- and low-voltage networks as well as high-voltage networks in its service portfolio. SIX Energy also maintains and installs electrical solutions for e-vehicles and data centers. Immediately after the acquisition, Mutares initiated a comprehensive realignment process aimed at acquiring new business, increasing margins in existing customer contracts as well as improving efficiency across the value chain and optimizing its geographic presence in Italy. In addition, the focus in the financial year 2023 will be on tapping synergies with EXI and other shareholdings.

Ganter Group

Ganter acts as a general contractor in interior design and store fitting and realizes projects for an international customer base. Immediately after the acquisition in the fourth quarter of the financial year 2021, a Mutares team together with the local management initiated the transformation aimed at restructuring the project and market portfolio, adjusting cost structures, and increasing capacity utilization. The measures of the optimization plan, which are currently being implemented, were already able to have a positive impact in the financial year 2022. In addition to the cost reduction measures, the initiatives on the sales side also led to an improvement in order intake and consequently to good capacity utilization. Based on these developments, the operating result in the financial year 2022 was already increased to a slightly positive level.

For the financial year 2023, Ganter's management expects – despite the gloomy economic outlook for the construction industry – a stable performance at the level of the financial year 2022 and a continued slightly positive operating result.

FASANA

FASANA is a manufacturer of innovative and high-quality paper napkins for the consumer and bulk markets. Following continued restrictions to combat the COVID 19 pandemic in hotels, restaurants, cafés, and canteens at the beginning of the financial year 2022, the subsequent easing led to a significant recovery in demand. However, high raw material prices for pulp and cost increases for energy and logistics weighed on profitability. However, FASANA's business model proved to be robust and customers very largely accepted the need for price increases. Production capacities were gradually built up to meet the strong demand. As a result, in the financial year 2022, sales revenues were significantly higher than in the previous year and – taking into account the positive effect from the reimbursement of the EEG levy – a balanced operating result was achieved.

With the new brand identity, a further product line with new sales channels was introduced at the same time, and the course was set for a sustainable orientation of the product portfolio with napkins made of grass and cotton pulp. The management thus believes that the foundations have been laid for further growth and an increase in productivity and expects another substantial increase in sales revenues and an extraordinary increase in the operating result for the financial year 2023 (benefiting from further price adjustments on the sales side). At the same time, however, the further development of FASANA in terms of profitability and liquidity remains heavily dependent on external factors, namely price fluctuations on the energy and raw materials markets and the development of purchasing power in the core sales markets.

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Repartim Group

Repartim is a partner of major customers such as insurance companies in France, with services for repairs and emergencies in private households, in which Mutares holds a majority stake of 80%.[16]

The restructuring plan for Repartim is essentially aimed at completely redesigning all core processes, including adapting the IT landscape. Repartim already simplified the organization of its various call centers with the aim of improving service quality for customers. It also aimed to generate additional business with insurance companies and property managers, as well as significant savings in procurement and personnel costs. Despite some success in implementing the restructuring measures, operating profit in the 2022 financial year fell short of original plans, partly due to bottlenecks in staff availability and higher procurement prices, and amounted to a still materially negative level, albeit with a positive trend in the second half of the year.

For the 2023 financial year, Repartim expects to generate significantly higher sales revenues as a result of the initiatives on the sales side and benefiting from a clearing of the renovation backlog among real estate landlords. As a result, the operating profit benefiting from this is expected to increase to a slightly positive level in the financial year 2023.

SABO

The manufacturer of lawn mowers and other outdoor cordless tools, SABO Maschinenfabrik ("SABO"), continued its successful development in the financial year 2022: Sales revenues were materially above those of the previous year, boosted by the further accelerated geographic expansion and high customer demand. At the same time, gross margin developed positively despite challenges in the availability of individual components and the increased prices for raw materials and components. To meet rising market demand, a further new production line was commissioned in the financial year 2022, ensuring SABO's ability to supply in the face of increasing demand. The restructuring already successfully completed in the previous year, coupled with continued consistent cost management, led to a reduction in personnel and overhead costs, so that SABO now has a competitive cost base. Accordingly, SABO achieved a materially positive operating result in the financial year 2022 with sales significantly above those of the previous year.

For the financial year 2023, management is forecasting a further increase in sales revenue due to the launch of two new product lines and further growth in the international markets, but. a slight decline in operating profit in view of increasing cost pressure, but nevertheless a materially positive operating result.

Asteri Facility Solutions

Asteri Facility Solutions ("Asteri") provides facility management and cleaning services to the Swedish market for private companies and public clients, as well as housekeeping services to major international hotel chains.

Following the closing of the acquisition at the end of the previous year, a Mutares team initiated an optimization program for Asteri together with the local management from the beginning of the 2022 financial year. The focus included stabilizing the business activities after the change of ownership and also realizing the carve-out from the group structures of the former owner. In this context, an IT carve-out was carried out and the digitalization of previously manual activities, the optimization of procurement costs and existing processes were implemented. With a lean organizational structure, the focus of activities in the financial year 2022 was also on sustainably increasing sales revenues. Thanks to the initiatives implemented, Asteri was able to exceed the operating result of the planning in the financial year 2022.

In the financial year 2023, Asteri is focusing on further growth by entering new geographical areas within Sweden and expanding its service offering. Depending on the successful outcome of the tenders, management expects a significant increase in sales revenue and an extraordinary improvement in operating profit to break even.

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3 SITUATION OF THE GROUP INCLUDING NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

In view of the numerous M&A transactions, Mutares' business model thus involves regular changes in the scope of consolidation that have a significant impact on the consolidated financial statements. This again applies to the financial year 2022, in which the initial consolidations and deconsolidations presented above had a significant impact on the items of the consolidated statement of comprehensive income and statement of financial position.

The operating result of the Mutares Group depends on the business development of the individual investments – in particular on the respective restructuring and development progress – and is also significantly influenced by the timing of the acquisition of new investments and the resulting regular bargain purchase gains.

3.1 Results of operations of the Group

In the financial year 2022, the Mutares Group generated consolidated **revenues** of EUR 3,751.7 million (previous year: EUR 2,504.0 million). The increase is largely due to changes in the scope of consolidation. With regard to the allocation of sales to the individual segments and developments within the segments, please refer to the above explanations in the reports from the portfolio companies (Note 2.3).

Sales are broken down by geographical markets based on the location of the customer as follows:

EUR million	2022	2021
Europe	**3,462.4**	**2,301.5**
France	936.7	647.4
Germany	891.0	585.7
Sweden	523.1	282.0
Italy	199.4	153.8
United Kingdom	133.5	76.8
Switzerland	100.0	24.2
Finland	91.0	67.0
Denmark	78.4	27.9
Austria	72.7	155.3
Spain	68.3	37.7
Netherlands	66.9	49.7
Poland	47.3	43.1
Czech Republic	27.8	24.3
Belgium	26.7	29.0
Rest of Europe	199.3	97.6
Asia	**179.8**	**148.7**
America	**77.9**	**36.8**
Africa	**31.8**	**17.0**

The **other income** of EUR 355.5 million in the financial year 2022 (previous year: EUR 770.1 million) are again driven in particular by consolidation effects: The acquisitions resulted in gains from bargain purchases totaling EUR 262.0 million (previous year: EUR 692.7 million). The deconsolidation gains included in other income amount to EUR 31.8 million (previous year: EUR 32.8 million). These and the other components of other income are shown in the following table:

EUR million	2022	2021
Gains from bargain purchases	262.0	692.7
Gains from deconsolidation	31.8	32.8
Income from raw material and waste recycling	10.0	9.4
Income from risk allowance	5.2	2.6
Insurance compensation and indemnification	5.0	2.3
Income from other services	4.2	2.5
Income from rentals and leases	3.4	5.1
Income from the disposal of fixed assets	2.6	1.0
Income from foreign currency translation	2.2	2.0
Other own work capitalized	1.5	1.8
Miscellaneous other income	27.6	17.9
Other operating income	**355.5**	**770.1**

The **cost of materials** for the financial year 2022 amounts to EUR 2,398.6 million (previous year: EUR 1,579.7 million). The cost of materials ratio (in relation to sales) amounts to 64% (previous year: 63%).

Personnel expenses for the financial year 2022 amount to EUR 909.6 million (previous year: EUR 660.4 million). The increase reflects the higher number of employees in the Mutares Group due to the high transaction activity of Mutares. In addition, the amount of personnel expenses is influenced by a variety of other, partly opposing effects (e.g., collective bargaining agreements, staff reduction measures, etc.).

The **other expenses** of EUR 601.2 million (previous year: EUR 474.3 million) in the financial year 2022 are distributed as follows:

EUR million	2022	2021
Selling expenses	167.6	116.4
Legal and consulting expenses	76.1	66.9
Administration	65.4	57.0
Rent, leases and license fees	60.2	39.3
Maintenance and servicing	49.5	38.9
Advertising and travel expenses	38.2	28.0
Damage claims, guarantee and warranty	29.4	20.4
Expenses from measurement as held for sale	22.5	1.7
Basic levies and other taxes	16.4	10.2
Vehicle fleet	13.0	9.3
Expenses for general partners	10.5	8.8
Expenses from foreign currency translation	5.6	3.1
Expenses from expected credit losses	3.9	6.4
Losses from deconsolidation	3.2	36.7
Losses on the disposal of non-current assets	3.1	3.1
Miscellaneous expenses	36.6	28.1
Other expenses	**601.2**	**474.3**

As a result of the developments described above, the **EBITDA** of the Mutares Group for the financial year 2022 amounts to EUR 181.5 million (previous year: EUR 566.5 million).

The Group's investments differ according to market, business model and progress in the restructuring cycle, so that Group EBITDA is naturally subject to major fluctuations. In this respect, only limited conclusions can be drawn from the consolidated EBITDA of the Mutares Group regarding the actual operating performance of the Group or individual investments.

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To improve transparency, Mutares uses **Adjusted EBITDA** as a key performance indicator, which is adjusted in particular for the effects of frequent changes in the composition of the portfolio that are inherent in the business model. The Adjusted EBITDA of the Group (as defined below in the presentation of the financial performance indicators) amounts to EUR –32.7 million (previous year: EUR –41.3 million). In the financial year 2022, the Group's Adjusted EBITDA was impacted by, among other things, by the price increases on the procurement markets for raw materials and energy described above and the still negative earnings contributions from the investments acquired in the past twelve months.

The reconciliation of EBITDA as reported in the consolidated income statement to the performance indicator of adjusted EBITDA is as follows:

EUR million	2022	2021
EBITDA	181.5	566.5
Income from burgain purchases	–262.0	–692.7
Restructuring and other non-recurring expenses	76.4	80.9
Deconsolidation effects	–28.6	3.9
Adjusted EBITDA	**–32.7**	**–41.3**

For information on bargain purchases and deconsolidation effects, please refer to the comments above on business performance (Note 2.2) and in the reports on the portfolio companies (Note 2.3).

The restructuring and other non-recurring expenses of the Group in the financial year 2022 include in particular the following items:

- For carve-out activities (especially in the area of IT), costs of EUR 25.5 million (previous year: EUR 24.0 million), most of which related to Lapeyre (EUR 21.6 million, previous year: EUR 17.9 million).

- Expenses for severance payments and social plans total EUR 17.4 million (previous year: EUR 26.9 million)

- It includes consulting expenses in connection with restructuring (EUR 1.4 million; previous year: EUR 2.3 million), M&A activities (EUR 2.9 million; previous year: EUR 2.0 million) and other legal and consulting expenses of a non-recurring nature (EUR 5.2 million; previous year: EUR 2.2 million) were incurred.

- The accounting for assets held for sale (IFRS 5) resulted in expenses totaling EUR 22.5 million (previous year: EUR 1.7 million).

The following items were included in the Group's restructuring and other non-recurring expenses in the previous year:

- Due to the COVID 19 pandemic, a major customer project at a Gemini Rail Group company was discontinued, assets (inventories, current contract assets and receivables) were written down and the corresponding expenses of EUR 10.3 million were recognized as other non-recurring expenses. Due to two major projects running below expectations, the operating result of ADComms in the financial year 2021 was extraordinarily burdened and the corresponding expenses of EUR 10.9 million were recognized as other non-recurring expenses.

- The valuation of an earn-out agreement in connection with a company sold in the financial year 2017 resulted in an expense of EUR 1.1 million.

Depreciation and **amortization** of EUR 184.6 million (previous year: EUR 119.2 million) of the Group for the financial year 2022 include impairment losses of EUR 23.7 million (previous year: EUR 3.8 million), in particular for impairments of property, plant and equipment as a result of the comparison of the recoverable amount with the respective carrying amounts.

The **financial result** of EUR –53.3 million (previous year: EUR –18.7 million) of the Group for the financial year 2022 consists of financial income of EUR 15.1 million (previous year: EUR 8.5 million) and financial expenses of EUR 68.4 million (previous year: EUR 27.2 million).

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As in the previous year, the Group's **income taxes** in the financial year 2022 amount to a total income (EUR 35.5 million; previous year: EUR 13.7 million) and include actual tax expenses (EUR –9.1 million; previous year: EUR –5.5 million) and income from deferred taxes (EUR 44.6 million; previous year: EUR 19.2 million).

The developments described above result in a **consolidated net profit** for the financial year 2022 of EUR –21.0 million (previous year: EUR 442.3 million).

The Group's **other comprehensive income** in the financial year 2022 includes actuarial gains of EUR 29.6 million (previous year: EUR 4.5 million) in connection with the measurement of provisions for pensions (IAS 19) at portfolio companies in the context of significantly increased interest rates and exchange rate differences of EUR –4.9 million (previous year: EUR +4.0 million). Furthermore, other comprehensive income includes effects from the change in fair value of the bond of EUR +5.4 million (previous year: EUR –3.3 million), which are attributable in particular to the change in the interest rate level.

3.2 Net assets and financial position of the Group

Total assets in the Mutares Group as of 31 December 2022 amount to EUR 3,029.6 million (previous year: EUR 2,560.4 million). The increase is mainly due to the inclusion of the newly acquired investments.

Non-current assets increased from EUR 1,120.6 million as of 31 December 2021 to EUR 1,377.2 million as of 31 December 2022, mainly due to increases in property, plant and equipment (EUR +207.5 million), rights of use (EUR +57.0 million), other assets (EUR +17.3 million), and intangible assets (EUR +9.9 million). In contrast, there was a decrease in other financial assets in particular (EUR –27.6 million) and deferred tax assets (EUR –7.0 million).

The increase in **current assets** to EUR 1,652.4 million as of 31 December 2022 (previous year: EUR 1,439.8 million) mainly results from an increase in inventories (EUR +137.5 million) and trade and other receivables (+EUR 121.2 million). Assets held for sale increased in the opposite direction from EUR 177.1 million in the previous year to EUR 115.0 million.

Cash and cash equivalents as of 31 December 2022 amount to EUR 246.4 million (previous year: EUR 255.1 million). This is offset by current liabilities to banks and loans as part of the balance sheet item current financial liabilities of EUR 171.5 million (previous year: EUR 64.6 million), which result from current account and loan liabilities and from the recognition of "unreal" factoring. The **net cash position** as of 31 December 2022, amounts to EUR 74.9 million (previous year: EUR 190.5 million). In the course of financial management, short-term liquidity surpluses that exist in individual portfolio companies can be transferred to the parent company in certain situations. The liquidity is used to finance the parent company and, if necessary, can also be used to finance other portfolio companies by means of loans granted by the parent company.

As of the reporting date 31 December 2022, **assets and liabilities held for sale** comprise in particular the assets and liabilities held for sale in connection with the portfolio companies Lacroix + Kress, FDT and Royal de Boer. As of 31 December 2021, this balance sheet item included the assets or liabilities of BEXity. Furthermore, as of 31 December 2021, the disposals under sale and leaseback transactions of 26 businesses from the Lapeyre subgroup and of one property of ISH were highly probable, which is why the carrying amounts of the assets concerned have also been reclassified in accordance with IFRS 5.

As of 31 December 2022, **equity** amounts to EUR 714.0 million (previous year: EUR 736.4 million). The positive overall result of EUR 9.2 million (previous year: EUR 447.8 million) led to an increase in equity, while in the opposite direction the dividend payment for the financial year 2021 to the shareholders of the parent company, the shareholders of Mutares SE & Co. KGaA, of EUR 30.9 million (previous year: EUR 23.1 million) reduced equity. The equity ratio as of 31 December 2022 amounts to 24% (previous year: 29%). With regard to the disclosures concerning the acquisition of treasury shares pursuant to Section 160 (1) no. 2 AktG, we refer to the disclosures in the notes to the financial statements of Mutares SE Co. & KGaA (in Note 3.5).

The **non-current liabilities** of EUR 816.3 million (previous year: EUR 799.3 million) include non-current lease liabilities of EUR 294.6 million (previous year: EUR 262.7 million) and provisions for pensions and similar obligations of EUR 94.4 million (previous year: EUR 153.0 million) of various Group entities (but not of Mutares SE & Co. KGaA itself) and other non-current provisions of EUR 119.3 million (previous year: EUR 88.9 million). The increase in other financial liabilities to EUR 180.7 million (previous year: EUR 145.9 million) is due to additional financing. Non-compliance with covenants in connection with the issued bond can generally lead to a termination of the bond. The resulting repayment obligation therefore poses a potential risk to the financial position of the Company and the Group. However, due to the relevant key figures being significantly above the agreed covenants, the Management Board does not see any specific risk from non-compliance with the covenants. Long-term leasing and other financial liabilities are mainly denominated in euros. Other financial liabilities arising from loans are mostly at fixed interest rates. Non-current financial liabilities with variable interest rates exist almost exclusively in the form of the bond. Deferred tax liabilities amount to EUR 116.1 million (previous year: EUR 137.8 million).

Current liabilities as of 31 December 2022 amount to EUR 1,499.6 million (previous year: EUR 1,024.8 million) and relate to EUR 588.0 million (previous year: EUR 372.2 million) of trade payables. The increase in other financial liabilities (EUR 305.9 million; previous year: EUR 141.2 million) and other liabilities (EUR 173.4 million; previous year: EUR 148.0 million) reflects, among other things, relief on payment terms, deferrals of payments to public-sector creditors and the raising of additional financing. Current other financial liabilities are mainly denominated in euros and bear variable interest rates. The reference interest rate used is in particular EURIBOR with the corresponding maturities.

The **cash flow from operating activities** in the financial year 2022 amounts to EUR –20.8 million (previous year: EUR –103.5 million). This is due to: a consolidated net result for the year of EUR –21.0 million (previous year: EUR +442.3 million), including non-cash expenses and income totaling EUR 85.5 million (previous year: EUR 551.4 million), changes in the balance sheet items of working capital (trade working capital and other working capital) with an increase in cash flow of EUR 72.9 million (previous year: increase of EUR 12.0 million) and effects from interest and taxes of EUR +11.7 million (previous year: EUR –1.9 million).

The **cash flow from investing activities** in the financial year 2022 of EUR 84.1 million (previous year: EUR 171.5 million) mainly results from net cash inflows from additions to the scope of consolidation of EUR 110.4 million (previous year: EUR 188.8 million). Proceeds from disposals of property, plant and equipment, intangible assets and liabilities held for sale amounted to EUR 49.2 million (previous year: EUR 11.9 million). This was offset by cash outflows for investments in property, plant and equipment and intangible assets (EUR –102.9 million; previous year: EUR –59.7 million). Disposals from the scope of consolidation resulted in a cash inflow of EUR 26.7 million (previous year: cash inflow of EUR 29.5 million).

The **cash flow from financing activities** in the financial year 2022 amounts to EUR –55.8 million (previous year: EUR 47.9 million). The raising of bonds and (financial) loans results in cash inflows of EUR 117.9 million (previous year: EUR 61.7 million), cash inflows from factoring amounted to EUR 21.2 million (previous year: cash outflows of EUR 9.9 million). In contrast, lease liabilities of EUR 74.0 million (previous year: EUR 49.5 million) and (financial) loans of EUR 60.7 million (previous year: EUR 17.7 million) were repaid; the interest paid amounts to EUR 29.3 million (previous year: EUR 13.4 million). In the previous year, the capital increase resulted in net proceeds of EUR 94.3 million. The dividend paid to the shareholders of the parent company, the shareholders of Mutares SE & Co. KGaA, amounted to EUR 30.9 million (previous year: EUR 23.1 million).

As of the balance sheet date, unused credit lines amount to an almost double-digit million figure and relate to undrawn current account and factoring lines for which saleable trade accounts receivable are available as of the same date.

The Management Board assumes that the Group and also individual major Group companies will continue to be in a position to meet their payment obligations on time at all times in the future.

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4 POSITION OF THE COMPANY INCLUDING NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

Mutares SE & Co. KGaA is the parent company of the Mutares Group. The Company's business development is fundamentally dependent on the developments in the individual portfolio companies. Their opportunities and risks therefore also have a fundamental impact on the opportunities and risks of Mutares SE & Co. KGaA. However, the net income of Mutares SE & Co. KGaA is mainly derived from three different sources, namely from sales revenues from the intra-group consulting business, dividends from portfolio companies and exit proceeds from the sale of investments. Sales revenues and dividends (mainly income from investments received in the same period) result in the so-called "portfolio income".

The following comments on the results of operations, net assets and financial position relate to the annual financial statements of the Company, which have been prepared in accordance with the provisions of the German Commercial Code and the German Stock Corporation Act.

4.1 Results of Operations of the Company

The **revenues** of Mutares SE & Co. KGaA result from the intra-group consulting business, i.e. consulting services to affiliated companies and management fees. The increase to EUR 71.1 million in the financial year 2022 (previous year: EUR 50.5 million) is a consequence of the enlarged portfolio in connection with the high transaction activity in the past, which was covered by an expansion of the internal, operational consulting capacities.

Other operating income of Mutares SE & Co. KGaA in the financial year 2022 amounts to EUR 12.9 million (previous year: EUR 3.8 million) and includes EUR 12.3 million from the collection of loan receivables that were recognized at an amount lower than the nominal value. Other operating income in the previous year included income of EUR 3.4 million from the reversal of impairment losses recognized on receivables from portfolio companies in previous years.

The **cost of purchased services** of Mutares SE & Co. KGaA in the financial year 2022 of EUR 21.5 million (previous year: EUR 14.8 million) include expenses from Mutares' national companies in connection with restructuring services for indirect subsidiaries.

The **personnel expenses** of Mutares SE & Co. KGaA in the financial year 2022 amount to EUR 17.6 million compared to EUR 14.0 million in the previous year. The increase results from the increase in the number of employees at the Company to an annual average of 74 (previous year: 60) in connection with the enlarged portfolio due to the high level of transaction activity, which mainly relates to additional employees for the Group's internal consulting business.

The **other operating expenses** of Mutares SE & Co. KGaA of EUR 51.4 million in the financial year 2022 (previous year: EUR 43.6 million) include EUR 23.6 million (previous year: EUR 20.7 million) in expenses from the recharging of Mutares Management SE and the Mutares national companies as well as legal and consulting services of EUR 9.5 million (previous year: EUR 13.7 million, thereof of EUR 6.3 million in connection with the capital increase and the uplisting of the company in the financial year 2021). Furthermore, these other operating expenses include write-downs on current assets of EUR 10.5 million (previous year: EUR 0.6 million).

Income from investments and gains on the disposal of investments for the financial year 2022 amount to EUR 72.5 million (previous year: EUR 72.5 million). This figure mainly includes income from the (phased) collection of gains from investments.

Sales and dividends from the portfolio (mainly income from investments received in the same period) result in the so-called **"Portfolio Income"**, which for the financial year 2022 amounts to EUR 139.8 million (previous year: EUR 64.9 million).

The **interest result** of Mutares SE & Co. KGaA in the financial year 2022 includes interest income of EUR 10.2 million (previous year: EUR 3.5 million) and interest expenses of EUR 7.6 million (previous year: EUR 6.0 million). The latter mainly includes current interest payments for the bond. **Write-downs on financial assets** amount to EUR 4.8 million (previous year: EUR 0.9 million).

In connection with **taxes on income**, the tax income for the financial year 2022 amounts to EUR 9.3 million (previous year: EUR 0.0 million). This is due to income from deferred tax assets in connection with the future utilization of tax loss carryforwards of EUR 10.7 million (previous year: EUR 0.0 million), which outweighs the expense from current taxes of EUR 1.4 million (previous year: EUR 0.0 million).

The result for Mutares SE & Co. KGaA in 2022 is a **net profit** according to HGB of EUR 72.9 million in the financial year 2022 compared to EUR 50.7 million in the previous year.

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4.2 Net assets and financial position of the company

The **fixed assets** of Mutares SE & Co. KGaA of EUR 95.2 million (previous year: EUR 65.9 million) as of 31 December 2022 mainly include financial assets of EUR 94.8 million (previous year: EUR 65.4 million), which in turn are divided into shares in affiliated companies (EUR 66.5 million; previous year: EUR 47.8 million) and loans to affiliated companies (EUR 28.3 million; previous year: EUR 17.6 million).

The **current assets** of Mutares SE & Co. KGaA include EUR 299.6 million as of 31 December 2022 (previous year: EUR 195.4 million), receivables from affiliated companies, which mainly amount to EUR 161.8 million (previous year: EUR 66.5 million) relate to loans receivable from subsidiaries, EUR 68.2 million (previous year: EUR 64.1 million) to receivables from profit distributions and EUR 56.1 million (previous year: EUR 32.3 million) to trade receivables. As of 31 December 2022, bank balances amount to EUR 12.5 million (previous year: EUR 44.9 million). In the previous year, current assets also included securities in the form of a bearer bond of EUR 29.9 million. In addition to **prepaid expenses** of EUR 1.3 million (previous year: EUR 1.1 million), **deferred tax assets** in connection with the future utilization of tax loss carryforwards of EUR 10.7 million (previous year: EUR 0.0 million).

Taking into account the net income for the year and after distribution of a dividend of EUR 30.9 million for the previous year (corresponding to EUR 1.50 per no-par value share entitled to dividend), the Company's **equity** as of 31 December 2022 amounts to EUR 273.9 million (previous year: EUR 231.9 million).

The **provisions** of Mutares SE & Co. KGaA as of 31 December 2022 amount to EUR 21.5 million (previous year: EUR 7.8 million) and relate with EUR 12.0 million to payments received in connection with the acquisition of the shares in Balcke-Dürr Energy Solutions S.p.a, Genoa. The contribution received by Mutares SE & Co. KGaA serves to cover uncertain obligations from guarantees and is therefore recognized as other provisions. In addition, other provisions of EUR 6.4 million mainly include provisions for personnel costs (previous year: EUR 5.1 million). As of 31 December 2022, **liabilities** increased to EUR 146.7 million as of 31 December 2022 (previous year: EUR 105.5 million), mainly due to higher liabilities to affiliated companies of EUR 53.5 million (previous year: EUR 15.3 million).

5 PERFORMANCE INDICATORS AND THE MANAGEMENT BOARD'S ASSESSMENT OF BUSINESS PERFORMANCE

5.1 Financial performance indicators

The significant financial performance indicators of the **Mutares Group** are, in the opinion of the Management Board:

- Revenues
- Operating result
  (EBITDA = earnings before interest, taxes, depreciation and amortization)
- Adjusted EBITDA (see below)

Gains on bargain purchases are recognized in income immediately in the year of the transaction. Restructuring and other non-recurring expenses, on the other hand, may also be incurred in subsequent periods. Due to the regularly significant non-operational volatility of Group EBITDA associated with these transactions, the Management Board has introduced an additional performance measure in the form of EBITDA adjusted for non-recurring effects – referred to as "adjusted EBITDA" in internal management and reporting – for reasons of transparency. The calculation is based on reported Group EBITDA (earnings before interest, taxes, depreciation and amortization) adjusted for gains on bargain purchases, restructuring and other non-recurring expenses, and deconsolidation effects. This provides a more transparent presentation of operating developments and enables a better assessment of operating earnings power.

As part of its business strategy, the Company resolutely pursues an attractive and long-term dividend policy, so that the Management Board considers the net profit for the year determined in accordance with the German Commercial Code (HGB) to be another significant financial performance indicator for **Mutares SE & Co**. The net income of Mutares SE & Co. KGaA is mainly derived from three different sources, namely revenues from the intra-group consulting business, dividends from portfolio companies and exit proceeds from the sale of investments. Sales revenues and dividends (mainly income from investments received in the same period) make up what is known as portfolio income.

For information on the development of the individual financial performance indicators, please refer to the comments above on the Group's results of operations (Note 3.1). and of the company (para. 4.1).

With regard to the forecasts made in the combined management report of the previous year for the financial year 2022, the actual development is as follows:

- For the financial year 2022, the Management Board expected an extraordinary increase in **revenues** for the Mutares Group to at least EUR 4.0 billion due to the acquisitions completed and signed by the preparation date for the combined management and group management report for the financial year 2021. With revenues in the financial year 2022 of EUR 3,751.7 million, this target was not achieved despite the continued high level of acquisition activity, in particular due to the external framework conditions (as described in Note 2.1), this target was achieved despite an extraordinary increase in sales by 50% was not fully achieved.

- Benefiting from gains from bargain purchases in connection with the acquisitions in the financial year 2022 totaling EUR 262.0 million, Group **EBITDA** amounted to EUR 181.5 million (previous year: EUR 566.5 million). With regard to the main influencing factors, we refer to the explanations above under Note 3.1.

- As expected, **Adjusted EBITDA** was impacted by the negative earnings contributions of the new acquisitions. In addition, supply chain disruptions, significant price increases for raw materials, intermediates and energy, and the overall weakening of the economy (as described in Note 2.1) had a negative impact on profitability. Nevertheless, the Adjusted EBITDA in the financial year 2022 of EUR –32.7 million compared to the previous year (EUR –41.3 million) could be improved significantly, but not extraordinarily.

- The **net profit** of Mutares SE & Co. KGaA, determined in accordance with the provisions of German commercial law, should regularly be within a range of 1.8% to 2.2% of the consolidated revenues of the Mutares Group, in line with the Company's long-term objectives. Based on originally expected revenues for the Mutares Group of at least EUR 4.0 billion, the Management Board expected a net profit of EUR 72 million to EUR 88 million for the financial year 2022. For the financial year 2022, with revenues of EUR 3,751.8 million in the Mutares Group and a net profit of EUR 72.9 million for Mutares SE & Co. KGaA, a percentage of 1.94%, which is within the target corridor.

The Mutares Group is currently managed primarily on the basis of financial performance indicators. The non-financial Group report pursuant to Section 315b (3) HGB is submitted in a separate sustainability report.

5.2 Management Board's assessment of business performance

The benchmark for the success of Mutares SE & Co. KGaA and the Mutares Group is mainly the restructuring and development progress of the investments as well as completed M&A transactions, which contribute to an increase in value in the Group after a successful turnaround and a further development of the investments depending on the situation.

With regard to the **transaction activities** in the financial year 2022, the Management Board is extremely satisfied with the large number and quality of acquisitions and exits; the high frequency from the transaction-rich the financial year 2021 was successfully continued and the level was stabilized.

The Management Board is very satisfied with the **progress of restructuring and development** at some subsidiaries – particularly against the background of the burdens caused by the indirect effects of the war in Ukraine – but still sees clear potential for improvement at others. In particular, the Management Board considers the performance of Terranor, La Rochette, Frigoscandia, Clecim, Ganter and Special Melted Products to be positive, while significant potential for improvement is seen at ESF Industrial Solutions, iinovis, Balcke-Dürr, Gemini Rail and ADComms Group as well as FASANA. The development of the Group's largest shareholdings in terms of sales (Lapeyre Group, LMS and Donges Group) is satisfactory overall, despite the clearly visible negative influences from external conditions.

The Management Board is generally satisfied with the **course of the financial year** against the backdrop of the special burdens, in particular disruptions in the supply chains, significant price increases for raw materials, intermediate products and energy, as well as an overall weakening of the economy. This applies both with regard to the parent company Mutares SE & Co. KGaA and its development in the financial year 2022 as well as with regard to the Mutares Group. The Management Board considers the ambitious growth course to be on a successful path due to the acquisitions made.

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6 MORE DETAILS

6.1 Supplementary report

Please refer to the notes to the consolidated financial statements (Note 50) and the notes to the annual financial statements (Note 5.10) of Mutares SE & Co. KGaA for information on significant events after the balance sheet date.

6.2 Takeover-relevant information

The following comments contain the disclosures required by sections 289a and 315a of the German Commercial Code (HGB), including information on share capital, voting rights and the transfer of shares.

Composition of capital / Grade of shares

The share capital of Mutares SE & Co. KGaA amounted to EUR 20,636,731.00 as of 31 December 2022, divided into 20,636,731 no-par value shares (shares without par value). The shares of the Company are registered shares. There is only one class of shares; the same rights and obligations are attached to all shares, which result from the statutory regulations.

Restrictions affecting voting rights or the transfer of shares

Each share entitles the holder to one vote at the Annual General Meeting and is decisive for the shareholders' share in the Company's profits. This does not apply to treasury shares held by the Company, from which the Company has no rights. In the cases of Section 136 AktG, the voting rights from the shares concerned are excluded by law.

On the basis of a contractual agreement, the Chairman of the Board of Management, Robin Laik, can dispose of voting rights for a total of 5,175,771 shares; the voting rights for these shares are exercised uniformly by Mr. Robin Laik.

Direct or indirect interest in share capital exceeding 10% of voting rights

According to current information, Robin Laik, Munich, and ELBER GmbH, Regensburg, each directly hold more than 10% of the voting rights. The members of Robin Laik's family, all resident in Germany, together directly hold more than 10% of the voting rights. Dr. Johann Vielberth, Regensburg, holds more than 10% of the voting rights indirectly via ELBER GmbH.

Provisions (statutory/statute) on appointment and dismissal of the Management Board and amendments to the Articles of Association

The Company is represented by the general partner, Mutares Management SE, and thus by its Management Board. According to Section 8 of the Articles of Association of Mutares Management SE , the Management Board of Mutares Management SE may consist of one or more persons. The Supervisory Board of Mutares Management SE determines the specific number of members of the Management Board. For their appointment as well as dismissal, a simple majority of the votes cast by the members of this Supervisory Board is required; in the event of a tie, the vote of the Chairman pursuant to Section 13 (7) of the Articles of Association of Mutares Management SE shall be decisive. The members of the Management Board of Mutares Management SE may be appointed for a maximum period of six years; reappointments are permitted. Pursuant to Section 7 of the Articles of Association, the shareholders' resolution of Mutares SE & Co. KGaA may exempt individual, several or all members of the Management Board of the general partner in general or for the individual case from the prohibition of multiple representation pursuant to Section 181 Alt. 2 of the German Civil Code (BGB); § 112 of the German Stock Corporation Act (AktG) remains unaffected.

Amendments to the Articles of Association are made by resolution of the Annual General Meeting in accordance with § 179 AktG. This means that amendments to the

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Articles of Association generally require the approval of at least three quarters of the capital stock represented at the time the resolution is adopted. Pursuant to Art. 10 par. 4 of the Articles of Association, the Supervisory Board is authorized to make amendments to the Articles of Association that relate only to the wording. Furthermore, the Supervisory Board is authorized to amend Art. 4 par. 5 of the Articles of Association in line with the respective issue of subscription shares and to make all other related amendments to the Articles of Association that only affect the wording. The same applies in the event that the authorization to issue subscription rights is not utilized.

Authority of the Board of Management to issue or repurchase shares

Conditional capital

The Annual General Meeting of the Company on 3 June 2016 authorized the Management Board, with the consent of the Supervisory Board, to issue up to 1,500,000 subscription rights ("stock options") to members of the Management Board of the Company, members of the management of affiliated domestic and foreign companies of the Company, and employees of the Company and employees of affiliated domestic and foreign companies until 2 June 2020 ("Mutares Stock Option Plan 2016"). The stock options entitle the holder to subscribe to up to 1,500,000 no-par value registered shares of the Company with a notional interest in the share capital of EUR 1.00 each. Furthermore, the Annual General Meeting resolved to conditionally increase the share capital of the Company by EUR 1.5 million by issuing up to 1,500,000 no-par value bearer shares to service the Mutares Stock Option Plan 2016 ("Conditional Capital 2016/I"). The Annual General Meeting of the Company on 23 May 2019 resolved to cancel the Conditional Capital 2016/I to the extent that it relates to the stock options not issued under the Mutares Stock Option Plan 2016. As a result, the Conditional Capital 2016/I amounts to EUR 361 thousand after reduction as of the reporting date.

The Annual General Meeting of the Company on 23 May 2019 created Conditional Capital 2019/I of EUR 3,000 thousand for the purpose of granting shares upon exercise of conversion or option rights or upon fulfillment of conversion or option obligations to the holders or creditors of convertible bonds, bonds with warrants, profit participation rights and/or participating bonds or combinations of these instruments issued on the basis of the authorization resolution of the Annual General Meeting on 23 May 2019.

After the partial cancellation of the Conditional Capital 2016/I became effective, the share capital of Mutares SE & Co. KGaA was conditionally increased by up to EUR 802 thousand by issuing up to 802,176 no-par value registered shares ("Conditional Capital 2019/II") by resolution of the Annual General Meeting on 23 May 2019. The Conditional Capital 2019/II serves to grant subscription rights to members of the Management Board and employees of the Company, members of the management and employees of companies affiliated with the Company.

After the partial cancellation of the Conditional Capital 2016/I has become effective, the share capital of the Company shall be conditionally increased by up to EUR 387 thousand by issuing up to 387,000 no-par value registered shares ("Conditional Capital 2021/I"). The Conditional Capital 2021/I is exclusively for the purpose of issuing shares of the Company to service subscription rights to shares of the Company issued to members of the Management Board of the Company and employees of the Company as well as to members of the management and employees of affiliated companies within the meaning of Secs. 15 et seq. AktG in the form of stock options in accordance with the above authorization resolution pursuant to lit. b).

Authorized capital

By resolution of 23 May 2019, the Annual General Meeting of the Company resolved to cancel the Authorized Capital 2015/I and instead authorized the Management Board to increase the share capital of the Company in the period until 22 May 2024, with the consent of the Supervisory Board, by a total of up to EUR 7.7 million by issuing up to 7,748,146 new registered no-par value shares against cash contributions and/or contributions in kind ("Authorized Capital 2019/I"). The Management Board of the Company's general partner, Mutares Management SE, resolved on 28 September 2021, with the approval of the Supervisory Board, to increase the Company's share capital from previously EUR 15.5 million to EUR 20.6 million by issuing 5.1 million new no-par value registered shares. The capital increase with subscription rights for the limited liability shareholders of the Company was carried out in return for cash contributions by making partial use of the existing Authorized Capital 2019/I. The authorized capital amounts to EUR 1.5 million after the partial use of the existing Authorized Capital 2019/I. This still amounts to EUR 2,608 thousand after the partial utilization.

Acquisition of treasury shares

By resolution of the Annual General Meeting on 23 May 2019, the Management Board was authorized to acquire treasury shares of the Company up to a total of 10% of the Company's capital stock existing at the time of the resolution or – if this value is lower – at the time the authorization is exercised, subject to compliance with the principle of equal treatment (Section 53 AktG), until the end of 22 May 2024. The shares acquired on the basis of this authorization, together with other treasury shares of the Company

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which the Company has acquired and still holds or which are attributable to it in accordance with sections 71a et seq. of the German Stock Corporation Act (AktG), may at no time exceed 10% of the respective capital stock of the Company.

On the basis of corresponding resolutions, the Management Board, with the approval of the Supervisory Board, launched share buyback programs in the past financial years. In this context, a total of 261,875 shares were acquired in the period from 15 January to 6 March 2015 and in the period from 1 June to 15 July 2018.

The Management Board of the general partner of Mutares SE & Co. KGaA resolved on 17 September 2020, with the approval of the Supervisory Board of the general partner, to launch a share buyback program using the authorization granted by the Annual General Meeting on 23 May 2019 ("Share Buyback Program 2020/I"). Under the share buyback program 2020/I, up to a total of 250,000 treasury shares (corresponding to up to 1.61% of the Company's share capital) could be repurchased in the period from 17 September 2020 to 31 March 2021 at a total purchase price (excluding incidental acquisition costs) of up to EUR 2.5 million. A total of 210,600 shares were acquired during this period. The difference between the acquisition cost and the notional value of the treasury shares amounts to a total of EUR 2.3 million and was offset against retained earnings.

The Company used part of the 472,475 treasury shares existing as of 31 December 2020 to service the stock options exercised under the 2016 Stock Option Plan. This reduced the number of treasury shares to 10,475, representing EUR 10,475 or 0.1% of the share capital.

Further details of the existing authorizations can be found in the respective resolutions of the Annual General Meeting. Information on authorized and conditional capital and on the acquisition of treasury shares can also be found in the notes to the annual financial statements (Note 3.5) and in the notes to the consolidated financial statements (Notes 31, 32.1 and 33).

Agreements that are conditional on a change of control as a result of a takeover bid

In February 2020, Mutares SE & Co. KGaA placed a bond, which was fully drawn in the amount of EUR 80.0 million as of the reporting date 31 December 2022, unchanged compared to 31 December 2021. The agreement concluded under the bond grants the other contracting party a right of termination, inter alia, in the event of (i) the delisting of the shares from the Frankfurt Stock Exchange, (ii) 50% of the shares being held by a natural person or legal entity or group of persons (with the exception of Robin Laik), (iii) the disposal of all or any material assets, whether individually or in a series of connected transactions.

6.3 Corporate governance and non-financial statement

The Management Board of the general partner of Mutares SE & Co. KGaA, Mutares Management SE, as well as the Shareholders' Committee and the Supervisory Board of Mutares SE & Co. KGaA are committed to the principles of corporate governance focused on long-term and sustainable value creation. To this end, they jointly issue a summarized "Corporate Governance Statement" in accordance with Sections 289f and 315d of the German Commercial Code (HGB). The full text of the current declaration is available on the company's website at ↗ ir.mutares.de/en/corporate-governance. As part of the corporate governance statement, the Management Board of the general partner of Mutares SE & Co. KGaA, Mutares Management SE, and the Supervisory Board of Mutares SE & Co. KGaA issued the statement required by Section 161 of the German Stock Corporation Act (AktG) in December 2022 and made it publicly available on the company's website at ↗ ir.mutares.de/en/corporate-governance.

The Management Board of the general partner of Mutares SE & Co. KGaA, Mutares Management SE, and the Supervisory Board of Mutares SE & Co. KGaA will fulfill the obligation to submit a non-financial consolidated statement pursuant to Section 315b HGB by publishing a separate non-financial consolidated report on the Company's website at ↗ ir.mutares.de/en/corporate-governance.

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7 OPPORTUNITY AND RISK REPORT

7.1 Risk management and internal control system

Mutares' business activities, like any entrepreneurial activity, are associated with opportunities and risks. Mutares defines "risk" as possible future developments or events that, if they occur, could lead to a negative deviation from the forecast or target for the Group. Conversely, "opportunities" can lead to a positive deviation from forecasts or targets if they materialize.

Risk management system

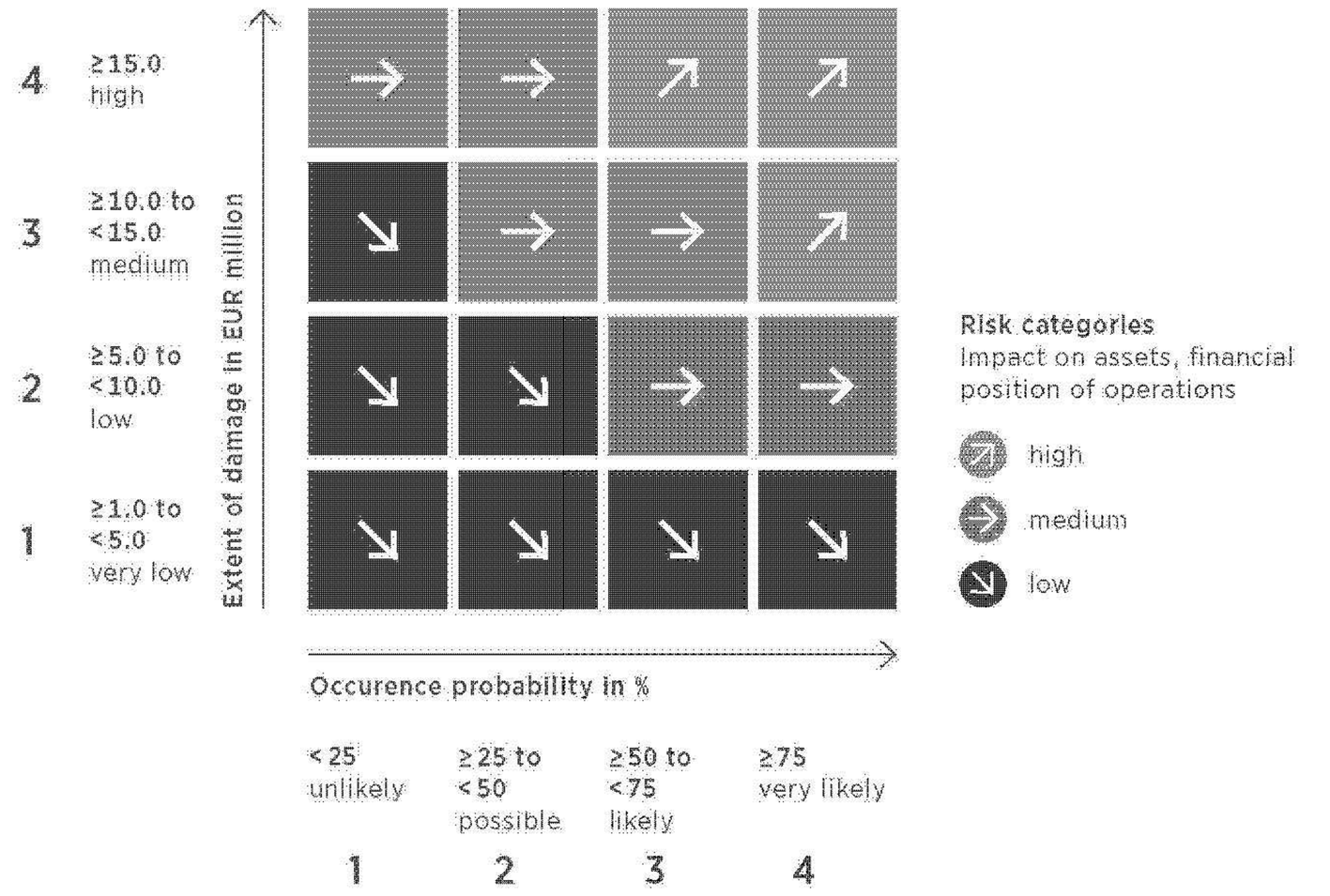
Mutares SE & Co. KGaA is required by law (cf. Section 278 (3) AktG in conjunction with Section 91 (3) AktG) to operate and maintain an appropriate and effective risk management system, including an early risk detection management system pursuant to Section 91 (2) AktG.

Risk management, as the totality of all organizational regulations and measures for the early identification of risks and the adequate handling of the risks of entrepreneurial activity, has a high priority in the Group and plays a central role in the Mutares business model. The Management Board has therefore installed and organizationally anchored a systematic, multi-level risk management system.

The primary objective of Mutares' risk strategy is to identify existential risks and reliably avert them from the company while limiting risk costs to a necessary level. Furthermore, risks that threaten to miss the published forecasts if they materialize, thus leading to a failure to meet the expectations of the capital market, are to be avoided. Using the risk management process[17], actual and potential risks are identified, assessed and reported:

Risks are **identified** by a combination of bottom-up and top-down analyses based on defined risk areas. The risks identified in this way are assessed on the basis of the two relevant dimensions, namely their monetary impact (extent of damage) on the results of operations and/or financial position and/or net assets of the Company or the Group and their expected probability of occurrence in relation to a one-year observation horizon. The focus of the assessment is on the most likely risk scenario in each case. The **risk assessment** distinguishes between gross and net assessment: Measures already taken can mitigate the gross risk both in terms of monetary impact and in terms of the possible occurrence of the risk. The net risk then represents the amount of damage and probability of occurrence, taking into account the measures already initiated by the reporting date that reduce the possible damage or the expected probability of occurrence.

The risk classes, as a result of this assessment, can be presented in a **risk matrix**:



The identified risks are **actively managed** in order to achieve the risk reduction targeted by the company. The management of risks that have only a minor impact on the Group is the responsibility of the operational management of the respective subsidiary.

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Mutares has installed a standardized **reporting** process for the reporting of actual and potential risks: Accordingly, quarterly reports are submitted to the Company by the operating portfolio companies and assessed together with the Company's risk analysis. In the case of particularly significant new risks (especially those threatening the existence of the company) or significant changes in existing risk positions, there is also immediate reporting (ad hoc risk process). Regular reporting to the Board of Management and the Supervisory Board is also carried out on a quarterly basis and, in addition, on an ad hoc basis.

The **risk-bearing capacity** represents the maximum extent of risk that can be borne by the Company without jeopardizing its continued existence and is generally the upper limit for a cumulative risk position. It is calculated both on the basis of liquidity and in relation to the Company's equity. Both figures are compared with the sum of the assessed risks as an aggregated risk position. In order to analyze the risk-bearing capacity and thus also the overall risk position of Mutares and to be able to initiate suitable countermeasures, all recorded and assessed risks are aggregated into risk portfolios. A recognized quantitative method is used for this purpose. The scope of consolidation of the risk management corresponds to the scope of consolidation of the consolidated financial statements. In this context, the total risk positions determined are considered in relation to the risk-bearing capacity of Mutares for the period under review using a suitable key figure, the total net expected loss, and are regularly monitored by the Management Board with regard to the coverage of the net assets, financial position and results of operations. The analyses of the risk-bearing capacity did not lead to any adjustments or to a lack of viability.

Risk management is further flanked by the following activities: All critical contractual elements, business developments and liability risks are subjected to rigorous review and regularly followed up in portfolio company reviews and Management Board and Supervisory Board meetings. Standardized reporting of all portfolio companies on a weekly or monthly basis provides the Management Board with a comprehensive picture of developments across the portfolio. In addition, Mutares works closely with the operational teams in the portfolio companies – consisting of Mutares consultants on site and/or the local management members – who review compliance on site in the respective portfolio companies and develop concrete steps for their implementation together with Mutares. The Management Board monitors the business performance of the portfolio companies in regular reviews and is informed about the net assets, financial position and results of operations of all investments on the basis of the implemented reporting system. If necessary, Mutares tries to maintain sufficient free personnel and financial capacities in order to be able to react flexibly and appropriately.

In the interests of **continuous improvement**, adjustments to the risk management system are evaluated and made on a regular basis.

Internal control system[18]

The internal control system ("ICS"), as the totality of all systematically defined controls and monitoring activities, aims to ensure the security and efficiency of business operations, the reliability of financial reporting, and the compliance of all activities with relevant laws and internal policies. In addition to safeguarding against financial reporting risks, the ICS therefore also includes general basic safeguarding against sustainability risks and compliance risks, for example.

In accordance with Section 91 (3) of the German Stock Corporation Act (AktG), the scope and design of the ICS are at the discretion and responsibility of the Board of Management. The ICS supports the organizational implementation of the Management Board's decisions. This includes the achievement of business objectives, the correctness and reliability of accounting (cf. the explanations in the following paragraph on the internal control and risk management system in relation to the accounting process), and compliance with the relevant legal requirements and regulations. Sustainability and compliance aspects are also taken into account and continuously developed on the basis of regulatory requirements.

The components of the ICS organization are anchored decentrally in the portfolio companies of the Mutares Group and comprise system-related controls as well as manual spot checks, system-related and manual reconciliation processes and the separation of executive and controlling functions (so-called "separation of functions").

The Board of Management is not aware of any relevant indications that materially conflict with the appropriateness and effectiveness of the internal control system as a whole. Irrespective of this, every internal control system is subject to inherent limitations which, by their very nature, do not provide complete assurance that all relevant risks are detected via appropriate control mechanisms and addressed fully and effectively.

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This is all the more true due to the frequent changes in the composition of the portfolio inherent to the business model and the special investment focus of Mutares on targets in economically challenging situations or situations of transition (e.g. pending restructuring).

Internal control and risk management system in relation to the accounting process

The internal control and risk management system relating to the accounting process is designed to ensure that all business processes and transactions are recorded in a timely, uniform and correct manner for accounting purposes. The aim of the internal control system for the consolidation of the subsidiaries included in the consolidated financial statements is to ensure compliance with legal standards, accounting regulations and internal accounting instructions. Changes to these are analyzed on an ongoing basis with regard to their relevance and impact on the consolidated financial statements and taken into account accordingly. The Company's finance department actively supports all business areas and Group companies in this regard, both in developing uniform guidelines and work instructions for accounting-relevant processes and in monitoring operational and strategic targets. In addition to defined controls, system-related and manual reconciliation processes, the separation of executive and controlling functions, and compliance with guidelines and work instructions are an essential part of the internal control system with regard to the accounting process.

The Group companies or their management are responsible for compliance with the applicable guidelines and accounting-related processes and for the proper and timely preparation of the financial statements. The Group companies are supported in the accounting process by central contacts at the Group parent company.

Internal audit

Against the backdrop of growth, a significant conceptual expansion of Internal Auditing was initiated in the financial year 2022. Among other things, the tasks, purpose, powers and responsibilities of Internal Auditing were codified in a set of rules of procedure (the "Audit Charter") and the annual audit plan for subsequent years was drawn up on the basis of a risk-oriented assessment of relevant information in the Group (the "Audit Universe") and management criteria.

7.2 Risks to future development

The table shows the risks discussed in the following[19] and classifies them into the risk classes defined above (low/medium/high) on the basis of the two key dimensions of extent of damage and probability of occurrence (in each case taking mitigating measures into account, i.e. net).

		Current closing date			Previous Year
		Extent of damage	Probability of occurrence	Total	
Future economic conditions	Economic development	High	High	High	High
	Geopolitical development	High	High	High	High
Opportunities and risks inherent in the business model	Increased competition	Medium	Possible	Medium	Medium
	Risks from the acquisition process	Medium	Possible	Medium	Medium
	Failure to achieve restructuring successes	High	Possible	Medium	Medium
	Diversification of the portfolio	Low	Possible	Low	Low
Other risk areas and significant individual risks	Legal and compliance risks	High	Possible	Medium	Medium
	Financial and financing risks	High	High	High	High
	Distribution and sales risks	High	Possible	Medium	Medium
	Sustainability risks	Low	Possible	Low	Low
	Supply chain risks	High	High	High	Medium
	Personnel risks	Low	Possible	Low	Low
	IT risks and data security	High	Possible	Medium	Medium
	Tax risks	Low	Possible	Low	Low

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The order in which the following explanations are presented does not reflect the Management Board's assessment of the extent of damage and/or probability of occurrence. Unless explicit information is provided on which segments are (particularly) affected by the risks presented, they generally apply to the entire Group. The opportunities and risks inherent in the business model, on the other hand, focus on the business activities of Mutares SE & Co. KGaA, consisting of the acquisition, transformation (restructuring, optimization and repositioning) and/or development of companies in situations of transition and their subsequent sale. In addition to the presentation of risks, the following section also provides information on opportunities, insofar as these are of particular relevance in the opinion of the Management Board.

Future economic conditions

Economic development

The ifo Institute's forecast ("ifo Economic Forecast Winter 2022"[20], published in December 2022) assumes that gas prices in Europe will not fall until the second half of 2023. Tight monetary policy will have an impact on the economy and dampen demand, so inflation momentum is expected to weaken. In addition, weakening commodity prices are also expected to reduce the rise in consumer prices.

Gross domestic product, which is expected to contract in the euro zone in the winter half of 2022/2023, is expected to recover slightly in the further course of 2023, resulting in comparatively low growth of 0.6% expected for 2023 as a whole. The assessment of economic development for the current year in Germany is now more positive than previously assumed. Moderate economic growth of 0.2% is expected for 2023 despite the energy crisis and persistent inflation as well as possible further interest rate increases.

On the supply side, production is restricted by bottlenecks in the supply of energy, raw materials and intermediate products and the associated high costs. On the demand side, high inflation is affecting real income, so that household consumption is being dampened despite considerable support from fiscal policy.

Geopolitical development

The war in Ukraine, which started with the military invasion by Russian forces on 24 February 2022, has a direct and indirect impact on the business development, risks, results of operations as well as cash flows of the portfolio companies in the Mutares Group.

Direct effects in the form of lost sales to customers in Ukraine, Russia or Belarus, as well as production stoppages or delivery problems at the Plati plant in Ukraine, had less impact than the indirect effects such as increasingly occurring supply chain disruptions, significant price increases for raw materials, intermediates and energy, and the overall resulting weakening of the economy. The indirect effects are clearly visible and are having a noticeable negative impact on both the earnings situation and the financial situation of individual portfolio companies.

Mutares has taken numerous measures with the entire management team and the managements and workforces of the portfolio companies to mitigate the direct and indirect effects on liquidity and profitability. These include the establishment of a procurement management system and the strict monitoring of the respective suppliers as well as the initiation of measures to pass on price increases to customers and to reduce energy consumption.

Risks inherent in the business model

The success of Mutares' business model depends to a large extent on the ability to identify suitable target companies for acquisition, to acquire them on appropriate terms, and to develop them through active investment management. In this context, the selection of suitable individuals in management positions is essential. The acquisition of companies in economically challenging situations or situations of upheaval (e. g. pending restructuring) with potential for operational improvement holds high value enhancement potential. To this end, extensive transformation plans are being implemented at the portfolio companies. Finally, Mutares must succeed in either selling the investment at an attractive price in order to achieve a high return on invested capital or to sustainably collect dividends from profitable portfolio companies.

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Increased competitive situation
Strategic realignments of major groups are leading to a stable supply of acquisition opportunities, which may be particularly high due to additional opportunities in a context of continuing economic uncertainty. Price expectations on the sellers' side remain fundamentally high, but could also be depressed by economic developments. The fundamental attractiveness of the "companies in transition" market segment has also led to increased competition. For example, funds have entered the market as competitors, particularly in France. In addition to the growing number of direct competitors, strategists, particularly from China, are increasingly entering the market segment with the aim of expanding entrepreneurially. However, Mutares successfully relies on its reliability and competence as an experienced expert for transformation and repositioning.

Opportunities and risks from the acquisition process
As part of its business model, Mutares actively and systematically looks for targets in situations of transition. In times of high uncertainty, additional opportunities may open up, especially on the buy side. The pipeline for purchase transactions comprises a mid-double-digit number of significant acquisition projects. In addition to Mutares' strong reputation with a successful track record in the market for special situations private equity, financial flexibility is another pledge of trust for our transaction partners.

Significant tax, legal and economic risks are associated with the acquisition of companies in situations of transition, even if an in-depth analysis of the company (due diligence) has taken place prior to the acquisition. Liabilities, obligations and other encumbrances of the respective target company that were not known or identifiable at the time of acquisition despite the due diligence performed may have a material adverse effect on Mutares. This applies in particular if as-is or other guarantees are given to the sellers. In these cases, even if the seller provides significant financial resources for restructuring as consideration, the net assets, financial position and results of operations of the Mutares Group may be significantly impacted.

As a matter of principle and in order to minimize the effects of any insolvency of individual companies within the Group, no profit transfer or cash pooling agreements are concluded within the Mutares Group. In some cases, guarantees, sureties, loans or similar commitments are given or extended to investments after detailed examination to exploit business opportunities, growth or working capital financing. The utilization of the guarantees and sureties or the default of the loans may have negative consequences on the net assets, financial position and results of operations of Mutares.

In order to reduce the extent of potential risks, Mutares also uses a corporate structure in which the operating risks of each individual investment are ring-fenced via a legally independent company (intermediate holding company). This is to ensure that the sum of any risks that may arise cannot exceed the previously assessed maximum risk. This risk generally amounts to the purchase price paid, plus any further financing measures and any off-balance-sheet obligations, less the returns received from the operating activities of the respective company over the holding period.

Failure to achieve restructuring success
If Mutares succeeds in successfully restructuring and developing the investments as planned, there is a high value enhancement potential for Mutares. There is a risk that Mutares also acquires investments whose restructuring turns out to be more difficult than assumed in the previous due diligence. Even with careful and conscientious selection of the target companies, it can also not be ruled out that the success Mutares is aiming for from the turnaround situation does not occur or does not occur quickly enough in individual cases, or that the economic or political framework conditions in the countries important for the portfolio companies deteriorate.

If the positioning in the market, the value enhancement potential or other key success factors of Mutares are incorrectly assessed, this may have consequences for the operational development of the investment and thus for the return at Mutares. Furthermore,

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it cannot be ruled out that the ability to restructure is incorrectly assessed or that risks are not fully recognized or are incorrectly assessed prior to an acquisition. It is therefore possible that the value of investments develops negatively, that the measures initiated are not successful and that the return targeted by Mutares is not achieved for a variety of reasons. This would result in portfolio companies being resold below their acquisition price or having to file for insolvency. In the latter case, Mutares would suffer a total loss of the capital invested, i.e. lose all financial resources used for the acquisition, ongoing support and, if applicable, financing of this portfolio company. In addition, there could be the threat of claims by third parties arising from commitments made by Mutares.

Diversification of the portfolio
When selecting investments, Mutares is generally not limited to specific regions or business models. However, the focus is on companies with a focus of activities in Europe that are in a situation of transition or are suitable as add-on acquisitions for existing platforms. In terms of sectors, the focus is on the three segments Automotive & Mobility, Engineering & Technology and Goods & Services. These focuses may lead to a concentration of investments within individual industries or regions, which exposes Mutares to fundamental industry and/or regional risk. Mutares strives to minimize these risks through a diversified portfolio of companies, thus limiting the risks of individual sectors or regions from economic fluctuations or geopolitical developments. The Management Board also strives for a balanced distribution of portfolio companies with regard to the three phases of value creation that investments usually go through during their affiliation with Mutares (realignment, optimization and harvesting). However, diversification of the investment portfolio can only reduce those risks that are limited to certain industries or regions or specific stages of value creation. However, economic and/or geopolitical developments as well as the development of the financial markets as a whole regularly take place across industries and regions. Their influence on the business success of Mutares can therefore only be reduced to a limited extent through diversification.

Other risk areas and significant individual risks

Legal and compliance risks
In connection with its business activities, Mutares may be confronted with various legal disputes and legal proceedings. Some of the associated risks are significant. Details on ongoing proceedings are presented in the section “Litigation”.

For example, difficulties may arise in fulfilling obligations under purchase agreements or business plans communicated prior to a transaction. Both can end in legal disputes, the probable outcome of which cannot always be clearly estimated. In addition, legal cases taken on by the portfolio companies may turn out to be more critical, but also more positive, in the course of time than originally assumed.

Furthermore, failure to comply with legal requirements and regulations may result in the threat of official proceedings.

Capital Market Compliance
Mutares is subject to capital market regulations in the European Union and is therefore exposed to risks regarding related enforcement measures. A finding of a violation of capital market regulations could have various adverse effects on Mutares, including fines and reputational damage.

Privacy
Data protection requirements apply to the Mutares Group with regard to, among other things, the use and disclosure of personal data as well as the confidentiality, integrity and availability of such data. In particular, Mutares is subject to the strict requirements of the EU’s General Data Protection Regulation (GDPR), which has been in force since May 2018. If Mutares Group does not comply with this regulation, this could lead to claims for damages and other liability claims, high fines and other penalties, as well as damage to business relationships with various partners and Mutares’ reputation.

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Risk from pass-through liability

The Mutares Group operates in many foreign jurisdictions. There is a risk that, due to the more restrictive legal systems abroad compared to Germany, there may be increased liability risks, for example in the form of a liability to pass through. In France, for example, where several of the shareholdings have their economic center of gravity, there are rulings on pass-through liability with regard to the status of employee (so-called "co-employeur" or so-called "employeur conjoint"), which extends the obligations of an employer to its parent company as well. Most recently, the argumentation towards co-employer status has been clarified by case law. Mutares has aligned its employee deployment in such a way that a pass-through liability is avoided as far as possible. However, it cannot be ruled out that a claim will nevertheless be made.

In addition, Mutares is also exposed to a risk of pass-through liability in relation to other areas of law. This applies in particular, but not exclusively, to the risk arising from potential violations of antitrust and competition law, where not only potential fines are calculated on the basis of Group revenue, but – under certain circumstances – the Group parent company could also be held liable.

Obligations from acquisitions and disposals of companies

In connection with contracts for the purchase or sale of companies, Mutares issues guarantees under which it may be held liable or which may lead to legal disputes (for an overview of all current guarantees, please refer to Note 45 of the notes to the consolidated financial statements). The issuance of guarantees can be a differentiating factor in the competition for potential takeover targets if competitors are unable to issue guarantees due to their own articles of association. In individual cases, a possible claim under the guarantees given may have a significant negative impact on the net assets, financial position and results of operations of the Mutares Group.

In principle, the Management Board does not anticipate any utilization of the obligations arising from the acquisition and sale of companies. However, depending on further economic developments, the probability of utilization may increase and it cannot be ruled out that the obligations entered into may be utilized.

Litigation

A lawsuit was filed in the Court of Michigan against companies of the SFC Solutions Group by the former owner Cooper-Standard Automotive, Inc. ("CSA") based on alleged default in payment of royalties. The lawsuit is based on a licensing agreement under which companies of the SFC Solutions Group are required to pay royalties on intellectual property owned by CSA. However, there is essentially disagreement about the basis, cause, scope and existence of the claimed royalties. SFC Solutions Group considers the action to be inadmissible, in any case without merit, and has taken up the defense. The Court of Michigan has referred the action to the competent federal court in Michigan/MI (USA).

Another lawsuit is being pursued by the liquidator of the former investment Grosbill, based on an alleged corporate liability of Mutares. At the same time, the former seller of Grosbill is being sued for breach of contract towards the sold company. Mutares has defended itself in full against this action, which it considered to be without merit. The lawsuit was initially deleted from the list of ongoing proceedings for lack of grounds and put on hold; at the end of 2022 (shortly before the statute of limitations for potential claims), the plaintiff filed a new statement of claim containing grounds. Mutares will defend itself against this as the claims are considered to be without merit.

Other obligations

Indirect subsidiaries of Mutares SE & Co. KGaA from the Engineering & Technology segment are involved as partners in joint agreements within the framework of joint ventures or consortium agreements. These have been entered into with the aim of implementing customer projects. The majority of the joint ventures are based in Germany. The share of ownership ranges from 28% to 77%.

Taking into account the structure and legal form of the arrangements and all other relevant facts and circumstances, the joint arrangements are to be classified as joint operations that are not individually material to the Group.

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As of the reporting date, the joint and several liability from the investment in the civil law companies relates to projects with a total contract value equivalent to approximately EUR 462 million (previous year: approximately EUR 368 million). The own share of the portfolio companies included in this amounts to EUR 192.5 million (previous year: EUR 162 million). Due to the ongoing credit assessments of the ARGE and consortium partners, Mutares does not assume that a claim will be made for the shares of other companies. Mutares also does not expect a utilization for its own share – with the exception of the amounts recognized as provisions for onerous contracts or as part of the loss-free valuation.

Financial risks and financing risks

Price change, default and liquidity risk

Fluctuations in prices, sales and demand, including supply bottlenecks on the part of customers and suppliers, as well as general fluctuations on the commodity, capital and currency markets can have a negative impact on the Group's financial position and results of operations. Mutares counters the risks at the level of the portfolio companies by continuously and promptly monitoring the business results and project progress, among other things with the help of indicators (e.g. cash balance and cash flow development), in order to be able to take countermeasures at an early stage. In addition to extensive on-site reviews, a central management information system is used to monitor the performance of the portfolio companies in real time. The level of cash and cash equivalents is monitored on a weekly basis. Nevertheless, there is a risk that the management information system may provide insufficient, late or incorrect information, resulting in incorrect decisions being made.

Financial instruments are used as required to hedge commodity, currency and interest rate risks. The focus of the instruments is on forward transactions which provide for a fixed cash inflow or outflow in the future. The aim of using financial instruments is to hedge underlying transactions and reduce risks from cash flow fluctuations. The discontinuation of the underlying transaction or a change in the assumptions essential for hedging can lead to an increased liquidity risk.

Another significant risk for Mutares against the background of its business model is the correct quantification of the future prospects and the restructuring effort of the portfolio companies, the provision of appropriate financing and the corresponding human resources on the part of Mutares. This risk is limited as best as possible through focused due diligence and subsequently continuously monitored.

In the case of trade receivables, there is a risk of loss for the Group if one of the parties fails to meet its contractual obligations. To hedge against this risk, credit default insurance is taken out in some cases. In addition, business relationships should only be entered into with creditworthy contractual parties and, if appropriate, with the provision of collateral, in order to mitigate the risks of loss arising from the non-fulfillment of obligations. Nevertheless, additional bad debt losses cannot be ruled out, particularly in connection with negative effects of the current general conditions on the economic performance of customers of the portfolio companies.

Financing risks

The Management Board considers the further development of the Group to be dependent to a not inconsiderable extent on financing risks, which can have an important influence on the net assets, financial position and results of operations.

Increasing regulatory requirements for banks and insurance companies as well as a change in the credit rating of individual investments may lead to more difficult or less favorable financing conditions or to more difficult and more expensive procurement of guarantees. In addition to the bond terms and conditions affecting Mutares SE & Co. KGaA, the contracts in connection with financing lines at the investments generally contain covenants and other obligations, the breach of which may give the financing partner the right to terminate and thus have a negative impact on the financial position.

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Investments with existing financing in the form of credit, loan, leasing, guarantee or factoring agreements at the time of acquisition are exposed to the risk that the financing partners may terminate these financing agreements at short notice in the event of a change of ownership or provide them with less favorable terms. In addition, if performance falls short of planning, the repayment of (loan) liabilities may be delayed or not possible in full.

Mutares counters these risks by usually contacting financing partners before or shortly after the acquisition and also explaining in detail the current financial situation and the restructuring plan for the investment. However, there is a fundamental risk with every takeover that the previous financing partner cannot be fully convinced and therefore announces the termination of the existing financing. The same can happen due to a breach of agreed covenants.

The short- and longer-term yield curves in the euro area have reacted to the inflation trend with an increase. If the current inflation momentum continues, it must be assumed that interest rates will continue to rise, which may have an impact in particular on short-term financing without fixed interest rates and on the floating-rate bond. The possible interest rate risk can be hedged by means of suitable instruments (e.g. interest rate swaps, options) after examining the individual case. Even hedging does not fully protect against the effects of rising interest rates in such constellations. In addition, hedging transactions involving the use of financial instruments may give rise to valuation and liquidity effects that have a negative impact on the net assets, financial position and results of operations.

In the case of investments that are to be developed with a new strategy following successful repositioning, access to external financing is often an essential prerequisite for further growth. Due to a more restrictive financing environment as well as the commenced reduction of the expansive monetary policy of the European Central Bank, and thus a possible reduction of the available liquidity on the credit and capital markets, such financing may not always be secured.

Distribution and sales risks

Adjusting the product and customer portfolio for negative contribution margins is usually part of the restructuring following the acquisition of a new portfolio company. The loss of profitable customers or the delay of major orders in particular can have a negative impact on the net assets, financial position and results of operations of portfolio companies whose business is highly concentrated on a small number of major customers or projects. The same applies to sales markets characterized by high competitive pressure, from which the contribution margins and margins of the portfolio companies suffer. Finally, problems with customers that have arisen at one investee may also have a negative impact on the Group's other investees, especially those in the same segment.

As a rule, these risks are countered by active communication with customers and systematic sales structure and work at the level of the respective shareholding. Particularly for customers who account for a large proportion of sales, the aim is to conclude longer-term contracts, thereby increasing the ability to plan. Intensive communication can lead to better opportunities for orders or for large orders, especially if order processing has been satisfactory to both sides in the past.

Sustainability risks

Sustainability risks can include environmental, social or governance risks ("environmental, social, governance" or "ESG" for short) and, if realized, can have an impact on Mutares' reputation in addition to its earnings and liquidity position.

Environmental risks[21] include risks to the health of people, living creatures, the environment and nature and can arise from a company's business activities and its products ("inside-out view"). Causes may include waste, chemicals and raw materials that cause air, soil and water pollution. Mutares may be exposed to these risks at the level of the portfolio companies, for example by taking over hidden soil and groundwater damages, which may cause cost-intensive remediation requirements. By means of a careful examination of possible environmental risks and their costs, Mutares already

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deals with the acquisition of a target company in the context of due diligence before the acquisition. Environmental risks can also arise as a result of an accident, for example if harmful substances leak into the environment. The occurrence of such environmental risks is counteracted by an active approach to environmental protection and occupational safety as well as the training of employees at the producing sites of the portfolio companies.

Furthermore, environmental risks can also consist of climate-related risks that are physical or transitory in nature (so-called transition risks).

Physical climate risks

Physical climate risks comprise risks from direct damage to and/or costs for a company ("outside-in view") as a result of physical phenomena such as extreme weather events. A distinction is made between increasing frequency and intensity (acute climate risks) and longer-term changes in mean values and fluctuation ranges of various climate variables (chronic climate risks). Mutares counters the acute, physical climate risks, which can have an impact on the earnings and liquidity situation, for example through a shutdown of operations or through repair and investment costs, at the portfolio company level. Among other things, building damage insurance policies that cover the operating sites may also include claims from natural disasters. Chronic, physical climate risks may be relevant for those portfolio companies that conduct their business activities in locations that are more exposed to extreme weather events in the future, such as coastal locations. These are not yet directly affected by loss events today, but may be affected in the future due to the impact of climate change. If a portfolio company is affected by chronic, physical climate risks, this is countered by physical measures such as flood protection.

Chronic, physical climate risks have not materialized for the Mutares Group as of the current status, nor have any material chronic, physical climate risks been identified.

Climate-related transition risks

Climate-related transition risks can materialize through new legislation and further structural changes. For example, consumers' increasing orientation towards climate protection leads to market risks for a company's products and services that do not contribute to a CO_2-neutral overall economy. Political and regulatory changes, such as the introduction of a CO_2 tax, can have a negative impact on business activities.

Managing these climate-related transition risks is critical for Mutares and its sustainable development.

Supply chain risks

Procurement risks

In the area of purchasing, the Group companies are exposed to risks such as supplier default, late or poor-quality delivery, and price fluctuations, especially of raw materials. Mutares counters these risks by establishing a procurement management as well as a strict monitoring of the respective suppliers on the level of the portfolio companies. At various investments of Mutares, partly dramatic price increases of raw materials (e.g. steel, plastic granules and pulp) up to restrictions in availability due to a shortage of raw materials on the procurement markets were observed in the financial year 2021 and also still in the financial year 2022. Depending on further developments, this may have potentially negative and in some cases also very negative effects on profitability in the Group, particularly if it is not possible to pass on these price increases to customers to an appropriate extent.

The Supply Chain Due Diligence Act ("Supply Chain Act") came into force on 1 January 2023. The aim of the Act is to ensure compliance with fundamental human rights standards in global supply chains. This was and is already a matter of course for the companies of the Group as required by the Mutares Code of Conduct before. Notwithstanding, Mutares is currently adapting its internal processes to the requirements of the new law. Companies within the scope of the Supply Chain Act are required, among other things, to extensively expand their risk assessment and supply chain management. The core of the expanded risk management is a comprehensive risk analysis, which must be carried out once a year as well as on an ad hoc basis if the company expects human rights and environmental risks to have changed significantly or expanded. As with other new laws, questions arise when implementing the requirements of the Supply Chain Act regarding the practical implementation of the regulations into operational practice. Mutares has decided to implement all requirements conscientiously and with the advice of external experts.

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Production risks

The individual portfolio companies of the Mutares Group are exposed to various production risks. There is a risk that after the acquisition of a company, the optimization measures implemented by Mutares may not have an effect or may have a delayed effect and that cost savings cannot be implemented or can only be implemented with a delay. In addition, quality problems and delays in new and further product developments may lead to a loss of orders and customers at individual investments, which may have a negative impact on the net assets, financial position and results of operations of the respective company. Mutares addresses such risks by deploying qualified personnel and closely monitoring production processes.

Trade credit insurance

In the event of a change of ownership in particular (and especially in the case of asset deals), trade credit insurers subject their exposures to intensive scrutiny, with the risk of deterioration in insurance conditions or cancellation of limits/cover commitments. For individual portfolio companies, this may result in increased liquidity requirements due to advance payments required from suppliers. At the same time, risks may arise from increased bad debt losses if these cannot be sufficiently covered by taking out trade credit insurance. Mutares counteracts these risks in the portfolio companies by a tight accounts payable and receivable management adapted to the circumstances and regularly tries to reach an agreement with the seller already in the purchase agreement regarding purchase conditions and payment terms, provided that the seller remains a major supplier after the acquisition.

In order to prevent the risk of a deterioration in insurance conditions or a cancellation of the limits/cover commitments, contact is generally made with trade credit insurers before or shortly after the acquisition and the current financial situation and the restructuring plan for the investment are also explained in detail. Proactive communication and regular reporting of the shareholdings to the trade credit insurers create a basis of trust that enables constructive cooperation.

Personnel risks

Mutares' business success depends to a large extent on experienced key personnel, who must have outstanding cross-industry expertise in corporate transactions, financing and corporate law, as well as operational restructuring, while at the same time being highly resilient. Mutares competes globally with private equity firms in recruiting and retaining these key personnel, who are also in high demand for this profile. Mutares faces this competition and ensures through a bundle of measures that the company has sufficient highly qualified personnel to operate its business model. Through careful personnel selection, a high degree of autonomy for the restructuring managers deployed, and compensation that is as variable and highly performance-related as possible, Mutares offers an attractive working environment for entrepreneurial personalities.

