Annual Report 2022

Aumann AG, Beelen

aumann

Aumann in figures

Fiscal year	2022	2021	Δ 2021 / 2022
	€k	€k	%
Order backlog	256,440	176,909	45.0
Oder intake	295,327	236,623	24.8
Earnings figures	€k	€k	%
Revenue	**215,272**	**161,127**	**33.6**
there of E-mobility	142,083	96,612	47.1
Operating performance	215,517	161,129	33.8
Total performance	223,257	174,067	28.8
Cost of materials	-146,867	-111,071	-32.2
Staff costs	-57,006	-56,455	-1.0
EBITDA	8,728	-2,879	403.2
EBITDA margin	*4.1%*	*-1.8%*	
EBIT	2,575	-7,877	132.7
EBIT margin	*1.2%*	*-4.9%*	
EBT	1,865	-8,592	121.7
EBT margin	*0.9%*	*-5.3%*	
Consolidated net profit	**993**	**-6,160**	**11614**
Earnings figures (adjusted)*	€k	€k	%
Adj. EBITDA	9,041	-1,625	656.3
Adj. EBITDA margin	*4.2%*	*-1.0%*	
Adj. EBIT	2,944	-6,562	144.9
Adj. EBIT margin	*1.4%*	*-4.1%*	
Adj. EBT	2,234	-7,278	130.7
Adj. EBT margin	*1.0%*	*-4.5%*	
Figures from the statement	31 Dec €k	31 Dec €k	%
Non-current assets	80,996	114,158	-29.0
Current assets	233,549	184,323	26.7
there of cash and equivalents **	120,602	103,258	16.8
Issued capital (share capital)	15,250	15,250	0.0
Other equity	174,097	174,097	0.5
Total equity	190,157	189,347	0.4
Equity ratio	*60.5%*	*63.5%*	
Non-current liabilities	26,229	32,528	-19.4
Current liabilities	98,159	76,606	28.1
Total assets	**314,545**	**298,481**	**5.4**
Net cash (+) or net debt (-)) **	111,662	90,318	23.6
Employees	821	775	5.9

* For details of adjustments please see the information in the section on the earnings position.
** This figure includes securities

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

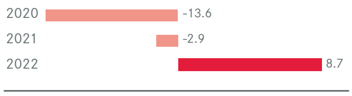
Highlights 2022

Revenue

(€ million)

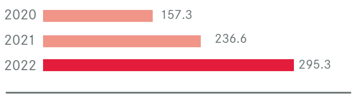
EBITDA

(€ million)



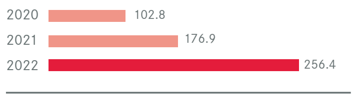
Order intake

(€ million)



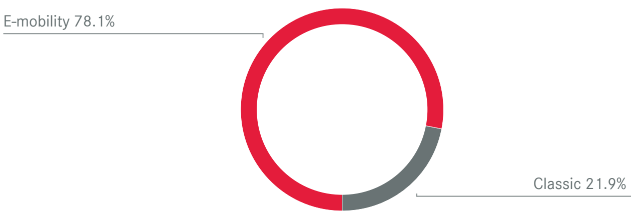
Order backlog

(€ million)



Revenue by segments from 1 January to 31 December 2022

Order intake by segments from 1 January to 31 December 2022



Revenue

€215.3 Mio.

organic growth 33,6%

EBITDA

€8.7 Mio.

EBITDA margin

4,1%

Order intake

€295.3 Mio.

Order backlog

€256.4 Mio.

Earnings per share

€0.07

Liquidity

€120.6 Mio.

Equity ratio

60.5%

„Aumann is fully on track despite challenging conditions. Our growth segment E-mobility will reach its highest order intake in the company‘s history, and the Group‘s order backlog is also at a record level. This will secure our growth in 2023.
It remains the case that Aumann delivers the production solutions for emission-free mobility.“

Sebastian Roll
Chief Executive Officer

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Welcome note from the Executive Board

Dear Shareholders,

Aumann is fully on course - despite challenging general conditions, we have brought the company back on track for success. Our revenue developed dynamically and increased by 33.6 % to €215.3 million. We were able to significantly improve EBITDA compared to the previous year to €8.7 million, which corresponds to an EBITDA margin of 4.1%. At the same time, we were able to set new records across our segments:

- Our order intake reached €295.3 million (+24.9 % compared to the previous year),
- order backlog at the end of the year was €256.4 million (+45.0%) and
- liquidity was at a new all-time high of €120.6 million.

We are very proud of this very positive development, because the year 2022 was also challenging for Aumann in many respects. It was marked by the war in the Ukraine, geopolitical upheavals, high inflation rates and cost increases as well as numerous bottlenecks in the supply chains. It was a year full of uncertainties that faced us with major challenges, which we successfully overcame.

But it is not only our financial figures that make us proud. Aumann has become an established turnkey supplier of production solutions for all key components of electromobility. This makes the E-mobility segment to be our clear growth driver, as its order intake rose by more than a third to €230.5 million in 2022 and marked a record for the second year in a row. An innovative and technologically diversified portfolio allows us to look to the future with confidence. In the past financial year, we again won major orders for battery pack and battery module production lines as well as for technologically innovative production solutions for the so-called Cell-to-Pack process. In addition, we expanded our e-drive train business, especially in the field of power electronics. That said: Aumann supplies the production solutions for emission-free mobility.

In the Classic segment, we were able to significantly expand our business in the field of renewable energies thanks to our broad process know-how. Here we won several orders for production solutions for photovoltaics and also electrolysis, i.e. the process of generating hydrogen from electrical energy. Aumann is thus making a valuable contribution to climate protection beyond its own sustainability goals.

We are delighted with this remarkable team effort by our more than 800 employees. For what we have achieved in 2022, we would therefore like to thank them in particular for their unwavering commitment and enthusiasm. We are pleased to be able to work with such a motivated and qualified workforce. We would also like to thank our customers and business partners for their successful cooperation. And we also thank you, dear shareholders, for the trust you have placed in us.

"We electrify your future" - Our new corporate slogan sums it up. Future-oriented major orders, our increasing profitability, but also our high liquidity with the possibility to continuously invest in new technologies or company acquisitions will ensure our success in the 2023 financial year.

Sincerely,

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

Report of the Supervisory Board

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

This took place both in personal discussions between the members of the Supervisory Board and with the Executive Board, through regular information from the Executive Board on the course of business, and within the framework of the regular Supervisory Board meetings held on 30 March, 8 June, 28 September and 8 December 2022. All members of the Supervisory Board as well as the Executive Board, represented by the CEO and CFO, participated in these meetings in person or in some cases via video conference. The Chairman of the Supervisory Board was also kept informed in detail by the Executive Board between the dates of the Supervisory Board meetings and was therefore always aware of issues of importance to the Aumann Group.

In the course of the individual meetings, the Supervisory Board analysed the current business development together with the Executive Board and discussed the strategic orientation. The consultations covered both the general economic situation of the company and the specific general conditions in the 2022 financial year. Against the backdrop of the high order intake and the strong increase in the order backlog of the Aumann Group, a particular focus was placed on increasing the profitability of the company. As part of the growth strategy, the status of various M&A activities was discussed. In connection with the war of aggression on the Ukraine, possible effects on the Aumann Group were intensively discussed, as were the effects of a significantly increased level of inflation, a persistently tense supply chain situation and a COVID-19 pandemic that slowly faded over the financial year. Against the background of the sharp rise in energy prices, the energy supply of the production sites in the Aumann Group was reviewed and short and medium-term measures to save energy were identified. Due to the high technical demands on the special machinery and production lines for E-mobility projects and products, the challenging situation on the labour market was regularly discussed. In addition, important technical areas of expertise of the Aumann Group, including energy storage and conversion systems, electric traction drive and renewable energies, were explained together with the Executive Board at the Supervisory Board meetings. Where individual transactions required the approval of the supervisory board in accordance with the articles of association, rules of procedure or legal provisions, the Supervisory Board examined these and decided on its approval.

The term of office of all elected members of the Supervisory Board of Aumann AG ended with the conclusion of the Annual General Meeting 2022, so that a new election was necessary. Under agenda item 6 of the Annual General Meeting of 8 June 2022, the Nomination Committee of the Supervisory Board proposed possible Supervisory Board members. In doing so, the objectives decided by the Supervisory Board for its composition were taken into account and, at the same time, the competence profile developed by the Supervisory Board for the entire body was taken into account. The following persons were elected to the Supervisory Board at the Annual General Meeting on 8 June 2022 with the necessary majority of votes:

1. Gert-Maria Freimuth, Diplom-Kaufmann, born on 10 August 1965, Münster,
2. Christoph Weigler, Diplom-Kaufmann, born on 6 April 1983, Pullach,
3. Dr-Ing Saskia Wessel, engineer, born on 13 March 1990, Münster.

Furthermore, the following person was elected as a substitute member for all members of the Supervisory Board:

4. Dr Christof Nesemeier, Diplom-Kaufmann, born on 16 December 1965, Berlin,

whereby Dr Nesemeier will succeed the member of the Supervisory Board who will leave first.

As part of their induction, new Supervisory Board members receive extensive information and explanations on the Articles of Association and the Rules of Procedure for the Supervisory Board and the Executive Board, as well as information on capital market regulations for Supervisory Board members and on liability insurance (D&O insurance).

The Annual General Meeting was followed by the constituting meeting of the Supervisory Board on 8 June 2022. At this meeting, Gert-Maria Freimuth was elected Chairman of the Supervisory Board and Christoph Weigler was elected Deputy Chairman of the Supervisory Board. In addition, Christoph Weigler was elected Chairman of the Audit Committee and Gert-Maria Freimuth was elected Chairman of the Nomination Committee.

The audit committee dealt with the audit of the accounting, the non-financial statement, the monitoring of the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system as well as the audit of the financial statements and the compliance management system of the Aumann Group. Key features of the internal control and risk management systems are described in the following management report of this annual report and a statement is made on their appropriateness and effectiveness. In preparation for the 2022 annual financial statements, coordination also took place on the topic of EU taxonomy and the associated new requirements, regulations and publication obligations. As part of the final audit, the audit committee also consulted with the auditor, even without the presence of the Executive Board.

The Supervisory Board also dealt with the topic of sustainability and built up expertise on sustainability issues that are of specific importance to Aumann AG. In addition, the Supervisory Board dealt with the Corporate Sustainability Reporting Directive (CSRD), which was passed by the EU Parliament on 10 November 2022 and was adopted by the European Council on 28 November 2022, the associated objectives of uniform sustainability reporting by companies and the effects on the reporting of the Aumann Group.

The Supervisory Board also dealt with the topic of corporate governance and the German Corporate Governance Code. The Supervisory Board continuously monitored the further development of corporate governance standards and dealt intensively with the amendments to the recommendations of the Government Commission on the German Corporate Governance Code in the version dated 28 April 2022. Aumann AG complies with the recommendations of the German Corporate Governance Code as amended on 28 April 2022. The Supervisory Board, together with the Board of Management, issued a declaration of compliance in this regard on 22 March 2023 in accordance with section 161 of the German Stock Corporation Act (AktG). The declaration is published on the company's website at www.aumann.com and is also included in this annual report.

The Supervisory Board duly engaged the auditor elected by the Annual General Meeting, RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, to audit the annual and consolidated financial statements for the 2022 financial year. The auditor has performed the annual confirmation of independence to the Supervisory Board and the auditor’s case-related obligation to report to the Supervisory Board in accordance with the German Stock Corporation Act. This declaration confirms that there are no business, financial or other relationships between the auditor, its executive bodies and head auditors on the one hand, and the company and the members of its executive bodies on the other, that could give rise to doubt as to its independence.

The annual financial statements of Aumann AG as at 31 December 2022 and the combined management report for Aumann AG and the Aumann Group prepared in accordance with the principles of German commercial law and the consolidated financial statements as at 31 December 2022 prepared in accordance with the International Financial Reporting Standards (IFRS) were audited by the auditor elected by the Annual General Meeting and engaged by the Chairman of the Supervisory Board, RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, and issued with an unqualified auditor’s report on 27 March 2023.

The Supervisory Board and the Audit Committee examined the annual financial statements prepared by the Executive Board, the joint management report for Aumann AG and the Aumann Group, the proposed appropriation of profits, the consolidated financial statements and the Group management report and discussed them with the auditor at the meeting on 27 March 2023. All of the Supervisory Board's questions were answered comprehensively by the auditor. The Supervisory Board received the auditor's report in good time before the meeting. According to the final result of the examination conducted by the Audit Committee, which also covered the quality of the audit, the Supervisory Board did not raise any objections to the annual financial statements, the management report and the consolidated financial statements. The Supervisory Board and the Audit Committee share the Management Board's assessment of the situation in the management report of Aumann AG and the Group management report.

The consolidated financial statements were approved by the Supervisory Board on 27 March 2023. The annual financial statements of Aumann AG have therefore been adopted.

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

Beelen, 27 March 2023

The Supervisory Board

Gert-Maria Freimuth
Chairman of the Supervisory Board

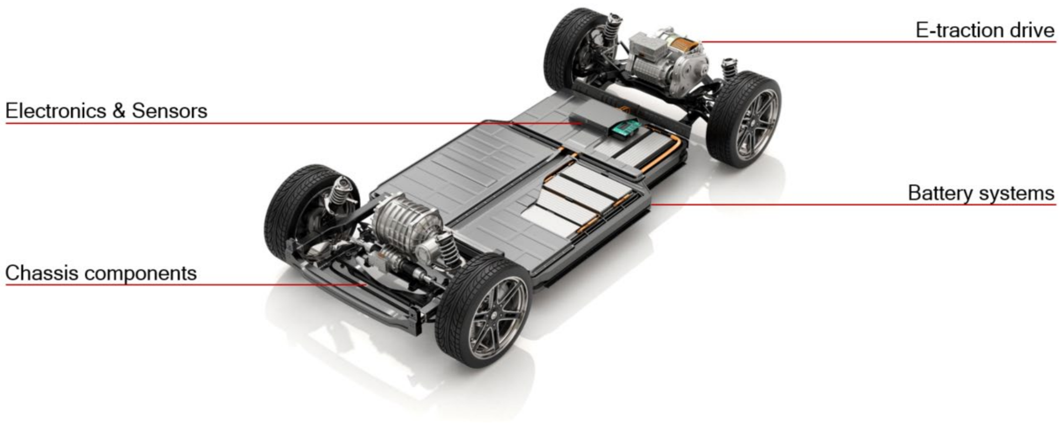
Combined management report and Group management report

The annual financial statements of Aumann AG were prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG), while the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), including the interpretations of the IFRS Interpretations Committee (IFRS IC) on the IFRS as applicable in the European Union, and the supplementary commercial law provisions applicable in accordance with section 315e (1) of the HGB.

In addition to the Aumann Group (hereinafter also referred to as "the Group" or "Aumann"), the combined management report also includes the parent company, Aumann AG, based in Beelen, Germany. It was prepared in accordance with the provisions of the German Commercial Code (HGB) and German Accounting Standard (GAS) No. 20. The reporting on the situation of the Group corresponds in principle to the reporting of Aumann AG. Supplementary information on the annual financial statements of Aumann AG is provided in the earnings, financial and asset situation.

Description of the business model

Aumann is a leading global manufacturer of innovative special machinery and automated production lines with a focus on electromobility. With the German sites in Beelen, Espelkamp and Limbach-Oberfrohna in Europe as well as the Chinese company in Changzhou and a site in Clayton in the USA, the company has five locations in the three most important markets. The entire automotive industry is undergoing a continuous transformation: away from the complex, mechanical drive concept around the combustion engine towards a much leaner and more sustainable electric drive concept. For this reason, Aumann aligned its strategy and portfolio with the needs of the electromobility megatrend years ago and is making a special contribution to emission-free mobility here. Aumann's innovative production solutions enable the highly efficient and technologically advanced large-scale production of a wide range of individual components and modules. These include energy storage and conversion systems (battery and fuel cell), the electric traction drive, the associated power electronics (inverter), power-on-demand units, auxiliary motors as well as electronic components in the field of sensors and controls. Leading companies worldwide rely on Au-mann solutions for the series production of purely electric and hybrid vehicle drives as well as solutions for production automation.



Aumann has consistently driven the expansion of its technological product portfolio in recent years and developed into a full-range supplier for electromobility applications. The company has a broad spectrum of system, process and product know-how and can offer its customers technologically sophisticated and innovative turnkey production solutions. All components of the e-drive train and other key components of electric mobility can be manufactured on Aumann's production lines. Aumann's E-mobility business segment accounted for around three quarters of total business in the 2022 financial year.

The following diagram provides a schematic overview of Aumann's relevant process competencies. The technological innovations in Aumann AG's competence portfolio are described in detail in the section "Research and development".

Aumann accompanies its customers throughout the entire development phase of the product and thus ensures highly automated manufacturability in the subsequent series production. Parallel to the engineering of the complete production line, the optimisation of the performance characteristics is driven forward by means of a digital twin. The possibilities range from the comprehensive simulation of individual process steps and stations as well as the material flows to the virtual commissioning of the entire plant. In this way, Aumann can offer its customers highly innovative and validated production solutions, even for most complex applications. Various production and product-related services from engineering to full service round off Aumann's business.

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

- Strategic focus on the growth market of electromobility,
- Decades of automotive experience and customer relationships in the automotive industry,
- Business activities in the field of renewable energies (electrolysis, photovoltaic modules, etc.),
- Cross-industry and opportunistic use of Aumann know-how,
- Provider of turnkey solutions based on unique automation processes,
- Profitable and non-capital-intensive ("asset-light") business model,
- Solid balance sheet and liquid assets of around € 120 million,
- Expansion prospects through strategic company acquisitions, among others.

Business and economic conditions

After a far-reaching easing of the Corona measures and comprehensive political support programmes at the beginning of 2022 had still offered prospects for strong growth in the global economy, the economic situation clouded over with the unexpected Russian war of aggression on the Ukraine. Due to the acts of war and the associated political trade restrictions and sanctions, there were some dramatic price increases on the international commodity and energy markets and further tightening in the global logistics and supply chains. At the same time, China's stringent zero-COVID strategy led to significant restrictions in all sectors of the economy, causing additional disruptions in global trade. As a result, there was a significant slowdown in economic growth and rapid inflation in almost all regions over the course of the year. Despite the strong economic headwinds, the International Monetary Fund expected global gross domestic product (GDP) to grow by 3.4% in 2022 as a whole, with economic development varying greatly from region to region and over the course of the year. In the previous year, global GDP grew by 6.1%. The global average annual inflation rate is expected to be 8.8%, which is significantly higher than the previous year's already high rate of 4.7%.

The European Union is particularly affected by the outbreak of the war in Ukraine due to its geographical proximity and high dependence on energy imports from Russia. According to the EU Commission, the European Union (EU-27) achieved an increase in GDP of 3.5% for the whole year, which is significantly lower than the previous year's growth of 5.4%. The main driver of the continued positive growth was above all the first half of the year, in which households still strongly boosted their spendings, especially on services, after the lifting of the Corona measures. The second half of the year, however, was much weaker due to the increased uncertainty, the worsening energy crisis and the noticeable erosion of purchase prices for private households, resulting in a stagnation of GDP in the fourth quarter. The persistently high inflation rates, especially in the energy sector, had a particularly strong impact here, leading to a noticeable reluctance to invest among companies and private households and prompted the European Central Bank to raise key interest rates significantly. For 2022 as a whole, the EU Commission reported an average inflation rate of 8.4%, compared to the previous year's value of 2.9%, but at the same time assumes that the inflation trend will have reached its peak for the time being. The labour market, meanwhile, proved to be exceptionally robust, with employment and labour force participation figures remaining high and the unemployment rate comparatively low at 6.8% at the end of the year.

