Mutares SE & Co. KGaA, Munich

Combined Management and Group Management Report

for the fiscal year from January 1 to December 31, 2023

1.	**Fundamentals of the Company and the Group**	
1.1	Business model and organization	2
1.2	Research and development	5
2.	**Economic Report**	**6**
2.1	Macroeconomic and industry-specific conditions	6
2.2	Business performance	8
2.3	Reports from the portfolio companies	10
3.	**Situation of the Group including the asset, financial and earnings position**	**31**
3.1	Earnings position of the Group	31
3.2	Asset and financial position of the Group	34
4.	**Position of the Company including the asset, financial and earnings position**	**37**
4.1	Earnings position of the Company	37
4.2	Asset and financial position of the Company	38
5.	**Performance indicators and the Management Board's assessment of business performance**	**40**
5.1	Financial performance indicators	40
5.2	Management Board's assessment of business performance	41
6.	**More details**	**42**
6.1	Supplementary Report	42
6.2	Takeover-relevant information	42
6.3	Corporate governance and non-financial statement	45
7.	**Opportunity and Risk Report**	**47**
7.1	Risk management and internal control system	47
7.2	Risks to future development	51
7.3	Opportunities for future development	64
8.	**Forecast Report**	**67**

1. Fundamentals of the Company and the Group

1.1 Business model and organization

Mutares SE & Co. KGaA, Munich, (hereinafter referred to as "the Company" or also "Mutares") is an international listed private equity investor focused on special situations. After the acquisition, the business model comprises three phases of value creation that portfolio companies usually go through during their affiliation with Mutares: *Realignment*, *Optimization* and *Harvesting*. Accordingly, after the transformation (restructuring, optimization and repositioning) and/or development, the identified value enhancement potential is realized through the sale.

Mutares thus acts like a typical private equity investor for special situations. However, the stock market listing also enables a wide range of investors to participate directly in the business success of a private equity-orientated business model.

When selecting target companies ("targets"), Mutares focuses primarily on the acquisition of parts of large groups (carve-outs) and medium-sized companies in situations of transition. Mutares' investment focus is on companies with high development potential, which already have an established business model – often combined with a strong brand. Against this backdrop, targets with the following characteristics are of particular interest to Mutares for an initial **acquisition** as so-called "platform investments" – i.e. as targets without direct operational links to a company already in the Mutares portfolio:

- Spin-offs/Carve-outs of Groups
- Sales of EUR 100-750 million
- Established market position (products, brand, customer base, technology/know-how)
- Economically challenging situation or situation of upheaval (e.g. pending restructuring)
- Operational improvement potential along the value chain
- Focus of activities in a core region of Mutares, above all in Europe and increasingly also in China

Mutares is committed to its portfolio companies during the entire time they are part of the Mutares Group and acts as a responsible and entrepreneurial shareholder who actively supports the upcoming change phases – based on extensive, long-term industrial and restructuring experience. The goal is to further develop the portfolio companies, which were unprofitable or unprofitable at the time of acquisition, through organic and inorganic growth and ultimately to sell them at a profit.

The three phases of value creation that follow the acquisition are characterized in particular by the following features:

(1) Realignment

After acquiring targets through its own acquisition companies, Mutares identifies improvement projects along the entire value chain in the portfolio companies using its own specialists and in close cooperation with the local management, which in total result in a comprehensive optimization or transformation program.

[1] The term "investment" is sometimes used as a synonym in the following.

(2) Optimization

- The management and employees of the portfolio company play a key role in managing the change associated with **operational optimization**. Involving employees and management in the company's success is an important 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 as part of ongoing close support.

- Already during the operational stabilization of a portfolio company, **measures for growth** are examined, developed and implemented. These include initiatives for organic growth such as the broadening of the product portfolio through the development of innovative products or the development of new markets and sales channels, partly by means of investments in sales and (production) facilities. In addition, Mutares systematically looks for opportunities to develop its investments inorganically as well: With strategic additions, so-called "add-on acquisitions," the rapid implementation of the planned growth strategy of a focused buy-and-build approach is aimed at.

(3) Harvesting

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

Mutares pursues the private equity-typical strategy of allowing the shareholders to participate directly and continuously in the company's success. Against this backdrop, a sustainable and attractive **dividend policy** is one of the main elements of the Mutares business model. The net income of Mutares SE & Co. KGaA is mainly derived from three different sources, namely revenues from the internal consulting business, dividends from portfolio companies and exit proceeds from the sale of investments. Sales revenues and dividends (mainly income from investments received in the same period) make up what is known as portfolio income. Due to this diversified revenue structure, Mutares believes that even in a year that was operationally difficult for various investments, it is generally in a position to generate a sufficiently high net income to be able to continue its long-term sustainable dividend policy. Against this backdrop, Mutares sees itself in a position to update its dividend strategy from fiscal year 2023 on in view of the strong growth of recent years, which now provides for an annual minimum dividend of EUR 2.00 per dividend-bearing share. In exceptionally successful fiscal years, the company will also consider the extent to which the remaining unappropriated surplus will also be distributed in the form of a possible bonus dividend when proposing the appropriation of profits in the future.

In addition to its domestic market of Germany, Mutares is present in other strategic core markets in Europe through a total of nine further offices, including in France, Italy, Sweden and Spain. This is intended to ensure a constant flow of deals based on a regional network. In addition, the expansion into China in fiscal year 2023 with the opening of an office in Shanghai and the planned opening of an office in the US in fiscal year 2024 have initiated further geographical expansion.

In fiscal year 2023, Mutares added a fourth segment to the previous three segments in light of the strong growth of recent years and with the strategic intention of expanding the target universe relevant to Mutares. Lapeyre, keeeper Group and FASANA were separated from the Goods & Services segment and included in the new independent Retail & Food segment.[1] The signing of an agreement to acquire Gläserne Molkerei from the Emmi Group in July 2023 was the first step towards further strengthening this new segment. As at 31 December 2023, the portfolio of Mutares SE & Co. KGaA contains 30 operating investments or investment groups (previous year: 29), which are divided into the 4 segments (1) Automotive & Mobility, (2) Engineering & Technology, (3) Goods & Services and (4) Retail & Food.

- 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) Amaneos[2]
  (2) FerrAl United Group[3]
  (3) HILO Group (formerly: KICO Group and ISH Group)[4]
  (4) iinovis Group
  (5) Peugeot Motocycles 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) Byldis
  (7) Clecim
  (8) Donges Group
  (9) Efacec
  (10) Gemini Rail Group and ADComms Group
  (11) Guascor Energy
  (12) La Rochette Cartonboard
  (13) NEM Energy Group[5]
  (14) Steyr Motors Group
  (15) VALTI[6]

[1] The previous year's figures reported below have been adjusted to reflect the new segment structure.
[2] Since fiscal year 2023, the previously separate subsidiaries MoldTecs Group, LMS and the SFC and Elastomer companies have been combined organizationally under the umbrella brand Amaneos.
[3] Since fiscal year 2023, FerrAl United Group has combined the previously separate investments Cimos Group, PrimoTECS and Rasche Umformtechnik as well as the add-on acquisitions of MMT-B, BEW, Selzer and Gesenkschmiede Schneider, Schöneweiss & Co, Falkenroth Umformtechnik and Walor made in the fiscal year.
[4] HILO Group now combines the previously separately managed portfolio companies KICO Group and ISH Group, including the recently completed add-on acquisitions, into these two portfolio companies.
[5] The NEM Energy Group also includes the Balcke-Dürr Group, which was integrated in fiscal year 2023.
[6] Valti was sold to the local management at the beginning of fiscal year 2024. As the sale was already highly probable as of the reporting date, the assets and liabilities of Valti were recognized and measured as held for sale in the Consolidated Financial Statements in accordance with IFRS.

- Goods & Services:

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

  (16) Asteri Facility Solutions and Palmia Group
  (17) Conexus[7]
  (18) Frigoscandia Group
  (19) Ganter Group
  (20) GoCollective, ReloBus and MobiLitas (formerly: part of the Arriva Group)
  (21) REDO
  (22) Repartim Group
  (23) SRT Group
  (24) Terranor Group

- Retail & Food:

  The portfolio companies in the Retail & Food segment are manufacturers and distributors in various industries, including household products and food processing.

  (25) FASANA
  (26) Gläserne Molkerei
  (27) keeeper Group
  (28) Lapeyre Group
  (29) Prénatal
  (30) TeamTex

1.2 Research and development

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

Overall, as in the previous year, the Group invested a single-digit million amount in research and development in fiscal year 2023; capitalized development costs are of minor importance for the Group as a whole.

[7] In fiscal year 2023, the previously independent portfolio companies EXI and SIX Energy were merged and now operate under the name "Conexus."

2. Economic Report

2.1 Macroeconomic and industry-specific conditions

World

According to the ifo Institute (source: "ifo Economic Forecast Summer 2023," published in June 2023)[8], the global economy was favored by developments in China at the start of 2023. A decline in inflation rates was noticeable in the advanced economies over the course of 2023, particularly in the energy and commodities sectors. Despite this development, however, inflation remained at a high level. The restrictive monetary policy pursued by the central banks in response to this development initially had a clearly noticeable dampening effect on the global economy. However, catch-up effects in demand from China, impetus from the recovery from the pandemic and the positive job market situation in the US led to an increase in consumer spending.

According to the ifo Institute (source: "ifo Schnelldienst December special edition 2023"), global industrial production rose in the third quarter of 2023, but this does not yet indicate a sustained upturn. The US economy remains robust and is being supported by consumer spending by private households despite a restrictive monetary policy. In China, possible negative effects from the property crisis are being offset by stimulating government intervention, which means that economic growth accelerated in the third quarter of 2023. Global trade continues to weaken, partly because many companies are reducing their sometimes high inventories of intermediate products instead of purchasing new ones now that the supply chain problems have been largely overcome.

Eurozone

According to the European Commission's "Winter Forecast 2024," the modest growth in the EU and the eurozone in 2023 is largely due to the economic recovery following the pandemic in the two previous years. However, growth stagnated against the backdrop of falling household purchasing power, the slump in foreign demand and the drastic tightening of monetary policy.

According to the ifo Institute (source: "ifo Schnelldienst December special edition 2023"), consumer demand among private households in the eurozone has weakened due to the development of real wages, while industrial activity, particularly in the industrialized regions of Central Europe, is still being impacted by the energy price shock from the previous year. Despite the weak economic situation, this has not affected the European labor market and the unemployment rate remains at a low level. The most recent inflation rate, i.e. in December 2023, was 2.9% (full year 2023: 5.4%) and thus remains above the European Central Bank's (ECB) target figure.[9]

[8] https://www.ifo.de/publikationen/2023/aufsatz-zeitschrift/ifo-konjunkturprognose-sommer-2023
[9] https://ec.europa.eu/eurostat/documents/2995521/18261481/2-05012024-AP-DE.pdf/f5ee5876-de01-660e-c714-c60fadad34ae

Investment sector

Following record years before the pandemic, the development in the private equity sector showed a downward trend in 2023: based on analyses by the consulting firm PwC, global buyout activity fell from a record high of nearly 11,000 transactions in 2021 to just over 8,000 in 2023, which corresponds to a decline of 27% within two years. The main reasons for this were a challenging macroeconomic environment and rising financing costs due to higher interest rates. Nevertheless, the market is showing some resilience as financial investors are able to benefit from lower valuations.

According to the Bundesverband Deutscher Kapitalbeteiligungsgesellschaften – German Private Equity and Venture Capital Association e.V. (BVK) ("The German Private Equity Market in 2023," March 2024), a similar trend was seen in the German private equity market in 2023: the total investment volume fell from EUR 15.4 billion in the previous year to EUR 10.5 billion. The investments of the investment companies based in Germany in the financing phase of the buyouts relevant for Mutares reached a total of EUR 6.5 billion (previous year: EUR 8.8 billion). The volume of investment sales showed different developments in 2023 in the exit channels that are particularly important for Mutares: While sales to strategic investors increased to EUR 1.6 billion (previous year: EUR 1.1 billion), sales to other investment companies declined to EUR 0.9 billion (previous year: EUR 2.0 billion). According to KfW Research, the business climate in the German private equity market was slightly brighter at the end of 2023, but a cautious start to 2024 is assumed.

2.2 Business performance

In the fiscal year 2023, the **Mutares Group** generated revenue of EUR 4,689.1 million (previous year: EUR 3,751.7 million) and EBITDA according to IFRS of EUR 756.9 million (previous year: EUR 181.5 million). Adjusted EBITDA (as defined in section 5.1) amounted to EUR 3.5 million (previous year: EUR -32.7 million).

The revenue of **Mutares SE & Co. KGaA** as the holding company of the Mutares Group result from the Group's internal consulting business, i.e. consulting services to affiliated companies and management fees. The increase to EUR 103.6 million in fiscal year 2023 (previous year: EUR 71.1 million) is a consequence of the enlarged portfolio in connection with the high acquisition activity in the past, which was followed by an increase in operational consulting capacities. Sales and dividends from the portfolio (mainly income from investments received in the same period) result in the so-called "Portfolio Income," which amounted to EUR 112.1 million for fiscal year 2023 (previous year: EUR 139.8 million). As a result, the net profit for the year according to HGB amounts to EUR 102.5 million, compared to EUR 72.9 million in the previous year.

Mutares' business performance in fiscal year 2023 was characterized by the following significant events:

- *High transaction activity*

  The fiscal year 2023 was again characterized by a high level of transaction activity. All four segments were strengthened by a total of **16 completed acquisitions**.[10] In addition, agreements were signed for two further acquisitions, although the transactions had not yet been finalized as of the reporting date.

[10] Cf. the comments in the reports from the portfolio companies (para. 0).

The acquisitions resulted in gains from bargain purchases[11] totaling EUR 727.2 million (previous year: EUR 262.0 million), which are recognized in other income in the Consolidated Financial Statements.

On the exit side, Mutares successfully completed the **sale of seven** portfolio companies in fiscal year 2023. Of particular note is the sale of Special Melted Products ("SMP"), which represents the most successful exit in the company's history to date with a cash inflow for the Mutares holding company of around EUR 150 million and income at the level of the Annual Financial Statements of around EUR 130 million. Furthermore, an agreement was signed on the sale of Frigoscandia in fiscal year 2023, and the transaction was finalized in the first quarter of fiscal year 2024 The deconsolidations resulted in gains at the Group level for fiscal year 2023 of EUR 118.6 million (previous year: EUR 31.8 million) and losses of EUR 13.7 million (previous year: EUR 3.2 million), which are recognized in other income and other expenses in the Consolidated Financial Statements.

- *Restructuring and development progress*

  In a partly still challenging environment, Mutares' various portfolio companies each implemented comprehensive operational improvement, transformation or restructuring programs over the course of the fiscal year. In particular, the Management Board considers the restructuring and development progress at SFC Solutions (part of Amaneos), Terranor, Ganter, Steyr Motors and keeeper Group to be positive, and now sees positive developments in the realization of improvement potential at Guascor Energy, Gemini Rail and ADComms Group as well as Conexus, while significant challenges remain at MoldTecs (part of Amaneos), CIMOS and PrimoTECS (part of FerrAl United Group), Lapeyre and iinovis. The start to the restructuring of the portfolio companies acquired in the fourth quarter of fiscal year 2023 is largely in line with expectations and is considered promising overall by the Management Board.

- *Early refinancing of the bond*

  In March 2023, Mutares issued a senior secured bond with a term until March 2027, which was increased by a volume of EUR 50 million in the further course of fiscal year 2023 under an existing increase option to the current nominal volume of EUR 150 million as of the reporting date. The inflow of liquidity from the issue was used to refinance the bond issued in fiscal year 2020, which was redeemed in full ahead of schedule when the new bond was issued, as well as for general company financing. The bond bears interest at the 3-month EURIBOR (EURIBOR floor of 0.00%) plus a margin of 8.50% and can be increased to a nominal volume of up to EUR 250 million during its term. With a value date of January 29, 2024, Mutares then increased the bond by an amount of EUR 100 million to the maximum nominal volume of EUR 250 million.

- *Inclusion in the SDAX and the MSCI Germany Small Cap Index*

  As part of the regular review of its small-cap index in December 2023, Deutsche Börse decided to include the shares of Mutares SE & Co. KGaA in the SDAX as of December 18, 2023. This makes Mutares one of the most liquid and largest listed companies in Germany below the DAX and MDAX in terms of the market capitalization of free float shares. The share had already previously been included in the MSCI Germany Small Cap Index within the index family of the US financial services provider MSCI. The promotion to the SDAX and the inclusion in the MSCI Germany Small Cap Index mark further milestones in Mutares' capital market success story since the IPO in 2008 and the move to the Prime Standard of Deutsche

[11] By contrast, the acquisition of Palmia in the 2023 financial year and Polar Frakt as an add-on acquisition for the Frigoscandia Group in the previous year each resulted in goodwill.

Börse, which is associated with high transparency requirements, as part of the uplisting in 2021.

- *Annual General Meeting and update of the dividend policy*

  In accordance with the resolution of this year's Annual General Meeting on July 10, 2023, a dividend of EUR 1.75 per share (previous year: EUR 1.50 per share) was paid out; according to the Company's breakdown, the dividend consists of an unchanged basic dividend of EUR 1.00 per share and a performance dividend of EUR 0.75 per share (previous year: EUR 0.50 million). Taking treasury shares into account, a total of around EUR 36.1 million (previous year: EUR 30.9 million) of the net retained profits of Mutares SE & Co. KGaA were distributed.

  In addition, the dividend strategy was updated in fiscal year 2023 and now provides for a minimum annual dividend of EUR 2.00 per dividend-bearing share. In exceptionally successful fiscal years, the company will also consider the extent to which the remaining unappropriated surplus will also be distributed in the form of a possible bonus dividend to be paid separately in the future when proposing the appropriation of profits.

2.3 Reports from the portfolio companies

The following explanations reflect the developments of the individual segments or portfolio companies in the Mutares Group in fiscal year 2023.

Automotive & Mobility segment

No.	Investment	Industry	Headquarters	Value creation phase[12]
(1)	**Amaneos**[13]	Global partner for plastic-based systems for the automotive industry	various	Realignment
(2)	**FerrAl United** Group[14]	Supplier for mechanically processed multi-material solutions and systems	various	Realignment
(3)	**HILO** Group [15]	System supplier for Automotive Engineering	Halver/DE Hainichen/DE	Optimization
(4)	iinovis Group	Engineering service provider for Automotive Engineering	Munich/DE	Realignment
(5)	**Peugeot Motocycles** Group	Manufacturer of two- and three-wheeled scooters	Mandeure/FR	Realignment

[12] As described in section 1.1; Management Board assessment from the first quarter of fiscal year 2023, which will be maintained for the remainder of the year.

[13] The previously separate investments MoldTecs Group, LMS and the SFC and Elastomer companies have been organizationally combined under the umbrella brand Amaneos since fiscal year 2023.

[14] FerrAl United Group has combined the previously separate investments Cimos Group, PrimoTECS and Rasche Umformtechnik as well as the add-on acquisitions of MMT-B, BEW, Selzer and Gesenkschmiede Schneider, Schöneweiss & Co., Falkenroth Umformtechnik and Walor in organizational terms since fiscal year 2023.

[15] HILO Group now combines the previously separately managed investments KICO Group and ISH Group, including the recently completed add-on acquisitions.

According to the German Association of the Automotive Industry ("VDA"), the international automotive markets recorded strong growth in 2023 compared to the previous year, boosted in particular by developments in China. Vehicle availability in particular had a positive impact, which had a positive effect on sales figures. Nevertheless, the business environment for the automotive industry remains challenging: in Europe in particular, but also in other parts of the world, geopolitical and macroeconomic uncertainties have recently led to subdued overall economic demand and therefore only modest growth. Energy prices, which remained high in some cases, and further increases in consumer prices also had a negative impact on customer demand. As a result, the pre-crisis level from 2019 was not reached in the European and US markets.

In the segment's portfolio companies, this industry-wide dynamic on the sales side was reflected in some short-term cancellations or postponements of call-offs by original equipment manufacturers (OEMs). At the same time, successes were achieved in negotiations with customers regarding the passing on of cost increases or compensation payments. The sales revenue of the Automotive & Mobility segment for fiscal year 2023 amounts to EUR 1,878.3 million (previous year: EUR 1,081.6 million). In addition to the price increases introduced, the main reasons for the increase were the acquisitions made in the fiscal year, above all Peugeot Motocycles and the add-on acquisitions for the FerrAl United Group (in particular MMT-B) and in the previous year (MoldTecs, Cimos and SFC Automotive France), which were only included in the Group in fiscal year 2022 from the date of acquisition. The EBITDA of this segment for fiscal year 2023 amounts to EUR 232.2 million (previous year: EUR 34.8 million). This includes gains from bargain purchases from the acquisitions totaling EUR 271.6 million (previous year: EUR 86.0 million), in particular from the acquisitions of MMT-B and Walor as add-on acquisitions for the FerrAl United Group. Adjusted EBITDA, on the other hand, was burdened by the above-mentioned influences as well as the still negative earnings contributions from the new acquisitions, which improved significantly compared to the previous year to EUR + 3.3 million (previous year: EUR -49.0 million).

AMANEOS

Mutares established a new and globally positioned Tier 1 automotive supplier under the umbrella brand Amaneos in fiscal year 2023. Amaneos combines the previously separate subsidiaries MoldTecs Group, LMS and the SFC and Elastomer companies in organizational terms, without giving up their legal and operational independence. As a specialist for exterior and interior systems, rubber and sealing solutions as well as high-performance plastic parts, Amaneos has a global presence with production and business sites in key markets for the automotive industry.

MoldTecs is a global supplier of high-performance plastic parts for the automotive industry and supplies all the world's leading OEMs with a comprehensive product portfolio that includes intake manifolds, high-pressure air lines, air ducts and all types of fluid reservoirs. MoldTecs manufactures these products using state-of-the-art injection molding, blow molding and welding technologies at its three European sites in France and Germany. In the course of the Company's transformative global expansion, further production facilities will be required in China, North America and India, which will entail extensive liquidity requirements for which additional sources of financing will need to be tapped. While the new production site in China opened in fiscal year 2023 and has started production and other operating activities, the opening of production sites in North America and India is planned for fiscal year 2024 - assuming successful financing of this production expansion, which has not yet been secured. With the restructuring measures initiated, particularly at the German plants, and the global expansion, MoldTecs Group is expected to achieve a positive operating result only in the medium term after a transformation year 2023, in which sales revenues are declining due to a lack of investment in the period prior to the acquisition by Mutares and profitability is depressed accordingly, as a result of the restructuring measures initiated and the impact of new projects. Against this backdrop, the further development of MoldTecs will be monitored particularly closely by Mutares.

Light Mobility Solutions ("LMS") is a supplier of exterior elements and systems for the automotive industry that supplies to all leading European OEMs with a comprehensive product portfolio including fascias, radiator grilles, sill, side and roof panels as well as spoilers and other exterior trim parts. The portfolio company manufactures at production sites in Germany with technology focuses on injection molding, surface treatment (painting and chrome plating) and assembly. In a market environment that remained challenging in fiscal year 2023, LMS succeeded in achieving a slightly positive operating result despite sales volumes falling short of planning, but benefited from compensation payments from customers. Based on the successful realignment with competitive cost structures, LMS expects a slight increase in sales revenues and a significant increase in the operating result for fiscal year 2024. The high order volumes with new business won lead to a positive outlook for sales development and profitability in the medium term, combined with the search for additional sources to finance the new ramp-ups.

The portfolio companies **SFC Solutions** and **Elastomer Solutions**, which comprise several companies, are active in the fields of fluid transfer systems and sealing solutions and the production of rubber and thermoplastic components with sites in Europe, North America and India. In fiscal year 2023, the management focused on integrating the add-on acquisition from the previous year (formerly operating under the name SEALYNX International), optimizing the European production network to increase efficiency in production and logistics processes and negotiating with customers to pass on price increases to suppliers. However, in a difficult market environment, particularly in Europe, which was characterized by persistently low sales figures for some of the most important customers, the profitability target in the original plans was exceeded. The successfully introduced cost-cutting measures and successes in negotiations with customers on passing on cost increases contributed to this. On this basis, the management also expects to see a further significant improvement in the operating result for fiscal year 2024 with a slight increase in sales.

FERRAL UNITED GROUP

FerrAl United Group has combined the previously separate investments Cimos Group, PrimoTECS and Rasche Umformtechnik as well as the add-on acquisitions of MMT-B, BEW, Selzer and Gesenkschmiede Schneider, Schöneweiss & Co., Falkenroth Umformtechnik and Walor, which were made in fiscal year 2023, in organizational terms without giving up their legal independence. The purpose of the merger is to bundle the portfolio companies' expertise in the field of metallic components and systems for the automotive industry. The spectrum ranges from metal forming and mechanical processing to assembly and testing.

Cimos, with its headquarters in Slovenia and eight plants in Slovenia, Croatia, Serbia and Bosnia-Herzegovina, is a manufacturer of automotive components such as compressor and center housings, engine mounts, brake discs and drums, transmission parts, nozzle rings and flywheels. **PrimoTECS** produces forged parts used in electric, hybrid and conventional powertrains in the automotive industry at two sites in northern Italy. The development of the two portfolio companies in fiscal year 2023 was characterized by continued low sales volumes and a lack of success in acquiring new business, while at the same time the initiatives, particularly with a view to increasing production efficiency and strict cost control, could not be implemented to a sufficient extent. As a result, the operating result fell considerably short of the original plans. As a result, the focus was on managing liquidity in fiscal year 2023; both portfolio companies are extensively leveraged.

A series of add-on acquisitions were completed in fiscal year 2023 to strengthen the FerrAl United Group:

In the first quarter of fiscal year 2023, Mutares completed the acquisition of a plant from the automotive supplier Magna in Bordeaux, which is active in the production of transmissions. The portfolio company, which has since been renamed "Manufacturing the Mobility of Tomorrow – Bordeaux" ("**MMT-B**"), is a manufacturer of drive solutions for the automotive and mobility industry. The range of services extends from engineering (industrialization, product development) to production (machining, welding, heat treatment, assembly). The core element of the transformation of MMT-B is the expansion of the current range of services and a diversification of the offering to compensate for the expected decline in business with the current customer while at the same time adjusting the cost structures, including in the area of personnel. Following a successful transformation, MMT-B should generate a materially positive operating result again in the medium term.

Mutares also completed the acquisition of a majority stake in **BEW-Umformtechnik** ("BEW") in the first quarter of fiscal year 2023. BEW is a manufacturer of forged parts in raw, pre-formed or ready-to-install versions. BEW produces parts and components for transmissions, axles and steering systems in commercial vehicles, passenger cars, agricultural, material handling and construction machinery as well as for applications in general mechanical engineering and in the armature and hydraulics industry. Due to a stable sales development and effective cost management, BEW realized a positive operating result in fiscal year 2023 and shows promising synergy potential with **Rasche Umformtechnik** ("Rasche").

In the third quarter of 2023, Mutares acquired **Selzer** and its four sites in Germany and abroad, including in Bosnia, that manufacture ready-to-install metal components and assemblies for automotive transmissions, brakes and engines as well as industrial applications.

Furthermore, Mutares acquired the **Gesenkschmiede Schneider, Schöneweiss & Co.** and **Falkenroth Umformtechnik** in October 2023, both of which have production facilities in Germany and specialize in forging and machining technologies for the truck market.

Also in October 2023, Mutares acquired **Walor International** ("Walor") including its subsidiaries. Walor International has its headquarters in France and has eleven production sites worldwide. As a manufacturer of forged and machined steel parts, Walor offers a comprehensive product range for powertrains, steering systems, bodyshells and passive safety applications for passenger cars.

Immediately following the completion of the respective add-on acquisition, a team from Mutares developed a transformation plan in collaboration with the local management and started implementing it. On the one hand, this is aimed at measures to increase profitability, e.g. by renegotiating conditions with suppliers and customers, optimizing the supply chain, realigning production processes and implementing internal synergies. At the same time, the focus was on breaking away from the structures of the former owners and integrating and merging the individual portfolio companies within the FerrAl United Group. The integration into the FerrAl United Group is intended to realize synergies in the area of customers and production sites. In addition, the merger of the individual portfolio companies will contribute to improvements in procurement and the realization of cross-selling potential, which should ultimately increase the competitiveness of the FerrAl United Group.

HILO GROUP

In January 2024, Mutares announced that it would combine its investments in KICO Group and ISH Group with the add-on acquisitions recently completed for these two portfolio companies to form the newly renamed HILO Group and thus the global supplier business for hinges and locking systems for OEMs. HILO Group has a global presence with production sites in several key automotive markets.

As a supplier to the automotive industry, **KICO** develops, industrializes and manufactures closure systems for passenger cars at its production and assembly plants in Germany and Poland. **Innomotive Systems Hainichen** ("ISH") is a manufacturer of sophisticated, high-precision door hinges made of steel or aluminum as well as door retainers and complex hinges for hoods, liftgates and lids. ISH operates two production facilities in Germany and China and offers its customers products and services along the entire value chain from customized product development to CNC machining, broaching, welding, hardening and semi- and fully automated assembly lines with integrated quality control. Further synergy measures were introduced and implemented in fiscal year 2023. One core element was the consolidation of functions, especially in the area of administration, and in this context the relocation of administrative functions to a separate service center in Romania. In a persistently challenging market environment with continued low call-off volumes, sales revenue increased slightly year-on-year thanks to price increases and a slightly positive operating result was achieved.

As a further addition, the acquisition of **High Precision Components Witten** ("HPC Witten") was completed at the end of fiscal year 2023. HPC Witten specializes in the production of hinges for tailgates and hoods as well as transmission parts and body frame structures and manufactures the products by stamping, fineblanking, CNC machining, welding and laser cutting at its production site in Germany.

Prinz Kinematics ("Prinz") was finally acquired after the reporting date in January 2024. Prinz specializes in the development and manufacture of advanced hinge systems for the automotive industry and supplies components to OEM customers worldwide. The product range includes door hinges, trunk hinges and complex kinematic systems for conventional and innovative automotive designs. Utilizing state-of-the-art metalworking technologies, including stamping, CNC machining and assembly, Prinz delivers these high-quality solutions from its production facilities in Germany, Bulgaria and China, ensuring global reach and support for its customers.

IINOVIS GROUP

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

The market environment remained challenging for iinovis in fiscal year 2023. Customers from the automotive industry in particular reduced their order volumes due to extensive internal cost-cutting programs. The negative effects of this on profitability were only partially offset by the transformation measures and cost-cutting initiatives. As a result, iinovis' operating result was materially negative in fiscal year 2023, with a corresponding impact on liquidity. Despite this, the management of iinovis is sticking to its strategy for new technologies such as fuel cells, e-fuels and e-mobility. Based on the additional measures introduced in the areas of sales efficiency, project acquisition, diversification, improvement of project margins and sustainable cost reduction, a slightly positive operating result should be achieved in fiscal year 2024, provided that customer orders are awarded within the planned range.

PEUGEOT MOTOCYCLES GROUP

In the first quarter of fiscal year 2023, Mutares completed the acquisition of 50% of the shares and a controlling 80% stake in **Peugeot Motocycles** (PMTC) from Mahindra & Mahindra. PMTC designs and manufactures two- and three-wheeled scooters distributed through subsidiaries, importers and dealers in France and internationally on three continents.