In the portfolio companies, too, averting fluctuation or recruiting qualified personnel is a key success factor. Here, local factors – such as locations without an attractive local living environment or high demand from other employers in the region – can represent an additional risk. Here, too, Mutares tries to create attractive framework conditions for qualified personnel by offering appropriate conditions, which are generally also designed to be success-oriented.

IT risks and information/data security

The business and production processes and the internal and external communication of companies are based to a large extent on information technologies. Data protection requirements are constantly changing and increasing – particularly with regard to the confidentiality, availability and integrity of personal data, but also increasingly with regard to authenticity, non-repudiation, binding nature and reliability. Reliable protection against unauthorized access, for example to sensitive information on potential transactions, the portfolio companies or economic information of the Mutares Group, is particularly important. Attacks on networks, infrastructure, applications, systems as well as targeted interception of digital, analog and spoken information represent a risk for the Mutares Group. A significant disruption or failure of the systems used may lead

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to an impairment of business and production systems up to a complete loss of information and data and may result in financial, compliance and reputational damage.

Therefore, the preparation, monitoring and training of IT documentation on the hardware used, software licenses, the network and security policies, including access and data protection security concepts, is an integral part of risk prevention in the Mutares Group. The IT structures and data flows in the Mutares Group are largely standardized. In order to prevent potential failures, data loss, data manipulation and unauthorized access to the IT network, Mutares uses current and, in some cases, industry-specific standard software from renowned providers. If necessary, this is supplemented by the Group's own specific developments, which are subject to continuous quality control. Back-up systems, mirrored databases and a defined emergency plan sustainably secure the data stock and ensure its availability. The IT systems are protected by special access and authorization concepts as well as effective and continuously updated anti-virus software.

All business processes of Mutares SE & Co. KGaA have been recorded, evaluated and transferred to a data protection management system within the scope of DSGVO or GDPR compliance. All employees of Mutares SE & Co. KGaA are provided with detailed guidelines and work instructions on the subject of data protection, data security and general information security The IT infrastructure of Mutares SE & Co. KGaA is also continuously kept up to date with the latest technical standards.

Newly acquired portfolio companies of Mutares are regularly confronted with the challenge of separating the existing IT systems from the IT landscape of the former parent company and/or upgrading them to a state of the art level in a timely, cost-efficient manner and without system failures. Such changeover phases are also subject to the risks outlined above. Mutares generally pursues the approach here of subjecting the group companies to technical modernization as part of the carve-out, replacing outdated systems and hardware and thereby raising the IT security standard, as well as identifying and implementing applicable standards and laws in the security context. As part of due diligence with regard to IT, IT and information risks are recorded, assessed and mitigation measures defined. The implementation of these measures is weighed according to a dedicated cost-benefit ratio and can also imply risk acceptance, avoidance or transfer (e.g., through appropriate insurance). The goal is always the use of state-of-the-art systems and applications and the use of cloud technologies for an efficient and secure delivery of business processes. Mutares strives to achieve a high level of transparency regarding the security level of each Group company and to ensure pragmatic implementation of security measures in line with the respective security ambition.

The generally observed increase in attacks on commercial enterprises with the aim of sabotage, blackmail or industrial espionage in recent years reinforces our approach to continuously review and improve our standards. To this end, Mutares has invested in the field of cyber security for the future in order to further conceptualize and implement information and IT security according to leading standards as well as to continuously monitor and consistently establish relevant standards and laws within the Group.

Tax risks

Mutares SE & Co. KGaA and its portfolio companies operate worldwide and are therefore subject to various tax laws. Uncertainties with effects on the net assets, financial position and results of operations of the Mutares Group may thus result in particular from ongoing changes in legislation, case law and different legal interpretations by the respective tax authorities, and may possibly assume a significant extent. In order to be able to respond appropriately to the associated tax risks, changes in tax legislation are continuously monitored by the tax department and countered by means of appropriate measures. External experts are consulted where necessary.

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Overall statement on the risk situation

Based on the information currently available to the Management Board from the systematic, multi-level risk management system, no risks can be identified by the Management Board that could individually or in combination jeopardize the continued existence of the Mutares Group or individual material Group companies. However, it is generally possible that future assessments may deviate from this current assessment. In particular, the further course of the armed conflict between Russia and Ukraine that started on 24 February 2022 and its respective economic impact cannot be reliably estimated at the time of preparation of this combined management and group management report; however, in the opinion of the Management Board, this does not affect the positive going concern forecast for the Mutares Group as a whole.

7.3 Opportunities for future development

The identification of opportunities and the entrepreneurial exploitation of the identified opportunities represent the core of the Mutares business model.

In addition to the presentation of risks above, the following section provides information on opportunities where the Management Board considers them to be of particular relevance. The order in which the following explanations are presented does not reflect the assessment of the opportunities in terms of their significance.

Opportunities inherent in the business model [22]

The acquisition of companies in economically challenging situations or situations of upheaval (e.g. pending restructuring) with potential for operational improvement holds high value enhancement potential. To this end, extensive transformation plans are being implemented at the portfolio companies. Ultimately, Mutares must succeed in selling the investment in order to achieve a high return on invested capital and sustainably collect dividends from profitable portfolio companies.

As part of its business model, Mutares actively and systematically searches for target companies in situations of transition. In times of high uncertainty, additional opportunities may open up, especially on the buy side. The pipeline for purchase transactions includes a high double-digit number of significant acquisition projects. In addition to Mutares' strong reputation with a successful track record in the market for special situations private equity, financial flexibility is another pledge of trust for our transaction partners.

Mutares is present in other strategic core markets in Europe through its own offices, in addition to its home market of Germany. This makes it possible to compensate for regional fluctuations in the transaction markets and to ensure a constant deal flow.

Mutares' business success depends to a large extent on experienced key personnel who must have cross-industry expertise in corporate transactions, financing and corporate law, as well as operational restructuring, while at the same time being highly resilient. Mutares competes globally with private equity firms in recruiting and retaining these key personnel, who are also in high demand for this profile. Mutares faces this competition and tries to ensure through a bundle of measures that the company has sufficient highly qualified personnel to operate its business model. These include not only variable, highly performance-related remuneration structures commensurate with the high level of expertise required; through careful personnel selection, a high degree of autonomy for the restructuring managers deployed, and value-oriented management behavior, Mutares is attempting to offer an attractive working environment for entrepreneurially oriented personalities.

Overall statement on the opportunity situation

The opportunities inherent in the business model described are not the only ones that arise and are flanked in particular by opportunities in the existing portfolio and a possible exceptionally good business performance in the portfolio companies (as described in the reports from the portfolio companies in Note 2.3). The assessment of opportunities for future development is also subject to change, as both the Group and the markets in which the portfolio companies operate are subject to continuous change. It is also possible that opportunities may not necessarily materialize.

8 FORECAST REPORT

The forecast for the financial year 2023 in the combined management report for the financial year 2022 continues to be influenced by the war in Ukraine. The war in Ukraine has direct and indirect effects on the business performance, risks, results of operations and cash flows of the portfolio companies in the Mutares Group. The Management Board assumes that, as in the reporting year, direct effects in the form of lost sales with customers in Ukraine, Russia or Belarus as well as production shutdowns or delivery problems at the Plati plant in Ukraine will have less impact in the financial year 2023 than the indirect effects such as ongoing disruptions in supply chains, significant price increases for raw materials, intermediate products and energy, as well as the overall resulting weakening of the economy. The indirect effects are clearly visible and have a noticeable negative impact on both the results of operations and the financial position of individual portfolio companies. Mutares, together with the entire management team and the managements and workforces of the portfolio companies, has taken numerous measures to mitigate the direct and indirect effects on liquidity and profitability, which will be continued or adapted and/or expanded in the financial year 2023. These include the establishment of a procurement management system and the strict monitoring of the respective suppliers, as well as the initiation of measures to pass on price increases to customers and reduce energy consumption. Notwithstanding the above, the Management Board believes that the future development of the portfolio companies and the Group as a whole in terms of financial position, net assets and results of operations will be significantly influenced by the further course of the war in Ukraine and the associated disruptions to supply chains as indirect effects, significant price increases for raw materials, intermediate products and energy, and an overall weakening of the economy.

As a result, the Management Board's forecast is not only subject to greater uncertainty than usual due to the high degree of uncertainty regarding future economic developments, but also expressly assumes that risks from the armed conflict between Russia and Ukraine will not materialize to an even greater extent than before, to a significant extent for the financial position, net assets and results of operations of Mutares; in particular, there is a significant risk for individual portfolio companies in the Mutares Group that the significant increase in procurement prices and the loss of revenues will have a negative impact on the companies' earnings and financial position and slow down the restructuring processes.

At the same time, however, the Management Board believes that the weakening economy and the resulting increase in restructuring pressure will provide many companies with more opportunities to acquire additional portfolio companies in line with Mutares' investment focus. In this environment, the Management Board continues to aim for a **transaction volume** for the financial year 2023 at least at the level of the financial year 2022. Currently, it is not foreseeable that the currently high transaction activity will decline; therefore, the Management Board is confident to achieve this target.

Against the background of the transactions of the current financial year 2023 concluded and signed by the preparation date of this combined management and group management report, the assumptions regarding further intended transactions in the course of the year, as well as the planning of the individual portfolio companies prepared in the second half of the financial year 2022, the Management Board continues to expect an increase in annualized **revenues** for the Mutares Group to EUR 4.8 billion to EUR 5.4 billion in the financial year 2023. All three Mutares segments are again expected to contribute to this.

Taking into account the transactions concluded, signed and intended by the preparation date for the current financial year 2023, (reported) **EBITDA** is again expected to reach at least a slightly positive level, in particular due to the gains from bargain purchases arising in this context.

In terms of **adjusted EBITDA**, the Management Board currently expects an extraordinary improvement compared with the 2022 financial year on the basis of the existing budgets and the start to the 2023 financial year to date, on balance due to opposing effects. Adjusted EBITDA will be negatively impacted by the negative earnings contributions of the newly acquired investments. On the other hand, from today's perspective the Management Board expects a clearly positive overall contribution to adjusted EBITDA from the restructuring measures successfully initiated in the acquisitions from the 2020 and 2021 financial years and in some cases also in the acquisitions from 2022, and the resulting increase in the respective profitability. However, adjusted EBITDA is expected to continue to be negatively impacted by the in part massive price increases for raw materials and energy at various shareholdings. Depending on the further development of raw material prices in the financial year 2023 and the development of pricing

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on the sales side, negative and in some cases also very negative effects on the Group's profitability cannot be ruled out, especially if it is not possible to pass on these price increases to an appropriate extent to the customers of the portfolio companies affected or to postpone expected price reductions.

The **net profit** of Mutares SE & Co. KGaA shall regularly be in a range of 1.8% to 2.2% of the consolidated revenues of the Mutares Group. Based on expected revenues for the Mutares Group of EUR 5.1 billion on average, the Management Board therefore expects a net profit of EUR 92 million to EUR 112 million in the financial year 2023. All sources from which the net profit of Mutares SE & Co. KGaA is generally derived, namely revenues from the consulting business on the one hand and dividends from portfolio companies as well as exit proceeds from the sale of investments on the other hand, are expected to contribute to this. Based on the current planning and under consideration of the risk factors, the Management Board therefore assumes that a sufficiently high net profit can also be generated for the financial year 2023 in order to ensure the ability of Mutares SE & Co. KGaA to pay dividends at least at the level of the market expectation.

Beyond this, the Management Board has no new information to suggest that the most recent forecasts and other statements – despite some changes in the underlying conditions – regarding the expected development of the Group for the financial year 2023 have changed significantly.

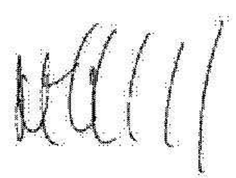
Munich, 5 April 2023

Mutares Management SE,
General Partner of Mutares SE & Co. KGaA

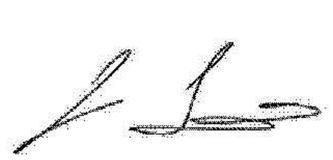
The Board



Robin Laik



Mark Friedrich



Johannes Laumann

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FROM 1 JANUARY TO 31 DECEMBER 2022

EUR million	Note	2022	2021
Revenues	6	3,751.7	2,504.0
Change in inventories		-16.4	6.8
Other income	7	355.5	770.1
Cost of material	8	-2,398.6	-1,579.7
Personnel expenses	9	-909.6	-660.4
Other expenses	10	-601.2	-474.3
Earnings before interest, taxes, depreciation and amortization (EBITDA)		181.5	566.5
Depreciation and amortization expenses		-184.6	-119.2
Earnings before interest and taxes (EBIT)		-3.1	447.3
Financial income	11	15.1	8.5
Financial expenses	11	-68.4	-27.2
Profit before tax		-56.5	428.6
Income tax expense/income	12	35.5	13.7
Net income for the year		-21.0	442.3
Of which attributable to:			
Shareholders of the parent company		-6.7	449.0
Non-controlling interest		-14.2	-6.7
Earnings per share in EUR (basic)	14	-0.33	26.85
Earnings per share in EUR (diluted)	14	-0.32	26.83

EUR million	Note	2022	2021
Net income	13	-21.0	442.3
Other comprehensive income		30.1	5.5
Items reclassified to profit or loss in future if certain conditiones are met			
Currency translation differences		-4.9	4.0
Items not subsequently reclassified to profit or loss			
Actuarial gains/losses	37	29.6	4.5
Change in fair value of financial assets/liabilities	35	5.4	-3.3
Other		0.0	0.3
Total comprehensive income	13	9.2	447.8
Of which attributable to:			
Shareholders of the parent company		21.5	453.8
Non-controlling interest		-12.3	-5.9

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CONSOLIDATED BALANCE SHEET

ASSETS
AT 31 DECEMBER 2022

EUR million	Note	31/12/2022	31/12/2021
Intangible assets	16	143.9	134.0
Property, plant and equipment	17	764.2	556.7
Right of use assets (RoU assets)	18	375.6	318.6
Trade and other receivables	23	4.2	5.1
Other financial assets	21	46.0	73.6
Income tax receivables	12	0.6	0.9
Other non-financial assets	22	17.8	0.5
Deferred tax assets	12	20.4	27.4
Contract costs		0.2	0.0
Non-current contract assets	20	4.2	3.7
Non-current assets		1,377.2	1,120.6
Inventories	19	560.7	423.2
Current contract assets	20	46.8	50.6
Trade and other receivables	23	407.1	285.9
Other financial assets	21	183.1	179.4
Income tax receivables	12	3.4	2.8
Other non-financial assets	22	89.8	65.7
Cash and cash equivalents	25	246.4	253.1
Assets held for sale	24	115.0	177.1
Current assets		1,652.4	1,439.8
Total assets		3,029.6	2,560.4

EQUITY AND LIABILITIES
AT 31 DECEMBER 2022

EUR million	Note	31/12/2022	31/12/2021
Share capital	26	20.6	20.6
Capital reserves	27	134.9	134.0
Retained earnings	28	526.6	565.8
Other components of equity	29	30.6	0.8
Share of equity attributable to shareholders of the parent company		712.7	721.2
Non-controlling interests	30	1.4	15.2
Total equity		714.0	736.4
Trade payables and other liabilities	34	4.7	0.6
Other financial liabilities	35	180.7	145.9
Lease liabilities	36	294.6	262.7
Provisions for pensions and other post-employment benefits	37	94.4	153.0
Other provisions	38	119.3	88.9
Other non-financial liabilities	39	2.5	2.9
Deferred tax liabilities	12	116.1	137.8
Non-current contract liabilities	20	4.1	7.6
Non-current liabilities		816.3	799.3
Trade payables and other liabilities	34	588.0	372.2
Other financial liabilities	35	305.9	141.2
Lease liabilities	36	60.2	60.1
Provisions	38	109.8	80.5
Income tax liabilities	12	8.6	3.4
Other non-financial liabilities	39	173.4	148.0
Current contract liabilities	20	156.7	144.8
Liabilities related to assets held for sale	24	97.0	74.5
Current liabilities		1,499.6	1,024.8
Total equity and liabilities		3,029.6	2,560.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FROM 1 JANUARY 2021 TO 31 DECEMBER 2022

	Equity attributable to shareholders of the parent company						
EUR million	**Share capital**	**Capital reserve**	**Retained earnings**	**Other equity components**	**Total**	**Non-controlling interests**	**Total equity**
As at 01/01/2021	15.0	37.9	144.0	-6.6	190.3	16.9	207.2
Net income for the year	0.0	0.0	449.0	0.0	449.0	-6.7	442.3
Other comprehensive income after income taxes	0.0	0.0	0.0	4.8	4.8	0.7	5.5
Complete comprehensive income for the financial year	0.0	0.0	449.0	4.8	453.8	-6.0	447.8
Capital increase with subscription rights	5.1	95.1	0.0	0.0	100.2	0.0	100.2
Costs in connection with the rights issue capital increase	0.0	0.0	-6.3	0.0	-6.3	0.0	-6.3
Dividends paid	0.0	0.0	-23.1	0.0	-23.1	0.0	-23.1
Minority interest transactions	0.5	0.0	4.9	0.0	5.4	0.0	5.4
Recognition of share-based payments	0.0	1.0	0.0	0.0	1.0	0.0	1.0
Transactions with minority interests	0.0	0.0	0.0	0.0	0.0	4.2	4.2
Reclassification due to consolidation	0.0	0.0	-2.6	2.6	0.0	0.0	0.0
As at 31/12/2021	20.6	134.0	565.8	0.8	721.2	15.1	736.4
As at 01/01/2022	20.6	134.0	565.8	0.8	721.2	15.2	736.4
Net income for the year	0.0	0.0	-6.7	0.0	-6.7	-14.2	-21.0
Other comprehensive income after income taxes	0.0	0.0	0.0	28.2	28.2	1.9	30.1
Total comprehensive income for the year	0.0	0.0	-6.7	28.2	21.5	-12.3	9.2
Dividends paid	0.0	0.0	-30.9	0.0	-30.9	-1.5	-32.4
Recognition of share-based payments	0.0	0.9	0.0	0.0	0.9	0.0	0.9
Reclassification due to consolidation	0.0	0.0	-1.6	1.6	0.0	0.0	0.0
As at 31/12/2022	20.6	134.9	526.6	30.6	712.7	1.4	714.0

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CONSOLIDATED CASH FLOW STATEMENT

FROM 1 JANUARY TO 31 DECEMBER 2022

EUR million	Note	2022	2021
Net income for the year	13	-21.0	442.3
Burgain purchases gains (-) from business combinations	5	-262.0	-692.7
Gains (-) / losses (+) from deconsolidations	5	-28.6	3.9
Depreciation and amortization (+) of intangibles and non-current-assets	16, 17, 18	184.6	119.2
Gain (-)/loss (+) from the disposal of non-current assets	16, 17	0.0	-0.1
Other non-cash expenses (+)/income (-)		21.1	15.9
Interest expense (+)/interest income (-)	11	53.3	18.7
Income tax expense (+)/income (-)	12	-35.5	-13.7
Income tax payments (-)	12	-6.1	-6.9
Increase (-)/decrease (+) in inventories	19	-39.4	-22.4
Increase (-)/decrease (+) in trade receivables	23	-60.4	43.1
Increase (+)/decrease (-) in trade payables	34	128.6	38.4
Variations in trade working capital		28.8	59.1
Increase (-)/decrease (+) in contract assets	20	55.4	2.3
Increase (-)/decrease (+) in other assets	21, 22, 24	-7.0	-6.4
Increase (+)/decrease (-) in accruals	37, 38	-53.9	-19.2
Increase (+)/decrease (-) in contract liabilities	20	37.2	17.7
Increase (+)/decrease (-) in other liabilities	35, 39, 24	12.4	-41.4
Variationss in other working capital		44.1	-47.1
Currency translation effects		0.5	-2.2
Cash flow from operating activities		-20.8	-103.5

EUR million	Note	2022	2021
Proceeds (+) from disposals of property, plant and equipment	17	29.2	8.7
Disbursement (-) for investments in property, plant and equipment	17	-84.4	-47.7
Proceeds (+) from disposals of intangible assets	16	1.1	0.3
Disbursement (-) for investments in intangible assets	16	-18.5	-12.0
Proceeds (+) from disposals of assets held for sale	24	18.9	3.0
Payments (-) for additions to the consolidation group	5	-41.6	-25.7
Proceeds (+) from additions to the consolidation group	5	152.0	214.5
Proceeds (+) from disposals from the consolidation group	5	54.3	57.6
Payments (-) from disposals from the consolidation group	5	-27.6	-28.1
Interest received (+)	11	0.7	0.8
Cash flows from investing activities		84.1	171.5
Proceeds (+) from capital increases	26, 27	0.0	100.2
Payments (-) in connection with proceeds from capital increases	26, 27	0.0	-5.9
Dividends paid (-) to shareholders of the parent company	28	-30.9	-23.1
Proceeds (+) / payments (-) in connection with treasury shares	33	0.0	5.4
Proceeds (+) from the issuance of (financial) loans and bonds	35	117.9	61.7
Payments (-) of (financial) loans	35	-60.7	-17.7
Payments (-) for the repayment of lease liabilities	36	-74.0	-49.5
Proceeds (+)/payments (-) from factoring	35	21.2	-9.9
Interest paid (-)	11	-29.3	-13.4
Cash flow from financing activities		-55.8	47.9
Change in cash and cash equivalents		7.5	115.9
Effect of currency translation on cash and cash equivalents		-0.1	0.5
Change in cash and cash equivalents due to IFRS 5 reclassification	24	-16.1	-6.6
Cash and cash equivalents at the beginning of the period	25	255.1	145.3
Cash and cash equivalents at the end of the period	25	246.5	255.1

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A BASICS / GENERAL INFORMATION

1 Reporting company

Mutares SE & Co. KGaA, Munich (hereinafter referred to as "the Company" or also "Mutares" or, together with the direct and indirect subsidiaries, also "Group") has its registered office in Munich and is registered there with the local court in the commercial register section B under number 250347. The registered office and also the head office of the Company is Arnulfstraße 19, 80335 Munich, Germany.

Mutares' business approach comprises the acquisition, transformation (restructuring, optimization and repositioning) and development as well as the sale of companies in transition situations. When selecting targets, Mutares focuses on identifying existing value creation potential that can be realized within one to two years through extensive operational and strategic optimization or transformation measures.

In addition to its home market Germany, Mutares is present in other strategic core markets in Europe through its own offices.

As of 31 December 2022, the portfolio of Mutares SE & Co. KGaA contains 29 operating investments or investment groups (previous year: 23), which are divided into the three segments (1) Automotive & Mobility, (2) Engineering & Technology and (3) Goods & Services.

2 Basis of preparation of the financial statements

The shares of Mutares SE & Co. KGaA are admitted to trading on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange, i.e. the stock exchange segment with the highest transparency and post-admission obligations in Germany.

The Company's financial year is the calendar year. The consolidated financial statements of Mutares for the financial year 2022, consisting of the consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements, have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB. The term IFRS also includes all International Accounting Standards (IAS) still in force as well as all interpretations and amendments of the International Financial Reporting Standards Interpretations Committee (IFRS IC) – formerly the International Financial Reporting Interpretations Committee (IFRIC) – and the former Standing Interpretations Committee (SIC).

The consolidated financial statements have been prepared under the historical cost convention. This does not apply to selected financial instruments and share-based payments, which are measured at fair value. A corresponding explanation is provided in the context of the respective accounting and valuation methods.

Historical cost is generally based on the fair value of the consideration paid in exchange for the asset. The fair value is the consideration that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date. It is irrelevant for the price whether it is directly observable or determined using a valuation technique.

If the fair value is determined using an evaluation procedure, it must be classified in one of the following three categories depending on the observable parameters available and the respective significance of the parameters for a valuation as a whole:

- **Level 1:** Input parameters are quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
- **Level 2:** Input parameters are prices other than those quoted in Level 1 that are either directly observable for the asset or liability or can be derived indirectly.
- **Level 3:** Input parameters are unobservable for the asset or liability.

The Group determines at the end of each reporting period whether transfers have occurred between levels in the hierarchy by reviewing the classification (based on the lowest level input parameter that is significant to the fair value measurement as a whole).

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The general responsibility for monitoring all significant fair value measurements, including Level 3 fair values, bears with the finance department, which reports directly to the Chief Financial Officer. Where necessary, selected external valuers are used to determine the fair value of significant assets and liabilities. Selection criteria include, for example, market knowledge, reputation, independence and compliance with professional standards. The finance department decides in discussions with the external valuers which valuation techniques and input factors are to be applied in each individual case.

As a rule, the Group classifies assets and liabilities as current if they are expected to be realized or settled within twelve months of the balance sheet date. Where assets and liabilities have both a current and a non-current portion, they are broken down into their maturity components and presented as current and non-current assets or liabilities in accordance with the balance sheet classification.

The consolidated statement of comprehensive income is prepared using the total cost method. Mutares SE & Co. KGaA prepares and publishes the consolidated financial statements in euros (EUR). Unless otherwise stated, all figures are generally presented in millions of euros (EUR million for short). Differences of up to one unit (million, %) are rounding differences for computational reasons.

All IASs/IFRSs mandatory for 31 December 2022 and all interpretations (SIC/IFRIC) that have been adopted by the European Union by 31 December 2022 and are effective have been taken into account.

The consolidated financial statements are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Management Board considers information covering a period of at least twelve months from the reporting date. On this basis, there are no known material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

3 Estimates and discretionary decisions

The preparation of financial statements in conformity with IFRS requires estimates and judgments that affect the reported amounts and related disclosures. The estimates and judgments in these consolidated financial statements relate primarily to the purchase price allocations in the context of business combinations (especially the determination of the fair value of assets acquired and liabilities assumed, as well as the estimation of the purchase price). The estimates and judgments in these consolidated financial statements relate primarily to purchase price allocations in the context of business combinations (in particular, determining the fair value of acquired assets and liabilities and estimating contingent purchase price components), deconsolidation due to loss of control, the assessment of the recoverability of intangible assets, property, plant and equipment, and trade receivables, the determination of uniform useful lives for property, plant and equipment and intangible assets throughout the Group, and the recognition and measurement of retirement benefit plans/pension provisions, income taxes, and deferred tax assets on loss carryforwards.

The war in Ukraine, which started with the military invasion of Russian forces on 24 February 2022, has direct and indirect effects on the business performance, risks, results of operations as well as cash flows of the portfolio companies in the Mutares Group. Direct impacts in the form of lost sales with customers in Ukraine, Russia or Belarus as well as production shutdowns or delivery problems of the Plati plant in Ukraine had less influence than the indirect impacts such as the increasingly occurring supply chain disruptions, the significant price increases for raw materials, intermediate products and energy, as well as the overall resulting weakening of the economy. The indirect effects are clearly visible and have a noticeable negative impact on both the results of operations and the financial position of individual portfolio companies. Mutares has taken numerous measures with the entire management team and the management and staff of the portfolio companies to mitigate the direct and indirect effects on liquidity and profitability.

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The assumptions underlying the discretionary decisions and estimates are based on the knowledge currently available. In particular, the expected future business development and the circumstances prevailing at the time of preparation of the consolidated financial statements are taken into account. The future development of the business environment, which is assumed to be realistic, is also taken as a basis. Due to the increased uncertainty regarding future economic developments, among other things in the context of the current geopolitical situation, particularly with regard to the war in Ukraine, the premises for discretionary decisions and estimates are therefore subject to uncertainty to a greater extent than usual. Should the conditions that occur deviate from the premises, or should developments occur that differ from the underlying assumptions and are beyond management's control, the amounts that arise may differ from the originally expected estimates. The estimates are based on historical experience and other assumptions that are believed to be reasonable under the circumstances. The estimates and assumptions are reviewed on an ongoing basis. Changes in estimates are only recognized in the period in which they occur if the change affects only one period. Revisions to estimates that affect both the current and subsequent reporting periods are recognized accordingly in this and subsequent periods.

Further information on estimates and judgments in connection with climate risks can be found in Note 54.

3.1 Estimates

In the context of **business combinations**, estimates are generally made with regard to the determination of the fair value of the acquired assets and liabilities. Land and buildings are generally valued according to standard land values or, like technical equipment and machinery, by an independent expert. For the valuation of intangible assets, independent external experts are generally consulted, depending on the type of asset and the complexity of the valuation . Depending on the type of asset and the availability of information, different valuation techniques are used, which can be broken down into cost, market price and capital value-oriented methods.

The total amount of net assets acquired from the business combinations in the financial year 2022, for which the determination of the fair value was partly subject to estimation uncertainties, amounts to EUR 278.2 million (previous year: EUR 733.1 million).

The fair value of contingent consideration in connection with business acquisitions and disposals that are subsequently measured at Level 3 fair value is determined in accordance with generally accepted valuation techniques based on discounted cash flow analyses. The main input parameters are expectations of future cash flows and discount rates.

The accounting treatment of business combinations for which the measurement period of IFRS 3.45 has not yet expired is still provisional in some cases. For further details, please refer to Note 5.1.

Retirement benefit plans/pension provisions are mapped by Mutares on the basis of actuarial mathematical models. For this purpose, estimates are required and made with regard to, among other things, the discount rate , the compensation, and life expectancy. Changes in market and economic conditions can lead to deviating probabilities of current developments for the parameters mentioned. Differences in significant parameters are calculated on the basis of sensitivity analyses. For details of the estimates made, please refer to the relevant explanatory notes on retirement benefit plans/pension provisions in Note 37.

Mutares estimates the expected **useful lives of** intangible assets with finite useful lives (Note 53.3) and property, plant and equipment (Note 53.4), and tests them for **impairment** annually, both on an ad hoc basis and additionally for intangible assets with indefinite useful lives (including goodwill). The recoverable amount must be estimated. This corresponds to the higher of fair value less costs to sell and value in use. Determining the recoverable amount regularly involves making estimates regarding the forecast and discounting of future cash flows. Management believes that the estimates made regarding the expected useful life and recoverability of certain assets, the assumptions about macro economic conditions and developments in the industries in which Mutares operates, and the estimate of the present values of future payments are appropriate. Nevertheless, changed assumptions or changed circumstances may make corrections necessary. These may lead to additional impairments or even reversals of impairments in the future, if the developments expected by Mutares cannot be fully realized. For details on the estimates made, please refer to the relevant explanations on assets in Note 16 and Note 17.

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Some **leases** in the Mutares Group include renewal and termination options. When determining the term of leases, Mutares considers all relevant facts and circumstances that provide an economic incentive to exercise or not exercise renewal or termination options. Any changes in the lease term are only taken into account if there is sufficient certainty that renewal or termination options will be exercised or not exercised during the lease term. This generally leads to a remeasurement of the lease liability and a corresponding adjustment to the right of use not affecting profit or loss.

3.2 Discretionary decisions

In the process of applying the accounting policies, judgments are made that affect the consolidated financial statements. The judgments described below also include estimates.

In accordance with IFRS 15, Mutares makes judgments in determining the amount and timing of **revenue from contracts with customers**. For contracts that are fulfilled over a period of time, both the input method (cost-to-cost) and the output method are applied, depending on the assessment of Mutares' ability to convey a true and fair view of the performance. For time-period related services, performance is deemed to be fulfilled when the service is rendered. For contracts that are fulfilled at a specific point in time, revenue recognition is based on the transfer of control over the good. As a rule, the assessment of the transfer of control is based on the agreed Incoterms.

The companies of Mutares are obliged to pay **income taxes**. Assumptions are required to determine the tax liabilities. There are business transactions and calculations for which the final taxation cannot be conclusively determined during the ordinary course of business. The Group measures the amount of provisions for expected tax payments on the basis of estimates as to whether and in what amount additional taxes will be due. If the final taxation of these transactions differs from the initial estimate, this will have an effect on the current and deferred taxes in the period in which the taxation is finally determined. For details of the discretionary decisions made, please refer to the explanatory notes on income taxes in Note 12.

For the recognition of deferred tax assets on loss carryforwards, Mutares estimates the future taxable income and the timing of the future realization and thus reversal of deferred tax assets. Estimates of the planned operating result, the result from reversing taxable temporary differences and realistic tax policies are consulted. Due to the uncertainty about future developments of the respective companies, Mutares has to make reasonable assumptions regarding deferred tax assets on loss carryforwards. Accordingly, deferred tax assets are only recognized to the extent that future usability is sufficiently probable. For details on the discretionary decisions made, please refer to the explanations on deferred tax assets on loss carryforwards in Note 12.6.

If the respective assets do not generate cash inflows that are largely independent of other cash inflows, the **impairment test is** performed at the level of the cash-generating unit to which the assets to be tested are allocated.

In the accounting treatment of **leases**, Mutares regularly uses the incremental borrowing rate to discount the lease payments relevant to the measurement of the present value of the lease liabilities due to the lack of availability of the interest rate on which the lease is based. This is determined for each lease on a term-equivalent basis and on a currency-specific risk-equivalent basis and generally comprises three components. These generally comprise corresponding reference interest rates, company-specific credit risk premiums, and contract-specific adjustments. Mutares derives the reference interest rates from maturity-equivalent government bonds using a database. The credit risk premiums specific to companies are determined on the basis of capital market data via synthetic ratings. Contract-specific adjustments are implicitly taken into account.

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B COMPOSITION OF THE GROUP

4 Scope of consolidation

Fully consolidated companies

In addition to the parent company, the consolidated group of Mutares SE & Co. KGaA comprises 194 (previous year: 177) fully consolidated companies as of 31 December 2022. Of these, 76 (previous year: 72) companies have their registered office in Germany and 118 (previous year: 105) companies have their registered office abroad.

As of 31 December 2022, the scope of consolidation includes the intermediate holding companies and the following operating units and national companies:

AUTOMOTIVE & MOBILITY SEGMENT

No.	Participation	Description
1	**MoldTecs Group**[1]	MoldTecs-01-2022 GmbH, Stuttgart, and its subsidiaries
2	**Light Mobility Solutions**[1]	Light Mobility Solutions GmbH, Obertshausen
3	**ESF Industrial Solutions Group**[2]	SFC companies[3] in Europe and India; Elastomer Solutions GmbH, Wiesbaum, and its subsidiaries
4	**KICO and ISH Group**	KICO GmbH, Halver, and its subsidiaries; Innomotive Systems Hainichen GmbH as well as its Chinese subsidiary
5	**Cimos Group**	Cimos d. d., Koper, and its subsidiaries
6	**PrimoTECS Group**	PrimoTECS S.p.A., Avigliana/Italy; and Rasche Umformtechnik GmbH & Co. KG, Plettenberg
7	**iinovis Group**	iinovis Beteiligungs GmbH, Munich, and its subsidiaries
8	**Plati Group**[2]	Plati Elettroforniture S.p. A., Madone/Italy and its subsidiaries

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ENGINEERING & TECHNOLOGY SEGMENT

No.	Participation	Description
9	**Balcke-Dürr and NEM Energy Group**	Balcke-Dürr GmbH, Düsseldorf, and its subsidiaries; NEM Energy B.V., Zoeterwoude/Netherlands
10	**Donges Group**	Donges Steeltec GmbH, Darmstadt, Germany, and its subsidiaries
11	**La Rochette Cartonboard**	La Rochette Cartonboard SAS, Valgelon-La Rochette/France
12	**Lacroix + Kress**	LACROIX + KRESS GmbH, Bramsche, Germany
13	**Special Melted Products**	Special Melted Products Ltd, Sheffield/United Kingdom
14	**Gemini Rail and ADComms Group**	Gemini Rail Services UK Ltd, Wolverton/United Kingdom and ADComms, Scunthorpe/United Kingdom
15	**Guascor Energy**	Guascor Energy S. A., Zumaia/Spain
16	**VALTI**	VALTI SAS, Montbard/France
17	**Clecim**	Clecim SAS, Savigneux/France
18	**Steyr Motors Group**	Steyr Motors Betriebs GmbH and Steyr Motor Immo GmbH, Steyr/Austria
19	**Japy Tech Group**	Japy Tech SAS, Dijon/France

GOODS & SERVICES SEGMENT

No.	Participation	Description
20	**Lapeyre Group**	Lapeyre Holding SAS, Aubervillier/France, and its subsidiaries
21	**Frigoscandia Group**	Frigoscandia AB, Helsingborg/Sweden, and its subsidiaries
22	**Terranor Group**	terranor Oy, Helsinki/Finland; terranor AB, Solina/Sweden; terranor AS, Trige/Denmark
23	**keeeper Group**	keeeper GmbH, Stemwede, Germany, and its Polish subsidiary
24	**EXI and SIX Energy Group**	EXI S.p.A., Rome/Italy and SIX Energy S.p.A, Milan/Italy
25	**Ganter Group**	Ganter Construction & Interiors GmbH, Waldkirch, and its subsidiaries
26	**FASANA**	FASANA GmbH, Euskirchen
27	**Repartim Group**	REPARTIM SAS, Tours/France, and its subsidiaries
28	**SABO**	SABO Maschinenfabrik GmbH, Gummersbach, Germany
29	**Asteri Facility Solutions**	Asteri Facility Solutions AB Solna/Sweden

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NATIONAL COMPANIES

No.	Participation	Description
1	**Mutares France**	Mutares France SAS, Paris / France
2	**Mutares Italy**	Mutares Italy Srl, Milan / Italy
3	**Mutares UK**	Mutares UK Ltd, London / United Kingdom
4 + 5	**Mutares Nordics**	Mutares Nordics Oy, Vantaa / Finland; Mutares Nordics AB, Stockholm / Sweden
6	**Mutares Iberia**	Mutares Iberia S.L., Madrid / Spain
7	**Mutares Austria**	Mutares Austria GmbH, Vienna / Austria
8	**Mutares Benelux**	Mutares Benelux B.V., Amsterdam / Netherlands
9	**Mutares Poland**	Mutares Poland Sp.z.o.o., Czestochowa / Poland

Details of the scope of consolidation are provided in the list of shareholdings, which forms part of these notes to the consolidated financial statements as Annex 1.

5 Changes in the scope of consolidation

5.1 Acquisitions of subsidiaries

The acquisitions of subsidiaries in the two relevant reporting periods are listed below.

5.1.1 Acquisitions of subsidiaries in the financial year

In the period from 1 January to 31 December 2022, the following subsidiaries were acquired and consolidated for the first time:

Acquisition of Toshiba Transmission & Distribution Europe S.p.A. (now operating as Balcke-Dürr Energy Solutions S.p.A.)

Mutares signed an agreement to acquire Toshiba Transmission & Distribution Europe S.p.A. (now operating as Balcke-Dürr Energy Solutions S.p.A.) in October 2021. The company is a provider of power transmission and distribution projects, such as high- and medium- voltage switchgear, battery storage systems, smart grid solutions and renewable energy systems. As an add-on acquisition for the Balcke-Dürr Group, the company strengthens the Engineering & Technology segment. The closing of the transaction took place in February 2022.

The consideration for the acquisition of the company amounted to EUR 1. Acquisition-related incidental costs of EUR 0.4 million were incurred for the transaction. These are included in other expenses in the statement of comprehensive income . In addition, Mutares SE & Co. KGAa received a payment of EUR 12.0 million from the seller (for further details, please refer to Note 45). The acquired net assets were measured at a fair value of EUR 1.1 million, resulting in a bargain purchase gain of EUR 1.1 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	0.1
Property, plant and equipment	0.1
Rights of use assets	0.5
Other non-current assets	0.1
Non-current assets	**0.7**
Inventories	0.0
Receivables and other current assets	7.3
Other current assets	27.6
Current assets	**34.9**
Deferred tax liabilities	0.0
Other non-current liabilities	11.1
Non-current liabilities	**11.1**
Current liabilities	**23.4**
Net assets	**1.1**
Bargain purchase	**1.1**
Consideration	**0.0**

In the course of the purchase price allocation, contingent liabilities in the amount of EUR 7.0 million were also recognized as provisions, which relate to possible obligations in connection with ongoing projects and are uncertain in terms of their amount and timing.

The fair value of the acquired receivables based on a gross receivable amount of EUR 7.9 million at the acquisition date amounts to EUR 7.3 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.6 million

The consolidated financial statements include sales from the acquired company of EUR 4.3 million and earnings after taxes of EUR –4.1 million. If the company had already been acquired on 1 January 2022, it would have had sales of EUR 4.3 million and a result after income taxes of EUR –0.4 million to the Group's result in the financial year 2022.

Acquisition of Polar Frakt AS

In April 2022, Mutares successfully completed the acquisition of Polar Frakt AS as an add-on acquisition for Frigoscandia Group, an investment in the Goods & Services segment, from private owners. The company is headquartered in Oslo, Norway, and specializes in transporting goods to northern Norway. The acquisition is intended to increase the efficiency of Frigoscandia Group's existing logistics routes in Norway and expand its market presence in Norway.

The consideration for the acquisition of the company amounted to NOK 7.5 million (approx. EUR 0.8 million). Acquisition related incidental costs for the transaction were incurred only to an insignificant extent. These are included in the overall result statement under other expenses. The net assets acquired were measured at a fair value of EUR –0.4 million, resulting in goodwill of EUR 1.2 million.

The following table shows the results of the purchase price allocation:

EUR million	Fair value
Intangible assets	0.1
Property, plant and equipment	0.0
Rights of use assets	0.0
Other non-current assets	0.0
Non-current assets	**0.1**
Inventories	0.0
Receivables and other current assets	0.6
Other current assets	0.0
Current assets	**0.6**
Deferred tax liabilities	0.0
Other non-current liabilities	0.0
Non-current liabilities	**0.0**
Current liabilities	**1.1**
Net assets	**–0.4**
Bargain purchase	**1.2**
Consideration	**0.8**

The fair value of the acquired receivables based on a gross receivable amount of EUR 0.7 million at the acquisition date amounts to EUR 0.7 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collectible is EUR 0.0 million.

The consolidated financial statements include sales from the acquired company of EUR 6.3 million and earnings after taxes of EUR 0.0. If the company had already been acquired on 1 January 2022, it would have generated sales of EUR 8.0 million and earnings after income taxes of EUR 0.1 million to the Group's result in the financial year 2022.

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Acquisition of Allegheny Technologies Inc. (now trading as Special Melted Products Ltd.)

In May 2022, Mutares completed the acquisition of the Sheffield business of Allegheny Technologies Incorporated (now trading as Special Melted Products Ltd.). The company acts as a supplier of a range of quality low-alloy steel, stainless steel and nickel-based superalloy products and strengthens the Engineering & Technology segment.

The consideration for the acquisition of the company amounted to GBP 2.5 million (approx. EUR 3.0 million). Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are included in the overall result statement under other expenses. The net assets acquired were measured at a fair value of EUR 68.5 million, resulting in a bargain purchase gain of EUR 65.6 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	0.0
Property, plant and equipment	42.4
Rights of use assets	0.5
Other non-current assets	11.6
Non-current assets	**54.5**
Inventories	29.4
Receivables and other current assets	20.1
Other current assets	3.1
Current assets	**52.6**
Deferred tax liabilities	3.8
Other non-current liabilities	2.8
Non-current liabilities	**6.6**
Current liabilities	**31.9**
Net assets	**68.5**
Bargain purchase	**65.6**
Consideration	**3.0**

The fair value of the acquired receivables based on a gross receivable amount of EUR 20.1 million at the acquisition date amounts to EUR 20.1 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.0 million.

The consolidated financial statements include sales from the acquired company of EUR 58.6 million and earnings after taxes of EUR –12.1 million. If the company had already been acquired as of 1 January 2022, it would have generated sales of EUR 96.8 million and earnings after income taxes of EUR –21.3 million to the Group's result in the financial year 2022.

Acquisition of Vallourec Bearing Tubes SAS (now trading as VALTI SAS)

Mutares completed the acquisition of Vallourec Bearing Tubes SAS from Vallourec Tubes SAS in May 2022 as an acquisition for the Engineering & Technology segment. The company is active in the production of seamless precision steel tubes manufactured to the most demanding standards and now operates under the name VALTI.

The consideration for the acquisition of the company amounted to EUR 0.5 million. Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are included in the overall result statement under other expenses. The net assets acquired were measured at a fair value of EUR 32.9 million, resulting in a bargain purchase gain of EUR 32.4 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	2.1
Property, plant and equipment	12.7
Rights of use assets	0.4
Other non-current assets	0.2
Non-current assets	**15.3**
Inventories	19.1
Receivables and other current assets	12.4
Other current assets	3.9
Current assets	**35.4**
Deferred tax liabilities	0.0
Other non-current liabilities	2.2
Non-current liabilities	**2.2**
Current liabilities	**15.7**
Net assets	**32.9**
Bargain purchase	**32.4**
Consideration	**0.5**

The fair value of the acquired receivables based on a gross receivable amount of EUR 12.1 million at the acquisition date amounts to EUR 12.1 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.0 million.

The consolidated financial statements include sales from the acquired company of. EUR 35.3 million and earnings after taxes of EUR –4.2 million. If the company had already been acquired as of 1 January 2022, it would have generated sales of EUR 62.8 million and earnings after income taxes of EUR –7.3 million to the Group's result in the financial year 2022.

Acquisition of Sealynx International (now trading as SFC Solutions Automotive France SAS)

Mutares has made an irrevocable offer to acquire Sealynx International and its subsidiaries from GMD Group in November 2021. The company is a manufacturer and supplier of high-quality static and dynamic automotive seals with a competitive market position and established business relationships with European OEMs and now operates as SFC Solutions Automotive France SAS. The closing of the transaction took place in July 2022; since then, the company complements the European sites of SFC Group as an add-on acquisition within the investment ESF Industrial Solutions in the Automotive & Mobility segment.

The consideration for the acquisition of the company amounted to EUR 1. Acquisition-related incidental costs of EUR 0.6 million were incurred for the transaction. These are included in the overall result statement under other expenses. The net assets acquired were measured at a fair value of EUR 21.4 million, resulting in a bargain purchase gain of EUR 21.4 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	4.8
Property, plant and equipment	64.0
Rights of use assets	2.5
Other non-current assets	0.4
Non-current assets	**71.7**
Inventories	10.0
Receivables and other current assets	15.2
Other current assets	2.5
Current assets	**27.7**
Deferred tax liabilities	2.8
Other non-current liabilities	51.5
Non-current liabilities	**54.3**
Current liabilities	**23.8**
Net assets	**21.4**
Bargain purchase	**21.4**
Consideration	**0.0**

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The fair value of the acquired receivables based on a gross receivable amount of EUR 15.2 million at the acquisition date amounts to EUR 16.1 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.9 million.

The consolidated financial statements include sales from the acquired company of EUR 32,7 If the company had already been acquired on 1 January 2022, it would have generated sales of EUR 68.6 million and earnings after income taxes of EUR –35.7 million to the Group's result in the financial year 2022.

Acquisition of the Cimos Group

In September 2022, Mutares completed the acquisition of Cimos d.d. and its subsidiaries from TCH S.r.L.. The company is a manufacturer of automotive components such as compressor and center housings, engine mounts, brake discs and drums, transmission parts, nozzle rings and flywheels and strengthens the Automotive & Mobility segment.

The consideration for the acquisition of the company amounted to EUR 1. In addition, an earn-out agreement was made in the purchase agreement, the fair value of which amounts to EUR 0 based on the estimates; insofar, the total consideration for the acquisition amounts to EUR 0.0 million. Acquisition-related incidental costs for the transaction have only been incurred to an insignificant extent . These are included in the overall result statementunder other expenses. The net assets acquired were measured at a fair value of EUR 0.9 million, resulting in a bargain purchase gain of EUR 0.9 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	0.6
Property, plant and equipment	66.0
Rights of use assets	2.5
Other non-current assets	6.2
Non-current assets	**75.3**
Inventories	24.1
Receivables and other current assets	7.1
Other current assets	7.6
Current assets	**38.7**
Deferred tax liabilities	0.0
Other non-current liabilities	48.7
Non-current liabilities	**48.7**
Current liabilities	**64.4**
Net assets	**0.9**
Bargain purchase	**0.9**
Consideration	**0.0**

The fair value of the acquired receivables based on a gross receivable amount of EUR 7.1 million at the acquisition date amounts to EUR 7.1 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.0 million.

The consolidated financial statements include sales from the acquired company of EUR 59.7 million and earnings after taxes of EUR –18.8 million. If the companies had already been acquired as of 1 January 2022, they would have generated sales of EUR 182.2 million and a result after income taxes of EUR –17.3 million to the Group's result in the financial year 2022.

The purchase price allocation for the acquisition described above has not yet been finalized. Mutares does not yet have all relevant information – namely the information on the assets and liabilities of the company to be valued – in a final version. The disclosure of hidden reserves and liabilities is therefore currently still preliminary.

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Acquisition of Sirti Energia S.p.A (now operating as SIX Energy S.p.A)

Mutares completed the acquisition of Sirti Energia from the Sirti Group, controlled by Pillarstone and KKR, in September 2022. The company is a provider of construction and maintenance services in the energy infrastructure market and now operates as SIX Energy within the Goods & Services segment.

The consideration for the acquisition of the company amounted to EUR 0.5 million. Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are recognized in the statement of comprehensive income under other expenses. The net assets acquired were measured at a fair value of EUR 0.8 million, resulting in a bargain purchase gain of EUR 0.3 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	2.6
Property, plant and equipment	2.7
Rights of use assets	3.1
Other non-current assets	7.0
Non-current assets	15.4
Inventories	2.4
Receivables and other current assets	10.4
Other current assets	9.6
Current assets	22.5
Deferred tax liabilities	0.8
Other non-current liabilities	5.2
Non-current liabilities	5.9
Current liabilities	31.3
Net assets	0.8
Bargain purchase	0.3
Consideration	0.5

The fair value of the acquired receivables based on a gross receivable amount of EUR 12.4 million at the acquisition date amounts to EUR 12.8 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.5 million.

The consolidated financial statements include sales from the acquired company of EUR 12.3 million and earnings after taxes of EUR –8.1 million. If the company had already been acquired as of 1 January 2022, it would have generated sales of. EUR 58.1 million and earnings after income taxes of EUR –8.2 million to the Group's result in the financial year 2022.

The purchase price allocation for the acquisition described above has not yet been finalized. Mutares does not yet have all relevant information – namely the information on the assets and liabilities of the company to be valued – in a final version. The disclosure of hidden reserves and liabilities is therefore currently still preliminary. In addition, the assessment of Mutares' obligations in connection with the consideration for the acquisition of the company could not yet be finalized.

Acquisition of the MoldTecs Group

To strengthen the Automotive & Mobility segment and leverage synergies with LMS, among others, Mutares completed the acquisition of MANN+HUMMEL's high-performance plastic parts business in September 2022. The product range of the three acquired plants in Germany and France as well as additional companies in the USA, China, Brazil, South Korea, Japan includes products beyond filtration and separation solutions, including air intake manifolds, high-pressure air lines and fluid reservoirs. The acquired company now operates under the name MoldTecs Group.

The original consideration for the acquisition amounted to EUR 26.8 million, of which EUR 1.3 million to the shares in the target company and its subsidiaries and EUR 25.5 million to acquired receivables of the former shareholder from the target companies. Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are included in the overall result statement under other expenses. The net assets acquired were measured at a fair value of EUR 66.0 million, resulting in a bargain purchase gain of EUR 64.8 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	14.2
Property, plant and equipment	90.1
Rights of use assets	6.1
Other non-current assets	9.3
Non-current assets	**119.7**
Inventories	29.3
Receivables and other current assets	36.5
Other current assets	13.0
Current assets	**78.9**
Deferred tax liabilities	16.9
Other non-current liabilities	44.8
Non-current liabilities	**61.7**
Current liabilities	**70.9**
Net assets	**66.0**
Bargain purchase	**64.8**
Consideration	**1.3**

The fair value of the acquired receivables based on a gross receivable amount of EUR 36.5 million amounts to EUR 36.6 million at the acquisition date. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected amounts to EUR 0.1 million.

The consolidated financial statements include sales from the acquired company for the reporting period of EUR 64.4 million and earnings after taxes of EUR –20.9 million from the acquired company for the reporting period. If the companies had already been acquired as of 1 January 2022, they would have been included in the consolidated financial statements with sales of EUR 318.3 million and a result after income taxes of EUR –38.0 million to the Group's result in the financial year 2022.

The purchase price allocation for the acquisition described above has not yet been finalized. Mutares does not yet have all relevant information – namely the information on the assets and liabilities of the company to be valued – in a final version. The disclosure of hidden reserves and liabilities is therefore currently still preliminary. In addition, the determination of the final purchase price is not yet final.

Acquisition of Siemens Energy Engines S.A.U. (now operating as Guascor Energy)

To strengthen the Engineering & Technology segment, Mutares acquired Siemens Energy Engines S.A.U. and related assets from Siemens Energy S.A. in October 2022. The company is a manufacturer of gas and diesel engines for power generation, cogeneration, waste-to-energy and marine applications and now operates as Guascor Energy.

The preliminary consideration for the acquisition of the company amounted to EUR 6.0 million. In addition, an earn-out agreement was made in the purchase agreement, the fair value of which was EUR 1.2 million. The total consideration for the acquisition thus amounts to EUR 7.2 million. Acquisition-related incidental costs of EUR 0.4 million were incurred for the transaction. These are recognized in the statement of comprehensive income under other expenses. These are included in the overall result statement under other expenses. The acquired net assets were measured at a fair value of EUR 39.6 million, resulting in a bargain purchase gain of EUR 32.4 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	2.3
Property, plant and equipment	15.0
Rights of use assets	6.2
Other non-current assets	2.9
Non-current assets	26.3
Inventories	34.5
Receivables and other current assets	8.0
Other current assets	5.5
Current assets	48.0
Deferred tax liabilities	1.5
Other non-current liabilities	5.9
Non-current liabilities	7.5
Current liabilities	27.3
Net assets	39.6
Bargain purchase	32.4
Consideration	7.2

The fair value of the acquired receivables based on a gross receivable amount of EUR 8.6 million at the acquisition date amounts to EUR 8.9 Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.3 million.

The consolidated financial statements include sales from the acquired company of EUR 11.6 million and earnings after taxes of EUR –3.6 If the company had already been acquired as of 1 January 2022, it would have had sales of EUR 66.9 million and a result after income taxes of EUR –5.1 million to the Group's result in the financial year 2022.

The purchase price allocation for the acquisition described above has not yet been completed with regard to the final purchase price against the background of the purchase price mechanism specified in the purchase agreement.

Acquisition of Götene Kyltransporter AB

Frigoscandia Group, an investment from the Goods & Services segment, completed the acquisition of Götene Kyltransporter AB from private owners in November 2022. Headquartered in Götene, Sweden, Götene Kyltransporter is a provider of temperature-controlled logistics with a strong presence in a strategically important region for Frigoscandia.

The consideration for the acquisition of the company amounted to SEK 88.7 million (approx. EUR 8.1 million). Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are included in other expenses in the statement of comprehensive income. The net assets acquired were measured at a fair value of EUR 11.7 million, resulting in a bargain purchase gain of EUR 3.6 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	0.4
Property, plant and equipment	9.5
Rights of use assets	0.0
Other non-current assets	0.1
Non-current assets	10.0
Inventories	0.1
Receivables and other current assets	6.1
Other current assets	12.6
Current assets	18.7
Deferred tax liabilities	1.1
Other non-current liabilities	3.5
Non-current liabilities	4.7
Current liabilities	12.3
Net assets	11.7
Bargain purchase	3.6
Consideration	8.1

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The fair value of the acquired receivables based on a gross receivable amount of EUR 6.1 million at the acquisition date amounts to EUR 6.1 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.1 million.

The consolidated financial statements include sales from the acquired company of EUR 6.0 million and earnings after taxes of EUR –1.0 million. If the company had already been acquired as of 1 January 2022, it would have generated sales of EUR 34.4 million and a result after income taxes of EUR –1.4 million to the Group's result in the financial year 2022.

Acquisition of NEM Energy B. V.

In November 2022, Mutares completed the acquisition of the Heat Transfer Technology business of Siemens Energy B.V.. The activities now operate under the name NEM Energy – as they did before the acquisition by Siemens Energy – and promise synergies with the Balcke-Dürr Group in the Engineering & Technology segment. The company covers a wide range of heat transfer applications, from industrial-sized waste heat plants to large heat recovery steam generators for gas-fired power plants, and is active worldwide in the development, design, engineering, procurement and supply of components for power plants.

The preliminary consideration for the acquisition amounted to EUR 15.0 million. In the context of a purchase price mechanism, the preliminary purchase price was adjusted by EUR 10.6 million. In addition, an earn-out agreement was made in the purchase agreement, the fair value of which, based on estimates, amounted to EUR 0 and therefore the total consideration for the acquisition amounts to EUR 4.4 million. Acquisition-related incidental costs of EUR 0.3 million were incurred for the transaction. These are recognized in the statement of comprehensive income under other expenses. These are included in the overall result statement under other expenses. The net assets acquired were measured at a fair value of EUR 12.5 million, resulting in a bargain purchase gain of EUR 8.2 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	6.1
Property, plant and equipment	0.0
Rights of use assets	5.9
Other non-current assets	0.0
Non-current assets	**12.0**
Inventories	4.7
Receivables and other current assets	0.2
Other current assets	95.5
Current assets	**100.4**
Deferred tax liabilities	0.0
Other non-current liabilities	4.8
Non-current liabilities	**4.8**
Current liabilities	**95.2**
Net assets	**12.5**
Bargain purchase	**8.2**
Consideration	**4.4**

The fair value of the acquired receivables based on a gross receivable amount of EUR 0.2 million at the acquisition date amounts to EUR 0.3 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.1 million.

The consolidated financial statements include sales from the acquired company of EUR 22.8 If the company had already been acquired as of 1 January 2022, it would have generated sales of EUR 172.1 million and earnings after income taxes of EUR 15.9 million to the Group's earnings in the financial year 2022.

The purchase price allocation for the acquisition described above has not yet been completed with regard to the final purchase price against the background of the purchase price mechanism set out in the purchase agreement.

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Acquisition of Steyr Motors

In November 2022, Mutares acquired Steyr Motors Betriebs GmbH as well as Steyr Motors Immo GmbH from Thales Austria GmbH. The company is a recognized specialist in the development and production of high-performance engines and electrical auxiliary power units for special applications in vehicles and boats.

The consideration for the acquisition of the company amounted to EUR 1. Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are included in other expenses in the statement of comprehensive income. The net assets acquired were measured at a fair value of EUR 32.4 million, resulting in a bargain purchase gain of EUR 32.4 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	0.5
Property, plant and equipment	13.3
Rights of use assets	0.0
Other non-current assets	0.5
Non-current assets	14.3
Inventories	17.0
Receivables and other current assets	4.1
Other current assets	3.2
Current assets	24.3
Deferred tax liabilities	0.8
Other non-current liabilities	1.5
Non-current liabilities	2.3
Current liabilities	3.8
Net assets	32.4
Bargain purchase	32.4
Consideration	0.0

The fair value of the acquired receivables based on a gross receivable amount of EUR 4.1 million at the acquisition date amounts to EUR 4.1 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.0 million.

The consolidated financial statements include sales from the acquired company of EUR 2.7 million and earnings after taxes of EUR 0.6 million. If the companies had already been acquired as of 1 January 2022, they would have been included in the consolidated financial statements with sales of EUR 28.1 million and earnings after income taxes of EUR 0.4 million to the Group's earnings in the financial year 2022.

The purchase price allocation for the acquisition described above has not yet been finalized. Mutares does not yet have all relevant information – namely the information on the assets and liabilities of the company to be valued – in a final version. The disclosure of hidden reserves and liabilities is therefore currently still preliminary. In addition, the assessment of Mutares' obligations in connection with the consideration for the acquisition of the company could not yet be finalized.

All acquisitions, with the exception of the acquisition of Polar Frakt AS, which resulted in goodwill, resulted in a bargain purchase gain from the comparison of the acquisition costs of the acquired companies and the revalued net assets, which is recognized in the statement of comprehensive income under other income. The acquisition price favorable to Mutares may be due, on the one hand, to the seller's efforts to realign the business activities and focus on core activities. While the acquired market segments appear unattractive to other investors, the acquisition is lucrative for Mutares, as companies in transition situations fit into the Group's strategic orientation. Mutares sees an opportunity in its extensive operational industry and turnaround experience, which will be used to lead the acquired portfolio companies on a stable path of profitable growth. In addition, there may be some selling pressure on the seller side – among other things due to upcoming (major) investments or costs resulting from the shutdown of activities.

Within the one-year period of IFRS 3, there was an adjustment in the first half of 2022 at Innomotive Systems Hainichen, a portfolio company acquired in the second half of financial 2021, to the original measurement of the net assets acquired of EUR –1.1 million, so that the gain on bargain purchase was reduced by an amount of EUR –1.1 million; a corresponding amount is included as a reduction of other income in the consolidated statement of comprehensive income for the reporting year.

5.1.2 Acquisitions of subsidiaries in the previous year

In the period from 1 January to 31 December 2021, the following subsidiaries were acquired and consolidated for the first time:

Acquisition of Ericsson Services Italia S.p.A. (now operating as EXI S.p.A.)

Mutares signed an agreement on 28 January 2021 to acquire the Italian communications service provider of Ericsson Services Italia S.p.A. (now operating as EXI S.p.A.). The company specializes in network expansion and maintenance services and is allocated to the Goods & Services segment. The closing of the transaction took place on 31 March 2021.

The consideration for the acquisition of the company amounted to EUR 1. Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are included in other expenses in the statement of comprehensive income. The net assets acquired were measured at a fair value of EUR 10.2 million, resulting in a bargain purchase gain of EUR 10.2 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	0.7
Property, plant and equipment	0.1
Rights of use assets	1.3
Other non-current assets	0.0
Non-current assets	**2.1**
Inventories	0.0
Receivables and other current assets	5.3
Other current assets	12.9
Current assets	**18.2**
Deferred tax liabilities	0.4
Other non-current liabilities	4.0
Non-current liabilities	**4.4**
Current liabilities	**5.7**
Net assets	**10.2**
Bargain purchase	**10.2**
Consideration	**0.0**

The fair value of the acquired receivables based on a gross receivable amount of EUR 1.4 million at the acquisition date amounts to EUR 1.4 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.0 million.

The consolidated financial statements include sales of EUR 14.9 million and earnings after taxes of EUR –4.1 million from the acquired company for the reporting period. If the company had already been acquired as of 1 January 2021, it would have contributed sales of EUR 19.5 million and earnings after taxes of EUR –4.1 million to the Group's earnings in the reporting period.

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Acquisition of Primetals Technologies France SAS (now operating as Clecim SAS)
On 31 March 2021, Mutares completed the acquisition of Primetals Technologies France SAS, a provider of solutions for steel processing lines with a production site in France. The company now operates under the name Clecim and strengthens the Engineering & Technology segment.

The consideration for the acquisition of the Company amounted to EUR 2.0 million; in the context of a purchase price mechanism, there was an adjustment of the purchase price by EUR 1.9 million, on the basis of which a payment was made by the seller. Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are included in the overall result statement under other expenses. The net assets acquired were measured at a fair value of EUR 25.3 million, resulting in a bargain purchase gain of EUR 25.2 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	0.8
Property, plant and equipment	6.1
Rights of use assets	0.1
Other non-current assets	0.8
Non-current assets	7.8
Inventories	6.6
Receivables and other current assets	13.4
Other current assets	24.0
Current assets	44.1
Deferred tax liabilities	0.0
Other non-current liabilities	4.9
Non-current liabilities	4.9
Current liabilities	21.7
Net assets	25.3
Bargain purchase	25.2
Consideration	0.1

The fair value of the acquired receivables based on a gross receivable amount of EUR 7.8 million at the acquisition date amounts to EUR 7.2 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.6 million.

The consolidated financial statements include sales of EUR 26.8 million and earnings after taxes of EUR –4.3 million from the acquired company for the reporting period. If the company had already been acquired as of 1 January 2021, it would have contributed sales of EUR 30.3 million and earnings after taxes of EUR –8.2 million to the Group's earnings in the reporting period.

Acquisition of the Carglass® Maison Group (now operating as Repartim)
Mutares completed the acquisition of a majority stake of 80% in Carglass® Maison Group, a French service provider for home repairs and emergencies, at the beginning of April 2021, strengthening the Goods & Services segment. The remaining 20% stake is held by HomeServe France, a specialist in home repairs and maintenance. The company now operates on the market under the Repartim brand.

The consideration for the acquisition of the company amounted to EUR 0.0 million. Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are recognized in the statement of comprehensive income under other expenses. The net assets acquired were measured at a fair value of EUR 15.6 million, a bargain purchase gain of EUR 12.5 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	1.2
Property, plant and equipment	1.5
Rights of use assets	4.6
Other non-current assets	0.5
Non-current assets	7.8
Inventories	0.3
Receivables and other current assets	9.4
Other current assets	12.7
Current assets	22.4
Deferred tax liabilities	0.6
Other non-current liabilities	4.4
Non-current liabilities	5.0
Current liabilities	9.7
Net assets	3.1
Minority interest	15.6
Bargain purchase	12.5
Consideration	0.0

The fair value of the acquired receivables based on a gross receivable amount of EUR 13.0 million at the acquisition date amounts to EUR 6.7 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 6.3 million.

The consolidated financial statements include sales of EUR 25.0 million and earnings after taxes of EUR –8.1 million from the acquired company for the reporting period. If the company had already been acquired as of 1 January 2021, it would have contributed sales of EUR 33.9 million and earnings after taxes of EUR –1.1 million to the Group's earnings in the reporting period.

Acquisition of RDM La Rochette SAS (now operating as La Rochette Cartonboard SAS)

At the end of April 2021, Mutares completed the acquisition of RDM La Rochette SAS from the Italian Reno De Medici Group. The company is based in France and produces folding cartonboard based on virgin fibers mainly for the pharmaceutical and life medium packaging industries. The acquisition strengthens the Engineering & Technology segment.

A preliminary purchase price of EUR 11.5 million was agreed for the acquisition of the company, of which EUR 5.0 million was or was to be paid at the time of closing and EUR 6.5 million at a later date. On the basis of a purchase price mechanism, the purchase price was adjusted to a value of EUR 12.3 million. In addition, an earn-out agreement was made in the purchase agreement, which is expected to lead to a further adjustment of EUR 3.2 million, bringing the total consideration to EUR 15.5 million. Acquisition-related incidental costs for the transaction have only been incurred to an insignificant extent. These are included in the overall result statement under other expenses. The net assets acquired were measured at a fair value of EUR 62.2 million, resulting in a bargain purchase gain of EUR 46.7 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	12.6
Property, plant and equipment	42.6
Rights of use assets	3.7
Other non-current assets	2.0
Non-current assets	60.8
Inventories	16.6
Receivables and other current assets	22.3
Other current assets	9.4
Current assets	48.3
Deferred tax liabilities	0.7
Other non-current liabilities	10.0
Non-current liabilities	10.7
Current liabilities	36.2
Net assets	62.2
Bargain purchase	46.7
Consideration	15.5

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The fair value of the acquired receivables based on a gross receivable amount of EUR 21.6 million at the acquisition date amounts to EUR 20.8 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.8 million.

The consolidated financial statements include sales of EUR 78.4 million and earnings after taxes of EUR –6.5 million from the acquired company for the reporting period. If the company had already been acquired as of 1 January 2021, it would have contributed sales of EUR 122.7 million and earnings after taxes of EUR –2.5 million to the Group's earnings in the reporting period.

Acquisition of Alan Dick Communications Limited

Mutares acquired Alan Dick Communications Limited ("ADComms") from Panasonic Europe at the end of May 2021. ADComms supplies communications and safety systems to the UK rail sector. The company is highly complementary to the portfolio company Gemini Rail Group from the Engineering & Technology segment. Significant operational synergies are expected as part of the future collaboration.

The consideration for the acquisition of the company amounted to GBP 1. Acquisition-related incidental costs for the transaction were incurred only to an immaterial extent. These are included in other expenses in the statement of comprehensive income. The net assets acquired were measured at a fair value of EUR 1.8 million, resulting in a bargain purchase gain of EUR 1.8 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	0.1
Property, plant and equipment	0.2
Rights of use assets	0.1
Other non-current assets	0.9
Non-current assets	**1.3**
Inventories	1.3
Receivables and other current assets	0.1
Other current assets	11.4
Current assets	**12.8**
Deferred tax liabilities	0.0
Other non-current liabilities	0.1
Non-current liabilities	**0.1**
Current liabilities	**12.3**
Net assets	**1.8**
Bargain purchase	**1.8**
Consideration	**0.0**

The fair value of the acquired receivables based on a gross receivable amount of EUR 0.0 million at the acquisition date amounts to EUR 0.0 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.0 million.

The consolidated financial statements include sales of EUR 15.6 million and earnings after taxes of EUR –13.3 million from the acquired company for the reporting period. If the company had already been acquired as of 1 January 2021, it would have contributed sales of EUR 23.9 million and earnings after income taxes of EUR –17.0 million to the Group's earnings in the reporting period.

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Acquisition of NCC Road Service A/S (now operating under the name Terranor AS)

Terranor Group, a platform investment in the Goods & Services segment, has successfully completed the acquisition of NCC Road Service AS (now operating as Terranor AS) from NCC as of 31 May 2021. With the acquisition of NCC's Danish road operation and maintenance services business, Terranor Group further expands its presence in the Scandinavian countries.

The consideration for the acquisition of the company amounted to EUR 4.3 million. Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are recognized in the statement of comprehensive income under other expenses. The net assets acquired were measured at a fair value of EUR 4.5 million, resulting in a bargain purchase gain of EUR 0.2 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	3.7
Property, plant and equipment	0.3
Rights of use assets	5.9
Other non-current assets	0.1
Non-current assets	10.1
Inventories	0.0
Receivables and other current assets	4.0
Other current assets	3.7
Current assets	7.8
Deferred tax liabilities	1.6
Other non-current liabilities	4.3
Non-current liabilities	6.1
Current liabilities	7.3
Net assets	4.5
Bargain purchase	0.2
Consideration	4.3

The fair value of the acquired receivables based on a gross receivable amount of EUR 4.1 million at the acquisition date amounts to EUR 4.1 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.0 million.

The consolidated financial statements include sales of EUR 23.9 million and earnings after taxes of EUR 0.4 million from the acquired company for the reporting period. If the company had already been acquired as of 1 January 2021, it would have contributed sales of EUR 34.5 million and earnings after taxes of EUR –0.4 million to the Group's earnings in the reporting period.

Acquisition of Lapeyre Holding SAS

The acquisition of Lapeyre Holding SAS and its subsidiaries in France from Saint-Gobain on 1 June 2021 marks the largest acquisition in Mutares history in terms of sales and number of employees. The company produces windows, doors, kitchens, bathroom furniture and staircases at ten french sites and distributes them together with merchandise through an extensive network of stores in France. As a new platform investment, Lapeyre strengthens the Goods & Services segment.

The consideration for the acquisition of the company amounted to EUR 1. In addition, Mutares made a payment into Lapeyre's equity of EUR 15.0 million and committed to a further financing of Lapeyre of EUR 5.0 million until 1 June 2023. Acquisition-related incidental costs for the transaction amount to a low single-digit million amount and are included in other expenses in the statement of comprehensive income. The net assets acquired were measured at a fair value of EUR 460.8 million, resulting in a bargain purchase gain of EUR 460.8 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

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EUR million	Fair value
Intangible assets	32.9
Property, plant and equipment	325.7
Rights of use assets	70.8
Other non-current assets	68.0
Non-current assets	**497.5**
Inventories	135.0
Receivables and other current assets	27.6
Other current assets	241.3
Current assets	**403.9**
Deferred tax liabilities	96.2
Other non-current liabilities	97.3
Non-current liabilities	**193.5**
Current liabilities	**247.1**
Net assets	**460.8**
Bargain purchase	**460.8**
Consideration	**0.0**

The fair value of the acquired receivables based on a gross receivable amount of EUR 27.6 million at the acquisition date amounts to EUR 24.0 million. Correspondingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected amounts to EUR 3.6 million.

The consolidated financial statements include sales of EUR 385.9 million and earnings after taxes of EUR –41.6 million from the acquired company for the reporting period. If the company had already been acquired as of 1 January 2021, it would have contributed sales of EUR 676.5 million and earnings after income taxes of EUR –66.4 million to the Group's earnings in the reporting period.

Acquisition of Permasteelisa España

The geographical growth path of the Donges Group as an investment from the Engineering & Technology segment was continued with the acquisition of Permasteelisa España (henceforth operating under the name PERMASTEELISA ESPAÑA DONGES GROUP S.A). a supplier of glass structures for cladding building facades with a strong presence on the Iberian Peninsula. The acquisition was completed on 1 July 2021.

The consideration for the acquisition of the company amounted to EUR 5.6 million, of which EUR 3.6 million was paid immediately and the remaining EUR 2.0 million is to be paid in April 2022. Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are included in the overall result statement under other expenses. The net assets acquired were measured at a fair value of EUR 7.9 million, resulting in a bargain purchase gain of EUR 2.3 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	1.9
Property, plant and equipment	0.1
Rights of use assets	0.5
Other non-current assets	3.4
Non-current assets	**6.0**
Inventories	0.0
Receivables and other current assets	2.0
Other current assets	2.3
Current assets	**4.3**
Deferred tax liabilities	0.5
Other non-current liabilities	0.1
Non-current liabilities	**0.5**
Current liabilities	**1.8**
Net assets	**7.9**
Bargain purchase	**2.3**
Consideration	**5.6**

The fair value of the acquired receivables based on a gross receivable amount of EUR 3.4 million at the acquisition date amounts to EUR 3.4 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.0 million.

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The consolidated financial statements include sales of EUR 2.4 million and earnings after taxes of EUR –1.4 million from the acquired company for the reporting period. If the company had already been acquired as of 1 January 2021, it would have contributed sales of EUR 9.5 million and earnings after income taxes of EUR –1.9 million to the Group's earnings in the reporting period.

Acquisition of Light Mobility Solutions GmbH

In order to strengthen the Automotive & Mobility segment, Mutares completed the acquisition of three exterior plants from Magna, which represent business operations within the meaning of IFRS 3, effective 2 July 2021. The activities now operate under the name Light Mobility Solutions GmbH ("LMS"). LMS is a supplier of plastic exteriors and systems whose products include fascias, grilles, sill and side panels, spoilers and other exterior trim parts for leading auto manufacturers.

The original consideration for the acquisition of the three plants amounted to EUR 1 each. In addition, Mutares agreed to make a payment into the equity of LMS totaling EUR 10.0 million, of which EUR 5.5 million had already been paid at the time of closing and the remaining EUR 4.5 million was scheduled to be paid in January 2022. An adjustment of EUR 3.6 million resulted in a final additional payment by the seller into LMS of EUR 29.9 million. The final purchase price amounted to EUR 0.0 million. Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are included in the overall result statement under other expenses. The net assets acquired were measured at a fair value of EUR 71.3 million, resulting in a bargain purchase gain of EUR 71.3 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	5.4
Property, plant and equipment	48.4
Rights of use assets	62.0
Other non-current assets	0.0
Non-current assets	**115.8**
Inventories	35.9
Receivables and other current assets	44.1
Other current assets	38.0
Current assets	**137.9**
Deferred tax liabilities	30.4
Other non-current liabilities	107.0
Non-current liabilities	**137.4**
Current liabilities	**45.1**
Net assets	**71.3**
Bargain purchase	**71.3**
Consideration	**0.0**

The fair value of the acquired receivables based on a gross receivable amount of EUR 43.2 million at the acquisition date amounts to EUR 43.2 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.0 million.

The consolidated financial statements include sales of EUR 155.4 million and earnings after taxes of EUR –20.5 million from the acquired company for the reporting period. If the company had already been acquired as of 1 January 2021, it would have contributed sales of EUR 321.8 million and earnings after income taxes of EUR –33.3 million to the Group's earnings in the reporting period.

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Acquisition of Innomotive Systems Hainichen GmbH and its Chinese subsidiary

As of 29 September 2021, Mutares has completed the acquisition of Innomotive Systems Hainichen GmbH and its Chinese and German subsidiaries ("ISH"). ISH is a supplier of aluminum hinges for automotive applications and manufactures door hinges made of steel or aluminum minium as well as complex hinges for hoods, liftgates and trunk lids. The acquisition strengthens the Automotive & Mobility segment and promises synergies with the existing portfolio company KICO.

The consideration for the acquisition of the company amounted to EUR 5.9 million. Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are recognized in the overall result statement under other expenses. The net assets acquired were measured at a fair value of EUR 53.4 million, resulting in a bargain purchase gain of EUR 47.5 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	5.1
Property, plant and equipment	53.4
Rights of use assets	2.4
Other non-current assets	1.5
Non-current assets	62.4
Inventories	24.3
Receivables and other current assets	12.3
Other current assets	10.5
Current assets	47.0
Deferred tax liabilities	3.6
Other non-current liabilities	5.5
Non-current liabilities	9.1
Current liabilities	47.0
Net assets	53.4
Bargain purchase	47.5
Consideration	5.9

Within the one-year period of IFRS 3, there was an adjustment in the first half of 2022 at Innomotive Systems Hainichen to the original valuation of the acquired net assets of EUR –1.1 million, so that the gain on bargain purchase was reduced by an amount of EUR –1.1 million; a corresponding amount is included as a reduction of other income in the consolidated statement of comprehensive income for the first half of 2022.

The fair value of the acquired receivables based on a gross receivable amount of EUR 11.9 million at the acquisition date amounts to EUR 11.9 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.0 million.

The consolidated financial statements include sales of EUR 25.4 million and earnings after taxes of EUR –0.5 million from the acquired company for the reporting period. If the company had already been acquired as of 1 January 2021, it would have contributed sales of EUR 115.3 million and earnings after taxes of EUR –3.6 million to the Group's earnings in the reporting period.