In Germany, GDP rose by 1.9% in 2022 after growth of 2.6% in the previous year. Here, higher energy prices, the worsening shortage of skilled workers and persistent supply chain problems weighed heavily on the economy as well and led to significantly reduced production outputs, especially in the industry-intensive sectors. At the same time, inflation rates climbed to new record highs over the course of the year, reaching an average annual value of 7.9% for the full year, the highest value since the 1980s. It was not until the last quarter of 2022 that there were signs of a gradual improvement in the economic situation. Although economic output declined by 0.2% compared to the previous quarter, the ifo Business Climate Index rose steadily from September onwards, reaching a value of 88.6 by December compared to the low for the year of 84.3 in September. The reasons for the growing confidence were, on the one hand, the German government's decisions on the gas and electricity price brake to protect companies and private households against excessive fluctuations in energy costs. On the other hand, companies continued to record strong demand for their products and services and still had high order backlogs that they successively processed as production constraints diminished. Furthermore, the inflation rate also showed first signs of a gradual stabilisation at the end of the year. Although consumer prices remained at a very high level with an inflation rate of 8.6% in December compared to the previous year, prices declined slightly compared to the previous month, which was mainly due to a stabilisation of energy prices. All in all, there is hope that the recession that has begun could ultimately be milder than expected.

Market development

In 2022, the automotive sector was again strongly influenced by the overall economic situation, which was dominated by the geopolitical environment. In the first half of the year, almost all car manufacturers were hit hard by the war of aggression in the Ukraine and the associated disruptions in the global logistics and supply chains. The reduction in production capacities and a noticeable reluctance to buy among corporations and households led to a sharp drop in registration figures across the major markets. Only in the second half of the year did these effects gradually weaken, allowing a significant increase in production and registrations. Despite these catch-up effects, registration figures in the European Union and the USA were down for the full year compared to the previous year. In the USA, the number of new passenger car registrations fell by 8.1% to 13.7 million vehicles, while in the European Union the number of registrations fell by 4.6% to 9.3 million vehicles in the same period. In contrast, the Chinese market was able to report positive growth. According to the China Association of Automobile Manufacturers (CAAM), 23.2 million passenger cars were sold in 2022, 10.0% more than in the previous year. In the main markets, electric vehicles were again able to gain significant market shares over the classic combustion engine, as the registration figures for pure battery-electric vehicles in particular rose again in 2022, in some cases significantly.

The German market for passenger cars held up well in the challenging economic environment and even increased slightly compared to 2021. At 2.65 million units, the number of newly registered vehicles rose by 1.1% compared to the previous year's figure. After a downward trend in the first nine months, new registrations increased significantly, especially in the last quarter, leading to a slight overall increase. The strong year-end development was due to higher production output by car manufacturers as a result of a gradual stabilisation of the supply chains. In addition, sales of electric vehicles in particular contributed to growth. In the single month of December, the number of newly registered purely electric vehicles exceeded 100,000 for the first time and was thus about twice as high as the previous year's figure. Together with plug-in hybrids, the share of vehicles with alternative drive trains was 49%. Over the whole year, every second newly registered vehicle in Germany was either a pure electric vehicle or a plug-in hybrid. This means an increase in registration figures of over 16.9% compared to the previous year.

For 2023, the German Engineering Federation (VDMA) expects a slight decline in production of around 2% for the industry, following slight growth of 1% in 2022. For the automotive industry, on the other hand, the signs point to growth again in 2023, assuming a continuation of the easing of supply chains and a stabilisation of inflation rates. The Center Automotive Research (CAR) expects around 74 million cars to be sold worldwide in 2023, meaning that for the first time since the beginning of the COVID 19 pandemic more vehicles will be sold than in the previous year. For 2024, the institute even expects an increase of around 4%. For the European market, the European Automobile Manufacturers' Association (ACEA) forecasts a 5% increase in car registrations to 9.8 million vehicles. In addition, the market share of electric vehicles is expected to increase significantly in all regions. In Germany alone, according to the CAR study, the market share could temporarily decline due to lower subsidies and high electricity prices.

Aumann expects that - based on the dynamic development of electrified vehicles - the absolute number and relative share of electric vehicles worldwide will continue to increase significantly in the coming years. The following trends and conditions support the change to electromobility:

- All-electric society trend,
- Wide range of attractive passenger car models with electric drive trains,
- Cost advantages in the operating costs of electric vehicles,
- Improved range of electric vehicles thanks to more efficient engines and batteries,
- High announced investments for production capacities for electric and hybrid models,
- State subsidies for environmentally friendly vehicles,
- Agreement of the EU member states and the European Parliament: Only climate-neutral vehicles are to be registered from 2035 onwards,
- Increasing regulation to reduce emissions in the mobility sector in Aumann's core markets,
- Rising demand for zero-emission commercial vehicles.

Business performance

Aumann ends the 2022 financial year with record order intake and order backlog. The successful course of business in 2022 was driven by customer orders across the entire breadth of the technology portfolio. In addition to further acquired orders for large-scale production lines for Module-to-Pack energy storage architectures, technologically innovative production solutions around the Cell-to-Pack architecture also contributed to the positive development. Aumann was able to further expand its e-drivetrain business in the field of power electronics (Inverters) and, in addition, Aumann's expertise in fuel cell production helped it to win its first order for a series production line in the field of electrolysis, i.e. the process for generating hydrogen from electrical energy. Aumann thus further expanded its market position with production solutions related to renewable energies in the areas of fuel cells, electrolyzers and photovoltaics.

In the 2022 financial year, order intake was 24.8% higher than in the previous year and reached €295.3 million, the highest value in the company's history. The clear growth driver was the E-mobility segment, whose order intake marked a new record for the second year in a row. Aumann's revenue followed the dynamic order development and rose by 33.6% to €215.3 million. Despite the geopolitical conflicts and an economically challenging market environment, Aumann was able to significantly increase its EBITDA to €8.7 million, which corresponds to an EBITDA margin of 4.1%. The company thus achieved its guidance for the 2022 financial year. Aumann ended the 2022 financial year with a record order backlog of €256.4 million, an increase of 45.0% compared to the previous year.

Segment performance

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

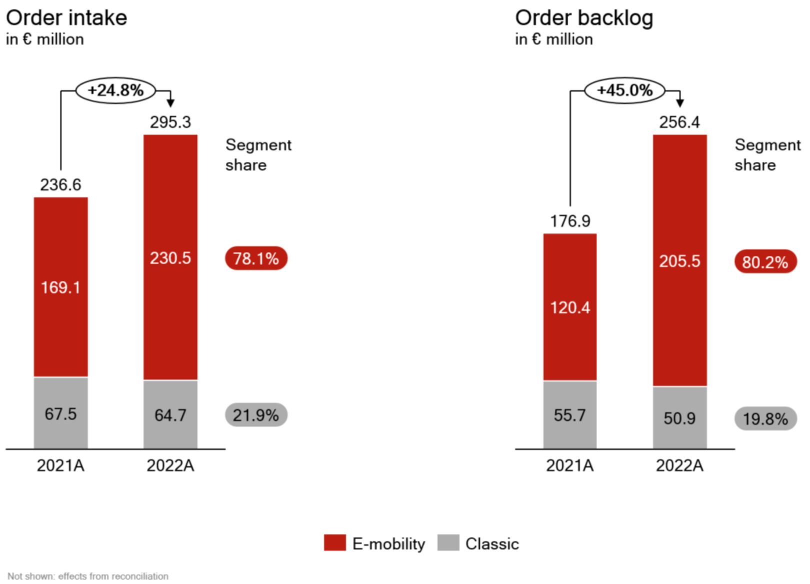
In the E-mobility segment, Aumann primarily manufactures special machinery and automated production lines with a focus on the automotive industry. Aumann's offerings enable customers to mass produce a wide range of individual components and modules of the electrified powertrain in a highly efficient and technologically advanced manner. These range from various energy storage systems and the e-traction engines to power electronics components (inverters) and power-on-demand units or other electronic components. A particular strategic focus for Aumann is on highly automated production lines for the manufacture of energy storage and conversion systems such as batteries and fuel cells, where Aumann also implemented sophisticated production and assembly solutions with well-known customers in the past financial year. Another strategic focus is on production lines for electric motor components and their assembly, which enable large-scale production through production solutions with innovative and efficient process steps. Highly specialised and in some cases unique winding and assembly technologies are used to insert copper wire into electrical components. Renowned customers in the automotive industry use Aumann technology for the series production of their latest generations of energy storage systems, e-traction motors and e-auxiliary motors in the highest quality.

The 2022 revenue in the E-mobility segment increased by 47.1% to €142.1 million compared to the previous year. The segment's EBITDA amounted to €5.8 million (previous year: €-4.3 million), which corresponds to an EBITDA margin of 4.1%. The segment's earnings situation thus improved significantly, although it was still partly burdened by orders securing capacity utilisation, which were acquired in the previous year and valued without loss. The cumulative order intake of the segment is €230.5 million, which means an increase of 36.3%.

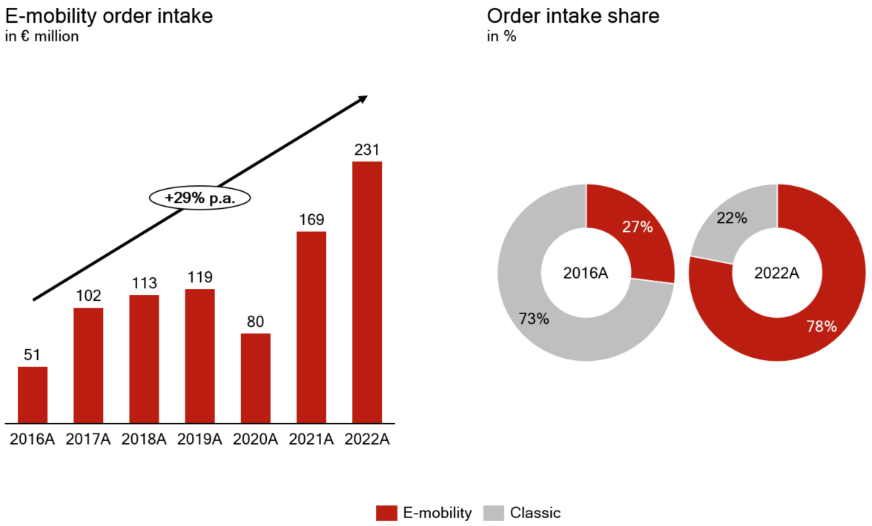
In the Classic segment, Aumann manufactures special machinery and automated production lines mainly for the automotive, renewable energy, consumer electronics, household appliances and other industries. Aumann's solutions include systems for the production of drive and lightweight components that reduce the CO2 emissions of vehicles with combustion engines. Increasingly, the company's product and process expertise in the automotive industry is also benefiting customers in other sectors. Aumann's highly automated manufacturing and assembly solutions are now also used in series production plants in the field of electrolysis or the automated assembly of photovoltaic modules.

The 2022 revenue in the Classic segment was €72.2 million, 13.8% above the previous year's level of €63.5 million. EBITDA amounted to €6.2 million (previous year: €2.2 million), which corresponds to an EBITDA margin of 8.6%. Accumulated order intake in the Classic segment amounted to €64.7 million.

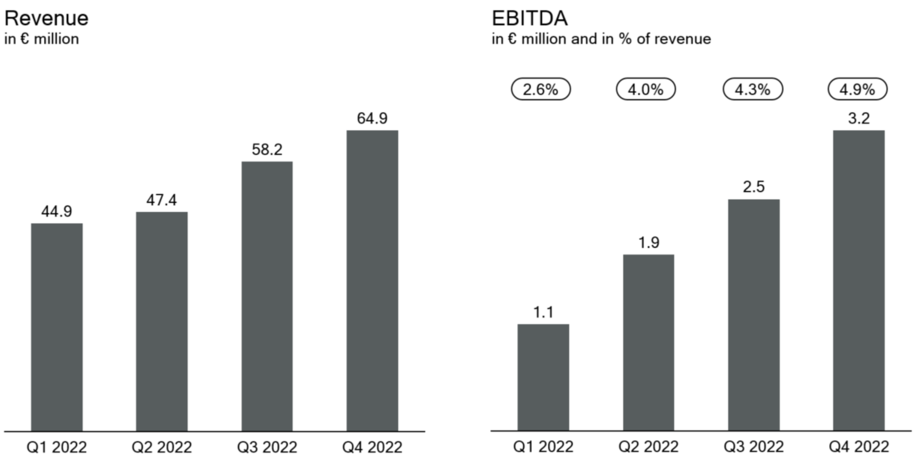
The following charts visualise the development of the E-mobility and Classic segments.



Over the past six years, the order intake of the E-mobility segment has increased very significantly by an average of 29% per year. The segment's share of total order intake has increased significantly from 27% to 78% over the same period.



During the 2022 financial year, a gradual improvement was achieved across all segments. Revenue and EBITDA increased from quarter to quarter and the EBITDA margin reached 4.9% in the fourth quarter of 2022.



Capital measures

There were no capital measures in the 2021 financial year.

Research and development

Aumann attaches great importance to the innovative development of processes and production solutions as well as to increasing digitalisation in production. The implementation of development projects serves the following strategic goals in particular:

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

In principle, the majority of the Aumann Group's technical development takes place in the course of processing customer orders. If the requirements of IAS 38 are met, the development costs are capitalised and amortised over the expected useful life. In the 2022 financial year, development costs of €3.3 million were capitalised, which corresponds to 1.5% of revenue.

Aumann pursues a selective strategy to secure its technological know-how in a targeted manner. This includes an active patent strategy in which national and international patent applications are filed. Aumann legally safeguards new developments on a case-by-case basis at both machine and process level, as will be the case in the 2022 financial year. Based on regular strategic market analyses, individual (technological and market-related) patent families are also expanded regionally.

In 2022, Aumann made further progress in existing solutions as well as in completely new production technologies for key growth and future markets. In line with the group's general strategy, there was a clear focus on the new and further development of technologies in the E-mobility segment. Technological developments in the area of manufacturing processes for energy storage systems were once again a focus of Aumann's development activities.

A special focus is on the two energy storage architectures Module-to-Pack and Cell-to-Pack. Aumann's innovative strength is demonstrated here in solutions that combine innovative manufacturing processes with special automation solutions for these product categories, which meet the special requirements of large-scale assemblies with regard to quality, safety and ergonomics.

In the course of the considerable expansion of capacity worldwide for the production of electric vehicles, the need for production lines for power electronics (inverters) is also growing, as it also represents a differentiating feature of the drive train with regard to the performance of electric vehicles. In this context, the development of the necessary process technologies, for example different joining processes, represents a focus of the deepening of Aumann's know-how and it provides the customer a significant added value in the sense of process-stable processing of the individual components. Beyond the individual manufacturing processes, an intelligent, versatile architecture of the interlinked production lines represents a significant lever for sustainably improving the economic efficiency of inverter production. Aumann addresses this benefit for customers by the development of a modular standardised assembly cell system.

Aumann has already been active in the field of production solutions for fuel cells for many years. These serve to convert hydrogen into electrical energy and are used in mobile applications for passenger cars and commercial vehicles as well as for stationary purposes. Within the production process chain, Aumann has established itself especially in the so-called stacking, for which the solutions for the high-precision handling of the flexible yet sensitive individual components have been further refined within several customer projects. Aumann is realising its first series project here, in which optimised handling and separation processes have been developed.

Against the backdrop of the climate and energy crisis, the decarbonisation of the economy is a megatrend that has developed a particular dynamic during the reporting period. Carbon as an energy carrier is being replaced by hydrogen, which needs to be produced exclusively using renewable energies. This "green hydrogen" is produced with so-called electrolysers, which have many technological similarities to fuel cells. In particular, intelligent concepts for the successive capacity expansion of the production lines play a decisive role, as do customised, flexible automation and process solutions in order to be able to manufacture the products. These are scaled up especially for infrastructure applications, where they enable a flexible, efficient and economic production.

Furthermore, Aumann also continued to develop various solutions in the field of image processing and software standardisation which are used across segments and projects. These are also elements of the strategy consistently pursued by Aumann at various levels to further modify and standardise its portfolio.

Aumann actively promotes scientific discourse with universities and research institutes. Here, Aumann plays an active part in academic discussions by producing and publishing practice-oriented and scientific articles. This continuous dialogue was also palpably visible in the order intake in 2022. For example, Aumann will supply a multi-stage pilot plant for process development and validation in the field of fuel cell technologies to institutions of a renowned research company. For the first time, the systems will also be able to be used to investigate processes for the remanufacturing and recycling of fuel cells. With the increasing spread of corresponding systems in the course of efforts to decarbonise economic processes, this holds further entrepreneurial potential, especially with regard to a sustainable circular economy.

Subsidiaries

At the end of the 2022 financial year, Aumann AG had six direct subsidiaries and one indirect subsidiary.

Employees

The number of employees as at 31 December 2022, excluding trainees and temporary workers, was 821 (previous year: 775). In addition, 71 trainees and dual students as well as 25 temporary workers were employed at Aumann at the end of the year, bringing the total number of people working for Aumann to 917 (previous year: 887).

Due to the strong order intake and the resulting high capacity utilisation in the medium term, recruitment activities were intensified throughout the year, especially to further expand capacity in the core compe-tence areas.

Results of operations, financial position and net assets

Aumann AG (notes based on HGB figures)

Aumann AG generated revenue of €2.6 million (previous year: €2.6 million) in the 2022 financial year from the leasing of land and buildings, the provision of services to Group companies and its role as payment processor for intra-Group service relationships in the Aumann Group. Other operating income amounted to €0.1 million (previous year: €0.1 million). The revenues together with the other operating income resulted in a total output of €2.7 million and remained constant at the previous year's level (previous year: €2.7 million).

In contrast, there were expenses for purchased services in the amount of €0.2 million (previous year: €0.4 million), which mainly include costs for normal business operations. Personnel expenses of €3.0 million (previous year: €2.7 million) consisted of the remuneration of the Executive Board, personnel expenses for employees and personnel expenses in connection with the stock option programme. Other operating expenses amounted to €1.8 million (previous year: €1.2 million) and consisted mainly of charges for intra-group services which Aumann AG invoices to intra-group service recipients in its role as a payment processor, as well as legal and consulting costs and costs for insurance.

The write-offs of €1.2 million (previous year: €1.5 million) included €0.8 million in individual value adjustments on the receivable from a subsidiary (previous year: €1.1 million).

The result after taxes was €1.4 million lower than in the previous year (€8.0 million). The decline is mainly due to the €6.9 million lower income from profit and loss transfer agreements compared to the previous year.

In the 2022 financial year, a dividend of €1,525,000 or 10 cents per share was distributed.

Aumann AG's equity increased to €168.7 million as of the balance sheet date (previous year: €168.4 million). The equity ratio rose by 1.3 percentage points to 95.9% (previous year: 94.6%).

Financial assets remained unchanged from the previous year at €74.1 million.

Aumann AG's cash and cash equivalents amounted to €68.3 million at the end of the financial year (previous year: €36.0 million). The increase is mainly due to the repayment of short-term loan liabilities of subsidiaries in the amount of €25.0 million and the inflow of funds from the profit and loss transfer agreement with Aumann Beelen GmbH for the 2021 financial year in the amount of €10.6 million. The payment of the dividend to the shareholders of Aumann AG in the amount of €1.5 million had an opposite effect on cash and cash equivalents.

Receivables from affiliated companies decreased to €22.4 million (previous year: €56.9 million). As in the previous year, they primarily include short-term loan receivables from subsidiaries and receivables from the profit and loss transfer agreement with Aumann Beelen GmbH. They also include receivables from the leasing of land and buildings and from the provision of services to group companies.

