Annual Report 2020

Aumann AG, Beelen

Aumann in figures

Fiscal year	2020	2019	Δ 2020/ 2019
	€k	**€k**	**%**
Order backlog	**102.813**	**134.167**	-23,4%
Order intake	**157.332**	**189.521**	-17,0%
Earnings figures (adjusted) *	**€k**	**€k**	**%**
Revenue	**172.833**	**259.573**	**-33,4%**
there of E-mobility	108.856	115.099	-5,4%
Operating performance	172.171	259.641	-33,7%
Total performance	178.153	267.667	-33,4%
Cost of materials	-102.876	-156.530	-34,3%
Staff costs	-61.148	-75.281	-18,8%
EBITDA	1.739	21.232	-91,8%
EBITDA margin	1,0%	8,2%	
EBIT	-3.326	16.317	-120,4%
EBIT margin	-1,9%	6,3%	
EBT	-4.265	15.434	-127,6%
EBT margin	-2,5%	5,9%	
Consolidated net profit	**-6.828**	**11.037**	**-161,9%**
Figures from the statement	**31 Dec**	**31 Dec**	
	€k	**€k**	**%**
Non-current assets	103.170	99.120	4,1%
Current assets	184.811	227.626	-18,8%
there of cash and equivalents **	90.234	95.264	-5,3%
Issued capital (share capital)	15.250	15.250	0,0%
Other equity	171.088	187.914	-9,0%
Total equity	186.338	203.164	-8,3%
Equity ratio	64,7%	62,2%	
Non-current liabilities	39.503	46.877	-15,7%
Current liabilities	62.140	76.705	-19,0%
Total assets	**287.981**	**326.746**	**-11,9%**
Net debt (-) or net cash (+) **	73.147	73.988	-1,1%
Employees	**31 Dec**	**31 Dec**	**%**
	968	1.107	-12,6%

* For details of adjustment please see the information on the results of operations, financial position and net assets.

** This figure also includes securities.

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Welcome note from the Executive Board

Dear Shareholders,

The year 2020 will live long in the memory for a number of reasons. The COVID-19 pandemic swiftly brought numerous branches of industry to a worldwide standstill. The dystopia of “lockdown” became reality. Production lines stopped rolling. The global movement of goods was disrupted. Social distancing became the norm. Our professional and private lives changed drastically. From the beginning of the pandemic, we took developments very seriously and put all the necessary measures in place. We consistently focused on the welfare of our employees, the development of our business and the protection of your interests.

In the second half of the year, vaccines offered hope that normality would soon return. This will take another few months, however, and 2020 ended with an ongoing lockdown. Ultimately, the pandemic turned an economic cooldown into an acute crisis for the automotive industry as well as many other sectors.

Vehicle registrations declined for the third year in a row – by nearly 25% year-on-year in Europe and around 15% in the US. Even in China, there was a continued decline of 6% compared with the already faltering previous year. Global vehicle production fell to its 2010 level. Instead of investing in the future, our customers started to focus on savings programmes, plant closures, short-time work and redundancies.

This trend did not pass Aumann by. In 2020, the restrictions in response to the COVID-19 pandemic were particularly expressed in a marked reluctance to invest in production lines. As a result, the order intake declined to €157.3 million and revenue thus fell to €172.8 million. In a challenging and declining market environment, revenue in the Classic segment was down considerably on the previous year at €64.0 million. The E-mobility segment performed comparatively well in the crisis year of 2020 with a moderate revenue drop of 5.4% to €108.9 million. Earnings before interest, taxes, depreciation and amortisation adjusted for non-recurring effects (adjusted EBITDA) came to a positive operating figure of €1.7 million in 2020, with a margin of 1.0%. Adjusted EBITDA in the E-mobility segment amounted to €6.6 million with a margin of 6.1%.

We showed a vigorous response to the altered market situation by shutting down our smallest production site in Hennigsdorf and adjusting capacity at the remaining German locations. We are confident that this new formation will bring us out of the crisis stronger, putting us in a good position for an economic upturn after the pandemic. Aumann has liquidity of €90.2 million and a solid equity ratio of 64.7%. With regard to the first weeks’ order intake, we are cautiously optimistic about the 2021 financial year, especially for our E-mobility segment, on which we are focusing.

In a year shaped by the pandemic and associated stresses, our special thanks go to our employees. We also thank you, dear shareholders, for your solidarity. Let us continue shaping the future of E-mobility together.

Sincerely,

Rolf Beckhoff	Sebastian Roll
Chief Executive Officer	Chief Financial Officer

Report of the Supervisory Board

In the 2020 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. This meant that the Supervisory Board was informed about the strategy, business policy and planning, the risk situation and the net assets, financial position and results of operations of the Aumann Group at all times.

This took place in personal discussions between the Chairman of the Supervisory Board and the Executive Board and regular reports on business developments by the Executive Board, and at the regular meetings of the Supervisory Board on 31 March, 9 June, 21 August and 26 November 2020 as well as the extraordinary meeting on 15 December 2020. All Supervisory Board meetings were attended by all members of the Supervisory Board and the Executive Board.

At the individual meetings, the Supervisory Board analysed the company's current business development together with the Executive Board and discussed its strategic focus. In this context, there were intensive discussions in 2020 about the impact of the COVID-19 pandemic on the Aumann Group and appropriate measures to organise the protection of employees' health as a matter of priority while also protecting the company's economic position. In light of the consistently challenging situation in the automotive industry, the Supervisory Board discussed measures for optimising the cost structure and vertical integration, among other things. In particular, this comprised the adjustment of capacity to the much weaker demand in the automotive industry by closing the site in Hennigsdorf and reducing capacity at the other German production sites. The Chairman of the Supervisory Board maintained regular contact with the Executive Board on this issue. To the extent that individual transactions also required the approval of the Supervisory Board in accordance with the Articles of Association, the Rules of Procedure or the law, the Supervisory Board examined these transactions and resolved whether to grant its approval.

The Supervisory Board also discussed corporate governance and the German Corporate Governance Code. The Supervisory Board and the Executive Board took the measures required to ensure broad compliance with the Code. The two exceptions are presented and explained in the declaration in accordance with section 161 of the Aktiengesetz (AktG – German Stock Corporation Act) submitted with the Executive Board on 12 March 2021. This declaration has been published in the annual report and on the company's website www.aumann.com.

Furthermore, in the past financial year, the Supervisory Board addressed the equal participation of women and men in management positions. At present, the members of the Supervisory Board and the Executive Board of Aumann AG are all men. The Supervisory Board and the Executive Board explicitly aim to increase the percentage of women in management positions in the Group. The Supervisory Board has therefore resolved to achieve a percentage of female members of the Supervisory Board and of the Executive Board of 20% in the medium term. The extended management of the Aumann Group is 18% women.

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 2020 financial year. The auditor submitted a declaration of independence to the Supervisory Board in accordance with item 7.2.1 of the German Corporate Governance Code. 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 2020 prepared in accordance with the Handelsgesetzbuch (HGB – German Commercial Code) and the consolidated financial statements as at 31 December 2020 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 14 April 2021.

The Supervisory Board and the newly formed Audit Committee examined the annual financial statements prepared by the Executive Board and the joint management report for Aumann AG, the proposal for the appropriation of net profit, the consolidated financial statements and Group management report and discussed them with the auditor at the meeting on 15 April 2021. The auditor comprehensively answered all questions. The Supervisory Board and the Audit Committee received the audit report in good time before the meeting. Following the completion of its examination, the Supervisory Board and the Audit Committee did not raise any objections to the annual financial statements, the management report, the consolidated financial statements or the Group management report. The Supervisory Board and the Audit Committee concur with the opinion of the Executive Board as expressed in the management report of Aumann AG and in the Group management report.

The annual and consolidated financial statements were approved by the Supervisory Board on 15 April 2021, and 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, 15 April 2021

The Supervisory Board

Gert-Maria Freimuth

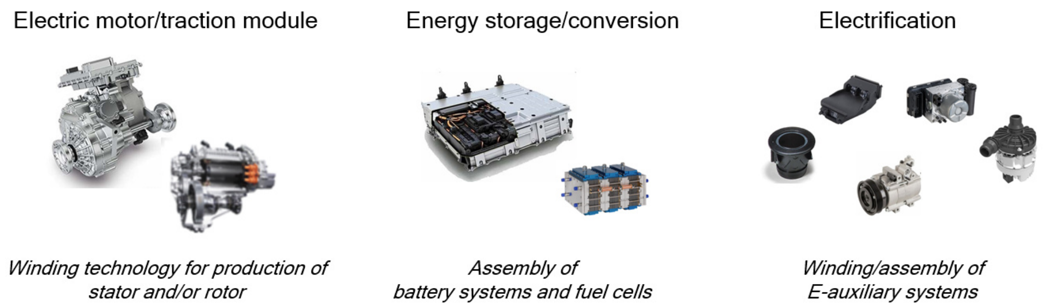
Chairman of the Supervisory Board

Group management report

The consolidated financial statements of Aumann AG are prepared in accordance with the International Financial Reporting Standards (IFRS) in line with section 315e HGB.

Description of the business model

Aumann is a world-leading manufacturer of innovative speciality machinery and automated production lines with a focus on E-mobility. With its German sites in Beelen, Espelkamp and Limbach-Oberfrohna in Europe, the Chinese company in Changzhou and a site in Clayton in the US, the company has five locations in its three most important markets. The entire automotive industry is undergoing a continuous transformation that is taking it away from the complex mechanical drive concept centred on the combustion engine towards a significantly more streamlined electric drive concept. Accordingly, Aumann geared its strategy and its portfolio towards the needs of the E-mobility megatrend a number of years ago. Aumann's product solutions enable the highly efficient and technologically advanced series production of a wide range of components and modules, including electric traction modules, power-on-demand units, energy storage and conversion systems (batteries and fuel cells), auxiliary motors, and electronic components for sensor and control applications.



One of Aumann's core competencies is supporting customers during the development of their products in order to ensure the feasibility of subsequent, highly automated series production. In this phase, the manufacturing process is developed alongside the Aumann product. When it comes to the individual manufacturing technologies in the areas of profile wire and round wire winding, assembly and automation, Aumann takes advantage of extensive experience. This allows Aumann to offer its customers highly innovative and validated production solutions even for challenging applications. Production- and product-related services from simultaneous engineering to full service round off Aumann's business.

Aumann therefore has a strategic positioning that will enable it to play a key role in shaping the change in the automotive industry while supporting its customers in meeting the challenges they face.

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

- Strategic focus on the growing E-mobility market
- Turnkey solutions based on unique winding technologies and automation processes
- Decades of automotive experience and customer relationships in the automotive industry
- Profitable, asset-light business model
- Solid statement of financial position and liquidity of €90.2 million
- Potential for expansion, including through strategic corporate acquisitions

Business and economic conditions

The world economy was plunged into a deep recession in the past financial year. Precipitated by the COVID-19 pandemic and the associated measures to contain it, global economic output contracted faster in 2020 than it had in a long time. Despite massive support programmes from governments and central banks, global gross domestic product (GDP) declined by around 4.0% in 2020.

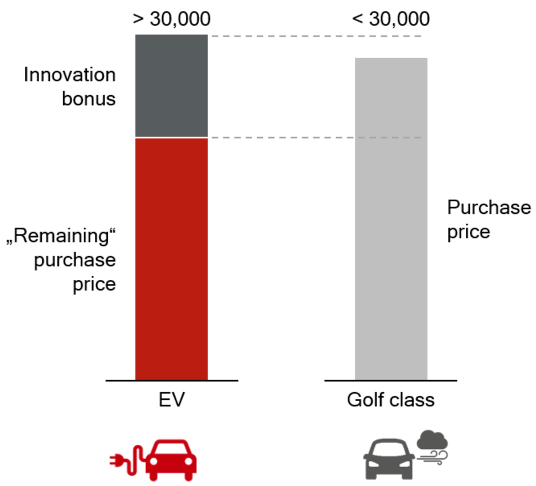
That said, the extent of the economic downturn varied significantly between countries and depended on the regional development of the pandemic. GDP already fell by a considerable 6.4% in the European Union's economic area, but the European industrial nations of Spain, the United Kingdom, Italy and France experienced a true economic collapse in 2020, with rates of decline sometimes in double digits. The economy of export nation Germany likewise contracted considerably, at a rate of 5.0%, but much less drastically thanks to sweeping support measures such as short-time work.

The US economy also declined by 3.5%, but benefited from significant support measures and comparatively modest restrictions to business and private life. Only China, which was affected by the COVID-19 pandemic first and thus recovered from the related measures sooner than other economies, ended 2020 with GDP growth of 2.3%. However, this is a historically low growth rate for the Chinese economy.

While the emergence of further mutations of coronavirus could significantly impact economic growth in 2021, continued vaccination of the population ought to bring the economic environment ever closer to normal. Catch-up effects and billions in aid programmes from states and central banks are also expected to bolster growth. Accordingly, the IMF currently estimates that global economic output could increase by 5.5% in 2021 and 4.2% in 2022.

Market development

The development of the markets for different drive technologies could hardly have varied more in Europe in 2020. For example, the international vehicle markets for conventional cars declined considerably in the past financial year, driven by the economy and the pandemic. On the other hand, government incentives boosted registrations of new electric and hybrid vehicles, especially in the final quarter of the year. For the first time, the "remaining" acquisition costs of electric vehicles – taking incentives into account – fell below the purchase prices of comparable cars with conventional combustion engines. In 2020, alternative drives were also generally much less affected by the drop in demand as a result of the COVID-19 pandemic than petrol and diesel cars.



Despite this positive momentum for alternative drives, a considerable majority of cars sold in Europe still have conventional drives. And even this market shrank by a significant 24.3% to 12.0 million units according to the European Automobile Manufacturers Association (ACEA). The decline in new registrations compared with 2019 marked the biggest yearly drop in car demand since records began. All European markets saw double-digit declines. Among the region's biggest car markets, Spain posted the sharpest drop (-32.3%), followed by Italy (-27.9%) and France (-25.5%), while full-year losses for 2020 were significant but less pronounced in Germany (-19.1%).