Acquisition of Rasche Umformtechnik GmbH & Co. KG

The acquisition of Rasche Umformtechnik GmbH & Co. KG ("Rasche") enables PrimoTECS, an investment from the Automotive & Mobility segment, to access new customers and customer segments as well as to expand the product portfolio into smaller series sizes with manual forging presses. The acquisition of the company was completed on 8 October 2021 .

The agreed consideration for the acquisition of the Company of EUR 2.0 million was adjusted by EUR 0.5 million to EUR 1.5 million through a mechanism to adjust for the circumstances at closing of the acquisition. Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are included in the overall result statement under other expenses. The net assets acquired were measured at a fair value of EUR 6.6 million, resulting in a bargain purchase gain of EUR 5.1 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	1.9
Property, plant and equipment	5.2
Rights of use assets	1.8
Other non-current assets	0.0
Non-current assets	8.9
Inventories	5.7
Receivables and other current assets	5.0
Other current assets	0.1
Current assets	10.8
Deferred tax liabilities	0.5
Other non-current liabilities	6.3
Non-current liabilities	6.8
Current liabilities	6.4
Net assets	6.6
Bargain purchase	5.1
Consideration	1.5

The fair value of the acquired receivables based on a gross receivable amount of EUR 5.1 million at the acquisition date amounts to EUR 4.9 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.2 million.

The consolidated financial statements include sales of EUR 8.5 million and earnings after taxes of EUR –1.0 million from the acquired company for the reporting period. If the company had already been acquired as of 1 January 2021, it would have contributed sales of EUR 35.7 million and earnings after taxes of EUR –0.5 million to the Group's earnings in the reporting period.

Acquisition of Ganter Constructions & Interior GmbH

As a new platform acquisition, the purchase of Ganter Construction & Interiors GmbH and its subsidiaries ("Ganter") strengthens the Goods & Services segment. Ganter acts as a general contractor for high-quality interior fit-outs and implements projects for internationally renowned customers from the retail, commercial and residential sectors. Customers include architects, hotels, offices, restaurants, luxury brands and private property owners. The acquisition was completed on 29 October 2021.

The agreed consideration for the acquisition of the company and a property amounted to EUR 7.2 million and was recognized at the present value of EUR 6.9 million due to the deferral of the payment. In addition, Mutares made a payment into the equity of Ganter of EUR 2.5 million at the time of closing of the transaction. Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are included in the general result statement under other expenses. The net assets acquired were measured at a fair value of EUR 1.4 million, resulting in goodwill of EUR 5.5 million, which reflects the expected positive future prospects of the Company. The transaction did not result in any goodwill that is deductible for tax purposes.

The following table shows the results of the purchase price allocation and the derivation of goodwill included in intangible assets:

EUR million	Fair value
Intangible assets	3.1
Property, plant and equipment	6.0
Rights of use assets	5.8
Other non-current assets	21.2
Non-current assets	36.0
Inventories	17.0
Receivables and other current assets	7.2
Other current assets	2.0
Current assets	26.3
Deferred tax liabilities	1.2
Other non-current liabilities	33.8
Non-current liabilities	35.0
Current liabilities	25.9
Net assets	1.4
Bargain purchase	5.5
Consideration	6.9

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The fair value of the acquired receivables in relation to a gross receivable amount of EUR 15.5 million amounts to EUR 7.2 million at the acquisition date. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected amounts to EUR 8.3 million.

The consolidated financial statements include sales of EUR 6.8 million and earnings after taxes of EUR –1.8 million from the acquired company for the reporting period. If the company had already been acquired as of 1 January 2021, it would have been reported in the consolidated financial statements with sales of EUR 77.1 million and earnings after taxes of EUR –6.4 million to the Group's result in the reporting period.

Acquisition of Asteri Facility Solutions

The acquisition of Asteri Facility Solutions (formerly: Alliance Plus) was completed on 21 December 2021 and strengthens the Goods & Services segment as a new platform investment with the option for future add-on acquisitions in the Northern European countries and as well as mainland Europe. The company provides facility management services throughout Sweden from its headquarters near Stockholm.

The consideration for the acquisition of the company amounted to SEK 1. Acquisition-related incidental costs for the transaction were incurred only to an immaterial extent. The net assets acquired were measured at a fair value of EUR 1.1 million, resulting in a bargain purchase gain of EUR 1.1 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	0.0
Property, plant and equipment	0.0
Rights of use assets	0.5
Other non-current assets	0.1
Non-current assets	**0.6**
Inventories	0.0
Receivables and other current assets	3.3
Other current assets	3.1
Current assets	**6.5**
Deferred tax liabilities	0.0
Other non-current liabilities	0.8
Non-current liabilities	**0.8**
Current liabilities	**5.2**
Net assets	**1.1**
Bargain purchase	**1.1**
Consideration	**0.0**

The fair value of the acquired receivables based on a gross receivable amount of EUR 3.5 million at the acquisition date is EUR 0 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 3.5 million.

Due to the closing of the transaction at the end of the financial year 2021, the consolidated financial statements of the financial year 2021 do not yet include any revenues and earnings after taxes from the acquired company. If the company had already been acquired as of 1 January 2021, it would have contributed sales of EUR 21.2 million and earnings after taxes of EUR 0.3 million to the Group's earnings in the reporting period.

Acquisition of Frigoscandia

The acquisition of Frigoscandia on 27 December 2021 will be allocated to the Goods & Services segment. Frigoscandia is a leading player in logistics solutions for fresh, chilled and frozen food, mainly in Northern Europe. The company has 25 warehouses and terminals in Sweden and Norway and operates in three areas: domestic transport, international transport and warehousing.

The consideration for the acquisition of the company amounted to SEK 20.0 million (approx. EUR 2.0 million). Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. The net assets acquired were measured at a fair value of EUR 11.1 million, resulting in a bargain purchase gain of EUR 9.1 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	17.6
Property, plant and equipment	4.2
Rights of use assets	64.4
Other non-current assets	2.1
Non-current assets	88.4
Inventories	0.3
Receivables and other current assets	37.1
Other current assets	12.5
Current assets	49.8
Deferred tax liabilities	0.0
Other non-current liabilities	71.9
Non-current liabilities	71.9
Current liabilities	55.3
Net assets	11.1
Bargain purchase	9.1
Consideration	2.0

The fair value of the acquired receivables based on a gross receivable amount of EUR 37.1 million at the acquisition date amounts to EUR 37.0 million. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.1 million.

The consolidated financial statements of the financial year 2021 do not yet include any revenues and earnings after taxes from the acquired company due to the closing of the transaction at the end of the financial year 2021. If the company had already been acquired as of 1 January 2021, it would have contributed sales of EUR 249.8 million and earnings after taxes of EUR –6.8 million to the Group's earnings in the reporting period.

In all of the acquisitions described above, a comparison of the acquisition costs of the acquired companies and the revalued net assets resulted in a bargain purchase gain in each case, which is reported in the statement of comprehensive income under other income. The acquisition price favorable to Mutares and the resulting bargain purchase are attributable to the seller's efforts to realign its business activities. While the acquired market segments appear unattractive to other investors, the acquisition is lucrative for Mutares as companies in transition situations fit into the Group's strategic direction. Mutares Group sees its opportunities in its extensive operational industry and turnaround experience, which will help to guide the acquired companies onto a stable path of profitable growth.

5.2 Deconsolidation of subsidiaries

The deconsolidations of subsidiaries in the two relevant reporting periods are shown below.

5.2.1 Deconsolidations of subsidiaries in the financial year

In the period from 1 January to 31 December, 2022, the following subsidiaries were deconsolidated:

Disposal of BEXity GmbH

In December 2021, Mutares signed an agreement with Raben Group N.V., a Dutch logistics company, for the sale of all shares in BEXity. Already as of 31 Decembe 2021, the assets and liabilities of BEXity were therefore classified in accordance with IFRS 5. The sale was subject to approval by the Austrian and German antitrust authorities and the former owner, the Austrian Federal Railways (ÖBB), and was completed in February 2022. BEXity is a provider of cross-border transport logistics and warehousing services with a nationwide network in Austria, which was acquired by Mutares at the end of 2019. The deconsolidation result amounts to EUR 13.8 million and is recognized in other income.

Disposal of SBL SAS

In March 2022, Lapeyre SAS completed the sale of all shares in its French subsidiary, SBL SAS, to Winferm. The sale took place against the background of an adjusted sourcing strategy of Lapeyre SAS, whereby a suitable buyer was found in Winferm. The deconsolidation result amounts to EUR –2.8 million.

Disposal of Frigoscandia SAS

In June 2022, Frigoscandia successfully completed the sale of all shares in its French subsidiary, Frigoscandia SAS, to the French logistics company Olano Services SAS. The company, based in Boulogne-Sur-Mer, focuses primarily on the domestic transport of temperature-controlled goods. With the exit, Mutares now focuses Frigoscandia on the domestic market with the aim to consolidate and further expand Frigoscandia's position as the leading temperature-controlled logistics platform in Northern Europe. The deconsolidation result amounts to EUR 5.0 million and is recognized in other income.

Disposal of Nordec Group Oyj

In September 2022 Donges SteelTec GmbH signed an agreement with a consortium of buyers consisting mainly of Harjavalta Oy and Tirinom Oy for the sale of all shares in Nordec Group Oyj. Nordec Group has been a significant part of Donges Group since the acquisition in 2020 and is one of the leading suppliers of steel frame constructions and façade solutions for construction projects in the Nordic countries with an equally strong positioning in the Central and Eastern European countries. The closing of the transaction took place on 10 November 2022. The deconsolidation result amounts to EUR 12.5 million and is recognized in other income.

Divestment of Royal De Boer Stalinrichtingen BV

In December 2022, Mutares sold Royal de Boer Stalinrichtingen BV to Turntide Technologies. Royal de Boer is a manufacturer of barn equipment such as feed fences, cubicles, ventilation systems and manure technology and operates a production facility in Leeuwarden, Netherlands. The deconsolidation result amounts to EUR –0.4 million and is recognized in other expenses.

Disposal of STF Balcke-Duerr S.r.l.

Upon closing in December 2022, Mutares sold STF Balcke-Dürr S.r.l., a subsidiary of Balcke-Dürr GmbH, to C Capital. The company is active in the development, design, production and on-site assembly of heat exchanger components, titanium components and air filter systems for various industries. The deconsolidation result amounts to EUR 0.6 million and is recognized in other income.

The disposal of net assets, the consideration less costs to sell and the gains on deconsolidation are presented below:

EUR million	Fair value
Intangible assets	12.9
Property, plant and equipment	17.1
Rights of use assets	7.0
Other non-current assets	2.9
Non-current assets	**39.9**
Inventories	27.2
Receivables and other current assets	62.7
Other current assets	141.1
Current assets	**231.0**
Deferred tax liabilities	2.1
Other non-current liabilities	7.8
Non-current liabilities	**10.0**
Current liabilities	**234.1**
Net assets	**26.9**
Bargain purchase	**28.6**
Consideration	**55.4**

5.2.1 Deconsolidations of subsidiaries in the previous year

In the period from 1 January to 31 December 2021, the following subsidiaries were deconsolidated:

Disposal of the Balcke-Dürr red mill

Following the sale of its Polish subsidiary, Balcke Dürr Polska Sp. z o.o., in April 2020, Balcke-Dürr also signed an agreement to sell its German Rothemühle business in December 2020. According to the agreement, Balcke-Dürr Rothemühle GmbH, an integrated service, engineering and original equipment supplier for heat exchangers in air and flue gas passages of power plants and industrial facilities, was sold to the strategic investor Howden Group. The transaction was successfully completed in January 2021. The deconsolidation result amounts to EUR 9.5 million.

Disposal of Nexive Group S.r.l.

In November 2020, Mutares initially signed a letter of intent to sell its shares in Nexive to Italian market leader Poste Italiane. The closing of the transaction then took place in January 2021. The quick resale takes advantage of a limited window in Italian legislation to allow acquisitions for consolidation in the Italian postal and parcel services market under certain conditions. The deconsolidation result amounts to EUR 12.9 million.

Disposal of STS Group AG

On 11 March 2021, Mutares SE & Co. KGaA signed a share purchase agreement with Adler Pelzer Holding GmbH, a company of the Adler Pelzer Group, for the complete sale of its majority stake of approximately 73.25% in the share capital of STS Group AG at a purchase price of EUR 7.00 per share sold. The transaction was still subject to the approval of the financing partners on the part of the Adler Pelzer Group and the approval of the antitrust authorities. The closing of the transaction took place on 30 June 2021. The deconsolidation result amounts to EUR –25.8 million.

Divestment of TréfilUnion SAS, EUPEC Pipecoatings France SAS and La Meusienne SAS

Mutares has successfully sold its subsidiaries TréfilUnion, EUPEC and La Meusienne to LiCap GmbH, the investment vehicle of Prof. Dr. Frank Richter, entrepreneur and co-founder of Swiss Global Investment Group AG. The transaction was initially subject to the opinion of the works council and was finally closed in July 2021. With the sale of the companies Mutares takes a further step in the consolidation of the portfolio. The deconsolidation result amounts to EUR –3.5 million.

Disposal of Cenpa SAS

On 29 July 2021 Mutares signed an agreement to sell its subsidiary Cenpa to Accursia Capital. Cenpa is a producer of core board for the European packaging and hygiene market. The company was acquired by Sonoco Group in 2016 and subsequently underwent a restructuring program. The transaction was completed in July 2021. The deconsolidation result amounts to EUR –6.1 million.

Disposal of Norsilk SAS

The sale of Norsilk's shares to Protac, part of Groupe Rose, was completed in October 2021. Norsilk was acquired by the Finnish Metsä Group in 2015 and integrated into the Donges Group in 2019 after restructuring. The deconsolidation result amounts to EUR –1.5 million.

Liquidation Gemini Rail Technology UK Ltd.

As a result of the COVID 19 pandemic, a major customer project was discontinued at the Company and assets (inventories, short-term contracts and receivables) were written down, whereupon the Company was liquidated and deconsolidated. The deconsolidation result amounts to EUR 10.4 million.

The disposals of net assets, the consideration paid and the result of the deconsolidations are shown below on a cumulative or net basis:

EUR million	Fair value
Intangible assets	20.9
Property, plant and equipment	67.3
Rights of use assets	15.4
Other non-current assets	6.8
Non-current assets	**110.4**
Inventories	57.7
Receivables and other current assets	86.1
Other current assets	151.0
Current assets	**294.8**
Deferred tax liabilities	1.3
Other non-current liabilities	61.7
Non-current liabilities	**63.0**
Current liabilities	**277.2**
Net assets	**65.0**
Bargain purchase	**–3.9**
Consideration	**61.1**

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6 Sales/revenue from contracts with customers

The development of sales by segment and region is presented in the notes to the consolidated financial statements in accordance with IFRS 8 under segment reporting (see Note 15).

7 Other income

Other income breaks down as follows:

EUR million	2022	2021
Bargain Purchase income	262.0	692.7
Gains from deconsolidation	31.8	32.8
Income from raw material and waste recycling	10.0	9.4
Income from risk allowance	5.2	2.6
Insurance compensation and indemnification	5.0	2.3
Income from other services	4.2	2.5
Income from renting and leasing	3.4	5.1
Income from the disposal of fixed assets	2.6	1.0
Income from currency translation	2.2	2.0
Other capitalized self-produced assets	1.5	1.8
Miscellaneous other income	27.6	17.9
Other operating income	**355.5**	**770.1**

Gains from bargain purchases are presented in detail in Note 5.1 “Acquisitions of subsidiaries” and gains from deconsolidations in Note 5.2 “Deconsolidations of subsidiaries”.

8 Cost of materials

The breakdown of the cost of materials is as follows:

EUR million	2022	2021
Cost of raw materials, consumables and supplies	1,751.1	1,139.3
Cost of purchased services	647.4	440.4
Cost of materials	**2,398.6**	**1,579.7**

9 Personnel expenses

Personnel expenses break down as follows:

EUR million	2022	2021
Wages and salaries	741.2	524.6
Social security contributions and pension contributions	168.4	135.7
Personnel expenses	**909.6**	**660.4**

In the financial years 2022 and 2021, personnel expense was recognized for share-based payments, service cost relating to defined benefit obligations, and personnel expense for defined contribution plans. For further details, please refer to the explanations in the respective notes (Note 32 “Contingent capital and share-based payment “and Note 37 “Pension plans/pension provisions and similar obligations”).

10 Other expenses

The breakdown of other expenses is as follows:

EUR million	2022	2021
Selling expenses	167.6	116.4
Legal and consulting expenses	76.1	66.9
Administration	65.4	57.0
Rent, leases and license fees	60.2	39.3
Maintenance and servicing	49.5	38.9
Advertising and travel expenses	38.2	28.0
Damage claims, guarantee and warranty	29.4	20.4
Expenses from measurement as held for sale	22.3	1.7
Basic levies and other taxes	16.4	10.2
Vehicle fleet	13.0	9.3
Expenses for general partners	10.5	8.8
Expenses from currency translation	5.6	3.1
Expenses from expected credit losses	3.9	6.4
Losses from deconsolidation	3.2	36.7
Losses on the disposal of non-current assets	3.1	3.1
Miscellaneous expenses	36.6	28.1
Other expenses	601.2	474.3

With regard to losses from deconsolidations, we refer to Note 5.2 “Deconsolidation of subsidiaries”.

11 Financial result

The breakdown of the financial result is as follows:

EUR million	2022	2021
Interest and similar income	3.4	6.7
Gains from currency translation	11.7	1.8
Financial income	15.1	8.5
Interest expenses from loans and borrowings	19.6	8.9
Interest expenses from leasing liabilities	12.2	8.6
Losses from currency translation	7.7	2.8
Expense from charges in value of derivatives	5.9	0.0
Interest expenses from the unwinding of discount on provisions	4.9	1.8
Interest expenses from factoring	2.4	1.8
Other interest and similar expenses	15.6	3.3
Financial expenses	68.4	27.2
Financial result	–53.3	–18.7

12 Income taxes

12.1 Income taxes and tax reconciliation

Income taxes recognized in the consolidated statement of comprehensive income break down as follows:

EUR million	2022	2021
Current income tax		
Current income tax expense for the year	–8.7	–4.3
Adjustments for income tax expense of prior periods	–0.5	–1.2
Deferred taxes		
Income from deferred taxes	59.4	28.8
Expense from deferred taxes	–14.8	–9.6
Income tax income	35.5	13.7

The following table shows a reconciliation of the differences between the expected tax expense in the respective financial year (i.e. earnings before taxes multiplied by the expected tax rate) and the respective reported tax expense. Here, the income tax rates applicable to Mutares SE & Co. KGaA as parent company are applied to the consolidated net income, taking into account a corporate income tax rate of 15.0% (previous year: 15.0%) plus solidarity surcharge of 5.5% (previous year: 5.5%) and a trade tax rate of 17.2% (previous year: 17.2%), resulting in an overall income tax rate of approximately 33.0% (previous year: approximately 33.0%).

The income tax rates applicable to the Group companies range between 2.5% and 33.0% (previous year: 8.75% and 33.0%).

EUR million	2022	2021
Profit before tax	–56.5	428.6
Domestic tax rate of the parent company (in %)	33%	33%
Tax expense at the domestic tax rate of the parent company	18.6	–141.3
Increases/deductions due to		
Use of unrecognised loss carryforwards	3.1	1.3
Unrecognised deferred taxes on temporary differences and loss carryforwards	–52.7	–64.6
Subsequently recognised deferred taxes on temporary differences and loss carryforwards	14.3	0.9
Non-deductible goodwill amortization	0.0	–2.2
Other non-deductible expenses including withholding tax	–15.0	–25.7
Tax benefits	0.9	0.3
Tax effect on appreciation of negative difference	86.4	228.4
Tax rate differences	–14.7	21.2
Tax-exempt income	5.0	1.8
Additional payments and refunds	–0.5	–1.2
Change in valuation allowance for deferred tax assets	–11.3	0.0
Change in the tax rate	0.7	0.0
Other effects	0.7	–5.2
Reported income tax income	35.5	13.7

12.2 Deferred taxes recognized in equity and in other comprehensive income

EUR million	2022	2021
Deferred taxes recognised directly in equity	–11.2	–1.1
Deferred taxes recognised in other comprehensive income	–10.3	–0.8
Deferred taxes on the revaluation of the defined benefit obligation	–10.3	–0.8
Total	–21.6	–1.9

12.3 Current tax assets and liabilities

Current tax assets and liabilities break down as follows:

TAX ASSETS

EUR million	31/12/2022	31/12/2021
Tax assets with remaining term of more than 1 year		
Income tax recievables	0.6	0.9
Tax assets with remaining term of less than 1 year		
Income tax recievables	3.4	2.8
Tax assets	4.1	3.7

TAX LIABILITIES

EUR million	31/12/2022	31/12/2021
Tax liabilities with remaining term of more than 1 year		
Income tax liabilities	2.3	2.8
Tax liabilities with a remaining term of less than 1 year		
Income tax liabilities	8.6	3.4
Tax liabilities	10.9	6.2

12.4 Deferred tax assets and liabilities

Deferred tax assets and liabilities are composed as shown below:

EUR million	Deferred taxes Beginning of year	Recognized in profit or loss in the income statement	Recognized in other comprehensive income	Acquisitions / disposals	Closing balance deferred taxes
Goodwill	-0.6	0.0	0.0	0.0	-0.6
Other intangible assets	-18.0	5.4	0.0	-2.2	-14.8
Property, plant and equipment	-162.0	28.3	0.0	-16.3	-150.0
Non-current receivables from finance leases	0.0	0.0	0.0	0.0	0.0
Non-currrent financial assets	-0.1	0.1	0.0	-2.1	-2.1
Financial Assets at fair value through peofit or loss	0.0	0.0	0.0	0.0	0.0
Available-for-sale financial assets (AfS)	0.0	0.0	0.0	0.0	0.0
Inventoroes	-1.4	-2.2	0.0	0.7	-2.9
Trade accounts receivables	-2.1	6.3	0.0	0.8	5.0
Current receivables from finance leases	0.0	0.0	0.0	0.0	0.0
Current financial assets	0.0	0.0	0.0	0.0	0.0
Other assets and recievables	-2.7	-7.4	0.0	1.5	-8.6
Non-current liabilities from leases	40.2	5.9	0.0	-9.8	36.3
Non-current financial liabilities	0.0	0.0	0.0	0.0	0.0
Pension obligations	19.5	-1.7	-10.4	-2.1	5.3
Translation differences of foreign operations	0.0	0.0	-0.1	0.0	-0.1
Non-current provisions	2.0	-1.8	0.0	0.7	0.9
Trades accounts payable	-0.9	0.9	0.0	-1.0	-1.0
Current libailities from leases	6.5	1.4	0.0	-2.6	5.3
Current financial liabilities	0.0	0.5	0.0	-0.5	0.0
Current accrued liabilities	4.6	-2.8	0.0	3.8	5.6
Current other liabilities	1.9	0.0	0.0	1.0	2.9
Subtotal	**-113.1**	**32.9**	**-10.5**	**-28.1**	**-118.8**
Tax losses	14.0	9.8	0.0	3.5	27.3
Other deferred taxes	-11.2	1.9	0.0	5.1	-4.2
Total	**-110.3**	**44.6**	**-10.5**	**-19.5**	**-95.7**

12.5 Temporary differences

No deferred tax assets are recognized for outside basis differences, i.e. differences between the IFRS equity value of an investment and its carrying amount for tax purposes, of EUR 524.1 million (previous year: EUR 448.8 million), as the Company can control the timing of the reversal and a reversal is not expected in the foreseeable future.

In addition, no deferred tax assets are recognized for temporary differences of EUR 14.0 million (previous year: EUR 2.1 million), as it is not probable that taxable profit will be available against which they can be utilized in the future.

12.6 Unused tax losses and unused tax credits

Deferred tax assets of EUR 27.3 million were recognized for existing corporate income tax and trade tax loss carryforwards and other tax credits (previous year: EUR 14.0 million).

Deferred tax assets for unused tax losses and tax credits were recognized of EUR 10.7 million (previous year: EUR 12.7 million) in respect of Group companies that generated a negative result in the current period or in the previous period. Capitalization has been made because it is considered probable, based on planning, that taxable profit will be available in the future to offset these losses. This arises in particular in cases where companies have generated start-up losses or it is assumed that the restructuring measures will result in positive earnings in the foreseeable future.

EUR 3.0 million of this amount relates to deferred tax assets recognized in connection with the purchase price allocations (previous year: EUR 0.0 million).

In addition, no deferred tax assets are recognized for corporate income tax and trade tax loss carryforwards and other tax credits amounting to EUR 1,679.0 million (previous year: EUR 946.2 million), as there are legal or economic restrictions on their future utilization.

For the unused tax losses and tax credits in the reporting year, EUR 29.7 million are subject to a time restriction of less than 5 years (previous year: EUR 39.2 million). Furthermore, EUR 60.1 million (previous year: EUR 50.2 million) can be used for a maximum of 10 years; for unused tax losses and tax credits amounting to EUR 1,437.7 million (previous year: EUR 684.2 million), there is no time restriction on use under current tax legislation.

12.7 Uncertain tax liabilities/assets

There are no uncertain tax positions in the reporting period.

Furthermore, the adoption of IFRIC 23 did not have a material impact on the consolidated financial statements as it did not change the measurement of the tax liabilities or assets recognized in the balance sheet.

IFRIC 23 addresses the accounting for current and deferred tax liabilities where there is uncertainty about the income tax treatment. Such uncertainties may arise when the application of the respective applicable tax law to a specific transaction is not clear and therefore also depends on the interpretation by the tax authority. However, Mutares SE & Co. KGaA is not aware of this interpretation when preparing the financial statements. IFRIC 23 requires an entity to recognize these uncertainties in the tax liabilities or assets recognized in the statement of financial position only when it is probable that the corresponding tax amounts will be paid or refunded. In this context, it is assumed that the tax authorities will exercise their right to review declared amounts and have full knowledge of all related information. In such cases, Mutares SE & Co. KGaA always considers the tax matters individually and assesses them at the most probable amount.

13 Consolidated and comprehensive income

The consolidated net profit of EUR –21.0 million (previous year: EUR 442.3 million) includes non-controlling interests of EUR –14.2 million (previous year: EUR –6.7 million).

In the total comprehensive income of EUR 9.2 million (previous year: EUR 447.8 million) includes non-controlling interests of EUR –12.3 million (previous year: EUR –5.9 million).

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14 Earnings per share

Earnings per share are as follows:

		2022	2021
Net income for the year after taxes attributable to the shareholders of Mutares	EUR million	–6.7	449.0
Weighed average number of shares for calculating earnings per share			
Basic	Number	20,626,256	16,719,927
Diluted	Number	21,264,256	16,734,927
Earnings per share			
Basic	EUR	–0.33	26.85
Diluted	EUR	–0.32	26.83

Basic earnings per share are calculated by dividing the net income attributable to the shareholders of the parent company by the weighted average number of shares outstanding during the financial year (number of shares used to calculate basic earnings per share: 20,626,256). Diluted earnings per share are calculated assuming that all potentially dilutive securities and share-based payment plans are converted or exercised (number of shares used to calculate diluted earnings per share: 21,264,256). The stock options issued and exercisable as part of share-based payment potentially have an impact on the dilution of earnings per share. Unlike in the previous year, there were no issued and exercisable stock options at the reporting date. For information on share-based payment, please refer to our comments in Note 32 below. Under the 2019 and 2021 stock option programs, a further 55,676 stock options may be issued to members of the Board of Management and employees of the Company and employees of subsidiaries, which may dilute earnings per share in the future. There were no transactions with treasury shares or options between the reporting date of 31 December 2022 and the date of preparation of the consolidated financial statements.

15 Segment information

In accordance with IFRS 8, operating segments are defined on the basis of internal reporting on the Group's operations, which is regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance. Information reported to the Management Board as the chief operating decision maker for the purpose of allocating resources to the Group's operating segments and assessing their performance relates to the products and services that are manufactured or provided. The Management Board has decided to structure the reporting accordingly. No operating segment has been aggregated to arrive at the level of the Group's reportable segments.

As of 31 December 2022, the portfolio of Mutares SE & Co. KGaA includes 29 operating investments or investment groups (previous year: 23), which are classified into the three segments (1) Automotive & Mobility, (2) Engineering & Technology and (3) Goods & Services. For details, please refer to our comments above under Note 4 on the scope of consolidation.

The investments or groups of investments in three segments each comprise several legal entities. The allocation of the legal entities to the segments is clear; there are therefore no so-called zebra companies. All three segments generate income and expenses within the meaning of IFRS 8.5.

The individual segments are reported and managed in accordance with IFRS. The accounting policies of the reportable segments generally also apply to transactions between reportable segments and are consistent with the Group's accounting policies described in Note 53. Intersegment sales are accounted for at arm's length prices.

As the chief operating decision maker, the Management Board also measures the performance of the segments on the basis of a performance indicator adjusted for special effects, which is referred to as "adjusted EBITDA" in internal management and reporting. This alternative performance measure is calculated on the basis of reported Group EBITDA (earnings before interest, taxes, depreciation and amortization) adjusted for gains on bargain purchases, restructuring and other non-recurring expenses[3] and

deconsolidation effects. This alternative performance measure is intended to make the operating developments within the segments transparent and to enable the chief operating decision makers to assess the operating earnings power of the individual segments.

The reconciliation from reported EBITDA to the performance indicator of adjusted EBITDA is as follows:

EUR million	2022	2021
EBITDA	181.5	566.5
Income from burgain purchases	-262.0	-692.7
Restructuring and other non-recurring expenses	76.4	80.9
Deconsolidation effects	-28.6	3.9
Adjusted EBITDA	**-32.7**	**-41.3**

For information on gains from bargain purchases, please refer to Note 5.1 on acquisitions of subsidiaries, and for information on deconsolidation effects, please refer to Note 5.2 on deconsolidations of subsidiaries.

	Segments									
	Automotive & Mobility		Engineering & Technology		Goods & Services		Corporate / Consolidation		Mutares-Group	
EUR million	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues	1,081.6	719.9	1,176.0	871.9	1,494.2	912.4	0.0	0.0	3,751.7	2,504.0
Cost of Material	-706.3	-446.0	-813.9	-613.7	-878.3	-520.0	0.0	0.0	-2,398.6	-1,579.7
Personnel expenses	-308.0	-233.3	-208.3	-186.5	-352.8	-211.7	-40.6	-28.9	-909.6	-660.4
Other expenses	-151.9	-101.8	-169.8	-120.7	-315.3	-249.5	35.7	-2.4	-601.2	-474.3
EBITDA	34.8	86.4	138.5	64.3	23.7	450.8	-15.5	-35.1	181.5	566.5
Adjusted EBITDA	-49.0	-20.0	-3.9	-2.0	24.8	-13.2	-4.6	-6.0	-32.7	-41.3
Timing of revenue recognition										
Transgerred at a point in time	1,051.9	626.7	803.4	563.7	1,227.6	768.2	0.0	0.0	3,082.8	1,958.5
Over period	29.7	93.2	372.6	308.2	266.6	144.2	0.0	0.0	668.9	545.6

The non-current assets of the units break down geographically by the location of the assets as follows:

EUR million	31/12/2022	31/12/2021
Europe	1,270.4	977.9
France	325.3	423.8
Germany	351.6	314.6
Sweden	84.0	83.6
United Kingdom	56.6	12.9
Italy	50.4	39.5
Poland	30.2	33.2
Croatia	24.5	0.0
Spain	23.7	8.3
Austria	13.7	0.0
Denmark	12.5	11.6
Finland	5.5	29.1
Rest of Europe	92.4	21.3
Rest of the world	36.0	36.4

The non-current assets of the segments comprise intangible assets, property, plant and equipment, rights of use and other non-current non-financial assets.

In the financial year 2022, as in the previous year, revenues with no customer amounted to more than 10% of total third-party revenues in the Mutares Group.

Sales are broken down geographically by market based on the location of the respective customer as follows:

EUR million	2022	2021
Europe	3,462.4	2,301.5
France	936.7	647.4
Germany	891.0	585.7
Sweden	523.1	282.0
Italy	199.4	153.8
United Kingdom	133.3	76.8
Switzerland	100.0	24.2
Finland	91.0	67.0
Denmark	78.4	27.9
Austria	72.7	155.3
Spain	68.3	37.7
Netherlands	66.9	49.7
Poland	47.5	43.1
Czech Republic	27.8	24.3
Belgium	26.7	29.0
Rest of Europe	199.3	97.6
Asia	179.8	148.7
America	77.9	36.8
Africa	31.8	17.0

Sales for each group of comparable products and services are not disclosed because the necessary information is not available and the cost to prepare them is excessive.

The reconciliation of profit before tax to total reported segment EBITDA is as follows:

EUR million	2022	2021
Profit before tax	–56.5	428.6
Corporate/consolidation	15.5	35.1
Depreciation	184.6	119.2
Financial result	53.3	18.7
Total segment EBITDA	197.0	601.6

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D DISCLOSURES ON ASSETS

16 Intangible assets

The development of intangible assets is as follows:

ACQUISITION OR PRODUCTION COST

EUR million	Self-created	Software	Patents, concessions, etc.	Prepayments and such under development	Goodwill	Total
As at 01/01/2021	1.3	14.5	85.8	6.8	0.0	108.3
Additions	1.7	3.6	0.9	5.9	0.0	12.0
Disposals	0.0	-0.1	-0.1	-0.1	0.0	-0.3
Reclassification	0.6	1.3	-3.7	-1.8	0.0	-3.5
Changes in consolidated group	-8.5	-1.1	46.6	-5.4	5.5	37.2
Currency translation effects	0.0	0.1	0.9	0.1	0.0	1.1
Reclassification IFRS 5	0.0	-2.5	-4.2	0.0	0.0	-6.7
As at 01/01/2021	-4.9	15.7	126.2	5.5	5.5	148.1
Additions	2.4	3.8	1.3	10.6	0.3	18.5
Disposals	0.0	-0.1	-0.1	-1.0	0.0	-1.1
Reclassification	0.0	2.6	0.4	-3.0	0.0	0.1
Changes in consolidated group	3.3	-0.3	8.6	-1.0	1.4	11.9
Currency translation effects	-0.1	-0.3	-1.5	0.0	-0.2	-2.0
Reclassification IFRS 5	0.0	-0.2	-1.9	0.0	0.0	-2.0
As at 31/12/2022	0.8	21.2	133.3	11.1	7.0	173.4

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

EUR million	Self-created	Software	Patents, concessions, etc.	Prepayments and such under development	Goodwill	Total
As at 01/01/2021	-0.7	-6.2	-24.9	-0.5	0.0	-32.3
Amortization	-0.4	-3.2	-13.7	0.0	0.0	-17.2
Impairment	0.0	-0.8	0.0	-0.7	0.0	-1.5
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Reclassification	-0.6	-0.8	1.4	0.0	0.0	0.0
Changes in consolidated group	8.6	4.0	21.6	1.3	0.0	35.6
Currency translation effects	0.0	0.0	-0.2	0.0	0.0	-0.3
Reclassification IFRS 5	0.0	1.1	0.7	0.0	0.0	1.7
As at 31/12/2021	6.8	-5.8	-15.1	0.0	0.0	-14.1
Amortization	-0.7	-4.2	-16.7	0.0	0.0	-21.5
Impairment	0.0	-0.1	-5.4	0.0	0.0	-5.6
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Reclassification	0.0	0.0	0.0	0.0	0.0	0.0
Changes in consolidated group	1.4	1.2	7.6	0.0	0.0	10.3
Currency translation effects	0.0	0.0	0.3	0.0	0.0	0.3
Reclassification IFRS 5	0.0	0.2	0.9	0.0	0.0	1.1
As at 31/12/2022	7.6	-8.7	-28.4	0.0	0.0	-29.5
Nett carrying amounts						
01/01/2021	0.5	8.3	60.9	6.3	0.0	76.0
31/12/2021	1.9	9.9	111.1	5.5	5.5	134.0
01/01/2022	1.9	9.9	111.1	5.5	5.5	134.0
31/12/2022	8.3	12.5	104.9	11.2	7.0	143.9

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Intangible assets of EUR 33.7 million (previous year: EUR 87.4 million) were acquired as part of the acquisitions made in the reporting period; we refer to the comments above (Note 5.1 "Acquisitions of subsidiaries").

In the reporting period, research and development expenses recognized as an expense amounted to EUR 3.2 million (previous year: EUR 4.6 million).

The reclassifications in accordance with IFRS 5 mainly relate to intangible assets of FDT Flachdach Technologie GmbH, see Note 24.

For intangible assets pledged as collateral as of 31 December 2022, see Note 35.

Intangible assets with indefinite useful lives

As of 31 December 2022, there are no intangible assets with indefinite useful lives (previous year: EUR 4.6 million).

No intangible assets with indefinite useful lives were acquired as part of business combinations in the reporting period.

Impairment of intangible assets

In the reporting year, the comparison of the recoverable amount with the carrying amounts of individual assets or cash-generating units from the Automotive & Mobility and Engineering & Technology segments resulted in impairment losses. In all cases, the recoverable amount corresponds to the value in use of the asset or cash-generating unit.

- In the case of one cash-generating unit of the Automotive & Mobility segment, the comparison of the value in use with the carrying amounts in the context of increased capital costs on the one hand and the burden on profitability and thus reduced expected cash inflows due to the external conditions described above on the other hand led to an impairment loss of EUR 1.1 million, which is recognized in the statement of comprehensive income within depreciation and amortization. The impairment loss relates entirely to acquired customer lists.

- A brand of a subsidiary in the Engineering & Technology segment was impaired in the amount of EUR 4.1 million in the financial year. The impairment loss is recognized in the statement of comprehensive income under depreciation and amortization. The reason for the impairment is the consideration to merge the subsidiary with another subsidiary under a different brand in the future.

The cost of capital used to discount future cash flows in the estimation of value in use ranges from 8.6% to 12.1%.

The acquisition of a subsidiary in the Goods & Services segment in the financial year 2022 resulted in goodwill of EUR 1.2 million. For details on the acquisition, please refer to Note 5.1.1. Mutares tests goodwill for impairment annually and additionally if there are indications that the goodwill might be impaired. The first impairment test will be performed in financial year 2023. The acquisition of another company from the Goods & Services segment in the previous year also resulted in goodwill of EUR 5.5 million. For details on the acquisition, please refer to Note 5.1.2. The first annual impairment test was performed in financial year 2022. The test did not result in any impairment requirement.

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17 Property, plant and equipment

The development of property, plant and equipment is as follows:

ACQUISITION OR PRODUCTION COST

EUR million	Land and buildings	Technical equipment and machinery	Operating and business equipment	Advance payments and assets under construction	Total
As at 01/01/2021	129.6	196.6	30.9	16.7	373.8
Additions	4.0	12.9	4.8	25.7	47.4
Disposals	-7.5	-9.8	-1.3	-1.8	-20.4
Reclassification	0.8	9.2	1.7	-12.2	-0.5
Changes in consolidated group	331.4	16.0	1.0	3.1	351.6
Currency translation effects	1.1	1.3	0.2	0.4	3.0
Reclassification IFRS 5	-105.2	-1.2	-3.9	-0.2	-110.4
As at 01/01/2021	354.2	225.1	33.5	31.8	644.5
Additions	7.7	24.0	9.4	43.4	84.4
Disposals	-25.8	-12.6	-4.7	-5.9	-49.0
Reclassification	1.7	18.8	1.9	-22.4	-0.1
Changes in consolidated group	108.3	158.8	17.7	5.3	290.0
Currency translation effects	-2.3	-2.1	-0.4	-0.2	-4.9
Reclassification IFRS 5	-36.6	-17.0	-2.8	-1.5	-57.9
As at 31/12/2022	407.2	394.9	54.5	50.5	907.1

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

EUR million	Land and buildings	Technical equipment and machinery	Operating and business equipment	Advance payments and assets under construction	Total
As at 01/01/2021	**-30.3**	**-88.0**	**-12.8**	**-0.1**	**-131.2**
Amortization	-13.6	-28.9	-6.2	0.0	-48.7
Impairment	-1.1	-1.1	-0.1	0.0	-2.3
Disposals	2.9	8.2	0.7	0.0	11.8
Reclassification	0.0	0.0	0.0	0.0	0.0
Changes in consolidated group	22.6	46.5	5.6	0.2	74.9
Currency translation effects	-0.1	0.0	0.0	0.0	-0.2
Reclassification IFRS 5	6.3	0.6	1.2	-0.2	7.9
As at 31/12/2021	**-13.4**	**-62.7**	**-11.7**	**0.0**	**-87.8**
Reversal of write-downs	0.0	0.4	0.0	0.0	0.4
Current depreciation	-19.7	-42.0	-7.6	-0.6	-69.9
Impairment	-2.2	-13.3	-0.2	-0.3	-15.9
Disposals	3.0	2.5	2.4	0.0	7.9
Reclassification	0.2	-0.2	0.0	0.0	0.0
Changes in consolidated group	0.3	6.9	1.9	0.0	9.2
Currency translation effects	0.3	0.4	-0.1	0.0	0.6
Reclassification IFRS 5	-1.7	13.1	1.1	0.2	12.7
As at 31/12/2021	**-33.1**	**-94.7**	**-14.2**	**-0.7**	**-142.8**
Nett carrying amounts					
01/01/2021	99.3	108.6	18.0	16.5	242.6
31/12/2021	340.8	162.4	21.8	31.8	556.7
01/01/2022	340.8	162.4	21.8	31.8	556.7
31/12/2022	**374.0**	**300.2**	**40.3**	**49.7**	**764.2**

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As part of the acquisitions made in the reporting period, property, plant and equipment of EUR 315.8 million was acquired (previous year: EUR 493.7 million); we refer to the comments above (Note 5.1 "Acquisitions of subsidiaries").

The movements reported in the lines "Reclassification IFRS 5" mainly relate to FDT Flachdach Technologie GmbH, Lacroix+Kress GmbH, and Japy Tech SAS, see Note 24.

Furthermore, the movements reported in the line "Reclassification IFRS 5" relate to a planned sale-and-leaseback transaction of a company acquired in the reporting period from the Automotive & Technology segment, as well as a company from the Goods & Service segment.

In addition, the disposal of a property of a subsidiary from the Automotive & Technology segment, which was highly probable at the balance sheet date, was reclassified in accordance with IFRS 5.

Regarding property, plant and equipment pledged as collateral as of 31 December 2022, see Note 35.

Impairment of property, plant and equipment

The impairment losses on property, plant and equipment in the financial year 2022 mainly relate to two cash-generating units from the Automotive & Mobility segment and two cash-generating units from the Engineering & Technology segment. The offsetting of the recoverable amount against the carrying amounts of the cash-generating units resulted in impairment losses on property, plant and equipment. In all cases, the recoverable amount corresponds to the value in use of the cash-generating unit.

- In the case of one cash-generating unit in the Automotive & Mobility segment, the comparison of the value in use with the carrying amounts in the context of increased capital costs on the one hand and the negative impact on profitability and thus reduced cash inflows due to the external conditions described above on the other led to an impairment loss of EUR 2.3 million, which is recognized in the statement of comprehensive income under depreciation and amortization. The impairment expense relates entirely to technical equipment and machinery.

- For another cash-generating unit of the Automotive & Mobility segment, an impairment loss of EUR 2.1 million was recognized, mainly for machinery, which is included in depreciation and amortization in the statement of comprehensive income. The reason for the impairment was the negative impact on profitability and thus reduced cash inflows due to the external conditions described above in the context of the reconciliation of the value in use and the carrying amount.

- In the case of one cash-generating unit in the Engineering & Technology segment, the comparison of the value in use resulted in an impairment loss of EUR 8.2 million, which is recognized in the statement of comprehensive income under depreciation and amortization. The impairment expense relates to technical equipment and machinery as well as operating and business equipment. When comparing the value in use and the carrying amount, the external conditions described above resulted in a negative impact on profitability, which is reflected in lower expected cash inflows.

- In the case of another cash-generating unit in the Engineering & Technology segment, the comparison of the value in use with the carrying amounts resulted in an impairment loss of EUR 4.4 million, which is recognized in the statement of comprehensive income within depreciation and amortization. The reason for the impairment loss is the increased cost of capital combined with a negative impact on profitability and thus reduced cash inflows due to the external conditions described above. The impairment loss mainly relates to technical equipment and machinery.

The cost of capital used to discount future cash flows in estimating the value in use ranges from 8.6% to 12.1%.

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18 Rights of use

Mutares has leases for buildings, office space, technical equipment and machinery as well as other equipment, furniture and fixtures, vehicles and, to an insignificant extent, software.

The development of rights of use is as follows:

CHANGE IN RIGHTS OF USE RECOGNIZED IN THE BALANCE SHEET

EUR million	Intangible assets	Land and buildings	Vehicle fleet	Technical equipment and machinery	Total
As at 01/01/2021	2.0	154.7	12.5	22.5	191.8
Additions	0.1	24.4	6.7	8.1	39.3
Changes in consolidated group	-2.0	175.3	18.8	3.2	195.3
Currency translation effects	0.0	1.3	0.0	0.1	1.4
Reclassification IFRS 5	0.0	-52.9	-1.1	-3.6	-57.6
Change due to revaluation or contract adjustment	0.0	5.8	-0.8	-2.5	2.4
As at 31/12/2021	0.1	308.6	36.1	27.9	372.6
Additions	0.0	101.1	8.1	17.8	127.0
Changes in consolidated group	0.0	13.5	1.9	5.9	21.3
Currency translation effects	0.0	-3.5	-0.6	-0.1	-4.3
Reclassification IFRS 5	0.0	-17.0	-0.9	-1.0	-18.9
Change due to revaluation or contract adjustment	0.0	-3.1	-6.1	-5.1	-14.2
As at 31/12/2022	0.1	399.6	38.5	45.4	483.6

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ACCUMULATED DEPRECIATION AND VALUE ADJUSTMENT

EUR million	Intangible assets	Land and buildings	Vehicle fleet	Technical equipment and machinery	Total
As at 01/01/2021	-0.6	-31.2	-4.2	-8.2	-44.4
Amortization	-0.2	-34.2	-5.6	-4.0	-44.0
Impairment	0.0	0.0	0.0	0.0	0.0
Changes in consolidated group	0.7	7.9	1.6	3.4	13.7
Currency translation effects	0.0	-0.4	0.0	0.0	-0.4
Reclassification IFRS 5	0.0	20.0	0.6	0.4	21.1
As at 31/12/2021	-0.1	-37.900	-7.6	-8.5	-54.2
Amortization	0.0	-42.760	-8.7	-5.2	-56.7
Impairment	0.0	-1.767	0.0	0.0	-1.8
Changes in consolidated group	0.0	-0.153	-0.2	-0.2	-0.5
Currency translation effects	0.0	0.831	0.3	0.0	1.1
Reclassification IFRS 5	0.0	3.206	0.5	0.4	4.1
As at 31/12/2022	-0.1	-78.5	-15.7	-13.5	-108.0
Net carrying amounts					
01/01/2021	1.5	123.4	8.3	14.3	147.4
31/12/2021	0.1	270.6	28.5	19.4	318.6
01/01/2022	0.1	270.6	28.5	19.4	318.6
31/12/2022	0.0	321.1	22.8	31.9	375.8

The leases entered into by the Group are generally subject to restrictions. These arise from termination or sublease restrictions. Some leases also contain an option to purchase the underlying asset outright at the end of the lease or to extend the lease for a further term. In some cases, the lease includes corresponding maintenance, servicing and/or insurance obligations.

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In the reporting period, subsidiaries in all three segments sold real estate and plant and equipment as part of sale and leaseback transactions. These disposals were generally already planned at the previous year's reporting date and the corresponding assets were therefore already recognized at fair value less costs to sell in the course of the planned disposals. The effect on earnings of the sale-and-leaseback transactions amounted to –0.1 million euros in the reporting period (previous year: 0.1 million euros). This is reported under other operating expenses.

For explanatory comments on the corresponding lease liabilities, please refer to Note 36 "Lease liabilities".

19 Inventories

Inventories break down as follows:

EUR million	31/12/2022	31/12/2021
Raw materials, consumables and supplies	223.2	133.0
Work in progress	104.1	101.8
Finished goods and goods for resale	199.2	159.0
Prepayments for inventories	34.3	29.4
Inventories	560.7	423.2

Inventories recognized as an expense in 2022 amount to EUR 1,751.1 million (previous year: EUR 1,139.3 million).

For information on inventories pledged as collateral as of 31 December 2022, see Note 35.

The write-down of inventories to the lower net realizable value recognized in the statement of comprehensive income amounts to EUR 4.0 million (previous year: EUR 7.8 million).

The reversals of impairment losses recognized for inventories in the statement of comprehensive income amount to EUR 1.4 million (previous year: EUR 1.6 million) and result from changes in economic circumstances that indicate an increase in net realizable values.

20 Contract balances

Contract balances consist of contract assets and contract liabilities and are as follows by maturity:

EUR million	31/12/2022	31/12/2021
Non-current receivables from contracts with customer	4.2	5.1
Current reivables from contracts with customers	392.1	273.5
Receivables from contracts from customers	396.3	278.6
Non-current contract assets	4.2	3.7
Current contract assets	46.8	50.6
Contract assets	51.0	54.3
Non-current contract liabilities	4.1	7.6
Current contract liabilities	156.7	144.8
Current liabilities	160.8	152.4

The contract assets as of the balance sheet date largely result from long-term projects that meet the criteria for recognizing revenue over time. The contract assets represent the legal entitlement from goods and services provided which exceed the payments received. In the Engineering & Technology segment, the contract assets mainly relate to services with time-based revenue recognition in the area of plant and construction projects, and in the Automotive & Mobility segment to series production, prototypes and customer tools. The contract liabilities as of 31 December 2022 result mainly from advance payments received from customers in connection with long-term production contracts.

The change in contract balances in the financial year 2022 is the result of ongoing business activity and the associated changes in project progress and billing, particularly in the Engineering & Technology segment, as well as changes in the composition of the Group. In the amount of EUR 10.1 million (prior year: EUR 22.6 million), revenue was recognized in the reporting year from contracts with customers that were included in contract liabilities at the beginning of the period. Contract liabilities of EUR 0.0 million (previous year: EUR 0.1 million), which were recognized in non-current contract liabilities at the beginning of the period, were reclassified to current contract liabilities as of 31 December 2022.

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A total transaction price of EUR 218.0 million (previous year: EUR 197.8 million) has been allocated to the performance obligations not yet or not fully settled as of 31 December 2022. Management expects that EUR 81.5 million of this amount will be recognized as revenue in the next year (previous year: EUR 92.5 million) and EUR 136.4 million (previous year: EUR 105.4 million) in subsequent periods. The outstanding performance obligations mainly relate to long-term manufacturing contracts from the Balcke-Dürr Group, the Donges Group and Clecim and, in the case of the Gemini Rail Group, to obligations under long-term maintenance contracts. In accordance with IFRS 15, the transaction price is not disclosed for performance obligations with a maximum term of one year.

21 Other financial assets

Other financial assets are as follows:

EUR million	31/12/2022	31/12/2021
Receivables from company acquisitions	126.2	153.6
Security deposits	35.6	13.0
Retentions from recourse factoring	30.4	17.0
Supplier bonuses	10.7	8.0
Loans	7.6	11.7
Cash and term deposits	3.4	6.3
Creditors with debit balances	2.4	1.7
Bearer bond	0.0	30.0
Miscellaneous financial assets	12.8	11.7
Other financial assets	**229.1**	**253.0**
Current	183.1	179.4
Non-current	46.0	73.6

The receivables from business combinations of EUR 126.2 million are related to the acquisition of the Lapeyre subgroup from 2021.

22 Other non-financial assets

Other non-financial assets are as follows:

EUR million	31/12/2022	31/12/2021
VAT receivables	40.9	32.4
Prepaid expenses	31.5	24.2
Advance payments	7.6	2.9
Other tax assets	6.9	3.7
Miscellaneous other assets	20.6	3.0
Other non-financial assets	**107.5**	**66.2**
Current	89.8	65.7
Non-current	17.8	0.5

Miscellaneous other assets include EUR 13.5 million relating to defined benefit plans in accordance with IAS 19.

23 Trade accounts receivable and other receivables

Trade and other receivables break down as follows:

EUR million	31/12/2022	31/12/2021
Trade and other receivables	374.6	287.9
Less expected credit losses	-15.5	-26.0
Receivables from Factoring	37.2	16.6
Other receivables	15.0	12.4
Trade and other receivables	**411.3**	**290.9**
Current	407.1	285.9
Non-current	4.2	5.1

Trade and other receivables are non-interest bearing and, with the exception of receivables of EUR 4.2 million (previous year: EUR 5.1 million), have a maximum term of one year.

Expected credit losses are initially recognized in allowance accounts unless it can be assumed at the time the reason for the allowance arises that the receivable will be wholly or partly uncollectible. In such cases, the carrying amount of the receivables is derecognized directly through profit or loss.

For the calculation of impairment losses, please refer to Note 42.1.

As in the previous year, there are no trade receivables measured at fair value through other comprehensive income as of 31 December 2022.

For receivables pledged as collateral as of 31 December 2022, see Note 35.

The expected credit losses for trade and other receivables developed as follows:

EUR million	2022	2021
As at 01.01	**26.0**	**7.5**
Changes in consolidated group	1.8	19.5
Reclassification to disposal groups	0.0	0.0
Additions	3.7	3.4
Utilizations	–11.3	–1.6
Reversal	–4.1	–2.0
Disposal	0.0	–0.5
Currency translation and other effects	–0.6	–0.2
As at 31.12	**15.5**	**26.0**

Assignment of trade receivables

Mutares Group companies sell trade receivables to factoring companies in exchange for the granting of rights of recourse. These trade receivables are not derecognized from the balance sheet as Mutares retains substantially all the risks and rewards of ownership. These are primarily credit risks. The amounts received from the sale of trade receivables are recognized as other financial liabilities. Depending on the agreement with the respective factoring company, customers settle the corresponding open items directly to the respective Mutares company, which then forwards the amounts received to the factoring companies. The carrying amount of trade receivables not derecognized amounts to EUR 38.9 million as of the balance sheet date (prior year: EUR 16.6 million). The corresponding liabilities amount to EUR 55.9 million as of the balance sheet date (previous year: EUR 22.1 million). Due to the short-term nature of the trade receivables sold and the associated liabilities, the fair value approximates the carrying amount. The net position from this amounts to EUR –17.0 million (previous year: EUR –5.5 million).

Mutares also sold trade receivables with a carrying amount of EUR 111.6 million (previous year: EUR 86.6 million) to third parties on the basis of factoring agreements, whereby essentially all risks and rewards associated with ownership were transferred. Consequently, the receivables were derecognized in accordance with IFRS 9.3.2.6(a). Retentions in connection with these assigned receivables amount to EUR 28.5 million (previous year: EUR 16.7 million) and are recognized under other current financial assets. Due to the short-term nature of the trade receivables sold, the fair value approximates the carrying amount. In the event of a payment default by the customer, Mutares is exposed to a remaining payment risk of EUR 17.7 million (prior year: EUR 18.7 million) to the factoring company. The amounts to be repaid to the factoring company would be considered short-term and represent the maximum risk of loss for Mutares.

24 Assets and disposal groups held for sale

The disposals of Lacroix + Kress GmbH, Japy Tech SAS, FDT Flachdach Technologie GmbH and Ganter France S.A.R.L. were highly probable at the reporting date. Accordingly, the assets and liabilities of the companies are reported as held for sale as of 31 December 2022 in accordance with IFRS 5. In this context, expenses totaling EUR 22.5 million were incurred from the measurement of the net assets of the aforementioned companies. These are recognized in the statement of comprehensive income under other expenses. The fair values of the disposal groups were measured in the context of determining their fair values less costs to sell based on the cash flows expected in the first quarter of 2023. This is a Level 2 measurement in the fair value hierarchy.

The assets and liabilities of the companies reported as IFRS 5 break down as follows:

EUR million	31/12/2022
Intangible assets	0.9
Property, plant and equipment	15.2
Rights of use	14.9
Other non-current assets	11.8
Non-current assets	**42.8**
Inventories	42.6
Receivables and other current assets	6.8
Other current assets	18.7
Current assets	**68.1**
Deferred tax liabilities	4.5
Other non-current liabilities	51.2
Non-current liabilities	**55.7**
Current liabilities	**41.7**

Furthermore, as of the balance sheet date 31 December 2022, the disposals of two stores, as well as of an office building of an investment from the Goods & Services segment were highly probable. The transactions were completed at the end of the first quarter of 2023. Subsequently, it is planned that the investment will continue to use two of the properties (sale and leaseback). The fair value of the reclassified properties held for sale in accordance with IFRS 5 amounts to EUR 12.3 million. In addition, an investment from the Automotive & Mobility segment signed a preliminary agreement in December 2022 to sell its facility in Morocco as part of a sale-and-leaseback transaction. The closing of the transaction was highly probable as of the balance sheet date 31 December 2022, which is why the property concerned with a carrying amount of EUR 8.7 million has also been reclassified as held for sale in accordance with IFRS 5. The transaction is expected to be completed in the second quarter of 2023. Another company from the Automotive & Mobility segment has signed a purchase agreement for the sale of its production site and may continue to use the production halls as a tenant in the future. Due to the pending closing of the sale, the transfer of ownership has not yet been completed due to the pending approval of the local authorities and the property is reclassified as held for sale with its carrying amount of EUR 4.4 million. The closing of the transaction is expected for the beginning of the second quarter of 2023. In February 2023, a company from the Goods & Services segment sold its administration building in a sale and leaseback transaction. As of the reporting date, the transaction was already highly probable, which is why the property was already recognized as IFRS 5, held for sale with its carrying amount of EUR 2.1 million. The fair values of the assets held for sale were derived from the available binding purchase offers as part of the determination of their fair values less costs to sell. This is a level 2 measurement in the fair value hierarchy.

As of 31 December 2021, assets and liabilities held for sale mainly related to BEXity, 25 businesses of Lapeyre and a production and administration building including land of Innomotive Systems Hainichen. The disposal of BEXity was completed in the first quarter of 2022, as was the sale-and-leaseback transaction relating to the property of Innomotive Systems Hainichen. Of the 25 Lapeyre businesses, 24 were actually sold in the reporting period, while one business was reclassified back to property, plant and equipment as it was not sold after all, contrary to original planning. The write-downs suspended from the IFRS 5 classification date were made good accordingly.

25 Cash and cash equivalents

Cash and cash equivalents are as follows:

EUR million	31/12/2022	31/12/2021
Bank balances	190.7	248.1
Cash equivalents	55.5	6.9
Cash balance	0.2	0.2
Cash and cash equivalent	**246.4**	**255.1**

As of 31 December 2022, EUR 10.3 million of cash and cash equivalents were restricted (previous year: EUR 6.8 million). For cash and cash equivalents pledged as collateral as of 31 December 2022, see Note 35.

E INFORMATION ON EQUITY AND LIABILITIES

The individual components of equity and their development for the financial years 2021 and 2022 are presented in the consolidated statement of changes in equity.

26 Subscribed capital

The subscribed capital of Mutares SE & Co. KGaA is fully paid-in and consists of 20,636,731 (previous year: 20,636,731) registered no-par value shares with a notional interest in the share capital of EUR 1.00 each as of 31 December 2022.

27 Capital reserve

The capital reserve amounts to EUR 134.9 million as of 31 December 2022 (previous year: EUR 134.0 million) and consists of the premium on the issue of shares in the parent company of EUR 131.2 million (previous year: EUR 131.2 million) and the recognition of share-based payments of EUR 3.7 million (previous year: EUR 2.8 million; cf. the comments in Note 32 below).

28 Retained earnings

By resolution of the Annual General Meeting on 17 May 2022, a partial amount of EUR 30.9 million of the parent company's net retained profits as of 31 December 2021 under German commercial law was distributed in the form of a dividend of EUR 1.50 per no-par value share carrying dividend rights.

The Management Board of the general partner of Mutares SE & Co. KGaA will propose to use the retained earnings of Mutares SE & Co. KGaA for the financial year 2022 of EUR 117,828,514.82 to distribute a dividend of EUR 1.00 per no-par value share entitled to dividend and otherwise to carry it forward to new account. This corresponds to a total amount of EUR 20,626 thousand in relation to the shares currently in circulation. The remaining amount of EUR 97,202 thousand is to be carried forward.

29 Other components of equity

Other components of equity include the revaluation reserve for the recognition of actuarial gains and losses in connection with pension obligations, the foreign currency translation reserve and the reserve for fair value changes of financial assets and liabilities. The development in the reporting year and the previous year is presented in the consolidated statement of changes in equity. Details of the development of the above components are shown in the following table:

EUR million	Actuarial gains/losses	Currency adjustment	Fair value changes of financial assets/liabilities	Other	Total
As at 01/01/2021	–0.6	–6.8	0.2	0.0	–7.3
Other comprehensive income after income taxes	4.5	4.0	–3.3	0.3	5.5
Changes in consolidated group	2.6	0.0	0.0	0.0	2.6
As at 31/12/2021	6.5	–2.8	–3.1	0.3	0.8
Other comprehensive income after income taxes	29.6	–4.9	5.4	0.0	30.1
Changes in consolidated group	1.5	0.1	0.0	0.0	1.6
As at 31/12/2022	37.6	–7.6	2.3	0.3	32.5

EUR million	Non-controlling interest	Attributable to the shareholders of the parent company
As at 01/01/2021	0.7	–6.5
Other comprehensive income after income taxes	–0.7	4.8
Changes in consolidated group	0.0	2.6
As at 31/12/2021	0.0	0.8
Other comprehensive income after income taxes	–1.9	28.2
Changes in consolidated group	0.0	1.6
As at 31/12/2022	–1.9	30.6

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30 Non-controlling interests

At Mutares, non-controlling interests exist at the reporting date in Repartim and – due to management participation programs – also in the acquisition companies of various operating investments.

There are no restrictions on Mutares' ability to access or use assets of the subsidiaries and to settle liabilities.

The following tables relate exclusively to the above-mentioned subsidiaries in which non-controlling shareholders hold shares:

EUR million	31/12/2022	31/12/2021
Non-current assets	773.1	727.1
Current assets	894.5	920.8
Non-current liabilities	447.5	421.7
Current liabilities	717.7	619.6
Equity attributable to shareholders of the parent company	515.3	609.2
Non-controlling interests	**–12.9**	**–2.5**

EUR million	2022	2021
Revenues	2,327.9	1,527.0
Other income and expenses (cumulative)	–2,423.8	–1,022.3
Net income	**–95.9**	**504.7**
Net income for the year attributable to shareholders of the parent company	–81.7	511.4
Net income for the year attributable to non-controlling interests	–14.2	–6.7
Other comprehensive income attributable to shareholders of the parent company	14.8	2.7
Other comprehensive income attributable to non-controlling interests	1.9	0.6
Total other comprehensive income	**16.7**	**3.3**
Comprehensive income attributable to shareholders of the parent company	–66.8	514.1
Comprehensive income attributable to non-controlling interests	–12.3	–5.9
Total comprehensive income	**–79.2**	**508.0**

EUR million	2022	2021
Dividends paid (–) to non-controlling interests	1.5	0.0
Cash flow from operating activities	5.0	–39.1
Cash flow from investing activities	85.0	140.4
Cash flows from financing activities	–97.5	11.4
Change in cash and cash equivalents	**–7.5**	**112.8**

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31 Authorized capital

By resolution of 23 May 2019, the Annual General Meeting of the Company resolved to cancel the Authorized Capital 2015/I and instead authorized the Management Board to increase the share capital of the Company in the period until 22 May 2024, with the consent of the Supervisory Board, by a total of up to EUR 7.7 million by issuing up to 7,748,146 new registered no-par value shares against cash contributions and/or contributions in kind ("Authorized Capital 2019/I"). The Management Board of the Company's general partner, Mutares Management SE, resolved on 28 September 2021, with the approval of the Supervisory Board, to increase the Company's share capital from previously EUR 15.5 million to EUR 20.6 million by issuing 5.1 million new no-par value registered shares. The capital increase with subscription rights for the limited liability shareholders of the Company was carried out in return for cash contributions by making partial use of the existing Authorized Capital 2019/I. After partial use of the Authorized Capital 2019/I, this capital amounts to EUR 1.5 million. This still amounts to EUR 2,608 thousand after the partial utilization.

32 Conditional capital and share-based payment

32.1 Conditional capital

The Annual General Meeting of the Company on 3 June 2016 authorized the Management Board, with the consent of the Supervisory Board, to issue up to 1,500,000 subscription rights ("stock options") to members of the Management Board of the Company, members of the management of affiliated domestic and foreign companies of the Company, and employees of the Company and employees of affiliated domestic and foreign companies until 2 June 2020 ("Mutares Stock Option Plan 2016"). The stock options entitle the holders to subscribe to up to 1,500,000 no-par value registered shares of the Company with a notional interest in the share capital of EUR 1.00 each. Furthermore, the Annual General Meeting resolved to conditionally increase the share capital of the Company by EUR 1.5 million by issuing up to 1,500,000 no-par value bearer shares to service the Mutares Stock Option Plan 2016 ("Conditional Capital 2016/I"). The Annual General Meeting of the Company on 23 May 2019 resolved to cancel the Conditional Capital 2016/I to the extent that it relates to the stock options not issued under the Mutares Stock Option Plan 2016. As a result, the Conditional Capital 2016/I amounts to EUR 361 thousand after reduction as of the reporting date.

The Annual General Meeting of the Company on 23 May 2019 created Conditional Capital 2019/I of EUR 3,000 thousand for the purpose of granting shares upon exercise of conversion or option rights or upon fulfillment of conversion or option obligations to the holders or creditors of convertible bonds, warrant bonds, profit participation rights and/or participating bonds or combinations of these instruments issued on the basis of the authorization resolution of the Annual General Meeting on 23 May 2019.

After the partial cancellation of the Conditional Capital 2016/I became effective, the share capital of Mutares SE & Co. KGaA was conditionally increased by up to EUR 802 thousand by issuing up to 802,176 no-par value registered shares ("Conditional Capital 2019/II") by resolution of the Annual General Meeting on 23 May 2019. The Conditional Capital 2019/II serves to grant subscription rights to members of the Management Board and employees of the Company, members of the management and employees of companies affiliated with the Company.

After the partial cancellation of the Conditional Capital 2016/I has become effective, the share capital of the Company shall be conditionally increased by up to EUR 387 thousand by issuing up to 387,000 no-par value registered shares ("Conditional Capital 2021/I"). The Conditional Capital 2021/I is exclusively for the purpose of issuing shares of the Company to service subscription rights to shares of the Company issued to members of the Management Board of the Company and employees of the Company as well as to members of the management and employees of affiliated companies within the meaning of Secs. 15 et seq. AktG in the form of stock options in accordance with the above authorization resolution pursuant to lit. b).

32.2 Stock option plans

Stock option plan 2016

On 13 October 2016, the Board of Management, with the approval of the Supervisory Board, adopted option conditions under which up to 900,000 stock options from Conditional Capital 2016/I may be issued to members of the management of affiliated domestic and foreign companies of the Company and to employees of the Company and employees of affiliated domestic and foreign companies by 2 June 2020. Upon fulfillment of certain exercise conditions – in particular a waiting period of at least four years and the achievement of a predefined, average, volume-weighted share price during the last 20 stock market trading days prior to the beginning of the respective

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exercise period, which must exceed the exercise price of the option by at least 85.7% – the stock options entitle the holder to subscribe to a total of up to 900,000 no-par value bearer shares of the Company with a notional interest in the share capital of EUR 1.00 each.

Also on 13 October 2016, the Supervisory Board adopted option conditions under which a total of up to 600,000 stock options from Conditional Capital 2016/I may be issued to members of the Company's Management Board until 2 June 2020. The stock options entitle the holders to subscribe to a total of up to 600,000 no-par value bearer shares of the Company, each representing a notional share of the share capital of EUR 1.00, provided that certain exercise conditions are met, in particular a waiting period of at least four years.

In the prior-year period, a total of 464,250 of the 479,250 stock options from the 2016 Stock Option Plan were exercised by the beneficiaries who had met the exercise requirements for the stock options issued (attributable to the tranches in September 2016 and May and November 2017). The remaining 15,000 stock options of the 2016 stock option plan expired in the reporting period due to the expiry of the term.

Stock option plan 2019

On 9 August 2019, the Board of Management adopted option conditions under which a total of up to 360,979 stock options from Conditional Capital 2019/II may be issued to members of the management of affiliated domestic and foreign companies of the Company and to employees of the Company and employees of affiliated domestic and foreign companies until 22 May 2024. The stock options entitle the holder to subscribe to a total of up to 360,979 no-par value registered shares of the Company, each with a notional interest in the share capital of EUR 1.00, provided that certain exercise conditions are met – in particular a waiting period of at least four years and the achievement of a predefined average volume-weighted share price during the last 20 stock market trading days prior to the start of the respective exercise period, which must exceed the exercise price of the option by at least 85.7%.

Also on 9 August 2019, the Shareholders' Committee of the general partner of Mutares SE & Co. KGaA resolved, with the approval of the Supervisory Board, option conditions according to which a total of up to 441,197 stock options from Conditional Capital 2019/II may be issued to members of the Management Board of the Company until 22 May 2024.

The stock options entitle the holder to subscribe to a total of up to 441,197 no-par value registered shares of the Company, each representing a notional share of the share capital of EUR 1.00, provided that certain exercise conditions are met, in particular a waiting period of at least four years.

In four tranches to date in September 2019, May 2020, May 2021 and November 2022, 782,696 stock options were issued from the 2019 Stock Option Plan, of which 441,196 stock options were granted to members of the Management Board. The stock options granted are not entitled to dividends and do not grant any voting rights.

Stock option plan 2021

On 31 August 2021, the Board of Management adopted option conditions under which up to 67,000 stock options from Conditional Capital 2021/I may be issued to members of the management of affiliated domestic and foreign companies of the Company and to employees of the Company and employees of affiliated domestic and foreign companies by 19 May 2026. Upon fulfilment of certain exercise conditions – in particular a waiting period of at least four years and the achievement of a predefined, average, volume-weighted share price during the last 20 stock market trading days prior to the beginning of the respective exercise period, which must exceed the exercise price of the option by at least 85.7% – the stock options entitle the holder to subscribe to a total of up to 67,000 no-par value registered shares of the Company with a notional interest in the share capital of EUR 1.00 each.

Also on 31 August 2021, the Shareholders' Committee of the general partner of Mutares SE & Co. KGaA resolved, with the approval of the Supervisory Board, option conditions according to which a total of up to 320,000 stock options from Conditional Capital 2021/I may be issued to members of the Company's Management Board until 19 May 2026. The stock options entitle the holder to subscribe to a total of up to 320,000 no-par value registered shares of the Company, each with a notional interest in the share capital of EUR 1.00, provided that certain exercise conditions are met, in particular a waiting period of at least four years.

From three tranches in November 2021, April 2022 and November 2022 to date, 350,804 stock options were issued from the 2021 Stock Option Plan, of which 288,804 were issued to members of the Management Board. The stock options granted are not entitled to dividends and do not grant any voting rights.

32.3 Valuation of the stock option plans

The stock options issued under the three plans have been valued using a binomial options price model. Where relevant, the Management Board's best estimate of the following factors has been used to determine the expected life of the options: Non-transferability, exercise restrictions (including the likelihood that the market conditions attached to the option will be met) and exercise behavior assumptions. The expected volatility is based on the development of the shares price volatility over the last six years. With regard to the timing of exercise, it was assumed that the program participants will exercise the options on average at the end of the exercise period of two years, i.e. six years after the grant date.

The following table shows the individual model parameters of the individual tranches from all three stock option plans:

		Options-tranche							
Modellparameter		**16/09/2016**	**23/04/2018**	**05/09/2019**	**19/05/2020**	**21/05/2021**	**10/11/2021**	**22/04/2022**	**14/11/2022**
Share price at grant date	in EUR	12.60	18.05	8.60	11.22	24.35	24.10	22.90	19.82
Exercise price	in EUR	8.83	12.44	6.12	8.07	17.13	16.32	15.62	12.48
Expected volatility	in %	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Option term	in years	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Dividend yield	in %	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Risk-free interest rate	in %	-0.36	0.25	-0.76	-0.55	-0.35	-0.45	0.85	2.11

The risk-free interest rate is determined on the basis of observations of the market for risk-free government bonds with almost identical maturities to the option. If the maturity does not match exactly, the yield curve was interpolated to derive a suitable risk-free interest rate. The range of exercise prices of the options outstanding at the end of the reporting period is EUR 6.12 to EUR 17.13 and the weighted average exercise price is EUR 11.02 (previous year: EUR 9.99). The weighted average remaining contractual term is 3.64 years (prior year: 4.06 years). The weighted average fair value of the stock options granted in the financial year is EUR 1.64 (prior year: EUR 1.52).

The following table shows the average weighted option prices for different categories of options:

Groups of stock options	Groups of stock options	Weighted average of exercise prices
Options outstanding as at 31 December 2021	1,020,500	9.99
Options granted in 2022	285,000	14.46
Options exercised in 2022	0	0.00
Options expiring in 2022	–29,000	8.46
Options exercisable at 31 December 2022	0	0.00
Options outstanding at 31 December 2022	1,276,500	11.02

The development of the number of outstanding stock options at the respective reporting dates is shown in the following table:

	Options-tranche								
Number of share options	16/09/2016	23/04/2018	05/09/2019	19/05/2020	21/05/2021	10/11/2021	22/04/2022	14/11/2022	Total
As at 31/12/2021	15,000	165,000	267,500	370,500	93,696	108,804	0	0	1,020,500
+ new options granted	0	0	0	0	0	0	180,000	105,000	285,000
– exercised options	0	0	0	0	0	0	0	0	0
– expired options	–15,000	0	0	–14,000	0	0	0	0	–29,000
As at 31/12/2022	0	165,000	267,500	356,500	93,696	108,804	180,000	105,000	1,276,500
of which can be exercised	0	0	0	0	0	0	0	0	0

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In the financial year 2022, personnel expenses of EUR 0.9 million (previous year: EUR 1.0 million) were recognized from the aforementioned stock option plans.

33 Own Shares

By resolution of the Annual General Meeting on 23 May 2019, the Management Board was authorized to acquire treasury shares of the Company up to a total of 10% of the Company's capital stock existing at the time of the resolution or – if this value is lower – at the time the authorization is exercised, subject to compliance with the principle of equal treatment (Section 53 AktG), until the end of 22 May 2024. The shares acquired on the basis of this authorization, together with other treasury shares of the Company which the Company has acquired and still holds or which are attributable to it in accordance with sections 71a et seq. of the German Stock Corporation Act (AktG), may at no time exceed 10% of the respective capital stock of the Company.

On the basis of corresponding resolutions, the Management Board, with the approval of the Supervisory Board, launched share buyback programs in the past financial years. In this context, a total of 261,875 shares were acquired in the period from 15 January to 6 March 2015, and in the period from 1 June to 15 July, 2018, with each share representing EUR 1.00 of the capital stock.

The Management Board of the general partner of Mutares SE & Co. KGaA resolved on 17 September 2020, with the approval of the Supervisory Board of the general partner, to launch a share buyback program using the authorization granted by the Annual General Meeting on 23 May 2019 ("Share Buyback Program 2020/I"). Under the share buyback program 2020/I, up to a total of 250,000 treasury shares (corresponding to up to 1.61% of the Company's share capital) could be repurchased in the period from 17 September 2020 to 31 March 2021 at a total purchase price (excluding incidental acquisition costs) of up to EUR 2.5 million. A total of 210,600 shares were acquired during this period. The difference between the acquisition cost and the notional value of the treasury shares amounts to a total of EUR 2.3 million and was offset against retained earnings.

To service the stock options exercised under the 2016 Stock Option Plan, the Company used part of the 472,475 treasury shares existing as of 31 December 2020 in the financial year 2021. The reissuance prices ranged between EUR 19.10 and EUR 24.60 and were used to cover costs and to settle taxes arising from the exercise of the stock options for the beneficiaries and to be paid by the Company. The difference between the acquisition cost and the nominal value of the treasury shares was offset against retained earnings when they were acquired in the past due to the lack of freely available reserves of EUR 3,649 thousand. When treasury shares were used in the context of servicing the stock options exercised under the 2016 Stock Option Plan, the difference between the nominal value of the treasury shares and the exercise price of EUR 3,649 thousand was offset against retained earnings in the opposite direction; the difference between the original average acquisition cost and the exercise price of EUR 1,351 thousand was also offset against retained earnings. Overall, the number of treasury shares thus decreased to 10,475 as of 31 December 2021.

No transactions with treasury shares took place in the financial year 2022, so that the number of treasury shares remains at 10,475 as of 31 December 2022. Their share in the capital stock remains unchanged at EUR 10,475 or 0.1% as of 31 December 2021.

34 Trade accounts payable

Trade accounts payable amount to EUR 592.7 million (previous year: EUR 372.8 million) and are due to third parties. They are recognized at the settlement or repayment amount and are due in full within one year, except for EUR 4.7 million (previous year: EUR 0.6 million), which are due in more than one year.

As the Mutares Group is a conglomerate, practices regarding payment terms – including interest on outstanding amounts, if any – may diverge.