Aumann-Group

Target achievement

Key figures	Target 2022 published	Attained 2022
Revenues (€m)	> 200	215.3
EBITDA-margin	4.0 % bis 5.0%	4.1%

Results of operations

Total output after taking into account capitalised development costs and other operating income was €223.3 million, €49.2 million higher than in the previous year (previous year: €174.1 million). Other operating income fell short of the previous year's value by €6.8 million (previous year: €11.2 million). The decline was mainly due to the reversal of provisions, which were €5.6 million below the previous year's value in 2022.

The cost of materials amounted to €146.9 million (previous year: €111.1 million). At 68.2%, the ratio of cost of materials to revenue was slightly below the previous year's level of 68.9%. The personnel cost ratio to turnover fell by 8.6 percentage points to 26.5% due to the reduced production depth and the increased revenue. At €57.0 million, personnel expenses were almost at the previous year's level (previous year: €56.5 million).

EBITDA (earnings before interest, taxes, depreciation and amortisation) rose to €8.7 million in the financial year (previous year: €-2.9 million). After depreciation and amortisation of €6.2 million (previous year: €5.0 million), the Aumann Group's EBIT (earnings before interest and taxes) amounted to €2.6 million (previous year: €-7.9 million). Taking into account a financial result of €-0.7 million, EBT (earnings before taxes) amounted to €1.9 million (previous year: €-8.6 million). Consolidated net income amounted to €1.0 million (previous year: €-6.2 million), which corresponds to earnings of €0.07 per share (previous year: €-0.40 per share).

In the 2020 financial year, special write-offs were made on property, plant and equipment as part of the restructuring measures to reduce the production depth, which improved the result and were shown in the adjusted EBIT. In the reporting period, other operating income was generated from the sale of some of these tangible assets. For this reason, an opposite effect in the amount of €437.8 is now shown in the adjusted EBITDA with a negative effect on the result. In personnel expenses of €750.4 thousand were adjusted in connection with the stock option programme (previous year: €376.2 thousand). The adjusted EBITDA thus amounted to €9.0 million (previous year: €-1.6 million). Furthermore, depreciation and amortisation on assets capitalised as part of the purchase price allocation of Aumann Limbach-Oberfrohna GmbH was adjusted in the amount of €56.6 thousand (previous year: €61.1 thousand). The adjusted EBIT was thus €2.9 million (previous year: €-6.6 million).

Financial position

Cash and cash equivalents reached €120.6 million as at 31 December 2022 (previous year: €72.8 million).

At €28.7 million, cash flow from operating activities was €14.0 million higher than in the previous year (previous year: €14.7 million). The increase was mainly due to the improved EBIT and a reduction in working capital.

Cash flow from investing activities improved by €32.5 million to €26.0 million. In addition to €-3.5 million in investments in intangible assets, it includes €3.2 million from the balance of investments and disinvestments in tangible assets and €26.3 million from disinvestments in securities. The additions to intangible assets in the amount of €3.5 million resulted mainly from capitalised development costs. The investments in property, plant and equipment amounting to €1.3 million mainly consist of replacement investments.

Cash flow from financing activities was €-1.6 million below the previous year at €-6.7 million. The decrease is mainly due to the dividend payment of €-1.5 million. In addition, the cash flow from financing activities includes the repayment of loans in the amount of €-3.8 million as well as the repayment of leasing liabilities (€-0.7 million) and interest payments (€-0.8 million).

Cash and cash equivalents including securities reached €120.6 million (€103.3 million as at 31 December 2021). Financial liabilities amounted to €8.9 million as at 31 December 2022 (previous year: €12.9 million). The balance of the aforementioned liabilities and liquid funds including securities (net cash) amounted to €111.7 million (previous year: €90.3 million).

Net assets

As of 31 December 2022, the consolidated equity amounted to €190.2 million (previous year: €189.3 million). At 60.5%, the equity ratio was below the previous year's value of 63.4%, which is due to the increase in the consolidated balance sheet total by €16.1 million to €314.5 million.

The share of non-current assets (€81.0 million) in the balance sheet total fell by €30.4 million to 25.8% (previous year: 38.2%), primarily due to the decrease in securities. Current assets, on the other hand, recorded a significant increase of €49.2 million and amounted to €233.5 million as at the reporting date of 31 December 2022. The change essentially results from the increase in cash and cash equivalents by €47.8 million.

The decrease in non-current liabilities by €6.3 million to €26.2 million resulted primarily from the decrease in pension provisions by €7.6 million and the repayment of liabilities to banks in the amount of €3.8 million. Current liabilities increased to €98.2 million (previous year: €76.6 million). A large part of this change resulted from the €17.9 million increase in contract liabilities from advance payments received.

Summary assessment

Aumann's 2022 financial year was characterised by a further significant recovery in the key figures order intake, order backlog, revenue, EBITDA and liquidity. Order intake in the reporting year increased significantly to €295.3 million (previous year: €236.6 million), which also contributed to a significant jump in the order backlog to €256.4 million (previous year: €176.9 million). This growth was driven in particular by the positive development in the E-mobility segment, whose order backlog rose by as much as 70.7% year-on-year to €205.5 million and now accounts for 80.2% of the Group's total order backlog. In addition, Aumann gradually returned to profitability in the course of the financial year, as forecast. EBITDA, at €8.7 million, was significantly higher than in the previous year. Aumann's liquidity position also increased to €120.6 million at the end of 2022.

Aumann has established itself as a turnkey supplier of production solutions for all key components of electromobility. The sustained demand for automated production solutions "Made by Aumann" confirms the company's strategic positioning in the fast-growing electromobility market. At the same time, the highest order backlog in the company's history provides a high degree of visibility with regard to the planned growth in sales and earnings in 2023.

Uncertainties arise in particular from the current inflationary price environment for components and materials as well as the current development of personnel costs. The medium- to long-term effects of the war of aggression in Ukraine and any resulting disruptions to the European and German economy also remain difficult to assess. Overall, a negative impact on the financial, earnings and asset situation of the Aumann Group cannot be ruled out. However, Aumann does not currently anticipate a significant negative impact on its operations and the company.

Principles and objectives of financial management

The Executive Board determines the basic principles of the Group's financial policy. The primary goals of financial management are to secure liquidity and limit financial risks. In this respect, these funds are partly invested in short-term, highly diversified securities, unless and until they are needed to finance growth, e.g. through further acquisitions.

Transactions within the Group are usually carried out on a euro basis. Where necessary, hedging is coordinated centrally by Aumann AG. As at 31 December 2022, forward exchange transactions with nominal values of USD1,074 thousand and GBP525 thousand existed for order-related hedging. The individual participations are responsible for reviewing and monitoring the credit risks of our contractual partners and taking any necessary measures (e.g. optimisation of payment terms, guarantees, trade credit insurance). A monitoring system at group level checks the effectiveness of the measures and reserves the right to intervene further if necessary.

The main source of corporate financing is our operating activities and the cash inflows they generate. Long-term investments are mainly financed with long-term loans. In addition, at the level of Aumann AG there are credit facilities for the German Group companies and for Aumann Technologies (China) Ltd. which were not utilised in 2022.

Controlling system

The consistent focus on increasing the value of the company is also reflected in the internal management systems. All relevant developments in the Aumann Group are discussed at the monthly board meetings. The development of various key figures, in particular order intake, revenue, EBITDA (earnings before interest, taxes, depreciation and amortisation) and EBIT (earnings before interest and taxes) of the Group and the individual Group companies as well as their respective E-mobility shares are analysed. Aumann AG defines Group revenue and EBITDA as key financial performance indicators relevant to the forecast. The balance of cash and cash equivalents including securities and financial liabilities (net cash or net debt) is used as a key figure to manage the financial and asset situation. Another key performance indicator is trade working capital, which consists of inventories, trade and completed contract receivables, advances received and trade payables. In addition to the above financial indicators of day-to-day operating business, the non-financial indicators of the non-financial statement also come into focus when the occasion demands.

Report on risks and opportunities

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

- Continued increase in the market share of electrically powered vehicles
- Continued strong expansion of production capacities for electromobility
- Increasing demand for production solutions in the field of renewable energies (e.g. electric electrolysers, photovoltaics)
- Europe and especially Germany as a manufacturing location for global battery producers
- Competitive advantages through special core competencies and broad technology portfolio
- Progressive normalisation of the tense procurement market situation
- High level of financial resources to generate organic and inorganic growth
- Early customer retention through development partnerships with OEMs and tier one customers

In summary, the Aumann Group has considerable opportunities from its operating activities and from possible organic and inorganic growth.

Management sees the following risks:

Market risks

- Occurrence of catastrophes (including pandemics), geopolitical uncertainties, global economic or banking crises, energy shortages, sabotage and cyber incidents and their economic impact on Aumann's markets or on Aumann
- Escalation of existing political or military conflicts
- Political uncertainties and their economic implications
- Trade barriers that impede access to Aumann's markets
- Deterioration of the overall economic situation in Aumann's markets
- Volatility in the automotive industry, especially in the market for electric mobility
- Intensification of competition, for example through market consolidation

Business risks

- Disruption of supply chains and strongly inflationary price development for suppliers
- Dependence on the growth of the automotive market, especially the market for electromobility
- Challenges in the planned internationalisation strategy
- Increased technical risks when entering new fields of technology
- Prolongation of delivery times and associated loss of orders
- Decrease in government incentives for electromobility
- Increasing prices and delivery times from suppliers and service providers
- Financial instability of customers or suppliers as a result of the challenging economic environment
- Changes in economic or other conditions may lead to failure to meet Aumann's sustainability targets

Legal, regulatory and tax risks

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

Financial risks

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

However, there are hardly any significant currency risks that could influence the assets, financial and earnings situation of the company, as the company predominantly carries out its foreign projects in the euro area or in the euro currency. Hedging transactions are generally concluded for significant business transactions in foreign currencies.

As part of the Aumann Group's early risk detection system, an assessment of the above-mentioned risks is regularly made and their potential impact on the divisions Sales (including order intake and sales pipeline), Finance (including sales and earnings), Operations (including procurement and capacities) as well as Sustainability, Legal and Compliance is evaluated. This early risk identification system is part of the reporting of the Executive Board to the Supervisory Board as well as the management of the subsidiaries to the Executive Board.

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

Uncertainties arise in particular from the current inflationary price environment for components and materials as well as the current development of personnel costs. The medium- to long-term effects of the war of aggression in Ukraine are also difficult to assess, as is how this could lead to further distortions for the entire European and German economy. Overall, a negative impact on the earnings, financial and asset situation of the Aumann Group cannot be ruled out. Early procurement and stockpiling of essential components and materials, cost reduction workshops, price hedging and the avoidance of dependence on customers and suppliers in critical regions are part of the measures to reduce the impact. Due to these and other targeted measures, we do not currently anticipate any significant negative impact on operations or the company.

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

The Aumann Group takes account of the aforementioned risks by means of a risk management system. Measures are taken at an early stage to avert disadvantages for the Group companies. These include, among others:

- Integrated investment controlling, which uses monthly business controlling to continuously compare target, actual and forecast data at the level of the investments and at the level of the Group
- Project controlling that monitors the operating projects of the individual companies
- Regular management meetings within the individual companies
- Structured merger & acquisition tools
- Central Group monitoring of significant contractual risks or legal disputes by management, the internal legal advisor and, if necessary, qualified law firms.

The accounting-related internal control system is an integral part of the Aumann Group's risk management. Its main objective is to ensure that all business transactions are accurately reflected in the reporting and to prevent deviations from internal or external regulations. In terms of external accounting, this means ensuring the conformity of the financial statements with the applicable regulations. For this purpose, the accounting-related internal control system, like the risk management system, is structured according to the units that render accounts. There are uniform regulations for accounting in the companies of the Aumann Group. External specialists are consulted on a case-by-case basis to manage individual accounting risks, for example in actuarial valuations.

Declaration on corporate governance[1]

The Supervisory Board reports on corporate governance in accordance with principle 23 of the German Corporate Governance Code as amended on 28 April 2022 and in accordance with section 315d HGB in conjunction with section 289f HGB. This corporate governance statement pursuant to 315d HGB in conjunction with 289f HGB and the Corporate Governance includes the following information:

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

[1] unaudited

1. Declaration in accordance with section 161 AktG

On 22 March 2023, the Supervisory Board issued the most recent declaration of compliance pursuant to 161 AktG. It reads:

Aumann AG submitted the latest declaration of conformity in accordance with section 161 of the German Stock Corporation Act (AktG) on 31 March 2022. The following declaration renews this declaration of conformity.

The Executive Board and the Supervisory Board of Aumann AG declare that since the submission of the last declaration of conformity, all recommendations of the “Government Commission on the German Corporate Governance Code” (Regierungskommission Deutscher Corporate Governance Kodex) in the version dated 28 April 2022 have been and will be complied with in the future.

2. Corporate governance report

Directors’ shareholds

The shareholdings of the members of the executive bodies are shown in the notes to the consolidated financial statements under II. Notes to the consolidated balance sheet, item 9.1.

Composition of the Supervisory Board

The Supervisory Board should include practical experience in corporate management, industry experience as well as business and legal knowledge. The current composition of the Supervisory Board meets this objective.

The objective for the composition of the Supervisory Board is that

- at least one independent member with a high level of industry expertise is appointed, and
- that the diversity of the company is sufficiently represented.

Christoph Weigler and Dr-Ing Saskia Wessel have been appointed as independent members of the Supervisory Board.

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

The length of service on the Supervisory Board can be found in the competence profile (under item 6: Diversity concept / Succession planning).

The Audit Committee, as a professionally qualified committee, is entrusted, among other things, with the audit of the accounting, the monitoring of the accounting process as well as the audit of the financial statements and compliance. Furthermore, it is entrusted with reviewing the effectiveness of the internal control system, the risk management system and the internal audit system and considers the implemented systems to be appropriate and effective. All members of the Supervisory Board also belong to the Audit Committee, whose chairman is Christoph Weigler.

The Nomination Committee nominates suitable candidates to the Supervisory Board for its proposals to the Annual General Meeting for the election of Supervisory Board members. All members of the Supervisory Board also belong to the Nomination Committee, which is chaired by Gert-Maria Freimuth.

Auditor

The Annual General Meeting of Aumann AG elected the auditing and tax consulting company RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, as auditor of Aumann AG. At no time were there any business, financial, personal or other relationships between the auditing company and its executive bodies and audit managers on the one hand, and Aumann AG and its executive body members on the other, which could give rise to doubts about the independence of the auditing company. On the basis of the election of the auditor by the annual general meeting, the supervisory board of Aumann AG issues the audit mandate to the auditor and concludes the fee agreement with the auditor. When issuing the audit mandate, the Supervisory Board also agrees with the auditor on the reporting obligations in accordance with the German Corporate Governance Code. The auditor participates in the Supervisory Board's deliberations on the annual and consolidated financial statements and reports on the main results of its audit.

Long-term bonus programme/security-based incentive systems

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

Vergütungsbericht

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

3. Information on corporate governance practices

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

In accordance with Recommendation A.1 of the German Corporate Governance Code in the version of 28 April 2022, the Executive Board and Supervisory Board also take social and environmental factors into account in the management of the company. Risks and opportunities for the company associated with social and environmental factors, as well as the environmental and social impacts of the company's activities, are systematically identified and assessed and taken into account in the long-term goals of the corporate strategy. Corporate planning includes corresponding financial and sustainability-related goals.

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

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

The individual subsidiaries each have independent operational management. The management of Aumann AG and the management of the subsidiaries cooperate closely in the development of the respective company.

The Supervisory Board meets at least four times a year. Extraordinary meetings are held when special developments or measures need to be dealt with or decided upon at short notice.

A self-assessment of how effectively the Supervisory Board as a whole and its committees perform their tasks has not yet been carried out following the election of the new Supervisory Board at the Annual General Meeting on 8 June 2022, but is already planned for the 2023 financial year. The Supervisory Board sees the company’s solid financial position as vindication of its work.

5. Targets for the share of women

The current target for the proportion of women on the Supervisory Board and Executive Board is 0% and is based on the resolution from 2018, which applies for five years. In the medium term, the Supervisory Board has set itself the target of a 20% quota of women for the members of the Supervisory Board and the Executive Board. The proportion of women on the Supervisory Board of Aumann AG is 33% and thus exceeds the medium-term target; the proportion of women on the Executive Board is 0%, which corresponds to the current target. For the two management levels below the Executive Board, the Executive Board has set a medium-term target for the proportion of women of 20%. The share of women in these two management levels is 8%.

6. Diversity concept/succession planning

When appointing members to the Supervisory Board and the Executive Board, it is important for the Supervisory Board that candidates have the skills, knowledge and experience required for the work of the Supervisory Board or the Executive Board, in accordance with the requirements of company law. In the opinion of the Supervisory Board, its current composition possesses the professional and personal qualifications set out in the competence profile:

Qualification matrix

	Gert-Maria Freimuth	Christoph Weigler	Dr-Ing Saskia Wessel	Dr Christof Nesemeier
Duration of membership				
Member since	21 November 2016	9 February 2017	8 June 2022	20 June 2018 - 8 Juni 2022
Diversity				
Year of birth	1965	1983	1990	1965
Gender	male	male	female	male
Nationality	german	german	german	german
Educational background	Businessman	Businessman	Engineer	Businessman
Professional competence				
Corporate Governance & Control	x	x	x	x
Corporate Finance	x	x		x
Accounting & Auditing	x	x		x
Human Resources & Social Affairs	x	x	x	
Digitalisation & IT		x	x	x
Sustainability	x		x	x
Legal/Compliance/Corporate Governance	x	x		x
Technology			x	

x = applies

With an average age of 40 at the end of the 2022 business year, the Executive Board is comparatively young. In addition, the company has a highly qualified young management team that is successively supported in its career and thus given the opportunity to move up to the Executive Board. Furthermore, Aumann is a highly attractive employer for qualified and highly motivated junior staff. The Supervisory Board therefore believes that qualified staffing of the Executive Board will continue to be a given at all times in the future.

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

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

Composition of issued capital

The share capital reported in the statement of financial position as at 31 December 2022 of €15,250,000 consists of 15,250,000 no-par value bearer shares and is fully paid in. Each share grants the bearer one vote at the Annual General Meeting.

Restrictions on voting rights or the transfer of shares

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

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

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

Bearers of shares conferring special rights

No shares conferring special rights have been issued.

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

There are no corresponding employee participation schemes

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

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

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

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

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

By resolution of the Annual General Meeting of 2 June 2021, the Company is authorised pursuant to section 71 para. 1 no. 8 of the German Stock Corporation Act (AktG) to acquire and sell treasury shares in the period until 1 June 2026, subject to compliance with the principle of equal treatment (section 53a of the German Stock Corporation Act (AktG)), up to an amount of 10% of the share capital at the time of this authorisation. The authorisation may not be used for the purpose of trading in treasury shares.

By resolution of the Annual General Meeting of 8 June 2022, the Executive Board is authorised, with the consent of the Supervisory Board, to increase the share capital of the Company on one or more occasions until 7 June 2027 by up to a total of EUR3,812,500.00 against cash and/or non-cash contributions by issuing new no-par value bearer shares (Authorised Capital 2022). No use had been made of this option at the time of the balance sheet date.