Immediately after the takeover, a Mutares team developed a transformation plan together with the local management and began to implement it. This is aimed in particular at measures to improve profitability, such as renegotiating terms with suppliers, optimizing the supply chain and realigning the production process. PMTC has also continued to work on the development of new models, particularly in the rapidly developing electromobility market, and has also entered into strategic partnerships for this purpose.

Despite initial positive impetus from the transformation that has been initiated, profitability was still under pressure in fiscal year 2023. Driven by the expansion of international business, particularly in Asia, the management expects revenue to develop positively in fiscal year 2024 and a slightly positive operating result as a result.

Engineering & Technology segment

No.	Investment	Industry	Headquarters	Value creation phase[16]
(6)	**Byldis**	Designer, manufacturer and installer of prefabricated concrete elements for medium and tall buildings	Veldhoven/NL	Realignment
(7)	**Clecim**	Supplier of high-end solutions for steel processing lines	Savigneux/FR	Harvesting
(8)	**Donges** Group	Full-service provider for building shells and steel structures	Darmstadt/DE	Harvesting
(9)	**Efacec**	Provider of energy, technology and mobility solutions	Oporto/PT	Realignment
(10)	**Gemini Rail** and **ADComms** Group	Industrial, technological and infrastructure service provider for the British railroad industry	Wolverton/UK Scunthorpe/UK	Realignment
(11)	**Guascor Energy**	Gas and diesel engine manufacturer	Zumaia/ES	Realignment
(12)	**La Rochette Cartonboard**	Folding carton manufacturer	Valgelon-La Rochette/FR	Harvesting
(13)	**NEM Energy** Group	Supplier and service provider for steam generators with heat recovery, heat exchangers and reactors.	Zoeterwoude/NL Düsseldorf/DE	Optimization
(14)	**Steyr Motors**	Manufacturer of diesel engines and auxiliary electric drives for special applications	Steyr/AT	Realignment
(15)	**VALTI**[17]	High precision seamless tube manufacturer	Montbard/FR	Realignment

The investments of the Engineering & Technology segment generated sales of EUR 933.9 million (previous year: EUR 1,176.0 million). The decline is due in particular to the exits from the second half of fiscal year 2022 (primarily Nordec Group) and fiscal year 2023 (primarily Lacroix+Kress and Japy Tech). The acquisitions made in the course of fiscal year 2022 (NEM Energy, Guascor Energy, SMP, VALTI and Steyr Motors) were unable to fully offset this decline in revenue. The acquisitions in fiscal year 2023 (Efacec and Byldis) were only completed in the fourth quarter and therefore only contributed to the segment’s revenue for a few months in fiscal year 2023. At the same time, La Rochette Cartonboard’s sales revenues also fell sharply compared to the previous year due to a slowdown in demand for consumer goods. Benefiting from the gains from bargain purchases of EUR 162.5 million (previous year: EUR 172.2 million) and deconsolidation effects of EUR 117.6 million (previous year: EUR 7.6 million) in connection with the transactions of the segment, EBITDA amounts

[16] As described in section 1.1; Management Board assessment from the first quarter of the fiscal year 2023, which will be maintained for the remainder of the year.

[17] Valti was sold to the local management at the beginning of the fiscal year 2024. As the sale was already highly probable as at the reporting date, the assets and liabilities of Valti were recognized and measured as held for sale in the consolidated financial statements in accordance with IFRS

to EUR 227.6 million (previous year: EUR 138.5 million). Adjusted EBITDA amounted to EUR -14.5 million (previous year: EUR -3.9 million) as a result of partially offsetting effects.

BYLDIS

In the fourth quarter of fiscal year 2023, Mutares completed the acquisition of the assets of Holland Industrial Construction Systems Coöperatief U.A. and its subsidiaries, which now operate as "**Byldis**." Byldis designs, manufactures and assembles prefabricated or off-site manufactured building elements for high to medium-rise buildings in the European construction market.

Since the takeover, the management, with the support of the Mutares team, has been concentrating on restarting business activities after the insolvency under the previous owner, in particular on establishing relationships with customers and suppliers. The focus is also on the development of liquidity due to the need to build up working capital. Furthermore, production and operating processes are to be stabilized and optimized and sales are to be refocused in order to exploit Byldis' full market potential.

For fiscal year 2024, the management expects initial successes from the implementation of the optimization measures, but a negative operating result overall.

CLECIM

Clecim is a supplier of steel processing plants, stainless steel rolling mills and mechatronic products and services in France and was able to continue the positive development from the previous year in fiscal year 2023: Clecim was particularly successful in the execution of projects, which, coupled with the adjusted cost base as a result of the restructuring, led to another significant improvement in the operating result in fiscal year 2023 compared to the previous year.

Despite intensifying competitive pressure driven by additional service business, the management expects a significant increase in sales in fiscal year 2024 and, boosted by the implemented improvement initiatives in the area of project management, a continued positive operating result.

DONGES GROUP

Donges Group offers solutions in the field of steel bridges, steel structures and façade systems. Following the sale of all shares in the Nordec Group in the previous year, FDT Flachdach Technologie was also sold in the first quarter of fiscal year 2023.

Based on promising incoming orders in fiscal year 2022, the management of **Donges SteelTec** expected an exceptional increase in sales in fiscal year 2023 with a correspondingly positive impact on profitability. However, the start of a major project was initially delayed, meaning that developments in fiscal year 2023 fell short of planning. However, the local management of Donges SteelTec is confident that the expected positive development in terms of revenue and operating result will materialize with the successful project launches in fiscal year 2024.

The development of the **Kalzip Group** remained stable in fiscal year 2023, with sales revenues above plan and operating earnings at a materially positive level. For fiscal year 2024, the management expects continued positive development with a materially positive operating result.

EFACEC Group

Mutares acquired **Efacec** from the Portuguese government in the fourth quarter of fiscal year 2023. Efacec specializes in the manufacture and supply of equipment and solutions in the energy, engineering and mobility sectors. With its global presence, Efacec delivers innovative technologies and high-quality products in the fields of energy equipment, engineering services and infrastructure for electromobility.

Following the acquisition, which is very significant for Mutares given the size of the company, a team from Mutares has started to support the management in developing a transformation plan for the very complex business model of the former state-owned company, which will form the pillar for the future development of Efacec. The optimization measures will focus on securing incoming orders, reducing the cost base and regional alignment with customers and suppliers. Management expects significant transformation expenses in fiscal year 2024, which are necessary for a successful turnaround of Efacec in the years to come. The company had a well-filled order book in the area of transformers when the acquisition was completed. Ensuring production capacity will be critical to success in order to guarantee the delivery of components in accordance with the contract.

In line with Mutares' assessment from the pre-acquisition phase, the local management expects numerous one-off expenses in fiscal year 2024 that will have a negative impact on earnings.

GEMINI RAIL and ADCOMMS GROUP

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

Technical delays in the execution of ongoing (major) projects of ADComms that were taken over from the previous owner continued to have a negative impact on operating earnings and liquidity in fiscal year 2023. Negotiations regarding potential compensation payments from the former owner will continue in fiscal year 2024 and are expected to be concluded in the first half of the year. Assuming an agreement is reached with the former owner, the management expects to significantly increase revenue in fiscal year 2024 and achieve a slightly positive operating result based on the additional order intake, particularly with regard to smaller and therefore lower-risk projects.

The operational difficulties in handling Gemini Rail's projects were addressed with a comprehensive operational action plan. The improvement in the relationship with customers has led to a well-filled pipeline of new projects. Starting from a negative operating result at the previous year's level, the goal is to achieve a turnaround in fiscal year 2024.

GUASCOR ENERGY

Guascor Energy is a manufacturer of gas and diesel engines for power generation, cogeneration, waste-to-energy and marine applications with its headquarters in Spain.

Besides extensive measures on the sales side, the core elements of the restructuring plan developed immediately after the takeover in the fourth quarter of fiscal year 2022 were the optimization of the cost base and the establishment of an in-house IT infrastructure. However, in a market environment characterized by high competitive pressure, the measures planned could not be fully implemented in fiscal year 2023. As a result, sales fell short of the planned figures, resulting in a significantly negative operating result. In response, further measures were implemented to adjust the cost base. On this basis, the management assumes for fiscal year 2024 that sales will remain at the level of fiscal year 2023 in a market environment that remains tense, but that the operating result can be improved significantly and to a slightly positive level at the same time.

LA ROCHETTE CARTONBOARD

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

Customer demand has declined compared to the previous year due to a weakening of demand for consumer goods, with sales revenues falling significantly short of the original plans. However, La Rochette Cartonboard was able to maintain its operating result at a moderately positive level in fiscal year 2023, albeit substantially below that of the previous year, taking industry-standard reimbursements for CO2 compensation and additional efficiency measures in production into account.

For fiscal year 2024, the acquisition of additional orders from both new and existing customers is critical to increasing profitability even further. That said, the management expects to increase sales revenue and improve the operating result on the basis of further initiatives on the sales side.

NEM ENERGY GROUP

Following the acquisition of **NEM Energy**, which is based in the Netherlands and Germany and has a strong global presence, the **Balcke-Dürr** Group was integrated in fiscal year 2023. The two previously independent portfolio companies will expand their service and product offering to become a global supplier in the field of heat transfer technology.

The realignment of sales activities and optimization of project management were the focus in fiscal year 2023. However, the situation on the sales markets in the heat exchanger segment remained challenging and the start-up of projects was delayed, with the result that sales revenue fell short of original plans and the operating result was still slightly negative. The waste heat boiler division recorded good order intake and thus further expanded its order book. In fiscal year 2024, the focus will be on the successful completion of projects and further integration measures between the formerly independent portfolio companies NEM Energy and Balcke-Dürr.

On this basis, the management is confident that sales can be increased significantly in fiscal year 2024, combined with an exceptionally positive contribution to the operating result.

STEYR MOTORS GROUP

Mutares acquired **Steyr Motors** in November 2022. Steyr Motors is a recognized specialist in the development and production of high-performance engines and electrical auxiliary power units for special applications in vehicles and boats. The restructuring program, which is aimed at reorganizing sales activities and adjusting cost structures, among other objectives, also by means of an extensive reduction in the workforce through a social plan, was completed in fiscal year 2023.

Based on this and boosted by a positive market environment, sales revenues and operating profit increased encouragingly in fiscal year 2023, significantly exceeding the original forecasts. For fiscal year 2024, the management of Steyr Motors expects continued positive development with a further significant improvement in the operating result to a materially positive level.

VALTI

VALTI is a supplier of seamless tubes in France and supplies its products to customers from various industries such as storage technology, mechanical engineering and the oil and gas industry. To this end, VALTI offers a comprehensive product range and customized dimensions according to customer requirements.

Extensive optimization measures were developed as part of the restructuring plan. However, their implementation proved to be difficult in a challenging market environment. Despite the restructuring of the product portfolio and the focus on higher-margin and customer-specific products, Valti was unable to achieve its targeted profitability and the operating result for fiscal year 2023 was significantly negative.

Valti was sold to the local management at the beginning of fiscal year 2024. As the sale was already highly probable as of the reporting date, the assets and liabilities of Valti were recognized and measured as held for sale in the Consolidated Financial Statements.

Goods & Services segment

No.	Investment	Industry	Headquarters	Value creation phase[18]
(16)	**Asteri Facility Solutions** and **Palmia** Group	Service provider in the field of facility management	Solna/SE Helsinki/FI	Optimization
(17)	**Conexus** (formerly: EXI and SIX Energy)	Service provider for telecommunications and energy infrastructure	Rome/IT	Realignment
(18)	**Frigoscandia** Group[19]	Supplier for temperature-controlled logistics services	Helsingborg/SE	Optimization
(19)	**Ganter** Group	General contractor in interior design and store fitting	Waldkirch/DE	Optimization
(20)	**GoCollective, ReloBus** and **MobiLitas** (formerly: part of the Arriva Group)	Operator of public transportation	Copenhagen/DK	Realignment
(21)	**REDO**	Provider of comprehensive building refurbishment services	Vantaa/FI	Realignment
(22)	**Repartim** Group	Home repair and emergency services provider	Tours/FR	Optimization
(23)	**Stuart** (SRT Group)	Provider of urban on-demand delivery services	Paris/FR	Realignment
(24)	**Terranor** Group	Provider of road operation and maintenance services	Solna/SE	Harvesting

Sales revenues of the Goods & Services segment in fiscal year 2023 amount to EUR 1,037.1 million (previous year: EUR 676.2 million).[20] Besides the inclusion of the acquisitions from fiscal year 2023, above all GoCollective, ReloBus and MobiLitas (together formerly: Arriva Group) and Palmia, the Terranor Group in particular showed encouraging organic sales growth. The EBITDA of this segment for fiscal year 2023 amounts to EUR 272.0 million (previous year: EUR 44.2 million) and benefited from the gains from the bargain purchase of the acquisitions in fiscal year 2023, above all GoCollective, ReloBus and MobiLitas (together formerly: Arriva Group) and Stuart (SRT Group). Adjusted EBITDA also increased to EUR 38.3 million (previous year: EUR 20.8 million), reflecting the positive overall trend in profitability at the investments in this segment.

[18] As described in section 1.1; Management Board assessment from the first quarter of fiscal year 2023, which will be maintained for the remainder of the year.

[19] In December 2023, Mutares signed an agreement on the sale of Frigoscandia to the logistics service provider Dachser; the transaction was completed in the first quarter of fiscal year 2024. As the sale was already highly probable as of the reporting date, the assets and liabilities of Frigoscandia were recognized and measured as held for sale.

[20] In fiscal year 2023, the portfolio companies Lapeyre, keeeper Group and FASANA were removed from the Goods & Services segment and allocated to the new Retail & Food segment. The previous year’s figures were adjusted in line with the new segment structure.

ASTERI FACILITY SOLUTIONS AND PALMIA GROUP

Asteri Facility Solutions (“Asteri”) provides facility management and cleaning services to the Swedish market for private companies and public clients, as well as housekeeping services to major international hotel chains. In fiscal year 2023, Asteri managed to expand its range of services and its customer base by winning new customer contracts, thereby laying the foundation for future growth. In a challenging market environment, Asteri was able to implement price increases and thus slightly increase revenue in fiscal year 2023 compared to the previous year. At the same time, a balanced operating result was achieved in line with planning. For fiscal year 2024, Asteri is focusing on a further increase in revenue through growth in the industrial cleaning segment, further geographic expansion in Sweden and the development of hotel cleaning activities and expects a slightly positive operating result on this basis.

Palmia is a Finnish service provider for schools, daycare centers, hospitals and other public sector facilities. Its range of services includes food services, cleaning services, security services and building maintenance services. In acquiring Palmia from the City of Helsinki in the first quarter of fiscal year 2023, Mutares was able to build on Asteri’s market experience. Furthermore, best practice sharing at the management level will be implemented, from which both portfolio companies should benefit without giving up their operational independence. Since the acquisition, a Mutares team has been working together with the local management to implement cost and process optimization measures (especially in the area of purchasing) and to expand Palmia’s customer base in the Finnish market. Part of the future strategy is to address not only public sector customers but also corporate customers in the private sector and to expand the range of services to new geographical areas in Finland. Based on the adjustments to cost structures in conjunction with an increase in revenue, Palmia is expected to further increase its operating result in fiscal year 2024, starting from break-even in fiscal year 2023.

CONEXUS (formerly: EXI and SIX Energy)

In fiscal year 2023, the previously independent portfolio companies EXI and SIX Energy were merged and now operate under the name “**Conexus**.” This has created a major player in the Italian market for infrastructure services in the field of network and energy technology.

In the area of network technology, Conexus is active in the planning, construction and maintenance of networks and communication services for all major telecommunications operators in Italy. The realignment of the organization has now been largely implemented. However, market developments led to project awards from existing customers being partially canceled and partially postponed. As a result, sales stagnated in fiscal year 2023, which had a correspondingly negative impact on profitability. As a provider of construction and maintenance services in the infrastructure market for energy technology, Conexus’ service portfolio includes the installation and maintenance of medium and low-voltage grids as well as high-voltage grids. Conexus also maintains and installs electrical solutions for electric vehicles and data centers. The realignment is aimed at acquiring promising new business, increasing margins on existing customer contracts, improving efficiency along the entire value chain and optimizing geographic coverage within Italy.

The focus for Conexus in fiscal year 2024 will be on tapping into operational synergies between the two divisions, implementing the projects acquired at the end of the fiscal year in the area of energy technology and realigning activities in the area of telecommunications services. On this basis, the management expects a significant increase in sales and a slightly positive operating result.

FRIGOSCANDIA GROUP

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

The transformation plan, which has since been implemented, was aimed at developing Frigoscandia into the leading temperature-controlled logistics platform in Northern Europe and provided for a realignment of the warehouses and logistics concepts as well as sales initiatives and cost-cutting measures. At the same time, through the acquisitions of Polar Frakt and Götene Kyltransporter, two add-on acquisitions were consequently made in fiscal year 2022 to expand the logistics network and strengthen the presence in the core markets. The sale of the French subsidiary also sharpened Frigoscandia’s strategic focus on the countries of Northern Europe. The temperature-controlled logistics industry was confronted with a general decline in the food retail market in fiscal year 2023. This trend impacted Frigoscandia’s revenue in all three business divisions, while profitability was increased to a materially positive level compared to the previous year and planning.

In December 2023, Mutares signed an agreement to sell Frigoscandia to the logistics service provider Dachser; the transaction was completed in the first quarter of fiscal year 2024. As the sale was already highly probable as of the reporting date, the assets and liabilities of Frigoscandia were recognized and measured as held for sale in the Consolidated Financial Statements.

GANTER GROUP

Ganter acts as a general contractor in interior design and store fitting and realizes projects for an international customer base. **Ganter** is now in a stabilized position following the successful transformation and restructuring of its operating business. The reorganization process was successfully completed with the sale of the activities in France in fiscal year 2023 and the resulting focus on the core business. Ganter has achieved solid capacity utilization in its core markets despite the overall economic slowdown in the construction industry. On this basis and benefiting from adjusted cost structures, the operating result in fiscal year 2023 doubled to a materially positive level compared to the previous year.

The slight decline in market volume and the increased number of insolvencies in the construction industry are expected to lead to significantly stronger competition and a more volatile market situation overall in fiscal year 2024. Thanks to a diversified customer base and a well-positioned internal organization, Ganter’s management believes it is well equipped for the expected market-related challenges and expects to achieve a slightly positive operating result in fiscal year 2024.

GOCOLLECTIVE, RELOBUS and MOBILITAS (formerly: ARRIVA GROUP)

In the second quarter of fiscal year 2023, Mutares completed the acquisition of business activities in Denmark, Serbia and Poland from the Arriva Group, which belongs to Deutsche Bahn AG. The acquired business activities cover a broad range of transport and mobility services, e.g. rail, bus, ferries and car sharing. The acquired portfolio companies have since been renamed and now operate under the names **GoCollective** in Denmark, **ReloBus** in Poland and **MobiLitas** in Serbia.

Immediately after the acquisition, Mutares implemented a transformation program in collaboration with the local management. This enabled significant cost reductions to be implemented by the end of fiscal year 2023, including the termination of the ShareNow franchise agreement in Copenhagen. Together with the local management, optimization measures were implemented along the entire value chain (contract management, planning, maintenance, procurement). In addition, after four years without new business under the previous owner, GoCollective successfully participated in tenders again in Denmark and won new business with bus lines in Copenhagen. In addition, a number of current contracts were extended. Overall, GoCollective, ReloBus and MobiLitas are supporting local communities in their countries with the sustainability and mobility agenda with zero- or low-emission buses.

For fiscal year 2024, the management expects further positive momentum as a result of the transformation measures implemented and participation in further tenders in all three countries, which should both strengthen the current market share and generate additional growth. The management is also focusing on financing the new projects that will be launched in the future and the necessary maintenance of the fleets. Overall, the operating turnaround with a slightly positive operating result should be achieved as early as fiscal year 2024.

REDO

Mutares completed the acquisition of **REDO** in the third quarter of fiscal year 2023. Previously operating as Recover Nordic, the company is a Finnish provider of expert emergency response and building restoration services with a comprehensive service offering and a nationwide geographic footprint. REDO offers the entire value chain of services for inspection, demolition, drying and reconstruction of water and fire damage, odor and moisture.

Immediately after the acquisition, a program to reorganize REDO was initiated together with the local management. The strategic focus is on the further development of a scalable range of services with high quality and stable profitability. REDO is also set to become the preferred strategic restructuring partner for insurance companies, property developers, construction companies, industry and real estate service providers. Based on the transformation that has been initiated, the management assumes that REDO will achieve a slightly positive operating result in fiscal year 2024.

REPARTIM GROUP

Repartim is a company that specializes in home repairs and emergencies with two main activities: On the one hand, Repartim is used for emergencies that require rapid on-site intervention, e.g. locksmith, glass repair or plumbing work. On the other hand, Repartim offers renovation work, e.g. painting, tiling or window replacement. With a network of local agencies, Repartim works for insurance companies, property managers, small businesses and private individuals throughout France. After Mutares initially held a majority stake of 80%, the remaining 20% of the shares in Repartim were also acquired from HomeServe France, a specialist in home repairs and maintenance, in the first quarter of fiscal year 2023.

A complete reorganization of all core processes, including the adjustment of the IT landscape, was implemented as part of restructuring. By increasing the quality of service, customer confidence was regained. Despite some success in implementing the restructuring measures, it was again not possible to achieve a positive operating result in fiscal year 2023. For fiscal year 2024, however, the management expects further positive impetus from the measures implemented and thus a slightly positive operating result.

STUART (SRT GROUP)

In the fourth quarter of fiscal year 2023, Mutares acquired the SRT Group, which trades as **Stuart**, from the Geopost Group. Stuart is a provider of urban on-demand delivery services in the field of city and last-mile logistics. Stuart uses its own specific IT platform solution to connect customers with a fleet of independent couriers. This enables Stuart's customers to deliver to their own customers quickly, flexibly and efficiently. From offices in Paris, London and Barcelona, Stuart operates in over 130 cities in Europe, thus strengthening Mutares' presence in the logistics and transportation sector in Europe.

In a challenging market environment and the expected loss of a major customer under the previous owner, Stuart's revenue and operating result will decline sharply in fiscal year 2024. To counteract this effect, a team from Mutares initiated a transformation program in cooperation with the local management immediately after the takeover. The focus is on adapting cost structures to the lower sales expectations. In addition, strategic initiatives were launched with the goal of diversifying the customer base in order to reduce dependence on a few major customers, using technology to improve margins and examining growth through targeted acquisitions. On this basis, Stuart should achieve a turnaround in the medium term.

TERRANOR GROUP

Terranor Group is a provider of operations and maintenance services to ensure safe traffic on and around roads in Sweden, Finland and Denmark. Terranor Group is on a stable growth path with a simultaneous focus on project margins. In fiscal year 2023, revenue was therefore once again significantly higher than in the previous year and a positive operating result on a par with the previous year was achieved, although this was accompanied by a further increase in working capital. Through focused participation in customer tenders in all areas and an expansion of the service portfolio in Sweden (infrastructure services in the field of electromobility such as charging stations and induction roads) and Finland (greening work), the Terranor Group was able to set itself apart from the competition in terms of growth.

The order books of the units in Sweden, Finland and Denmark are well filled and should ensure the continued positive and stabilized development of Terranor Group in the future. In this respect, the management expects to further increase revenue and operating profit in fiscal year 2024 and will simultaneously focus on improving operating cash flow.

Retail & Food segment

No.	Investment	Industry	Headquarters	Value creation phase[21]
(25)	**FASANA**	Paper napkins manufacturer	Euskirchen/DE	Optimization
(26)	**Gläserne Molkerei**	Manufacturer of high-quality organic dairy products	Dechow/DE	Realignment
(27)	**keeeper** Group	Household products manufacturer	Stemwede/DE	Harvesting
(28)	**Lapeyre** Group	Manufacturer and distributor of products for home furnishing	Aubervilliers/FR	Optimization
(29)	**Prénatal**	Retailer for baby, toddler and maternity wear, second-hand goods and toys	Amersfoort/NL	Realignment
(30)	**Team Tex**	Manufacturer of child restraint systems	Charvieu-Chavagneux/FR	Realignment

In fiscal year 2023, Mutares added a fourth segment to the previous three segments in light of the strong growth in recent years and with the strategic intention of expanding the target universe relevant to Mutares. Lapeyre, keeeper Group and FASANA were separated from the Goods & Services segment and included in the new independent Retail & Food segment.[22] The acquisition of Gläserne Molkerei in the third quarter was the first step towards strengthening this new segment, followed by the acquisitions of Prénatal and Team Tex in the fourth quarter of fiscal year 2023. Sales revenues of the Retail & Food segment in fiscal year 2023 amount to EUR 840.0 million (previous year: EUR 817.9 million). The effect of the first-time and pro rata temporis inclusion of the aforementioned new acquisitions and the positive organic sales development at FASANA were partially offset by the exit of SABO and the decline in sales at Lapeyre due to a difficult market environment. EBITDA in the Retail & Food segment benefited from the gains from bargain purchases from the acquisitions totaling EUR 46.5 million (previous year: EUR 0.0 million) and amounted to EUR 40.7 million for fiscal year 2023 (previous year: EUR -20.5 million) The adjusted EBITDA of EUR -8.8 million (previous year: EUR 3.9 million) reflects in particular the negative impact on Lapeyre's profitability as a result of the decline in sales revenue.

FASANA

FASANA is a manufacturer of private label and high-quality branded napkins for the wholesale and retail trade.

Business performance at the start of fiscal year 2023 was unexpectedly subdued. In the hygiene and tissue paper industry as a whole, the expectations of producers were not met. Lower purchase volumes coupled with persistently high production costs weighed on the operating result. In this challenging market environment, FASANA expanded its sales activities and intensified its contact with customers. Another focus was on organizational optimization measures and the introduction of further efficiency measures, resulting in a slightly positive operating result overall for fiscal year 2023.

[21] As described in section 1.1; Management Board assessment from the first quarter of fiscal year 2023, which will be maintained for the remainder of the year.
[22] The previous year's numbers have been adjusted to reflect the new segment structure.

On this basis, the management expects to increase sales volumes in fiscal year 2024 with the measures already initiated, long-standing business relationships with customers and new sales channels, and to double the positive operating result of fiscal year 2023 on this basis, despite ongoing uncertainty regarding the further development of the consumer climate.

GLÄSERNE MOLKEREI

Gläserne Molkerei was acquired from the Emmi Group in the third quarter of fiscal year 2023. With two production facilities in the north of Germany, Gläserne Molkerei specializes in the production of exclusively organic dairy products. The wide range of products includes organic milk, butter, yogurt, buttermilk and cheese. The products are sold both under the company's own brand and under private labels via food retailers.

Together with the local management, a transformation program was initiated immediately after the takeover. This is aimed at increasing customer reach primarily with current and new own-brand products on the one hand and optimizing the production process in the long term on the other. A targeted expansion of the sales and marketing structure is intended to accelerate the market penetration of profitable products and also achieve optimized capacity utilization.

The management is confident that it will be able to successfully implement the transformation plan and thus lay the foundation for the positive development of Gläserne Molkerei. For fiscal year 2024, Gläserne Molkerei expects – despite persistently volatile milk prices – stable sales at the level of the full year 2023 and a further improvement in the operating result, but only to a positive level in the medium term.

KEEEPER GROUP

keeeper Group is a manufacturer of household products made of plastic with customers from the DIY store, food retail, wholesale and furniture retail sectors. Following the transfer of all production activities to the Polish site as part of the transformation by Mutares and the recent integration or outsourcing of all logistics processes there, keeeper Group now has a competitive cost base.

While customer demand in Western Europe has largely recovered, there was still a reluctance to spend in Eastern Europe. As a result, sales revenue only increased slightly in fiscal year 2023 compared to the previous year. However, unlike in the previous year, the keeeper Group benefited from the price trend on the raw materials markets for plastic granules and falling energy costs. On this basis, the operating result improved considerably compared to the previous year to a now materially positive level. The positive development is set to continue in fiscal year 2024 and, in the context of a further material increase in sales revenue, a further improvement in the positive operating result is to be achieved.

LAPEYRE GROUP

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

The core element of Lapeyre's strategic realignment is to strengthen its positioning on the French market through a variety of initiatives such as redesigning its product range, developing additional services for business customers, optimizing its physical presence and completely relaunching its digital presence, developing IT solutions to improve customer service and optimizing its branch network. In addition to these strategic initiatives, which required extensive investments in fiscal year 2023, many other measures have already been implemented to reduce the fixed cost base. Lapeyre's approach is to counter the challenging market conditions in some areas by implementing further cost-cutting measures that increasingly address variable as well as fixed costs. At the same time, Lapeyre has renewed its most important product ranges and is pursuing further initiatives to diversify sales, such as the establishment of franchise stores.

In a difficult market environment characterized by a significant decline in demand in the context of a clear downward trend in the number of real estate transactions in France, Lapeyre's revenue in fiscal year 2023 was slightly lower than in the previous year, but materially lower than originally planned. Against this backdrop, the initial positive effects of the strategic realignment initiated and the initiatives to reduce fixed costs were unable to fully offset the negative effects on the operating result.

For fiscal year 2024, Lapeyre anticipates only a slight increase in revenue, boosted by the implementation of the aforementioned measures relating to the strategic realignment, in particular the further improved product range, the digital presence and an adjusted pricing policy. This development will be accompanied by further cost-cutting measures, which means that the operating result is expected to be slightly positive overall in fiscal year 2024.

PRÉNATAL

In December 2023, Mutares completed the acquisition of the Prénatal stores and e-commerce activities in the Netherlands from PRG Retail Group. **Prénatal** is a retailer of textiles for expectant mothers and children, hardware and toys. The company offers its products through a network of stores and an e-commerce platform.

Immediately after the acquisition, Mutares began developing a transformation program together with the local management. The plan includes the short-term reduction of fixed costs, the optimization of the supply chain and the reduction of costs in the stores, whereby selected initiatives have already been launched in the meantime. The focus is also on the development of liquidity due to the need to build up working capital. The cost-cutting program will be followed by the expansion of strategic supplier relationships, the optimization of Prénatal's product portfolio and the creation of a seamless omnichannel experience for consumers. On this basis and after a challenging fiscal year 2023 under the previous owner, Prénatal is already expecting the first positive impetus for fiscal year 2024. At the same time, the measures in the transformation plan are not expected to be fully effective until fiscal year 2025, which means that a complete turnaround is only expected in the medium term.

TEAM TEX

In December 2023, Mutares completed the acquisition of a majority stake in the French company **Team Tex**. The company specializes in the manufacture and distribution of child restraint systems (car seats) and the sale of strollers and baby accessories. Team Tex offers affordable to high-priced products with a strong focus on safety, quality and customer service. The products are sold under its own brands (Nania, Migo, SafetyBaby, Nado, etc.), but also under private labels for retailers and importers.

Together with the local management, a Mutares team has started to reposition Team Tex in the relevant markets. At the same time, cost structures are being analyzed and measures implemented to reduce them. While Team Tex did not yet contribute to revenue or operating earnings in fiscal year 2023 due to the acquisition, which was only completed at the end of the fiscal year, a negative earnings contribution is still expected for fiscal year 2024 despite positive impetus from the measures implemented.