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35 Other financial liabilities

Other financial liabilities developed as follows:

EUR million	31/12/2022	31/12/2021
Bond	79.2	83.4
Liabilities to banks	136.2	68.6
Current liabilities from factoring	54.0	22.1
Outstanding invoices	80.8	44.5
Current third party loans	56.8	14.9
Current liabilities to former shareholders	1.1	15.2
Liabilities for rebates	7.2	3.9
Debtors with credit balances	1.6	2.0
Miscellaneous financial liabilities	69.8	32.5
Other financial liabilities	486.6	287.1
Current	305.9	141.2
Non-current	180.7	145.9

In the case of a newly acquired investment from the Automotive & Mobility segment, liabilities to banks amount to EUR 49.7 million, of which EUR 48.1 million are due within one year. The liabilities are largely secured.

In connection with the acquisition of a further investment from the Automotive & Mobility segment, there are liabilities of EUR 25.5 million, which are fully attributable to a term of up to one year and are reported under liabilities from loans to third parties.

In the case of one investment in the Automotive & Mobility segment, there are non-current liabilities from loans to third parties of EUR 23.0 million (previous year: EUR 8.0 million) and liabilities to banks of EUR 6.6 million, of which EUR 3.5 million relate to maturities of up to one year.

There are also liabilities to banks in other investments of the Automotive & Mobility segment of EUR 27.3 million (previous year: EUR 11.5 million), of which EUR 10.4 million (previous year: EUR 7.7 million) relate to maturities of up to one year.

For two further investments in the Automotive & Mobility segment there are mostly secured liabilities to banks of EUR 16.7 million (previous year: EUR 17.1 million), of which EUR 11.5 million (previous year: EUR 11.1 million) relate to maturities of up to one year. The investment in the Engineering & Technology segment has liabilities to banks of EUR 11.0 million (previous year: EUR 7.8 million), of which EUR 2.7 million (previous year: EUR 2.5 million) are due within one year.

In addition, there are small amounts of liabilities to banks in connection with investments in all segments.

In connection with the outstanding bond and other financing, the companies have undertaken to comply with customary financial covenants and non-financial covenants, whereby non-compliance may result in a right of termination for the banks In the reporting year, covenants for liabilities to banks with a carrying amount of EUR 58.1 million (previous year: EUR 2.1 million) were not complied with, for which no agreement on a waiver of termination had been reached with the banks by the balance sheet date. The majority of the carrying amount relates to liabilities to banks of an investment in the Automotive & Mobility segment. Discussions with the banks on a waiver of termination were initiated in the fourth quarter of financial 2022.

The interest rates on all liabilities to banks range between 0.75% (previous year: 0.5%) and 11.75% (previous year: 11.0%) and include both fixed and variable interest rate agreements. The maturities of the main non-current liabilities to banks are a maximum of ten years (previous year: 7 years).

Liabilities from factoring include liabilities from factoring agreements under which the default risk of the transferred receivables is not transferred to the contractual partner, i.e., Mutares retains substantially all the risks and rewards incidental to ownership of the transferred receivables and no derecognition takes place. With regard to factoring, we refer to the comments in Note 23.

The item bonds exclusively comprises the bond issued in February 2020 with a term until February 2024, which was increased to the maximum nominal volume of EUR 80.0 million in February 2021 under an existing increase option. The bond, which is listed on the Open Market of the Frankfurt Stock Exchange and on the Nordic ABM of the Oslo Stock Exchange, bears interest quarterly at the 3-month EURIBOR (EURIBOR floor of 0.00%) plus a margin of 6.00%.

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The bond has been designated by the Company as at fair value through profit or loss (FVTPL). From the Company's perspective, there are no items in the statement of financial position or the income statement in connection with the bond that would give rise to accounting mismatches from the recognition of the default risk in other comprehensive income. As of the reporting date, there was a difference of EUR 0.8 million between the carrying amount (i.e. fair value) of the bond and the repayment amount at maturity. The cumulative change in the amount of the fair value of the bond attributable to changes in its default risk amounted to EUR 1.4 million as of the reporting date. Since the issuance of the bond and up to the reporting date, no reclassifications of the cumulative gain or loss within equity have been made. Furthermore, no (partial) derecognition of the bond has occurred during this period. With regard to the valuation of the bond as of the balance sheet date, we refer to Note 41.

In connection with the outstanding bond and individual financing transactions, the companies have undertaken to comply with customary financial covenants and non-financial covenants.

The following assets are pledged as collateral for liabilities:

EUR million	31/12/2022	31/12/2021
Intangible assets	1.4	0.0
Property,plant and equipment	126.6	23.6
Other non-current non-financial assets	0.3	0.1
Inventories	72.5	37.8
Trade and other receivables	58.7	13.5
Cash and cash equivalents	3.9	3.1
Pledged assets	**236.3**	**78.1**

The term of the collateral is generally congruent with the term of the underlying loan or credit agreement. As a rule, the collateral granted may not be sold by the collateral taker.

36 Leasing liabilities

The expense for lease payments not included in the measurement of the lease liability is as follows:

EUR million	31/12/2022	31/12/2021
Leasing expenses from short-term leasing relationships	-16.1	-11.1
Leasing expenses from low-value leasing relationships	-1.2	-1.5
Expenses from subleases	-0.3	-0.3
Variable leasing expenses (not included in the leasing liability)	-4.6	0.1
Leasing liabilities	**-22.2**	**-12.8**

The total cash outflow from leases for the financial year 2022 amounted to EUR 74.0 million (previous year: EUR 49.5 million).

Possible future cash outflows from renewal, termination and purchase options that are not considered sufficiently certain have not been included in the measurement of lease liabilities. As of the balance sheet date, there are no leases entered into but not yet commenced that would result in significant cash outflows.

The lease liabilities are generally secured by the leased asset underlying the lease. For information on the corresponding rights of use, please refer to Note 18 "Rights of use".

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37 Pension plans/pension accruals and similar obligations

37.1 Defined contribution plans

The German statutory pension insurance, to which the employer must contribute at a currently applicable rate of 9.3% (employer's contribution) of pensionable compensation, constitutes a defined contribution plan for all employees of Group companies in Germany. Furthermore, there are defined contribution plans mainly in Italy, France and other European countries.

The total expenses of EUR 47.4 million (previous year: EUR 35.7 million) recognized in personnel expenses represent the Group's contributions due to these pension plans in accordance with the contribution rates applicable in the specific countries.

37.2 Defined benefit plans

EUR million	31/12/2022	31/12/2021
Present value of defined benefit obligation	69.5	0.0
Fair value of plan assets	83.0	0.0
Net assets from defined benefit obligation	**13.5**	**0.0**
Present value of defined benefit obligation	104.6	166.4
Fair value of plan assets	10.2	13.3
Net liability from defined benefit obligation	**94.4**	**153.1**
Total present value of defined benefit obligation	174.1	166.4
Total Fair value of plan assets	93.2	13.3
	80.9	153.1

In various Group entities (but not at Mutares SE & Co. KGaA itself), primarily in Germany, France, Italy and the United Kingdom, there are defined benefit plans for pension payments or similar obligations based on country-specific laws or contracts. The amount of the obligations is predominantly derived from the performance-related remuneration, length of service and age. The pension plans are partly funded. As of 31 December 2022, the pension plans in the United Kingdom and another plan in Germany were overfunded, resulting in a defined benefit asset of EUR 13.5 million. This is recognized under non-current other assets. As the overfunding is available as a refund or future contribution reduction, no curtailment of the asset is required. The net liability from defined benefit plans of EUR 94.4 million corresponds to the provisions for pensions and similar obligations.

Pension commitments in **Germany** are governed by various pension regulations and essentially comprise the granting of retirement, invalidity and surviving dependents' benefits. The amount of the pension benefits is determined on the basis of the eligible period of service and the assigned pension group as well as the pension amount determined by the respective individual pension commitment.

The commitments in **France** include government-mandated lump-sum payments upon retirement. There are no minimum funding requirements. In addition, at one French subsidiary there is a contractually agreed pension plan which entitles the holder to pension payments under certain conditions. Minimum funding requirements exist only for retirees. The plan has been closed to new employees since 1997.

The plans in **Italy** include commitments for benefits provided prior to 2007. Due to a change in legislation, all plans were restructured into defined contribution plans as of 2007. Accordingly, only interest effects and actuarial effects change the defined benefit obligations of the Italian subsidiaries. mathe matical effects change the defined benefit obligations of the Italian subsidiaries. There are no minimum funding requirements.

The pension plans in the **United Kingdom** provide retirement and surviving dependents' benefits. The benefits are service- and salary-related. There are statutory minimum funding requirements . Trustees manage the plan assets and make decisions regarding funding and investment strategies together with the subsidiaries. Under one plan, the subsidiary is obligated to pay 100% of the expenses and to be responsible for 100% of any plan deficit. Under the other plan, the subsidiary is required to contribute 60%. The remaining 40% is borne by active beneficiaries. The investment strategy is to invest approximately 60% in assets with volatile returns and 40% in defensive assets – mainly government bonds. This strategy reflects the liability profile of the plan and the risk attitude of the trustee and the subsidiary company. A risk minimization strategy is taken into account, according to which the share of assets with volatile returns is expected to decrease to 20% over the next 14 years.

The plans in **India** and **Poland** entitle employees leaving the company to one-time payments depending on their length of service with the company and their most recent remuneration. In addition, there is a plan in Poland under which the benefit to the beneficiaries is linked to their retirement or reaching the age of sixty.

The plans in Slovenia, Bosnia, Croatia and Serbia also entitle retiring employees to one-time payments. While the one-time payments under the plans in Slovenia depend on the length of service and the last salary received, in Bosnia and Serbia they are calculated on the basis of the average income in the country. In Croatia, it is a fixed amount.

The plan in **Sweden** is based on a collective agreement and entitles employees born before 1979 to lifetime pension benefits.

The Group is typically exposed to the following actuarial risks through these plans:

- **Investment risk:**
  The present value of the defined benefit obligation under the plan is determined using a discount rate determined on the basis of yields on senior, fixed-rate corporate bonds. To the extent that the return on plan assets (if any) is below this rate, this will result in a shortfall in the plan.

- **Interest rate risk:**
  A decrease in the bond interest rate leads to an increase in the plan liability.

- **Longevity risk:**
  The present value of the defined benefit obligation under the plan is determined on the basis of the best estimate of the probability of death of the beneficiary employees both during the employment relationship and after its termination. An increase in the life expectancy of the beneficiary employees leads to an increase in the plan liability.

- **Salary risk:**
  The present value of the defined benefit obligation under the plan is determined partly on the basis of the future salaries of the beneficiary employees. Thus, salary increases of the beneficiary employees lead to an increase in the plan liability.

The accrual for pensions and similar obligations was measured in accordance with generally accepted actuarial principles using the projected unit credit method.

The defined benefit obligations developed as follows as of 31 December 2022 compared to the previous year:

EUR million	31/12/2022	31/12/2021
Opening balance of defined benefit obligation	166.4	126.4
Service cost	2.8	2.0
Current service cost	3.1	2.2
Gains (–)/losses (+) from plan curtailment	–0.3	–0.2
Interest expense	4.4	1.5
Actuarial gains (–) and losses (+)	–78.9	–5.2
due to experience-based adjustments	5.7	–0.3
due to change in demographic assumptions	–1.3	–0.4
due to change in financial assumptions	–83.3	–4.5
Change of valuation methods	0.0	–0.2
Benefits paid	–25.2	–6.7
Changes in the consolidated group	134.4	52.0
from additions	135.6	69.8
from disposals	–1.2	–17.8
Reclassification IFRS 5	–25.8	–3.8
Miscellaneous	–3.9	0.4
Closing balance of defined benefit obligation	174.1	166.4

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The change in the scope of consolidation in 2022 is mainly due to the acquisitions of Special Melted Products Ltd. (EUR 104.8 million), MoldTecs Group (EUR 13.5 million) and SFC Automotive France SAS (EUR 10.4 million). The disposal relates to STF Balcke-Dürr S.r.l. The other change mainly relates to the effect of foreign currency translation. Benefits paid include EUR 16.8 million payments to settle the obligation. They primarily relate to a Swedish subsidiary. This company settled part of its obligation in the financial year by concluding a contract with an insurance company, which is now responsible for servicing this part of the obligation. The gain on plan settlement amounts to EUR 0.2 million.

The amounts recognized in net income and other comprehensive income – before income taxes and deferred taxes – for the two periods are as follows:

EUR million	2022	2021
Service cost	2.8	2.0
Current service cost	3.1	2.2
Gains (–)/losses (+) from plan curtailment	–0.3	–0.2
Net interest expense	2.2	1.4
Components of defined benefit obligations recognised in consolidated net income	5.0	3.3
Actuarial gains (–) and losses (+)	–41.5	–5.5
due to experience-based adjustments	5.7	–0.3
due to change in demographic assumptions	–1.3	–0.4
due to change in financial assumptions	–45.9	–4.8
Components of defined benefit obligations recognised in other comprehensive income	–41.5	–5.5
Comprehensive income from defined benefit obligations	**–36.5**	**–2.2**

Interest expense is recognized in the financial result under interest expense from compounding of provisions.

The fair value of plan assets developed as follows:

EUR million	31/12/2022	31/12/2021
Opening balance of plan assets measured at fair value	13.3	10.1
Employer contributions	10.6	0.3
Interest income	2.2	0.1
Gains (+) and losses (–) from revaluation	–37.4	0.3
Income (+)/expense (–) from plan assets	–37.4	0.3
Paid services	–3.7	–0.7
Changes in the consolidated group	108.8	1.8
due to addition	108.8	2.1
due to disposal	0.0	–0.3
Reclassification IFRS 5	–0.5	0.0
Miscellaneous	–0.1	1.4
Closing balance of plan assets measured at fair value	**93.2**	**13.3**

The addition to the scope of consolidation in the financial year 2022 mainly relates to the acquisition of Special Melted Products Ltd (EUR 101.5 million).

The fair values of the major categories of plan assets at the balance sheet date for each category are as follows:

EUR million	31/12/2022	31/12/2021
Cash and cash equivalents	21.9	0.1
Equity instruments	6.0	2.4
Debt instruments	29.9	2.0
Securities funds	8.7	6.5
Real estate	0.2	0.2
Miscellaneous	26.5	2.1
Closing balance of plan assets measured at fair value	**93.2**	**13.3**

The fair values of the above debt instruments, securities funds and EUR 2.1 million of equity instruments were determined based on quoted prices in active markets. The remaining EUR 3.9 million of equity instruments were determined without quoted prices in an active market.

37.2.1 Actuarial assumptions

The obligations are determined on the basis of actuarial assumptions using the following significant parameters – if relevant for the respective company-specific plan:

	German plans		Italian plans		French plans		UK plans	
%	2022	2021	2022	2021	2022	2021	2022	2021
Discount rate	4.06%–4.26%	0.78%–1.67%	4.06%–4.14%	0.42%–0.98%	4.14%–4.18%	0.90%–0.99%	4.75%–5.05%	1.90%
Salary trends	2.70%	2.30%	n.a.	n.a.	2.60%	1.45%	2.00%	2.10%
Pension trends	1.90%	1.15%	3.30%	2.55%	n.a.	n.a.	2.90%	2.90%
Mortality tables	Heubeck 2018G	Heubeck 2018G	RG48 & IPS55	RG48 & IPS55	INSEE 2016-18	INSEE 2015-17 & TGHF05	Series 3 SAPS	Series 3 SAPS

The other plans concern Slovenia, Bosnia, Serbia and Croatia.

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37.2.2 Sensitivity analysis

The significant actuarial assumptions used to determine the defined benefit obligation are the discount rate, pension trend, salary trend and mortality expectations. The sensitivity analyses presented below were performed on the basis of reasonably possible changes in the respective assumptions as of the balance sheet date, with the other assumptions remaining unchanged in each case. The table shows the changed defined benefit obligation at the respective reporting date under the changed assumption.

		German plans		Italian plans		French plans		UK plans	
EUR million		**31/12/2022**	**31/12/2021**	**31/12/2022**	**31/12/2021**	**31/12/2022**	**31/12/2021**	**31/12/2022**	**31/12/2021**
Defined benefit obligation		44.7	81.1	13.4	18.0	42.3	38.5	64.8	2.4
Interest rate	+50 bp	41.7	74.9	13.3	17.8	40.3	36.2	61.0	2.2
	–50 bp	47.9	87.7	13.6	18.3	44.3	41.3	69.0	2.7
Salary trends	+50 bp	45.2	81.8	n.a.	n.a.	44.1	40.9	64.8	2.4
	–50 bp	44.1	80.3	n.a.	n.a.	40.6	36.3	64.8	2.4
Pension trends	+25 bp	45.3	82.7	13.5	18.5	n.a.	n.a.	66.0	2.5
	–25 bp	42.2	79.5	13.4	17.6	n.a.	n.a.	63.7	2.3
Longevity	+1 year	45.6	84.2	13.4	18.1	42.3	38.7	66.7	2.5
	–1 year	43.6	76.7	13.4	17.9	42.2	38.3	63.0	2.3

		Indian plans		Polish plans		Swedish plans		Other plans	
EUR million		**31/12/2022**	**31/12/2021**	**31/12/2022**	**31/12/2021**	**31/12/2022**	**31/12/2021**	**31/12/2022**	**31/12/2021**
Defined benefit obligation		2.7	2.8	0.4	0.4	3.4	23.3	2.4	n.a.
Interest rate	+50 bp	2.6	2.7	0.4	0.4	2.9	21.1	2.3	n.a.
	–50 bp	2.7	2.9	0.5	0.5	3.9	26.2	2.5	n.a.
Salary trends	+50 bp	2.7	2.9	0.5	0.5	3.6	24.2	2.5	n.a.
	–50 bp	2.6	2.7	0.4	0.4	3.2	22.9	2.4	n.a.
Pension trends	+25 bp	n.a.	n.a.	n.a.	n.a.	3.6	n.a.	n.a.	n.a.
	–25 bp	n.a.	n.a.	n.a.	n.a.	3.2	n.a.	n.a.	n.a.
Longevity	+1 year	2.7	2.8	n.a.	n.a.	3.5	24.6	2.4	n.a.
	–1 year	2.7	2.8	n.a.	n.a.	3.2	22.4	2.4	n.a.

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The foregoing sensitivity analysis is not expected to be representative of the actual change in the defined benefit obligation, as it is unlikely that deviations from the assumptions made will occur in isolation, as some of the assumptions are interrelated. Furthermore, the present value of the defined benefit obligation in the above sensitivity analysis was determined using the projected unit credit method, the same method used to calculate the defined benefit liability recognized in the consolidated statement of financial position.

37.2.3 Expected payments for defined benefit obligations

The following table shows the expected payments for defined benefit obligations for the next five years:

EUR million	2022	2021
Within a year	8.0	7.6
Between one and two years	8.0	8.3
Between two and three years	9.8	8.5
Between three and four years	10.9	9.8
Between four and five years	12.7	10.3

Contributions to plan assets are expected to amount to EUR 0.4 million in the financial year 2023 (previous year: EUR 0.3 million).

The weighted average duration of the defined benefit obligations as of 31 December 2022 is 13.3 years (previous year: 15.2 years).

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38 Other accrued liabilities

The development of other provisions is as follows:

EUR million	Personnel (excluding pensions)	Legal costs	Warranties	Restructuring and severance	Anticipated losses	Miscellaneous other	Total
As at 01/01/2021	16.2	2.3	8.6	14.5	29.6	19.6	90.7
Foreign exchange differences	0.0	0.0	0.0	0.0	0.7	0.2	0.9
Changes in consolidated group	8.2	6.7	10.1	6.4	15.6	45.2	92.1
Addition	6.8	4.7	3.7	19.9	0.0	31.2	66.3
Utilisation	-5.5	-2.6	-3.0	-18.4	-3.8	-20.8	-54.2
Effects from discounting	-0.3	0.0	0.0	0.0	0.0	0.0	-0.3
Reversal	-2.4	-1.3	-1.4	-1.0	-7.8	-8.8	-22.7
Reclassification IFRS 5	-2.0	0.0	0.0	0.0	0.0	-2.0	-4.0
Reclassifications	0.8	-0.5	-0.3	0.4	0.0	-0.1	0.4
As at 31/12/2021	**21.7**	**9.4**	**17.7**	**21.7**	**34.2**	**64.5**	**169.3**
Current	8.8	4.3	7.6	21.3	14.2	24.4	80.5
Non-current	12.9	5.2	10.0	0.6	19.9	40.3	88.9
Foreign exchange differences	-0.2	0.0	0.0	0.0	-0.9	-0.1	-1.2
Changes in consolidated group	5.5	2.5	6.5	0.0	68.6	10.3	93.4
Addition	11.3	2.7	3.6	11.5	2.2	48.5	79.9
Utilisation	-7.6	-3.0	-3.8	-17.0	-1.3	-42.2	-74.9
Reversal	-0.9	-1.8	-3.2	-3.3	-14.3	-10.8	-34.2
Reclassification IFRS 5	-1.4	-0.6	-0.9	0.0	0.0	-0.5	-3.3
Reclassifications	0.0	0.4	-2.7	0.0	-0.4	2.7	0.0
As at 31/12/2022	**28.5**	**9.7**	**17.3**	**12.9**	**88.1**	**72.4**	**229.0**
Current	14.7	2.1	8.3	9.3	32.3	43.0	109.8
Non-current	13.8	7.6	9.0	3.6	55.7	29.6	119.3

The personnel provisions as of 31 December 2022 amount to EUR 28.5 million (previous year: EUR 21.7 million) and result from provisions for employee bonuses (EUR 14.7 million; previous year: EUR 8.7 million), provisions for early retirement (EUR 8.1 million; previous year: EUR 8.5 million) and provisions for long-service awards (EUR 5.7 million; previous year EUR 5.2 million). The latter are accrued in accordance with the employee's length of service to date and discounted at an interest rate of 4.06% and 4.24% (previous year: 0.78% and 0.89%).

The decrease in warranty provisions to EUR 17.3 million (31 December 2021: EUR 17.7 million) is largely the result of utilization and reversals, partly offset by changes in the scope of consolidation, almost exclusively from the acquisitions of the Engineering & Technology segment.

The decrease in provisions for restructuring and severance payments to EUR 12.9 million (31 December 2021: EUR 21.7 million) is mainly due to payments from provisions recognized in the previous year, primarily for the social plan of LMS in the Automotive & Mobility segment. This was offset by additions due to restructuring measures initiated in the Automotive & Mobility and Goods & Services segments in the reporting year.

As in the previous year, the increase in provisions for onerous contracts to EUR 88.1 million (31 December 2021: EUR 34.2 million) is mainly attributable to the new acquisitions in the reporting year, predominantly to provisions for onerous contracts from the acquisitions in the Automotive & Mobility segment.

Miscellaneous other provisions increased only slightly to EUR 72.4 million (31 December 2021: EUR 64.5 million), with additions and utilization almost balancing each other out. The main effects stem from circumstances in the context of customer relationships in the Automotive & Mobility segment.

39 Other liabilities

Other liabilities break down as follows:

EUR million	31/12/2022	31/12/2021
Employee related liabilities	85.0	59.7
Social security liabilities	37.6	33.3
Deferred income	15.2	13.6
VAT liabilities	10.1	8.5
Liabilities from payroll and church taxes	8.8	5.7
Other levies	5.1	19.8
Advance payments received	1.6	3.8
Miscellaneous other liabilities	12.5	6.7
Other non-financial liabilities	**175.9**	**150.9**
short term	173.4	148.0
long-term	2.5	2.9

F FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

40 Capital Risk Management

The Group's objectives with regard to capital management are, on the one hand, to safeguard the Group's ability to continue as a going concern in order to continue to provide its shareholders with income and other stakeholders with the benefits to which they are entitled and, on the other hand, to maintain an optimal capital structure in order to reduce the cost of capital. Where companies have undertaken to comply with financial covenants, non-compliance may result in a right of termination for the financier and may therefore have a negative impact on the capital structure (Note 35). The monitoring and management of the capital structure is largely decentralized. Standardized reporting of all portfolio companies on a monthly basis provides the Management Board with a comprehensive picture of the entire portfolio. The Management Board monitors the situation of the portfolio companies (including with regard to the capital structure) in regular reviews and is informed about all investments on the basis of the reporting system implemented.

	31/12/2022		31/12/2021	
EUR million		**as % of total capital and financial liabilities**		**as % of total capital and financial liabilities**
Equity attributable to shareholders of the parent company	712.7	33.2%	721.2	42.3%
Current financial liabilities	954.1	44.4%	573.5	33.7%
Non-current financial liabilities	479.9	22.4%	409.2	24.0%
Financial liabilities	1,434.0	66.8%	982.7	57.7%
Total capital and financial liabilities	**2,146.7**	**100.0%**	**1,703.9**	**100.0%**

41 Fair value measurement

A breakdown of financial assets or liabilities by IFRS 9 measurement category for the reporting dates of 31 December 2022 and 31 December 2021 shows the following picture:

FINANCIAL ASSETS BY CLASS

	Categories according to IFRS 9	Carrying amount	Measurement in accordance with IFRS 9			Fair value	
EUR million		31/12/2022	Amortized costs	Fair value OCI	Fair value PL	31/12/2022	Hierarchy
Non-current financial assets							
Trade accounts receivable and other receivables	AC	4.2	4.2			4.2	Level 2
Other non-current financial assets		46.0					
Deposits	AC	29.0	29.0			29.0	Level 2
Securities	FVPL	0.9			0.9	0.9	Level 3
Other non-current financial assets	FVPL	0.0			0.0	0.0	Level 3
Other non-current financial assets	AC	7.7	7.7			7.7	Level 2
Derivatives	FVPL	8.4			8.4	8.4	Level 2
Current financial assets							
Trade accounts receivable and other receivables	AC	407.1	407.1			407.1	Level 2
Other current financial assets		183.1					
Deposits	AC	6.6	6.6			6.6	Level 2
Loans	AC	4.3	4.3			4.3	Level 2
Other non-current financial assets	AC	171.2	171.2			171.2	Level 2
Other non-current financial assets	FVPL	0.0			0.0	0.0	Level 3
Derivatives	FVPL	1.0			1.0	1.0	Level 2
Cash and cash equivalents	AC	246.4	246.4			246.4	Level 2

FINANCIAL LIABILITIES BY CLASS

EUR million	Categories according to IFRS 9	Carrying amount 31/12/2022	Measurement in accordance with IFRS 9: Amortized costs	Fair value OCI	Fair value PL	Fair value 31/12/2022	Hierarchy
Non-current financial liabilities							
Trade payables and other liabilities	FLAC	4.7	4.7			4.7	Level 2
Other financial liabilities		180.7					
Liabilities to banks	FLAC	46.9	46.9			45.4	Level 3
Third party loans	FLAC	28.5	28.5			28.5	Level 3
Bonds	FLFVPL	79.2			79.2	79.2	Level 1
Other non-current financial liabilities							
Other non-current financial liabilities	FLAC	20.1	20.1			20.1	Level 3
Other non-current financial liabilities	FLFVPL	6.0			6.0	6.0	Level 3
Derivatives	FLFVPL	0.0			0.0	0.0	Level 2
Current financial liabilities							
Trade payables and other liabilities	FLAC	588.0	588.0			588.0	Level 2
Other financial liabilities		305.9					
Outstanding invoices	FLAC	80.8	80.8			80.8	Level 2
Liabilities to banks	FLAC	89.3	89.3			88.8	Level 3
Liabilities from factoring	FLAC	54.0	54.0			54.0	Level 2
Third party loans	FLAC	28.3	28.3			28.3	Level 3
Other current financial liabilities						0.0	
Other current financial liabilities	FLAC	47.2	47.2			47.2	Level 3
Other current financial liabilities	FLFVPL	0.0			0.0	0.0	Level 3
Derivatives	FLFVPL	6.3			6.3	6.3	Level 2

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FINANCIAL ASSETS BY CLASS

	Categories according to IFRS 9	Carrying amount	Measurement in accordance with IFRS 9			Fair value	
EUR million		31/12/2021	Amortized costs	Fair value OCI	Fair value PL	31/12/2021	Hierarchy
Non-current financial assets							
Trade accounts receivable and other receivables	AC	5.1	5.1			5.1	Level 2
Other non-current financial assets		73.6					
Deposits	AC	10.9	10.9			10.9	Level 2
Securities	FVPL	0.4			0.4	0.4	Level 3
Other non-current financial assets	FVPL	0.0			0.0	0.0	Level 3
Other non-current financial assets	AC	62.3	62.3			62.3	Level 2
Current financial assets							
Trade accounts receivable and other receivables	AC	307.9	307.9			307.9	Level 2
Other current financial assets		180.1					
Deposits	AC	2.1	2.1			2.1	Level 2
Loan	AC	8.8	8.8			8.8	Level 2
Other non-current financial assets	AC	169.1	169.1			169.1	Level 2
Other non-current financial assets	FVPL	0.0			0.0	0.0	Level 3
Derivatives	FVPL	0.1			0.1	0.1	Level 2
Cash and cash equivalents	AC	261.7	261.7			261.7	

FINANCIAL LIABILITIES BY CLASS

EUR million	Categories according to IFRS 9	Carrying amount 31/12/2021	Measurement in accordance with IFRS 9: Amortized costs	Fair value OCI	Fair value PL	Fair value 31/12/2021	Hierarchy
Non-current financial liabilities							
Trade payables and other liabilities	FLAC	0.6	0.6			0.6	Level 2
Other financial liabilities		145.9					
Liabilities to banks	FLAC	29.0	29.0			30.0	Level 3
Third party loans	FLAC	11.9	11.9			12.0	Level 3
Bonds	FLFVPL	83.4			83.4	83.4	Level 1
Other non-current financial liabilities							
Other non-current financial liabilities	FLAC	17.8	17.8			17.8	Level 3
Other non-current financial liabilities	FLFVPL	3.8			3.8	3.8	Level 3
Derivatives	FLFVPL	0.0			0.0	0.0	Level 2
Current financial liabilities							
Trade payables and other liabilities	FLAC	392.7	392.7			392.7	Level 2
Other financial liabilities		145.9					
Outstanding invoices	FLAC	49.2	49.2			49.2	Level 2
Liabilities to banks	FLAC	39.5	39.5			39.9	Level 3
Liabilities from factoring	FLAC	22.1	22.1			22.1	Level 2
Third party loans	FLAC	18.2	18.2			18.2	Level 3
Other current financial liabilities						0.0	
Other current financial liabilities	FLAC	16.7	16.7			16.7	Level 3
Other current financial liabilities	FLFVPL	0.0			0.0	0.0	Level 3
Derivatives	FLFVPL	0.2			0.2	0.2	Level 2

SUMMARY BY CATEGORY

EUR million		Carrying ammounts 31/12/2022	Carrying ammounts 31/12/2021
Financial assets measured at amortized cost	AC	876.6	827.9
Financial assets measured at fair value through profit or loss	FVPL	10.3	0.5
Financial liabilities measured at amortized cost	FLAC	987.8	597.7
Financial liabilities measured at fair value through profit or loss	FLFVPL	91.5	87.4

The three steps for determining the fair value of financial instruments are described in Note 2 “Basis of preparation of the financial statements”.

The fair values of derivatives allocated to Level2 are determined on the basis of bank valuation models or calculated on the basis of current parameters such as interest rates and exchange rates at the balance sheet date and by using accepted models such as the DCF method (discounted cash flow) or the Black-Scholes model and taking into account credit risk.

For all other financial assets and liabilities classified as Level 2, the carrying amount is a reasonable approximation of fair value.

No reclassifications were made between Level 1 and Level 2 of the hierarchy in the current financial year.

Miscellaneous other financial liabilities in the IFRS 9 category FLFVPL comprise contingent consideration in connection with acquisitions of subsidiaries that are subsequently measured at Level 3 fair value. The fair value is determined in accordance with generally accepted valuation techniques based on discounted cash flow analyses. In addition to the specific discount rates, the main input parameters are the expectations of future cash flows, as well as the earnings figures specified in the purchase agreements and relevant to the earn-out, including maturity-specific probabilities of default.

For all other financial assets and liabilities allocated to Level 3, fair values are determined using the DCF method on the basis of expected cash flows and taking into account current parameters such as interest rates and credit risks.

The net gains or losses of the individual categories in accordance with IFRS 7.20 are as follows:

EUR million	2022	2021
from financial assets designated as at fair value through profit or loss	0.6	–1.5
from financial liabilities at fair value through profit or loss (income statement)	–13.9	0.5
from financial liabilitiesat fair value through profit or loss (OCI)	5.4	–3.3
from financial assets at amortized costs	2.0	0.4
from financial liabilities at amortized costs	–26.1	–8.6
Total	**–32.0**	**–12.5**

Net gains and losses on financial instruments arise from changes in the fair value of financial instruments measured at fair value through profit or loss, with changes in the value of financial liabilities measured at fair value through profit or loss resulting from changes in the entity’s own credit risk being recognized in OCI, foreign exchange gains and losses on financial assets and liabilities measured at amortized cost, expenses and income for expected credit losses, expenses for interest on financial liabilities measured at amortized cost, and expenses for interest on financial liabilities measured at fair value through profit or loss.

Total interest income and expenses are as follows:

EUR million	2022	2021
Financial assets measured at amortised cost	0.7	0.8
Financial liabilities not measured at fair value through profit or loss	–30.0	–8.6
Total	**–29.3**	**–7.8**

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The changes in financial instruments measured at fair value at Level 3 are as follows:

EUR million	Other financial assets	Other financial liabilities	Total
Opening balance at 01/01/2022	0.4	–3.8	–3.4
Total gains and losses	0.0	–1.0	–1.0
recognised in the income statement	0.0	–1.0	–1.0
recognized in other comprehensive income	0.0		–
Reclassifications	0.0		–
Acquisitions	0.4	–1.2	–0.8
Disposals	0.0		0.0
Earn-out payments			–
Ending balance at 31/12/2022	0.8	–6.0	–5.2

EUR million	Other financial assets	Other financial liabilities	Total
Opening balance at 01/01/2021	10.1	–1.2	8.9
Total gains and losses	–1.1	0.2	–0.9
recognised in the income statement	–1.1	0.2	–0.9
recognized in other comprehensive income	0.0		–
Reclassifications	0.0		–
Acquisitions	0.4	–3.2	–2.8
Disposals	–9.0		–9.0
Earn-out payments	0.0	0.4	0.4
Ending balance at 31/12/2021	0.4	–3.8	–3.4

42 Financial Risk Management

The Group's management monitors and manages the financial risks associated with the Group's business areas using internal risk reporting, which analyzes risks by degree and extent. These risks include credit, liquidity and market risks (currency and interest rate risks).

In some cases, the Group minimizes the impact of these risks by using derivative financial instruments. The use of derivative financial instruments is governed by policies established by the Group's management. These contain guidelines for the management of currency, interest rate and default risks. Compliance with the guidelines and risk limits is monitored on an ongoing basis. The Group does not contract or trade financial instruments, including derivative financial instruments, for speculative purposes.

42.1 Credit and default risk

Credit and default risk is the risk of loss to the Group if a counterparty fails to meet its contractual obligations. In the Group, business relationships shall only be entered into with creditworthy contracting parties and, if appropriate, with the provision of collateral in order to mitigate the risks of loss from non-performance of obligations. The Group only enters into business relationships with companies that are rated equally or better than investment grade. This information is provided by independent rating agencies. If such information is not available, the Group uses other available financial information as well as its own trading records to rate its major customers.

Credit risks are managed through limits per counterparty, which are reviewed and approved by local management.

Trade receivables are due from a large number of customers spread across different industries and geographical areas. Due to the business activities and the resulting diversification of Mutares, there was no significant concentration of risk in the financial year 2022.

For the application of the expected credit loss model according to IFRS 9.5.5, Mutares mainly uses the simplified approach for trade receivables. For this purpose, probabilities of default are determined. These are based either on individual rating information of the customers or the customer group to which a corresponding probability of default is assigned, or on an impairment matrix that is prepared with reference to the previous default and an analysis of various factors. In order to determine the expected credit losses, the loss given default is applied in addition to the probability of default. Mutares generally assesses this with the value of 100%, which corresponds to the expectation of the default amount by Mutares.

Based on the risk ratings determined within the Group, the gross carrying amounts per rating class are shown below:

GROSS CARRYING AMOUNTS OF FINANCIAL ASSETS PER DEFAULT RISK RATING CLASS

	As at 31/12/2022		
EUR million	**Trade and other receivables**	**Contract assets**	**Other financial assets**
Rating			
A rating	378.2	58.7	178.7
B rating	41.3	0.0	39.5
C rating	7.3	0.0	0.5
Total	426.8	58.7	218.7

GROSS CARRYING AMOUNTS OF FINANCIAL ASSETS PER DEFAULT RISK RATING CLASS

	As at 31/12/2021		
EUR million	**Trade and other receivables**	**Contract assets**	**Other financial assets**
Rating			
A rating	246.7	53.9	241.3
B rating	79.4	0.5	11.5
C rating	9.4	0.0	0.1
Total	335.5	54.4	252.9

The rating grades are based on both an individually assigned probability of default and a risk rating for individual customer groups with a comparable risk structure. The following table shows the default probabilities or rating classes assigned to the individual rating grades:

	Default rate as %	**Rating**
Rating		
A rating	0.0 – 0.0286	AAA – AA
B rating	0.0286 – 0.52	A – BBB
C rating	0.52 – 100	BB – D

The allowances for trade receivables changed as follows:

EUR million	**Lifetime ECL (level 2) simplified model**	**Lifetime ECL (level 3) simplified model**
Impairment as at 01/01/2022	6.6	19.4
Changes in consolidated group	1.6	0.2
Transfers		
Transfer to level 2	1.0	–1.0
Transfer to level 3	–4.1	4.1
Additions	3.6	0.1
Utilization	0.0	–11.3
Reversals	–3.7	–0.4
Disposal	0.0	0.0
Currency translation effects and other effects	–0.6	0.0
Reclassification to disposal groups	0.0	0.0
Balance as at 31/12/2022	**4.4**	**11.1**

The reduction in the impairment loss compared with the previous year is mainly due to the derecognition of receivables in connection with the utilization.

For all other assets subject to the impairment model in accordance with IFRS 9.5.5, there were no significant expected credit losses.

The carrying amount of trade and other receivables as of the balance sheet date is EUR 411.3 million (previous year: EUR 291.0 million). The maximum default risk without taking into account collateral corresponds to the carrying amount. As in the previous year, there were no credit default swaps as of the reporting date.

The maximum default risk of the other financial assets also corresponds to their carrying amount, as there are no significant agreements in this respect that reduce the default risk.

42.2 Liquidity risk

Liquidity risk comprises the following risks:

- Not being able to meet potential payment obligations at the time they are due.
- Not being able to procure sufficient liquidity at the expected conditions when needed (refinancing risk).
- not being able to terminate, extend or close out transactions, or only being able to do so at a loss or at excessive cost, due to market inadequacies or market disruptions (market liquidity risk).

Prudent liquidity management includes maintaining an adequate reserve of cash and cash equivalents and marketable securities as well as the ability to obtain financing through an adequate amount of committed credit lines. Due to the dynamic nature of the business environment in which the Group operates, the aim of the Group's finance department is to ensure the necessary flexibility in financing through sufficient unused credit lines within the Group. As of the balance sheet date, these exist in the low double-digit million range and are largely attributable to undrawn factoring lines for which saleable trade receivables are available.

The management of the Mutares Group monitors the liquidity of the operating companies as well as of the Group as a whole within the framework of rolling cash flow forecasts.

The Group can only use local means of payment in certain countries (e.g. China) on a cross-border basis subject to applicable foreign exchange restrictions. There are no other significant restrictions.

The following overviews show the maturity structure of the financial liabilities. In contrast to the balance sheet, the future cash flows are presented here on an undiscounted basis:

	31/12/2022			
EUR million	Due within a year	Due in one to five years	Due in over five years	Total
Cash outflows from non-derivative financial liabilities	1,019.6	406.3	134.9	1,560.8
Lease liabilities	76.3	216.7	123.2	416.3
Liabilities from loans from third parties	943.3	189.6	11.7	1,144.5
Cash outflows from derivative financial liabilities	6.6	0.0	0.0	6.6
Total	**1,026.2**	**406.3**	**134.9**	**1,567.4**

	31/12/2021			
EUR million	Due within a year	Due in one to five years	Due in over five years	Total
Cash outflows from non-derivative financial liabilities	626.3	379.2	85.9	1,091.4
Lease liabilities	78.9	244.2	83.9	407.0
Liabilities from loans from third parties	547.4	135.0	2.0	684.4
Cash outflows from derivative financial liabilities	0.2	0.0	0.0	0.2
Total	**626.5**	**379.2**	**85.9**	**1,091.5**

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42.3 Market price risk

The Group's activities expose it principally to minor financial risks from changes in foreign exchange rates and interest rates. The Group selectively enters into derivative financial instruments on a small scale to manage its existing commodity, interest rate and foreign exchange risks.

42.4 Exchange rate risk

The operating business is subject to exchange rate risks from purchases and sales that are not agreed in euros. The main currency risks for Mutares arise from transactions in USD, MAD and PLN (previous year: PLN, CNY and GBP).

Existing risk positions are monitored on an ongoing basis and mitigated by offsetting existing foreign currency cash flows. Due to the manageable currency exposure, active currency risk management through the use of derivative financial instruments is currently only carried out in isolated cases.

The following table shows the sensitivity of a 10% rise or fall in the euro against the respective foreign currency from the Group's perspective:

	2022		2021	
EUR million	**+10%**	**-10%**	**+10%**	**-10%**
USD	3.0	-3.7	0.0	0.0
CNY	0.1	-0.1	-0.4	0.4
PLN	0.8	-0.9	0.5	-0.6
GBP	-0.5	0.7	-0.3	0.4
SEK	-0.4	0.5	0.2	-0.3
DKK	-0.7	0.9	0.0	0.0
CZK	0.0	0.0	-0.1	0.1
NOK	0.1	-0.1	0.0	0.0
RON	0.0	0.0	0.0	0.0
MAD	1.8	-2.2	0.0	0.0

42.5 Interest rate risk

The Group is exposed to interest rate risk from variable rate loans as well as interest rate risk for fixed rate loans at the time of refinancing. The majority of the loans have variable interest rates. The interest rate risk results from changes in market interest rates, particularly for medium- and long-term variable-rate liabilities. In the case of current liabilities, and generally in the case of liabilities with fixed interest rates, the interest rate risk is insignificant.

EUR million	**31/12/2022**	**31/12/2021**
Carrying amount of fixed-interest loans	79.2	54.4
Carrying amount of variable-interest loans	151.5	44.0
Carrying amount of variable-interest bonds	79.2	83.4
Total	**309.9**	**181.8**

The risk from variable-interest loans is partially hedged by using corresponding interest rate swaps with matching maturities and conditions. However, no hedge accounting is applied. In addition, the development of interest rates and possible loan expiries is continuously monitored by management. Depending on the individual case, the management concludes transactions to reduce the risk position as required. In addition, there is an interest rate risk from the variable-interest liabilities from factoring.

The sensitivity analysis for interest rate risks represents the effect of the change in the risk-free market interest rate on profit before tax if the market interest rate level had been 100 basis points higher or lower compared to the level as of 31 December 2022 (or 31 December 2021) with all other variables held constant. Furthermore, for some financial instruments included, the analysis is prepared assuming that the amount of the outstanding liability at the end of the reporting period was outstanding for the full year.

	2022		2021	
EUR million	**-100 bp**	**+100 bp**	**-100 bp**	**+100 bp**
Effects on the income statement before taxes	1.8	-2.9	0.4	-1.1

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43 Notes to the cash flow statement

Cash and cash equivalents comprise cash and cash equivalents such as bank balances. Cash equivalents are used to meet short-term payment obligations. They are allocated to cash and cash equivalents because they can be converted directly into a fixed amount of cash and are subject to only insignificant risks of fluctuation in value.

The consolidated net profit includes gains on acquisitions ("bargain purchases") of EUR 262.0 million (previous year: EUR 692.7 million), which do not increase cash flow from operating activities and therefore have to be adjusted. In connection with acquisitions, cash and cash equivalents of EUR 152.0 million (previous year: EUR 214.5 million) were acquired in the reporting period, of which EUR 81.3 million (previous year: EUR 34.2 million) relate to payments received from an escrow account of an acquisition made in the previous year. This amount is shown in cash flow from investing activities.

In addition, the consolidated result included profits (EUR 31.8 million; previous year: EUR 32.8 million) and losses (EUR 3.2 million; previous year: EUR 36.7 million) from deconsolidations, which also do not increase the cash flow from operating activities and therefore have to be adjusted. In connection with the deconsolidations, there was a net inflow of EUR 26.7 million in cash and cash equivalents (previous year: EUR 29.5 million), which is reported under cash flow from investing activities.

Cash inflows from disposals of assets held for sale influenced the cash flows of the Mutares Group by EUR 18.9 million in the reporting period (previous year: EUR 3.0 million) and mainly relate to various sale-and-leaseback transactions. The sale in the context of sale-and-leaseback transactions of 25 businesses of a subgroup from the segment Goods & Services, which were reported as held for sale as of 31 December 2021, generated cash inflows of EUR 54.0 million. In addition, the subgroup was able to generate cash inflows of EUR 7.0 million from the sale of another business, which was still reported under property, plant and equipment as of 31 December 2021. However, these cash inflows totaling EUR 61.0 million have no impact on the cash flow of the Mutares Group, as they were initially paid into an escrow account in accordance with the relevant escrow agreement and are available to the subgroup as required. Total EUR 10.3 million (previous year: EUR 29.5 million) of the balances with credit institutions are subject to restraints on disposal.

The reconciliation between opening and closing balance sheet values for liabilities from financing activities is as follows:

EUR million	Liabilities from financing activities
Total as at 31/12/2020	**312,2**
Cash transactions	
Proceeds (+) from (financial) loans	61,7
Repayments (–) of (financial) loans	–17,7
Repayments (–) of leasing liablities	–49,5
Proceeds (+) / payments (–) from factoring	–9,9
Interest received (+)	0,8
Interest paid (–)	–13,4
Total cash transactions	**–27,9**
Non-cash effects	
Addition of lease liabilities	234,7
Addition/derecognition of (financial) loans from changes in consolidation group	–9,6
Interest expense (+)/interest income (–)	18,7
Reclassification IFRS 5	–37,5
Other changes	21,2
Total non-cash effects	227,5
Total as at 31/12/2021	**511,8**
Cash transactions	
Proceeds (+) from (financial) loans	117,9
Repayments (–) of (financial) loans	–60,7
Repayments (–) of leasing liablities	–74,0
Proceeds (+) / payments (–) from factoring	21,2
Interest received (+)	0,7
Interest paid (–)	–29,3
Total cash transactions	**–24,2**
Non-cash effects	
Addition of lease liabilities	121,3
Addition/derecognition of (financial) loans from changes in consolidation group	68,3
Interest expense (+)/interest income (–)	53,3
Reclassification IFRS 5	–15,4
Other changes	–34,3
Total non-cash effects	**193,4**
Total as at 31/12/2022	**680,9**

The reconciliation includes non-current and current liabilities to banks, liabilities from (unreal) factoring, lease liabilities and loans to third parties.

During the financial year and in the previous year, the Group carried out the following significant non-cash investing and financing activities, which are not reflected in the statement of cash flows:

- In accordance with the provisions of IFRS 16, rights of use have been capitalized and corresponding lease liabilities recognized; the payments for the redemption of lease liabilities are reported in cash flow from financing activities.

- In connection with the initial consolidations and deconsolidations, a net amount of EUR 68.3 million (previous year: EUR –9.6 million) in (financial) loans was added to the Group.

44 Participations in joint arrangements

Indirect subsidiaries of Mutares SE & Co. KGaA from the Engineering & Technology segment are involved as partners in joint arrangements within the meaning of IFRS 11 in the context of joint ventures or consortia agreements. These have been entered into with the aim of implementing customer projects. The majority of the joint ventures are based in Germany. The ownership interests range from 28% to 77%.

Taking into account the structure and legal form of the arrangements and all other relevant facts and circumstances, the joint arrangements are to be classified as joint operations that are not individually material to the Group.

As of the balance sheet date, the joint and several liability from the investment in the civil law companies relates to projects with a total contract value of approximately EUR 462 million (previous year: approximately EUR 368 million). The subsidiaries' own share of this amounts to EUR 192.5 million (previous year: EUR 162 million). Based on the ongoing credit assessments of the consortium partners, we do not expect any claims to be made on the shares of other companies. With the exception of the amounts recognized as provisions for onerous contracts or as part of the loss-free valuation, we also do not expect any utilization for our own share.

45 Contingent liabilities, contingencies and litigation

Contingent liabilities / liabilities

Obligations from business combinations
Mutares SE & Co. KGaA has undertaken to indemnify the seller of keeeper GmbH in the event of a claim in connection with a previous financing commitment as well as previously issued guarantees, whereby this obligation is limited to an amount of EUR 3.5 million and ends on 30 June 2024.

In connection with the acquisition of the transport logistics and warehouse business BEXity GmbH, Mutares SE & Co. KGaA has undertaken towards the seller to indemnify the seller against claims by third parties in connection with legal relationships assumed and in the event of insolvency of BEXity GmbH. The indemnification claim of the seller is limited in time and amount to EUR 9.0 million until 30 December 2021, to EUR 6.0 million until 30 December 2022, and to EUR 3.0 million until 30 December 2023. The aforementioned liability limits increase by profit distributions of BEXity GmbH and decrease by financing lines granted and loans of Mutares SE & Co. KGaA not yet repaid. The obligation has decreased from EUR 9.0 million to EUR 6.0 million as of 31 December 2021, and amounts to EUR 6.3 million as of 31 December 2021, taking into account additional payments. With the sale of BEXity GmbH, the acquirer of BEXity has also assumed the aforementioned obligation to the seller jointly and severally and has at the same time undertaken to indemnify Mutares SE & Co. KGaA in the event of a claim. Furthermore, the seller has also declared that it will only make claims against Mutares SE & Co. KGaA subordinate to the acquirer.

Mutares SE & Co. KGaA has given an undertaking to the seller of the paper napkin business acquired from FASANA GmbH to provide the purchaser with funding of up to EUR 10.0 million for a period of 24 months from February 2020, should this be necessary to avoid insolvency. This guarantee expired in the financial year 2022 without being called. Irrespective of this, Mutares SE & Co. KGaA has provided financial resources to FASANA GmbH via a direct subsidiary. In addition, Mutares SE & Co. KGaA indemnifies the seller against certain claims of employees assigned to the paper napkin business for a period of four years from February 2020. The indemnification is limited to EUR 10 million in the first two years; this amount is reduced by any funds provided by

Mutares SE & Co. KGaA to FASANA GmbH. In the third year, the maximum exemption amount is reduced to EUR 7.5 million and in the fourth year to EUR 5.0 million. As of the reporting date, Mutares SE & Co. KGaA had provided FASANA GmbH with funds in the amount of EUR 5.2 million. As a result, the guarantee decreased to EUR 4.8 million as of the reporting date 31 December 2022.

In September 2020, Mutares SE & Co. KGaA acquired SABO Maschinenfabrik GmbH via a direct subsidiary. As part of the acquisition, Mutares guarantees to be fully responsible for the fulfillment of the contractual obligations of the buyer, should the buyer fail to fulfill these obligations. In particular, the Purchaser has undertaken to indemnify the Vendor as well as any corporate bodies from any claims by third parties in connection with the legal relationships of SABO Maschinenfabrik GmbH. The indemnification obligation of the buyer is limited to 24 months from closing and therefore until the end of August 2022 as well as an amount of EUR 5.0 million. The guarantee expired in the financial year 2022 without being utilized.

In connection with the acquisition of Lacroix + Kress GmbH, Mutares has undertaken to indemnify the seller, a direct subsidiary, against any avoidance claims in the event of insolvency of Lacroix + Kress GmbH. The indemnification is limited to a period of 27 months from the closing of the transaction and thus until February 2023 and an amount of EUR 2.0 million. In addition, the purchaser indemnifies bodies of the seller from a claim by third parties in connection with the legal relationships of the company. Mutares SE & Co. KGaA guarantees to the seller the fulfillment of the contractual obligations of the buyer.

In connection with the acquisition of iinovis Group, Mutares SE & Co. KGaA has undertaken to indemnify the seller against any rescission claims in the event of insolvency of the target company. The indemnification is limited to a period of 48 months from the closing of the transaction (i.e. until 13 November 2024) and to an amount of EUR 5.0 million, with this guarantee being reduced to EUR 2.5 million as of 13 November 2023. Furthermore, Mutares has undertaken to provide the Company with financial resources of up to EUR 5.0 million to avoid insolvency. The guarantee is reduced by payments made by Mutares to the iinovis Group and amounts to EUR 0.0 million as of the reporting date.

In connection with the acquisition of Clecim SAS in March 2021, Mutares SE & Co. KGaA has undertaken to guarantee the purchaser's obligation to indemnify the seller against claims by various guarantors for a limited period of 17 months from the closing date. The guarantee was limited to a maximum amount of EUR 0.7 million and expired in financial year 2022 without being called upon.

A direct subsidiary of Mutares SE & Co. KGaA has completed the acquisition of the Italian Balcke Dürr Energy Solution S.p.A. (formerly: Toshiba Transmission & Distribution Europe S.p.A) in February 2022. As part of the acquisition, Mutares SE & Co. KGaA has undertaken to indemnify the seller from the signing of the purchase agreement until five years after the closing of the transaction against damages arising from the buyer's failure to fully and timely fulfill certain obligations defined in the guarantee. This obligation is limited to EUR 2.0 million. Furthermore, Mutares SE & Co. KGaA has undertaken vis-à-vis the seller and a group company of the seller to guarantee all obligations of the buyer under a customer relationship defined in the purchase agreement. This guarantee is limited to EUR 8.0 million and a period of five years after the closing of the transaction. In addition, Mutares SE & Co. KGaA has undertaken to provide two guarantees to Solutions Bank S.p.A. as part of the purchase agreement. The first guarantee is limited to EUR 3.8 million and has a term until February 2023. The second guarantee expires six months after the closing of the transaction and is also limited to EUR 3.8 million. This guarantee expired in financial year 2022 without being called. In addition, Mutares SE & Co. KGaA has pledged credit balances in the amount of EUR 17.5 million at this bank in the course of the acquisition to secure a guarantee provided by Intesa Sanpaolo to the seller or a company belonging to the group of companies of the seller. The term of the obligation and the collateral is not limited. The obligation and the security reduce over time due to the completion of project services by Balcke Dürr Energy Solution S.p.A. Mutares SE & Co. KGaA has undertaken to use the funds released in the context of a reduction of the security by the bank up to an amount of EUR 12.0 million for the benefit of Balcke Dürr Energy Solution S.p.A., with the necessity depending on the development of Balcke-Dürr Energy Solutions S.p.A. at the discretion of Mutares SE & Co. KGaA. In connection with this obligation, Mutares SE & Co. KGaA indemnifies the seller against all possible damages resulting from the breach of its agreed obligations. At the time of preparation of these financial statements, no breach of duty is known and no actions have been initiated in which a breach of the agreed duties could be seen.

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In principle, the Management Board does not expect any obligations arising from business combinations to be utilized. However, depending on the further development of the general conditions, the probability of utilization may increase and it cannot be ruled out that the obligations entered into may be utilized.

Obligations from company disposals

In connection with the sale of all shares in A+F Automation und Fördertechnik GmbH by a direct subsidiary in the financial year 2017, Mutares SE & Co. KGaA has issued a directly enforceable guarantee for the fulfillment of certain obligations of the direct subsidiary towards the acquirer regarding possible warranty claims, possible specific indemnification claims as well as possible specific cost reimbursement claims, which are limited in time with regard to regular warranty claims except for fundamental warranties until 30 September 2019 (noclaim was made), with regard to these fundamental warranty claims until 31 December 2020 (no claim was made), with regard to the indemnification claims until 31 December 2022, and with regard to the reimbursement of costs they are unlimited in time. In terms of amount, these claims are limited to an amount of EUR 4.0 million with regard to the regular warranty claims with the exception of fundamental warranties, to an amount of EUR 50 thousand with regard to the cost reimbursement claims, and otherwise to the base purchase price in total with regard to all claims together. This guarantee expired in the financial year 2022 without being called upon.

On 10 November 2022, the sale of all shares in Nordec Group OY by DONGES STEELTEC GmbH was completed. In connection with the sale, Mutares SE & Co. KGaA has undertaken to guarantee the indemnification obligation of DONGES STEELTEC GmbH under the purchase and assignment agreement. The guarantee is limited to a maximum amount of EUR 13.0 million. The guarantee expires (i) at the latest fifteen years after the issuance of the guarantee, i.e. at the end of 10 November 2037, or (ii) if all claims have been duly satisfied and no further claims for indemnification are expected or (iii) if the maximum amount has been exhausted or (iv) if a cancellation agreement regarding the guarantee has been reached or (v) if the claims for indemnification have been waived as a result of a change of control. The Management Board does not expect to be called upon under this obligation.

Litigation

A lawsuit was filed in the Court of Michigan against companies of the SFC Solutions Group by the former owner Cooper-Standard Automotive, Inc. ("CSA") based on alleged delayed payment of royalties. The lawsuit is based on a license agreement under which companies of the SFC Solutions Group are required to pay royalties for intellectual property claimed by CSA. However, there is disagreement about the basis, cause, scope and existence of the claimed royalties. SFC Solutions Group considers the action to be inadmissible, in any case unfounded, and has taken up the defense. The Court of Michigan has referred the action to the competent federal court in Michigan/MI (USA).

Another lawsuit is being pursued by the liquidator of the former investment Grosbill, based on an alleged corporate liability of Mutares. At the same time, the former seller of Grosbill is being sued for breach of contract towards the sold company. Mutares has defended itself in full against this action, which it considered to be unfounded. The lawsuit was initially deleted from the list of ongoing proceedings for lack of filed statement of claim and put on hold; at the end of 2022 (shortly before the statute of limitations for potential claims), the plaintiff filed a new statement of claim containing a statement of claim. Mutares will defend itself against this, as the claims are considered to beunfounded.

Other obligations

There are further guarantees, warranties, commitments and obligations totaling EUR 0.4 million (previous year: EUR 0.4 million).

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46 Related parties and companies

In accordance with IAS 24, related parties are defined as those persons and entities that can be influenced by Mutares SE & Co. KGaA or that can influence Mutares SE & Co. KGaA. On the one hand, this includes subsidiaries, including those that are not consolidated, as well as associated companies. On the other hand, they also include natural persons with a significant share of voting rights and members of the management in key positions such as members of the Management Board and Supervisory Board as well as their respective close family members.

Mutares SE & Co. KGaA has identified the members of the Management Board of the general partner and the members of the Supervisory Board of the parent company and the general partner, as well as their close family members and those companies over which these persons have or can have significant influence and which are not consolidated, as related parties.

Balances and business events between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed here. Details of transactions between the Group and other related parties are given below.

The following balances due from related parties not belonging to the Group were outstanding at the end of the reporting periods:

	Receivables from related parties		Liabilities to related parties	
EUR thousand	**31/12/2022**	**31/12/2021**	**31/12/2022**	**31/12/2021**
Subsidiaries	0	30	41	32
Other related companies	0	200	10,043	7,555
Supervisory Board	0	0	80	110
Management Board	0	3	10	252
Total	**0**	**233**	**10,174**	**7,949**

During the financial year, Group companies conducted the following transactions with related parties not included in the scope of consolidation:

	Services rendered		Services purchased	
EUR thousand	**2022**	**2021**	**2022**	**2021**
Subsidiaries	0	0	434	473
Other related companies	174	174	10,526	11,108
Supervisory Board	0	0	138	110
Management Board	0	0	24	2,169
Total	**174**	**174**	**11,122**	**13,860**

Other related parties are, on the one hand, the general partner and, on the other hand, companies that are related to members of the Management Board of Mutares SE & Co. KGaA and that in one case provide consulting services and in another case lease office space to Mutares SE & Co. KGaA.

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Organs of the company

The Management Board of Mutares Management SE as general partner of Mutares SE & Co. KGaA is composed of the following persons:

Robin Laik, Chief Executive Officer, Munich;
- Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022):
  - mutares Holding-02 AG, Bad Wiessee (Member of the Supervisory Board)
  - mutares Holding-11 AG i.L., Bad Wiessee (Member of the Supervisory Board)
  - mutares Holding-13 AG i.L., Bad Wiessee (Member of the Supervisory Board)
  - mutares Holding-20 AG i.L., Bad Wiessee (Member of the Supervisory Board)
  - mutares Holding-21 AG, Bad Wiessee (Member of the Supervisory Board)

Mark Friedrich, Chief Financial Officer, Munich;
- Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022): none

Johannes Laumann, Chief Investment Officer, Bonn;
- Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022):
  - iinovis GmbH, Munich (until 13 July 2022, member of the Supervisory Board)
  - Atrium 248th European VV SE (since 12 September 2022, member of the Supervisory Board)

The total compensation of the Management Board (including share-based compensation) for the financial year 2022 amounted to EUR 11.6 million (previous year: EUR 11.9 million), of which EUR 0.0 million (previous year: EUR 2.3 million) was paid to members of the Management Board who have since left the company. The entire compensation (with the exception of share-based compensation) is to be allocated to the category of short-term employee benefits according to IAS 24.17a. No payments were made to members of the Management Board in connection with defined contribution plans. For disclosures relating to stock options granted, please refer to the comments on share-based payment (Note 32). In addition, the members of the Management Board received payments totaling EUR 1.9 million (previous year: EUR 1.0 million) from two management participation programs.[4]

The Supervisory Board of Mutares SE & Co. KGaA consists or consisted of:

Volker Rofalski, Managing Director of only natural munich GmbH, Munich, Chairman, Member of the Audit Committee;
- Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022):
  - HELIAD Equity Partners GmbH & Co. KGaA, Frankfurt/Main (Chairman of the Supervisory Board)
  - Bio-Gate AG, Nuremberg (Member of the Supervisory Board)
  - Mutares Management SE, Munich (Member of the Supervisory Board)
  - FinLab AG, Frankfurt (Member of the Supervisory Board)
  - paycentive Group AG, Augsburg (Member of the Supervisory Board)

Dr. Axel Müller, independent management consultant, Lahnstein, Vice Chairman, Chairman of the Audit Committee;
- Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022):
  - Mutares Management SE, Munich (Member of the Supervisory Board)
  - Mellifera Sechsunddreißigste Beteiligungsgesellschaft mbH (MIP Pharma Unter nehmensgruppe), Berlin (Chairman of the Advisory Board)

Dr. Lothar Koniarski, Managing Director of Elber GmbH, Regensburg, Member of the Supervisory Board;
- Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022):
  - Mutares Management SE, Munich (Deputy Chairman of the Supervisory Board)
  - CANCOM SE, Munich (Deputy Chairman of the Supervisory Board and Chairman of the Audit Committee)
  - DV Immobilien GmbH (Deputy Chairman of the Supervisory Board)
  - SBF AG, Leipzig (Chairman of the Supervisory Board)

Prof. Dr. iur. Micha Bloching, tax advisor, lawyer, university lecturer, Munich, member of the Supervisory Board (until the end of the Annual General Meeting on 17 May 2022);
- Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022):
  - Mutares Management SE, Munich (until the end of the Annual General Meeting on 17 May 2022, Chairman of the Supervisory Board)

Raffaela Rein, Managing Director of WildWildVentures GmbH, Member of the Board of the German Startup Association, Berlin, Member of the Supervisory Board (from the end of the Annual General Meeting on 17 May 2022);
- Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022):
  - Member of the Advisory Board, IU International University of Applied Sciences
  - Member of the Sustainability Advisory Board, Porsche AG
  - Member of the Extended Board, German Startups Association e.V.

The current remuneration of the members of the Supervisory Board of the Company was determined with effect from 1 January 2022 by resolution of the Annual General Meeting of the Company on 17 May 2022. The members of the Supervisory Board of the Company receive a fixed basic remuneration of EUR 20 thousand for the respective financial year of the Company. The Chairman of the Supervisory Board receives a fixed basic remuneration of EUR 45 thousand and his deputy receives a fixed basic remuneration of EUR 30 thousand for the respective financial year of the Company. As the Supervisory Board consisted of a Chairman, a Deputy Chairman and two other members in the financial year 2022, the total basic compensation of the members of the Supervisory Board of the Company amounted to EUR 115 thousand in the financial year 2022. For their work on the Audit Committee of the Supervisory Board, the Chairman of the Committee receives an additional EUR 15 thousand and each other member of the Committee receives an additional EUR 5 thousand for the respective financial year of the Company. The Company has an Audit Committee, of which Dr. Axel Müller is the Chairman and Mr. Volker Rofalski is a member. For their work on other Supervisory Board committees, the Chairman of the committee receives EUR 10 thousand and each other member of the committee EUR 5 thousand for the respective financial year of the Company. In addition to the aforementioned remuneration, the members of the Supervisory Board are reimbursed for expenses incurred in the performance of their duties, which also include any value-added tax incurred. The compensation is payable at the end of the respective financial year. Members of the Supervisory Board who are members of the Supervisory Board or a committee of the Supervisory Board for only part of the full financial year, or who hold the office of Chairman or Deputy Chairman, shall receive remuneration on a pro rata basis.

The remuneration of the members of the Supervisory Board of Mutares Management SE was resolved at the Annual General Meeting of Mutares Management SE on 17 May 2022. The members of the Supervisory Board of Mutares Management SE receive a fixed basic remuneration of EUR 50 thousand for the respective financial year of the Company. The Chairman of the Supervisory Board receives a fixed basic remuneration of EUR 90 thousand and his deputy receives a fixed basic remuneration of EUR 70 thousand for the respective financial year of the Company. As the Supervisory Board currently consists of a Chairman, a Deputy Chairman and two other members, the total basic remuneration of the Supervisory Board members amounted to EUR 260 thousand in the financial year 2022. The Supervisory Board of Mutares Management SE has no committees.

In their capacity as shareholders of Mutares SE & Co. KGaA, members of the Supervisory Board and the Management Board received a small double-digit million euro amount (previous year: mid-single-digit million euro amount) as dividends in 2022.

Furthermore, Mutares Management SE, as general partner, receives an annual remuneration of 4% of its share capital, irrespective of profit and loss, plus any value-added tax due. For the financial year 2022, this remuneration amounted to EUR 5 thousand, as in the previous year.

47 Employees

In the financial year 2022 and 2021, the Mutares Group employed the following average number of employees in accordance with section 267 (5) HGB:

	2022	2021
Wage workers	11,685	7,441
Salaried employees	7,336	6,754
Total	**19,021**	**14,195**

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48 Fee of the auditor of the consolidated financial statements

The following fees of the group auditor were recognized at Mutares SE & Co. KGaA and its subsidiaries:

EUR million	2022	2021
Audit of annual report	2.1	2.2
Other assurance services	0.1	0.6
Tax advisry services	0.0	0.1
Other services	0.1	0.1
Total	2.3	3.0

The audit services include fees of EUR 0.1 million relating to services for the financial year 2021. In addition, the auditor of the consolidated financial statements charged other confirmation services in the amount of EUR 21 thousand and other services in the amount of EUR 76 thousand. The other assurance services related to agreed investigation activities in connection with the bond and the other services related in particular to the audit of the non-financial reporting. The services were provided in each case on the basis of a prior engagement by the Audit Committee, which was authorized to do so by the Supervisory Board.

49 Declaration pursuant to Section 161 AktG on the German Corporate Governance Code

The Management Board of the general partner of Mutares SE & Co. KGaA, Mutares Management SE, as well as the Shareholders' Committee and the Supervisory Board of Mutares SE & Co. KGaA are committed to the principles of corporate governance focused on long-term and sustainable value creation. To this end, they jointly issue a summarized "Corporate Governance Statement" in accordance with Sections 289f and 315d of the German Commercial Code (HGB). The full text of the current declaration is available on the company's website at ↗ ir.mutares.de/en/corporate-governance. As part of the corporate governance statement, the Management Board of the general partner of Mutares SE & Co. KGaA, Mutares Management SE, and Supervisory Board of Mutares SE & Co. KGaA issued the statement required by Section 161 of the German Stock Corporation Act (AktG) in December 2022 and made it publicly available on the company's website at ↗ ir.mutares.de/en/corporate-governance.

50 Events after the balance sheet date

With a value date of 31 March 2023, Mutares SE & Co. KGaA as issuer has issued a senior secured bond with a nominal volume of EUR 100 million and a maturity date of 31 March 2027. The proceeds of the issue will be used to refinance the bond issued in financial year 2020 (WKN A254QY/ISIN NO0010872864) and for general corporate financing. The new bond is listed on the Open Market of the Frankfurt Stock Exchange (WKN A30V9T/ISIN NO0012530965). A further listing on the Nordic ABM of the Oslo Stock Exchange is planned during financial year 2023. The bond was issued at an issue price of 100.00%. The bond bears interest quarterly, for the first time on 30 June 2023, at the 3-month EURIBOR (EURIBOR-Floor of 0.00%) plus a margin of 8.50% and can be increased to a nominal volume of up to EUR 250 million during the term depending on market conditions. The bond is secured by the pledge of 100% of the shares in certain affiliated companies held by Mutares SE & Co. KGaA and by the assignment of existing and any future loan receivables of Mutares SE & Co. KGaA from these affiliated companies. The terms and conditions of the bonds contain various provisions regarding general obligations, information obligations, and financial covenants. Compliance with these regulations is monitored on an ongoing basis as part of the risk management of Mutares SE & Co.

On 1 February 2023, Mutares completed the acquisition of 50% of the shares and a controlling 80% stake in Peugeot Motocycles (PMTC) from Mahindra & Mahindra. PMTC designs and manufactures two- and three-wheeled scooters distributed through approximately 3,000 points of sale by subsidiaries, importers and dealers in France and internationally on three continents. The acquisition serves to leverage synergies in the Automotive & Mobility business. The purchase price allocation for the acquisition presented has not yet been finalized at the time of approval of the financial statements. Mutares does not have all relevant information – namely the information on the assets and liabilities of the company to be valued – in a final version at this point in time. The disclosure of hidden reserves and liabilities is therefore currently still provisional.

To strengthen the Goods & Services segment and its presence in Finland, Mutares completed the acquisition of Palmia Oy from the City of Helsinki on 8 February 2023. The company is a provider of food, real estate, cleaning and security services in twelve municipalities in Southern Finland. The purchase price allocation to the presented business acquisition has not been finalized at the time of approval of the financial statements. Mutares does not have all relevant information – namely the information about the assets and liabilities of the company to be valued – in a final version at this point in time. The disclosure of hidden reserves and liabilities is therefore currently still provisional.

Effective 1 March 2023, Mutares completed the acquisition of a plant of the automotive supplier Magna in Bordeaux, which is active in the production of transmissions. The acquisition strengthens the Automotive & Mobility segment as synergy effects with the activities of other investments of the segment are expected. The purchase price allocation for the acquisition presented had not yet been finalized at the time the financial statements were approved. Mutares does not yet have all relevant information – namely the information on the assets and liabilities of the company to be valued – in a final version. The disclosure of hidden reserves and liabilities is therefore currently still provisional.

Effective 5 January2023 the sale of 100% of the shares in Japy Tech SAS to the company's management was successfully completed. Japy Tech – a portfolio company that was assigned to the Engineering & Technology Segment until the sale – is a manufacturer of cooling tanks and other milk cooling solutions based in Dijon, France, and supplies products to the global dairy industry. The company was acquired by GEA Farm Technologies at the end of 2020.

In March, Mutares announced the completion of the sale of 100% of the shares in Lacroix + Kress GmbH, a portfolio company from the Engineering & Technology segment, to Superior Essex Global LLC. Lacroix + Kress is a manufacturer of copper wire products and has two production sites in Germany.

In December 2022, Ganter Construction Interiors GmbH signed a put option with Malvaux Group at for the sale of 100% of the shares in its subsidiary, Ganter France S.A.R.L. The transaction was finally completed in March 2023. The business, which is allocated to the Goods & Services segment and is based in Saint Nazaire, France, focuses mainly on the interior design of cruise ships (public spaces) as well as furniture and furnishings.

In addition, a sale and purchase agreement for the sale of 100% of the shares in FDT Flachdach Technologie GmbH ("FDT") to Holcim Group was signed in January 2023. FDT was allocated to the Engineering & Technology segment as part of the Donges Group until the disposal. The closing of the transaction took place on 31 March 2023.

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51 New and amended IFRS

51.1 New and amended IFRSs to be applied for the first time

In the reporting year, the IFRSs presented below were applied by the Group for the first time or in amended form. This did not have any material impact on these consolidated financial statements.

Annual Improvements to IFRSs (2018–2020 cycle)
On 14 May 2020, the IASB published the amendment standard Annual Improvements to IFRSs (2018–2020 cycle). The amendments within the scope of the annual improvements serve to continuously adapt existing IFRSs and generally relate to certain narrowly defined topics. The planned amendments under the 2018–2020 cycle comprise four standards and relate in detail to:

- **IFRS 1:** Enabling simplified measurement of cumulative currency translation effects for subsidiaries whose first-time adoption of IFRS is later than that of the parent in the context of the application of IFRS 1.D16(a).

- **IFRS 9:** Clarification on the fees to be taken into account in the 10% present value test when assessing the derecognition of financial liabilities.

- **IFRS 16:** Amendment of the facts and deletion of part of the wording in Explanatory Example 13 "Measurement at the lessee and recognition of a change in lease term" relating to the reimbursement of leasehold improvements by the lessor. This is to avoid potential confusion regarding the accounting for lease incentives.

- **IAS 41:** Deletion of the requirement in paragraph 22 that tax cash flows should not be taken into account when determining the fair value of a biological asset at present value. This is to ensure consistency with IFRS 13.

The amendments are mandatory for financial years beginning on or after 1 January 2022. The EU endorsement took place on 28 June 2021.

There were no significant cases of application for these amendments and therefore they do not have a material impact on these consolidated financial statements.

Amendments to IFRS 3 "Business Combinations": Reference to the Framework concept
On 14 May 2020, the IASB issued amendments to IFRS 3. The amendments relate to the updating and modification of references to the Framework. Accordingly, the modified definition criteria for assets and liabilities of the revised 2018 Framework are generally to be applied in the case of a business combination. Exceptions are matters within the scope of IAS 37 and IFRIC 21, for which the definitions of the respective standards are to be applied. In addition, an explicit prohibition on recognizing contingent assets from a business combination is included.

The amendments are effective for financial years beginning on or after 1 January 2022. The EU endorsement took place on 28 June 2021.

There were no significant cases of application for these amendments and therefore they do not have a material impact on these consolidated financial statements.

Amendments to IAS 16 "Property, Plant and Equipment": Revenue before Intended Use
On 14 May 2020, the IASB published the amendments to IAS 16. The amendments relate to the accounting recognition of revenue from the sale of goods that arise during the construction phase of an item of property, plant and equipment, for example in the context of test runs. Under certain conditions, the previous regulation allowed such revenue to be offset against the cost of production or construction and also allowed heterogeneous implementation in practice. The possibility of offsetting is now eliminated. Instead, such revenues and the corresponding costs are to be recognized uniformly in profit or loss for the period.

The amendments are effective for financial years beginning on or after 1 January 2022. The EU endorsement took place on 28 June 2021.

There were no significant cases of application for these amendments and therefore they do not have a material impact on these consolidated financial statements.

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Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent assets": Onerous Contracts – Costs of Fulfilling Contracts
On 14 May 2020, the IASB issued amendments to IAS 37. These serve to clarify which costs are to be taken into account when assessing whether a contract is onerous. Accordingly, both the direct additional costs of fulfilling the contract and other costs directly attributable to the fulfillment of the contract are to be taken into account.

The amendments are effective for financial years beginning on or after 1 January 2022. The EU endorsement took place on 28 June 2021.

There were no significant cases of application for these amendments and therefore they do not have a material impact on these consolidated financial statements.

51.2 New and amended IFRSs to be applied in the future

The following new or amended IFRSs have already been adopted by the IASB, but are not yet mandatory or have not yet been endorsed in European law. Mutares has not applied the regulations early.

New and amended IFRS		To be applied for the financial years beginning on or after the specified date:	Status of the EU Endorsement (as of the preparation period)
FRS 17	Insurance contracts	01/01/2023	takes place (19 November 2021)
Amendments to IAS 1 and IFRS Guidance Document 2	Disclosure of accounting policies	01/01/2023	effected (2 March 2022)
Amendments to IAS 8	Definition of accounting-related changes in estimates	01/01/2023	done (2 March 2022)
Amendments to IAS 12	Deferred taxes relating to assets and liabilities arising from a single transaction	01/01/2023	effected (11 August 2022)
Amendments to IFRS 17	First-time adoption of IFRS 17 and IFRS 9 – comparative information	01/01/2023	takes place (8 September 2022)
Amendments to IAS 1	Classification of liabilities as current or non-current and Non-current liabilities with ancillary conditions	01/01/2024	pending
Amendments to IFRS 16	Lease liability in a sale and leaseback transaction	01/01/2024	pending
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and an associate or joint venture	Date of first-time application postponed indefinitely	pending

IFRS 17 "Insurance Contracts" including "Amendments to IFRS 17
IFRS 17 "Insurance Contracts" was issued on 18 May 2017. The new standard pursues the goal of consistent, principles-based accounting for insurance contracts and requires insurance liabilities to be measured at a current settlement value. This leads to a uniform measurement and presentation of all insurance contracts.

The effective date was postponed from 1 January 2021 to financial years starting 1 January 2023 by resolution of 18 March 2020. The EU endorsement took place on 19 November 2021.

The Management Board does not expect the standard to have a material impact on future consolidated financial statements as Mutares does not operate or plan to operate any insurance business.