By resolution of the Annual General Meeting of 21 August 2020, the Executive Board was authorised, with the consent of the Supervisory Board, to grant up to 300,000 subscription rights to up to 300,000 no-par value bearer shares of the Company to beneficiaries within the meaning of section 192 para. 2 no. 3 AktG until 30 June 2025. The group of beneficiaries includes members of the Management Board and other executives of Aumann AG and its direct and indirect subsidiaries. Against this background, the share capital is conditionally increased by up to EUR 300,000.00 by issuing up to 300,000 new no-par value bearer shares (Conditional Capital 2020/I). The conditional capital increase serves exclusively to fulfil options granted on the basis of the above-mentioned authorisation of 21 August 2020 until 30 June 2025. The conditional capital increase is to be carried out only to the extent that the holders of the issued options exercise their right to subscribe for shares in the Company and the Company does not grant the fulfilment of the options in any other way. The Company allotted a total of 282,800 subscription rights under the share option scheme on 1 July 2021.

Furthermore, by resolution of the Annual General Meeting of 2 June 2021, the Executive Board is authorised, with the consent of the Supervisory Board, to issue bearer and/or registered convertible bonds and/or bonds with warrants until 1 June 2026 with a total amount of up to EUR140,000.000.00 with a maximum term of ten years and to grant the creditors of these bonds conversion rights to new no-par bearer shares of Aumann AG with a pro-rata share in the share capital of up to a total of EUR7,000,000.00, in accordance with the respective terms and conditions of the bonds. Convertible bonds may also contain conversion obligations. Against this background, the share capital is conditionally increased by up to EUR7,000,000.00 (Conditional Capital 2021/I). The conditional capital increase is to be carried out only to the extent that the creditors of convertible bonds or bonds with warrants issued by the Company on the basis of the authorisation resolution of the Annual General Meeting of 2 June 2021 until 1 June 2026 have exercised their conversion right and the Company has not satisfied the conversion claim in another manner or to the extent that these creditors are subject to a conversion obligation. No use had been made of these options by the balance sheet date.

By resolution of the Annual General Meeting of 8 June 2022, the Executive Board is authorised, with the consent of the Supervisory Board, to grant up to 150,000 subscription rights to up to 150,000 no-par value bearer shares of the Company to beneficiaries within the meaning of section 192 para. 2 no. 3 of the German Stock Corporation Act (AktG) until 7 June 2027 (Stock Option Programme 2022). The group of beneficiaries includes executives of Aumann AG and its direct and indirect subsidiaries. The shareholders of the Company have no statutory subscription right to the stock options. Accordingly, the share capital is conditionally increased by up to EUR 150,000.00 by issuing up to 150,000 new no-par value bearer shares (Conditional Capital 2022/I). The conditional capital increase serves exclusively to fulfil options granted until 7 June 2027 on the basis of the above-mentioned authorisation of the Annual General Meeting of 8 June 2022. The conditional capital increase is only to be carried out to the extent that the holders of the issued options exercise their right to subscribe to shares in the Company and the Company does not grant the fulfilment of the options in any other way. As of the balance sheet date, the Company has not made use of this option.

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

There are no such agreements.

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

There are no such compensation agreements.

Non-financial statement[2] in accordance with section 289b HGB und section 315b HGB

Due to the Act to Strengthen Non-Financial Reporting (CSR Directive Implementation Act) of 11 April 2017, Aumann AG hereby publishes the non-financial statement for the company and the Group in accordance with section 289b HGB and section 315b HGB. The reporting period for the non-financial statement is the financial year 2022. The quantitative disclosures include all fully consolidated subsidiaries of the Aumann Group.

In accordance with section 289d HGB, we have examined which national, European or international frameworks could be used for the preparation of the non-financial statement. However, we are currently refraining from the comprehensive application of a framework, as this would not be in a meaningful cost-benefit ratio for the corporate structure of the Aumann Group and we do not consider the existing frameworks to be suitable for us.

Sustainability

The consideration of sustainability aspects is a central business task for Aumann. Due to the strategic business focus on electromobility, the issue of sustainability is an inherent part of the business model. Accordingly, various sustainability aspects are integrated into the corporate strategy, Group-wide controlling and also the regular meetings of the Board of Management ("daily activity"). Economically oriented action with simultaneous responsibility for the environment, employees and society shape Aumann's philosophy and at the same time strengthen the company's future viability.

Business model

Aumann is a leading global manufacturer of innovative special machines and automated production lines with a focus on electromobility. The entire automotive industry is undergoing a continuous transformation, moving away from the complex, mechanical drive concept around the combustion engine towards a much leaner and more sustainable electric drive concept. For this reason, Aumann aligned its strategy and portfolio with the needs of the electromobility megatrend years ago and is making a special contribution to emission-free mobility in this area. Aumann's production solutions enable the highly efficient and technologically advanced large-scale production of a wide range of individual components and modules. These include energy storage and conversion systems (battery and fuel cell), the electric traction drive, the associated power electronics (inverter), power-on-demand units, auxiliary motors as well as electronic components in the field of sensors and controls. Leading companies worldwide rely on Aumann solutions for the series production of purely electric and hybrid vehicle drives as well as on solutions for production automation. Further information on the business model and the individual segments can be found in the segment development section of Aumann's combined management report 2022.

Stakeholders

Investors: Our shareholders expect Aumann to act in a sustainable and responsible manner, with a clear strategic orientation and transparent reporting.

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

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

Aumann is in regular dialogue with all stakeholder groups. While the Executive Board plays a decisive role in determining Aumann’s sustainability strategy by virtue of its functions, the other stakeholders are also involved in various ways, such as direct dialogue, regular financial reporting or capital market conferences

[2] unaudited

and roadshows. In addition, Aumann provides further information about sustainability for interested stakeholders on the company's website at www.aumann.com.

Materiality analysis

As part of the materiality analysis conducted for the first time in 2020, the areas of "employee concerns" and "environmental concerns" were identified as core topics of Aumann's sustainability strategy. These aspects are discussed in more detail below. Furthermore, the topics of "social issues", "respect for human rights" and "combating corruption and bribery" are addressed. For an overview of key non-financial indicators, please refer to the table at the end of this section.

Employee concerns

The protection and respect of every human being has the highest priority in the Aumann Group. Compliance with internationally valid human rights and labour standards is a matter of course for us. We condemn any form of discrimination, for example on the grounds of ethnic origin, religion, political views, gender, physical constitution, appearance, age or sexual orientation. Diversity enriches our lives and our work. We promote a culture in which various mindsets and ways of working can unfold.

Our employees are the most important resource of our Group and we want to be an attractive employer for employees and junior staff. To this end, Aumann invests in its employees, whether through direct support of employee training or through modern training centres in the Aumann Group. In addition to these traditional training and further education measures, Aumann also cooperates with universities and carries out research and development work. In this way, we sustainably promote the necessary wealth of ideas to expand our technological core competencies for the electromobile future.

From Aumann's point of view, the recruitment, retention and further development of qualified employees is elementary for sustainable corporate management. We succeed in recruiting staff through classic job advertisements, the use of internal recruiters and external recruiting fairs and also by means of social media as well as the general positioning of Aumann as an attractive employer. We intend to continue along this path in the future. As of the consolidated reporting date, 821 people were employed in our Group. In addition, we employed 25 temporary workers as of 31 December 2022.

Aumann also sees the promotion and challenge of its employees as an important success factor. The qualification of our employees takes place through training and further education in all areas of the Group as well as through high occupational health and safety standards and the targeted promotion of junior management. In the rolling three-year period, our training rate fell slightly to 10.3% (previous year: 10.9 %). Last year, we were able to offer employment to the larger number of our junior staff. There are currently 71 trainees and dual students working at Aumann. Aumann's goal is to ensure a training quota of over 10% on a permanent basis. In this way we secure our future development and fulfil our social obligations with an above-average training quota.

Gender equality is a special concern for us. Women, men and intersex people have equal opportunities in our companies. Due to the business model's inherent focus on technical professions and the underrepresentation of women in the corresponding fields of study, a proportionate filling of positions continues to be a challenge. For this reason, we are already involved at an early stage in the form of orientation days for career and study guidance for girls in technical professions and are particularly pleased that female trainees have again successfully completed their vocational training at Aumann in 2022. Furthermore, it is a matter of course for Aumann to support and accompany representatives of all genders equally in their individual career paths up to responsible management positions. As a goal, we strive for a continuous increase in the quota of women.

The Executive Board always pays attention to diversity when selecting executives and takes into account male and female applicants as well as applicants of diverse genders. In the final appointment, the focus is always on the professional and personal qualifications of the respective person. The Aumann Group employed a total of 108 female employees as at 31 December 2022. There are currently 9 women in the first two management levels of the Aumann Group. In the 2022 financial year, Aumann was able to exceed the medium-term target quota of women for the members of the Supervisory Board.

Due to its activities in the manufacturing industry, the design of a safe working environment has a very high priority for Aumann. Employees in production are always exposed to an increased health risk. Therefore, we set high standards for safety, especially when dealing with hazardous substances and other sources of danger. We promote the skills and awareness of our employees for safe work by offering regular training and further education. Reportable occupational accidents are continuously recorded and evaluated at regular intervals. The number of reportable occupational accidents fell from 11 in the previous year to 9 in the past business year. As in the previous year, the number of fatal accidents at work was zero. Our goal is to avoid occupational accidents completely.

Environment concerns

The responsible use of natural resources is an important topic at all levels of the Aumann Group, because operational decisions in our company always have ecological consequences. This applies to the use of raw materials as well as to energy efficiency, but also in particular to the impact of our products and services on the environmental protection goals of our customers. Aumann makes an important contribution to environmental protection through the responsible use of resources and high energy efficiency. Thus, appropriate standards have already been implemented in our companies and energy and environmental management systems have been implemented and certified. Our goal is to operate our German production facilities and office buildings in a CO2-neutral manner by 2030. A milestone on the way there will be to supply the German sites completely with renewable energies by 2025.

Aumann makes an important contribution to reducing emissions and protecting the environment. The company offers special machines and highly automated production solutions that enable customers to carry out highly efficient and technologically advanced mass production of a wide range of individual components and modules for the electrified powertrain. A particular focus is on production lines for the manufacture of energy storage and conversion systems such as batteries and fuel cells, where Aumann once again realised sophisticated production and assembly solutions with renowned customers in the past financial year. Due to the production lines realised for premium cars and also for fully electric commercial vehicles, Aumann is making a valuable contribution to the climate-neutral transport of goods and merchandise and is continuing to drive the change towards a sustainable future. Another focus is on production lines for the e-traction motor, the associated power electronics (inverters), as well as for power-on-demand units, auxiliary motors and electronic components in the field of sensors and controls, where Aumann enables efficient large-scale production with innovative process sequences.

But also in the Classic segment, Aumann systems for the production of drive components for internal combustion engines contribute to a reduction in CO2 emissions. Our employees take efficiency and environmental protection into account as early as the development phase of our production solutions. And to counteract the consumption of resources in the face of increasing growth, we also support our customers in the recycling of our production lines and make our contribution to the circular economy.

Thanks to its broad process know-how, Aumann has recently been able to expand its business significantly in the field of renewable energies and implements production solutions for photovoltaic modules and electrolysers. Aumann is therefore contributing to a resurgence of the solar industry in Germany and Europe with its production facilities for the automated assembly of photovoltaic modules. In addition, Aumann has been successfully involved in fuel cell production in the automotive sector since 2007 and could also apply these competencies to the electrolyser sector in 2022. Against the backdrop of the climate and energy crisis, the decarbonisation of the economy is a megatrend that has developed a particular dynamic during the reporting period. Carbon as an energy carrier is being replaced by hydrogen, which needs to be produced exclusively using renewable energies. This "green hydrogen" is produced with so-called electrolysers, which have many technological similarities to fuel cells. In particular, intelligent concepts for the successive capacity expansion of the production lines play a decisive role, as do customised, flexible automation and process solutions in order to be able to manufacture the products. These are scaled up especially for infrastructure applications, where they enable a flexible, efficient and economic production.

Significant environmental risks associated with our products and services result from accidents and disasters, which are unlikely but cannot be completely ruled out. We counteract the theoretical case of an accident with effects on environmental aspects through established processes. Risks also result from the raw materials used, some of which can be harmful to health if unprocessed. This risk is countered by high quality requirements for our suppliers and high quality standards.

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

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

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

Combating corruption and bribery: We have always considered compliance with legal provisions and guidelines as well as correct conduct in business transactions to be a central component of sustainable corporate governance. In order to adhere to this maxim, which we have always lived by, we have established a compliance management system that is continuously being developed. The existing codes of conduct and the Group-wide anti-corruption guideline serve as a framework to regulate dealings within the company and with third parties. The Code of Conduct is concretised and further developed through guidelines and instructions for action. Furthermore, the individual companies or their compliance officers are obliged to submit compliance reports to Aumann AG on a cyclical basis and, if necessary, to report on any incidents that have occurred.

Furthermore, Aumann has complied with the EU Whistleblower Directive since the 2022 financial year, has trained its compliance officers and compliance officers in this regard and has implemented a corresponding whistleblower system on the company website.

Summary of the company-specific sustainability goals

The expansion of the sustainability strategy is of particular importance to Aumann and we are committed to this as a company. We have also significantly increased external communication on the topic of sustainability and dedicated a separate section on the company's own homepage to the topic of sustainability at the beginning of the 2022 financial year. Based on the Sustainable Development Goals of the United Nations, Aumann has identified the goals prioritised for the company and set six company-specific goals:

Apprenticeship

Qualified and committed employees form the basis of our success. The training of our own junior staff is particularly important to us. In this way, we give young people the best possible start to their careers. The spectrum ranges from classic apprenticeship to dual university study programmes.

Every tenth employee at Aumann completes an apprenticeship or a course of study - this is how we secure our future development and meet our social obligations through an above-average training ratio.

Diversity

Diverse encounters enrich our lives and our work. We promote a culture in which different ways of thinking and working can optimally unfold. The recruitment and promotion of our employees is independent of ethnic origin, gender, religion or ideology, disability, age or sexual identity. It is based purely on the qualifications and abilities of each individual.

We are aware that women are unfortunately underrepresented in MINT professions (mathematics, informatics, natural sciences and technology). We do not simply accept this fact, but are committed to making technical professions even more attractive for female specialists and managers. Our goal is to continuously increase the share of women in our company.

Inventiveness

At our company satisfied minds turn an idea into an innovative, technical solution through creativity, competence and drive. Only the sustainable use of limited resources leads to economic success. Our employees take environmental protection into account as early as in the development phase of our efficient production solutions.

From targeted professional training measures and exciting cooperations with customers and universities to sophisticated in-house research and development projects. We consistently promote knowledge management and inventiveness among our employees to solve the technical challenges of the electro-mobile present and future.

Product promise

Our highly automated production lines are characterized by low cycle times, low scrap and a long service life. Our customers can always rely on high safety standards, ergonomic operation and first-class service. As a matter of course, we operate a standardized environmental and quality management system in all production steps.

In addition, we actively contribute to the materials cycle by supporting our customers in the reuse or recycling of our equipment.

CO2 neutrality

Together with our suppliers and customers, we pursue the goal of developing innovative, resource-conserving solutions that reduce our carbon footprint. In order to contribute to the Paris Agreement on climate protection as a responsible company, we will operate our German production facilities and office buildings in a fully CO2-neutral manner by 2030.

In the early stage of the production development, we attach particular importance to sustainability aspects such as energy efficiency or resource conservation. All German sites will also be certified in accordance with the international environmental management standard ISO 14001.

Renewable energies

Mitigating climate change is strongly influenced by important decisions made by the community and each individual. We have decided to source 100% of our electricity from renewable resources by 2025.

We are convinced that the path we have chosen will not only benefit the environment, but will also bring far-reaching eco-nomic benefits to our business.

Negative effects and risks of business activity

According to our assessment, there are no significant risks arising from our business activities, our products or our services that could have a serious negative impact on employees, environmental and social concerns or lead to a violation of human rights and corruption.

Overview of key non-financial indicators

	2022	2021
Employees		
Number of female executives (first and second level)	9	9
Share of female employees in relation to total employees	13.2%	12.8%
Share of temporary workers in relation to total employees	3.0%	2.4%
Number of apprentices*	41	49
Number of employees in cooperative study programs	30	38
Reportable work accidents	9	11
Deadly work accidents	0	0
Environment		
Energy intensity in MWh / €m revenue	24	35
Water intensity in m3 / €m revenue	18	20
Waste intensity in t / €m revenue	1.0	1.3
Social		
Charitable donations and sponsoring locally in €k (culture, education, sports, social)	8	7

* In order to increase transparency, the number of trainees and students is presented separately, in contrast to previous years.

EU taxonomy

In accordance with the EU Taxonomy Regulation and the supplementary delegated acts, Aumann reports the share of taxonomy-eligible and taxonomy-compliant group-wide sales, capital expenditure and operating expenditure for the financial year 2022 in relation to the environmental objectives “climate protection” and “climate change adaption” currently elaborated in the EU taxonomy.

The aim of the EU taxonomy is to promote investment flows from the financial sector to companies engaged in environmentally sustainable activities. It is thus intended to help the EU implement the European Green Deal. In doing so, the EU taxonomy should create a common understanding of the environmental sustainability of activities and investments. Furthermore, the regulation obliges companies to report on these economic activities. In the EU legislation, the first taxonomy environmental targets “climate protection” and “climate change adaptation” were deposited with criteria in mid-2021.

For the financial year 2022, in addition to the presentation of the taxonomy compliance, a review and indication of taxonomy compliance for the environmental goals “climate protection” and “climate change adaptation” are to be carried out.

Approach to impayt analysis

In order to determine the taxonomy eligibility, the activities eligible for taxonomy in the Aumann Group were determined in the first step with reference to the definitions in Annexes 1 and 2 of the NACE codes referenced in the legal act to Regulation (EU) 2020/852. In addition, the definitions of the key figures revenue, operating expenses (OpEx) and capital expenditure (CapEx) listed in Annex 1 to the regulation were analysed and the data for the respective reference figures (denominator of the key figure) were collected. Especially in the area of operating expenditures, the relevant cost types were identified. Approaches for estimating and collecting the corresponding sales revenues, operating expenditures and capital expenditures were then determined for the taxonomy-eligible activities.

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

Identified taxonomy-eligible economic activities

The following economic activities were identified as taxonomy-eligible:

- Production of other low-CO2 technologie

Analysis and calculation

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

The definition of the EU taxonomy for determining the relevant operating expenditures includes expenses for research and development, building refurbishment, short-term leasing, maintenance and repair, and other direct expenses related to the daily maintenance of property, plant and equipment, which are reported in the consolidated income statement within other operating expenses.

Capital expenditure includes additions to property, plant and equipment as well as intangible assets (including acquisitions, excluding goodwill according to EU taxonomy).

Technical screening criteria determine the taxonomy conformity of the economic activity. Information on the testing and evaluation of these criteria is largely not available, so that the taxonomy conformity of the economic activity was stated as 0%.

Results of the analysis

The following table shows the taxonomy-compliant key figures for the Aumann Group:

EU-taxonomy	Total (€ million)	Taxonomy -eligible not taxonomy compliant (€ million)	Taxonomy -eligible not taxonomy compliant (%)
Revenue	215.3	142.1	66.0%
Capital expenditure (CapEx)	4.7	2.5	53.0%
Operating expenditure (OpEx)	2.0	0.0	0.0%

Disclosures in accordance with section 312(3) AktG

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

Report on expected development

Based on the excellent order backlog, management expects significant revenue growth to more than €250 million in the 2023 financial year. At the same time, the stronger margins in the order book will increasingly materialise in the result, which will lead to a further improvement in the company's profitability in 2023. Against this background, an EBITDA margin of 6 to 7% is expected.

