Mutares SE & Co. KGaA, Munich

Combined Management and Group Management Report

for the financial year from 1 January to 31 December 2021

The translation of this document was prepared for convenience purposes only. The German original version prevails.

1. Fundamentals of the Company and the Group

1.1 Business model and organization

The business approach 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 targets, Mutares focuses on the identification of existing value enhancement potential, which can be realized after an acquisition through extensive operational and strategic optimization and transformation measures.

As part of its business model, Mutares actively and systematically looks for targets in transitional 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 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:

- Group spin-off
- Turnover from EUR 100-500 million
- Established market position (products, brand, customer base)
- 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 reliably and 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 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 summarizes itself as an "investment entrepreneur”.

Other core aspects of Mutares' business approach are:

- After the acquisition of 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 together result in a comprehensive optimization and transformation program.

- The management and employees of the portfolio company play a central role in managing the change that accompanies **operational optimization**. The involvement of the employees and the participation of the 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".

- **Measures for growth** are examined, developed and implemented during the operational stabilization of a company acquired as a platform investment. 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: With strategic additions, so-called "add-on acquisitions", the planned growth strategy of a focused buy-and-build approach can be implemented quickly.

- A **sale of** a portfolio company to realize the value potential is generally pursued by Mutares within a period of three to five years after acquisition and aims to achieve 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 outstanding cross-industry expertise in corporate transactions, finance 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 support its business model. This includes not only variable, highly performance-related remuneration structures commensurate with the high level of expertise required; through careful personnel selection, a high degree of independence for the restructuring managers deployed, and variable, highly performance-related remuneration as far as possible, Mutares offers an attractive working environment for entrepreneurial personalities.

Mutares pursues the private equity-typical 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 annual surplus 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 of portfolio companies as well as exit proceeds from the sale of investments. Due to this diversified revenue structure, Mutares sees itself in principle in a position to generate a sufficiently high net profit for the year, even in an operationally difficult year for various portfolio companies, to be able 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 allows us to compensate for regional fluctuations in the transaction markets and to ensure a constant deal flow.

As of 31 December 2021, the portfolio of Mutares SE & Co. KGaA contains a total of 23 operating investments or investment groups (previous year: 20), 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) Light Mobility Solutions
  (2) ESF Industrial Solutions Group[1]
  (3) KICO Group and ISH Group
  (4) PrimoTECS Group
  (5) iinovis Group

- 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.

  (6) Donges Group
  (7) Lacroix + Kress
  (8) La Rochette Cartonboard
  (9) Balcke-Dürr Group
  (10) Gemini Rail and ADComms Group
  (11) Royal De Boer and Japy Tech Group
  (12) Clecim

- Goods & Services

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

  (13) Lapeyre Group
  (14) Frigoscandia Group
  (15) BEXity
  (16) Terranor Group
  (17) Ganter Group
  (18) keeeper Group
  (19) FASANA[2]
  (20) Repartim Group
  (21) SABO
  (22) EXI
  (23) Asteri Facility Solutions

[1] In the 2020 financial year, SFC Solutions, Elastomer Solutions and Plati were each presented as independent portfolio companies. In view of the ongoing integration of the entities, they are now presented as one investment group.
[2] FASANA was still treated as part of the keeeper Group under the name keeeper Tableware in the 2020 financial year. However, due to its operational independence, it is now presented as an independent portfolio company.

1.2 Research and development

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

Research and development activities at **ESF Industrial Solutions Group** account for the largest share of research and development expenditure within the Group. The availability of in-house resources and laboratories strengthens competitiveness in a dynamic market that requires short response times and fast solutions. For example, the companies of the ESF Industrial Solutions Group address opportunities that arise in the electrification of the automotive sector and develop battery packs and thermal management solutions. The development of such specific solutions, which precisely meet the specifications required by customers, is a key to the long-term success and the targeted profitable growth of this group.

Overall, as in the previous year, the Group invested a single-digit million amount in research and development in financial year 2021; capitalized development costs are of minor importance for the Group as a whole.

2. Economic Report

2.1 General economic and industry-specific conditions

World

The global economy continued to be strongly influenced by the COVID 19 pandemic in 2021. According to the economic report of the Munich-based ifo Institute ("ifo Economic Forecast Winter 2021, "[3] published in December 2021), gross domestic product in the advanced economies returned to pre-pandemic levels for the first time in the third quarter of 2021. While the European economy recovered in the summer half of 2021, the U.S. economy was again weakened by the rising incidence of infection in the third quarter of 2021. The Chinese economy, on the other hand, recovered quickly from the effects of the pandemic, as a result of which the gross domestic product of the emerging markets as a whole returned to its pre-pandemic level a year earlier. A slowdown in China's economy in the third quarter of 2021 was due to stricter financing regulations for real estate companies and the associated downturn in this part of the economy.

Industrial production, which has since recovered from its interim slump of 10%, was no longer significantly affected by the pandemic by the end of 2021. The rapid recovery in global demand for goods led to supply bottlenecks and consequently to higher prices for raw materials, intermediate products and finished goods. In addition, there were spatial imbalances in global shipping, which further exacerbated the excess demand. These developments drove up prices, with the result that raw material prices, as measured by the Hamburg Institute of International Economics index, were up to 60% higher than pre-crisis levels. Global consumer prices were influenced in particular by price increases for fossil fuels and intermediate products such as semiconductors.

[3] https://www.ifo.de/node/67010

Europe

According to the European Commission's "Winter 2022 Forecast, "[4] economic activity in Europe, which experienced a strong upswing from spring to early fall of 2021, flattened out in the fourth quarter of 2021. This was due to the renewed rise in COVID-19 infection figures, high energy prices and increased supply shortfalls. Some EU countries were under pressure in this regard, particularly due to strained healthcare systems. In addition, there were logistics and supply bottlenecks, for example in relation to semiconductors and various metals, which impacted the production activities of affected sectors.

According to the European Commission's "Winter Forecast 2022", the current high energy prices are also putting a strain on economic growth and at the same time increasing inflationary pressure. On average, the inflation rate in the euro area was 2.6% in 2021.

Germany

According to the "ifo Economic Forecast Winter 2021"[5], German economic output grew strongly in the second and third quarters of 2021 by almost 2% compared with the respective previous quarter. This reduced the pandemic-related output gap of the first quarter of 2021 and led to a reduction in the pandemic-related underutilization of capacity in the German economy.

Service companies were able to increase their revenues as a result of the easing of pandemic restrictions in early summer 2021, thus making a positive contribution to economic development. In the manufacturing sector, however, demand was also high but met with persistent supply bottlenecks for industrial precursors; the supply shortage also affected the retail and construction sectors. This situation led to a contraction in value added in the manufacturing sector in 2021 and to sharp price rises on the producer and ultimately the consumer side.

At around 5%, the inflation rate in Germany reached its highest level in around 30 years in November 2021. This was due to price increases, particularly in the energy sector, but also to distorting base effects, such as the lower VAT rates in the second half of 2020.

The economic development towards the end of 2021 was then influenced by the renewed strong increase in pandemic activity in connection with the "omicron" virus variant.

Fiscal policy in Germany continued to be expansionary. The government's spending programs to combat the pandemic determined the degree of focus.

Investment industry

According to the German Private Equity and Venture Capital Association (BVK) ("Der deutsche Beteiligungskapitalmarkt 2021"[6], as of March 2022), the private equity industry was able to demonstrate strength despite the challenging times.

Investments by investment companies based in Germany reached EUR 12.6 billion (previous year: EUR 15.0 billion). The volume of investment sales amounted to EUR 4.0 billion in 2021 and was thus even higher than the previous year's figure of EUR 3.0 billion. The exit channels that are important for Mutares, namely strategic investors or other investment companies (21% and 36%, respectively), were responsible for the majority of the total exit volume.

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4 https://germany.representation.ec.europa.eu/news/winterprognose-2022-kommission-erwartet-starkes- economic-growth-over-the-year-2022-02-10_en

5 https://www.ifo.de/node/67010

6 https://www.bvkap.de/sites/default/files/page/20220316_bvk-statistik_2021_vorlaeufig_in_charts_final.pdf

There was a 16% decrease compared to the previous year, but investment volumes remained high despite the COVID 19 pandemic and also compared to the two record years of 2019 as well as 2020.

2.2 Business performance

In the financial year 2021, the **Mutares Group** generated revenues of EUR 2,504.0 million (previous year: EUR 1,583.9 million) and EBITDA according to IFRS of EUR 566.5 million (previous year: EUR 142.7 million). Adjusted EBITDA (as defined below in connection with the presentation of the financial performance indicators) amounts to EUR -41.3 million (previous year: EUR -28.8 million).

The revenues of the **Mutares holding company**, i.e., Mutares SE & Co. KGaA, result from advisory services to affiliated companies and management fees. The increase to EUR 50.5 million (previous year: EUR 31.9 million) is a consequence of the high transaction activity in the past and a resulting enlarged portfolio. Revenues and dividends from the portfolio (mainly income from investments received in the same period) result in the so-called "**portfolio income**", which amounts to EUR 64.9 million (previous year: EUR 66.5 million) for the financial year 2021. As a result, net income according to HGB amounts to EUR 50.7 million, compared to EUR 33.4 million in the previous year.

Mutares' business performance in the financial year 2021 was characterized by the following significant events:

- *Attractive, long-term dividend policy confirmed by the Annual General Meeting*

  On 20 May, 2021, the Company's Annual General Meeting, which was again held on a purely virtual basis, approved a **dividend of EUR 1.50 per share for** the 2020 financial year. This consists of a basic dividend of EUR 1.00 per share and a performance dividend of EUR 0.50 per share.

- *Completion of a total of 14 acquisitions*

  In the reporting period, all three segments of Mutares were further developed through a total of 14 completed acquisitions:

  Mutares completed the acquisition of the Italian communications services provider of Ericsson Services Italia S.p.A. (now operating as **EXI** S.p.A.) at the end of March 2021. The company specializes in network expansion and maintenance services and is allocated to the Goods & Services segment.

  Also, at the end of March, Mutares completed the acquisition of Primetals Technologies France S.A.S., 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.

  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% of the shares are held by HomeServe France, a specialist in home repairs and maintenance. The company now operates on the market under the **Repartim** brand.

At the end of April 2021, Mutares completed the acquisition of RDM La Rochette from the Italian Reno De Medici Group. **La Rochette** Cartonboard is based in France and produces folding cartonboard based on virgin fibers mainly for the pharmaceutical and food packaging industries. The acquisition strengthens the Engineering & Technology segment.

Mutares acquired Alan Dick Communications Limited ("ADComms") from Panasonic Europe at the end of May 2021. **ADComms** supplies communication and safety systems for the UK rail sector. The business is highly complementary to Gemini Rail from the Engineering & Technology segment. Significant operating synergies are expected as part of the future cooperation.

Terranor Group, a platform investment in the Goods & Services segment, successfully completed the acquisition of **NCC Road Service** AS (now operating under the name Terranor AS) from NCC at the end of 2021. With the acquisition of NCC's Danish Road operation and maintenance service business, Terranor Group is further expanding its presence in the Scandinavian countries.

The acquisition of **Lapeyre** S.A.S. and its subsidiaries in France from Saint-Gobain in June 2021 represents the largest acquisition in Mutares - in terms of revenues and the number of employees of the acquired company. 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 platform investment, Lapeyre strengthens the Goods & Services segment.

The geographic growth path of the Donges Group as an investment from the Engineering & Technology segment continued with the acquisition in July 2021 of **Permasteelisa España**, a supplier of glass structures for cladding building facades with a strong presence in the Iberian Peninsula.

To strengthen the Automotive & Mobility segment, Mutares completed the acquisition of three exterior plants from Magna, now operating under the name **Light Mobility Solutions** GmbH ("LMS"), in July 2021. LMS is a supplier of plastic exteriors and systems whose products include fascia’s, grilles, sill and side panels, spoilers and other exterior trim parts for the leading automotive manufacturers.

At the end of September, Mutares completed the acquisition of **Innomotive Systems Hainichen** GmbH and a Chinese subsidiary ("ISH"). ISH is a supplier of aluminum hinges for automotive applications and manufactures door hinges made of steel or aluminum 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 acquisition of **Rasche Umformtechnik** GmbH & Co. KG ("Rasche") in October 2021 will enable PrimoTECS, a portfolio company in the Automotive & Mobility segment, to access new customers and customer segments as well as to expand its product portfolio into smaller series sizes with manual forging presses.

As a new platform acquisition, the acquisition of **Ganter Construction & Interiors** GmbH and its subsidiaries ("Ganter Group") in October 2021 strengthens the Goods & Services segment. Ganter Group acts as a general contractor for high-quality interior construction 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 of **Asteri Facility Solutions** (formerly: Alliance Plus) was completed at the end of December 2021 and strengthens the Goods & Services segment as a new platform investment with the option of future add-on acquisitions in the Northern European countries as well as mainland Europe. The company provides facility management services throughout Sweden from its headquarters near Stockholm.

The acquisition of **Frigoscandia at** the end of December 2021 will be allocated to the Goods & Ser- vices segment. Frigoscandia is a leading player in logistics solutions for fresh, chilled and frozen food, mainly in Northern Europe. The company has over 25 warehouses and terminals in Sweden and Norway and is active in three areas: domestic transport, international transport and warehousing.

All acquisitions, with the exception of the acquisition of Ganter Group, which resulted in goodwill, led to gains from bargain purchases totaling EUR 692.7 million, which are reported under other income. The acquisition of Lapeyre accounted for the largest share of this amount at EUR 460.8 million.

- *Completion of six exits*

  In the reporting period, six sales of portfolio companies (so-called "exits") were successfully completed:

  Following the sale of its Polish company in April 2020, Balcke-Dürr also signed an agreement to sell its German Rothemühle business in December 2020. Accordingly, **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.

  In November 2020, Mutares had initially signed a letter of intent to sell its shares in **Nexive to** the Italian market leader Poste Italiane. The transaction was then completed in January 2021. The uncharacteristically quick exit took advantage of a limited window in Italian legislation to allow acquisitions for consolidation in the Italian postal and parcel services market under certain conditions.

  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 shareholding of approximately 73.25% in the share capital of **STS Group AG** at a purchase price of EUR 7.00 per share sold. The closing of the transaction took place on 30 June 2021.

  In the second half of financial year 2021, Mutares sold numerous activities in France: The divestment of TréfilUnion, EUPEC and La Meusienne was completed in July, as was the sale of Cenpa. Finally, the Donges Group sold its subsidiary Norsilk in October.

  The deconsolidations resulted in deconsolidation gains of EUR 32.8 million[7] (previous year: EUR 6.9 million) and deconsolidation losses of EUR 36.7 million (previous year: EUR 2.0 million), which are reported in other income and other expenses, respectively.

[7] This also includes the result from the deconsolidation of Gemini Rail Technology UK Ltd. due to the liquidation of the company in September 2021.

- *Restructuring and development progress*

  In addition to the extensive activities related to the buy-side and sell-side transactions, Mutares' various portfolio companies have each implemented and executed comprehensive operational improvement programs during the course of the financial year 2021, with the aim of significantly increasing the value of the respective investment upon a subsequent exit. In particular, the Management Board considers the development of BEXity, Lacroix + Kress, KICO Group, SABO and Terranor Group to be positive. The Management Board considers the start to the restructuring of Lapeyre in particular to be promising.

- *Capital increase and uplisting*

  On 14 October 2021, Mutares completed the **capital increase** resolved on 28 September 2021, under which the Company's share capital was increased by EUR 5.1 million from previously EUR 15.5 million to EUR 20.6 million through the issuance of 5.1 million new registered no-par value ordinary shares. The capital increase with subscription rights for the Company's limited liability shareholders was carried out in return for cash contributions, making partial use of the existing Authorized Capital 2019/I. The capital increase was carried out in accordance with the Articles of Association of the Company.

  The gross proceeds from the capital increase amount to approximately EUR 100 million. The Company intends to use the net proceeds to take advantage of current opportunities to accelerate growth through platform acquisitions of new portfolio companies, add-on acquisitions to strengthen existing portfolio companies as part of its buy-and-build strategy, and investments in existing portfolio companies.

  As a result of the **uplisting,** the shares are now 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 Europe. Mutares expects that the uplisting to the Prime Standard will significantly increase the attractiveness of the Mutares share for new institutional investor groups.

- *Increase of the placed bond to a nominal volume of EUR 80.0 million.*

  On 12 February 2021, Mutares increased the bond listed on the Open Market of the Frankfurt Stock Exchange and on the Nordic ABM of the Oslo Stock Exchange by a nominal volume of EUR 10.0 million to the maximum nominal volume of EUR 80.0 million under the bond terms and conditions valid at that time.

- *Opening of an office in Amsterdam*

  After establishing its own national companies in Sweden, Spain and Austria in the previous year, Mutares expanded its local office presence to the Benelux countries in financial year 2021 with the establishment of a company in the Netherlands and the opening of an office in Amsterdam.

- *Retirement of long-serving Management Board member Dr. Kristian Schleede*

  Mutares will say goodbye to Dr. Kristian Schleede at the end of 2021, who has retired from his position on the Management Board of Mutares Management SE. Based on his longstanding and high level of commitment, he has contributed a great deal to the success of Mutares so far and thus significantly helped pave the way for further growth and the ambitious goals. Since 1 January 2022, the Management Board of Mutares Management SE is thus composed of Robin Laik (CEO), Mark Friedrich (CFO) and Johannes Laumann (CIO).

2.3 Reports from the portfolio companies

The following notes reflect the developments of the individual segments and portfolio companies in the Mutares Group in the financial year 2021. The forecasts for the individual segments and portfolio companies for the financial year 2022 presented below were prepared in the second half of the financial year 2021 and do not yet include the effects of the Russia-Ukraine conflict, which has been waging war since 24 February 2022. The direct effects of this conflict only affect a small share of sales of the Mutares Group with customers in Ukraine and the Ukrainian plant of the Plati Group. The indirect effects - in particular due to the international sanction measures on the supply chains of Mutares portfolio companies and the demand for their products and services on the customer side - cannot be reliably estimated at present, i.e., as of the date of preparation of this combined management and group management report.

Segment Automotive & Mobility

No.	Participation	Branch	Headquarters	Acquisition
(1)	**Light Mobility Solutions**	Supplier for plastic components for the automotive industry	Obertshausen/DE	07/2022
(2)	**ESF Industrial Solutions** Group	Automotive supplier for fluid transfer systems, sealings solutions as well as cabling	Obertshausen/DE	07/2022
(3)	**KICO** and **ISH** Group	System supplier for automotive technology	Obertshausen/DE	07/2022
(4)	**PrimoTECS** Group	Supplier of forged parts in the fields of engine, transmission, and drivetrain	Obertshausen/DE	07/2022
(5)	**iinovis** Group	Engineering service provider for Automotive Engineering	Obertshausen/DE	07/2022

According to the German Association of the Automotive Industry ("VDA"), the international automotive markets experienced a turbulent year in 2021. Due to the low revenue figures in the previous year, significant growth was generated in the first half of the year as a result of catch-up effects. However, the second half of the year was much weaker in terms of business performance. The reasons for this were the lack of availability of semiconductors and shortages of precursors and raw materials. In addition, the industry's profitability and liquidity were impacted by rising raw material and energy prices. While sales in the automotive sector in Europe declined overall in the full year 2021, the markets in the USA and China grew slightly.

The revenues of the Mutares’ segment Automotive & Mobility for the financial year 2021 amount to EUR 719.9 million (previous year: EUR 602.4 million). The increase was mainly due to the acquisitions of LMS, ISH and Rasche, which were included in the Group in financial year 2021 as of the acquisition date. In addition, SFC Solutions as part of the ESF Industrial Solutions Group and iinovis, which were acquired in the course of fiscal 2020, also contributed to the increase. Contrary the STS Group was included for the last time with six months until the completion of the disposal on 30 June 2021. EBITDA for this segment amounts to EUR 86.4 million for financial year 2021 (previous year: EUR 65.7 million). This includes bargain purchase gains from the acquisitions totaling EUR 123.9 million (previous year: EUR 84.3 million), in particular from the acquisitions of LMS and ISH. Adjusted EBITDA, on the other hand, was negatively impacted by the above-mentioned factors and the still negative earnings contributions from the new acquisitions and thus declined to EUR -20.0 million (previous year: EUR -13.3 million).