Amendments to IAS 1 "Presentation of Financial Statements": Disclosure of Accounting Policies and Amendments to IFRS Guidance Document 2
On 12 February 2021, the IASB published further amendments to IAS 1 with "Disclosure of Accounting Policies". According to these amendments, IFRS users are to disclose their "material" accounting policies. Previously, "significant" accounting policies had to be disclosed. What is considered "material" is based on the usefulness of the information for decision-making by the users of the financial statements. Accompanying this, the IASB has issued amendments to IFRS Guidance Document 2, which provides additional guidance on the application of the concept of materiality to disclosures about accounting policies, as well as examples.

The amendments are effective for financial years beginning on or after 1 January 2023. The EU endorsement took place on 2 March 2022.

The Management Board does not expect the amendments to have a material impact on future consolidated financial statements.

Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors": Definition of Accounting Estimates
On 12 February 2021, the IASB issued amendments to IAS 8 entitled "Definition of Accounting Estimates". The amendment clarifies the distinction between "changes in accounting policies" and changes in accounting estimates. Accordingly, changes in estimates are applied prospectively to transactions and other events from the date of the change in estimate, whereas to changes in accounting policies are generally applied retrospectively to past transactions and other past events.

The amendments are effective for financial years beginning on or after 1 January 2023. The EU endorsement took place on 2 March 2022.

The Management Board does not expect the amendments to have a material impact on future consolidated financial statements .

Amendments to IAS 12 "Income Taxes": Deferred Taxes Relating to Assets and Liabilities Arising from a Single Transaction
On 7 May 2021, the IASB issued amendments to IAS 12 entitled "Deferred Taxes Relating to Assets and Liabilities Arising from a Single Transaction". The amendments are intended to clarify the accounting for deferred taxes on transactions such as leases and decommissioning obligations. Therefore, the exemption rules under IAS 12 are specified, according to which entities are exempt from recognizing deferred taxes under certain circumstances if they relate to assets and liabilities recognized for the first time (initial recognition exemption). The amendments contain a re-exception to the initial recognition exemption and clarify that the latter does not apply to transactions that give rise to deferred tax assets and liabilities in the same amount.

The amendments are effective for financial years beginning on or after 1 January 2023. The EU endorsement took place on 11 August 2022.

The Management Board does not expect the amendments to have a material impact on future consolidated financial statements.

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Amendments to IFRS 17 "Insurance Contracts":
First-time Adoption of IFRS 17 and IFRS 9 – Comparative Information
On 9 December 2021, the IASB published narrowly defined amendments to IFRS 17 entitled "First-time Adoption of IFRS 17 and IFRS 9 – Comparative Information". The amendments relate to the disclosure of comparative information on financial assets as part of the first-time adoption of IFRS 17 for those entities that also apply IFRS 9 "Financial Instruments: Recognition and Measurement" for the first time at that date in accordance with the existing option. To avoid inconsistencies, the transitional provisions of IFRS 17 have been amended to allow affected entities to present comparative information on financial assets as if the classification and measurement of these instruments had already been performed in accordance with IFRS 9. The impairment requirements of IFRS 9 do not have to be applied when applying the classification overlay.

The version of IFRS 17 amended by these amendments is effective for financial years beginning on or after 1 January 2023. The EU endorsement took place on 8 September 2022.

Mutares is not affected by this change.

Amendments to IAS 1 "Presentation of Financial Statements":
Classification of liabilities as current or non-current and non-current liabilities with ancillary conditions
On 23 January 2020, the IASB issued "Classification of Liabilities as Current or Non-Current" with amendments to IAS 1. The amendments are intended to clarify the criteria for classifying liabilities as current or non-current. Accordingly, the focus is to be on the existing rights at the reporting date and not on whether management intends to repay early or actually exercises these rights.

The effective date of the amendments was initially deferred on 15 July 2020 from 1 January 2022 to financial years beginning on or after 1 January 2023. As disputed application issues that the IASB had not previously considered have been identified in the meantime, the IASB published further amendments to IAS 1 entitled "Non-current liabilities with ancillary conditions" on 31 October 2022. This clarifies that only those ancillary conditions that an entity must satisfy on or before the reporting date will affect the classification of a liability as current or non-current. However, an entity must disclose in the notes information that enables users of the financial statements to understand the risk that non-current debt with ancillary conditions could become repayable within twelve months. Both the amendments already made in January 2020 and the most recently adopted amendments are now mandatory for the first time for financial years beginning on or after 1 January 2024. The date of EU endorsement is still open.

The Management Board is therefore unable to make any statement at this time as to whether and to what extent this will result in changes in future consolidated financial statements.

Amendments to IFRS 16 "Leases":
Lease Liability in a Sale and Leaseback Transaction
On 22 September 2022, the IASB issued amendments to IFRS 16 entitled "Lease Liability in a Sale and Leaseback Transaction". These amendments contain requirements for the subsequent measurement of leases in a sale and leaseback transaction for the seller-lessee. The main aim is to standardize the subsequent measurement of lease liabilities in order to prevent inappropriate profit recognition. The amendments mean that, in the subsequent measurement of lease liabilities in a sale and leaseback transaction, the payments expected at the beginning of the term are to be determined in such a way that profit realization in relation to the retained right of use is excluded. In each period, the lease liability is reduced by the expected payments (either expected payments per period or their equal distribution over the term) and the difference to the actual payments is recognized in profit or loss.

The amendments are effective for financial years beginning on or after 1 January 2024. The EU endorsement is still outstanding.

The Management Board does not expect the amendments to have a material impact on future consolidated financial statements.

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Amendments to IFRS 10 and IAS 28 "Disposal or Contribution of Assets between an Investor and an Associate or Joint Venture"
The amendments address a conflict between the requirements of IAS 28 "Investments in Associates and Joint Ventures" and IFRS 10 "Consolidated Financial Statements". They clarify that in transactions with an associate or joint venture, the extent of income recognition depends on whether the assets sold or contributed constitute a business as defined by IFRS 3.

The date of first-time application of the amendments was postponed indefinitely by the IASB in December 2015, as any amendments to IAS 28 from the research project on accounting using the equity method are to be awaited. The latter was resumed in October 2020 after a longer break and in the context of the advancing Post Implementation Review on IFRS 11.

The Management Board assumes that these potential amendments to IFRS 10 and IAS 28 will have no impact on future consolidated results.

52 Consolidation principles

52.1 Subsidiaries

Subsidiaries are entities that are controlled by Mutares SE & Co.KGaA. The Group obtains control if it is able to exercise control over the subsidiary, is exposed to variable returns from its involvement with the subsidiary and has the ability to use its power over the subsidiary to affect the amount of the return on its investment in the subsidiary.

The assessment of control is reviewed by Mutares SE & Co. KGaA if there are indications that one or more of the aforementioned control criteria have changed.

A subsidiary is included in the consolidated financial statements from the date on which the Company obtains control over the subsidiary until the date on which control by the Company ends. By way of derogation from this, the subsidiary is not consolidated in accordance with the general principle of materiality set out in IAS 1.29 et seq. if the subsidiary is of minor importance for the obligation to give a true and fair view of the net assets, financial position and results of operations of the Group – also together with other subsidiaries whose inclusion is waived and only an insignificant improvement in information would be achieved by their inclusion.

The results of subsidiaries over which control has been obtained or lost in the course of a financial year are recognized in the consolidated income statement and other comprehensive income with effect from the date on which control is obtained or lost.

Where necessary, the financial statements of the subsidiaries are adjusted to bring the accounting policies into line with those used in the Group.

The acquisition is accounted for using the purchase method (acquisition method). The consideration transferred in an acquisition is the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the transaction. They also include the fair values of any recognized assets or liabilities resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Assets, liabilities and contingent liabilities identifiable as part of a business combination are generally measured on initial consolidation at their fair values at the acquisition date. The exceptions to the recognition and measurement principles required by IFRS 3, such as the recognition and measurement of deferred taxes on acquired assets and liabilities in accordance with IAS 12, are taken into account accordingly in the initial conso lidation.

Goodwill is recognized and tested at least annually for impairment at an amount equal to the excess of the cost of the acquisition, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interest at the date of acquisition over the Group's share of the net assets measured at fair value. If the acquisition cost is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of income as bargain purchase income after reassessment.

If the consideration transferred includes contingent consideration, it is measured at fair value at the acquisition date. Changes in the fair value of the contingent consideration within the measurement period are adjusted retrospectively and recognized accordingly against goodwill or gain on favorable acquisition. Adjustments during the measurement period are adjustments to reflect additional information about facts and circumstances that existed at the acquisition date. However, the measurement period shall not exceed one year from the date of acquisition. Changes in the fair value of the contingent consideration that are not adjustments during the measurement period are accounted for depending on how the contingent consideration is to be classified.

Share disposals without loss of control (buy-down) are accounted for as transactions between the equity providers (Mutares SE & Co. KGaA and the minority shareholders) with no effect on profit or loss.

Non-controlling interests are generally measured at the proportionate enterprise value, so that goodwill attributable to the non-controlling interests is capitalized (full goodwill method). Non-controlling interests are entitled to a share of the profit or loss from the date of transfer of the shares, which is presented separately in the statement of comprehensive income.

Majority-owned increases are accounted for as equity transactions, or transactions between the majority shareholder and the minority.

In the case of deconsolidation, a single sale is deemed to have taken place, i.e. the sale of all shares is presented as a transfer of individual assets and liabilities including goodwill for consideration. The gain or loss on disposal is the difference between the proceeds on disposal and the carrying amount of the net assets disposed of, including hidden reserves and goodwill.

Balances and transactions with consolidated subsidiaries, and income and expenses arising therefrom, are eliminated in full for the purpose of preparing the consolidated financial statements.

The tax deferrals required by IAS 12 were made on temporary differences arising on consolidation, with no deferred taxes to be recognized on goodwill.

52.2 Associated companies and joint ventures

An associate is an entity over which Mutares has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is defined as the power to participate in the financial and operating policy decisions of the entity without controlling or jointly managing it. If Mutares SE & Co. KGaA directly or indirectly holds between 20% and 50% of the voting rights in an entity, there is a presumption that significant influence can be exercised over the entity. In the case of a directly or indirectly held voting interest of less than 20%, significant influence is presumed if it can be clearly demonstrated.

Investments in associates are accounted for using the equity method and are therefore measured at cost when they are first recognized . Goodwill arising on the acquisition of an associate is included in the carrying amount of the investment in the associate. After initial recognition, the carrying amount of the investment increases or decreases in line with the investor's share of profit or loss or other comprehensive income of the investee – from the date that significant influence is first exercised until that influence ceases to exist. If Mutares' share in the losses of an associate equals or exceeds the value of the investment, the share is reduced to zero. In deviation from this, treatment as an associate in accordance with the general materiality principle of IAS 1.29 et seq. is waived if the associate is of minor importance for the obligation to give a true and fair view of the net assets, financial position and results of operations of the Group.

Unrealized gains based on transactions with associates are eliminated against the carrying amount of the investment to the extent of Mutares' interest. Unrealized losses are eliminated in the same way, but only to the extent that there is no indication of impairment.

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The tax deferrals required by IAS 12 were made on temporary differences arising on consolidation.

A joint venture is a joint arrangement whereby the parties exercising joint control have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method. Currently, no joint venture exists.

52.3 Community activity

Joint operation is a joint arrangement whereby the parties exercising joint control have rights to the assets and obligations for the liabilities of the arrangement. Joint control is the contractually agreed, jointly exercised control of an arrangement. This only occurs when decisions about the relevant activities require the unanimous consent of the parties involved in joint control.

Where a Group company undertakes activities as part of a joint operation, the Group recognizes the following items as a joint operator in relation to its interest in the joint operation:

- its assets, including its share of jointly held assets;
- its debts, including its share of debts incurred jointly;
- its proceeds from the sale of its share of the products or services of the joint activity;
- its expenses, including its share of expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with IFRS applicable to those assets, liabilities, revenues and expenses.

When a group entity enters into a joint operation in which another group entity is a joint operator (for example, the sale or contribution of assets), the group considers the transaction to be carried out with the other parties to the joint operation and therefore recognizes any gain or loss only to the extent of the interest of the other parties in the joint operation.

In transactions such as the purchase of assets by a Group company, gains and losses to the extent of the Group's interest in the joint operation are not recognized until the assets are resold to a third party.

52.4 Foreign currency

The consolidated financial statements have been prepared in accordance with the functional currency concept. The functional currency is the primary currency of the economic environment in which Mutares Group operates. It corresponds to the euro, which is also the presentation currency of the consolidated financial statements.

Transactions in foreign currencies are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the respective functional currency using the exchange rate at the balance sheet date. Foreign currency gains and losses resulting from these translations are recognized in the consolidated statement of income within other income or other expenses.

Balance sheet items of subsidiaries whose functional currency is not the euro are translated into the presentation currency at the closing rate, income statement items at the average rate for the respective period, and equity items at historical foreign currency rates. The resulting translation differences are recognized in the currency translation reserve within other components of equity. Where non-controlling interests are involved, the corresponding portion of the translation difference is offset against the minority interest.

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In the event of the disposal of a foreign operation, the translation differences accumulated to that date are included in the gain or loss on disposal, i.e. reclassified from equity to profit or loss.

With a few negligible exceptions, the functional currency of the subsidiary companies of Mutares SE & Co. KGaA corresponds to the local currency.

The main exchange rates used for currency translation are shown below, according to:

		Closing rate		Average rate	
1 EUR in	**Code**	**31/12/2022**	**31/12/2021**	**2022**	**2021**
USA	USD	1.067	1.133	1.053	1.183
China	CNY	7.358	7.195	7.072	7.632
Poland	PLN	4.681	4.597	4.688	4.562
Great Britain	GBP	0.887	0.840	0.853	0.860
India	INR	88.171	84.229	82.619	87.426
Sweden	SEK	11.122	10.250	10.623	10.150

53 Significant accounting policies

The consolidated financial statements are based on uniform accounting policies. All companies included in the consolidated financial statements of Mutares SE & Co. KGaA prepare their financial statements as of 31 December or have prepared interim financial statements for the reporting date and the period covered by the consolidated financial statements.

The main accounting and valuation principles are explained below.

53.1 Revenue recognition

Sale of goods
The Group recognizes revenue when the performance obligation has been satisfied through the sale of separable goods. The customer must therefore have the ability to direct the use of, and obtain substantially all of the remaining benefits from, the goods. This is based on a contract between the Group and the customer. The contract and the agreements contained therein must have been agreed to by the parties, the individual obligations of the parties and the payment terms must be ascertainable, the contract must have economic substance and the Group must be likely to receive consideration for the service rendered. There must therefore be enforceable rights and obligations. The transaction price generally corresponds to the sales revenue. In individual companies, rebates and discounts are granted to the extent customary in the market and are included in the recognized sales revenue. If the contract includes more than one distinct performance obligation, the transaction price is allocated to the individual performance obligations on the basis of the relative individual selling prices. If individual selling prices are not observable, the Group estimates them. The individual identified performance obligations are realized either over a period of time or at a point in time.

The payment terms in the Mutares Group differ according to the different business models of the subsidiaries. Significant financing components do not exist on a regular basis and the period between the transfer of the goods or services and the payment date does not exceed twelve months on a regular basis, so that the consideration does not have to be adjusted by the time value of money. The Group's obligation to repair or replace defective products under statutory warranty is recognized as a provision.

Customer tools
Contracts for initial production tooling result in a separate performance obligation to the customer upon transfer of control. Revenue is recognized when control is transferred to the customer.

Customized products
Customer-specific products are subject to revenue recognition over time if the products have no alternative use due to their specifications and have an enforceable payment claim against the customer at least in the amount of a reimbursement of costs incurred as a result of services already rendered, including an appropriate profit margin. The percentage of completion is determined using the input method based on the ratio of costs incurred to planned costs. Due to detailed internal cost controlling, this method provides a true and fair view of the transfer of goods.

Provision of services
Revenue from service contracts is recognized as soon as the performance obligation has been fulfilled and the time of performance has been determined to be point in time or period in time. Services provided over a certain period of time are recognized according to the stage of completion. If a service is not recognized over a specific period of time, revenue is recognized when control is transferred.

Rental income
The comments on leases under IFRS 16 apply analogously (see Note 53.6).

Production orders
If the transfer of control already takes place during the construction phase, revenue from construction contracts with a corresponding margin is recognized over a period of time (overtime). A corresponding transfer of control is assumed if, in the event of termination of the contract, the compensation claim includes an appropriate margin in addition to the costs incurred to date and there are no alternative uses for the asset produced. The stage of completion is determined on the basis of the contract costs incurred for the work performed in relation to the expected contract costs (input-based method). Management believes that this input-based method represents a reasonable estimate of the stage of completion. In the absence of a claim to remuneration or if it only includes the costs incurred, revenue is not recognized until the contract is completed.

If it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized immediately as an expense.

Where contract costs incurred plus recognized profits and less recognized losses exceed progress billings at the balance sheet date, the excess is recognized as a contract asset. For contracts in which progress billings exceed contract costs incurred plus recognized profits and less recognized losses, the excess is recognized as a contract liability in the same way as amounts received before construction is complete. Amounts billed for services already rendered but not yet paid by the customer are included in trade and other receivables in the consolidated statement of financial position.

The regulations of IFRS 15 are of no or only minor significance for Mutares Group in the following areas:

- Consignment store
- Contract acquisition or performance costs
- Principal-agent relationships
- Bill-and-hold agreements
- Repurchase agreements
- Guarantees

53.2 Income taxes

Income tax expense or income represents the net of current tax expense and deferred taxes.

Current or deferred taxes are recognized either in the consolidated income statement, in other comprehensive income or directly in equity, depending on the underlying circumstances. Current or deferred taxes arising from the initial accounting for a business combination are recognized in the accounting for the business combination.

Current taxes
Current tax expense is determined on the basis of taxable income for the year. Taxable income differs from net income from the consolidated statement of comprehensive income due to expenses and income that are taxable or tax deductible in later years or never. The Group's liability for current tax is calculated using tax rates enacted or substantively enacted at the balance sheet date.

Deferred taxes
Deferred taxes are calculated in accordance with IAS 12 on the basis of the internationally accepted balance sheet liability method. Accordingly, deferred tax items are recognized for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet, as well as for tax loss carryforwards.

Deferred taxes on these identified differences are generally always recognized if they result in deferred tax liabilities. Deferred tax assets are only recognized if it is probable that the corresponding tax benefits will also be realized. Deferred tax assets and liabilities are also recognized on temporary differences arising in the course of business combinations, with the exception of temporary differences on goodwill, where these are not recognized for tax purposes.

Deferred taxes on so-called "outside basis differences", i.e. differences between the assets of a subsidiary recognized in the consolidated financial statements and the tax base of the shares held by the Group parent in the subsidiary, are generally taken into account (to the extent that tax effects are anticipated which may result in the future from the sale of the shares or from the distribution of profits).

Deferred tax assets and liabilities are offset if the requirements of IAS 12 are met. Accordingly, offsetting is performed if there is a legally enforceable right to offset and if the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or the same taxable entity. liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities that intend to settle on a net basis.

Deferred taxes are calculated on the basis of the tax rates applicable in future years to the extent that they have already been enacted by law or the legislative process is substantially complete. Changes in deferred taxes in the balance sheet generally result in deferred tax expense or income. If items resulting in a change in deferred taxes are recognized directly in equity, the change in deferred taxes is also recognized directly in equity.

53.3 Intangible assets

Goodwill
The goodwill resulting from a business combination is determined by comparing the consideration paid for the acquisition with the revalued net assets of the acquired company and is recognized in the consolidated statement of financial position within intangible assets.

For the purpose of impairment testing, goodwill on acquisition is allocated to those cash-generating units (or groups thereof) of the Group that are expected to benefit from the synergies of the combination.

Cash-generating units to which a portion of goodwill has been allocated must be tested for impairment at least annually. If there are indications that a unit may be impaired, it may be necessary to perform impairment tests more frequently. If the recoverable amount of a cash-generating unit is less than the carrying amount of the unit, the impairment loss shall be allocated first to the carrying amount of any goodwill allocated to the unit and then to the other assets on a pro rata basis based on the carrying amounts of each asset in relation to the total carrying amount of the assets within the unit. In this context, the recoverable amount is the higher of value in use and fair value less costs to sell.

Any impairment loss on goodwill is recognized directly in the income statement. An impairment loss recognized for goodwill may not be reversed in future periods.

On disposal of a cash-generating unit, the amount of goodwill attributable to it is included in the determination of profit or loss on disposal.

The Group's policy on goodwill arising on the acquisition of an associate or joint venture is described in Note 52.2.

Intangible assets acquired in a business combination
Intangible assets acquired in a business combination are recognized separately from goodwill and measured at fair value at the acquisition date.

In subsequent periods, intangible assets acquired in a business combination are measured at cost less any accumulated amortization and any accumulated impairment losses, in the same way as individually acquired intangible assets.

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Intangible assets acquired separately
Intangible assets acquired separately, i.e. not as part of a business combination, with a definite useful life are recognized at cost less accumulated amortization and impairment losses. Amortization is recognized as an expense on a straight-line basis over the expected useful life. The expected useful life and the amortization method are reviewed at each reporting date and all changes in estimates are accounted for prospectively.

Separately acquired intangible assets with an indefinite useful life are recognized at cost less accumulated impairment losses.

Internally generated intangible assets
Internally generated intangible assets are capitalized at cost.

In order to determine whether internally generated intangible assets can be capitalized, research and development expenses must be separated. Expenditure on research activities with the prospect of gaining new scientific or technical knowledge and understanding is recognized as an expense in the period in which it is incurred.

The recognition of internally generated intangible assets requires the cumulative fulfillment of the capitalization criteria of IAS 38: the technical feasibility of the development project and a future economic benefit from the development project must be demonstrable, and the company must intend and be able to complete the intangible asset and use or sell it. Furthermore, adequate technical, financial and other resources must be available and the expenditure attributable to the intangible asset during its development must be reliably measurable.

Capitalized production costs comprise costs directly attributable to the development process as well as development-related overheads. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset must be capitalized as part of the cost of that asset in accordance with IFRS. In the reporting period and in the comparative period, no qualifying assets were acquired or manufactured for which capitalization of borrowing costs would be required.

If a useful life can be determined, these internally generated intangible assets are amortized on a straight-line basis over their respective useful lives. Internally generated intangible assets for which no useful life can be determined, or to which an indefinite useful life would be attributable, have not been recognized to date.

The following useful lives were used as the basis for calculating depreciation:

	Useful duration in years
Self-created	1 to 10
Software	1 to 10
Patents, concessions, etc.	1 to 20

Impairment of intangible assets
If there are indications of impairment and the carrying amount of intangible assets exceeds the recoverable amount, impairment losses are recognized. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. If the reason for an impairment loss already recognized no longer exists, the impairment loss is reversed and the asset's carrying amount is increased to its amortized cost. Intangible assets with indefinite useful lives and goodwill are tested for impairment once a year. In addition, a review is carried out in each period to determine whether the assessment of an indefinite useful life continues to be justified. For intangible assets that do not generate cash flows themselves, the impairment test is performed at the level of their cash-generating unit.

Derecognition of intangible assets
An intangible asset shall be derecognized upon disposal or when no further economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the income statement when the asset is derecognized. This is recognized in other income or other expenses.

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53.4 Property, plant and equipment

Property, plant and equipment acquired in a business combination
Property, plant and equipment acquired in a business combination are measured at fair value at the acquisition date.

In subsequent periods, property, plant and equipment acquired as part of a business combination are measured at cost less accumulated depreciation and any accumulated impairment losses in the same way as individually acquired property, plant and equipment.

Property, plant and equipment acquired separately
Property, plant and equipment are measured at cost less accumulated depreciation if the assets are depreciable, and impairment losses.

The cost of an item of property, plant and equipment comprises all costs directly attributable to the acquisition of the asset . Repairs and maintenance are recognized as expenses in the consolidated income statement in the financial year in which they are incurred. Internally generated assets are initially measured at the directly attributable production cost and production-related overheads.

Depreciation is recognized in the consolidated income statement on a straight-line basis over the estimated useful life of the asset.

Land is not depreciated on a scheduled basis.

Where significant parts of property, plant and equipment contain components with significantly different useful lives, these are recognized separately and depreciated over their respective useful lives.

Borrowing costs that are directly attributable to the acquisition, construction or production of a quali fied asset must be capitalized as part of the cost of that asset in accordance with IFRS. In the reporting period and in the comparative period, no qualifying assets were acquired or manufactured for which capitalization of borrowing costs would be required.

The residual values and economic useful lives are reviewed at each balance sheet date and adjusted if necessary. The economic useful lives are based on estimates and are largely based on experience regarding historical usage and technical development.

Gains and losses on the disposal of assets are determined as the difference between the proceeds on disposal and the carrying amount and are recognized in profit or loss.

The following useful lives were used as the basis for calculating depreciation:

	Useful duration in years
Buildings	10 to 70
Technical equipment and machinery	1 to 50
Operating and office equipment	1 to 25

Impairment of property, plant and equipment
If there are indications of impairment and the carrying amount of property, plant and equipment exceeds the recoverable amount, impairment losses are recognized. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. If the reason for an impairment loss already recognized no longer exists, the impairment loss is reversed to amortized cost. Property, plant and equipment that do not generate any cash flows themselves are tested for impairment at the level of their cash-generating unit.

Derecognition of property, plant and equipment
An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from the continued use of the asset. The gain or loss arising from the sale or retirement of an item of property, plant and equipment is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognized in profit or loss.

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53.5 Leasing

IFRS 16 contains a comprehensive model for identifying leases and for accounting by the lessor and lessee, which is generally applicable to all leases. A lease exists when the lessee is contractually granted the right to control an identified asset for a specified period of time and the lessor receives consideration from the lessee in return.

Lessees do not distinguish between rental leases and finance leases. Instead, for all leases, the lessee must recognize the right-of-use asset and a corresponding lease liability (so called "right-of-use asset" or "RoU asset"). The only exceptions to this rule are short-term leases and leases of low-value assets, for which payments are recognized on a straight-line basis over the term of the lease. The only exceptions to this rule are short-term leases and leases of low-value assets, for which payments are recognized as an expense in the income statement on a straight-line basis over the term of the lease. Mutares takes advantage of these practical expedients. For low-value assets, a value limit of EUR 5,000 is applied in line with IFRS 16.BC100.

The amount of the RoU asset at the inception of the lease is the amount of the lease liability plus any initial direct costs incurred by the lessee. In subsequent periods, the RoU asset is measured at amortized cost (with two exceptions) until the earlier of the end of the leased asset's useful life or the end of the lease term and is depreciated using the straight-line method.

The lease liability is measured as the present value of the lease payments relevant for measurement that are paid during the term of the lease. The marginal borrowing rate is regularly used for discounting purposes, as the interest rate on which the lease is based is generally not known to Mutares. The incremental borrowing rate is determined for each lease on a term-equivalent, country-specific and currency-specific risk-equivalent basis. Subsequently, the carrying amount of the lease liability is discounted using the discount rate and reduced by the lease payments made. Changes in the lease payments generally result in a revaluation of the lease liability against the corresponding right-of-use asset with no effect on profit or loss.

Mutares has also decided to apply IFRS 16 to other intangible assets, as permitted under IFRS 16.4. Leasing and service components are not presented separately at Mutares.

Sale and leaseback transactions are used by companies of the Mutares Group as an instrument to secure liquidity and to finance investments. The scope and terms of sale and leaseback transactions within the Mutares Group may vary per financial year and company.

For lessors, IFRS 16 basically retains the accounting treatment familiar from IAS 17 "Leases" with a distinction between finance and operating leases. The criteria for assessing a finance lease have been taken over unchanged from IAS 17. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. Otherwise, it is classified as an operating lease. If Mutares acts as lessor under a finance lease, a receivable is recognized in the amount of the net investment in the lease. In the case of an operating lease, Mutares recognizes the leased asset as an asset under property, plant and equipment. It is measured at amortized cost. The following useful lives were used as a basis for calculating depreciation:

	Useful duration in years
Building	1 to 30
Technical equipment, machinery and vehicles	1 to 10
Operating and office equipment	1 to 20

Rental income is recognized in profit or loss on a straight-line basis over the lease term and reported in other income. As a lessor, Mutares essentially only enters into leases that are classified as operating leases.

For information on the discretionary decisions and estimates made in connection with leases, in particular for determining the lease term and the incremental borrowing rate, please refer to Note 3.

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53.6 Cost of debt

Borrowing costs directly associated with the acquisition, construction or production of qualifying assets are added to the cost of those assets until the assets are substantially ready for their intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Income earned from the interim investment of specially borrowed capital until it is spent on qualifying assets is deducted from the borrowing capital costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

53.7 Assets held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is only considered to be met if the non-current asset or disposal group is available for immediate sale in its present condition and its sale is highly probable. Management must be committed to a sale. It must be assumed that the disposal transaction will be completed within one year of such classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their original carrying amount and fair value less costs to sell.

In the event that the Group has committed to a disposal involving a loss of control of a subsidiary, all assets and liabilities of that subsidiary are classified as held for sale if the above conditions are met. This applies regardless of whether or not the Group retains a non-controlling interest in the former subsidiary after the disposal.

53.8 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of raw materials and supplies is calculated using the moving average method. Incidental acquisition costs are also taken into account. Work in progress and self-constructed finished goods are valued at manufacturing cost. In addition to direct material, production and special production costs, production cost also includes an appropriate share of the overheads attributable to production and production-related depreciation, but not borrowing costs.

Net realizable value is defined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

53.9 Financial instruments

A financial instrument is defined as a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. They include non-derivative financial instruments, such as trade receivables and payables, as well as derivative financial instruments.

Financial assets and financial liabilities are initially measured at fair value, which is generally the transaction price. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument are only included in the carrying amount if the financial instrument is not measured at fair value through profit or loss. In the case of trade receivables, the transaction price is determined in accordance with IFRS 15. Subsequent measurement depends on the classification of the financial instruments.

Regular way purchases or sales of financial assets are generally recognized on the trade date.

53.10 Financial assets

Classification of financial assets
Financial assets include in particular:

- Trade receivables and other receivables,
- Other financial assets and
- Cash and cash equivalents

Financial assets with a maturity of more than twelve months are classified as non-current.
The classification of financial assets depends on the underlying business model and the so-called cash flow criterion, according to which the contractual cash flows of a financial asset may only consist of interest and principal payments on the outstanding principal amount of the financial instrument. The cash flow criterion is always assessed at the level of the individual financial instrument. The assessment of the business model relates to the question of how financial assets are managed to generate cash flows. The management can either be aimed at holding, selling or a combination of both.

The Company classifies financial assets into one of the following categories:

- Financial assets measured at amortized cost (debt instruments)
- Financial assets measured at fair value, with recylcling, through profit or loss (debt instruments)
- Financial assets measured at fair value through profit or loss

Financial assets measured at amortized cost (debt instruments)
The most significant category of financial assets for Mutares is the category of assets measured at amortized cost in relation to debt instruments. Measurement at amortized cost occurs when the following two criteria are met:

- The business model for managing these financial instruments is geared towards holding them in order to generate the underlying contractual cash flows and to
- the contractual cash flows generated from this consist solely of interest and repayment on the principal outstanding.

Subsequent measurement of these financial assets is based on the effective interest method and is subject to the impairment requirements of IFRS 9.5.5 et seq. The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition, less principal repayments, plus accumulated amortization using the effective interest method, adjusted for impairment. At Mutares, trade receivables, other assets and bank balances are mainly subject to this category.

Mutares continues to classify trade receivables that are sold under a factoring agreement without a disposal of the receivables as part of the sale of the receivables as part of the business model "hold" and thus as "amortized cost". Within the business model criterion, Mutares defines the sale as an actual sale that also leads to an accounting disposal. According to Mutares' interpretation, a purely legal sale without disposal does not constitute a business model of sale within the meaning of IFRS 9. Receivables portfolios that are generally subject to the possibility of factoring with disposal of the corresponding receivables are allocated to the category "hold and sell" and measured at fair value through profit or loss (FVOCI). There are currently no cases of application for this in the Group.

Financial assets measured at fair value through profit or loss (debt instruments)
The valuation with no effect on profit or loss at fair value recycling for debt instruments is carried out if the following two criteria are met:

- The business model for managing these financial instruments is focused on holding them to generate the underlying contractual cash flows and also on selling them.
- The resulting contractual cash flows consist solely of interest and principal on the principal outstanding.

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For these financial assets, interest, foreign currency valuation effects and expenses and income in connection with impairments are recognized in profit or loss. The remaining changes are recognized in other comprehensive income and reclassified to profit or loss on disposal (recycling).

At Mutares, mainly receivables related to a factoring agreement with disposal of the corresponding receivables are subject to this measurement.

Financial assets measured at fair value through profit or loss
The category includes financial assets held for trading, financial instruments using the fair value option, and financial assets for which mandatory measurement at fair value is intended. A trading purpose exists if a short-term purchase or sale is intended. Derivatives that are not part of a hedging relationship are always held for trading purposes. Financial assets that do not meet the cash flow criterion are always measured at fair value through profit or loss, regardless of the underlying business model. The same measurement results for financial instruments that are subject to a "sell" business model.

The fair value option for financial assets is not used.

At Mutares, derivatives that are not part of a hedging relationship and securities are mainly subject to this measurement.

Any changes in the fair value of these instruments are recognized in profit or loss.

Financial assets measured at fair value through other comprehensive income (equity instruments)
Upon initial recognition of an equity instrument, Mutares has the irrevocable option to measure it at fair value through other comprehensive income. This is subject to the condition that the equity instrument is not held for trading and is not a contingent consideration as defined by IFRS 3. The option can be exercised separately for each equity instrument.

Mutares does not exercise the option and measures all equity instruments at fair value through profit or loss.

Impairment of financial assets
Financial assets (with the exception of financial assets at fair value through profit or loss and equity instruments at fair value through other comprehensive income), contract assets according to IFRS 15, lease receivables, loan commitments and financial guarantees are subject to the impairment model as defined by IFRS 9.5.5. According to this model, Mutares recognizes an impairment loss for these assets based on the expected credit losses. Expected credit losses result from the difference between the contractually agreed cash flows and the expected cash flows, measured at present value using the original effective interest rate. The expected cash flows also include proceeds from the sale of collateral and other loan collateral that are an integral part of the respective contract.

Expected credit losses are recognized in three stages. For financial assets for which there has been no significant increase in the risk of default since initial recognition, the impairment loss is measured in the amount of the expected 12-month credit loss (Level 1). In case of a significant increase in default risk, the expected credit loss for the remaining term of the asset is determined (level 2). Mutares generally assumes that there is a significant increase in credit risk if the asset is 30 days past due. This principle can be refuted if, in the respective individual case, reliable and justifiable information indicates that the credit risk has not increased. If there is objective evidence of impairment, the underlying assets are to be allocated to level 3.

The relevant class of assets for Mutares for the application of the impairment model are trade receivables and contract assets. Mutares applies the simplified approach according to IFRS 9.5.15 for these. Accordingly, the impairment loss is always measured in the amount of the expected credit losses over the term.

For financial assets measured at fair value through other comprehensive income as debt instruments, Mutares considers all reasonable and reliable information that is available without unreasonable cost and time expenditure for the review of a possibly significantly increased expected credit risk. For this purpose, the associated default risk is mainly used. Rating information is used for the default risk. Mutares generally only holds instruments for which there is a low default risk. Mutares currently does not hold any financial assets that are measured at fair value through other comprehensive income as debt instruments.

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For the other assets that are within the scope of the impairment model of IFRS 9 and that are subject to the general approach, financial assets are grouped together on the basis of common credit risk characteristics or individual default information is used to measure the expected losses. The calculation is based in each case on current default probabilities as of the respective reporting date.

Mutares generally assumes a default if the contractual payments are overdue by more than 90 days. In addition, in individual cases, internal or external information is also used to indicate that the contractual payments cannot be made in full. Financial assets are derecognized if there is no reasonable expectation of future payment.

53.11 Derivatives and hedging relationships

Within the Group, derivative financial instruments are used to manage risks arising from fluctuations in raw material prices and interest rates. Derivative financial instruments are initially recognized as financial assets or liabilities at fair value in the category of financial assets at fair value through profit or loss or financial liabilities at fair value through profit or loss.

Attributable transaction costs are recognized in profit or loss in the period in which they are incurred. With the exception of derivatives designated as hedging instruments in cash flow hedges, all derivatives are measured at fair value through profit or loss. They are presented in the consolidated statement of financial position under “other financial assets” or “other financial liabilities.

Currently, the Mutares Group continues not to apply hedge accounting.

53.12 Financial liabilities

Financial liabilities regularly give rise to a right of return in cash and cash equivalents or another financial asset. These include in particular bonds and other securitized liabilities, trade accounts payable, liabilities to banks and derivative financial instruments.

For the initial measurement of financial liabilities, please refer to the description of financial assets. Financial liabilities are generally measured at amortized cost using the effective interest method (“FLAC”).

The category of financial liabilities at fair value through profit or loss (“FLFVPL”) includes all financial liabilities held for trading as well as derivative instruments, unless they are part of a hedging relationship, and financial instruments for which the fair value option has been exercised. This measurement category includes contingent consideration in connection with business combinations.

Financial liabilities are classified as current unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

To increase the reliability of the financial statement information and to reduce the complexity of preparing the financial statements, also in connection with the measurement of embedded derivatives, financial liabilities can be irrevocably designated at fair value through profit or loss (“FVPL”) at the date of addition by exercising the fair value option. The Company’s issued bond contains two embedded derivatives in the form of an early debt call right and an interest rate floor. These derivatives are treated as one compound derivative as they are subject to the same risk (IFRS 9.B4.3.4). If, in the case of an embedded derivative, one component gives rise to a separation obligation, the entire derivative is to be treated as subject to separation. Accordingly, Mutares exercises the option under IFRS 9.4.3.5 and accounts for the bond at fair value.

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Subsequent measurement of financial liabilities measured by the Company at fair value through profit or loss is performed by recognizing net gains or losses and interest expenses in profit or loss. The Company recognizes changes in fair value due to changes in credit ratings in other comprehensive income.

If changes in the fair value that are due to factors other than changes in the default risk of the instrument or changes in the observed (reference) interest rate are not significant, the Company calculates the credit rating-induced change in the fair value of exchange-traded financial liabilities since the designation date as the difference between the fair value (market price) of the security and the present value of the contractual cash flows at the balance sheet date. The present value of the contractual cash flows is calculated on the basis of the internal rate of return of the security determined at the designation date and the reference interest rate observed externally at the reporting date.

53.13 Derecognition of financial assets and liabilities

Financial instruments are derecognized when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset only if a right of set-off exists for the net amount at that time.

53.14 Treatment of reverse factoring agreements

Under a reverse factoring agreement, the supplier and customer agree to sell existing or future trade receivables to a factoring company or financial institution.

In the case of a reverse factoring agreement, an assessment must be made at the customer level as to whether the changes to the original contractual terms of the trade payables lead to a change in the balance sheet presentation and the presentation in the cash flow statement and in the notes.

The assessment of whether a reverse factoring arrangement generally results in the derecognition of the original trade financial liability is based on the general principles set out above.

Depending on the circumstances – whether the trade liability is to be derecognized or not – the recognition is assessed in accordance with IAS 1.

Separate recognition of liabilities under reverse factoring arrangements is assessed based on the factors of whether additional collateral is provided as part of the arrangement that would not be so provided in the absence of the arrangement and whether the extent to which the terms of the liabilities that are part of the arrangement differ from the terms of the entity's trade payables that are not part of the arrangement.

Payments under reverse factoring agreements are allocated to cash flows from operating activities in the statement of cash flows if a trade liability exists. However, if the liability is not a trade payable due to its financing nature, an allocation to cash flow from financing activities is appropriate.

Reverse factoring agreements are currently only of minor importance in the Mutares Group.

53.15 Equity

Equity is defined as contributions in cash or in kind that represent a residual interest in the assets of an entity after deducting all related liabilities. The development of equity is presented in the consolidated statement of changes in equity.

Mutares accounts for acquired treasury shares using the so-called par value method, according to which the nominal amount of the acquired treasury shares is deducted from the subscribed capital. In addition, the acquisition costs in excess of this amount are deducted from retained earnings.

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53.16 Share-based payments

Equity-settled share-based payments to members of the Board of Management or employees of the Company or to members of the management or employees of affiliated companies in Germany and abroad are measured at the fair value of the equity instrument at the grant date. In determining the fair value, the market-related performance condition with regard to the share price is taken into account.

Further information on share-based payments in the Mutares Group is presented in Note 32 “Conditional capital and share-based payment”.

53.17 Employee benefits

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with an actuarial valuation performed at each reporting date. Remeasurements, consisting of actuarial gains and losses, changes resulting from the application of the asset ceiling and the return on plan assets (excluding interest on the net liability), are recognized directly in other comprehensive income and are therefore included directly in the consolidated statement of financial position. The remeasurements recognized in other comprehensive income are part of retained earnings and are no longer reclassified to the consolidated statement of profit or loss. Past service cost is recognized as an expense when the plan amendment occurs.

The net interest is calculated by multiplying the discount rate by the net liability (pension obligation less plan assets) or the net asset value, which results if the plan assets exceed the pension obligation, at the beginning of the financial year. The defined benefit cost includes the following components:

- Service cost (including current service cost, after service cost to be recognized, and any gain or loss on the plan amendment or -curtailment)
- Net interest expense or income on net debt or net asset value
- Revaluation of net debt or net asset value

Mutares reports the first two components in the consolidated statement of comprehensive income. Gains or losses from curtailments are recognized as past service cost.

In May 2021, the IASB endorsed the IFRS IC agenda decision regarding the allocation of the benefit obligation over the service period. The decision gives preference in the calculation of the obligation for defined benefit plans with the characteristics of

- the rights depend on the seniority,
- the rights are capped after a certain length of service and
- the benefits are one-time payments upon retirement

to the linearization of the benefit entitlement over the period between retirement minus the maximum service period and retirement. As the French defined benefit plans have the three characteristics, Mutares follows the IFRS IC decision for these plans. Previously, the benefit entitlement was linearized over the period between entry into the company and retirement. The effect from the change in valuation method is recognized in retained earnings.

The defined benefit obligation recognized in the consolidated statement of financial position represents the current underfunding or overfunding of the Group’s defined benefit plans. Any surplus arising from this calculation is limited to the present value of future economic benefits available in the form of refunds from the plans or reduced future contributions to the plans.

Payments for defined contribution plans are recognized as an expense when the employees have rendered the service entitling them to the contributions.

For short-term employee benefits (wages, sick pay, bonuses, etc.), the undiscounted amount of the benefit expected to be paid in exchange for the service rendered is recognized in the period in which the service is rendered by the employee.

The expected cost of short-term employee benefits in the form of compensated absences is recognized, in the case of accumulating entitlements, when the employee services that increase the employee’s entitlement to future compensated absences are rendered. In the case of non-accumulating entitlements, however, recognition occurs when the absence occurs.

All personnel-related obligations that cannot be allocated either to pension provisions or to accruals for personnel-related obligations (personnel-related liabilities, for example, for uncompensated leave or overtime, and outstanding wages and salaries) are recognized in other personnel-related provisions. These include, for example, obligations for employee bonuses or to mark employee anniversaries.

A liability for termination benefits is recognized when the Group is no longer able to withdraw the offer of such benefits or, if earlier, the Group has recognized related restructuring costs (refer to Note 53.18).

53.18 Other provisions and contingent liabilities

Provisions are recognized when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the provision.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. In this context, risks and uncertainties inherent in the obligation must be taken into account.

If a provision is measured on the basis of the cash flows estimated to be required to settle the obligation, these cash flows must be discounted if the interest effect is material.

If it can be assumed that parts or all of the economic benefit required to settle the provision will be reimbursed by an outside third party, this claim is capitalized as an asset if the reimbursement is virtually certain and its amount can be reliably estimated.

The following section describes special circumstances relating to the recognition of other provisions:

Legal costs
The companies of the Mutares Group may be plaintiffs or defendants in lawsuits and other proceedings in the course of their business activities. If the general recognition criteria, in particular those according to IAS 37, are met, a provision is recognized for the best estimate of the cash flows expected to be required to settle the obligation and reported under other provisions. In cases where the general recognition criteria are not met, the existence of a contingent liability is assessed and disclosed in the notes to the consolidated financial statements.

Warranties
Provisions for the expected cost of warranty obligations are recognized at the time of sale of the respective products based on management's best estimate of the expenditure required to settle the Group's obligation.

Restructuring
A provision for restructuring costs is recognized when the Group has a detailed formal restructuring plan that has raised a valid expectation in those affected by it that the restructuring will be completed, either by commencing implementation of the plan or by announcing its main features. When measuring a restructuring provision, only the direct expenses incurred for the restructuring are taken into account. Therefore, only those amounts are involved which were caused by the restructuring and are not related to the Group's continuing operations. For liabilities arising from the termination of employment contracts, please refer to Note 53.17.

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Impending losses
Present obligations arising in connection with onerous contracts are recognized as provisions. The existence of an onerous contract is presumed when the Group is party to a contract under which the unavoidable costs of meeting the obligations under the contract are expected to exceed the economic benefits to be received under it.

Contingent liabilities
A contingent liability is a possible obligation that arises from the occurrence or non-occurrence of uncertain future events and whose amount cannot be estimated with sufficient reliability. Contingent liabilities are not recognized as liabilities, but trigger disclosure requirements in the notes to the consolidated financial statements. Contingent liabilities assumed in the context of business combinations are recognized as liabilities.

53.19 Government grants

Government grants, including non-monetary grants at fair value, are only recognized if there is reasonable assurance that:

- the company will comply with the conditions attached to it, and that
- the grants are awarded.

Grants related to expenses are recognized on a systematic basis over the periods in which the related expenses are to be offset. Grants received to compensate for expenses already incurred or to provide immediate financial support irrespective of future expenses are recognized in profit or loss in the period in which the entitlement arises.

If Mutares merely prefinances claims by employees against the public sector and acquires a claim to reimbursement of the amounts paid out, the payment processing is treated as a transitory item and does not affect profit or loss. Such claims are recognized as soon as the reimbursement is virtually certain.

54 Areas of the consolidated financial statements affected by climate change

Risks and uncertainties resulting from climate change or the transition to a low-carbon economy could affect the following areas of the consolidated financial statements in particular.

54.1 Assessment of the going concern assumption

IAS 1 requires disclosure of material uncertainties related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, or of significant judgments that lead to the conclusion that there are no material uncertainties related to the going concern assumption. Such uncertainties may be due to climate. Among other things, the introduction of legislation that directly affects a company's business model or results in increased compliance costs may cast significant doubt on its ability to continue as a going concern.

However, management may conclude that there is no material uncertainty after assessing the effectiveness of the Company's planned actions.

54.2 Impairment of non-financial assets

The impact of climate-related risks could be an indicator of impairment, e.g. a significant decline in demand for products or services or new regulations that negatively affect a company. Such factors could also affect the estimated cash flows used in determining the recoverable amount of an asset or group of assets.

When estimating the recoverable amount, climate-related aspects are also taken into account, as these can also provide an indication of the need for impairment. Depending on the business model, climate change and its various effects can give rise to a business risk with a potentially significant impact on a company's future cash flows. Climate- and environment-related developments can impact future cash flows in a variety of ways, e.g. on sales, current payments and capital expenditure. The following circumstances, among others, are of importance:

If customers increasingly demand more sustainable products and services, this can lead to changes in sales and growth. For example, a decline in demand for products that emit greenhouse gases or whose production is greenhouse gas intensive could indicate that a manufacturing facility that can only produce these products may be impaired in value. Activities that are perceived as potentially harmful to the environment may result in reputational damage and loss of customers, and may affect the value of brands, trademarks, and other intangible assets.

Similarly, the introduction of new laws or regulations could cause a company to reassess the profitability of a product line or impose new costs in the future, which could trigger the need to test the assets affected for impairment.

New environmentally friendly technologies can significantly affect a company's competitiveness and lead to higher investments for the development or acquisition of equivalent technologies.

The (physical) effects of climate change (e.g., rising temperatures, rising sea levels, increasing extreme weather events, and similar events) may, among other things, lead to higher insurance or maintenance expenses or even call into question the suitability of certain operating sites. Voluntary environmental commitments made by the company could also have to be taken into account.

54.3 Change in recognition, useful life or residual value of assets

Factors related to climate change may indicate that an asset may become physically unusable or commercially obsolete sooner than previously expected. In addition, the expected timeline for replacing existing assets may be shortened. If climate-related risks are significant, concerns about realizability could mean that the criterion (in IAS 16.7 for property, plant and equipment and in IAS 38.21 for intangible assets) that costs should be recognized as an asset only if it is probable that future economic benefits will flow to the entity is not met. Adapting an entity's operations to address aspects of climate change could also lead to additional research and development activities that require testing of the criteria for recognition as intangible assets in accordance with IAS 38.57.

The (scheduled) depreciation of property, plant and equipment and amortization of intangible assets are determined on the basis of the estimated useful lives of the assets. These are reviewed regularly and changes (including those resulting from climate-related aspects) are taken into account by adjusting depreciation and amortization. If Mutares considers decommissioning certain assets earlier than originally planned for climate-related reasons, this is taken into account in the depreciation and amortization for the reporting year (and subsequent periods) through changes in useful lives.

54.4 Impairment of financial assets

Climate-related events, such as floods and hurricanes, can affect borrowers' creditworthiness due to business interruptions, impacts on economic strength, asset values, and unemployment. In addition, borrowers' ability to pay could be affected if they operate in industries that are not considered climate-friendly or sustainable and are therefore under increased pressure. If a significant climate-related event has occurred, the impact of this event on trade receivables is assessed as of the reporting date.

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54.5 Assets measured at fair value

The fair value measurement requirements of IFRS 13 apply to a wide range of assets and liabilities, both for measurement purposes and for disclosures in the notes. These include assets or cash-generating units that are tested for impairment on the basis of fair value less costs to sell, and the initial measurement at fair value of assets acquired in a business combination. The broad scope of the requirements of IFRS 13 could result in the impact of climate-related risks on fair values becoming significant even for entities whose operations are not directly affected by the apparent risks of climate change.

54.6 Provisions, contingent liabilities and onerous contracts

The pace and intensity of climate change and accompanying political and regulatory measures may affect the recognition, measurement and disclosure of provisions, contingent liabilities and onerous contracts. The recognition and measurement of provisions naturally also takes into account expectations of climate-related events, for example by including obligations resulting from expectations of changes in the (regulatory) framework. Contingent liabilities are not recognized as liabilities, but trigger disclosure requirements in the notes to the consolidated financial statements. This naturally also applies to those arising from climate risks.

54.7 Disclosure of significant judgments and estimates

If assumptions relating to the effects of climate change or the transition to a low-carbon economy entail a significant risk that they will result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year, then information on the assumptions must be disclosed in accordance with IAS 1.125. This also includes longer-term assumptions for which there is a risk that significant changes will have to be made within the next year. For a better understanding of the financial statements, it may also be necessary to disclose other uncertainties that are not expected to require material adjustment within one year. However, in accordance with IAS 1.125, these disclosures must be clearly separated from uncertainties that give rise to a significant risk of a material adjustment to the carrying amount of assets and liabilities within the next financial year. In applying the Company's accounting policies, management is required to make various judgments that can significantly affect the amounts reported in the financial statements. Such discretionary decisions are disclosed in accordance with IAS 1.122.

54.8 Realization of deferred tax assets

Climate-related factors may lead to a decrease in estimated future taxable profits. In this respect, climate-related aspects are also taken into account when forecasting future taxable profits.

54.9 Additional taxes or other charges

Additional taxes or other levies could be introduced as financial policy measures to promote carbon dioxide reduction. Any levy liability shall be recognized when the obligation is legally triggered (in accordance with IFRIC 21) and any effect on income taxes shall be included in the accounting in accordance with IAS 12.

54.10 Net realizable value of inventories

The net realizable value of inventories could be affected by climate-related factors. A distinction must be made between inventories held for resale and inventories held for production purposes.

In the case of inventories held for resale, the selling price may decrease due to climate change, resulting in a net realizable value below the carrying amount. A climate-induced reduction in the selling price can result, using the example of automotive parts, from the fact that they hinder the transition to a CO_2-neutral economy, and either due to changes in market behavior or changes in legal regulations, demand decreases.

The net realizable value of inventories used in production may decrease due to increased costs of completion. This may lead to an increase in completion costs due to climate-related bottlenecks in the procurement of raw materials. Furthermore, weather events such as heavy rain and flooding, among others, can lead to damage to inventories. If in such cases the cost of inventories is no longer recoverable, a write-down to their net realizable value must be made in accordance with IAS 2.

54.11 Government grants

Governments could increasingly use government grants and other forms of governmental Provide support for businesses to make the transition to a carbon-reduced economy in line with government commitments to reduce greenhouse gas emissions. Government grants for the implementation of production- and or building-related energy efficiency measures can be used and, depending on the grant type and conditions, may fall within the scope of IAS 20.

Approval of the financial statements
These consolidated financial statements were approved by the Management Board of Mutares Management SE as general partner of Mutares SE & Co. KGaA on 5 April 2023 and released for publication .

Munich, 5 April 2023

Mutares Management SE,
General Partner of Mutares SE & Co. KGaA

The Board



Robin Laik



Mark Friedrich



Johannes Laumann

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APPENDIX 1: SCOPE OF CONSOLIDATION AND LIST OF SHAREHOLDINGS

Direct shareholdings/ holding companies	Seat	Share in % 31/12/2022	Share in % 31/12/2021
mutares Holding-02 AG [1]	Bad Wiessee	100	100
mutares Holding-03 AG [1]	Bad Wiessee	100	100
mutares Holding-07 GmbH [2]	Bad Wiessee	90	90
mutares Holding-09 AG i. L. [4]	Bad Wiessee	100	100
mutares Holding-10 GmbH [3]	Bad Wiessee	100	100
mutares Holding-11 AG i. L. [4]	Bad Wiessee	100	100
mutares Holding-13 AG i. L. [4]	Bad Wiessee	100	100
mutares Holding-14 GmbH [2]	Bad Wiessee	100	100
mutares Holding-20 AG i. L. [4]	Bad Wiessee	100	100
mutares Holding-21 AG [1]	Bad Wiessee	100	100
mutares Holding-23 GmbH [3]	Bad Wiessee	–	100
mutares Holding-25 GmbH [3]	Bad Wiessee	100	100
mutares Holding-26 GmbH [3]	Bad Wiessee	90	90
mutares Holding-28 GmbH [3]	Bad Wiessee	100	100
mutares Holding-29 GmbH [3]	Bad Wiessee	–	90
mutares Holding-30 AG i. L. [4]	Bad Wiessee	100	100
mutares Holding-31 GmbH [3]	Bad Wiessee	100	100
mutares Holding-32 GmbH [3]	Bad Wiessee	–	90
mutares Holding-33 GmbH [3]	Bad Wiessee	100	100
mutares Holding-35 GmbH [3]	Bad Wiessee	90	90
mutares Holding-36 GmbH [3]	Bad Wiessee	90	90
mutares Holding-37 GmbH [3]	Bad Wiessee	100	88
mutares Holding-38 GmbH [3]	Bad Wiessee	90	90
mutares Holding-39 GmbH [3]	Bad Wiessee	90	90
mutares Holding-40 GmbH [3]	Bad Wiessee	85	85
mutares Holding-41 GmbH [3]	Bad Wiessee	100	100
mutares Holding-42 GmbH [3]	Bad Wiessee	90	90
mutares Holding-43 GmbH [3]	Bad Wiessee	100	100
mutares Holding-45 GmbH [3]	Bad Wiessee	90	90
mutares Holding-46 GmbH [3]	Bad Wiessee	90	90
mutares Holding-47 GmbH [3]	Bad Wiessee	90	90
mutares Holding-48 GmbH [3]	Bad Wiessee	90	100
mutares Holding-49 GmbH [3]	Bad Wiessee	87	100
mutares Holding-50 GmbH [3]	Bad Wiessee	91	–
mutares Holding-51 GmbH [2]	Bad Wiessee	100	100
mutares Holding-53 GmbH [2]	Bad Wiessee	100	100
mutares Holding-54 GmbH [2]	Bad Wiessee	100	100
mutares Holding-55 GmbH [2]	Bad Wiessee	100	100
mutares Holding-56 GmbH [3]	Bad Wiessee	100	100
mutares Holding-57 GmbH [2]	Bad Wiessee	100	100
mutares Holding-58 GmbH [2]	Bad Wiessee	100	100
mutares Holding-59 GmbH [2]	Bad Wiessee	100	100
mutares Holding-60 GmbH [3]	Bad Wiessee	100	–
mutares Holding-61 GmbH [3]	Bad Wiessee	100	–
mutares Holding-62 GmbH [3]	Bad Wiessee	100	–
mutares Holding-63 GmbH [3]	Bad Wiessee	100	–
mutares Holding-64 GmbH [3]	Bad Wiessee	100	–
mutares Holding-65 GmbH i. G. [3]	Bad Wiessee	100	–
mutares Holding-66 GmbH i. G. [2]	Bad Wiessee	100	–
mutares Holding-67 GmbH i. G. [2]	Bad Wiessee	100	–
mutares Holding-68 GmbH i. G. [3]	Bad Wiessee	100	–
mutares Holding-69 GmbH i. G. [2]	Bad Wiessee	100	–
Purple Holding SAS [3]	Paris / FR	100	–
Mutares Austria Holding-01 GmbH (formerly: AE BG GammaEta Holding GmbH) [2]	Vienna / AT	100	–
Mutares Holding Italy 1 S.r.l. [3]	Milan / IT	100	100
Mutares Sierra S. L. [3]	Madrid / ES	100	100
Mutares Investment S. L. [2]	Madrid / ES	100	100
MuxTec GmbH [3]	Munich	100	100
Mutares Verwaltungs GmbH [2]	Bad Wiessee	100	100
Mutares Management SE [3]	Munich	30	30

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National companies	Seat	Share in % 31/12/2022	Share in % 31/12/2021
Mutares France S. A. S. [2]	Paris / FR	100	100
Mutares Italy S. r. l. [2]	Milan / IT	100	100
Mutares UK Ltd. [2]	London / UK	100	100
Mutares Nordics Oy [1]	Vantaa / FI	100	100
Mutares Nordics AB [1]	Stockholm / SE	100	100
Mutares Iberia S. L. U. [1]	Madrid / ES	100	100
Mutares Austria GmbH [1]	Vienna / AU	100	100
Mutares Benelux B. V. [2]	Amsterdam / NL	100	100
Mutares Poland Sp.z.o.o. [1]	Czestochowa / PL	100	–

Indirect shareholdings: Operating units/subgroups	Seat	Share in % 31/12/2022	Share in % 31/12/2021
MoldTecs Group			
MoldTecs-01-2022 GmbH [1]	Stuttgart	100	–
MoldTecs GmbH [1]	Bad Harzburg	100	–
MoldTecs S. A. S. [2]	Laval Cedex / FR	100	–
MoldTecs US L. L. C. [2]	Willmington / US	100	–
Shanghai MoldTecs Trading Co. Ltd. [1]	Shanghai / CN	100	–
MoldTecs Bazil Ltda. [1]	Indaiatuba / BR	100	
MoldTecs Trading India Private Limited [1]	Bangalore / IN	100	
MoldTecs Korea Ltd. [1]	Weonju / KOR	100	
MoldTecs Godo Kaisha Ltd. [1]	Yokohama / JP	100	–
Light Mobility Solutions			
Light Mobility Solutions GmbH [2]	Obertshausen	100	100
Atrium 248. Europäische VV SE [1]	Frankfurt / Main	100	–
SFC Solutions Group			
SFC Solutions Germany GmbH [2]	Mannheim	100	100
SFC Solutions India Sealing Private Ltd. [2]	Dehli / IN	100	100
SFC Solutions India Fluid Private Ltd. [1]	Chengalpattu / IN	100	100
SFC Solutions Czestochowa Sp.z.o.o. [1]	Czestochowa / PL	100	100

Indirect shareholdings: Operating units/subgroups	Seat	Share in % 31/12/2022	Share in % 31/12/2021
SFC Piotrkow Sp.z.o.o. [1]	Warsaw / PL	100	100
SFC Solutions Italy S. R. L. [2]	Cirié / IT	100	100
SFC Solutions Spain Borja SL [2]	Borja / ES	100	100
SFC Solutions France S. A. S. [2]	Rennes / FR	100	100
SFC Solutions Automotive S. A. S. [1]	Charleval / FR	100	–
SFC Solutions Automotive S. r. l. [2]	Clucereasa / RO	100	–
SFC Solutions Automotive S. a. r. l. [1]	Tangier / MA	100	–
Sealynx Automotive Algeria S. p. A. i. L. [3]	Arbal / DZ	29	–
Elastomer Solutions Group			
Elastomer Solutions GmbH [1]	Wiesbaum	100	100
DF Elastomer Solutions Lda. [1]	Mindelo / PT	100	100
Elastomer Solutions s. r. o. [1]	Belusa / SK	100	100
Elastomer Solutions Maroc S. à r. l. [1]	Free Trade Zone Tangier / MA	100	100
Elastomer Solutions Mexico S. de R. L. de C. V. [1]	Fresnillo / MX	100	100
KICO und ISH Group			
KICO GmbH [2]	Halver	100	100
Mesenhöller Verwaltungs GmbH [2]	Halver	100	100
KICO Kunststofftechnik GmbH [1]	Halver	100	100
KICO-Polska Sp.z.o.o. [1]	Swiebodzin / PL	100	100
KICO Sistemas Mexico S. de R. L. de C. V. [1]	El Marqués / MX	100	100
Innomotive Systems Hainichen GmbH [1]	Hainichen	100	100
Innomotive Systems Hainichen Co. Ltd. [1]	Nanjing / CN	100	100
Alemante Grundstücksverwaltungs-gesellschaft mbH & Co. Vermietungs KG i. L. [3]	Mainz	94	94
Cimos Group			
Cimos d. d. [2]	Koper / SI	100	–
Cimos IP [1]	Koper / SI	100	–
P. P. C. Buzet d. o. o. [1]	Buzert / HR	100	–
Cimos Buzet d. o. o. [2]	Buzert / HR	100	–
Cimos Ljevaonica Roc d. o. o. [1]	Roc / HR	100	–
Cimos "TMD Automobilka Indusrija" d. o. o. [1]	Gradacac / BA	100	–

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Livnica Kikinda Automobilska Industrija d. o. o. [1]	Kikinda / RS	93	–
Cimos Germany GmbH [2]	Munich	100	–
PrimoTECS Group			
PrimoTECS S. P. A. [2]	Avigliana / IT	100	100
Rasche Holding GmbH [2]	Plettenberg	100	100
Rasche Umformtechnik GmbH & Co. KG [1]	Plettenberg	100	100
Rasche Verwaltungs GmbH [2]	Plettenberg	100	100
iinovis Group			
iinovis Beteiligungs GmbH [2]	Munich	100	100
iinovis Verwaltungs GmbH [2]	Munich	100	100
iinovis Holding GmbH & Co. KG [2]	Munich	100	100
iinovis GmbH [2]	Bad Friedrichshall	100	100
BAUR Karosserie- und Fahrzeugbau GmbH [1]	Bad Friedrichshall	100	100
iinovis Testing Spain S. L. [2]	Antas / ES	100	100
Plati Group			
Plati Elettroforniture S. r. l. (formerly S. p. A.) [1]	Torino / IT	100	100
Plati Logistics KFT i. L. [2]	Budapest / HU	–	100
Plati Ukraine Limited [1]	Vynohradiw / UA	100	100
Plati Polska S. p. z. o. o [1]	Gdansk / PL	95	95
Plati Maroc Sarl i. L. [2]	Mohammedia / MA	90	90
Plati Electronics UG [2]	Munich	100	100
Balcke-Dürr & NEM Energy B. V. Group			
Balcke-Dürr GmbH [2]	Düsseldorf	100	100
STF Balcke-Dürr S. r. l. [1]	Rome / IT	–	100
Balcke-Dürr Technologies India Private Ltd. [2]	Chennai / IN	100	100
Wuxi Balcke-Dürr Technologies Co., Ltd. [1]	Wuxi / CN	100	100
Balcke-Dürr Engineering Private Ltd. [2]	Chennai / IN	100	100
Balcke-Dürr Nuklearservice GmbH [2]	Düsseldorf	100	100
STF Balcke-Duerr France [2]	St. Dizier / FR	–	100
Balcke-Dürr Energy Solutions [2]	Genoa / IT	100	–
NEM Energy B. V. (formerly: Balcke-Dürr B. V.) [2]	Zoeterwourde / NL (formerly: Amsterdam / NL)	100	–
Donges Group			
Donges SteelTec GmbH [2]	Darmstadt	100	100
Kalzip GmbH [1]	Koblenz	100	100
Kalzip France S. A. S. [1]	Ancerville / FR	100	100
Kalzip FZE [1]	Dubai / AE	100	100
Kalzip Ltd. [1]	Haydock / UK	100	100
Kalzip India Private Ltd. [2]	Gurgaon / IN	100	100
Kalzip S. L. U. [1]	Madrid / ES	100	100
Kalzip Asia PTE Ltd. [1]	Singapore / SG	100	100
Kalzip Inc. [1]	Michigan / US	100	100
BFS GmbH [2]	Mannheim	100	100
FDT Flachdach Technologie GmbH [1]	Mannheim	100	100
FDT Flachdach Technologie S. A. / N. V. [1]	Nivelles / BE	100	100
FDT France S. A. S [1]	Osny / FR	100	100
Nordec Group Oy [2]	Vantaa / FI	–	100
Nordec Envelope Oy [2]	Helsinki / FI	–	100
Nordec Construction AB [1]	Saltsjö-Boo / SE	–	100
Kiinteistö Oy Normek Karvia i. L [4]	Helsinki / FI	–	53
Kiinteistö Oy Alavuden Teollisuuspuisto [1]	Alavus / FI	–	100
Nordec AS [2]	Oslo / NO	–	100
Nordec Oy [2]	Helsinki / FI	–	100
Nordec Sp. z. o. o. [1]	Oborniki / PL	–	100
Nordec s. r. o. [1]	Prague / CZ	–	100
UAB Nordec [2]	Gargzdai / LT	–	100
Smart Curtain Wall S. A. (formerly: Permasteelisa Espana Donges Group S. A.) [3]	Madrid / ES	100	100
La Rochette			
La Rochette Holding S. A. S [2]	Paris / FR	100	100
La Rochette Cartonboard S. A. S. [1]	La Rochette / FR	100	100
Bonaparte Holding S. A. S. [1]	Paris / FR	100	100

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Lacroix & Kress			
LACROIX + KRESS GmbH [1]	Bramsche	100	100
Lackdraht Union Unterstützungseinrichtung GmbH [1]	Bramsche	100	100
Special Melted Products			
Special Melted Products Ltd. (formerly: Allegheny Technologies Limited) [2]	Sheffield/UK	100	–
Gemini Rail und ADComms			
Gemini Rail Holdings UK Ltd. [1]	Wolverton/UK	–	100
Gemini Rail Technology UK Ltd. i. L. [4]	Wolverton/UK	100	100
Gemini Rail Services UK Ltd. [3]	Wolverton/UK	100	100
Alan Dick Communications Ltd. [3]	Scunthorpe/UK	100	100
IPS Communications Ltd. [3]	Scunthorpe/UK	100	100
Rail Order Ltd. [1]	Scunthorpe/UK	100	100
Guascor Energy			
Guascor Energy S. A. U. (formerly: Siemens Energy Engines S. A. U.) [2]	Zumaia/ES	100	–
Royal de Boer & Japy Tech Group			
Japy Tech S. A. S. [5]	Dijon/FR	100	100
Royal de Boer Stalinrichtingen B. V. [3]	Leuuwarden/NL	–	100
VALTI			
Valti S. A. S. (formerly: Vallourec Bearing Tubes S. A. S.) [1]	Montbard/FR	100	–
Clecim			
Clecim S. A. S. [1]	Savigneux/FR	100	100
Steyr Motors Group			
Steyr Motors Betriebs GmbH [2]	Steyr/AT	100	–
Steyr Motors Immo GmbH [1]	Steyr/AT	100	–
Stey Motors North America, Inc. [2]	Costa Mesa/US	100	–
Steyr Motors Hong Kong Co. Ltd [2]	Hong Kong/HK	100	–
Lapeyre Group			
Lapeyre Holding S. A. S. [1]	Paris/FR	100	100
Lapeyre S. A. S [2]	Paris/FR	100	100
Lapeyre Services S. A. S. [1]	Aubervillieres/FR	100	100
Distrilap S. A. S. [3]	Aubervillieres/FR	100	100
Enterprise Cordier S. A. S. [3]	Magenta/FR	100	100
Lagrange Production S. A. S. [1]	La Magdelaine Sur Tarn/FR	100	100
Les Menuiseries du Centre S. A. S [3]	Ydes/FR	100	100
Pastural S. A. S. [3]	Epernay/FR	100	100
Poreaux S. A. S. [3]	Saint Martin Sur Le Pre/FR	100	100
Giraud Production S. A. S. [1]	Cours/FR	100	100
Azur Production S. A. S. [3]	Aubervillieres/FR	100	100
Gam S. A. S. [3]	Cours/FR	100	100
S. B. L S. A. S. [3]	Marcoing/FR	–	100
Cougnaud S. A. S. [3]	Aizenay/FR	100	100
Ouest Production S. A. S. [3]	La Chaize Giraud/FR	100	100
Frigoscandia Group			
Frigoscandia AB [2]	Helsingborg/SE	100	100
Frigoscandia B. V. [2]	DB Ridderkerk/NL	100	100
Frigoscandia Denmark A/S [3]	Aalborg/DN	100	100
Svebol Logistics AB [3]	Sundbyberg/SE	100	100
Bring Frigo S. L. [3]	Boulogne sur Mer/FR	100	100
Frigoscandia S. A. S [3]	Boulogne sur Mer/FR	–	100
Frigoscandia Akeri AB [2]	Helsingborg/SE	100	100
Frigoscandia Norway AS [2]	Rud/NO	100	100
Frigoscandia Temp AB (formerly: Bring Frigo Temp AB) [2]	Helsingborg/SE	100	100
Frigoscandia Oy [3]	Vantaa/FI	100	100

Indirect shareholdings: Operating units/subgroups	Seat	Share in % 31/12/2022	Share in % 31/12/2021
Frigoscandia Fastighets AB[1]	Helsingborg / SE	100	100
Kommanditbolaget Eslöv Gurkan 2[2]	Helsingborg / SE	100	100
Kommanditbolaget Beckslagaren 9 Örebro[2]	Helsingborg / SE	100	100
Kommanditbolaget Jordbromalm 4:4 Haninge[2]	Helsingborg / SE	100	100
Frigoscandia Transport AS (formerly: Polar Frakt AS)[1]	Oslo / NO	100	–
Götene Kyltransporter AB[1]	Götene / SE	100	–
Terranor Group			
Terranor Oy[1]	Helsinki / FI	100	100
Terranor AB[1]	Stockholm / SE	100	100
Terranor A / S[1]	Silkeborg / DN	100	100
keeeper Group			
keeeper GmbH[1]	Stemwede	100	100
keeeper Sp.z.o.o.[1]	Bydgoszcz / PL	100	100
EXI & Sirti Group			
EXI S.p.A.[1]	Rome / IT	100	100
SIX Energy S.p.A. (formerly: Sirti Energia S.p.A.)[1]	Mailand / IT	100	–
Ganter Group			
Ganter Constructions & Interiors GmbH[1]	Waldkirch	100	100
Ganter Interior GmbH[1]	Waldkirch	100	100
Ganter France S.a.r.l.[2]	Paris / FR	100	100
Ganter Italia S.r.l.[1]	Merano / IT	100	100
Ganter UK Ltd. i. L.[4]	London / UK	100	100
Ganter Suisse AG[2]	Schenkon / CH	100	100

Indirect shareholdings: Operating units/subgroups	Seat	Share in % 31/12/2022	Share in % 31/12/2021
FASANA			
FASANA GmbH[1]	Stemwede	100	100
Repartim Group			
Mouse Holding S.A.S.[1]	Paris / FR	80	80
Repartim S.A.S[1]	Saint-Pierre-des-Corps / FR	100	100
Sky in Lab S.A.S.[2]	Montastruc-La-Conseillere / FR	–	11
Presta Terre Services S.a.r.l.[1]	Pompey / FR	100	100
GROUPEMENT SAINT MAURIEN S.A.S.[1]	Servon / FR	100	100
SABO			
SABO Maschinenfabrik GmbH[1]	Gummersbach	100	100
Asteri			
Asteri Facility Solutions AB[1]	Solna / SE	100	100

Other	Seat	Share in % 31/12/2022	Share in % 31/12/2021
BEXity GmbH[1]	Vienna / AU	–	100
Pixmania SRO i.L.[4]	Brno / CZ	100	100
E-Merchant S.A.S i.L.[4]	Asnières-sur-Seine / FR	100	100
Zanders-Abwicklungs GmbH[3]	Bergisch Gladbach	95	95
BGE Eisenbahn Güterverkehr GmbH i.L.[5]	Bergisch Gladbach	100	100
Artmadis S.A.S.i.L.[6]	Wasquehal / FR	100	100
Cofistock S.à.r.l.[6]	Wasquehal / FR	100	100
Cogemag S.A.S.i.L.[6]	Croix / FR	100	100

Companies in connection with management participation programs	Seat	Share in % 31/12/2022	Share in % 31/12/2021
keeeper Beteiligungs GmbH & Co. KG [2]	Bad Wiessee	–	–
SABO Beteiligungs GmbH & Co. KG [2]	Bad Wiessee	–	–
Terranor Beteiligungs GmbH & Co. KG [2]	Bad Wiessee	–	–
Carbon Beteiligungs GmbH & Co. KG [2]	Bad Wiessee	–	–
Vespucci Beteiligungs GmbH & Co. KG [2]	Bad Wiessee	–	–
linovis Beteiligungs GmbH & Co. KG [2]	Bad Wiessee	–	–
Lacroix+Kress Beteiligungs GmbH & Co. KG [2]	Bad Wiessee	–	–
Clecim Beteiligungs GmbH & Co. KG [2]	Bad Wiessee	–	–
Crystal Beteiligungs GmbH & Co. KG [2]	Bad Wiessee	–	–
Maison Beteiligungs GmbH & Co. KG [2]	Bad Wiessee	–	–
La Rochette Beteiligungs GmbH & Co. KG [2]	Bad Wiessee	–	–
Dora Beteiligungs GmbH & Co. KG [2]	Bad Wiessee	–	–
Frigoscandia Beteiligungs GmbH & Co. KG [2]	Bad Wiessee	–	–
Asteri Beteiligungs GmbH & Co. KG [2]	Bad Wiessee	–	–
Ganter Beteiligungs GmbH & Co. KG [2]	Bad Wiessee	–	–

[illegible]

ASSURANCE OF THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined 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.

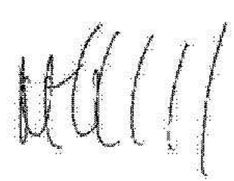
Munich, 5 April 2023

Mutares Management SE,
General Partner of Mutares SE & Co. KGaA

The Board



Robin Laik



Mark Friedrich



Johannes Laumann

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INDEPENDENT AUDITOR'S REPORT

To Mutares SE & Co. KGaA, Munich/Germany

Report on the audit of the consolidated financial statements and of the combined Management Report

Audit Opinions

We have audited the consolidated financial statements of Mutares SE & Co. KGaA, Munich/Germany, and its subsidiaries (the Group) which comprise the consolidated balance sheet as at 31 December 2022, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 January to 31 December 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report for the parent and the group ("combined management report") of Mutares SE & Co. KGaA, Munich/Germany, for the financial year from 1 January to 31 December 2022. In accordance with the German legal requirements, we have not audited the content of the combined corporate governance statement pursuant to Sections 289f and 315d German Commercial Code (HGB) as well as the consolidated non-financial report pursuant to Section 315b (3) HGB to which reference is made in section 6.3 of the combined management 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 the IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2022 and of its financial performance for the financial year from 1 January to 31 December 2022, and

- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined 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 combined management report does not cover the content of the combined corporate governance statement and the consolidated non-financial report that are referred to above.

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 combined management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (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 Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the accounting for business combinations as a key audit matter that we have determined in the course of our audit.

Our presentation of this key audit matter has been structured as follows:

a) description (including reference to corresponding information in the consolidated financial statements)

b) auditor's response

Accounting for business combinations

a) In the financial year, Mutares SE & Co. KGaA acquired a total of 12 businesses and/or groups of businesses. The overall purchase price totalled mEUR 25.8. Mutares accounts for business combinations in accordance with IFRS 3 (Business Combinations). The acquired companies are included in the scope of consolidation at their respective acquisition dates. The assets, liabilities and contingent liabilities of the acquired companies recognised at fair value in the context of the acquisition are determined and allocated by Mutares in the scope of the purchase price allocation using external valuation specialists. The determined fair values result from measurements that have been calculated based on Mutares SE & Co. KGaA's planning at the respective acquisition dates using maturity-linked discount rates, leading to a bargain purchase gain totalling mEUR 263.0 from these business combinations in the reporting year. Without the bargain purchase gain, the consolidated profit and loss for the year 2022 would have amounted to mEUR –284.0. The business combinations were of particular importance in our audit due to the complexity of the transactions and the assumptions and judgemental estimates made by the executive directors in carrying out the purchase price allocation, as well as the related risk of material misstatement of the assets, liabilities, financial position and financial performance of the Group. The disclosures of the executive directors of the parent company on initial consolidations are contained in section B and, concerning the total bargain purchase gains realised in the financial year 2022, in section B and section C of the notes to the consolidated financial statements.

b) In conducting our audit we first obtained an understanding of the processes and workflows implemented by the executive directors in respect of the company transactions. In addition, we checked whether Mutares SE & Co. KGaA has obtained control at the respective acquisition dates, and must therefore consolidate the acquired company in question, based on the purchase agreements and other agreements under company law in accordance with the criteria defined in IFRS 10 (Consolidated Financial Statements). In auditing the (preliminary) purchase price allocations, we evaluated the methodological approach of the executive directors and of their external valuation specialists regarding the identification of acquired assets, liabilities and contingent liabilities, as well as the conceptual design of the measurement models taking account of the requirements under IFRS 3. We evaluated the valuation specialists called in by the executive directors in respect of their competence, capabilities and objectivity. By deploying our in-house valuation specialists of the Valuation Services area, we created an understanding of the measurement methods applied by considering especially the requirements of IFRS 13 (Fair Value Measurement). The assumptions and judgemental estimates, such as, in particular, growth rates, capital costs or residual useful lives, made for determining the fair values of the identified acquired assets, liabilities and contingent liabilities at the acquisition date, were analysed by us so as to determine whether they complied with general and/or industry-specific market expectations. We recalculated the models underlying the measurements, performed plausibility checks on the future expected cash flows used and compared the assumptions and/or estimated values underlying the determined fair values with assumptions and expectations of external market participants having expert knowledge that were publicly available at the acquisition date.