3. Situation of the Group including the asset, financial and earnings position

In view of the many M&A transactions, Mutares' business model involves regular changes in the scope of consolidation that have a significant impact on the Consolidated Financial Statements. This applies to fiscal year 2023 as well, in which, in addition to the developments in the portfolio companies themselves, the first-time consolidations and deconsolidations described above in particular had a significant impact on the items in the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position.

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

3.1 Results of operations of the Group

In fiscal year 2023, the Mutares Group generated **consolidated revenues** of EUR 4,689.1 million (previous year: EUR 3,751.7 million). The increase is largely due to changes in the scope of consolidation. With regard to the allocation of sales to the individual segments and developments within the segments, please refer to the above explanations in the reports from the portfolio companies (section 2.3).

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

EUR million	**2023**	**2022**
Europe	**4,348.4**	**3,462.2**
Germany	1,278.7	891.0
France	995.3	936.5
Sweden	437.1	523.1
Italy	228.6	199.4
Denmark	214.7	78.4
Finland	189.9	91.0
United Kingdom	171.2	133.5
Switzerland	142.1	100.0
Spain	121,4	68.3
Poland	81.2	47.5
Austria	76.3	72.7
Netherlands	51.1	66.9
Czech Republic	33.0	27.8
Belgium	24.9	26.7
Rest of Europe	303.0	199.3
Asia	**188.4**	**179.8**
America	**109.6**	**77.9**
Africa	**42.7**	**31.8**
Revenues	**4,689.1**	**3,751.7**

The **other income** of EUR 986.1 million in fiscal year 2023 (previous year: EUR 355.5 million) was again driven by consolidation effects in particular: The acquisitions resulted in gains from bargain purchases totaling EUR 727.2 million (previous year: EUR 262.0 million). The deconsolidation gains included in other income amount to EUR 118.6 million (previous year: EUR 31.8 million). These and the other components of other income are shown in the following table:

EUR million	**2023**	**2022**
Bargain purchase Income	727.2	262.0
Gains from deconsolidation	118.6	31.8
Income from other services	17.3	4.2
Income from raw material and waste recycling	11.2	10.0
Income from the disposal of fixed assets	7.0	2.6
Other capitalized self-produced assets	6.4	1.5
Currency translation	6.0	2.2
Income from renting and leasing	4.5	3.4
Income from risk allowance	4.1	5.2
Income from insurance indemnifications	2.4	5.0
Miscellaneous other income	81.4	27.6
Other operating income	**986.1**	**355.5**

Miscellaneous other income includes income of EUR 23.7 million from compensation from the seller of the portfolio company MMT-B acquired in fiscal year 2023 for expenses in connection with restructuring and transformation measures.

The **cost of materials** for fiscal year 2023 amounts to EUR 2,799.5 million (previous year: EUR 2,398.6 million). The cost of materials ratio (in relation to sales) amounts to 60% (previous year: 64%). The decline is the result of a number of different and in some cases opposing effects, particularly in the context of changes to the scope of consolidation.

Personnel expenses for fiscal year 2023 amount to EUR 1,369.6 million (previous year: EUR 909.6 million). The increase reflects the rise in the number of employees in the Mutares Group to an average of 27,345 (previous year: 19,021) as a result of Mutares' high transaction activity. In addition, the amount of personnel expenses is influenced by a variety of other, partly opposing effects (e.g., collective bargaining agreements, staff reduction measures, etc.).

The **other expenses** of EUR 744.8 million (previous year: EUR 601.2 million) in fiscal year 2023 are distributed as follows:

EUR million	**2023**	**2022**
Selling expenses	169.3	167.6
Administration	93.2	65.4
Legal and consulting expenses	82.2	76.1
Rent, leases and license fees	72.9	60.2
Maintenance and servicing	68.9	49.5
Advertising and travel expenses	52.6	38.2
Damage claims, guarantee and warranty	50.3	29.4
Basic levies and other taxes	23.9	16.4
Expenses from the measurement of assets and liabilities held for sale	22.6	22.5
Fleet	18.0	13.0
Losses from deconsolidation	13.7	3.2
Expenses for general partners	12.5	10.5
Expenses from foreign currency translation	10.9	5.6
Expenses from expected credit losses	10.9	3.9
Losses from the disposal of non-current assets	6.4	3.1
Miscellaneous expenses	36.4	36.6
Other expenses	**744.8**	**601.2**

As a result of the developments described above, the **EBITDA** of the Mutares Group for fiscal year 2023 amounts to EUR 756.9 million (previous year: EUR 181.5 million).

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

To improve transparency, Mutares uses **adjusted EBITDA** as a key performance indicator, which is adjusted in particular for the effects of frequent changes in the composition of the portfolio that are inherent in the business model. This adjusted EBITDA of the Group (as defined below in the presentation of the financial performance indicators) amounts to EUR 3.5 million (previous year: EUR -32.7 million).

The reconciliation of EBITDA as reported in the Consolidated Statement of Income to the performance indicator of adjusted EBITDA is as follows:

EUR million	**2023**	**2022**
EBITDA	**756.9**	**181.5**
Income from bargain purchases	-727.2	-262.0
Restructuring and other non-recurring expenses	78.7	76.4
Deconsolidation effects	-104.9	-28.6
Adjusted EBITDA	**3.5**	**-32.7**

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

In the restructuring and other one-off expenses and income for fiscal year 2023, expenses for severance payments and social plans in connection with the restructuring programs at the portfolio companies amount to EUR 31.5 million (previous year: EUR 17.4 million). Expenses for carve-out activities (particularly in the IT area) amounted to EUR 15.9 million in fiscal year 2023 (previous year: EUR 25.5 million). In addition, the restructuring and other non-recurring expenses and income for fiscal year 2023 include expenses from the recognition of assets held for sale in accordance with IFRS 5 of EUR 22.6 million (previous year: EUR 22.5 million).

Depreciation and amortization of EUR 320.0 million (previous year: EUR 184.6 million) of the Group for fiscal year 2023 include impairment losses of EUR 65.1 million (previous year: EUR 23.7 million), in particular for impairments of property, plant and equipment as a result of the comparison of the recoverable amount with the respective carrying amounts primarily for investments in the Automotive & Mobility segment.

The **financial result** of EUR -73.4 million (previous year: EUR -53.3 million) of the Group for fiscal year 2023 consists of financial income of EUR 19.5 million (previous year: EUR 15.1 million) and financial expenses of EUR 92.9 million (previous year: EUR 68.4 million). Their absolute increase is due on the one hand to an increase in interest-bearing liabilities and on the other to higher interest rates.

As in the previous year, the Group's **income taxes** in fiscal year 2023 amount to total income (EUR 3.6 million; previous year: EUR 35.5 million) and include actual tax expenses (EUR -16.1 million; previous year: EUR -9.1 million) and income from deferred taxes (EUR 19.7 million; previous year: EUR 44.6 million).

The developments described above result in a **consolidated net profit** for fiscal year 2023 of EUR 367.1 million (previous year: EUR -21.0 million).

The Group's **other comprehensive income** in fiscal year 2023 amounts to EUR 16.2 million (pervious year: EUR 30.1 million) and includes effects from the change in the fair value of the bond of EUR -13.0 million (previous year: EUR +5.4 million), actuarial losses of EUR -8.4 million (previous year: gains of EUR 29.6 million) in connection with the measurement of provisions for pensions (IAS 19) at portfolio companies and exchange rate differences of EUR 5.2 million (previous year: EUR -4.9 million).

3.2 Asset and financial position of the Group

Total assets of the Mutares Group as of December 31, 2023, amount to EUR 4,348.7 million (December 31, 2022: EUR 3,029.6 million). The increase is mainly due to the inclusion of the newly acquired investments.

Non-current assets increased from EUR 1,377.2 million as of December 31, 2022, to EUR 2,044.5 million as of December 31, 2023. This is primarily due to increases in property, plant and equipment (EUR +402.4 million), intangible assets (EUR +101.4 million) and right-of-use assets (EUR +90.5 million), in particular from the first-time inclusion of the portfolio companies newly acquired in fiscal year 2023.

The increase in **current assets** to EUR 2,304.2 million as of December 31, 2023 (December 31, 2022: EUR 1,652.4 million) resulted from an increase in cash and cash equivalents (see below) as well as higher inventories (EUR +112.7 million) and trade and other receivables (EUR +83.9 million). This development is the result of a number of different and in some cases opposing effects, particularly in the context of changes to the scope of consolidation.

Cash and cash equivalents as at December 31, 2023, amount to EUR 520.2 million (December 31, 2022: EUR 246.4 million), of which EUR 15.7 million is restricted (December 31, 2022: EUR 10.3 million). This is offset by current liabilities to banks and loans as part of the balance sheet item current financial liabilities of EUR 158.2 million (December 31, 2022: EUR 171.5 million), which result from current account and loan liabilities and from the recognition of "unreal" factoring. This results in a net cash position of EUR 362.0 million as of December 31, 2023 (December 31, 2022: EUR 74.9 million). Liquidity is planned, managed and secured by the respective portfolio companies. In the event of a liquidity requirement, appropriate measures are initiated by the respective portfolio company (e.g. factoring or sale and leaseback of fixed assets) and, if necessary, coordinated with Mutares. In the course of liquidity management, short-term liquidity surpluses that exist in individual portfolio companies can be transferred to the parent company in certain situations. The liquidity is used to finance the parent company and, if necessary, can also be used to finance other portfolio companies by means of loans granted by the parent company.

Assets held for sale increased to EUR 138.6 million (December 31, 2022: EUR 115.0 million) and as of the reporting date at December 31, 2023 (as well as the corresponding liabilities in connection with the assets held for sale) include the portfolio companies Frigoscandia and Valti, which were sold after the reporting date in the first quarter of fiscal year 2024.

As at December 31, 2023, **equity** amounts to EUR 1,119.6 million (December 31, 2022: EUR 714.0 million). The positive overall result of EUR 350.9 million (December 31, 2022: EUR 9.2 million) led to an increase in equity, while in the opposite direction the dividend payment for fiscal year 2023 to the shareholders of the parent company, the shareholders of Mutares SE & Co. KGaA, of EUR 36.1 million (December 31, 2021: EUR 30.9 million) reduced equity. The equity ratio as of December 31, 2023, amounts to 26% (December 31, 2022: 24%). 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 Consolidated Financial Statements of Mutares SE Co. & KGaA (in section 3.5).

The **non-current liabilities** of EUR 1,224.6 million (December 31, 2022: EUR 816.3 million) include non-current lease liabilities of EUR 380.0 million (December 31, 2022: (EUR 294.6 million) and provisions for pensions and similar obligations of EUR 130.6 million (December 31, 2022: EUR 94.4 million) of various Group entities (but not of Mutares SE & Co. KGaA itself) and other non-current provisions of EUR 211.6 million (December 31, 2022: EUR 119.3 million). This development is the result of a number of different and partly opposing effects, especially in the context of changes to the scope of consolidation. The increase in other financial liabilities to EUR 350.8 million (December 31, 2022: EUR 180.7 million) is due to additional financing, including the early refinancing of the bond including an increase to the current nominal volume of EUR 150 million at Mutares SE & Co. KGaA. The bond conditions include financial covenants relating to a minimum liquidity level and the ratio of debt to assets and equity. Non-compliance with these financial covenants can in principle 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 relevant key figures being significantly above the agreed covenants, the Management Board does not see any specific risk from non-compliance with the covenants. The bond is collateralized by pledging shares in selected Group units.

One investment in the Automotive & Mobility segment has liabilities to banks of EUR 47.6 million (previous year: EUR 49.7 million). The liabilities are secured by the assignment of machines and warehouses, the assignment of receivables and land charges. As part of a large part of this financing, financial covenants were agreed which were not met as of the reporting date. A resulting right of termination on the part of the banks was not exercised as of the reporting date. The investment is involved in talks with the banks regarding an agreement with regard to non-compliance. In the case of one other investment in the Automotive & Mobility segment, there are non-current liabilities from loans to third parties of EUR 23.0 million (previous year: EUR 23.0 million), which are secured by third-party guarantees. Collateral for other financial liabilities generally includes the assignment of fixed and current assets as security, land charges and liens on other assets. Long-term leasing and other financial liabilities are mainly denominated in euros. Other financial liabilities arising from loans are mostly at fixed interest rates. Non-current financial liabilities with variable interest rates exist primarily in the form of the bond issued by Mutares SE & Co. KGaA.

Current liabilities as of December 31, 2023, amount to EUR 2,004.5 million (December 31, 2022: EUR 1,499.6 million) and relate to EUR 674.6 million (December 31, 2022: EUR 588.0 million) of trade payables. Other financial liabilities amount to EUR 342.4 million (December 31, 2022: EUR 305.9 million). Current other financial liabilities are mainly denominated in euros and have variable interest rates. The reference interest rate used is in particular the EURIBOR with the corresponding maturities.

Cash flow from operating activities in fiscal year 2023 amounts to EUR -27.5 million (previous year: EUR -20.8 million). Based on a consolidated net result for the year of EUR 367.1 million (previous year: EUR -21.0 million), non-cash income and expenses totaling EUR 507.5 million (previous year: EUR 85.5 million) are deducted. This mainly includes consolidation-related (net) income from first-time consolidations and deconsolidations of EUR 832.1 million (previous year: EUR 290.6 million) and, conversely, amortization of intangible assets and depreciation of property, plant and equipment of EUR 320.0 million (previous year: EUR 184.6 million). The changes in the balance sheet items of working capital (trade working capital and other working capital) led to an overall increase in cash flow from operating activities of EUR 50.9 million (previous year: EUR 72.9 million), while interest and taxes also had an impact of EUR 58.7 million (previous year: EUR 11.7 million) on cash flow from operating activities.

Cash flow from investing activities in fiscal year 2023 of EUR 454.5 million (previous year: EUR 84.1 million) mainly results from net cash inflows from additions to the scope of consolidation of EUR 353.9 million (previous year: EUR 110.4 million). Proceeds from disposals of property, plant and equipment, intangible assets and assets held for sale amounted to EUR 85.1 million (previous year: EUR 49.2 million). This was offset by cash outflows for investments in property, plant and equipment and intangible assets (EUR -164.5 million; previous year: EUR -102.9 million). These are divided among a large number of different portfolio companies, without individual investment projects being significant overall from a Group perspective. Disposals from the scope of consolidation resulted in a cash inflow of EUR 169.3 million (previous year: cash inflow of EUR 26.7 million).

Cash flow from financing activities in fiscal year 2023 amounts to EUR -144.6 million (previous year: EUR -55.8 million). Proceeds from bonds relate to net proceeds from the refinancing of the bond of Mutares SE & Co. KGaA, including an increase to the nominal volume of EUR 150.0 million as at December 31, 2023. Proceeds from taking out (financial) loans resulted in cash inflows of EUR 92.1 million (previous year: EUR 117.9 million), while proceeds from factoring amounted to EUR 5.4 million (previous year: EUR 21.2 million). In contrast, (financial) loans of EUR 114.0 million (previous year: EUR 60.7 million) and lease liabilities of EUR 106.5 million (previous year: EUR 74.0 million) were repaid in fiscal year 2023. Interest paid amounted to EUR 58.1 million (previous year: EUR 29.3 million), with the increase resulting from an increase in interest-bearing liabilities on the one hand and higher interest rates on the other. The dividend paid to the shareholders of the parent company, the shareholders of Mutares SE & Co. KGaA, amounted to EUR 36.1 million (previous year: EUR 30.9 million).

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

The Management Board assumes that the Group and all major individual 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 the asset, financial and earnings position

Mutares SE & Co. KGaA is the parent company of the Mutares Group. The Company's business development is fundamentally dependent on the developments of the individual portfolio companies. Their opportunities and risks therefore also have a fundamental impact on the opportunities and risks of Mutares SE & Co. KGaA.

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

4.1 Results of operations of the company

The **revenues** of Mutares SE & Co. KGaA result from the Group's internal consulting business, i.e. consulting services to affiliated companies and management fees. The increase to EUR 103.6 million in fiscal year 2023 (previous year: EUR 71.1 million) is a consequence of the expanded portfolio resulting from the high level of acquisition activity in the past, which was followed by an increase in operational consulting capacities.

Other operating income amounted to EUR 4.8 million in fiscal year 2023 and includes, in particular, the write-up of shares in a subsidiary to the historical acquisition costs, as the reasons for the write-down in the past no longer exist due to the subsidiary's realignment to now profitable activities. The previous year's other operating income of EUR 12.9 million included in particular income from the collection of loan receivables acquired at an amount lower than the nominal value.

The **cost of services purchased** in fiscal year 2023 of EUR 33.7 million (previous year: EUR 21.5 million) include expenses from Mutares' national companies in connection with restructuring services for indirect subsidiaries (EUR 31.5 million; previous year: EUR 19.2 million). The increase is due on the one hand to the expansion of operational consulting capacities.

Personnel expenses in fiscal year 2023 amount to EUR 23.4 million compared to EUR 17.6 million in the previous year. The increase results, on the one hand, from the increase in the number of employees at the Company to an annual average of 88 (previous year: 74) in connection with the expanded portfolio due to the high level of acquisition activity. This mainly relates to additional employees for the Group's internal consulting business, with which the company generates revenue. On the other hand, salary adjustments also led to an increase in personnel expenses.

Other operating expenses of EUR 96.8 million in fiscal year 2023 (previous year: EUR 51.4 million) are write-downs on current assets of EUR 38.9 million (previous year: EUR 10.5 million), in connection with the sale of subsidiaries completed in fiscal year 2023 and other impairments in the context of identified impairment requirements. Other operating expenses also include the oncharging of Mutares Management SE and the Mutares national companies of EUR 39.1 million (previous year: EUR 23.6 million), legal and consulting costs of EUR 9.2 million (previous year: EUR 9.5 million) and travel and entertainment expenses of EUR 4.2 million (previous year: EUR 3.8 million).

Income from investments and gains on the disposal of investments for fiscal year 2023 amount to EUR 149.5 million (previous year: EUR 72.5 million). This figure mainly includes income from the (phased) collection of gains from investments, of which EUR 141.0 million (previous year: EUR 3.7 million) is attributable to the sale of investments in medium-sized subsidiaries. The sale of SMP, the most successful exit in Mutares' history to date, had by far the greatest impact.

Sales and dividends from the portfolio (mainly income from investments received in the same period) result in the so-called "**Portfolio Income**," which for fiscal year 2023 amounts to EUR 112.1 million (previous year: EUR 139.8 million).

Net interest income includes interest income of EUR 30.6 million (previous year: EUR 10.2 million), which mainly results from the issue of loans to finance subsidiaries, including in the context of acquisitions. This is offset by interest expenses of EUR 23.7 million (previous year: EUR 7.6 million), mainly for current interest on the bond. The increase in interest income and interest expenses is due to the higher volumes as well as the increase in reference interest rates. **Write-downs on financial assets** in fiscal year 2023 amount to EUR 4.7 million (previous year: EUR 4.8 million) and were recognized for impairments that are expected to be permanent.

Taxes on income amount to a tax expense of EUR 3.6 million, which is partly attributable to actual taxes (EUR 1.2 million) and partly to deferred taxes (EUR 2.5 million). Tax income of EUR 9.3 million arose in connection with taxes on income in the previous year. This resulted from the fact that income from deferred tax assets in connection with the future utilization of tax loss carryforwards of (EUR 10.7 million) exceeded expenses from actual taxes (EUR 1.4 million).

As a result, the **net profit** for the Company according to HGB amounts to EUR 102.5 million for fiscal year 2023, compared to EUR 72.9 million the previous year.

4.2 Assets and financial position of the Company

Fixed assets of EUR 150.9 million as of December 31, 2023 (December 31, 2022: EUR 95.2 million) primarily include financial assets of EUR 150.5 million (December 31, 2022: EUR 94.8 million), which in turn are divided between shares in affiliated companies (EUR 132.8 million; December 31, 2022: EUR 66.5 million) and loans to affiliated companies (EUR 17.6 million; December 31, 2022: EUR 28.3 million). The increase in shares in affiliated companies results in particular from the conversion of loan receivables to strengthen the capital structure of a portfolio company and other various capital measures at direct subsidiaries.

Current assets of EUR 402.1 million as at December 31, 2023 (December 31, 2022: EUR 334.8 million) include EUR 328.6 million as at December 31, 2023 (December 31, 2022: EUR 299.6 million) in receivables from affiliated companies, of which EUR 202.2 million (December 31, 2022: EUR 161.8 million) is largely attributable to loan receivables from subsidiaries. In addition, receivables from affiliated companies include trade receivables of EUR 94.4 million (December 31, 2022: EUR 56.1 million), receivables from profit distributions of EUR 32.0 million (December 31, 2022: EUR 68.2 million) and receivables from the sale of investments of EUR 0.0 million (December 31, 2022: EUR 13.6 million). Other assets amount to EUR 17.1 million (December 31, 2022: EUR 22.7 million) and include in particular the credit balances in connection with the acquisition of shares in an indirect subsidiary, Balcke-Dürr Energy Solutions S.p.A., Genoa, by a direct subsidiary in fiscal year 2022. As of December 31, 2023, bank balances amount to EUR 56.4 million (December 31, 2022: EUR 12.5 million).

Deferred tax assets in connection with the future use of tax loss carryforwards amount to EUR 8.3 million (December 31, 2022: EUR 10.7 million).

Taking the net profit for fiscal year 2023 into account and after distribution of a dividend totaling EUR 36.1 million for the previous year (corresponding to EUR 1.75 per dividend-bearing share), the company's **equity** amounted to EUR 343.6 million as at December 31, 2023 (December 31, 2022: EUR 273.9 million).

The **provisions** as at December 31, 2023, amount to EUR 24.6 million (previous year: EUR 21.5 million) and relate with EUR 12.0 million as in the previous year to payments received in connection with the indirect acquisition of the shares in Balcke-Dürr Energy Solutions S.p.A, Genoa. The contribution received by Mutares SE & Co. KGaA serves to cover uncertain obligations from guarantees and is therefore recognized as other provisions. In addition, other provisions of EUR 7.5 million mainly include provisions for personnel costs (December 31, 2022: EUR 6.4 million) , in particular bonuses for employees. Provisions for taxes amount to EUR 2.7 million (December 31, 2022: EUR 1.8 million).

Liabilities increased to EUR 193.7 million as at December 31, 2023 (December 31, 2022: EUR 146.7 million). The increase resulted in particular from the refinancing of the bond, including an increase as part of an existing increase option to the existing nominal volume of EUR 150.0 million as at December 31, 2023. In contrast, liabilities to affiliated companies declined to EUR 27.0 million (December 31, 2022: EUR 53.5 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)

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

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

For information on the development of the individual financial performance indicators, please refer to the comments above on the Group's earnings position (section 3.1) and of the company (section 4.1).

With regard to the forecasts made in the Combined Management Report of the previous year for fiscal year 2023, the actual development is as follows:

- - The Management Board expected a significant increase in revenue for the Mutares Group to between EUR 4.8 billion and EUR 5.4 billion in fiscal year 2023. With revenue of EUR 4.7 billion in fiscal year 2023 (previous year: EUR 3.8 billion), this target was not achieved despite an increase of 25% compared to the previous year due to the fact that some acquisitions were completed later than originally expected.

- Benefiting from gains from bargain purchases in connection with the acquisitions in fiscal year 2023 totaling EUR 727.2 million, Group **EBITDA** amounted to EUR 756.9 million (previous year: EUR 181.5 million) and thus reached a clearly positive level in line with the previous year's forecast. With regard to the main influencing factors, we refer to the explanations above in section 3.1.

- As expected, **adjusted EBITDA** will be negatively impacted by the negative earnings contributions of the newly acquired investments. On the other hand, the restructuring programs implemented led to an increase in the profitability of the respective portfolio companies (see the explanations in section 2.3). Overall, the Group's adjusted EBITDA amounted to EUR 3.5

million in fiscal year 2023 (previous year: EUR -32.7 million) and thus increased exceptionally strongly in line with the previous year's forecast. With regard to the main influencing factors, we refer to the explanations above in section 3.1.

- The **net profit** of Mutares SE & Co. KGaA, determined in accordance with the provisions of German commercial law, should regularly be within a range of 1.8% to 2.2% of the consolidated revenues of the Mutares Group. Based on the expected revenues for the Mutares Group of at least EUR 5.1 billion, the Management Board expected a net profit of EUR 92 million to EUR 112 million for fiscal year 2023. For fiscal year 2023, revenues of EUR 4,689.1 million in the Mutares Group and net profit under commercial law of EUR 102.5 million for Mutares SE & Co. KGaA results in a percentage value of 2.2%, which is at the upper end of the target corridor.

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

5.2 Management Board's assessment of business performance

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

With regard to the **transaction activities** in fiscal year 2023, the Management Board is extremely satisfied with the large number and quality of acquisitions and exits; the high frequency from the transaction-rich fiscal year 2022 was successfully continued and the level was stabilized. On the exit side, the sale of Special Melted Products ("SMP") is particularly worth mentioning. With a cash inflow for the Mutares holding company of around EUR 150 million and income at the level of the Annual Financial Statements of around EUR 130 million, this represents the most successful exit in the company's history to date.

In a partly still challenging environment, Mutares' various portfolio companies each implemented comprehensive operational improvement, transformation or restructuring programs over the course of the fiscal year. In particular, the Management Board considers the **restructuring and development progress** at SFC Solutions (part of Amaneos), NEM Energy, Terranor, Ganter, Steyr Motors and keeeper Group to be positive, and now sees positive developments in the realization of improvement potential at Palmia, Clecim and Conexus, while significant challenges remain at MoldTecs (part of Amaneos), CIMOS and PrimoTECS (part of FerrAl United Group), Lapeyre and Gemini Rail and ADComms Group. The start to the restructuring of the portfolio companies acquired in the fourth quarter of fiscal year 2023 is largely in line with expectations and is considered promising overall by the Management Board.

The Management Board is satisfied with the **course of the fiscal year** overall. This applies both with regard to the parent company Mutares SE & Co. KGaA and its development in fiscal year 2023 as well as with regard to the Mutares Group. The Management Board considers the ambitious growth course to be on a successful path due to the acquisitions made and the transformation programs initiated in the portfolio.

6. More details

6.1 Supplementary Report

Please refer to the Notes to the Consolidated Financial Statements (Chapter G., text number 50) and the Notes to the Annual Financial Statements (section 5.10) of Mutares SE & Co. KGaA for information on significant events after the balance sheet date.

6.2 Information relevant to a takeover

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

Composition of the capital /Class of shares

The share capital of Mutares SE & Co. KGaA amounted to EUR 21,058,756.00 as of December 31, 2023, divided into 21,058,756 no-par value shares (shares without par value). The shares of the Company are registered shares. There is only one class of shares; the same rights and obligations are attached to all shares, which result from the statutory regulations.

Restrictions affecting voting rights or the transfer of shares

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

On the basis of a contractual agreement, the Chairman of the Management Board, Robin Laik, may dispose of voting rights for a total of 5,240,770 shares; the voting rights for these shares are exercised uniformly by Mr. Robin Laik.

Direct or indirect interest in share capital exceeding 10% of voting rights

According to current information, Robin Laik, Munich, directly holds more than 10% of the voting rights. The members of Robin Laik's family, all resident in Germany, together directly hold more than 10% of the voting rights.

Provisions (statutory/statute) on the appointment and dismissal of the Management Board and amendments to the Articles of Association

The Company is represented by the general partner, Mutares Management SE, and thus by its Management Board. According to Article 8 of the Articles of Association of Mutares Management SE, the Management Board of Mutares Management SE may consist of one or more persons. The Supervisory Board of Mutares Management SE determines the specific number of members of the Management Board. For their appointment as well as dismissal, a simple majority of the votes cast by the members of this Supervisory Board is required; in the event of a tie, the vote of the Chairman pursuant to Article 13 (7) of the Articles of Association of Mutares Management SE shall be decisive. The members of the Management Board of Mutares Management SE may be appointed for a maximum period of six years; reappointments are permitted. Pursuant to Article 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 Section 179 AktG. This means that amendments to the Articles of Association generally require the approval of at least three quarters of the share capital represented at the time the resolution is adopted. Pursuant to Art. 10 par. 4 of the Articles of Association, the Supervisory Board is authorized to make amendments to the Articles of Association that relate only to the wording. Furthermore, the Supervisory Board is authorized to amend Art. 4 par. 5 of the Articles of Association in line with the respective issue of subscription shares and to make all other related amendments to the Articles of Association that only affect the wording. The same applies in the event that the authorization to issue subscription rights is not utilized.

Authority of the Management Board to issue or repurchase shares

Conditional capital

The Annual General Meeting of the Company on June 3, 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 June 2, 2020 ("Mutares Stock Option Plan 2016"). The stock options entitle the holders to subscribe to up to 1,500,000 no-par value registered shares of the Company with a notional interest in the share capital of EUR 1.00 each. Furthermore, the Annual General Meeting resolved to conditionally increase the share capital of the Company by EUR 1.5 million by issuing up to 1,500,000 no-par value bearer shares to service the Mutares Stock Option Plan 2016 ("Conditional Capital 2016/I"). The Annual General Meeting of the Company on May 23, 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.

The Annual General Meeting of the Company on May 23, 2019, created Conditional Capital 2019/I of EUR 3,000 thousand for the purpose of granting shares upon exercise of conversion or option rights or upon fulfillment of conversion or option obligations to the holders or creditors of convertible bonds, warrant bonds, profit participation rights and/or participating bonds or combinations of these instruments issued on the basis of the authorization resolution of the Annual General Meeting on May 23, 2019.

After the partial cancellation of the Conditional Capital 2016/I became effective, the share capital of Mutares SE & Co. KGaA was conditionally increased by up to EUR 802 thousand by issuing up to 802,176 no-par value registered shares ("Conditional Capital 2019/II") by resolution of the Annual General Meeting on May 23, 2019. The Conditional Capital 2019/II serves to grant subscription rights to members of the Management Board and employees of the Company, members of the management and employees of companies affiliated with the Company.

After the partial cancellation of the Conditional Capital 2016/I has become effective, the share capital of the Company was 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 was exclusively for the purpose of issuing shares of the Company to service subscription rights to shares of the Company issued to members of the Management Board of the Company and employees of the Company as well as to members of the management and employees of affiliated companies within the meaning of Sections 15 et seq. AktG in the form of stock options in accordance with the above authorization resolution pursuant to lit. b).

In the period from January 1, 2023, to December 31, 2023, a total of 154,525 new no-par value registered shares were issued from Conditional Capital 2016/I. As a result of the issue of the new no-par value registered shares, the Conditional Capital 2016/I was reduced from EUR 361 thousand to EUR 206 thousand.

The purpose of Contingent Capital 2016/I has also ceased to exist because all subscription rights have now been exercised or have expired and no new subscription rights can be issued on the basis of this authorization because this authorization was revoked by resolution of the Annual General Meeting on May 23, 2019. Conditional Capital 2016/I has expired.

In the period from January 1, 2023, to December 31, 2023, a total of 267,500 new no-par value registered shares were issued from Contingent Capital 2019/II. As a result of the issue of the new no-par value registered shares, Contingent Capital 2019/II decreased by EUR 267 thousand from EUR 802 thousand to EUR 535 thousand.