LIGHT MOBILITY SOLUTIONS

Light Mobility Solutions is a supplier of exterior elements and systems for the automotive industry and provides all leading European OEMs with a comprehensive product portfolio including fascia's, 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 a technological focus on injection molding, surface treatment (painting and chrome plating) and assembly. Together with the local management, a transformation program was initiated directly after the acquisition of LMS in July 2021. The aim of this program is to improve the product and customer portfolio, the use of know-how and cooperation with customers and other partners, and to create competitive cost structures. In financial year 2021, LMS achieved an operating result that was still materially negative. However, as a result of the measures initiated under the transformation program, the management believes that the company is on track to achieve significant improvements in financial year 2022, despite a market situation that remains tense, and thus to already bring the operating result to a nearly balanced level.

ESF INDUSTRIAL SOLUTIONS GROUP

In view of the ongoing integration, the newly created ESF Industrial Solutions combines SFC Solutions, Elastomer Solutions and Plati, which were previously run as independent holdings.

SFC Solutions, an automotive supplier in the field of fluid transfer systems and sealing solutions with sites in Europe and India, was able to increase productivity in financial year 2021 and implement most of the cost reduction measures thanks to the measures initiated in the restructuring program launched in financial year 2020. However, activity in fiscal 2021 was impacted by volatility in sales volumes as well as price increases on the procurement markets. As a result, the profitability of the original planning could not be achieved. For fiscal 2022, however, the management expects a market recovery and thus a significant increase in sales with a slightly positive operating result.

Elastomer Solutions, with production sites in Portugal, Slovakia, Morocco and Mexico, manufactures rubber and thermoplastic components. Due to lower demand from customers in the context of a lack of availability of semiconductors, sales for the financial year 2021 fell materially short of original expectations. The consistent implementation of cost-cutting measures counteracted the negative effects of this and of the increase in raw material prices, and a clearly positive operating result was achieved. For the financial year 2022, the management expects a significant increase in sales due to the already emerging recovery in demand. The operating result is expected to increase by

The company will be able to significantly increase its sales through the consistent implementation of efficiency-enhancing measures and the optimization of production.

Plati is a manufacturer of wire harnesses, special cables and connectors with two production sites, whose cooperation was also reorganized by means of a modern ERP system. Despite the resulting efficiency gains, the lack of availability of semiconductors on the automotive and household appliance markets led to significant delays in financial year 2021, so that the planned sales level was substantially missed, with a corresponding negative impact on the operating result, which contrary to planning reached a clearly negative level. In fiscal 2022, Plati's sales are expected to increase extraordinarily, also as a result of new projects in the areas of e-mobility and electrical engineering, as well as benefiting from cooperation with other investments in the segment, and thus a noticeably positive operating result is expected to be achieved.

KICO and ISH GROUP

As a supplier to the automotive industry, KICO develops, industrializes and manufactures safety components for passenger cars. Temporary plant closures or line stoppages at car manufacturers and material bottlenecks at suppliers presented KICO with challenges in financial year 2021, as did price increases for raw materials, especially steel. Thanks to the consistent implementation of the initiated improvement measures, mainly with regard to increasing operational excellence in the processing of customer orders, as well as the participation of customers in the material price increases, operating profit increased extraordinarily compared with the prior-year period and reached a visibly positive level. For the financial year 2022, the management expects a material increase in revenues and another extraordinary increase in operating profit, favored by an easing of the situation on the procurement and revenues markets.

At the end of the third quarter of fiscal 2021, Innomotive Systems Hainichen GmbH ("ISH"), a manufacturer of sophisticated, high-precision door hinges made of steel or aluminum as well as complex hinges for hoods, liftgates and tailgates, was acquired. ISH has a subsidiary in China and offers its customers products and services along the entire value chain from customized product development, CNC machining, broaching, welding, hardening to semi- and fully automated assembly lines with integrated quality control from a single source. Immediately after the acquisition, a Mutares team worked with local management to define and implement a transformation plan focused on increasing efficiencies in production operations while reducing direct material and other costs. In fiscal 2022, ISH's focus will be on intensifying relationships with automotive manufacturers, also involving its subsidiary in China. At the same time, synergies with KICO are expected to materialize, so that management anticipates a slightly positive operating result for fiscal 2022.

PRIMOTECS

PrimoTECS, a supplier to the automotive and related industries, manufactures forged parts used in electric, hybrid and conventional powertrains at two sites in Northern Italy. After meeting management expectations in the first quarter of financial year 2021 due to PrimoTECS’ good positioning, there was a subsequent decline in demand from automotive manufacturers in the context of a lack of semiconductor availability and rising raw material and energy costs. The local management countered this with further flexibility measures, including short-time work. However, this did not fully compensate for the negative effects, and the operating result remained at a materially negative level, as in the previous year. For financial year 2022, management expects an extraordinary recovery in sales revenues. PrimoTECS is countering the rising raw material and energy costs with a proactive approach and is passing on most of the increases to customers. On this basis, management expects a break-even operating result for financial year 2022.

In the fourth quarter of financial year 2021, Rasche Umformtechnik GmbH & Co KG ("Rasche"), a producer of forged parts, was acquired by PrimoTECS as an add-on acquisition. Since then, a Mutares team has been working with local management to identify and exploit synergies with PrimoTECS. In this context, a program of measures was also initiated with the aim of increasing efficiency in the production processes and gradually automating manufacturing processes. In the 2022 financial year, the focus will also be on further diversification.

IINOVIS GROUP

iinovis provides engineering services with a focus on the automotive industry, in particular for German premium car manufacturers. In addition to the service areas of vehicle development, testing and simulation, the portfolio also includes manufacturing areas, prototype construction and cable harness production. The restructuring plan, which is mainly aimed at stabilizing sales and reducing costs, was largely implemented in financial year 2021: Following the closure of one site in November 2020, a comprehensive reduction of the workforce was additionally implemented in financial year 2021 by means of a redundancy plan, so that iinovis is positioned competitively in terms of costs. Furthermore, management has initiated a shift to new technologies such as e-mobility and a realignment of the service portfolio. However, due to the difficult situation on the sales markets, sales in financial year 2021 were significantly lower than planned, resulting in a materially negative operating result (excluding the costs for the social plan). On the basis of the cost-cutting measures implemented and the switch to new technologies such as e-mobility and a realignment of the service portfolio, the Management Board expects a significant increase in sales revenue and an improvement in operating profit to a recognizably positive level in financial year 2022.

Segment Engineering & Technology

No.	Participation	Branch	Headquarters	Acquisition
(6)	**Donges** Group	Full-range supplier for steel structures, roof and facade systems	Darmstadt/DE	11/2017
(7)	**Lacroix + Kress**	Oxygen free copper wire manufacturer	Bramsche/DE	11/2020
(8)	**La Rochette Cartonboard**	Folding box carton manufacturer	Valgelon-La chette/FR	04/2021
(9)	**Balcke-Dürr** Group	Heat exchanger and reactor manufacturer	Dusseldorf/DE	12/2016
(10)	**Gemini Rail** and **AD-Comms**	Industrial, technological and infrastructure service provider for the British railroad industry	Wolverton/UK Scunthorpe/UK	11/2018
(11)	**Royal De Boer** and **Japy Tech** Group	Manufacturer of cooling tanks and barn equipment	Leuuwarden/NL Dijon/FR	12/2020
(12)	**Clecim**	Supplier of high-end solutions for steel processing lines	Savigneux/FR	03/2021

The investments of the Engineering & Technology segment generated sales of EUR 871.9 million in financial year 2021 (previous year: EUR 534.7 million). The full-year effect of Lacroix +Kress, acquired in the course of the previous year, as well as Royal de Boer and Japy Tech, which were only acquired towards the end of the 2020 financial year, contributed to the increase in sales. In addition, the acquisitions of fiscal 2021 also contributed for the first time from the date of their respective acquisition. Benefiting from bargain purchase gains of EUR 75.0 million in connection with the segment's transactions, in particular the acquisitions of La Rochette Cartonboard and Clecim, EBITDA amounted to EUR 64.3 million (previous year: EUR 59.7 million). Adjusted EBITDA was burdened in particular by the still negative contributions of the recent acquisitions and delays in the awarding of tenders and in the completion of ongoing projects at Gemini Rail and amounted to EUR -2.0 million (previous year: EUR 7.6 million).

DONGES GROUP

The Donges Group offers comprehensive solutions for steel structures, roof and facade systems. Since the initial acquisition of Donges SteelTec GmbH in financial year 2017, a European full-service provider has been created through numerous add-on acquisitions. The geographic growth course was continued most recently with the acquisition of Permasteelisa España, a supplier of glass structures for cladding building facades with a strong presence on the Iberian Peninsula.

By dovetailing the operating units, both product-side and operating synergies can be realized without sacrificing the independence of the individual units. The shortage of raw materials in the roofing and cladding solutions business was largely absorbed by the stable supplier network and production was continued without any major restrictions. Price increases were passed on to customers with a time lag.

Overall, the Donges Group achieved significantly higher sales revenues and a visibly positive operating result in financial year 2021 compared to the previous year, including the acquisition of NORDEC in financial year 2020. For financial year 2022, management expects a visible increase in sales despite the sale of the French subsidiary Norsilk in the fourth quarter of financial year 2021. Operating profit will benefit from the further implementation of synergy measures and will again increase substantially compared to financial year 2021.

LACROIX + KRESS

Lacroix + Kress is a manufacturer of oxygen-free copper wire with two sites in Germany and customers within the Tier 1 and Tier 2 representatives from the automotive industry as well as from the white goods and general industrial applications sectors. The transformation plan initiated after the acquisition in November 2020 was fully implemented in financial year 2021 and positive effects were achieved in the areas of productivity increase, working capital optimization and capacity increase. To finance value-creating investments in the machinery park, in particular the dip rolling mill, the company raised external financing and implemented the investments in the second half of 2021. Benefiting from higher-than-expected sales, a visibly positive operating result was achieved in fiscal 2021. For the financial year 2022, the management expects that the positive market environment will lead to a further noticeable increase in sales and that the implementation of the transformation plan will result in another positive operating result.

LA ROCHETTE CARTONBOARD

In April 2021, Mutares successfully completed the acquisition of RDM La Rochette S.A.S. in France from the Italian Reno De Medici Group. The company now operates under the name La Rochette Cartonboard and produces folding cartons based on virgin fibers mainly for the pharmaceutical and food packaging industries.

Immediately after the takeover, a Mutares team together with the company’s management initiated a transformation plan aimed on the one hand at detaching the company from the group structures of the former owner and thus establishing it as an independent company, and on the other hand at increasing efficiency. The positive influences from this were inhibited in the financial year 2021 by the rise in energy prices and overall, a still visibly negative operating result was achieved. Nevertheless, the market environment, such as the trend towards avoiding plastic packaging, is promising and offers opportunities for further positive development. Thus, the management also expects an increase in the operating result to a clearly positive level for the 2022 financial year.

BALCKE-DÜRR GROUP

The sale of the German Rothemühle business was completed in the first quarter of 2021, so that the Balcke-Dürr Group has now completely withdrawn from activities in connection with coal-fired power generation and at the same time is increasingly focusing on product developments for chemical processes and on dismantling in the nuclear plant sector. Furthermore, the French subsidiary La Meusienne was sold in the third quarter of the financial year.

Although the situation regarding the award of major international projects improved year-on-year, the situation on the sales markets remained tense in fiscal 2021 and the resulting negative effects on profitability could not be fully offset.

To reduce structural costs and exploit synergies, further optimization measures were implemented in fiscal 2021, in particular the relocation of all manufacturing activities from Germany to Italy. Full integration is scheduled to be completed in the course of 2022. The first major projects are already being implemented at the new manufacturing site.

For the financial year 2022, management expects a significant increase in sales revenue through improved utilization of manufacturing synergies. In addition, after the end of the financial year in the first quarter of 2022, the acquisition of Toshiba Transmission & Distribution (in future operating as Balcke-Dürr Energy Solutions) was completed, which management hopes will provide further positive impetus for the development of the Balcke-Dürr Group.

GEMINI RAIL and ADCOMMS

Gemini Rail provides engineering and maintenance services for rail vehicles in the UK rail market. Due to delays in the award of tenders in the context of the COVID 19 pandemic and delays in the execution of ongoing projects, operating profit in fiscal 2021 was impacted and did not reach the planned level.

At the end of May 2021, Alan Dick Communications Limited ("ADComms") was acquired by Panasonic Europe. The business is highly complementary to Gemini Rail and significant operational synergies may arise as part of the future collaboration. Immediately after the acquisition, the implementation of measures to increase efficiency as part of a comprehensive transformation program was started. However, the operating result in financial year 2021 was extraordinarily impacted by two major projects progressing below expectations.

For the financial year 2022, the management expects a more positive development with an extraordinary sales growth compared to the financial year 2021 and a recognizable positive operating result due to positive signals in the tendering of projects towards the end of the financial year 2021.

ROYAL DE BOER and JAPY TECH GROUP

The acquisition of Royal de Boer and Japy Tech Group, with production sites for the manufacture of milk cooling tanks and barn equipment for dairy farms in France and the Netherlands, was completed at the end of financial year 2020. In cooperation with the respective local management, the Mutares teams identified transformation measures and essentially completed them in financial year 2021. In essence, these were aimed at streamlining the product portfolio and adjusting the pricing strategy, reducing indirect costs, and establishing new sales structures to establish a direct relationship with dealers and end customers. In particular, the streamlining of the product portfolio showed the expected positive effects. Royal de Boer also managed to open up further markets and drive growth, particularly in the USA. On this basis, management expects sales to be materially higher than in fiscal 2021, with a visibly positive operating result.

CLECIM

In March 2021, Mutares acquired Clecim, a supplier of steel processing lines, stainless steel rolling mills, and mechatronic products and services in France. Together with the management, a Mutares team initiated the restructuring of Clecim immediately after the acquisition and implemented it to a large extent by the end of the financial year. The action plan is aimed in particular at intensifying sales activities to increase 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. Management expects that the measures introduced will show their full effect in financial year 2022, so that Clecim is already expected to achieve a slightly positive operating result.

Segment Goods & Services

No.	Participation	Branch	Headquarters	Acquisition
(13)	**Lapeyre** Group	Manufacturer and distributor of DIY products	Aubervillier/FR	06/2021
(14)	**Frigoscandia** Group	Supplier for temperatur controlled logistics	Helsingborg/SE	12/2021
(15)	**BEXity**	Provider of transport and logistics services	Vienna/AT	12/2019
(16)	**Terranor** Group	Provider of road operation and maintenance services	Solina/SE Helsinki/FI Silkeborg/DK	11/2020
(17)	**Ganter** Group	General contractor in interior design and store fitting	Waldkirch/DE	10/2021
(18)	**keeeper** Group	Manufacturer of plastic and paper household products	Stemwede/DE	06/2019
(19)	**FASANA**[9]	Paper napkins manufacturer	Euskirchen/DE	02/2020
(20)	**Repartim**	Home repair and emergency services provider	Tours/FR	04/2021
(21)	**SABO**	Lawn mower manufacturer	Gummersbach/DE	08/2020
(22)	**EXI**	Information and communication technology service provider	Rome/IT	03/2021
(23)	**Asteri Facility Solutions**	Service provider in the field of soft facility management	Solna/SE	12/2021

Revenues of the Goods & Services segment will amount to EUR 912.4 million in financial year 2021 (previous year: EUR 446.7 million). The development is mainly transaction-related: In addition to Lapeyre, the largest acquisition in Mutares history in terms of sales and number of employees, the investments acquired in the course of financial year 2020, above all Terranor Group, also contributed. In contrast, the sale of Nexive at the beginning of fiscal 2021 led to a year-on-year decline in revenues. The last two acquisitions of financial year 2021, Frigoscandia Group and Asteri Facility Solutions, did not yet contribute to earnings in 2021, with the exception of the recognized gains from bargain purchases. EBITDA amounted to EUR 450.8 million (previous year: EUR 29.0 million), boosted by gains on bargain purchases of EUR 493.8 million, in particular due to the acquisition of

[9] FASANA was still treated as part of the keeeper Group under the name keeeper Tableware in the 2020 financial year. However, due to its largely operational independence, it is now presented as a separate, independent portfolio company.

Lapeyre. With regard to Adjusted EBITDA, some investments, above all BEXity, Terranor Group and SABO, showed a pleasing development in the financial year 2021. However, the still negative earnings contributions of the new acquisitions and the increased raw material prices, especially at keeeper Group, burdened the Adjusted EBITDA, which amounts to EUR -13.2 million (previous year: EUR -17.0 million).

LAPEYRE GROUP

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

Immediately after the takeover at the end of May 2021, a Mutares team, together with the new and industry-experienced managing director and with the involvement of external consultants, started working on strategic issues such as a new conception of the product range, the improvement of purchasing conditions and the optimization of the supply chain as well as the production sites. The emphasis on the high quality of the product offering is intended to strengthen Lapeyre's positioning in the market. In addition to the development of the strategic plan, several measures and activities have already been implemented in the second half of 2021. These include the implementation of supply chain performance measurement tools that allow better monitoring of logistics operations, quantification of the potential to reduce inventory levels, renegotiation of several key contracts with suppliers, and optimization of internal processes. The optimization of purchasing and the completion of a comprehensive productivity improvement plan should also contribute to the rapid optimization of Lapeyre's results. Furthermore, targeted price increases cushioned the negative effects of higher raw material prices. Lapeyre's operating result was impacted by one-off expenses, in particular the spin-off of all activities from the former owner's group structures, especially in the area of IT, and was still negative as planned, but positively exceeded management's expectations. For the financial year 2022, management expects an extraordinary increase in profitability and consequently an improved operating result due to the strategic measures introduced and operational improvements.

FRIGOSCANDIA GROUP

The acquisition of Frigoscandia, a leading player in logistics solutions for fresh, chilled and frozen food, mainly in Northern Europe, was completed by the end of financial year 2021. The company has 25 warehouses and terminals in Sweden and Norway and is active in three areas: domestic transport, international transport and warehousing.

Since January 2022, a Mutares team has been working with local management to develop a transformation plan, which mainly focuses on realigning the warehouse and logistics plans, sales initiatives, and cost-cutting measures. The continuing high energy costs are also to be countered by targeted price increases and surcharges in fiscal 2022. On this basis, the management expects a positive operating result overall for the financial year 2022.

BEXITY

BEXity is a provider of cross-border transport logistics and warehousing services with a nationwide network in Austria. In the first half of 2021, catch-up effects from the financial year 2020, which was impacted by the COVID 19 pandemic, led to higher shipment volumes. However, due to the slower start-up of business with new customers and the reduction in business with bulk goods, total sales in the financial year 2021 remained significantly below plan. However, the measures initiated in the previous year as part of the optimization program showed their positive effects and led to a clearly positive operating result in the financial year 2021.

On 7 December 2021, Mutares signed an agreement with Raben Group N.V., a Dutch logistics company, for the sale of all shares in BEXity. The sale was subject to the approval of the Austrian and German antitrust authorities and the former owner, the Austrian Federal Railways (ÖBB). The transaction was completed after the end of the financial year 2021 in the first quarter of 2022.

TERRANOR GROUP

Terranor Group is a provider of operations and maintenance services to ensure safe traffic on and around roads in Scandinavian countries.

In the financial year 2021, key aspects of the transformation plan for the road service business in Sweden and Finland acquired in November 2020 were successfully implemented. Thanks to optimized tender management and the resulting increased competitiveness of the Terranor Group's services, sales in the financial year 2021 were well above the planned level. Operating profit already reached a recognizably positive level.

In the second quarter of the financial year, it was also possible to acquire the Danish operations and maintenance business with mainly government and municipal contracts as well as further specialization services (e.g. sweeping, drainage) as an add-on acquisition from NCC. The "Terranor" brand has thus gained further momentum and the results of the transformation to date provide evidence of already improved competitiveness. On this basis, management expects the positive development to continue in financial year 2022 with an extraordinary improvement in operating profit, which is forecast to reach a significantly positive level.

GANTER GROUP

In the fourth quarter of the financial year 2021, the acquisition of Ganter Construction & Interiors GmbH and its subsidiaries ("Ganter Group"), a general contractor in interior construction and shopfitting, was completed. The formerly family-run company implements interior construction projects for international customers. Immediately after the acquisition, a Mutares team together with the local management initiated the transformation, which aims 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, will take effect in the course of the 2022 financial year and have a positive impact on the operating result.