We critically reviewed the company transactions and the reasons for the bargain purchase gains realised in individual cases, requesting comprehensive explanations from the executive directors. Moreover, we audited whether the recognition and presentation of the initial consolidations including the non-controlling interest and contingent liabilities from earn-out agreements in the consolidation system was technically appropriate. We also audited the disclosures on the business acquisitions in the notes to the consolidated financial statements for accuracy and completeness based on the applicable IFRS requirements.

Other Information

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises

- the report of the supervisory board,
- the consolidated non-financial report pursuant to Section 315b (3) HGB to which reference is made in the combined management report and which is expected to be presented to us after the date of this auditor's report,
- the combined corporate governance statement pursuant to Sections 289f HGB and 315d HGB to which reference is made in the combined management report,
- the other unaudited content of the combined management report marked as "unaudited",
- the executive directors' confirmation regarding the consolidated financial statements and the combined management report pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 HGB, and
- all other parts of the annual report, which is expected to be presented to us after the date of this auditor's report,
- but not the consolidated financial statements, not the audited content of the combined management report and not our auditor's report thereon.

The supervisory board is responsible for the report of the supervisory board. The executive directors and the supervisory board are responsible for the statement according to Section 161 German Stock Corporation Act (AktG) concerning the German Corporate Governance Code, which is part of the combined corporate governance statement to which reference is made in the combined management report. Otherwise, the executive directors are responsible for the other information.

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

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

- is materially inconsistent with the consolidated financial statements, with the audited content of the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

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

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

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined 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 combined 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 combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined 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 combined 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 combined 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 Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgement 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 combined 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 the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined 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 combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- evaluate the consistency of the combined 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 combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other legal and regulatory requirements

Report on the Audit of the Electronic Reproductions of the Consolidated Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Audit Opinion

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the consolidated financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value dd05cfaa6c1c03b8b249d385d4322c9bbb082360351cd729f86198451053c3df, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the consolidated financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying combined management report for the financial year from 1 January to 31 December 2022 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Audit Opinion
We conducted our audit of the electronic reproductions of the consolidated financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the "Group Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents
The executive directors of the parent are responsible for the preparation of the ESEF documents based on the electronic files of the consolidated financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to Section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the parent are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

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

Group Auditor's Responsibilities for the Audit of the ESEF Documents
Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.

- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.

- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited combined management report.

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

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 17 May 2022. We were engaged by the supervisory board on 12 December 2022. We have been the group auditor of Mutares SE & Co. KGaA, Munich/Germany, without interruptions since the financial year 2011.

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

Other matter – use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as with the audited ESEF documents. The consolidated financial statements and the group management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

German Public Auditor responsible for the Engagement

The German Public Auditor responsible for the engagement is Dirk Bäßler.

Munich/Germany, 5 April 2023

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Dirk Bäßler	Wolfgang Braun
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

FINANCIAL CALENDAR 2023

4 to 5 April 2023 **Investor Access**	9 May 2023 **Publication Q1 results**	10 July 2023 **General Annual Meeting**
10 August 2023 **Publication of the half-year report 2023**	23 to 24 August 2023 **Hamburg Investor Days**	18 to 20 September 2023 **IPEM Paris**
12 October 2023 **5th Mutares Capital Markets Day**	9 November 2023 **Publication Q3 results**	27 to 29 November 2023 **German Equity Forum**

www.ir.mutares.de/en/#finanzkalender

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Chairman of the Supervisory Board: Volker Rofalski

General partner: Mutares Management SE
Registered and Commercial Register of the company: Munich, AG Munich, HRB 242375
Management Board: Robin Laik (Chairman), Mark Friedrich, Johannes Laumann
Chairman of the Supervisory Board: Dr. Kristian Schleede

Design and Implementation

Anzinger und Rasp, Munich

Disclaimer

This translation is for convinience purposes only, the german version prevails.

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MUTARES

WWW.MUTARES.COM

Mutares SE & Co. KGaA

Combined management and group management report for the financial year 2022

Mutares SE & Co. KGaA, Munich

Combined Management and Group Management Report

for the financial year from January 1 to December 31, 2022

The translation of this document was prepared for convenience purpose only. The German original version prevails.

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1. Fundamentals of the Company and the Group

1.1 Business model and organization

The business model of Mutares SE & Co. KGaA, Munich, (hereinafter referred to as "the Company" or also "Mutares") comprises the acquisition, transformation (restructuring, optimization and repositioning) and /or development of companies in situations of transition as well as their subsequent sale. When selecting target companies ("targets"), Mutares focuses on the identification of existing value enhancement potential, which can be realized after an acquisition through extensive operational and strategic optimization or transformation measures.

Within the framework of this business model, Mutares actively and systematically searches for targets in situations of transition in order to leverage existing value potential with innovative and individually tailored solution approaches.

Mutares thus acts like a typical private equity investor for special situations; however, through Mutares SE & Co. KGaA, which is now listed in the Prime Standard, it is also possible for broad groups of investors to participate directly in the business success of a private equity-oriented business model under these regulatory conditions.

Mutares' investment focus is on European companies with high development potential, which already have an established business model – often combined with a strong brand. Against this background, targets with the following characteristics are of particular interest to Mutares for an initial acquisition as so-called "platform investments" – i. e. as targets without direct operational links to a company already in the Mutares portfolio:

- Spin-off of groups
- Sales from EUR 100-750 million
- Established market position (products, brand, customer base, technology/know-how)
- Economically challenging situation or situation of upheaval (e.g. pending restructuring)
- Operational improvement potential along the value chain
- Focus of activities in Europe

Mutares is committed to its portfolio companies during the entire time they are part of the Mutares Group and acts as a responsible and entrepreneurial shareholder who actively supports the upcoming change phases – based on extensive, long-term industrial and restructuring experience. The aim is to turn companies that were unprofitable at the time of acquisition into independent and dynamically operating medium-sized companies with competitive and profitable business models, to develop them further through organic and inorganic growth and finally to sell them at a profit. Against the background of these core elements of the business model, Mutares refers to itself collectively as an "investment entrepreneur".

Other core aspects of Mutares' business model are:

- After acquiring targets through its own acquisition companies, Mutares identifies improvement projects along the entire value chain in the portfolio companies using its own specialists and in close cooperation with the local management, which in total result in a comprehensive optimization or transformation program

- The management and employees of the portfolio company play a central role in managing the change associated with operational optimization. Involving employees and management in the company's success is a central element of the development strategy for Mutares. Through their close cooperation with Mutares consultants on site, the recovery course of the acquired companies is supported in a targeted manner by bringing in Mutares' extensive restructuring know-how. Even after the successful completion of an initial optimization or transformation program, Mutares continues an active investment management. This includes the continuous improvement of processes and the monitoring of further development progress, for example through regular reviews in the context of so-called "audits".

- Already during the operational stabilization of a company acquired as a platform investment, measures for growth are examined, developed and implemented. These include initiatives for internal growth such as the broadening of the product portfolio through the development of innovative products or the development of new markets and sales channels, partly by means of investments in sales and (production) facilities. In addition, Mutares systematically looks for opportunities to develop its investments inorganically as well: With strategic additions, so-called "add-on acquisitions", the rapid implementation of the planned growth strategy of a focused buy-and-build approach is aimed at.

- A sale of a portfolio company in order to realize the value potential is generally pursued by Mutares within a period of three to five years after their acquisition and pursues the goal of achieving an appropriately high return on invested capital over the holding period. Over the entire life cycle (i. e. the period between acquisition and sale), the return on invested capital (ROIC) for Mutares should be a multiple of 7 – 10.

Mutares' business success depends to a large extent on experienced key personnel who must have cross-industry expertise in corporate transactions, financing and corporate law, as well as operational restructuring, while at the same time being highly resilient. Mutares competes globally with private equity firms in recruiting and retaining these key personnel, who are also in high demand for this profile. Mutares faces this competition and tries to ensure through a bundle of measures that the company has sufficient highly qualified personnel to operate its business model. These include not only variable, highly performance-related remuneration structures commensurate with the high level of expertise required; through careful personnel selection, a high degree of autonomy for the restructuring managers deployed, and value-oriented management behavior, Mutares is attempting to offer an attractive working environment for entrepreneurially oriented personalities.

Mutares pursues the private equity typical strategy of allowing the shareholders of Mutares SE & Co. KGaA to participate directly and continuously in the company's success. Against this background, a sustainable and attractive dividend policy is one of the essential elements of the Mutares business model. The net income of Mutares SE & Co. KGaA is mainly derived from three different sources, namely from revenues from the intra-group consulting business, dividends from portfolio companies and exit proceeds from the sale of investments. Sales revenues and dividends (mainly income from investments received in the same period) make up what is known as "portfolio income". Due to this diversified revenue structure, Mutares believes that even in a year that was operationally difficult for various portfolio companies, it is generally in a position to generate a sufficiently high net income to be able to continue its long-term sustainable dividend policy.

Mutares is present in other strategic core markets in Europe through its own offices, in addition to its home market of Germany. This is intended to compensate for regional fluctuations in the transaction markets and ensure a constant deal flow.

As of December 31, 2022, the portfolio of Mutares SE & Co. KGaA contains a total of 29 operating investments or investment groups (previous year: 23), which are divided into three segments:

- Automotive & Mobility:

  The portfolio companies in the Automotive & Mobility segment operate worldwide and supply renowned international original equipment manufacturers ("OEMs") for passenger cars and commercial vehicles.

  (1) MoldTecs Group
  (2) Light Mobility Solutions
  (3) ESF Industrial Solutions Group[1]
  (4) KICO Group and ISH Group
  (5) Cimos Group
  (6) PrimoTECS Group
  (7) iinovis Group
  (8) Plati Group[1]

- Engineering & Technology:

  The portfolio companies in the Engineering & Technology segment serve customers from various sectors, including the energy and chemical industries, public infrastructure and the rail sector, in particular in the area of plant and mechanical engineering.

  (9) Balcke-Dürr and NEM Energy Group
  (10) Donges Group
  (11) La Rochette Cartonboard
  (12) Lacroix + Kress
  (13) Special Melted Products
  (14) Gemini Rail and ADComms Group
  (15) Guascor Energy
  (16) VALTI
  (17) Clecim
  (18) Steyr Motors Group
  (19) Japy Tech[2]

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1 In the combined management report for the financial year 2021, SFC Solutions, Elastomer Solutions and Plati were listed together as a group of shareholdings under "ESF Industrial Solutions Group". In view of the fact that the Plati Group remains largely independent, it is presented separately in this combined management report.

2 In the combined management report for the financial year 2021, Japy Tech was presented together with Royal De Boer as one investment group. After Royal de Boer was sold in December 2022, Japy Tech is presented as a stand-alone investment. An agreement for the sale of the company was signed in the financial year 2022 and the closing took place in January 2023.

- Goods & Services

  The portfolio companies in the Goods & Services segment offer specialized products and services for customers from various sectors.

  (20) Lapeyre Group
  (21) Frigoscandia Group
  (22) Terranor Group
  (23) keeeper Group
  (24) EXI and SIX Energy Group
  (25) Ganter Group
  (26) FASANA
  (27) Repartim Group
  (28) SABO
  (29) Asteri Facility Solutions

1.2 Research and development

The Group's research and development activities are conducted exclusively in Mutares' operating portfolio companies. As a rule, these do not conduct basic research. Product-related development is carried out in particular in the technology-driven investments of the Mutares Group, above all in the Automotive & Mobility segment.

Overall, as in the previous year, the Group invested a single digit million amount in research and development in the financial year 2022; capitalized development costs are of minor importance for the Group as a whole.

2. Economic Report

2.1 Macroeconomic and industry-specific conditions

World

According to the Munich-based ifo Institute's economic report ("ifo Economic Forecast Winter 2022" 3, published in December 2022), the global economy has experienced a downturn since the beginning of 2022. Furthermore, consumer price inflation in many countries rose to a decade-long high. This was due to higher energy prices caused by geopolitical tensions and higher food prices caused in part by extreme climate conditions, such as heat waves and droughts. Although the Corona pandemic has weakened significantly, persistent waves, particularly in China, continued to impact economic activity.

Both manufacturing and market services in industrialized and emerging countries are affected by the slowdown in economic activity. Even an increase in industrial production in the third quarter of 2022 only partially offset the previous decline. As a result of the economic downturn, many raw material prices have also declined in recent months. This affected industrial raw materials in particular, but also oil prices. European gas and electricity prices also fell significantly from their record highs since August. Despite these countervailing developments, inflation is expected to reach 8.8% in 2022.[2]

Europe

According to the European Commission's "Winter Forecast 2023"[3] , economic growth in the first half of 2022 eased in the third quarter. This was followed by a much more positive development in the fourth quarter, so that the growth rate for 2022 in the euro area is estimated at 3.5% overall.

The broader positioning of the energy supply and the reduction in gas consumption made a positive contribution to the development. In addition, the unemployment rate in the EU remained at an exceptionally low level of 6.1% until the end of 2022. Continuing high energy costs for consumers and companies increased core inflation, further reducing the purchasing power of private households.

The ECB has tightened its monetary policy to counteract a permanent increase in inflation expectations. As a result, interest rates on government bonds have already risen in many eurozone countries.[4]

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[2] https://www.bmwk.de/Redaktion/DE/Schlaglichter-der-Wirtschaftspolitik/2022/12/13-die-lage-der-weltwirtschaft-zum-ende-des-jahres-2022.html#:~:text=In%20his%20forecast%20is%20the,%2C3%20%25%20in%202023).

[3] https://ec.europa.eu/commission/presscorner/detail/de/ip_23_707

[4] https://www.ifo.de/publikationen/2022/zeitschrift-einzelheft/ifo-schnelldienst-sonderausgabe-dezember-2022

Germany

According to the "ifo Economic Forecast Winter 2022"[5] , the German economy suffered from bottlenecks in the supply of energy, intermediate products and merchandise and was burdened by labor shortages. This led to a restriction of production possibilities, as well as to an increase in production costs.

Despite these developments, demand for goods and services remained high and private consumption also expanded into late summer. The waning of the Corona pandemic had a positive impact on consumer-related service sectors and the normalization of household spending patterns. In addition, the reduction of surplus savings from the pandemic period and broad-based fiscal relief packages counteracted the inflation-related loss of purchasing power, so that production capacities were overutilized in some cases. In some sectors of the economy, the high demand led companies to expand their profits, which further increased prices, which had already risen due to the inflation of energy, raw materials and intermediate products. As a result, the inflation rate since October 2022 has exceeded 10%, the highest level since 1951, and the annual average for 2022 as a whole is 7.9%.

Investment industry

Developments in the private equity sector showed a degree of robustness in 2022 following the record years prior to the pandemic, according to the Bundesverband Deutscher Kapital beteiligungs gesell schaften (BVK - German Private Equity and Venture Capital Association) ("The German Private Equity Market 2022," March 2023[6]).

The investments of the investment companies based in Germany in the financing phase of the buyouts relevant for Mutares reached EUR 3.4 billion (previous year: EUR 4.3 billion). The volume of investment sales showed different developments in 2022 in the exit channels that are particularly important for Mutares: While sales to strategic investors decreased to EUR 0.7 billion (previous year: EUR 1.6 billion), sales to other investment companies increased to EUR 1.9 billion (previous year: EUR 1.7 billion).

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[5] https://www.ifo.de/publikationen/2022/zeitschrift-einzelheft/ifo-schnelldienst-sonderausgabe-dezember-2022

[6] https://www.bvkap.de/files/content/statistik-deutschland/pdfs/BVK%20Statistik%202022%20in%20Tabellen.pdf

2.2 Business performance

In the financial year 2022, the Mutares Group generated revenues of EUR 3,751.7 million (previous year: EUR 2,504.0 million) and EBITDA according to IFRS of EUR 181.5 million (previous year: EUR 566.5 million). Adjusted EBITDA (as defined below in connection with the presentation of financial performance indicators – see section 5.1) amounts to EUR –32.7 million (previous year: EUR –41.3 million).

The revenues of the Mutares Holding, i. e. Mutares SE & Co. KGaA, result from consulting services to affiliated companies and management fees. The increase to EUR 71.1 million (previous year: EUR 50.5 million) is a consequence of the high transaction activity in the past and a resulting enlarged portfolio. Sales revenues and dividends from the portfolio (mainly income from investments received in the same period) result in the so-called "Portfolio Income", which for the financial year 2022 amounts to EUR 139.8 million (previous year: EUR 64.9 million). As a result, the net profit for the year according to HGB amounts to EUR 72.9 million, compared to EUR 50.7 million in the previous year.

Mutares' business performance in the financial year 2022 was characterized by the following significant events:

- *Attractive, long-term dividend policy confirmed by the Annual General Meeting*

  On May 17, 2022, the Company's Annual General Meeting again approved a **dividend of EUR 1.50** per share for financial year 2021. This consists of a basic dividend of EUR 1.00 per share and a performance dividend of EUR 0.50 per share. This confirms what the Management Board considers to be an attractive, long-term dividend policy.

- *High transaction activity*

  The financial year 2022 was again characterized by a high level of transaction activity at Mutares. All three segments were strengthened by a total of **twelve completed acquisitions**, seven of which were platform acquisitions and five add-on acquisitions.[7] In addition, agreements were signed for four further acquisitions for each of which the closing of the acquisition was still outstanding as of December 31, 2022.

  The acquisitions resulted in gains from bargain purchases 10 totaling EUR 262.0 million (previous year: EUR 692.7 million), which are recognized in other income.

  On the exit side, Mutares successfully completed sale of six portfolio companies in the financial year 2022. The deconsolidation resulted in gains of EUR 31.8 million (previous year: EUR 32.8 million 11) and losses of EUR 3.2 million (previous year: EUR 36.7 million), which are recognized in other income and other expenses, respectively. In addition, an agreement was signed for the sale of Japy Tech in the financial year 2022, with closing taking place in January 2023.

[7] Cf. the comments in the reports from the portfolio companies (para.2.3).

- *Impact of the Ukraine war and economic environment*

  The war in Ukraine, which started with the military invasion by Russian forces on February 24, 2022, has a direct and indirect impact on the business development, risks, results of operations as well as cash flows of the portfolio companies in the Mutares Group.

  Direct effects in the form of lost sales to customers in Ukraine, Russia or Belarus, as well as production stoppages or delivery problems at the Plati plant in Ukraine, had less impact than the indirect effects, such as the increasingly frequent disruptions to supply chains, significant price increases for raw materials, intermediates and energy, and the resulting overall weakening of the economy. The indirect effects are clearly visible and are having a noticeably negative impact on both the earnings situation and the financial situation of individual portfolio companies.

  Mutares has taken numerous measures with the entire management team and the managements and workforces of the portfolio companies to mitigate the direct and indirect effects on liquidity and profitability. These include the establishment of a procurement management system and the strict monitoring of the respective suppliers as well as the initiation of measures to pass on price increases to customers and to reduce energy consumption.

- *Restructuring and development progress*

  In addition to the extensive activities related to the buy-side and sell-side transactions, the various portfolio companies of Mutares have each implemented comprehensive operational improvement programs in the course of the financial year 2022 in a partly very challenging environment, with the aim of significantly increasing the value of the respective investment in the event of a subsequent exit. In particular, the Management Board considers the development at Terranor, La Rochette, Frigoscandia, Clecim, Ganter and Special Melted Products to be positive. The development of the Group's largest shareholdings in terms of sales (Lapeyre Group, LMS and Donges Group) is also satisfactory overall, despite the clearly visible negative impact of the indirect effects of the war in Ukraine.

2.3 Reports from the portfolio companies

The following explanations reflect the developments of the individual segments or portfolio companies in the Mutares Group in the financial year 2022.

Automotive & Mobility segment

No.	Participation	Branch	Headquarters	Acquisition
(1)	**MoldTecs** Group[8]	Supplier of high-performance plastic parts for the automotive industry	Laval/FR	09/2022
(2)	**Light Mobility Solutions**[10]	Supplier of plastic components for the automotive industry	Obertshausen/DE	07/2021
(3)	**ESF Industrial Solutions** Group[10, 9]	Automotive supplier for Fluid transfer systems and sealing solutions	various	08/2009 07/2020
(4)	**KICO** and **ISH** Group	System supplier for Automotive Engineering	Halver/DE Hainichen/DE	07/2019 09/2021
(5)	**Cimos** Group	Automotive components supplier	Koper/SVN	09/2022
(6)	**PrimoTECS** Group	Supplier of forged parts in the fields of engine, transmission and drivetrain.	Avigliana/IT	01/2020
(7)	**iinovis** Group	Engineering service provider for Automotive Engineering	Munich/DE	11/2020
(8)	**Plati** Group[11]	Wire harness and cabling manufacturer	Madone/IT	01/2019

[8] MoldTecs Group, LMS, and the SFC companies will be combined under the name Amaneos Group during financial 2023.

[9] In the combined management report for financial 2021, SFC Solutions, Elastomer Solutions and Plati were listed as a group of investments under "ESF Industrial Solutions Group". Considering that Plati remains largely independent, it is now presented as a separate investment.

According to the German Association of the Automotive Industry ("VDA")[10] , the international automotive markets remained overall at the previous year's level in terms of volumes in 2022. However, the dynamics varied, with the markets in Europe, Japan and the USA falling short of the previous year's level and sales in China increasing significantly. Rising energy and material costs as well as the negative impact of interrupted supply chains, together with continuing uncertainty due to geopolitical tensions, prevented a better result for the industry.

These industry-wide dynamics were reflected in the segment's investments: On the sales side, short-term cancellations or postponements of call-offs and the delayed start-up of product series led to sales shortfalls. On the procurement side, significant price increases for energy and raw materials, as well as for other operating expenses (e. g. logistics), resulted in operating earnings shortfalls. Even a wide range of counter measures introduced including price increases and cost overcharges, the use of short-time working allowances, and additional cost savings were only able to partially mitigate the negative business development in the segment or will only mitigate the negative effects with a delay that is in some cases considerable.

The sales revenue of the Automotive & Mobility segment for the financial year 2022 amounts to EUR 1,081.6 million (previous year: EUR 719.9 million). In addition to higher sales, in particular due to implemented price increases, the increase was primarily due to the acquisitions of the financial year (MoldTecs, Cimos and SFC Automotive France) and the full inclusion of the acquisitions from the previous year (LMS, ISH and Rasche), which were only included in the Group from the acquisition date in financial year 2021. The EBITDA of this segment for the financial year 2022 amounts to EUR 34.8 million (previous year: EUR 86.4 million). This includes gains from bargain purchases from the acquisitions totaling EUR 86.0 million (previous year: EUR 123.9 million), in particular from the acquisition of MoldTecs. Adjusted EBITDA, on the other hand, was burdened by the above-mentioned influences as well as the still negative earnings contributions from the new acquisitions and thus decreased to EUR –49.0 million (previous year: EUR –20.0 million).

MOLDTECS GROUP

To strengthen the segment, Mutares completed the acquisition of the high-performance plastic parts business of MANN+HUMMEL in September 2022. The acquired company operates three plants in Germany and France and now trades under the name MoldTecs Group.

MoldTecs Group is a supplier of high performance plastic parts for the automotive industry and supplies all the world's leading automotive manufacturers ("original equipment manufacturers", "OEMs") with a comprehensive product portfolio that includes intake manifolds, high-pressure air lines, air ducts and all types of fluid reservoirs. At the three plants, these products are manufactured and then assembled using state-of-the-art injection molding, blow molding and welding technologies.

Together with the local management, a transformation program was initiated immediately after the acquisition. This is aimed at expanding the production and sales network globally via further production sites in the USA and China and sales units in Mexico, Brazil, Japan, South Korea and India. With the measures initiated, MoldTec's Group is expected to achieve a positive operating result in financial 2024 following a transformation year in 2023.

[10] https://www.vda.de/de/presse/Pressemeldungen/2023/230118_PM_Internationale_Automobilmaerkte_2022_Europa_Japan_und_USA_mit_Rueckgaengen

LIGHT MOBILITY SOLUTIONS

Light Mobility Solutions ("LMS") is a supplier of exterior elements and systems for the automotive industry, supplying all leading European OEMs with a comprehensive product portfolio including facias, radiator grilles, sill, side and roof panels as well as spoilers and other exterior trim parts. The company manufactures at three production sites in Germany with technology focus on injection molding, surface treatment (painting and chrome plating) and assembly. The modern logistics processes allow the final delivery of the products directly to the assembly lines of the OEMs.

The transformation plan for LMS envisages improving the product and customer portfolio and creating competitive cost structures. As a major milestone from this, a comprehensive reduction in the workforce was agreed and implemented with the trade union in financial 2022 by means of a social plan, and a collective agreement was initiated.

In a difficult market environment, LMS significantly improved its operating result year-on-year in financial year 2022 thanks to the measures implemented and consistent negotiations with customers, and was already able to achieve a positive operating result in the fourth quarter of the financial year . At the same time, LMS recorded an outstanding volume of incoming orders, also with new customers. On this basis, management expects that LMS will significantly increase sales in the financial year 2023 and thus achieve an extraordinarily improved positive operating result.

ESF INDUSTRIAL SOLUTIONS GROUP

ESF Industrial Solutions combines SFC Solutions Group, a provider of fluid transfer systems and sealing solutions, and Elastomer Solutions Group, a manufacturer of rubber and thermoplastic components.[11]

SFC Solutions is an automotive supplier in the field of fluid transfer systems and sealing solutions with sites in Europe and India. Business development in the reporting period was characterized by a difficult European market environment with significantly declining sales volumes and simultaneously rising energy and material costs. As a result, profitability in the financial year 2022 was impacted and the operating result of the European units was slightly negative. Based on cost-cutting measures introduced and intensified negotiations with customers on passing on cost increases, SFC expects a more positive development and an overall balanced operating result for the 2023 financial year.

With the add-on acquisition of Sealynx International in July 2022, SFC Solutions' European production network will be complemented by manufacturing sites in France, Romania and Morocco. The company, which now operates as SFC Automotive France, is a manufacturer of high-quality static and dynamic vehicle seals with a competitive market position and established business relationships with European OEMs. In financial year 2023, the focus will therefore be on integrating the plants in Poland, Italy, Spain, France, Romania and Morocco with the aim of improving competitiveness and increasing efficiency in production and logistics processes.

The market recovery in India combined with a focused transformation plan for the Indian sites led to a slightly positive operating result in financial year 2022. Based on the cost-cutting measures implemented and the intensification of partnerships with customers, the pleasing development is expected to continue in the financial year 2023 with an operating profit at a materially positive level.

Elastomer Solutions manufactures rubber and thermoplastic components at sites in Portugal, Slovakia, Morocco and Mexico. The consistent implementation of cost-cutting measures in the past

[11] In view of the fact that Plati has retained its independence to a large extent, it is now presented as a separate investment.

counteracted the negative effects of volatile markets and increased raw material prices in the financial year 2022, resulting in a materially positive operating result. For the financial year 2023, management expects a significant increase in sales revenues and a further extraordinary improvement in the positive operating result based on a high order intake.

KICO and ISH GROUP

As a supplier to the automotive industry, KICO develops, industrializes and manufactures closure systems for passenger cars at its production and assembly plants in Germany, Poland and Mexico. Innomotive Systems Hainichen GmbH ("ISH") is a manufacturer of sophisticated, high-precision door hinges made of steel or aluminum as well as door retainers and complex hinges for hoods, liftgates and lids. ISH operates two production facilities in Germany and China and offers its customers products and services along the entire value chain from customized product development to CNC machining, broaching, welding, hardening and semi- and fully automated assembly lines with integrated quality control.

In the financial year 2022, KICO and ISH focused on identifying and implementing synergy measures. One core element was the merging of functions, particularly in the administrative area. In addition, the establishment of a service center in Romania was initiated. KICO benefited strongly in financial year 2022 from the improvement measures implemented in the past, while at ISH the transformation program initiated immediately after the acquisition at the end of the third quarter of the previous year led to efficiency improvements in production processes while reducing direct material and other costs. In addition, the site in China successfully implemented a large number of new ramp-ups in the financial year, so that a significantly positive contribution to operating profit is expected for 2023.

In a difficult market environment and due to the start-up losses in China customary in the industry, it was nevertheless only possible to achieve a balanced operating result overall in financial year 2022 due to higher material and energy costs. For the financial year 2023, however, the management expects an improvement to a slightly positive level driven by a market normalization in combination with the initiated measures.

CIMOS GROUP

In September 2022, Mutares completed the acquisition of Cimos d.d. and its subsidiaries. Headquartered in Slovenia, the company is a manufacturer of automotive components such as compressor and center housings, engine mounts, brake discs and drums, transmission parts, nozzle rings and flywheels and has eight plants in Slovenia, Croatia, Serbia and Bosnia-Herzegovina.

Together with the local management, a transformation program was initiated immediately after the takeover. On the one hand, this focuses on securing future competitiveness in the automotive market and, on the other, on placing Cimos on a sound financial footing for the long term. The consistent passing-on of price increases on the procurement side and a strict efficiency enhancement program are intended to improve profitability and at the same time have a positive impact on liquidity. The key points of the efficiency enhancement program are energy cost savings through more sustainable internal processes and procedures, improved production efficiency, more favorable use of cross-site synergies, a significant reduction in quality costs, and strict cost discipline.

On this basis, management expects a material increase in sales and operating profit at a materially positive level in the financial year 2023.

PRIMOTECS GROUP

PrimoTECS produces forged parts used in electric, hybrid and conventional powertrains in the automotive industry at two sites in northern Italy. The financial year 2022 was strongly impacted by the high volatility of steel and energy prices and closed with a clearly negative operating result despite a significant year-on-year increase in sales revenue. For the financial year 2023, PrimoTECS expects an extraordinary increase in sales revenue and an operating result at a slightly positive level due to its good positioning in the market and agreements with customers on more flexible sales prices based on raw material and energy costs.

In the fourth quarter of the financial year 2021, Rasche Umformtechnik GmbH & Co KG ("Rasche") was acquired as an add-on acquisition for PrimoTECS. Rasche produces forgings that are supplied as blanks, semi-finished products, finished parts or assemblies to customers in the automotive, industrial truck, aerospace, valve and mechanical engineering industries. Despite lower volumes, especially in the second half of the year, a slightly positive operating result was achieved in the financial year 2022, boosted by successful cooperation with customers and the passing on of increased costs for raw materials and energy. For the financial year 2023, the management expects further sales growth and a resulting improvement in operating profit.

IINOVIS GROUP

iinovis provides engineering services in the field of automotive and industrial technology with competencies in key growth areas such as simulation, testing, electrics/electronics and vehicle development (cars, motorcycles and their components). In addition to engineering services, which are increasingly in demand by other Mutares portfolio companies, iinovis is also active in prototype and small series production as well as in the production of wire harnesses. In addition to its four locations in Germany, the company has test track access in Spain for specific customer test requirements and cooperates with a strategic engineering service provider in India to ensure price competitiveness.

The market environment for iinovis remained challenging in the financial year 2022 and was characterized by low order volumes and tough competition. Due to the extensive reduction of the workforce in the previous year and further cost measures, the operating result in the financial year 2022 improved significantly but was still negative. The local management continued the strategy for new technologies such as e-mobility and successfully started to contribute to the innovation process of other Mutares portfolio companies. In combination with a pleasing order intake, this forms the basis for an expected extraordinary increase in operating profit to a materially positive level in the financial year 2023.

PLATI

Plati is a manufacturer of wire harnesses, special cables and connectors with two production sites in Poland and Ukraine and a sales office in Italy. Despite the war in Ukraine, production was maintained at both sites in financial year 2022. In the first half of the financial year 2022, Plati recorded an increase in sales revenue compared to the same period of the previous year due to new projects in the fields of e-mobility and electrical engineering. However, delivery problems with components led to a significant backlog in shipments to customers. Overall, in a difficult market environment, operating profit in the financial year 2022 amounted to a slightly improved but still materially negative level compared with the previous year. Negotiations with suppliers on payment terms and with customers on pricing were intensified to eliminate liquidity bottlenecks. Based on further optimization initiatives and a market recovery, management expects a substantial increase in sales revenue and an exceptionally improved operating result at a slightly positive level in the financial year 2023.

Engineering & Technology segment

No.	Participation	Branch	Headquarters	Acquisition
(9)	**Balcke-Dürr** and **NEM Energy** Group	Supplier and service provider for steam generators with heat recovery, heat exchangers and reactors.	Düsseldorf/DE Zoeterwoude/NL	12/2016 11/2022
(10)	**Donges** Group	Full-range supplier of steel structures, roof and facade systems	Darmstadt/DE	11/2017
(11)	**La Rochette Cartonboard**	Folding carton manufacturer	Valgelon-La Rochette/FR	04/2021
(12)	**Lacroix + Kress**	Oxygen free copper wire manufacturer	Bramsche/DE	11/2020
(13)	**Special Melted Products**	Supplier of forged and machined special steel products	Sheffield/UK	05/2022
(14)	**Gemini Rail** and **AD-Comms** Group	Industrial, technological and infrastructure service provider for the British railroad industry	Wolverton/UK Scunthorpe/UK	11/2018 05/2021

No.	Participation	Branch	Headquarters	Acquisition
(15)	**Guascor Energy**	Gas and diesel engine manufacturer	Zumaia/ES	10/2022
(16)	**VALTI**	High precision seamless tube manufacturer	Montbard/FR	05/2022
(17)	**Clecim**	Supplier of high-end solutions for steel processing lines	Savigneux/FR	03/2021
(18)	**Steyr Motors** Group	Manufacturer of diesel engines and auxiliary electric drives for special applications	Steyr/AT	11/2022
(19)	**Japy Tech**	Cooling tank manufacturer	Dijon/FR	12/2020

The investments of the Engineering & Technology segment generated sales of EUR 1,176.0 million (previous year: EUR 871.9 million). The full-year effect of La Rochette Cartonboard and Clecim, which were acquired in the course of the previous year, contributed significantly to the increase in sales. In addition, the acquisitions of the financial year 2022, in particular Special Melted Products and VALTI, also made a significant contribution for the first time from the date of their respective acquisitions. Furthermore, Royal de Boer, which was divested in December 2022, is still included in the financial year 2022 with sales for a full twelve months. Benefiting from bargain purchase gains of EUR 172.2 million and deconsolidation effects of EUR 7.6 million (previous year: EUR 21.2 million) in connection with the transactions of the segment, EBITDA amounts to EUR 138.5 million (previous year: EUR 64.3 million). In addition to the still negative contributions from the recent acquisitions, adjusted EBITDA was also burdened by delays in the awarding of tenders and in the execution of ongoing projects at Gemini Rail and ADComms Group as well as Balcke-Dürr Group and amounted to EUR –3.9 million (previous year: EUR –2.0 million).

BALCKE-DÜRR AND NEM ENERGY GROUP

In fiscal 2021, Balcke-Dürr Group completely withdrew from activities related to coal-fired power generation. The realignment of sales activities and optimization of project management were the focus in the financial year 2022. However, the situation on the sales markets remained very challenging, which led to a significant shortfall in terms of sales revenue and a materially negative operating result.

At the same time, Balcke-Dürr's strategic focus was sharpened by the following transactions: In November 2022, Heat Transfer Technology was acquired from Siemens Energy. The activities now operate under the name NEM Energy, as they did before the takeover by Siemens Energy. The company covers a wide range of heat transfer applications, from industrial-sized waste heat plants to large heat recovery steam generators for gas-fired power plants, and is active worldwide in the development, design, engineering, procurement and supply of components for power plants. On the other hand, the Balcke-Dürr Group has divested its activities in Italy and sold its subsidiary STF Balcke-Dürr, effective December 2022. The company is active in the development, design, production and on-site assembly of heat exchanger components, titanium components and air filter systems for various industries.

DONGES GROUP

The Donges Group offers comprehensive solutions for steel construction, roof and facade systems. Since the initial takeover of Donges SteelTec GmbH in the 2017 financial year, numerous add-on acquisitions have created a European full-service provider. By dovetailing the operating areas, both product-side and operational synergies can be realized without giving up the independence of the individual units.

The partly challenging situation in the supply of raw materials was largely compensated by the stable supplier network and, after a volatile first half of 2022, was overcome without major disruptions in the second half of the year. Donges SteelTec and Kalzip were thus able to meet their budgets in terms of operating profit in financial year 2022, while FDT Flachdach Technologie ("FDT") and Smart Curtain Walls (formerly Permasteelisa España) fell short of expectations. As in previous years, Nordec performed at a consistently high level. As a result, the sale of all shares in the Nordec Group was successfully completed in November 2022. Furthermore, following repositioning, FDT was sold in the first quarter of the financial year 2023.

On the basis of a promising order intake, in particular for Donges SteelTec, the management of the Donges Group expects a significant increase in sales revenues for the remaining group in the financial year 2023 as well as an extraordinary improvement of the operating result to a slightly positive level.

LA ROCHETTE CARTONBOARD

At its French site, La Rochette Cartonboard produces folding cartons based on virgin fibers mainly for the pharmaceutical and food packaging industries.

The measures initiated after the acquisition and further optimization activities, in particular pricing in the context of increased energy costs, were the focus of management in the financial year 2022. La Rochette Cartonboard has been very successful in compensating for the extraordinary increase in energy prices by adjusting prices with customers and has once again been able to significantly improve the operating result to a materially positive level compared to the already ambitious planning.

Based on the now fully completed transformation of La Rochette Cartonboard and the continuing high demand from customers, the management expects a continuation of the positive development and a further material increase in sales and operating profit for the financial year 2023.

LACROIX + KRESS

Lacroix + Kress is a manufacturer of oxygen-free copper wire with two locations in Germany and customers within Tier 1 and Tier 2 representatives from the automotive industry as well as white goods and general industrial applications.

After a difficult start to the financial year 2022 due to the sharp increase in energy costs, Lacroix + Kress was able to at least break even in operating profit in financial year 2022 by introducing energy-indexed pricing.

In the first quarter of the financial year 2023, Lacroix + Kress was sold to Superior Essex Global LLC.

SPECIAL MELTED PRODUCTS

In May 2022, Mutares completed the acquisition of Special Melted Products ("SMP"), a specialized steel forging and rolling mill business with applications in the oil and gas industry. Immediately after the acquisition, Mutares' team, in cooperation with SMP's local management, implemented a restructuring plan with extensive optimization measures. These are aimed in particular at passing on increased energy and raw material costs to customers, making production processes more efficient, and reducing scrap in the production process. In addition, local management is focusing on increasing sales volume while optimizing and diversifying the product portfolio.

For the financial year 2023, management expects further positive impetus from the market situation, which is currently favored by the high demand from the oil and gas industry, and therefore anticipates a further significant increase in sales revenue. Due to this, as well as benefiting from the successful passing on of increased costs to customers, the operating result is expected to improve extraordinarily to an already positive level.

GEMINI RAIL and ADCOMMS GROUP

Gemini Rail is a provider of industrial, technology and infrastructure services to the UK rail industry, focusing in particular on engineering and maintenance services for rolling stock. Alan Dick Communications Limited ("ADComms") works with its customers to develop intelligent, networked solutions in the field of radio and fixed network infrastructure, third-party communications and station communications.

Due to delays in the awarding as well as in the execution of ongoing (major) projects, the operating result in the financial year 2022 was burdened and remained extraordinarily behind the original planning. The management, supported by a Mutares team, has initiated countermeasures to adjust activities to the current market situation. For the financial year 2023, the situation is expected to ease due to positive signals in the tendering of new projects with an expected extraordinary increase in revenues. As a result of this and the improvement measures introduced, the management expects a positive development of the operating result to a slightly positive level.

GUASCOR ENERGY

In October 2022, Mutares acquired Siemens Energy Engines in Spain and related assets from Siemens Energy. The company is a manufacturer of gas and diesel engines for power generation, cogeneration, waste-to-energy and marine applications and now operates as Guascor Energy.

Immediately after the acquisition, a team from Mutares started working together with the local management on a restructuring plan, which is now being implemented. In addition to extensive measures on the sales side, the core elements of this restructuring plan are the optimization of the cost base and the establishment of an in-house IT infrastructure.

VALTI

As Vallourec Bearing Tubes, the activities for the production of seamless precision steel tubes in France, now operating as VALTI, were acquired in May 2022. Immediately after the acquisition, the Mutares team, in cooperation with the local management of VALTI, developed a restructuring plan with extensive optimization measures, which is currently being implemented. In the past financial year, VALTI was able to successfully cushion the effect of significantly increased production costs (especially for raw materials and energy) through price increases. The main focus of the optimization measures is on redesigning the product portfolio and concentrating on higher-margin and customer-specific products. In addition, new markets are to be opened up and services expanded. Production processes were also optimized.

On this basis, management expects an extraordinary improvement from an overall operating profit that is still clearly negative in financial year 2022 to an operating profit that is only slightly negative in financial year 2023.

CLECIM

Clecim, acquired in fiscal 2021, is a supplier of steel processing lines, stainless steel rolling mills, and mechatronic products and services in France.

The action plan of the restructuring program was aimed in particular at intensifying sales activities to increase sales revenues on the basis of a concrete product and service strategy, adjusting cost structures, among other things with the help of extensive staff reductions, and further measures to increase efficiency, and was already implemented to a large extent in the financial year 2021. On this basis and benefiting from a reactivation of major projects that had been suspended in the meantime, Clecim was able to significantly increase its sales revenues in the financial year 2022 compared with the original plans and achieve an already materially positive operating result.

For the financial year 2023, management expects a further significant increase in sales revenues and benefiting from the implemented improvement initiatives in the area of project management, a further extraordinary improvement in the positive operating result.

JAPY TECH

Japy Tech is a manufacturer of cooling tanks with a production site in France. The successful implementation of the measures under the transformation plan resulted in an exceptionally improved and already slightly positive operating result in the financial year 2022, with sales at the level of the previous year. Japy was sold at the beginning of financial year 2023.

In December 2022, Mutares sold Royal de Boer Stalinrichtingen BV to Turntide Technologies. Royal de Boer is a manufacturer of barn equipment such as feed fences, cubicles, ventilation systems and manure technology and operates a production facility in Leeuwarden, the Netherlands.

Goods & Services segment

No.	Participation	Branch	Headquarters	Acquisition
(20)	**Lapeyre** Group	Manufacturer and distributor of products for home furnishing	Aubervilliers/FR	06/2021
(21)	**Frigoscandia** Group	Supplier for temperature-controlled logistics services	Helsingborg/SE	12/2021
(22)	**Terranor** Group	Provider of road operation and maintenance services	Solna/SE	11/2020
(23)	**keeeper** Group	Household products manufacturer	Stemwede/DE	06/2019
(24)	**EXI** and **SIX ENERGY** Group	Service provider for telecommunications and energy infrastructure	Rome/IT Milan/IT	03/2021 09/2022
(25)	**Ganter** Group	General contractor in interior design and store fitting	Waldkirch/DE	10/2021
(26)	**FASANA**	Paper napkins manufacturer	Euskirchen/DE	02/2020
(27)	**Repartim** Group	Home repair and emergency services provider	Tours/FR	04/2021
(28)	**SABO**	Lawn mower manufacturer	Gummersbach/DE	08/2020
(29)	**Asteri Facility Solutions**	Service provider in the field of facility management	Solna/SE	12/2021

Sales revenues of the Goods & Services segment in the financial year 2022 amount to EUR 1,494.2 million (previous year: EUR 912.4 million). The development is mainly transaction-related: The acquisitions of the previous year, namely the acquisition of the Lapeyre Group, the largest acquisition in terms of sales and number of employees in the history of Mutares in June 2021 as well as the acquisition of the Frigoscandia Group at the end of the financial year 2021 contributed significantly to the increase in sales in the financial year 2022 due to the first-time inclusion for a full financial year. The exits in the financial year 2022 and the previous year, above all BEXity in February 2022, had a counteracting effect. EBITDA of the Goods & Services segment for the financial year 2022 amounts to EUR 23.7 million; the EBITDA of the previous year of EUR 450.8 million was influenced in particular by the gain on bargain purchase of Lapeyre. With regard to the adjusted EBITDA of this segment, some investments, above all Terranor Group, Frigoscandia Group and Ganter, showed a pleasing development in the financial year 2022. As a result, the adjusted EBITDA of the segment increased to EUR 24.8 million (previous year: EUR –13.2 million).

LAPEYRE GROUP

Lapeyre Group manufactures exterior and interior home products, such as windows, doors, kitchens, bathroom furniture, and stairs, at ten French locations. The company distributes and installs these, along with merchandise, through an extensive network of stores in France under the well-known corporate brand.

Lapeyre is currently working successfully to strengthen its positioning in the French market with a variety of strategic initiatives such as redesigning of its product offering, the development of additional services for its business customers, the optimization of its digital and physical presence, the development of IT solutions for better customer service, and the optimization of its branch network. In addition to developing these strategic initiatives, numerous other measures have already been implemented to reduce the fixed cost base. These include improving purchasing conditions to cushion higher procurement prices, optimizing supply chains, and implementing a comprehensive productivity improvement plan.

Lapeyre's sales in the financial year fell materially short of original plans in a challenging market environment. At the same time, however, comprehensive cost control measures resulted in an extraordinary improvement in operating profit (excluding one-time expenses, in particular for the spin-off of all activities from the group structures of the former owner) to an already break-even level. For the financial year 2023, management expects a further extraordinary improvement in the operating result with materially increased sales revenues due to price increases.

FRIGOSCANDIA GROUP

Frigoscandia Group is a player in logistics solutions for fresh, chilled and frozen food in Northern Europe. The company has 25 warehouses and terminals in Sweden and Norway and operates in three areas: domestic transport, international transport and warehousing.

The transformation plan for Frigoscandia provides for a realignment of the warehouse and logistics concepts as well as sales initiatives and cost-cutting measures. Major milestones of this plan were initiated or already implemented in the financial year 2022. Despite challenges in the context of high energy and fuel prices, Frigoscandia already achieved a slightly positive operating result.

Frigoscandia aims to become the leading temperature-controlled logistics platform in Northern Europe. With the acquisitions of Polar Frakt and Götene Kyltransporter, two acquisitions were consequently made in the financial year 2022 to expand the logistics network and strengthen the presence in the core markets. At the same time, the sale of the French subsidiary enables Frigoscandia to focus strategically on the countries of Northern Europe.

Based on performance to date, management believes that Frigoscandia is well positioned to significantly increase revenues in financial year 2023, taking into account the integrated add-on acquisitions, while improving operating income to a materially positive level.

TERRANOR GROUP

In the financial year 2022, Terranor Group, a provider of operations and maintenance services to ensure safe traffic on and around roads in Scandinavian countries, was able to fully complete the restructuring phase and move into a growth phase.

The three companies in Sweden, Finland and Denmark recorded above-average growth rates in their order books thanks to significantly improved bid costing. In particular, the Swedish company was able to expand its activities in the local markets through additional orders in the small and medium-size segment and was particularly convincing thanks to its clear vision and the high quality standards derived from it in project planning and implementation. Thanks to successfully completed optimization measures, Terranor achieved an extraordinary increase in operating profit compared with the previous year.

In financial year 2023, the companies in Sweden and Finland will focus on accelerating the expansion of their core business and, in addition to horizontal diversification, aim for vertical diversification in order to tap into adjacent market segments. The company in Denmark will defend its 100% market share in the maintenance of state roads and develop further measures to increase efficiency in the handling of projects. On this basis, Terranor's management expects to once again materially increase revenues and operating profit compared to the past financial year 2022.

KEEEPER GROUP

In the first half of the financial year 2022, keeeper Group, a manufacturer of household products, was affected by a slump in demand, an extraordinary increase in raw material prices, and significantly higher energy and freight costs. Measures introduced to increase efficiency and reduce costs were only able to partially compensate for the decline in sales and cost pressure. The negative effects of this were only offset in the course of the second half of the year by price increases and in the context of declining prices on the raw material markets. Nevertheless, profitability remained depressed overall in the financial year 2022 and operating profit was slightly negative.

Following the relocation of production activities to the Polish site in the past, all logistics processes will also be integrated there in the financial year 2022. The management expects this measure to have further positive implications for keeeper's cost base. Based on this, the positive development is to be continued in the 2023 financial year and, in the context of materially higher sales revenues, an extraordinarily increased, positive operating result is to result.

EXI AND SIX ENERGY GROUP

EXI is active in the field of design, construction and maintenance of networks and communication services for all major telecom operators in Italy, with a particular focus on advanced 5G technologies and fiber links. Tower operators and private network operators are also part of EXI's customer network.

The restructuring plan for EXI was essentially aimed at optimizing the organizational structure, significantly reducing costs and establishing a new sales structure with the aim of winning new customers. The transformation of the organization has now largely been implemented. However, developments on the market led to project awards by established customers being cancelled in some cases and postponed in others. As a result, revenues in the financial year 2022 did not reach the planned level, with a corresponding negative impact on the operating result. EXI continues to work on the development of additional new business and has already achieved initial successes. On this basis, management expects a material increase in revenues and an extraordinarily improved, but still slightly negative operating result for the financial year 2023.

Mutares completed the acquisition of Sirti Energia in September 2022. The company, which now operates under the name SIX Energy, is a provider of construction and maintenance services in the energy infrastructure market and, as such, has the installation and maintenance of medium- and low-voltage networks as well as high-voltage networks in its service portfolio. SIX Energy also maintains and installs electrical solutions for e-vehicles and data centers. Immediately after the acquisition, Mutares initiated a comprehensive realignment process aimed at acquiring new business, increasing margins in existing customer contracts as well as improving efficiency across the value chain and optimizing its geographic presence in Italy. In addition, the focus in the financial year 2023 will be on tapping synergies with EXI and other shareholdings.

GANTER GROUP

Ganter acts as a general contractor in interior design and store fitting and realizes projects for an international customer base. Immediately after the acquisition in the fourth quarter of fiscal 2021, a Mutares team together with the local management initiated the transformation aimed at restructuring the project and market portfolio, adjusting cost structures, and increasing capacity utilization. The measures of the optimization plan, which are currently being implemented, were already able to have a positive impact in the financial year 2022. In addition to the cost reduction measures, the initiatives on the sales side also led to an improvement in order intake and consequently to good capacity utilization. Based on these developments, the operating result in the financial year 2022 was already increased to a slightly positive level.

For the financial year 2023, Ganter's management expects despite the gloomy economic outlook for the construction industry a stable performance at the level of financial year 2022 and a continued slightly positive operating result.

FASANA

FASANA is a manufacturer of innovative and high-quality paper napkins for the consumer and bulk markets. Following continued restrictions to combat the COVID 19 pandemic in hotels, restaurants, cafés, and canteens at the beginning of financial year 2022, the subsequent easing led to a significant recovery in demand. However, high raw material prices for pulp and cost increases for energy and logistics weighed on profitability. However, FASANA's business model proved to be robust and customers very largely accepted the need for price increases. Production capacities were gradually built up to meet the strong demand. As a result, in the financial year 2022, sales revenues were significantly higher than in the previous year and taking into account the positive effect from the reimbursement of the EEG levy a balanced operating result was achieved.

With the new brand identity, a further product line with new sales channels was introduced at the same time, and the course was set for a sustainable orientation of the product portfolio with napkins made of grass and cotton pulp. The management thus believes that the foundations have been laid for further growth and an increase in productivity and expects another substantial increase in sales revenues and an extraordinary increase in the operating result for the financial year 2023 (benefiting from further price adjustments on the sales side). At the same time, however, the further development of FASANA in terms of profitability and liquidity remains heavily dependent on external factors, namely price fluctuations on the energy and raw materials markets and the development of purchasing power in the core sales markets.

REPARTIM GROUP

Repartim is a partner of major customers such as insurance companies in France, with services for repairs and emergencies in private households, in which Mutares holds a majority stake of 80%. [12]

The restructuring plan for Repartim is essentially aimed at completely redesigning all core processes, including adapting the IT landscape. Repartim already simplified the organization of its various call centers with the aim of improving service quality for customers. It also aimed to generate additional business with insurance companies and property managers, as well as significant savings in procurement and personnel costs. Despite some success in implementing the restructuring measures, operating profit in the 2022 financial year fell short of original plans, partly due to bottlenecks in staff availability and higher procurement prices, and amounted to a still materially negative level, albeit with a positive trend in the second half of the year.

For the 2023 financial year, Repartim expects to generate significantly higher sales revenues as a result of the initiatives on the sales side and benefiting from a clearing of the renovation backlog among real estate landlords. As a result, the operating profit benefiting from this is expected to increase to a slightly positive level in the financial year 2023.

[12] After the end of the financial year, the remaining 20% stake in Repartim was also acquired from HomeServe France, a specialist in home repairs and maintenance, in the first quarter of 2023.

SABO

The manufacturer of lawn mowers and other outdoor cordless tools, SABO Maschinenfabrik ("SABO"), continued its successful development in the financial year 2022: Sales revenues were materially above those of the previous year, boosted by the further accelerated geographic expansion and high customer demand. At the same time, gross margin developed positively despite challenges in the availability of individual components and the increased prices for raw materials and components. To meet rising market demand, a further new production line was commissioned in the financial year 2022, ensuring SABO's ability to supply in the face of increasing demand. The restructuring already successfully completed in the previous year, coupled with continued consistent cost management, led to a reduction in personnel and overhead costs, so that SABO now has a competitive cost base. Accordingly, SABO achieved a materially positive operating result in the financial year 2022 with sales significantly above those of the previous year.

For the financial year 2023, management is forecasting a further increase in sales revenue due to the launch of two new product lines and further growth in the international markets, but. a slight decline in operating profit in view of increasing cost pressure, but nevertheless a materially positive operating result.

ASTERI FACILITY SOLUTIONS

Asteri Facility Solutions ("Asteri") provides facility management and cleaning services to the Swedish market for private companies and public clients, as well as housekeeping services to major international hotel chains.

Following the closing of the acquisition at the end of the previous year, a Mutares team initiated an optimization program for Asteri together with the local management from the beginning of the 2022 financial year. The focus included stabilizing the business activities after the change of ownership and also realizing the carve-out from the group structures of the former owner. In this context, an IT carve-out was carried out and the digitalization of previously manual activities, the optimization of procurement costs and existing processes were implemented. With a lean organizational structure, the focus of activities in the financial year 2022 was also on sustainably increasing sales revenues. Thanks to the initiatives implemented, Asteri was able to exceed the operating result of the planning in the financial year 2022.

In financial year 2023, Asteri is focusing on further growth by entering new geographical areas within Sweden and expanding its service offering. Depending on the successful outcome of the tenders, management expects a significant increase in sales revenue and an extraordinary improvement in operating profit to break even.

3. Situation of the Group including net assets, financial position and results of operations

In view of the numerous M& A transactions, Mutares' business model thus involves regular changes in the scope of consolidation that have a significant impact on the consolidated financial statements. This again applies to the financial year 2022, in which the initial consolidations and deconsolidation presented above had a significant impact on the items of the consolidated statement of comprehensive income and statement of financial position.

The operating result of the Mutares Group depends on the business development of the individual investments – in particular on the respective restructuring and development progress – and is also significantly influenced by the timing of the acquisition of new investments and the resulting regular bargain purchase gains.

3.1 Results of operations of the Group

In the financial year 2022, the Mutares Group generated consolidated revenues of EUR 3,751.7 million (previous year: EUR 2,504.0 million). The increase is largely due to changes in the scope of consolidation. With regard to the allocation of sales to the individual segments and developments within the segments, please refer to the above explanations in the reports from the portfolio companies (Note 2.3).

Sales are broken down by geographical markets based on the location of the customer as follows:

Mio. EUR	**2022**	**2021**
Europe	**3,462.4**	**2,301.5**
France	936.7	647.4
Germany	891.0	585.7
Sweden	523.1	282.0
Italy	199.4	153.8
United Kingdom	133.5	76.8
Switzerland	100.0	24.2
Finland	91.0	67.0
Denmark	78.4	27.9
Austria	72.7	155.3
Spain	68.3	37.7
Netherlands	66.9	49.7
Poland	47.5	43.1
Czech Republic	27.8	24.3
Belgium	26.7	29.0
Rest of Europe	199.3	97.6
Asia	**179.8**	**148.7**
America	**77.9**	**36.8**
Africa	**31.8**	**17.0**

The **other income** of EUR 355.5 million in the financial year 2022 (previous year: EUR 770.1 million) are again driven in particular by consolidation effects: The acquisitions resulted in gains from bargain purchases totaling EUR 262.0 million (previous year: EUR 692.7 million). The deconsolidation gains included in other income amount to EUR 31.8 million (previous year: EUR 32.8 million). These and the other components of other income are shown in the following table:

EUR million	2022	2021
Gains from bargain purchases	262.0	692.7
Gains from deconsolidation	31.8	32.8
Income from raw material and waste recycling	10.0	9.4
Income from risk allowance	5.2	2.6
Insurance compensation and indemnification	5.0	2.3
Income from other services	4.2	2.5
Income from rentals and leases	3.4	5.1
Income from the disposal of fixed assets	2.6	1.0
Income from foreign currency translation	2.2	2.0
Other own work capitalized	1.5	1.8
Miscellaneous other income	27.6	17.9
Other operating income	**355.5**	**770.1**

The **cost of materials** for the financial year 2022 amounts to EUR 2,398.6 million (previous year: EUR 1,579.7 million). The cost of materials ratio (in relation to sales) amounts to 64 % (previous year: 63 %).

Personnel expenses for the financial year 2022 amount to EUR 909.6 million (previous year: EUR 660.4 million). The increase reflects the higher number of employees in the Mutares Group due to the high transaction activity of Mutares. In addition, the amount of personnel expenses is influenced by a variety of other, partly opposing effects (e. g., collective bargaining agreements, staff reduction measures, etc.).

The **other expenses** of EUR 601.2 million (previous year: EUR 474.3 million) in the financial year 2022 are distributed as follows:

EUR million	2022	2021
Selling expenses	167.6	116.4
Legal and consulting expenses	76.1	66.9
Administration	65.4	57.0
Rent, leases and license fees	60.2	39.3
Maintenance and servicing	49.5	38.9
Advertising and travel expenses	38.2	28.0
Damage claims, guarantee and warranty	29.4	20.4
Expenses from measurement as held for sale	22.5	1.7
Basic levies and other taxes	16.4	10.2
Vehicle fleet	13.0	9.3
Expenses for general partners	10.5	8.8
Expenses from foreign currency translation	5.6	3.1
Expenses from expected credit losses	3.9	6.4
Losses from deconsolidation	3.2	36.7
Losses on the disposal of non-current assets	3.1	3.1
Miscellaneous expenses	36.6	28.1
Other expenses	**601.2**	**474.3**

As a result of the developments described above, the **EBITDA** of the Mutares Group for the financial year 2022 amounts to EUR 181.5 million (previous year: EUR 566.5 million).

The Group's investments differ according to market, business model and progress in the restructuring cycle, so that Group EBITDA is naturally subject to major fluctuations. In this respect, only limited conclusions can be drawn from the consolidated EBITDA of the Mutares Group regarding the actual operating performance of the Group or individual investments.

To improve transparency, Mutares uses **Adjusted EBITDA** as a key performance indicator, which is adjusted in particular for the effects of frequent changes in the composition of the portfolio that are inherent in the business model. The Adjusted EBITDA of the Group (as defined below in the presentation of the financial performance indicators) amounts to EUR –32.7 million (previous year: EUR –41.3 million). In the financial year 2022, the Group's Adjusted EBITDA was impacted by, among other things, by the price increases on the procurement markets for raw materials and energy described above and the still negative earnings contributions from the investments acquired in the past twelve months.

The reconciliation of EBITDA as reported in the consolidated income statement to the performance indicator of adjusted EBITDA is as follows:

EUR million	**2022**	**2021**
EBITDA	**181.5**	**566.5**
Income from burgain purchases	-262.0	-692.7
Restructuring and other non-recurring expenses	76.4	80.9
Deconsolidation effects	-28.6	3.9
Adjusted EBITDA	**-32.7**	**-41.3**

For information on bargain purchases and deconsolidation effects, please refer to the comments above on business performance (Note 2.2) and in the reports on the portfolio companies (Note 2.3).

The restructuring and other non-recurring expenses of the Group in financial year 2022 include in particular the following items:

- For carve-out activities (especially in the area of IT), costs of EUR 25.5 million (previous year: EUR 24.0 million), most of which related to Lapeyre (EUR 21.6 million, previous year: EUR 17.9 million).

- Expenses for severance payments and social plans total EUR 17.4 million (previous year: EUR 26.9 million)

- It includes consulting expenses in connection with restructuring (EUR 1.4 million; previous year: EUR 2.3 million), M & A activities (EUR 2.9 million; previous year: EUR 2.0 million) and other legal and consulting expenses of a non-recurring nature (EUR 5.2 million; previous year: EUR 2.2 million) were incurred.

- The accounting for assets held for sale (IFRS 5) resulted in expenses totaling EUR 22.5 million (previous year: EUR 1.7 million).

The following items were included in the Group's restructuring and other non-recurring expenses in the previous year:

- Due to the COVID 19 pandemic, a major customer project at a Gemini Rail Group company was discontinued, assets (inventories, current contract assets and receivables) were written down and the corresponding expenses of EUR 10.3 million were recognized as other non-recurring expenses. Due to two major projects running below expectations, the operating result of ADComms in the financial year 2021 was extraordinarily burdened and the corresponding expenses of EUR 10.9 million were recognized as other non-recurring expenses.
- The valuation of an earn-out agreement in connection with a company sold in the financial year 2017 resulted in an expense of EUR 1.1 million.

Depreciation and **amortization** of EUR 184.6 million (previous year: EUR 119.2 million) of the Group for the financial year 2022 include impairment losses of EUR 23.7 million (previous year: EUR 3.8 million), in particular for impairments of property, plant and equipment as a result of the comparison of the recoverable amount with the respective carrying amounts.

The financial result of EUR –53.3 million (previous year: EUR –18.7 million) of the Group for the financial year 2022 consists of financial income of EUR 15.1 million (previous year: EUR 8.5 million) and financial expenses of EUR 68.4 million (previous year: EUR 27.2 million).

As in the previous year, the Group's **income taxes** in the financial year 2022 amount to a total income (EUR 35.5 million; previous year: EUR 13.7 million) and include actual tax expenses (EUR –9.1 million; previous year: EUR –5.5 million) and income from deferred taxes (EUR 44.6 million; previous year: EUR 19.2 million).

The developments described above result in a **consolidated net profit** for the financial year 2022 of EUR –21.0 million (previous year: EUR 442.3 million).

The Group's **other comprehensive income** in the financial year 2022 includes actuarial gains of EUR 29.6 million (previous year: EUR 4.5 million) in connection with the measurement of provisions for pensions (IAS 19) at portfolio companies in the context of significantly increased interest rates and exchange rate differences of EUR –4.9 million (previous year: EUR +4.0 million). Furthermore, other comprehensive income includes effects from the change in fair value of the bond of EUR +5.4 million (previous year: EUR –3.3 million), which are attributable in particular to the change in the interest rate level.

3.2 Net assets and financial position of the Group

Total assets in the Mutares Group as of 31 December 2022 amount to EUR 3,029.6 million (previous year: EUR 2,560.4 million). The increase is mainly due to the inclusion of the newly acquired investments.

Non-current assets increased from EUR 1,120.6 million as of 31 December 2021 to EUR 1,377.2 million as of 31 December 2022, mainly due to increases in property, plant and equipment (EUR +207.5 million), rights of use (EUR +57.0 million), other assets (EUR +17.3 million), and intangible assets (EUR +9.9 million). In contrast, there was a decrease in other financial assets in particular (EUR –27.6 million) and deferred tax assets (EUR –7.0 million).

The increase in **current assets** to EUR 1,652.4 million as of 31 December 2022 (previous year: EUR 1,439.8 million) mainly results from an increase in inventories (EUR +137.5 million) and trade and other receivables (+EUR 121.2 million). Assets held for sale increased in the opposite direction from EUR 177.1 million in the previous year to EUR 115.0 million.

Cash and cash equivalents as of 31 December 2022 amount to EUR 246.4 million (previous year: EUR 255.1 million). This is offset by current liabilities to banks and loans as part of the balance sheet item current financial liabilities of EUR 171.5 million (previous year: EUR 64.6 million), which result from current account and loan liabilities and from the recognition of "unreal" factoring. The net cash position as of 31 December 2022, amounts to EUR 74.9 million (previous year: EUR 190.5 million). In the course of financial management, short-term liquidity surpluses that exist in individual portfolio companies can be transferred to the parent company in certain situations. The liquidity is used to finance the parent company and, if necessary, can also be used to finance other portfolio companies by means of loans granted by the parent company.

As of the reporting date 31 December 2022, **assets and liabilities** held for sale comprise in particular the assets and liabilities held for sale in connection with the portfolio companies Lacroix + Kress, FDT and Royal de Boer. As of 31 December 2021, this balance sheet item included the assets or liabilities of BEXity. Furthermore, as of 31 December 2021, the disposals under sale and leaseback transactions of 26 businesses from the Lapeyre subgroup and of one property of ISH were highly probable, which is why the carrying amounts of the assets concerned have also been reclassified in accordance with IFRS 5.

As of 31 December 2022, **equity** amounts to EUR 714.0 million (previous year: EUR 736.4 million). The positive overall result of EUR 9.2 million (previous year: EUR 447.8 million) led to an increase in equity, while in the opposite direction the dividend payment for the financial year 2021 to the shareholders of the parent company, the shareholders of Mutares SE & Co. KGaA, of EUR 30.9 million (previous year: EUR 23.1 million) reduced equity. The equity ratio as of 31 December 2022 amounts to 24 % (previous year: 29 %). With regard to the disclosures concerning the acquisition of treasury shares pursuant to Section 160 (1) no. 2 AktG, we refer to the disclosures in the notes to the financial statements of Mutares SE Co. & KGaA (in Note 3.5).

The **non-current liabilities** of EUR 816.3 million (previous year: EUR 799.3 million) include non-current lease liabilities of EUR 294.6 million (previous year: EUR 262.7 million) and provisions for pensions and similar obligations of EUR 94.4 million (previous year: EUR 153.0 million) of various Group entities (but not of Mutares SE & Co. KGaA itself) and other non-current provisions of EUR 119.3 million (previous year: EUR 88.9 million). The increase in other financial liabilities to EUR 180.7 million (previous year: EUR 145.9 million) is due to additional financing. Non-compliance with covenants in connection with the issued bond can generally lead to a termination of the bond. The resulting repayment obligation therefore poses a potential risk to the financial position of the Company and the Group. However, due to the relevant key figures being significantly above the agreed covenants, the Management Board does not see any specific risk from non-compliance with the covenants. Long-term leasing and other financial liabilities are mainly denominated in euros. Other financial liabilities arising from loans are mostly at fixed interest rates. Non-current financial liabilities with variable interest rates exist almost exclusively in the form of the bond. Deferred tax liabilities amount to EUR 116.1 million (previous year: EUR 137.8 million).

Current liabilities as of 31 December 2022 amount to EUR 1,499.6 million (previous year: EUR 1,024.8 million) and relate to EUR 588.0 million (previous year: EUR 372.2 million) of trade payables. The increase in other financial liabilities (EUR 305.9 million; previous year: EUR 141.2 million) and other liabilities (EUR 173.4 million; previous year: EUR 148.0 million) reflects, among other things, relief on payment terms, deferrals of payments to public-sector creditors and the raising of additional financing. Current other financial liabilities are mainly denominated in euros and bear variable interest rates. The reference interest rate used is in particular EURIBOR with the corresponding maturities.

The **cash flow from operating activities** in the financial year 2022 amounts to EUR –20.8 million (previous year: EUR –103.5 million). This is due to: a consolidated net result for the year of EUR –21.0 million (previous year: EUR +442.3 million), including non-cash expenses and income totaling EUR 85.5 million (previous year: EUR 551.4 million), changes in the balance sheet items of working capital (trade working capital and other working capital) with an increase in cash flow of EUR 72.9 million (previous year: increase of EUR 12.0 million) and effects from interest and taxes of EUR +11.7 million (previous year: EUR –1.9 million).

The **cash flow from investing activities** in the financial year 2022 of EUR 84.1 million (previous year: EUR 171.5 million) mainly results from net cash inflows from additions to the scope of consolidation of EUR 110.4 million (previous year: EUR 188.8 million). Proceeds from disposals of property, plant and equipment, intangible assets and liabilities held for sale amounted to EUR 49.2 million (previous year: EUR 11.9 million). This was offset by cash outflows for investments in property, plant and equipment and intangible assets (EUR –102.9 million; previous year: EUR –59.7 million). Disposals from the scope of consolidation resulted in a cash inflow of EUR 26.7 million (previous year: cash inflow of EUR 29.5 million).

The **cash flow from financing activities** in the financial year 2022 amounts to EUR –55.8 million (previous year: EUR 47.9 million). The raising of bonds and (financial) loans results in cash inflows of EUR 117.9 million (previous year: EUR 61.7 million), cash inflows from factoring amounted to EUR 21.2 million (previous year: cash outflows of EUR 9.9 million). In contrast, lease liabilities of EUR 74.0 million (previous year: EUR 49.5 million) and (financial) loans of EUR 60.7 million (previous year: EUR 17.7 million) were repaid; the interest paid amounts to EUR 29.3 million (previous year: EUR 13.4 million). In the previous year, the capital increase resulted in net proceeds of EUR 94.3 million. The dividend paid to the shareholders of the parent company, the shareholders of Mutares SE & Co. KGaA, amounted to EUR 30.9 million (previous year: EUR 23.1 million). As of the balance sheet date, unused credit lines amount to an almost double-digit million figure and relate to undrawn current account and factoring lines for which saleable trade accounts receivable are available as of the same date.

The Management Board assumes that the Group and also individual major Group companies will continue to be in a position to meet their payment obligations on time at all times in the future.

As of the balance sheet date, unused credit lines amount to an almost double-digit million figure and relate to undrawn current account and factoring lines for which saleable trade accounts receivable are available as of the same date.

The Management Board assumes that the Group and also individual major Group companies will continue to be in a position to meet their payment obligations on time at all times in the future.

4. Position of the Company including net assets, financial position and results of operations

Mutares SE & Co. KGaA is the parent company of the Mutares Group. The Company's business development is fundamentally dependent on the developments in the individual portfolio companies. Their opportunities and risks therefore also have a fundamental impact on the opportunities and risks of Mutares SE & Co. KGaA. However, the net income of Mutares SE & Co. KGaA is mainly derived from three different sources, namely from sales revenues from the intra-group consulting business, dividends from portfolio companies and exit proceeds from the sale of investments. Sales revenues and dividends (mainly income from investments received in the same period) result in the so-called "portfolio income".

The following comments on the results of operations, net assets and financial position relate to the annual financial statements of the Company, which have been prepared in accordance with the provisions of the German Commercial Code and the German Stock Corporation Act.

4.1 Results of Operations of the Company

The **revenues** of Mutares SE & Co. KGaA result from the intra-group consulting business, i. e. consulting services to affiliated companies and management fees. The increase to EUR 71.1 million in the financial year 2022 (previous year: EUR 50.5 million) is a consequence of the enlarged portfolio in connection with the high transaction activity in the past, which was covered by an expansion of the internal, operational consulting capacities.

Other operating income of Mutares SE & Co. KGaA in the financial year 2022 amounts to EUR 12.9 million (previous year: EUR 3.8 million) and includes EUR 12.3 million from the collection of loan receivables that were recognized at an amount lower than the nominal value. Other operating income in the previous year included income of EUR 3.4 million from the reversal of impairment losses recognized on receivables from portfolio companies in previous years.

The **cost of purchased services** of Mutares SE & Co. KGaA in the financial year 2022 of EUR 21.5 million (previous year: EUR 14.8 million) include expenses from Mutares' national companies in connection with restructuring services for indirect subsidiaries.

The **personnel expenses** of Mutares SE & Co. KGaA in the financial year 2022 amount to EUR 17.6 million compared to EUR 14.0 million in the previous year. The increase results from the increase in the number of employees at the Company to an annual average of 74 (previous year: 60) in connection with the enlarged portfolio due to the high level of transaction activity, which mainly relates to additional employees for the Group's internal consulting business.

The **other operating expenses** of Mutares SE & Co. KGaA of EUR 51.4 million in the financial year 2022 (previous year: EUR 43.6 million) include EUR 23.6 million (previous year: EUR 20.7 million) in expenses from the recharging of Mutares Management SE and the Mutares national companies as well as legal and consulting services of EUR 9.5 million (previous year: EUR 13.7 million, thereof of EUR 6.3 million in connection with the capital increase and the uplisting of the company in the financial year 2021). Furthermore, these other operating expenses include write-downs on current assets of EUR 10.5 million (previous year: EUR 0.6 million).

Income from investments and gains on the disposal of investments for the financial year 2022 amount to EUR 72.5 million (previous year: EUR 72.5 million). This figure mainly includes income from the (phased) collection of gains from investments.

Sales and dividends from the portfolio (mainly income from investments received in the same period) result in the so-called **"Portfolio Income"**, which for the financial year 2022 amounts to EUR 139.8 million (previous year: EUR 64.9 million).

The **interest result** of Mutares SE & Co. KGaA in the financial year 2022 includes interest income of EUR 10.2 million (previous year: EUR 3.5 million) and interest expenses of EUR 7.6 million (previous year: EUR 6.0 million). The latter mainly includes current interest payments for the bond. **Write-downs on financial assets** amount to EUR 4.8 million (previous year: EUR 0.9 million).

In connection with **taxes on income**, the tax income for the financial year 2022 amounts to EUR 9.3 million (previous year: EUR 0.0 million). This is due to income from deferred tax assets in connection with the future utilization of tax loss carryforwards of EUR 10.7 million (previous year: EUR 0.0 million), which outweighs the expense from current taxes of EUR 1.4 million (previous year: EUR 0.0 million).

The result for Mutares SE & Co. KGaA in 2022 is a **net profit** according to HGB of EUR 72.9 million in the financial year 2022 compared to EUR 50.7 million in the previous year.

4.2 Net assets and financial position of the company

The **fixed assets** of Mutares SE & Co. KGaA of EUR 95.2 million (previous year: EUR 65.9 million) as of 31 December 2022 mainly include financial assets of EUR 94.8 million (previous year: EUR 65.4 million), which in turn are divided into shares in affiliated companies (EUR 66.5 million; previous year: EUR 47.8 million) and loans to affiliated companies (EUR 28.3 million; previous year: EUR 17.6 million).

The **current assets** of Mutares SE & Co. KGaA include EUR 299.6 million as of 31 December 2022 (previous year: EUR 195.4 million), receivables from affiliated companies, which mainly amount to EUR 161.8 million (previous year: EUR 66.5 million) relate to loans receivable from subsidiaries, EUR 68.2 million (previous year: EUR 64.1 million) to receivables from profit distributions and EUR 56.1 million (previous year: EUR 32.3 million) to trade receivables. As of 31 December 2022, bank balances amount to EUR 12.5 million (previous year: EUR 44.9 million). In the previous year, current assets also included securities in the form of a bearer bond of EUR 29.9 million. In addition to **prepaid expenses** of EUR 1.3 million (previous year: EUR 1.1 million), **deferred tax assets** in connection with the future utilization of tax loss carryforwards of EUR 10.7 million (previous year: EUR 0.0 million).

Taking into account the net income for the year and after distribution of a dividend of EUR 30.9 million for the previous year (corresponding to EUR 1.50 per no-par value share entitled to dividend), the Company's **equity** as of 31 December 2022 amounts to EUR 273.9 million (previous year: EUR 231.9 million).

The **provisions** of Mutares SE & Co. KGaA as of 31 December 2022 amount to EUR 21.5 million (previous year: EUR 7.8 million) and relate with EUR 12.0 million to payments received in connection with the acquisition of the shares in Balcke-Dürr Energy Solutions S.p.a, Genoa. The contribution received by Mutares SE & Co. KGaA serves to cover uncertain obligations from guarantees and is therefore recognized as other provisions. In addition, other provisions of EUR 6.4 million mainly include provisions for personnel costs (previous year: EUR 5.1 million). As of 31 December 2022, **liabilities** increased to EUR 146.7 million as of 31 December 2022 (previous year: EUR 105.5 million), mainly due to higher liabilities to affiliated companies of EUR 53.5 million (previous year: EUR 15.3 million).