Authorized capital

By resolution of May 23, 2019, the Annual General Meeting of the Company resolved to cancel the Authorized Capital 2015/I and instead authorized the Management Board to increase the share capital of the Company in the period until May 22, 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 September 28, 2021, with the approval of the Supervisory Board, to increase the Company's share capital from previously EUR 15.5 million to EUR 20.6 million by issuing 5.1 million new no-par value registered shares. The capital increase with subscription rights for the limited liability shareholders of the Company was carried out in return for cash contributions by making partial use of the existing Authorized Capital 2019/I. The authorized capital amounts to EUR 1.5 million after the partial use of the existing Authorized Capital 2019/I. This still amounts to EUR 2,608 thousand after the partial utilization. By resolution dated July 10, 2023, the Annual General Meeting of the company resolved to cancel the Authorized Capital 2019/I and thus reduce the Authorized Capital 2019/I to EUR 0. Instead, the Management Board was authorized, with the approval of the Supervisory Board, to increase the share capital on one or more occasions in the period up to July 9, 2028, by a total of up to EUR 8,254,692.00 by issuing up to 8,254,692 new no-par value registered shares against cash and/or non-cash contributions ("Authorized Capital 2023/I").

Acquisition of treasury shares

By resolution of the Annual General Meeting on 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 share capital existing at the time of the resolution or – if this value is lower – at the time the authorization is exercised, subject to compliance with the principle of equal treatment (Section 53 AktG), until the end of May 22, 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 share capital of the Company.

On the basis of respective resolutions, the Management Board, with the approval of the Supervisory Board, launched share buyback programs in past fiscal years. In this context, a total of 261,875 shares were acquired in the period from January 15 to March 6, 2015, and in the period from June 1 to July 15, 2018, with each share representing EUR 1.00 of the share capital.

The Management Board of the general partner of Mutares SE & Co. KGaA resolved on September 17, 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 May 23, 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 September 17, 2020, to March 31, 2021, at a total purchase price (excluding incidental acquisition costs) of up to EUR 2.5 million. A total of 210,600 shares were acquired during this period. The difference between the acquisition cost and the notional value of the treasury shares amounts to a total of EUR 2.3 million and was offset against retained earnings.

To service the stock options exercised under the 2016 Stock Option Plan, the Company used part of the 472,475 treasury shares existing as of December 31, 2020, in fiscal year 2021. The reissuance prices ranged between EUR 19.10 and EUR 24.60 and were used to cover costs and to settle taxes arising from the exercise of the stock options for the beneficiaries and to be paid by the Company. The difference between the acquisition cost and the nominal value of the treasury shares was offset against retained earnings when they were acquired in the past due to the lack of freely available reserves of EUR 3,649 thousand. When treasury shares were used in the context of servicing the stock options exercised under the 2016 Stock Option Plan, the difference between the nominal value of the treasury shares and the exercise price of EUR 3,649 thousand was offset against retained earnings in the opposite direction; the difference between the original average acquisition cost and the exercise price of EUR 1,351 thousand was also offset against retained earnings. Overall, the number of treasury shares thus decreased to 10,475 as of December 31, 2021.

In fiscal year 2023, the treasury shares held (10,475) were used to exercise the stock option plans. Therefore, no treasury shares were held as of December 31, 2023.

Further details of the existing authorizations can be found in the respective resolutions of the Annual General Meeting. Information on authorized and conditional capital and on the acquisition of treasury shares can also be found in the Notes to the Annual Financial Statements (Note 3.5) and in the Notes to the Consolidated Financial Statements (Notes 31, 32.1 and 33).

Agreements that are conditional on a change of control as a result of a takeover bid

In March 2023, Mutares SE & Co. KGaA placed a bond that was outstanding in the amount of EUR 150.0 million as of the reporting date December 31, 2023. The agreement concluded under the bond grants the other contracting party a right of termination, inter alia, in the event of (i) the delisting of the shares from the Frankfurt Stock Exchange, (ii) 50% of the shares being held by a natural person or legal entity or group of persons (with the exception of Robin Laik), (iii) the disposal of all or any material assets, whether individually or in a series of connected transactions.

6.3 Corporate governance and non-financial statement

The Management Board of the general partner of Mutares SE & Co. KGaA, Mutares Management SE, as well as the Shareholders' Committee and the Supervisory Board of Mutares SE & Co. KGaA are committed to the principles of corporate governance focused on long-term and sustainable value creation. To this end, they jointly issue a summarized "Corporate Governance Statement" in accordance with Sections 289f and 315d of the German Commercial Code (HGB). The full text of the current declaration is available on the Company's website at https://ir.mutares.de/corporate-governance/. As part of the Corporate Governance Statement, the Management Board of the general partner of Mutares SE & Co. KGaA, Mutares Management SE, and Supervisory Board of Mutares SE & Co. KGaA issued the statement required by Section 161 of the German Stock Corporation Act (AktG) in December 2023 and made it publicly available on the Company's website at https://ir.mutares.de/corporate-governance/.

The Management Board of the general partner of Mutares SE & Co. KGaA, Mutares Management SE, and the Supervisory Board of Mutares SE & Co. KGaA will fulfill the obligation to submit a non-financial consolidated statement pursuant to Sections 315b and 315c HGB by publishing a separate non-financial consolidated report on the Company's website at https://ir.mutares.de/corporate-governance/.

7. Opportunity and Risk Report

7.1 Risk management and internal control system

Mutares' business activities, like any entrepreneurial activity, are associated with opportunities and risks. Mutares defines "risk" as possible future developments or events that, if they occur, could lead to a negative deviation from the forecast or target for the Group. Conversely, "opportunities" can lead to a positive deviation from forecasts or targets if they materialize.

Risk management system

Mutares SE & Co. KGaA is required by law (cf. Section 278 (3) AktG in conjunction with Section 91 (3) AktG) to operate and maintain an appropriate and effective risk management system, including an early risk detection management system pursuant to Section 91 (2) AktG.

Risk management, as the totality of all organizational regulations and measures for the early identification of risks and the adequate handling of the risks of entrepreneurial activity, has a high priority in the Group and plays a key role in the Mutares business model. The Management Board has therefore installed and organizationally anchored a systematic, multi-level risk management system.

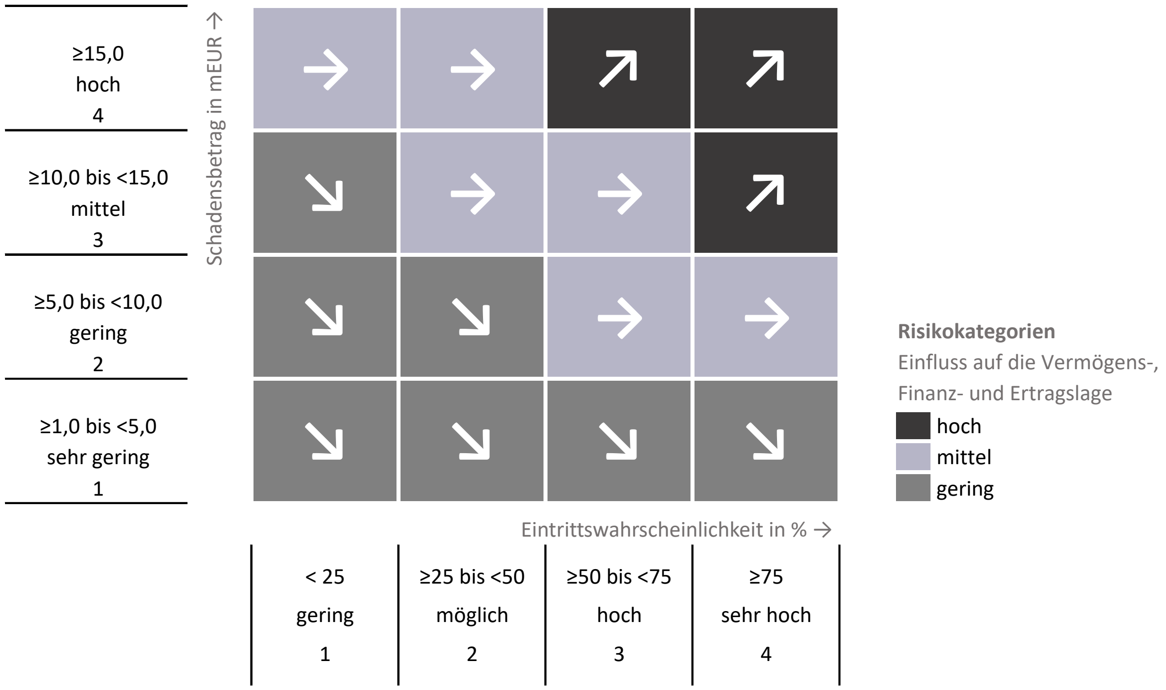
The primary objective of Mutares' risk strategy is to identify existential risks and reliably avert them from the company while limiting risk costs to a necessary level. Furthermore, risks that threaten to miss the published forecasts if they materialize, thus leading to a failure to meet the expectations of the capital market, are to be avoided or mitigated in good time. Finally, Mutares' Compliance Management System ("CMS") is aimed at identifying and mitigating existential regulatory risks (in particular risks relating to corruption and bribery, antitrust and competition law, capital market law and money laundering law, hereinafter referred to as "compliance risks").

Using the risk management process[23], actual and potential risks are identified, assessed and reported:

Risks are **identified** by a combination of bottom-up and top-down analyses. The risks identified in this way are assessed on the basis of the two relevant dimensions, namely their monetary impact (extent of damage) on the results of operations and/or financial position and/or net assets of the Company or the Group and their expected probability of occurrence with regard to a one-year observation horizon. The focus of the assessment is on the most likely risk scenario in each case. The **risk assessment** distinguishes between gross and net assessment: Measures already taken can mitigate the gross risk both in terms of monetary impact and in terms of the possible occurrence of the risk. The net risk then represents the amount of damage and probability of occurrence, taking the measures already initiated by the reporting date that reduce the possible damage or the expected probability of occurrence into account.

[23] 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**:



In particular, risks in the medium or high risk category are **actively managed** in order to achieve the risk reduction targeted by the company.

Mutares has installed a standardized reporting process for the **reporting** of actual and potential risks: Accordingly, quarterly reports are submitted to the Company by the operating portfolio companies and assessed together with the Company's risk analysis. In the case of particularly significant new risks (especially those threatening the existence of the company) or significant changes in existing risk positions, there is also immediate reporting (ad hoc risk process). Regular reporting to the Management Board and Supervisory Board also takes place on a quarterly basis and, in addition, to the Management Board as well as to the Supervisory Board on an ad hoc basis in cases of significant relevance from a Group perspective.

The **risk-bearing capacity** represents the maximum extent of risk that can be borne by the Company without jeopardizing its continued existence and is generally the upper limit for a cumulative risk position. It is calculated both on the basis of liquidity and with regard to the Company's equity. Both figures are compared with the sum of the assessed risks as an aggregated risk position. In order to analyze the risk-bearing capacity and thus also the overall risk position of Mutares and to be able to initiate suitable countermeasures, all recorded and assessed risks are aggregated into risk portfolios. A recognized quantitative method is used for this purpose. The scope of consolidation of the risk management corresponds to the scope of consolidation of the Consolidated Financial Statements. In this context, the total risk positions determined are considered with regard 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 asset, financial and earnings position. However, the quarterly analyses of risk-bearing capacity carried out in this regard did not regularly result in any need for action by the Management Board in fiscal year 2023.

Risk management is further flanked by the following activities: All critical contractual components, business developments and liability risks are subject to an appropriate review by the Management Board or internal and/or experts commissioned by it and are regularly followed up in the reviews of the portfolio companies and in the Management Board meetings and reported to the Supervisory

Board if they are of significant relevance from a Group perspective. Standardized financial reporting of all portfolio companies on a weekly or monthly basis provides the Management Board with a comprehensive picture of developments across the portfolio. In addition, Mutares works closely with the operational teams in the portfolio companies – consisting of Mutares consultants on site and/or the local management members – who review compliance on site in the respective portfolio companies and develop concrete steps for their implementation together with Mutares. The Management Board monitors the business performance of the portfolio companies in regular reviews and is informed about the asset, financial and earnings position of all investments on the basis of the implemented reporting system. If necessary, Mutares tries to maintain sufficient free personnel and financial capacities in order to be able to react flexibly and appropriately.

Compliance risks are also analyzed and addressed qualitatively as part of the compliance risk analyses provided for by the CMS. Standardized and regular reporting on the compliance risks of all portfolio companies also provides the Management Board with a comprehensive picture of developments across the entire portfolio in this regard.

In the interests of **continuous improvement**, adjustments to the risk management system and the CMS are evaluated and made on a regular basis.

Internal control system[24]

The internal control system ("ICS"), as the totality of all systematically defined controls and monitoring activities, is aimed at ensuring the security and efficiency of business operations, the reliability of financial reporting, and the compliance of all activities with relevant laws and internal policies. In addition to safeguarding against financial reporting risks, the ICS therefore also includes general basic safeguarding against sustainability risks and compliance risks, for example.

In accordance with Section 91 (3) of the German Stock Corporation Act (AktG), the scope and design of the ICS are at the discretion and responsibility of the Management Board. The ICS supports the organizational implementation of the Management Board's decisions. This includes the achievement of business objectives, the correctness and reliability of accounting (cf. the explanations in the following paragraph on the internal control and risk management system in relation to the accounting process), and compliance with the relevant legal requirements and regulations. Sustainability and compliance aspects are also taken into account and continuously developed on the basis of regulatory requirements.

The components of the ICS organization are anchored decentrally in the portfolio companies of the Mutares Group and comprise system-related controls as well as manual spot checks, system-related and manual reconciliation processes and the separation of executive and controlling functions (so-called "separation of functions").

Internal control and risk management system with regard to the accounting process

The internal control and risk management system relating to the accounting process is designed to ensure that all business processes and transactions are recorded in a timely, uniform and correct manner for accounting purposes. The goal 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

---

[24] The disclosures in this section are so-called non-management report disclosures that go beyond the statutory requirements for the (combined) management report and are therefore excluded from the content audit by the auditor.

work instructions for accounting-relevant processes and in monitoring operational and strategic targets. In addition to defined controls, system-related and manual reconciliation processes, the separation of executive and controlling functions, and compliance with guidelines and work instructions are an essential part of the internal control system with regard to the accounting process.

The Group companies or their management are responsible for compliance with the applicable guidelines and accounting-related processes and for the proper and timely preparation of the financial statements. The Group companies are supported and monitored regularly - also during the year – in the accounting process by central contacts at the Group parent company.

Internal audit

Against the backdrop of growth, a significant conceptual expansion of Internal Auditing was initiated in fiscal year 2022. Among other things, the tasks, purpose, powers and responsibilities of Internal Audit were codified in Rules of Procedure ("Audit Charter"). This also stipulates that the Internal Audit department acts independently of the units to be audited, which is also ensured by organizational independence with reporting directly to the Management Board and the Audit Committee or Supervisory Board. Based on a risk-oriented assessment of relevant Group information (the "audit universe"), supplemented by the qualitative assessment of the Management Board and management, the annual audit plan was defined by the Management Board and audit activities began in fiscal year 2023. As a result of the audits completed for fiscal year 2023, mitigating measures were agreed with the local management in the portfolio companies to address the audit findings, the implementation of which will be followed up by the Management Board and Internal Audit in fiscal year 2024. In addition to the regular audits in accordance with the audit plan, Internal Audit is also deployed on an ad hoc basis to clarify and mitigate emerging risks that require significant action.

Statement on the appropriateness and effectiveness of the risk management and internal control system[25]

The Management Board is not aware of any relevant indications that materially conflict with the appropriateness and effectiveness of the risk management or internal control system as a whole. Irrespective of this, every system is subject to inherent limitations which, by their very nature, do not provide complete assurance that all relevant risks are detected via appropriate control mechanisms and addressed fully and effectively.

This is all the more true due to the frequent changes in the composition of the portfolio inherent to the business model and the special investment focus of Mutares on targets in economically challenging situations or situations of transition (e.g. pending restructuring).

However, this specific risk of the Mutares business model is also measured and effectively addressed by the Management Board. When compiling the annual audit plan for Internal Audit, the Management Board deliberately opts for a risk-oriented rather than a randomized approach in order to increase the probability that relevant topics with significant potential for improvement will be addressed by Internal Audit and sees the results of the Internal Audit audits for fiscal year 2023 as confirmation of its selection approach. Newly acquired portfolio companies are also audited particularly closely on the basis of standardized audit plans after 50 and 100 days of belonging to the Group. Finally, a deliberately closely timed financial reporting system ensures that the Group is fully and promptly informed of all significant developments and, in particular, deviations from the plan and can initiate mitigating measures immediately.

[25] The disclosures in this section are so-called non-management report disclosures that go beyond the statutory requirements for the (Combined) Management Report and are therefore excluded from the content audit by the auditor.

7.2 Risks to future development

The table shows the risks discussed in the following risks and classifies them into the risk classes defined above (low/medium/high) on the basis of the two key dimensions of extent of damage and probability of occurrence (in each case taking mitigating measures into account, i.e. net).

		Aktueller Abschlusstichtag			Vorjahr		
		Schadenshöhe	Eintrittswahr-scheinlichkeit	Gesamt	Schadenshöhe	Eintrittswahr-scheinlichkeit	Gesamt
Künftige wirtschaftliche Rahmenbedingungen	Konjunkturelle Entwicklung	Mittel	Möglich	Mittel	Hoch	Hoch	Hoch
	Geopolitische Entwicklung	Hoch	Hoch	Hoch	Hoch	Hoch	Hoch
Geschäftsmodell-immanente Chancen und Risiken	Wettbewerbssituation	Mittel	Möglich	Mittel	Mittel	Möglich	Mittel
	Risiken aus dem Akquisitionsprozess	Hoch	Möglich	Mittel	Mittel	Möglich	Mittel
	Ausbleiben von Restrukturierungserfolgen	Hoch	Möglich	Mittel	Hoch	Möglich	Mittel
Weitere Risikofelder und wesentliche Einzelrisiken	Rechtliche und Compliance-Risiken	Hoch	Möglich	Mittel	Hoch	Möglich	Mittel
	Finanzwirtschaftliche Risiken und Finanzierungsrisiken	Hoch	Hoch	Hoch	Hoch	Hoch	Hoch
	Vertriebs- und Absatzrisiken	Mittel	Möglich	Mittel	Hoch	Möglich	Mittel
	Nachhaltigkeitsrisiken	Mittel	Möglich	Gering	Gering	Möglich	Gering
	Supply Chain-Risiken	Hoch	Möglich	Mittel	Hoch	Hoch	Hoch
	Personelle Risiken	Gering	Möglich	Gering	Gering	Möglich	Gering
	IT-Risiken und Datensicherheit	Hoch	Möglich	Mittel	Hoch	Möglich	Mittel
	Steuerliche Risiken	Gering	Möglich	Gering	Gering	Möglich	Gering

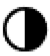
Compared to the previous year, the Management Board's assessment of the risk categorization has changed as follows:

- Economic development:
  The Management Board's assessment from the previous year took particular account of the very high level of uncertainty regarding future economic development as a result of the significant interest rate hikes in Europe and the US. The risk of a significant recession was significant. Based on actual developments in 2023, the Management Board believes that this scenario has not materialized and that key indicators (unemployment, inflation and gross domestic product development) do not point to any further deterioration. The classification was therefore adjusted to the "medium" risk class (previous year: "high").

- Supply chain risks:
  According to the Management Board's assessment and based on the findings from the portfolio companies, supply chains largely normalized over the course of 2023 and were less affected by abrupt defaults. The classification in the "medium" risk category was therefore adjusted (previous year: "high").

The order in which the following explanations are presented does not reflect the Management Board's assessment of the extent of damage and/or probability of occurrence. Unless explicit information is provided on which segments are (particularly) affected by the risks presented, they generally apply to the entire Group. The opportunities and risks inherent in the business model, on the other hand, focus on the business activities of Mutares SE & Co. KGaA, consisting of the acquisition, transformation (restructuring, optimization and repositioning) and/or development of companies in situations of transition and their subsequent sale.

 = Classification in the risk class "low"

 = Classification in the risk class "medium"

◕ = Classification in the risk class "high"

Future economic conditions

◑ ***Economic development***

According to the ifo Institute (source: "ifo Schnelldienst Special Edition December 2023")[26], global economic output is likely to grow only moderately in the winter half-year 2023/2024. The weakness of the industrial economy is likely to continue in the coming months, especially as the order situation and business expectations in industry remain gloomy. The persistently high interest rates will initially dampen overall economic demand. However, inflation is expected to continue to fall, albeit at different rates: consumer prices are likely to rise by 3.0% in the US and 2.3% in the eurozone in 2024. It can therefore be assumed that both the US Federal Reserve and the ECB will begin to lower their key interest rates in 2024 in order to provide positive stimulus. Furthermore, companies are likely to have largely reduced their increased inventories of intermediate goods, meaning that global trade in goods and industrial production could regain momentum. On the other hand, the relatively weak economic development in China, where the crisis in the real estate sector is weakening private household incomes due to its high macroeconomic importance for value creation, continues to have a dampening effect. In many countries, real interest rates also remain higher than before the pandemic. All in all, global output growth is likely to fall to 2.0% in 2024. The expected economic slowdown will affect both the advanced economies and the emerging markets. The European Commission is forecasting growth of 0.8 % for the EU economies.[27]

◕ ***Geopolitical development***

The war in represents an ongoing risk in the area of geopolitical developments and can have direct and indirect effects on the business performance, risks, results of operations as well as cash flows of the portfolio companies in the Mutares Group. In particular, a further escalation could cause gas supplies in Europe to dwindle and trigger a renewed price increase, with negative effects on inflation rates overall.

[26] www.ifo.de /en /publications/2023 /journal-complete-issue /ifo-schnelldienst-sonderausgabe-dezember-2023
[27] https://ec.europa.eu/commission/presscorner/detail/en/ip_24_730

The war in Gaza is not currently having any significant direct impact on the global economy.[28] However, this could change with the entry of other regional powers and an expansion into a larger regional conflict. The expansion of the conflict to the Red Sea has already had a negative impact on supply chains and could further increase price pressure if it continues for a certain period of time.

Risks could also arise from further geopolitical tensions, particularly in connection with China and Taiwan. Furthermore, a further decoupling between the US and China (possibly also influenced by the outcome of the presidential elections in the US) could have a negative impact on the global economy due to increasing trade barriers, protectionism and sanctions.

The deliberate strategic expansion of the Mutares business model to the Chinese market entails significant geopolitical risks, but is justifiable in the consideration of the Management Board against the backdrop of the opportunities associated with this expansion due to a significantly enlarged target universe.

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 qualified individuals in management positions is essential. The acquisition of companies in economically challenging situations or situations of upheaval (e.g. pending restructuring) with potential for operational improvement holds high value enhancement potential. To this end, extensive transformation plans are being implemented at the portfolio companies. After all, 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.

◑ *Competitive situation*

Strategic realignments of major Groups are leading to a stable supply of acquisition opportunities, which may be particularly high due to additional opportunities in a context of continuing economic uncertainty. Price expectations on the sellers' side remain fundamentally high but could also be depressed by economic developments. The fundamental attractiveness of the "companies in transition" market segment has also led to increased competition. For example, funds have entered the market as competitors, particularly in France. In addition to the growing number of direct competitors, strategists, particularly from China, are increasingly entering the market segment with the goal of expanding entrepreneurially. At the same time, Mutares is also in competition with the Groups themselves, which may decide to initiate the restructuring of an unprofitable part of the company themselves or even close it down instead of spinning it off and selling it. Nevertheless, Mutares successfully relies on its reliability and expertise as an experienced expert in transformation and repositioning and is convinced that there will be sufficient opportunities in the future to acquire further portfolio companies that match Mutares' investment focus.

[28] https://www.ifo.de/publikationen/2023/zeitschrift-einzelheft/ifo-schnelldienst-sonderausgabe-dezember-2023

◑ *Risks from the acquisition process*

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 could have a material adverse effect on Mutares. This applies in particular if as-is or other guarantees are given to the sellers. In these cases, even if the seller provides significant financial resources for restructuring as consideration, the asset, financial and earnings position of the Mutares Group could be significantly impacted.

As a matter of principle and in order to minimize the effects of any insolvency of individual companies within the Group, no profit transfer or cash pooling agreements are concluded within the Mutares Group. In some cases, guarantees, sureties, loans or similar commitments are given or extended to investments after detailed examination to exploit business opportunities, growth or working capital financing. The utilization of the guarantees and sureties or the default of the loans may have negative consequences on the asset, financial and earnings position of Mutares.

In order to reduce the extent of potential risks, Mutares 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 could arise cannot exceed the previously assessed maximum risk. This risk generally amounts to the purchase price paid, plus any further financing measures and any off-balance-sheet obligations, less the returns received from the operating activities of the respective company over the holding period.

◑ *Failure to achieve restructuring success*

If Mutares succeeds in successfully restructuring and developing the investments as planned, there is a high value enhancement potential for Mutares. There is a risk that Mutares also acquires investments whose restructuring turns out to be more difficult than assumed in the previous due diligence. Even with careful and conscientious selection of the target companies, it can also not be ruled out that the success Mutares is aiming for from the turnaround situation does not occur or does not occur quickly enough in individual cases, or that the economic or political framework conditions in the countries important for the portfolio companies deteriorate.

If the positioning in the market, the value enhancement potential or other key success factors of Mutares are assessed incorrectly, this could 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 assessed incorrectly or that risks are not fully recognized or are assessed incorrectly 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 remaining in the Group longer than originally expected, being resold below their acquisition price and thus possibly only taking unscheduled write-downs into account, or having to file for insolvency. In the latter case, Mutares would suffer a total loss of the capital invested, i.e. lose all financial resources used for the acquisition, ongoing support and, if applicable, financing of this portfolio company. In addition, there could be the threat of claims by third parties arising from commitments made by Mutares.

Other risk areas and significant individual risks

◑ *Legal and compliance risks*

In connection with its business activities, Mutares could be confronted with various legal disputes and legal proceedings. Details on ongoing proceedings are presented in the section "Litigation." In addition, difficulties could arise in fulfilling obligations under purchase agreements or business plans communicated prior to a transaction. Both can end in legal disputes, the probable outcome of which cannot always be clearly estimated. In addition, legal cases taken on by the portfolio companies could turn out to be more critical, but also more positive, in the course of time than originally assumed.

Furthermore, failure to comply with legal requirements and regulations could result in the threat of official proceedings. Such compliance risks with regard to the topics listed below are analyzed and addressed as part of the CMS. Standardized and regular reporting on the compliance risks of all portfolio companies also provides the Management Board with a comprehensive picture of developments across the entire portfolio in this regard.

Capital Market Compliance

Mutares is subject to capital market regulations in the European Union and is therefore exposed to risks regarding related enforcement measures. A finding of a violation of capital market regulations could have various adverse effects on Mutares, including fines and reputational damage.

Privacy

Data protection requirements apply to the Mutares Group with regard to, among other things, the use and disclosure of personal data as well as the confidentiality, integrity and availability of such data. In particular, Mutares is subject to the strict requirements of the EU's General Data Protection Regulation (GDPR). 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.

Country-specific requirements

Mutares SE & Co. KGaA and its portfolio companies operate worldwide and are therefore subject to various legal systems. Uncertainties with effects on the asset, financial and earnings position of the Mutares Group can thus result in particular from ongoing changes in legislation, case law and different legal interpretations by the respective legal authorities, and could possibly assume a significant extent. In order to be able to react appropriately to the associated legal risks, changes in legislation are continuously monitored and countered by means of appropriate measures, e.g. by using external experts or specialists.

Risk from pass-through liability

As an investor that focuses on special situations, Mutares generally operates in a field of tension in which, on the one hand, the extensive restructuring measures of the transformation plans must be implemented and, on the other hand, the autonomy of the acquired portfolio companies must be preserved. Depending on the legal system, there is a risk that Mutares could be deemed to be a "de facto management" with the consequence of possible Group or corporate liability. Similar areas are, for example, the so-called employee liability in France or the subsequent liability under company law of executive bodies or shareholders of the acquirer in Italy. Furthermore, such regulations are often in a state of flux, so that increased vigilance is required here. Mutares has aligned its employee deployment in such a way that such a liability is avoided as far as possible. However, it cannot be ruled out that a claim will nevertheless be made.

In addition, Mutares is also exposed to a risk of pass-through liability with regard to other areas of law. This applies in particular, but not exclusively, to the risk arising from potential violations of antitrust and competition law, where not only potential fines are calculated on the basis of Group revenue, but – under certain circumstances – the Group parent company could also be held liable.

Obligations from acquisitions and disposals of companies

In connection with contracts for the purchase or sale of companies, Mutares issues guarantees under which it could be held liable or which could lead to legal disputes (for an overview of all current guarantees, please refer to Note 45 of the Notes to the Consolidated Financial Statements). The issuance of guarantees can be a differentiating factor in the competition for potential takeover targets if competitors are unable to issue guarantees due to their own articles of association. In individual cases, a possible claim under the guarantees given could have a significant negative impact on the asset, financial and earnings position 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 the further economic development, the risk of utilization increases and it cannot be ruled out that such utilization of individual obligations entered into could occur.

Litigation

A lawsuit was filed in the Court of Michigan in May 2022 against companies of the SFC Solutions Group by the former owner Cooper-Standard Automotive, Inc. ("CSA") based on alleged delayed payment of royalties. The lawsuit is based on a license agreement under which companies of the SFC Solutions Group are required to pay royalties for intellectual property claimed by CSA. However, there is disagreement on the basis, cause, scope and existence of the claimed royalties. SFC Solutions Group considers the action to be inadmissible, in any case unfounded, and has taken up the defense. The Court of Michigan has referred the action to the competent federal court in Michigan (USA). No ruling has been made yet.

Another lawsuit is being pursued by the liquidator of the former investment Grosbill, based on an alleged corporate liability of Mutares. At the same time, the former seller of Grosbill is being sued for breach of contract towards the sold company. Mutares has defended itself in full against this action, which it considered to be unfounded. The lawsuit was initially deleted from the list of ongoing proceedings for lack of grounds and put on hold; at the end of 2022, shortly before the statute of limitations for potential claims, the plaintiff filed a new statement of claim containing grounds. Furthermore, in August 2023, the liquidator filed a further statement of claim, which is essentially directed against the former seller. Mutares will defend itself against this, as the claims are considered unfounded and legally absurd due to the lack of statutory provisions. A decision is still pending.

With regard to the acquisition of the business now operating as MoldTecs Group, there are still differences of opinion between the acquiring company, a direct subsidiary of Mutares, and the former owner regarding the final purchase price and a possible adjustment of the purchase price. As no agreement has been reached to date, the former owner filed an arbitration claim with the German Institute of Arbitration in January 2024 in order to clarify preliminary legal issues. On this basis, an arbitrator will then decide on the final purchase price calculation and adjustment in a second step. The plaintiff is also claiming damages. Mutares' direct subsidiary will defend itself against the lawsuit together with its legal advisors and assumes that, following a phase of written statements, a hearing is not expected before the third quarter of fiscal year 2024. No reliable statements can currently be made on the further course and possible outcome of the proceedings or the extent of the risk of an unfavorable outcome of this legal dispute for Mutares.

Other obligations

Indirect subsidiaries of Mutares SE & Co. KGaA from the Engineering & Technology segment are involved as partners of companies under civil law in joint agreements within the framework of joint ventures or consortium agreements. These have been entered into with the goal of completing customer projects. The majority of these joint ventures are based in Germany; the Mutares portfolio companies own between 20% and 100% of them.