KEEEPER GROUP

In the first half of financial year 2021, keeeper Group, a manufacturer of household products, was affected by the temporary closures of home improvement stores and furniture retailers in connection with the COVID-19 pandemic. However, the negative effects of this were fully offset in the further course of the year, so that overall, the planned level of sales was exceeded. At the same time, however, the extraordinarily increased prices on the raw material markets for plastic granules, which could only partly be passed on to the customers, burdened the profitability of the keeeper Group. This more than compensated for the measures initiated in the previous year to reduce the cost base, in particular the relocation of production activities relating to the manufacture of plastic products to the Polish site. For the financial year 2022, the management expects that the prices for the raw material will recover by the second half of the year, that further price increases can be implemented to customers and that the resulting significant increase in gross profit will lead to a clearly positive operating result.

FASANA

The investment, which will operate under the name of "FASANA" from the beginning of financial year 2022, was still part of the keeeper Group as keeeper Tableware in the management report for the 2020 financial year. However, due to its largely operational independence, it is now presented as a separate investment.

As a manufacturer of innovative and high-quality paper napkins for the consumer and wholesale market, FASANA continued to be affected by restrictions such as closures of restaurants, ongoing contact restrictions in the private environment as well as in hotels, restaurants, cafés and canteens, with the result that sales in financial year 2021 fell materially short of the planned level. At the same time, high raw material prices for pulp adversely affected profitability, resulting in a significantly negative operating result. For the first quarter of financial year 2022, management still expects continued restrictions and contact limitations. However, a strong market recovery is expected in the further course of the year, resulting in materially increased sales for the full year 2022. Continued high prices for pulp and energy will burden the operating result significantly less than in the financial year 2021, so that the management expects an overall slightly positive operating result for the financial year 2022.

REPAIRTIM

Mutares has completed the acquisition of a majority stake of 80% in Carglass Maison Group, a French home repair and emergency service provider, in early April 2021. The remaining 20% stake is held by HomeServe France, a specialist in home repair and maintenance. The company now operates under the Repartim brand.

Immediately after the acquisition, a Mutares team worked together with the management to develop a restructuring plan, which essentially targets the redesign of all core processes, the further development of sales structures including commercial synergies with Home- Serve and Lapeyre, and significant savings in procurement and personnel costs. On this basis, the management expects an extraordinary increase in profitability for the financial year 2022 with a break-even in the fourth quarter.

SABO

The restructuring plan developed after the acquisition of the manufacturer of lawn mowers and other outdoor power tools in the summer of 2020 was fully implemented in financial year 2021. The measures to reduce personnel and overhead costs were completed, while at the same time management is continuously analyzing and pursuing further potential for cost reduction and sales growth. The development of sales in the financial year 2021 is above the original planning, mainly positively influenced by the further development of the product portfolio and the geographic expansion of the business activities. At the same time, gross profit increased in the reporting period despite increases in material costs due to consistent cost management and optimization of sales conditions. The availability of individual components continues to prove a challenge, but management is countering this with suitable measures in procurement and production. For the financial year 2022, SABO expects continued high demand and, on this basis and benefiting from the expansion of the product portfolio and the geographic expansion, forecasts a material increase in sales revenues and a clearly positive operating result.

EXI

Immediately after the acquisition of the Italian communications service provider EXI at the beginning of the second quarter of 2021, a Mutares team developed a restructuring plan together with the local management, which mainly aims at optimizing the organizational structure, significantly reducing costs and establishing a new sales structure. The cost savings will be achieved through measures to reduce material and personnel costs, the latter also through temporary reductions in working hours. The growth targets in terms of EXI's sales are to be achieved by opening up new business areas, such as fiber-optic expansion. The first new projects have already been initiated in financial year 2021 by signing customer contracts. Starting from a still significantly negative operating result in financial year 2021 as planned, the management expects an extraordinary increase in revenue for financial year 2022 and, due to the largely completed transformation of the organization with adjusted cost structures, an already visibly positive operating result.

ASTERI FACILITY SOLUTIONS

The acquisition of Asteri Facility Solutions (formerly: Alliance Plus) was completed at the end of financial year 2021. The company provides facility management services throughout Sweden from its headquarters near Stockholm.

In January 2022, a Mutares team together with the local management initiated an optimization program for the company. The strategic focus is on expanding the service portfolio, reviewing the cost structure, and increasing revenues by increasing market share. For the financial year 2022, management expects a positive development in terms of revenue and initial effects from the optimization measures, which will have a positive impact on the operating result.

3. Situation of the Group including net assets, financial position and results of operations

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

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 2021, in which the first-time consolidations and deconsolidations presented above had a significant impact on the items of the consolidated statement of comprehensive income and statement of financial position.

With regard to the **transaction activities** in financial year 2021, the Management Board is extremely satisfied due to the large number and quality of acquisitions and exits; the high frequency from the transaction-rich financial year 2020 was successfully continued.

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 influenced by the timing of the acquisition of new investments and the resulting regular bargain purchases.

The Management Board is very satisfied with the **progress of restructuring and development at some** shareholdings - particularly in view of the burdens resulting from the in part massive price increases for raw materials and energy costs in financial year 2021 - but still sees significant potential for improvement at other shareholdings. In particular, the Management Board considers the development at BEXity, Lacroix + Kress, KICO Group, SABO and Terranor to be positive. The Management Board considers the start of restructuring at Lapeyre in particular to be promising.

The Management Board is satisfied with the course of business in financial year 2021 against the backdrop of special burdens due to the availability of materials and the development of raw material and energy prices at some of the investments. The Management Board considers the ambitious growth course to be on a successful path thanks to the acquisitions made.

3.1 Earnings

The Mutares Group generated consolidated **revenues of** EUR 2,504.0 million in the financial year 2021 (previous year: EUR 1,583.9 million). The increase is largely due to changes in the scope of consolidation. With regard to the allocation of sales to the individual segments as well as the developments in the investments of the segments, we 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 customer's registered office as follows:

EUR million	2021	2020
Europe	**2,301.5**	**1,406.2**
France	647.4	211.1
Germany	585.7	356.9
Sweden	282.0	107.8
Austria	155.3	154.3
Italy	153.8	222.0
United Kingdom	76.8	79.9
Finland	67.0	58.0
Netherlands	49.7	28.9
Polen	43.1	35.0
Belgium	29.0	24.3
Czech republic	24.3	29.4
Rest of Europe	187.4	98.4
Asia	**148.7**	**133.6**
America	**36.8**	**33.2**
Africa	**17.0**	**10.9**

The **other income of** EUR 770.1 million in financial year 2021 (previous year: EUR 241.3 million) is again driven in particular by consolidation effects: The acquisitions resulted in gains from bargain purchases totaling EUR 692.7 million (previous year: EUR 207.8 million). The deconsolidation gains included in other income amount to EUR 32.8 million (previous year: EUR 6.9 million). The other components of other income are shown in the following table:

Mio. EUR	2021	2020
Bargain Purchase Income	692.7	207.8
Gains from deconsolidation	32.8	6.9
Income from raw material and waste recycling	9.4	3.0
Income from renting and leasing	5.1	2.7
Income from risk allowance	2.6	1.2
Income from other services	2.5	1.8
Currency translation	2.0	2.9
Other capitalized self-produced assets	1.8	1.6
Income from the disposal of fixed assets	1.0	1.3
Miscellaneous other income	20.2	12.2
Other operating income	**770.1**	**241.3**

The **cost of materials** for the financial year 2021 amounts to EUR 1,579.7 million (previous year: EUR 974.6 million). The cost of materials ratio (in relation to sales) amounts to 63% (previous year: 62%).

Personnel expenses for the financial year 2021 amount to EUR 660.4 million (previous year: EUR 423.9 million). The increase reflects the higher number of employees due to the high transaction activity of Mutares. By using short-time work, personnel expenses could also be relieved in the financial year 2021.

The **other expenses of** EUR 474.3 million (previous year: EUR 260.8 million) are broken down into the individual components as follows:

EUR million	2021	2020
Selling expenses	116.4	49.0
Legal and consulting expenses	66.9	38.7
Administration	57.0	39.5
Rent, leases and licence fees	39.3	22.2
Maintenance and servicing	38.9	30.1
Losses from deconsolidation	36.7	2.0
Advertising and travel expenses	28.0	14.5
Basic levies and other taxes	10.2	6.9
Damage claims, guarantee and warranty	10.0	8.8
Fleet	9.3	3.9
Expenses for general partners	8.8	5.6
Expenses from expected credit loss	5.3	2.7
Expenses from subsequent measurement of earn-out receivables	1.2	3.6
Miscellaneous expenses	46.4	33.4
Other operating expenses	**474.3**	**260.8**

As a result, the **EBITDA of** the Mutares Group for the financial year 2021 amounts to EUR 566.5 million (previous year: EUR 142.7 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.

In order to improve transparency, Mutares uses the performance indicator **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. This Adjusted EBITDA (as defined below in the presentation of financial performance indicators) amounts to EUR -41.3 million (previous year: EUR -28.8 million). In the financial year 2021, Adjusted EBITDA was burdened, among other things, by the price increases on the procurement markets 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 control parameter of adjusted EBITDA is as follows:

EUR million	2021	2020
EBITDA	**566.5**	**142.7**
Income from bargain purchases	-692.7	-207.8
Restructuring and other non-recurring expenses	80.9	41.1
Deconsolidation effects	3.9	-4.9
Adjusted EBITDA	**-41.3**	**-28.8**

Regarding gains 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 in financial year 2021 include the following items in particular:

- Expenses for severance payments and social plans total EUR 26.9 million (previous year: EUR 15.0 million) and relate primarily to restructuring at LMS (EUR 10.3 million) and iinovis (EUR 5.5 million).

- Costs of EUR 24.0 million (previous year: EUR 5.9 million) have been recognized for carve-out activities (particularly in the IT area), most of which resulted from Lapeyre (EUR 17.9 million).

- 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.

- Consulting expenses were incurred in connection with restructuring (EUR 2.3 million; previous year: EUR 2.6 million), M&A activities (EUR 2.0 million; previous year: EUR 3.9 million) or other legal and consulting expenses of a non-recurring nature (EUR 2.2 million; previous year: EUR 2.2 million).

- Also included are expenses from the valuation of an earn-out agreement in connection with a company sold in the financial year 2017 of EUR 1.1 million (previous year: EUR 3.3 million).

Depreciation and **amortization of** EUR 119.2 million (previous year: EUR 101.5 million) includes impairment losses of EUR 3.8 million, in particular for a property of the Balcke-Dürr Group in the context of the relocation of all manufacturing activities from Germany to Italy. The impairment losses of EUR 18.3 million in the previous year were mainly attributable to two subsidiaries for which the review of the recoverable amount of the respective cash-generating unit identified a need for impairment due to changes in the economic environment, which were significantly exacerbated by the outbreak of the COVID 19 pandemic.

The **financial result of** EUR -18.7 million (previous year: EUR -24.3 million) consists of financial income of EUR 8.5 million (previous year: EUR 3.9 million) and financial expenses of EUR 27.2 million (previous year: EUR 28.2 million).

As in the previous year, income **taxes** totaled EUR 13.7 million (previous year: EUR 2.8 million) and include current taxes (EUR -5.5 million; previous year: EUR -3.8 million) and deferred taxes (EUR 19.2 million; previous year: EUR 6.6 million).

The developments described above resulted in a positive **consolidated net income** of EUR 442.3 million (previous year: EUR 19.7 million).

Other comprehensive income includes exchange rate differences of EUR 4.0 million (previous year: EUR -6.1 million) and actuarial gains of EUR 4.5 million (previous year: EUR 0.4 million) in connection with the measurement of provisions for pensions at portfolio companies. Furthermore, other comprehensive income includes effects from the change in fair value of the bond of EUR -3.3 million (previous year: EUR 0.2 million).

3.2 Net assets and financial position

Total assets of the Mutares Group as of 31 December 2021 amount to EUR 2,560.4 million (previous year: EUR 1,327.2 million). The increase is mainly due to the inclusion of the newly acquired investments.

Non-current assets increased from EUR 498.3 million as of 31 December 2020 to EUR 1,120.6 million as of 31 December 2021, mainly due to increases in property, plant and equipment (EUR 314.1 million), the use bill (EUR 171.2 million), intangible assets (EUR 58.1 million) and other financial assets (EUR 64.9 million). This was mainly due to the acquisitions of Lapeyre and LMS, while the sale of STS had an opposite effect.

The increase in **current assets to** EUR 1,439.8 million as of 31 December 2021 (previous year: EUR 828.9 million) is mainly due to an increase in inventories (EUR 219.7 million), other financial assets (EUR 150.1 million) and cash and cash equivalents (EUR 109.8 million).

Cash and cash equivalents as of 31 December 2021 amounted to EUR 255.1 million (previous year: EUR 145.3 million). This is offset by current liabilities to banks and loans as part of the balance sheet item current financial liabilities of EUR 64.6 million (previous year: EUR 63.4 million), which result from current account and loan liabilities and from the recognition of "unreal" factoring. The **net cash position** as of the 31 December 2021 to EUR 190.5 million (previous year: EUR 81.9 million).

Assets and **liabilities held for sale** in connection with non-current assets held for sale included in the previous year the assets and liabilities of Balcke-Dürr Rothemühle GmbH and Nexive Group, which were sold at the beginning of fiscal 2021. As of the reporting date 31 December 2021, these balance sheet items include the assets and liabilities of BEXity, as an agreement on the sale of all shares in the company was signed in December 2021 and the sale was actually completed after the reporting date in the first quarter of 2022. Furthermore, as of the reporting date of 31 December 2021, the sale of 26 businesses from the Lapeyre subgroup and of one property of ISH as part of sale-and-leaseback transactions was highly probable, which is why the carrying amounts of the assets concerned have also been reclassified in accordance with IFRS 5.

Shareholders' equity as of 31 December 2021 amounts to EUR 736.3 million (previous year: EUR 207.2 million). In addition to the positive consolidated net income of EUR 442.3 million (previous year: EUR 19.7 million), the capital increase led to a net increase in equity (i.e., less costs in connection with the capital increase) of EUR 93.9 million. In contrast, the dividend distribution to the shareholders of the parent company, the shareholders of Mutares SE & Co. KGaA, reduced equity by EUR 23.1 million (previous year: EUR 15.2 million). The equity ratio as of 31 December 2021 amounts to 29% (previous year: 16%). 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 3.4).

Non-current liabilities of EUR 799.3 million (previous year: EUR 405.4 million) include non-current lease liabilities of EUR 262.7 million (previous year: EUR 115.1 million) as well as provisions for pensions and similar obligations of EUR 153.0 million (previous year: EUR 116.1 million) of various Group entities (but not of Mutares SE & Co. KGaA itself). The increase in other financial liabilities to EUR 145.9 million (previous year: EUR 115.8 million) can be explained, among other things, by the increase of the bond by EUR 10.0 million in the financial year. Non-compliance with covenants in connection with the issued bond can generally lead to 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 fact that the relevant key figures are significantly above the agreed covenants, the Management Board does not see any specific risk from non-compliance with the covenants. Non-current 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 137.8 million (previous year: EUR 15.1 million) and mainly result from acquisitions in the financial year.

Current liabilities as of 31 December 2020 amount to EUR 1,024.8 million (previous year: EUR 714.6 million) and relate to trade payables of EUR 372.2 million (previous year: EUR 250.0 million). The increase in other financial liabilities (EUR 141.2 million; previous year: EUR 109.7 million) and other liabilities (EUR 148.0 million; previous year: EUR 91.6 million) reflects, among other things, the easing of 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 EURIBOR in particular is used as the reference interest rate with the corresponding maturities.

Cash flow from operating activities in financial year 2021 amounts to EUR -103.5 million (previous year: EUR -34.3 million). This is due to a consolidated net profit for the year of EUR 442.3 million (previous year: EUR 19.7 million), non-cash expenses and income totaling EUR 553.7 million (previous year: EUR 101.1 million), changes in the balance sheet items of working capital (trade working capital and other working capital) with an increase of EUR 12.0 million (previous year: increase of EUR 31.2 million), and effects from interest and taxes of EUR -1.9 million (previous year: EUR 18.6 million).

The **cash flow from investing activities of** EUR 171.5 million in financial year 2021 (previous year: EUR 51.4 million) mainly results from net cash inflows from additions to the scope of consolidation of EUR 188.8 million (previous year: EUR 78.6 million). Proceeds from disposals of property, plant and equipment, intangible assets and assets held for sale amounted to EUR 11.9 million (previous year: EUR 17.0 million). This was offset by payments for investments in property, plant and equipment and intangible assets (EUR -59.7 million; previous year: EUR -35.5 million). Disposals from the scope of consolidation resulted in a total cash inflow of EUR 29.5 million (previous year: cash outflow of EUR 9.1 million).

Cash flow from financing activities amounts to EUR 47.9 million (previous year: EUR 57.8 million) and mainly includes proceeds from the capital increase of EUR 94.3 million net (previous year: EUR 0.0 million) as well as proceeds from bonds and (financial) loans of EUR 61.7 million (previous year: EUR 133.0 million). In contrast, lease liabilities of EUR 49.5 million (previous year: EUR 27.6 million) and (financial) loans of EUR 17.7 million (previous year: EUR 29.0 million) were repaid in financial year 2021. Cash inflows and outflows from (unreal) factoring amounted to EUR -9.9 million (previous year: EUR 5.9 million). The dividend to the shareholders of the parent company, the shareholders of Mutares SE & Co. KGaA, amounted to EUR 23.1 million (previous year: EUR 15.2 million).

As in the previous year, unused credit lines amounted to a low double-digit million-euro amount at the balance sheet date and largely related to undrawn facilities for which saleable trade accounts receivable were available at the same time.

The Management Board assumes that the Group and 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 business development of the company is fundamentally dependent on the developments in the individual portfolio companies. Their opportunities and risks therefore also have an impact on the opportunities and risks of Mutares SE & Co. KGaA. However, the net income of Mutares SE & Co. KGaA is fed from different sources, namely on the one hand from revenues from the consulting business and on the other hand from dividends of portfolio companies as well as exit proceeds from the sale of investments. Due to this diversified revenue structure, Mutares sees itself in principle in a position to generate a sufficiently high net profit for the year to continue its long-term sustainable dividend policy, even in an operationally difficult year for various portfolio companies.

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 requirements of the German Commercial Code and the German Stock Corporation Act.

4.1 Earnings

The **sales revenues** result from consulting services to affiliated companies and management fees. The increase to EUR 50.5 million (previous year: EUR 31.9 million) is a consequence of the high level of transaction activity in the past and a resulting enlarged portfolio, which was countered by a timely build-up of internal, operational consulting capacities.

Other operating income amounted to EUR 3.8 million (previous year: EUR 13.0 million) and included income of EUR 3.4 million (previous year: EUR 0.8 million) from impairment losses recognized in previous years on receivables from subsidiaries. In the previous year, other operating income included income of EUR 11.8 million from a direct subsidiary in which hidden reserves in the shares were disclosed as part of a contribution.

The **cost of purchased services of** EUR 14.8 million (previous year: EUR 2.8 million) consists of services provided by external consultants or consultants employed by the foreign subsidiaries, which are invoiced to the Company and charged on by the Company to affiliated companies in connection with the provision of consulting services. For the reclassification of expenses in the previous year, please refer to the comments on other operating expenses.

Personnel expenses amounted to EUR 14.0 million compared to EUR 11.5 million in the previous year. The increase results from the increase in the number of employees at the Company (60; previous year: 53) in connection with the enlarged portfolio of investments due to the high transaction activity.

Other operating expenses of EUR 43.6 million (previous year: EUR 25.7 million) include expenses of EUR 20.7 million (previous year: EUR 16.5 million) from the recharging of Mutares Management SE and the Mutares national companies and legal and consulting services of EUR 13.7 million (previous year: EUR 5.4 million), of which EUR 6.3 million related to the capital increase and the uplisting of the Company. In the previous year, other operating expenses against affiliated companies from on-charging of subsidiaries included expenses in the amount of EUR 6.6 million, which will be reclassified to the cost of purchased services in 2021 due to their nature as third-party services directly related to the consulting services provided by Mutares SE & Co.

