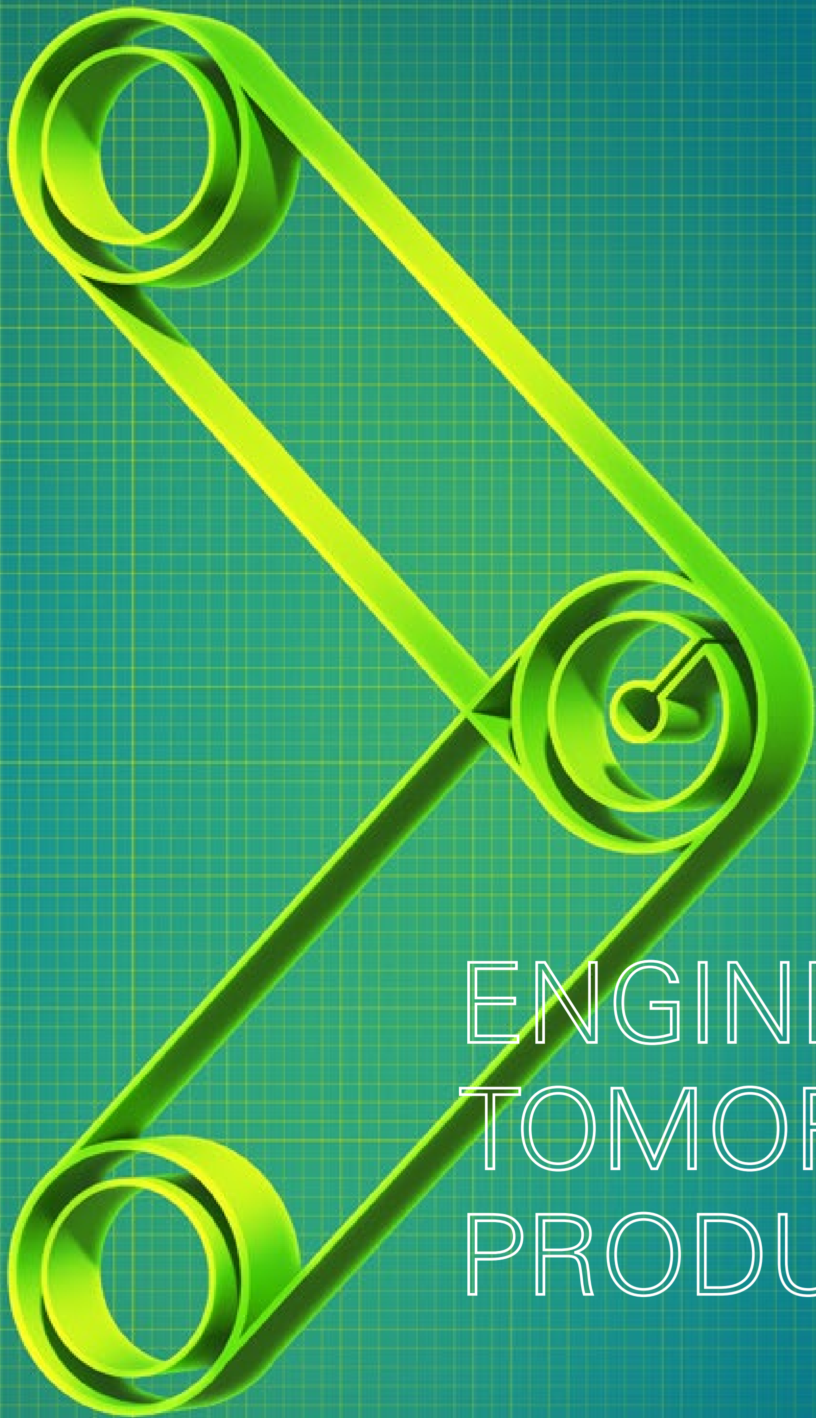
Annual Financial Statements
and Summarized Management Report
2023



ENGINEERING TOMORROW'S PRODUCTION

manz

MANZ AG, REUTLINGEN

BALANCE SHEET FOR DECEMBER 31, 2023

A S S E T S

	31.12.2023 euros		31.12.2022 euros
A. NON-CURRENT ASSETS			
I. Intangible assets			
1. Internal generated industrial property, rights and similar rights and assets	13.886.239,30		14.459.156,72
2. Concessions, industrial and similar rights and assets and licences in such rights and assets	1.088.992,88		1.220.536,88
		14.975.232,18	15.679.693,60
II. Tangible assets			
1. Land, land rights and buildings including buildings on third party land	1.061.104,00		334.978,00
2. Technical equipment and machines	2.807.418,00		2.321.020,70
3. Other equipment, factory and office equipment	780.412,00		965.282,00
4. Advance payments and assets under construction	3.648.205,65		0,00
		8.297.139,65	3.621.280,70
III. Financial assets			
1. Shares in affiliated companies	21.089.484,07		28.165.395,12
2. Loans to affiliated companies	7.518.032,13		3.593.271,82
3. Participations	5.704.907,31		11.919.615,29
3. Other Loans	3.027.869,86		2.036.480,45
		37.340.293,37	45.714.762,68
		60.612.665,20	65.015.736,98
B. CURRENT ASSETS			
I. Inventories			
1. Raw materials, consumables and supplies	6.230.118,13		15.127.848,75
2. Unfinished goods	117.087.964,30		120.028.833,02
3. Finished goods and merchandise	688.638,43		667.129,01
4. Prepayments	16.741.590,30		25.152.534,55
5. Payments received on account of orders	-107.485.534,23		-92.420.147,56
		33.262.776,93	68.556.197,77
II. Receivables and other assets			
1. Trade receivables	13.384.031,21		9.140.898,03
2. Receivables from affiliated companies	1.987.503,33		565.154,21
3. Other assets	2.524.137,74		11.353.721,81
		17.895.672,28	21.059.774,05
III. Cash in hand, bank balances and checks		12.214.991,79	22.713.147,15
		63.373.441,00	112.329.118,97
C. PREPAID EXPENSES		992.046,89	947.512,97
		124.978.153,09	178.292.368,92

L I A B I L I T I E S

	31.12.2023 euros		31.12.2022 euros
A. EQUITY			
I. Issued capital		8.542.574,00	8.540.286,00
II. Capital reserves		26.132.881,22	26.132.881,22
III. Revenue reserves		1.470.601,00	1.470.601,00
IV. Retained earnings		-3.483.538,76	-7.359.611,70
		32.662.517,46	28.784.156,52
B. PROVISIONS			
1. Provisions for pensions and similar obligations	3.897.802,00		3.276.409,00
2. Tax provisions	2.502.757,64		1.412.500,98
3. Other provisions	8.810.128,96		7.601.150,00
		15.210.688,60	12.290.059,98
C. LIABILITIES			
1. Liabilities to banks	2.853.166,04		2.449,23
2. Advanced payments received on account of order	16.720.859,16		73.808.083,78
3. Trade payables	10.949.200,79		25.212.762,15
4. Liabilities to affiliated companies	45.531.863,21		35.930.351,20
5. Other liabilities	985.368,66		2.264.506,06
- thereof from taxes: EUR 849837,27, (previous year: EUR 588,117.63)			
		77.040.457,86	137.218.152,42
D. DEFERRED INCOME		64.489,17	0,00
		124.978.153,09	178.292.368,92

Disclosures pursuant to Section 152 (1) sentence 3 AktG:
The conditional capital amounts to EUR 3,936,000.00 as at December 31, 2023 (December 31, 2022: EUR 3,668,210.00).

MANZ AG, REUTLINGEN

INCOME STATEMENT FOR DECEMBER 2023

		2023 euros		2022 euros
1.	Revenues		164.141.908,75	308.703.582,92
2.	Decrease in finished goods and unfinished goods		-2.919.359,30	-131.091.367,03
3.	Other capitalized internal work		11.812.951,32	17.658.866,24
4.	Other operating income		27.204.483,45	3.428.258,14
	- thereof from currency translation: EUR 1567790,21, (previous year: EUR 1,340,067.05)			
5.	Cost of materials			
	a) Cost of raw materials, consumables and supplies and of purchased goods	-92.639.603,79		-82.828.428,97
	b) Cost of purchased services	-23.256.702,34		-47.162.821,25
			-115.896.306,13	-129.991.250,22
6.	Personnel expenses			
	a) Wages and salaries	-37.111.509,88		-34.556.138,25
	b) Social security, post-employment and other employee benefit costs	-7.398.585,49		-6.629.764,40
	- thereof for pension provisions: EUR 114847,6, (previous year: EUR 204,288.12)			
			-44.510.095,37	-41.185.902,65
7.	Depreciation and Amortisation			
	a) Depreciation/Amortisation for intagible fixed assets and property, plant and equipment		-5.144.337,41	-5.629.031,61
8.	Other operating expenses		-20.375.830,77	-51.747.959,01
	- thereof from currency conversion: EUR 834527,16, (previous year: EUR 2,053,546.77)			
9.	**Operating result**		14.313.414,54	-29.854.803,22
10.	Income from loans of financial assets		415.766,85	47.868,75
	- thereof from affiliated companies: EUR 362658,52, (previous year: EUR 47,868.75)			
11.	Other interest and similar income		96.788,71	39.183,42
	- thereof from compunding: EUR 0.00 (previous year: EUR 876.86)"			
12.	Depreciation of financial assets		-7.450.911,05	-25.000,00
13.	Interest and similar expenses		-2.403.565,48	-795.738,88
	- thereof to affiliates: EUR 707923,76, (previous year: EUR 632,367.10)			
	- thereof from compounding: EUR 61049,59, (previous year: EUR 108,212.43)			
14.	**Financial result**		-9.341.920,97	-733.686,71
15.	Income taxes		-882.600,00	0,00
16.	**Earnings after taxes**		4.088.893,57	-30.588.489,93
17.	Other taxes		-212.820,63	-307.323,91
18.	**Profit/ Loss for the year**		3.876.072,94	-30.895.813,84
19.	Loss carried forward from the previous year		-7.359.611,70	-6.463.797,86
20.	Withdrawals from capital reserves		0,00	30.000.000,00
21.	**Retained earnings**		-3.483.538,76	-7.359.611,70

Notes of Manz AG, Reutlingen for the 2023 fiscal year

General information

Manz AG has its registered office in Reutlingen and is entered in the commercial register of Stuttgart Local Court (HRB 353989).

These annual financial statements were prepared in accordance with the provisions of Sections 242 et seq. and Sections 264 et seq. of the German Commercial Code (HGB) and the relevant provisions of the German Stock Corporation Act (AktG) and the Articles of Association. The regulations for large corporations apply.
The income statement has been prepared using the nature of expense method.

Accounting and Valuation methods

The presentation, structure, recognition and measurement of the annual financial statements correspond to the previous year's principles in accordance with the following presentation .

Error correction in accordance with IDW RS HFA 6

In the 2023 financial year, the following error corrections were made in the current account. The previous year's figures have therefore not been adjusted.

The advance payments made to third parties for the procurement of inventories were presented up to and including the 2022 financial year without offsetting with liabilities from goods received with outstanding supplier invoices (GR/IR), which are reported under trade payables. From the 2023 financial year onwards, a corresponding offsetting took place, with the volume offset against trade payables as at December 31, 2023 amounting to EUR 13,752 thousand. Advance payments made as at the reporting date of December 31, 2023 therefore amounted to EUR 16,742 thousand (previous year: EUR 25,153 thousand). Inventories decreased by kEUR 13,752 as at December 31, 2023 to kEUR 33,263 (previous year: kEUR 68,556). Trade payables decreased accordingly to EUR 10,949 thousand as at the reporting date of December 31, 2023 (previous year: EUR 25,213 thousand). Taking into account the corresponding offsetting, this would result in a balance of EUR 9,436 thousand as at December 31, 2022.

As at December 31, 2023 , advance payments and assets under construction were reported separately in the corresponding item in the amount of EUR 3,648 thousand under property, plant and equipment . In the previous year, the item with a value of EUR 2,275 thousand was allocated to the "Technical equipment and machinery" item under property, plant and equipment . The separate disclosure has no effect on the total value of property, plant and equipment as at December 31, 2023 of EUR 8,297 thousand or on the previous year's figure of EUR 3,621 thousand reported at ewie

Expenses for guarantee commissions were reported as at December 31, 2023 in the financial result under interest and similar expenses with a value of EUR 1,497 thousand (previous year: EUR 1,807 thousand). This item was allocated to other operating expenses in the previous year. Taking into account the change in presentation, the previous year's figures for other operating expenses would change from EUR 51,748 thousand to EUR 49,941 thousand. The operating result for the 2022 financial year would then be EUR -28,048 thousand instead of EUR -29,855 thousand and the financial result would be EUR -2,541 thousand instead of EUR -734 thousand.

Going concern and facts jeopardizing the continued existence of the company

The annual financial statements were prepared using the going concern basis of accounting .

Based on a decline in incoming orders of EUR 106,890 thousand (previous year: EUR 215,164 thousand) at Manz AG in the 2023 fiscal year, advance payments received from customers in particular fell as at the reporting date. Despite proceeds of EUR 11,500 thousand from the sale of shares in Customcells Holding GmbH, this led to a decline in cash and cash equivalents at Manz AG of EUR 12,215 thousand (previous year: EUR 22,713 thousand) over the course of the year. Cash and cash equivalents fell to EUR 3,300 thousand for Manz AG in the period up to April 30, 2024. Accordingly, liquidity and financing risks, including going concern risks, increased further in the 2023 fiscal year compared to the previous year.

In order to counter these going concern risks in the forecast period up to May 2025, the Managing Board of Manz AG has developed and implemented various measures to maintain solvency, which are already used as assumptions in the last updated version of the rolling liquidity planning described below in addition to current assumptions for the operating business.

A key ongoing assumption in Manz AG's liquidity planning is the receipt of the customer orders identified and planned as part of the budget planning discussions with regard to the order amount and the planned time of receipt of the order. Incoming orders are then linked to payments from the respective order at short n intervals, which are followed by delayed payments for supplier orders. A time delay or a change in the volume of planned incoming orders or payments from new and existing projects, higher project costs or repayment obligations from projects as well as the general absence of incoming orders or the loss of customer payments from existing projects can have a significant negative impact on Manz AG's liquidity.

Other key assumptions for Manz AG's liquidity planning for the forecast period include, in particular, payments from subsidies as part of the IPCEI project in the low double-digit million range.

Manz AG works with rolling liquidity planning in order to promptly recognize the risks from delayed or non-payments and other significant liquidity-related issues. The Managing Board has recognized on the basis of sensitivities carried out with regard to the liquidity planning for Manz AG, that, taking into account a risk discount of 20% on incoming orders with a simultaneous 5% deterioration in the gross margin from projects in the forecast period, the Managing Board had to take immediate measures to maintain solvency and thus to continue Manz AG's business activities .

In order to maintain solvency, the Management Board has developed and implemented the aforementioned comprehensive package of measures. With the signing of the purchase agreement dated May 8, 2024 between Manz AG and Harro Höfliger Verpackungsmaschinen GmbH, Allmersbah im Tal, the sale of the shares in Manz Hungary Kft, Debrecen/Hungary, as part of a share deal was agreed between the two contracting parties subject to a condition precedent at a purchase price of 8,000 thousand euros. The following conditions for the transfer of the shares and the receipt of the purchase price must be fulfilled in advance :

- Presentation of the audited consolidated financial statements and the audited annual financial statements as of December 31, 2023 of Manz AG
- Duly confirmed by the Hungarian Minister of Domestic Economy pursuant to Government Regulation No. 561/20222 on Foreign Direct Investment for the acquisition of shares in Manz Hungary Kft.
- Confirmation of the Hungarian Investment Promotion Agency to approve the change of ownership of Manz Hungary Kft. with simultaneous transfer of the subsidy
- Application for subsidies to the Hungarian government by June 30, 2024 by Manz Hungary Kft.
- Conclusion of an IT framework agreement between Manz AG, Harro Höfliger Verpackungsmaschinen GmbH and Manz Hungary Kft.
- Consent to the SAP license transfer and legal transfer of the SAP licenses by SAP SE, Walldorf
- Approval of the legal license transfer of a CAD system by Siemens Aktiengesellschaft, Munich

The legal representatives of Manz AG assume that the conditions will be fulfilled within the second quarter of 2024 and that the purchase price will be paid by August 31, 2024 at the latest.

Furthermore, already concluded a agreement in May 2024 for a shareholder loan , which is structured as a overdraft facility in the amount of EUR 3,000 thousand and is available to Manz AG on demand for a period of 12 months from the conclusion of the agreement.

In addition, advance payments were agreed with a major customer, some of which would actually have been due in the course of the third and fourth quarters of 2024. These prepayments led and will lead to a cash inflow of around EUR 8,000 thousand in the months of May and June 2024 as agreed .

For the Manz Group and Manz AG, based on the liquidity planning of the relevant subsidiaries abroad, the regular extension of short-term overdraft facilities, particularly at the subsidiaries in Taiwan, China and Slovakia, for which Manz AG is a partial guarantor, is also necessary to maintain solvency in the forecast period until the end of May 2025 and thus to enable the Group to continue its business activities. In the 2024 financial year, EUR 15,700 thousand of a total line volume of EUR 80,300 thousand was already extended. With regard to the overdraft facilities to be extended, the Managing Board assumes that it is highly likely that they will be extended.

All measures taken as part of the package of measures will make a significant contribution to maintaining solvency in the forecast period. The result of this analysis is that it is highly likely that full financing can be maintained in the forecast period.

However, if there are significant deviations affecting liquidity, in particular from a lack of incoming orders, i.e. with a discount of 50 % on the planned incoming orders in the forecast period, if Manz AG is called upon under other warranty guarantees or if significant overdraft facilities at foreign subsidiaries are not extended, this will result in a liquidity shortfall in the second half of the forecast period, which will jeopardize the continued existence of Manz AG and the Manz Group.

Manz AG's continued existence as a going concern depends to a large extent on the liquidity risks outlined above not materializing. These events and circumstances represent a going concern risk within the meaning of Section 322 (2) sentence 3 HGB.

Please also refer to our comments in the risk report in the combined management report under the section "Liquidity and financing risks, including going concern risks".

Internally generated intangible fixed assets are valued at the expenses incurred during their development (development costs) in accordance with Section 255 (2a) HGB. If development has not yet been completed, they are not amortized. The useful life is recognized according to the product life cycle from 3 to 9 years, insofar as this can be reliably estimated. If the useful life cannot be reliably estimated in accordance with Section 253 (3) HGB, the production costs are amortized over a period of 10 years . In addition to direct costs, production costs also include material and production overheads. are included.

Purchased **intangible assets** are recognized at cost and, if they are subject to wear and tear, are amortized over their useful lives. Amortization is based on useful lives of one to nine years.