Beelen, 27 March 2023

Sebastian Roll
Chief Executive Officer

Jan-Henrik Pollitt
Chief Financial Officer

Aumann AG condensed annual financial statements for 2022

Income statement (HGB)	2022 audited €k	2021 audited €k
Revenue	2,637	2,633
Other operating income	99	57
Cost of purchased services	-234	-367
Staff costs	-2,984	-2,716
Depreciation and amortisation	-1,204	-1,513
Other operating expenses	-1,835	-1,219
Income from profit transfer agreement	3,720	10,571
Other interest and similar income	1,283	1,319
Interest and similar expenses	-178	-237
Expenses from loss transfer agreement	128	-577
Net profit for the year	**1,433**	**7,951**
Profit carried forward from the previous year	8,557	606
Dividends paid	-1,525	0
Unappropriated surplus	**8,465**	**8,557**

Statement of financial position (HGB) Assets	2022 audited €k	2021 audited €k
Property, plant and equipment	10,518	10,876
Financial assets	74,095	74,095
Noncurrent assets	**84,613**	**84,971**
Receivables and other assets	23,072	57,089
Cash in hand and bank balances	68,322	35,991
Current assets	**91,394**	**93,080**
Total assets	**176,007**	**178,051**

Equity and liabilities	€k	€k
Shareholders' equity	**168,735**	**168,439**
Provisions	**1,455**	**1,579**
Liabilities	**5,817**	**8,033**

Appropriation of earnings

The net profit of €1,433 thousand together with the profit carried forward and the payment of dividends, results in unappropriated surplus of €8,465 thousand. The Executive Board and the Supervisory Board will propose to the Annual General Meeting the payment of a dividend. This will amount to €1,525 or 10 € cents per share entitled to dividend[3].

[3] The proposal takes into account the number of shares entitled to dividends as at 31 December 2022.

IFRS consolidated financial statements for 2022

IFRS consolidated statement of comprehensive income	Notes	Jan 1 - Dec 31, 2022 €k	Jan 1 - Dec 31, 2021 €k
Revenue	III.1.	**215,272**	**161,127**
Increase (+)/decrease (-) in finished goods and work in progress		245	2
Operating performance		**215,517**	**161,129**
Capitalised development costs		3,301	1,741
Other operating income	III.2.	4,438	11,197
Total performance		**223,257**	**174,067**
Cost of raw materials and supplies		-129,375	-94,023
Cost of purchased services		-17,492	-17,048
Cost of materials		**-146,867**	**-111,071**
Wages and salaries		-47,942	-47,066
Social security and pension costs		-9,064	-9,389
Staff costs		**-57,006**	**-56,455**
Other operating expenses	III.3.	-10,656	-9,420
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)		**8,728**	**-2,879**
Amortisation and depreciation expense	III.4.	-6,154	-4,998
Earnings before interest and taxes (EBIT)		**2,575**	**-7,877**
Other interest and similar income	III.5.	67	15
Interest and similar expenses	III.6.	-777	-730
Net finance costs		**-710**	**-715**
Earnings before taxes (EBT)		**1,865**	**-8,592**
Income tax expense	III.7.	-727	2,950
Other taxes	III.7.	-145	-518
Earnings after taxes		**993**	**-6,160**
Earnings per share (in €) - undiluted	III.8.	0.07	-0.40
Earnings per share (in €) - diluted	III.8.	0.11	-0.37

IFRS consolidated statement of comprehensive income	Notes	Jan 1 - Dec 31, 2022 €k	Jan 1 - Dec 31, 2021 €k
Earnings after taxes		**993**	**-6,160**
Items that may be reclassified subse- quently to profit and loss			
Currency translation changes	II.11.3.	-124	513
Fair Value Reserve - Debt instruments		3	3
Items that will not be reclassified to profit or loss			
Fair Value Reserve - Equity instruments	II.11.3.	-4,235	7,210
Remeasurement of defined benefit obligation	II.12.	7,635	1,796
thereof deferred taxes		-2,324	-547
Other comprehensive income after taxes		**955**	**8,975**
Comprehensive income for the reporting period		**1,948**	**2,815**

Statement of financial position Assets (IFRS)	Notes	Dec 31, 2022 audited €k	Dec 31, 2021 audited €k
Non-current assets			
Internally generated intangible assets	II.1.	10,520	9,945
Concessions, industrial property rights and similar rights	II.1.	2,370	2,909
Goodwill	II.1.	38,484	38,484
Advance payments	II.1.	38	0
Intangible assets		**51,412**	**51,338**
Land and buildings including buildings on third-party land	II.1.	21,686	24,348
Technical equipment and machinery	II.1.	2,576	2,817
Other equipment, operating and office equipment	II.1.	2,521	2,599
Advance payments and assets under development	II.1.	399	416
Property, plant and equipment		**27,183**	**30,180**
Financial assets	II.5.	**0**	**30,442**
Deferred tax assets	II.10.	**2,401**	**2,198**
		80,996	**114,158**
Current assets			
Raw materials and supplies	II.6.	2,323	1,254
Work in progress	II.6.	2,736	2,084
Advance payments	II.6.	18,068	5,493
Inventories		**23,127**	**8,831**
Trade receivables	II.7.	21,076	26,469
Contractual assets	II.8.	66,401	73,942
Other current assets	II.9.	2,343	2,265
Trade receivables and other current assets		**89,820**	**102,676**
Securities	II.5.	**0**	**61**
Cash in hand	V.	11	8
Bank balances	V.	120,591	72,747
Cash in hand, bank balances		**120,602**	**72,755**
		233,549	**184,323**
Total assets		**314,545**	**298,481**

Statement of financial position Equity and liabilities (IFRS)	Notes	Dec 31, 2022 audited €k	Dec 31, 2021 audited €k
Equity			
Issued capital	II.11.	15,250	15,250
Capital reserves	II.11.	141,499	141,112
Retained earnings	II.11.	33,408	32,985
		190,157	**189,347**
Non-current liabilities			
Pension provisions	II.12.	12,961	20,524
Liabilities to banks	II.13.	6,114	8,274
Liabilities from Leasing	II.13./II.16.	272	364
Other provisions	II.15.	1,623	1,100
Deferred tax liabilities	II.10.	4,469	1,369
Other liabilities	II.14.	790	897
		26,229	**32,528**
Current liabilities			
Other provisions	II.15.	9,077	13,942
Trade payables	II.13.	29,485	21,023
Contractual obligations	II.13.	41,487	23,574
Provisions with the nature of a liability	II.15.	6,971	7,771
Restructuring provisions	II.15.	0	214
Liabilities to banks	II.13.	2,116	3,718
Liabilities from Leasing	II.13./II.16.	439	584
Tax provisions	II.15.	319	654
Other liabilities	II.14.	8,265	5,126
		98,159	**76,606**
Total equity and liabilities		**314,545**	**298,481**

Consolidated statement of cash flows	Jan 1 - Dec 31, 2022 €k	Jan 1 - Dec 31, 2021 €k
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	**2,575**	**-7,877**
Adjustments for non-cash transactions		
Write-downs on non-current assets	6,154	4,998
Increase (+)/decrease (-) in provisions	-4,485	-4,189
Gains (+)/ Losses (-) from disposal of PPE	-2,498	0
Other non-cash expenses/income	371	572
Adjustments for non-cash transactions	**-459**	**1,381**
Increase (-)/decrease (+) in inventories, trade receivables and other assets	-1,297	2,064
Decrease (-)/increase (+) in trade payables and other liabilities	28,608	19,393
Change in working capital	**27,311**	**21,457**
Income taxes paid	-784	-249
Interest received	67	15
Cash flow from operating activities	**28,710**	**14,727**
2. Cash flow from investing activities		
Investments (-)/divestments (+) intangible assets	-3,470	-3,494
Investments (-)/divestments (+) property, plant and equipment	3,184	-588
Investments (-)/ divestments (+) long-term financial assets and securities	26,258	-2,507
Cash from disposal of assets	0	64
Cash flow from investing activities	**25,971**	**-6,525**
3. Cash flow from financing activities		
Profit distribution to shareholders	-1,525	0
Proceeds from borrowing financial loans	36	0
Repayments of financial loans	-3,798	-3,719
Repayments of leasing liabilities	-672	-646
Interest payments	-777	-730
Cash flow from financing activities	**-6,736**	**-5,095**
Cash and cash equivalents at end of period		
Change in cash and cash equivalents (Subtotal 1-3)	47,945	3,107
Effects of changes in foreign exchange rates (no cash effect)	-98	198
Cash and cash equivalents at start of reporting period	72,755	69,450
Cash and cash equivalents at end of period	**120,602**	**72,755**
Composition of cash and cash equivalents		
Cash in hand	11	8
Bank balances	120,591	72,747
Reconciliation to liquidity reserve on 31 Dec		
Cash and cash equivalents at end of period	120,602	72,755
Securities	0	30,503
Liquid funds as of Dec 31	**120,602**	**103,258**

Statement of changes in consolidated equity

	Issued capital	Capital reserves	Retained earnings and other comprehensive income: Currency translatiton difference	Fair Value reserve	Pension reserve	Generated consolidated equity	Consolidated equity
	€k	€k	€k	€k	€k	€k	€k
Jan 1, 2021	**15,250**	**140,918**	**-109**	**2,947**	**-3,901**	**31,233**	**186,338**
Dividends paid	0	0	0	0	0	0	0
Amounts recognised in other comprehensive income	0	0	0	7,213	1,249	0	8,462
Currency translation difference	0	0	513	0	0	0	513
Consolidated net profit	0	0	0	0	0	-6,160	-6,160
Total comprehensive income	**0**	**0**	**513**	**7,213**	**1,249**	**-6,160**	**2,815**
Capital increase	0	194	0	0	0	0	194
Dec 31, 2021	**15.250**	**141,112**	**404**	**10,160**	**-2,652**	**25,073**	**189,347**
Dividends paid	0	0	0	0	0	-1,525	-1,525
Amounts recognised in other comprehensive income	0	0	0	-4,232	5,311	0	1,078
Currency translation difference	0	0	-124	0	0	0	-124
Consolidated net profit	0	0	0	0	0	993	993
Total comprehensive income	**0**	**0**	**-124**	**-4,232**	**5,311**	**993**	**1,948**
Capital increase	0	388	0	0	0	0	388
Dec 31,2022	**15,250**	**141,499**	**280**	**5,929**	**2,658**	**24,540**	**190,157**

Notes to the consolidated financial statements for 2022

I. Methods and principles

1. Basic accounting information

1.1 Informationen zum Unternehmen

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

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

The consolidated financial statements of Aumann AG for the 2022 financial year were approved by the Supervisory Board of Aumann AG on 27 March 2023.

1.2 Accounting policies

The consolidated financial statements for the year ended 31 December 2022 are prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as adopted by the EU and applicable at the end of the reporting period. The term "IFRS" includes the International Accounting Standards (IAS) still applicable, the International Financial Reporting Standards (IFRS) and the interpretations of the Standing Interpretations Committee (SIC) and of the International Financial Reporting Interpretations Committee (IFRIC). The consolidated financial statements comply with IFRS as issued by the IASB.

Application of new and amended standards

In the financial year 2022, there were no significant changes in accounting standards that have an impact on these consolidated financial statements.

The following new or amended standards were effective for the first time in the 2022 financial year, but had no material effect on the consolidated financial statements:

Regulation	Title
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
IFRS 3	Business Combinations - Reference to the Conceptual Framework
IFRS 16	Leases - Covid-19 related rent concessions
IAS 37	Provisions - Onerous Contracts - Cost of Fulfilling a Contract
	Annual Improvements 2018 - 2020

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

Regulation	Title	Application	Effects
IAS 1	Presentation of Financial Statements	01/01/2023	no material effects
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	01/01/2023	no material effects
IAS 12	Income Taxes	01/01/2023	no material effects
IAS 37	Provisions - Onerous Contracts - Cost of Fulfilling a Contract	01/01/2023	no material effects
IFRS 17	Insurance Contracts	01/01/2023	no material effects
IFRS 16	Leasing	01/01/2024	no material effects

1.3 Company law changes and structural changes in 2022

There were no company law or structural changes in the 2022 financial year.

2. Consolidated group

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

Companies included in the consolidated financial statements Name and registered office of the company	Ownership interest in %
Subsidiaries (fully consolidated)	
Aumann AG, Beelen, Germany	**100.00**
Aumann Beelen GmbH, Beelen, Germany	100.00
Aumann Berlin GmbH, Beelen, Germany	**100.00**
Aumann Winding and Automation Inc., Clayton, USA	100.00
Aumann Espelkamp GmbH, Espelkamp, Germany	100.00
Aumann Immobilien GmbH, Espelkamp, Germany *	94.90
Aumann Limbach-Oberfrohna GmbH, Limbach-Oberfrohna, Germany	100.00
Aumann Technologies (China) Ltd., Changzhou, China	100.00

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

3. Principles of consolidation

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

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

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

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

4. Presentation of accounting policies

4.1 General information

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

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

4.2 Reporting currency

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

4.3 Currency translation

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

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

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

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

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

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

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

	Closing rate Dec 31, 2022	Average rate 2022
Chinese renminbi (CNY)	7,3582	7,0798
US-Dollar (USD)	1,0666	1,0538

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

4.4 Intangible assets

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

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

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

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

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

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

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

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

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

4.5 Goodwill

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

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

4.6 Property, plant and equipment

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

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

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

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

Land is not depreciated.

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

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

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

4.7 Leases

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

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

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

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

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

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

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

4.8 Borrowing costs

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

4.9 Impairment of non-financial assets

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

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

4.10 Financial instruments – initial recognition and subsequent measurement

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

I) Financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

This is the category most relevant to the Group financial statements.

The Group measures financial assets at amortised cost when both the following conditions are met:

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

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

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

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

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

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

For debt instruments measured at fair value through other comprehensive income, interest income, gains and losses on currency translation and impairment losses or reversals of impairment losses are recognised in profit or loss and calculated in the same way as for financial assets measured at amortised cost.

The remaining changes in fair value are recognised in other comprehensive income. On derecognition, the cumulative gain or loss from changes in fair value recognised in other comprehensive income is reclassified to profit or loss.

The Group's debt instruments at fair value through other comprehensive income include listed bonds reported under short-term securities.

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

On initial recognition, the Group can irrevocably elect to classify its equity instruments as equity instruments designated at fair value through other comprehensive income if they satisfy the definition of equity in accordance with IAS 32 Financial Instruments and are not held for trading. This classification decision is made individually for each instrument.

Gains and losses from these financial assets are not reclassified to profit or loss. Dividends are recognised in profit or loss as other income when the right to receive payment of the dividend is established, unless the dividend represents a recovery of part of the cost of the financial asset. In this case, the gains are recognised in other comprehensive income. Equity instruments at fair value through other comprehensive income are not tested for impairment. The Group has irrevocably elected to assign some of its listed equity instruments to this category.

Financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated at fair value through profit or loss on initial recognition and financial assets that must be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss regardless of the business model.

Financial assets at fair value through profit or loss are recognised in the balance sheet at fair value, with changes in fair value recognised in the income statement on a net basis. This category includes derivative financial instruments and listed equity instruments for which the Group has not elected to classify them at fair value through other comprehensive income. Dividends from listed equity instruments are also recognised as other income in the income statement if there is a legal claim to payment.

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

Derecognition

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

II) Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification:

Financial liabilities at fair value through profit or loss

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

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

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

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

Loans/liabilities

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

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

Derecognition

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

III) Offsetting of financial instruments

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

4.11 Derivative financial instruments

The Group uses derivative financial instruments such as forward exchange contracts to a small extent to hedge existing underlying transactions. These derivative financial instruments are recognised at fair value and first recorded at the time they are contractually agreed. Within the scope of subsequent measurement, the derivative financial instruments are measured at fair value. Derivative financial instruments are recognised as financial assets if their fair value is positive and as financial liabilities if their fair value is negative. These derivative financial instruments are not designated as hedging relationships, but are classified as held for trading.

4.12 Inventories

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

4.13 Cash and cash equivalents

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

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

4.14 Provisions

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

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

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

4.15 Stock option programme

The fair value at the date of grant of stock options to grantees is recognised as an expense with a corresponding increase in additional paid-in capital over the period that the grantees become unconditionally entitled to the options.

4.16 Pensions and other post-employment benefits

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

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

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

4.17 Equity

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

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

4.18 Revenue recognition

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

a) Sale of goods and products, performance of services

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

b) Construction contracts

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

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

c) Interest revenue

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

d) Dividends

Dividends are recognised when the legal right to payment arises.

4.19 Taxes

a) Current income taxes

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

b) Deferred taxes

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

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

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

Tax credits that are dependent on investments are recognized in line with IAS 12. They are not off-set against the corresponding investments.

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

The carrying amount of deferred tax assets is tested at the end of each reporting period and re-duced to the extent that it is no longer probable that a sufficient taxable result will be available against which the deferred tax asset can be at least partly utilized. Unrecognized deferred tax as-sets are tested at the end of each reporting period and recognized to the extent that it has become probable that taxable result in future will allow the realization of deferred tax assets.

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

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

4.20 Contingent liabilities and contingent assets

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

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

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

4.21 Government grants

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

The grants received are reported as deferred income in the statement of financial position under liabilities.

4.22 Measurement of fair value

A number of the Group's accounting policies and disclosures require the determination of fair values for financial and non-financial assets and liabilities.

In determining the fair value of an asset or liability, Aumann uses observable market data to the extent possible. Based on the inputs used in the valuation techniques, the fair values are categorised into different levels of the fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Valuation parameters that are not the quoted prices included in Level 1 but are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation parameters for assets or liabilities that are not based on observable market data.

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

4.23 Classification of expenses

Expenses recognised in the income statement are classified by type of expense using the nature of expense method. Other taxes include taxes outside of income taxes and are presented separately in the item "Other taxes".

5. Material judgements, estimates and assumptions

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

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

a) Impairment of non-financial assets

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

b) Pensions and other post-employment benefits

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

c) Provisions

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

d) Deferred tax assets

Deferred tax assets are recognized for all unused tax loss carryforwards and for temporary differences to the extent that it is probable that taxable income will be available for this, meaning that the loss carryforwards can actually be used. In calculating the amount of deferred tax assets, management must make judgements with regard to the expected timing and amount of future taxable income and the future tax planning strategies.

e) Recognition of contract revenue

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

II. Notes to the consolidated statement of financial position

1. Non-current assets

1.1 Statement of changes in non-current assets of the Aumann Group as at 31 December 2022

Dec 31, 2022	Total cost €k	Additions in the financial year €k	Reclassification €k	Disposals in the financial year €k	Exchange differences €k	Write downs (full amount) €k	Carrying amount at the end of financial year €k	Carrying amount at the beginning of financial year €k	Write downs in the financial year €k	Disposals of write downs €k	Exchange differences €k
I. Intangible assets											
1. Internally generated intangible assets	13,688	3,272	0	-740	0	-5,700	10,520	9,945	-2,697	740	0
2. Concessions, industrial property rights and similar rights	8,913	161	0	0	-3	-6,700	2,370	2,909	-698	0	2
3. Goodwill	38,484	0	0	0	0	0	38,484	38,484	0	0	0
4. Advance payments	0	38	0	0	0	0	38	0	0	0	0
	61,085	**3,470**	**0**	**-740**	**-3**	**-12,400**	**51,412**	**51,338**	**-3,395**	**740**	**2**
II. Property, plant and equipment											
1. Land and buildings including buildings on third-party	30,231	229	0	-4,575	-8	-4,191	21,686	24,348	-1,165	2,849	9
2. Technical equipment and machinery	6,107	339	-61	-1,069	-1	-2,739	2,576	2,817	-507	1,056	1
3. Other equipment, operating and office equipment	7,260	1,037	68	-925	-6	-4,912	2,521	2,599	-1,086	831	4
4. Advance payments and assets under development	448	91	-7	-101	0	-32	399	416	0	0	0
	44,046	**1,696**	**0**	**-6,670**	**-16**	**-11,874**	**27,183**	**30,180**	**-2,758**	**4,736**	**14**
Total	**105,131**	**5,166**	**0**	**-7,410**	**-19**	**-24,274**	**78,595**	**81,518**	**-6,154**	**5,476**	**17**

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

Dec 31, 2021	Total cost €k	Additions in the financial year €k	Reclassifi-cation €k	Disposals in the financial year €k	Exchange differences €k	Write downs (full amount) €k	Carrying amount at the end of financial year €k	Carrying amount at the beg-inning of financial year €k	Write downs in the finan-cial year €k	Disposals of write downs €k	Exchange differences €k
I. Intangible assets											
1. Internally generated intangible assets	11,940	1,748	0	0	0	-3,743	9,945	9,518	-1,321	0	0
2. Concessions, industrial property rights and similar rights	6,010	1,746	1,145	0	12	-6,004	2,909	503	-490	0	-7
3. Goodwill	38,484	0	0	0	0	0	38,484	38,484	0	0	0
4. Advance payments	1,145	0	-1,145	0	0	0	0	1,145	0	0	0
	57,579	**3,494**	**0**	**0**	**12**	**-9,747**	**51,338**	**49,650**	**-1,811**	**0**	**-7**
II. Property, plant and equipment											
1. Land and buildings including buildings on third-party	30,647	337	5	-786	28	-5,884	24,348	25,134	-1,096	744	-18
2. Technical equipment and machinery	6,401	140	84	-533	16	-3,290	2,817	3,452	-829	492	-4
3. Other equipment, operating and office equipment	7,594	373	0	-735	28	-4,661	2,599	3,602	-1,262	614	-21
4. Advance payments and assets under development	445	104	-89	-16	4	-32	416	413	0	0	0
	45,088	**954**	**0**	**-2,071**	**76**	**-13,867**	**30,180**	**32,601**	**-3,187**	**1,850**	**-43**
Total	**102,667**	**4,448**	**0**	**-2,071**	**88**	**-23,614**	**81,518**	**82,251**	**-4,998**	**1,850**	**-50**

2. Intangible assets

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

The impairment test as at 31 December 2022 confirmed the recoverability of all capitalised goodwill.