Income from investments and gains on the disposal of investments amount to EUR 72.5 million (previous year: EUR 34.6 million). This includes income from the (phased) collection of gains from investments of EUR 14.4 million (previous year: EUR 34.6 million). Revenues and dividends from the portfolio (mainly income from investments received in the same period) result in the so-called "**portfolio income**", which amounts to EUR 64.8 million (previous year: EUR 66.5 million). Gains from the disposal of investments include not only disposals of investments to third parties but also gains from two intra-Group disposals and total EUR 58.1 million (previous year: EUR 0.0 million).

Net interest income includes interest income of EUR 3.5 million (previous year: EUR 1.0 million) and interest expenses of EUR 6.0 million (previous year: EUR 4.8 million). The latter mainly includes the current coupon payments and expenses incurred in connection with the increase of the bond. Write-downs on financial assets amounted to EUR 0.9 million (previous year: EUR 2.1 million).

As a result, **net income for the year** amounted to EUR 50.7 million, compared with EUR 33.4 million in the previous year.

4.2 Net assets and financial position

The **non-current assets** of Mutares SE & Co. KGaA amounting to EUR 65.9 million (previous year: EUR 70.1 million) mainly comprise financial assets of EUR 65.4 million (previous year: EUR 69.6 million), which in turn are divided into shares in affiliated companies (EUR 47.8 million; previous year: EUR 51.4 million) and loans to affiliated companies (EUR 17.6 million; previous year: EUR 18.2 million).

The **current assets** include EUR 195.4 million (previous year: EUR 81.9 million) in receivables from affiliated companies, of which EUR 66.5 million (previous year: EUR 18.6 million) relate to loans receivable from subsidiaries, EUR 32.3 million (previous year: EUR 8.6 million) to receivables from consulting services and EUR 64.1 million (previous year: EUR 54.6 million) to receivables from profit distributions. This item also includes securities in the form of bearer bonds of EUR 29.9 million (previous year: EUR 0.0 million) and bank balances of EUR 44.9 million (previous year: EUR 26.5 million).

After distribution of a dividend of EUR 23.1 million for the previous year, corresponding to EUR 1.50 per no-par value share entitled to dividend, the **equity** of the company amounts to EUR 231.9 million (previous year: EUR 94.5 million). In the financial year 2021, the Company’s share capital was increased from EUR 15.5 million to EUR 20.6 million by issuing 5.1 million new registered no-par value ordinary shares, resulting in an equity inflow of EUR 100.2 million.

As of 31 December 2021, **provisions** amount to EUR 7.8 million (previous year: EUR 6.3 million) and mainly relate to personnel costs, as in the previous year. **Liabilities increased** to EUR 105.5 million (previous year: EUR 79.4 million), mainly due to the increase in the bond with a nominal volume of EUR 10.0 million and higher liabilities to affiliated companies of EUR 15.4 million (previous year: EUR 3.3 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:

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

In addition, other significant financial performance indicators in the past including financial year 2021 were:

- Net cash position (cash and cash equivalents less current liabilities to banks and loans) and
- Cash flow from operating activities

Both financial performance indicators are measured individually at the level of the individual portfolio companies. Due to their low informative value for the situation of the Group, these financial performance indicators will no longer be considered as performance indicators for the Mutares Group in the future, i.e., from the financial year 2022.

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 for reasons of transparency – referred to as “Adjusted EBITDA” in internal management and reporting. The calculation is based on reported Group EBITDA (earnings before interest, taxes, depreciation and amortization) adjusted for gains on bargain purchases, restructuring and other nonrecurring expenses, and deconsolidation effects. This provides a more transparent presentation of operating developments and enables a better assessment of operating earnings power.

The Management Board has issued an attractive and long-term dividend policy, so that it sees as a further significant financial performance indicator for **Mutares SE & Co. KGaA** its net profit for the year, on the basis of which the ability to pay dividends is to be ensured. Mutares’ net income for the year is fed from various sources, namely on the one hand from sales 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. Even in an operationally difficult year for various portfolio companies, Mutares sees itself in principle in a position to generate a sufficiently high net income to continue its long-term sustainable dividend policy in view of these diversified income structures.

For information on the development of the individual financial performance indicators, please refer to the comments above on the results of operations of the Group (Note 3.1) and of the Company (Note 4.1) and on the net assets and financial position (Note 3.2).

With regard to the forecasts made in the combined management and Group management report of the previous year for the financial year 2021, the actual development is as follows:

- The Management Board expected a significant increase in **revenues** for the Mutares Group in the financial year 2021 due to the acquisitions completed and signed by the preparation date for the combined management and group management report for the financial year 2020, to which again all three segments should contribute. With revenues in financial year 2021 of EUR 2,504.0 million, i.e., an increase of EUR 920.1 million or 58% compared to the previous year's figure of EUR 1,583.9 million, this target was exceeded thanks to continued high acquisition activity. Regarding the contribution of the individual segments to this development, we refer to the comments above under (2.3).

- Regarding **EBITDA**, the previous year's forecast of again achieving a clearly positive (reported) EBITDA was also achieved. Benefiting from gains from bargain purchases in connection with the acquisitions in financial year 2021 totaling EUR 692.7 million, the EBITDA of the Group amounts to EUR 566.5 million (previous year: EUR 142.7 million). Regarding the main influencing factors, we refer to the comments above under para. 3.1.

- As expected, **adjusted EBITDA** was negatively impacted by the negative earnings contributions from the new acquisitions. Accordingly, adjusted EBITDA at EUR -41.3 million, a decrease compared to the previous year (EUR -28.8 million). Furthermore, increased raw material and energy costs also burdened the profitability of several shareholdings and thus the Group's adjusted EBITDA.

- In accordance with the forecast, **cash flow from operating activities** was burdened by the negative contributions of the new acquisitions as well as the partly massive price increases for raw materials and amounts to EUR -103.5 million for financial year 2021 (previous year: EUR -34.3 million)

- The **net cash position** has increased in line with expectations compared with 31 December 2020 and amounts to EUR 190.5 million as of the reporting date.

- The **net profit of Mutares SE & Co. KGaA** as a prerequisite for the continuation of the long-term, sustainable dividend policy could be increased again compared to the previous year to EUR 50.7 million, compared to EUR 33.4 million in the previous year and thus met the market expectations. Higher sales revenues of EUR 50.5 million (previous year: EUR 31.9 million) contributed to this. In combination with the dividends from the portfolio (mainly income from investments received in the same period), this results in the so-called "portfolio income", which amounts to EUR 64.9 million for the financial year 2021 (previous year: EUR 66.5 million). Gains from the disposal of investments totaling EUR 58.1 million (previous year: EUR 0.0 million) also made a significant contribution to net income, which includes gains from the disposal of investments to third parties as well as gains from two intra-Group disposals. The higher net profit for the year enabled Mutares SE & Co. KGaA to increase its ability to pay dividends.

The Mutares Group is currently managed primarily on the basis of financial performance indicators. The non-financial Group report pursuant to Section 315b (3) of the German Commercial Code (HGB) in accordance with the CSR Directive Implementation Act will be submitted in a separate sustainability report - for the first time for the financial year 2021.

5.2 Management Board's assessment of business performance

The benchmark for the success of 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 of the Group after a successful turnaround and a further development of the investments depending on the situation.

The Management Board is very satisfied with the **progress made in restructuring and development** at some portfolio companies – particularly in view of the negative impact, in some cases of the massive price increases of raw materials and energy costs in financial year 2021 – but still sees significant potential for improvement at other portfolio companies. In particular, the Management Board considers the development at BEXity, Lacroix + Kress, KICO Group, SABO and Terranor Group to be positive. The Management Board considers the start to restructuring at Lapeyre in particular to be promising.

Regarding the **transaction activities** in financial year 2021, the Management Board is extremely satisfied due to the large number of acquisitions. It considers the large number of platform acquisitions, which offer new potential for the future, to be positive.

The Management Board is satisfied with the course of business in fiscal 2021 in view of the special charges resulting from the shortage of materials and the increased raw material and energy costs.

6. Other information

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 explanations contain the disclosures pursuant to sections 289a, 315a of the German Commercial Code (HGB) on share capital, voting rights and the transfer of shares.

Composition of capital /Grade of shares

The share capital of Mutares SE & Co. KGaA totaled EUR 20,636,731.00 as of 31 December 2021, 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, Robin Laik may hold voting rights for a total of 5,175,771 shares (as of October 19, 2021). 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 the Laik family, all resident in Germany, indirectly hold more than 10 % of the voting rights. Dr. Johann Vielberth, Regensburg, indirectly holds more than 10 % of the voting rights via ELBER GmbH.

Provisions statutory/statutes appointment and dismissal Board of Directors and amendments to the Articles of Association

The Company is represented by the general partner, Mutares Management SE, and thus by its Management Board. Pursuant to Section 8 of the Articles of Association of Mutares Management SE, the Management Board may consist of one or more persons. The Supervisory Board 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 the Supervisory Board is required. In the event of a tie, the Chairman shall have the casting vote pursuant to Section 13 (7) of the Articles of Association of Mutares Management SE. The members of the Management Board 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 only affect 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 Management Board 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 (previous year: bearer) 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 in order to service the Mutares Stock Option Plan 2016 ("Conditional Capital 2016/I"). The Annual General Meeting of the Company held on 23 May 2019, resolved to cancel 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 after reduction amounts to EUR 747 thousand 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 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 through the issuance of 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.

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 to authorize 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 Company’ limited liability shareholders 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 utilization of the existing Authorized Capital 2019/I. After the partial utilization, this still amounts to EUR 2,608 thousand.

Acquisition of treasury shares

By resolution of the Annual General Meeting of May 23 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, in 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, has 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 a maximum of 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 as of 31 December 2021, representing EUR 10,475 or 0.1% of the share capital (31 December 2020: EUR 472,475 or 3.0 %).

Further details of the existing authorizations can be found in the aforementioned 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 3.4) and in the notes to the consolidated financial statements (Note 31 et seq.).

Agreements that are conditional on a change of control following a takeover bid

In February 2020, Mutares SE & Co. KGaA placed a bond, which was drawn down in full in the amount of EUR 80.0 million as of 31 December 2021. The agreement concluded under the bond grants the other contracting party a right of termination, inter alia, in the event, (i) that the listing of the shares on the Frankfurt Stock Exchange is discontinued, (ii) that 50% of the shares are held by a natural person or legal entity or group of persons (with the exception of Robin Laik), (iii) that the disposal of all or any material assets takes place, irrespective of whether it is a single transaction or a series of related transactions.

Corporate governance and non-financial statement

The Management Board and Supervisory Board of Mutares are committed to the principles of corporate governance focused on long-term and sustainable value creation. To this end, they 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, in December 2021 the Management Board and Supervisory Board of the

Company issued the statement required by Section 161 of the German Stock Corporation Act (AktG)

and made it publicly available on the Company's website at https://ir.mutares.de/en/corporate-governance/.

Mutares complies with the obligation to issue a non-financial consolidated statement pursuant to Section 289b and 315b of the German Commercial Code (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. We define "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

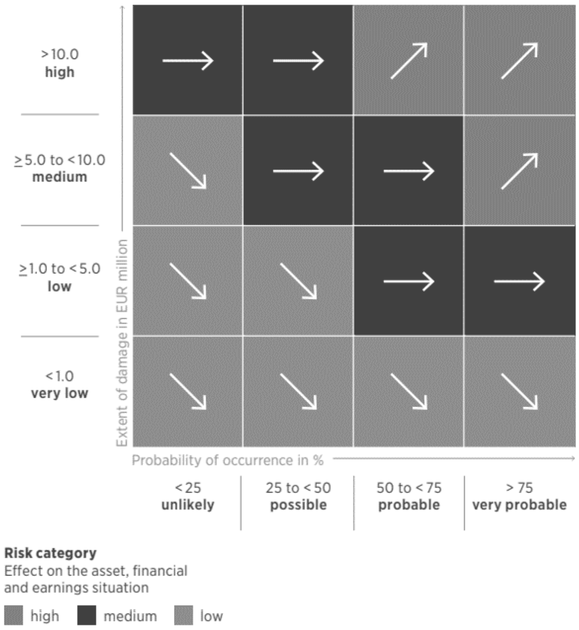
Risk management, as the totality of all organizational regulations and measures for the early identification of risks and the adequate handling of the risks of entrepreneurial activity, has a high priority in the Group and plays a central role in the Mutares business model. The Management Board has therefore 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 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[10], actual and potential risks are identified, assessed and reported:

Relevant 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 two relevant dimensions, namely their monetary impact (extent of damage) on the earnings and/or financial position 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 in terms of both 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 damage-reducing measures already initiated by the reporting date.

[10] 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 operative portfolio companies and assessed together with the Company's risk analysis. In the case of particularly significant new risks or material changes in existing risk positions, immediate reporting is also carried out (ad hoc risk process).

The **risk-bearing capacity** represents the maximum extend 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 quantitatively recognized 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 non-existent viability.

Risk management is further flanked by the following activities: All critical contractual components, business developments and liability risks are subjected to rigorous review and regularly followed up in the reviews of the portfolio companies and at the meetings of the Management Board and Supervisory Board. Standardized reporting of all portfolio companies on a weekly or monthly basis provides the Management Board with a comprehensive picture of the developments in the entire portfolio. In addition, Mutares works closely with its own operational teams in the portfolio companies, which review compliance with internal guidelines on site in the respective subsidiaries 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 revenue, earnings and liquidity situation of all investments on the basis of the implemented reporting system. If necessary, Mutares maintains sufficient free personnel and financial capacities 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 and risk management system as part of the accounting process

The internal control and risk management system as part of the accounting process is designed to ensure that all business processes and transactions are recorded in a timely, uniform and correct manner in the accounts. 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 objectives. 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.

The Group companies 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 contact persons at the Group parent company.

7.2 Risks to future development

The table shows the risks11 discussed below and classifies them into the risk classes defined above (low/medium/high) on the basis of the two relevant dimensions (extent of damage and probability of occurrence).

		Current balance sheet date	Previous year
Future economic conditions	Economic development	High	High
	Geopolitical development	High	Medium
Business model-immanent opportunities and risks	Increased competitive situation	Medium	Medium
	Opportunities and risks from the acquisition process	Medium	Medium
	Failure to achieve restructuring success	Medium	Medium
	Diversification of the portfolio	Low	Low
Other risk areas and significant individual risks	Legal and compliance risks	Medium	Medium
	Financial risks and financing risks	High	High
	Distribution and sales risks	Medium	High
	Sustainability risks	Low	Low
	Supply chain risks	Medium	Medium
	Personnel risks	Low	Low
	IT risks and data security	Medium	Medium
	Tax risks	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, these 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 itself, 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 also includes information on opportunities (if relevant).

[11] In view of the fact that the identification and exploitation of (investment) opportunities is the core of Mutares' business, the comments here focus predominantly on the risks of our business activities.

Future economic conditions

Economic development

According to the ifo Institute ("ifo Konjunkturprognose Winter 2021, "[12] published in December 2021), global economic development continues to be directly linked to the course of the COVID-19 pandemic and possible ongoing supply bottlenecks.

In the fall and winter of 2021, the incidence of infection in Europe increased again, mainly in connection with the new virus variant omicron. Depending on the level of vaccination rates, there will therefore be restrictions on economic and social activities in some countries. The resulting economic downturn in Europe is expected to be followed by a strong recovery.

The excess demand caused by the existing supply bottlenecks and shortages should be alleviated by adjustments in production processes, the forecast improvement in the pandemic situation and price allocation mechanisms. This development will have a positive impact on the current inflation momentum, so that global GDP should increase by +4.4% in 2022.

Geopolitical development

The **conflict between Ukraine and Russia,** which has been going on for years, has been at war since 24 February 2022. The direct effects of this conflict affect only a small share of the Mutares Group's sales with customers in Ukraine as well as the Ukrainian plant of the Plati Group. The indirect effects - in particular due to the international sanction measures on the supply chains of Mutares portfolio companies as well as the demand for their products and services by their customers - cannot be reliably estimated at present, i.e. as of the date of preparation of this management report and group management report. In particular, from today’s perspective, the Management Board cannot rule out that the effects of the armed conflict between Russia and Ukraine could take on a disruptive character for individual portfolio companies and could have a significant negative impact on the financial position, net assets, and results of operations of Mutares at Group level.

The **trade conflict** between the United States and the People’s Republic of China, which has been ongoing since 2018, continues to have an impact also on global trade and thus fundamentally also on Mutares’ portfolio companies. China has also imposed new tariffs in response to punitive tariffs on imports from China introduced under the presidency of Donald Trump. The resulting uncertainty and decline in the flow of goods led to a dampening of global growth. A partial agreement reached between the two economies during the pandemic was not fully honored, so even today there is no complete easing of tensions. In October 2021, the current US President Biden announced that the punitive tariffs imposed on China would be maintained.

[12] https://www.ifo.de/node/67010

Opportunities and 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 an economically challenging situation or in a situation of upheaval (e.g. pending restructuring) with potential for operational improvement holds high value enhancement potential. To this end, extensive transformation plans are 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 seller 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 special situations. In times of high uncertainty, additional opportunities may open up, especially on the buy side. The M&A pipeline for purchase transactions comprises a middouble-digit number of significant acquisition projects. With the capital increase successfully placed in October 2021, Mutares has also created the financial conditions to pursue promising opportunities, especially as the financial headroom allows for the acquisition of larger and more attractive acquisitions. The additional cash also sets Mutares apart from the competition for attractive deals. In addition to Mutares' strong reputation with a successful track record in the special situations private equity market, the 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 inventory 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.

For fundamental considerations and in order to minimize the effects of a possible 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 generally corresponds to the purchase price paid, plus further financing measures and 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 the investments can be successfully restructured and developed as planned, there is a high potential for value enhancement for Mutares. In individual cases, Mutares may also acquire investments whose restructuring turns out to be more difficult than assumed in the previous due diligence. Even with a careful and conscientious selection of the target companies, it cannot be excluded that in individual cases the success Mutares strives for from the restructuring situation does not occur or does not occur quickly enough, or that the economic or political framework conditions in the countries important for the portfolio companies deteriorate.

If the positioning in the market, the potential for value enhancement or other key success factors 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 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 having to be resold below their acquisition price or, in the worst case, ultimately having to file for insolvency. In this 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 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 not limited to specific regions. The focus is on companies with the main focus of activities in Europe, which are in a situation of transition. In terms of industries, the focus is on the three segments Automotive & Mobility, Engineering & Technology and Goods & Services. This can lead to a concentration of investments within one industry or region, which exposes Mutares to fundamental industry or regional risk. Mutares strives to minimize these risks through a diversified portfolio of companies, thus limiting the risks of individual industries or regions from economic fluctuations or geopolitical developments. However, diversification of the investment portfolio can only reduce risks that are limited to specific sectors or regions. However, economic or geopolitical developments and the development of the financial markets as a whole regularly affect all sectors and regions. Their influence on business success can therefore only be reduced to a limited extent by 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”. Furthermore, regulatory proceedings may be threatened in the event of non-compliance with legal requirements and regulations.

On the one hand, in individual cases commitments made in the purchase agreements or business plans communicated prior to a transaction are not met, and on the other hand, legal cases taken over for the investments may turn out to be significantly more positive or critical in the course of time than originally assumed. Both may result in legal disputes, the probable outcome of which cannot always be clearly estimated.

Capital Market Compliance

In particular, 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 adverse effects on Mutares in various ways, including fines and reputational damage.

Data Protection

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 are 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.

Obligations from company acquisitions and disposals

In connection with contracts for the purchase or sale of companies, Mutares may issue guarantees under which it can be held liable or which may lead to legal disputes. The issuance of guarantees can be a differentiating factor in the competition for potential takeover targets if competitors cannot 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

Mutares had been sued by some of the former employees of the Artmadis Group in France. One lawsuit was based on alleged employee liability, another on alleged corporate liability. Mutares considered the claims to be without merit but has settled with the plaintiffs in consideration of further internal and external costs and has settled the litigation.

Another lawsuit was 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 this investment is being sued on similar grounds. Mutares has defended itself in full against this action, which it considered to be without merit. The litigation was deleted from the list of ongoing proceedings at the request of Mutares due to the lack of a filed statement of claim and is considered provisionally terminated in France unless the plaintiff restarts the litigation by a certain date.