Property, plant and equipment is recognized at acquisition or production cost and is depreciated on a straight-line basis , where depreciable. Scheduled depreciation is based on the following useful lives:

	years
Buildings on third-party land	8 to 33
Technical equipment and machinery	3 to 21
Other equipment, operating and office equipment	3 to 23

Low-value assets with acquisition or production costs of up to EUR 800.00 are fully depreciated in the year of acquisition. In addition to direct costs, production costs also include material and production overheads. Interest on borrowed capital was not included in the production costs.

In the case of **financial assets,** shares in affiliated companies and investments are recognized at the lower of cost or fair value if a permanent impairment is assumed. Loans are measured at the lower of nominal value or fair value . If the reasons for a permanent impairment no longer exist, the impairment loss is reversed.

Inventories of **raw materials, consumables and supplies are** capitalized at the lower of average and last cost prices or at the lower current prices on the balance sheet date.

Work in progress and finished goods are valued at production cost on the basis of individual calculations based on the current operating accounts, taking into account not only the directly attributable direct material costs, direct labor and special direct costs, but also production and material overheads and pro rata administrative costs. No interest on borrowed capital is included in the production costs.

In all cases, loss-free valuation was applied, i.e. deductions were made from the expected sales prices for costs still to be incurred.

Merchandise is recognized at the lower of cost or market, advance payments are recognized at nominal value.

All recognizable risks in **inventories** resulting from above-average storage periods, reduced usability and lower replacement costs are taken into account through appropriate write-downs.

Advance payments received on orders are generally offset against work in progress. If the amount of advance payments received exceeds the cost of inventories, they are reported under liabilities Advance payments received.

Receivables and other assets are recognized at nominal value. All risky items are taken into account by creating appropriate individual value adjustments. The general credit risk was taken into account by making appropriate value adjustments to the trade receivables still outstanding on the balance sheet date, less value added tax.

Cash and **cash equivalents** and **prepaid expenses** are recognized at their nominal value.
A surplus of **deferred tax liabilities** is recognized for differences between the carrying amounts of assets, liabilities and prepaid expenses and deferred income under commercial law and tax law, including eligible loss and interest carryforwards, if an overall tax burden is expected in future financial years. Due to the existing loss history and the associated non-recoverability of the tax loss carryforwards, an excess of deferred tax assets is not capitalized. Insofar as the deferred tax assets correspond to the existing deferred tax liabilities, these are offset. Loss carryforwards are taken into account to the extent that offsetting against taxable income appears feasible within the next five years.
Deferred taxes are measured on the basis of the applicable corporation tax rate and the trade tax assessment rates. Taking into account corporate income tax, solidarity surcharge and trade tax on income, the tax rate in the past fiscal year amounted to 30.18 %. Since consolidated Group revenues do not exceed 750 million euros, the Manz Group does not fall under the scope of the OECD BEPS "Pillar Two" model regulations in the 2023 fiscal year. Therefore, neither the provisions of Section 274 (3) HGB nor other mandatory disclosures pursuant to Section 285 No. 30a HGB have any effect on the annual financial statements of Manz AG.

The company introduced a **performance share plan** for members of the Management Board and other eligible employees for the first time in the 2008 financial year. Under this plan, stock awards are granted with a certain waiting period. After the waiting period expires, the recipient receives one Manz share at a price of 1.00 euro. The share awards expire if the employment relationship is terminated or a termination agreement is concluded. To service the stock options, a conditional increase in share capital was resolved in the years 2008, 2011, 2012, 2015, 2019 and 2023 (see also Conditional Capital I, II, III, IV). As in previous years, the issue of stock options/commitments was not recognized in Manz AG's present financial statements under commercial law.

Pension obligations are measured at the settlement amount determined using the projected unit credit method based on the "2018 G mortality tables" by Prof. Dr. Klaus Heubeck. The average market interest rate of the past ten years with a remaining term of 15 years of 1.82% (previous year: 1.78%) was used for discounting. Expected pension increases of 2.3 % (previous year: 2.3 %) and salary increases of 2.8 % (previous year: 2.8 %) were taken into account. In addition, the valuation of pension obligations includes a one-off adjustment to pension entitlements of 32.6% based on accrued inflation in the 2023 financial year , which led to an expense of EUR 587 thousand and is reported under personnel expenses.
Other provisions take into account all uncertain liabilities and impending losses from pending transactions. They are recognized at the settlement amount required according to prudent business judgment (i.e. including future cost and price increases). Provisions with a remaining term of more than one year were discounted at the average market interest rate of the past seven financial years corresponding to their remaining term. In accordance with Section 253 (1) sentence 2 HGB, **anniversary provisions are** recognized at the settlement amount required according to prudent business judgment. The average market interest rate of the past seven years with a remaining term of 15 years of 1.74% (previous year: 1.44%) was used for discounting. The expected fluctuation was taken into account at a rate of 10.0% (previous year: 9.0%). Provisions for obligations from partial retirement benefits are measured in accordance with actuarial principles, taking into account expected salary increases and current mortality tables. In accordance with Section 253 (2) HGB, the interest rate published by the Deutsche Bundesbank for a seven-year average and a remaining term of one year is used for the devaluation. year is used. Assets that are used exclusively to fulfill obligations from partial retirement and are not accessible to all other creditors are measured at fair value in accordance with Sections 246 (2) sentence 2, 253 (1) sentence 4 HGB . The assets are offset against the respective underlying obligation. If there is a surplus obligation, this is recognized under provisions. If the value of the assets exceeds the obligations, this is reported on the assets side.

Liabilities are recognized at the settlement amount.

Foreign currency receivables and liabilities with a remaining term of up to one year are measured at the mean spot exchange rate on the reporting date. Assets in foreign currency with a remaining term of more than one year are translated at the mean spot exchange rate at the time of initial recognition or the lower rate on the reporting date.

Derivative financial transactions are valued individually at market prices. Any resulting unrealized losses are recognized in profit or loss.

Notes to the balance sheet

Fixed assets

The development of the individual fixed asset items is shown in the statement of changes in fixed assets, including depreciation and amortization for the financial year.

Internally generated intangible assets

Research and development costs totalled EUR 12,377 thousand in the financial year, of which development services amounting to EUR 11,657 thousand were capitalized as intangible assets. The subsidies recorded for development services in the current year amounted to EUR 15,322 thousand, of which EUR 8,315 thousand was capitalized as a reduction in intangible assets. The additions to assets in the asset history sheet are reduced accordingly by the capitalized subsidies.

Financial assets

The composition of the shareholdings is shown in the following table:

Shares in affiliated companies	Participation in %	Equity in TEUR	Result KEUR
Manz Batterytech Tübingen GmbH, Tübingen [1]	100,00%	26	-2
Manz USA Inc., North Kingstown, USA [1]	100,00%	1.354	58
Manz Hungary Kft, Debrecen, Hungary [1]	100,00%	4.153	1.262
Manz Slovakia, s.r.o., Nove Mesto nad Vahom, Slovakia [1]	100,00%	19.411	-410
Manz Italy S.r.l ., Sasso Marconi, Italy [1]	100,00%	5.080	-740
Suzhou Manz New Energy Equipment Co, Ltd, Suzhou, PR China [1]	56,00%	473	12
Manz Asia Ltd, Hong-Kong, PR China [1]	100,00%	11.867	-783
Manz China Suzhou Ltd, Suzhou, PR China [1]	100,00%	-6.767	-5.648
Manz India Private Limited, New Delhi, India [1] [2]	100,00%	131	-2
Manz Chungli Ltd, Chungli, Taiwan [1]	100,00%	58.623	5.576
Manz Taiwan Ltd, Chungli, Taiwan [1]	100,00%	60.992	-4.713

Shareholdings	Participation in %	Equity in TEUR	Result KEUR
NICE PV Research Ltd, Beijing, PR China [1] [3]	11,10%	-154	-20.864
CADIS Engineering, Schwendi [1]	40,00%	406	-745
Q.big 3D GmbH, Aalen [1]	16,80%	1085	-1.279
MetOX Technologies, Inc. Houston, USA [1] [3]	0,95%	17.444	-7.035
ThermAvant Technologies LLC, Columbia, USA [1]	8,70%	1.649	573

[1] For these companies, the financial statements prepared in accordance with IFRS (reporting packages) formed the basis for these disclosures. Values are converted into euros.

2) 25% of the shares are held by Manz AG, 75% of the shares are held by Manz Asia Ltd.
3) No annual financial statements were available at the time the financial statements were prepared. These are prior-year figures.

The following significant changes occurred in financial assets in the 2023 financial year

In the 2023 fiscal year, the shares in Manz Asia Ltd, in which Manz AG holds 100 % of the shares, was written down by 7,076 thousand euros and is justified by the valuation of the investment in the subgroup with the parent company Manz Asia Ltd. as of the reporting date.Despite planned growth in the forecast ez period relevant for the valuation, weaker margins in the project business are expected due to the competitive situation in Asia permanent and thus permanent weaker cash inflows, especially in the medium and long term. A devaluation of the investment is therefore the result.

As part of the existing contracts, loans to Manz Italy S.r.l. totaling 7,018 thousand euros (previous year: 3,093 thousand euros) are available at . The loan to Manz Hungary Kft. remains at the previous year's level of 500 thousand euros (previous year: 500 thousand euros).

On March 14, 2023, Manz AG exchanged 40 % of the shares in Customcells Tübingen GmbH for 4.97 % of the shares in Customcells Holding GmbH. The shares were originally intended to be held for the long term and were not intended for trading purposes.

On October 19, 2023, Manz AG exercised a put option to transfer the 4.97 % shares in Customcells Holding GmbH. The exercise price of the put option amounted to EUR 11,500 thousand. The income from this transaction is described in the "Other operating income" section.

On June 14, 2023, a new investor invested in the associated company Q.big 3D GmbH. This capital increase in return for the issue of new shares reduced Manz AG's equity interest from 24.99 % to 16.8 %.

The investment in MetOx Technologies Inc, Houston, USA, decreased from 2.8% to 0.95%. The reduction resulted from the increase in the total number of outstanding shares in 2023. In the 2023 financial year, a write-down of EUR 375 thousand was recognized on the shares in MetOX Inc. as part of the investment valuation carried out as at the reporting date. The value results from the issue price as part of the last financing round of MetOX Technolo gies Inc.

Other loans

The other loans have a remaining term of more than one year. These are mainly tenant loans of EUR 2,328 thousand (previous year: EUR 1,811 thousand), a loan to CADIS Engineering GmbH of EUR 200 thousand (previous year: EUR 0 thousand) and a loan to Q.big 3D GmbH of EUR 500 thousand (previous year: EUR 200 thousand).

Inventories

Inventories include advance payments made to affiliated companies in the amount of kEUR 3,056 (previous year: kEUR 4,009). Advance payments on inventories are reduced by EUR

13,752 thousand (previous year: EUR 0 thousand) after offsetting against the related trade payables.

Receivables and other assets

The reported trade receivables, receivables from affiliated companies and other assets generally have a remaining term of up to one year. Only the other assets include a non-pledged asset value of EUR 28 thousand (p.a. . EUR 26 thousand) with a remaining term of more than one year.

Receivables from affiliated companies consist exclusively of trade receivables.

Advance payments made in the amount of EUR 0 thousand (previous year: EUR 346 thousand) are reported under other assets as at the balance sheet date .

Prepaid expenses and deferred charges

The prepaid expenses include discounts from liabilities to banks in the amount of EUR 117 thousand (previous year: EUR 0 thousand).

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances. Bank balances are subject to restrictions on disposal due to advance payment guarantees in the amount of EUR 4,123 thousand (previous year: EUR 5,000 thousand).

Equity

Subscribed capital

The subscribed capital of EUR 8,542,574.00 increased by EUR 2,288.00 compared to the previous year In the 2023 financial year, 2,288 new shares were subscribed and issued from the conditional capital (Conditional Capital II) due to the exercise of subscription rights ("performance shares") . The subscribed capital is divided into 8,542,574 no-par value bearer shares with a pro rata amount of the share capital of EUR 1.00 per share.

Authorized capital

By resolution of the Annual General Meeting on 4 July 2023, the company's Management Board is authorized, with the approval of the Supervisory Board, to increase the company's share capital in the period until 3 July 2028 once or in partial amounts by a total of up to EUR 4,270,143.00 by issuing a total of up to 4,270,143 new bearer shares (no-par value shares) against cash or non-cash contributions (Authorized Capital 2023).

In principle, the new shares must be offered to shareholders for subscription. The new shares can also be acquired by banks determined by the Executive Board with the obligation to offer them to shareholders for subscription (indirect subscription right). However, the Executive Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights

- in the event of a capital increase against cash contributions, if the issue price of the new shares is not significantly lower than the stock market price of shares of the company with the same features at the time the issue price is determined, which should be as close as possible to the placement of the new shares, within the meaning of Section 203 (1) and (2) and Section 186 (3) sentence 4 AktG. This authorization to exclude subscription rights only applies insofar as the shares to be issued as part of the capital increase do not account for more than EUR 854,028.00 of the share capital and do not account for more than 10% of the share capital at the time the authorization is exercised. This maximum amount for the exclusion of subscription rights shall include the pro rata amount of the share capital of shares issued or sold during the term of this authorization on the basis of other authorizations in direct or analogous application of Section 186 para. 3 sentence 4 AktG with the exclusion of subscription rights;

- in the event of a capital increase against contributions in kind for the acquisition of companies, parts of companies or interests in companies or other assets or for the implementation of business combinations;

- to the extent necessary to grant the holders of bonds with warrants or convertible bonds, profit participation rights or participating bonds (or combinations of these instruments) issued by the company or direct or indirect group companies of the company a subscription right to new shares to the extent to which they would be entitled after exercising their option or conversion right or after fulfilling their conversion obligation;

- to exclude fractional amounts from the subscription right.

The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of capital increases from the authorized capital.

The Supervisory Board is authorized to amend the wording of the Articles of Association in accordance with the implementation of the increase in share capital by exercising the authorized capital and after the expiry of the authorization period.

Conditional capital

Authorization to issue bonds with warrants or conversion rights or conversion obligations, profit participation rights and income bonds (or combinations of these instruments) as well as Conditional Capital I

The Annual General Meeting of Manz AG on July 2, 2019 authorized the Managing Board, with the approval of the Supervisory Board, to issue bearer bonds with warrants or convertible bonds, profit participation rights or participating bonds or a combination of these instruments (together "bonds") with a total nominal value of up to EUR 150 million on one or more occasions until July 1, 2024 and to grant option rights to the holders of bonds with warrants or conversion rights to the holders of convertible bonds. to grant the holders of convertible bonds conversion rights for bearer shares in the company with a proportionate amount of the share capital totaling up to EUR 3,100,000.00 in accordance with the terms and conditions of the bonds with warrants or convertible bonds.

The statutory subscription right is granted to the shareholders in such a way that the Bonds are underwritten by a credit institution or a syndicate of credit institutions with the obligation to offer them to the shareholders for subscription. If bonds are issued by a Group company of Manz AG within the meaning of Section 186 of the German Stock Corporation Act, the company must ensure that the statutory subscription right is granted to the shareholders of Manz AG accordingly.

However, the Managing Board is authorized, with the approval of the Supervisory Board, to exclude fractional amounts from shareholders' subscription rights and also to exclude subscription rights to the extent necessary to grant subscription rights to the holders of previously issued bonds with option or conversion rights or conversion obligations to the extent to which they would be entitled as shareholders after exercising the option or conversion rights or fulfilling the conversion obligation.

The Management Board is also authorized, with the approval of the Supervisory Board, to completely exclude shareholders' subscription rights to bonds issued with option and/or conversion rights or conversion obligations if the Management Board, after due examination, comes to the conclusion that the issue price of the bonds is not significantly lower than their hypothetical market value determined using recognized, in particular financial mathematical methods. This authorization to exclude subscription rights applies to bonds issued with an option and/or conversion right or conversion obligation, with an option and/or conversion right or a conversion obligation for shares with a pro rata amount of the share capital that may not exceed a total of 10% of the share capital, either at the time this authorization becomes effective or - if this value is lower - at the time this authorization is exercised. The aforementioned ten percent limit is taken into account:

- new shares issued from authorized capital with the exclusion of subscription rights in accordance with Section 186 para. 3 sentence 4 AktG during the term of this authorization until the issue of bonds with option and/or conversion rights or conversion obligations without subscription rights in accordance with Section 186 para. 3 sentence 4 AktG, and

- such shares that are acquired on the basis of an authorization by the Annual General Meeting and sold in accordance with Section 71 para. 1 no. 8 sentence 5 AktG in conjunction with Section 186 para. 3 sentence 4 AktG during the term of this authorization until the issue of the bonds with option and/or conversion rights or conversion obligations excluding subscription rights in accordance with Section 186 para. 3 sentence 4 AktG.

If profit participation rights or participating bonds without option rights or conversion rights/obligations are issued, the Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights altogether if these profit participation rights or participating bonds have bond-like features, i.e. do not establish any membership rights in the company, do not grant any participation in liquidation proceeds and the amount of interest is not calculated on the basis of the amount of the net profit for the year, the balance sheet profit or the dividend. In this case, the interest rate and the issue amount of the profit participation rights or participating bonds must also correspond to the current market conditions at the time of issue.

Manz AG's share capital is conditionally increased by up to EUR 3,100,000.00 by issuing up to 3,100,000 new bearer shares (no-par value shares) in accordance with Article 3(4) of the Articles of Incorporation (Conditional Capital I). The conditional capital increase will only be carried out to the extent that the holders of option or conversion rights or those obliged to convert from bonds with warrants or convertible bonds, profit participation rights or participating bonds issued by the company or a Group company of the company within the meaning of Section 18 AktG on the basis of the resolution passed by the Annual General Meeting on July 2, 2019 under agenda item 5. July 2019 under agenda item 5, exercise their option or conversion rights or, if they are obliged to convert, fulfil their obligation to convert, unless cash compensation is granted or treasury shares or shares of another listed company are used to service them. The new shares will be issued at the option or conversion price to be determined in accordance with the aforementioned authorization resolution. The new shares shall participate in profits from the beginning of the financial year in which they are created as a result of the exercise of option or conversion rights or the fulfillment of conversion obligations. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

Authorization to issue stock options as part of the Manz Performance Share Plan 2015 and Conditional Capital II

The Annual General Meeting of Manz AG on July 7, 2015 authorized the Managing Board, with the approval of the Supervisory Board, to grant a total of up to 59,000 subscription rights ("performance shares") for a total of up to 118,000 shares in the company to members of the management of affiliated companies of the company as well as to executives of the company below the Managing Board and executives of affiliated companies of the company below the management, in each case in Germany and abroad, on one or more occasions up to and including June 30, 2020. The Supervisory Board was authorized to grant a total of up to 56,000 subscription rights ("performance shares") for a total of up to 112,000 shares in the company to members of the company's Managing Board on one or more occasions up to and including June 30, 2020. Manz AG's share capital was conditionally increased by up to EUR 230,000.00 by issuing up to 230,000 no-par value bearer shares (Conditional Capital II) on the basis of the resolution of the Annual General Meeting of Manz AG on July 7, 2015. The conditional capital increase served to secure the rights of the holders of subscription rights ("performance shares") granted on the basis of the authorization of the Annual General Meeting on July 7, 2015.