Aumann Limbach-Oberfrohna cash-generating unit

The recoverable amount of the CGU Aumann Limbach-Oberfrohna is determined on the basis of a value-in-use calculation using cash flow projections. The forecasts are based on a medium-term plan approved by management for the years 2023 to 2027. Following the medium-term planning, the calculation is transferred to the perpetual annuity, taking into account a permanent growth rate of unchanged 1.0 %. Current and future probabilities, the expected economic development and other circumstances were taken into account when determining the target figures. The cash flow forecasts were discounted with a weighted average cost of capital after tax (WACC) of 7.8% (previous year: 6.0%). The weighted average cost of capital before tax was 10.3% (previous year: 8.16%). The total cost of capital was discounted using the risk-free interest rate of 2.0% and a market risk premium of 7.3%. In addition, the beta factor and the weighting of the equity and debt capital costs were determined on the basis of the capital structure, which was derived from a group of comparable companies.

Aumann EBI cash-generating unit

The recoverable amount of the CGU Aumann EBI is determined on the basis of a value in use calculation using cash flow projections. The forecasts are based on a medium-term plan approved by management for the years 2023 to 2027. Following the medium-term planning, the calculation is transferred to the perpetual annuity, taking into account a permanent growth rate of unchanged 1.0%. Current and future probabilities, the expected economic development and other circumstances were taken into account when determining the planning figures. The determined cash flow forecasts were discounted with a weighted average cost of capital after tax (WACC) of 7.8 % (previous year: 6.0 %). The weighted average cost of capital before taxes was 8.4% (previous year: 8.08%). The total cost of capital was used for discounting, which is based on the risk-free interest rate of 2.0% and a market risk premium of 7.3%. In addition, the beta factor and the weighting of equity and debt capital costs were determined on the basis of the capital structure, which was derived from a group of comparable companies.

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

The following assumptions, on which the calculation of the value in use of the two significant CGUs Aumann Limbach-Oberfrohna and Aumann EBI are based, are subject to the greatest estimation uncertainty:

- EBITDA margins;
- discount rates;
- revenue developments

EBITDA margins: The EBITDA margins result from the medium-term planning of the Aumann Group, which the management has adopted for the years 2023 to 2027. A decline in the EBITDA margin by 1.0 percentage points would not lead to an impairment for either the Aumann Limbach-Oberfrohna CGU or the Aumann EBI CGU.

Discount rates: The discount rates represent market assessments of the risks specific to each of the cash-generating units, taking into account the effect of the time value of money and the risks specific to the assets for which the estimated future cash flows have not been adjusted. The calculation of the discount rate takes into account the specific circumstances of the Group and its operating segments. To determine a pre-tax discount rate, the discount rate is adjusted by the corresponding amount and timing of taxable cash flows. An increase in the pre-tax discount rate of 0.5 percentage points would not lead to an impairment for either the Aumann Limbach-Oberfrohna CGU or the Aumann EBI CGU.

Revenue developments: The forecast revenue trends are based on past experience and growth assumptions of the respective CGU's target markets. The Group recognises that possible new competitors or a changed market environment could have a significant impact on the assumptions of the revenue developments. Such a development could lead to a different reasonably possible development for both cash-generating units. A deviation from the forecast revenue developments by 2 percentage points would not lead to an impairment for either the Aumann Limbach-Oberfrohna CGU or the Aumann EBI CGU.

3. Intangible assets

With regard to the development of intangible assets, we refer to the presentation in the statement of changes in fixed assets.

The research and development activities of the Aumann Group consist mainly of order-related projects. The research and development costs incurred in the financial year amount to €3,301 thousand (previous year: €1,741 thousand) and are reported in the income statement under own work capitalised.

4. Tangible assets

With regard to the development of tangible fixed assets, we refer to the presentation in the statement of changes in fixed assets. No borrowing costs were capitalised for qualified assets in the reporting year or in the previous year.

The following table provides an overview of the capitalised rights of use per asset class as at 31 December 2022:

Right-of–use assets	Dec 31, 2022 €k	Dec 31, 2021 €k
Land and buildings	134	167
Other equipment, operating and office equipment	574	774
Total	**707**	**941**

The rights of use shown separately here are also included in the fixed assets movement schedule in Chapter II.1. The additions to the rights of use in the 2022 financial year amounted to €434 thousand (previous year: €365 thousand).

5. Financial assets

Financial assets	Dec 31, 2022 €k	Dec 31, 2021 €k
Long-term securities	0	30,442
Carrying amount as of Dec 31	**0**	**30,442**

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

Long-term securities	Dec 31, 2022 €k	Dec 31, 2021 €k
Carrying amount as of Jan 1	**30,442**	**20,444**
Additions during the period	5,209	5,633
Disposals during the period	-26,174	-2,311
Revaluation	-9,476	6,676
Carrying amount as of Dec 31	**0**	**30,442**

The Aumann Group's financial assets measured at fair value through other comprehensive income include securities. There were no such assets as at the balance sheet date of 31 December 2022. Of the securities, shares and bonds of €30,503 thousand measured at fair value without effect on income in the previous year, €30,442 thousand were reported under non-current assets and €61 thousand under current assets. No impairment losses were recognised either in the reporting year or in the previous year. Changes in the value of securities measured at fair value were recognised in the fair value reserve in equity with no effect on income. Details can be found in the consolidated statement of changes in equity.

6. Inventories

Inventories	Dec 31, 2022 €k	Dec 31, 2021 €k
Raw materials and supplies	2,323	1,254
Work in progress	2,736	2,084
Advance payments	18,068	5,493
Carrying amount as of Dec 31	**23,127**	**8,831**

As at 31 December 2022, inventories were impaired by €606 thousand (previous year: €1,474 thousand). Impairment losses on inventories were reversed in the amount of €0 thousand (previous year: €0 thousand).

7. Trade receivables

Trade receivables	Dec 31, 2022 €k	Dec 31, 2021 €k
Trade receivables	23,195	27,877
Less specific valuation allowances	-2,110	-1,401
Less excpeted credite loss	-9	-7
Carrying amount as of Dec 31	**21,076**	**26,469**

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

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

8. Contract assets and contract liabilities

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

	Dec 31, 2022 €k	Dec 31, 2021 €k
Contractual assets gross	134,982	140,409
thereupon received prepayments	-68,581	-66,468
Contractual assets	**66,401**	**73,942**
Contractual liabilities	41,487	23,574

No costs of contract initiation or contract fulfilment were capitalised as separate assets in the financial year. Revenues, which were included in the balance of contractual liabilities at the beginning of the period, amounted to €23.6 million in the 2022 financial year.

9. Other current assets

Other assets maturing within one year break down as follows:

	Dec 31, 2022 €k	Dec 31, 2021 €k
Tax receivables	1,317	1,308
Prepaid expenses	593	532
Creditors with debit balance	171	30
Receivables employment agency	71	58
Other current assets	191	337
Carrying amount as of Dec 31	**2,343**	**2,265**

Tax receivables include corporation and trade tax receivables of €877 thousand (previous year: €734 thousand) and input tax claims of €440 thousand (previous year: €574 thousand).

10. Income taxes

10.1 Deferred taxes

The volume of deferred tax assets and liabilities from temporary differences as at 31 December 2022 and 31 December 2021 was as follows:

	Dec 31, 2022 €k	Dec 31, 2021 €k
Deferred tax assets	2,401	2,198
Deferred tax liabilities	4,469	1,370
Saldo	**-2,068**	**828**

	Dec 31, 2022 €k	Dec 31, 2021 €k
Temporary differences from:		
Loss carryforward	2,967	2,188
Pension provision	2,633	3,846
Other provisions	1,147	2,316
Liabilities	307	611
Other current assets	125	132
Property, plant and equipment	48	38
Others	79	47
Netting	-4,905	-6,981
Deferred tax assets	**2,401**	**2,198**

	Dec 31, 2022 €k	31.12.2021 €k
Temporary differences from:		
Receivables	3,963	3,586
Intangible assets	3,793	3,797
Pensionsrückstellungen	1,203	53
Property, plant and equipment	294	666
Financial assets	63	161
Provisions	37	76
Others	21	13
Netting	-4,905	-6,981
Deferred tax liabilities	**4,469**	**1,370**

10.2 Actual income taxes

Income tax receivables and income tax liabilities are as follows:

	Dec 31, 2022 €k	Dec 31, 2021 €k
Corporate income tax	562	312
Trade income tax	315	422
Income tax receivables	**877**	**734**
Corporate income tax	130	259
Trade income tax	189	395
Current tax liabilities	**319**	**654**

11. Equity

For the development of equity, please refer to the consolidated statement of changes in equity.

11.1 Share capital

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

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

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

Declarant	Location	Date of threshold contact	Type of threshold contact	Notification threshold	Attribution according to WpHG	Equity investment in % [1]
MBB SE	Berlin, Germnay	06/12/2017	underrun	50%	§§ 21, 22	49,17*
Invesco Ltd. (zuvor: Oppenheimer Funds)	Wilmington, Delaware, USA	01/11/2018	overrun	5%	§§ 21, 22	6,56
Erste Group Bank AG	Wien, Austria	16/08/2022	underrun	3%	§§ 21, 22	2,95
Baillie Gifford & Co.	Edinburgh, United King-dom	15/08/2022	overrun	3%	§§ 21, 22	3,06

[1] Equity investment at the date of the notification of the most recent threshold change

* MBB SE's equity investment as at the reporting date of 31 December 2022 amounts to 44.74%.

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

	Dec 31, 2022		Dec 31, 2021	
	Number of shares	in %	Number of shares	in %
MBB Capital Management GmbH	22,222	0.146 %	22,222	0.146 %
Christoph Weigler	870	0.006 %	870	0.006 %
Sebastian Roll	2,500	0.016 %	2,500	0.016 %

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

11.2 Capital reserves

Capital reserves amount to €141.5 million (previous year: €141.1 million).

The "2020 stock option programme" was resolved at the Annual General Meeting on 21 August 2020. On 1 July 2021, the company granted a total of 282,800 subscription rights from the stock option programme. The equity-based options from the stock option programme were measured once, and the pro rata fair value attributable to the 2022 financial year was recognised in staff costs and in the capital reserves at €387.6 thousand. A provision of €362.7 thousand was recognised for the corresponding tax expense in the 2022 financial year.

11.3 Retained earnings

Difference in equity due to currency translation

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

Fair Value Reserve

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

Reserve for pensions

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

Reserve for generated consolidated equity

This item comprises the gains generated by the Group less distributed profits. In the financial year, a profit distribution of €1,525,000 (previous year: €0.00) was made to the shareholders.

12. Provisions for pensions and similar obligations

There are pension agreements at Aumann Beelen GmbH and Aumann Limbach-Oberfrohna GmbH. They relate to 342 employees, 111 of whom are active scheme members. 151 persons are retired and 80 persons have left the scheme. The pension funds are closed, meaning that no further occupational pension agreements are entered into for new appointments.

	Dec 31, 2022 €k	Dec 31, 2021 €k
Pension provisions at beginning of the financial year	**20,966**	**22,723**
Utilisation	-505	-489
Addition to provisions (service cost)	356	416
Addition to provisions (interest cost)	186	112
Actuarial gains (-) /losses (+)	-7.635	-1.796
Pension provisions at end of the financial year	**13,369**	**20,966**
Plan assets	-407	-442
Pension provision recognized in the balance sheet	**12,961**	**20,524**

€137 thousand of actuarial gains result from experience adjustments and €-7,772 thousand from actuarial adjustments.

The following actuarial assumptions were applied:

	2022	2021
Actuarial interest rate	3.8 %	0.9 %
Salary trend	2.0 %	2.0 %
Pension trend	2.0 %	1.8 %

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

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

	Dec 31, 2022 €k	Dec 31, 2021 €k
Addition to provisions (service cost)	-356	-416
Addition to provisions (interest cost)	-186	-112
Total	**-542**	**-528**

The expected pension payments from the pension plans for 2023 amount to €549 thousand.

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

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Interest rate	0.25 %	-3.84%	+3.61%
Pension growth rate	0.50 %	+2.04%	-2.19%
Life expectancy	+ 1 Jahr	+4.37%	-

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

13. Liabilities

Liabilities have the following maturities:

Dec 31, 2022	Up to 1 year €k	More than 1 year and up to 5 years k€	Over 5 years €k	Total €k
Trade payables	29,485	0	0	29,485
Liabilities to banks	2,116	5,165	949	8,230
Provisions with the nature of a liability	6,971	0	0	6,971
Contractual obligations	41,487	0	0	41,487
Liabilities from Leasing	439	272	0	711
Other liabilities	8,265	790	0	9,056
As of Dec 31, 2022	**88,764**	**6,227**	**949**	**95,940**

Dec 31, 2021	Up to 1 year €k	More than 1 year and up to 5 years €k	Over 5 years €k	Total €k
Trade payables	21,023	0	0	21,023
Liabilities to banks	3,718	6,687	1,587	11,992
Provisions with the nature of a liability	7,771	0	0	7,771
Contractual obligations	23,574	0	0	23,574
Liabilities from Leasing	584	364	0	948
Other liabilities	5,126	451	446	6,023
As of Dec 31, 2021	**61,796**	**7,502**	**2,033**	**71,331**

Liabilities to banks have fixed interest rates of between 0.83% and 3.50% (previous year: 0.83% and 5.60%). A land charge of €21.5 million (previous year: €23.0 million) has been entered on the factory grounds to secure a bank loan.

In the Aumann Group, there are also framework credit facilities from banks totalling €218.0 million, which the German Group companies can optionally use as a guarantee credit facility up to a maximum of €212.0 million and as a cash credit facility up to €6.0 million. Moreover, Aumann Technologies (China) Ltd. has a cross-border sublimit of CNY 29.0 million, of which no more than CNY 7.0 million can be drawn as a cash credit facility. The cash credit facilities had not been utilised as of 31 December 2022.

14. Other liabilities

Other liabilities are composed as follows:

	Dec 31, 2022 €k	Dec 31, 2021 €k
Current		
Debtors with credit balances	4,502	966
Value added tax	1,494	1,911
Wage tax	583	617
Wages and salaries	345	409
Commissions	26	132
Miscellaneous	1,315	1,091
	8,265	**5,126**
Non-Current		
Investment grant received	790	898
	790	**898**
Total	**9,056**	**6,024**

Other current liabilities increased by €3,139 thousand to €8,265 thousand compared to the previous year. The increase is mainly due to the overpayment of customers.

15. Provisions

The following table shows the development of non-current and current other provisions as well as provisions of a liability nature during the financial year.

The provision for partial retirement obligations was formed in consideration of the company agreement "Altersteilzeit FlexÜ" concluded on 11 June 2014. The long-term bonus provisions essentially contain the expected expense for tax compensation from the Aumann AG stock option programme of € 544.6 thousand. The provisions for follow-up costs relate to projects that have already been completed and finally invoiced, but for which costs are still incurred for follow-up work and remedying defects. The decrease in the provision for impending losses results from a significantly increased margin in the incoming orders of the 2022 financial year and the utilisation of the provision for impending losses of the previous year as the realisation of orders progresses in the 2022 financial year.

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

€k	Dec 31, 2021	Utilisation	Release	Additions	Currency effect	Dec 31, 2022
Long-term provisions						
Partial retirement	805	-269	0	423	0	959
Options program	182	0	0	363	0	545
Anniversaries	113	-10	0	16	0	120
	1,100	**-279**	**0**	**802**	**0**	**1,623**
Accruals and short-term provisions						
Subsequent cost provision	5,570	-4,717	0	3,597	-15	4,435
Staff costs	3,186	-1,272	0	728	0	2,642
Provision for onerous contracts	6,031	-3,872	0	21	0	2,181
Outstanding invoices	2,411	-973	0	530	0	1,968
Warranty costs	1,784	-717	0	652	-2	1,717
Variable salary and commission	1,104	-813	-291	1,680	0	1,680
Vacation	756	-549	0	480	0	687
Accounting & audit costs	211	-153	-25	163	0	197
Restructuring provisions	215	-215	0	0	0	0
Other	659	-308	-8	199	0	542
	21,927	**-13,589**	**-324**	**8,050**	**-17**	**16,048**
Total	**23,027**	**-13,868**	**-324**	**8,852**	**-17**	**17,670**

€k	Dec 31, 2020	Utilisation	Release	Additions	Currency effect	Dec 31, 2021
Long-term provisions						
Partial retirement	709	-439	0	535	0	805
Options program	0	0	0	182	0	182
Anniversaries	129	-16	0	0	0	113
	838	**-454**	**0**	**717**	**0**	**1,100**
Accruals and short-term provisions						
Provision for onerous contracts	2,046	-1,370	0	5,320	35	6,031
Subsequent cost provision	5,965	-5,199	0	4,682	121	5,570
Staff costs	2,672	-2,653	0	3,167	0	3,186
Outstanding invoices	1,787	-941	-476	2,041	0	2,411
Warranty costs	2,666	-800	-700	618	0	1,784
Variable salary and commission	561	-544	-17	1,104	0	1,104
Vacation	626	-626	0	756	0	756
Restructuring provisions	7,517	-2,606	-4,696	0	0	215
Accounting & audit costs	207	-161	0	165	0	211
Other	527	-152	-1	285	0	659
	24,574	**-15,052**	**-5,890**	**18,139**	**156**	**21,927**
Total	**25,412**	**-15,507**	**-5,890**	**18,856**	**156**	**23,027**

16. Leases

The total leasing liabilities as at the reporting date are as follows:

Lease liabilities by asset type	Dec 31, 2022 €k	Dec 31, 2021 €k
Land and buildings	132	168
Other equipment, operating and office equipment	579	781
Total	**711**	**948**

Taking into account the contracts recognised as liabilities from finance leases, the total lease liabilities as at the reporting date are as follows:

Lease liabilities by maturity	Dec 31, 2022 €k	Dec 31, 2021 €k
Long-term	272	364
Short-term	439	584
Total	**711**	**948**

In the financial years 2022 and 2021, the following amounts relating to leases were recognised in the consolidated statement of comprehensive income:

Amounts recognized in the consolidated statement of comprehensive income	2022 €k	2021 €k
Depreciation and amortization expense	-669	-648
therof buildings	-156	-78
thereof other equipment, operating and office equipment	-513	-570
Interest expense	-8	-8
Expenses for short-term leases	-181	-214
Expenses for low-value leasing objects	-15	0
Total	**-873**	**-871**

The cash outflows for leases (including payments for short-term and low-value leases) total €-671.8 thousand in the 2022 financial year (previous year: €-645.7 thousand).