Other obligations

Indirect subsidiaries of Mutares SE & Co. KGaA from the Engineering & Technology segment are involved as partners in joint arrangements under 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 27% to 75%.

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 368 million (previous year: EUR 342 million). The subsidiaries' own share of this amounts to EUR 162 million (previous year: EUR 126.4 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.

There are further guarantees, warranties, commitments and obligations totaling EUR 0.4 million (previous year: EUR 1.4 million).

Financial risks and financing risks

Price change, default, and liquidity risk

Fluctuations in prices, revenues 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 net assets 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 position and cash flow development), in order to be able to take countermeasures at an early stage. To this end, in addition to extensive on-site reviews, a central management information system has been introduced which enables the performance of the portfolio companies to be monitored in real time. Cash and cash equivalents are monitored on a weekly basis. Nevertheless, there is a risk that the management information system may provide necessary information insufficiently, too late or incorrectly, resulting in incorrect decisions being made. Financial instruments are used as required to hedge commodity, currency, and interest rate risks. The main focus of these instruments is on forward contracts that provide for a fixed payment or cash out 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.

The main risks are 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. In some cases, credit default insurance is taken out to hedge against this risk. 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, especially in connection with negative effects of the COVID-19 pandemic on the economic performance of customers of Mutares companies, additional bad debt losses cannot be excluded.

Financing risks

Management 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 portfolio companies can lead to more difficult or less favorable financing conditions or to more difficult and more expensive procurement of sureties and guarantees. In addition to the terms and conditions of the bonds, the agreements in connection with financing lines at the portfolio companies generally contain covenants and other obligations, the breach of which could entitle the financing partner to terminate the agreement 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, a development that falls short of the planning can lead to the fact that the repayment of (loan) liabilities is only possible with a delay or not completely. Mutares tries to counter this risk by contacting financing partners already before or shortly after the takeover and, as a rule, also explaining the current financial situation and the restructuring plan for the investment in detail. In the case of a takeover, there is always the risk that the financing partner cannot be fully convinced and therefore terminates the financing. The same can happen due to a breach of agreed covenants.

The longer-term yield curve in the euro zone has already responded to the current inflation trend by rising. If the current inflationary momentum continues, short-term interest rates are also expected to rise in the medium term, 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.

Particularly in the case of investments that are to be developed with a new strategy following successful repositioning, access to external financing is an essential prerequisite for further growth. Despite a generally positive financing environment at present, as well as the liquidity available on the credit and capital markets due to the European Central Bank’s current ongoing expansionary monetary policy, it may not always be possible to secure such financing.

Distribution and sales risks

Adjusting the product and customer portfolio to eliminate negative contribution margins is generally part of the restructuring process. 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 other investees of the Group, especially those in the same segment. Due to the COVID-19 pandemic and the resulting continuing economic uncertainties, the Management Board generally sees an intensification of the aforementioned risks. Due to the continuing uncertainty in the context of the COVID-19 pandemic and further measures to combat its spread, the forecast of revenues and unit sales figures is subject to uncertainty to a greater extent than usual.

This is countered by active relationship management with customers and a 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. The intensive cultivation of relationships 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[13] can be climate-related risks or regulatory risks due to new legislation and other structural changes. The increasing orientation of consumers towards environmental responsibility, climate change and related risks such as rising energy prices or the introduction of a CO_2 tax, may have a negative impact on business activities. Dealing with these risks is crucial for Mutares and its sustainable development.

Therefore, we continue to work on establishing and continuously improving a system for the operational and strategic control of sustainability goals, risks, and measures. The aim is to track the effectiveness of the identified measures and the successful implementation of the Group’s ESG goals in order to adequately counter sustainability risks that may negatively impact Mutares’ business development.

[13] Social and governance risks can be found in the comments on other risk areas, so that environmental risks are discussed in particular under the heading of sustainability risks.

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. 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 in the procurement markets were observed in the financial year 2021. Depending on further developments, this may have potentially negative and, in some cases, also very negative effects on profitability in the Group, especially if it is not possible to pass on these price increases to customers to an appropriate extent.

On 3 March 2021, the German cabinet launched the government's draft of a Due Diligence Act, also known as the Supply Chain Act. The Bundestag passed the draft on 11 June 2021, and the Bundesrat finally approved it on 25 June 2021. The aim of the law is to ensure compliance with fundamental human rights standards in global supply chains. This was already a matter of course for the companies of the Mutares Group before. Additional requirements resulting from the amendments to the law are still under review; necessary measures will be implemented until the Supply Chain Act comes into force in 2023. Companies within the scope of the Supply Chain Act are required, among other things, to extensively expand their risk assessment and supply chain management. At the heart 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 risks in its supply chain to have changed significantly or expanded.

Production risks

The individual subsidiaries 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 only have an effect with a delay, and that cost savings may not be implemented or may 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 personnel and closely monitoring production processes.

Trade credit insurance

In the past, it has been observed that trade credit insurers subject their commitments to intensive scrutiny, particularly in the event of changes of ownership (and especially in the case of those in the context of asset deals), with the risk of a deterioration in the insurance conditions or a cancellation of the limits/cover commitments. For individual subsidiaries, 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 trade credit insurance. Mutares counteracts these risks in the portfolio companies by a tight accounts payable and receivable management adapted to the circumstances or tries to reach an agreement with the seller already in the purchase agreement, 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 made with trade credit insurers before or shortly after the takeover and, as a rule, the current financial situation and the restructuring plan for the investment are also explained in detail. Proactive communication and regular reporting of the investments 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. This includes not only variable, highly 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 the most variable, highly performance-related compensation possible, Mutares offers an attractive working environment for entrepreneurial personalities.

The recruitment of qualified personnel is also a key success factor in the portfolio companies. 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.

IT risks and data security

The business and production processes and internal and external communications of companies are based to a large extent on information technologies. The data protection requirements resulting from the new General Data Protection Regulation are increasing and changing continuously – especially with regard to the confidentiality, availability and integrity of personal data. Secure protection against unauthorized access is particularly important, for example to sensitive information on potential transactions, the portfolio companies or economic information of the Mutares Group. There is a risk of unauthorized access due to a hacker attack or vulnerabilities in the Mutares Group network. A significant disruption or failure of the systems used may lead to an impairment of the business and production systems up to a complete loss of data.

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 SE & Co. KGaA uses current, and in some cases industryspecific, 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 defined contingency planning safeguard the data inventory and ensure 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 IT security. The IT infrastructure of Mutares SE & Co. KGaA is also continuously kept up to date with the latest technical standards.

Newly acquired group companies of Mutares are regularly confronted with the challenge of separating the existing IT systems from the IT landscape of the former parent company in a timely, cost-effective manner and without system failures. Such changeover phases are also subject to the risks outlined above. Mutares generally pursues the approach of subjecting the group companies to a technical modernization as part of the carve-out, replacing obsolete systems and hardware and thereby increasing the IT security standard. As part of IT due diligence, risks are recorded, assessed and measures for elimination defined. The goal is always the use of state-of-the-art systems and applications and the use of cloud technologies for the efficient and secure provision of business processes.

Tax risks

Mutares SE & Co. KGaA and its subsidiaries operate worldwide and are therefore subject to various tax laws. Significant uncertainties for the net assets, financial position, and results of operations of the Mutares Group thus result in particular from ongoing, but also in connection with the COVID-19 pandemic, changes in legislation, case law and different legal interpretations by the respective tax authorities. 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 opportunity and 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 that, individually or in combination, could jeopardize the continued existence of the Mutares Group or individual material Group companies. or individual material group companies. However, it is generally possible that future results may deviate from the Management Board's current expectations. In particular, the further course of the COVID-19 pandemic, which has been ongoing since the beginning of 2020, as well as the armed conflict between Russia and Ukraine, which started on 24 February 2022, and their respective economic effects 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.

8. Forecast report

The forecast for financial year 2022 in the combined management and group management report for financial year 2021 continues to be influenced by the COVID-19 pandemic, which has been ongoing since the beginning of 2020, and its impact on the stability of supply chains and the price development of key precursors and raw materials. In addition, the likely manifold effects of the armed conflict between Russia and Ukraine, which began with the military invasion of Russian forces on 24 February 2022, on the business development, risks, and earnings situation of Mutares cannot be validly estimated at present. As a result, the following forecast of the Management Board is not only still subject to uncertainty to a greater extent than usual due to the high degree of uncertainty regarding the future economic development, but also explicitly assumes that risks from the armed conflict between Russia and Ukraine will not materialize to an extent significant for the financial position, financial performance, and cash flows of Mutares.

In this environment, the Management Board is aiming for a **transaction volume** in financial year 2022 at least at the level of financial year 2021. At present, it is not foreseeable that the current high level of transaction activity will decline; the Management Board is confident that it will achieve this goal.

Against the background of the acquisitions of the current financial year 2022 completed 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 plans of the individual portfolio companies, which were prepared in the second half of the financial year 2021 and therefore do not yet include the effects of the Russia-Ukraine conflict that has been waged since 24 February 2022. The Management Board continues to expect an extraordinary increase in annualized **revenues** for the Mutares Group to at least EUR 4.0 billion in the financial year 2022, based on the assumptions of further intended transactions and the individual portfolio companies, which were prepared in the second half of the financial year 2021 and therefore do not yet include the effects of the Russia-Ukraine conflict, which has been at war since 24 February 2022.

Taking into account the acquisitions completed, signed and intended by the preparation date for the current financial year 2022, (reported) **EBITDA** is again expected to reach a clearly positive level, in particular due to the gains from bargain purchases arising in this context.

From today’s perspective, the Management Board expects an increase in **Adjusted EBITDA** compared with the financial year 2021 due to offsetting 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 contribution from the acquisitions in financial years 2020 and 2021 due to the initiated restructuring measures and the resulting increase in profitability. However, Adjusted EBITDA is expected to continue to be negatively impacted by the partly massive price increases for raw materials (e.g., steel, plastic granules and pulp) at various investments. Depending on the further development of raw material prices in financial year 2022 and beyond, negative and in some cases 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.

The **net profit** of Mutares SE & Co. KGaA is regularly expected to 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 at least EUR 4.0 billion the Management Board therefore expects a net profit in the range of EUR 72 million to EUR 88 million in the financial year 2022. Based on the current planning and weighing up the risk factors, the Management Board therefore assumes that a sufficiently high net profit can also be generated for the financial year 2022 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 changes in the underlying conditions in some cases – regarding the expected development of the Group for the financial year 2022 have changed significantly.

Munich, 6 April 2022

Mutares Management SE, Managing Shareholder of Mutares SE & Co. KGaA

The Management Board

Robin Laik

Mark Friedrich

Johannes Laumann

Mutares SE & Co. KGaA, Munich

Annual financial statements

for the financial year from 1 January to 31 December 2021

Mutares SE & Co. KGaA

Annual financial statements as of December 31, 2021

BALANCE SHEET

As at 31 December 2021

in EUR thousand	31.12.2021	31.12.2020
Assets		
A. Fixed assets		
I. Intangible assets	0	1
Concessions, industrial property rights and similar rights and assets acquired for consideration, as well as licenses to such rights and assets	0	1
II. Tangible fixed assets	463	448
1. Other equipment, factory and office equipment	440	448
2. Prepayments made	23	0
III. Financial assets	65,439	69,620
1. Shares in affiliated companies	47,779	51,350
2. Loans to affiliated companies	17,624	18,234
3. Participations	36	36
	65,902	**70,069**
B. Current assets		
I. Receivables and other assets	203,373	83,030
1. Receivables from affiliated companies	195,380	81,871
2. Receivables from companies in which participations are held	200	200
3. Other assets	7,793	959
(thereof with a remaining term of more than one year)	*229*	*229*
II. Securities	29,903	0
Other Securities	29,903	0
III. Cash on hand and bank balances	44,878	26,458
	278,154	**109,487**
C. Prepaid expenses	**1,110**	**727**
Total Assets	**345,166**	**180,283**

Mutares SE & Co. KGaA

Annual financial statements as of December 31, 2021

As at 31 December 2021

in EUR thousand	31.12.2021	31.12.2020
Equity & Liabilities		
A. Equity		
I. Capital issued	20,627	15,024
1. Share capital	20,637	15,496
(Contingent capital)	*(4,550)*	*(4,550)*
2. Own shares	-10	-472
II. Capital contribution of the personally liable shareholder - without insert -	0	0
III. Capital reserves	135,293	36,144
IV. Retained earnings	132	132
Legal reserve	132	132
V. Retained earnings	75,864	43,234
	231,916	**94,534**
B. Provisions		
1. Provisions for taxes	0	14
2. Other provisions	7,785	6,318
	7,785	**6,332**
C. Liabilities		
1. Bonds	80,000	70,000
2. Trade payables	2,000	960
3. Liabilities to affiliated companies	15,317	3,290
4. Liabilities to companies in which participations are held	7,564	4,886
5. Other liabilities	584	282
(thereof from taxes)	*346*	*177*
(of which social security)	*45*	*17*
	105,465	**79,417**
Total Equity & Liabilities	**345,166**	**180,283**

Mutares SE & Co. KGaA

Annual financial statements as of December 31, 2021

Statement of profit and loss for the financial year from 1 January to 31 December 2021

in EUR thousand	2021	2020
1. Revenues	50,463	31,885
2. Other operating income	3,785	12,962
3. Expenses for purchased services	-14,840	-2,826
4. Personnel expenses		
a) Wages and salaries	-13,141	-10,731
b) Social security contributions and expenses for pensions and other employee benefits	-861	-726
(thereof for pensions)	*0*	*0*
5. Amortization of intangible assets and depreciation of property, plant and equipment	-198	-120
6. Other operating expenses	-43,550	-25,741
7. Income from investments and gains on the disposal of investments	72,472	34,579
(thereof from affiliated companies)	*46,893*	*34,579*
8. Income from long term loans	467	0
(thereof from affiliated companies)	*467*	*0*
9. Other interest and similar income	3,059	1,025
(thereof from affiliated companies)	3,059	1,025
10. Write-downs of financial assets and marketable securities	-939	-2,108
11. Interest and similar expenses	-5,967	-4,787
(thereof to affiliated companies)	*-564*	*-9*
12. Income tax	-1	0
13. Earnings after taxes	**50,751**	**33,412**
14. Other taxes	-4	-5
15. Net income for the year	**50,747**	**33,407**
16. Profit carried forward from the previous year	20,117	12,116
17. Offsetting the difference in connection with the acquisition of treasury shares	5,000	-2,289
18. Retained earnings	**75,864**	**43,234**

APPENDIX

1. General data

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 2021 have been prepared on the basis of the German Commercial Code and the German Stock Corporation Act. Mutares is deemed to be a listed company following the first-time listing of the company's shares on the organized market pursuant to Section 267 (3) Sentence 2 German Commercial Code (HGB) in conjunction with § Section 264d of the HGB as a large corporation. For reasons of clarity, additional disclosures required by law are generally made in the notes.

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.

The principle of the representation continuity was observed.

All figures in these notes are presented in thousands of euros (EUR thousand for short) or millions of euros (EUR million for short).

2. Accounting and valuation principles

With the exception of the matter described below, the Company's annual financial statements have been prepared unchanged in accordance with the following accounting policies and on the assumption that the Company will continue as a going concern.

Third-party services previously reported under other operating expenses that are directly related to consulting services provided by Mutares SE & Co. KGaA to affiliated companies are now reported as expenses for purchased services; the prior-year comparative figures have not been adjusted. The reclassification only relates to the presentation and has no effect on the net profit for the financial year 2021 or the previous year.

Balance sheet

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 falls below their carrying amount, additional impairment losses are recognized.

Property, plant and equipment were capitalized at cost and depreciated on a scheduled basis. Items of property, plant and equipment have been reduced by scheduled straight-line depreciation in accordance with their expected useful lives of three to fifteen years. Additions during the financial year were depreciated pro rata temporis. Where the fair values of individual assets are lower than their carrying amounts, additional impairment losses are recognized if the impairment in value is expected to be permanent.

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. These are shown in the statement of changes in non-current assets exclusively under other equipment, operating and office equipment.

The carrying amount of **financial assets is** calculated on the basis of 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) in the event of a probable permanent impairment in value. If the reasons for an impairment loss recognized in the past no longer exist, the impairment loss is reversed up to a maximum of the historical 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.

Other securities classified as current assets are stated at the lower of cost or fair value. The fair value of structured financial products is generally determined by the issuing bank using recognized option pricing models.

Cash on hand and **bank balances** are stated at their nominal value at the balance sheet date.

Prepaid expenses

Payments made prior to the balance sheet date are recognized as **prepaid** expenses 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 tax assets

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, currently 32.98%.

The Company has **tax loss carryforwards** on which deferred tax assets are generally recognized. However, they are not capitalized due to the fact that they are not expected to be utilizable in the next five years.

Provisions

Other accruals are recognized for uncertain liabilities and 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 an average market interest rate of the past seven years corresponding to the remaining term, as published by the Deutsche Bundesbank.

Liabilities

Liabilities are recognized at their settlement amount.

Foreign currency translation was performed at the average spot exchange rate in accordance with Section 256a HGB. In the case of a remaining term of more than one year, the realization principle (§ 252 (1) no. 4 half-sentence 2 HGB) and the acquisition cost principle (§ 253 (1) sentence 1 HGB) were observed. Transactions during the year are recorded at the current rate.

Profit and loss account

Revenue results from consulting services to affiliated companies and management fees.

Income from investments is recognized (in the same period) in the year in which distributable profit arises at the level of the subsidiary if the parent company holds 100% interest in the subsidiary, the subsidiary is a dependent group company within the meaning of Secs. 17 (2) and 18 (2).
1 sentence 3 AktG, the shareholders' meeting or general meetings 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 the audit of the annual financial statements of the parent company has been completed, and the controlling parent company alone is in a position to enforce the corresponding resolution on the appropriation of profits.

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 in Appendix 1 to the Notes.

3.2 Current assets

Receivables from affiliated companies and other assets:

in EUR thousand	31.12.2021	31.12.2020
Receivables from affiliated companies	195,380	81,871
thereof trade receivables	32,251	8,648
of which receivables from loans	66,464	18,648
of which receivables from profit distributions	64,075	54,575
of which receivables from the sale of investments	32,590	0
Receivables from companies in which participations are held (residual term<1y)	200	200
Other assets	7,793	959
Total receivables and other assets	**203,373**	**83,030**

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 approximately half of the total carrying amount of the receivables from affiliated companies as of 31 December 2021 will not be collected until after a period of twelve months from the balance sheet date.

Receivables from companies in which an equity investment is held include an advance payment of EUR 200 thousand (previous year: EUR 200 thousand) for services with a remaining term of less than one year.

Other assets include receivables from the former subsidiary STS Group AG amounting to EUR 4.2 million and a purchase price receivable from the sale of STS Group AG amounting to EUR 2.5 million. Other assets include those with a remaining term of more than one year in the amount of EUR 229 thousand (previous year: EUR 229 thousand).

Other securities relate to a bond acquired in December 2021 as part of the Company's active liquidity management. The nominal amount of the bond, which matures on 7 April 2022, is EUR 30,000 thousand. As of the reporting date, it was measured at a lower fair value of EUR 29,903 thousand. The fair value is generally determined by the issuing bank using recognized option pricing models.

As of 31 December 2021, cash and cash equivalents amounted to EUR 44,878 thousand (previous year: EUR 26,458 thousand).

3.3 Prepaid expenses

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 2021 is EUR 478 thousand (previous year: EUR 543 thousand).

3.4 Deferred taxes

There are no deferred tax liabilities on differences between the carrying amounts of assets, liabilities and prepaid expenses in the financial statements and their tax bases. Due to the lack of usability of tax loss carryforwards in the future and the resulting lack of capitalization of deferred tax assets, no deferred taxes are recognized.

3.5 Equity

Subscribed capital

On 14 October 2021, Mutares successfully completed the capital increase announced on 28 September 2021. A total of 5,140,439 new registered no-par value ordinary shares of the Company ("new shares") were offered during the subscription period from 30 September 2021 to 13 October 2021 (both days included) at a subscription ratio of 3:1 at a subscription price of EUR 19.50 per new share ("Subscription Price") in accordance with the terms and conditions of the subscription offer published in the German Federal Gazette. 5,059,274 new shares have been subscribed under the Subscription Offer. This corresponds to around 98.4% of the total of 5,140,439 new shares offered. All new shares for which no subscription rights were exercised were placed in the market and were significantly oversubscribed. After registration of the capital increase in the Commercial Register, the share capital of the Company will thus increase by EUR 5,140,439.00 from EUR 15,496,292.00 to EUR 20,636,731.00 through the issue of the 5,140,439 new shares. With the introduction of the existing shares of the Company and the new shares to the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange ("uplisting") in this context, the Company also intends to expand its shareholder base to include new investor groups.