The subscription rights were granted, structured and exercised in accordance with the provisions set out in the resolution of the Annual General Meeting on July 7, 2015.

The Manz Performance Share Plan 2015 for members of the Managing Board and executives of Manz AG and its Group companies was explained in a report by the Managing Board to the Annual General Meeting on July 7, 2015.

The authorization of July 7, 2015 was revoked by resolution of the Annual General Meeting on July 2, 2019, insofar as no subscription rights have yet been issued on the basis of this authorization, and replaced by a new authorization (Manz Performance Share Plan 2019 and Conditional Capital III).

Due to the exercise of subscription rights, a total of 24,078 new no-par value shares were issued from conditional capital (Conditional Capital II) by June 2023. The share capital increased accordingly as a result.

The remaining Conditional Capital II could no longer be used due to the expiry of the deadlines for exercising performance shares from the Manz Performance Share Plan 2015. Conditional Capital II in Article 3 (5) of the Articles of Association was therefore canceled by resolution of the Supervisory Board on July 25, 2023.

Authorization to issue share subscription rights as part of the Manz Performance Share Plan 2019 and Conditional Capital III

The Annual General Meeting of Manz AG on July 2, 2019, authorized the Managing Board, with the approval of the Supervisory Board, to grant a total of up to 95,000 subscription rights for the subscription of a total of up to 190,000 shares in the company to members of the management of affiliated companies of the company as well as to executives of the company below the Managing Board and executives of affiliated companies, in each case in Germany and abroad, on one or more occasions up to and including June 30, 2024. The Supervisory Board was authorized to grant a total of up to 85,000 subscription rights for the subscription of up to 170,000 shares in the company to members of the company's Management Board on one or more occasions up to and including 30 June 2024.

The subscription rights are granted, structured and exercised in accordance with the provisions set out in the resolution of the Annual General Meeting on July 2, 2019.

The Manz Performance Share Plan 2019 for the members of the Managing Board and executives of Manz AG and its Group companies, which was resolved at the 2019 Annual General Meeting, was explained in a report by the Managing Board to the Annual General Meeting on July 2, 2019.

In accordance with Article 3 (6) of the Articles of Association, Manz AG’s share capital is conditionally increased by up to 360,000.00 euros by issuing up to 360,000 no-par value bearer shares (Conditional Capital III). The conditional capital increase serves to secure the rights of the holders of subscription rights granted on the basis of the authorization of the Annual General Meeting on July 2, 2019. The shares will be issued at the issue price specified in the authorization resolution of the Annual General Meeting on 2 July 2019. The conditional capital increase will only be carried out to the extent that subscription rights are exercised and the company does not grant treasury shares or a cash settlement to fulfill the subscription rights. The new no-par value bearer shares have the same dividend rights as shares of the same class already issued. The Management Board and, insofar as members of the Management Board are affected, the Supervisory Board are authorized to determine the further details of the conditional capital increase and its implementation.

Authorization to issue stock subscription rights as part of the Manz Performance Share Plan 2023 and Conditional Capital IV

The Annual General Meeting of Manz AG on July 4, 2023, authorized the Managing Board, with the approval of the Supervisory Board, to grant a total of up to 143,000 subscription rights for a total of up to 286,000 shares in the company to members of the management of affiliated companies of the company as well as to executives of the company below the Managing Board and executives of affiliated companies, both in Germany and abroad, on one or more occasions up to and including July 3, 2028. The Supervisory Board was authorized to grant a total of up to 95,000 subscription rights for a total of up to 190,000 shares in the company to members of the company's Management Board on one or more occasions up to and including 3 July 2028.

The subscription rights are granted, structured and exercised in accordance with the provisions set out in the resolution of the Annual General Meeting on July 4, 2023.

In accordance with Section 3 (7) of the Articles of Association, the company's share capital is conditionally increased by up to EUR 476,000.00 by issuing up to 476,000 no-par value bearer shares (Conditional Capital IV). The conditional capital increase serves to secure the rights of the holders of subscription rights (performance shares) granted on the basis of the authorization of the Annual General Meeting on 4 July 2023 under agenda item 7. The shares will be issued at the issue price specified in the authorization resolution of the Annual General Meeting on 4 July 2023 under agenda item 7. The conditional capital increase will only be carried out to the extent that subscription rights are exercised and the company does not grant treasury shares or a cash settlement to fulfill the subscription rights. The new shares have the same dividend entitlement as shares of the same class already issued. The Management Board and, insofar as members of the Management Board are affected, the Supervisory Board are authorized to determine the further details of the conditional capital increase and its implementation.

Capital reserve

The capital reserve essentially contains the premium from contributions from shareholders less the costs of raising capital after taxes. In addition, the value of the share-based payment granted as a salary component to managers (including the Management Board) in the form of equity instruments is recognized.

No withdrawal (previous year: EUR 30.0 million) was made from the capital reserve . This was decided unanimously by the Executive Board.

Retained earnings

Retained earnings amount to EUR 1,470,601 (previous year: EUR 1,470,601) and fall under Section 266 (3) A. III. No. 4 HGB.

Retained earnings

	EUR
Loss carryforward January 1, 2023	-7.359.611,70
Net profit for the year 2023	3.876.072,94
Allocation from the capital reserve	0,00
Accumulated deficit 2023	-3.483.538,76

Own shares

The company did not acquire any treasury shares in the 2023 financial year (previous year: none).

Provisions

Provisions for pensions and similar obligations

The benefit obligations from pension commitments are recognized on the basis of biometric probabilities in accordance with the "2018 G mortality tables" by Prof. Dr. Klaus Heubeck at the settlement amount, which is determined using the projected unit credit method . The average market interest rate of the past ten years published by the Deutsche Bundesbank for a remaining term of 15 years is used for discounting.

To cover the risk from the pension obligations from the former Manz Tübingen GmbH, reinsurance policies were taken out that are not pledged. An asset value of 28,000 euros (previous year: 26,000 euros) is reported under other assets for this purpose. The pension provision amounted to EUR 3,898 thousand (previous year: EUR 3,276 thousand) on the reporting date and includes a one-off adjustment to pension entitlements of EUR 794 thousand in relation to accrued inflation.

In the 2023 financial year, the provisions for pension obligations were discounted using the average market interest rate of the past ten years. In accordance with Section 253 (6) HGB, the difference between the recognition of the provisions using the average market interest rate of the past ten financial years and the recognition of the provision using the average market interest rate of the past seven financial years must be determined. The difference within the meaning of Section 253 (6) HGB amounts to EUR 35 thousand (previous year: EUR 138 thousand). This is subject to a restriction on distribution.

The **tax provisions** mainly relate to tax provisions for corporation tax in the amount of EUR 455 thousand (previous year: EUR 0 thousand), trade tax in the amount of EUR 428 thousand (previous year: EUR 0 thousand) and for withholding tax in Taiwan and China from receivables from Manz Taiwan Ltd. and Manz China Suzhou Ltd. in the amount of EUR 1,620 thousand (previous year: EUR 1,413 thousand).

Other provisions mainly relate to provisions for outstanding invoices of 3,962 kEUR (previous year: kEUR 2,253), provisions for personnel of kEUR 2,187 (previous year: kEUR 1,914), provisions for customer order-related rework of kEUR 1,286 (previous year: kEUR 1,965) and provisions for warranties of kEUR 498 (previous year: kEUR 216). The remaining other provisions amount to EUR 877 thousand (previous year: EUR 1,252 thousand) and relate in particular to costs for the annual financial statements, costs for the Supervisory Board and the Annual General Meeting, impending losses from financial instruments and other provisions.

Other provisions include partial retirement obligations with a settlement amount of 53 kEUR (previous year: 126 kEUR), whereby the assets pledged to secure the claims from the partial retirement model in the amount of 37 kEUR (previous year: 28 kEUR) are offset against the provision for partial retirement obligations. The fair value of the offset asset amounts to EUR 37 thousand (previous year: EUR 28 thousand) and corresponds to the acquisition costs.

The remaining terms of the **liabilities are** shown in detail in the statement of liabilities.

	Stand 31.12.2023 EUR	Remaining term up to 1 year EUR	Remaining term over one year EUR	Remaining term > 5 years EUR
Liabilities to banks	2.853.166,04	1.961.106,07	892.059,97	0,00
Previous year	*2.449,23*	*2.449,23*	*0,00*	*0,00*
Advance payments received on orders (liabilities)	16.720.859,16	16.720.859,16	0,00	0,00
Previous year	*73.808.083,78*	*73.808.083,78*	*0,00*	*0,00*
Liabilities from deliveries and services	10.949.200,79	10.949.200,79	0,00	0,00
Previous year	*25.212.762,15*	*25.212.762,15*	*0,00*	*0,00*
Liabilities to affiliated companies	45.531.863,21	45.531.863,21	0,00	0,00
Previous year	*35.930.351,20*	*35.930.351,20*	*0,00*	*0,00*
Other liabilities	985.368,66	981.480,66	3.888,00	0,00
Previous year	*2.264.506,06*	*2.260.618,06*	*3.888,00*	*0,00*
Liabilities (equity and liabilities)	77.040.457,86	76.144.509,89	895.947,97	0,00
previous year	*137.218.152,42*	*137.214.264,42*	*3.888,00*	*0,00*
Advance payments received on orders (assets)	107.485.534,23	107.485.534,23	0,00	0,00
Previous year	*92.420.147,56*	*92.420.147,56*	*0,00*	*0,00*
Liabilities (total)	184.525.992,09	183.630.044,12	895.947,97	0,00
Previous year	*229.638.299,98*	*229.634.411,98*	*3.888,00*	*0,00*

Liabilities to affiliated companies in the amount of EUR 45,532 thousand (previous year: 35,930 kEUR) result solely from trade payables. Trade payables are reduced by EUR 13,752 thousand (previous year: EUR 0 thousand) after offsetting against related advance payments on inventories.

Notes to the income statement

Sales revenue

Sales are recognized in accordance with Section 277 (1) HGB and are broken down by division and region as follows:

	2023 KEUR	2022 KEUR
by business division		
Mobility & Battery Solutions	106.811	71.662
Industry Solutions	52.512	232.570
Sales with affiliated companies	4.819	4.472
	164.142	308.704
by region		
Domestic	100.724	37.990
Other EU countries	30.786	28.030
China	526	201.018
Taiwan	1.247	1.353
USA	17.613	27.111
Other countries	13.247	13.202
	164.142	308.704

Increase or decrease in inventories of finished goods and work in progress

Due to the application of the lower of cost or market principle, this item includes not only the increases or decreases in inventories of finished goods and work in progress but also the write-down of work in progress and finished goods totaling EUR 11,422 thousand (previous year EUR 506 thousand and a further EUR 3,268 thousand from projects).

Other operating income

Other operating income includes extraordinary income of EUR 17,780 thousand resulting from the termination of a customer order and EUR 5,640 thousand from the put option on the shares in Customcells Holding GmbH. Income relating to other periods resulted from the reversal of other provisions in the amount of EUR 1,345 thousand (previous year: EUR 1,335 thousand) and income from the receipt of subsidies in the amount of EUR 475 thousand (previous year: EUR 231 thousand). There is no income relating to other periods n from the reduction of the value adjustment on receivables (previous year: kEUR 10).

Other operating expenses

Other operating expenses include losses on receivables relating to other periods in the amount of EUR 198 thousand (previous year: EUR 0 thousand), expenses for building leases in the amount of EUR 2,717 thousand (previous year: EUR 2,305 thousand), which increased due to higher refinancing costs with the lessor g and expenses for IT service contracts in the amount of EUR 2,587 thousand (previous year: EUR 2,133 thousand). Furthermore, other operating expenses include legal and consulting costs of kEUR 2,504 (previous year: kEUR 3,178), building-related expenses of kEUR 1,522 (previous year: kEUR 2,168), ongoing IT expenses of kEUR 1,500 (previous year: kEUR 1,211), travel expenses of kEUR 1,439 (previous year: kEUR 1,188), packaging costs for customer orders of kEUR 688 (previous year: kEUR 588), insurance of kEUR 688 (previous year: kEUR 588), and expenses of kEUR 1,522 (previous year: kEUR 2,168). 588 kEUR), insurance in the amount of 672 kEUR (previous year: 655 kEUR), trade fair costs in the amount of 641 kEUR (previous year: 454 kEUR), additions to other provisions in the amount of 524 kEUR (previous year: 327 kEUR), freight costs for outgoing freight in the amount of 449 kEUR (previous year: 835 kEUR) and sales commissions to subsidiaries in the amount of 336 kEUR (previous year: 1,219 kEUR).

Write-downs on financial assets

The write-downs on financial assets include a write-down of the 100% interest in Manz Asia Ltd. by EUR 7,076 thousand and a write-down of the 0.95% interest in MetOx Technologies Inc. by EUR 375 thousand due to permanent impairment . Further information can be found in the "Financial assets" section.

In the 2022 financial year, write-downs on financial assets included a write-down of the 56% interest in Suzhou Manz New Energy Equipment Co., Ltd. by EUR 19 thousand and a write-down of Manz Batterytech Tübingen GmbH by EUR 6 thousand due to permanent impairment.

Other information

Contingent liabilities

On the balance sheet date, Manz AG had guarantees for bank liabilities of subsidiaries in the amount of 20,000 thousand euros (previous year: 8,000 thousand euros) ; the corresponding bank liabilities of the subsidiaries amounted to 18,525 thousand euros (previous year: 2,602 thousand euros) on the balance sheet date.

A binding letter of support exists in favor of Manz Asia Ltd. This was issued as part of the capital distribution in the amount of 12,056 thousand euros from a capital reduction at Manz Asia Ltd. in September 2021 and obliges Manz AG to provide Manz Asia Ltd. with sufficient working capital of up to 12,000 thousand euros so that Manz Asia Ltd. can meet financial obligations if necessary.
A binding letter of support also exists in favor of Manz Italy S.r.l. This was issued as part of the 2023 annual financial statements and obliges Manz AG to provide Manz Italy S.r.l. with sufficient working capital so that Manz Italy S.r.l. can fulfill its financial n obligations, if necessary.

On the reporting date of December 31, 2023 there were partially reinsured advance payment guarantees for Manz AG's CIGS orders in the amount of EUR 21,420 thousand (previous year: EUR 21,420 thousand) for the customers Chongquin Shenhua Thin Film Solar Technology Co.

The customer Chongqing Shenhua Thin Film Solar Technology Co., Ltd. may not submit a demand for payment under the bank guarantee after the decision of an arbitration tribunal during the arbitration proceedings taking place due to the settlement of the discussions about outstanding payments regarding the order between the customer Chongqing Shenhua Thin Film Solar Technology Co., Ltd. and Manz AG.

As of December 31, 2023, Manz AG was involved in legal proceedings with a customer. The best possible estimate for this contingent liability amounted to USD 1,025 thousand (previous year: EUR 0 thousand) .

The contingent liabilities relate to potential future events, the occurrence of which would lead to an obligation. As at the balance sheet date, these are largely considered unlikely, but cannot be ruled out. According to the currently available budget figures for the subsidiaries, there are no indications that the contractual conditions vis-à-vis banks and other obligations will not be met .

Other financial obligations

The total amount of payment obligations from rental and lease agreements is EUR 8,968 thousand (previous year: EUR 13,809 thousand). The rental and lease agreements end between 2024 and 2028. Lease agreements may give rise to risks arising from possible redemption payments in the event of premature termination of the contract, termination by the lessor, possible revaluations on the return of leased assets and associated additional claims by the lessor as well as from the impossibility of acquiring ownership and thus the inability to sell the leased assets if they are not used. arise. No obligations to affiliated companies are to be reported here.

Derivative financial instruments

During the year, the company has forward exchange transactions and currency swaps that were previously concluded to hedge receivables and liabilities in British pounds . These receivables and liabilities no longer existed as at the balance sheet date. These receivables and liabilities no longer existed as at the balance sheet date. The total volume (nominal) of derivative financial instruments amounted to EUR 40.6 million as at the balance sheet date. The maturities of the individual transactions are between 28 March 2024 and 24 September 2024. As at the balance sheet date of 31 December 2023, no positive market values were realized from these forward transactions, but negative unrealized market values in the amount of EUR 135 thousand were recognized in profit or loss. The market values are calculated using recognized valuation models based on discounted cash flow analyses and taking into account current market parameters from banks and made available to Manz AG.

Distribution block

In accordance with Section 268 (8) HGB, the amounts shown below result from capitalization, a restriction on the distribution of profits:

	Balance sheet disclosure TEUR	Deffered Tax TEUR	Balance TEUR
Capitalization of internally generated intangible assets	13.886	-4.190	9.696
Previous year	*14.459*	*-4.363*	*10.096*
Deferred tax assets	0	4.190	
Previous year	*0*	*4.363*	
Total amount of amounts blocked against distribution within the meaning of the § Section 268 (8) HGB	13.886		
Previous year	*14.459*		
Difference in accordance with section 253 (6) sentence 1 HGB	35		
Previous year	*138*		

Equity shares available to cover the amounts within the meaning of Section 268 (8) HGB:

	2023 KEUR	2022 KEUR
Capital reserves within the meaning of Section 272 (2) No. 4 HGB	26.133	26.133
Other retained earnings	1.471	1.471
Loss carried forward from the previous year	-7.360	-6.464
Net profit/loss for the past financial year	3.876	-30.896
Allocation from the capital reserve	0	30.000
Equity shares available to cover	24.120	20.244

Members of the Executive Board

Martin Drasch, Dipl. Ing. (FH), Ehningen, -Chairman of the Management Board-,
Manfred Hochleitner, Dipl. Math., Nürtingen, -Managing Director Finance-

Members of the Supervisory Board

Prof. Dr. Heiko Aurenz, Dipl. oec., Chairman of the Supervisory Board.

Dieter Manz, Dipl. Ing. (FH), Managing Director of Manz GmbH Management Consulting and Investment, Schlaitdorf, Deputy Chairman of the Supervisory Board.

Prof. Dr.-Ing. Michael Powalla, Head of the Photovoltaics Division and Member of the Board of the Center for Solar Energy and Hydrogen Research Baden-Württemberg (ZSW) and Professor of Thin-Film Photovoltaics at the Karlsruhe Institute of Technology (KIT), Light Technology Institute, Faculty of Electrical Engineering and Information Technology.

Dr. Zhiming Xu, Chief Technology Officer of Shanghai Electric Automation Group of Shanghai Electric Group Company Ltd, Shanghai, PR China and Managing Director of Shanghai Rail Transportation Equipment Co, Ltd, Shanghai, PR China.