5. Performance indicators and the Management Board's assessment of business performance

5.1 Financial performance indicators

The significant financial performance indicators of the **Mutares Group** are, in the opinion of the Management Board:

- Revenues
- Operating result (EBITDA = earnings before interest, taxes, depreciation and amortization)
- Adjusted EBITDA (see below)

Gains on bargain purchases are recognized in income immediately in the year of the transaction. Restructuring and other non-recurring expenses, on the other hand, may also be incurred in subsequent periods. Due to the regularly significant non-operational volatility of Group EBITDA associated with these transactions, the Management Board has introduced an additional performance measure in the form of EBITDA adjusted for non-recurring effects – referred to as "adjusted EBITDA" in internal management and reporting – for reasons of transparency. The calculation is based on reported Group EBITDA (earnings before interest, taxes, depreciation and amortization) adjusted for gains on bargain purchases, restructuring and other non-recurring expenses, and deconsolidation effects. This

provides a more transparent presentation of operating developments and enables a better assessment of operating earnings power.

As part of its business strategy, the Company resolutely pursues an attractive and long-term dividend policy, so that the Management Board considers the net profit for the year determined in accordance with the German Commercial Code (HGB) to be another significant financial performance indicator for **Mutares SE & Co**. The net income of Mutares SE & Co. KGaA is mainly derived from three different sources, namely revenues from the intra-group consulting business, dividends from portfolio companies and exit proceeds from the sale of investments. Sales revenues and dividends (mainly income from investments received in the same period) make up what is known as portfolio income. For information on the development of the individual financial performance indicators, please refer to the comments above on the Group's results of operations (Note 3.1). and of the company (para. 4.1).

With regard to the forecasts made in the combined management report of the previous year for financial year 2022, the actual development is as follows:

- For the financial year 2022, the Management Board expected an extraordinary increase in **revenues** for the Mutares Group to at least EUR 4.0 billion due to the acquisitions completed and signed by the preparation date for the combined management and group management report for the financial year 2021. With revenues in the financial year 2022 of EUR 3,751.7 million, this target was not achieved despite the continued high level of acquisition activity, in particular due to the external framework conditions (as described in Note 2.1), this target was achieved despite an extraordinary increase in sales by 50 % was not fully achieved.

- Benefiting from gains from bargain purchases in connection with the acquisitions in the financial year 2022 totaling EUR 262.0 million, Group **EBITDA** amounted to EUR 181.5 million (previous year: EUR 566.5 million). With regard to the main influencing factors, we refer to the explanations above under Note 3.1.

- As expected, **Adjusted EBITDA** was impacted by the negative earnings contributions of the new acquisitions. In addition, supply chain disruptions, significant price increases for raw materials, intermediates and energy, and the overall weakening of the economy (as described in Note 2.1) had a negative impact on profitability. Nevertheless, the Adjusted EBITDA in the financial year 2022 of EUR –32.7 million compared to the previous year (EUR –41.3 million) could be improved significantly, but not extraordinarily.

- The **net profit** of Mutares SE & Co. KGaA, determined in accordance with the provisions of German commercial law, should regularly be within a range of 1.8 % to 2.2 % of the consolidated revenues of the Mutares Group, in line with the Company's long-term objectives. Based on originally expected revenues for the Mutares Group of at least EUR 4.0 billion, the Management Board expected a net profit of EUR 72 million to EUR 88 million for the financial year 2022. For the financial year 2022, with revenues of EUR 3,751.8 million in the Mutares Group and a net profit of EUR 72.9 million for Mutares SE & Co. KGaA, a percentage of 1.94 %, which is within the target corridor.

The Mutares Group is currently managed primarily on the basis of financial performance indicators. The non-financial Group report pursuant to Section 315b (3) HGB is submitted in a separate sustainability report.

5.2 Management Board's assessment of business performance

The benchmark for the success of Mutares SE & Co. KGaA and the Mutares Group is mainly the restructuring and development progress of the investments as well as completed M&A transactions, which contribute to an increase in value in the Group after a successful turnaround and a further development of the investments depending on the situation.

With regard to the **transaction activities** in the financial year 2022, the Management Board is extremely satisfied with the large number and quality of acquisitions and exits; the high frequency from the transaction-rich the financial year 2021 was success- fully continued and the level was stabilized.

The Management Board is very satisfied with the **progress of restructuring and development** at some subsidiaries particularly against the background of the burdens caused by the indirect effects of the war in Ukraine but still sees clear potential for improvement at others. In particular, the Management Board considers the performance of Terranor, La Rochette, Frigoscandia, Clecim, Ganter and Special Melted Products to be positive, while significant potential for improvement is seen at ESF Industrial Solutions, iinovis, Balcke-Dürr, Gemini Rail and ADComms Group as well as FASANA. The development of the Group's largest shareholdings in terms of sales (Lapeyre Group, LMS and Donges Group) is satisfactory overall, despite the clearly visible negative influences from external conditions.

The Management Board is generally satisfied with the course of the financial year against the backdrop of the special burdens, in particular disruptions in the supply chains, significant price increases for raw materials, intermediate products and energy, as well as an overall weakening of the economy. This applies both with regard to the parent company Mutares SE & Co. KGaA and its development in the financial year 2022 as well as with regard to the Mutares Group. The Management Board considers the ambitious growth course to be on a successful path due to the acquisitions made.

6. More details

6.1 Supplementary report

Please refer to the notes to the consolidated financial statements (note 50) and the notes to the annual financial statements (note 5.10) of Mutares SE & Co. KGaA for information on significant events after the balance sheet date.

6.2 Takeover-relevant information

The following comments contain the disclosures required by sections 289a and 315a of the German Commercial Code (HGB), including information on share capital, voting rights and the transfer of shares.

Composition of capital /Grade of shares

The share capital of Mutares SE & Co. KGaA amounted to EUR 20,636,731.00 as of December 31, 2022, divided into 20,636,731 no-par value shares (shares without par value). The shares of the Company are registered shares. There is only one class of shares; the same rights and obligations are attached to all shares, which result from the statutory regulations.

Restrictions affecting voting rights or the transfer of shares

Each share entitles the holder to one vote at the Annual General Meeting and is decisive for the shareholders' share in the Company's profits. This does not apply to treasury shares held by the Company, from which the Company has no rights. In the cases of Section 136 AktG, the voting rights from the shares concerned are excluded by law.

On the basis of a contractual agreement, the Chairman of the Board of Management, Robin Laik, can dispose of voting rights for a total of 5,175,771 shares; the voting rights for these shares are exercised uniformly by Mr. Robin Laik.

Direct or indirect interest in share capital exceeding 10% of voting rights

According to current information, Robin Laik, Munich, and ELBER GmbH, Regensburg, each directly hold more than 10 % of the voting rights. The members of Robin Laik's family, all resident in Germany, together directly hold more than 10 % of the voting rights. Dr. Johann Vielberth, Regensburg, holds more than 10 % of the voting rights indirectly via ELBER GmbH.

Provisions (statutory/statute) on appointment and dismissal of the Management Board and amendments to the Articles of Association

The Company is represented by the general partner, Mutares Management SE, and thus by its Management Board. According to Section 8 of the Articles of Association of Mutares Management SE , the Management Board of Mutares Management SE may consist of one or more persons. The Supervisory Board of Mutares Management SE determines the specific number of members of the Management Board. For their appointment as well as dismissal, a simple majority of the votes cast by the members of this Supervisory Board is required; in the event of a tie, the vote of the Chairman pursuant to Section 13 (7) of the Articles of Association of Mutares Management SE shall be decisive. The members of the Management Board of Mutares Management SE may be appointed for a maximum period of six years; reappointments are permitted. Pursuant to Section 7 of the Articles of Association, the shareholders' resolution of Mutares SE & Co. KGaA may exempt individual, several or all members of the Management Board of the general partner in general or for the individual case from the prohibition of multiple representation pursuant to Section 181 Alt. 2 of the German Civil Code (BGB); § 112 of the German Stock Corporation Act (AktG) remains unaffected.

Amendments to the Articles of Association are made by resolution of the Annual General Meeting in accordance with § 179 AktG. This means that amendments to the Articles of Association generally require the approval of at least three quarters of the capital stock represented at the time the resolution is adopted. Pursuant to Art. 10 par. 4 of the Articles of Association, the Supervisory Board is authorized to make amendments to the Articles of Association that relate only to the wording. Furthermore, the Supervisory Board is authorized to amend Art. 4 par. 5 of the Articles of Association in line with the respective issue of subscription shares and to make all other related amendments to the Articles of Association that only affect the wording. The same applies in the event that the authorization to issue subscription rights is not utilized.

Authority of the Board of Management to issue or repurchase shares

Conditional capital

The Annual General Meeting of the Company on 3 June 2016 authorized the Management Board, with the consent of the Supervisory Board, to issue up to 1,500,000 subscription rights ("stock options") to members of the Management Board of the Company, members of the management of affiliated domestic and foreign companies of the Company, and employees of the Company and employees of affiliated domestic and foreign companies until 2 June 2020 ("Mutares Stock Option Plan 2016"). The stock options entitle the holder to subscribe to up to 1,500,000 no-par value registered shares of the Company with a notional interest in the share capital of EUR 1.00 each. Furthermore, the Annual General Meeting resolved to conditionally increase the share capital of the Company by EUR 1.5 million by issuing up to 1,500,000 no-par value bearer shares to service the Mutares Stock Option Plan 2016 ("Conditional Capital 2016 / I"). The Annual General Meeting of the Company on 23 May 2019 resolved to cancel the Conditional Capital 2016 / I to the extent that it relates to the stock options not issued under the Mutares Stock Option Plan 2016. As a result, the Conditional Capital 2016 / I amounts to EUR 361 thousand after reduction as of the reporting date.

The Annual General Meeting of the Company on 23 May 2019 created Conditional Capital 2019 / I of EUR 3,000 thousand for the purpose of granting shares upon exercise of conversion or option rights or upon fulfillment of conversion or option obligations to the holders or creditors of convertible bonds, bonds with warrants, profit participation rights and /or participating bonds or combinations of these instruments issued on the basis of the authorization resolution of the Annual General Meeting on 23 May 2019.

After the partial cancellation of the Conditional Capital 2016 / I became effective, the share capital of Mutares SE & Co. KGaA was conditionally increased by up to EUR 802 thousand by issuing up to 802,176 no-par value registered shares ("Conditional Capital 2019 / II") by resolution of the Annual General Meeting on 23 May 2019. The Conditional Capital 2019 / II serves to grant subscription rights to members of the Management Board and employees of the Company, members of the management and employees of companies affiliated with the Company.

After the partial cancellation of the Conditional Capital 2016 / I has become effective, the share capital of the Company shall be conditionally increased by up to EUR 387 thousand by issuing up to 387,000 no-par value registered shares ("Conditional Capital 2021 / I"). The Conditional Capital 2021 / I is exclusively for the purpose of issuing shares of the Company to service subscription rights to shares of the Company issued to members of the Management Board of the Company and employees of the Company as well as to members of the management and employees of affiliated companies within the meaning of Secs. 15 et seq. AktG in the form of stock options in accordance with the above authorization resolution pursuant to lit. b).

Authorized capital

By resolution of 23 May 2019, the Annual General Meeting of the Company resolved to cancel the Authorized Capital 2015 / I and instead authorized the Management Board to increase the share capital of the Company in the period until 22 May 2024, with the consent of the Supervisory Board, by a total of up to EUR 7.7 million by issuing up to 7,748,146 new registered no-par value shares against cash contributions and /or contributions in kind ("Authorized Capital 2019 / I"). The Management Board of the Company's general partner, Mutares Management SE, resolved on 28 September 2021, with the approval of the Supervisory Board, to increase the Company's share capital from previously EUR 15.5 million to EUR 20.6 million by issuing 5.1 million new no-par value registered shares. The capital increase with subscription rights for the limited liability shareholders of the Company was carried out in return for cash contributions by making partial use of the existing Authorized Capital 2019 / I. The authorized capital amounts to EUR 1.5 million after the partial use of the existing Authorized Capital 2019 / I. This still amounts to EUR 2,608 thousand after the partial utilization.

Acquisition of treasury shares

By resolution of the Annual General Meeting on 23 May 2019, the Management Board was authorized to acquire treasury shares of the Company up to a total of 10 % of the Company's capital stock existing at the time of the resolution or – if this value is lower – at the time the authorization is exercised, subject to compliance with the principle of equal treatment (Section 53 AktG), until the end of 22 May 2024. The shares acquired on the basis of this authorization, together with other treasury shares of the Company which the Company has acquired and still holds or which are attributable to it in accordance with sections 71a et seq. of the German Stock Corporation Act (AktG), may at no time exceed 10 % of the respective capital stock of the Company.

On the basis of corresponding resolutions, the Management Board, with the approval of the Supervisory Board, launched share buyback programs in the past financial years. In this context, a total of 261,875 shares were acquired in the period from 15 January to 6 March 2015 and in the period from 1 June to 15 July 2018.

The Management Board of the general partner of Mutares SE & Co. KGaA resolved on 17 September 2020, with the approval of the Supervisory Board of the general partner, to launch a share buyback program using the authorization granted by the Annual General Meeting on 23 May 2019 ("Share Buyback Program 2020 / I"). Under the share buyback program 2020 / I, up to a total of 250,000 treasury shares (corresponding to up to 1.61 % of the Company's share capital) could be repurchased in the period from 17 September 2020 to 31 March 2021 at a total purchase price (excluding incidental acquisition costs) of up to EUR 2.5 million. A total of 210,600 shares were acquired during this period. The difference between the acquisition cost and the notional value of the treasury shares amounts to a total of EUR 2.3 million and was offset against retained earnings.

The Company used part of the 472,475 treasury shares existing as of 31 December 2020 to service the stock options exercised under the 2016 Stock Option Plan. This reduced the number of treasury shares to 10,475, representing EUR 10,475 or 0.1 % of the share capital.

Further details of the existing authorizations can be found in the respective resolutions of the Annual General Meeting. Information on authorized and conditional capital and on the acquisition of treasury shares can also be found in the notes to the annual financial statements (Note 3.5) and in the notes to the consolidated financial statements (Notes 31, 32.1 and 33).

Agreements that are conditional on a change of control as a result of a takeover bid

In February 2020, Mutares SE & Co. KGaA placed a bond, which was fully drawn in the amount of EUR 80.0 million as of the reporting date 31 December 2022, unchanged compared to 31 December 2021. The agreement concluded under the bond grants the other contracting party a right of termination, inter alia, in the event of (i) the delisting of the shares from the Frankfurt Stock Exchange, (ii) 50 % of the shares being held by a natural person or legal entity or group of persons (with the exception of Robin Laik), (iii) the disposal of all or any material assets, whether individually or in a series of connected transactions.

6.3 Corporate governance and non-financial statement

The Management Board of the general partner of Mutares SE & Co. KGaA, Mutares Management SE, as well as the Shareholders' Committee and the Supervisory Board of Mutares SE & Co. KGaA are committed to the principles of corporate governance focused on long-term and sustainable value creation. To this end, they jointly issue a summarized "Corporate Governance Statement" in accordance with Sections 289f and 315d of the German Commercial Code (HGB). The full text of the current declaration is available on the company's website at https://ir.mutares.de/en/corporate-governance. As part of the corporate governance statement, the Management Board of the general partner of Mutares SE & Co. KGaA, Mutares Management SE, and the Supervisory Board of Mutares SE & Co. KGaA issued the statement required by Section 161 of the German Stock Corporation Act (AktG) in December 2022 and made it publicly available on the company's website at https://ir.mutares.de/en/corporate-governance.

The Management Board of the general partner of Mutares SE & Co. KGaA, Mutares Management SE, and the Supervisory Board of Mutares SE & Co. KGaA will fulfill the obligation to submit a non-financial consolidated statement pursuant to Section 315b HGB by publishing a separate non-financial consolidated report on the Company's website at https://ir.mutares.de/en/corporate-governance.

7. Opportunity and risk report

7.1 Risk management and internal control system

Mutares' business activities, like any entrepreneurial activity, are associated with opportunities and risks. Mutares defines "risk" as possible future developments or events that, if they occur, could lead to a negative deviation from the forecast or target for the Group. Conversely, "opportunities" can lead to a positive deviation from forecasts or targets if they materialize.

Risk management system

Mutares SE & Co. KGaA is required by law (cf. Section 278 (3) AktG in conjunction with Section 91 (3) AktG) to operate and maintain an appropriate and effective risk management system, including an early risk detection management system pursuant to Section 91 (2) AktG.

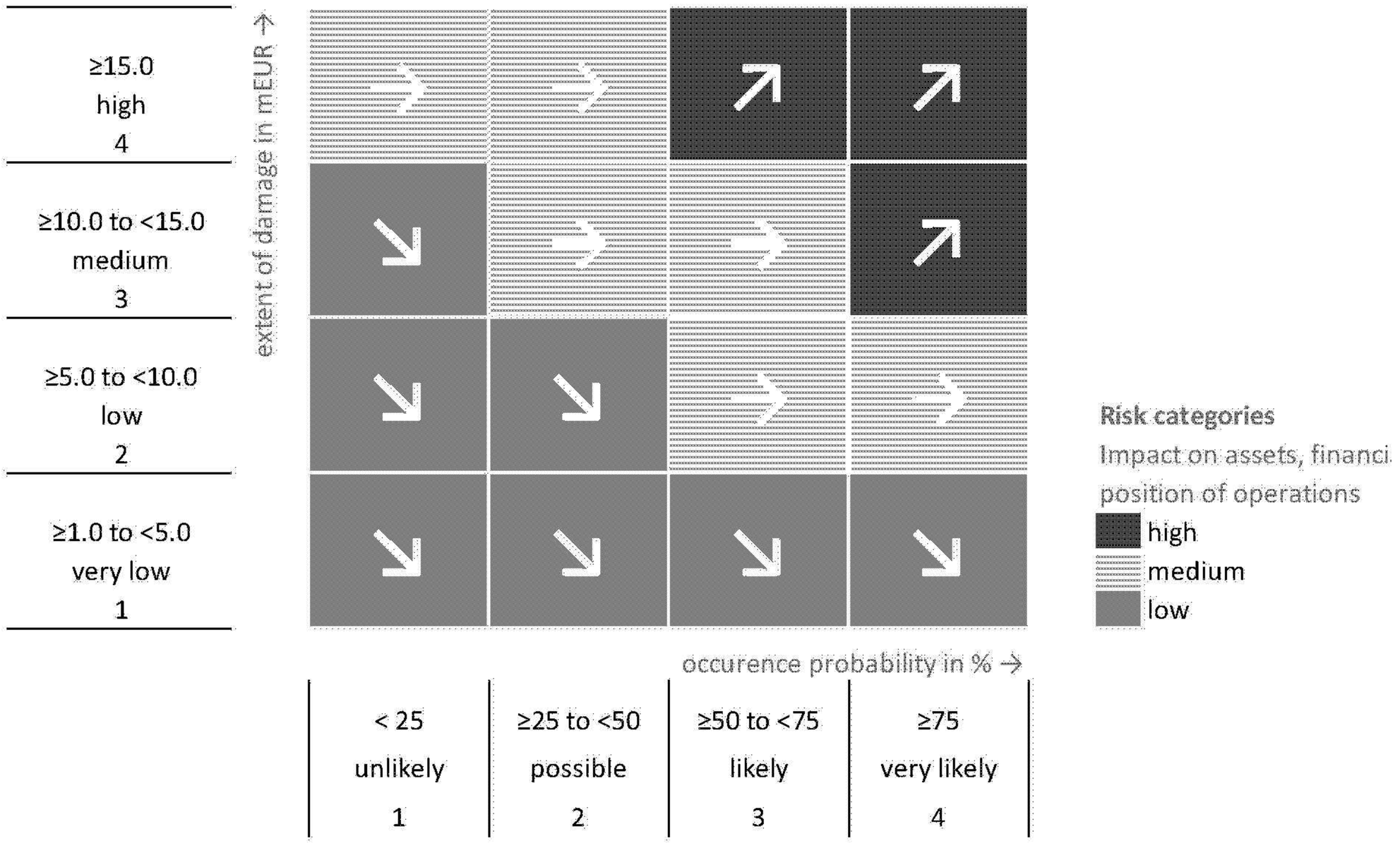
Risk management, as the totality of all organizational regulations and measures for the early identification of risks and the adequate handling of the risks of entrepreneurial activity, has a high priority in the Group and plays a central role in the Mutares business model. The Management Board has therefore installed and organizationally anchored a systematic, multi-level risk management system.

The primary objective of Mutares' risk strategy is to identify existential risks and reliably avert them from the company while limiting risk costs to a necessary level. Furthermore, risks that threaten to miss the published forecasts if they materialize, thus leading to a failure to meet the expectations of the capital market, are to be avoided. Using the risk management process ,[13] actual and potential risks are identified, assessed and reported:

Risks are **identified** by a combination of bottom-up and top-down analyses based on defined risk areas. The risks identified in this way are assessed on the basis of the two relevant dimensions, namely their monetary impact (extent of damage) on the results of operations and/or financial position and/or net assets of the Company or the Group and their expected probability of occurrence in relation to a one-year observation horizon. The focus of the assessment is on the most likely risk scenario in each case. The **risk assessment** distinguishes between gross and net assessment: Measures already taken can mitigate the gross risk both in terms of monetary impact and in terms of the possible occurrence of the risk. The net risk then represents the amount of damage and probability of occurrence, taking into account the measures already initiated by the reporting date that reduce the possible damage or the expected probability of occurrence.

[13] The identification of opportunities and the entrepreneurial perception of the identified opportunities represent the core of the Mutares business model and are therefore performed by original entrepreneurial functions. The focus of the Mutares risk management system is therefore on the management of risks in the narrower sense.

The risk classes, as a result of this assessment, can be presented in a **risk matrix:**



The identified risks are **actively managed** in order to achieve the risk reduction targeted by the company. The management of risks that have only a minor impact on the Group is the responsibility of the operational management of the respective subsidiary.

Mutares has installed a standardized **reporting** process for the reporting of actual and potential risks: Accordingly, quarterly reports are submitted to the Company by the operating portfolio companies and assessed together with the Company's risk analysis. In the case of particularly significant new risks (especially those threatening the existence of the company) or significant changes in existing risk positions, there is also immediate reporting (ad hoc risk process). Regular reporting to the Board of Management and the Supervisory Board is also carried out on a quarterly basis and, in addition, on an ad hoc basis.

The **risk-bearing** capacity represents the maximum extent of risk that can be borne by the Company without jeopardizing its continued existence and is generally the upper limit for a cumulative risk position. It is calculated both on the basis of liquidity and in relation to the Company's equity. Both figures are compared with the sum of the assessed risks as an aggregated risk position. In order to analyze the risk-bearing capacity and thus also the overall risk position of Mutares and to be able to initiate suitable countermeasures, all recorded and assessed risks are aggregated into risk portfolios. A recognized quantitative method is used for this purpose. The scope of consolidation of the risk management corresponds to the scope of consolidation of the consolidated financial statements. In this context, the total risk positions determined are considered in relation to the risk-bearing capacity of Mutares for the period under review using a suitable key figure, the total net expected loss, and are regularly monitored by the Management Board with regard to the coverage of the net assets, financial position and results of operations. The analyses of the risk-bearing capacity did not lead to any adjustments or to a lack of viability.

Risk management is further flanked by the following activities: All critical contractual elements, business developments and liability risks are subjected to rigorous review and regularly followed up in portfolio company reviews and Management Board and Supervisory Board meetings. Standardized reporting of all portfolio companies on a weekly or monthly basis provides the Management Board with a comprehensive picture of developments across the portfolio. In addition, Mutares works closely with the operational teams in the portfolio companies consisting of Mutares consultants on site and /or the local management members who review compliance on site in the respective portfolio companies and develop concrete steps for their implementation together with Mutares. The Management Board monitors the business performance of the portfolio companies in regular reviews and is informed about the net assets, financial position and results of operations of all investments on the basis of the implemented reporting system. If necessary, Mutares tries to maintain sufficient free personnel and financial capacities in order to be able to react flexibly and appropriately.

In the interests of **continuous improvement,** adjustments to the risk management system are evaluated and made on a regular basis.

Internal control system [14]

The internal control system ("ICS"), as the totality of all systematically defined controls and monitoring activities, aims to ensure the security and efficiency of business operations, the reliability of financial reporting, and the compliance of all activities with relevant laws and internal policies. In addition to safeguarding against financial reporting risks, the ICS therefore also includes general basic safeguarding against sustainability risks and compliance risks, for example.

In accordance with Section 91 (3) of the German Stock Corporation Act (AktG), the scope and design of the ICS are at the discretion and responsibility of the Board of Management. The ICS supports the organizational implementation of the Management Board's decisions. This includes the achievement of business objectives, the correctness and reliability of accounting (cf. the explanations in the following paragraph on the internal control and risk management system in relation to the accounting process), and compliance with the relevant legal requirements and regulations. Sustainability and compliance aspects are also taken into account and continuously developed on the basis of regulatory requirements.

The components of the ICS organization are anchored decentrally in the portfolio companies of the Mutares Group and comprise system-related controls as well as manual spot checks, system-related and manual reconciliation processes and the separation of executive and controlling functions (so-called "separation of functions").

The Board of Management is not aware of any relevant indications that materially conflict with the appropriateness and effectiveness of the internal control system as a whole. Irrespective of this, every internal control system is subject to inherent limitations which, by their very nature, do not provide complete assurance that all relevant risks are detected via appropriate control mechanisms and addressed fully and effectively. This is all the more true due to the frequent changes in the composition of the portfolio inherent to the business model and the special investment focus of Mutares on targets in economically challenging situations or situations of transition (e.g. pending restructuring).

[14] The disclosures in this section are so-called non-management report disclosures that go beyond the statutory requirements for the (combined) management report and are therefore excluded from the content audit by the auditor.

Internal control and risk management system in relation to the accounting process

The internal control and risk management system relating to the accounting process is designed to ensure that all business processes and transactions are recorded in a timely, uniform and correct manner for accounting purposes. The aim of the internal control system for the consolidation of the subsidiaries included in the consolidated financial statements is to ensure compliance with legal standards, accounting regulations and internal accounting instructions. Changes to these are analyzed on an ongoing basis with regard to their relevance and impact on the consolidated financial statements and taken into account accordingly. The Company's finance department actively supports all business areas and Group companies in this regard, both in developing uniform guidelines and work instructions for accounting-relevant processes and in monitoring operational and strategic targets. In addition to defined controls, system-related and manual reconciliation processes, the separation of executive and controlling functions, and compliance with guidelines and work instructions are an essential part of the internal control system with regard to the accounting process.

The Group companies or their management are responsible for compliance with the applicable guidelines and accounting-related processes and for the proper and timely preparation of the financial statements. The Group companies are supported in the accounting process by central contacts at the Group parent company.

Internal audit

Against the backdrop of growth, a significant conceptual expansion of Internal Auditing was initiated in the financial year 2022. Among other things, the tasks, purpose, powers and responsibilities of Internal Auditing were codified in a set of rules of procedure (the "Audit Charter") and the annual audit plan for subsequent years was drawn up on the basis of a risk-oriented assessment of relevant information in the Group (the "Audit Universe") and management criteria.

7.2 Risks to future development

The table shows the risks discussed in the following[15] and classifies them into the risk classes defined above (low/medium/high) on the basis of the two key dimensions of extent of damage and probability of occurrence (in each case taking mitigating measures into account, i.e. net).

		Current closing date			Previous Year
		Extent of damage	Probability of occurrence	Total	
Future economic conditions	Economic development	High	High	High	High
	Geopolitical development	High	High	High	High
Opportunities and risks inherent in the business model	Increased competition	Medium	Possible	Medium	Medium
	Risks from the acquisition process	Medium	Possible	Medium	Medium
	Failure to achieve restructuring successes	High	Possible	Medium	Medium
	Diversification of the portfolio	Low	Possible	Low	Low
Other risk areas and significant individual risks	Legal and compliance risks	High	Possible	Medium	Medium
	Financial and financing risks	High	High	High	High
	Distribution and sales risks	High	Possible	Medium	Medium
	Sustainability risks	Low	Possible	Low	Low
	Supply chain risks	High	High	High	Medium
	Personnel risks	Low	Possible	Low	Low
	IT risks and data security	High	Possible	Medium	Medium
	Tax risks	Low	Possible	Low	Low

The order in which the following explanations are presented does not reflect the Management Board's assessment of the extent of damage and/or probability of occurrence. Unless explicit information is provided on which segments are (particularly) affected by the risks presented, they generally apply to the entire Group. The opportunities and risks inherent in the business model, on the other hand, focus on the business activities of Mutares SE & Co. KGaA, consisting of the acquisition, transformation (restructuring, optimization and repositioning) and/or development of companies in situations of transition and their subsequent sale. In addition to the presentation of risks, the following section also provides information on opportunities, insofar as these are of particular relevance in the opinion of the Management Board.

[15] Due to the fact that the identification and exploitation of (investment) opportunities is the core of Mutares' business, the comments here focus quite predominantly on the risks of our business activities.

Future economic conditions

Economic development

The ifo Institute's forecast ("ifo Economic Forecast Winter 2022"[16] , published in December 2022) assumes that gas prices in Europe will not fall until the second half of 2023. Tight monetary policy will have an impact on the economy and dampen demand, so inflation momentum is expected to weaken. In addition, weakening commodity prices are also expected to reduce the rise in consumer prices.

Gross domestic product, which is expected to contract in the euro zone in the winter half of 2022/2023, is expected to recover slightly in the further course of 2023, resulting in comparatively low growth of 0.6 % expected for 2023 as a whole. The assessment of economic development for the current year in Germany is now more positive than previously assumed. Moderate economic growth of 0.2 % is expected for 2023 despite the energy crisis and persistent inflation as well as possible further interest rate increases.

On the supply side, production is restricted by bottlenecks in the supply of energy, raw materials and intermediate products and the associated high costs. On the demand side, high inflation is affecting real income, so that household consumption is being dampened despite considerable support from fiscal policy.

Geopolitical development

The war in Ukraine, which started with the military invasion by Russian forces on February 24, 2022, has a direct and indirect impact on the business development, risks, results of operations as well as cash flows of the portfolio companies in the Mutares Group.

Direct effects in the form of lost sales to customers in Ukraine, Russia or Belarus, as well as production stoppages or delivery problems at the Plati plant in Ukraine, had less impact than the indirect effects such as increasingly occurring supply chain disruptions, significant price increases for raw materials, intermediates and energy, and the overall resulting weakening of the economy. The indirect effects are clearly visible and are having a noticeable negative impact on both the earnings situation and the financial situation of individual portfolio companies.

Mutares has taken numerous measures with the entire management team and the managements and workforces of the portfolio companies to mitigate the direct and indirect effects on liquidity and profitability. These include the establishment of a procurement management system and the strict monitoring of the respective suppliers as well as the initiation of measures to pass on price increases to customers and to reduce energy consumption.

[16] https://www.ifo.de/publikationen/2022/zeitschrift-einzelheft/ifo-schnelldienst-sonderausgabe-dezember-2022

Risks inherent in the business model

The success of Mutares' business model depends to a large extent on the ability to identify suitable target companies for acquisition, to acquire them on appropriate terms, and to develop them through active investment management. In this context, the selection of suitable individuals in management positions is essential. The acquisition of companies in economically challenging situations or situations of upheaval (e.g. pending restructuring) with potential for operational improvement holds high value enhancement potential. To this end, extensive transformation plans are being implemented at the portfolio companies. Finally, Mutares must succeed in either selling the investment at an attractive price in order to achieve a high return on invested capital or to sustainably collect dividends from profitable portfolio companies.

Increased competitive situation

Strategic realignments of major groups are leading to a stable supply of acquisition opportunities, which may be particularly high due to additional opportunities in a context of continuing economic uncertainty. Price expectations on the sellers' side remain fundamentally high, but could also be depressed by economic developments. The fundamental attractiveness of the "companies in transition" market segment has also led to increased competition. For example, funds have entered the market as competitors, particularly in France. In addition to the growing number of direct competitors, strategists, particularly from China, are increasingly entering the market segment with the aim of expanding entrepreneurially. However, Mutares successfully relies on its reliability and competence as an experienced expert for transformation and repositioning.

Opportunities and risks from the acquisition process

As part of its business model, Mutares actively and systematically looks for targets in situations of transition. In times of high uncertainty, additional opportunities may open up, especially on the buy side. The pipeline for purchase transactions comprises a mid-double-digit number of significant acquisition projects. In addition to Mutares' strong reputation with a successful track record in the market for special situations private equity, financial flexibility is another pledge of trust for our transaction partners.

Significant tax, legal and economic risks are associated with the acquisition of companies in situations of transition, even if an in depth analysis of the company (due diligence) has taken place prior to the acquisition. Liabilities, obligations and other encumbrances of the respective target company that were not known or identifiable at the time of acquisition despite the due diligence performed may have a material adverse effect on Mutares. This applies in particular if as is or other guarantees are given to the sellers. In these cases, even if the seller provides significant financial resources for restructuring as consideration, the net assets, financial position and results of operations of the Mutares Group may be significantly impacted.

As a matter of principle and in order to minimize the effects of any insolvency of individual companies within the Group, no profit transfer or cash pooling agreements are concluded within the Mutares Group. In some cases, guarantees, sureties, loans or similar commitments are given or extended to investments after detailed examination to exploit business opportunities, growth or working capital financing. The utilization of the guarantees and sureties or the default of the loans may have negative consequences on the net assets, financial position and results of operations of Mutares.

In order to reduce the extent of potential risks, Mutares also uses a corporate structure in which the operating risks of each individual investment are ring-fenced via a legally independent company (intermediate holding company). This is to ensure that the sum of any risks that may arise cannot exceed the previously assessed maximum risk. This risk generally amounts to the purchase price paid, plus any further financing measures and any off-balance-sheet obligations, less the returns received from the operating activities of the respective company over the holding period.

Failure to achieve restructuring success

If Mutares succeeds in successfully restructuring and developing the investments as planned, there is a high value enhancement potential for Mutares. There is a risk that Mutares also acquires investments whose restructuring turns out to be more difficult than assumed in the previous due diligence. Even with careful and conscientious selection of the target companies, it can also not be ruled out that the success Mutares is aiming for from the turnaround situation does not occur or does not occur quickly enough in individual cases, or that the economic or political framework conditions in the countries important for the portfolio companies deteriorate.

If the positioning in the market, the value enhancement potential or other key success factors of Mutares are incorrectly assessed, this may have consequences for the operational development of the investment and thus for the return at Mutares. Furthermore, it cannot be ruled out that the ability to restructure is incorrectly assessed or that risks are not fully recognized or are incorrectly assessed prior to an acquisition. It is therefore possible that the value of investments develops negatively, that the measures initiated are not successful and that the return targeted by Mutares is not achieved for a variety of reasons. This would result in portfolio companies being resold below their acquisition price or having to file for insolvency. In the latter case, Mutares would suffer a total loss of the capital invested, i.e. lose all financial resources used for the acquisition, ongoing support and, if applicable, financing of this portfolio company. In addition, there could be the threat of claims by third parties arising from commitments made by Mutares.

Diversification of the portfolio

When selecting investments, Mutares is generally not limited to specific regions or business models. However, the focus is on companies with a focus of activities in Europe that are in a situation of transition or are suitable as add-on acquisitions for existing platforms. In terms of sectors, the focus is on the three segments Automotive & Mobility, Engineering & Technology and Goods & Services. These focuses may lead to a concentration of investments within individual industries or regions, which exposes Mutares to fundamental industry and/or regional risk. Mutares strives to minimize these risks through a diversified portfolio of companies, thus limiting the risks of individual sectors or regions from economic fluctuations or geopolitical developments. The Management Board also strives for a balanced distribution of portfolio companies with regard to the three phases of value creation that investments usually go through during their affiliation with Mutares (realignment, optimization and harvesting). However, diversification of the investment portfolio can only reduce those risks that are limited to certain industries or regions or specific stages of value creation. However, economic and/or geopolitical developments as well as the development of the financial markets as a whole regularly take place across industries and regions. Their influence on the business success of Mutares can therefore only be reduced to a limited extent through diversification.

Other risk areas and significant individual risks

Legal and compliance risks

In connection with its business activities, Mutares may be confronted with various legal disputes and legal proceedings. Some of the associated risks are significant. Details on ongoing proceedings are presented in the section "Litigation".

For example, difficulties may arise in fulfilling obligations under purchase agreements or business plans communicated prior to a transaction. Both can end in legal disputes, the probable outcome of which cannot always be clearly estimated. In addition, legal cases taken on by the portfolio companies may turn out to be more critical, but also more positive, in the course of time than originally assumed.

Furthermore, failure to comply with legal requirements and regulations may result in the threat of official proceedings.

Capital Market Compliance

Mutares is subject to capital market regulations in the European Union and is therefore exposed to risks regarding related enforcement measures. A finding of a violation of capital market regulations could have various adverse effects on Mutares, including fines and reputational damage.

Privacy

Data protection requirements apply to the Mutares Group with regard to, among other things, the use and disclosure of personal data as well as the confidentiality, integrity and availability of such data. In particular, Mutares is subject to the strict requirements of the EU's General Data Protection Regulation (GDPR), which has been in force since May 2018. If Mutares Group does not comply with this regulation, this could lead to claims for damages and other liability claims, high fines and other penalties, as well as damage to business relationships with various partners and Mutares' reputation.

Risk from pass-through liability

The Mutares Group operates in many foreign jurisdictions. There is a risk that, due to the more restrictive legal systems abroad compared to Germany, there may be increased liability risks, for example in the form of a liability to pass through. In France, for example, where several of the shareholdings have their economic center of gravity, there are rulings on pass-through liability with regard to the status of employee (so-called "co-employeur" or so-called "employeur conjoint"), which extends the obligations of an employer to its parent company as well. Most recently, the argumentation towards co-employer status has been clarified by case law. Mutares has aligned its employee deployment in such a way that a pass-through liability is avoided as far as possible. However, it cannot be ruled out that a claim will nevertheless be made.

In addition, Mutares is also exposed to a risk of pass-through liability in relation to other areas of law. This applies in particular, but not exclusively, to the risk arising from potential violations of antitrust and competition law, where not only potential fines are calculated on the basis of Group revenue, but – under certain circumstances – the Group parent company could also be held liable.

Obligations from acquisitions and disposals of companies

In connection with contracts for the purchase or sale of companies, Mutares issues guarantees under which it may be held liable or which may lead to legal disputes (for an overview of all current guarantees, please refer to Note 45 of the notes to the consolidated financial statements). The issuance

of guarantees can be a differentiating factor in the competition for potential takeover targets if competitors are unable to issue guarantees due to their own articles of association. In individual cases, a possible claim under the guarantees given may have a significant negative impact on the net assets, financial position and results of operations of the Mutares Group.

In principle, the Management Board does not anticipate any utilization of the obligations arising from the acquisition and sale of companies. However, depending on further economic developments, the probability of utilization may increase and it cannot be ruled out that the obligations entered into may be utilized.

Litigation

A lawsuit was filed in the Court of Michigan against companies of the SFC Solutions Group by the former owner Cooper-Standard Automotive, Inc. ("CSA") based on alleged default in payment of royalties. The lawsuit is based on a licensing agreement under which companies of the SFC Solutions Group are required to pay royalties on intellectual property owned by CSA. However, there is essentially disagreement about the basis, cause, scope and existence of the claimed royalties. SFC Solutions Group considers the action to be inadmissible, in any case without merit, and has taken up the defense. The Court of Michigan has referred the action to the competent federal court in Michigan/ MI (USA).

Another lawsuit is being pursued by the liquidator of the former investment Grosbill, based on an alleged corporate liability of Mutares. At the same time, the former seller of Grosbill is being sued for breach of contract towards the sold company. Mutares has defended itself in full against this action, which it considered to be without merit. The lawsuit was initially deleted from the list of ongoing proceedings for lack of grounds and put on hold; at the end of 2022 (shortly before the statute of limitations for potential claims), the plaintiff filed a new statement of claim containing grounds. Mutares will defend itself against this as the claims are considered to be without merit.

Other obligations

Indirect subsidiaries of Mutares SE & Co. KGaA from the Engineering & Technology segment are involved as partners in joint agreements within the framework of joint ventures or consortium agreements. These have been entered into with the aim of implementing customer projects. The majority of the joint ventures are based in Germany. The share of ownership ranges from 28 % to 77 %.

Taking into account the structure and legal form of the arrangements and all other relevant facts and circumstances, the joint arrangements are to be classified as joint operations that are not individually material to the Group.

As of the reporting date, the joint and several liability from the investment in the civil law companies relates to projects with a total contract value equivalent to approximately EUR 462 million (previous year: approximately EUR 368 million). The own share of the portfolio companies included in this amounts to EUR 192.5 million (previous year: EUR 162 million). Due to the ongoing credit assessments of the ARGE and consortium partners, Mutares does not assume that a claim will be made for the shares of other companies. Mutares also does not expect a utilization for its own share with the exception of the amounts recognized as provisions for onerous contracts or as part of the loss-free valuation.

Financial risks and financing risks

Price change, default and liquidity risk

Fluctuations in prices, sales and demand, including supply bottlenecks on the part of customers and suppliers, as well as general fluctuations on the commodity, capital and currency markets can have a negative impact on the Group's financial position and results of operations. Mutares counters the risks at the level of the portfolio companies by continuously and promptly monitoring the business results and project progress, among other things with the help of indicators (e.g. cash balance and cash flow development), in order to be able to take countermeasures at an early stage. In addition to extensive on-site reviews, a central management information system is used to monitor the performance of the portfolio companies in real time. The level of cash and cash equivalents is monitored on a weekly basis. Nevertheless, there is a risk that the management information system may provide insufficient, late or incorrect information, resulting in incorrect decisions being made.

Financial instruments are used as required to hedge commodity, currency and interest rate risks. The focus of the instruments is on forward transactions which provide for a fixed cash inflow or outflow in the future. The aim of using financial instruments is to hedge underlying transactions and reduce risks from cash flow fluctuations. The discontinuation of the underlying transaction or a change in the assumptions essential for hedging can lead to an increased liquidity risk.

Another significant risk for Mutares against the background of its business model is the correct quantification of the future prospects and the restructuring effort of the portfolio companies, the provision of appropriate financing and the corresponding human resources on the part of Mutares. This risk is limited as best as possible through focused due diligence and subsequently continuously monitored.

In the case of trade receivables, there is a risk of loss for the Group if one of the parties fails to meet its contractual obligations. To hedge against this risk, credit default insurance is taken out in some cases. In addition, business relationships should only be entered into with creditworthy contractual parties and, if appropriate, with the provision of collateral, in order to mitigate the risks of loss arising from the non-fulfillment of obligations. Nevertheless, additional bad debt losses cannot be ruled out, particularly in connection with negative effects of the current general conditions on the economic performance of customers of the portfolio companies.

Financing risks

The Management Board considers the further development of the Group to be dependent to a not inconsiderable extent on financing risks, which can have an important influence on the net assets, financial position and results of operations.

Increasing regulatory requirements for banks and insurance companies as well as a change in the credit rating of individual investments may lead to more difficult or less favorable financing conditions or to more difficult and more expensive procurement of guarantees. In addition to the bond terms and conditions affecting Mutares SE & Co. KGaA, the contracts in connection with financing lines at the investments generally contain covenants and other obligations, the breach of which may give the financing partner the right to terminate and thus have a negative impact on the financial position.

Investments with existing financing in the form of credit, loan, leasing, guarantee or factoring agreements at the time of acquisition are exposed to the risk that the financing partners may terminate these financing agreements at short notice in the event of a change of ownership or provide them with less favorable terms. In addition, if performance falls short of planning, the repayment of (loan) liabilities may be delayed or not possible in full.

Mutares counters these risks by usually contacting financing partners before or shortly after the acquisition and also explaining in detail the current financial situation and the restructuring plan for the investment. However, there is a fundamental risk with every takeover that the previous financing partner cannot be fully convinced and therefore announces the termination of the existing financing. The same can happen due to a breach of agreed covenants.

The short- and longer-term yield curves in the euro area have reacted to the inflation trend with an increase. If the current inflation momentum continues, it must be assumed that interest rates will continue to rise, which may have an impact in particular on short-term financing without fixed interest rates and on the floating-rate bond. The possible interest rate risk can be hedged by means of suitable instruments (e.g. interest rate swaps, options) after examining the individual case. Even hedging does not fully protect against the effects of rising interest rates in such constellations. In addition, hedging transactions involving the use of financial instruments may give rise to valuation and liquidity effects that have a negative impact on the net assets, financial position and results of operations.

In the case of investments that are to be developed with a new strategy following successful repositioning, access to external financing is often an essential prerequisite for further growth. Due to a more restrictive financing environment as well as the commenced reduction of the expansive monetary policy of the European Central Bank, and thus a possible reduction of the available liquidity on the credit and capital markets, such financing may not always be secured.

Distribution and sales risks

Adjusting the product and customer portfolio for negative contribution margins is usually part of the restructuring following the acquisition of a new portfolio company. The loss of profitable customers or the delay of major orders in particular can have a negative impact on the net assets, financial position and results of operations of portfolio companies whose business is highly concentrated on a small number of major customers or projects. The same applies to sales markets characterized by high competitive pressure, from which the contribution margins and margins of the portfolio companies suffer. Finally, problems with customers that have arisen at one investee may also have a negative impact on the Group's other investees, especially those in the same segment.

As a rule, these risks are countered by active communication with customers and systematic sales structure and work at the level of the respective shareholding. Particularly for customers who account for a large proportion of sales, the aim is to conclude longer-term contracts, thereby increasing the ability to plan. Intensive communication can lead to better opportunities for orders or for large orders, especially if order processing has been satisfactory to both sides in the past.

Sustainability risks

Sustainability risks can include environmental, social or governance risks ("environmental, social, governance" or "ESG" for short) and, if realized, can have an impact on Mutares' reputation in addition to its earnings and liquidity position.

Environmental risks[17] include risks to the health of people, living creatures, the environment and nature and can arise from a company's business activities and its products ("inside-out view"). Causes may include waste, chemicals and raw materials that cause air, soil and water pollution. Mutares may be exposed to these risks at the level of the portfolio companies, for example by taking over hidden soil and groundwater damages, which may cause cost-intensive remediation requirements. By means of a careful examination of possible environmental risks and their costs, Mutares already deals with the acquisition of a target company in the context of due diligence before the acquisition. Environmental risks can also arise as a result of an accident, for example if harmful substances leak into the environment. The occurrence of such environmental risks is counteracted

[17] Social and governance risks can be found in the comments on other risk areas, so that environmental risks in particular are discussed under the heading of sustainability risks.

by an active approach to environmental protection and occupational safety as well as the training of employees at the producing sites of the portfolio companies.

Furthermore, environmental risks can also consist of climate-related risks that are physical or transitory in nature (so-called transition risks).

Physical climate risks

Physical climate risks comprise risks from direct damage to and/or costs for a company ("outside-in view") as a result of physical phenomena such as extreme weather events. A distinction is made between increasing frequency and intensity (acute climate risks) and longer-term changes in mean values and fluctuation ranges of various climate variables (chronic climate risks). Mutares counters the acute, physical climate risks, which can have an impact on the earnings and liquidity situation, for example through a shutdown of operations or through repair and investment costs, at the portfolio company level. Among other things, building damage insurance policies that cover the operating sites may also include claims from natural disasters. Chronic, physical climate risks may be relevant for those portfolio companies that conduct their business activities in locations that are more exposed to extreme weather events in the future, such as coastal locations. These are not yet directly affected by loss events today, but may be affected in the future due to the impact of climate change. If a portfolio company is affected by chronic, physical climate risks, this is countered by physical measures such as flood protection.

Chronic, physical climate risks have not materialized for the Mutares Group as of the current status, nor have any material chronic, physical climate risks been identified.

Climate-related transition risks

Climate-related transition risks can materialize through new legislation and further structural changes. For example, consumers' increasing orientation towards climate protection leads to market risks for a company's products and services that do not contribute to a CO_2 -neutral overall economy. Political and regulatory changes, such as the introduction of a CO_2 tax, can have a negative impact on business activities.

Managing these climate-related transition risks is critical for Mutares and its sustainable development.

Supply chain risks

Procurement risks

In the area of purchasing, the Group companies are exposed to risks such as supplier default, late or poor-quality delivery, and price fluctuations, especially of raw materials. Mutares counters these risks by establishing a procurement management as well as a strict monitoring of the respective suppliers on the level of the portfolio companies. At various investments of Mutares, partly dramatic price increases of raw materials (e.g. steel, plastic granules and pulp) up to restrictions in availability due to a shortage of raw materials on the procurement markets were observed in the financial year 2021 and also still in the financial year 2022. Depending on further developments, this may have potentially negative and in some cases also very negative effects on profitability in the Group, particularly if it is not possible to pass on these price increases to customers to an appropriate extent.

The Supply Chain Due Diligence Act ("Supply Chain Act") came into force on January 1, 2023. The aim of the Act is to ensure compliance with fundamental human rights standards in global supply chains. This was and is already a matter of course for the companies of the Group as required by the Mutares Code of Conduct before. Notwithstanding, Mutares is currently adapting its internal processes to the requirements of the new law. Companies within the scope of the Supply Chain Act are required, among other things, to extensively expand their risk assessment and supply chain management. The core of the expanded risk management is a comprehensive risk analysis, which must be carried out once a year as well as on an ad hoc basis if the company expects human rights and environmental risks to have changed significantly or expanded. As with other new laws, questions arise when implementing the requirements of the Supply Chain Act regarding the practical implementation of the regulations into operational practice. Mutares has decided to implement all requirements conscientiously and with the advice of external experts.

Production risks

The individual portfolio companies of the Mutares Group are exposed to various production risks. There is a risk that after the acquisition of a company, the optimization measures implemented by Mutares may not have an effect or may have a delayed effect and that cost savings cannot be implemented or can only be implemented with a delay. In addition, quality problems and delays in new and further product developments may lead to a loss of orders and customers at individual investments, which may have a negative impact on the net assets, financial position and results of operations of the respective company. Mutares addresses such risks by deploying qualified personnel and closely monitoring production processes.

Trade credit insurance

In the event of a change of ownership in particular (and especially in the case of asset deals), trade credit insurers subject their exposures to intensive scrutiny, with the risk of deterioration in insurance

conditions or cancellation of limits/cover commitments. For individual portfolio companies, this may result in increased liquidity requirements due to advance payments required from suppliers. At the same time, risks may arise from increased bad debt losses if these cannot be sufficiently covered by taking out trade credit insurance. Mutares counteracts these risks in the portfolio companies by a tight accounts payable and receivable management adapted to the circumstances and regularly tries to reach an agreement with the seller already in the purchase agreement regarding purchase conditions and payment terms, provided that the seller remains a major supplier after the acquisition.

In order to prevent the risk of a deterioration in insurance conditions or a cancellation of the limits/cover commitments, contact is generally made with trade credit insurers before or shortly after the acquisition and the current financial situation and the restructuring plan for the investment are also explained in detail. Proactive communication and regular reporting of the shareholdings to the trade credit insurers create a basis of trust that enables constructive cooperation.

Personnel risks

Mutares' business success depends to a large extent on experienced key personnel, who must have outstanding cross-industry expertise in corporate transactions, financing and corporate law, as well as operational restructuring, while at the same time being highly resilient. Mutares competes globally with private equity firms in recruiting and retaining these key personnel, who are also in high demand for this profile. Mutares faces this competition and ensures through a bundle of measures that the company has sufficient highly qualified personnel to operate its business model. Through careful personnel selection, a high degree of autonomy for the restructuring managers deployed, and compensation that is as variable and highly performance-related as possible, Mutares offers an attractive working environment for entrepreneurial personalities.

In the portfolio companies, too, averting fluctuation or recruiting qualified personnel is a key success factor. Here, local factors such as locations without an attractive local living environment or high demand from other employers in the region can represent an additional risk. Here, too, Mutares tries to create attractive framework conditions for qualified personnel by offering appropriate conditions, which are generally also designed to be success-oriented.

IT risks and information/data security

The business and production processes and the internal and external communication of companies are based to a large extent on information technologies. Data protection requirements are constantly changing and increasing particularly with regard to the confidentiality, availability and integrity of personal data, but also increasingly with regard to authenticity, non-repudiation, binding nature and reliability. Reliable protection against unauthorized access, for example to sensitive information on potential transactions, the portfolio companies or economic information of the Mutares Group, is particularly important. Attacks on networks, infrastructure, applications, systems as well as targeted interception of digital, analog and spoken information represent a risk for the Mutares Group. A significant disruption or failure of the systems used may lead to an impairment of business and production systems up to a complete loss of information and data and may result in financial, compliance and reputational damage.

Therefore, the preparation, monitoring and training of IT documentation on the hardware used, software licenses, the network and security policies, including access and data protection security concepts, is an integral part of risk prevention in the Mutares Group. The IT structures and data flows in the Mutares Group are largely standardized. In order to prevent potential failures, data loss, data manipulation and unauthorized access to the IT network, Mutares uses current and, in some cases, industry-specific standard software from renowned providers. If necessary, this is supplemented by

the Group's own specific developments, which are subject to continuous quality control. Backup systems, mirrored databases and a defined emergency plan sustainably secure the data stock and ensure its availability. The IT systems are protected by special access and authorization concepts as well as effective and continuously updated antivirus software.

All business processes of Mutares SE & Co. KGaA have been recorded, evaluated and transferred to a data protection management system within the scope of DSGVO or GDPR compliance. All employees of Mutares SE & Co. KGaA are provided with detailed guidelines and work instructions on the subject of data protection, data security and general information security The IT infrastructure of Mutares SE & Co. KGaA is also continuously kept up to date with the latest technical standards.

Newly acquired portfolio companies of Mutares are regularly confronted with the challenge of separating the existing IT systems from the IT landscape of the former parent company and/or upgrading them to a state of the art level in a timely, cost-efficient manner and without system failures. Such changeover phases are also subject to the risks outlined above. Mutares generally pursues the approach here of subjecting the group companies to technical modernization as part of the carve-out, replacing outdated systems and hardware and thereby raising the IT security standard, as well as identifying and implementing applicable standards and laws in the security context. As part of due diligence with regard to IT, IT and information risks are recorded, assessed and mitigation measures defined. The implementation of these measures is weighed according to a dedicated cost-benefit ratio and can also imply risk acceptance, avoidance or transfer (e.g., through appropriate insurance). The goal is always the use of state-of-the-art systems and applications and the use of cloud technologies for an efficient and secure delivery of business processes. Mutares strives to achieve a high level of transparency regarding the security level of each Group company and to ensure pragmatic implementation of security measures in line with the respective security ambition.

The generally observed increase in attacks on commercial enterprises with the aim of sabotage, blackmail or industrial espionage in recent years reinforces our approach to continuously review and improve our standards. To this end, Mutares has invested in the field of cyber security for the future in order to further conceptualize and implement information and IT security according to leading standards as well as to continuously monitor and consistently establish relevant standards and laws within the Group.

Tax risks

Mutares SE & Co. KGaA and its portfolio companies operate worldwide and are therefore subject to various tax laws. Uncertainties with effects on the net assets, financial position and results of operations of the Mutares Group may thus result in particular from ongoing changes in legislation, case law and different legal interpretations by the respective tax authorities, and may possibly assume a significant extent. In order to be able to respond appropriately to the associated tax risks, changes in tax legislation are continuously monitored by the tax department and countered by means of appropriate measures. External experts are consulted where necessary.

Overall statement on the risk situation

Based on the information currently available to the Management Board from the systematic, multi-level risk management system, no risks can be identified by the Management Board that could individually or in combination jeopardize the continued existence of the Mutares Group or individual material Group companies. However, it is generally possible that future assessments may deviate from this current assessment. In particular, the further course of the armed conflict between Russia and Ukraine that started on February 24, 2022 and its respective economic impact cannot be reliably estimated at the time of preparation of this combined management and group management report;

however, in the opinion of the Management Board, this does not affect the positive going concern forecast for the Mutares Group as a whole.

7.3 Opportunities for future development

The identification of opportunities and the entrepreneurial exploitation of the identified opportunities represent the core of the Mutares business model.

In addition to the presentation of risks above, the following section provides information on opportunities where the Management Board considers them to be of particular relevance. The order in which the following explanations are presented does not reflect the assessment of the opportunities in terms of their significance.

Opportunities inherent in the business model[18]

The acquisition of companies in economically challenging situations or situations of upheaval (e.g. pending restructuring) with potential for operational improvement holds high value enhancement potential. To this end, extensive transformation plans are being implemented at the portfolio companies. Ultimately, Mutares must succeed in selling the investment in order to achieve a high return on invested capital and sustainably collect dividends from profitable portfolio companies.

As part of its business model, Mutares actively and systematically searches for target companies in situations of transition. In times of high uncertainty, additional opportunities may open up, especially on the buy side. The pipeline for purchase transactions includes a high double-digit number of significant acquisition projects. In addition to Mutares' strong reputation with a successful track record in the market for special situations private equity, financial flexibility is another pledge of trust for our transaction partners.

Mutares is present in other strategic core markets in Europe through its own offices, in addition to its home market of Germany. This makes it possible to compensate for regional fluctuations in the transaction markets and to ensure a constant deal flow.

Mutares' business success depends to a large extent on experienced key personnel who must have cross-industry expertise in corporate transactions, financing and corporate law, as well as operational restructuring, while at the same time being highly resilient. Mutares competes globally with private equity firms in recruiting and retaining these key personnel, who are also in high demand for this profile. Mutares faces this competition and tries to ensure through a bundle of measures that the company has sufficient highly qualified personnel to operate its business model. These include not only variable, highly performance-related remuneration structures commensurate with the high level of expertise required; through careful personnel selection, a high degree of autonomy for the restructuring managers deployed, and value-oriented management behavior, Mutares is attempting to offer an attractive working environment for entrepreneurially oriented personalities.

Overall statement on the opportunity situation

The opportunities inherent in the business model described are not the only ones that arise and are flanked in particular by opportunities in the existing portfolio and a possible exceptionally good business performance in the portfolio companies (as described in the reports from the portfolio companies in Note 2.3). The assessment of opportunities for future development is also subject to change, as

[18] With regard to the opportunities in the portfolio companies, we refer to the comments above in the reports from the portfolio companies (para. 2.3).

both the Group and the markets in which the portfolio companies operate are subject to continuous change. It is also possible that opportunities may not necessarily materialize.

8. Forecast Report

The forecast for the financial year 2023 in the combined management report for the financial year 2022 continues to be influenced by the war in Ukraine. The war in Ukraine has direct and indirect effects on the business performance, risks, results of operations and cash flows of the portfolio companies in the Mutares Group. The Management Board assumes that, as in the reporting year, direct effects in the form of lost sales with customers in Ukraine, Russia or Belarus as well as production shutdowns or delivery problems at the Plati plant in Ukraine will have less impact in the financial year 2023 than the indirect effects such as ongoing disruptions in supply chains, significant price increases for raw materials, intermediate products and energy, as well as the overall resulting weakening of the economy. The indirect effects are clearly visible and have a noticeable negative impact on both the results of operations and the financial position of individual portfolio companies. Mutares, together with the entire management team and the managements and workforces of the portfolio companies, has taken numerous measures to mitigate the direct and indirect effects on liquidity and profitability, which will be continued or adapted and/or expanded in the financial year 2023. These include the establishment of a procurement management system and the strict monitoring of the respective suppliers, as well as the initiation of measures to pass on price increases to customers and reduce energy consumption. Notwithstanding the above, the Management Board believes that the future development of the portfolio companies and the Group as a whole in terms of financial position, net assets and results of operations will be significantly influenced by the further course of the war in Ukraine and the associated disruptions to supply chains as indirect effects, significant price increases for raw materials, intermediate products and energy, and an overall weakening of the economy.

As a result, the Management Board's forecast is not only subject to greater uncertainty than usual due to the high degree of uncertainty regarding future economic developments, but also expressly assumes that risks from the armed conflict between Russia and Ukraine will not materialize to an even greater extent than before, to a significant extent for the financial position, net assets and results of operations of Mutares; in particular, there is a significant risk for individual portfolio companies in the Mutares Group that the significant increase in procurement prices and the loss of revenues will have a negative impact on the companies' earnings and financial position and slow down the restructuring processes.

At the same time, however, the Management Board believes that the weakening economy and the resulting increase in restructuring pressure will provide many companies with more opportunities to acquire additional portfolio companies in line with Mutares' investment focus. In this environment, the Management Board continues to aim for a **transaction volume** for the financial year 2023 at least at the level of the financial year 2022. Currently, it is not foreseeable that the currently high transaction activity will decline; therefore, the Management Board is confident to achieve this target.

Against the background of the transactions of the current financial year 2023 concluded and signed by the preparation date of this combined management and group management report, the assumptions regarding further intended transactions in the course of the year, as well as the planning of the individual portfolio companies prepared in the second half of the financial year 2022, the Management Board continues to expect an increase in annualized **revenues** for the Mutares Group to EUR 4.8 billion to EUR 5.4 billion in the financial year 2023. All three Mutares segments are again expected to contribute to this.

Taking into account the transactions concluded, signed and intended by the preparation date for the current financial year 2023, (reported) **EBITDA** is again expected to reach at least a slightly positive level, in particular due to the gains from bargain purchases arising in this context.

In terms of **adjusted EBITDA**, the Management Board currently expects an extraordinary improvement compared with the 2022 financial year on the basis of the existing budgets and the start to the 2023 financial year to date, on balance due to opposing effects. Adjusted EBITDA will be negatively

impacted by the negative earnings contributions of the newly acquired investments. On the other hand, from today's perspective the Management Board expects a clearly positive overall contribution to adjusted EBITDA from the restructuring measures successfully initiated in the acquisitions from the 2020 and 2021 financial years and in some cases also in the acquisitions from 2022, and the resulting increase in the respective profitability. However, adjusted EBITDA is expected to continue to be negatively impacted by the in part massive price increases for raw materials and energy at various shareholdings. Depending on the further development of raw material prices in the financial year 2023 and the development of pricing

The net profit of Mutares SE & Co. KGaA shall regularly be in a range of 1.8 % to 2.2 % of the consolidated revenues of the Mutares Group. Based on expected revenues for the Mutares Group of EUR 5.1 billion on average, the Management Board therefore expects a net profit of EUR 92 million to EUR 112 million in the financial year 2023. All sources from which the net profit of Mutares SE & Co. KGaA is generally derived, namely revenues from the consulting business on the one hand and dividends from portfolio companies as well as exit proceeds from the sale of investments on the other hand, are expected to contribute to this. Based on the current planning and under consideration of the risk factors, the Management Board therefore assumes that a sufficiently high net profit can also be generated for the financial year 2023 in order to ensure the ability of Mutares SE & Co. KGaA to pay dividends at least at the level of the market expectation.

Beyond this, the Management Board has no new information to suggest that the most recent forecasts and other statements despite some changes in the underlying conditions regarding the expected development of the Group for the financial year 2023 have changed significantly.

Munich, April 5, 2023

Mutares Management SE,
General Partner of Mutares SE & Co. KGaA

The Board

Robin Laik

Mark Friedrich

Johannes Laumann

Mutares SE & Co. KGaA

Annual financial statements as of 31 December 2022

Mutares SE & Co. KGaA, Munich

Annual financial statements

for the financial year from 1 January to 31 December 2022

Mutares SE & Co. KGaA

Annual financial statements as of 31 December 2022

Balance

in EUR thousand			31.12.2022	31.12.2021
Assets				
A.	**Fixed assets**			
I.	Intangible assets		0	0
		Concessions, industrial property rights and similar rights and assets acquired for consideration as well as licenses to such rights and asset	0	0
II.	Tangible fixed assets		415	463
	1.	Other equipment, factory and office equipment	415	440
	2.	Prepayments made	0	23
III.	Financial assets		94,795	65,439
	1.	Shares in affiliated companies	66,482	47,779
	2.	Loans to affiliated companies	28,276	17,624
	3.	Participations	36	36
			95,210	**65,902**
B.	**Current assets**			
I.	Receivables and other assets		322,364	203,373
	1.	Receivables from affiliated companies	299,612	195,380
	2.	Receivables from companies in which participations are held	0	200
	3.	Other assets	22,752	7,793
		(thereof with a remaining term of more than one year)	*229*	*229*
II.	Securities		0	29,903
		Other Securities	0	29,903
III.	Cash on hand and bank balances		12,481	44,878
			334,845	**278,154**
C.	**Prepaid expenses**		**1,309**	**1,110**
D.	**Active deferred taxes**		**10,727**	**0**
Total Assets			**442,091**	**345,166**

in EUR thousand	31.12.2022	31.12.2021
Equity & Liabilities		
A. Equity		
I. Capital issued	20,627	20,627
1. Share capital	20,637	20,637
(Contingent capital)	*(4.550)*	*(4.550)*
2. Own shares	-10	-10
II. Capital contribution of the personally liable shareholder - without insert -	0	0
III. Capital reserves	135,293	135,293
IV. Retained earnings	132	132
Legal reserve	132	132
V. Retained earnings	117,829	75,864
	273,879	**231,916**
B. Provisions		
1. Bonds	1,802	0
2. Other provisions	19,704	7,785
	21,506	**7,785**
C. Verbindlichkeiten		
1. Bonds	80,000	80,000
2. Trade payables	2,784	2,000
3. Liabilities to affiliated companies	53,523	15,317
4. Liabilities to companies in which participations are held	9,820	7,564
5. Other liabilities	579	584
(thereof from taxes)	*335*	*346*
(of which social security)	*18*	*45*
	146,706	**105,465**
Total Equity & Liabilities	**442,091**	**345,166**

Mutares SE & Co. KGaA

Annual financial statements as of 31 December 2022

INCOME STATEMENT

in EUR thousand	2022	2021
1. Revenues	71,112	50,463
2. Other operating income	12,887	3,785
3. Expenses for purchased services	-21,476	-14,840
4. Personnel expenses	-17,556	-14,001
a) Wages and salaries	-16,556	-13,141
b) Social security contributions and expenses for pensions and other employee benefits	-1,000	-861
(thereof for pensions)	*0*	*0*
5. Amortization of intangible assets and depreciation of property, plant and equipment	-278	-198
6. Other operating expenses	-51,442	-43,550
7. Income from investments and gains on the disposal of investments	72,479	72,472
(thereof from affiliated companies)	*72,479*	*46,893*
8. Income from long term loans	362	467
(thereof from affiliated companies)	*362*	*467*
9. Other interest and similar income	9,849	3,059
(thereof from affiliated companies)	*9,543*	*3,059*
10. Write-downs of financial assets and marketable securities	-4,809	-939
11. Interest and similar expenses	-7,551	-5,967
(thereof to affiliated companies)	*-1,870*	*-564*
12. Income tax	9,329	-1
(thereof income from deferred taxes)	*10,727*	*0*
13. Earnings after taxes	**72,905**	**50,751**
14. Other taxes	-2	-4
15. Net income for the year	**72,903**	**50,747**
16. Profit carried forward from the previous year	44,926	20,117
17. Offsetting the difference in connection with the acquisition of treasury shares	0	5,000
18. Retained earnings	**117,829**	**75,864**

Mutares SE & Co. KGaA

Annual financial statements as of 31 December 2022

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Mutares SE & Co. KGaA

Annual financial statements as of 31 December 2022

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1. General information

Mutares SE & Co. KGaA (hereinafter also "the Company" or "Mutares") has its registered office in Munich and is registered there with the local court in the commercial register section B under number 250347. The registered office and at the same time the head office of the Company is Arnulfstraße 19, 80335 Munich.

The financial statements for the financial year from 1 January to 31 December 2022 have been prepared on the basis of the German Commercial Code and the German Stock Corporation Act. Mutares is considered a large corporation due to the listing of the Company's shares on the organized market in accordance with section 267 (3) sentence 2 HGB in conjunction with section 264d HGB. The annual financial statements of Mutares SE & Co. KGaA are prepared by the Management Board of the general partner of Mutares SE & Co. KGaA, Mutares Management SE, and are to be adopted by the Annual General Meeting of Mutares SE & Co. KGaA.

The financial year is the calendar year.

The balance sheet has been structured in accordance with Section 266 HGB. The income statement has been prepared using the nature of expense method in accordance with Section 275 (2) HGB. For reasons of clarity, additional disclosures required by law are generally made in the notes.

The principle of the representation continuity was observed.

Some of the figures in these notes are presented in thousands of euros (EUR thousand for short) or millions of euros (EUR million for short). This may result in rounding differences in individual cases.

2. Accounting and valuation principles

The annual financial statements of the Company have been prepared unchanged in accordance with the following accounting policies and on a going concern basis.

Balance

Fixed assets

Purchased **intangible assets** are capitalized at cost and amortized on a straight-line basis over their expected useful lives of three years. If the fair value of individual intangible assets included in the non-current assets falls below their carrying amount, additional impairment losses are recognized.

Property, plant and equipment have been capitalized at cost and depreciated on a scheduled basis. Items of property, plant and equipment are depreciated on a straight-line basis over their expected useful lives of three to fifteen years. Additions in the financial year were depreciated pro rata temporis. If the fair values of individual assets are lower than their carrying amounts, additional scheduled depreciation is charged in addition to in the event of an expected permanent impairment in value.

Since 1 January 2018, movable items of property, plant and equipment with an acquisition cost of up to EUR 800.00 have been fully depreciated in the year of acquisition and treated as disposals in the statement of changes in non-current assets on an accrual basis. Such assets are shown in the statement of changes in non-current assets exclusively under other equipment, factory and office equipment.

The carrying amount of **financial assets in the** statement of **financial** position is the cost of acquisition plus incidental acquisition costs and, where appropriate, write-downs in accordance with Section 253 (3) Sentence 5 of the German Commercial Code (HGB) if the impairment in value is expected to be permanent. If the reasons for a write-down made in the past no longer exist, write-ups are made up to a maximum of the historical acquisition cost.

Current assets

Receivables and other assets are stated at nominal value or - in compliance with the strict lower-of-cost-or-market principle - at the lower value applicable on the balance sheet date.

Cash on hand and **bank balances** are stated at their nominal or face value at the balance sheet date.

Prepaid expenses

Payments made before the balance sheet date are recognized as **prepaid** expenses at if they represent expenses for a certain period after this date. If the settlement amount of a liability is higher than the issue amount, the difference is recognized as a discount on the assets side and amortized over the term of the liability.

Deferred taxes

Deferred taxes are calculated for temporary differences between the carrying amounts of assets, liabilities and prepaid expenses in the financial statements and the tax base, as well as for tax loss carryforwards. Deferred taxes are calculated on the basis of the corporate income tax and trade tax of Mutares SE & Co. KGaA, which currently add up to 32.98%. The Company has tax loss carryforwards on which **deferred tax assets** are recognized. They are reported on a net basis. Use has been made of the option under Sec. 274 (1) Sentence 2 HGB to recognize a total resulting tax relief as deferred tax asset.

Provisions

Provisions are recognized for uncertain liabilities and for anticipated losses from pending transactions and are stated at the settlement amount deemed necessary in accordance with prudent business judgment. Provisions with a remaining term of more than one year are discounted at the average market interest rate of the past seven years corresponding to their remaining term, as published by the Deutsche Bundesbank.

Liabilities

Liabilities are recognized at their settlement amount.

Foreign currency translation

Transactions in **foreign currencies** during the year are recorded at the respective daily exchange rate. Receivables and liabilities with a remaining term of one year or less are translated at the mean spot exchange rate at the balance sheet date in accordance with Section 256a HGB. In the case of a

remaining term of more than one year, translation is performed taking into account the realization principle (Section 252 (1) no. 4 half-sentence 2 HGB) and the historical cost principle (Section 253 (1) sentence 1 HGB).

Profit and loss account

Revenues result from consulting services to affiliated companies and management fees and is recognized as soon as the service has been rendered.

Income from investments is recognized (in the same period) at the level of the subsidiary in the year in which distributable profit arises if the parent company holds a 100% interest in the subsidiary, the subsidiary is a dependent group company within the meaning of sections 17 (2) and 18 (1) sentence 3 of the German Stock Corporation Act (AktG), the shareholders' meeting or annual general meeting of the dependent subsidiary has adopted a resolution approving the annual financial statements and the appropriation of profits for the past financial year before the audit of the annual financial statements of the parent company is completed, and the parent company has a 100% interest in the subsidiary. 3 AktG, the shareholders' meeting or general shareholders' meeting of the dependent subsidiary has resolved to approve the annual financial statements and the appropriation of profits for the past financial year before the audit of the annual financial statements of the parent company has been completed, and the parent company and subsidiary have the same financial year. In the case of a majority shareholding of less than 100%, an accounting obligation is also to be assumed if the financial year of the subsidiary does not end after that of the parent company, the annual financial statements of the subsidiary have been adopted before completion of the audit of the annual financial statements of the parent company, and the controlling parent company alone is in a position to enforce the corresponding resolution on the appropriation of profits. Otherwise, such income is not recognized until after the resolution on the proposed distribution has become legally effective and the legal right to receive the distribution has arisen (in the following year).

3. Notes to the balance sheet

3.1 Fixed assets

For further information on non-current assets, please refer to the statement of changes in non-current assets (Appendix 1 to the Notes).

The list of shareholdings required to be disclosed pursuant to Section 285 No. 11 to 11b HGB (list of shareholdings) is attached as Annex 2 to the Notes.

3.2 Current assets

Receivables from affiliated companies and companies in which participations are held, as well as other assets, break down as follows:

in EUR thousand	31.12.2022	31.12.2021
Receivables from affiliated companies	299,612	195,380
thereof trade receivables	56,050	32,251
of which receivables from loans	161,828	66,464
of which receivables from profit distributions	68,154	64,075
of which receivables from the sale of investments	13,590	32,590
Receivables from companies in which participations are held (residual term<1y)	0	200
Other assets	22,752	7,793
Total receivables and other assets	**322,364**	**203,373**

As in the previous year, receivables **from affiliated companies do** not include any receivables with a remaining term of more than one year. On the basis of current information, the Management Board assumes that part of the total carrying amount of the receivables from affiliated companies as of 31 December 2022 will not be collected until after a period of twelve months from the balance sheet date.

Other assets include pledged credit balances in connection with the acquisition of shares in an indirect subsidiary, Balcke-Dürr Energy Solutions S.p.A., Genoa, by a direct subsidiary in the amount of EUR 17,544 thousand. Furthermore, other assets include a loan receivable from the former subsidiary STS Group AG in the amount of EUR 3,295 thousand (31 December 2021: EUR 4,166 thousand). Other assets include those with a remaining term of more than one year in the amount of EUR 4,785 thousand (31 December 2021: EUR 229 thousand).

The other securities, which had been acquired in December 2021 as part of the Company's active liquidity management, were sold at nominal value (EUR 30 million) in April 2022.

As of 31 December 2022, **cash and cash equivalents** amounted to EUR 12,481 thousand (31 December 2021: EUR 44,878 thousand).

3.3 Prepaid expenses and deferred charges

Deferred income was calculated pro rata temporis according to the nominal amount. In connection with the increase of the bond in August 2020 (after initial issuance in February 2020), a discount of EUR 600 thousand was capitalized, which will be amortized over the term of the liability. With the increase of the bond in February 2021, a further discount of EUR 150 thousand was capitalized, which will be amortized over the term of the liability. The total amount of the discount as of 31 December 2022 is EUR 256 thousand (31 December 2021: EUR 478 thousand).

3.4 Deferred taxes

Deferred tax liabilities exist for differences between the carrying amounts of assets, liabilities and prepaid expenses for financial reporting purposes and their tax bases in the amount of EUR 905 thousand, which relate to receivables from and liabilities to affiliated companies. In addition, deferred tax assets are recognized in connection with the future utilization of tax loss carryforwards in the amount of EUR 11,632 thousand. The future usability of the tax loss carryforwards is based on a five-year plan, on the basis of which it is predominantly probable that the tax loss carryforwards can be partially utilized in the following five assessment periods. The recognition of deferred tax assets takes into account a complete utilization of the trade tax loss carryforwards in the planning period. No deferred tax assets are recognized for corporate income tax loss carryforwards amounting to approximately EUR 3,000 thousand, as it is not predominantly probable that they will be utilized in the five-year planning period. After netting the deferred tax assets and liabilities, the net amount of EUR 10,727 thousand is recognized as deferred tax assets.

The total amount of the distribution-restricted amounts within the meaning of Section 268 (8) HGB of EUR 10,727 thousand (31 December 2021: EUR 0 thousand) relates in full to the surplus of deferred tax assets.

3.5 Equity

Subscribed capital

The subscribed capital of Mutares SE & Co. KGaA is fully paid-in and consists of 20,636,731 (31 December 2021: 20,636,731) no-par value registered shares with a notional interest in the share capital of EUR 1.00 each as of 31 December 2022.

Conditional capital

The Annual General Meeting of the Company on 3 June 2016 authorized the Management Board, with the approval of the Supervisory Board, to issue up to 1,500,000 subscription rights ("stock options") to members of the Management Board of the Company, members of the management of affiliated domestic and foreign companies of the Company, and employees of the Company and employees of affiliated domestic and foreign companies until 2 June 2020 ("Mutares Stock Option Plan 2016"). The stock options entitle the holder to subscribe to up to 1,500,000 no-par value registered shares of the Company with a notional interest in the share capital of EUR 1.00 each. Furthermore, the Annual General Meeting resolved to conditionally increase the share capital of the Company by EUR 1.5 million by issuing up to 1,500,000 no-par value bearer shares to service the Mutares Stock Option Plan 2016 ("Conditional Capital 2016/I"). The Annual General Meeting of the Company on 23 May 2019 resolved to cancel the Conditional Capital 2016/I to the extent that it relates to the stock options not issued under the Mutares Stock Option Plan 2016. As a result, the Conditional Capital 2016/I amounts to EUR 361 thousand after reduction as of the reporting date.