The subscribed capital of Mutares SE & Co. KGaA is fully paid in and exists as of the 31 December 2021, consists of 20,636,731 (previous year: 15,496,292) no-par value registered shares, each with a notional interest in the share capital of EUR 1.00.

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 to subscribe to up to 1,500,000 no-par value registered shares (previous year: bearer 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 1,500 thousand 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, resolved to grant shares upon the exercise of conversion or option rights or upon the fulfillment of conversion or option obligations to the holders or creditors of convertible bonds, bonds with warrants, profit participation rights and/or income bonds or combinations of these instruments issued on the basis of the authorization resolution of the Annual General Meeting of 23 May 2019, a Conditional Capital 2019/I in the amount of EUR 3,000 thousand was created.

After the partial cancellation of the Conditional Capital 2016/I took effect, the share capital of Mutares SE & Co. KGaA was increased by resolution of the Annual General Meeting of 23 May 2019 by up to EUR 802 thousand through the issue of up to 802,176 no-par value registered shares ("Conditional Capital 2019/II"). 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 companies affiliated with the Company 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).

On 13 October 2016, the Management Board, 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 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 - 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 four tranches between October 2016 and April 2018, a total of 973,200 stock options were issued under the 2016 Stock Option Plan, of which 465,000 stock options were granted to members of the Management Board, of which 90,000 stock options expired due to resignation. The stock options granted are not entitled to dividends and do not grant any voting rights.

On 9 August 2019, the Management Board adopted option conditions under which 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 by 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 with a notional share of the capital stock, subject to fulfillment of certain exercise conditions, in particular a waiting period of at least four years. share in the share capital of EUR 1.00 each.

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.

On 31 August 2021, the Management Board 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 fulfillment of certain exercise conditions - in particular a waiting period of at least four years - the stock options entitle the holder to subscribe to a total of up to 67,000 no-par value registered shares of the Company, each representing a notional share of the capital stock of EUR 1.00. The options may be exercised at any time.

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 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.

From one tranche to date, 108,804 stock options were issued to members of the Management Board of in November 2021 under the Stock Option Plan 2021. The stock options granted are not entitled to dividends and do not grant any voting rights.

In two tranches so far in September 2019 and May 2020, the 2019 stock option plan has been 646,000 stock options were issued, of which 370,000 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.

With regard to the accounting treatment of stock options, the Company follows an interim minority opinion in the commercial law commentary literature, according to which stock options are regarded as consideration granted to the recipient by the shareholders and therefore do not affect the Company level. For this reason, the stock option plans are not recognized in the balance sheet until the options have been exercised.

Authorized capital

By resolution dated 23 May 2019, the Annual General Meeting of the Company resolved to cancel Authorized Capital 2015/I and instead to authorize the Management Board , with the approval of the Supervisory Board, to increase the Company's share capital by a total of up to EUR 7,748 thousand by issuing up to 7,748,146 new registered no-par value shares, each with a notional value in the Company's share capital of EUR 1.00, in exchange for cash contributions and/or contributions in kind ("Authorized Capital 2019/I") in the period up to 22 May 2024. In the context of the capital increase with subscription rights against cash contributions in October 2021, the existing Authorized Capital 2019/I was partially utilized.

Treasury shares

The authorization of the Management Board to acquire treasury shares up to 10% of the share capital by the Annual General Meeting on 22 May 2015 was originally valid until 21 May 2020 but was revoked by resolution of the Annual General Meeting on May 23, 2019. At the same time, by resolution of the Annual General Meeting on 23 May 2019, the Management Board was authorized until the end of 22 May 2024 to acquire treasury shares in the Company up to a total of 10% of the Company's capital stock existing at the time the resolution was adopted or - if lower - at the time the authorization was exercised, in compliance with the principle of equal treatment (Section 53 AktG). 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 the Company in accordance with sections 71a et seq. of the 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, has 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, 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) may be repurchased in a 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 by 31 December 2020. 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.

For the servicing of 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. The reissuance prices were in a range 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 in the amount 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 was offset against retained earnings in the opposite amount of EUR 3,649 thousand; the difference between the original average acquisition cost and the exercise price was also offset against retained earnings in the amount of EUR 1,351 thousand. The remaining difference between the average acquisition cost of treasury shares and the reissue prices was transferred to additional paid-in capital in the amount of EUR 4,049 thousand.

The total number of treasuries shares thus decreased to 10,475 as of 31 December 2021, representing EUR 10,475 or 0.1% of the share capital (31 December 2020: EUR 472,475 thousand). or 3.0 %).

Capital reserve

As of 31 December 2021, the capital reserve amounts to EUR 135,292 thousand (previous year: EUR 36,145 thousand). 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 2016 stock option plan.

Retained earnings

The legal reserve amounts to EUR 132 thousand as of 31 December 2021 (previous year: EUR 132 thousand).

Appropriation of earnings

By resolution of the Annual General Meeting on 20 May 2021, a partial amount of EUR 23,116,225.50 of the net profit of the Company as of 31 December 2020 of EUR 43,233,546.65 will be distributed in the form of a dividend of EUR 1.50 per no-par value share carrying dividend rights, and the remaining amount of EUR 20,117,321.15 was carried forward to new account.

3.6 Provisions

Other provisions developed as follows in financial year 2021:

in EUR thousand	**As at 31 December 2021**	**As at 31 December 2020**
Personnel costs	5,073	4,610
Legal costs	416	856
Outstanding invoices	1,766	568
Closing and audit costs	484	230
Other accrued expenses	45	54
Total other accruals	**7,785**	**6,318**

As in the previous year, there were no provisions with a remaining term of more than one year as of 31 December 2021.

3.7 Liabilities

Liabilities break down as follows:

in EUR thousand	31.12.2021	31.12.2020
Liabilities from bonds	80,000	70,000
of which with a remaining term of more than one year	80,000	70,000
of which with a remaining term of up to one year	0	0
Trade accounts payable	2,000	960
of which with a remaining term of more than one year	0	0
of which with a remaining term of up to one year	2,000	960
Liabilities to affiliated companies	15,317	3,290
of which with a remaining term of more than one year	0	0
of which with a remaining term of up to one year	15,317	3,290
Liabilities to companies in which		
a participating interest exists	7,564	4,886
of which with a remaining term of more than one year	0	0
of which with a remaining term of up to one year	7,564	4,886
Other liabilities	584	282
of which from taxes	346	177
of which social security	45	17
of which with a remaining term of more than one year	0	0
of which with a remaining term of up to one year	584	282
Total liabilities	**105,465**	**79,418**

As in the previous year, there are no non-current liabilities with a remaining term of more than five years.

On 12 February 2021, Mutares increased the bond listed on the Open Market of the Frankfurt Stock Exchange and on the Nordic ABM of the Oslo Stock Exchange by a nominal volume of EUR 10.0 million to a maximum nominal volume of EUR 80.0 million by exercising the existing increase option.

Liabilities to affiliated companies include EUR 13,000 thousand in liabilities from loans (previous year: EUR 0 thousand), EUR 1,826 thousand in trade payables and other liabilities (previous year: EUR 1,536 thousand) and EUR 500 thousand in advance payments received for consulting services (previous year: EUR 1,754 thousand).

4. Statement of Profit and Loss

4.1 Revenues

Revenues in financial year 2021 amounting to EUR 50,463 thousand (2020: EUR 31,885 thousand) result from consulting services to affiliated companies in the amount of EUR 43,649 thousand (previous year: EUR 27,052 thousand) and management fees in the amount of EUR 6,814 thousand (previous year: EUR 4,833 thousand).

4.2 Other operating income

Other operating income includes EUR 3,440 thousand (prior year: EUR 754 thousand) from the reversal of impairment losses on receivables written down in prior years. Other operating income in the previous year also included income of EUR 11,810 thousand resulting from the disclosure of hidden reserves in the shares in a direct subsidiary, which were disclosed in the context of a contribution transaction.

4.3 Expenses for purchased services

At EUR 10,719 thousand (prior year: EUR 6,568 thousand), the cost of purchased services mainly includes expenses charged on from Mutares' national companies in connection with restructuring services for operating investments. For the reclassification of expenses in the previous year, please refer to the comments on other operating expenses.

4.4 Personnel expenses

During the financial year 2021, Mutares SE & Co. KGaA employed an average of 60 people (previous year: 53) in the areas of M&A (7; previous year: 7), Operations (34; previous year: 31) and administration (19; previous year: 15).

4.5 Other operating expenses

Other operating expenses mainly include:

in EUR thousand	2021	2020
Legal and consulting fees	14,051	5,348
Other operating expenses Mutares Management SE	11,108	5,535
Other operating expenses affiliated companies	9,663	10,955
Commissions on shares	2,694	0
Travel expenses etc.	2,685	1,183
Administration	999	1,074
Depreciation of current assets	577	209
Other	603	587
Occupancy costs	457	439
Insurance, contributions and levies	440	196
Vehicle costs	274	215
Other operating expenses	**43,550**	**25,741**

Other operating expenses include expenses of EUR 6,303 thousand in connection with the capital increase and the uplisting, resulting in particular from commissions to banks of EUR 3,279 thousand and expenses for consulting services of EUR 3,023 thousand. These also represent extraordinary expenses pursuant to Section 285 No. 31 HGB. Furthermore, expenses from allowances for doubtful accounts and losses on receivables of EUR 577 thousand (previous year: EUR 209 thousand) are included. In the previous year, other operating expenses against affiliated companies included expenses of EUR 6,568 thousand which, due to their nature as third-party services directly related to the consulting services provided by Mutares SE & Co. KGaA, have been reported under expenses for purchased services since the financial year 2021; the comparative figures of the previous year were not adjusted. This reclassification relates only to the presentation of expenses and has no effect on net income.

4.6 Income from investments and gains on the disposal of investments

Income from investments and gains from the disposal of investments include gains from the intra-group disposal of mutares Holding-29 GmbH in the amount of EUR 14,450 thousand, the intra-group disposal of mutares Holding-35 GmbH in the amount of EUR 18,033 thousand, which can also be classified as extraordinary income pursuant to Section 285 No. 31 HGB, as well as gains from the disposal of investments to third parties in the amount of EUR 25,579 thousand (previous year: EUR 0 thousand). Furthermore, income from the same-period recognition of gains from investments in the amount of EUR 14,160 thousand (prior year: EUR 34,579 thousand) and the deferred-period recognition of gains from investments in the amount of EUR 250 thousand (prior year: EUR 0 thousand) are included.

4.7 Write-downs of financial assets and marketable securities

This item includes EUR 842 thousand (previous year: 2,108 thousand) in write-downs on investments and EUR 97 thousand (previous year: 0 thousand) in write-downs on the bond due to impairment as of the reporting date.

4.8 Interest

Interest and similar income include interest on the issue of loans to and the assumption of guarantees in favor of subsidiaries in the amount of EUR 3,059 thousand (previous year: EUR 1,025 thousand).

Interest and similar expenses in financial year 2021 mainly include interest expenses from the bond issued in the amount of EUR 5,039 thousand (previous year: EUR 3,029 thousand).

5. Other information

5.1 Auditor's fee

The total fee of the auditor of Mutares SE & Co. KGaA for the financial year 2021 is composed as follows:

in EUR thousand	2021	2020
Audit services	894	300
Other certification services	573	21
Tax consulting services	0	0
Other services	100	0
Total fee	**1,567**	**321**

The audit services include EUR 87 thousand in fees relating to services for the 2020 financial year. The other assurance services mainly relate to assurance services in connection with the capital increase and the uplisting, assurance services in connection with the bond, and the audit of the compensation report. Other services include the fees for the audit of the non-financial reporting.

In addition, other assurance services in the amount of EUR 16 thousand and tax advisory services in the amount of EUR 47 thousand were charged to other group companies of Mutares SE & Co. KGaA by the group auditor.

5.2 Supervisory Board of Mutares SE & Co KGaA

The Supervisory Board of Mutares SE & Co. KGaA consists 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 2021):
  - 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)
  - Mountain Demekon AG, Munich (until 30 December 2021, member of the Supervisory Board)
  - paycentive AG, Augsburg (Member of the Supervisory Board)
  - paycentive Group AG, Augsburg (Member of the Supervisory Board)
  - FinLab AG, Frankfurt, (since 14 December 2021, 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 2021):
  - Mutares Management SE, Munich (Member of the Supervisory Board)
  - Mellifera Sechsunddreißigste Beteiligungsgesellschaft mbH (MIP Pharma group of companies), 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 2021):
  - 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)
  - SBF AG, Leipzig (Chairman of the Supervisory Board)
  - Alfmeier Präzision SE, Treuchtlingen (Member of the Administrative Board)
  - Regensburg University Foundation, Hans Vielberth University Foundation and Hans Vielberth University Foundation for Real Estate Management (Member of the Foundation Board)

- Prof. Dr. iur. Micha Bloching, tax advisor, lawyer, university lecturer, Munich, member of the Supervisory Board
  Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2021):
  - Mutares Management SE, Munich (Chairman of the Supervisory Board)

The current remuneration of the members of the Company's Supervisory Board was determined by resolution of the Company's Annual General Meeting on 23 May 2019. The members of the Company's Supervisory Board receive a fixed basic remuneration of EUR 15 thousand. 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 22.5 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 members of the Supervisory Board of the Company in the financial year 2021 amounts to EUR 97.5 thousand. For the activity in a committee of the Supervisory Board, the Chairman of the committee receives EUR 7.5 thousand and each other member of the committee receives EUR 2.5 thousand for the respective financial year of the Company. The Company has an Audit Committee, to which Dr. Axel Müller as Chairman and Mr. Volker Rofalski belong. In addition to the aforementioned the members of the Supervisory Board shall be reimbursed for expenses incurred in the performance of their duties, including value-added tax.

The remuneration is payable at the end of the respective financial year. Supervisory Board members who are members of the Supervisory Board or a committee for only part of the financial year, or who chair/deputy chair the Supervisory Board or chair the Audit Committee, 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 9 April 2019. The members of the Supervisory Board of Mutares Management SE receive a fixed basic remuneration of EUR 40 thousand. The Chairman of the Supervisory Board receives a fixed basic remuneration of EUR 80 thousand and his Deputy receives a fixed basic remuneration of EUR 60 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 amounts to EUR 220 thousand in the financial year 2021. 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 2021):
    - 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 2021): none

- Dr.-Ing. Kristian Schleede, Chief Restructuring Officer, Zurich/Switzerland (until 31 December 2021)
  Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2021):
  - mutares Holding-03 AG, Bad Wiessee (Member of the Supervisory Board)
  - mutares Holding-11 AG i.L., Bad Wiessee (Chairman of the Supervisory Board)
  - mutares Holding-13 AG i.L., Bad Wiessee (Chairman of the Supervisory Board)
  - mutares Holding-20 AG i.L., Bad Wiessee (Chairman of the Supervisory Board)
  - mutares Holding-30 AG, Bad Wiessee (Member of the Supervisory Board)

- Johannes Laumann, Chief Investment Officer, Bonn
  Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of 31 December 2021):
  - Iinovis GmbH, Munich (Member of the Supervisory Board)

The total compensation of the Management Board (including share-based compensation) for the financial year 2021 amounted to EUR 11.9 million (previous year: EUR 7.7 million), of which EUR 2.3 million (previous year: EUR 0.0 million) to members who have since left the company. No payments were made to members of the Management Board in connection with defined contribution plans. In addition, the members of the Management Board received benefits totaling EUR 1.0 million (previous year: EUR 0.0 million) from two management participation programs. In addition, 93,696 stock options (previous year: 180,000) were granted to members of the Management Board in the financial year 2021 under the 2019 stock option plan, and 108,804 stock options were granted under 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 a profit- and loss-independent annual remuneration in the amount of 4% of its share capital, plus any value-added tax due. For the financial year 2021, this remuneration amounted to EUR 4.8 thousand.

5.4 Other financial obligations

Annual financial obligations of EUR 352 thousand have existed since April 2016 for the fixed basic rental period of ten years under a long-term rental agreement.

5.5 Contingent liabilities / Guarantees

Guarantees and letters of comfort have been issued to affiliated companies in the total amount of total amount of EUR 12.9 million. In addition, there are guarantees and letters of comfort in favor of affiliated companies in the amount of EUR 34.1 million, of which EUR 26.3 million relates to loan guarantees and EUR 7.8 million to payment and performance guarantees.

Due to the economic situation and the circumstances of the subsidiaries, the Management Board does not currently see any significant risk from a potential claim under guarantees and letters of comfort for the net profit of the Company. When financing is provided under commitments to affiliated companies, a receivable is simultaneously created against the respective affiliated company. However, depending on further 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 and one of its direct subsidiaries have signed a settlement agreement with the sellers of Balcke-Dürr GmbH and other subsidiaries, under which the guarantee given by Mutares SE & Co. KGaA to ensure the fulfillment of indemnification obligations is increased and again limited to an amount of EUR 5.0 million and then reduces to EUR 0 over time until 31 December 2021. The guarantee expired at the reporting date without being called.

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 this indirect subsidiary, whereby the liability from 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 the indirect subsidiary. As of the reporting date, the potential liability from this rental guarantee amounts to EUR 6.3 million.

Mutares SE & Co. KGaA has given an undertaking to the seller of keeeper GmbH to indemnify the seller in the event of a claim in connection with a previous financing commitment and previously issued guarantees, whereby this undertaking is limited to an amount of EUR 3.5 million. This obligation expires on 30 June 2024.

In connection with the acquisition of the transport logistics and warehouse business BEXity GmbH, Mutares SE & Co. KGaA has undertaken vis-à-vis the seller to indemnify the seller from these claims in the event of a claim by third parties in connection with legal relationships assumed as well as 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 loans of Mutares SE & Co. KGaA granted under the above financing line and not yet repaid. The liability decreased from EUR 9.0 million to EUR 6.0 million as of 31 December 2021 and amounts to EUR 6.3 million taking into account additional payments as of the reporting date. With the sale of BEXity GmbH, the acquirer of BEXity has assumed the aforementioned liability.

The seller has also assumed joint and several liability towards the seller 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 purchaser.

Mutares SE & Co. KGaA and one of its direct subsidiaries have committed to the seller of PrimoTECS S.p.A. to provide up to EUR 5.0 million in funding for a limited period of twelve months from January 2020, should this be necessary to avoid insolvency. This guarantee itself expired in the reporting year without being called upon; independently of this, Mutares SE & Co. KGaA provided financial resources to PrimoTECS S.p.A. via a direct subsidiary.

Mutares SE & Co. KGaA has committed to the seller of the paper napkin business acquired from keeeper tableware GmbH (now trading as FASANA GmbH) to provide the buyer 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. Separately, Mutares SE & Co. KGaA has provided financial resources to keeeper tableware GmbH through a direct subsidiary. In addition, Mutares SE & Co. KGaA will indemnify 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 keeeper tableware 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.

On 1 July 2020, Mutares SE & Co. KGaA declared in connection with the acquisition of the majority stake of 80% in the mail and parcel business of Nexive in Italy that it will guarantee obligations from the purchase agreement in the amount of up to EUR 5.0 million as of the closing of the transaction. In addition, Mutares undertakes to provide the company with liquid funds up to the amount of EUR 5.0 million for a period of twelve months to the extent necessary to avert insolvency. In November 2020, Mutares signed a letter of intent to sell its shares in Nexive to the Italian market leader Poste Italiane. The transaction was completed in January 2021, and the guarantee therefore expired without being called in the reporting period.

In connection with the acquisition of SFC Solutions with companies in Poland, Italy, Spain and India in the sealing and fluid activities in July 2020, Mutares SE & Co. KGaA has committed to the seller to provide financing and support up to a total amount of EUR 5.0 million until 31 December 2021 for all obligations of the buyer assumed under the purchase agreement. The guarantee expired as of the balance sheet date without being called upon.