III. Notes to the statement of comprehensive income

1. Revenue

Revenue amounted to €215.3 million in the 2022 financial year (previous year: €161.1 million). Of the revenue, €205.6 million (previous year: €154.8 million) is attributable to revenue recognition over a period of time.

The development of revenue is explained in the management report. The segment reporting contains a breakdown of revenue primarily by business segment and secondarily by geographical segment.

2. Other operating income

	2022 €k	2021 €k
Sale of non-current assets	2,545	119
Reversal of provisions	324	5,890
Securities	315	2,854
Settlement of benefits in kind	305	323
Exchange rate gains	305	343
Subsidies and investment grants	107	331
Other	537	1,337
Total	**4,438**	**11,197**

Other operating income decreased by €6,720 thousand compared to the previous year. The decrease is mainly due to income from the reversal of provisions for restructuring measures in the previous year. The sale of an unused plot of land and building (land purchase agreement with conveyance dated 26 September 2022), which was included in the non-current assets held for sale in the 2022 half-year financial report, resulted in a capital gain of €1,687 thousand.

3. Other operating expenses

	2022 €k	2021 €k
Travel costs/vehicle costs	-2,247	-2,073
Maintenance expenses	-1,755	-1,660
Legal and consulting	-1,344	-1,138
IT costs	-1,009	-753
Write-offs and bad debt allowances on receivables	-976	-832
Other services	-836	-758
Costs for telephone, post and data communication	-402	-457
Insurance	-357	-360
Advertising costs	-311	-159
Expenses from securities transactions	-307	-99
Rental agreements and leasing	-211	-225
Contributions and fees	-184	-159
Incidental costs for monetary transactions	-179	-174
Office supplies	-163	-144
Miscellaneous operating expenses	-374	-429
Total	**-10,656**	**-9,420**

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

4. Impairment losses and reversals of impairment losses

	2022 €k	2021 €k
Depreciation and amortization on intangible assets and property, plant and equipment	-5,026	-4,958
Release of revaluation reserves on joint ventures and associates	-1,128	0
Impairment losses on property, plant and equipment	0	-40
Total	**-6,154**	**-4,998**

5. Finance income

	2022 €k	2021 €k
Interest income from securities	64	0
Other interest and similar income	3	15
Total	**67**	**15**

6. Finance costs

	2022 €k	2021 €k
Other interest and similar expenses	-414	-390
Aval interest	-356	-332
Leasing interest	-8	-8
Total	**-777**	**-730**

7. Taxes

Details of the deferred tax assets and liabilities can be found in section I.4.18 b) "Deferred taxes". The formation of deferred taxes is based on the future local income tax rate. The income tax rate in China is 25%.

The reconciliation between the income tax expense and the product of the accounting profit for the period and the applicable tax rate of the Group for the financial years 2022 and 2021 is as follows:

	2022 €k	2021 €k
Corporate income tax	-82	-621
Trade income tax	-79	-91
Deferred taxes	-566	3,661
Total	**-727**	**2,950**

	2022 €k	2021 €k
Consolidated net profit before income taxes	1,720	-8,592
Income taxes [expense (-) / income (+)]	-727	2,950
Current income tax rate	**42.3%**	**34.3%**

	2022 €k	2021 €k
Earnings before taxes (EBT)	1,865	-8,592
Other taxes	-145	-518
Applicable (statutory) tax rate	30.3%	30.3%
Expected income tax expense	**521**	**-2,763**
Tax expense from prior periods		
Trade income tax	112	98
Not taxable income		
Non-capitalized loss carry forwards	241	373
from the sale of securities	0	-912
other effects	-147	253
Current tax expenses	**727**	**-2,950**

8. Earnings per share

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

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

The only dilutive effect in the 2022 financial year is Aumann AG’s “2020 stock option programme”. For the calculation of diluted earnings per share, consolidated net profit was adjusted for the staff costs of €750.4 thousand (previous year: €376.0 thousand) incurred in the financial year in connection with Aumann AG’s “2020 stock option programme”. In addition, 282,800 (previous year: 282,800) outstanding option rights were included in the weighted average number of ordinary shares.

	2022	2021
Result attributtable to the holders of shares (€)	993,040	-6,160,108
Weighted average number of shares to calculate the undiluted earnings per share	15,250,000	15,250,000
Earnings per share (€) - undiluted	**0.07**	**-0.40**
Result attributtable to the holders of shares after dilution (€)	1,743,391	-5,783,904
Weighted average number of shares to calculate the deluted earnings per share	15,532,800	15,532,800
Earnings per share (€) - diluted	**0.11**	**-0.37**

IV. Segment reporting

1. Information by segment

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

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

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

E-mobility segment

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

Classic segment

In the Classic segment, Aumann manufactures special machines and automated production lines mainly for the automotive, renewable energy, consumer electronics, household appliances and other industries. Aumann's solutions include systems for the production of drive and lightweight components that reduce CO2 emissions from vehicles with combustion engines. Increasingly, the company's product and process expertise in the automotive industry is also benefiting customers in other sectors. Aumann's highly automated production and assembly solutions are now also used in series production plants in the field of electrolysis or the automated assembly of photovoltaic modules.

Jan 1 – Dec 31, 2022	Classic €k	E-mobility €k	Reconciliation €k	Group €k
Revenue from third parties	72,237	142,083	952	215,272
Other segments	0	0	0	0
Total revenue	**72,237**	**142,083**	**952**	**215,272**
EBITDA	**6,227**	**5,838**	**-3,337**	**8,728**
Amortisation and depreciation	-2,027	-4,065	-62	-6,154
EBIT	**4,200**	**1,773**	**-3,398**	**2,575**
Net finance cost	-163	-228	-319	-710
EBT	**4,038**	**1.545**	**-3,718**	**1,865**
EBITDA margin	*8.6%*	*4.1%*	*0*	*4.1%*
EBIT margin	*5.8%*	*1.2%*	*0*	*1.2%*
Trade receivables and receivables from construction contracts	**28,658**	**54,342**	**4,477**	**87,476**
Contractual obligations	**7,872**	**33,615**	**0**	**41,487**

In the 2022 financial year, the Aumann Group recorded order intake of €295.3 million, of which €230.5 million was attributable to the E-mobility segment and €64.7 million to the Classic segment.

As of 31 December 2022, the Group had an order backlog of €256.4 million, of which €205.5 million was attributable to the E-mobility segment and €50.9 million to the Classic segment.

Jan 1 – Dec 31, 2021	Classic €k	E-mobility €k	Reconciliation €k	Group €k
Revenue from third parties	63,481	96,612	1,034	161,127
Other segments	0	0	0	0
Total revenue	**63,481**	**96,612**	**1,034**	**161,127**
EBITDA	**2,173**	**-4,349**	**-702**	**-2,879**
Amortisation and depreciation	-1,866	-3,055	-77	-4,998
EBIT	**307**	**-7,405**	**-779**	**-7,877**
Net finance cost	-51	-291	-373	-715
EBT	**256**	**-7,696**	**-1,152**	**-8,592**
EBITDA margin	*3.4%*	*-4.5%*	*0*	*-1.8%*
EBIT margin	*0.5%*	*-7.7%*	*0*	*-4.9%*
Trade receivables and receivables from construction contracts	**32,042**	**62,277**	**6,092**	**100,411**
Contractual obligations	**8,338**	**15,173**	**64**	**23,574**

Reconciliation of EBIT to net profit for the year	2022 €k	2021 €k
Total EBT of the segments	**1,865**	**-8,592**
Taxes on income	-727	2,950
Other taxes	-145	-518
PAT (profit after tax)	993	-6,160
Net profit for the period	**993**	**-6,160**

Reconciliation of segment assets to assets	2022 €k	2021 €k
Classic segment	28,658	32,042
E-mobility segment	54,342	62,277
Reconciliation	4,477	6,092
Total segment receivables	**87,476**	**100,411**
Intangibles	51,412	51,338
Fixed assets	27,183	30,180
Financial assets	0	30,442
Deferred tax assets	2,401	2,198
Inventories	23,127	8,831
Current funds	120,602	72,816
Other assets	2,343	2,265
Total assets	**314,545**	**298,481**

Reconciliation of segment Contractual obligations received to equity and liabilities	2022 €k	2021 €k
Classic segment	7.872	8.338
E-mobility segment	33.615	15.173
Reconciliation	0	64
Total segment Contractual obligations received	**41.487**	**23.574**
Consolidated equity	190,157	189,347
Pension provisions	12,961	20,524
Other provisions	10,700	15,042
Deferred tax liabilities	4,469	1,369
Trade payables	29,485	21,023
Provisions with the nature of a liability	6,971	7,771
Restructuring provisions	0	214
Tax provision	319	654
Liabilities to banks	8,230	11,992
Liabilities from Leasing	711	948
Other liabilities	9,055	6,023
Total equity and liabilities	**314,545**	**298,481**

2. Information by region

2.1 Revenue from external customers

	2022 €k	2021 €k
Europe	187,736	136,270
China	13,809	13,275
USMCA[1]	12,250	11,178
Miscellaneous	1,477	404
Total	**215,272**	**161,127**

[1] The USMCA region includes Canada, Mexico and the United States of America.

2.2 Non-current assets

Non-current assets of the group are mainly located in Europe. The non-current assets of our subsidiaries in China and the USA amount to €552 thousand at the end of the year (previous year: €799 thousand).

3. Information about key customers

In each of the financial years 2022 and 2021, there was a single customer that contributed more than 10% to the Group's revenue.

For the reporting year 2022, the revenue contribution of customer A amounted to €41.9 million and was distributed as follows: €41.5 million to the E-mobility segment and €0.4 million to the Classic segment.

For the previous year 2021, the revenue contribution of customer B amounted to €21.0 million, of which €11.0 million was allocated to the E-mobility segment and €10.0 million to the Classic segment.

V. Notes to the consolidated statement of cash flows

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

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

Income taxes paid amounted to €784 thousand in the 2022 financial year (previous year: €249 thousand).

	Non-current liabilites to bank €k	Current liabilities to banks €k	Non-current liabilities from leasing €k	Current liabilities from leasing €k	Total €k
Balance sheet as of Jan 1, 2021	**11,992**	**3,719**	**753**	**623**	
Borrowing	0	0	0	0	0
Redemption	0	-3,719	-78	-729	-4,526
Cash-effective changes	**0**	**-3,719**	**-78**	**-729**	**-4,526**
Reclassification	-3,718	3,718	-516	516	0
New leases	0	0	205	174	379
Non-cash changes	**-3,718**	**3,718**	**-311**	**690**	**379**

	Non-current liabilites to bank €k	Current liabilites to banks €k	Non-current liabilities from leasing €k	Current liabilities from leasing €k	Total €k
Balance sheet as of Jan 1, 2022	**8,274**	**3,718**	**364**	**584**	
Borrowing	0	36	0	0	36
Redemption	-585	-3,213	0	-672	-4,470
Cash-effective changes	**-585**	**-3.,77**	**0**	**-672**	**-4,434**
Changes in exchange rates	0	0	1	0	1
Reclassification	-1,575	1,575	-287	287	0
New leases	0	0	195	239	434
Non-cash changes	**-1,575**	**1,575**	**-92**	**526**	**435**
Balance sheet as of Dec 31, 2022	**6,114**	**2,116**	**272**	**439**	

VI. Additional disclosures on financial instruments

The financial instruments are composed as follows as at the balance sheet date:

		Dec 31, 2022	
€k	Evaluation category IFRS 9*	Carriying amount	Fair Value
Assets			
Trade receivables	AC	21,076	0
Cash and cash equivalents	AC	120,602	0
Equity and liabiliteis			
Liabilities to banks	FLaC	8,230	7,603
Accounts payable	FLaC	29,438	
Aggregated according to categorie			
Assets	AC	141,678	0
Liabilities	FLaC	37,668	0

		Dec 31, 2021	
€k	Evaluation catergory IFRS 9*	Carriying amount	Fair Value
Assets			
Longterm Securities	FVTOCI	30,442	30,442
Trade receivables	AC	26,469	0
Securities (debt instruments)	FVTOCI	61	61
Cash and cash equivalents	AC	72,755	0
Equity and liabiliteis			
Liabilities to banks	FLaC	11,992	12,320
Accounts payable	FLaC	21,023	0
Aggregated according to categorie			
Assets	AC	99,224	0
Liabilities	FVTOCI	30,503	30,503
	FLaC	33,015	0

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

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

Cash and cash equivalents as well as trade receivables mainly have short remaining terms. Therefore, their carrying amounts as at the balance sheet date approximate their fair values. For securities measured at fair value, the fair values are based on the market price quoted on an active market. The investments in equity instruments are mainly measured at fair value in other comprehensive income. As at the balance sheet date, there were only equity instruments measured at fair value through other comprehensive income. This disclosure is based on strategic management decisions.

Trade payables and other financial liabilities generally have short maturities; the values recognised in the balance sheet approximate the fair values. The fair values of liabilities to banks and liabilities from profit participation rights as well as the contingent consideration from put options are determined as the present values of the expected future cash flows. Market interest rates based on the corresponding maturities and credit ratings are used for discounting.

The fair values of financial instruments accounted for at fair value were determined as follows:

Dec 31, 2022	Level 1	Level 2	Level 3	Total
Assets	€k	€k	€k	€k
Longterm Securities	0			0
Securities (debt instruments)	0			0
Total	**0**			**0**

Dec 31, 2021	Level 1	Level 2	Level 3	Total
Assets	€k	€k	€k	€k
Longterm Securities	30.442			30.442
Securities (debt instruments)	61			61
Total	**30.503**			**30.503**

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

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

Financial Instrument	Measurement method	Material, unobservable input factors
Securities	The fair value is based on the market price of equity and debt instruments as of 31 December 2022.	Not applicable

VII. Objectives and methods of financial risk management

1. Financial assets and financial liabilities

The Group's main financial liabilities are current and non-current liabilities to banks, current trade payables and current and non-current other liabilities. The Group's financial assets consist mainly of cash and cash equivalents and trade receivables. The carrying amount of the financial assets recognised in the consolidated financial statements less impairments represents the maximum default risk. It amounts to a total of € 141,678 thousand (previous year: € 129,727 thousand). Business relationships are only entered into with creditworthy contractual partners. Trade receivables are due from a number of customers in different sectors and regions. Credit assessments are carried out on an ongoing basis with regard to the financial status of the receivables. A payment term of 30 days without deduction is usually granted. No allowances were made for trade receivables that were overdue as at the balance sheet date if no significant changes in the creditworthiness of the customers were identified and payment of the outstanding amounts is expected.

Please see II.13 “Liabilities” and II.14 “Other liabilities” for details of the maturities of financial liabilities.

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

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

2. Capital risk management

The Group manages its capital (equity plus debt less cash and cash equivalents) with the aim of achieving its growth targets through financial flexibility while optimising financing costs. The overall strategy in this regard is unchanged from the previous year.

Management reviews the capital structure at least semi-annually. This involves reviewing the cost of capital, the collateral provided and the open credit lines and credit facilities.

The capital structure in the reporting year is as follows:

	Dec 31, 2022	Dec 31, 2021
Equity in € thousand	190,157	189,347
- % of total capital	60.5%	63.4%
Liabilities in € thousand	124,388	109,134
- % of total capital	39.5%	36.6%
Current liabilities in € thousand	98,159	76,606
- % of total capital	31.2%	25.7%
Non-current liabilities in € thousand	26,229	32,528
- % of total capital	8.3%	10.9%
Net gearing*	-0.6	0.0

* Calculated as financial liabilities less cash and cash equivalents, securities in relation to equity.

Through the agreement of several financial covenants when taking out loans, individual subsidiaries are required to comply with certain equity ratios.

3. Financial risk management

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

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

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

Allowances for trade receivables and contract assets are determined using the simplified approach.

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

4. Market risks

Market risks can arise from changes in exchange rates (exchange rate risk) or interest rates (interest rate risk). Exchange rate risks are largely avoided by the fact that the Group mainly invoices in euros or local currency. Due to the assessment of the exchange rate risks for the Group, foreign exchange contracts had been concluded as at 31 December 2022 (see explanation under VI.). The group is not exposed to any interest rate risks by borrowing funds at fixed interest rates.

5. Fair value risk

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

6. Liquidity risk

The liquidity risk describes the risk that the group is not in a position to meet its payment obligations when they fall due. Liquidity risks from financial liabilities do not arise due to the high level of cash and cash equivalents. In the final instance, responsibility for liquidity risk management lies with the members of the Board of Management and the managing directors of Aumann AG, who have each established an appropriate concept for managing short- and long-term financing and liquidity requirements. The Group and its subsidiaries manage liquidity risks both by holding adequate reserves and by constantly monitoring forecast and actual cash flows, as well as by matching the maturity profiles of financial assets and liabilities.

IFRS 7 further requires a maturity analysis for financial liabilities. The following maturity analysis shows how the undiscounted cash flows related to the liabilities as at 31 December 2022 affect the future liquidity situation of the Group.

Dec 31, 2022 Type of liability	Carriying amount €k	Up to 1 year €k	More than 1 year and up to 5 years €k	Over 5 years €k
Liabilities to banks	8,230	2,116	5,165	949
Lease liabilities	711	439	272	0
Accounts payable	29,485	29,485	0	0
Other financial liabilities	9,056	8,265	790	0
Total	**47,481**	**40,305**	**6,227**	**949**

Dec 31, 2021 Type of liability	Carrying amount €k	Up to 1 year €k	More than 1 year and up to 5 years €k	Over 5 years €k
Liabilities to banks	11,992	3,718	6,687	1,587
Accounts payable	21,023	21,023	0	0
Total	**33,015**	**24,741**	**6,687**	**1,587**

If the counterparty can call a payment at different times, the liability is related to the earliest due date. The interest payments of financial instruments with variable interest rates are determined on the basis of forward interest rates. In the case of performance-based interest, the interest rate of the reporting year is generally assumed unless better information is available. The cash flows of the financial and leasing liabilities consist of their undiscounted interest and redemption payments.

The Group uses derivative financial instruments (forward exchange contracts) to a small extent to hedge against currency risks from existing and future underlying transactions. These derivative financial instruments are generally recognised at fair value at the time the contract is concluded and remeasured at fair value in subsequent periods.

Forward exchange contracts with nominal values of USD1,074 thousand and GBP525 thousand were concluded for order-related hedging. The market value of these forward exchange transactions as of the balance sheet date is €-21 thousand.

VIII. Other required information

1. Managing Board

- Sebastian Roll, businessman, Chief Executive Officer (CEO)
- Jan-Henrik Pollitt, businessman, Chief Financial Officer (CFO)

Sebastian Roll is Managing Director of Aumann Immobilien GmbH, since 1 August 2021 Supervisor of Aumann Technologies (China) Ltd. and member of the Board of Directors of Aumann Winding and Automation, Inc. and was Managing Director of Aumann Beelen GmbH from 18 April 2016 to 31 July 2022.