Taking the structure and legal form of the arrangements and all other relevant facts and circumstances into account, the joint arrangements are to be classified as joint operations that are not individually material to the Group.

As of the balance sheet date, the joint and several liability from the investment in the civil law companies relates to projects with a total contract value of approximately EUR 698 million (previous year: approx. EUR 462 million). The subsidiaries' own share of this amounts to EUR 318.1 million (previous year: EUR 192.5 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.

Financial risks and financing risks

Price change, default and liquidity risk

Fluctuations in prices, sales and demand, including supply bottlenecks on the part of customers and suppliers, as well as general fluctuations on the commodity, capital and currency markets can have a negative impact on the asset and earnings position of the Group's portfolio companies. Mutares counters the risks at the level of the portfolio companies by continuously and promptly monitoring the business results and project progress, among other things with the help of indicators (e.g. cash balance and cash flow development), in order to be able to take countermeasures at an early stage. In particular, a reporting system is used to enable the timely monitoring of the performance of the investments. For example, the level of cash and cash equivalents is monitored on a weekly basis. Nevertheless, there is a risk that the management information system could provide insufficient, late or incorrect information, resulting in incorrect decisions being made.

Financial instruments are used as required in the portfolio companies to hedge commodity, currency and interest rate risks. The focus of the instruments is on forward transactions which provide for a fixed cash inflow or outflow in the future. The goal of using financial instruments is to hedge underlying transactions and reduce risks from cash flow fluctuations. The discontinuation of the underlying transaction or a change in the assumptions essential for hedging can lead to an increased liquidity risk.

Another significant risk for Mutares against the backdrop of its business model is the correct quantification of the future prospects and the restructuring effort of the portfolio companies, the provision of appropriate financing and the corresponding human resources on the part of Mutares. This risk is limited as best as possible through focused due diligence and subsequently continuously monitored.

In the case of trade receivables, there is a risk of loss for the Group if one of the parties fails to meet its contractual obligations. To hedge against this risk, credit default insurance is taken out in some cases. In addition, business relationships should only be entered into with creditworthy contractual parties and, if appropriate, by providing collateral, in order to mitigate the risks of loss arising from the non-fulfillment of obligations. Nevertheless, additional bad debt losses cannot be ruled out, particularly in connection with negative effects of the current general conditions on the economic performance of customers of the portfolio companies.

Financing risks

Increasing regulatory requirements for banks and insurance companies as well as a change in the credit rating of individual investments could lead to more difficult or less favorable financing conditions or to more difficult and more expensive procurement of guarantees. In addition to the bond terms and conditions affecting Mutares SE & Co. KGaA, the contracts in connection with financing lines at the investments generally contain covenants and other obligations, the breach of which could give the financing partner the right to terminate and thus have a negative impact on the financial position.

Investments with existing financing in the form of credit, loan, leasing, guarantee or factoring agreements at the time of acquisition are exposed to the risk that the financing partners could terminate these financing agreements at short notice in the event of a change of ownership or provide them with less favorable terms. In addition, if performance falls short of planning, the repayment of (loan) liabilities may be delayed or not possible in full.

Mutares counters these risks for portfolio companies by usually contacting financing partners before or shortly after the acquisition and also explaining in detail the current financial situation and the restructuring plan for the investment. However, there is a fundamental risk with every takeover that the previous financing partner cannot be fully convinced and therefore announces the termination of the existing financing. The same can happen due to a breach of agreed covenants.

The short- and longer-term yield curves in the euro area have reacted to the inflation trend by rising. If the current inflation momentum continues, it must be assumed that interest rates will continue to rise, which could 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 could give rise to valuation and liquidity effects that have a negative impact on the asset, financial and earnings position.

In the case of investments that are to be developed with a new strategy following successful repositioning, access to external financing is often an important prerequisite for further growth. Due to a more restrictive financing environment as well as the commenced reduction of the expansive monetary policy of the European Central Bank, and thus a possible reduction of the available liquidity on the credit and capital markets, such financing may not always be secured.

◐ *Distribution and sales risks*

Adjusting the product and customer portfolio for negative contribution margins is usually part of the restructuring following the acquisition of a new portfolio company. The loss of profitable customers or the delay of major orders in particular can have a negative impact on the asset, financial and earnings position 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 could also have a negative impact on the Group's other investees, especially those in the same segment.

As a rule, these risks are countered by active communication with customers and systematic sales structure and work at the level of the respective shareholding. Particularly for customers who account for a large share of sales, the goal is to conclude longer-term contracts, thereby increasing the ability to plan. Intensive communication can lead to better opportunities for orders or for large orders, especially if order processing has been satisfactory for both sides in the past.

◔ *Sustainability risks*

Sustainability risks can include environmental, social or governance risks ("ESG," for short) and, if realized, can have an impact on Mutares' reputation in addition to its earnings and liquidity position.

Environmental risks[29] include risks to the health of people, living creatures, the environment and nature and can arise from a company's business activities and its products ("inside-out view"). Causes can include waste, chemicals and raw materials that cause air, soil and water pollution. Mutares may be exposed to these risks at the level of the portfolio companies, by taking over hidden soil and groundwater damages, for example, which could lead to cost-intensive remediation requirements. By means of a careful examination of possible environmental risks and their costs, Mutares already deals with the acquisition of a target company in the context of due diligence before the acquisition. Environmental risks can also arise as a result of an accident, if harmful substances leak into the environment, for example. The occurrence of such environmental risks is counteracted by an active approach to environmental protection and occupational safety as well as the training of employees at the producing sites of the portfolio companies.

Furthermore, environmental risks can also consist of climate-related risks that are physical or transitory in nature (so-called transition risks).

Physical climate risks

Physical climate risks comprise risks from direct damage to and/or costs for a company ("outside-in view") as a result of physical phenomena such as extreme weather events. A distinction is made between increasing frequency and intensity (acute climate risks) and longer-term changes in mean values and fluctuation ranges of various climate variables (chronic climate risks). Mutares counters the acute, physical climate risks, which can have an impact on the earnings and liquidity situation, through a shutdown of operations or through repair and investment costs, for example, at the portfolio company level. Among other things, building damage insurance policies that cover the operating sites can also include claims from natural disasters. Chronic, physical climate risks could be relevant for those portfolio companies that conduct their business activities in locations that are more exposed to extreme weather events in the future, such as coastal locations. These are not yet directly affected by loss events today, but could be affected in the future due to the impact of climate change. If a portfolio company is affected by chronic, physical climate risks, this is countered by physical measures such as flood protection.

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

Chronic, physical climate risks have not materialized for the Mutares Group as of the current status, nor have any material chronic, physical climate risks been identified.

Climate-related transition risks

Dealing with climate-related transition risks is of crucial importance for Mutares and the sustainable development of both the Group and many of its portfolio companies. Mutares therefore expanded the Group's ESG management and the related advice to portfolio companies in fiscal year 2023 and will continue this expansion in fiscal year 2024. Climate-related transition risks are already systematically addressed in the acquisition process and the risks identified are included as standard in the decision-making process for an acquisition.

However, these extensive measures cannot completely rule out climate-related transition risks. This applies not only, but in particular, to climate-related transition risks that materialize as a result of new legislation, regulatory changes and mentality-related structural changes to relevant framework conditions and/or markets and have a negative impact on the business activities of individual portfolio companies.

For example, consumers' increasing orientation towards climate protection leads to market risks for a company's products and services that do not contribute to a CO_2-neutral overall economy.

Mutares takes such foreseeable or possible changes in the framework conditions in the context of climate policy measures by the EU or national governments into account when making acquisition decisions.

Supply chain risks

Procurement risks

In the area of purchasing, the portfolio 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 the level of the portfolio companies. However, these measures cannot always mitigate the global trend of increased procurement costs in nearly all sectors. Depending on further developments, this could have potentially negative and in some cases also very negative effects on profitability in the Group, particularly if it is not possible to pass on these price increases to customers to an appropriate extent.

The Supply Chain Due Diligence Act ("Supply Chain Act") came into force on January 1, 2023. The goal of the Act is to ensure compliance with fundamental human rights standards in global supply chains. This was and is already a matter of course for the companies of the Group as required by the Mutares Code of Conduct before. Notwithstanding, Mutares has adapted its internal processes to the requirements of the new law. Companies within the scope of the Supply Chain Act are required, among other things, to extensively expand their risk assessment and supply chain management. The core of the expanded risk management is a comprehensive risk analysis, which must be carried out once a year as well as on an ad hoc basis if the company expects human rights and environmental risks to have changed significantly or expanded. As with other new laws, questions arise when implementing the requirements of the Supply Chain Act regarding the practical implementation of the regulations into operational practice. Mutares has therefore decided to implement all requirements with the advice of external experts.

Production risks

The individual portfolio companies of the Mutares Group are exposed to various production risks. There is a risk that after the acquisition, the optimization measures implemented by Mutares may not have an effect or may have a delayed effect and that cost savings cannot be implemented or can only be implemented with a delay. In addition, quality problems and delays in new and further product developments could lead to a loss of orders and customers at individual investments, which could have a negative impact on the asset, financial and earnings position of the respective portfolio company. Mutares addresses such risks by deploying qualified personnel and closely monitoring production processes.

In the project business, in which parts of the portfolio companies in the Engineering & Technology segment are primarily active, risks could arise from deviations from the schedules originally agreed with customers, which could result in postponed sales and profit realization or, in individual cases, contractual penalties. Risks can also arise due to deviations from agreed technical specifications, which can result in additional costs for the completion of the project or even contractual penalties. The scope and complexity of individual projects can lead to unexpected cost increases that are not compensated for by customers. To counter these risks, the portfolio companies concerned carry out extensive project management involving technical and commercial departments, both in the bidding phase and in the further course of the projects.

Trade credit insurance

In the event of a change of ownership in particular (and especially in the case of asset deals), trade credit insurers subject their exposures to intensive scrutiny, with the risk of a deterioration in the insurance conditions or a reduction or termination of the limits/cover commitments. For individual portfolio companies, this could result in increased liquidity requirements due to advance payments required from suppliers. At the same time, risks could arise from increased bad debt losses if these cannot be sufficiently covered by taking out trade credit insurance. Mutares counteracts these risks in the portfolio companies by ensuring tight accounts payable and receivable management adapted to the circumstances and regularly tries to reach an agreement with the seller already in the purchase agreement regarding purchase conditions and payment terms, provided that the seller remains a major supplier after the acquisition.

In order to prevent the risk of a deterioration in insurance conditions or a reduction or termination of the limits/cover commitments, contact is generally made with trade credit insurers before or shortly after the acquisition and the current financial situation and the restructuring plan for the investment are also explained in detail. Proactive communication and regular reporting of the shareholdings to the trade credit insurers create a basis of trust that enables constructive cooperation.

Personnel risks

Mutares' business success depends to a large extent on experienced key personnel, who must have outstanding cross-industry expertise in corporate transactions, financing and corporate law, as well as operational restructuring, while at the same time being highly resilient. Mutares competes globally with private equity firms in recruiting and retaining these key personnel, who are also in high demand for this profile. Mutares faces this competition and ensures through a bundle of measures that the Company has sufficient highly qualified personnel. Through careful personnel selection, a high degree of autonomy for the restructuring managers deployed, and compensation that is as variable and highly performance-related as possible, Mutares offers an attractive working environment for entrepreneurial personalities.

In the portfolio companies, too, averting fluctuation or recruiting qualified personnel is a key success factor. Here, local factors – such as locations without an attractive local living environment or high demand from other employers in the region – can represent an additional risk. Here, too, Mutares tries to create attractive framework conditions for qualified personnel by offering appropriate conditions, which are generally also designed to be success-oriented.

◑ ***IT risks and information/data security***

The business and production processes and the internal and external communication of companies are based to a large extent on information technologies. Information security requirements are constantly changing and increasing – particularly with regard to the confidentiality, availability and integrity of personal data, but also increasingly with regard to authenticity, non-repudiation, binding nature and reliability. Regulatory requirements with regard to the implementation of information security-related requirements are also increasing and are of growing importance and significance across all sectors.

One focus of the measures to avert IT risks is on reliable protection against unauthorized access, for example to sensitive information on potential transactions, the portfolio companies or economic information of the Mutares Group. Attacks on networks, infrastructure, applications, systems as well as targeted interception of digital, analog, and spoken information represent a risk for the Mutares Group. A significant disruption or failure of the systems used could lead to an impairment of business and production systems up to a complete loss of information and data or unintentional disclosure or falsification of that information. This can potentially result in financial, compliance and reputational damage.

In light of this, 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 at the Mutares Group. The IT structures and data flows in the Mutares Group are largely standardized and make use of advanced technologies. In order to prevent potential failures, data loss, data manipulation and unauthorized access to the IT network, Mutares uses current and, in some cases, industry-specific standard software from renowned providers. If necessary, this is supplemented and constantly developed further by the Group's own specific developments, which are subject to continuous quality control. Back-up systems, mirrored databases and a defined emergency plan sustainably secure the data stock and ensure its availability. The IT systems are protected by special access and authorization concepts as well as effective and continuously updated anti-virus software. AI-based anomaly detection has also been implemented to curb "phishing attacks."

All business processes of Mutares SE & Co. KGaA have been recorded, evaluated and transferred to a data protection management system within the scope of DSGVO or GDPR compliance. All employees of Mutares SE & Co. KGaA are provided with detailed guidelines and work instructions on the subject of data protection, data security and general information security The IT infrastructure of Mutares SE & Co. KGaA is also continuously kept up to date with the latest technical standards.

Newly acquired portfolio companies of Mutares are regularly confronted with the challenge of separating the current IT systems from the IT landscape of the former parent company and/or upgrading them to a state-of-the-art level in a timely, cost-efficient manner and without system failures. Such changeover phases are also subject to the risks outlined above. Mutares generally pursues the approach here of subjecting the Group companies to technical modernization as part of the carve-out, replacing outdated systems and hardware and thereby raising the IT security standard, as well as identifying and implementing applicable standards and laws in the security context. As part of due diligence with regard to IT, IT and information risks are recorded, assessed and mitigation measures defined. The implementation of these measures is weighed according to a dedicated cost-benefit ratio and can also imply risk acceptance, avoidance or transfer (e.g., through appropriate insurance). The current implementation status of each portfolio company is monitored at regular intervals (at least quarterly). In addition, an annual meeting is held with the local management to coordinate the security strategy. The goal is always the use of state-of-the-art systems and applications and the use of cloud technologies for an efficient and secure delivery of business processes. Mutares strives to achieve a high level of transparency regarding the security level of each Group company and to ensure pragmatic implementation of security measures in line with the respective security ambition.

The generally observed increase in attacks on commercial enterprises with the aim of sabotage, blackmail or industrial espionage in recent years reinforces our approach to continuously review and improve our standards. To this end, Mutares has invested in the field of cyber security for the future in order to further conceptualize and implement information and IT security according to leading standards as well as to continuously monitor and consistently establish relevant standards and laws within the Group.

◔ *Tax risks*

Mutares SE & Co. KGaA and its portfolio companies operate worldwide and are therefore subject to various tax laws. Uncertainties with effects on the asset, financial and earnings position of the Mutares Group could thus result in particular from ongoing changes in legislation, case law and different legal interpretations by the respective tax authorities, and could possibly assume a significant extent. In order to be able to respond appropriately to the associated tax risks, changes in tax legislation are continuously monitored by the tax department and countered by means of appropriate measures. External experts are consulted where necessary.

With the Act on the Implementation of Council Directive (EU) 2022/2523 to ensure global minimum taxation and other accompanying measures, Germany should comply with the obligation (applicable to all countries in the EU) to transpose the EU Directive on global minimum taxation ("Pillar Two"), which came into force at the end of 2022, into national law by December 31, 2023, at the latest. The regulations on global minimum taxation provide for the taxation of the worldwide profits of large companies (with an annual turnover of at least EUR 750 million) at an effective tax rate of at least 15%. Technically, the global minimum taxation is implemented via a primary surtax, a secondary surtax and a recognized national surtax.

The Act to Ensure Global Minimum Taxation for Corporate Groups (Minimum Tax Act - MinStG), which contains the regulations on global minimum taxation in Germany, had already entered into force as of the balance sheet date and is generally applicable to all fiscal years from January 1, 2024.

The Mutares Group falls within the scope of these regulations and has accordingly carried out an initial indicative analysis in cooperation with external consultants to determine the basic impact and the jurisdictions from which the Group or Mutares is exposed to possible effects in connection with Pillar Two Top-up Taxes. The first step was to check whether the CbCR safe harbor regulations were relevant. If a country was not excluded from the Pillar Two calculation after checking the safe harbor regulations, the effective tax rate was calculated on a simplified basis. From this first indicative analysis, only insignificant effects from the payment of a Pillar Two top-up tax were identified.

Mutares, in cooperation with external advisors, is closely monitoring the progress of the legislative process in each country in which the Company operates. Mutares makes use of the exemption from accounting and further disclosures on deferred taxes in connection with Pillar Two income taxes, which was the subject of the amendments to IAS 12 published in May 2023.

Overall statement on the risk situation

Based on the information currently available to the Management Board from the systematic, multi-level risk management system, no risks can be identified by the Management Board that could individually or in combination jeopardize the continued existence of Mutares SE & Co. KGaA, the Mutares Group or individual material Group companies. However, it is fundamentally possible that further developments with regard to the external framework conditions, the respective effects of which cannot be fully reliably estimated at the time of preparing this Combined Management Report, could deviate from the Management Board's current expectations.

7.3 Opportunities for future development

The identification of opportunities and the entrepreneurial exploitation of the opportunities identified represent the core of the Mutares business model.

In addition to the presentation of risks above, the following section provides information on opportunities where the Management Board considers them to be of particular relevance. The order in which the following explanations are presented does not reflect the assessment of the opportunities in terms of their significance.

Opportunities inherent in the business model[30]

The consistent strategic orientation of the Mutares business model and its further upscaling to a growing number of portfolio companies is by far the most significant opportunity for the Mutares Group.

The acquisition of companies in economically challenging situations or situations of upheaval (e.g. pending restructuring) with potential for operational improvement holds high value enhancement potential. To this end, extensive transformation plans are being implemented at the acquired portfolio companies. The goal of the sale is to realize the potential for value appreciation and to achieve a high return on invested capital.

As part of its business model, Mutares actively and systematically searches for target companies in situations of transition. In times of high uncertainty, additional opportunities may open up, especially on the buy side. The pipeline for purchase transactions continues to include promising acquisition projects. In addition to Mutares' strong reputation with a successful track record in the private equity market for special situations, financial flexibility is another pledge of trust for our transaction partners.

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

Diversification of the portfolio and geographic expansion

When selecting investments, Mutares is generally not limited to specific regions or business models. However, the focus is on companies with a focus of activities in Europe that are in a situation of transition or are suitable as add-on acquisitions for existing platforms.

In fiscal year 2023, Mutares added a fourth segment to the previous three segments against the backdrop of the strong growth of recent years and with the strategic intention of expanding the

[30] With regard to the opportunities in the portfolio companies, we refer to the comments above in the reports from the portfolio companies (para. 2.3).

target universe relevant to Mutares. Lapeyre, keeeper Group and FASANA were separated from the Goods & Services segment and established as an independent segment under the name Retail & Food. The signing of an agreement to acquire Gläserne Molkerei from the Emmi Group in July 2023 was the first step towards strengthening this new segment. In terms of sectors, the focus is on the four segments Automotive & Mobility, Engineering & Technology, Goods & Services and Retail & Food. Mutares strives to limit the risks of individual sectors through a diversified portfolio. The Management Board also strives for a balanced distribution of portfolio companies with regard to the three phases of value creation that investments usually go through during their affiliation with Mutares (realignment, optimization and harvesting).

In addition to its domestic market of Germany, Mutares is present in other strategic core markets in Europe through a total of nine further offices, including in France, Italy, Sweden and Spain. This is intended to compensate for regional fluctuations in the transaction markets and ensure a constant deal flow. In addition, further geographical expansion has been initiated by the expansion into China that has already taken place with the opening of an office in Shanghai and the opening of an office in the US planned for fiscal year 2024.

Strengthening the financial base

In March 2023, Mutares issued a senior secured bond with a term until March 2027, which was increased by a volume of EUR 50 million to the current nominal volume of EUR 150 million as of the reporting date in the further course of the fiscal year under an existing increase option. The inflow of liquidity from the issue will be used to refinance the bond issued in fiscal year 2020, which was fully redeemed early with the issue of the new bond, as well as for general company financing. The bond bears interest quarterly, for the first time on June 30, 2023, at the 3-month EURIBOR (EURIBOR-Floor of 0.00 %) plus a margin of 8.50% and can be increased to a nominal volume of up to EUR 250 million during the term. By further exercising the existing increase option, the bond was increased to this maximum nominal value of EUR 250 million after the reporting date in the first quarter of fiscal year 2024.

Overall statement on the opportunity situation

The opportunities described are not the only ones that present themselves, and are particularly enhanced by the opportunities in the current portfolio and a possible exceptionally good business performance in the portfolio companies (as described in the reports from the portfolio companies in section 2.3). The assessment of opportunities for future development is also subject to change, as both the Group and the markets in which the portfolio companies operate are subject to continuous change. It is also possible that opportunities may not necessarily materialize.

8. Forecast Report

This forecast is based on the expectations described in section 7.2 with regard to the general economic development and the specific expectations with regard to the likely further development of the individual portfolio companies as described in section 2.3. The forecast also expressly assumes that further risks, in particular the geopolitical risks described, will not materialize to a significant extent for the financial, asset and earnings position. In light of the transactions concluded and signed in the current fiscal year 2024 up to the date of preparation of this Combined Management and Group Management Report, the assumptions regarding further intended transactions in the course of the year and the plans for the individual portfolio companies, the Management Board expects annualized **revenues** for the Mutares Group to increase to between EUR 5.7 billion and EUR 6.3 billion in fiscal year 2024 (fiscal year 2023: EUR 4.7 billion).

Taking the transactions completed and signed by the time of preparation as well as further planned transactions in the current fiscal year 2024 into account, (reported) **EBITDA** should again reach at least a slightly positive level (fiscal year 2023: EUR 756.9 million), in particular due to the gains from bargain purchases in connection with the acquisitions.

In terms of **adjusted EBITDA**, the Management Board currently expects an extraordinary improvement compared to fiscal year 2023 on the basis of the existing budgets and the start to fiscal year 2024 to date, on balance due to opposing effects. Adjusted EBITDA will be negatively impacted by the negative earnings contributions of the newly acquired investments. On the other hand, from today's perspective, the Management Board expects the restructuring measures successfully initiated at the portfolio companies and the resulting increase in their respective profitability to make a significantly positive contribution to adjusted EBITDA overall, which amounted to EUR 3.5 million for fiscal year 2023.

The **net profit** of Mutares SE & Co. KGaA is to regularly be in a range of 1.8% to 2.2% of the consolidated revenues of the Mutares Group. Based on expected revenues for the Mutares Group of EUR 6.0 billion on average, the Management Board therefore expects net profit for the year of EUR 108 million to EUR 132 million in fiscal year 2024 (fiscal year 2023: EUR 102.5 million). To this end, all sources from which the net income of Mutares SE & Co. KGaA, namely revenues from the advisory business on the one hand and dividends from portfolio companies and, in particular, exit proceeds from the sale of investments on the other, are expected to contribute to this target. Based on the current planning and under consideration of the risk factors, the Management Board therefore assumes that a sufficiently high net profit can also be generated for fiscal year 2024 in order to ensure the ability of Mutares SE & Co. KGaA to pay dividends at least at the level of the market expectation.

General statement on the forecast

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

Building on a fiscal year 2023 with which the Management Board is generally satisfied, the Management Board believes that the ambitious growth course – in terms of both the above-mentioned forecasts and the medium-term targets – is on a successful path thanks to the acquisitions made and the transformation programs initiated in the portfolio.

However, it is fundamentally possible that further developments with regard to the external framework conditions, the respective effects of which cannot be fully reliably estimated at the time of preparing this Combined Management Report, could deviate from the Management Board's current expectations.

Munich, March 27, 2024

Mutares Management SE,
General Partner of Mutares SE & Co. KGaA

The Management Board

Robin Laik

Mark Friedrich

Mutares SE & Co. KGaA, Munich

Annual financial statements

for the fiscal year from 1 January to 31 December 2023

Mutares SE & Co. KGaA

Annual financial statements as of 31 December 2023

Balance Sheet

in EUR thousand	12/31/2023	12/31/2022
Assets		
A. Fixed assets		
I. Intangible assets	0	0
Concessions, industrial property rights and similar rights and assets purchased for valuable consideration, as well as licenses to such rights and asset	0	0
II. Property, plant and equipment	385	415
1. Other equipment, factory and office equipment	384	415
2. Payments on account	1	0
III. Financial assets	150.487	94.795
1. Shares in affiliated companies	132.827	66.483
2. Loans to affiliated companies	17.624	28.276
3. Participating interests	36	36
	150.872	**95.211**
B. Current assets		
I. Receivables and other assets	345.687	322.364
1. Receivables from affiliated companies	328.622	299.612
2. Other assets	17.065	22.752
(thereof with a remaining term of more than one year)	229	229
III. Cash in hand and bank balances	56.420	12.481
	402.107	**334.845**
C. Prepaid expenses	**1.001**	**1.309**
D. Deferred tax assets	**8.264**	**10.727**
Total Assets	**562.244**	**442.091**

Mutares SE & Co. KGaA

Annual financial statements as of 31 December 2023

in EUR thousand	12/31/2023	12/31/2022
Equity & Liabilities		
A. Equity capital		
I. Capital issued	21.059	20.626
1. Share capital	21.059	20.637
(Contingent capital)	*(3.922)*	*(4.550)*
2. Own shares	0	-10
II. Capital contribution of the personally liable shareholder - without insert -	0	0
III. Capital reserves	138.204	135.293
IV. Retained earnings	132	132
Legal reserve	132	132
V. Balance sheet profit	184.192	117.829
	343.587	**273.879**
B. Provisions		
1. Tax provisions	2.672	1.802
2. Other provisions	21.933	19.704
	24.605	**21.506**
C. Liabilities		
1. Bonds	150.000	80.000
2. Trade payables	2.496	2.784
3. Liabilities to affiliated companies	26.867	53.523
4. Liabilities to companies in which participations are held	13.576	9.820
5. Other liabilities	796	579
(thereof from taxes)	*571*	*335*
(thereof from social security)	*38*	*18*
	193.735	**146.706**
D. Deferred income	**318**	**0**
Total Equity & Liabilities	**562.244**	**442.091**

INCOME STATEMENT

in EUR thousand	2023	2022
1. Revenues	103.644	71.112
2. Other operating income	4.837	12.887
3. Expenses for purchased services	-33.690	-21.476
4. Personnel expenses	-23.447	-17.556
a) Wages and salaries	-22.159	-16.556
b) Social security contributions and expenses for pensions and other employee benefits	-1.288	-1.000
(thereof for pensions)	*0*	*0*
5. Amortization of intangible assets and depreciation of property, plant and equipment	-118	-278
6. Other operating expenses	-96.756	-51.442
7. Income from investments and gains on the disposal of investments	149.468	72.479
(thereof from affiliated companies)	*149.468*	*72.479*
8. Income from long term loans	1.744	362
(thereof from affiliated companies)	*1.744*	*362*
9. Other interest and similar income	28.811	9.849
(thereof from affiliated companies)	*28.751*	*9.543*
10. Write-downs of financial assets	-4.741	-4.809
11. Interest and similar expenses	-23.654	-7.551
(thereof to affiliated companies)	*-3.572*	*-1.870*
12. Income tax	-3.632	9.329
(thereof income from deferred taxes)	*-2.463*	*10.727*
13. Earnings after taxes	**102.465**	**72.905**
14. Other taxes	-5	-2
15. Net income for the year	**102.460**	**72.903**
16. Profit carried forward from the previous year	81.733	44.926
17. Retained earnings	**184.192**	**117.829**

APPENDIX

1. General information ... 2

2. Accounting and valuation principles ... 2

3. Notes to the balance sheet ... 5

3.1 Fixed assets ... 5

3.2 Current assets ... 5

3.3 Prepaid expenses ... 6

3.4 Deferred taxes ... 6

3.5 Equity capital ... 6

3.6 Provisions ... 9

3.7 Liabilities ... 10

3.8 Deferred income ... 10

4. Notes to the income statement ... 11

4.1 Revenues ... 11

4.2 Other operating income ... 11

4.3 Expenses for purchased services ... 11

4.4 Personnel expenses ... 11

4.5 Other operating expenses ... 11

4.6 Income from investments and gains on the disposal of investments ... 12

4.7 Write-downs of financial assets and marketable securities ... 12

4.8 Interest ... 12

4.8 Income Taxes ... 12

5. Other information ... 13

5.1 Auditor's fee ... 13

5.2 Supervisory Board of Mutares SE & Co KGaA ... 13

5.3 Management Board of Mutares Management SE ... 15

5.4 Other financial obligations ... 16

5.5 Contingent liabilities ... 16

5.6 Declaration pursuant to Section 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code ... 21

5.7 Group affiliation ... 22

5.8 Disclosure of voting rights notifications pursuant to Section 160 (1) no. 8 AktG ... 22

5.9 Proposal for the appropriation of earnings ... 23

5.10 Events after the balance sheet date ... 23

1. General information

Mutares SE & Co. KGaA (hereinafter also "the Company" or "Mutares") has its registered office in Munich and is registered there with the local court in the commercial register section B under number 250347. The registered office and at the same time the head office of the Company is Arnulfstraße 19, 80335 Munich.

The financial statements for the fiscal year from 1 January to 31 December 2023 have been prepared on the basis of the German Commercial Code and the German Stock Corporation Act. Mutares is considered a large corporation due to the listing of the Company's shares on the organized market in accordance with section 267 (3) sentence 2 HGB in conjunction with section 264d HGB. The annual financial statements of Mutares SE & Co. KGaA are prepared by the Management Board of the general partner of Mutares SE & Co. KGaA, Mutares Management SE, and are to be adopted by the Annual General Meeting of Mutares SE & Co. KGaA.

The fiscal year is the calendar year.

The balance sheet has been structured in accordance with Section 266 HGB. The income statement has been prepared using the nature of expense method in accordance with Section 275 (2) HGB. For reasons of clarity, additional disclosures required by law are generally made in the notes.

The principle of the representation continuity was observed.

Some of the figures in these notes are presented in thousands of euros (EUR thousand for short) or millions of euros (EUR million for short). This may result in rounding differences in individual cases.

2. Accounting and valuation principles

The annual financial statements of the Company have been prepared unchanged in accordance with the following accounting policies and on a going concern basis.

Balance sheet

Fixed assets, intangible and financial assets

Purchased **intangible assets** are capitalized at cost and amortized on a straight-line basis over their expected useful lives of three years. If the fair value of individual intangible assets included in the non-current assets falls below their carrying amount, additional impairment losses are recognized.

Property, plant and equipment have been capitalized at cost and depreciated on a scheduled basis. Items of property, plant and equipment are depreciated on a straight-line basis over their expected useful lives of three to fifteen years. Additions in the fiscal year were depreciated pro rata temporis. If the fair values of individual assets are lower than their carrying amounts, additional scheduled depreciation is charged in addition to in the event of an expected permanent impairment in value.