Registrations in the US market fell by 14.7% to just under 14.5 million vehicles. The US market had not been below 15.0 million vehicles since 2012. Both light vehicle segments contributed to the decline. Car sales dropped by over a quarter in 2020, though truck sales only fell by one-tenth. The Chinese market recovered swiftly over the past calendar year after an early slump as a result of the pandemic and reported the eighth consecutive month of growth in vehicle sales in December 2020. In total 19.8 million vehicles were sold, falling 6.1% short of the 2019 level.

The German Association of the Automotive Industry (VDA) assumes that the market situation will continue to improve in 2021, but the growth will start from a currently very low market base. The association expects sales growth of 12% to 13.4 million vehicles in Europe, 9% to 15.8 million vehicles in the US, and 8% to 21.4 million vehicles in China. This means that only the Chinese market is likely to return to above the pre-crisis level. According to the forecast, the global car market will grow by 9% to 73.8 million units, which is likewise well below the pre-crisis level.

2020 was also an exceptional year for the German Mechanical Engineering Industry Association (VDMA). According to provisional calculations, production in the mechanical engineering industry fell by 12.1% in real terms, reaching its lowest figure since the 2009 financial crisis. For 2021, the association anticipates real production growth of 4%.

Aumann expects the share of electrified vehicles to continue to grow significantly in the coming years. In particular, the following technological trends and political factors are continuing to contribute to this by supporting the transition to E-mobility:

- regulations on emissions reductions up to banning combustion engines;
- investment in plant conversion by car manufacturers for electric and hybrid models, partly accompanied by massive cost-cutting programmes in other areas;
- state subsidies for environmentally friendly vehicles;
- infrastructure investment in a larger network of charging stations;
- further declines in prices for vehicles with electric and hybrid drives, also compared to vehicles with combustion engines;
- improved vehicle range thanks to more efficient engines and batteries;
- rising demand as a result of the growing attractiveness of new vehicles with electric and hybrid drives.

Business performance

The consequences of the COVID-19 pandemic weighed on the Aumann Group's 2020 financial year. Revenue fell to €172.8 million. In a challenging and declining market environment, revenue in the Classic segment was down considerably on the previous year at €64.0 million. The E-mobility segment performed comparatively well in the crisis year of 2020 with a moderate revenue drop of 5.4% to €108.9 million. The share of the strategically important segment rose to 63.0%.

In 2020, restrictions in response to the COVID-19 pandemic were also expressed in a marked reluctance to invest in production lines. In this environment, Aumann's order intake fell by 17.0% to €157.3 million. It was €80.0 million in the E-mobility segment, below the record level of the previous year. In the Classic segment, order intake was increased by 9.7% from a very low figure for the previous year to €77.4 million.

Earnings before interest, taxes, depreciation and amortisation adjusted for non-recurring effects (adjusted EBITDA) came to a positive figure of €1.7 million in 2020, with a margin of 1.0%. Aumann adjusted its capacity to the much weaker demand in the automotive industry in 2020 by closing the site in Hennigsdorf and reducing capacity at the other German production sites. In the past financial year, this resulted in non-recurring effects of €15.4 million.

Thanks to the adjusted capacity, liquidity of €90.2 million and a solid equity ratio of 64.7%, Aumann is in a good position for 2021.

Segment performance

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

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 – from e-traction engines, drive and transmission components and power-on-demand units to various energy storage systems, including fuel cells, and electronic components. Aumann has a particular strategic focus on production lines for e-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 to electric components. Another strategic focal point is highly automated production lines for the production of energy storage systems. Aumann continued to realise high-end production and assembly solutions with its customers in this area in the past financial year. Renowned customers from the automotive industry use Aumann technology for the series production of their latest generations of e-traction engines, energy storage systems and electric auxiliary motors in the highest quality.

Revenue in the E-mobility segment decreased by 5.4% year-on-year to €108.9 million in 2020. Adjusted EBITDA amounted to €6.6 million (previous year: €9.2 million). The adjusted EBITDA margin amounted to 6.1%. Cumulative order intake amounted to €80.0 million, a decrease of 32.8%.

In the Classic segment, Aumann mainly manufactures specialist machinery and automated production lines for the automotive, consumer electronics, appliances and industry sectors. Aumann's solutions include systems for the production of drive components that reduce CO_2 emissions from combustion engine vehicles. Aumann also offers highly automated manufacturing and assembly solutions for the consumer electronics and appliances industries in addition to specific solutions for other sectors.

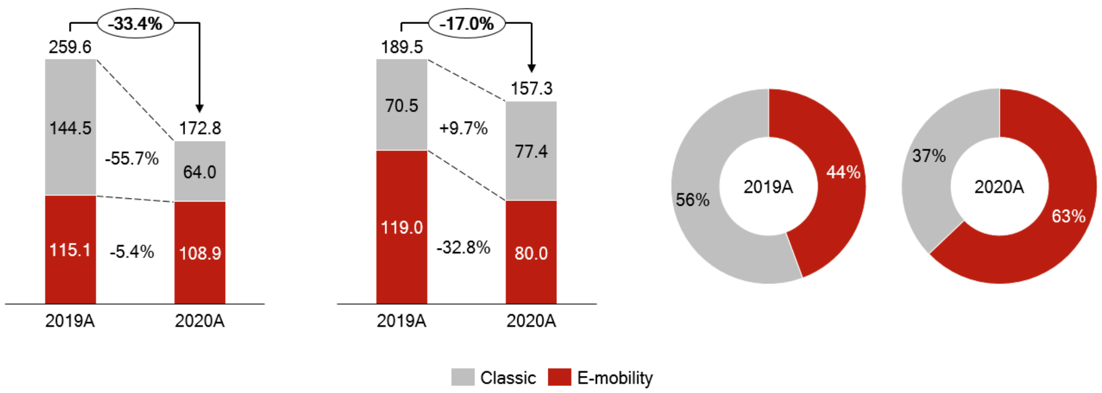
Revenue in the Classic segment fell by 55.7% year-on-year to €64.0 million in 2020. Adjusted EBITDA amounted to €-4.9 million (previous year: €11.9 million). The adjusted EBITDA margin amounted to -7.7%. Cumulative order intake in the Classic segment amounted to €77.4 million.

The following chart illustrates the development of the E-mobility and Classic segments and their contribution to revenue. While revenue in the E-mobility segment fell slightly in 2020, it was significantly lower than the previous year's figure in the challenging and declining market environment of the Classic segment. The share of the strategically important E-mobility segment therefore rose to 63.0%. In 2020, restrictions in response to the COVID-19 pandemic were also expressed in a marked reluctance to invest in production lines. In this environment, Aumann's order intake fell. In the E-mobility segment, it was below the record level of the previous year. In the Classic segment, order intake was increased from a very low figure for the previous year.

Revenue
in € million

Order intake
in € million

Segments' revenue contributions
in %



Capital measures

There were no capital measures in the 2020 financial year.

Research and development

Aumann attaches great importance to the innovative development of processes and production solutions and growing digitalisation in production. In particular, work on development projects serves the following strategic objectives:

- safeguarding technology leadership;
- entering new areas of technology, in terms of both products and processes;
- increasing competitive capability.

Much of the technical development by the Aumann Group is done in the context of work on customer orders. If the requirements of IAS 38 are met, the development costs are capitalised and amortised over their expected useful life. Development costs of around €1.9 million were capitalised in the 2020 financial year, corresponding to 1.1% of revenue. Furthermore, Aumann actively promotes scientific discourse with universities and research institutes. Aumann plays an active part in academic discussions by producing and publishing practice-oriented and scientific articles.

Aumann pursues a selective strategy to safeguard its technological expertise in specific fields. Among other things, it achieves this through an active patent strategy in which national and international patent applications are filed. Aumann ensures legal protection for new developments at both machine and process level on a case-by-case basis, and continued to do so in the 2020 financial year. Individual (technological and market-specific) patent families are also expanded regionally on the basis of regular strategic market analyses.

Through all the channels described above, additional advances were made in existing solutions as well as entirely new production technologies for key growth and future markets in 2020. In line with the Group's general strategy, there was a clear focus on developing new and existing technologies in the E-mobility segment.

In the area of stators for electric traction drives, Aumann has long offered its customers an extremely wide range of state-of-the-art production solutions and special-purpose machinery. A distinction is drawn between profile wire and round wire applications. In the past year, the Group's activities for Continuous Hairpin, Hairpin and I-Pin applications in the profile wire segment focused on the continued development and enhancement of dedicated key processes. Aumann now also has a modular high-speed bending machine in its portfolio, the "A-HPM", which significantly increases the standard market output quantity. This improves the efficiency of the mass production of electric motors.

Another milestone was also reached with respect to round wire applications. The Automated Trickle Winding technology was made ready for market. The benefits of this technology include gentle wire handling and the new, automatable winding patterns for improved winding symmetry and increased fill factors. These benefits are useful in main-drive applications for the price-sensitive small-vehicle segment or as secondary drive for all-wheel drive.

As a provider of solutions for all production technologies in the electric powertrain, Aumann has also significantly advanced the strategic field of energy storage in the past year. The production of battery boxes, modules and large battery packs and their safe placement within the vehicle require special know-how. Together with a premium OEM, Aumann has investigated the particularities of the assembly processes and developed a best-practice solution to meet the highest safety standards in energy storage installation.

An important component of the transformation of the automotive industry and especially the energy transition is the source of energy. Last year, hydrogen technology garnered extra attention thanks to new plans and initiatives from the German federal government. Aumann has already been active in this field for years. In order to use hydrogen as a fuel for vehicles, it can be combusted directly or converted into electric current. The hydrogen is converted using fuel cells. These fuel cell systems comprise numerous membranes that only reveal their full power when several cells are connected in what is known as a stack. The current challenge is the series production of these stacks. Aumann has come up with a concept here to make currently sequential production stages simultaneous and thus increase the production speed of a typical stack tenfold.

Subsidiaries

Aumann AG had six direct subsidiaries and one indirect subsidiary as at the end of the 2020 financial year.

Employees

The number of employees not including trainees and temporary employees was 968 as at 31 December 2020 (previous year: 1,107). Aumann had 105 trainees and 5 temporary employees as at the end of the year, bringing its total headcount to 1,078 (previous year: 1,299).

After it was decided midway through the year to discontinue Aumann Berlin GmbH's business operations and thus to close the site in Hennigsdorf, the originally temporary overcapacity at the other German production sites was initially countered by the depletion of holiday and working time accounts, voluntary termination agreements and the use of short-time work. As a further response to ongoing weak demand in the automotive industry, it was decided on 15 December 2020 to reduce a total of around 200 jobs at the production sites in Beelen, Espelkamp and Limbach-Oberfrohna. For the Group, this means a reduction to around 750 employees over the course of the 2021 financial year. As a result to these extended measures, Aumann is in a position to act flexibly both in the current market situation and if demand picks up again.

Results of operations, financial position and net assets

Aumann's results of operations, financial position and net assets are still solid. The consolidated revenue of the Aumann Group declined by 33.4% year-on-year to €172.8 million in the 2020 financial year (previous year: €259.6 million).

Achievement of targets by the Group:

Key figures	Target 2020 published	Achievement 2020
Revenue (€m)	180-200	172.8
adjusted EBITDA-margin	positive, up to 5%	1.0%

On 14 August 2020, Aumann specified the forecast key figures and expected target achievement at the lower end of the forecast range.

Including capitalised development costs and other operating income, total operating performance fell by €89.5 million year-on-year to €178.2 million (previous year: €267.7 million).

EBITDA declined to €-13.6 million in the financial year (previous year: €21.2 million). After depreciation and amortisation of €6.1 million, the Aumann Group's EBIT amounted to €-19.8 million (previous year: €16.3 million). Adjusted for net finance costs of €-0.9 million, EBT was €-20.7 million (previous year: €15.4 million). Consolidated net profit amounted to €-18.3 million (previous year: €11.0 million) or €-1.20 per share (previous year: €0.72 per share).

EBITDA was adjusted for non-recurring expenses of €15.4 million, €7.1 million of which were incurred for the discontinuation of operations at the Hennigsdorf site, with a further €8.2 million relating to capacity reductions at the other German locations. Adjusted EBITDA amounted to €1.7 million. In addition to the adjustments described above, there were impairment losses of €0.3 million on the assets of the Hennigsdorf location and of €0.8 million of the assets of Aumann Limbach-Oberfrohna GmbH, bringing adjusted EBIT to €-3.3 million.

Cumulative order intake amounted to €157.3 million as at the end of the financial year. The order backlog amounted to €102.8 million as at the end of the year.

Investments in property, plant and equipment primarily related to maintenance investments at the Aumann Group's locations.

The advance payments for intangible assets resulted primarily from the capitalisation of the new ERP system, which the Aumann Group is currently introducing.

Consolidated equity amounted to €186.3 million as at 31 December 2020 (31 December 2019: €203.2 million). Based on total consolidated assets of €288.0 million, the equity ratio was 64.7% after 62.2% as at 31 December 2019.

Working capital has fallen by €10.5 million since 31 December 2019.

Financial liabilities amount to €17.1 million as at 31 December 2020 (31 December 2019: €21.3 million) and liquidity, including securities, to €90.2 million (31 December 2019: €95.3 million). Accordingly, net cash from the above liabilities and cash items amounts to €73.1 million as against €74.0 million on 31 December 2019.

Summary assessment

Due to the COVID-19 pandemic, Aumann's 2020 financial year was characterised by drastic cuts. We showed a vigorous response to the altered market situation by shutting down our smallest production site in Hennigsdorf and adjusting capacity at the remaining German locations. We are confident that this new formation will bring us out of the crisis stronger, putting us in a good position for an economic upturn after the pandemic. With regard to the first weeks' order intake, we are cautiously optimistic about the new financial year, especially for our focus segment of E-mobility, including in light of a liquidity of €90.2 million as at the end of 2020 and an equity ratio of 64.7%.