The Annual General Meeting of the Company on 23 May 2019 created Conditional Capital 2019/I in the amount of EUR 3,000 thousand for the purpose of granting shares upon exercise of conversion

or option rights or upon fulfillment of conversion or option obligations to the holders or creditors of convertible bonds, warrant bonds, profit participation rights and/or participating bonds or combinations of these instruments issued on the basis of the authorization resolution of the Annual General Meeting of 23 May 2019.

After the partial cancellation of the Conditional Capital 2016/I became effective, the share capital of Mutares SE & Co. KGaA was conditionally increased by up to EUR 802 thousand by issuing up to 802,176 no-par value registered shares ("Conditional Capital 2019/II") by resolution of the Annual General Meeting on 23 May 2019. Conditional Capital 2019/II serves to grant subscription rights to members of the Management Board and employees of the Company, members of the management and employees of companies affiliated with the Company.

After the partial cancellation of the Conditional Capital 2016/I has become effective, the share capital of the Company shall be conditionally increased by up to EUR 387 thousand by issuing up to 387,000 no-par value registered shares ("Conditional Capital 2021/I"). The Conditional Capital 2021/I is exclusively for the purpose of issuing shares of the Company to service subscription rights to shares of the Company issued to members of the Management Board of the Company and employees of the Company as well as to members of the management and employees of affiliated companies within the meaning of Secs. 15 et seq. AktG in the form of stock options in accordance with the above authorization resolution pursuant to lit. b).

Authorized capital

By resolution of 23 May 2019, the Annual General Meeting of the Company resolved to cancel the Authorized Capital 2015/I and instead authorized the Management Board to increase the share capital of the Company in the period until 22 May 2024, with the consent of the Supervisory Board, by a total of up to EUR 7.7 million by issuing up to 7,748,146 new registered no-par value shares against cash contributions and/or contributions in kind ("Authorized Capital 2019/I"). The Management Board of the Company's general partner, Mutares Management SE, resolved on 28 September 2021, with the approval of the Supervisory Board, to increase the Company's share capital from previously EUR 15.5 million to EUR 20.6 million by issuing 5.1 million new registered ordinary shares (no-par value shares). The capital increase with subscription rights for the limited liability shareholders of the Company was carried out in return for cash contributions, making partial use of the existing Authorized Capital 2019/I. The authorized capital amounts to EUR 1.5 million after the partial use of the existing Authorized Capital 2019/I. This still amounts to EUR 2,608 thousand after the partial utilization.

Own shares

By resolution of the Annual General Meeting on 23 May 2019, the Management Board was authorized to acquire treasury shares of the Company up to a total of 10% of the Company's capital stock existing at the time of the resolution or - if this value is lower - at the time the authorization is exercised, subject to compliance with the principle of equal treatment (Section 53 AktG), until the end of 22 May 2024. The shares acquired on the basis of this authorization, together with other treasury shares of the Company which the Company has acquired and still holds or which are attributable to it in accordance with sections 71a et seq. of the German Stock Corporation Act (AktG), may at no time exceed 10% of the respective capital stock of the Company.

On the basis of corresponding resolutions, the Management Board, with the approval of the Supervisory Board, launched share buyback programs in the past financial years. In this context, a total of 261,875 shares were acquired in the period from 15 January to 6 March 2015, and in the period from 1 June to 15 July 2018, with each share representing EUR 1.00 of the capital stock.

The Management Board of the general partner of Mutares SE & Co. KGaA resolved on 17 September

2020, with the approval of the Supervisory Board of the general partner, to launch a share buyback program using the authorization granted by the Annual General Meeting on 23 May 2019 ("Share Buyback Program 2020/I"). Under the share buyback program 2020/I, up to a total of 250,000 treasury shares (corresponding to up to 1.61% of the Company's share capital) could be repurchased in the period from 17 September 2020 to 31 March 2021 at a total purchase price (excluding incidental acquisition costs) of up to EUR 2.5 million. A total of 210,600 shares were acquired during this period. The difference between the acquisition cost and the imputed value of the treasury shares amounts to a total of EUR 2.3 million and was offset against retained earnings. To service the stock options exercised under the 2016 Stock Option Plan, the Company used part of the 472,475 treasury shares existing as of 31 December 2020 in the financial year 2021. The reissuance prices were in a range between EUR 19.10 and EUR 24.60 and were used to cover costs as well as to settle taxes arising from the exercise of the stock options for the beneficiaries and to be paid by the Company. The difference between the acquisition cost and the nominal value of the treasury shares was offset against retained earnings when they were acquired in the past due to the lack of freely available reserves of EUR 3,649 thousand. When treasury shares were used in the context of servicing the stock options exercised under the 2016 Stock Option Plan, the difference between the nominal value of the treasury shares and the exercise price of EUR 3,649 thousand was offset against retained earnings in the opposite direction; the difference between the original average acquisition cost and the exercise price of EUR 1,351 thousand was also offset against retained earnings. In total, the number of treasury shares thus decreased to 10,475 as of 31 December 2021.

No transactions with treasury shares took place in the financial year 2022, so that the number of treasury shares remains at 10,475 as of 31 December 2022. Their share in the capital stock remains unchanged at EUR 10,475 or 0.1% as of 31 December 2021.

Capital reserve

As of 31 December 2022, the capital reserve amounts to EUR 135,293 thousand (31 December 2021: EUR 135,293). As part of the capital increase in financial year 2021, the amount of EUR 95,098 thousand resulting from the difference between the issue amount and the notional share of capital stock of EUR 1.00 per share was transferred to the capital reserve. Furthermore, the amount of EUR 4,049 thousand resulting from the difference between the issue amount and the imputed share of capital stock of EUR 1.00 per share was transferred to additional paid-in capital in connection with the use of treasury shares to service the stock options exercised under the Stock Option Plan 2016.

Retained earnings

The legal reserve as of 31 December 2022 amounts to EUR 132 thousand (31 December 2021: 132 thousand).

Appropriation of earnings

By resolution of the Annual General Meeting on 17 May 2022, a partial amount of EUR 30,939,384.00 of the net profit of the Company as of 31 December 2021 of EUR 75,865,346.02 was distributed in the form of a dividend of EUR 1.50 per no-par value share entitled to dividend and the remaining amount of EUR 44,925,962.02 was carried forward to new account.

3.6 Provisions

The **tax provisions** as of 31 December 2022 relate to corporate income tax, solidarity surcharge and trade tax for the assessment period 2022.

Other provisions developed as follows in the financial year 2022:

in EUR thousand	As at 31. December 2022	As at 1. January 2022
Personnel costs	6,359	5,073
Legal costs	50	416
Outstanding invoices	788	1,766
Closing and audit costs	470	484
Other accrued expenses	12,037	45
Total other accruals	**19,704**	**7,785**

There were no provisions with a remaining term of more than one year as of 31 December 2022 or 31 December 2021.

Other provisions of EUR 12,000 thousand relate to payments received in connection with the acquisition of shares in Balcke-Dürr Energy Solutions S.p.a, Genoa, by an indirect subsidiary. The contribution received by Mutares SE & Co. KGaA serves to cover the uncertain obligations from guarantee assumptions and is therefore recognized as other provisions.

Provisions for personnel costs include bonuses of EUR 5,840 thousand (31 December 2021: EUR 4,639 thousand) and vacation provisions of EUR 519 thousand (31 December 2021: EUR 434 thousand).

Provisions for outstanding invoices include consulting services to affiliated companies in the amount of EUR 669 thousand (31 December 2021: EUR 622 thousand) and provisions for legal advice in the amount of EUR 74 thousand (31 December 2021: EUR 367 thousand).

3.7 Liabilities

Liabilities break down as follows:

in EUR thousand	31.12.2022	31.12.2021
Liabilities from bonds	80,000	80,000
of which with a remaining term of more than one year	*80,000*	*80,000*
of which with a remaining term of up to one year	*0*	*0*
Trade accounts payable	2,784	2,000
of which with a remaining term of more than one year	*0*	*0*
of which with a remaining term of up to one year	*2,784*	*2,000*
Liabilities to affiliated companies	53,523	15,317
of which with a remaining term of more than one year	*0*	*0*
of which with a remaining term of up to one year	*53,523*	*15,317*
Liabilities to companies in which a participating interest exists	9,820	7,564
of which with a remaining term of more than one year	*0*	*0*
of which with a remaining term of up to one year	*9,820*	*7,564*
Other liabilities	579	584
of which from taxes	*335*	*346*
of which social security	*18*	*45*
of which with a remaining term of more than one year	*0*	*0*
of which with a remaining term of up to one year	*579*	*584*
Total liabilities	**146,706**	**105,465**

As in the previous year, there are no liabilities with a remaining term of more than five years.

Liabilities to affiliated companies include EUR 33,240 thousand in liabilities from (formally short-term) loans (31 December 2021: EUR 13,000 thousand), EUR 13,067 thousand in trade and other payables (31 December 2021: EUR 1,826 thousand) and EUR 7,225 thousand in advance payments received for consulting services (31 December 2021: EUR 500 thousand).

4. Notes to the income statement

4.1 Sales revenue

The sales revenues in the financial year 2022 in the amount of EUR 71,112 thousand (previous year: EUR 50,463 thousand) result from consulting services to affiliated companies in the amount of TEUR 60,914 (previous year: EUR 43,649 thousand) and management fees in the amount of 10,198 (previous year: EUR 6,814 thousand).

4.2 Other operating income

Other operating income includes EUR 12,335 thousand from the collection of loan receivables that were recognized at an amount lower than their nominal value. This income also represents extraordinary income within the meaning of Section 285 No. 31 HGB. Other operating income in the previous year included EUR 3,440 thousand from the reversal of impairment losses on receivables written down in previous years.

4.3 Expenses for purchased services

The cost of purchased services includes an amount of 19,204 (previous year: EUR 10,719 thousand), mainly expenses from Mutares' national companies in connection with restructuring services for indirect subsidiaries.

4.4 Personnel expenses

During the financial year 2022, Mutares SE & Co. KGaA employed an average of 74 people (previous year: 60) in M&A (10; previous year: 7), Operations (45; previous year: 34) and Administration (19; previous year: 19).

4.5 Other operating expenses

Other operating expenses include:

in EUR thousand	2022	2021
Other operating expenses affiliated companies	13,060	9,663
Other operating expenses Mutares Management SE	10,531	11,108
Depreciation of current assets	10,525	577
Legal and consulting fees	9,503	14,051
Travel expenses etc.	3,825	2,684
Administration	1,030	999
Insurance, contributions and levies	559	440
Occupancy costs	516	457
Vehicle costs	397	274
Provisionen zu Aktien	0	2,694
Other	1,495	603
Other operating expenses	**51,442**	**43,550**

Other operating expenses in connection with affiliated companies relate to the charging on of consulting services of the national companies of EUR 13,060 thousand (previous year: EUR 11,108 thousand) and write-downs of receivables included as write-downs of current assets of EUR 10,525 thousand (previous year: EUR 577 thousand). In the previous year, other operating expenses included expenses in connection with the capital increase and the uplisting amounting to EUR 6,303k and resulted in particular from commissions to banks in the amount of EUR 3,279 thousand and

expenses for consulting services in the amount of EUR 3,023 thousand. These also represented extraordinary expenses within the meaning of Section 285 No. 31 HGB.

4.6 Income from investments and gains on the disposal of investments

Income from investments and gains on the disposal of investments mainly includes income from the recognition of profits from subsidiaries in the same period amounting to EUR 70,440 thousand (previous year: EUR 14,160 thousand) and the recognition of profits from subsidiaries in different periods amounting to EUR 1,894 thousand (previous year: EUR 250 thousand). Income from the disposal of subsidiaries amounted to EUR 145 thousand. Income in the previous year included gains from the intra-Group disposal of two subsidiaries in the combined amount of EUR 32,483 thousand and gains from the disposal of subsidiaries to third parties in the amount of EUR 25,579 thousand.

4.7 Write-downs of financial assets and marketable securities

This item includes EUR 4,809 thousand (previous year: EUR 842 thousand) in write-downs on shares in affiliated companies due to an expected permanent impairment.

4.8 Interest

Interest and similar income include interest on loans to and the assumption of guarantees in favor of subsidiaries in the amount of EUR 9,543 thousand (previous year: EUR 3,059 thousand).

Interest and similar expenses in the financial year 2022 include interest expenses of EUR 5,196 thousand (previous year: EUR 5,039 thousand) from the bond issued.

5. Other information

5.1 Auditor's fee

The total fee of the auditor of Mutares SE & Co. KGaA for the financial year 2022 is composed as follows:

in EUR thousand	2022	2021
Audit services	869	894
Other certification services	36	573
Tax consulting services	0	0
Other services	76	100
Total fee	**981**	**1,567**

The audit services include fees of EUR 144 thousand relating to services for the financial year 2021.

In addition, the auditor of the consolidated financial statements charged other assurance services in the amount of EUR 21 thousand and other services in the amount of EUR 76 thousand. The other assurance services related to agreed-upon procedures in connection with the bond, and the other services related in particular to the audit of the non-financial reporting. The services were provided in each case on the basis of a previous engagement by the Audit Committee, which was authorized to do so by the Supervisory Board.

5.2 Supervisory Board of Mutares SE & Co KGaA

The Supervisory Board of Mutares SE & Co. KGaA consists or consisted of:

- Volker Rofalski, Managing Director of only natural munich GmbH, Munich, Chairman, Member of the Audit Committee;
  Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022):
  - HELIAD Equity Partners GmbH & Co. KGaA, Frankfurt am Main (Chairman of the Supervisory Board)
  - Bio-Gate AG, Nuremberg (Member of the Supervisory Board)
  - Mutares Management SE, Munich (Member of the Supervisory Board)
  - FinLab AG, Frankfurt (Member of the Supervisory Board)
  - paycentive Group AG, Augsburg (Member of the Supervisory Board)

- Dr. Axel Müller, independent management consultant, Lahnstein, Vice Chairman, Chairman of the Audit Committee;
  Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022):
  - Mutares Management SE, Munich (Member of the Supervisory Board)
  - Mellifera Sechsunddreißigste Beteiligungsgesellschaft mbH (MIP Pharma Unter nehmens gruppe), Berlin (Chairman of the Advisory Board)

- Dr. Lothar Koniarski, Managing Director of ELBER GmbH, Regensburg, Member of the Supervisory Board;
  Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022):
  - Mutares Management SE, Munich (Deputy Chairman of the Supervisory Board)
  - CANCOM SE, Munich (Deputy Chairman of the Supervisory Board and Chairman of the Audit Committee)
  - DV Immobilien GmbH (Deputy Chairman of the Supervisory Board)
  - SBF AG, Leipzig (Chairman of the Supervisory Board)

- Prof. Dr. iur. Micha Bloching, tax advisor, lawyer, university lecturer, Munich, member of the Supervisory Board (until the end of the Annual General Meeting on 17 May 2022);
  Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022):
  - Mutares Management SE, Munich (until the end of the Annual General Meeting on 17 May 2022, Chairman of the Supervisory Board)

- Raffaela Rein, Managing Director of WildWildVentures GmbH, Member of the Board of the German Startup Association, Berlin, Member of the Supervisory Board (from the end of the Annual General Meeting on 17 May 2022);
  Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022):
  - Member of the Advisory Board, IU International University of Applied Sciences
  - Member of the Sustainability Advisory Board, Porsche AG
  - Member of the Extended Board, German Startups Association e.V.

The current remuneration of the members of the Supervisory Board of the Company was determined retroactively as of 1 January 2022 by resolution of the Annual General Meeting of the Company on 17 May 2022. The members of the Supervisory Board of the Company receive a fixed basic remuneration of EUR 20 thousand for the respective financial year of the Company. The Chairman of the Supervisory Board receives a fixed basic remuneration of EUR 45 thousand and his deputy receives a fixed basic remuneration of EUR 30 thousand for the respective financial year of the Company. As the Supervisory Board consisted of a Chairman, a Deputy Chairman and two other members in the financial year 2022, the total basic compensation of the members of the Supervisory Board of the Company amounted to EUR 115 thousand in the financial year 2022. For their work on the Audit Committee of the Supervisory Board, the Chairman of the Committee receives an additional EUR 15 thousand and each other member of the Committee receives an additional EUR 5 thousand for the respective financial year of the Company. The Company has an Audit Committee, whose members are Dr. Axel Müller as Chairman and Volker Rofalski. For their work on other Supervisory Board committees, the Chairman of the committee receives EUR 10 thousand and each other member of the committee EUR 5 thousand for the respective financial year of the Company. In addition to the aforementioned remuneration, the members of the Supervisory Board are reimbursed for expenses incurred in the performance of their duties, which also include any value-added tax incurred. The compensation is payable at the end of the respective financial year. Members of the Supervisory Board who are members of the Supervisory Board or a committee of the Supervisory Board for only part of the full financial year, or who hold the office of Chairman or Deputy Chairman, shall receive remuneration on a pro rata basis.

The remuneration of the members of the Supervisory Board of Mutares Management SE was resolved at the Annual General Meeting of Mutares Management SE on 17 May 2022. The members of the Supervisory Board of Mutares Management SE receive a fixed basic remuneration of EUR 50 thousand for the respective financial year of the Company. The Chairman of the Supervisory Board receives a fixed basic remuneration of EUR 90 thousand and his deputy receives a fixed basic remuneration of EUR 70 thousand for the respective financial year of the Company. As the Supervisory Board of Mutares Management SE currently consists of a Chairman, a Deputy Chairman and two other members, the total basic remuneration of the Supervisory Board members amounted to EUR 260 thousand in the financial year 2022. The Supervisory Board of Mutares Management SE has no committees.

5.3 Management Board of Mutares Management SE

The Management Board of Mutares Management SE as general partner of Mutares SE & Co. KGaA is composed of the following persons:

- Robin Laik, Chief Executive Officer, Munich;
  Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022):
  - mutares Holding-02 AG, Bad Wiessee (Member of the Supervisory Board)
  - mutares Holding-11 AG i.L., Bad Wiessee (Member of the Supervisory Board)
  - mutares Holding-13 AG i.L., Bad Wiessee (Member of the Supervisory Board)
  - mutares Holding-20 AG i.L., Bad Wiessee (Member of the Supervisory Board)
  - mutares Holding-21 AG, Bad Wiessee (Member of the Supervisory Board)

- Mark Friedrich, Chief Financial Officer, Munich;
  Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022): none

- Johannes Laumann, Chief Investment Officer, Bonn;
  Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2022):
  - iinovis GmbH, Munich (until 13 July 2022, member of the Supervisory Board)
  - Atrium 248th European VV SE (since 12 September 2022, member of the Supervisory Board)

The total compensation of the Management Board (including share-based compensation) for the financial year 2022 amounted to EUR 11.6 million (previous year: EUR 11.9 million), of which EUR 0.0 million (previous year: EUR 2.3 million) was paid to members of the Management Board who have since left the company. No payments were made to members of the Board of Management in connection with defined contribution plans. In addition, the members of the Management Board received benefits totaling EUR 1.9 million (previous year: EUR 1.0 million) from five management participation programs[1] . Finally, 180,000 stock options were issued to members of the Management Board in April 2022 from the 2021 Stock Option Plan. The stock options granted are not entitled to dividends and do not grant any voting rights.

Furthermore, Mutares Management SE, as general partner, receives an annual remuneration of 4% of its share capital, irrespective of profit and loss, plus any value-added tax due. For the financial year 2022, this remuneration amounted to EUR 5 thousand, as in the previous year.

[1] As participation in the Company's shareholding program is financed from the private assets of the Management Board members, the benefits are not promised or granted as consideration for or with regard to the Management Board activity, but with regard to the respective privately financed participation as (indirect) shareholder of the operating subsidiaries. The disclosure is therefore made purely as a precautionary measure.

5.4 Other financial obligations

Annual financial obligations of EUR 373 thousand (previous year: EUR 352 thousand) have existed since April 2016 under a long-term rental agreement for the fixed basic rental period of ten years.

5.5 Contingent liabilities

Guarantees/patronage declarations

There are guarantees and letters of comfort in favor of affiliated companies totaling EUR 19.3 million. In addition, there are guarantees and letters of comfort in favor of affiliated companies in favor of third parties totaling EUR 80.5 million, of which EUR 44.1 million relate to guarantees for loan collateral and EUR 36.4 million to payment and performance guarantees.

In addition, Mutares SE & Co. KGaA has a guarantee facility with a financial institution in the amount of EUR 15.0 million, which was utilized in the amount of EUR 3.6 million as of 31 December 2022.

The Management Board of the Company does not currently see any significant risk from potential claims under guarantees and letters of comfort. When financing is provided under commitments to affiliated companies, a receivable is simultaneously created against the respective affiliated company. However, depending on future economic developments, the probability of a claim may increase, and it cannot be ruled out that a claim may be made under the commitments entered into.

Obligations from business combinations

Mutares SE & Co. KGaA has issued rental guarantees in connection with the acquisition of Gemini Rail Group to secure the fulfillment of the contractual obligations of Gemini Rail Services UK Ltd. The liability under these guarantees is limited to an amount of approximately EUR 9.7 million and reduces over time in the amount of the rental payments made by Gemini Rail Services UK Ltd. As of the reporting date, the potential liability from this rental guarantee amounts to EUR 5.6 million.

Mutares SE & Co. KGaA has undertaken to indemnify the seller of keeeper GmbH in the event of a claim in connection with a previous financing commitment as well as previously issued guarantees, whereby this obligation is limited to an amount of EUR 3.5 million and ends on 30 June 2024.

In connection with the acquisition of the transport logistics and warehouse business BEXity GmbH, Mutares SE & Co. KGaA has undertaken towards the seller to indemnify the seller against claims by third parties in connection with legal relationships assumed and in the event of insolvency of BEXity GmbH. The indemnification claim of the seller is limited in time and amounts to EUR 9.0 million until 30 December, 2021, to EUR 6.0 million until 30 December, 2022, and to EUR 3.0 million until 30 December, 2023. The aforementioned liability limits increase by profit distributions of BEXity GmbH and decrease by financing lines granted and loans of Mutares SE & Co. KGaA not yet repaid. The obligation had decreased from EUR 9.0 million to EUR 6.0 million as of 31 December 2021, and amounted to EUR 6.3 million as of 31 December 2021, taking into account additional payments. With the sale of BEXity GmbH, the acquirer of BEXity has also assumed the aforementioned obligation to the seller, jointly and severally, and at the same time has undertaken to indemnify Mutares SE & Co. KGaA in the event of a claim. Furthermore, the seller has also declared that it will only make claims against Mutares SE & Co. KGaA subordinate to the acquirer.

Mutares SE & Co. KGaA has given an undertaking to the seller of the paper napkin business acquired from FASANA GmbH to provide the purchaser with funding of up to EUR 10.0 million for a period of 24 months from February 2020, should this be necessary to avoid insolvency. This guarantee expired in the financial year 2022 without being called. Irrespective of this, Mutares SE & Co. KGaA has

provided financial resources to FASANA GmbH via a direct subsidiary. In addition, Mutares SE & Co. KGaA indemnifies the seller against certain claims of employees assigned to the paper napkin business for a period of four years from February 2020. The indemnification is limited to EUR 10 million in the first two years; this amount is reduced by any funds provided by Mutares SE & Co. KGaA to FASANA GmbH. In the third year, the maximum exemption amount is reduced to EUR 7.5 million and in the fourth year to EUR 5.0 million. As of the reporting date, Mutares SE & Co. KGaA had provided FASANA GmbH with funds in the amount of EUR 5.2 million. As a result, the guarantee decreased to EUR 4.8 million as of the reporting date 31 December 2022.

In September 2020, Mutares SE & Co. KGaA acquired SABO Maschinenfabrik GmbH via a direct subsidiary. As part of the acquisition, Mutares guarantees to be fully responsible for the fulfillment of the contractual obligations of the buyer, should the buyer fail to fulfill these obligations. In particular, the Purchaser has undertaken to indemnify the Vendor as well as any corporate bodies from any claims by third parties in connection with the legal relationships of SABO Maschinenfabrik GmbH. The indemnification obligation of the purchaser is limited in time to 24 months from closing and thus until the end of August 2022 as well as an amount of EUR 5.0 million. In addition, the purchaser has undertaken for a period of 24 months to provide SABO Maschinenfabrik GmbH with liquid funds to the extent necessary to avoid insolvency of the company and to the extent that the purchaser has received payments from SABO Maschinenfabrik GmbH during this period. Both guarantees expired in financial year 2022 without being called upon.

In connection with the acquisition of Lacroix + Kress GmbH, Mutares has undertaken to indemnify the seller, a direct subsidiary, against any avoidance claims in the event of insolvency of Lacroix + Kress GmbH. The indemnification is limited to a period of 27 months from the closing of the transaction and thus until February 2023 and an amount of EUR 2.0 million. In addition, the purchaser indemnifies the bodies of the seller from a claim by third parties in connection with the legal relationships of the company. Mutares SE & Co. KGaA guarantees to the seller the fulfillment of the contractual obligations of the buyer.

In connection with the acquisition of Terranor A/S in May 2021, Mutares SE & Co. KGaA has undertaken to guarantee the liability of Terranor AB to indemnify the seller against a claim by various guarantors of Terranor A/S. The guarantee is limited to a maximum amount of EUR 1.0 million. The guarantee is limited to a maximum amount of EUR 1.0 million. The guarantee expired in the reporting period without being called upon.

In connection with the acquisition of iinovis Group, Mutares SE & Co. KGaA has undertaken to indemnify the seller against any rescission claims in the event of insolvency of the target company. The indemnification is limited in time to a period of 48 months from the closing of the transaction (i.e. until 13 November 2024) and in amount to EUR 5.0 million, with this guarantee being reduced to EUR 2.5 million as of 13 November 2023. Furthermore, Mutares has undertaken to provide the Company with financial resources of up to EUR 5.0 million to avoid insolvency. The guarantee is reduced by payments made by Mutares to the iinovis Group and amounts to EUR 0.0 million as of the reporting date.

In December 2020, a direct subsidiary of Mutares SE & Co. KGaA acquired Japy Tech S.A.S. and Royal de Boer Stalinrichtingen B.V.. In connection with the acquisition of Royal de Boer, Mutares SE & Co. KGaA has undertaken to the seller to provide the company with financial resources in the amount of EUR 1.0 million until 31 December 2022, should this be necessary to avoid insolvency. The guarantee is increased by all payments made by Royal de Boer to Mutares. The guarantee amounted to EUR 3.7 million as of 31 December 2021. This guarantee expired with the sale of Royal de Boer Stalinrichtingen in December 2022 without being called upon and with the consent of the original seller.

As part of the acquisition of Japy Tech S.A.S., Mutares SE & Co. KGaA has also undertaken to provide

the Company with financial resources of EUR 4.0 million until 31 December 2022, should this be necessary to avoid insolvency, with the amount increasing to EUR 5.0 million in May 2021. The guarantee increases by all payments made by Japy Tech S.A.S. to Mutares. The guarantee amounted to EUR 5.5 million as of 31 December 2021. The guarantee expired without being called in the reporting period.

In the course of the sale of real estate and the lease back of this real estate to Japy Tech S.A.S. in November 2021, Mutares SE & Co. KGaA has undertaken to guarantee capex obligations of Japy Tech S.A.S. with an amount of up to EUR 1.5 million and with an amount of up to EUR 1.2 million for the payment obligations under the lease agreement for a period of five years from the date of sale, i.e. until 8 November 2026. The guarantee in respect of the obligations under the purchase agreement can be converted into a rental guarantee, provided that the guarantee for the payment obligations under the lease agreement has been utilized in full.

In connection with the acquisition of Clecim S.A.S. in March 2021, Mutares SE & Co. KGaA has undertaken to provide the company with financial resources in the maximum amount of EUR 5.0 million until February 2023, should this be necessary to avoid insolvency. This guarantee has not been utilized to date. Furthermore, Mutares SE & Co. KGaA has undertaken in connection with the acquisition to guarantee the purchaser's obligation to indemnify the seller against a claim by various guarantors for a limited period of 17 months from the closing date. The guarantee was limited to a maximum amount of EUR 0.7 million and expired in the financial year 2022 without being called upon.

In February 2021, Mutares SE & Co. KGaA undertook, as part of the acquisition of the majority stake of 80% in Repartim Group, to provide the company with financial resources of up to EUR 4.0 million until 24 months after completion of the acquisition, i.e. until 9 April 2023, should this be necessary to avoid insolvency.

In April 2021, as part of the acquisition of La Rochette Cartonboard S.A.S., Mutares SE & Co. KGaA undertook to indemnify the seller against claims arising from the loan relationship between Intesa Sanpaolo and La Rochette Cartonboard S.A.S. until November 2023. The indemnification is limited to EUR 5.0 million. Furthermore, Mutares has guaranteed to the seller to assume the obligations of La Rochette Cartonboard S.A.S. from the loan relationship with the former shareholder in the amount of EUR 6.5 million until April 2024. As of 31 December 2022, there is still an obligation from the loan relationship in the amount of EUR 1.8 million.

In connection with the acquisition of three Exterior plants, Mutares SE & Co. KGaA has undertaken vis-à-vis the seller to make payments into the capital reserve of the acquiring company Light Mobility Solutions GmbH in the total amount of EUR 10.0 million. This payment was made in full during the financial year 2022. Furthermore, Mutares SE & Co. KGaA has undertaken vis-à-vis the seller to provide Light Mobility Solutions with financial resources of up to EUR 15.0 million until June 2024, should this be necessary to avoid a possible insolvency. The guarantee is increased by all payments made by Light Mobility Solutions GmbH to Mutares and reduced accordingly by payments made by Mutares to Light Mobility Solutions GmbH. This does not include the above-mentioned payments into the capital reserve in the amount of EUR 10.0 million. As of the reporting date of 31 December 2022, there is therefore still a guarantee amount of EUR 15.0 million.

A direct subsidiary of Mutares SE & Co. KGaA acquired Lapeyre S.A.S. and its subsidiaries in April 2021. As part of this transaction, Mutares has undertaken to guarantee the liabilities of the buyer, including the obligation to contribute financial resources in the amount of EUR 5.0 million to the Lapeyre Group by 1 June 2023 at the latest. As of the reporting date 31 December 2022, there is therefore still a guaranteed amount of EUR 5.0 million.

In May 2021, a direct subsidiary of Mutares SE & Co. KGaA acquired Alan Dick Communications Ltd. As part of the transaction, Mutares has undertaken to indemnify the seller for losses from two projects existing at the time of closing of the transaction. The indemnification is limited to EUR 7.1 million and expires upon completion of the projects, i.e. presumably in 2029.

In August 2021, Mutares SE & Co. KGaA undertook as part of the acquisition of Innomotive Systems Hainichen GmbH to indemnify the seller and its affiliates against any damages in the event of a breach of the repayment lock-up regarding repayment and redemption on the portion of liabilities from existing loan relationships between Innomotive Systems Hainichen and the seller, which were acquired by Mutares SE & Co. This indemnification obligation was limited to an amount of EUR 7.5 million and expires on 30 December 2022. This indemnification obligation expired in the financial year 2022 without being utilized.

A direct subsidiary of Mutares SE & Co. KGaA has completed the acquisition of the Italian Balcke Dürr Energy Solution S.p.A. (formerly: Toshiba Transmission & Distribution Europe S.p.A.) in February 2022. As part of the acquisition, Mutares SE & Co. KGaA has undertaken to indemnify the seller from the signing of the purchase agreement until five years after the closing of the transaction against damages arising from the buyer's failure to fully and timely fulfill certain obligations defined in the guarantee. This obligation is limited to EUR 2.0 million. Furthermore, Mutares SE & Co. KGaA has undertaken vis-à-vis the seller and vis-à-vis a company belonging to the seller's group of companies to guarantee all obligations of the buyer under a customer relationship defined in the purchase agreement. This guarantee is limited to EUR 8.0 million and a period of five years after the closing of the transaction. In addition, Mutares SE & Co. KGaA has undertaken to provide two guarantees to Solutions Bank S.p.A. as part of the purchase agreement. The first guarantee is limited to EUR 3.8 million and has a term until February 2023. This guarantee expired without being called upon upon payment of the secured amount of EUR 3.8 million to Balcke-Dürr Energy Solutions S.p.A. in March 2023. The second guarantee expires six months after closing of the transaction and is also limited to EUR 3.8 million. This guarantee expired in financial year 2022 without being called. In addition, Mutares SE & Co. KGaA has pledged credit balances in the amount of EUR 17.5 million at this bank in the course of the acquisition to secure a guarantee provided by Intesa Sanpaolo to the seller or a company belonging to the group of companies of the seller. The term of the obligation and the collateral is not limited. The obligation and the security reduce over time due to the completion of project services by Balcke Dürr Energy Solution S.p.A. Mutares SE & Co. KGaA has undertaken to use the funds released in the context of a reduction of the security by the bank up to an amount of EUR 12.0 million for the benefit of Balcke Dürr Energy Solution S.p.A., with the necessity depending on the development of Balcke-Dürr Energy Solutions S.p.A. at the discretion of Mutares SE & Co. KGaA. In connection with this obligation, Mutares SE & Co. KGaA indemnifies the seller against all

possible damages resulting from the breach of its agreed obligations. At the time of preparation of these financial statements, no breach of duty is known, and no actions have been initiated in which a breach of the agreed duties could be seen.

In July 2022, a direct subsidiary of Mutares SE & Co. KGaA acquired SFC Solutions Automotive France SAS (formerly Sealynx International SAS). As part of the transaction, Mutares SE & Co. KGaA has guaranteed to the seller that it will provide SFC Solutions Automotive France SAS with financial resources if the latter is unable to repay the existing loan obligation between it and the seller. This guarantee is limited to EUR 6.5 million and has a term until 15 January 2027, provided that the loan is not repaid in full by SFC Solutions Automotive France SAS to the seller before then.

In September 2022, a direct subsidiary of Mutares SE & Co. KGaA acquired SIX Energy S.p.A. (formerly: Sirti Energia S.p.A.), based in Italy. As part of the transaction, Mutares SE & Co. KGaA has undertaken vis-à-vis the seller to guarantee the buyer's obligations under the purchase agreement up to an amount of EUR 10.0 million. The guarantee remains in full force and effect until the date on which the buyer has fulfilled all obligations under the purchase agreement or at the longest until five years after the closing of the transaction, i.e. until 22 September 2027.

A direct subsidiary of Mutares SE & Co. KGaA acquired Guascor Energy S.A.U. (formerly: Siemens Energy Engines S.A.U.), in October 2022. As part of the transaction, Mutares SE & Co. KGaA has undertaken to guarantee all obligations of the buyer under the purchase and assignment agreement for a period of five years from the closing date. The guarantee is limited to the amount of the purchase price only with respect to damages arising from misrepresentations or representations made by the buyer. Furthermore, Mutares SE & Co. KGaA has issued a further guarantee to third parties in the total amount of EUR 3.6 million in connection with the acquisition. The guarantee is not limited in time.

In connection with the acquisition of the heat transfer technology business of Siemens Energy B.V., Mutares SE & Co. KGaA has undertaken to issue a loan commitment in the amount of EUR 5.0 million with a term of four years to the acquiring company NEM Energy B.V. upon closing of the acquisition. In addition, Mutares SE & Co. KGaA has undertaken to provide NEM Energy B.V. with liquid funds in the amount of EUR 10.0 million for a period of four years to the extent necessary to avoid insolvency of the company. This guarantee is reduced to EUR 7.5 million after twelve months, to EUR 5.0 million after 24 months and to EUR 2.5 million after 36 months. Furthermore, Mutares SE & Co. KGaA has issued further guarantees to third parties in connection with the acquisition in the total amount of EUR 36.8 million.

A direct subsidiary of Mutares SE & Co. KGaA acquired MoldTecs GmbH as well as companies in France, USA, China, Japan, Korea, Brazil and India in October 2022. As part of the financing of the transaction with an expected term until September 2023, Mutares SE & Co. KGaA has issued a guarantee to third parties in the amount of EUR 25 million. This guarantee is generally not limited in time but is linked to the term of the financing. It is expected to be called only if the direct subsidiary fails to meet its payment obligations under the financing.

In November 2022, a direct subsidiary of Mutares SE & Co. KGaA acquired Steyr Motors Betriebs GmbH based in Austria. As part of the transaction, Mutares SE & Co. KGaA has undertaken to provide the company with financial resources to fulfill its obligations to the seller under the purchase agreement. This guarantee is limited to EUR 4.0 million and a period of twelve months after the closing of the transaction, i.e. until 30 November 2023.
In principle, the Management Board does not expect any obligations from company acquisitions to be utilized - with the exception of the obligation described above in connection with the acquisition of Lapeyre S.A.S., where a payment into the equity of the company should simultaneously increase the carrying amount of the investment at Mutares SE & Co. However, depending on the further development of the economy, the probability of a claim may increase, and it cannot be ruled out that

a claim may arise from the obligations entered into.

Obligations from company disposals

In connection with the sale of all shares in A+F Automation und Fördertechnik GmbH by a direct subsidiary in the financial year 2017, Mutares SE & Co. KGaA has issued a directly enforceable guarantee for the fulfillment of certain obligations of the direct subsidiary towards the acquirer regarding possible warranty claims, possible specific indemnification claims as well as possible specific cost reimbursement claims, which are limited in time with regard to regular warranty claims except for fundamental warranties until 30 September 2019 (no utilization took place), with regard to these fundamental warranty claims until 31 December 2020 (no utilization took place), with regard to the indemnification claims until 31 December 20 (no utilization took place), and with regard to these fundamental warranty claims until 31 December 20 (no utilization took place). With regard to these fundamental warranty claims, they are limited in time until 31 December 2020 (no claim was made), with regard to the indemnification claims until 31 December 2022, and with regard to the reimbursement of costs they are unlimited in time. In terms of amount, these claims are limited to an amount of EUR 4.0 million with regard to the regular warranty claims with the exception of fundamental warranties, to an amount of EUR 50 thousand with regard to the cost reimbursement claims and otherwise to the base purchase price in total with regard to all claims together. This guarantee expired in the financial year 2022 without being called upon.

On 10 November 2022, the sale of all shares in Nordec Group OY by DONGES STEELTEC GmbH was completed. In connection with the sale, Mutares SE & Co. KGaA has undertaken to guarantee the indemnification obligation of DONGES STEELTEC GmbH under the purchase and assignment agreement. The guarantee is limited to a maximum amount of EUR 13.0 million. The guarantee expires (i) at the latest fifteen years after the issuance of the guarantee, i.e. at the end of 10 November 2037, or (ii) if all claims have been duly satisfied and no further claims for indemnification are expected or (iii) if the maximum amount has been exhausted or (iv) if a cancellation agreement regarding the guarantee has been reached or (v) if the claims for indemnification have been waived as a result of a change of control. The Management Board does not expect to be called upon under this obligation.

Litigation

The liquidator of the former investment Grosbill has been pursuing a lawsuit against Mutares SE & Co. KGaA since 2020, based on an alleged corporate liability of Mutares. At the same time, the former seller of Grosbill is being sued for breach of contract towards the sold company. Mutares has defended itself in full against this action, which it considers to be without merit. The lawsuit was initially deleted from the list of ongoing proceedings for lack of filed statement of claim and put on hold; at the end of 2022 (shortly before the statute of limitations for potential claims), the plaintiff filed a new statement of claim containing a statement of claim. Mutares will defend itself against this, as the claims are considered to be without merit.

5.6 Declaration pursuant to Section 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code

The Management Board of the general partner of Mutares SE & Co. KGaA, Mutares Management SE, as well as the Shareholders' Committee and the Supervisory Board of Mutares SE & Co. KGaA are committed to the principles of corporate governance focused on long-term and sustainable value creation. To this end, they jointly issue a summarized "Corporate Governance Statement" in accordance with Sections 289f and 315d of the German Commercial Code (HGB). The full text of the current declaration is available on the company's website at https://ir.mutares.de/corporate-governance/. As part of the corporate governance statement, the Management Board of the general partner of Mutares SE & Co. KGaA, Mutares Management SE, and the Supervisory Board of Mutares

SE & Co. KGaA issued the statement required by Section 161 of the German Stock Corporation Act (AktG) in December 2022 and made it publicly available on the company's website at https://ir.mutares.de/corporate-governance/.

5.7 Group affiliation

The Company prepares consolidated financial statements for the largest group of companies and the smallest group of companies as of 31 December 2022. Disclosure shall be made by means of electronic transmission of the documents to the body keeping the register of companies for inclusion in the register of companies.

5.8 Disclosure of voting rights notifications pursuant to Section 160 (1) no. 8 AktG

Pursuant to Section 160 (1) No. 8 of the German Stock Corporation Act (AktG), information must be provided on the existence of shareholdings that have been notified pursuant to Section 20 (1) or (4) of the German Stock Corporation Act (AktG) or Section 33 (1) or (2) of the German Securities Trading Act (WpHG). Under these provisions, investors whose share of voting rights in listed companies has reached, exceeded or fallen below certain thresholds are required to notify the Company.

The notifications received by the Company pursuant to Section 33 (1) or (2) of the German Securities Trading Act (WpHG) are listed below, reflecting the shareholdings last reported to Mutares SE & Co KGaA. There may have been changes in the voting rights listed after the dates indicated that were not notifiable to the Company.

Date of notification to the Company	Communicating person	Share of voting rights	Shares held directly or indirectly
20.10.2021	Robin Laik	25,08%	**direct**
20.10.2021	Dr. Johann Vielberth	10,12%	**indirect**
20.10.2021	ELBER GmbH	10,12%	**direct**

In addition, five further members of Robin Laik's family, all resident in Germany, directly hold the above-mentioned 25.08% share of voting rights. The voting rights for these shares are exercised uniformly by Robin Laik.

5.9 Proposal for the appropriation of earnings

The Management Board of the general partner of Mutares SE & Co. KGaA will propose to the Annual General Meeting for the financial year 2022 to be held in 2023 to use the retained earnings of Mutares SE & Co. KGaA as of 31 December 2022 in the amount of EUR 117,828,514.82 to distribute a dividend of EUR 1.00 per no-par value share entitled to dividend and otherwise to carry it forward to new account. This corresponds to a total amount of EUR 20,626 thousand in relation to the shares currently in circulation. The remaining amount of EUR 97,202 thousand is to be carried forward.

5.10 Events after the balance sheet date

With a value date of 31 March 2023, Mutares SE & Co. KGaA as issuer has issued a senior secured bond with a nominal volume of EUR 100 million and a maturity date of 31 March 2027. The proceeds of the issue will be used to refinance the bond issued in the financial year 2020 (WKN A254QY / ISIN NO0010872864) and for general corporate financing. The new bond is listed on the Open Market of the Frankfurt Stock Exchange (WKN A30V9T / ISIN NO0012530965). A further listing on the Nordic ABM of the Oslo Stock Exchange is planned during the financial year 2023. The bond was issued at an issue price of 100.00%. The bond bears interest quarterly, for the first time on 30 June 2023, at the 3-month EURIBOR (EURIBOR floor of 0.00%) plus a margin of 8.50% and can be increased to a nominal volume of up to EUR 250 million during the term depending on market conditions. The bond is secured by the pledge of 100% of the shares in certain affiliated companies held by Mutares SE & Co. KGaA and by the assignment of existing and any future loan receivables of Mutares SE & Co. KGaA from these affiliated companies. The terms and conditions of the bonds contain various provisions regarding general obligations, information obligations, and financial covenants. Compliance with these regulations is monitored on an ongoing basis as part of the risk management of Mutares SE & Co.

Mutares SE & Co. KGaA

Annual financial statements as of 31 December 2022

Munich, 5 April 2023

Mutares Management SE,

General Partner of Mutares SE & Co. KGaA

The Board

Robin Laik

Mark Friedrich

Johannes Laumann

Appendix 1 to the Notes: Fixed Assets Schedule

in EUR	Acquisition and production costs: 01 January 2022	Additions	Disposals [1]	Reclassifications	31 December 2022
I. Intangible assets					
Acquired concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets	70,490	0	0	0	70,490
	70,490	0	0	0	70,490
II. Property, plant and equipment					
1. other equipment, factory and office equipment	1,069,947	228,200	3,867	0	1,294,280
2. advance payments made	22,609	17,154	39,763	0	0
	1,092,556	245,354	43,629	0	1,294,280
III. Financial assets					
1. shares in affiliated companies	59,991,468	24,369,673	2,167,770	0	82,193,372
2. loans to affiliated companies	17,623,410	10,652,606	0	0	28,276,016
3. participating interests	36,000	0	0	0	36,000
	77,650,879	35,022,279	2,167,770	0	110,505,388
Total	**78,813,924**	**35,267,633**	**2,211,399**	**0**	**111,870,158**

in EUR	Accumulated depreciation: 01 January 2022	Additions	Disposals [1]	Reclassifications	31 December 2022	Book value: 31 December 2022	31 December 2021
I. Intangible assets							
Acquired concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets	70,483	0			70,483	7	7
	70,483	0	0	0	70,483	7	7
II. Property, plant and equipment							
1. other equipment, factory and office equipment	629,664	278,295	26,143		878,815	415,465	440,283
2. advance payments made	0	0			0	0	22,609
	629,664	278,295	26,143	0	878,815	415,465	462,892
III. Financial assets							
1. shares in affiliated companies	12,211,983	4,808,695	1,310,489		15,710,189	66,483,183	47,779,485
2. loans to affiliated companies	0	0	0	0	0	28,276,016	17,623,410
3. participating interests	0	0	0	0	0	36,000	36,000
	12,211,983	4,808,695	1,310,489	0	15,710,189	94,795,199	65,438,896
Total	**12,912,129**	**5,086,990**	**1,336,632**	**0**	**16,659,487**	**95,210,671**	**65,901,795**

[1] This includes adjustments of EUR 1.3 million attributable to disposals in previous years. Historical cost and accumulated depreciation have been adjusted accordingly.

Appendix 2 to the Notes: List of shareholdings as of 31 December 2022

Direct shareholdings/ holding companies	Seat	Share in % 12/31/2022	Share in % 12/31/2022
mutares Holding-02 AG (1)	Bad Wiessee	100	100
mutares Holding-03 AG (1)	Bad Wiessee	100	100
mutares Holding-07 GmbH (1)	Bad Wiessee	90	90
mutares Holding-09 AG i.L. (4)	Bad Wiessee	100	100
mutares Holding-10 GmbH (1)	Bad Wiessee	100	100
mutares Holding-11 AG i.L. (4)	Bad Wiessee	100	100
mutares Holding-13 AG i.L. (4)	Bad Wiessee	100	100
mutares Holding-14 GmbH (1)	Bad Wiessee	100	100
mutares Holding-20 AG i.L. (4)	Bad Wiessee	100	100
mutares Holding-21 AG (1)	Bad Wiessee	100	100
mutares Holding-23 GmbH (1)	Bad Wiessee	-	100
mutares Holding-25 GmbH (1)	Bad Wiessee	100	100
mutares Holding-26 GmbH (1)	Bad Wiessee	90	90
mutares Holding-28 GmbH (1)	Bad Wiessee	100	100
mutares Holding-29 GmbH (1)	Bad Wiessee	-	90
mutares Holding-30 AG i.L. (4)	Bad Wiessee	100	100
mutares Holding-31 GmbH (1)	Bad Wiessee	100	100
mutares Holding-32 GmbH (1)	Bad Wiessee	-	90
mutares Holding-33 GmbH (1)	Bad Wiessee	100	100
mutares Holding-35 GmbH (1)	Bad Wiessee	90	90
mutares Holding-36 GmbH (1)	Bad Wiessee	90	90
mutares Holding-37 GmbH (1)	Bad Wiessee	100	88
mutares Holding-38 GmbH (1)	Bad Wiessee	90	90
mutares Holding-39 GmbH (1)	Bad Wiessee	90	90
mutares Holding-40 GmbH (1)	Bad Wiessee	85	85
mutares Holding-41 GmbH (1)	Bad Wiessee	100	100
mutares Holding-42 GmbH (1)	Bad Wiessee	90	90
mutares Holding-43 GmbH (1)	Bad Wiessee	100	100
mutares Holding-45 GmbH (1)	Bad Wiessee	90	90
mutares Holding-46 GmbH (1)	Bad Wiessee	90	90
mutares Holding-47 GmbH (1)	Bad Wiessee	90	90
mutares Holding-48 GmbH (1)	Bad Wiessee	90	100
mutares Holding-49 GmbH (1)	Bad Wiessee	87	100
mutares Holding-50 GmbH (1)	Bad Wiessee	91	-
mutares Holding-51 GmbH (1)	Bad Wiessee	100	100
mutares Holding-53 GmbH (1)	Bad Wiessee	100	100
mutares Holding-54 GmbH (1)	Bad Wiessee	100	100
mutares Holding-55 GmbH (1)	Bad Wiessee	100	100
mutares Holding-56 GmbH (1)	Bad Wiessee	100	100
mutares Holding-57 GmbH (1)	Bad Wiessee	100	100
mutares Holding-58 GmbH (1)	Bad Wiessee	100	100
mutares Holding-59 GmbH (1)	Bad Wiessee	100	100
mutares Holding-60 GmbH (1)	Bad Wiessee	100	-
mutares Holding-61 GmbH (1)	Bad Wiessee	100	-
mutares Holding-62 GmbH (1)	Bad Wiessee	100	-
mutares Holding-63 GmbH (1)	Bad Wiessee	100	-
mutares Holding-64 GmbH (1)	Bad Wiessee	100	-
mutares Holding-65 GmbH i.G. (1)	Bad Wiessee	100	-
mutares Holding-66 GmbH i.G. (1)	Bad Wiessee	100	-
mutares Holding-67 GmbH i.G. (1)	Bad Wiessee	100	-
mutares Holding-68 GmbH i.G. (1)	Bad Wiessee	100	-
mutares Holding-69 GmbH i.G. (1)	Bad Wiessee	100	-
Purple Holding SAS (1)	Paris/FR	100	-

Direct shareholdings/ holding companies	Seat	Share in % 12/31/2022	Share in % 12/31/2022
Mutares Austria Holding-01 GmbH (formerly: AE BG GammaEta Holding GmbH) (1)	Vienna/AT	100	-
Mutares Holding Italy 1 S.r.l. (1)	Milan/IT	100	100
Mutares Sierra S.L. (1)	Madrid/ES	100	100
Mutares Investment S.L. (1)	Madrid/ES	100	100
MuxTec GmbH (1)	Munich	100	100
Mutares Verwaltungs GmbH (2)	Bad Wiessee	100	100
Mutares Management SE (3)	Munich	30	30

National companies	Seat		
Mutares France S.A.S. (1)	Paris/FR	100	100
Mutares Italy S.r.l. (1)	Milan/IT	100	100
Mutares UK Ltd (1)	London/UK	100	100
Mutares Nordics Oy (1)	Vantaa/FI	100	100
Mutares Nordics AB (1)	Stockholm/SE	100	100
Mutares Iberia S.L.U. (1)	Madrid/ES	100	100
Mutares Austria GmbH (1)	Vienna/AU	100	100
Mutares Benelux B.V. (1)	Amsterdam/NL	100	100
Mutares Poland Sp.z.o.o. (1)	Czestochowa/PL	100	-

Indirect shareholdings: Operating units/subgroups	Seat	Share in % 12/31/2022	Share in % 12/31/2021
MoldTecs Group			
MoldTecs-01-2022 Ltd (1)	Stuttgart	100	-
MoldTecs GmbH (1)	Bad Harzburg	100	-
MoldTecs S.A.S. (1)	Laval Cedex/FR	100	-
MoldTecs US L.L.C. (1)	Willmington/US	100	-
Shanghai MoldTecs Trading Co. Ltd (1)	Shanghai/CN	100	-
MoldTecs Bazil Ltda (1)	Indaiatuba/BR	100	
MoldTecs Trading India Private Limited (1)	Bangalore/IN	100	
MoldTecs Korea Ltd (1)	Weonju/KOR	100	
MoldTecs Godo Kaisha Ltd (1)	Yokohama/JP	100	-
Light Mobility Solutions			
Light Mobility Solutions GmbH (1)	Obertshausen	100	100
Atrium 248th European VV SE (1)	Frankfurt a.M.	100	-
SFC Solutions Group			
SFC Solutions Germany GmbH (1)	Mannheim	100	100
SFC Solutions India Sealing Private Ltd (1)	Dehli/IN	100	100
SFC Solutions India Fluid Private Ltd (1)	Chengalpattu/IN	100	100
SFC Solutions Czestochowa Sp.z.o.o. (1)	Czestochowa/PL	100	100
SFC Piotrkow Sp.z.o.o. (1)	Warsaw/PL	100	100
SFC Solutions Italy S.R.L. (1)	Cirié/IT	100	100
SFC Solutions Spain Borja SL (1)	Borja/ES	100	100
SFC Solutions France S.A.S. (1)	Rennes/FR	100	100
SFC Solutions Automotive S.A.S. (1)	Charleval/FR	100	-
SFC Solutions Automotive S.r.l. (1)	Clucereasa/RO	100	-
SFC Solutions Automotive S.a.r.l. (1)	Tangier/MA	100	-
Sealynx Automotive Algeria S.p.A. i.L. (2)	Arbal/DZ	29	-

Indirect shareholdings: Operating units/subgroups	Seat	Share in % 12/31/2022	Share in % 12/31/2021
Elastomer Solutions Group			
Elastomer Solutions GmbH (1)	Wiesbaum	100	100
DF Elastomer Solutions Lda (1)	Mindelo/PT	100	100
Elastomer Solutions s.r.o. (1)	Belusa/SK	100	100
Elastomer Solutions Maroc S.à.r.l. (1)	Free Trade Zone Tangier/MA	100	100
Elastomer Solutions Mexico S. de R.L. de C.V. (1)	Fresnillo/MX	100	100
KICO and ISH Group			
KICO Ltd (1)	Halver	100	100
Mesenhöller Verwaltungs GmbH (1)	Halver	100	100
KICO Plastics Technology GmbH (1)	Halver	100	100
KICO-Polska Sp.z.o.o. (1)	Swiebodzin/PL	100	100
KICO Sistemas Mexico S. de R.L. de C.V. (1)	El Marqués/MX	100	100
Innomotive Systems Hainichen GmbH (1)	Hainichen	100	100
Innomotive Systems Hainichen Co. Ltd (1)	Nanjing/CN	100	100
Alemante Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG i.L. (2)	Mainz	94	94
Cimos Group			
Cimos d.d. (1)	Koper/SI	100	-
Cimos IP (1)	Koper/SI	100	-
P.P.C. Buzet d.o.o. (1)	Buzert/HR	100	-
Cimos Buzet d.o.o. (1)	Buzert/HR	100	-
Cimos Ljevaonica Roc d.o.o. (1)	Roc/HR	100	-
Cimos "TMD Automobilka Indusrija" d.o.o. (1)	Gradacac/BA	100	-
Livnica Kikinda Automobilska Indusrija d.o.o. (1)	Kikinda/RS	93	-
Cimos Germany GmbH (1)	Munich	100	-
PrimoTECS Group			
PrimoTECS S.P.A. (1)	Avigliana/IT	100	100
Rasche Holding GmbH (1)	Plettenberg	100	100
Rasche Umformtechnik GmbH & Co KG (1)	Plettenberg	100	100
Rasche Verwaltungs GmbH (1)	Plettenberg	100	100
iinovis Group			
iinovis Beteiligungs GmbH (1)	Munich	100	100
iinovis Verwaltungs GmbH (1)	Munich	100	100
iinovis Holding GmbH & Co KG (1)	Munich	100	100
iinovis GmbH (1)	Bad Friedrichshall	100	100
BAUR Karosserie- und Fahrzeugbau GmbH (1)	Bad Friedrichshall	100	100
iinovis Testing Spain S.L. (1)	Antas/ES	100	100
Plati Group			
Plati Elettroforniture S.r.l. (formerly S.p.A.) (1)	Torino/IT	100	100
Plati Logistics KFT i.L (1)	Budapest/HU	-	100
Plati Ukraine Limited (1)	Vynohradiw/UA	100	100
Plati Polska S.p.z.o.o (1)	Gdansk/PL	95	95
Plati Maroc Sarl i.L. (1)	Mohammedia/MA	90	90
Plati Electronics UG (2)	Munich	100	100

Indirect shareholdings: Operating units/subgroups	Seat	Share in % 12/31/2022	Share in % 12/31/2021
Balcke-Dürr & NEM Energy B.V. Group			
Balcke-Dürr GmbH (1)	Düsseldorf	100	100
STF Balcke-Dürr S.r.l. (1)	Rome/IT	-	100
Balcke-Dürr Technologies India Private Ltd (2)	Chennai/IN	100	100
Wuxi Balcke-Dürr Technologies Co., Ltd. (1)	Wuxi/CN	100	100
Balcke-Dürr Engineering Private Ltd (2)	Chennai/IN	100	100
Balcke-Dürr Nuklearservice GmbH (1)	Düsseldorf	100	100
STF Balcke-Duerr France (2)	St. Dizier/FR	-	100
Balcke-Dürr Energy Solutions (1)	Genoa/IT	100	-
NEM Energy B.V. (formerly: Balcke-Dürr B.V.) (1)	Zoeterwourde/NL (formerly: Amsterdam/NL)	100	-
Donges Group			
Donges SteelTec GmbH (1)	Darmstadt	100	100
Kalzip GmbH (1)	Koblenz	100	100
Kalzip France S.A.S. (1)	Ancerville/FR	100	100
Kalzip FZE (1)	Dubai/AE	100	100
Kalzip Ltd (1)	Haydock/UK	100	100
Kalzip India Private Ltd (1)	Gurgaon/IN	100	100
Kalzip S.L.U. (1)	Madrid/ES	100	100
Kalzip Asia PTE Ltd (1)	Singapore/SG	100	100
Kalzip Inc (1)	Michigan/US	100	100
BFS Ltd (2)	Mannheim	100	100
FDT Flachdach Technologie GmbH (1)	Mannheim	100	100
FDT Flat Roof Technology S.A./N.V. (1)	Nivelles/BE	100	100
FDT France S.A.S (1)	Osny/FR	100	100
Nordec Group Oy (1)	Vantaa/FI	-	100
Nordec Envelope Oy (1)	Helsinki/FI	-	100
Nordec Construction AB (1)	Saltsjö-Boo/SE	-	100
Kiinteistö Oy Normek Karvia i.L (4)	Helsinki/FI	-	53
Kiinteistö Oy Alavuden Teollisuuspuisto (1)	Alavus/FI	-	100
Nordec AS (1)	Oslo/NO	-	100
Nordec Oy (1)	Helsinki/FI	-	100
Nordec Sp.z.o.o (1)	Oborniki/PL	-	100
Nordec s.r.o. (1)	Prague/CZ	-	100
UAB Nordec (1)	Gargzdai/LT	-	100
Smart Curtain Wall S.A. (formerly: Permasteelisa Espana Donges Group S.A.) (1)	Madrid/ES	100	100
La Rochette			
La Rochette Holding S.A.S (1)	Paris/FR	100	100
La Rochette Cartonboard S.A.S. (1)	La Rochette/FR	100	100
Bonaparte Holding S.A.S. (1)	Paris/FR	100	100
Lacroix & Kress			
LACROIX + KRESS GmbH (1)	Bramsche	100	100
Lackdraht Union Unterstützungseinrichtung GmbH (1)	Bramsche	100	100
Special Melted Products			
Special Melted Products Ltd (formerly: Allegheny Technologies Limited) (1)	Sheffield/UK	100	-

Indirect shareholdings: Operating units/subgroups	Seat	Share in % 12/31/2022	Share in % 12/31/2021
Gemini Rail and ADComms			
Gemini Rail Holdings UK Ltd (1)	Wolverton/UK	-	100
Gemini Rail Technology UK Ltd. i.L. (4)	Wolverton/UK	100	100
Gemini Rail Services UK Ltd (1)	Wolverton/UK	100	100
Alan Dick Communications Ltd (1)	Scunthorpe/UK	100	100
IPS Communications Ltd (1)	Scunthorpe/UK	100	100
Rail Order Ltd (1)	Scunthorpe/UK	100	100
Guascor Energy			
Guascor Energy S.A.U. (formerly: Siemens Energy Engines S.A.U.) (1)	Zumaia/ES	100	-
Royal de Boer & Japy Tech Group			
Japy Tech S.A.S. (1)	Dijon/FR	100	100
Royal de Boer Stalinrichtingen B.V. (1)	Leuuwarden/NL	-	100
VALTI			
Valti S.A.S. (formerly: Vallourec Bearing Tubes S.A.S.) (1)	Montbard/FR	100	-
Clecim			
Clecim S.A.S. (1)	Savigneux/FR	100	100
Steyr Motors Group			
Steyr Motors Betriebs GmbH (1)	Steyr/AT	100	-
Steyr Motors Immo Ltd (1)	Steyr/AT	100	-
Stey Motors North America, Inc. (2)	Costa Mesa/US	100	-
Steyr Motors Hong Kong Co. Ltd (2)	Hong Kong/HK	100	-

Indirect shareholdings: Operating units/subgroups	Seat	Share in % 12/31/2022	Share in % 12/31/2021
Lapeyre Group			
Lapeyre Holding S.A.S. (1)	Paris/FR	100	100
Lapeyre S.A.S (1)	Paris/FR	100	100
Lapeyre Services S.A.S. (1)	Aubervillieres/FR	100	100
Distrilap S.A.S. (1)	Aubervillieres/FR	100	100
Enterprise Cordier S.A.S. (1)	Magenta/FR	100	100
Lagrange Production S.A.S. (1)	La Magdelaine Sur Tarn/FR	100	100
Les Menuiseries du Centre S.A.S (1)	Ydes/FR	100	100
Pastural S.A.S. (1)	Epernay/FR	100	100
Poreaux S.A.S. (1)	Saint Martin Sur Le Pre/FR	100	100
Giraud Production S.A.S. (1)	Cours/FR	100	100
Azur Production S.A.S. (1)	Aubervillieres/FR	100	100
Gam S.A.S. (1)	Cours/FR	100	100
S.B.L S.A.S. (1)	Marcoing/FR	-	100
Cougnaud S.A.S. (1)	Aizenay/FR	100	100
Ouest Production S.A.S. (1)	La Chaize Giraud/FR	100	100

Indirect shareholdings: Operating units/subgroups	Seat	Share in % 12/31/2022	Share in % 12/31/2021
Frigoscandia Group			
Frigoscandia AB (1)	Helsingborg/SE	100	100
Frigoscandia B.V. (1)	DB Ridderkerk/NL	100	100
Frigoscandia Denmark A/S (1)	Aalborg/DN	100	100
Svebol Logistics AB (1)	Sundbyberg/SE	100	100
Bring Frigo S.L. (1)	Boulogne sur Mer/FR	100	100
Frigoscandia S.A.S (1)	Boulogne sur Mer/FR	-	100
Frigoscandia Akeri AB (1)	Helsingborg/SE	100	100
Frigoscandia Norway AS (1)	Rud/NO	100	100
Frigoscandia Temp AB (formerly: Bring Frigo Temp AB) (1)	Helsingborg/SE	100	100
Frigoscandia Oy (1)	Vantaa/FI	100	100
Frigoscandia Fastighets AB (1)	Helsingborg/SE	100	100
Kommanditbolaget Eslöv Gurkan 2 (2)	Helsingborg/SE	100	100
Kommanditbolaget Beckslagaren 9 Örebro (2)	Helsingborg/SE	100	100
Kommanditbolaget Jordbromalm 4:4 Haninge (2)	Helsingborg/SE	100	100
Frigoscandia Transport AS (formerly: Polar Frakt AS) (1)	Oslo/NO	100	-
Götene Kyltransporter AB (1)	ötene/SE	100	-
Terranor Group			
Terranor Oy (1)	Helsinki/FI	100	100
Terranor AB (1)	Stockholm/SE	100	100
Terranor A/S (1)	Silkeborg/DN	100	100
keeeper Group			
keeeper GmbH (1)	Stemwede	100	100
keeeper Sp.z.o.o. (1)	Bydgoszcz/PL	100	100
EXI & Sirti Group			
EXI S.p.A. (1)	Rome/IT	100	100
SIX Energy S.p.A. (formerly: Sirti Energia S.p.A.) (1)	Milan/IT	100	-
Ganter Group			
Ganter Constructions & Interiors GmbH (1)	Waldkirch	100	100
Ganter Interior GmbH (1)	Waldkirch	100	100
Ganter France S.a.r.l. (1)	Paris/FR	100	100
Ganter Italia S.r.l. (1)	Merano/IT	100	100
Ganter UK Ltd. i.L. (4)	London/UK	100	100
Ganter Suisse AG (1)	Schenkon/CH	100	100
FASANA			
FASANA Ltd (1)	Stemwede	100	100
Repartim Group			
Mouse Holding S.A.S. (1)	Paris/FR	80	80
Repartim S.A.S (1)	Saint-Pierre-des-Corps/FR	100	100
Sky in Lab S.A.S. (2)	Montastruc-La-Conseillere/FR	-	11
Presta Terre Services S.a.r.l. (1)	Pompey/FR	100	100
GROUPEMENT SAINT MAURIEN S.A.S. (1)	Servon/FR	100	100
SABO			
SABO Machine Factory Ltd (1)	Gummersbach	100	100

Indirect shareholdings: **Operating units/subgroups**	**Seat**	**Share in %** **12/31/2022**	**Share in %** **12/31/2021**
Asteri			
Asteri Facility Solutions AB (1)	Solna/SE	100	100

Other	**Seat**	**Share in %** **31.12.2022**	**Share in %** **31.12.2021**
BEXity Ltd (1)	Vienna/AU	-	100
Pixmania SRO i.L. (4)	Brno/CZ	100	100
E-Merchant S.A.S i.L. (4)	Asnières-sur-Seine/FR	100	100
Zanders-Abwicklungs GmbH (5)	Bergisch Gladbach	95	95
BGE Eisenbahn Güterverkehr GmbH i.L. (5)	Bergisch Gladbach	100	100
Artmadis S.A.S. i.L. (6)	Wasquehal/FR	100	100
Cofistock S.à.r.l. (6)	Wasquehal/FR	100	100
Cogemag S.A.S. i.L. (6)	Croix/FR	100	100

Companies in connection with management participation programs	**Seat**	**Share in %** **12/31/2022**	**Share in %** **12/31/2021**
keeeper Beteiligungs GmbH & Co KG (2)	Bad Wiessee	-	-
SABO Beteiligungs GmbH & Co KG (2)	Bad Wiessee	-	-
Terranor Beteiligungs GmbH & Co KG (2)	Bad Wiessee	-	-
Carbon Beteiligungs GmbH & Co KG (2)	Bad Wiessee	-	-
Vespucci Beteiligungs GmbH & Co KG (2)	Bad Wiessee	-	-
Iinovis Beteiligungs GmbH & Co KG (2)	Bad Wiessee	-	-
Lacroix+Kress Beteiligungs GmbH & Co KG (2)	Bad Wiessee	-	-
Clecim Beteiligungs GmbH & Co KG (2)	Bad Wiessee	-	-
Crystal Beteiligungs GmbH & Co KG (2)	Bad Wiessee	-	-
Maison Beteiligungs GmbH & Co KG (2)	Bad Wiessee	-	-
LaRochette Beteiligungs GmbH & Co KG (2)	Bad Wiessee	-	-
Dora Beteiligungs GmbH & Co KG (2)	Bad Wiessee	-	-
Frigoscandia Beteiligungs GmbH & Co KG (2)	Bad Wiessee	-	-
Asteri Beteiligungs GmbH & Co KG (2)	Bad Wiessee	-	-
Ganter Beteiligungs GmbH & Co KG (2)	Bad Wiessee	-	-

(1) Included in full consolidation as the requirements of IFRS 10.7 are met.

(2) Inclusion in accordance with the principle of materiality is waived (cf. IAS 1.29 et seq.), as the subsidiary is of minor importance for the obligation to give a true and fair view of the net assets, financial position and results of operations of the Group. Together, the subsidiaries whose inclusion is waived are also of minor importance. Inclusion would only result in an insignificant improvement in information.

(3) Treatment as an associated company is waived with reference to the principle of materiality, as the investment is of minor importance for the presentation of a true and fair view of the net assets, financial position and results of operations of the Group.

(4) The company is currently in liquidation. With reference to IFRS 10.7, it is not included in the consolidated financial statements.

(5) In June 2018, the management filed for insolvency proceedings in view of an imminent insolvency and planned to continue the reorganization under self-administration proceedings. The Company and its subsidiary were deconsolidated as of June 30, 2018 due to the resulting loss of control. The court finally opened insolvency proceedings in the standard procedure for the Company's assets by order dated September 1, 2018.

(6) Artmadis S.A.S. filed for insolvency proceedings in 2018 due to ongoing economic difficulties and is - like its subsidiaries Cofistock and Cogemag - in liquidation. Artmadis Belgium as well as Artmadis Hong Kong were sold in financial 2018. Consequently, all five companies were deconsolidated in 2018.

Assurance of the legal Representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined 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.

Munich, 5 April 2023

Mutares Management SE,

General Partner of Mutares SE & Co. KGaA

The Board

Robin Laik

Mark Friedrich

Johannes Laumann

Deloitte.

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Translation – German version prevails

INDEPENDENT AUDITOR'S REPORT

To Mutares SE & Co. KGaA, Munich/Germany

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of Mutares SE & Co. KGaA, Munich/Germany, which comprise the balance sheet as at 31 December 2022, and the statement of profit and loss for the financial year from 1 January to 31 December 2022, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the combined management report for the parent and the group ("combined management report") of Mutares SE & Co. KGaA, Munich/Germany, for the financial year from 1 January to 31 December 2022. In accordance with the German legal requirements, we have not audited the content of the combined corporate governance statement pursuant to Sections 289f and 315d German Commercial Code (HGB), including the statement pursuant to Section 161 German Stock Corporation Act (AktG) included therein, to which reference is made in section 6.3 of the combined management report.

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

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2022 and of its financial performance for the financial year from 1 January to 31 December 2022 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the combined corporate governance statement nor the statement pursuant to Section 161 AktG included therein, which are referred to above.

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 annual financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2022. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the key audit matters we have determined in the course of our audit:

1. Recognition of income from long-term equity investments in profit and loss
2. Income from the intragroup disposal of long-term equity investments

Our presentation of these key audit matters has been structured as follows:

a) description (including reference to corresponding information in the annual financial statements)

b) auditor's response

1. Recognition of income from long-term equity investments in profit and loss

a) Mutares SE & Co. KGaA stated income from long-term equity investments of mEUR 72.3 (prior year: mEUR 14.4) in the statement of profit and loss for the financial year from 1 January to 31 December 2022, which corresponds to approx. 99% of profit for the period in the financial year (prior year: approx. 28%). Income from long-term equity investments exclusively relates to affiliated companies and is partially recognised as part of a same-phase profit recognition in profit and loss and partially recognised based on distributions after the according resolutions on the appropriation of profits were made. Income from long-term equity investments is realised if the stipulations for a same-phase recognition of the profit for the period in profit and loss are met and the general meeting has resolved the respective necessary resolution. This matter was of particular significance during our audit as auditing the stipulations for a same-phase recognition of profit for the period in profit and loss proved to be complex and time-consuming and income from long-term equity investments has considerable influence particularly on the Company's financial performance.

The executive directors have made according disclosures in the chapter "Statement of profit and loss" under the "Recognition and valuation methods" section as well as in the explanatory note 4.6 in the notes to the financial statements.

b) In conducting our audit we first obtained an understanding of the processes and workflows implemented by the executive directors in respect of the recognition of income from long-term equity investments in profit and loss. Additionally, we reviewed whether the income form long-term equity investments was determined correctly based on the affiliated companies' annual financial statements and the respective resolutions of the general meetings. This also included the assessment whether the stipulations for a same-phase recognition of profits in profit and loss were met pursuant to the legislation of the European Court of Justice and the German Federal Court of Justice as well as to necessary further requirements. Furthermore, we audited whether income from long-term equity investments were appropriately disclosed in the statement of profit and loss and whether the according receivables were recognised in the balance sheet appropriately and whether the disclosures made in the notes to the financial statements were complete and correct.

2. Income from the intragroup disposal of long-term equity investments

a) Mutares SE & Co. KGaA, Munich/Germany, holds 90% of the shares in mutares Holding-39 GmbH, Bad Wiessee/Germany, which in turn holds 100% of the shares in Terranor AB, Stockholm/Sweden, and – prior to the intragroup disposal – held 100% of the shares in Terranor Oy, Helsinki/Finland. By agreement of 9 December 2022, mutares Holding-39 GmbH sold its shares in Terranor Oy to Terranor AB taking effect on 31 December 2022. The agreed purchase price amounted to mEUR 16.8 and was due for payment on 31 December 2022. The gain on disposal of mEUR 16.8 was recognised in the statement of profit and loss for the financial year 2022 of mutares Holding-39 GmbH with an effect on income. Accordingly, this gain on disposal was included in income from long-term equity investments and thus in the profit and loss for the period 2022 of Mutares SE & Co. KGaA as part of the same-phase profit recognition in the amount of the proportional shareholding of 90%.

The purchase price of the shares in Terranor Oy was determined based on the cash flow planning provided by Terranor Oy, which they prepared based on their expectations about the future market and industry development as well as the further development of Terranor Oy's business model. For value determination, the executive directors of Terranor AB commissioned an external expert to prepare a valuation according to the principles IDW S 1 (Principles for the Performance of Business Valuations) using a discounted cash flow model.

Terranor Oy's executive directors' cash flow planning is highly dependent on their assessment of this company's development, which forms the basis for the planned future cash flows. Another significant influencing factor for determining the business value is the discount rate which was derived from industry-specific weighted average cost of capital. In preparing the valuation, the executive directors have to make numerous assumptions, making it subject to judgement and material uncertainties.

Against this background and given the existing constellation of related entities for which there is no balancing of interest from the outset corresponding to an arm's length comparison, this intragroup disposal of the shares in Terranor Oy was of particular significance in our audit of the annual financial statements of Mutares SE & Co. KGaA.

The disclosures of the executive directors concerning the income from long-term equity investments and from the disposal of long-term equity investments are included in section 4.6 of the notes.

b) In auditing the transaction regarding the intragroup disposal of the shares in Terranor Oy, among other things, we looked through the concluded agreement and obtained an understanding of the methodical and substantial approach for purchase price determination carried out by the executive directors of Terranor Oy and the external expert. In this respect, we inspected whether the future cash flows determined by the executive directors and included in the valuation and the respective weighted average cost of capital applied for the valuation served as a basis for the determination of the business value in accordance with the principles of IDW S 1. When analysing the results of the valuation, we – among other things – relied on publicly available general and industry-specific market expectations and forecasts. We critically assessed the extensive explanations provided by the executive directors of Terranor Oy and of Mutares SE & Co. KGaA regarding the essential factors and valuation parameters on which the expected future cash flows were based on. Moreover, we satisfied ourselves of the expertise, the abilities and the objectivity of the external expert and integrated in-house valuation experts in our audit team, who supported us in our intense analysis of the parameters used for the determination of the discount rate and the weighted average cost of capital. In particular, we reviewed the methods applied by the executive directors of Terranor Oy, their assumptions made as well as the data and parameters used and assessed whether they are acceptable as part of us auditing this matter. Furthermore, we reconstructed the calculation scheme used for the business valuation and recalculated some parts of it. Finally, we examined the determination and recognition of profits resulting from the intragroup disposal.

Other Information

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises

- the report of the supervisory board,
- the combined corporate governance statement pursuant to Sections 289f HGB and 315d HGB, including the statement pursuant to Section 161 AktG, to which reference is made in the combined management report,
- the consolidated non-financial report pursuant to Section 315b (3) HGB to which reference is made in the combined management report and which is expected to be presented to us after the date of this auditor's report,
- the other unaudited content of the combined management report marked as "unaudited",
- the executive directors' confirmation regarding the annual financial statements and the combined management report pursuant to Section 264 (2) sentence 3 and Section 289 (1) sentence 5 HGB, and
- all other parts of the annual report, which is expected to be presented to us after the date of this auditor's report,
- but not the annual financial statements, not the audited content of the combined management report and not our auditor's report thereon.

The supervisory board is responsible for the report of the supervisory board. The executive directors, the shareholder committee and the supervisory board are responsible for the statement according to Section 161 AktG concerning the German Corporate Governance Code, which is part of the combined corporate governance statement to which reference is made in the combined management report. Otherwise the executive directors are responsible for the other information.

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

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

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

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company'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, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual 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 combined 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 combined management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual 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 annual financial statements and on the combined 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 Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the combined 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 the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the combined 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 of the Company.

- 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 Company'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 annual financial statements and in the combined 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 Company to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Audit of the Electronic Reproductions of the Annual Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Audit Opinion

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the annual financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value 11268a0054ab458c819b0c398162a6a221c1eef50448f5860d97341253dfa256, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the annual financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying annual financial statements and on the accompanying combined management report for the financial year from 1 January to 31 December 2022 contained in the "Report on the Audit of the Annual Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Audit Opinion

We conducted our audit of the electronic reproductions of the annual financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the "Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1).

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

The executive directors of the Company are responsible for the preparation of the ESEF documents based on the electronic files of the annual financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

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

Auditor's Responsibilities for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited annual financial statements and to the audited combined management report.

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the general meeting on 17 May 2022. We were engaged by the supervisory board on 12 December 2022. We have been the auditor of Mutares SE & Co. KGaA, Munich/Germany, without interruptions since the financial year 2011.

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

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as with the audited ESEF documents. The annual financial statements and the group management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Dirk Bäßler.

Munich/Germany, 5 April 2023

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Dirk Bäßler	Wolfgang Braun
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)