Since 1 January 2018, movable items of property, plant and equipment with an acquisition cost of up to EUR 800.00 have been fully depreciated in the year of acquisition and treated as disposals in the statement of changes in non-current assets on an accrual basis. Such assets are shown in the statement of changes in non-current assets exclusively under other equipment, factory and office equipment.

The carrying amount of **financial assets** on the balance sheet is the cost of acquisition plus incidental acquisition costs and, where appropriate, write-downs in accordance with Section 253 (3) Sentence 5 of the German Commercial Code (HGB) if the impairment in value is expected to be permanent. If the reasons for a write-down made in the past no longer exist, write-ups are made up to a maximum of the historical acquisition cost.

Current assets

Receivables and other assets are stated at nominal value or - in compliance with the strict lower-of-cost-or-market principle - at the lower value applicable on the balance sheet date.

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

Prepaid expenses

Payments made before the balance sheet date are recognized as **prepaid** expenses at if they represent expenses for a certain period after this date. If the settlement amount of a liability is higher than the issue amount, the difference is recognized as a discount on the assets side and amortized over the term of the liability.

Deferred taxes

Deferred taxes are calculated for temporary differences between the carrying amounts of assets, liabilities and prepaid expenses in the financial statements and the tax base, as well as for tax loss carryforwards. Deferred taxes are calculated on the basis of the corporate income tax and trade tax of Mutares SE & Co. KGaA, which currently add up to 32.98%. The Company has tax loss carryforwards on which **deferred tax assets** are recognized. They are reported on a net basis. Use has been made of the option under Sec. 274 (1) Sentence 2 HGB to recognize a total resulting tax relief as deferred tax asset.

Provisions

Provisions are recognized for uncertain liabilities and for anticipated losses from pending transactions and are stated at the settlement amount deemed necessary in accordance with prudent business judgment. Provisions with a remaining term of more than one year are discounted at the average market interest rate of the past seven years corresponding to their remaining term, as published by the Deutsche Bundesbank.

Provisions are recognized for virtual stock options (cash-settled) on the basis of the estimated intrinsic value of the option. Additions to the provision are made pro rata over the vesting period of the options of six years.

In contrast, equity-settled stock option plans are not recognized in the balance sheet as long as the options have not yet been exercised. The reason for this is that these share options only represent a transaction at shareholder level and therefore do not affect the company level and thus do not constitute remuneration for accounting purposes.

Liabilities

Liabilities are recognized at their settlement amount.

Foreign currency translation

Transactions in **foreign currencies** during the year are recorded at the respective daily exchange rate. Receivables and liabilities with a remaining term of one year or less are translated at the mean spot exchange rate at the balance sheet date in accordance with Section 256a HGB. In the case of a remaining term of more than one year, translation is performed taking into account the realization principle (Section 252 (1) no. 4 half-sentence 2 HGB) and the historical cost principle (Section 253 (1) sentence 1 HGB).

Profit and loss account

Revenues result from consulting services to affiliated companies and management fees and is recognized as soon as the service has been rendered.

Income from investments is recognized (in the same period) at the level of the subsidiary in the year in which distributable profit arises if the parent company holds a 100% interest in the subsidiary, the subsidiary is a dependent group company within the meaning of sections 17 (2) and 18 (1) sentence 3 of the German Stock Corporation Act (AktG), the shareholders' meeting or annual general meeting of the dependent subsidiary has adopted a resolution approving the annual financial statements and the appropriation of profits for the past fiscal year before the audit of the annual financial statements of the parent company is completed, and the parent company has a 100% interest in the subsidiary. 3 AktG, the shareholders' meeting or general shareholders' meeting of the dependent subsidiary has resolved to approve the annual financial statements and the appropriation of profits for the past fiscal 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 fiscal year. In the case of a majority shareholding of less than 100%, an accounting obligation is also to be assumed if the fiscal year of the subsidiary does not end after that of the parent company, the annual financial statements of the subsidiary have been adopted before completion of the audit of the annual financial statements of the parent company, and the controlling parent company alone is in a position to enforce the corresponding resolution on the appropriation of profits. Otherwise, such income is not recognized until after the resolution on the proposed distribution has become legally effective and the legal right to receive the distribution has arisen (in the following year).

3. Notes to the balance sheet

3.1 Fixed assets

The financial assets of EUR 150,487 thousand as of December 31, 2023 (December 31, 2022: EUR 94,795 thousand) include shares in subsidiaries in the amount of EUR 132,827 thousand and loans to affiliated companies in the amount of EUR 17,624 thousand.

For further information on non-current assets, please refer to the statement of changes in non-current assets (Appendix 1 to the Notes).

The list of shareholdings required to be disclosed pursuant to Section 285 No. 11 to 11b HGB (list of shareholdings) is attached as Annex 2 to the Notes.

3.2 Current assets

Receivables from affiliated companies and companies in which participations are held, as well as other assets, break down as follows:

in EUR thousand	12/31/2023	12/31/2022
Receivables from affiliated companies	328.622	299.612
thereof trade receivables	94.430	56.050
of which receivables from loans	202.221	161.828
of which receivables from profit distributions	31.971	68.154
of which receivables from the sale of investments	0	13.590
Other assets	17.065	22.752
Total receivables and other assets	**345.687**	**322.364**

As in the previous year, receivables **from affiliated companies do** not include any receivables with a remaining term of more than one year. On the basis of current information, the Management Board assumes that part of the total carrying amount of the receivables from affiliated companies as of 31 December 2023 will not be collected until after a period of twelve months from the balance sheet date. The loans bear interest at an annual rate of around 9.4% plus the 3-month EURIBOR.

Other assets include pledged credit balances in connection with the acquisition of shares in an indirect subsidiary, Balcke-Dürr Energy Solutions S.p.A., Genoa, by a direct subsidiary in the amount of EUR 13,543 thousand (December 31, 2022: EUR 17,544 thousand). In addition, other assets include a VAT receivable of EUR 2,738 thousand (December 31, 2022: EUR 942 thousand). Other assets amounting to EUR 229 thousand (December 31, 2022: EUR 229 thousand) have a remaining term of more than one year.

As of 31 December 2023, **cash on hand and bank balances** amounted to EUR 56,420 thousand (31 December 2022: EUR 12,481 thousand).

3.3 Prepaid expenses

Prepaid expenses and deferred charges were calculated pro rata temporis according to the nominal amount. This includes advance payments for insurance and licenses.

3.4 Deferred taxes

Deferred tax liabilities exist for differences between the carrying amounts of assets, liabilities and prepaid expenses for financial reporting purposes and their tax bases in the amount of EUR 103 thousand (December 31, 2022: EUR 905 thousand), which relate to receivables from and liabilities to affiliated companies. In addition, deferred tax assets are recognized in connection with the future utilization of tax loss carryforwards in the amount of EUR 8,367 thousand (31 December 2022: EUR 11,632 thousand). The future usability of the tax loss carryforwards is based on a five-year plan, on the basis of which it is predominantly probable that the tax loss carryforwards can be partially utilized in the following five assessment periods. The recognition of deferred tax assets takes into account a complete utilization of the trade tax loss carryforwards in the planning period. No deferred tax assets were recognized on corporate income tax loss carryforwards of EUR 1,700 thousand (December 31, 2022: EUR 3,000 thousand), as it is not highly probable that they will be utilized in the five-year planning period. After netting deferred tax assets and liabilities, the net amount of EUR 8,264 thousand (December 31, 2022: EUR 10,727 thousand) is reported as deferred tax assets.

The total amount of the distribution-restricted amounts within the meaning of Section 268 (8) HGB of EUR 8.264 thousand (31 December 2022: EUR 10,727 thousand) relates in full to the surplus of deferred tax assets.

3.5 Equity capital

Subscribed capital

The subscribed capital of Mutares SE & Co. KGaA is fully paid in and consists of 21,058,756 (31 December 2022: 20,636,731) registered shares with a notional interest in the share capital of EUR 1.00 each as of 31 December 2023. In the 2023 fiscal year, the subscribed capital was increased by EUR 422 thousand to EUR 21,059 thousand as part of the exercise of share options in connection with share-based payment (422,025 shares) by means of fulfillment from Conditional Capital 2016/I and 2019/II.

Conditional capital

The Annual General Meeting of the Company on 3 June 2016 authorized the Management Board, with the approval of the Supervisory Board, to issue up to 1,500,000 subscription rights ("stock options") to members of the Management Board of the Company, members of the management of affiliated domestic and foreign companies of the Company, and employees of the Company and employees of affiliated domestic and foreign companies until 2 June 2020 ("Mutares Stock Option Plan 2016"). The stock options entitle the holder to subscribe to up to 1,500,000 no-par value registered shares of the Company with a notional interest in the share capital of EUR 1.00 each. Furthermore, the Annual General Meeting resolved to conditionally increase the share capital of the Company by EUR 1.5 million by issuing up to 1,500,000 no-par value bearer shares to service the Mutares Stock Option Plan 2016 ("Conditional Capital 2016/I"). The Annual General Meeting of the Company on 23 May 2019 resolved to cancel the Conditional Capital 2016/I to the extent that it relates to the stock options not issued under the Mutares Stock Option Plan 2016. As a result, the Conditional Capital 2016/I amounts to EUR 361 thousand after reduction as of 31. December 2022.

The Annual General Meeting of the Company on 23 May 2019 created Conditional Capital 2019/I in the amount of EUR 3,000 thousand for the purpose of granting shares upon exercise of conversion or option rights or upon fulfillment of conversion or option obligations to the holders or creditors of convertible bonds, warrant bonds, profit participation rights and/or participating bonds or combinations of these instruments issued on the basis of the authorization resolution of the Annual General Meeting of 23 May 2019.

After the partial cancellation of the Conditional Capital 2016/I became effective, the share capital of Mutares SE & Co. KGaA was conditionally increased by up to EUR 802 thousand by issuing up to 802,176 no-par value registered shares ("Conditional Capital 2019/II") by resolution of the Annual General Meeting on 23 May 2019. Conditional Capital 2019/II serves to grant subscription rights to members of the Management Board and employees of the Company, members of the management and employees of companies affiliated with the Company.

After the partial cancellation of the Conditional Capital 2016/I has become effective, the share capital of the Company shall be conditionally increased by up to EUR 387 thousand by issuing up to 387,000 no-par value registered shares ("Conditional Capital 2021/I"). The Conditional Capital 2021/I is exclusively for the purpose of issuing shares of the Company to service subscription rights to shares of the Company issued to members of the Management Board of the Company and employees of the Company as well as to members of the management and employees of affiliated companies within the meaning of Secs. 15 et seq. AktG in the form of stock options in accordance with the above authorization resolution pursuant to lit. b).

In the period from January 1, 2023, to December 31, 2023, a total of 154,525 new no-par value registered shares were issued from Conditional Capital 2016/I. As a result of the issue of the new no-par value registered shares, the Conditional Capital 2016/I was reduced from EUR 361 thousand to EUR 206 thousand.

The purpose of Conditional Capital 2016/I has also ceased to exist because all subscription rights have now been exercised or have expired and no new subscription rights can be issued on the basis of this authorization because this authorization was revoked by resolution of the Annual General Meeting on May 23, 2019. Conditional Capital 2016/I expired in 2023.

In the period from January 1, 2023, to December 31, 2023, a total of 267,500 new no-par value registered shares were issued from Conditional Capital 2019/II. As a result of the issue of the new no-par value registered shares, Conditional Capital 2019/II decreased by EUR 267 thousand from EUR 802 thousand to EUR 535 thousand.

Authorized capital

By resolution of 23 May 2019, the Annual General Meeting of the Company resolved to cancel the Authorized Capital 2015/I and instead authorized the Management Board to increase the share capital of the Company in the period until 22 May 2024, with the consent of the Supervisory Board, by a total of up to EUR 7.7 million by issuing up to 7,748,146 new registered no-par value shares against cash contributions and/or contributions in kind ("Authorized Capital 2019/I"). The Management Board of the Company's general partner, Mutares Management SE, resolved on 28 September 2021, with the approval of the Supervisory Board, to increase the Company's share capital from previously EUR 15.5 million to EUR 20.6 million by issuing 5.1 million new registered ordinary shares (no-par value shares). The capital increase with subscription rights for the limited liability shareholders of the Company was carried out in return for cash contributions, making partial use of the existing Authorized Capital 2019/I. The authorized capital amounts to EUR 1.5 million after the partial use of the existing Authorized Capital 2019/I. This still amounts to EUR 2,608 thousand after the partial utilization. By resolution dated July 10, 2023, the Annual General Meeting of the Company resolved to cancel the Authorized Capital 2019/I and thus reduce the Authorized Capital 2019/I to EUR 0. Instead, the Management Board was authorized, with the approval of the Supervisory Board, to increase the share capital on one or more occasions in the period up to July

9, 2028, by a total of up to EUR 8,254,692.00 by issuing up to 8,254,692 new no-par value registered shares against cash and/or non-cash contributions (“Authorized Capital 2023/I”).

Own shares

By resolution of the Annual General Meeting on 23 May 2019, the Management Board was authorized to acquire treasury shares of the Company up to a total of 10% of the Company's capital stock existing at the time of the resolution or - if this value is lower - at the time the authorization is exercised, subject to compliance with the principle of equal treatment (Section 53 AktG), until the end of 22 May 2024. The shares acquired on the basis of this authorization, together with other treasury shares of the Company which the Company has acquired and still holds or which are attributable to it in accordance with sections 71a et seq. of the German Stock Corporation Act (AktG), may at no time exceed 10% of the respective capital stock of the Company.

On the basis of corresponding resolutions, the Management Board, with the approval of the Supervisory Board, launched share buyback programs in the past fiscal years. In this context, a total of 261,875 shares were acquired in the period from 15 January to 6 March 2015, and in the period from 1 June to 15 July 2018, with each share representing EUR 1.00 of the capital stock.

The Management Board of the general partner of Mutares SE & Co. KGaA resolved on 17 September 2020, with the approval of the Supervisory Board of the general partner, to launch a share buyback program using the authorization granted by the Annual General Meeting on 23 May 2019 ("Share Buyback Program 2020/I"). Under the share buyback program 2020/I, up to a total of 250,000 treasury shares (corresponding to up to 1.61% of the Company's share capital) could be repurchased in the period from 17 September 2020 to 31 March 2021 at a total purchase price (excluding incidental acquisition costs) of up to EUR 2.5 million. A total of 210,600 shares were acquired during this period. The difference between the acquisition cost and the imputed value of the treasury shares amounts to a total of EUR 2.3 million and was offset against retained earnings. To service the stock options exercised under the 2016 Stock Option Plan, the Company used part of the 472,475 treasury shares existing as of 31 December 2020 in the fiscal year 2021. The reissuance prices were in a range between EUR 19.10 and EUR 24.60 and were used to cover costs as well as to settle taxes arising from the exercise of the stock options for the beneficiaries and to be paid by the Company. The difference between the acquisition cost and the nominal value of the treasury shares was offset against retained earnings when they were acquired in the past due to the lack of freely available reserves of EUR 3,649 thousand. When treasury shares were used in the context of servicing the stock options exercised under the 2016 Stock Option Plan, the difference between the nominal value of the treasury shares and the exercise price of EUR 3,649 thousand was offset against retained earnings in the opposite direction; the difference between the original average acquisition cost and the exercise price of EUR 1,351 thousand was also offset against retained earnings. In total, the number of treasury shares thus decreased to 10,475 as of 31 December 2021.

In fiscal year 2023, treasury shares were used in connection with the exercise of share options. The reissue price was EUR 23.79. The difference between the acquisition cost and the pro rata amount of the share capital of the treasury shares was offset against the profit carried forward. No treasury shares were held as of December 31, 2023.

Capital reserve

As of 31 December 2023, the capital reserve amounts to EUR 2,911 thousand (31 December 2022: EUR 135,293 thousand). The increase results from the recognition of a difference between the issue amount and the pro rata amount of the share capital of EUR 1.00 per share of the share options exercised in September (shares: 282,025) and December 2023 (shares: 140,000) as part of the capital increase from conditional capital to service the 2019 share option plan.

Retained earnings

The legal reserve as of 31 December 2023 amounts to EUR 132 thousand (31 December 2022: 132 thousand).

Appropriation of earnings

By resolution of the Annual General Meeting on July 10, 2023, a partial amount of EUR 36,095,948.00 of the company's net retained profits of EUR 117,828,514.82 as of December 31, 2022, was distributed in the form of a dividend of EUR 1.75 per dividend-bearing share and the remaining amount of EUR 81,732,566.82 was carried forward to new account.

3.6 Provisions

The **tax provisions** as of 31 December 2023 relate to corporate income tax, solidarity surcharge and trade tax for the assessment period 2023.

Other provisions developed as follows in the fiscal year 2023:

in EUR thousand	12/31/2023	12/31/2022
Personnel costs	7.492	6.359
Outstanding invoices	1.362	788
Closing and audit costs	999	470
Legal costs	50	50
Other accrued expenses	12.029	12.037
Total other accruals	**21.933**	**19.704**

There were no provisions with a remaining term of more than one year as of 31 December 2023 or 31 December 2022.

Other provisions of EUR 12,000 thousand relate to payments received in connection with the acquisition of shares in Balcke-Dürr Energy Solutions S.p.a, Genoa, by an indirect subsidiary. The contribution received by Mutares SE & Co. KGaA serves to cover the uncertain obligations from guarantee assumptions and is therefore recognized as other provisions.

Provisions for personnel costs include bonuses of EUR 6,850 thousand (31 December 2022: EUR 5,840 thousand) and vacation provisions of EUR 642 thousand (31 December 2022: EUR 519 thousand).

Provisions for outstanding invoices include consulting services to affiliated companies in the amount of EUR 350 thousand (31 December 2022: EUR 669 thousand) and provisions for legal advice in the amount of EUR 857 thousand (31 December 2022: EUR 74 thousand).

3.7 Liabilities

Liabilities break down as follows:

in EUR thousand	31.12.2023	31.12.2022
Liabilities from bonds	150.000	80.000
of which with a remaining term of more than one year	*150.000*	*80.000*
of which with a remaining term of up to one year	*0*	*0*
Trade accounts payable	2.496	2.784
of which with a remaining term of up to one year	*2.496*	*2.784*
Liabilities to affiliated companies	26.867	53.523
of which with a remaining term of up to one year	*26.867*	*53.523*
Liabilities to companies in which a participating interest exists	13.576	9.820
of which with a remaining term of up to one year	*13.576*	*9.820*
Other liabilities	796	579
of which from taxes	*571*	*335*
of which social security	*38*	*18*
of which with a remaining term of up to one year	*796*	*579*
Total liabilities	**193.735**	**146.706**

The item liabilities from bonds exclusively comprises the senior secured bond issued in March 2023 with a term until March 31, 2027, which was increased by a volume of EUR 50 million to the nominal volume of EUR 150 million in the reporting period as part of an increase option. The term can be terminated early by the issuer and payment of a prepayment penalty. The proceeds from the issue were used to refinance the bond issued in the 2020 fiscal year, which was fully redeemed early with the issue of the new bond, as well as for general corporate financing. In addition to collateralization through the pledging of shares in selected subsidiaries and the assignment of receivables from these companies, the terms and conditions of the bond provide for covenants with regard to the debt and equity of the Group and the issuer. The bond is listed on the OTC market of the Frankfurt Stock Exchange and on the Nordic ABM of the Oslo Stock Exchange. The bond pays interest quarterly, for the first time on June 30, 2023, at the 3-month EURIBOR (EURIBOR floor of 0.00%) plus a margin of 8.50% and can be increased to a nominal volume of up to EUR 250 million during the term.

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

Liabilities to affiliated companies include EUR 1,067 thousand in liabilities from short-term loans (December 31, 2022: EUR 33,240 thousand), EUR 18,225 thousand in trade payables and other liabilities (December 31, 2022: EUR 13,067 thousand) and EUR 7,574 thousand in advance payments received for consulting services (December 31, 2022: EUR 7,225 thousand).

3.8 Deferred income

Deferred income was recognized for the premium on the bond issued in March in the amount of EUR 318 thousand in the reporting period. The issue amount is 0.75% above the settlement amount and will be distributed accordingly over the term.

4. Notes to the income statement

4.1 Revenues

The sales revenues in the fiscal year 2023 in the amount of EUR 103,644 thousand (previous year: EUR 71,112 thousand) result from consulting services to affiliated companies in the amount of EUR 88,524 thousand (previous year: EUR 60,914 thousand) and management fees in the amount of 15,120 (previous year: EUR 10,198thousand).

4.2 Other operating income

Other operating income includes EUR 12,335 thousand from the collection of loan receivables that were recognized at an amount lower than their nominal value. This income also represents extraordinary income within the meaning of Section 285 No. 31 HGB. Other operating income in the previous year included EUR 4,111 thousand from the reversal of impairment losses on receivables written down in previous years.

4.3 Expenses for purchased services

The cost of purchased services includes an amount of EUR 31,492 thousand (previous year: EUR 19,204 thousand), mainly expenses from Mutares' national companies in connection with restructuring services for indirect subsidiaries.

4.4 Personnel expenses

During the fiscal year 2023, Mutares SE & Co. KGaA employed an average of 88 people (previous year: 74) in M&A (12; previous year: 10), Operations (52; previous year: 45) and Administration (24; previous year: 19).

4.5 Other operating expenses

Other operating expenses include:

in EUR thousand	2023	2022
Depreciation of current assets	38.897	10.525
Other operating expenses affiliated companies	26.412	13.060
Other operating expenses Mutares Management SE	12.728	10.531
Legal and consulting fees	9.202	9.503
Travel expenses etc.	4.232	3.825
Administration	1.855	1.030
Insurance, contributions and levies	676	559
Vehicle costs	620	397
Occupancy costs	571	516
Other	1.560	1.495
Other operating expenses	**96.756**	**51.442**

Other operating expenses mainly relate write-downs on receivables, which were incurred as depreciation on current assets of EUR 38,897 thousand (previous year: EUR 10,525 thousand) and relate to the sale of (indirect) subsidiaries completed in the fiscal year 2023 as well as write-downs on receivables from (indirect) subsidiaries. Other operating expenses also include expenses in connection with affiliated companies (EUR 26,412 thousand; previous year: EUR 13,060 thousand), primarily from the recharging of consulting services of the national companies of EUR 26,299 thousand (previous year: EUR 13,060 thousand), which have increased compared to the previous year, in particular due to regional expansion.

4.6 Income from investments and gains on the disposal of investments

Income from investments and gains from the disposal of investments mainly includes income from the recognition of profits from subsidiaries in the same phase amounting to EUR 138,155 thousand (previous year: EUR 70,440 thousand) and the recognition of profits from subsidiaries in a different phase amounting to EUR 1,050 thousand (previous year: EUR 1,894 thousand). Income from the disposal of investments amounted to EUR 10,263 thousand (previous year: EUR 145 thousand) and includes income from the intra-Group disposal of a subsidiary in the amount of EUR 9,900 thousand. Of the above-mentioned income from the recognition of profits in the same period, EUR 130,000 thousand is attributable to the profit of a subsidiary from the sale of a second-tier subsidiary held in 2023.

4.7 Write-downs of financial assets and marketable securities

This item includes EUR 4,741 thousand (previous year: EUR 4,809 thousand) in write-downs on shares in affiliated companies due to an expected permanent impairment.

4.8 Interest

Interest and similar income include interest on loans to and the assumption of guarantees in favor of subsidiaries in the amount of EUR 28,751 thousand (previous year: EUR 9,543 thousand).

Interest and similar expenses in the fiscal year 2023 include interest expenses of EUR 14,635 thousand (previous year: EUR 5,196 thousand) from the bond issued.

4.8 Income Taxes

With the law to implement Council Directive (EU) 2022/2523 to ensure global minimum taxation and other accompanying measures, Germany should comply with the obligation (applicable to all countries in the EU) to transpose the EU Directive on global minimum taxation (“Pillar Two”), which came into force at the end of 2022, into national law by December 31, 2023, at the latest. The regulations on global minimum taxation provide for the taxation of the worldwide profits of large companies (with annual sales of at least EUR 750 million) at an effective tax rate of at least 15%. Technically, the global minimum taxation is implemented via a primary supplementary tax, a secondary supplementary tax and a recognized national supplementary tax.

The Act to Ensure Global Minimum Taxation for Groups of Companies (Minimum Tax Act – MinStG), which contains the regulations on global minimum taxation in Germany, had already entered into force as of the balance sheet date and is generally applicable to all fiscal years from January 1, 2024.

The Mutares Group falls within the scope of these regulations.

Mutares has accordingly carried out an initial indicative analysis in cooperation with external advisors to determine the basic impact and the jurisdictions from which the Group is exposed to possible effects in connection with Pillar Two Top-up Taxes. The first step was to check whether the CbCR safe harbor regulations were relevant. If a country was not excluded from the Pillar Two calculation after checking the safe harbor regulations, the effective tax rate was calculated on a simplified basis. From this first indicative analysis, only insignificant effects from the payment of a Pillar Two top-up tax were identified.

Mutares, in cooperation with external advisors, is closely monitoring the progress of the legislative process in each country in which Mutares operates.

5. Other information

5.1 Auditor's fee

The total fee of the auditor of Mutares SE & Co. KGaA for the fiscal year 2023 is composed as follows:

in EUR thousand	2023	2022
Audit services	1.117	869
Other certification services	21	36
Other services	82	76
Total fee	**1.220**	**981**

The audit services for 2023 include fees of EUR 96 thousand relating to services for the 2022 fiscal year.

The other assurance services (EUR 21 thousand) related to agreed-upon audit procedures in connection with the 2023 bond and the other services (EUR 82 thousand) related to support for non-financial reporting. In each case, the services were provided based on a prior engagement by the Audit Committee, which was authorized to do so by the Supervisory Board.

5.2 Supervisory Board of Mutares SE & Co KGaA

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

- Volker Rofalski, Managing Director of only natural munich GmbH, Munich, Chairman, Member of the Audit Committee;
  Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of December 31, 2023):
  - HELIAD AG, Frankfurt/Main (Member of the Supervisory Board)
  - Bio-Gate AG, Nuremberg (Member of the Supervisory Board)
  - Mutares Management SE, Munich (Member of the Supervisory Board)
  - paycentive Group AG, Augsburg (Member of the Supervisory Board)
  - HELIAD Crypto Partners GmbH & Co. KGaA, Frankfurt/Main (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 December 31, 2023):
  - Mutares Management SE, Munich (Member of the Supervisory Board)
  - Mellifera Sechsunddreißigste Beteiligungsgesellschaft mbH (MIP Pharma Unter nehmensgruppe), Berlin (Chairman of the Advisory Board)

- Dr. Lothar Koniarski, Managing Director of Elber GmbH, Regensburg, Member of the Supervisory Board;
  Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of December 31, 2023):
  - 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; until December 31, 2023)
  - SBF AG, Leipzig (Chairman of the Supervisory Board)
  - DV Immobilien Management GmbH, Regensburg (Deputy Chairman of the Supervisory Board)

  - Regensburger Universitätsstiftung, Universitätsstiftung Hans Vielberth and Universitätsstiftung für Immobilienwirtschaft Hans Vielberth (Member of the Foundation Board)

- Raffaela Rein, Managing Director of WildWildVentures GmbH, Member of the Board of the German Startup Association, Berlin, Member of the Supervisory Board;
  Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of December 31, 2023):
  - IU International University of Applied Sciences GmbH, Erfurt (Member of the Advisory Board)
  - Member of the Sustainability Advisory Board, Porsche AG
  - Member of the Extended Board, German Startups Association e.V.

The members of the company's Supervisory Board receive a fixed basic remuneration of EUR 20 thousand for the respective fiscal year of the company. The Chairman of the Supervisory Board receives a fixed basic remuneration of EUR 45 thousand and his deputy receives a fixed basic remuneration of EUR 30 thousand for the respective fiscal year of the company. As the Supervisory Board consisted of a Chairman, a Deputy Chairman and two other members in the fiscal year 2023, the total basic remuneration of the Supervisory Board members in the fiscal year 2023 amounted to EUR 115 thousand. For their work on the Audit Committee of the Supervisory Board, the Chairman of the committee also receives EUR 15 thousand and each other member of the committee receives EUR 5 thousand for the respective fiscal year of the company. The company has an Audit Committee, whose members are Dr. Axel Müller as Chairman and Volker Rofalski. For their work on other Supervisory Board committees, the Chairman of the committee receives an additional EUR 10 thousand and each other member of the committee an additional EUR 5 thousand for the respective fiscal year of the company. In addition to the aforementioned remuneration, the members of the Supervisory Board are reimbursed for expenses incurred in the performance of their duties, including VAT. The remuneration is payable at the end of the respective fiscal year. Supervisory Board members who only belong to the Supervisory Board or a committee of the Supervisory Board for part of the full fiscal year or who hold the office of Chairman or Deputy Chairman receive pro rata remuneration. The total remuneration of the above-mentioned members of the Supervisory Board therefore amounted to EUR 135 thousand in the fiscal year 2023.

5.3 Management Board of Mutares Management SE

The Management Board of Mutares Management SE as general partner of Mutares SE & Co. KGaA consists or consisted of:

- Robin Laik, Chief Executive Officer, Munich;
  Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of December 31, 2023):
  - 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 (until May 31, 2023 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 December 31, 2023): none

- Johannes Laumann, Chief Investment Officer, Bonn (until November 10, 2023);
  Membership of statutory supervisory boards or comparable German or foreign boards of business enterprises (as of December 31, 2023):
  - Amaneos SE (until November 13, 2023, Member of the Supervisory Board)

The total compensation of the Management Board (including share-based compensation) for the 2023 fiscal year amounted to EUR 10.0 million (previous year: EUR 11.6 million), including EUR 0.5 million (previous year: EUR 3.1 million) for members of the Management Board who have since left the company. No payments were made to members of the Management Board in connection with defined contribution plans. In September 2023, 180,000 shares were issued to the members of the Management Board as part of a virtual stock option program. The share options granted are not entitled to dividends and do not confer any voting rights.

Furthermore, Mutares Management SE, as general partner, receives an annual remuneration of 4% of its share capital, irrespective of profit and loss, plus any value-added tax due. For the fiscal year 2023, this remuneration amounted to EUR 6 thousand, as in the previous year.

5.4 Other financial obligations

Annual financial obligations of EUR 398 thousand (previous year: EUR 373 thousand) have existed since April 2016 under a long-term rental agreement for the fixed basic rental period of ten years.

5.5 Contingent liabilities

Guarantees/patronage declarations

As at the reporting date, there were guarantees and letters of comfort to affiliated companies in the total amount of EUR 60.7 million (December 31, 2022: EUR 19.3 million). In addition, there are guarantees and letters of comfort to third parties in favor of affiliated companies in the amount of EUR 112.0 million (December 31, 2022: EUR 80.5 million). Of this amount, EUR 42.0 million (December 31, 2022: EUR 44.1 million) relates to guarantees for loan collateral and EUR 70.0 million (December 31, 2022: EUR 36.4 million) to payment and performance guarantees.

In addition, Mutares SE & Co. KGaA has a guarantee facility with a financial institution in the amount of EUR 15.0 million, of which EUR 5.8 million was utilized as of December 31, 2023 (December 31, 2022: EUR 3.6 million).

The Management Board of the Company does not currently see any significant risk from potential claims under guarantees and letters of comfort. When financing is provided under commitments to affiliated companies, a receivable is simultaneously created against the respective affiliated company. However, depending on future economic developments, the probability of a claim may increase, and it cannot be ruled out that a claim may be made under the commitments entered.