Principles and objectives of financial management

The foundations of the Group's financial policy are determined by the Executive Board. The primary objectives of financial management are to safeguard liquidity and limit financial risks. Thus, some of these funds are invested in short-term, highly diversified securities, if and only to the extent that they are not required for further acquisitions, for example.

Intragroup transactions are usually conducted in euro. If necessary, currency hedging is coordinated centrally by Aumann AG. There was no active currency hedging in the 2020 financial year. The management of the credit risks of our contract partners is the responsibility of the individual equity investments. However, monitoring at Group level serves to ensure the ability to intervene when necessary.

A key source of corporate finance is our operational business and the cash inflows it generates. However, long-term investments are financed with long-term loans. Furthermore, Aumann AG has an unutilised credit facility of €38 million.

Remuneration report

The Executive Board

The Executive Board members' contracts include fixed remuneration for Mr Beckhoff and Mr Roll of €250 thousand and €200 thousand respectively. Fixed remuneration is adjusted up or down if certain revenue targets for the preceding year are exceeded or missed. There was no adjustment to the fixed remuneration for the 2020 financial year. The variable remuneration component consists of an ROS bonus, to which Executive Board members are entitled on achieving a return on sales of 2.0% in the respective financial year. This bonus is capped at three times the respective fixed remuneration. The Executive Board members are also entitled to a subsidiary dividend bonus that is only paid in the event of a return on sales of lower than 2.0%.

Furthermore, the Supervisory Board is also offering the Executive Board a virtual stock option programme from the 2019 financial year. Under this option programme, the members of the Executive Board were previously offered a tranche that was accepted by those entitled in December 2018. The tranche was awarded free of charge and becomes due after three, four and five years. Cash is paid out in the amount of the award based on the performance of Aumann's shares. The amount awarded is calculated as the difference between the basic price set in December 2018 with €36.32 and the net price when payment becomes due. If the net price is less than the basic price when payment becomes due, this portion of the option expires.

In addition, the members of the Executive Board each have the use of a company car and are entitled to continued payment of salary for up to three months in the event of illness. Expenses are reimbursed against receipt. Furthermore, the members of the Executive Board are covered by a Group D&O insurance with a deductible of 10.0%, and in any case no more than 1.5 times the respective annual fixed remuneration, as well as a Group accident insurance.

The Supervisory Board

The remuneration of the Supervisory Board of Aumann AG was regulated by the Annual General Meeting on 9 February 2017. The members of the Supervisory Board receive fixed annual remuneration in addition to the reimbursement of their expenses. Furthermore, Aumann AG reimburses the members of the Supervisory Board for the VAT due on Supervisory Board remuneration if and to the extent that this is invoiced by a member of the Supervisory Board or shown in a credit note in place of an invoice. Provisions of €60 thousand were recognised for Supervisory Board remuneration in the 2020 financial year. The members of the Supervisory Board were not granted advances on future remuneration or loans. Furthermore, Aumann AG did not enter into contingent liabilities on behalf of members of the Supervisory Board.

The members of the Supervisory Board are also covered by a Group D&O insurance, though – unlike the members of the Executive Board – without a deductible.

Controlling system

The Aumann Group's systematic focus on increasing enterprise value is also reflected in its internal controlling system. All relevant developments in the Aumann Group are discussed in the monthly meeting of the Executive Board. The development of various key figures, in particular order intake, revenue, EBITDA and EBIT, of the individual Group companies is analysed here. Aumann AG defines consolidated revenue and EBITDA as its key financial performance indicators relevant to forecasts. The key performance indicator for controlling the Group's net assets and financial position is the net position of cash and cash equivalents and financial liabilities (net cash/net debt). Another key performance indicator is trade working capital, which consists of inventories, trade and completed contract receivables, advances received and trade payables.

Report on risks and opportunities

E-mobility remains the driving future market for Aumann. Both the electrification of the powertrain and other vehicle components and the focus on efficiency and environmentally friendliness in the case of combustion engines offer opportunities for Aumann in the medium term.

Aumann has the crucial technological portfolio required to benefit from this development in the field of E-mobility in the long term. Political conditions, such as the 37.5% reduction in CO_2 emissions for new cars within the EU by 2030, are accelerating the trend towards E-mobility. Besides the enhancement of production technologies, another focal area is the continuation of the geographical expansion to Asia and North America. This could occur both organically and via acquisitions.

Although the global vaccination campaigns now beginning are reason to be cautiously optimistic, an end to the COVID-19 pandemic is not in sight. This could negatively influence the economic situation of our customers and consequently the demand for our products. This would give rise to revenue and earnings risks for Aumann.

However, there are hardly any significant currency risks that could affect the net assets, financial position and results of operations of the company as the company predominantly processes its foreign projects within the euro area or in euro. Hedging transactions are usually entered into for significant transactions in foreign currencies.

Other than this, management anticipates the following risks:

Market risks

- Negative effects of the current COVID-19 pandemic
- Political uncertainty and its economic implications
- Trade barriers that hamper access to Aumann's markets
- Deterioration of the general economic situation in Aumann's markets
- Volatility in the automotive industry, especially in the E-mobility market
- Continued downturn in demand for traditional powertrains and the vehicle concept
- Intensification of competition, for example due to market consolidation
- Financial instability among customers as a result of the rapid changes due to E-mobility

Business risks

- Disruption of supply chains due to the COVID-19 pandemic
- Dependence on the growth of the automotive market, especially the E-mobility market
- Challenges in the planned internationalisation strategy
- Increased technical risks when entering new areas of technology
- Longer delivery times and the associated loss of orders
- Reduction of state incentives for E-mobility
- Rising prices and delivery times among suppliers and service providers
- COVID-19 outbreak at a production site

Legal, regulatory and tax risks

- Violation of property rights by third parties or 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)

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

The Aumann Group has established a risk management system to address the above risks. Measures are initiated at an early stage in order to prevent any disadvantage to the company. This system includes:

- integrated equity investment controlling that uses monthly business controlling to continuously compare target, actual and forecast data at the level of the portfolio companies and the Group;
- project controlling that monitors the operating projects of the individual companies;
- regular management meetings within the individual companies;
- structured M&A tools;
- central Group monitoring of key contractual risks and legal disputes by management, the internal legal advisor, and qualified law firms as necessary.

The accounting-related internal control system is an integral component of the Aumann Group's risk management. Its primary objective is to ensure that all transactions are accurately reflected in reporting and to prevent deviations from internal or external provisions. In terms of external accounting, this means that the conformity of the financial statements with the applicable regulations must be guaranteed. Accordingly, the structure of the accounting-related internal control system and the risk management system reflects that of the reporting entities. There are uniform accounting policies in the companies of the Aumann Group. External specialists are commissioned on a case-by-case basis to control individual accounting risks, e.g. in connection with actuarial valuations.

Declaration on corporate governance

The Supervisory Board reports on corporate governance in accordance with principle 22 of the German Corporate Governance Code and section 315d HGB in conjunction with section 289f HGB. This declaration on corporate governance in accordance with section 315d in conjunction with section 289f HGB must include:

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. Declaration in accordance with section 161 AktG

The Supervisory Board submitted the latest declaration of conformity in accordance with section 161 AktG on 12 March 2021. It states:

The Executive Board and Supervisory Board of Aumann AG issued the last declaration of conformity as per section 161 of the German Stock Corporation Act on 12 March 2020 and followed it with the deviations named therein. The following declaration renews this declaration of conformity. The Supervisory Board declares that the recommendations of the "Government Commission on the German Corporate

Governance Code" (hereinafter referred to as the "Code") in the version dated 16 December 2019 have been and will be adhered to with the following exceptions:

The Code has been deviated from as follows:

- The consolidated financial statements and interim reports are published within the deadlines set by Deutsche Börse for the Prime Standard, which is in deviation from recommendation F.2.
- It was resolved at the Annual General Meeting on 21 August 2020 to authorise the issue of stock options and, subsequently, a resolution was passed on a stock option programme. This meets the requirements of the Corporate Governance Code and in 2021 will replace, without compensation, the previous virtual stock option programme without a cap, which does not comply with the recommendations G.1 and G.10.

2. Corporate governance report

Directors' shareholdings

The shareholdings of the members of executive bodies are shown under note 9.1 in II. Notes to the consolidated statement of financial position.

Composition of the Supervisory Board

The members of the Supervisory Board must, as a whole, have practical experience in the area of management, industry expertise and business and legal knowledge. The current members of the Supervisory Board fulfil this objective.

The targets for the composition of the Supervisory Board are that

- the majority shareholder is represented with two seats;
- there is at least one independent member with extensive industry expertise; and
- the diversity of the company is sufficiently represented.

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

The term of Supervisory Board membership is two to four years.

The Supervisory Board sees the company's solid financial position as vindication of its work.

Auditor

The Annual General Meeting of Aumann AG elected RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, as the auditor of the financial statements of Aumann AG. At no point were there any business, financial, personal or other relationships between the auditor, its executive bodies and head auditors on the one hand, and Aumann AG and the members of its executive bodies on the other, that could give rise to doubts as to the independence of the auditor. The Supervisory Board of Aumann AG issues the audit engagement to, and agrees the corresponding fees with, the auditor elected by the Annual General Meeting. When issuing the audit engagement, the Supervisory Board and the auditor also agree on the reporting duties in accordance with the German Corporate Governance Code. The auditor participates in the discussions of the Supervisory Board on the annual and consolidated financial statements and reports on the key audit findings.

Long-term bonus programme/security-based incentive systems

Please see the remuneration report for details.

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.

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

As a listed German stock corporation, Aumann AG has a dual management system. The Executive Board manages the company, while the Supervisory Board appoints, monitors and advises the Executive Board. All members of the Executive Board are appointed until 31 December 2023.

The Supervisory Board meets at least four times a year. Extraordinary meetings are held when special developments or measures must be discussed or decided at short notice.

The individual subsidiaries each have independent operational management teams. The management teams of Aumann AG and its subsidiaries cooperate closely on the development of the respective companies.

5. Targets for the share of women

The percentage of women on the Supervisory Board and the Executive Board of Aumann AG is 0%. This corresponds to the current target figure and is based on the resolution from 2018, which is valid for five years. In the medium term, the Supervisory Board has set itself a target of 20% female members on the Supervisory Board and the Executive Board.

6. Diversity concept/succession planning

When appointing members of the Supervisory Board and the Executive Board, the Supervisory Board will follow the requirements of the German Stock Corporation Act (AktG) by ensuring that candidates have the skills, knowledge, and experience that are required for the work of the Supervisory Board or the Executive Board. The current target is based on the resolution from 2018 and is valid for five years.

The Executive Board is relatively young with an average age of 48 years. In addition, the company has highly qualified young managers that are successively supported in their careers and thus given the opportunity to be promoted to the Executive Board. Furthermore, Aumann is a highly attractive employer for qualified and highly motivated young talent. The Supervisory Board therefore believes that the Executive Board will continue to have qualified members at all times.

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 2020 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."

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

In accordance with Article 4 of the Articles of Association, the Executive Board is authorised to increase the share capital of the company on one or more occasions by up to a total of €5,000,000 until 8 February 2022 by issuing new no-par value bearer shares in exchange for cash or non-cash contributions (Authorised Capital 2017/I). The Executive Board is authorised, with the approval of the Supervisory Board, to determine the further details of the implementation of capital increases from the Authorised Capital 2017/I.

By way of resolution of the Annual General Meeting on 9 February 2017, the Executive Board is authorised in accordance with section 71(1) no. 8 AktG to buy and sell treasury shares up to an amount of 10% of the share capital until 8 February 2022. The authorisation cannot be used for the purposes of trading in treasury shares.

A stock option programme ("stock option programme 2020") is intended to issue members of the Executive Board and other managers of Aumann AG and its direct and indirect subsidiaries option rights to shares in the company. By way of resolution of the Annual General Meeting on 21 August 2020, the Executive Board is authorised, with the approval of the Supervisory Board, to contingently increase the share capital in order to fulfil this stock option by up to €300,000 by issuing 300,000 no-par value bearer shares until 30 June 2025.

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 – disclosures in accordance with section 289b HGB and section 315b HGB

On the basis of the Act to Strengthen Non-Financial Reporting (CSR Directive Implementation Act) of 11 April 2017, Aumann AG hereby issues 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 2020 financial year. The quantitative disclosures cover all consolidated subsidiaries of the Aumann Group.

In line with section 289d HGB, we examined which national, European or international frameworks could be used to prepare the non-financial statement. Currently, however, we are not fully applying any framework, as the benefit-cost ratio would not be reasonable given the Aumann Group's corporate structure, and we do not consider the existing frameworks to be suitable for us.

Sustainability

Considering sustainability aspects is a central business task for Aumann. Due to the strategic focus on E-mobility, sustainability is an intrinsic part of the business model. Accordingly, various sustainability aspects are integrated into the corporate strategy, Group-wide controlling and the regular meetings of the Executive Board ("everyday activity"). Aumann's philosophy is characterised by a business focus in parallel with responsibility for the environment, employees and society, which simultaneously reinforces the future viability of the company.

Business model

Aumann is a world-leading manufacturer of innovative speciality machinery and automated production lines with a focus on E-mobility. The company combines unique winding technology for the highly efficient production of electric motors with decades of automation experience, particularly in the automotive industry. Leading companies around the world rely on Aumann solutions for the series production of purely electric and hybrid vehicle drives and on solutions for production automation. Further information on the business model as well as the individual segments can be found in the "Segment performance" section of Aumann's combined management report for 2020.

Stakeholders

Investors: Our shareholders expect Aumann to act in a sustainable and responsible manner, to set a clear strategic direction and to report transparently.

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 for capital market conferences and roadshows.

Materiality analysis

Aumann's first material analysis identified "employee issues" and "environmental issues" as key issues for its sustainability strategy. These aspects are discussed in more detail below. The "social issues", "respect for human rights" and "combating corruption and bribery" aspects are also discussed. Please see the table at the end of this section for an overview of material non-financial key figures.