The Chairman of the Supervisory Board, Prof. Dr. Heiko Aurenz, is also Chairman of the Supervisory Board of Know How! Aktiengesellschaft für Weiterbildung, Leinfelden-Echterdingen; Deputy Chairman of the Supervisory Board of MQ Result AG, Tübingen; Member of the Supervisory Board of An-na-Haag-Mehrgenerationenhaus e. V., Stuttgart; member of the Supervisory Board of Anna Haag Stiftung gGmbH, Stuttgart; member of the Supervisory Board of TanDiEM gGmbH, Stuttgart; member of the Board of Trustees of Stiftung Aufbruch und Chance, Stuttgart; Chairman of the Advisory Board of Sternenbäck Management GmbH, Hechingen; member of the Advisory Board of Herrmann Ultraschalltechnik GmbH & Co KG, Karlsbad, and member of the Advisory Board of Herrmann Ultraschalltechnik Holding KG, Karlsbad.

Dieter Manz, Deputy Chairman of the Supervisory Board, is a member of the Advisory Board of Adlatus Robotics GmbH, Ulm, a member of the Advisory Board of Q.big 3D GmbH, Aalen, and a member of the Board of Directors of Scrona AG, Zurich, Switzerland.

The Supervisory Board member Prof. Dr.-Ing. Michael Powalla does not hold any mandates on other statutory supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises.

Supervisory Board member Dr. Zhiming Xu is a member of the Supervisory Board of Suzhou Manz New Energy Equipment Co, Ltd, Suzhou, PR China, Deputy Chairman of the Supervisory Board of NICE PV Research Ltd, Beijing, PR China, and Chairman of the Supervisory Board of Shanghai Tanzhen Laser Technology Co, Ltd, Shanghai, PR China.

Remuneration of the Management Board

The basic principles of the remuneration system and the amount of remuneration paid to the Management Board and Supervisory Board as well as former members of the Management Board are presented in the remuneration report.

The total remuneration of the Management Board pursuant to Section 314 (1) no. 6a) HGB for the 2023 financial year amounts to kEUR 1,226 (previous year: kEUR 1,243). The non-performance-related benefits amounted to kEUR 694 (previous year: kEUR 732) and the performance-related remuneration amounted to kEUR 1 56 (previous year: kEUR 22). No severance payments were made in the 2023 financial year (previous year: kEUR 103). In the reporting year, a total of 22,779 (previous year: 11,553) subscription rights to shares with a total fair value of kEUR 376 (previous year: kEUR 386) were granted to members of the Management Board as part of the performance share plan.

The subscription rights to Manz AG shares on the basis of the Manz Performance Share Plan 2023 and the Manz Performance Share Plan 2019 (tranches 2019, 2020, 2021 and 2022) were measured at fair value using recognized actuarial methods.

There is a defined contribution plan for the Management Board member Martin Drasch. For this purpose, EUR 12 thousand (previous year: EUR 12 thousand) p.a. is paid into an external reinsured provident fund. These are included in the total remuneration.

There is a defined contribution benefit commitment for the Executive Board member Manfred Hochleitner. For this purpose, EUR 12 thousand (previous year: EUR 12 thousand) was paid into an external reinsured provident fund in the 2023 financial year. These are included in the total remuneration.

Remuneration of former members of the Management Board

A defined contribution plan exists for the former member of the Executive Board Jürgen Knie. For this purpose, EUR 0 thousand (previous year: EUR 6 thousand) is paid into an external reinsured provident fund.

The widow of former Management Board member Otto Angerhofer received a pension payment of EUR 6 thousand in the financial year (previous year: EUR 6 thousand). There is a pension obligation in the amount of 84 kEUR (previous year: 90 kEUR).

Remuneration of the Supervisory Board

The remuneration system for the Supervisory Board is also presented in the remuneration report.

For the 2023 financial year, the members of the Supervisory Board will receive remuneration totaling EUR 214 thousand (previous year: EUR 246 thousand). In the reporting year, the remuneration of the Supervisory Board consisted of a fixed component of EUR 152 thousand (previous year: EUR 150 thousand) and expense allowances of EUR 62 thousand (previous year: EUR 96 thousand).

Employees

The average number of employees during the 2023 financial year was 494 (previous year: 468). Of these, 177 (previous year: 171) were employed in production and 317 (previous year: 297) in technical/commercial areas. An annual average of 33 (previous year: 33) trainees were employed. The annual average employee figures for 2023 are based on the number of employees available at the end of each quarter in 2023. The previous year's figures are based on average monthly figures for the full-time employees calculated at and are therefore not comparable.

Transactions not included in the balance sheet

Manz AG's production and administration buildings are leased (real estate lease agreement). The purpose of the lease is to finance fixed assets. Risks from real estate leasing arise from the leasing installments to be paid (see Other financial obligations) and the fixed payment structure. The advantage results from the complete replacement of external financing and the avoidance of residual value risk. The financial effects are included in other financial obligations.

Consolidated financial statements

As the parent company, Manz AG has prepared consolidated financial statements in accordance with IFRS and a summarized management report, which is available at the company's headquarters in Reutlingen and is published in the company register.

Transactions with related parties

There are no material transactions with related parties that were not concluded at arm's length and are necessary for the assessment of the financial position.

Total fee of the auditor

The auditor's fee is not disclosed in accordance with section 285 no. 17 last sentence of the German Commercial Code (HGB). Please refer to the Manz Group's consolidated financial statements at .
The fee reported under other assurance services relates to audit services for the remuneration report.

Information on the Corporate Governance Code

The Managing Board and Supervisory Board of Manz AG have issued their annual Declaration of Conformity in accordance with Section 161 of the German Stock Corporation Act (AktG). The joint declaration of compliance by the Managing Board and Supervisory Board is published on Manz AG's website at www.manz.com/de/investor-relations/corporate-governance/verguetung/ .

Supplementary report

Effective March 19, 2024, Suzhou Manz New Energy Equipment Co, Ltd, based in Suzhou, VE China, was liquidated. This liquidation has no significant impact on Manz AG's earnings.

On February 29, 2024, Manz AG concluded a deferral agreement with the affiliated company Manz Slovakia s.r.o. for current outstanding liabilities of Manz AG to Manz Slovakia s.r.o. from trade payables against interest compensation and taking into account the operating business of Manz Slovakia s.r.l.. The outstanding liabilities are repaid on an ongoing basis, but no later than June 30, 2025. At the time the agreement was concluded, the outstanding liabilities amounted to 21,075 thousand euros.

Manz AG has concluded a deferral agreement with the affiliated company Manz Taiwan Ltd. as of February 29, 2024 against interest compensation for outstanding trade payables of Manz AG to Manz Taiwan Ltd. in the amount of 18,706 thousand euros and USD 1,146 thousand. Repayment of the outstanding liabilities has been agreed for March 31, 2025 at the latest.

Furthermore, Manz AG has concluded a deferral agreement with the affiliated company Manz China Suzhou Ltd. for outstanding trade payables of Manz AG to Manz China Suzhou Ltd. in the amount of 17,027 thousand euros as of February 29, 2024 in exchange for interest compensation. Repayment of the outstanding liabilities has been agreed for March 31, 2025 at the latest.

In order to maintain solvency, a purchase agreement was signed on May 8, 2024 between Manz AG and Harro Höflinger Verpackungsmaschinen GmbH, Allmersbach im Tal. In this purchase agreement, the sale of the shares in Manz Hungary Kft. Debrecen/Hungary, as part of a share deal, is agreed between the two contracting parties subject to a condition precedent. The following conditions must be fulfilled cumulatively until the shares in Manz Hungary Kft. are transferred:

- Presentation of the audited consolidated financial statements and the audited annual financial statements of Manz AG as of December 31, 2023
- Duly confirmed by the Hungarian Minister of Domestic Economy pursuant to Government Regulation No. 561/20222 on Foreign Direct Investment for the acquisition of shares in Manz Hungary Kft.
- Confirmation by the Hungarian Investment Promotion Agency of the approval of the change of ownership of Manz Hungary Kft. with simultaneous transfer of the subsidy commitments
- Application for subsidies to the Hungarian government by June 30, 2024 by Manz Hungary Kft.
- Conclusion of an IT framework agreement between Manz AG, Harro Höflinger Verpackungsmaschinen GmbH and Manz Hungary Kft.
- Consent to the SAP license transfer and legal transfer of the SAP licenses by SAP SE, Walldorf
- Consent to the legal license transfer of a CAD system by Siemens Aktiengesellschaft, Munich

The legal representatives of Manz AG assume that all conditions precedent will be fulfilled in the second quarter of 2024, so that Manz AG will receive approximately EUR 8,000 thousand from this transaction by August 31, 2024 at the latest. Manz AG expects a profit in the low single-digit million range from this transaction.

On May 8, 2024, as part of a shareholder loan, it was agreed that Manz AG, as the borrower, would receive a current account line of credit in the amount of EUR 3,000 thousand. This line is flexibly available to Manz AG for a period of 12 months after conclusion of the agreement.

In addition, advance payments were agreed with a major customer in April 2024, some of which would actually have been due in the course of the third and fourth quarters of 2024. As agreed, these prepayments will lead to a cash inflow of around EUR 8,000 thousand in May and June 2024.

Disclosures pursuant to Section 160 (1) No. 8 of the German Stock Corporation Act (AktG)

As at the 2023 balance sheet date, the following shareholdings in the company with more than 3% of the voting rights were reported in accordance with the WpHG:

1. Shanghai Electric Deutschland Holding GmbH (17.83% of voting rights).

Shanghai Electric Deutschland Holding GmbH holds 17.83% of the voting rights as at December 31, 2023. This corresponds to 1,523,480 of 8,542,574 voting rights.

Voting rights notification dated May 24, 2016

1) **Information on the issuer:** Manz AG, Reutlingen, Germany

2) **Reason for the notification:** Acquisition/disposal of shares with voting rights and instruments.

3) **Details of the notifying party:** Shanghai Electric Deutschland Holding GmbH, Shanghai, People's Republic of China

4) **Names of shareholders:** see 3)

5) **Date of threshold contact:** May 23, 2016

6) **Total voting rights**

	Share of voting rights (Total 7.a.)	Share of instruments (sum 7.b.1.+ 7.b.2.)	Total shares (sum 7.a. + 7.b.)	Total number of voting rights of the issuer
new	19,67 %	10,43 %	30,1 %	7.744.088
last message	/	/	/	/

7) **Details of the voting rights**

a. Voting rights (Sections 21, 22 WpHG)

ISIN	absolute		in %	
	direct (§ 21 WpHG)	attributed (§ 22 WpHG)	direct (§ 21 WpHG)	attributed (§ 22 WpHG)
DE000A0JQ5U3	0	1.523.480	0,00 %	19,67 %
Total	1.523.480		19,67 %	

b.1. instruments within the meaning of section 25 (1) no. 1 WpHG

Type of instrument	Maturity / Expiry	Exercise period / term	Absolute voting rights	Voting rights in %
Call option		May 25, 2016 - May 24, 2017	807.490	10,43 %
		Total	**807.490**	**10,43 %**

b.2. instruments within the meaning of Section 25 (1) No. 2 WpHG: -

8) Information in relation to the notifying party: Complete chain of subsidiaries beginning with the ultimate controlling person or entity.

The company	Voting rights in %, if 3 % or higher	Instruments in %, if 5 % or higher	Sum in %, if 5 % or higher
The People's Republic of China, acting through the State-owned Asset Supervision Commission (SASAC) of Shanghai People's Government	0 %	0 %	0 %
Shanghai Electric (Group) Corporation	0 %	0 %	0 %
Shanghai Electric Group Company Limited	0 %	0 %	0 %
Shanghai Electric Hongkong Co. Limited	0 %	0 %	0 %
Shanghai Electric Deutschland Holding GmbH	19,67 %	10,43 %	30,1 %

9) In the case of proxy pursuant to Section 22 (3) WpHG: only possible in the case of attribution pursuant to Section 22 (1) sentence 1 no. 6 WpHG.

10) Other information: -

2. Dieter Manz (share of voting rights 9.08 %)

According to the securities transaction (directors' delaings) reported on July 2, 2021, Dieter Manz held a directly attributable share of voting rights of 9.08% as of December 31, 2023. This corresponds to 775,942 of 8,542,574 voting rights. After the IPO in September 2006, Dieter Manz held 59% of the voting rights.

Voting rights notification dated July 29, 2022

1) **Information on the issuer:** Manz AG, Reutlingen, Germany

2) **Reason for the notification:** Change in the total number of voting rights.

3) **Details of the notifying party:** Mr.. Dieter Manz, date of birth: 25.11.1961

4) **Names of the shareholders:** Ulrike Manz; Stephan Manz; Laura Manz

5) **Date of threshold contact:** July 27, 2022

6) **Total voting rights**

	Share of voting rights (Total 7.a.)	Share of instruments (sum 7.b.1.+ 7.b.2.)	Total shares (sum 7.a. + 7.b.)	Total number of voting rights of the issuer
new	22,74 %	0,00 %	22,74 %	8.531.212
last message	28,09 %	0,00 %	28,09 %	/

7) **Details of the voting rights**
   a. Voting rights (Sections 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	attributed (§ 34 WpHG)	direct (§ 33 WpHG)	attributed (§ 34 WpHG)
DE000A0JQ5U3	775.942	1.163.957	9,10 %	13,64 %
Total	1.939.899		22,74 %	

   b.1. instruments within the meaning of section 38 (1) no. 1 WpHG: -

   b.2. instruments within the meaning of section 38 (1) no. 2 WpHG: -

8) **Information in relation to the person subject to the notification obligation:** Person subject to the notification obligation (3) is neither controlled nor does the person subject to the notification obligation control other companies with reportable voting rights of the issuer (1).

9) **In the case of authorization pursuant to Section 34 (3) WpHG:** only possible in the case of attribution pursuant to Section 34 (1) sentence 1 no. 6 WpHG.

10) **Other information:** -

Voting rights notification dated August 31, 2018

1) **Information on the issuer:** Manz AG, Reutlingen, Germany

2) **Reason for notification:** Acquisition/disposal of shares with voting rights and Voluntary notification due to reorganization of shareholdings within the family.

3) **Details of the person subject to the notification obligation:** Mr.. Dieter Manz, date of birth: 25.11.1961

4) **Names of the shareholders:** Ulrike Manz; Stephan Manz; Laura Manz

5) **Date of threshold contact:** August 28, 2018

6) **Total voting rights**

	Share of voting rights (Total 7.a.)	Share of instruments (sum 7.b.1.+ 7.b.2.)	Total shares (sum 7.a. + 7.b.)	Total number of voting rights of the issuer
new	28,09 %	0 %	28,09 %	7.744.088
last message	25,10 %	0 %	25,10 %	/

7) **Details of the voting rights**
a. Voting rights (Sections 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	attributed (§ 34 WpHG)	direct (§ 33 WpHG)	attributed (§ 34 WpHG)
DE000A0JQ5U3	953.942	1.221.257	12,32 %	15,77 %
Total	2.175.199		28,09 %	

b.1. instruments within the meaning of section 38 (1) no. 1 WpHG: -

b.2. instruments within the meaning of section 38 (1) no. 2 WpHG: -

8) **Information in relation to the person subject to the notification obligation:** Person subject to the notification obligation (3) is neither controlled nor does the person subject to the notification obligation control other companies with reportable voting rights of the issuer (1).

9) **In the case of authorization pursuant to Section 34 (3) WpHG:** only possible in the case of attribution pursuant to Section 34 (1) sentence 1 no. 6 WpHG.

10) **Other information:** -

3. Daimler Truck AG (share of voting rights 9.07 %)

Daimler Truck AG holds 9.07% of the voting rights as at 31.12.2023. This corresponds to 774,408 of 8,542,574 voting rights.

Voting rights notification dated July 29, 2022

1) **Information on the issuer:** Manz AG, Reutlingen, Germany

2) **Reason for the notification:** Acquisition/disposal of shares with voting rights.

3) **Details of the notifying party:** Daimler Truck Holding AG, Stuttgart, Germany

4) **Names of the shareholders:** Daimler Truck AG

5) **Date of threshold contact:** July 27, 2022

6) **Total voting rights**

	Share of voting rights (Total 7.a.)	Share of instruments (sum 7.b.1.+ 7.b.2.)	Total shares (sum 7.a. + 7.b.)	Total number of voting rights of the issuer
new	9,08 %	0,00 %	9,08 %	8.531.212
last message	/	/	/	/

7) **Details of the voting rights**

a. Voting rights (Sections 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	attributed (§ 34 WpHG)	direct (§ 33 WpHG)	attributed (§ 34 WpHG)
DE000A0JQ5U3	0	774.408	0,00 %	9,08 %
Total	774.408		9,08 %	

b.1. instruments within the meaning of section 38 (1) no. 1 WpHG: -

b.2. instruments within the meaning of section 38 (1) no. 2 WpHG: -

8) **Information in relation to the notifying party:** Complete chain of subsidiaries beginning with the ultimate controlling person or entity.

Companies	Voting rights in %, if 3 % or more	Instruments in %, if 5 % or more	Totals in %, if 5% or more
Daimler Truck Holding AG	0 %	0 %	0 %
Daimler Truck AG	9,08 %	0 %	9,08 %

9) **In the case of proxy pursuant to Section 34 (3) WpHG:** only possible in the case of attribution pursuant to Section 34 (1) sentence 1 no. 6 WpHG.

10) **Other information:** -

Voting rights notification dated July 28, 2022

1) **Information on the issuer:** Manz AG, Reutlingen, Germany

2) **Reason for the notification:** Acquisition/disposal of shares with voting rights and voluntary group notification due to a subsidiary reaching the threshold.

3) **Details of the notifying party:** Daimler Truck Holding AG, Leinfelden-Echterdingen, Germany

4) **Names of the shareholders:** Daimler Truck AG

5) **Date of threshold contact:** July 27, 2022

6) **Total voting rights**

	Share of voting rights (Total 7.a.)	Share of instruments (sum 7.b.1.+ 7.b.2.)	Total shares (sum 7.a. + 7.b.)	Total number of voting rights of the issuer
new	9,08 %	0,00 %	9,08 %	8.531.212
last message	/	/	/	/

7) **Details of the voting rights**
a. Voting rights (Sections 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	attributed (§ 34 WpHG)	direct (§ 33 WpHG)	attributed (§ 34 WpHG)
DE000A0JQ5U3	0	774.408	0,00 %	9,08 %
Total	774.408		9,08 %	

b.1. instruments within the meaning of section 38 (1) no. 1 WpHG: -

b.2. instruments within the meaning of section 38 (1) no. 2 WpHG: -

8) **Information in relation to the notifying party:** Complete chain of subsidiaries beginning with the ultimate controlling person or entity.

The company	Voting rights in %, if 3 % or higher	Instruments in %, if 5 % or higher	Sum in %, if 5 % or higher
Daimler Truck Holding AG	0 %	0 %	0 %
Daimler Truck AG	9,08 %	0 %	9,08 %

9) **In the case of proxy pursuant to Section 34 (3) WpHG:** only possible in the case of attribution pursuant to Section 34 (1) sentence 1 no. 6 WpHG.

10) **Other information:** -

4. Invesco Advisers, Inc. (formerly Oppenheimer Funds) (share of voting rights 4.94%)

Invesco Advisers Inc. holds 4.94% of the voting rights as at December 31, 2023. This corresponds to 422,327 of 8,542,574 voting rights.