In September 2020, a direct subsidiary of Mutares SE & Co. KGaA, acquired SABO Maschinenfabrik GmbH, a manufacturer of lawn mowers and outdoor power tools in Europe. As part of the acquisition, Mutares guarantees to be fully responsible for the fulfillment of the contractual obligations of the purchaser, should the purchaser fail to fulfill these obligations. In particular, the purchaser has undertaken to indemnify the seller 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 to 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. The total amount of the obligation currently amounts to EUR 10.0 million.

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 the target company. The indemnification is limited in time to a period of 27 months from the closing of the transaction and an amount of EUR 2.0 million. In addition, the buyer 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 Terranor in Sweden and Finland, Mutares SE & Co. KGaA has given a commitment to the seller to provide up to EUR 5.0 million in financing for a limited period until November 2021, should this be necessary to avoid insolvency. The guarantee was cancelled in the reporting period with the consent of the seller without being called upon. In connection with the acquisition of Terranor Denmark, Mutares SE & Co. KGaA again undertook in May 2021 to guarantee the liability of Terranor Sweden to indemnify the seller against a claim by various guarantors of Terranor Denmark. The guarantee is limited to a maximum amount of EUR 1.0 million.

In connection with the acquisition of the 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 and to an amount of EUR 5.0 million. 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 3.0 million as of the balance sheet date.
Furthermore, Mutares SE & Co. KGaA released the seller from a rental guarantee in the amount of EUR 1.0 million. The rental guarantee expired in the reporting period without being utilized.

In December 2020, a direct subsidiary of Mutares SE & Co. KGaA acquired Japy Tech SAS 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. As of the reporting date, the guarantee amounted to EUR 3.7 million. Furthermore, in connection with the acquisition of Royal De Boer, Mutares SE & Co. KGaA has undertaken vis-à-vis the seller to guarantee the fulfillment of the liabilities of Royal De Boer in connection with the so-called 403 declaration - a declaration under Dutch law of the parent company to guarantee the obligations of the subsidiary - up to a total amount of EUR 1.0 million for a limited period until 31 December 2022, with the maximum amount having decreased to EUR 0 in April 2021. The guarantee therefore expired without being called in the reporting period. As part of the acquisition of Japy Tech SAS, 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 SAS to Mutares. The guarantee amounted to EUR 5.5 million as of the reporting date.

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. 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 is limited to a maximum amount of EUR 0.7 million.

In February 2021, Mutares SE & Co. KGaA undertook, as part of the acquisition of a majority stake of 80% in the Repartim Group, a French service provider for repairs and emergencies in private households, to provide the company with financial resources of up to EUR 4.0 million until 18 months after completion of the acquisition, 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.

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. During the reporting year, the obligation was reduced to EUR 4.5 million due to a payment. Furthermore, Mutares SE & Co. KGaA has given an undertaking to the seller to provide Light Mobility Solutions with financial resources in the amount of EUR 15.0 million until June 2024, if this should 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. Excluded from this are the above-mentioned payments into the capital reserve in the amount of EUR 10.0 million, of which EUR 5.5 million were made during the reporting period and a further EUR 4.5 million in January 2022.

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 agreed 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.

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 the closing of the transaction. The indemnification is limited to GBP 6.3 million and expires upon completion of the projects.

As part of the acquisition of Innomotive Systems Hainichen GmbH, Mutares SE & Co. KGaA gave an undertaking to the seller in August 2021 not to make any repayments or redemptions on the portion of the liabilities from existing loan relationships between Innomotive Systems Hainichen and the seller that was acquired by Mutares SE & Co. KGaA until the expiry of twelve months from the closing of the transaction and thus until the expiry of 29 September 2022. The liabilities from these acquired loan relationships amounted to a total of EUR 13.7 million at the closing of the transaction and were settled in full in January 2022. Furthermore, Mutares SE & Co. KGaA has undertaken in this context to indemnify the seller and its affiliates against any damages in the event of a breach of the above repayment restriction. This indemnification obligation is limited to an amount of EUR 7.5 million and temporally until the expiry of the December 2022 limited.

A direct subsidiary of Mutares SE & Co. KGaA signed an agreement to acquire the Italian Toshiba Transmission & Distribution Europe S.p.A. in October 2021. 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 perform 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.

In December 2021, a direct subsidiary of Mutares SE & Co. KGaA acquired Allianceplus AB, based in Sweden. The company will henceforth operate under the name Asteri Facility Solutions AB. As part of this transaction, Mutares SE & Co. KGaA has guaranteed to be responsible for the fulfillment of the obligations under the cleaning contract between Asteri Facility Solutions AB and the municipality of Nyköping, Sweden, until November 2025. The guarantee is limited to EUR 14 thousand (SEK 150 thousand).

In principle, the Management Board does not expect any obligations from company acquisitions - with the exception of the obligations described above in connection with the acquisitions of Light Mobility Solutions GmbH and Lapeyre S.A.S., where a payment into the equity of the respective company simultaneously increases the carrying amount of the investment in Mutares SE & Co. KGaA - to be utilized due to the economic situation or the circumstances of the subsidiaries. However, depending on the further economic development, 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 with the exception of 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 2020 (no utilization took place), with regard to these fundamental warranty claims until 31 December 2020 (no utilization took place). With regard to regular warranty claims with the exception of fundamental warranties until 30 September 2019 (no claim was made), with regard to these fundamental warranty claims until 31 December 2020 (no claim was made), and with regard to the indemnification claims until 31 December 2013 (no claim was made). The claims are limited in time to 31 December 2022 and unlimited in time with regard to the reimbursement of costs. In terms of amount, these claims are limited to an amount of EUR 4,000 thousand 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.

The Management Board continues to assume that no claims will be made under this obligation, as there are no indications of any such claims in respect of the indemnification entitlements currently due to expire on 31 December 2022. However, depending on further economic developments, the probability of a claim may increase, and it cannot be ruled out that the obligation entered into may be claimed.

Litigation

Mutares had been sued by some of the former employees of the Artmadis Group in France. One lawsuit was based on alleged employee liability, another on alleged corporate liability. Mutares considered the claims to be without merit but has settled with the plaintiffs in consideration of further internal and external costs and has settled the litigation.

Another lawsuit was 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 this investment is being sued on similar grounds. Mutares has defended itself in full against this action, which it considered to be without merit. The litigation was deleted from the list of ongoing proceedings at the request of Mutares due to the lack of filed statement of claim and is considered provisionally terminated in France unless the plaintiff starts the litigation anew.

5.6 Declaration on the German Corporate Governance Code Section 161 AktG

The Management Board and Supervisory Board of Mutares are committed to the principles of corporate governance focused on long-term and sustainable value creation. To this end, they issue a "Declaration on Corporate Governance". The full text of the current declaration is available on the company's website at https://mutares.de/investor-relations/corporate-governance/.

As part of the Corporate Governance Statement, in December 2021 the Management Board and Supervisory Board of the Company issued the declaration required by section 161 of the German Stock Corporation Act (AktG) and at the website of the company at https://mutares.de/investor-relations/corporate-governance/ made publicly available.

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 2021. Disclosure is made in the electronic Federal Gazette.

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.

There may have been changes in the voting rights listed after the dates indicated that were not notifiable to the Company. As the shares of the Company are no-par value bearer shares, the Company is generally only aware of changes in shareholdings to the extent that they are subject to mandatory reporting requirements. The following voting rights are based on the mandatory disclosures pursuant to Section 33 of the German Securities Trading Act (WpHG).

The following is a list of notifications received by the Company pursuant to section 33 (1) or (2) of the German Securities Trading Act (Wertpapierhandelsgesetz - WpHG), which reflect the shareholdings most recently reported to Mutares SE & Co. KGaA:

Date of notification to company	Communicating person	Share of voting rights	Directly or indirectly held shares
20.10.2021	Robin Laik	25,08%	**direct and indirect**
20.10.2021	Dr. Johann Vielberth	10,12%	**indirect**
20.10.2021	ELBER GmbH	10,12%	**direct**

Furthermore, five other members of Mr. Robin Laik's family, all resident in Germany, directly and indirectly hold the above-mentioned 25.08% share of voting rights. The voting rights for these shares are exercised uniformly by Mr. Robin Laik.

5.9 Appropriation of earnings

The Management Board of the general partner of Mutares SE & Co. KGaA has resolved to use the retained earnings of Mutares SE & Co. KGaA for the financial year 2021 in the amount of EUR 75,865,346.02 to distribute a dividend in the amount of EUR 1.50 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 30,939 thousand in relation to the shares currently in circulation. The remaining amount of EUR 44,926 thousand is to be carried forward.

5.10 Events after the balance sheet date

The conflict between Ukraine and Russia, which has been going on for years, has been at war since 24 February 2022. The direct effects of this conflict only affect a small share of sales of subsidiaries of Mutares SE & Co. KGaA with customers in Ukraine as well as the Ukrainian plant of the subsidiary Plati Group. The indirect effects - in particular due to the international sanction measures on the supply chains of Mutares portfolio companies and the demand for their products and services by their customers - cannot be reliably estimated at present, i.e. as of the date of preparation of these financial statements. In particular, from today's perspective, the Management Board cannot rule out that the effects of the armed conflict between Russia and Ukraine will take on a disruptive character for individual portfolio companies and have an overall negative impact on the financial position, net assets and results of operations of Mutares due to the effects on subsidiaries.

Munich, 6 April 2022

Mutares Management SE,

General Partner of Mutares SE & Co. KGaA

The Board

Robin Laik

Mark Friedrich

Johannes Laumann

Appendix 1: Fixed assets movement table

Development of fixed assets for the period from 1 January 2021 to 31 December 2021

	Acquisition and production costs				
in EUR thousand	1 January 2021	Additions	Disposals	Transfers	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	0	0	0	70
	70	0	0	0	70
II. Property, plant and equipment					
1. Other equipment, factory and office equipment	897	218	47	2	1,070
2. Advance payments made	1	24	0	-2	23
	898	241	47	0	1,093
III. Financial assets					
1. Shares in affiliated companies	62,720	26,794	29,523	0	59,991
2. Loans to affiliated companies	18,234	31	641	0	17,623
3. Participating interests	36	0	0	0	36
	80,990	26,825	30,164	0	77,651
Total	**81,958**	**27,066**	**30,211**	**0**	**78,814**

	Accumulated depreciation					**Book value**	
in EUR thousand	1 January 2021	Depreciation	Disposals	Reclassifications	31 December 2021	31 December 2021	31 December 2020
I. Intangible assets							
Acquired concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets	69	1	0	0	70	0	1
	69	1	0	0	70	0	1
II. Property, plant and equipment							
1. Other equipment, factory and office equipment	450	197	17	0	630	440	446
2. Advance payments made	0	0	0	0	0	23	1
	450	197	17	0	630	463	448
III. Financial assets							
1. Shares in affiliated companies	11,370	842	0	0	12,212	47,779	51,350
2. Loans to affiliated companies	0	0	0	0	0	17,623	18,234
3. Participating interests	0	0	0	0	0	36	36
	11,370	842	0	0	12,212	65,439	69,620
Total	**11,890**	**1,040**	**17**	**0**	**12,912**	**65,902**	**70,069**

Appendix 2 to the notes: List of shareholdings as of 31 December 2021

Direct equity investments: intermediate holdings	Registered office	Share in equity in % 31.12.2021	Share in equity in % 31.12.2020	Result of the last financial year in EUR thousand	Equity of the last financial year in EUR thousand
mutares Holding-02 AG	Bad Wiessee	100	100	111	14,952
mutares Holding-03 AG	Bad Wiessee	100	100	-2,140	10
mutares Holding-07 GmbH	Bad Wiessee	90	100	-3,448	-3,402
mutares Holding-09 AG i.L.	Bad Wiessee	100	100	6	61
mutares Holding-10 GmbH	Bad Wiessee	100	100	-76	0
mutares Holding-11 AG i.L.	Bad Wiessee	100	100	-3,953	2
mutares Holding-13 AG i.L.	Bad Wiessee	100	100	-35	15
mutares Holding-14 AG	Bad Wiessee	100	100	45,536	56,841
STS Group AG	Hallbergmoos	-	73	-	-
mutares Holding-20 AG i.L.	Bad Wiessee	100	100	-31	24
mutares Holding-21 AG	Bad Wiessee	100	100	-2,689	11
mutares Holding-23 GmbH	Bad Wiessee	100	100	-28	27
mutares Holding-25 GmbH	Bad Wiessee	100	100	-11	45
mutares Holding-26 GmbH	Bad Wiessee	90	90	-171	-111
mutares Holding-28 GmbH	Bad Wiessee	100	100	-11	4,039
mutares Holding-30 AG i.L.	Bad Wiessee	100	100	43	93
mutares Holding-31 GmbH	Bad Wiessee	100	100	-43	-4
mutares Holding-32 GmbH	Bad Wiessee	90	90	-5	237
mutares Holding-33 GmbH	Bad Wiessee	100	100	-5	20
mutares Holding-36 GmbH (7)	Bad Wiessee	90	100	-354	-292
mutares Holding-37 GmbH (7)	Bad Wiessee	88	100	-12	13
mutares Holding-38 GmbH (7)	Bad Wiessee	90	100	-2	23
mutares Holding-39 GmbH (7)	Bad Wiessee	90	100	-3	447
mutares Holding-40 GmbH (7)	Bad Wiessee	85	100	-2	23
mutares Holding-41 GmbH (7)	Bad Wiessee	100	100	-2	23
mutares Holding-42 GmbH (7)	Bad Wiessee	90	100	-2	23
mutares Holding-43 GmbH (7)	Bad Wiessee	100	100	-2	23
mutares Holding-44 GmbH (7)	Bad Wiessee	-	100	-4	12,892
mutares Holding-45 GmbH (7)	Bad Wiessee (previously: Munich)	90	100	-2	23
mutares Holding-46 GmbH (7)	Bad Wiessee (previously: Munich)	90	100	-53	12
mutares Holding-47 GmbH (7)	Bad Wiessee (previously: Munich)	90	100	-2	23
mutares Holding-48 GmbH (1)	Bad Wiessee	100	-	-	-
mutares Holding-49 GmbH (1)	Bad Wiessee	100	-	-	-
mutares Holding-50 GmbH (1)	Bad Wiessee	100	-	-	-
mutares Holding-51 GmbH (1)	Bad Wiessee	100	-	-	-
mutares Holding-54 GmbH (previously: Blitz D21-552 GmbH) (1)	Bad Wiessee (previously: Düsseldorf)	100	-		
mutares Holding-55 GmbH i.G. (1)	Bad Wiessee	100	-	-	-
mutares Holding-56 GmbH i.G. (1)	Bad Wiessee	100	-	-	-
mutares Holding-57 GmbH i.G. (1)	Bad Wiessee	100	-	-	-
mutares Holding-58 GmbH i.G. (1)	Bad Wiessee	100	-	-	-
mutares Holding-59 GmbH i.G. (1)	Bad Wiessee	100	-	-	-
Mutares Sierra S.L. (1)	Madrid/ES	100	-	-	-
Mutares Investment S.L. (1)	Madrid/ES	100	-	-	-
MuxTec GmbH (previously: mutares Holding-15 GmbH)	Munich (previously: Bad Wiessee)	100	100	-2,224	-733
Mutares Verwaltungs GmbH (2)	Bad Wiessee	100	100	-1	24
Mutares Management SE	Munich	30	30	-49	71

National subsidiaries	Registered office	Share in equity in % 31.12.2021	Share in equity in % 31.12.2020		
mutares France S.A.S.	Paris/FR	100	100	308	475
mutares Italy S.r.l.	Milan/IT	100	100	111	276
mutares UK Ltd.	London/UK	100	100	114	107
mutares Nordics Oy (7)	Vantaa/FI	100	100	54	64
Mutares Nordics AB (7)	Stockholm/SE	100	100	2	2
Mutares Iberia S.L.U. (7)	Madrid/ES	100	100	24	34
Mutares Austria GmbH (7)	Vienna/AU	100	100	3	20
Mutares Benelux B.V. (1)	Amsterdam/NL	100	-	-	-

Indirect equity investments: operating entities/sub-groups	Registered office	Share in equity in % 31.12.2021	Share in equity in % 31.12.2020		
Balcke-Dürr Group					
Balcke-Dürr GmbH (5)	Dusseldorf	100	100	194	4,351
STF Balcke-Dürr S.r.l. (4)	Rome/IT	100	20	-3,008	5,487
Balcke-Dürr Technologies India Private Ltd. (2)	Chennai/IN	100	100	-97	-7
Wuxi Balcke-Dürr Technologies Co., Ltd.	Wuxi/CN	100	100	-11,084	4,300
Balcke-Dürr Rothemühle GmbH	Dusseldorf	-	100	-	-
Balcke-Dürr Engineering Private Ltd. (2)	Chennai/IN	100	100	84	187
Balcke-Dürr Nuklearservice GmbH	Dusseldorf	100	100	-557	-1,787
Balcke-Dürr Torino Srl	Turin/IT	-	100	-	-
STF Balcke-Duerr France (2)	St. Dizier/FR	100	100	-63	15
La Meusienne S.A.S.	Ancerville/FR	-	100	-	-
Loterios S.r.l. (8)	Gerenzano/IT	-	100	-2,292	2,256