Employee issues

The protection of and respect for every individual is the top priority in the Aumann Group. It goes without saying that we comply with international human rights and labour standards. We condemn all forms of discrimination, for example due to ethnic background, religion, political beliefs, gender, physical ability, appearance, age or sexual orientation.

Our employees are our Group's most important resource, and we want to be an attractive employer for our employees and young talent. To this end, Aumann invests in its employees, be it via direct facilitation of employee education or via modern training centres in the Aumann Group.

In Aumann AG's opinion, the acquisition, retention and development of qualified employees is fundamental to sustainable corporate governance. We recruit staff via traditional job advertisements, the use of internal recruiters and media external recruitment fairs, via social and Aumann's general positioning as an attractive employer. We wish to continue on this path in the future. There were 968 employees in our

Group as at the end of the reporting period. We also employed five temporary employees as at 31 December 2020.

Aumann also sees supporting and challenging its employees as a significant success factor. Our employees are qualified through training and education all areas of the Group, high occupational safety standards and the targeted promotion of future managers. For example, Aumann currently employs 105 trainees, who thus make up 10.9% of the workforce. Our general aim is to take on all trainees who complete their training with us as permanent employees.

Gender equality is a particular concern of ours. People who identify as female, male and non-binary all have equal opportunities in our Group. We strive to achieve a gender balance at all levels of the hierarchy. Because of the focus on technical occupations inherent in the business model and the under-representation of women in relevant study programmes, it remains a challenge to maintain an even ratio when filling positions. Nevertheless, the Executive Board and Supervisory Board of Aumann AG plan to increase the ratio of women in the medium term, including by appointing a woman to least one of the said boards.

The Aumann Group currently has 124 female employees. The Group's Executive Board and the first tier of management are entirely male, while the second tier of management has eight female managers.

The Executive Board always pays attention to diversity when selecting managers and gives equal consideration to male, female and non-binary applicants. In the final decision, priority is always given to the professional and personal suitability of the person in question.

Because of its activity in the manufacturing sector, it is very important for Aumann to create a safe working environment. Employees in production are generally exposed to greater health risks. We therefore set high safety standards, especially with regard to handling hazardous substances and other safety hazards. We promote our employees' awareness and ability to work safely by offering regular training and education. Reportable workplace accidents are recorded continuously and evaluated at regular intervals. The number of reportable workplace accidents decreased from 31 in the previous year to 13 in the past financial year. As in the previous year, the number of fatal accidents was zero. Our aim is to avoid workplace accidents entirely.

Environmental issues

The responsible use of natural resources is an important topic at all levels of the Aumann Group, as operating decisions in our company always have ecological ramifications. This applies to the use of commodities and materials and to energy efficiency, but especially to the impact of our products and services on our customers' environmental protection targets. Aumann makes a vital contribution to environmental protection via the responsible use of resources and high energy efficiency. In our company, for example, relevant standards have already been complied with and energy and environmental management systems implemented and certified.

Aumann makes a vital contribution to emissions reduction and environmental protection. The company offers special speciality machinery and automated production solutions, with which car manufacturers can mass produce highly efficient and technologically advanced electric motors, for example. In addition to solutions for electric motor components, Aumann also offers speciality machinery and production lines for automotive energy storage systems, hybrid modules and complete electric powertrains. But a significant contribution to emissions reduction is also being made in Aumann's traditional business area. Aumann's systems for the production of drive components for combustion engines, such as transmissions, built camshafts, cylinder activation and deactivation modules and lightweight components, make a considerable contribution to reducing our customers' fleet consumption and CO_2 emissions.

Material environmental risks associated with our products and services result from accidents and incidents that are unlikely but cannot be completely ruled out. We have established processes to deal with theoretical accidents with effects on environmental aspects. Risks likewise result from the base materials used, some of which can be toxic in their unprocessed state. This risk is countered with 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 has deep roots in Germany and Europe 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 seen compliance with legal requirements and guidelines and correct business conduct as a central component of sustainable corporate governance. A compliance management system was established in order to abide by this long-practised maxim and is developed on a continuous basis. The existing codes of conduct and the Group's anti-corruption guideline serve as a framework for regulating conduct in the company and with third parties. The code of conduct is fleshed out with guidelines and instructions developed further. In addition, the individual companies or their compliance officers are obliged to submit regular compliance reports to Aumann AG and to report any incidents that occur.

Negative effects and risks of business activity

In our view, there are no material risks from our business activity, our products or our services that could have a significant negative impact on employee, environmental or social issues or lead to a violation of human rights or corruption.

Overview of material non-financial key figures

	2020	2019
Employees		
Number of female executives (first and second level)	8	7
Share of female employees in relation to total employees	12,8%	12,9%
Share of temporary workers in relation to total employees	0,5%	5,8%
Number of apprentices	105	119
Number of employees in cooperative study programs	34	38
Apprenticeship quota	10,8%	10,7%
Reportable work accidents	13	31
Deadly work accidents	0	0
Environment		
Energy intensity in MWh / €m revenue	36	26
Water intensity in m3 / €m revenue	27	20
Waste intensity in t / €m revenue	1,2	1,0
Social		
Charitable donations and sponsoring locally in €k (culture, education, sports, social)	4	9

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 developments

In light of the weak order intake in the previous year, we expect revenue of €160 million and an EBITDA margin in the range of -2.5 % to +2.5 % in the 2021 financial year. We are currently seeing the first signs of a market recovery and therefore assume that the order intake will recover.

Beelen, 13 April 2021

Rolf Beckhoff	Sebastian Roll
Chief Executive Officer	Chief Financial Officer

IFRS consolidated financial statements for 2020

IFRS consolidated statement of comprehensive income	Notes	1 Jan - 31 Dec 2020 €k	1 Jan - 31 Dec 2019 €k
Revenue	III.1.	**172.833**	**259.573**
Increase (+)/decrease (-) in finished goods and work in progress		-662	68
Operating performance		**172.171**	**259.641**
Capitalised development costs		1.892	4.011
Other operating income	III.2.	4.090	4.015
Total performance		**178.153**	**267.667**
Cost of raw materials and supplies		-89.918	-124.855
Cost of purchased services		-19.319	-31.675
Cost of materials		**-109.237**	**-156.530**
Wages and salaries		-56.181	-59.358
Social security and pension costs		-13.082	-15.923
Staff costs		**-69.263**	**-75.281**
Other operating expenses	III.3.	-13.265	-14.624
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)		**-13.612**	**21.232**
Amortisation and depreciation expense	III.4.	-6.142	-4.976
Earnings before interest and taxes (EBIT)		**-19.754**	**16.256**
Other interest and similar income	III.5.	46	152
Interest and similar expenses	III.6.	-985	-1.035
Net finance costs		**-939**	**-883**
Earnings before taxes (EBT)		**-20.693**	**15.373**
Income tax expense	III.7.	2.478	-4.254
Other taxes	III.7.	-112	-125
Consolidated net loss / profit		**-18.327**	**10.994**

IFRS consolidated statement of comprehensive income	Notes	1 Jan - 31 Dec 2020 €k	1 Jan - 31 Dec 2019 €k
Consolidated net profit		**-18.327**	**10.994**
Items that may be reclassified subsequently to profit and loss			
Currency translation changes		-108	-1
FairValue Reserve - Debt instruments	II.9.3	-106	109
Items that will not be reclassified to profit and loss			
FairValue Reserve - Equity instruments	II.9.3	1.486	1.809
Remeasurement of defined benefit obligation	II.10	330	-3.813
Deferred Tax Liabilities		-101	1.188
Other comprehensive income after taxes		**1.501**	**-708**
Comprehensive income for the reporting period		**-16.826**	**10.286**
		€	**€**
Result attributtable to the holders of shares		-18.327.361	10.994.368
Weighted average number of shares to calculate the earnings per share		15.250.000	15.250.000
Earnings per share (in €)	**III.8**	**-1,20**	**0,72**

Statement of financial position Assets (IFRS)	Notes	31 Dec 2020 €k	31 Dec 2019 €k
Non-current assets			
Own produced intanbible assets	II.1.	9.518	8.814
Concessions, industrial property rights and similar rights	II.1.	503	534
Goodwill	II.1.	38.484	38.484
Advance payments	II.1.	1.145	134
Intangible assets		**49.650**	**47.966**
Land and buildings including buildings on third-party land	II.1.	25.134	26.302
Technical equipment and machinery	II.1.	3.452	3.396
Other equipment, operating and office equipment	II.1.	3.602	4.584
Advance payments and assets under development	II.1.	413	1.283
Property, plant and equipment		**32.601**	**35.565**
Financial assets	II.7.	**20.444**	**14.824**
Deferred tax assets	II.8.	**475**	**765**
		103.170	**99.120**
Current assets			
Raw materials and supplies	II.3.	1.776	2.870
Work in progress	II.3.	1.314	1.610
Finished goods	II.3.	149	304
Advance payments	II.3.	4.949	8.023
Inventories		**8.188**	**12.807**
Trade receivables	II.4.	31.108	38.022
Contractual assets	II.5.	70.906	92.770
Other current assets	II.6.	4.819	3.587
Trade receivables and other current assets		**106.833**	**134.379**
Securities	II.7.	**340**	**1.508**
Cash in hand	V.	9	15
Bank balances	V.	69.441	78.917
Cash in hand, bank balances		**69.450**	**78.932**
		184.811	**227.626**
Total assets		**287.981**	**326.746**

Statement of financial position Equity and liabilities (IFRS)	Notes	31 Dec 2020 €k	31 Dec 2019 €k
Equity			
Issued capital	II.9.	15.250	15.250
Capital reserves	II.9.	140.918	140.918
Retained earnings	II.9.	30.170	46.996
		186.338	**203.164**
Non-current liabilities			
Pension provisions	II.10.	22.246	22.348
Liabilities to banks	II.11.	11.992	15.710
Liabilities from Leasing	II.11.	753	932
Other provisions	II.13.	838	906
Deferred tax liabilities	II.8.	2.669	5.869
Other liabilities	II.12.	1.005	1.112
		39.503	**46.877**
Current liabilities			
Other provisions	II.13.	11.163	11.027
Trade payables	II.11.	25.878	28.596
Contractual obligations	II.11.	3.878	13.840
Provisions with the nature of a liability	II.13.	5.894	10.658
Restructuring provisions	II.13.	7.517	0
Liabilities to banks	II.11.	3.719	3.719
Liabilities from Leasing	II.11.	623	915
Tax provisions	II.13.	1.124	1.291
Other liabilities	II.12.	2.344	6.659
		62.140	**76.705**
Total equity and liabilities		**287.981**	**326.746**

Consolidated statement of cash flows	1 Jan - 31 Dec 2020 €k	1 Jan - 31 Dec 2019 €k
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	**-19.754**	**16.256**
Adjustments for non-cash transactions		
Write-downs on non-current assets	6.142	4.977
Increase (+)/decrease (-) in provisions	7.713	-1.866
Gains (+)/ Losses (-) from disposal of PPE	0	-2
Other non-cash expenses/income	334	-1.640
	14.189	**1.469**
Change in working capital:		
Increase (-)/decrease (+) in inventories, trade receivables and other assets	32.395	-7.197
Decrease (-)/increase (+) in trade payables and other liabilities	-21.867	-11.315
	10.528	**-18.512**
Income taxes paid	-1.353	-3.102
Interest received	46	152
	-1.307	-2.950
Cash flow from operating activities	**3.656**	**-3.737**
2. Cash flow from investing activities		
Investments in (-)/divestments of (+) intangible assets	-3.241	-4.296
Investments in (-)/divestments of (+) property, plant and equipment	-1.067	-1.851
Investments in (-)/ divestments of (+) of available-for-sale financial assets and securities	-3.071	-4.263
Cash from disposal of assets	45	40
Remaining purchase price payment ALIM	0	-4.467
Cash flow from investing activities	**-7.334**	**-14.837**
3. Cash flow from financing activities		
Profit distribution to shareholders	0	-3.050
Proceeds from borrowing financial loans	0	114
Repayments of financial loans	-3.719	-3.746
Repayments of leasing liabilities	-1.075	-1.121
Interest payments	-985	-1.034
Cash flow from financing activities	**-5.779**	**-8.837**
Cash and cash equivalents at end of period		
Change in cash and cash equivalents (Subtotal 1-3)	-9.457	-27.411
Effects of changes in foreign exchange rates (no cash effect)	-25	20
Cash and cash equivalents at start of reporting period	78.932	106.323
Cash and cash equivalents at end of period	**69.450**	**78.932**
Composition of cash and cash equivalents		
Cash in hand	9	15
Bank balances	69.441	78.917

Reconciliation to liquidity reserve on 31 Dec	2020	2019
Cash and cash equivalents at end of period	69.450	78.932
Securities	20.784	16.332
Liquidity reserve on 31 Dec	**90.234**	**95.264**

Statement of changes in consolidated equity

			Retained earnings				
	Issued capital	Capital reserves	Currency translation difference	FairValue Reserve	Pension Reserve	Generated consolidated equity	Consolidated equity
	€k	€k	€k	€k	€k	€k	€k
1 Jan 2019	**15.250**	**140.918**	**0**	**-351**	**-1.505**	**41.616**	**195.928**
Dividends paid	0	0	0	0	0	-3.050	-3.050
Subtotal	**15.250**	**140.918**	**0**	**-351**	**-1.505**	**38.566**	**192.878**
Amounts recognised in other comprehensive income	0	0	0	1.918	-2.625	0	-707
Currency translation difference	0	0	-1	0	0	0	-1
Consolidated net profit	0	0	0	0	0	10.994	10.994
Total comprehensive income	**0**	**0**	**-1**	**1.918**	**-2.625**	**10.994**	**10.286**
31 Dec 2019	**15.250**	**140.918**	**-1**	**1.567**	**-4.130**	**49.560**	**203.164**
Dividends paid	0	0	0	0	0	0	0
Subtotal	**15.250**	**140.918**	**-1**	**1.567**	**-4.130**	**49.560**	**203.164**
Amounts recognised in other comprehensive income	0	0	0	1.380	229	0	1.609
Currency translation difference	0	0	-108	0	0	0	-108
Consolidated net profit	0	0	0	0	0	-18.327	-18.327
Total comprehensive income	**0**	**0**	**-108**	**1.380**	**229**	**-18.327**	**-16.826**
31 Dec 2020	**15.250**	**140.918**	**-109**	**2.947**	**-3.901**	**31.233**	**186.338**

Notes to the consolidated financial statements for 2020

I. Methods and principles

1. Basic accounting information

1.1 Information on the company

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 systems for the automotive industry and other industries with a focus on E-mobility.