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

2. Supervisory Board

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

- Gert-Maria Freimuth, businessman, Chairman, Chairman of the Nomination Committee (Supervisory Board since 21 November 2016)
- Christoph Weigler, businessman, Deputy Chairman, Chairman of the Audit Committee (Supervisory Board since 9 February 2017)
- Dr-Ing Saskia Wessel, engineer, Member (Supervisory Board since 8 June 2022)

Dr Christof Nesemeier, businessman, member from 20 June 2018 to 8 June 2022 and substitute member since 8 June 2022, is Chairman of the Board of Directors and Managing Director of MBB SE as well as Chairman of the Supervisory Board of Friedrich Vorwerk Group SE and Friedrich Vorwerk Management SE.

Gert-Maria Freimuth is Deputy Chairman of the Board of MBB SE and Chairman of the Supervisory Boards of Delignit AG and DTS IT AG.

Christoph Weigler is General Manager at Uber Germany, Austria and Switzerland.

Dr Saskia Wessel is Head of Product and Production Technology at the Fraunhofer Research Unit Battery Cell Production FFB.

3. Executive body remuneration

The following table shows the total remuneration of the Executive Board and the Supervisory Board for the past financial year and for the previous year in accordance with section 285 No. 9 HGB. For further details, please refer to the remuneration report prepared separately in accordance with section 162 AktG.

Executive body remuneration	2022 €k	2021 €k
Managing Board	855.2	1,291.3
Supervisory Booard	60.0	60.0

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

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

Price threshold	Cumulative percentage vesting of issued stock option rights
15.00 €	1.8%
19.50 €	4.8%
23.00 €	9.0%
26.50 €	14.4%
30.00 €	21.0%
33.50 €	28.8%
37.00 €	37.8%
40.50 €	48.0%
44.00 €	60.0%

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

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

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

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

Parameter	
Valuation date	July 31, 2021
Exercise price	€11.00
Share price	€17.48
Risik-frss interest rate	-0.65%
Dividend yield	0.22%
Expected volatility	57.19%
Due Date	July 31, 2025
Fair value	**€5.49**

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

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

The equity-based options of the Executive Board members from the 2020 stock option programme were valued once at the time of issue and the fair value attributable pro rata to the 2022 financial year was increased by €205.6 thousand in personnel expenses and in the capital reserve. A provision of €185.8 thousand was formed for the corresponding tax expense in the 2022 financial year.

4. Group companies

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

5. Related party transactions

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

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

5.1 Related persons

In accordance with IAS 24, Aumann AG also reports on business transactions with related parties and members of their families. Related parties within the meaning of IAS 24 are defined as the members of the Board of Management, the Supervisory Board, the managing directors of the subsidiaries and their family members. There were no business transactions with family members in the financial year or in the previous year.

Executive Board and Supervisory Board

Please refer to the explanations in the remuneration report of Aumann AG. Apart from the aforementioned payments, no transactions were conducted with the Aumann Group.

Notification of transactions with shares of Aumann AG

Persons with management duties, in particular the Management Board and the members of the Supervisory Board of Aumann AG, as well as persons closely related to them, are obliged to disclose transactions involving shares in Aumann AG or financial instruments relating to them. Notifications of such transactions are published on our website at https://www.aumann.com/en/investor-relations/corporate-governance/.

5.2 Related companies

MBB SE, as the parent company of Aumann AG, and the companies included in the scope of consolidation of MBB SE are also to be considered related parties. Business transactions with these companies were conducted at arm's length. Aumann AG, Beelen, paid MBB SE, Berlin, €299 thousand (previous year: €239 thousand) for consulting services, allocations and oncharges in the financial year 2022.

6. Employees

As at the reporting date, the Group had 821 employees (previous year: 775), including 11 managing directors / board members (previous year: 8). In addition, the Group employed 71 trainees and dual students in 2022 (previous year: 87) and 25 temporary workers (previous year: 19). On average, the Group had 795 employees during the year (previous year: 845).

	2022 €k	2021 €k
Audit services	170.0	161.5
Total	**170.0**	**161.5**

8. Contingent liabilities and off-balance sheet transactions

In plant construction, the issuing of various guarantees to secure contractual obligations is common and necessary. These guarantees are usually issued by banks or credit insurance companies and essentially comprise contract performance, advance payment and warranty guarantees. In the event of a guarantee being called, the banks have a right of recourse against the Group. There is only a risk of a guarantee being called if the underlying contractual obligations are not properly fulfilled. No claims were made against the Group in the financial year or in the past.

9. Other financial obligations

The off-balance sheet commitments mainly consist of purchase, rental and lease commitments not recognised as right-of-use and lease liability under IFRS 16 and are as follows as at 31 December 2022:

Other financial obligations	Dec 31, 2022 €k	Dec 31, 2021 €k
Up to one year	282	92
More than one year and up to five years	129	247
Up to five years	0	0
Total	**411**	**339**

10. Declaration in accordance with section 161 AktG

As a listed stock corporation in accordance with section 161 AktG, Aumann AG is required to submit a declaration on the extent to which the recommendations of the Corporate Governance Code of the German Government Commission have been complied with. The Executive Board and the Supervisory Board submitted the latest version of this declaration on 22 March 2023. It forms part of the management report and is published online at www.aumann.com.

11. Transactions after the end of the financial year

On 15 March 2023, Aumann AG resolved to make use of the authorisation granted by the Annual General Meeting on 2 June 2021 to acquire treasury shares in accordance with section 71 (1) no. 8 of the AktG. Aumann has not yet made use of the authorisation, so that the maximum number of shares that can be repurchased in accordance with the authorisation is 1,525,000. The company intends to buy back own shares with a maximum volume of €7.0 million at a price of €18.00 per share via the stock exchange from 17 March 2023. The share buyback programme is scheduled to end on 31 July 2023 at the latest.

12. Exemption under section 264(3) HGB

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

Beelen, 27 March 2023

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

Responsibility statement[4]

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

Beelen, 27 March 2023

Sebastian Roll
Chief Executive Officer

Jan-Henrik Pollitt
Chief Financial Officer

[4] unaudited

Independent Auditor's Report

To Aumann AG, Beelen:

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

Audit Opinions

We have audited the consolidated financial statements of Aumann AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January to 31 December 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies. We have also audited the group management report of Aumann AG, which is combined with the management report of the company, hereinafter referred to as the "group management report", for the business year from 1 January to 31 December 2022. In accordance with German legal requirements, we have not audited the content of the components mentioned in the "Other information" section of our audit opinion.

In our opinion, based on the findings of our audit, the consolidated financial statements are as follows

- the accompanying consolidated financial statements comply in all material respects with IFRSs as adopted by the EU and the additional requirements of German law pursuant to section 315e (1) HGB and give a true and fair view of the financial position of the Group as at 31 December 2022 and of its financial performance for the financial year from 1 January to 31 December 2022 in accordance with these requirements; and

- the accompanying group management report as a whole provides a suitable view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the parts of the group management report mentioned in the section "Other information".

In accordance with section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations concerning the correctness of the consolidated financial statements and the group management report.

Basis for the audit judgements

We conducted our audit of the consolidated financial statements and the group management report in accordance with section 317 HGB and the EU Regulation on Auditors (No. 537/2014; hereinafter "EU-APrVO") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility according to these regulations and principles is described in more detail in the section "Auditor's responsibility for the audit of the consolidated financial statements and the group management report" of our auditor's report. We are independent of the group entities in accordance with European law and German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. Furthermore, pursuant to Article 10 (2) (f) EU-APrVO, we declare that we have not performed any prohibited non-audit services pursuant to Article 5 (1) EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and the group management report.

Particularly important audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2022. These matters were considered in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

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

- Impairment of Goodwill
- Revenue recognition from construction contracts

We have structured our presentation of these key audit matters as follows:

1. facts and problem definition,

2. audit approach and findings,
3. reference to further information.

In the following, we present the particularly important audit matters:

Impairment of Goodwill

1. In the consolidated financial statements of Aumann AG, goodwill of € 38.5 million is reported under the balance sheet item "Intangible assets". The company allocates goodwill to the relevant groups of cash-generating units. The goodwill is subjected to an annual impairment test by the company on the balance sheet date or as required. In principle, the values in use are compared with the book values of the corresponding group of cash-generating units. The basis for these valuations is regularly the present value of future cash flows of the cash-generating unit to which the respective goodwill is to be allocated. The valuations are based on the budgets of the individual cash-generating units, which are based on the financial plans approved by management. The discounting is carried out using the weighted average cost of capital of the respective cash-generating unit. The result of these valuations is highly dependent on the estimation of future cash inflows by the legal representatives of the company as well as the discount rate used and is therefore subject to considerable uncertainty, which is why this matter is of particular importance in the context of our audit.
2. In order to address this risk, we critically assessed management's assumptions and estimates and performed the following audit procedures, among others:

   - As part of our audit procedures, we obtained an understanding of the Company's impairment testing process and the methodology used to perform the impairment test.
   - We have satisfied ourselves that the future cash inflows underlying the valuations and the discount rates used, taken as a whole, provide a reasonable basis for the impairment tests of the individual cash-generating units.
   - In making our assessment, we relied, among other things, on a comparison with general and industry-specific market expectations as well as extensive explanations by management on the main value drivers of the plans and a comparison of this information with the current budgets from the planning approved by the Supervisory Board.
   - Knowing that even relatively small changes in the discount rate can have a significant impact on the value in use calculated in this way, we examined the parameters used to determine the discount rate, including the weighted average cost of capital, and understood the Company's calculation scheme.
   - In addition, we performed our own sensitivity analyses to assess the potential risk of impairment in the event of a deemed possible change in a key valuation assumption. The selection was based on qualitative aspects and the amount by which the value in use exceeded the respective carrying amount.

   We have determined that the respective goodwill and overall the carrying amounts of the relevant groups of cash-generating units are covered by the discounted future cash flows as at the balance sheet date.
3. The company's disclosures on goodwill are contained in Notes I.4.5 and II.2. to the financial statements.

Revenue recognition from construction contracts

1. A significant portion of the Group's business is conducted through construction contracts. Revenue recognition under IFRS 15 is dependent on the fulfilment of the performance obligation and must be evaluated based on the underlying contracts. Due to the complexity of revenue recognition, revenue recognition is an area of significant risk of material misstatement (including the potential risk of management override of controls) and is therefore a key audit matter. Of the revenue, €205.6 million relates to time-period contracts with customers in 2022. As at 31 December 2022, €66.4 million of contract assets and €41.5 million of contract liabilities from construction contracts are recognised.
2. To address this risk, we critically assessed management's assumptions and estimates and performed the following audit procedures, among others:

   - As part of our audit, we examined the internally defined methods, procedures and control mechanisms of project management in the bidding and execution phase of construction contracts. In addition, we assessed the design and effectiveness of the accounting-related internal controls by tracing contract manufacturing-specific business transactions from their origination to their presentation in the consolidated financial statements and by testing controls.

- On the basis of risk-oriented selected samples, we assessed the estimates and assumptions made by the legal representatives within the framework of individual case audits. Our audit procedures included, among other things, reviewing the contractual bases as well as contractual terms and conditions including contractually agreed provisions on partial deliveries or services, termination rights, default and contractual penalties as well as damages. For the selected projects, in order to assess the accrual-based determination of income, we also examined the sales revenues billable as of the reporting date and the related cost of sales to be recognised in profit or loss based on the percentage of completion, as well as the balance sheet presentation of the related balance sheet items.

- Furthermore, we conducted interviews with the project management (both commercial and technical project managers) on the development of the projects, on the reasons for deviations between planned costs and actual costs, on the current assessment of the costs expected to be incurred until completion as well as on the assessments of the legal representatives on possible contract risks.

Our audit procedures have not led to any reservations regarding the recognition of revenue from construction contracts.

3. The company's information on the accounting and valuation principles applied in the context of accounting for construction contracts is contained in notes I.4.17, II.7, II.8 and III.1 of the notes to the financial statements.

Other information

The legal representatives or the supervisory board are responsible for the other information. The other information includes:

- the corporate governance statement,
- the non-financial statement in accordance with § 315b HGB in conjunction with § 289b HGB. § 289b HGB,
- the other parts of the annual report, with the exception of the audited consolidated financial statements and group management report and our audit opinion, and
- the assurance pursuant to section 297 (2) sentence 4 HGB on the consolidated financial statements and the assurance pursuant to section 315 (1) sentence 5 HGB on the group management report.

The Supervisory Board is responsible for the Report of the Supervisory Board. The legal representatives and the Supervisory Board are responsible for the declaration pursuant to section 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code, which forms part of the corporate governance statement contained in the management report. Otherwise, the legal representatives are responsible for the other information.

Our audit opinions on the consolidated financial statements and the group management report do not cover the other information and, accordingly, we do not express an audit opinion or any other form of conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is

- are materially inconsistent with the consolidated financial statements, the group management report or our knowledge obtained in the audit; or
- otherwise appear to be materially misstated.

Responsibility of the legal representatives and the supervisory board for the consolidated financial statements and the group management report

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs as adopted by the EU and the additional requirements of German law pursuant to § 315e Abs. 1 HGB and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the group's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. Furthermore, they are responsible for accounting on a going concern basis unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the group management report, which as a whole provides a suitable view of the Group's position and is consistent in all material respects with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, management is responsible for the arrangements and measures (systems) that it determines are necessary to enable the preparation of a group management report in accordance with the applicable German legal requirements and for providing sufficient appropriate evidence to support the assertions in the group management report.

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

Auditor's Responsibility for the Audit of the Consolidated Financial Statements and the Group Management Report

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides a suitable view of the Group's position and is consistent, in all material respects, with the consolidated financial statements and the findings of our audit, complies with German legal requirements and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinion on the consolidated financial statements and the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and EU-APrVO and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and the group management report.

During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore

- Identify and assess the risks of material misstatement of the consolidated financial statements and the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. 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 because fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and actions relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those procedures.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the going concern basis of accounting used by management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the group management report or, if such disclosures are inadequate, to modify our opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or conditions may result in the Group being unable to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that the consolidated financial statements

give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with IFRSs as adopted by the EU and the additional requirements of German law pursuant to § 315e Abs. 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the accounting information of the entities or business activities within the group to express an opinion on the consolidated financial statements and on the group management report. We are responsible for the engagement, supervision and performance of the audit of the consolidated financial statements. We are solely responsible for our audit opinions.
- We assess the consistency of the group management report with the consolidated financial statements, its compliance with the law and the view of the group's position conveyed by it.
- Perform audit procedures on the forward-looking statements made by management in the group management report. On the basis of sufficient suitable audit evidence, we in particular verify the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the appropriate derivation of the forward-looking statements from these assumptions. We do not express an independent opinion on the forward-looking statements or the underlying assumptions. There is a significant unavoidable risk that future events may differ materially from the forward-looking statements.

We discuss with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any 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 discuss with them all relationships and other matters that may reasonably be thought to bear on our independence, and the safeguards that we have put in place.

From the matters discussed with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of 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 of the matter.

OTHER STATUTORY AND OTHER LEGAL REQUIREMENTS

Report on the audit of the electronic reproductions of the consolidated financial statements and the group management report prepared for the purpose of disclosure pursuant to section 317 (3a) of the German Commercial Code (HGB)

Audit opinion

Pursuant to section 317 (3a) of the German Commercial Code (HGB), we have performed a reasonable assurance engagement to determine whether the reproductions of the consolidated financial statements and the group management report (hereinafter also referred to as "ESEF documents") contained in the attached file [Aumann AG_KA+KLB_ESEF_20221231] and prepared for the purpose of disclosure comply in all material respects with the requirements of section 328 (1) of the German Commercial Code regarding the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit extends only to the conversion of the information in the consolidated financial statements and the group management report into the ESEF format and therefore neither to the information contained in these reproductions nor to any other information contained in the aforementioned file.

In our opinion, the reproductions of the consolidated financial statements and the group management report contained in the above-mentioned file and prepared for disclosure purposes comply, in all material respects, with the requirements of section 328 (1) HGB regarding the electronic reporting format. Beyond this opinion and our opinions on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2022 contained in the preceding "Report on the audit of the consolidated financial statements and group management report", we do not express any opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file.

Basis for the audit opinion

We conducted our audit of the reproductions of the consolidated financial statements and the group management report contained in the above-mentioned file in accordance with section 317 (3a) of the German Commercial Code (HGB), taking into account the IDW Auditing Standard: Audit of electronic reproductions of financial statements and management reports prepared for the purpose of disclosure in accordance with section 317 (3a) of the HGB (IDW PS 410 (06.2022)). Our responsibility thereafter is further described in the section "Responsibility of the group auditor for the audit of the ESEF documents". Our auditing practice has complied with the quality assurance system requirements of the IDW Quality Assurance Standard: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1).

Responsibility of the legal representatives and those responsible for supervision for the ESEF documents

The Company's management is responsible for the preparation of the ESEF documents with the electronic reproductions of the consolidated financial statements and the group management report in accordance with section 328 (1) sentence 4 no. 1 HGB and for the certification of the consolidated financial statements in accordance with section 328 (1) sentence 4 no. 2 HGB.

Furthermore, the Company's management is responsible for the internal controls as they deem necessary to enable the preparation of the ESEF documents that are free from material non-compliance, whether due to fraud or error, with the requirements of § 328 (1) HGB regarding the electronic reporting format.

Those charged with governance are responsible for overseeing the process of preparing the ESEF documentation as part of the financial reporting process.

Auditor's Responsibility for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance, whether due to fraud or error, with the requirements of section 328 (1) HGB. During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore

- we identify and assess the risks of material non-compliance with the requirements of section 328 (1) HGB, 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 opinion.
- we 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 opinion on the effectiveness of those controls.
- we evaluate the technical validity of the ESEF documentation, i.e. whether the file containing the ESEF documentation complies with the requirements of Delegated Regulation (EU) 2019/815, as amended at the date of the financial statements, regarding the technical specification for that file.
- we assess whether the ESEF documentation provides a consistent XHTML representation of the audited consolidated financial statements and the audited group management report.
- we assess whether the inline XBRL (iXBRL) tagging of the ESEF documentation provides an adequate and complete machine-readable XBRL copy of the XHTML reproduction in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815 as applicable at the reporting date.

OTHER INFORMATION REFERRED TO IN ARTICLE 10 EU-APrVO

We were appointed as Group auditors by resolution of the Annual General Meeting of the parent company on 8 June 2022. We have served as auditors of the Group since the 2017 financial year.

We declare that the audit opinions contained in this audit report are consistent with the additional report to the Supervisory Board pursuant to Article 11 EU-Audit Regulation (audit report).

OTHER MATTERS - USE OF THE AUDIT OPINION

Our audit opinion should always be read in conjunction with the audited consolidated financial statements, the audited group management report and the audited ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format - including the version to be entered in the companies register - are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and do not replace them. In particular, the ESEF opinion and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Katrin Peters.

Düsseldorf, 27 March 2023

RSM GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dr Grabs	Peters
Auditor	Auditor

Financial calender

Annual Report 2022
30 March 2023

Interim Statement Q1 2023
15 May 2023

Annual General Meeting 2023
15 June 2023

Half-year Financial Report 2023
15 August 2023

Interim Statement Q3 2023
14 November 2023

End of the 2023 financial year
31 December 2023

Contact
Aumann AG
Dieselstraße 6
48361 Beelen
Germany

Tel. +49 2586 888 7800
www.aumann.com
info@aumann.com

Legal Notice
Aumann AG
Dieselstraße 6
48361 Beelen
Germany

aumann