Voting rights notification dated October 27, 2023

1) **Information on the issuer:** Manz AG, Reutlingen, Germany

2) **Reason for the notification:** Acquisition/disposal of shares with voting rights.

3) **Details of the notifying party:** Invesco Ltd.
registered office, country: Hamilton, Bermuda

4) **Names of shareholders:** with 3% or more voting rights, if different from 3. AIM International Mutual Funds (Invesco International Mutual Funds)

5) **Date of threshold contact:** October 24, 2023

6) Total voting rights

	Share of voting rights (total 7.a.)	Share of instruments (total 7.b.1.+ 7.b.2.)	Total shares (total 7.a. + 7.b.)	Total number of voting rights pursuant to Section 41 WpHG
new	4,94 %	0,00 %	4,94 %	8.542.574
last message	6,46 %	0,00 %	6,46 %	/

7) Details of the voting rights

a. Voting rights (Sections 33, 34 WpHG)

ISIN	absolute		in %	
	directly (§ 33 WpHG)	attributed (§ 34 WpHG)	directly (§ 33 WpHG)	attributed (§ 34 WpHG)
DE000A0JQ5U3	0	422.327	0 %	4,94 %
Total	422.327		4,94 %	

b.1. instruments within the meaning of section 38 (1) no. 1 WpHG

Type of instrument	Maturity / Expiry	Exercise period / term	Absolute voting rights	Voting rights in %
			0	0 %
		Total	0	0,00 %

b.2. instruments within the meaning of section 38 (1) no. 2 WpHG

Type of instrument	Maturity / Expiry	Exercise period / term	Cash settlement or physical settlement	Absolute voting rights	Voting rights in %

				0	0 %
			Total	0	0,00 %

8) **Information in relation to the notifying party:** Complete chain of subsidiaries, starting with the ultimate controlling person or entity:

The company	Voting rights in %, if 3 % or higher	Instruments in %, if 5 % or higher	Sum in %, if 5 % or higher
Invesco Ltd.	0 %	0 %	0 %
Invesco Holding Company Limited	0 %	0 %	0 %
Invesco Holding Company (US), Inc.	0 %	0 %	0 %
Oppenheimer Acquisition Corporation	0 %	0 %	0 %
OppenheimerFunds, Inc.	0 %	0 %	0 %
Invesco Group Services, Inc.	0 %	0 %	0 %
Invesco Advisers, Inc.	4,94 %	0 %	4,94 %

9) **In the case of proxy pursuant to Section 34 (3) WpHG:** only possible in the case of attribution pursuant to Section 34 (1) sentence 1 no. 6 WpHG.

10) **Other information:** -

<u>Voting rights notification dated October 24, 2023</u>

1) **Information on the issuer:** Manz AG, Reutlingen, Germany

2) **Reason for the notification:** Acquisition/disposal of shares with voting rights.

3) **Details of the notifying party:** AIM International Mutual Funds (Invesco International Mutual Funds), Registered Office, State: Wilmington, Delaware, United States of America

4) **Names of shareholders:** see 3)

5) **Date of threshold contact:** October 20, 2023

6) **Total voting rights**

	Share of voting rights (total 7.a.)	Share of instruments (total 7.b.1.+ 7.b.2.)	Total shares (total 7.a. + 7.b.)	Total number of voting rights pursuant to Section 41 WpHG
new	4,99 %	0,00 %	4,99 %	8542574
last message	6,46 %	0,00 %	6,46 %	/

7) Details of the voting rights

a. Voting rights (Sections 33, 34 WpHG)

ISIN	absolute		in %	
	directly (§ 33 WpHG)	attributed (§ 34 WpHG)	directly (§ 33 WpHG)	attributed (§ 34 WpHG)
DE000A0JQ5U3	425965	0	4,99 %	0 %
Total	425965		4,99 %	

b.1. instruments within the meaning of section 38 (1) no. 1 WpHG

Type of instrument	Maturity / Expiry	Exercise period / term	Absolute voting rights	Voting rights in %
			0	0 %
		Total	0	0,00 %

b.2. instruments within the meaning of section 38 (1) no. 2 WpHG

Type of instrument	Maturity / Expiry	Exercise period / term	Cash settlement or physical settlement	Absolute voting rights	Voting rights in %
				0	0 %
			Total	0	0,00 %

8) **Information in relation to the person subject to the notification obligation:** Person subject to the notification obligation (3) is neither controlled nor does the person subject to the notification obligation control other companies with reportable voting rights of the issuer (1).

9) **In the case of authorization pursuant to Section 34 (3) WpHG:** only possible in the case of attribution pursuant to Section 34 (1) sentence 1 no. 6 WpHG.

10) **Other information:** -

Voting rights notification dated May 31, 2019

1) **Information on the issuer:** Manz AG, Reutlingen, Germany

2) **Reason for the announcement:** Takeover and merger with Oppenheimer Funds Inc. see 10).

3) **Details of the notifying party:** Invesco Ltd, Hamilton, Bermuda

4) **Names of shareholders:** Invesco Oppenheimer Global Opportunities Fund Short Term

5) **Date of the threshold contact:** May 24, 2019

6) **Total voting rights**

	Share of voting rights (Total 7.a.)	Share of instruments (sum 7.b.1.+ 7.b.2.)	Total shares (sum 7.a. + 7.b.)	Total number of voting rights of the issuer

new	6,46 %	0,00 %	6,46 %	7.744.088
last message	/	/	/	/

7) Details of the voting rights

a. Voting rights (Sections 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	attributed (§ 34 WpHG)	direct (§ 33 WpHG)	attributed (§ 34 WpHG)
DE000A0JQ5U3	0	500.000	0.00 %	6,46 %
Total	500.000		6,46 %	

b.1. instruments within the meaning of section 38 (1) no. 1 WpHG: -

b.2. instruments within the meaning of section 38 (1) no. 2 WpHG: -

8) Information in relation to the notifying party: Complete chain of subsidiaries beginning with the ultimate controlling person or entity.

The company	Voting rights in %, if 3 % or higher	Instruments in %, if 5 % or higher	Sum in %, if 5 % or higher
Invesco Ltd.	0 %	0 %	0 %
Invesco Holding Company Limited	0 %	0 %	0 %
Invesco Holding Company (US), Inc.	0 %	0 %	0 %
Invesco Group Services, Inc.	0 %	0 %	0 %
Invesco Advisers, Inc.	6,46 %	0 %	6,46 %

9) In the case of proxy pursuant to Section 34 (3) WpHG: only possible in the case of attribution pursuant to Section 34 (1) sentence 1 no. 6 WpHG.

10) Other information: Takeover and merger with Oppenheimer Funds Inc. Further information can be found at the following link: https://ir.invesco.com/investor-relations/press-releases/default.aspx?_ga=2.153008441.1018859822.1558359393-832691936.1556037780

Voting rights notification dated August 6, 2018

1) Information on the issuer: Manz AG, Reutlingen, Germany

2) Reason for the notification: Acquisition/disposal of shares with voting rights.

3) Details of the notifying party: Oppenheimer Funds, Inc, Denver, Colorado, United States of America

4) Names of the shareholders: Oppenheimer Global Opportunities Fund

5) Date of threshold contact: July 27, 2018

6) Total voting rights

	Share of voting rights (Total 7.a.)	Share of instruments (sum 7.b.1.+ 7.b.2.)	Total shares (sum 7.a. + 7.b.)	Total number of voting rights of the issuer
new	3,07 %	0,00 %	3,07 %	7.744.088
last message	/	/	/	/

7) Details of the voting rights

a. Voting rights (Sections 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	attributed (§ 34 WpHG)	direct (§ 33 WpHG)	attributed (§ 34 WpHG)
DE000A0JQ5U3	0	237.614	0.00 %	3,07 %
Total	237.614		3,07 %	

b.1. instruments within the meaning of section 38 (1) no. 1 WpHG: -

b.2. instruments within the meaning of section 38 (1) no. 2 WpHG: -

8) Information in relation to the person subject to the notification obligation: Person subject to the notification obligation (3) is neither controlled nor does the person subject to the notification obligation control other companies with reportable voting rights of the issuer (1).

9) In the case of authorization pursuant to Section 34 (3) WpHG: only possible in the case of attribution pursuant to Section 34 (1) sentence 1 no. 6 WpHG.

10) Other information:

Voting rights notification dated August 6, 2018

1) **Information on the issuer:** Manz AG, Reutlingen, Germany

2) **Reason for the notification:** Acquisition/disposal of shares with voting rights.

3) **Details of the notifying party:** Oppenheimer Global Opportunities Fund, Wilmington, Delaware, United States of America

4) **Names of shareholders:** see 3)

5) **Date of threshold contact:** July 27, 2018

6) **Total voting rights**

	Share of voting rights (Total 7.a.)	Share of instruments (sum 7.b.1.+ 7.b.2.)	Total shares (sum 7.a. + 7.b.)	Total number of voting rights of the issuer
new	3,07 %	0,00 %	3,07 %	7.744.088
last message	/	/	/	/

7) **Details of the voting rights**
a. Voting rights (Sections 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	attributed (§ 34 WpHG)	direct (§ 33 WpHG)	attributed (§ 34 WpHG)
DE000A0JQ5U3	0	237.614	0.00 %	3,07 %
Total	237.614		3,07 %	

b.1. instruments within the meaning of section 38 (1) no. 1 WpHG: -

b.2. instruments within the meaning of section 38 (1) no. 2 WpHG: -

8) **Information in relation to the person subject to the notification obligation:** Person subject to the notification obligation (3) is neither controlled nor does the person subject to the notification obligation control other companies with reportable voting rights of the issuer (1).

9) **In the case of proxy pursuant to Section 34 (3) WpHG:** only possible in the case of attribution pursuant to Section 34 (1) sentence 1 no. 6 WpHG.

10) **Other information:**

5. Ulrike Manz (share of voting rights 4.54 %)

Ulrike Manz holds 4.54% of the voting rights as at December 31, 2023. This corresponds to 387,989 of 8,542,574 voting rights. After the initial public offering in September 2006, Ulrike Manz held 6% of the voting rights.

Voting rights notification dated July 29, 2022

1) **Information on the issuer:** Manz AG, Reutlingen, Germany

2) **Reason for the notification:** Change in the total number of voting rights.

3) **Details of the notifying party:** Ms. Ulrike Manz, date of birth: 28.08.1963

4) **Names of shareholders:** see 3)

5) **Date of threshold contact:** July 27, 2022

6) **Total voting rights**

	Share of voting rights (Total 7.a.)	Share of instruments (sum 7.b.1.+ 7.b.2.)	Total shares (sum 7.a. + 7.b.)	Total number of voting rights of the issuer
new	4,55 %	0,00 %	4,55 %	8.531.212
last message	5,44 %	0,00 %	5,44 %	/

7) **Details of the voting rights**

a. Voting rights (Sections 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	attributed (§ 34 WpHG)	direct (§ 33 WpHG)	attributed (§ 34 WpHG)
DE000A0JQ5U3	387.989	0	4,55 %	0,00 %
Total	387.989		4,55 %	

b.1. instruments within the meaning of section 38 (1) no. 1 WpHG: -

b.2. instruments within the meaning of section 38 (1) no. 2 WpHG: -

8) **Information in relation to the person subject to the notification obligation:** Person subject to the notification obligation (3) is neither controlled nor does the person subject to the notification obligation control other companies with reportable voting rights of the issuer (1).

9) **In the case of authorization pursuant to Section 34 (3) WpHG:** only possible in the case of attribution pursuant to Section 34 (1) sentence 1 no. 6 WpHG.

10) **Other information:** -

Voting rights notification dated August 31, 2018

1) Information on the issuer: Manz AG, Reutlingen, Germany

2) Reason for the notification: Acquisition/disposal of shares with voting rights.

3) Details of the notifying party: Ms. Ulrike Manz, date of birth: 28.08.1963

4) Names of shareholders: see 3)

5) Date of threshold contact: August 28, 2018

6) Total voting rights

	Share of voting rights (Total 7.a.)	Share of instruments (sum 7.b.1.+ 7.b.2.)	Total shares (sum 7.a. + 7.b.)	Total number of voting rights of the issuer
new	5,44 %	0,00 %	5,44 %	7.744.088
last message	2,66 %	0,00 %	2,66 %	/

7) Details of the voting rights

a. Voting rights (Sections 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	attributed (§ 34 WpHG)	direct (§ 33 WpHG)	attributed (§ 34 WpHG)
DE000A0JQ5U3	421.489	0	5,44 %	0,00 %
Total	421.489		5,44 %	

b.1. instruments within the meaning of section 38 (1) no. 1 WpHG: -

b.2. instruments within the meaning of section 38 (1) no. 2 WpHG: -

8) Information in relation to the person subject to the notification obligation: Person subject to the notification obligation (3) is neither controlled nor does the person subject to the notification obligation control other companies with reportable voting rights of the issuer (1).

9) In the case of proxy pursuant to Section 34 (3) WpHG: only possible in the case of attribution pursuant to Section 34 (1) sentence 1 no. 6 WpHG.

10) Other information: -

6. Stephan Manz (share of voting rights 4.54%)

Stephan Manz holds 4.54% of the voting rights as at December 31, 2023. This corresponds to 387,989 of 8,542,574 voting rights. After the initial public offering in September 2006, Stephan Manz held 6% of the voting rights.

Voting rights notification dated July 29, 2022

1) **Information on the issuer:** Manz AG, Reutlingen, Germany

2) **Reason for the notification:** Change in the total number of voting rights.

3) **Details of the notifying party:** Mr. Stephan Manz, date of birth: 15.08.1988

4) **Names of shareholders:** see 3)

5) **Date of threshold contact:** July 27, 2022

6) **Total voting rights**

	Share of voting rights (Total 7.a.)	Share of instruments (sum 7.b.1.+ 7.b.2.)	Total shares (sum 7.a. + 7.b.)	Total number of voting rights of the issuer
new	4,55 %	0,00 %	4,55 %	8.531.212
last message	5,16 %	0,00 %	5,16 %	/

7) **Details of the voting rights**

a. Voting rights (Sections 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	attributed (§ 34 WpHG)	direct (§ 33 WpHG)	attributed (§ 34 WpHG)
DE000A0JQ5U3	387.989	0	4,55 %	0,00 %
Total	387.989		4,55 %	

b.1. instruments within the meaning of section 38 (1) no. 1 WpHG: -

b.2. instruments within the meaning of section 38 (1) no. 2 WpHG: -

8) **Information in relation to the person subject to the notification obligation:** Person subject to the notification obligation (3) is neither controlled nor does the person subject to the notification obligation control other companies with reportable voting rights of the issuer (1).

9) **In the case of proxy pursuant to Section 34 (3) WpHG:** only possible in the case of attribution pursuant to Section 34 (1) sentence 1 no. 6 WpHG.

10) **Other information:** -

Voting rights notification dated August 31, 2018

1) **Information on the issuer:** Manz AG, Reutlingen, Germany

2) **Reason for the notification:** Acquisition/disposal of shares with voting rights.

3) **Details of the notifying party:** Mr. Stephan Manz, date of birth: 15.08.1988

4) **Names of shareholders:** see 3)

5) **Date of threshold contact:** August 28, 2018

6) **Total voting rights**

	Share of voting rights (Total 7.a.)	Share of instruments (sum 7.b.1.+ 7.b.2.)	Total shares (sum 7.a. + 7.b.)	Total number of voting rights of the issuer
new	5,16 %	0,00 %	5,16 %	7.744.088
last message	/	/	/	/

7) **Details of the voting rights**

a. Voting rights (Sections 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	attributed (§ 34 WpHG)	direct (§ 33 WpHG)	attributed (§ 34 WpHG)
DE000A0JQ5U3	399.889	0	5,16 %	0,00 %
Total	399.889		5,16 %	

b.1. instruments within the meaning of section 38 (1) no. 1 WpHG: -

b.2. instruments within the meaning of section 38 (1) no. 2 WpHG: -

8) **Information in relation to the person subject to the notification obligation:** Person subject to the notification obligation (3) is neither controlled nor does the person subject to the notification obligation control other companies with reportable voting rights of the issuer (1).

9) **In the case of proxy pursuant to Section 34 (3) WpHG:** only possible in the case of attribution pursuant to Section 34 (1) sentence 1 no. 6 WpHG.

10) **Other information:** -

7. Laura Manz (share of voting rights 4.54 %)

Laura Manz holds 4.54% of the voting rights as at December 31, 2023. This corresponds to 387,979 of 8,542,574 voting rights. After the initial public offering in September 2006, Laura Manz held 6% of the voting rights.

Voting rights notification dated July 29, 2022

1) **Information on the issuer:** Manz AG, Reutlingen, Germany

2) **Reason for the notification:** Change in the total number of voting rights.

3) **Details of the person subject to the notification obligation:** Ms. Laura Manz, date of birth: 03.07.1990

4) **Names of shareholders:** see 3)

5) **Date of threshold contact:** July 27, 2022

6) **Total voting rights**

	Share of voting rights (Total 7.a.)	Share of instruments (sum 7.b.1.+ 7.b.2.)	Total shares (sum 7.a. + 7.b.)	Total number of voting rights of the issuer
new	4,55 %	0,00 %	4,55 %	8.531.212
last message	5,16 %	0,00 %	5,16 %	/

7) **Details of the voting rights**
a. Voting rights (Sections 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	attributed (§ 34 WpHG)	direct (§ 33 WpHG)	attributed (§ 34 WpHG)
DE000A0JQ5U3	387.979	0	4,55 %	0,00 %
Total	387.979		4,55 %	

b.1. instruments within the meaning of section 38 (1) no. 1 WpHG: -

b.2. instruments within the meaning of section 38 (1) no. 2 WpHG: -

8) **Information in relation to the person subject to the notification obligation:** Person subject to the notification obligation (3) is neither controlled nor does the person subject to the notification obligation control other companies with reportable voting rights of the issuer (1).

9) **In the case of authorization pursuant to Section 34 (3) WpHG:** only possible in the case of attribution pursuant to Section 34 (1) sentence 1 no. 6 WpHG.

10) **Other information:** -

Voting rights notification dated August 31, 2018

1) **Information on the issuer:** Manz AG, Reutlingen, Germany

2) **Reason for the notification: Acquisition/disposal of shares with voting rights**.

3) **Details of the person subject to the notification obligation:** Ms. Laura Manz, date of birth: 03.07.1990

4) **Names of shareholders:** see 3)

5) **Date of threshold contact:** August 28, 2018

6) **Total voting rights**

	Share of voting rights (Total 7.a.)	Share of instruments (sum 7.b.1.+ 7.b.2.)	Total shares (sum 7.a. + 7.b.)	Total number of voting rights of the issuer
new	5,16 %	0,00 %	5,16 %	7.744.088
last message	/	/	/	/

7) **Details of the voting rights**

a. Voting rights (Sections 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	attributed (§ 34 WpHG)	direct (§ 33 WpHG)	attributed (§ 34 WpHG)
DE000A0JQ5U3	399.879	0	5,16 %	0,00 %
Total	399.879		5,16 %	

b.1. instruments within the meaning of section 38 (1) no. 1 WpHG: -

b.2. instruments within the meaning of section 38 (1) no. 2 WpHG: -

8) **Information in relation to the person subject to the notification obligation:** Person subject to the notification obligation (3) is neither controlled nor does the person subject to the notification obligation control other companies with reportable voting rights of the issuer (1).