The consolidated financial statements of Aumann AG for the 2020 financial year were approved by the Supervisory Board of Aumann AG on 15 April 2021.

1.2 Accounting policies

The consolidated financial statements for the year ended 31 December 2020 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).

Application of new and amended standards

The following new or amended standards were effective for the first time in the 2020 financial year:

Regulation	Title
Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards
IAS 1/IAS 8	Definition of Material
IFRS 9/IAS 39/IFRS 7	Interest Rate Benchmark Reform
IFRS 3	Business Combinations
IFRS 16	Leases – Covid-19-Related Rent Concessions

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

Regulation	Title	Application	Effect
IFRS 4	Insurance Contracts	01/01/2021	No material effects
	Annual Improvements to IFRSs 2018 – 2020	01/01/2023	No material effects
IFRS 3	Business Combinations	01/01/2022	No material effects
IAS 16	Property, Plant and Equipment	01/01/2022	No material effects
IAS 1	Presentation of Financial Statements	01/01/2023	No material effects

1.3 Company law changes and structural changes in 2020

There were no company law or structural changes in the 2020 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, Germany	100,00
Aumann Berlin GmbH, Berlin, Germany	**100,00**
Aumann Winding and Automation Inc., Clayton, USA	100,00
Aumann Espelkamp GmbH, Espelkamp, Germany	100,00
Aumann Immobilen GmbH, Espelkamp, Germany *	94,90
Aumann Limbach-Oberfrohna GmbH, 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 were prepared using the historical cost method. Historical cost is generally based on the fair value of the consideration paid in exchange for the asset.

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

4.2 Reporting currency

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

4.3 Currency translation

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 the foreign operation are translated into 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.

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

	Closing rate 31 Dec 2020	Average rate 2020
Chinese renminbi (CNY)	8,0225	7,8708
US Dollar (USD)	1,2271	1,1413

	Closing rate 31 Dec 2019	Average rate 2019
Chinese renminbi (CNY)	7,8205	7,7338
US Dollar (USD)	1,1234	1,1196

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 up to three 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.

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.

As a lessee, the Group recognises right-of-use assets for leased assets and liabilities for the payment obligations entered into for all leases at present value in its statement of financial position. Lease liabilities include the following lease payments:

- fixed payment, including in-substance fixed payments, less lease incentives yet to be paid by the lessor;
- variable payments that depend on an index or a rate;
- amounts expected to be payable on the basis of residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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 profit or loss through other comprehensive income with the reclassification of cumulative gains and losses (debt instruments);
- financial assets at fair value through profit or loss through other comprehensive income without the 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. 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, 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.

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: Presentation 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. Notwithstanding the above criteria for classifying debt instruments as "measured at amortised cost" or "at fair value through other comprehensive income", debt instruments can be classified as at fair value through profit or loss on initial recognition if this would eliminate or significantly reduce an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented in the statement of profit or loss.

This category includes derivative financial instruments and listed equity instruments that the Group has not irrevocably elected to classify as at fair value through other comprehensive income. Dividends from listed equity instruments are also recognised as other income in the income statement when the right to receive payment is established.

As in the previous year, the carrying amounts of the financial assets and liabilities not measured at fair value are essentially equal to their 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 asset 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 expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

III) Offsetting of financial instruments

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

4.11 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.

4.12 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 in the consolidated statement of cash flows are defined in line with the above.

4.13 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.

4.14 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.

4.15 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 services. 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

Revenue is recognised when the legal right to payment arises.

4.16 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.

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 recognised for all deductible temporary differences to the extent that it is probable that taxable income will be available against which the deductible temporary differences 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 recognised.

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 reduced 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 utilised. Unrecognised deferred tax assets are tested at the end of each reporting period and recognised to the extent that it has become probable that taxable result in future will allow the realisation 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 realised 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 income unless they relate to items reported directly in equity, in which case the deferred taxes are also 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.

4.17 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.

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, management measures the expected future cash flows of the asset or cash-generating unit and selects an appropriate discount rate to determine the present value of these cash flows.

b) Pensions and other post-employment benefits

The expense 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 recognised to the extent that it is probable that taxable income will be available for this. 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

The development of intangible assets and property, plant and equipment is shown in the following statement of changes in non-current assets.

1.1 Statement of changes in non-current assets of the Aumann Group as at 31 December 2020

	31 Dec 2020	Total cost	Additions in the financial year	Reclassification	Disposals in the financial year	Exchange differences	Write downs (full amount)	Carrying amount at the end of financial year	Carrying amount at the beginning of financial year	Write downs in the financial year	Disposals of write downs	Exchange differences
		€k	€k	€k	€k	€k	€k	€k	€k	€k	€k	€k
I.	**Intangible assets**											
1.	Own produced intanbible assets	10.036	1.904	0	0	0	2.422	9.518	8.814	1.200	0	0
2.	Concessions, industrial property rights and similar rights	5.686	53	273	0	-2	5.507	503	534	355	0	0
3.	Goodwill	38.484	0	0	0	0	0	38.484	38.484	0	0	0
4.	Advance payments	134	1.284	-273	0	0	0	1.145	134	0	0	0
		54.340	**3.241**	**0**	**0**	**-2**	**7.929**	**49.650**	**47.966**	**1.555**	**0**	**0**
II.	**Property, plant and equipment**											
1.	Land and buildings including buildings on third-party land	30.417	66	169	0	-4	5.514	25.134	26.302	1.405	2	-4
2.	Technical equipment and machinery	4.972	232	1.295	96	-2	2.949	3.452	3.396	1.455	83	1
3.	Other equipment, operating and office equipment	7.063	807	0	269	-7	3.992	3.602	4.584	1.695	177	-5
4.	Advance payments and assets under development	1.283	651	-1.464	24	-1	32	413	1.283	32	0	0
		43.735	**1.756**	**0**	**389**	**-14**	**12.487**	**32.601**	**35.565**	**4.587**	**262**	**-8**
	Total	**98.075**	**4.997**	**0**	**389**	**-16**	**20.416**	**82.251**	**83.531**	**6.142**	**262**	**-8**

1.2 Statement of changes in non-current assets of the Aumann Group as at 31 December 2019

	31 Dec 2019	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.	Own produced intanbible assets	6.025	4.011	0	0	0	1.222	8.814	5.548	745	0	0
2.	Concessions, industrial property rights and similar rights	6.371	151	0	837	1	5.152	534	819	437	837	0
3.	Goodwill	38.484	0	0	0	0	0	38.484	38.484	0	0	0
4.	Advance payments	0	134	0	0	0	0	134	0	0	0	0
		50.880	**4.296**	**0**	**837**	**1**	**6.374**	**47.966**	**44.851**	**1.182**	**837**	**0**
II.	**Property, plant and equipment**											
1.	Land and buildings including buildings on third-party land	29.569	50	73	5	-1	4.115	26.302	26.820	1.368	2	0
2.	Technical equipment and machinery	4.061	498	718	305	0	1.576	3.396	2.869	689	305	0
3.	Other equipment, operating and office equipment	5.959	1.425	0	1.570	-1	2.479	4.584	3.680	1.737	1.536	-1
4.	Advance payments and assets under development	1.231	843	-791	0	0	0	1.283	1.231	0	0	0
		40.820	**2.816**	**0**	**1.880**	**-2**	**8.170**	**35.565**	**34.600**	**3.794**	**1.843**	**-1**
	Total	**91.700**	**7.112**	**0**	**2.717**	**-1**	**14.544**	**83.531**	**79.451**	**4.976**	**2.680**	**-1**

1.3 Statement of changes in leases of the Aumann Group as at 31 December 2020

31 Dec 2020	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
Leasing											
1. Land and buildings	740	46	0	0	-2	730	54	376	367	2	1
2. Other equipment, operating and office equipment	2.059	645	0	235	-1	1.154	1.314	1.464	708	150	1
	2.799	**691**	**0**	**235**	**-3**	**1.884**	**1.368**	**1.840**	**1.075**	**152**	**2**

1.3 Statement of changes in leases of the Aumann Group as at 31 December 2019

31 Dec 2019	Total cost €k	Additions from first adoption €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
Leasing												
1. Land and buildings	0	731	11	0	1	-1	364	376	0	365	1	0
2. Other equipment, operating and office equipment	0	1.250	955	0	146	0	595	1.464	0	741	146	0
	0	**1.981**	**966**	**0**	**147**	**-1**	**959**	**1.840**	**0**	**1.106**	**147**	**0**

2. Intangible assets

Please see the statement of changes in non-current assets for information on the development of 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 2020 confirmed the recoverability of all capitalised goodwill.

Aumann Limbach-Oberfrohna cash-generating unit

The recoverable amount of the Aumann Limbach-Oberfrohna CGU is determined based on a value in use calculation using cash flow projections from medium-term planning approved by management covering a three-year period. The calculation of the budget figures took into account current and future probabilities, the expected economic development and other circumstances. The pre-tax discount rate applied to the cash flow projections is 8.17% (previous year: 8.75%). Cash flows beyond the detailed planning period are extrapolated using a growth rate of 3.0%. The perpetual annuity is calculated using a long-term growth rate of 1.0%.

Aumann EBI cash-generating unit

The recoverable amount of the Aumann EBI CGU is also determined based on a value in use calculation using cash flow projections from medium-term planning approved by management covering a three-year period. The calculation of the budget figures took into account current and future probabilities, the expected economic development and other circumstances. The pre-tax discount rate applied to the cash flow projections is 8.18% (previous year: 8.74%). Cash flows beyond the detailed planning period are extrapolated using a growth rate of 3.0%. The perpetual annuity is calculated using a long-term growth rate of 1.0%.

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

The calculation of value in use for the two significant cash-generating units, Aumann Limbach-Oberfrohna and Aumann EBI, is most sensitive to the following assumptions:

- EBITDA margins;
- discount rates;
- growth rates used to extrapolate cash flows beyond the detailed forecast period.

EBITDA margins: EBITDA margins are based on average values achieved in the three financial years preceding the beginning of the budget period. The values calculated thus are adjusted for the detailed planning period, if necessary, if management receives better information about their amount. The EBITDA margins from the detailed planning period are extrapolated at a constant level. A reduction in the EBITDA margin of 1.0 percentage points would not result in impairment for either the Aumann Limbach-Oberfrohna CGU or the Aumann EBI CGU.

Discount rates: Discount rates represent the market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments. Adjustments to the discount rate are made to factor in the specific amount and timing of tax flows in order to reflect a pre-tax discount rate. An increase in the pre-tax discount rate of 0.5 percentage points would not result in impairment for either the Aumann Limbach-Oberfrohna CGU or the Aumann EBI CGU.

Growth rates: The estimated growth rates are based on past experience and growth assumptions for the target markets of the respective CGUs. The Group recognises that possible new competitors or a changing market environment can have a significant impact on growth rate assumptions. Such a development could yield a reasonably possible alternative to the estimated long-term growth rate of 3.0% for the two cash-generating units. A reduction in the growth rate of 2 percentage points would not result in impairment for either the Aumann Limbach-Oberfrohna CGU or the Aumann EBI CGU.

3. Inventories

	31 Dec 2020 €k	31 Dec 2019 €k
Raw materials and supplies	1.776	2.870
Work in progress	1.314	1.610
Finished goods	149	304
Advance payments	4.949	8.023
Carrying amount as at 31 Dec	**8.188**	**12.807**

Impairment losses of €962 thousand were recognised on inventories in the period under review (previous year: €1,017 thousand). Impairment losses on inventories were reversed in the amount of €0 thousand (previous year: €0 thousand).

4. Trade receivables

	31 Dec 2020 €k	31 Dec 2019 €k
Trade receivables	32.023	38.164
Less specific valuation allowances	-906	-125
Less excpeted credite loss	-9	-17
Carrying amount as at 31 Dec	**31.108**	**38.022**

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.

Receivables from construction contracts constitute contract assets as defined by IFRS 15.

5. Contract assets and contract liabilities

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.

	31 Dec 2020 €k	31 Dec 2019 €k
Contractual assets gross	127.564	170.024
thereupon received prepayments	-56.658	-77.254
Contractual assets	**70.906**	**92.770**
Contractual liabilities	3.878	13.840

No costs of contract initiation or contract fulfilment were capitalised as separate assets in the financial year.

6. Other current assets

Other assets maturing within one year break down as follows:

	31 Dec 2020 €k	31 Dec 2019 €k
Tax receivables	3.163	2.173
Receivables employment agency	486	0
Prepaid expenses	331	451
Creditors with debit balance	58	123
Life insurance receivables	34	34
Personal Receivables	14	25
Factoring receivables	0	270
Miscellaneous other current assets	733	511
Carrying amount as at 31 Dec	**4.819**	**3.587**

Tax receivables consist of corporation tax and trade tax refunds of €2,185 thousand (previous year: €1,955 thousand) and input tax refunds of €978 thousand (previous year: €217 thousand).

7. Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income include securities of €20,783 thousand (previous year: €16,332 thousand), €20,444 thousand (previous year: €14,824 thousand) of which in shares reported as non-current assets and €340 thousand (previous year: €1,508 thousand) of which in bonds reported as current assets. Changes in the value of these securities are recognised in the fair value reserve in equity. Details can be found in the statement of changes in equity.