Obligations from business combinations

As of the reporting date of December 31, 2023, the following obligations from company acquisitions exist:

In connection with the acquisition of Gemini Rail Group, Mutares undertook to provide rental guarantees to ensure the fulfillment of the contractual obligations of Gemini Rail Services UK Ltd., whereby the liability under these guarantees was limited to an amount of around EUR 9.7 million and is reduced over time in the amount of the rental payments made by Gemini Rail Services UK Ltd.
As at the reporting date, the potential obligation from this rental guarantee amounted to EUR 6.3 million.

Mutares has undertaken to indemnify the seller of keeeper GmbH in the event of a claim in connection with a previous financing commitment as well as previously issued guarantees, whereby this obligation is limited to an amount of EUR 3.5 million and ends on June 30, 2024.

In April 2021, as part of the acquisition of La Rochette Cartonboard S.A.S., Mutares 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 was limited to EUR 5.0 million. This guarantee expired in the 2023 fiscal year without being utilized. In addition, Mutares has guaranteed to the seller that it will guarantee the obligations of La Rochette Cartonboard S.A.S. under the loan agreement with the former shareholder in the amount of EUR 6.5 million until April 2024. As of December 31, 2023, there is still an obligation of EUR 2.2 million from the loan relationship.

In connection with the acquisition of three Exterior plants, Mutares has undertaken to the seller to provide Light Mobility Solutions GmbH with financial resources of up to EUR 15.0 million until June

2024, should this be necessary to avoid 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. As at the reporting date of December 31, 2023, this guarantee amounted to EUR 15.0 million.

In May 2021, a direct subsidiary of Mutares acquired Alan Dick Communications Ltd. As part of the transaction, Mutares has undertaken to indemnify the seller against losses from two projects existing at the time of completion of the transaction. The indemnification is limited to EUR 7.1 million and expires upon completion of the projects, i.e. probably in 2029.

A direct subsidiary completed the acquisition of Balcke Dürr Energy Solution S.p.A. in February 2022. As part of the acquisition, Mutares has undertaken to indemnify the seller from the signing of the purchase agreement until five years after the closing of the transaction against damages arising from the buyer’s failure to fully and timely fulfill certain obligations defined in the guarantee. This obligation is limited to EUR 2.0 million. Furthermore, Mutares 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 has pledged credit balances of EUR 13.6 million at this bank in the course of the acquisition to secure a guarantee provided by Intesa Sanpaolo to the seller or a company belonging to the group of companies of the seller. The term of the obligation and the collateral is not limited. The obligation and the security reduce over time due to the completion of project services by Balcke Dürr Energy Solution S.p.A. Mutares has undertaken to use the funds released in the context of a reduction of the security by the bank up to an amount of EUR 12.0 million for the benefit of Balcke Dürr Energy Solution S.p.A., with the necessity depending on the development of Balcke-Dürr Energy Solutions S.p.A. at the discretion of Mutares. In connection with this obligation, Mutares indemnifies the seller against all possible damages resulting from the breach of its agreed obligations. At the time of preparation of these financial statements, no breach of duty is known and no actions have been initiated in which a breach of the agreed duties could be seen.

In July 2022, a direct subsidiary of Mutares acquired SFC Solutions Automotive France S.A.S. As part of the transaction, Mutares guaranteed the seller to provide SFC Solutions Automotive France S.A.S. with financial resources if it is unable to repay the existing loan liability between it and the seller. This guarantee was limited to EUR 6.5 million and has a term until January 15, 2027, provided that the loan is not repaid in full by SFC Solutions Automotive France S.A.S. to the seller before then. As at the reporting date, the guarantee still amounted to EUR 5.5 million, taking into account repayments made by SFC Solutions Automotive France S.A.S. in the meantime. In addition, Mutares has guaranteed to the seller that it will provide SFC Solutions Automotive France S.A.S. with financial resources if it is unable to repay the existing loan liability between it and the seller. This guarantee was limited to EUR 7.5 million and has a term until January 15, 2027. Due to repayments made by SFC Solutions Automotive France S.A.S. in the meantime, this guarantee has been reduced to EUR 5.8 million as at the reporting date.

In September 2022, a direct subsidiary of Mutares SE & Co. KGaA acquired SIX Energia S.p.A. (now trading as Conexus S.p.A.). As part of the transaction, Mutares has undertaken to the seller to guarantee the buyer's obligations under the purchase agreement up to an amount of EUR 10.0 million. The guarantee will remain in full force and effect until the date on which the buyer has fulfilled all obligations under the purchase agreement or until a maximum of five years after completion of the transaction, i.e. until September 22, 2027.

A direct subsidiary acquired Guascor Energy S.A.U. in October 2022. As part of the transaction, Mutares has undertaken to guarantee all obligations of the buyer under the purchase and assignment agreement for a period of five years from the closing date. The guarantee is only limited to the amount of the purchase price with regard to damages arising from false statements or assurances made by the buyer. In connection with the acquisition, Mutares has also issued a further guarantee to third parties for an indefinite period totaling EUR 3.6 million.

In connection with the acquisition of the heat transfer technology business of Siemens Energy B.V., Mutares has undertaken to issue a loan commitment of EUR 5.0 million with a term of four years to the acquiring company NEM Energy B.V. upon completion of the acquisition. In addition, Mutares has undertaken to provide NEM Energy B.V. with liquid funds in the amount of EUR 10.0 million for a period of four years, should this be necessary to avoid the company's insolvency. This guarantee is reduced to EUR 7.5 million after twelve months, to EUR 5.0 million after 24 months and to EUR 2.5 million after 36 months. During the fiscal year 2023, the guarantee was reduced to EUR 7.5 million without being utilized. Furthermore, Mutares SE & Co. KGaA issued further guarantees to third parties totaling EUR 36.8 million in connection with the acquisition.

In October 2022, a direct subsidiary acquired MoldTecs GmbH and companies in France, the USA, China, Japan, Korea, Brazil and India. As part of the financing of the transaction, which is expected to run until September 2023, Mutares SE & Co. KGaA issued a guarantee to third parties in the amount of EUR 25.0 million. This guarantee was not limited in time, but was linked to the term of the financing. It is only expected to be utilized if the direct subsidiary fails to meet its payment obligations under the financing. In the 2023 fiscal year, the term of the guarantee was extended by one year until September 2024 and the amount was reduced to EUR 10.0 million.

A direct subsidiary completed the acquisition of MMT-B S.A.S. in March 2023. As part of the transaction, Mutares has guaranteed to pay an additional purchase price that could become due in 2026 if certain conditions are met. This guarantee is limited to a maximum of EUR 5.0 million. In addition, Mutares has guaranteed to cover the obligations of MMT-B S.A.S. under the loan agreement with the former shareholder in the amount of EUR 6.6 million until December 2025. This guarantee can be increased by up to EUR 2.5 million through a subsequent purchase price adjustment.

In April 2023, a direct subsidiary acquired BEW Umformtechnik GmbH. As part of the transaction, Mutares has guaranteed to the seller that it will be responsible for the buyer's liabilities if the buyer is unable to pay the deferred purchase price. The guarantee is limited to an amount of EUR 2.1 million and a term until December 30, 2024.

In May and June 2023, a direct subsidiary acquired 100% of the shares in GoCollective A/S (formerly: Arriva Danmark A/S) and MobiLitas d.o.o. (formerly: Arriva Litas d.o.o). as well as 98.8% of the shares in RELOBUS Transport Sp. z.o.o. (formerly: Arriva Bus Transport Polska Sp. z.o.o.). As part of the transaction, Mutares has undertaken to assume guarantees from the seller to third parties. Accordingly, Mutares has guaranteed to Atradius Danmark A/S that it will cover the obligations of GoCollective A/S in the maximum amount of DKK 90.0 million (approx. EUR 12.0 million) if the company is unable to meet its contractual obligations. The guarantee is expected to remain in place until the end of 2030. In addition, Mutares has undertaken to Tryg Forsikring A/S to guarantee the liabilities of GoCollective A/S up to a maximum amount of DKK 150.0 million (approx. EUR 20.0 million). This guarantee is expected to expire at the end of 2030. In the course of the acquisition of Arriva Litas d.o.o., Mutares guaranteed to OTB Bank Serbia that it would assume the obligations of Arriva Litas d.o.o. in the maximum amount of EUR 5.0 million if Arriva Litas d.o.o. is unable to meet its contractual obligations. This guarantee is expected to run until the end of 2030. Furthermore, as part of the acquisition of RELOBUS Transport Sp.z.o.o., Mutares has guaranteed Credendo - Guaranteed & Speciality Risks SAlNV to guarantee contractual obligations of RELOBUS Transport Sp. z.o.o. in the maximum amount of PLN 60.0 million (approx. EUR 13.5 million) if the company is unable to meet its contractual obligations. The guarantee is expected to run until the end of 2030.

In August 2023, a direct subsidiary completed the acquisition of all shares in Gläserne Molkerei GmbH. As part of the transaction, Mutares has guaranteed to provide Gläserne Molkerei GmbH with financial resources of up to EUR 5.0 million to avoid possible insolvency. The guarantee has a term until September 14, 2025.

In September 2023, an indirect subsidiary acquired Selzer Fertigungstechnik GmbH & Co. KG was acquired. As part of the acquisition, Mutares has undertaken to provide Selzer Fertigungstechnik GmbH & Co. KG to provide cash and cash equivalents of EUR 10.0 million to the extent necessary to avoid possible insolvency of the company. In addition, Mutares has provided a loan commitment to the company for the purpose of general corporate financing in the amount of EUR 5.0 million. In the 2023 fiscal year, this loan commitment was reduced to EUR 4.0 million as a result of a loan being granted. In addition, Mutares guarantees to the seller that it will repay the loan existing between the seller and Selzer Fertigungstechnik GmbH & Co. KG if the latter is not in a financial position to meet its repayment obligations. The guarantee is limited to EUR 3.0 million. All three guarantees have a term until August 31, 2025.

In October 2023, a direct subsidiary completed the acquisition of the shares in Gesenkschmiede Schneider GmbH, Schöneweiß & Co. GmbH, Falkenroth Umformtechnik and Jeco-Jellinghaus GmbH. As part of the transaction, Mutares has guaranteed to the seller that it will be responsible for repaying the loan between the seller and the buyer if the buyer is not in a financial position to meet its repayment obligations. The guarantee is limited to EUR 10.0 million and has a term until December 30, 2024.

In October 2023, Mutares issued a guarantee of EUR 10.0 million to third parties in connection with the acquisition of the assets of Holland Industrial Constructions Systems Coöperatief U.A. for the acquiring company Byldis Prefab B.V. and Byldis Facades B.V.. This guarantee only expires when the guarantees between Byldis Prefab B.V. and Byldis Facades B.V. and the third party expire.

In October 2023, an indirect subsidiary completed the acquisition of Walor International S.A.S. and its subsidiaries. In connection with the transaction, the seller entered into a contract for specified services with a subsidiary of Mutares. Mutares has undertaken to the seller to guarantee the obligations arising from this agreement should this be necessary. The guarantee is limited to EUR 3.0 million and has a term until November 1, 2029.

In November 2023, an indirect subsidiary completed the acquisition of Efacec Power Solutions SGPS S.A. and its subsidiaries. As part of the acquisition, Mutares has guaranteed to provide up to EUR 60.0 million in the form of shareholder guarantees should this be necessary to support the acquired company. No shareholder guarantees were issued for Efacec Power Solutions SGPS S.A. as at the reporting date.

In December 2023, a direct subsidiary acquired 100% of the shares in Prénatal Moeder en Kind B.V. As part of the transaction, Mutares has undertaken to the seller to guarantee the fulfillment of the obligations of Prénatal Moeder en Kind B.V. under the so-called "403 Declaration," a declaration under Dutch law of the parent company, for a limited period until December 1, 2024, for the obligations of the subsidiary up to a total amount of EUR 1.0 million. In addition, Mutares has undertaken to indemnify the seller if claims are made against it under guarantees to third parties, or to replace the seller's guarantees with its own guarantees, up to a total maximum amount of EUR 5.3 million. The current indemnification has a term until December 1, 2026.

In principle, the Management Board does not expect any obligations arising from business combinations to be utilized. However, depending on further economic developments and the absence of or delayed progress in restructuring, the probability of utilization may increase and it cannot be ruled out that the obligations entered into could be utilized.

The following obligations from company acquisitions expired in fiscal year 2023:

In connection with the acquisition of Clecim S.A.S. in March 2021, Mutares undertook to provide financial resources in the maximum amount of EUR 5.0 million until February 2023 if this should be necessary to avoid insolvency. This guarantee expired in the 2023 fiscal year without being utilized.

In February 2021, as part of the acquisition of the Repartim Group, Mutares undertook to provide the company with financial resources of up to EUR 4.0 million until 24 months after completion of the acquisition, i.e. until April 9, 2023, should this be necessary to avoid insolvency. This guarantee expired in the 2023 fiscal year without being utilized.

A direct subsidiary of Mutares SE & Co. KGaA acquired Lapeyre S.A.S. and its subsidiaries in April 2021. As part of this transaction, Mutares has undertaken to guarantee the liabilities of the buyer, including the payment of funds of EUR 5.0 million to the Lapeyre Group by June 1, 2023. The guarantee expired upon fulfillment of the payment obligation in June 2023.

In connection with the acquisition of the transport logistics and warehouse business by BEXity GmbH, Mutares has undertaken towards the seller to indemnify the seller against claims by third parties in connection with legal relationships assumed and in the event of insolvency of BEXity GmbH. The indemnification claim of the seller is limited in terms of time and amount to EUR 9.0 million until December 30, 2021, to EUR 6.0 million until December 30, 2022, and to EUR 3.0 million until December 30, 2023. The aforementioned liability limits increase by profit distributions of BEXity GmbH and decrease by Mutares's financing lines and loans not yet repaid. With the sale of BEXity GmbH in February 2022, the acquirer of BEXity has also assumed the aforementioned obligation to the seller at the time jointly and severally and has at the same time undertaken to indemnify Mutares in the event of a claim. Furthermore, the seller has also declared that it will only make claims against Mutares subordinate to the acquirer. This guarantee expired in the fiscal year without being called upon.

Mutares has undertaken to indemnify the seller of the paper napkin business acquired from FASANA GmbH for a period of four years from February 2020 against certain claims of the employees assigned to the paper napkin business. The amount of the indemnification was limited to EUR 10.0 million in the first two years; this amount is reduced by any funds that Mutares SE & Co. KGaA made available to FASANA GmbH. In the third year, the maximum exemption amount is reduced to EUR 7.5 million and in the fourth year to EUR 5.0 million. As of the reporting date, Mutares had provided FASANA GmbH with funds in such an amount that the guarantee was reduced to EUR 0.0 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 Lacroix + Kress GmbH. The indemnification was limited to a period of 27 months from the closing of the transaction and thus until February 2023 and an amount of EUR 2.0 million. This guarantee expired in fiscal year 2023 without being called upon. In addition, the buyer of Lacroix + Kress GmbH indemnified the executive bodies of the seller, a direct subsidiary of Mutares, against any claims by third parties in connection with the legal relationships of Lacroix + Kress GmbH. Mutares guaranteed to the seller the fulfillment of the contractual obligations of the buyer. As part of the sale of Lacroix + Kress GmbH in March 2023, this guarantee expired without being invoked.

In November 2022, a direct subsidiary acquired Steyr Motors Betriebs GmbH, based in Austria. As part of the transaction, Mutares undertook to provide the company with financial resources to fulfill its obligations to the seller under the purchase agreement. This guarantee was limited to EUR 4.0 million and a period of twelve months after completion of the transaction, i.e. until November 30, 2023. This guarantee expired in the 2023 fiscal year without being utilized.

Obligations from company disposals

The sale of all shares in Nordec Group OY by DONGES STEELTEC GmbH was completed on November 10, 2022. In connection with the sale, Mutares SE & Co. KGaA has undertaken to guarantee the indemnification obligation of DONGES STEELTEC GmbH under the purchase and assignment agreement. The guarantee is limited to a maximum amount of EUR 13.0 million. The guarantee expires (i) at the latest fifteen years after the issuance of the guarantee, i.e. at the end of November 10, 2037, or (ii) if all claims have been duly satisfied and no further claims for indemnification are expected or (iii) if the maximum amount has been exhausted or (iv) if a cancellation agreement regarding the guarantee has been reached or (v) if the claims for indemnification have been waived as a result of a change of control. The Management Board does not expect to be called upon under this obligation. The guarantee was reduced to EUR 11.8 million in fiscal year 2023 due to the conclusion of a settlement agreement in April 2023.

In the course of the sale of properties and the leaseback of these to Japy Tech S.A.S. in November 2021, Mutares SE & Co. KGaA undertook to guarantee the investment obligations of Japy Tech S.A.S. in the amount of up to EUR 1.5 million and the payment obligations under the lease in the amount of up to EUR 1.2 million for a period of five years from the date of sale, i.e. until November 8, 2026. Both guarantees are reduced over time. Both obligations were reduced to EUR 0.9 million each in fiscal year 2023.

The Management Board does not expect any obligations from the sale of companies to be utilized. However, depending on developments that cannot be fully foreseen, the probability of utilization could increase and it cannot be ruled out that the obligations entered into could be utilized.

Litigation

The liquidator of the former Grosbill investment is bringing an action based on Mutares' alleged responsibility under company law. At the same time, this liquidator is also suing the former seller of Grosbill for breach of contract against the company sold. Mutares defended itself in full against this claim, which it considered to be unfounded. The legal dispute was initially removed from the list of pending proceedings by the court due to a lack of grounds for the action and suspended; shortly before the limitation period for potential claims expired at the end of 2022, the plaintiff filed a new statement of claim containing a statement of grounds. Furthermore, in August 2023, the liquidator filed another statement of claim, which is essentially directed against the former seller. Mutares will defend itself against this, as the claims are considered unfounded and legally absurd due to the lack of statutory provisions. A decision is currently still pending.

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

The Management Board of the general partner of Mutares SE & Co. KGaA, Mutares Management SE, as well as the Shareholders' Committee and the Supervisory Board of Mutares SE & Co. KGaA are committed to the principles of corporate governance focused on long-term and sustainable value creation. To this end, they jointly issue a summarized "Corporate Governance Statement" in accordance with Sections 289f and 315d of the German Commercial Code (HGB). The full text of the current declaration is available on the company's website at https://ir.mutares.com/en/corporate-governance/. As part of the corporate governance statement, the Management Board of the general partner of Mutares SE & Co. KGaA, Mutares Management SE, and the Supervisory Board of Mutares SE & Co. KGaA issued the statement required by Section 161 of the German Stock Corporation Act (AktG) in December 2023 and made it publicly available on the company's website at https://ir.mutares.com/en/corporate-governance/.

5.7 Group affiliation

The Company prepares consolidated financial statements for the largest group of companies and the smallest group of companies as of 31 December 2023. Disclosure shall be made by means of electronic transmission of the documents to the body keeping the register of companies for inclusion in the register of companies.

5.8 Disclosure of voting rights notifications pursuant to Section 160 (1) no. 8 AktG

Pursuant to Section 160 (1) No. 8 of the German Stock Corporation Act (AktG), information must be provided on the existence of shareholdings that have been notified pursuant to Section 20 (1) or (4) of the German Stock Corporation Act (AktG) or Section 33 (1) or (2) of the German Securities Trading Act (WpHG). Under these provisions, investors whose share of voting rights in listed companies has reached, exceeded or fallen below certain thresholds are required to notify the Company.

The notifications received by the Company pursuant to Section 33 (1) or (2) of the German Securities Trading Act (WpHG) are listed below, reflecting the shareholdings last reported to Mutares SE & Co KGaA. There may have been changes in the voting rights listed after the dates indicated that were not notifiable to the Company.

Date of notification to the Company	Communicating person	Share of voting rights	Shares held directly or indirectly
20.10.2021	Robin Laik	25,08%	**direct**
20.10.2021	Dr. Johann Vielberth	10,12%	**indirect**
20.10.2021	ELBER GmbH	10,12%	**direct**

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

5.9 Proposal for the appropriation of earnings

The Management Board of the general partner of Mutares SE & Co. KGaA will propose to the Annual General Meeting to be held in 2024 for the fiscal year 2023 that the distributable profit of Mutares SE & Co. KGaA as of December 31, 2023 of EUR 184,192,268.13 to distribute a dividend of EUR 2.25 per dividend-bearing share and to carry forward the remainder to new account. With 21,058,756 dividend-bearing no-par value shares currently in circulation, the total dividend payout therefore amounts to EUR 47,382,201.00. The remaining amount of EUR 136,810,067.13 is to be carried forward to new account.

5.10 Events after the balance sheet date

With a value date of January 29, 2024, Mutares SE & Co. KGaA as issuer increased the existing senior secured bond with a nominal volume of EUR 150 million and a term until March 31, 2027 (WKN A30V9T / ISIN NO0012530965) by an amount of EUR 100 million to the maximum nominal volume of EUR 250 million. The bond continues to bear interest quarterly at the 3-month EURIBOR (EURIBOR floor of 0.00%) plus a margin of 8.50%.

Munich, 27. March 2024

Mutares Management SE,

General Partner of Mutares SE & Co. KGaA

The Board

Robin Laik

Mark Friedrich

Appendix 1 to the Notes: Fixed Assets Schedule

Development of fixed assets for the period from 1 January 2023 to 31 December 2023

in EUR	Acquisition and production costs				
	01 January 2023	Additions	Disposals	Reclassifications	31 December 2023
I. Intangible assets					
Concessions, industrial property rights and similar rights and assets purchased for valuable consideration, as well as licenses to such rights and assets	70.490	0	0	0	70.490
	70.490	0	0	0	70.490
II. Property, plant and equipment					
1. other equipment, factory and office equipment	1.294.280	92.541	9.564	0	1.377.257
2. Payments on account	0	6.879	5.429	0	1.451
	1.294.280	99.420	14.992	0	1.378.708
III. Financial assets					
1. shares in affiliated companies	82.193.372	76.262.196	10.896.788	0	147.558.779
2. loans to affiliated companies	28.276.016	0	10.652.606	0	17.623.410
3. participating interests	36.000	0	0	0	36.000
	110.505.388	76.262.196	21.549.394	0	165.218.190
Total	**111.870.158**	**76.361.616**	**21.564.386**	**0**	**166.667.388**

in EUR	Accumulated depreciation						Book value	
	01 January 2023	Additions	Write-Up	Disposals	Reclassifications	31 December 2023	31 December 2023	31 December 2022
I. Intangible assets								
Concessions, industrial property rights and similar rights and assets purchased for valuable consideration, as well as licenses to such rights and assets	70.483	0	0	0	0	70.483	7	7
	70.483	0	0	0	0	70.483	7	7
II. Property, plant and equipment								
1. other equipment, factory and office equipment	878.815	118.476	0	0	0	993.885	383.372	415.465
2. Payments on account	0	0	0			0	1.451	0
	878.815	118.476	0	0	0	993.885	384.823	415.465
III. Financial assets								
1. shares in affiliated companies	15.710.189	4.741.200	4.110.670	1.609.926	0	14.730.794	132.827.986	66.483.183
2. loans to affiliated companies	0	0	0	0	0	0	17.623.410	28.276.016
3. participating interests	0	0	0	0	0	0	36.000	36.000
	15.710.189	4.741.200	4.110.670	1.609.926	0	14.730.794	150.487.396	94.795.199
Total	**16.659.487**	**4.859.676**	**4.110.670**	**1.609.926**	**0**	**15.795.162**	**150.872.226**	**95.210.671**

Appendix 2 to the Notes: List of shareholdings as of 31 December 2023

Direct investments/holding companies	Seat	Shares in % 31.12.2023	Shares in % 31.12.2022	Result of the last financial year kEUR	Equity of the last financial year kEUR
mutares Holding-02 AG	Bad Wiessee	100	100	-2.912	15.025
mutares Holding-03 AG	Bad Wiessee	100	100	-2	6
mutares Holding-07 GmbH	Bad Wiessee	90	90	-399	-1.650
mutares Holding-09 AG i.L. (7)	Bad Wiessee	-	100	-	-
mutares Holding-10 GmbH (9)	Bad Wiessee	-	100	-11	-32
mutares Holding-11 AG i.L. (3)	Bad Wiessee	100	100	2	3
mutares Holding-13 AG i.L. (7)	Bad Wiessee	-	100	-	-
mutares Holding-14 GmbH	Bad Wiessee	100	100	-25.333	-19.902
mutares Holding-20 AG i.L. (3)	Bad Wiessee	100	100	1	24
mutares Holding-21 AG	Bad Wiessee	100	100	-1	8
mutares Holding-25 GmbH	Bad Wiessee	100	100	-116	-75
mutares Holding-26 GmbH	Bad Wiessee	90	90	-2.790	-3.268
HILO Group GmbH (vormals: mutares Holding-28 GmbH)	Bad Wiessee	100	100	-5	17.258
mutares Holding-30 AG i.L. (3)	Bad Wiessee	100	100	-	-
mutares Holding-31 GmbH (10)	Bad Wiessee	-	100	-933	2
mutares Holding-33 GmbH	Bad Wiessee	100	100	7.885	15.813
mutares Holding-35 GmbH	Bad Wiessee	100	90	-410	-336
mutares Holding-36 GmbH	Bad Wiessee	100	90	-25	565
mutares Holding-37 GmbH (10)	Bad Wiessee	-	100	3.612	81
mutares Holding-38 GmbH	Bad Wiessee	90	90	39	59
mutares Holding-39 GmbH	Bad Wiessee	90	90	20.511	20.549
mutares Holding-40 GmbH	Bad Wiessee	85	85	-799	3.470
mutares Holding-41 GmbH	Bad Wiessee	100	100	-12	37
mutares Holding-42 GmbH	Bad Wiessee	90	90	7.624	8.671
mutares Holding-43 GmbH (10)	Bad Wiessee	-	100	2.643	28
mutares Holding-45 GmbH	Bad Wiessee	90	90	569	1.088
mutares Holding-46 GmbH	Bad Wiessee	90	90	1	8
mutares Holding-47 GmbH	Bad Wiessee	90	90	30	502
mutares Holding-48 GmbH	Bad Wiessee	90	90	-11	11
mutares Holding-49 GmbH	Bad Wiessee	87	87	-108	-85
mutares Holding-50 GmbH	Bad Wiessee	91	91	-277	35
mutares Holding-51 GmbH	Bad Wiessee	100	100	-2.504	-2.482
mutares Holding-53 GmbH	Bad Wiessee	100	100	-711	-706
mutares Holding-54 GmbH	Bad Wiessee	100	100	-2	21
mutares Holding-55 GmbH	Bad Wiessee	91	100	-3	30
mutares Holding-56 GmbH	Bad Wiessee	90	100	-2	22
mutares Holding-57 GmbH	Bad Wiessee	90	100	4.267	4.290
mutares Holding-58 GmbH	Bad Wiessee	90	100	-2	22
FERRAL United GmbH (vormals: mutares Holding-59 GmbH)	Frankfurt (vormals: Bad Wiessee)	100	100	-89	-66
mutares Holding-60 GmbH	Bad Wiessee	90	100	-2	23
mutares Holding-61 GmbH (11)	Bad Wiessee	-	100	-3	22
mutares Holding-62 GmbH	Bad Wiessee	90	100	-2	23
mutares Holding-63 GmbH	Bad Wiessee	100	100	-2	23
mutares Holding-64 GmbH	Bad Wiessee	100	100	-2	23
mutares Holding-65 GmbH	Bad Wiessee	100	100	-2	23
mutares Holding-66 GmbH	Bad Wiessee	100	100	-2	23
mutares Holding-67 GmbH	Bad Wiessee	100	100	-2	23
mutares Holding-68 GmbH	Bad Wiessee	100	100	-2	23
mutares Holding-69 GmbH	Bad Wiessee	100	100	-2	23
mutares Holding-70 GmbH (1) (6)	Bad Wiessee	100	-	-	-
mutares Holding-71 GmbH (1) (6)	Bad Wiessee	100	-	-	-
mutares Holding-72 GmbH (1) (6)	Bad Wiessee	100	-	-	-
mutares Holding-73 GmbH (1) (6)	Bad Wiessee	100	-	-	-
mutares Holding-74 GmbH (1) (6)	Bad Wiessee	100	-	-	-
mutares Holding-75 GmbH (1) (6)	Bad Wiessee	100	-	-	-
mutares Holding-76 GmbH (1) (6)	Bad Wiessee	100	-	-	-
mutares Holding-77 GmbH (1) (6)	Bad Wiessee	100	-	-	-
mutares Holding-78 GmbH (1) (6)	Bad Wiessee	100	-	-	-
mutares Holding-79 GmbH (1) (6)	Bad Wiessee	100	-	-	-
mutares Holding-80 GmbH (vormals: PFMB Acquisition GmbH)	Bad Wiessee (vormals: München)	100	-	-	-

Direct investments/holding companies	Seat	Shares in % 31.12.2023	Shares in % 31.12.2022	Result of the last financial year kEUR	Equity of the last financial year kEUR
Purple Holding SAS	Paris/FR	100	100	-76	-76
Mutares Austria Holding-01 GmbH	Wien/AT	90	100	21.992	22.027
Mutares Holding Italy 1 S.r.l.	Mailand/IT	100	100	53	11
Mutares Sierra S.L. i.L (3)	Madrid/ES	-	100	0	3
Mutares Investment S.L. i.L. (3)	Madrid/ES	-	100	0	3
MuxTec GmbH	München	100	100	-2	321
Mutares Verwaltungs GmbH (2)	Bad Wiessee	100	100	0	50
Mutares Management SE	München	30	30	132	25

Subidiaries	Seat	Shares in % 31.12.2023	Shares in % 31.12.2022	Result of the last financial year kEUR	Equity of the last financial year kEUR
Mutares France S.A.S.	Paris/FR	100	100	996	1.219
Mutares Italy S.r.l.	Mailand/IT	100	100	528	666
Mutares UK Ltd.	London/UK	100	100	830	385
Mutares Nordics Oy	Vantaa/FI	100	100	18	81
Mutares Nordics AB	Stockholm/SE	100	100	455	457
Mutares Iberia S.L.U.	Madrid/ES	100	100	196	353
Mutares Austria GmbH	Wien/AU	100	100	467	519
Mutares Benelux B.V.	Amsterdam/NL	100	100	69	82
Mutares Poland Sp.z.o.o.	Czestochowa/PL	100	100	136	147