9) **In the case of proxy pursuant to Section 34 (3) WpHG:** only possible in the case of attribution pursuant to Section 34 (1) sentence 1 no. 6 WpHG.

10) **Other information:** -

8. Janus Henderson Investors (share of voting rights 3.12 %)

Janus Henderson Investors holds 3.12% of the voting rights as at December 31, 2023. This corresponds to 266,534 of 8,542,574 voting rights.

Voting rights notification dated July 12, 2021

1) **Information on the issuer:** Manz AG, Reutlingen, Germany

2) **Reason for the notification:** Voluntary group notification due to a group restructuring.

3) **Details of the notifying party:** Janus Henderson Group Plc, St. Helier, Jersey

4) **Names of shareholders:** TR European Growth Trust Plc

5) **Date of threshold contact:** July 1, 2021

6) **Total voting rights**

	Share of voting rights (Total 7.a.)	Share of instruments (sum 7.b.1.+ 7.b.2.)	Total shares (sum 7.a. + 7.b.)	Total number of voting rights of the issuer
new	3,44 %	0,00 %	3,44 %	7.748.632
last message	3,13 %	0,00 %	3,13 %	/

7) **Details of the voting rights**

a. Voting rights (Sections 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	attributed (§ 34 WpHG)	direct (§ 33 WpHG)	attributed (§ 34 WpHG)
DE000A0JQ5U3	0	266.534	0,00 %	3,44 %
Total	266.534		3,44 %	

b.1. instruments within the meaning of section 38 (1) no. 1 WpHG: -

b.2. instruments within the meaning of section 38 (1) no. 2 WpHG: -

8) **Information in relation to the notifying party:** Complete chain of subsidiaries beginning with the ultimate controlling person or entity.

The company	Voting rights in %, if 3 % or higher	Instruments in %, if 5 % or higher	Sum in %, if 5 % or higher
Janus Henderson Group Plc	0 %	0 %	0 %
Janus Henderson UK (Holdings) Limited	0 %	0 %	0 %
Henderson Global Investors Limited	3,44 %	0 %	3,44 %

9) **In the case of authorization pursuant to Section 34 (3) WpHG:** only possible in the case of attribution pursuant to Section 34 (1) sentence 1 no. 6 WpHG.

10) **Other information:** The following companies are no longer subsidiaries of Janus Henderson Group plc and therefore no voting rights are attributed to them: Henderson Group Holdings Asset Management Limited; HGI Asset Management Group Limited, Henderson Global Group Limited, Henderson Holdings Group Limited, Henderson Global Investors (Holdings) Limited.

9. Universal-Investment-Gesellschaft mbH (share of voting rights 2.98%)

Universal-Investment-Gesellschaft mbH holds 2.98% of the voting rights as at December 31, 2023. This corresponds to 254,440 of 8,542,574 voting rights.

Voting rights notification dated June 26, 2023

1) **Information on the issuer:** Manz AG, Reutlingen, Germany

2) **Reason for the notification:** Acquisition/disposal of shares with voting rights.

3) **Details of the notifying party:** Universal-Investment-Gesellschaft mit beschränkter Haftung, Frankfurt am Main, Germany

4) **Names of shareholders:** see 3)

5) **Date of threshold contact:** June 20, 2023

6) **Total voting rights**

	Share of voting rights (Total 7.a.)	Share of instruments (sum 7.b.1.+ 7.b.2.)	Total shares (sum 7.a. + 7.b.)	Total number of voting rights of the issuer
new	2,98 %	0,00 %	2,98 %	8.542.574
last message	3,17 %	0,00 %	3,17 %	/

7) **Details of the voting rights**
a. Voting rights (Sections 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	attributed (§ 34 WpHG)	direct (§ 33 WpHG)	attributed (§ 34 WpHG)
DE000A0JQ5U3	0	254.440	0,00 %	2,98 %
Total	254.440		2,98 %	

b.1. instruments within the meaning of section 38 (1) no. 1 WpHG: -

b.2. instruments within the meaning of section 38 (1) no. 2 WpHG: -

8) **Information in relation to the person subject to the notification obligation:** Person subject to the notification obligation (3) is neither controlled nor does the person subject to the notification obligation control other companies with reportable voting rights of the issuer (1).

9) **In the case of proxy pursuant to Section 34 (3) WpHG:** only possible in the case of attribution pursuant to Section 34 (1) sentence 1 no. 6 WpHG.

10) **Other information:** -

Voting rights notification dated July 6, 2021

1) **Information on the issuer:** Manz AG, Reutlingen, Germany

2) **Reason for the notification:** Acquisition/disposal of shares with voting rights.

3) **Details of the notifying party:** Universal-Investment-Gesellschaft mit beschränkter Haftung, Frankfurt am Main, Germany

4) **Names of shareholders:** see 3)

5) **Date of threshold contact:** July 1, 2021

6) **Total voting rights**

	Share of voting rights (Total 7.a.)	Share of instruments (sum 7.b.1.+ 7.b.2.)	Total shares (sum 7.a. + 7.b.)	Total number of voting rights of the issuer
new	3,17 %	0,00 %	3,17 %	7.748.632
last message	2,98 %	0,00 %	2,98 %	/

7) **Details of the voting rights**

a. Voting rights (Sections 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	attributed (§ 34 WpHG)	direct (§ 33 WpHG)	attributed (§ 34 WpHG)
DE000A0JQ5U3	0	245.939	0,00 %	3,17 %
Total	245.939		3,17 %	

b.1. instruments within the meaning of section 38 (1) no. 1 WpHG: -

b.2. instruments within the meaning of section 38 (1) no. 2 WpHG: -

8) **Information in relation to the person subject to the notification obligation:** Person subject to the notification obligation (3) is neither controlled nor does the person subject to the notification obligation control other companies with reportable voting rights of the issuer (1).

9) **In the case of authorization pursuant to Section 34 (3) WpHG:** only possible in the case of attribution pursuant to Section 34 (1) sentence 1 no. 6 WpHG.

10) **Other information:** -

The following notifications in accordance with WpHG were made in the 2023 financial year:

Publication of the total number of voting rights pursuant to Section 41 WpHG dated June 2, 2023

1) **Information on the issuer:** Manz AG, Reutlingen, Germany

2) **Type of capital measure:** Issue of subscription shares (Section 41 (2) WpHG) with an effective date of June 1, 2023

3) **New total number of voting rights:** 8,542,574

Result for the 2023 financial year

Manz AG's annual financial statements as of December 31, 2023 close with an accumulated deficit of 3,483,538.76 euros (previous year: 7,359,611.70 euros).

Reutlingen, May 17, 2024

Manz AG

Martin Drasch Chairman of the Management Board	Manfred Hochleitner

MANZ AG, REUTLINGEN

DEVELOPMENT OF FIXED ASSETS IN THE FISCAL YEAR 2023

	ACQUISITION AND MANUFACTURING COSTS					ACCUMULATED DEPRECIATION					NET BOOK VALUES	
	Jan. 01, 2023 euros	Additions euros	Transfer euros	Disposals euros	Dec. 31, 2023 euros	Jan. 01, 2023 euros	Additions euros	Disposals euros	Write up euros	Dec. 31, 2023 euros	Dec. 31, 2023 euros	Dec. 31, 2022 euros
I. **INTANGIBLE ASSETS**												
1. Internally generated industrial property rights and similar rights and assets	64.305.248,80	3.342.191,09	0,00	0,00	67.647.439,89	49.846.092,08	3.915.108,51	0,00	0,00	53.761.200,59	13.886.239,30	14.459.156,72
2. Concessions, industrial property rights and similar right and assets, and licenses for such rights and assets, purchased against payment	13.973.881,18	304.872,22	0,00	0,00	14.278.753,40	12.753.344,30	436.416,22	0,00	0,00	13.189.760,52	1.088.992,88	1.220.536,88
	78.279.129,98	3.647.063,31	0,00	0,00	81.926.193,29	62.599.436,38	4.351.524,73	0,00	0,00	66.950.961,11	14.975.232,18	15.679.693,60
II. **FIXED ASSETS**												
1. Land, similar rights and buildings, including buildings on third-party land	1.725.189,72	421.310,40	379.830,18	0,00	2.526.330,30	1.390.211,72	75.014,58	0,00	0,00	1.465.226,30	1.061.104,00	334.978,00
2. Technical equipment and machinery	18.718.258,17	2.848.889,25	-2.090.707,79	0,00	19.476.439,63	16.397.237,47	271.784,16	0,00	0,00	16.669.021,63	2.807.418,00	2.321.020,70
3. Other equipment, operating and office equipment	8.543.457,55	261.512,94	0,00	366.053,31	8.438.917,18	7.578.175,55	446.013,94	365.684,31	0,00	7.658.505,18	780.412,00	965.282,00
4. Advance payments and assets under construction	0,00	1.937.328,04	1.710.877,61	0,00	3.648.205,65	0,00	0,00	0,00	0,00	0,00	3.648.205,65	0,00
	28.986.905,44	5.469.040,63	0,00	366.053,31	34.089.892,76	25.365.624,74	792.812,68	365.684,31	0,00	25.792.753,11	8.297.139,65	3.621.280,70
III. **FINANCIAL ASSETS**												
1. Shares held in affiliated companies	29.049.395,12	0,00	0,00	0,00	29.049.395,12	884.000,00	7.075.911,05	0,00	0,00	7.959.911,05	21.089.484,07	28.165.395,12
2. Loans to affiliated companies	3.593.271,82	3.924.760,31	0,00	0,00	7.518.032,13	0,00	0,00	0,00	0,00	0,00	7.518.032,13	3.593.271,82
2. Participations	36.164.880,40	5.859.669,88	0,00	11.699.377,86	30.325.172,42	24.245.265,11	375.000,00	0,00	0,00	24.620.265,11	5.704.907,31	11.919.615,29
3. other Loans	2.036.480,45	991.389,41	0,00	0,00	3.027.869,86	0,00	0,00	0,00	0,00	0,00	3.027.869,86	2.036.480,45
	70.844.027,79	10.775.819,60	0,00	11.699.377,86	69.920.469,53	25.129.265,11	7.450.911,05	0,00	0,00	32.580.176,16	37.340.293,37	45.714.762,68
	178.110.063,21	19.891.923,54	0,00	12.065.431,17	185.936.555,58	113.094.326,23	12.595.248,46	365.684,31	0,00	125.323.890,38	60.612.665,20	65.015.736,98

Summarized Management report

We have summarized the Group management report in accordance with Section 315 (5) German Commercial Code (HGB) in conjunction with Section 298 (2) German Commercial Code (HGB). The management report is, therefore, referred to as the summarized management report. The non-audited components comprise the combined Corporate Governance statement including further reporting on Corporate Governance, the sustainability report, which contains the non-financial Group reporting according to Section 315b (3) German Commercial Code (HGB), and non-management report components, as well as references to these contents, which are marked as unaudited. Unless otherwise stated, the following information applies to both the Group and Manz AG. Information relating only to the AG is marked as such. This can be found in the section entitled "Manz AG (HGB)".

Basic Group information

Business Model

Founded in 1987, Manz AG, the parent company of the Manz Group, is a listed German corporation based in Reutlingen. As a global high-tech mechanical engineering company, we develop innovative production solutions for lithium-ion batteries and electronic components and devices for our customers. Our product portfolio spans the entire range of modern production systems: from customized individual machines for laboratory production or pilot and small series production, to standardized modules and systems and turnkey lines for efficient mass production. We focus on national and international customers from the sectors of automotive & electromobility, battery manufacturing, electronics, and energy.

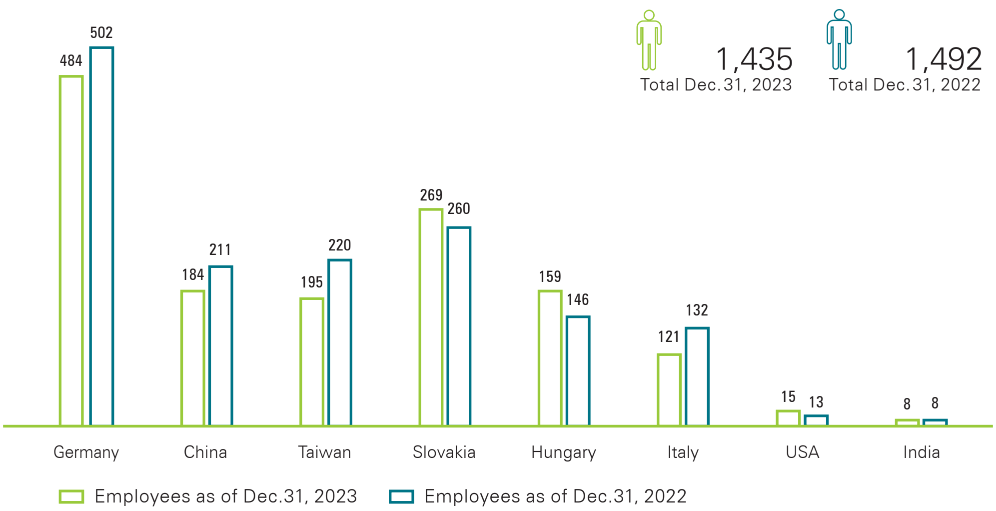
We divide our operating activities into the two segments Mobility & Battery Solutions and Industry Solutions. For further information, please refer to the sections "Group structure" and "Reporting segments".

Our many years of expertise and know-how pertaining to automation, laser processing, digital printing, inspection systems and wet chemistry form the basis of our product development. In addition to our production solutions, we offer our customers comprehensive services related to these core technological competencies: from simulation and factory planning through process and prototype development to customer training and after-sales service. We also act as a development partner for industrial companies and, as such, support the process until market maturity of new technologies.

Locations and Employees

As of December 31, 2023, the Manz Group maintained six production and development locations in Germany, Slovakia, Hungary, Italy, mainland China and Taiwan. Furthermore, there are two further sales and service locations in India and the USA. Sales are handled by a centrally organized team of international sales and service employees, some of whom are stationed directly at the sales, production, and development sites.

Employee Structure



At the end of the fiscal year, we employed a total of 1,435 people in the Group – a decrease of 3.8 % compared to the prior year. This slight decline is due, in particular, to the adjustment of our capacities to the declining market development at our Asian locations in China and Taiwan. 33.7 % of employees worked in Germany; 66.3 % were represented at the foreign locations. Further information on our employees can be found in the separate non-financial Group report beyond the scope of this management report. This is available for inspection on our website at **https://www.manz.com/en/company/sustainability/.**

LOCATIONS AND EMPLOYEES

36
Nations

Employees and managers from 36 different countries work in our Group's various subsidaries.

Around a third of employees work in research and development worldwide.

1,435
Employees

Locations

1 **Germany**
Reutlingen, Tübingen
Production, Sales & Service

2 **Hungary**
Debrecen
Production & Service

3 **Slovakia**
Nove Mesto nad Vahom
Production, Sales & Service

4 **Italy**
Sasso Marconi
Production, Sales & Service

5 **USA**
North Kingstown, Cupertino
Sales & Service

6 **Taiwan**
Chungli
Production, Sales & Service

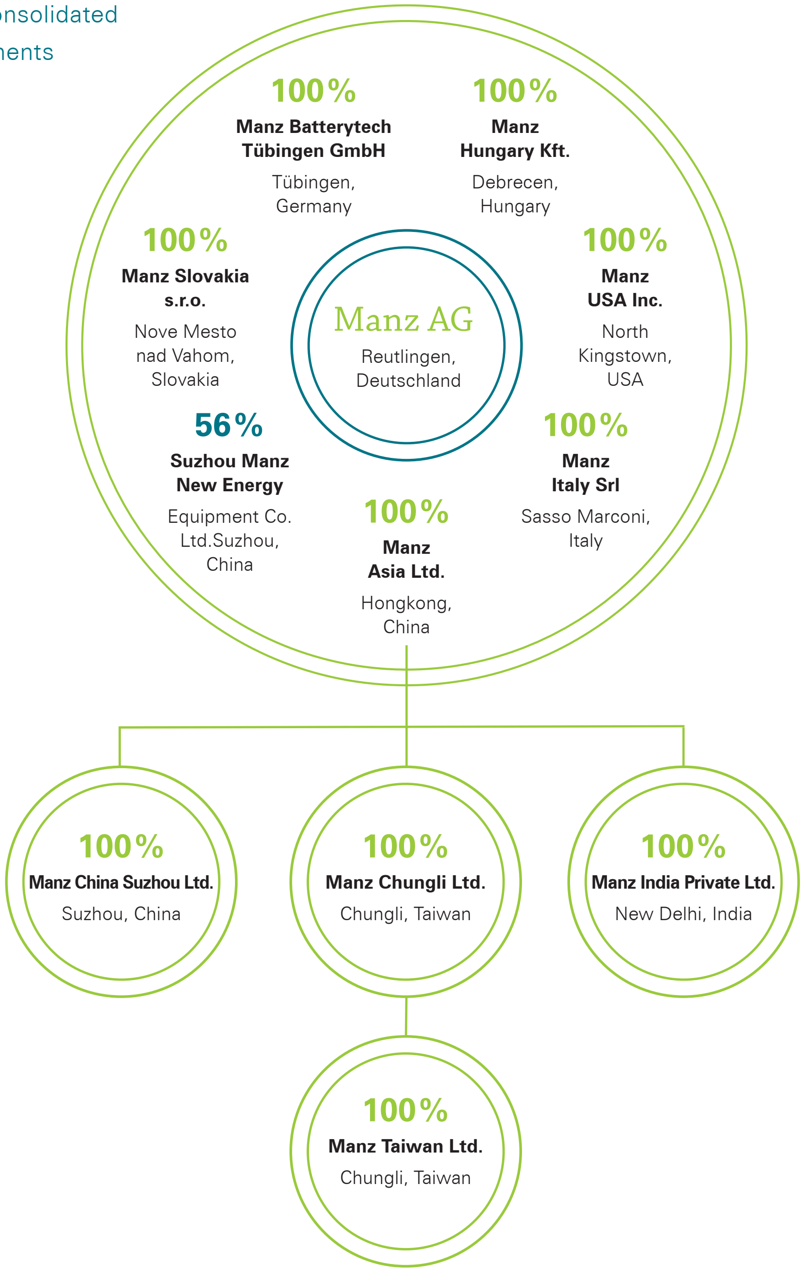
7 **China**
Shanghai, Suzhou, Hongkong
Production, Sales & Service

8 **India**
New Delhi
Sales & Service

Group Structure

Manz AG holds direct or indirect interests in 13 companies. Of these, 11 companies were fully consolidated in these consolidated financial statements. Two companies are included in the consolidated financial statements using the equity method. The following table provides an overview of the fully consolidated investments.