Income from securities amounts to €298 thousand (previous year: €440 thousand) and is reported under other operating income. Losses from the sale of securities amount to €308 thousand (previous year: €362 thousand) and are reported under other operating expenses.

8. Deferred taxes

The volume of deferred tax assets and liabilities from temporary differences as at 31 December 2020 and 31 December 2019 was as follows.

	31 Dec 2020 €k	31 Dec 2019 €k
Deferred tax assets (unoffset)	10.332	8.608
Deferred tax liabilities (unoffset)	-12.526	-13.711
Total	**-2.194**	**-5.103**

	31 Dec 2020 €k	31 Dec 2019 €k
Temporary differences from:		
Pension provisions	4.354	4.437
Other assets	2.049	181
Loss carryforward	2.041	2.587
Other provisions	1.810	537
Property, plant and equipment	63	531
Securities	11	0
Liabilities	3	335
Deferred tax assets	**10.332**	**8.608**

	31 Dec 2020 €k	31 Dec 2019 €k
Temporary differences from:		
Receivables	9.102	10.122
Intangible assets	2.880	2.671
Property, plant and equipment	274	293
Other provisions	83	0
Other assets	72	54
Securities	71	88
Trade payables	43	41
Other liabilities	1	443
Deferred tax liabilities	**12.526**	**13.712**

After netting deferred tax assets against deferred tax liabilities relating to the same tax authorities, there remain deferred tax assets of €475 thousand (previous year: €765 thousand) and deferred tax liabilities of €2,669 thousand (previous year: €5,869 thousand).

9. Equity

Please see the “Statement of changes in consolidated equity for 2020” for information on the development of equity.

9.1 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 reporting 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, Germany	06/12/2017	underrun	50%	Section 21, 22	49.17*
Invesco Ltd. (formerly Oppenheimer Funds)	Wilmington, Delaware, US	01/11/2018	overrun	5%	Section 21, 22	6.56

[1] Equity investment at the date of the notification of the most recent threshold change
* MBB SE’s equity investment currently amounts to 40%.

The members of the Executive Board of Aumann AG each hold 2,500 shares.

9.2 Capital reserves

Capital reserves amount to €140.92 million (previous year: €140.92 million).

9.3 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 respective 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. There was no profit distribution to the shareholders in the financial year (previous year: €3,050,000.00).

10. Provisions for pensions and similar obligations

There are pension agreements at Aumann Beelen GmbH and Aumann Limbach-Oberfrohna GmbH. They relate to 345 employees, 134 of whom are active scheme members. 144 persons are retired and 67 persons have left the scheme. The pension agreements are closed, meaning that no further occupational pension agreements are entered into for new appointments.

	31 Dec 2020 €k	31 Dec 2019 €k
Pension provisions at beginning of the financial year	**22.857**	**18.806**
Utilisation	-481	-466
Addition to provisions (service cost)	451	378
Addition to provisions (interest cost)	178	327
Actuarial gains/losses	-282	3.812
Pension provisions at end of the financial year	**22.723**	**22.857**
- Plan asset	-477	-509
Pension provision recognised in the balance sheet	**22.246**	**22.348**

€-315 thousand of actuarial gains result from experience adjustments and €33 thousand from actuarial adjustments.

The following actuarial assumptions were applied:

	2020	2019
Actuarial interest rate	0,5%	0,8%
Salary trend	2,0%	3,0%
Pension trend	1,7%	1,8%

With exceptions at USK, 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:

	31 Dec 2020 €k	31 Dec 2019 €k
Addition to provisions (service cost)	-451	-378
Addition to provisions (interest cost)	-178	-327
Total	**-629**	**-705**

The expected pension payments from the pension plans for 2020 amount to €476 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%	- 5,13 %	+ 5,54 %
Pension growth rate	0,50%	+ 7,49 %	- 6,74 %
Life expectancy	+ 1 year	+ 4,11 %	

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.

11. Liabilities

Liabilities have the following maturities:

31 Dec 2020	Up to 1 year €k	More than 1 year and up to 5 years €k	Over 5 years €k	Total €k
Trade payables	25.878	0	0	25.878
Liabilities to banks	3.719	9.156	2.836	15.711
Provisions with the nature of a liability	5.894	0	0	5.894
Contractual obligations	3.878	0	0	3.878
Liabilities from Leasing	623	753	0	1.376
Other liabilities	2.344	1.005	0	3.349
As at 31 Dec 2020	**42.336**	**10.914**	**2.836**	**56.086**

31 Dec 2019	Up to 1 year €k	More than 1 year and up to 5 years €k	Over 5 years €k	Total €k
Trade payables	28.596	0	0	28.596
Liabilities to banks	3.719	13.424	2.286	19.429
Contractual obligations	13.840	0	0	13.840
Provisions with the nature of a liability	10.658	0	0	10.658
Liabilities from Leasing	915	932	0	1.847
Other liabilities	6.659	1.112	0	7.771
As at 31 Dec 2019	**64.387**	**15.468**	**2.286**	**82.141**

Liabilities to banks have fixed interest rates of between 0.83% and 5.60% (previous year: 0.83% and 5.60%). Furthermore, there was an unutilised credit facility of €38.0 million.

A land charge of €19.1 million (previous year: €19.1 million) has been entered on the factory grounds to secure a bank loan.

12. Other liabilities

Other liabilities are composed as follows:

	31 Dec 2020 €k	31 Dec 2019 €k
Current		
Wage and church tax	688	446
Wages and salaries	460	911
Commissions	308	303
Dividend tax	86	457
Debtors with credit balances	40	64
Value Added tax	26	3.417
Miscellaneous	736	1.061
	2.344	**6.659**
Non-current		
Deferred Income	1.005	1.112
	1.005	**1.112**
Total	**3.349**	**7.771**

13. Provisions

13.1 Other provisions

Other non-current provisions, current provisions and provisions with the nature of a liability are composed as follows:

	31 Dec 2019 €k	Utili-sation €k	Re-versal €k	Addition €k	31 Dec 2020 €k
Long term Provisions					
Partial retirement	786	360	0	283	709
Anniversaries	120	4	0	13	129
	906	**364**	**0**	**296**	**838**
Accruals and short term provisions					
Restructuring provisions	0	0	0	7.517	7.517
Subsequent cost provision	7.547	4.638	1.913	4.969	5.965
Staff costs	4.152	4.002	100	2.622	2.672
Warranty costs	2.322	379	466	1.189	2.666
Provision for onerous contracts	658	603	5	1.996	2.046
Outstanding invoices	2.489	1.416	14	728	1.787
Holiday	1.738	1.499	0	387	626
Variable salary and commission	2.190	2.096	16	483	561
Accounting & audit costs	209	145	0	143	207
Employers' liability insurance association	108	107	1	78	78
Reduction in earnings	31	31	0	39	39
Miscellaneous	241	25	71	265	410
	21.685	**14.941**	**2.586**	**20.416**	**24.574**
	22.591	**15.305**	**2.586**	**20.712**	**25.412**

The provision for subsequent costs relates to various projects at Aumann Group that are already complete and for which the final invoice has been issued, but which are still subject to costs for follow-up work and fault remediation. The provision for partial retirement obligations was recognised in accordance with the "Altersteilzeit FlexÜ" works agreement of 11 June 2014.

The restructuring provisions were recognised in connection with the capacity adjustments at the Beelen, Espelkamp and Limbach-Oberfrohna sites.

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

13.2 Tax provisions

Tax provisions break down as follows:

	31 Dec 2020 €k	31 Dec 2019 €k
Trade income tax	921	570
Corporate income tax	203	721
Carrying amount as at 31 Dec.	**1.124**	**1.291**

14. Leases

	31 Dec 2020 €k	31 Dec 2019 €k
Payments from leases are due as follows		
Up to one year	731	996
More than one year and up to five years	1.096	1.261
Over five years	12	38
	1.839	**2.295**

An interest expense of €11.9 thousand was incurred in the 2020 financial year (previous year: €13.5 thousand). Leases that were not capitalised on account of their low value or short term resulted in an expense of €0.3 million (previous year: €0.4 million).

III. Notes to the statement of comprehensive income

1. Revenue

Revenue amounted to €172.8 million in the 2020 financial year (previous year: €259.6 million). €166.1 million (previous year: €247.8 million) of revenue is recognised over time.

The following table shows a breakdown of revenue by region:

	2020 €k	2019 €k
Europe	147.712	202.228
USMCA	3.636	14.440
China	15.414	33.102
Miscellaneous	6.071	9.803
Total	**172.833**	**259.573**

The USMCA region comprises the US, Canada and Mexico.

The Aumann Group received order intake of €157.3 million in the 2020 financial year, €77.3 million of which related to the Classic segment and €80.0 million of which related to the E-mobility segment.

The Aumann Group had an order backlog of €102.8 million as at 31 December 2020, €53.0 million of which related to the Classic segment and €49.8 million of which related to the E-mobility segment.

2. Other operating income

	2020 €k	2019 €k
Income from		
own work capitalised	1.142	18
the reversal of provisions	639	1.220
Reimbursement of social security contribution KUG	741	0
securities	298	440
credit notes and compensation	95	588
reversed write-downs charged on receivables	27	175
subsidies	0	373
miscellaneous	1.148	1.201
Total	**4.090**	**4.015**

Income from the reversal of provisions differs from the reversal shown in the statement of changes in provisions (II.13.1). The difference serves to reduce the expense items in which the respective provisions were recognised.

3. Other operating expenses

	2020 €k	2019 €k
Travel costs/vehicle costs	2.292	4.260
Maintenance expenses	2.117	2.509
Legal and consulting	1.352	1.353
Other services	731	976
Write-downs charged on receivables	781	634
IT cost	745	563
Costs for telephone, post and data communication	466	484
Insurance	329	320
Expenses from securities transactions	308	362
Rental agreements and leasing	304	398
Contributions and fees	271	293
Office supplies	171	142
Advertising costs	126	460
Incidental costs for monetary transactions	117	118
Miscellaneous	3.155	1.752
Total	**13.265**	**14.624**

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

4. Impairment losses and reversals of impairment losses

Impairment losses of €1.1 million were recognised on assets in the financial year (previous year: €0.0 million). As in the previous year, there were no reversals of impairment losses.

5. Finance income

	2020 €k	2019 €k
Interest income from securities	46	118
Other interest and similar income	0	34
Total	**46**	**152**

6. Finance costs

	2020 €k	2019 €k
Other interest and similar expenses	585	702
Aval interest	388	319
Leasing interest	12	14
Total	**985**	**1.035**

7. Taxes

Details on deferred tax assets and liabilities can be found under I.4.16 b) “Deferred taxes”. In recognising deferred taxes, an income tax rate of 30% is applied as the basis for German subsidiaries, while the future local tax rate is applied for foreign subsidiaries.

	2020 €k	2019 €k
Corporate income tax	471	1.748
Trade income tax	374	1.092
Deferred taxes	-3.323	1.414
Income tax	**-2.478**	**4.254**
Other tax expense	112	125
Total	**-2.366**	**4.379**

	2020 €k	2019 €k
Consolidated income before taxes	-20.693	15.373
Taxes on income	-2.479	4.254
Current tax rate	**12,0%**	**27,7%**

The reconciliation of income tax expense and the accounting net profit multiplied by the Group’s applicable tax rate for the 2020 and 2019 financial years is as follows:

	2020 €k	2019 €k
Consolidated income before taxes	-20.693	15.373
Other taxes	-112	-125
Applicable (statutory) tax rate	30,3%	30,3%
Expected tax income/expense	**-6.294**	**4.612**
Tax expense from prior periods		
Trade income tax	313	0
Not taxable income		
Non-capitalized loss carryforwards	2.715	0
from the sale of securities	12	-294
other effects	775	-65
Current tax expenses	**-2.479**	**4.254**

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.

	2020 €	2017 €
Result attributtable to the holders of shares	-18.327.361	10.994.368
Weighted average number of shares to calculate the earnings per share	15.250.000	15.250.000
Earnings per share (in €)	**-1,20**	**0,72**

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 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 – from e-traction engines, drive and transmission components and power-on-demand units to various energy storage systems, including fuel cells, and electronic components. Aumann has a particular strategic focus on production lines for e-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 to electric components. Another strategic focal point is highly automated production lines for the production of energy storage systems. Aumann continued to realise high-end production and assembly solutions with its customers in this area in the past financial year. Renowned customers from the automotive industry use Aumann technology for the series production of their latest generations of e-traction engines, energy storage systems and electric auxiliary motors in the highest quality.

Classic segment

In the Classic segment, Aumann mainly manufactures specialist machinery and automated production lines for the automotive, consumer electronics, appliances and industry sectors. For example, Aumann’s solutions include systems for the production of drive components that reduce CO_2 emissions from combustion engine vehicles. Aumann also offers highly automated manufacturing and assembly solutions for the consumer electronics and appliances industries in addition to specific solutions for other sectors.

Segment results

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 reconciliation includes items that cannot be allocated to the operating segments, such as expenses incurred in connection with Aumann’s financial investments.