Indirect investments: Operating units/subgroups	Seat	Shares in % 31.12.2023	Shares in % 31.12.2022	Result of the last financial year kEUR	Equity of the last financial year kEUR
Amaneos Group					
Amaneos SE (vormals: LMS Group SE)	Frankfurt a.M.	100	100	-2	118
MoldTecs-01-2022 GmbH	Bad Harzburg	100	100	-987	5.849
MoldTecs GmbH (4)	Bad Harzburg	100	100	4.433	10.321
MoldTecs S.A.S. (4)	Laval Cedex/FR	100	100	7.742	26.642
MoldTecs US L.L.C.	Willmington/US	100	100	-1.475	1.732
Shanghai MoldTecs Trading Co. Ltd.	Shanghai/CN	100	100	-236	-236
MoldTecs Brazil Ltd.	Indaiatuba/BR	100	100	0	0
MoldTecs Trading India Private Limited	Bangalore/IN	100	100	-23	-22
MoldTecs Korea Ltd.	Weonju/KOR	100	100	0	73
MoldTecs Godo Kaisha Ltd. (2)	Yokohama/JP	100	100	0	0
MoldTecs Mexiko S.d.r.l.d.c.v. (1) (6)	Mexiko Stadt/MX	100	-	-	-
MoldTecs Auto Systems Taicang Co. Ltd. (1) (6)	Taicang/CH	100	-	-	-
Light Mobility Solutions GmbH (4)	Obertshausen	100	100	0	10.025
SFC Solutions Germany GmbH	Mannheim	100	100	41	120
SFC Solutions India Sealing Private Ltd. (6)	Dehli/IN	100	100	-2.976	-3.828
SFC Solutions India Fluid Private Ltd. (6)	Chengalpattu/IN	100	100	-1.284	6.201
SFC Solutions Czestochowa Sp.z.o.o. (4)	Czestochowa/PL	100	100	-14.476	2.458
SFC Piotrkow Sp.z.o.o.	Warschau/PL	100	100	-723	3.132
SFC Solutions Italy S.R.L. (4)	Cirié/IT	100	100	-11.179	4.292
SFC Solutions Spain Borja SL	Borja/ES	100	100	-1.135	-4.411
SFC Solutions France S.A.S.	Rennes/FR	100	100	56	204
SFC Solutions Automotive France S.A.S.	Charleval/FR	100	100	-15.417	35.200
SFC Solutions Automotive S.r.l.	Clucereasa/RO	100	100	4.627	1.770
SFC Solutions Automotive Morocco S.a.r.l.	Tangier/MA	100	100	-812	1.222
Sealynx Automotive Algeria S.p.A. i.L. (7)	Arbal/DZ	-	29	-139	58
Elastomer Solutions GmbH	Wiesbaum	100	100	38	11.485
DF Elastomer Solutions Lda.	Mindelo/PT	100	100	455	6.741
Elastomer Solutions s.r.o.	Belusa/SK	100	100	-1.062	90
Elastomer Solutions Maroc S.à.r.l.	Freihandelszone Tanger/MA	100	100	-374	-921
Elastomer Solutions Mexico S. de R.L. de C.V.	Fresnillo/MX	100	100	-423	1.621
HILO Group					
KICO GmbH (4)	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	-181	147
KICO Sistemas Mexico S. de R.L. de C.V.	El Marqués/MX	100	100	-123	-424
Innomotive Systems Hainichen GmbH (4)	Hainichen	100	100	-10.261	37.545
Innomotive Systems Hainichen Co. Ltd.	Nanjing/CN	100	100	-3.528	6.774
Innomotive Systems Romania S.R.L (1) (6)	Cluj/RO	100	-	-	-
High Precision Components Witten GmbH	Witten/GER	100	-	23	48
Alemante Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG i.L. (7)	Mainz	-	94	-207	-642
FerrAL United Group					
Ferral United France S.A.S. (1) (6)	Paris/FR	100	-	-	-
Cimos d.d. (4)	Koper/SI	100	100	-9.257	15.686
Akcionarsko Drustvo Livnica Kikinda	Kikinda/RS	92	92	-567	-49.846
Cimos IP d.o.o.	Koper/SI	100	100	-53	109
P.P.C. Buzet d.o.o.	Buzet/HR	100	100	-58	-30
Cimos Buzet d.o.o.	Buzet/HR	100	100	-2.601	64.980
Cimos Ljevaonica Roc d.o.o.	Roc/HR	100	100	-385	10.196
Cimos "TMD Automobilka Indusrija" d.o.o.	Gradacac/BA	100	100	-3.286	-7.641
Livnica Kikinda Automobilska Indusrija d.o.o.	Kikinda/RS	100	100	-2.893	4.405
Cimos Germany GmbH i.L. (3)	München	100	100	-8	54
PrimoTECS S.P.A. (4)	Avigliana/IT	100	100	-16.757	1.041
Rasche Holding GmbH	Plettenberg	100	100	124	138
Rasche Umformtechnik GmbH & Co. KG	Plettenberg	100	100	-740	-1.497
Rasche Verwaltungs GmbH	Plettenberg	100	100	1	45
BEW-Umformtechnik GmbH	Rosengarten	88	-	2.083	4.232
BEW-Präzisionstechnik GmbH	Uhldingen-Mühlhofen	88	-	-1	0
MMT-B SAS (1) (6)	Blanquefort/FR	100	-	-	-
Selzer Fertigungstechnik GmbH & Co.KG	Driedorf	100	-	-12.760	8.304
Selzer Verwaltungsgesellschaft mbH	Driedorf	100	-	5	65
Selzer Systemtechnik GmbH	Driedorf	100	-	-846	241
Selzer International GmbH	Driedorf	100	-	-929	-1.109
Selzer Automotive Systems Co. Ltd.	Kunshan/CH	100	-	89	-860
Selzer Automotive Bosnia d.o.o.	Rajlovačka/BH	100	-	-7.157	-13.130
Selzer Automotive RO S.r.l.	Judet Bihor/RO	100	-	-	-
Selzer Automotive Automotive Brasil Ltd.	Sao Paolo/BR	100	-	-43	-395
Schöneweiß & Co. GmbH (7) (4)	Hagen	100	-	13.814	14.676
Gesenkschmiede Schneider GmbH (7) (4)	Aalen	100	-	-11.657	19.454
Falkenroth Umformtechnik GmbH (7)	Schalksmühle	100	-	-9.268	2.349
Jeco-Jellinghaus GmbH (7)	Gevelsberg	100	-	-301	5.130

Mutares SE & Co. KGaA

Annual financial statements as of December 31, 2023

Indirect investments: Operating units/subgroups	Seat	Shares in % 31.12.2023	Shares in % 31.12.2022	Result of the last financial year kEUR	Equity of the last financial year kEUR
FerrAL United Group					
Walor International SAS	Laval/FR	100	-	-7.809	-1.905
Offranville WI SCI	Laval/FR	100	-	265	266
Laval WI SCI	Laval/FR	100	-	603	604
Toucy WI SCI	Laval/FR	100	-	137	138
Walor LCF SAS	Bec a Le Cambon-Feugerolles/FR	100	-	153	2.446
Walor Bogny SAS	Bogny-sur-Meuse/FR	100	-	235	3.331
Walor Lege SAS	Legé/FR	100	-	139	228
Walor Vouziers SAS	Vourziers/FR	100	-	-1.819	551
Walor Extrusion SAS	Laval/FR	100	-	481	8.826
WALOR Vöhrenbach GmbH	Vöhrenbach	100	-	-76	13.559
Suzhou Walor Automotive Components Co. Ltd.	Suzhou City/CH	100	-	365	3.695
Walor RO S.r.l.	Sfântu Gheorghe /RO	100	-	2.744	10.336
Walormex S de RL de CV	Irapuato/MX	100	-	274	1.153
iinovis Group					
iinovis Beteiligungs GmbH	München	100	100	262	63.602
iinovis Verwaltungs GmbH	München	100	100	-73	0
iinovis Holding GmbH & Co. KG	München	100	100	-17.567	-111.144
iinovis GmbH	Bad Friedrichshall	100	100	0	6.687
BAUR Karosserie- und Fahrzeugbau GmbH	Bad Friedrichshall	100	100	1	0
iinovis Testing Spain S.L.	Antas/ES	100	100	-242	-363
Plati Group					
Plati Elettroforniture S.r.l.	Torino/IT	-	100	-189	-4.402
Plati Ukraine Limited	Wynohradiw/UA	-	100	192	-6.624
Plati Polska S.p.z.o.o	Gdansk/PL	-	95	-2.467	-5.093
Plati Maroc Sarl i.L. (3)	Mohammedia/MA	-	90	-11	-2.780
Plati Electronics UG i.L.	München	-	100	1	1
Peugeot					
Peugeot Motocycles SAS (4)	Mandeure/FR	80	-	-10.421	-6.497
Peugeot Motocycles Italia i.L. (3)	Rom/IT	100	-	-104	-605
Peugeot Motocycles Deutschland GmbH	Rüsselsheim	100	-	29	773
PMTC Engineering Italia (3)	Rom/IT	100	-	-217	319
DBMC SAS	Mandeure/FR	80	-	349	27
NEM Energy Group					
NEM Energy B.V.	Zoeterwourde/NL	100	100	-238	-4.802
Balcke-Dürr GmbH (4)	Düsseldorf	100	100	-8.807	-25.453
Balcke-Dürr Technologies India Private Ltd. (2)	Chennai/IN	100	100	-16	-22
Wuxi Balcke-Dürr Technologies Co., Ltd.	Wuxi/CN	100	100	417	4.501
Balcke-Dürr Engineering Private Ltd. (2)	Chennai/IN	100	100	41	219
Balcke-Dürr Nuklearservice GmbH	Düsseldorf	100	100	-907	-2.694
Donges Group					
Donges SteelTec GmbH (4)	Darmstadt	100	100	-3.156	8.668
Kalzip GmbH	Koblenz	100	100	485	-3.354
Kalzip France S.A.S.	Ancerville/FR	100	100	21	78
Kalzip FZE	Dubai/AE	100	100	317	372
Kalzip Ltd.	Haydock/UK	100	100	-65	-657
Kalzip India Private Ltd. (6)	Gurgaon/IN	100	100	92	3.122
Kalzip S.L.U.	Madrid/ES	100	100	11	100
Kalzip Asia PTE Ltd.	Singapur/SG	100	100	-159	-22.016
Kalzip Inc.	Michigan/US	100	100	17	39
BFS GmbH	Mannheim	-	100	48	134
FDT Flachdach Technologie GmbH	Mannheim	-	100	-6.238	-11.739
FDT Flachdach Technologie S.A./N.V.	Nivelles/BE	-	100	82	150
FDT France S.A.S	Osny/FR	-	100	-	-
Smart Curtain Wall S.A.	Madrid/ES	100	100	-1.134	5.414
Lacroix & Kress					
LACROIX + KRESS GmbH	Bramsche	-	100	2.971	10.088
Lackdraht Union Unterstützungseinrichtung GmbH	Bramsche	-	100	0	25
Special Melted Products					
Special Melted Products Ltd.	Sheffield/UK	-	100	-6.540	25.027
La Rochette					
La Rochette Holding S.A.S	Paris/FR	100	100	6.247	11.684
La Rochette Cartonboard S.A.S. (4)	La Rochette/FR	100	100	30.807	38.669
Bonaparte Holding S.A.S.	Paris/FR	100	100	-2	-1
Gemini Rail und ADComms					
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	-7.687	-1.432
Alan Dick Communications Ltd.	Scunthorpe/UK	100	100	-8.871	-19.717
IPS Communications Ltd. i.L. (3)	Scunthorpe/UK	100	100	-1.231	-14.235
Rail Order Ltd. i.L. (3)	Scunthorpe/UK	100	100	1.983	1.912
Guascor Energy					
Guascor Energy S.A.U. (4)	Zumaia/ES	100	100	-12.486	4.750
Guascor Power USA Inc.	New York/US	100	100	-871	4.980
Guascor Energy R&D	Miñano/ES	100	100	365	2.191

Indirect investments: Operating units/subgroups	Seat	Shares in % 31.12.2023	Shares in % 31.12.2022	Result of the last financial year kEUR	Equity of the last financial year kEUR
Japy Tech Group					
Japy Tech S.A.S.	Dijon/FR	-	100	4.552	6.986
VALTI					
Valti S.A.S.	Montbard/FR	100	100	-10.969	19.615
Clecim					
Clecim S.A.S. (4)	Savigneux/FR	100	100	438	11.870
Steyr Motors Group					
Steyr Motors Betriebs GmbH (4)	Steyr/AT	100	100	191	23.373
Steyr Motors Immo GmbH (12)	Steyr/AT	-	100	198	8.644
Stey Motors North America, Inc.	Costa Mesa/US	100	100	6	420
Steyr Motors Hong Kong Co. Ltd	Hong Kong/HK	100	100	88	71
Byldis					
Byldis Group B.V. (1) (6)	Amsterdam/NL	100	-	-	-
Byldis Facades B.V. (vormals: Mutares Benelux OpCo 2 B.V.) (1) (6)	Amsterdam/NL	100	-	-	-
Byldis Prefab B.V. (vormals: Mutares Benelux OpCo. B.V.) (1) (6)	Amsterdam/NL	100	-	-	-
Byldis UK Ltd.	London/UK	100	-	-2.298	-2.214
Efacec					
Efacec Power Solutions , SGPS, S.A.	Porto/PT	100	-	-52.833	-52.104
Efacec Servicos Corporativos S.A.	Porto/PT	100	-	255	5.639
Efacec Central Europe Ltd. S.R.L.	Bucharest/RO	100	-	130	-1.793
Efacec Praha S.R.O.	Prag/CZ	100	-	-473	1.831
Efacec Angola Ltda	Luanda/AO	98,33	-	3.069	-15.181
Efacec USA Inc.	Norcross/US	100	-	-1.202	-1.412
Efacec Equipos Electricos SLU	Tarragona/ES	100	-	-938	3.098
Efacec Contracting Central Europe GmbH	Wien/AU	100	-	-1.872	-5.063
Efacec Energia – Maquinas e Equipamentos Electricos S.A.	Porto/PO	100	-	-46.770	11.767
Efacec Power Solutions Argentina S.A.	Buenos Aires/AG	99,95	-	-1.342	-900
Efacec Engenharia e Sistemas S.A.	Porto/PO	100	-	-19.069	25.293
S2M Dublin Light Rail Ltd.	Clodalkin/IR	51	-	-	-
XELA AB	Malmö/SE	66,67	-	-3	10
Efacec Engenharia e Sistermas (Chile)S.p.A.	Santiago de Chile/CL	100	-	-280	-279
Efacec Electric Mobility S.A.	Porto/PO	100	-	-7.595	-1.580
Efacec Marketing Internacional S.A.	Porto/PO	100	-	-1.571	-2.416
Power Solutions Brasil, Sistermas de Automacao e Potencia, Ltda.	Sao Paulo/BR	100	-	19	-1.481
Efacec Chile S.A	Santiago de Chile/CL	100	-	93	661
Efacec Algerie EURL	Hydra/DZ	100	-	-577	-95
Efacec Mosambique Lda.	Maputo/ZA	100	-	-6.996	-7.015
Efacec Maroc SARLAU	Casablanca/MA	100	-	-14	-274
EFASA (PTY) Ltd.	Johannesburg/ZA	100	-	0	-26
Efacec India PVT Ltd	Maharashtra/IN	100	-	-1.782	918
EFAMULTI, AB (1) (6)	Sweden/SE	100	-	-	-
Frigoscandia Group					
Frigoscandia AB (4)	Helsingborg/SE	100	100	-2.921	13.602
Frigoscandia B.V.	DB Ridderkerk/NL	100	100	489	131
Frigoscandia Denmark A/S	Aalborg/DN	100	100	-139	750
Svebol Logistics AB	Sundbyberg/SE	100	100	7	507
Frigoscandia Akeri AB	Helsingborg/SE	100	100	7	1.714
Frigoscandia Norway AS	Rud/NO	100	100	-411	1.931
Frigoscandia Oy	Vantaa/FI	100	100	264	1.691
Frigoscandia Fastighets AB	Helsingborg/SE	100	100	-85	9.458
Kommanditbolaget Eslöv Gurkan 2 (7)	Helsingborg/SE	-	100	0	3.180
Kommanditbolaget Beckslagaren 9 Örebro (7)	Helsingborg/SE	-	100	106	1.826
Kommanditbolaget Jordbromalm 4:4 Haninge (7)	Helsingborg/SE	-	100	0	8.906
Frigoscandia Transport AS	Oslo/NO	100	100	-99	-529
Götene Kyltransporter AB	Götene/SE	100	100	-1.345	1.355
Terranor Group					
Terranor Oy	Helsinki/FI	100	100	525	1.600
Terranor AB (4)	Stockholm/SE	100	100	3.317	26.520
Terranor A/S	Silkeborg/DN	100	100	223	5.100
Terranor Verte Oy (1) (6)	Helsinki/FI	100	-	-	-
Terranor Infra AB (1) (6)	Solna/SE	100	-	-	-

Indirect investments: Operating units/subgroups	Seat	Shares in % 31.12.2023	Shares in % 31.12.2022	Result of the last financial year kEUR	Equity of the last financial year kEUR
Conexus					
Conexus S.p.A. (vormals Six Energy S.p.A.)	Rom /IT	100	100	-8.394	555
EXI S.p.A. (13)	Rom/IT	-	100	-4.646	1.667
Balcke-Dürr Energy Solutions S.p.A.	Genua/IT	100	100	-6.179	3.701
Ganter Group					
Ganter Interior GmbH (vormals: Ganter Construction & Interiors GmbH)	Waldkirch	100	100	980	4.301
Ganter Interior GmbH (8)	Waldkirch	-	100	-	-
Ganter Italia S.r.l. i.L. (3)	Meran/IT	100	100	-177	-929
Ganter UK Ltd. i.L. (7)	London/UK	-	100	-	-
Ganter Suisse AG	Schenkon/CH	100	100	315	570
Ganter France S.a.r.l.	Paris/FR	-	100	68	373
Repartim Group					
Mouse Holding S.A.S.	Paris/FR	100	80	1.031	1.057
Repartim S.A.S	Saint-Pierre-des-Corps/FR	100	100	-4.986	1.819
Presta Terre Services S.a.r.l.	Pompey/FR	100	100	886	1.043
Asteri					
Asteri Facility Solutions AB	Solna/SE	100	100	-712	1.321
Arriva Group					
GoCollective A/S (vormals: Arriva Danmark A/S)	Kastrup/DN	100	-	-3.931	17.180
RELOBUS Transport Sp.z.o.o. (vormals: Arriva Bus Transport Polska Sp.z.o.o)	Torun/PL	100	-	-8.624	-14.221
Arriva Litas d.o.o	Pozarevac/RS	100	-	2.933	8.451
Dan Insurance A/S (vormals: Arriva Insurance A/S)	Kastrup/DN	100	-	1.642	6.408
GoCollective Service A/S (vormals: Arriva Service A/S)	Kastrup/DN	100	-	-160	303
GoCollective Rail A/S (vormals: Arriva Tog A/S)	Kastrup/DN	100	-	-10.060	-3.675
BusDan 32. 1 A/S	Kastrup/DN	100	-	45	4.386
BusDan 35 ApS	Kastrup/DN	100	-	-95	12.880
BusDan 39 ApS	Kastrup/DN	100	-	-1.053	2.269
BusDan 40 ApS	Kastrup/DN	100	-	-336	6.088
BusDan 42 ApS	Kastrup/DN	100	-	7	2.067
UCPLUS A/S	Skovlunde/DN	100	-	304	1.255
Palmia					
Palmia Oy (4)	Helsinki/FI	100	-	-5.798	164
Palmia Palvelut Oy	Helsinki/FI	100	-	-79	283
Redo					
Redo Oy (vormals: Recover Nordic Oy)	Vantaa/FI	100	-	-2.238	1.369
Stuart					
SRT Group S.A.S.	Paris/FR	100	-	-156.808	-149.078
SRT France S.A.S.	Paris/FR	100	-	-13.631	-14.184
Stuart Delivery Ltd.	London/UK	100	-	19.243	14.932
Stuart Delivery SL	Madrid/ES	100	-	-2.690	-16.426
Stuart Urban SL	Madrid/ES	100	-	-2.636	-3.263
Stuart Polska S.p.z.o.o.	Warsaw/PL	100	-	-2.113	-2.892
SRT Delivery Portugal S.A.	Lisbon/PT	100	-	-2.611	-2.919
SRT Italy S.R.L.	Milano/IT	100	-	-880	-870
Lapeyre Group					
Lapeyre Holding S.A.S.	Paris/FR	100	100	-601	16.726
Lapeyre S.A.S (4)	Paris/FR	100	100	19.949	263.955
Lapeyre Services S.A.S.	Aubervillieres/FR	100	100	1.693	-4.177
Distrilap S.A.S.	Aubervillieres/FR	100	100	-12.123	-23.032
Enterprise Cordier S.A.S.	Magenta/FR	100	100	-1.453	1.002
Lagrange Production S.A.S.	La Magdelaine Sur Tarn/FR	100	100	-2.505	1.211
Les Menuiseries du Centre S.A.S	Ydes/FR	100	100	800	8.971
Pastural S.A.S.	Epernay/FR	100	100	-134	171
Poreaux S.A.S.	Saint Martin Sur Le Pre/FR	100	100	-4.455	-3.578
Giraud Production S.A.S.	Cours/FR	100	100	510	1.280
Azur Production S.A.S.	Aubervillieres/FR	100	100	-583	-292
Gam S.A.S.	Cours/FR	100	100	-2.446	-6.641
Cougnaud S.A.S.	Aizenay/FR	100	100	-5.480	-3.448
Ouest Production S.A.S.	La Chaize Giraud/FR	100	100	-377	3.064
Rodrigues S.A.S.	Cholet/FR	100	100	-96	432
MJ76 S.A.S	Montivilliers/FR	100	-	61	163
MLB S.A.S	Angoulins sur Mer/FR	100	-	210	337

Indirect investments: Operating units/subgroups	Seat	Shares in % 31.12.2023	Shares in % 31.12.2022	Result of the last financial year kEUR	Equity of the last financial year kEUR
FASANA					
FASANA GmbH (4)	Euskirchen	100	100	2.803	2.265
SABO					
SABO Maschinenfabrik GmbH	Gummersbach	-	100	2.309	1.855
keeeper Group					
keeeper GmbH (4)	Stemwede	100	100	-403	4.940
keeeper Sp.z.o.o.	Bydgoszcz/PL	100	100	-415	1.926
Gläserne Molkerei					
Gläserne Molkerei GmbH (4)	Dechow	100	-	-12.350	21.342
Gläserne Molkerei Münchehofe GmbH	Münchehofe	100	-	0	509
Hofmolkerei Münchehofe GmbH	Münchehofe	100	-	-21	25
Prénatal					
Moeder & Kind B.V.	Amersfort/NL	100	-	-6202	-13.949
Wij Special Media B.V.	Blokker/NL	100	-	238	704
Team Tex					
Team Tex Management SAS (4)	Charvieu-Chavagneux/FR	83,08	-	-21.878	3.090
Team Tex UK Ltd.	Coalville/UK	100	-	-326	-849
Team Tex Brasil Artigos Infantis Ltda.	Sao Paulo/BR	83,79	-	-101	70
Team Tex SAS (4)	Charvieu-Chavagneux/FR	100	-	-31.138	5.997
Logiplast SAS	Charvieu-Chavagneux/FR	100	-	-256	1.827

Other	Seat	Shares in % 31.12.2023	Shares in % 31.12.2022	Result of the last financial year kEUR	Equity of the last financial year kEUR
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	-	-
Novacchio S.r.l. (1) (6)	Mailand/IT	51	-	-	-
Gemeinschaftsunternehmen					
Jinan QingQi Peugeot Motocycles	Jinan/CN	50 -	-	6.834	30.555

Companies in connection with management participation programs	Seat	Shares in % 31.12.2023	Shares in % 31.12.2022	Result of the last financial year kEUR	Equity of the last financial year kEUR
keeeper Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
SABO Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Terranor Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Vespucci Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Iinovis Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Lacroix+Kress Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Clecim Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Crystal Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Maison Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
LaRochette Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Dora Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Frigoscandia Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Asteri Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Ganter Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Valti Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Purple Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Palmia Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Guascor Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Steyr Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
NEM Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Focus Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Finite Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Raclette Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-
Kitchen Beteiligungs GmbH & Co. KG (2) (5)	Bad Wiessee	-	-	-	-

Assurance of the legal Representatives

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

Munich, 27 March 2024

Mutares Management SE,

General Partner of Mutares SE & Co. KGaA

The Board

Robin Laik

Mark Friedrich

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 2023, and the statement of profit and loss for the financial year from 1 January to 31 December 2023, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the combined management report for the parent and the group ("combined management report") of Mutares SE & Co. KGaA, Munich/Germany, for the financial year from 1 January to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of the combined corporate governance statement pursuant to Sections 289f and 315d German Commercial Code (HGB), including the statement pursuant to Section 161 German Stock Corporation Act (AktG) on the German Corporate Governance Code included therein, and the consolidated non-financial report pursuant to Section 315b (3) HGB, to which reference is made in section 6.3 of the combined management report. In addition, we have not audited the content of the subsections "Internal control system" and "Statement on the appropriateness and effectiveness of the risk management system and internal control system" contained in section 7.1 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 2023 and of its financial performance for the financial year from 1 January to 31 December 2023 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 above-mentioned combined corporate governance statement including the statement pursuant to Section 161 AktG included therein, the content of the above-mentioned consolidated non-financial report and the content of the subsections "Internal control system" and "Statement on the appropriateness and effectiveness of the risk management system and internal control system" contained in section 7.1 of the combined management report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the 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 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the key audit matters we have determined in the course of our audit:

1. Recognition of income from long-term equity investments in profit and loss
2. Income from the intragroup disposal of long-term equity investments

Our presentation of these key audit matters has been structured as follows:

a) description (including reference to corresponding information in the annual financial statements)

b) auditor’s response

1. Recognition of income from long-term equity investments in profit and loss

a) Mutares SE & Co. KGaA, Munich/Germany, recognised income from long-term equity investments of mEUR 139.2 (prior year: mEUR 72.3) in the statement of profit and loss of the annual financial statements for the financial year from 1 January to 31 December 2023, which corresponds to approx. 134% of profit for the period in the financial year (prior year: approx. 99%). Income from long-term equity investments exclusively relates to affiliated companies and is partially recognised as part of same-phase profit recognition in profit and loss and partially recognised based on dividend distributions after the corresponding resolutions on the appropriation of profits were made. Income from long-term equity investments is realised if the stipulations for same-phase recognition of the profit for the period in profit and loss are met and the general meeting has made the respective necessary resolutions. This matter was of particular significance during our audit as auditing the stipulations for same-phase profit recognition 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 made corresponding disclosures in the subchapter "Profit and loss account: income from investments" in the "Accounting and valuation principles" section as well as in explanatory note 4.6 in the notes to the financial statements.

b) In conducting our audit we first obtained an understanding of the processes and workflows implemented by the executive directors in respect of the recognition of income from long-term equity investments in profit and loss. Additionally, we reviewed whether the income from long-term equity investments was determined correctly based on the affiliated companies' annual financial statements and the respective resolutions of general meetings. This also included the assessment whether the stipulations for same-phase profit recognition 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 was appropriately disclosed in the statement of profit and loss and whether the corresponding receivables were appropriately recognised in the balance sheet and whether the disclosures made in the notes to the financial statements were complete and correct.

2. Income from the intragroup disposal of long-term equity investments

a) On 28 March 2023, Mutares SE & Co. KGaA, Munich/Germany, as shareholder of mutares Holding-38 GmbH, Bad Wiessee/Germany, and of mutares Holding-41 GmbH, Bad Wiessee/Germany, sold 90% of its shares in mutares Holding-38 GmbH to mutares Holding-41 GmbH. The agreed purchase price amounted to mEUR 9.9 and the settlement of the purchase price was carried out by partially offsetting against a loan of mutares Holding-41 GmbH extended to Mutares SE & Co. KGaA. The capital gain of mEUR 9.4 was recognised under the item "Income from investments and gains on the disposal of investments", which was added to the statement of profit and loss pursuant to Section 265 (5) sentence 2 in conjunction with (6) HGB.

The determination of the purchase price of the shares in mutares Holding-38 GmbH, who in turn held 100% of the shares in each of SIX Energy S.p.A., Milan/Italy, and EXI S.p.A., Rome/Italy, was based on the cash flow planning of the executive directors of SIX S.p.A. and EXI S.p.A. The cash flow planning was based on the expectations of the future market and industry development as well as the further development of SIX S.p.A.'s and EXI S.p.A.'s business model. For determining the value of the two companies, the executive directors of Mutares SE & Co. KGaA commissioned an external valuation professional to prepare a valuation according to the principles of IDW S 1 (Principles for the Performance of Business Valuations) using a discounted cash flow model.

The cash flow planning of the executive directors of SIX S.p.A. and EXI S.p.A. is highly dependent on their assessment of these companies' developments, which form the basis for the planned future cash flows. Another significant influencing factor for determining the business values is the discount rate which was derived from industry-specific weighted average cost of capital. In preparing the valuations, the executive directors have to make numerous assumptions, making it subject to judgement and material uncertainties.

Against this background and given the existing constellation of related entities for which there is no balancing of interest from the outset corresponding to an arm's length comparison, this intragroup disposal of the shares in mutares Holding-38 GmbH was of particular significance in our audit of the annual financial statements of Mutares SE & Co. KGaA.

The disclosures of the executive directors concerning the gains on the disposal of long-term equity investments are included in section 4.6 of the notes to the financial statements.

b) In auditing the transaction regarding the shares in mutares Holding-38 GmbH, we notably examined the concluded agreements and obtained an understanding of the methodical and substantial approach for each purchase price determination carried out by the executive directors of the two companies and the external valuation professional. In this respect, we inspected whether the future cash inflows determined by the executive directors of SIX S.p.A. and EXI S.p.A. and included in the valuations and the respective weighted average cost of capital applied for the valuations served as a basis for the determination of the business values in accordance with the principles of IDW S 1. When analysing the results of the valuations, 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 SIX S.p.A. and EXI S.p.A. as well as of Mutares SE & Co. KGaA regarding the essential factors and valuation parameters on which the expected future cash inflows were based. Moreover, we satisfied ourselves of the expertise, the abilities, and the objectivity of the external valuation professional and integrated in-house valuation experts in our audit team, who supported us in our analysis of the parameters used for the determination of the discount rates and the weighted average cost of capital. As part of our audit of this matter, we reviewed, in particular, the methods applied by the executive directors of SIX S.p.A. and EXI S.p.A., their assumptions made as well as the data and parameters used and assessed whether they are acceptable. Furthermore, we reconstructed the calculation scheme used for the business valuations and recalculated some parts of it. Finally, we examined the determination and recognition of profits resulting from the intragroup disposal.

Other Information

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises:

- the combined corporate governance statement including the statement pursuant to Section 161 AktG,
- the consolidated non-financial report, which is expected to be presented to us after the date of this auditor's report,
- the subsections “Internal control system” and “Statement on the appropriateness and effectiveness of the risk management system and internal control system” contained in section 7.1 of the combined management report, and
- 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.

The executive directors, the shareholder committee and the supervisory board are responsible for the statement according to Section 161 AktG concerning the German Corporate Governance Code, which is part of the combined corporate governance statement. 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 audited content of the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Audit of the Electronic Reproductions of the Annual Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Audit Opinion

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the annual financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value 65814176d17a481ebbccfcf8e557a59881a1ee2666c983dbd33e64622290a996, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the annual financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying annual financial statements and on the accompanying combined management report for the financial year from 1 January to 31 December 2023 contained in the "Report on the Audit of the Annual Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Audit Opinion

We conducted our audit of the electronic reproductions of the annual financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the "Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards.

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 of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited annual financial statements and to the audited combined management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 10 July 2023. We were engaged by the supervisory board on 22 December 2023. 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 submitted for inclusion in the Company Register – are merely electronic reproductions of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Wolfgang Braun.

Munich/Germany, 27 March 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

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

TRANSLATION
– German version prevails –