Fully consolidated investments



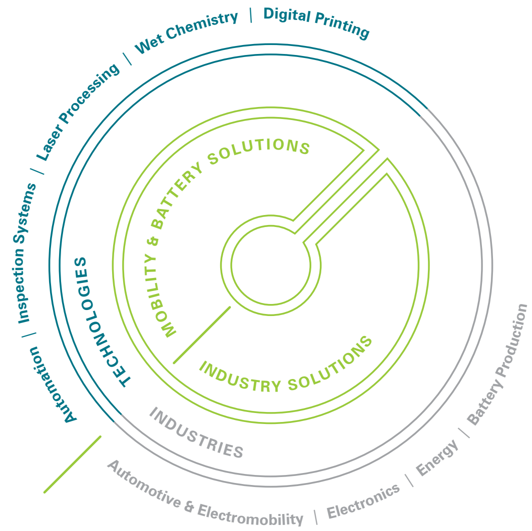
The Manz Group's holistic scope of consolidation is presented in the notes to the consolidated financial statements in the "Fundamentals of accounting" section.

Reporting Segments

The Manz Group's operating activities are divided into the two reporting segments Mobility & Battery Solutions and Industry Solutions. In the Mobility & Battery Solutions reporting segment, the focus is on intelligent production solutions for highly efficient lithium-ion batteries. In the past fiscal year, the company generated revenues of EUR 91.1 million in the Mobility & Battery Solutions segment (2022: EUR 92.3 million). This corresponds to a revenue share of around 36.6 % (2022: 36.8 %). The Industry Solutions reporting segment comprises industrial assembly solutions for the production of consumer electronics, power electronics and other components of the electric drive train, as well as for systems in semiconductor back-end production, display production and for the realization of the chip packaging process Fan-Out Panel Level Packaging (FOPLP). This segment generated revenues of EUR 158.0 million in the 2023 fiscal year (2022: EUR 158.6 million), which corresponds to 63.4 % (2022: 63.2 %) of total revenues.

The two segments are managed independently by the respective segment heads. They are responsible for the results and for the corresponding products and services, as well as the processes of sales, project management, commissioning and segment-specific research and development. Higher-level functions – such as Corporate Engineering, Strategic Purchasing, Finance and Marketing – are handled by central service units at the company headquarters in Reutlingen. Segment management and operating performance in the segments are monitored directly by the Managing Board of Manz AG. In addition to direct, personal contact with the segment heads, regular reports and management meetings serve this purpose.

Overview of segments, industries and technologies



Information on the development of the segments in the 2023 fiscal year can be found in the "Segment reporting" section of this combined management report.

Procurement and Sales Markets

The Manz Group operates on an international scale with its two reporting segments and markets its production solutions and associated services to numerous customers. It maintains a particular focus on production companies from the automotive & electromobility, battery manufacturing, electronics, and energy sectors. There is no dependence on individual sectors. When reviewing the 20 largest customers, customers from the automotive industry accounted for approximately 37 % of revenues in the 2023 fiscal year, while customers from the electronics industry accounted for just under 22 %. The remaining share was made up of revenues by customers in the solar industry, consumer electronics and contract manufacturing.

The market for innovative production solutions for lithium-ion batteries and electronic components and devices is characterized by a fragmented and highly competitive environment with significant global competitive pressure. While the primary competitors in the Mobility & Battery Solutions segment come from Asia, Manz competes with numerous German and European providers in the Industry Solutions segment with its product portfolio for assembly lines for the manufacture of electronic components and devices.

We work with a network of roughly 1,800 suppliers to procure all the necessary materials and system components. We also rely on external service providers to provide services in areas such as control technology, logistics and design. Our customers benefit, in particular, from our international purchasing organization and the cost-optimized procurement of required parts – including in Eastern Europe and Asia.

The situation characterizing the procurement and sales markets is subject to a variety of external factors that can present opportunities and risks. Information on this can be found in the “Opportunity and risk report” section of this combined management report.

Strategy and Goals

As a company, Manz pursues a clear goal: we want to grow profitably by using cutting-edge technologies, partnering with industry leaders, and realizing economies of scale through modular production systems, thereby making a sustainable contribution to the technological world of tomorrow.

In order to achieve this goal, we have identified (and defined) four strategic cornerstones that apply without restriction to both of our reporting segments. We always keep in mind that economic, technological, and legal conditions are in a state of constant change. For this reason, we perform a comprehensive, continuous review of our key assumptions and also discuss them at strategy meetings held twice a year.

The first strategic cornerstone of our sustainable growth strategy is the continuous development of the Manz Group into one of the leading providers of first-class production solutions for lithium-ion batteries, as well as electronic components and devices, combined with the strengthening of the market and competitive position we have achieved to date. Our employees use their unrivaled expertise to work on innovative solutions to offer our customers a clear competitive advantage. The key focus here is on process and resource efficiency, characterized by higher throughput and a shorter time to market. We address various growth industries that benefit greatly from the megatrends of electrification and digitalization. This enables us to create synergies and consistently exploit market opportunities as they become apparent. Our approach is based on our own proprietary developments, as well as strategic collaboration efforts and the concept of partnership-based growth with industry-leading companies. By combining our respective strengths, we can also offer solutions for the entire value chain through targeted cooperation. At the same time, Manz AG – as a development partner – focuses on developing long-term customer relationships, in order to participate in the growth opportunities of the respective industries in partnership with its customers.

The continuous expansion of modular machine concepts with the aim of increasing our competitiveness and profitability represents the second strategic cornerstone of our corporate strategy. We aim to achieve this by focusing on the development and construction of standardized functional assemblies – including mechanical, electrical and software components and their reuse across product groups and business units. Thanks to this standardization approach, we are able to use our smartPRODUCTIONKIT to make the data generated by the machines available to the user or to analyze it specifically, in some cases also using AI methods. This means that parts and workpiece carriers produced by us can be fully and seamlessly traced throughout the entire production process using self-defined attributes and properties, such as QR or RFID codes. Data is analyzed both in real time and retrospectively to enable Industrial Internet of Things (IIoT) applications such as predictive maintenance.

The third strategic cornerstone for our future profitable growth is the industry's digital transformation. Using new methods, such as digital twins, a new generation of fully automated production lines is to be developed. In this context, the use of artificial intelligence (AI) enables an innovative type of machine control and production control, with the goal of self-optimizing manufacturing.

Finally, with our fourth strategic cornerstone, we are also focusing on external growth opportunities. In order to continuously develop new future technologies and growth areas, we are pursuing a targeted M&A strategy that includes both majority and minority shareholdings in companies and technologies worldwide. In particular, we are focusing on technologies that offer an additional source of impetus for technology, product and market development in the two areas of electrification and digitalization and thus for our further growth.

Control

The Manz Group uses selected performance indicators to manage the company, which cover the key aspects of our corporate strategy. We compare the monthly, quarterly and annual changes in the key performance indicators with the previous year's and target figures as part of our reporting efforts.

The most important financial performance indicators – both at Group and segment level and at Manz AG – include revenue, incoming orders, the EBITDA margin (defined as the ratio of earnings before interest, taxes, depreciation, and amortization to total operating performance) and the EBIT margin (defined as the ratio of earnings before interest and taxes (EBIT) to total operating performance). The equity ratio (defined as the ratio of equity to total assets) is also included at Group and Manz AG level.

Manz revised the performance indicators in the 2023 fiscal year. New compared to the previous year is incoming orders, as this is an essential indicator for the planned revenues and earnings growth for corporate management. Gearing, on the other hand, which was defined as a target value in the lower double-digit percentage range, has been dropped. This is a capital adequacy indicator that reflects the ratio of net financial debt to equity. Gearing now only plays a secondary role for internal controlling purposes; the focus is increasingly on cash and cash equivalents. With regard to liquidity, please refer to the "Liquidity and financing risks, including going concern risks" subsection in the "Risk report" section. Due to the existing risks to the company's continued existence, Manz AG and the Manz Group's subsidiaries work with extended rolling liquidity planning compared to the 2022 financial year in order to promptly identify the risks from delayed or non-payments and other significant liquidity-related issues.

The following long-term (five-year), rolling strategic targets have been defined for the financial performance indicators that the company's management body considers to be the most important for future successful development:

- Average annual revenue growth within a range of 15 % to 20 %
- Average annual growth in incoming orders within a range of 15 % to 20 %
- EBIT margin of at least 10 %
- EBITDA margin of at least 15 %
- Equity ratio within a range of 40 % and 60 %

The medium-term (two to four years) target values for annual revenue growth are within a range of 30 to 50 % when looking at the segments. This primarily reflects the significant increase in investment of our customers in the expansion of production capacities for electric drivetrain components – such as lithium-ion batteries – expected for this period. This is expected to result in a significant increase in incoming orders and, consequently, in revenues. The Managing Board believes that the cooperation with Dürr and GROB, in particular, offers excellent growth opportunities for the company in this respect.

Performance Indicators Manz Group

	2023	2022*	2021
Revenue (in EUR million)	249.2	251.0	227.1
Incoming orders (in EUR million)	195.7	359.7	301.5
EBITDA margin (in %)	5.5	2.8	–2.3
EBIT margin (in %)	1.1	–1.5	–16.8
Equity ratio (in %)	35.8	30.5	30.9
Gearing (in %)	–	10.5	15.0

Performance Indicators: Mobility & Battery Solutions Segment

	2023	2022*	2021
Revenue (in EUR million)	91.1	92.3	82.0
Incoming orders (in EUR million)	65.2	115.0	153.3
EBITDA margin (in %)	4.1	–6.1	6.6
EBIT margin (in %)	–0.5	–10.5	2.4

Performance Indicators: Industry Solutions Segment

	2023	2022*	2021
Revenue (in EUR million)	158.0	158.6	145.1
Incoming orders (in EUR million)	130.4	244.7	148.2
EBITDA margin (in %)	6.4	9.3	–8.1
EBIT margin (in %)	2.2	5.1	–29.1

*Adjustment of previous year's items: Guarantee commissions are now reported under financial expenses instead of other operating expenses. EBITDA Margin and EBIT Margin for the previous year adjusted accordingly.

Performance Indicators: Manz AG (HGB)

	2023	2022	2021
Revenue (in EUR million)	164.1	308.7	178.3
Incoming orders (in EUR million)	106.9	215.2	228.9
EBITDA margin (in %)	11.2	–12.4	–0.9
EBIT margin (in %)	8.3	–15.3	–4.4
Equity ratio (in %)	26.1	16.1	15.7

The development of the financial performance indicators in the reporting year is analyzed in the "Economic report" section of this combined management report. In addition to the financial performance indicators, we also consider a wide range of non-financial targets, which we report on in the separate non-financial Group report outside of this management report. This is available on our website at **https://www.manz.com/en/company/sustainability/.**

Research and Development

Research and development also played an important role in fiscal year 2023 for Manz as a high-tech equipment manufacturer. With over 600 engineers, technicians and scientists at its various development sites, the Manz Group focuses on the development of manufacturing, assembly, and handling technologies, integrated into modularized individual machines, tools and linked system solutions.

The regular "R&D Council" ensures that development activities are coordinated and that their results can be used throughout the company.

Manz maintains numerous cooperative arrangements with research institutions, universities, and colleges. For example, representatives of the company are active as board members in the "Competence Network Lithium-Ion Batteries" (KLiB) or as advisory board members of the "Batteries European Partnership Association" (BEPA). The goal in each case is to create the conditions within the European Union for the development of European battery production.

The development of new technologies and processes that support the production of battery cells and modules – which go far beyond current technological standards and which will enable major improvements in terms of performance, safety and environmental protection – was also a focus of R&D in 2023. This project is supported by the EuBatIn (European Battery Innovation) project funded by the Federal Ministry of Economics and Climate Protection of the Federal Republic of Germany (BMWK). EuBatIn is a European consortium funding project (Important Project of Common European Interest "IPCEI") of the EU Commission, which was launched in 2021 and was conceived to run for 7 years. The two Manz locations in Germany and Italy are involved in the project.

In this context, an innovative laser technology for welding cell arresters – known as laser tab welding – was developed and implemented in 2023 in first prototype systems. The process offers measurable advantages when compared to the ultrasonic welding used to date, such as increased process stability and, therefore, enhanced system availability, as well as maximum flexibility in cell design without the need to change tools. When compared to ultrasonic welding, laser welding is also wear-free and, therefore, virtually maintenance-free. A patent application has been filed for this process. This has already been granted in Germany and is still being allocated in the rest of Europe and the USA.

Another primary focus was on the realization of a new generation of machines for electrolyte filling of lithium-ion battery cells. The aim was to develop an efficient and scalable concept and the possibility of transferring the process parameters from small series to mass production. Reducing the reject rate and the associated operating costs was just as important as increasing the efficiency of the cell through homogeneous electrolyte distribution. A patent application has also been filed for this process, but an allocation is still pending.

Furthermore, the generation of further use cases for artificial intelligence (AI) in 2023 was a key component of the Manz Group's research and development activities, which are to be expanded successively going forward. The use of AI forms a digital bracket around almost all of the Manz Group's process and automation projects. The focus here is on the recognition and machine learning of patterns and rules from production data, which are used for quality control by means of image analysis and the identification of quality anomalies, among other things. However, Manz customers also benefit from continuous process optimization through the identification of critical conditions and the resulting adjustment of process parameters, improved equipment maintenance thanks to an optimized maintenance plan or predictive maintenance and the optimized use of resources with regard to energy efficiency, scheduling and optimized warehousing.

In total, the Manz Group recorded a ratio for research and capitalized development costs of 9.3 % (previous year: 11.7 %) in the reporting year. The decline – despite a lower overall output – is due to increased development costs in some of Manz AG's customer projects and thus less development capacity in the IPCEI project. The capitalization ratio, i.e. the share of capitalized development costs in total R&D expenses, remained at the previous year's level of 78.4 % (previous year: 79.3 %). For the reasons described above, R&D investments amounting to EUR 24.9 million are considerably below the previous year's level of EUR 33.0 million. Subsidies received have already been taken into account here in each case.

For the reasons already described Manz AG's research and development ratio in the annual financial statements also fell from 10.0 % in the previous year to 7.2 % in 2023. The capitalization rate here amounted to 95.4 % in 2023 compared to 89.8 % in the previous year. Investments in R&D amounted to EUR 12.4 million in Manz AG's annual financial statements for 2023 (previous year: EUR 17.6 million).

In the 2023 fiscal year, the Manz Group's research and development costs recognized as expenses amounted to EUR 9.4 million (previous year: EUR 11.6 million). At Manz AG, this amounted to EUR 4.5 million in the individual financial statements when compared to EUR 2.0 million in the previous year.

The Manz Group will also place significant emphasis on R&D in the future. In order to consolidate its technological positioning in the relevant target markets and its innovative strength in a sustainable way and over the long term, Manz AG aims to achieve an annual R&D ratio of 6 % on average in its two segments. Including Manz AG's equity ratio in the development costs within the framework of the IPCEI project, in the coming years this figure will average around 10 %.

Separate Non-Financial Group Report

The sustainability report published separately outside the combined management report contains the non-financial group statement and also fulfills the requirements of Sections 315c et seq. HGB with regard to non-financial reporting. In preparing this report, we are guided by the recommendations of the German Sustainability Code (DNK) and the standards of the Global Reporting Initiative (GRI). The separate sustainability report can be found on our website at **https://www.manz.com/en/company/sustainability/** and is published together with the summarized management report in the company register.

Business Report

Macroeconomic Environment and Sector-Specific Conditions

Economic market environment

Although the global economy performed better than expected in 2023 despite the shock of rampant inflation and the significantly tighter monetary policy, economic expansion was moderate overall. Against the backdrop of a significant decline in inflation that has since followed, the Kiel Institute for the World Economy (IfW Kiel) expects interest rates to fall as early as the first half of 2024. However, there are currently no signs of an economic upturn, as a high level of uncertainty regarding the economic environment in the advanced economies is having a dampening effect, and fiscal policy stimuli are disappearing. On balance, IfW experts forecast in December 2023 that the global economy would grow by 3.1 % in full year 2023. The comparable figure for the previous year was 3.3 %. According to the IfW, economic output in the USA increased by 2.4 % in 2023 compared with 2022 (previous year: 1.9 %). According to the IfW, gross domestic product in China could grow by 5.4 % in 2023 (previous year: 3.0 %). Economic output in the European Union is expected to increase by 0.5 % in 2023 (previous year: 3.5 %). The overall economic situation in Germany in 2023 was also characterized by persistently high prices at all levels of the economy, which had a negative effect on the economy. This was compounded by unfavorable financing conditions due to rising interest rates and lower demand from Germany and abroad. According to the Federal Statistical Office, price-adjusted gross domestic product (GDP) in 2023 was 0.3 % lower than in the previous year, in which overall economic output had grown by 1.8 %. GDP in 2023 was, therefore, 0.7 % higher than in 2019, the year before the start of the Covid-19 pandemic.

Engineering industry

The continuing slump in the global economy is also increasingly leaving its mark on the mechanical and plant engineering sector. According to the VDMA, production ran comparatively well in the first ten months of 2023 thanks to high order backlogs and fewer bottlenecks in the supply chains, achieving a real increase of 0.9 % up to and including October. After the first two quarters contributed to growth, machine production in the third quarter fell short of the previous year's level by 1.6 %. According to preliminary calculations by the Federal Statistical Office, production in the machinery and equipment manufacturing industry in Germany fell by 0.6 % in real terms in 2023 compared to the previous year (previous year: +1.0 %). At the end of the year, nominal production reached an estimated EUR 254 billion (previous year: EUR 237 billion). Incoming orders in the mechanical and plant engineering sector have lagged behind the previous year month by month since the start of 2023 – by a total of 12 % in full year 2023 compared to the same period of the previous year, which has also caused order backlogs to fall.

Core segment sectors

Mobility & Battery Solutions

The automotive industry's shift towards electromobility is truly omnipresent, and has continued despite disruptions in supply chains, economic and geopolitical uncertainties and high raw material and energy prices. The exponential rate of market growth is underpinned by the following figures from the International Energy Agency (IEA), among others: within just five years from 2017 to 2022, the number of electric cars sold worldwide (Battery Electric Vehicles (BEVs) and Plug-in Hybrid Electric Vehicles (PHEVs)) has risen from 1 million to more than 10 million. Before that, it also took five years from 2012 to 2017 for the number of electric cars sold to grow from 100,000 to 1 million. According to market analysts from EV-volumes.com, approximately 9.94 million pure electric vehicles will be sold worldwide in 2023, which corresponds to an increase of around 30 % compared to 2022. EV Volumes puts the battery capacity required for this at around 640 gigawatt hours. Purely electric vehicles currently account for around 11.2 % of total car production worldwide.