Donges Group					
Donges SteelTec GmbH (5)	Darmstadt	100	100	-1,549	11,824
Kalzip GmbH	Koblenz	100	100	-2,715	-1,968
Kalzip France S.A.S.	Ancerville/FR	100	100	16	37
Kalzip FZE	Dubai/AE	100	100	-217	4
Kalzip Ltd.	Haydock/UK	100	100	104	-735
Kalzip India Private Ltd.	Gurgaon/IN	100	100	1	3
Kalzip s.l.u.	Madrid/ES	100	100	16	37
Kalzip Asia PTE Ltd.	Singapore/SG	100	100	1	3
Kalzip Inc.	Michigan/US	100	100	13	19
BFS GmbH (2)	Mannheim	100	100	48	134
FDT Flachdach Technologie GmbH	Mannheim	100	100	-5,758	-6,125
FDT Flachdach Technologie S.A./N.V.	Nivelles/BE	100	100	82	150
FDT France S.A.S	Osny/FR	100	-	-	-
Norsilk S.A.S.	Boulleville/FR	0	100	-	-
Nordec Group Oy	Vantaa/FI	100	100	599	3,082
Nordec Envelope Oy	Helsinki/FI	100	100	-141	10,607
Nordec Construction AB (previously: Normek Sverige AB)	Saltsjö-Boo/SE	100	100	1,266	1,431
Kiinteistö Oy Normek Karvia i.L (3)	Helsinki/FI	53	44	1	8
Kiinteistö Oy Alavuden Teollisuuspuisto	Alavus/FI	100	100	1	695
Nordec AS	Oslo/NO	100	100	1	4
Nordec Oy	Helsinki/FI	100	100	599	3,082
Nordec Sp.z.o.o	Oborniki/PL	100	100	93	6,586
Nordec s.r.o.	Prague/CZ	100	100	1,132	2,186
UAB Nordec	Gargzdai/LT	100	100	-490	3,207
Permasteelisa Espana Donges Group S.A. (previously: PERMASTEELISA ESPANA S.A.)	Madrid/ES	100	-	1,545	6,488
Elastomer Solutions Group					
Elastomer Solutions GmbH	Wiesbaum	100	100	-176	11,032
DF Elastomer Solutions Lda	Mindelo/PT	100	100	515	5,460
Elastomer Solutions s.r.o.	Belusa/SK	100	100	-581	533
Elastomer Solutions Maroc S.à.r.l.	Free Trade Zone Tanger/MA	100	100	170	570
Elastomer Solutions Mexico S. de R.L. de C.V.	Fresnillo/MX	100	100	312	2,213
Frigoscandia Group					
Frigoscandia AB (previously: Bring Frigo AB) (5)	Helsingborg/SE	100	-	-4,807	5,613
Frigoscandia B.V. (previously: Bring Frigo B.V.)	DB Ridderkerk/NL	100	-	117	897
Frigoscandia Denmark A/S (previously: Bring Frigo A/S)	Aalborg/DN	100	-	-2,903	838
Svebol Logistics AB	Sundbyberg/SE	100	-	-13	2,130
Bring Frigo S.L.	Boulogne sur Mer/FR	100	-	-	-
Frigoscandia S.A.S (previously: Bring Frigo S.A.S)	Boulogne sur Mer/FR	100	-	274	3,670
Frigoscandia Akeri AB (previously: Bring Frigo Akeri AB)	Helsingborg/SE	100	-	150	1,854
Frigoscandia Norway AS (previously: Bring Frigo AS)	Rud/NO	100	-	954	2,725
Bring Frigo Temp AB (previously: Bring Frigo Temp AB)	Helsingborg/SE	100	-	-	-
Frigoscandia Oy (previously: Bring Frigo Oy)	Vantaa/FI	100	-	322	1,147
Frigoscandia Fastighets AB (previously: Bring Frigo Fastighets AB)	Helsingborg/SE	100		0	11
Kommanditbolaget Eslöv Gurkan 2 (2)	Helsingborg/SE	100		2	3,468
Kommanditbolaget Beckslagaren 9 Örebro (2)	Helsingborg/SE	100		113	1,760
Kommanditbolaget JordbRomealm 4:4 Haninge (2)	Helsingborg/SE	100	-	6	9,714
Ganter Group					
Ganter Constructions & Interiors GmbH	Waldkirch	100	-	-1,222	946
Ganter Interior GmbH	Waldkirch	100	-	-2,684	63
Ganter France S.a.r.l.	Paris/FR	100	-	-1,007	35
Ganter Italia S.r.l.	Merano/IT	100	-	-4,745	-4,668
Ganter UK Ltd.	London/UK	100	-	55	6
Ganter Suisse AG	Schenkon/CH	100	-	-6	745
Gemini Rail und ADComms					
Gemini Rail Holdings UK Ltd.	Wolverton/UK	100	100	-116	54
Gemini Rail Technology UK Ltd. i.L. (3)	Wolverton/UK	100	100	-1,825	-1,400
Gemini Rail Services UK Ltd.	Wolverton/UK	100	100	-3,829	10,186
Alan Dick Communications Ltd.	Scunthorpe/UK	100	-	-10,743	-39,822
iinovis Group					
iinovis Beteiligungs GmbH	Munich	100	100	257	63,340
iinovis Verwaltungs GmbH	Munich	100	100	-93	-878
iinovis Holding GmbH & Co. KG	Munich	100	100	4,046	-43,706
iinovis GmbH	Munich	100	100	0	-5,056
BAUR Karosserie- und Fahrzeugbau GmbH	Bad Friedrichshall	100	100	0	-1,108
iinovis Testing Spain S.L.	Antas/ES	100	100	-278	83
keeeper Group					
keeeper GmbH (5)	Stemwede	100	100	5,743	11,675
keeeper Sp.z.o.o.	Bydgoszcz/PL	100	100	-2	20
keeeper S.A.	Fleurus/BE	-	100	-20	98
FASANA GmbH (previously: keeeper tableware GmbH) (7)	Stemwede	100	100	0	24
KICO und ISH Group					
KICO GmbH (5)	Halver	100	100	-9,355	0
Mesenhöller Verwaltungs-GmbH	Halver	100	100	3	13
KICO Kunststofftechnik GmbH	Halver	100	100	33	192
KICO-Polska Sp. z o.o.	Swiebodzin/PL	100	100	-36	74
KICO Sistemas Mexico S. de R.L. de C.V.	El Marqués/MX (previously: Puebla)	100	100	-123	-424
Innomotive Systems Hainichen GmbH (5)	Hainichen	100	-	1,313	39,382
Innomotive Systems Hainichen Co. Ltd.	Nanjing/CN	100	-	-1,096	3,826
Alemante Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG i.L. (3)	Mainz	94	-	-207	-642
Lapeyre Group					
Lapeyre Holding S.A.S. (previously: SAB 138 S.A.S.) (1)	Paris/FR	100	-	-	-
Lapeyre S.A.S (5)	Paris/FR	100	-	-73,712	52,176
Lapeyre Services S.A.S.	Aubervillieres/FR	100	-	-1,132	2,508
Distrilap S.A.S.	Aubervillieres/FR	100	-	-11,604	906
Enterprise Cordier S.A.S.	Magenta/FR	100	-	-918	946
Lagrange Production S.A.S.	La Magdelaine Sur Tarn/FR	100	-	684	1,319
Les Menuiseries du Centre S.A.S	Ydes/FR	100	-	1,689	5,454
Pastural S.A.S.	Epernay/FR	100	-	-3,550	2,115
Poreaux S.A.S.	Saint Martin Sur Le Pre/FR	100	-	-3,095	1,461
Giraud Production S.A.S.	Cours/FR	100	-	-539	995
Azur Production S.A.S.	Aubervillieres/FR	100	-	-132	2,112
Gam S.A.S.	Cours/FR	100	-	-4,434	1,730
S.B.L S.A.S.	Marcoing/FR	100	-	-644	356
Cougnaud S.A.S. (5)	Aizenay/FR	100	-	-426	4,279
Ouest Production S.A.S.	La Chaize Giraud/FR	100	-	-335	2,309

Mutares SE & Co. KGaA

Annual financial statements as of December 31, 2021

Nexive Group					
Nexive Group S.r.l.	Milan/IT	-	80	-	-
Nexive Network S.r.l.	Milan/IT	-	100	-	-
Nexive Servizi S.r.l.	Milan/IT	-	100	-	-
Nexive S.c.a.r.l.	Milan/IT	-	100	-	-
Plati Group					
Plati Elettroforniture S.p.A.	Torino/IT (previously: Madone)	100	100	-6,846	-5,184
Plati Logistics KFT i.L	Budapest/HU	100	100	-3	-117
Plati Ukraine Limited	Wynohradiw/UA	100	100	-2,382	-6,601
Plati Polska S.p.z.o.o	Gdansk/PL (previously: Kwidzyn)	95	95	-2,759	-2,629
Plati Maroc Sarl i.L.	Mohammedia/MA	90	90	-75	-2,787
Plati Electronics UG (2)	Munich	100	100	1	1
PrimoTECS Group					
PrimoTECS S.P.A. (5)	Avigliana/IT	100	100	1,002	29,660
Rasche Holding GmbH (previously: mutares Holding-52 GmbH) (1)	Plettenberg (previously: Bad Wiessee)	100	-	-	-
Rasche Umformtechnik GmbH & Co. KG	Plettenberg	100	-	-3,116	-193
Rasche Verwaltungs GmbH	Plettenberg	100	-	1	43
Repartim Group					
Mouse Holding S.A.S. (7)	Paris/FR	80	-	-173	-83
Repartim S.A.S (previously: Carglass Maison S.A.S)	Saint-Pierre-des-Corps/FR	100	-	-11,386	-37,665
Sky in Lab S.A.S. (2)	Montastruc-La-Conseillere/FR	11	-	-202	793
Presta Terre Services S.a.r.l.	Pompey/FR	100	-	-298	-118
GROUPEMENT SAINT MAURIEN S.A.S.	Servon/FR	100	-	-781	-2,682
SFC Solutions Group					
SFC Solutions Germany GmbH (1) (13)	Mannheim	100	100	20	46
SFC Solutions India Sealing Private Ltd. (1) (13)	Dehli/IN	100	100	-7,414	6,156
SFC Solutions India Fluid Private Ltd. (1) (13)	Chengalpattu/IN	100	100	-1,731	8,220
SFC Solutions Czestochowa Sp.z.o.o. (1) (10) (13)	Czestochowa/PL	100	100	-6,439	19,248
SFC Piotrkow Sp.z.o.o. (previously: Coooper Standard Automotive Piotrkow Sp.z.o.o.) (1)	Warschau/PL	100	100	-577	4,876
SFC Solutions Italy S.R.L. (1) (10) (13)	Ciriè/IT	100	100	-1,257	18,376
SFC Solutions Spain Borja SL (1) (13)	Borja/ES	100	100	-	-
SFC Solutions France S.A.S. (1) (13)	Rennes/FR	100	100	28	29
STS Group					
STS Plastics S.A.S.	Saint-Désirat/FR	-	100	-	-
STS Composites France S.A.S.	Saint-Désirat/FR	-	100	-	-
MCR S.A.S.	Tournon-sur-Rhône/FR	-	100	-	-
STS Composites Germany GmbH	Kandel	-	100	-	-
Inoplast Trucks, S.A. de C.V.	Ramos Arizpe/MX	-	100	-	-
STS Plastics Co. Ltd.	Jiangyin/CN	-	100	-	-
STS Plastics (Shi Yan) Ltd.	Shiyan/CN	-	100	-	-
STS Group North America Inc.	Wilmington/USA	-	100	-	-
Terranor Group					
Terranor Oy	Helsinki/FI	100	100	33	966
Terranor AB (5)	Stockholm/SE	100	100	-1,261	7,884
Terranor A/S (previously: NCC Road Services A/S)	Silkeborg/DN (previously: Trige)	100	-	-36	6,092
Others					
Asteri Facility Solutions AB (previously: Allianceplus AB)	Solna/SE	100	-	1,962	47
BEXity GmbH (5)	Vienna/AU	100	100	-18,117	35
Clecim S.A.S. (previously: Primetals Technologies France S.A.S.) (5)	Savigneux/FR	100	-	-13,244	29,086
Eupec Pipecoatings France S.A.S.	Gravelines/FR	-	100	-	-
EXI S.p.A. (previously: Ericsson Services Italia S.p.A.)	Rome/IT	100	-	188	1,761
Japy Tech S.A.S.	Dijon/FR	100	100	-2,944	6,982
Royal de Boer Stalinrichtingen B.V.	Leeuwarden/NL	100	100	21	6,214
LACROIX + KRESS GmbH (5)	Bramsche	100	100	6,195	18,059
Lackdraht Union Unterstützungseinrichtung GmbH	Bramsche	100	100	0	25
La Rochette Holding S.A.S	Paris/FR	100	-	2,437	7,437
La Rochette Cartonboard S.A.S. (previously: RDM La Rochette S.A.S.) (5)	La Rochette/FR	100	-	-4,013	9,894
Light Mobility Solutions GmbH (previously: Blitz 21-18 GmbH) (1)	Obertshausen (previously: Munich)	100	-	-	-
SABO Maschinenfabrik GmbH	Gummersbach	100	100	-7,344	12,119
TréfilUnion S.A.S.	Commercy/FR	-	100	-	-
Bonaparte Holding S.A.S. (1)	Paris/FR	100	-	-	-
Cenpa S.A.S.	Schweighouse/FR	-	100	-	-
mutares Holding-29 GmbH (1)	Bad Wiessee	90	90	-11	45
mutares Holding-35 GmbH (7)	Bad Wiessee	90	90	8,266	8,326
mutares Holding-53 GmbH (previously: Blitz 21-17 GmbH) (1)	Bad Wiessee (previously: Munich)	100	-	-	-
Mutares Holding Italy 1 S.r.l. (1)	Milan/IT	100	-	-	-
Pixmania S.A.S. i.L. (3)	Asnières-sur-Seine/FR	-	100	-	-
Pixmania SRO i.L. (3)	Brno/CZ	100	100	-	-
E-Merchant S.A.S i.L. (3)	Asnières-sur-Seine/FR	100	100	-	-
Zanders-Abwicklungs GmbH (3)	Bergisch Gladbach	95	95	-	-
BGE Eisenbahn Güterverkehr GmbH i.L. (3)	Bergisch Gladbach	100	100	-	-
Artmadis S.A.S. i.L. (3)	Wasquehal/FR	100	100	-	-
Cofistock S.à.r.l. (3)	Wasquehal/FR	100	100	-	-
Cogemag S.A.S. i.L. (3)	Croix/FR	100	100	-	-
Platinum GmbH i.L. (3)	Wangen im Allgäu	-	100	-	-

Companies in connection with management participation programs	Registered office	31.12.2021	31.12.2020		
keeeper Beteiligungs GmbH & Co. KG (2) (6)	Bad Wiessee	-	-	-	-
Bexity Beteiligungs GmbH & Co. KG (2) (6)	Bad Wiessee	-	-	-	-
SABO Beteiligungs GmbH & Co. KG (2) (6)	Bad Wiessee	-	-	-	-
Nexive Beteiligungs GmbH & Co. KG (2) (6)	Bad Wiessee	-	-	-	-
Terranor Beteiligungs GmbH & Co. KG (2) (1) (6) (7)	Bad Wiessee	-	-	-	-
Carbon Beteiligungs GmbH & Co. KG (2) (1) (6) (7)	Bad Wiessee	-	-	-	-
Vespucci Beteiligungs GmbH & Co. KG (2) (1) (6) (7)	Bad Wiessee	-	-	-	-
Iinovis Beteiligungs GmbH & Co. KG (2) (1) (6) (7)	Bad Wiessee	-	-	-	-
Lacroix+Kress Beteiligungs GmbH & Co. KG (2) (1) (6) (7)	Bad Wiessee	-	-	-	-
Clecim Beteiligungs GmbH & Co. KG (2) (1) (6) (7)	Bad Wiessee	-	-	-	-
Crystal Beteiligungs GmbH & Co. KG (2) (1) (6) (7)	Bad Wiessee	-	-	-	-
Maison Beteiligungs GmbH & Co. KG (2) (1) (6) (7)	Bad Wiessee	-	-	-	-
LaRochette Beteiligungs GmbH & Co. KG (2) (1) (6) (7)	Bad Wiessee	-	-	-	-
Dora Beteiligungs GmbH & Co. KG (2) (1) (6) (7)	Bad Wiessee	-	-	-	-

(1) Included in full consolidation as the requirements of IFRS 10.7 are met.

(2) In accordance with the principle of materiality, no inclusion was made (cf. IAS 1.29 et seq.), as the subsidiary is of minor importance for the obligation to provide a true and fair view of the Group's net assets, financial position and results of operations. Together, the subsidiaries that are not included are also of minor importance. Inclusion would only result on an insignificant improvement in information.

(3) The Company filed for insolvency proceedings in 2014. With reference to IFRS 10.7, it is not included in the consolidated financial statements. ☐

(4) The Company filed for insolvency proceedings in 2015 and is in liquidation, as are its subsidiaries. It is not included in the consolidated financial statements with reference to IFRS 10.7.☐

(5) In accordance with the principle of materiality,the investment is treated as an associated company as it is not material for the presentation of a true and fair view of the net assets, financial position and results of operations of the Group.☐

(6) Originally, Mutares Holding 24-AG and Balcke-Dürr GmbH were the legal owners of all shares in the company. By agreement dated October 26, 2017, both companies as trustors entered into a trust agreement with Schultze & Braun Vermögensveraltung- und Treuhandgesellschaft mbH as trustee. In the trust agreement, the trustors undertook to transfer their shares in the company to the trustee. The trustee in turn undertook to hold these shares in trust for the trustors until further notice. The trust serves as collateral for surety insurance policies concluded by Balcke-Dürr GmbH with two insurance companies. The above-mentioned obligations of the trustors were fulfilled with the share sale agreement dated October 26, 2017, and the shares in the Company were thus legally transferred to the trustee. As a result, the trustee became the sole legal owner of the shares in the Company. The beneficial ownership, on the other hand, remained with the trustors as the original shareholders. As the company continues to be controlled by Mutares, it continues to be included in the scope of consolidation

(7) Artmadis SAS filed for bankruptcy in 2018 due to persistent financial difficulties and, like its subsidiaries Cofistock and Cogemag, is in liquidation. Artmadis Belgium and Artmadis Hong Kong were sold in the financial year 2018. Consequently, all five companies were deconsolidated in 2018.

(8) In June 2018, in view of the threat of insolvancy, the management filed an application for the opening of insolvancy proceedings and planned to continue the restructuring precess in the context of a self-administration procedure. The company and its subsidiary were deconsolidated as of 30 Jun 2018 due to the resulting loss of control. The court finally opend insolvancy proceedings in regular proceedings over the company's assetswith a decision dated September 1, 2018.☐

(9) The Company is currently in liquidation. It is not included in the consolidated financial statements with reference to IFRS 10.7. ☐

Assurance of the legal representatives

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

Munich, 6 April 2022

Mutares Management SE,

Manager Shareholder of Mutares SE & Co. KGaA

The Management Board

Robin Laik

Mark Friedrich

Johannes Laumann

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 2021, and the statement of profit and loss for the financial year from 1 January to 31 December 2021, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report, which was combined with the management report for the parent company ("combined management report") of Mutares SE & Co. KGaA, Munich/Germany, for the financial year from 1 January to 31 December 2021. In accordance with the German legal requirements, we have not audited the combined corporate governance statement pursuant to Sections 289f and 315d German Commercial Code (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 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 2021 and of its financial performance for the financial year from 1 January to 31 December 2021 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 referred to above.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (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 2021. 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
2. Profit from disposing 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

a) Mutares SE & Co. KGaA disclosed income from long-term equity investments of mEUR 14.4 (prior year: mEUR 34.6) in the statement of profit and loss for the financial year from 1 January to 31 December 2021, which corresponds to roughly 28% of profit for the period in the financial year (prior year: approx. 104%). 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 importance 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 chapter "Notes to the statement of profit and loss" under the "Recognition and valuation methods" section 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. 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 disposal of long-term equity investments

a) On 9 December 2021, Mutares SE & Co. KGaA, Munich/Germany, as shareholder of mutares Holding-35 GmbH, Bad Wiessee/Germany, and of mutares Holding-51 GmbH, Bad Wiessee/Germany, sold 90% of its shares in mutares Holding-35 GmbH to mutares Holding-51 GmbH. The purchase price amounted to mEUR 18.1 and became due within 20 business days. The capital gain of mEUR 18.0 was recognised under the item "Income from long-term equity investments and income from the disposal of long-term equity investments", which had been added to the statement of profit and loss pursuant to Sec. 265 (5) sentence 2 German Commercial Code (HGB).

The determination of the purchase price of the shares in mutares Holding-35 GmbH, who in turn holds 100% of the shares in SABO Maschinenfabrik GmbH, Gummersbach/Germany, was based on the cash flow plan of the executive directors of Mutares SE & Co. KGaA. The cash flow plan was based on the expectations of the future market and industry development as well as the further development of SABO Maschinenfabrik GmbH's business model. For determining the value, the executive directors applied the discounted cash flow model of a third-party expert in accordance with the principles of IDW S 1 (Principles for the Performance of Business Valuations). The cash flow plan prepared by the executive directors of Mutares SE & Co. KGaA is eminently characterised by their assessment of 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. The valuation is subject to substantial uncertainty, as merely minor changes in the discount rate have a significant impact on the amount of the determined business value.

With that said and with the constellation of the affiliated companies at hand, for which a balance-of-interest withstanding a third-party comparison cannot be initially assumed, selling the shares in mutares Holding-35 GmbH was of particular importance during our audit.

The executive directors of Mutares SE & Co. KGaA have made according disclosures in chapters 3.1 and 4.6 of the notes to the financial statements in respect of the items "long-term financial assets" and "income from the disposal of long-term equity investments".

b) In auditing the transaction regarding the shares in mutares Holding-35 GmbH, among other things, we obtained an understanding of the methodical and substantial approach of the purchase price determination carried out by the executive directors and the third-party expert. In this respect, we verified whether the future cash inflows and the respective weighted average cost of capital applied for the valuation corresponded to the principles of IDW S 1 which served as basis for the determination of the business value. 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 Mutares SE & Co. KGaA regarding the essential factors and valuation parameters on which the expected future cash inflows were based on. Moreover, we satisfied ourselves of the expertise, the abilities and the objectivity of the third-party 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, 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 calculations used for the business valuation. Moreover, we audited whether the income from the disposal of long-term equity investments were appropriately disclosed in the statement of profit and loss and whether the according financial assets were recognised in the balance sheet appropriately and whether the disclosures made in the notes to the financial statements were complete and correct.

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 non-financial group 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 executive directors’ confirmation regarding the annual financial statements and the combined management report pursuant to Sections 264 (2) sentence 3 and 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 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 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 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 for one 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 related safeguards.

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 provided file, which has the SHA-256 value 59559862d3bd8852ba15b8ce443651f6e06d9a0013b43f5e0ab 6b95a9701816a, 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 provided 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 2021 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 provided 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 (10.2021)). 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 provided 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 21 May 2021. We were engaged by the supervisory board on 16 December 2021. 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 combined management report converted into the ESEF format – including the versions to be published in the Federal Gazette – 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, 6 April 2022

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Dirk Bäßler	Wolfgang Braun
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)