1 Jan - 31 Dec 2020	Classic	E-mobility	Reconcilia-tion	Group
	€k	€k	€k	€k
Revenue from third parties	63.977	108.856	0	172.833
Other segments	0	0	0	0
Total revenue	**63.977**	**108.856**	**0**	**172.833**
EBITDA	**-11.697**	**-1.974**	**59**	**-13.612**
Amortisation and depreciation	-2.129	-3.946	-67	-6.142
EBIT	**-13.826**	**-5.920**	**-8**	**-19.754**
Net finance cost	-138	-847	46	-939
EBT	**-13.964**	**-6.767**	**38**	**-20.693**
EBITDA margin	*-18,3%*	*-1,8%*	0	-7,9%
EBIT margin	*-21,6%*	*-5,4%*	0	-11,4%
Trade receivables and Receivables from construction contracts	**43.693**	**58.321**	**0**	**102.014**
Contractual obligations	**1.408**	**2.470**	**0**	**3.878**

1 Jan - 31 Dec 2019	Classic	E-mobility	Reconcilia-tion	Group
	€k	€k	€k	€k
Revenue from third parties	144.474	115.099	0	259.573
Other segments	0	0	0	0
Total revenue	**144.474**	**115.099**	**0**	**259.573**
EBITDA	**11.887**	**9.160**	**185**	**21.232**
Amortisation and depreciation	-2.423	-2.491	-60	-4.976
EBIT	**9.464**	**6.667**	**126**	**16.256**
Net finance cost	-47	-959	122	-882
EBT	**9.417**	**5.708**	**249**	**15.373**
EBITDA margin	*8,2%*	*8,0%*	0	8,2%
EBIT margin	*6,6%*	*5,8%*	0	6,3%
Trade receivables and Receivables from construction contracts	**75.538**	**55.254**	**0**	**130.792**
Contractual obligations	**3.815**	**10.025**	**0**	**13.840**

Reconciliation of EBIT to net profit for the year	2020	2019
	€k	€k
Total EBT of the segments	**-20.693**	**15.373**
Taxes on income	2.478	-4.254
Other taxes	-112	-125
PAT (profit after tax)	-18.327	10.994
Net profit for the period	**-18.327**	**10.994**

Reconciliation of segment assets to assets	2020 €k	2019 €k
Classic segment	43.693	75.538
E-mobility segment	58.321	55.254
Total segment receivables	**102.014**	**130.792**
Intangibles	49.650	47.966
Fixed assets	32.601	35.565
Financial Assets	20.444	14.824
Deferred tax assets	475	765
Inventories	8.188	12.807
Current funds	69.790	80.440
Other assets	4.819	3.588
Total assets	**287.981**	**326.747**

Reconciliation of segment Contractual obligations received to equity and liabilities	2020 €k	2019 €k
Classic segment	1.408	3.816
E-mobility segment	2.470	10.024
Total segment Contractual obligations received	**3.878**	**13.840**
Consolidated equity	186.338	203.164
Pension provisions	22.246	22.348
Other provisions	12.001	11.933
Deferred tax liabilities	2.669	5.869
Trade payables	25.878	28.596
Provisions with the nature of a liability	5.894	10.658
Restructuring provisions	7.517	0
Tax provision	1.124	1.291
Liabilities to banks	15.711	19.429
Liabilities from Leasing	1.376	1.847
Other liabilities	3.349	7.772
Total equity and liabilities	**287.981**	**326.747**

Key customers

Revenue with four customers accounts for €67,837 thousand (previous year: €98,873 thousand) of the Group’s total revenue. The following table breaks down this revenue by segment.

	Classic		E-mobility		Total	
	2020	2019	2020	2019	2020	2019
Customer	€k	€k	€k	€k	€k	€k
A	9.199	7.178	13.757	26.424	22.956	33.602
B	5.248	23.719	11.203	2.351	16.450	26.070
C	0	11.714	16.071	8.505	16.071	20.219
D	926	8.875	11.433	10.108	12.359	18.983
Total	**15.373**	**51.486**	**52.464**	**47.388**	**67.837**	**98.874**

2. Information by region

2.1 Revenue from external customers

The breakdown of revenue with external customers by region is shown in the section on revenue.

2.2 Non-current assets

The Aumann Group's non-current assets are predominantly located in Europe. The non-current assets of our subsidiary in China amounted to €752.8 thousand as at the end of the year (previous year: €1,050.0 thousand).

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 €1,353 thousand in the 2020 financial year (previous year: €3,102 thousand).

	Non-current liabilities to banks	Current liabilities to banks	Non-current liabilities from leasing	Current liabilities from leasing	Total
	€k	€k	€k	€k	€k
Balance sheet as of 01 Jan 2020	**15.710**	**3.719**	**932**	**915**	
Borrowing					0
Redemption		-3.718		-1.075	-4.793
Cash effective	**0**	**-3.718**	**0**	**-1.075**	**-4.793**
Reclassification	-3.718	3.718	-568	568	0
New leases			389	215	604
Veränderungen	**-3.718**	**3.718**	**-179**	**783**	**604**
Balance sheet as of 31 12 2020	**11.992**	**3.719**	**753**	**623**	

VI. Additional disclosures on financial instruments

€k	Bewertungs-kategorie nach IFRS 9*	31 Dec 2020 Buchwert	Fair Value
Assets			
Longterm Securities	FVTOCI	20.444	20.444
Trade receivables	AC	31.108	
Securities (debt instruments)	FVTOCI	340	340
Cash and cash equivalents	AC	69.450	
Equity and liabiliteis			
Financial liabilities	FLaC	15.711	16.361
Accounts payable	FLaC	25.878	

* 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.

Liquidity and trade receivables predominantly have short remaining terms. Their carrying amounts as at the end of the reporting period are therefore approximately their fair value. The fair values of securities at fair value are based on the market price quoted on an active market. Investments in equity instruments are predominantly measured at fair value through other comprehensive income. This reporting is based on strategic management decisions.

Trade payables, advances received and other financial liabilities are typically short-term; the amounts recognised are approximately the fair values. The fair values of the financial liabilities are calculated as the present value of the expected future cash flows. Discounting uses standard market interest rates based on the corresponding maturities and credit ratings.

The fair values as at 31 December 2020 for financial instruments reported at fair value in the statement of financial position were calculated as follows:

€k	Level 1	Level 2	Level 3	Total
Assets				
Longterm Securities	20.444			20.444
Securities (debt instruments)	340			340
Gesamt	**20.784**			**20.784**

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 2020.	Not applicable

IFRS 7 also requires a maturity analysis for financial liabilities. The following maturity analysis shows how the undiscounted cash flows in connection with the liabilities as at 31 December 2020 affect the future liquidity situation of the Group.

Nature of the obligation	Carrying amount 31 Dec 2020 €k	Up to 1 year €k	More than 1 year and up to 5 years €k	Over 5 years €k
Financial liabilities	15.711	3.719	9.156	2.836
Accounts payable	25.878	25.878		

If the contract partner can call a payment at different points in time, the liability relates to the earliest possible maturity date.

VII. Objectives and methods of financial risk management

1. Financial assets and financial liabilities

The Group's financial liabilities mainly include current and non-current liabilities to banks, current trade payables and other current and non-current liabilities. The Group's financial assets essentially consist of cash, securities and trade receivables. The carrying amount of the financial assets less impairment losses reported in the consolidated financial statements represents the maximum exposure to credit risk; this totalled €121,342 thousand in the year under review (previous year: €133,286 thousand). Business relationships are only entered into with partners of good credit standing. Trade receivables relate to a number of customers across various industries and regions. Ongoing credit assessments of the financial level of the receivables are performed. Payment terms of 30 days without deduction are usually granted. Impairment was not recognised for trade receivables that were past due at the end of the reporting period if no material changes in the customer's creditworthiness were observed and it is assumed that the outstanding amount will be paid.

Please see II.11 "Liabilities" and II.12 "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. Derivatives and hedging transactions were not entered into. There were no reclassifications.

2. Capital risk management

The Group manages its capital (equity plus liabilities less cash) with the aim of achieving its financial goals while simultaneously optimising its finance costs by way of financial flexibility. In this respect, the overall strategy is the same as in the previous year.

Management reviews the capital structure at least once every half-year. The cost of capital, the collateral provided, open lines of credit and available credit facilities are reviewed.

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

	31 Dec 2020	31 Dec 2019
Equity in € thousand	186.338	203.164
- in % of total capital	64,7%	62,2%
Liabilities in € thousand	101.643	123.582
- in % of total capital	35,3%	37,8%
Current liabilities in € thousand	62.140	76.705
- in % of total capital	21,6%	23,5%
Non-current liabilities in € thousand	39.503	46.877
- in % of total capital	13,7%	14,3%
Net gearing*	0,1	0,1

* calculated as liabilities minus cash and cash equivalents, securities and gold stock in relation to equity

The agreement of multiple financial covenants when borrowing loans means that the Group and individual equity investments 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.

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

4. Market risks

Market risks can result from changes in exchange rates (exchange rate risks) or interest rates (interest rate risks). Based on the estimate of exchange rate risks, no foreign exchange contracts were entered into for the Group as at 31 December 2020. The Group's invoices are essentially issued in euro or the respective local currency, thereby largely avoiding exchange rate risks. The Group is not exposed to interest rate risks as a result of borrowing financing 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.

VIII. Other required information

1. The Executive Board

- Rolf Beckhoff, engineer
- Sebastian Roll, businessman

Sebastian Roll is the Managing Director of Aumann Beelen GmbH and Aumann Immobilien GmbH.

Rolf Beckhoff has been the Managing Director of Aumann Espelkamp GmbH and Aumann Berlin GmbH since 26 March 2021.

2. The Supervisory Board

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

- Gert-Maria Freimuth, businessman, Chairman (Chairman of the Board of MBB SE, Chairman of the Supervisory Board of DTS IT AG, Deputy Chairman of the Supervisory Board of Delignit AG, Friedrich Vorwerk Group SE (until 10 February 2021) and Friedrich Vorwerk Management SE (until 10 February 2021))
- Christoph Weigler, businessman, Deputy Chairman (General Manager of Uber Germany, Austria and Switzerland)
- Dr Christof Nesemeier, businessman (Managing Director of MBB SE, member of the Board of MBB SE, Chairman of the Supervisory Board of Delignit AG, Friedrich Vorwerk Group SE and Friedrich Vorwerk Management SE)

3. Executive body remuneration

Each member of the Executive Board is entitled to a fixed and a variable remuneration component. For further details, please see the remuneration report in the management report.

There is a pension agreement with management. The resulting service cost amounts to €18 thousand (previous year: €19 thousand).

2020 Remuneration [in €k]	Fix	Variable remuneration	Variable inflows
Managing Board			
Beckhoff, Rolf	250,0	0,0	245,7
Roll, Sebastian	200,0	0,0	229,9
	450,0	**0,0**	**475,6**
Supervisory Board			
Freimuth, Gert-Maria	22,5		
Weigler, Christoph	20,0		
Nesemeier, Christof	17,5		
	60,0		

2019 Remuneration [in €k]	Fix	Variable remuneration	Variable inflows
Managing Board			
Beckhoff, Rolf	250,0	246,0	296,6
Martinschledde, Ludger			148,0
Roll, Sebastian	200,0	230,0	269,9
	450,0	**476,0**	**714,5**
Supervisory Board			
Freimuth, Gert-Maria	22,5		
Weigler, Christoph	20,0		
Nesemeier, Christof	17,5		
	60,0		

3. 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.

4. 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.

4.1 Related companies

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.

Other related companies include MBB SE, the parent company of Aumann AG, and the companies included in consolidation by MBB SE. Transactions were performed with these companies at market conditions. Aumann AG, Beelen, paid MBB SE, Berlin, €218 thousand for consulting services in the 2020 financial year (2019: €230 thousand).

5. Employees

The Group employed 968 people as at the end of the reporting period (previous year: 1,107), five of whom were managing directors or members of the Executive Board (previous year: nine). The Group also employed 105 trainees (previous year: 119) and five temporary employees (previous year: 73) in 2020. It employed 1,026 people on average over the year (previous year: 1,115).

6. Auditor's fees

	2020 €k	2019 €k
Audit services	152,0	152,0
Total	**152,0**	**152,0**

7. Events after the end of the reporting period

There were no events or developments after the end of the financial year that would have led to a material change in the reporting or measurement of the individual assets or liabilities as at 31 December 2020 or that would be reportable.

8. Other financial obligations

Other financial obligations	31 Dec 2020 €k	31 Dec 2019 €k
Up to one year	103	89
More than one year and up to five years	332	335
Over five years	7	7
	442	**431**

9. 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 12 March 2021. It forms part of the management report and is published online at www.aumann.com.

10. Responsibility statement

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

11. Exemption under section 264(3) HGB

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

Beelen, 13 April 2021

Rolf Beckhoff
Chief Executive Officer

Sebastian Roll
Chief Financial Officer

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) – consisting of the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 January 2020 to 31 December 2020 and the notes to the consolidated financial statements including a summary of the significant accounting policies. Furthermore, we have audited the Group management report of Aumann AG for the financial year from 1 January 2020 to 31 December 2020. In accordance with the provisions of German law, we have not audited the content of the elements set out in the "Other information" section of our auditor's report. The parts of the ESEF documents that go beyond the legal requirements are likewise not subject to the content audit.

In our opinion, based on the findings of our audit:

- the attached consolidated financial statements, in all material respects, comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law in accordance with section 315e(1) HGB, and give a true and fair view of the net assets and financial position of the Group in accordance with these requirements as at 31 December 2020 and its results of operations for the financial year from 1 January 2020 to 31 December 2020 in accordance with these provisions; and

- as a whole, the attached Group management report provides a suitable view of the Group's position. In all material respects, this Group management report is consistent with the consolidated financial statements and with German legal requirements, and accurately presents the risks and opportunities of future development. Our audit opinion on the Group management report does not extend to the content of the elements of the Group management report set out in the "Other information" section.

In accordance with section 322(3) sentence 1 HGB, we declare that our audit has not led to any objections to the regularity of the consolidated financial statements or the Group management report.

Basis for audit opinions

We conducted our audit in accordance with section 317 of the Handelsgesetzbuch (HGB – German Commercial Code), the EU Audit Regulation (No. 537/2014) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW – German Institute of Public Auditors). Our responsibility under these provisions and policies is described further in the section of our auditor's report entitled "Auditor's responsibility for the audit of the consolidated financial statements and the Group management report". We are independent from the Group companies in accordance with the commercial and professional regulations of European and German law and have fulfilled our other German professional obligations in accordance with these requirements. Furthermore, in accordance with Article 10(2)(f) of the EU Audit Regulation, we declare that we have not performed any prohibited non-audit services as defined by Article 5(1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinions on the consolidated financial statements and the Group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those that, based on our professional judgement, were most significant in our audit of the consolidated financial statements for the financial year 1 January 2020 to 31 December 2020. These matters were taken into account in the context of our audit of the consolidated financial statements as a whole and in the formation of our audit opinion; we have not issued a separate opinion on these matters.

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

- Goodwill impairment
- Recognition of contract revenue

Our presentation of these key audit matters is structured as follows:

1. matter and problem
2. audit procedure and findings
3. reference to further information

The key audit matters are presented below:

Goodwill impairment

1. Goodwill of €38.5 million (20.7% of consolidated equity) is reported under the statement of financial position item "Intangible assets" in the consolidated financial statements of Aumann AG. The company allocates the goodwill to the relevant groups of cash-generating units. The company tests goodwill for impairment annually as at the end of the reporting period or on an ad hoc basis. This is done by comparing the calculated value in use to the carrying amount of the corresponding group of cash-generating units. These values are usually based on the present value of the future cash flows of the cash-generating unit to which the respective goodwill has been allocated. The values are calculated using forecasts for the individual cash-generating units based on the financial planning approved by management. Discounting is performed using the weighted average cost of capital of the respective cash-generating unit. The result of this is largely dependent on the estimate of future cash inflows by the company's officers and the discount rate used, and is therefore subject to considerable uncertainty, hence this is a key audit matter.

2. To address this risk, we critically examined the assumptions and estimates by management, and performed audit procedures including the following:

   - We verified the methodological procedure for performing the impairment tests and assessed the calculation of the weighted average cost of capital.
   - We satisfied ourselves that the future underlying cash flows and discount rates used in measurement form an appropriate basis for the impairment testing of the individual cash-generating units.
   - In our assessment, we used comparisons against general and industry-specific market expectations and extensive information from management on the key value drivers in planning, and we compared this information against the current budget in the planning approved by the Supervisory Board.
   - Knowing that even relatively small changes in the discount rate can have a material impact on the value in use calculated thus, we examined the parameters used to determine the discount rate applied, including the weighted average cost of capital, and verified the company's calculation scheme.
   - Furthermore, we conducted our own additional sensitivity analysis to be able to estimate a possible impairment risk in the event of a possible change in a key measurement assumption. The selection was based on qualitative aspects and the amount by which the respective carrying amount is exceeded by the value in use.

   We found that the respective goodwill and, in general, the total carrying amounts of the relevant groups of cash-generating units as at the end of the reporting period are covered by the discounted future cash flows.

3. The information provided by the company on goodwill can be found in note II.2. to the financial statements.

Recognition of contract revenue

1. A significant portion of the Group's business activities takes the form of construction contracts. Revenue recognition in accordance with IFRS 15 is dependent on the fulfilment of the performance obligation and must be assessed on the basis of the underlying contracts. Given the complexity of

revenue recognition, revenue recognition is an area with a significant risk of material misstatement (including the potential risk of managers bypassing controls) and is therefore a key audit matter.

2. To address this risk, we critically examined the assumptions and estimates by management, and performed audit procedures including the following:

   - In the context of our audit, we reviewed the company's internal methods, procedures and project management control mechanisms in the bidding and performance phase of construction contracts. We also assessed the design and effectiveness of accounting-related internal controls by tracking business transactions specific to contract manufacturing, from the time they arise to their presentation in the consolidated financial statements, and by testing controls.
   - Using samples selected on a risk-oriented basis, we assessed the estimates and assumptions made by the company's officers in the context of individual audits. Our audit procedures also included a review of the contractual basis and contractual conditions, including contractually agreed regulations on partial delivery of goods and services, termination rights, default and contractual penalties and damages. For the selected projects, in order to assess the calculation of revenue on an accrual basis, we also examined the revenue billable as at the end of the reporting period and the associated costs of sales recognised in profit or loss in line with the percentage of completion and reviewed the accounting of the related items.

     - Furthermore, we questioned project management (both commercial and technical project managers) on the development of projects, the reasons for discrepancies between planned costs and actual costs, the current assessment of the costs expected to be incurred by the time of completion and the assessments of the company's officers of potential contract risks.

   Our audit procedures did not give rise to any objections regarding revenue recognition from construction contracts.

3. The information provided by the company on the accounting methods used for accounting for construction contracts can be found in note I.4.15 to the financial statements.

Other information

The company's officers are responsible for the other information. The other information comprises:

- the Group declaration on corporate governance;
- the consolidated non-financial statement;
- other parts of the annual report, with the exception of the audited consolidated financial statements, the Group management report and our auditor's report;
- the statement in accordance with section 297(2) sentence 4 HGB on the consolidated financial statements and the statement in accordance with section 315(1) sentence 5 HGB on the Group management report.

Our audit opinions on the consolidated financial statements and the Group management report do not extend to the other information, and accordingly we do not offer any audit opinion or any other form of audit conclusion on it.

In connection with our audit, we have the responsibility to read the other information and to assess whether the other information:

- contains material inconsistencies with the consolidated financial statements, the Group management report or our findings from the audit; or
- is otherwise materially misrepresented.

Responsibility of the company's officers and the Supervisory Board for the consolidated financial statements and the Group management report

The company's officers are responsible for the preparation of the consolidated financial statements that, in all material respects, comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law in accordance with section 315e(1) HGB, and that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the

Group. Furthermore, the company's officers are responsible for the internal controls that they have deemed necessary to enable the preparation of consolidated financial statements that are free from – intentional or unintentional – material misstatement.

In preparing the consolidated financial statements, the company's officers are responsible for assessing the Group's ability to continue as a going concern. They are also responsible for disclosing matters in connection the continuation of business activities, if relevant. Furthermore, they are responsible for the accounting on the basis of the going concern principle, provided there are no actual or legal circumstances to the contrary.

Moreover, the company's officers are responsible for the preparation of the Group management report that, on the whole, provides a suitable view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and with German legal requirements, and accurately presents the risks and opportunities of future development. Also, the company's officers are responsible for the precautions and measures (systems) that they deem necessary to enable the preparation of a Group management report in accordance with the applicable German legal requirements to provide sufficient suitable evidence for the statements in the Group management report.

The Supervisory Board is responsible for monitoring the Group's accounting 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 as to whether the consolidated financial statements as a whole are free from material – intentional or unintentional – misstatement and whether the Group management report as a whole provides a suitable view of the Group's position and, in all material respects, is consistent with the consolidated financial statements, audit findings and German legal requirements, and accurately presents the risks and opportunities of future development, and to issue an auditor's report containing our audit opinions on the consolidated financial statements and the Group management report.

Reasonable assurance is a high degree of assurance, but not a guarantee that an audit performed in accordance with section 317 HGB, the EU Audit Regulation and the German generally accepted standards for the audit of financial statements promulgated by the IDW will always reveal a material misstatement. Misstatements can result from violations or inaccuracies, and are considered material if they could reasonably be expected, individually or collectively, to influence the economic decisions that users make on the basis of these consolidated financial statements and the Group management report.

We exercise due discretion and maintain a critical approach. Furthermore:

- We identify and assess the risks of – intentional or unintentional – material misstatements in the consolidated financial statements and the Group management report, we plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to form the basis of our audit opinions. The risk that material misstatements are not detected is greater for violations than for inaccuracies, as violations can include fraud, falsification, intentional omissions, misrepresentation or the invalidation of internal controls;
- We gain an understanding of the internal control system relevant to the audit of the consolidated financial statements and of the systems relevant to the audit of the Group management report in order to plan audit procedures that are appropriate under the given circumstances, but not with the objective of expressing an opinion on the effectiveness of these systems;
- We assess the appropriateness of the accounting policies applied by the company's officers and the reasonableness of the estimates and related disclosures by the company's officers;
- We draw conclusions about the appropriateness of the going concern principle applied by the company's officers and, on the basis of the audit evidence obtained, whether there is material uncertainty about events or circumstances that can give rise to significant doubts about the Group's ability to continue as a going concern. If we come to the conclusion that material uncertainty exists, we are required to refer to the relevant disclosures in the consolidated financial statements and the Group management report in the auditor's report or, if these disclosures are inappropriate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances can lead to the Group being unable to continue its business activities;

- We assess the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements present the underlying transactions and events in such a way that the consolidated financial statements, in accordance with the IFRSs as adopted by the EU and the additional requirements of German commercial law in accordance with section 315e(1) HGB, give a true and fair view of the net assets, financial position and results of operations of the Group;
- We obtain sufficient, suitable audit evidence for the accounting information of the companies or business activities within the Group in order to issue audit opinions on the consolidated financial statements and the Group management report. We are responsible for designing, monitoring and performing the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions;
- We assess that the Group management report is consistent with the consolidated financial statements and the law, and the view of the position of the Group that it provides;
- We perform audit procedures on the forward-looking statements made in the Group management report by the company's officers. In particular, on the basis of sufficient and suitable audit evidence, we analyse the significant assumptions on which the forward-looking statements are based, and assess whether the forward-looking statements have been properly derived from these assumptions. We do not issue a separate audit opinion on the forward-looking statements or the underlying assumptions. There is a considerable yet unavoidable risk that future events will deviate materially from the forward-looking statements.

Among other things, we discuss with those responsible for overseeing the audit the planned scope and scheduling of the audit and significant audit findings, including any deficiencies in the internal control system that we identify during our audit.

We declare to those responsible for overseeing the audit that we complied with the relevant independence requirements and discuss with them all relationships and other matters that can reasonably be assumed to affect our independence, and the precautions taken against this.

Of the matters we discussed with those responsible for overseeing the audit, we determine which matters were most significant in the audit of the consolidated financial statements for the current reporting period and that are therefore the key audit matters. We describe these matters in our auditor's report, unless the public disclosure of such matters is prevented by law or other legal provisions.

OTHER STATUTORY AND LEGAL REQUIREMENTS

Report on the audit of the electronic reproductions of the consolidated financial statements and of the Group management report created for disclosure purposes in accordance with section 317(3b) HGB

Audit opinion

Pursuant to section 317(3b) HGB, we conducted an audit to obtain reasonable assurance on whether the electronic reproductions of the consolidated financial statements and of the Group management report contained in the attached file [Aumann AG_KA+KLB_ESEF_20201231] that are created for disclosure purposes (also referred to hereinafter as the "ESEF documents") satisfy the requirements of section 328(1) HGB relating to the electronic reporting format ("ESEF format") in all material respects. In compliance with the German legal requirements, this audit covers only the conversion of the information in the consolidated financial statements and the Group management report into the ESEF format and therefore neither the information contained in these reproductions nor other information contained in the above-mentioned file.

In our opinion, the reproductions of the consolidated financial statements and of the Group management report contained in the above-mentioned file and created for disclosure purposes meet the requirements of section 328(1) HGB relating to the electronic reporting format in all material respects. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying Group management report for the financial year from 1 January 2020 to 31 December 2020 contained in the preceding "Report on the audit of the consolidated financial statements and the Group management report", we do not issue any opinion whatsoever 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 of the Group management report contained in the attached file mentioned above in accordance with section 317(3b) HGB and the *draft IDW auditing standard: Audit of the electronic reproductions of financial statements and management reports created for disclosure purposes in accordance with section 317(3b) HGB (IDW EPS 410)*. Our responsibility according to these provisions is described in further detail under "Responsibility of the auditor for the audit of the ESEF documents". Our audit practice has applied the requirements for quality assurance systems set out in the *IDW quality assurance standard: Requirements for quality assurance in auditing practice (IDW QS 1).*

Responsibility of the company's officers and the Supervisory Board for the ESEF documents

The company's officers are responsible for drawing up the ESEF documents with the electronic reproductions of the consolidated financial statements and of the Group management report pursuant to section 328(1) sentence 4 no. 1 HGB and for marking up the consolidated financial statements pursuant to section 328(1) sentence 4 no. 2 HGB.

In addition, the company's officers are responsible for such internal control as they have determined necessary to enable the creation of the ESEF documents that are free from material violations, whether due to fraud or error, of the requirements of section 328(1) HGB relating to the electronic reporting format.

The company's officers are furthermore responsible for submitting to the operator of the German Federal Gazette the ESEF documents together with the auditor's report and the accompanying audited consolidated financial statements and the audited Group management report as well as other documents to be disclosed.

The Supervisory Board is responsible for overseeing the creation of the ESEF documents as part of the financial reporting process.

Responsibility of the auditor for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material violations, whether due to fraud or error, of the requirements of section 328(1) HGB. We exercise due discretion and maintain a critical approach. Furthermore:

- We identify and assess the risks of material breaches of the requirements of section 328(1) HGB, whether due to fraud or error, plan and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to form the basis of our audit opinion;
- We gain an understanding of internal controls 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 these controls;
- We assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815, as amended as at the end of the reporting period, relating to the technical specification for this file;
- We assess whether the ESEF documents enable the audited consolidated financial statements and the audited Group management report to be reproduced in XHTML with the same contents;
- We assess whether the mark-up of the ESEF documents with Inline XBRL technology (iXBRL) enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction to be made.

Other disclosures pursuant to Article 10 of the EU Audit Regulation

We were elected as the auditor of the consolidated financial statements by the Annual General Meeting on 21 August 2020. We were engaged by the Supervisory Board on 7 December 2020. We have served as the auditor of Aumann AG's consolidated financial statements since the 2017 financial year.

We declare that the audit opinions contained in this auditor's report are consistent with the additional report to the Supervisory Board in accordance with Article 11 of the EU Audit Regulation (audit report).

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Till Geller.

Düsseldorf, 14 April 2021

RSM GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dr Hüchtebrock Wirtschaftsprüfer (German Public Auditor) Tax advisor	Geller Wirtschaftsprüfer (German Public Auditor)

Financial calendar

Annual Report 2020

16 April 2021

Quarterly Report Q1 2021

17 May 2021

Annual General Meeting 2021

02 June 2021

Half-Year Financial Report 2021

20 August 2021

Quarterly Report Q3 2021

12 November 2021

End of the 2021 financial year

31 December 2021

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