According to the German Association of the Automotive Industry (VDA), the total number of passenger cars produced in Germany in 2023 was 4.1 million vehicles – a number that is 18 % higher than in 2022. Despite this growth, production volume remains at a comparatively low level: the production figures from 2019, the year before the Covid-19 pandemic, were significantly undercut by a solid 12 % in 2023.

According to the German Federal Motor Transport Authority (KBA), new car registrations in Germany rose by 7.3 % year-on-year to around 2.84 million in 2023. Around 524,000 all-electric cars (BEVs) were newly registered over the course of the year (+11.4 % compared to the previous year), resulting in a BEV share of around 18 % of all new registrations.

Electromobility is the biggest growth driver for the demand for lithium and sodium-ion batteries in the coming years. Currently, Europe is still dependent on importing batteries from Asia. According to a recent study by Fraunhofer ISI, demand for batteries in Europe amounts almost 200 GWh in 2023, exceeding cell production by around 200 %. Over the next few years, demand for lithium-ion batteries will increasingly be met regionally in Europe, which will require the construction of numerous battery plants. According to the Fraunhofer study, up to 4,000 GWh of production capacity could be built in Europe by 2030. According to a study by market analysts at Interact Analysis, the market for production systems in the field of battery cell assembly grew by around 34 % to around USD 5.4 billion in 2023 (previous year: +78 %).

Industry Solutions

With its high-tech production equipment, Manz covers in the Industry Solutions reporting segment all key steps in the automated production of consumer electronics, power electronics and other components of the electric power train – including inverters. The latter are a central component of electric cars and plug-in hybrids. The inverter regulates and monitors the electric motor and ensures that the torque supply and speed control of the electric drivetrain meet the prevailing requirements. The inverter also converts the DC voltage from the battery into the AC voltage required by the electric motor. According to estimates by Manz based on market analysts from IHS Markit, European and North American automotive manufacturers (OEMs) will produce a total of around 17 million inverters in 2023 (+50 % compared to the previous year)..

Furthermore, Manz develops machines and systems in the fields of wet chemistry, automation and laser process technology to serve highly efficient production processes used in the manufacture of TFT-LCDs and OLEDs. According to market analysts at DSCC, global production capacities for LCD and OLED displays fell by –1 % in 2023 compared to the previous year, primarily due to plant closures and downsizing.

In addition thereto, Manz offers wet-chemical process technology for the production of printed circuit boards and chip carriers, for example, for exposure or surface treatment. The focus is on so-called IC substrates, which allow microprocessors to be packaged in a very small space. Such packages are used in high-performance computers, for example, and other fields of application include smartphones, cars and industry. According to market analysts at Prismark, the market for these substrates will slump by more than a quarter to around USD 12.8 billion in 2023 (previous year: USD 17.4 billion) due to weak demand, high levels of inventory and falling prices.

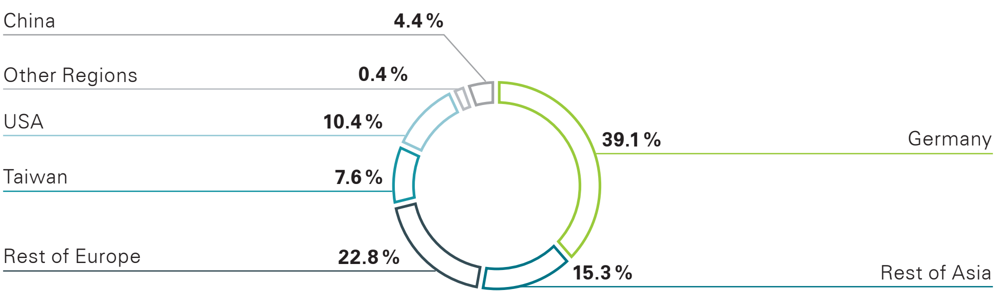
In the field of semiconductor manufacturing, the chip packaging process Fan-Out Panel Level Packaging (FOPLP) also plays an important role due to miniaturization in the electronics industry. For the realization of the FOPLP along with the simultaneous coating of the microchips with an additional metal layer (redistribution layer) to optimize the performance parameters, Manz is one of the few providers of turnkey production lines. According to the Yole Group, the market for FOPLP grew to USD 122 million in 2023 (+61 % compared to 2022).

Analysis of the Net Assets, Financial Position and Results of Operations of the Group

Earnings positions

Based on consolidated revenues of EUR 251.0 million in the 2022 fiscal year, the Managing Board of Manz AG forecast an increase in revenues in the low double-digit percentage range and EBIT margin in the low positive single-digit percentage range for 2023. In view of the deteriorating global economic outlook and due to project delays and cancellations, incoming orders in the 2023 fiscal year totaled EUR 195.7 million, which was well below expectations of around EUR 400 million and well below the previous year's figure of EUR 359.7 million. This and additional delays in project progress meant that the aforementioned revenue forecast could not be met. The Managing Board therefore adjusted these forecasts in an ad hoc announcement on January 26, 2024, and now expects consolidated revenues for the fiscal year to be roughly on a par with the previous year, with an unchanged EBIT margin forecast in the low single-digit percentage range. With revenues for the 2023 fiscal year of EUR 249.2 million (previous year: EUR 251.0 million), the adjusted revenue forecast was achieved, while the originally forecast increase in the low double-digit percentage range was clearly missed. In terms of EBIT, the original forecast of a margin in the low single-digit percentage range was achieved at 1.1 % (previous year: –1.5 %). However, the liquidity situation and order backlog have deteriorated considerably. The breakdown of revenues in 2023 by delivery region is shown in the following chart.

Revenue Distribution by Region January 1 to December 31, 2023



Changes in inventories of finished goods and work in progress amounted to EUR –0.6 million (previous year: EUR 4.7 million). At EUR 19.5 million, own work capitalized was significantly below the previous year's figure (previous year: EUR 26.2 million) due to intensified development activities as part of major customer projects and the significant reduction in the commissioning of external service providers as part of the EuBatIn (European Battery Innovation) funding project. This resulted in a reduced total operating performance of EUR 268.1 million (previous year: EUR 281.1 million).

At EUR 11.9 million, other operating income was down on the previous year's figure of EUR 16.2 million. The previous year's figure primarily included exchange rate gains of EUR 9.9 million, which were attributable to positive currency effects in connection with the Taiwan dollar and the US dollar, as well as unrealized gains from open currency derivatives. At EUR 1.4 million, capital gains were significantly lower in the current fiscal year. Furthermore, other operating income was largely determined by income of EUR 5.7 million that arose as part of a share swap with subsequent sale of the investment concerned in the Mobility & Battery Solutions division. The 40 % stake in the associated company Customcells Tübingen GmbH was exchanged for a 4.97 % stake in Customcells Holding GmbH. The investment in Customcells Holding GmbH was finally sold for EUR 11.5 million in October 2023 as part of the exercise of a corresponding put option. Also included are subsidies amounting to EUR 2.0 million (previous year: EUR 1.7 million), income from the reversal of provisions of EUR 0.9 million (previous year: EUR 2.0 million) and leasing and rental income of EUR 0.8 million (previous year: EUR 0.7 million). Total other operating income amounted to EUR 1.1 million (previous year: EUR 1.8 million).

The cost of materials in the 2023 fiscal year amounted to EUR 146.0 million (previous year: EUR 166.8 million), while the cost of materials ratio (ratio of cost of materials to total operating performance) fell to 54.5 % (previous year: 59.2 %). The reduction in the cost of materials ratio compared to the previous year is due a one-time special effect, whereby revenues of EUR 13.6 million in the 2023 fiscal year are not offset by any cost of materials due to a customer terminating a contract. Adjusted for this effect, the cost of materials ratio is 57.4 % and, therefore, significantly closer to the previous year's figure. The cost of materials does not include any significant inflationary effects. At EUR 84.8 million, personnel expenses were higher than the previous year's figure of EUR 80.7 million, mainly due to salary increases and the higher average number of employees over the year; the personnel expenses ratio (ratio of personnel expenses to total operating performance) increased to 31.6 % (previous year: 28.6 %) due to the lower total operating performance and higher personnel expenses.

Other operating expenses amounted to EUR 33.5 million (previous year: EUR 41.2 million), whereby the previous year's figure was adjusted due to a change in the reporting of guarantee commissions. From now on, guarantee commissions will be reported in the financial result instead of in other operating expenses. The decrease of EUR 7.7 million is mainly due to the reduction in outgoing freight costs totaling EUR 1.5 million (previous year: EUR 3.7 million), legal and consulting costs of EUR 3.5 million (previous year: EUR 4.6 million), research-related other operating expenses of EUR 1.1 million (previous year: EUR 2.2 million), exchange rate losses of EUR 1.6 million (previous year: EUR 4.0 million) and other operating expenses of EUR 3.6 million (previous year: EUR 5.4 million). The guarantee commission of EUR 1.5 million (previous year: EUR 1.8 million) previously reported under other operating expenses was reclassified to financial expenses in accordance have been reported under financial expenses since the financial year for better presentation. The previous year was adjusted accordingly.

The share in the result of associated companies burdened the 2023 result by EUR −1.1 million (previous year: EUR −1.3 million). The figure includes the negative earnings contributions of CADIS Engineering GmbH, Q.big 3D GmbH and Customcells Tübingen GmbH until the exchange of shares for those shares in Customcells Holding GmbH.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) amounted to EUR 14.6 million, up on the previous year's figure of EUR 8.0 million. In particular, this includes a positive revenue and earnings effect of EUR 13.6 million resulting from the termination of a contract with a customer and the effect of the aforementioned share swap and the sale of the shares in the course of the triggered put option amounting to EUR 5.7 million. The guarantee commission of EUR 1.5 million (previous year: EUR 1.8 million) reclassified to financial expenses is no longer included in EBITDA. However, this reclassification was also performed for the previous year and, therefore, has no effect on the previous year's comparison. At 5.5 %, the EBITDA margin was higher than the adjusted previous year's figure of 2.8 % due to the special effects affecting earnings described above and was in line with the forecast in the mid-positive single-digit percentage range.

At EUR 11.8 million, depreciation and amortization were slightly below the previous year's figure of EUR 12.2 million. Earnings before interest and taxes (EBIT) amounted to EUR 2.9 million (previous year: EUR –4.2 million) and were in line with the forecast of a low positive single-digit EBIT margin at 1.1 % (previous year: –1.5 %), taking into account the above-mentioned effects in EBITDA.

Financial income amounted to EUR 0.3 million in 2023 (previous year: EUR 0.1 million), while financial expenses amounted to EUR 4.6 million, up on the previous year's level of EUR 3.6 million. This is due to the year-on-year increase in financial liabilities and higher interest rates. Earnings before taxes (EBT) amounted to EUR 1.4 million (previous year: EUR –7.7 million). After deduction of income taxes of EUR 1.0 million (previous year: EUR 4.5 million), the consolidated result was EUR –2.4 million (previous year: EUR –12.1 million). The significant increase in EBT and consolidated earnings is also due to the one-off effects described above. Based on a weighted average of 8,541,621 shares, this resulted in basic earnings per share of EUR –0.28 (previous year: basic earnings per share of EUR –1.42 based on 8,082,499 shares).

Asset position of the Group

Total assets as of December 31, 2023 decreased from EUR 335.4 million to EUR 278.6 million compared to the previous year's reporting date whereby the previous year's figure was adjusted. This is due to the netting of advance payments on inventories and the associated trade payables in the amount of EUR 9.5 million.

On the assets side, non-current assets of EUR 99.9 million as of December 31, 2023 were slightly below the level on the balance sheet date of the 2022 fiscal year with EUR 105.2 million. Intangible assets fell to EUR 40.7 million (previous year: EUR 43.9 million). This is due to funding received as part of the IPCEI project which were recognized as a reduction in acquisition costs. Property, plant and equipment increased from EUR 44.3 million as of December 31, 2022 to EUR 46.6 million as of December 31, 2023 due to the installation of a drying room. Investments accounted for using the equity method decreased from EUR 7.6 million as of

December 31, 2022 to EUR 1.9 million as of December 31, 2023. The reason for this decline is the exchange of the 40 % stake in Customcells Tübingen GmbH for 4.97 % of Customcells Holding GmbH for EUR 5.7 million and the subsequent sale of the shares in the course of the triggered put option in the amount of EUR 11.5 million.

At EUR 178.7 million as of December 31, 2023, current assets were significantly lower than the figure of EUR 230.2 million on the balance sheet date of the 2022 fiscal year. Inventories fell to EUR 33.8 million (previous year: EUR 46.8 million) due to the lower order intake and order backlog and, therefore, fewer projects in progress. Trade receivables decreased as at the reporting date from EUR 47.6 million as of December 31, 2022 to EUR 42.0 million as of December 31, 2023. In addition, due to the lower number of projects in progress – especially at Manz AG in Reutlingen – a lower value for contract assets of EUR 52.9 million was reported as at the reporting date compared to the previous year (previous year: EUR 73.7 million). Other current assets decreased by EUR 7.5 million compared to the previous year, from EUR 26.6 million to EUR 19.1 million. The key reasons for this were lower receivables in connection with IPCEI subsidies from Manz AG and Manz Italy Srl. As of December 31, 2023, restricted cash in the amount of EUR 5.6 million (previous year: EUR 6.8 million) was reported under other current assets. Restricted cash are funds that are deposited with banks as collateral for credit lines in individual cases.

Cash and cash equivalents amounted to EUR 30.2 million as of December 31, 2023 (previous year: EUR 33.6 million) and include the disbursement of a new bank loan to Manz Italy Srl. for EUR 10.0 million. The contract for this was concluded in December 2023.

On the liabilities side, equity amounted to EUR 99.7 million, roughly on a par with the previous year’s level of EUR 102.3 million. The equity ratio was 35.8 % as of December 31, 2023 (previous year: 30.5 %) and was therefore above the forecast equity ratio of around 30 %, which was largely due to lower current liabilities as a result of the decline in orders.

Non-current liabilities were EUR 34.1 million as of December 31, 2023 (previous year: EUR 29.1 million). The change is due to the increase in non-current financial liabilities to EUR 15.6 million (December 31, 2022: EUR 6.7 million) and the decrease in non-current financial liabilities from leases to EUR 7.4 million (previous year: EUR 9.9 million). The new, earmarked bank loan of Manz Italy Srl. for EUR 10.0 million is reflected in the non-current financial liabilities, while the decrease in lease liabilities is primarily due to the ongoing lease payments. Current liabilities fell significantly to EUR 144.9 million as of December 31, 2023 (previous year: EUR 204.0 million). This is due to the decrease in trade payables of EUR 44.0 million (previous year: EUR 64.2 million) as a result of the declining order situation and the significant decrease in contract liabilities of EUR 22.6 million (previous year: EUR 74.2 million) for the same reason. In addition, advance payments made to third parties up to and including the 2022 fiscal year were reported without offsetting against liabilities from outstanding supplier invoices, which belong to the trade payables item. From the 2023 calendar year, advance payments on inventories and the associated trade payables will be offset in accordance with the offsetting criteria of IAS 32. This change has also been taken into account retrospectively for the previous year. The increase in current financial liabilities to

EUR 50.5 million (previous year: EUR 37.5 million), which was caused by the higher utilization of credit lines with banks, had the opposite effect.

Due to the significantly higher net debt with roughly the same equity, gearing, which was still the most important performance indicator in the previous year, was significantly higher at 36.0 % as of December 31, 2023 compared to 10.5 % as of December 31, 2022. The figure in the lower double-digit percentage range forecast in the previous year was therefore not achieved.

Liquidity position of the Group

Manz AG’s financial management system is centrally organized. In this context, the company follows value-based financing principles in order to secure its liquidity at all times, limit financial risks and optimize the cost of capital. Further information on the management of the individual financial risks can be found in the notes to the consolidated financial statements under “Reporting on financial instruments”.

The Manz Group is currently financed through bank balances and cash credit lines, which are primarily taken out by the respective Manz company in Germany and abroad. The parent company Manz AG is currently financed by bank balances and a cash credit line of EUR 5.0 million (previous year: EUR 5.0 million) and loans of EUR 2.9 million (previous year: EUR 0.0 million). As of December 31, 2023, Manz AG had cash and cash equivalents of EUR 8.1 million (previous year: EUR 17.7 million) and unused cash and guarantee credit lines with banks of EUR 5.0 million (previous year: EUR 2.9 million). The subsidiaries in Taiwan, China, Italy and Slovakia are financed primarily through short-term overdraft facilities amounting to EUR 74.2 million (previous year: EUR 75.3 million), of which EUR 47.2 million (previous year: EUR 36.6 million) had been drawn down as at the reporting date. In the past, these credit lines were regularly extended annually at similar conditions and are currently up for renewal. In addition to the term, the main condition is the borrowing interest rate. For the European subsidiaries, the interest rates of the individual loans range between 4 % and 6.17 %. For the companies in Asia, the range is between 1.84 % and 6.02 %. In addition, there are a small number of long-term loans amounting to EUR 17.4 million (previous year: EUR 8.2 million), whereby the increase as at the reporting date is mainly due to the Italian subsidiary taking out a loan earmarked for the IPCEI project at the end of the 2023 financial year.

The starting point for the cash flow from operating activities is the improved consolidated net result of EUR –2.4 million (previous year: EUR –12.1 million). Due to the decrease in inventories, trade receivables, contract assets and other assets, caused by the decline in incoming orders in 2023 and the resulting decrease in projects in progress, Manz Group recorded a significant cash inflow of EUR 41.1. In the same period of the previous year, Manz Group recorded a cash outflow of 22.0 million euros. Due to the decline in incoming orders and the resulting lack of advance payments, Manz Group recorded a decrease in trade payables, contract liabilities and other liabilities. This resulted in a lower cash inflow compared to the previous year from reduced contract liabilities of EUR 51.7 million and cash outflows of EUR 20.2 million from a decline in trade payables.. In contrast, Manz Group recorded a cash inflow of EUR 17.0 million in the same period of the previous year. As a result of the effects described above, cash flow from operating activities decreased by roughly EUR 21.6 million year-on-year and amounted to EUR –23.9 million in total for fiscal year 2023.

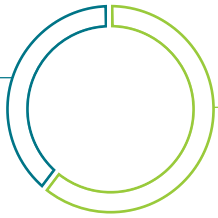
Cash flow from investment activities amounted to EUR 2.5 million in the 2023 reporting period (previous year: EUR–22.3 million). The cash inflow resulted from lower payments for development services and other intangible assets and property, plant and equipment in the amount of EUR 28.8 million (previous year: EUR 32.8 million) with a simultaneous increase in grants received of EUR 19.5 million (previous year: EUR 12.5 million). In addition to the two effects mentioned above, cash flow from investing activities increased due to the sale of the investment in Customcells Holding GmbH in 2023 and the associated cash inflow of EUR 11.5 million.

Cash flow from financing activities in the 2023 fiscal year amounted to EUR 18.4 million (previous year: EUR 22.4 million) and resulted primarily from raising of current and non-current financial liabilities totaling EUR 59.3 million (previous year: EUR 38.1 million) and slightly reduced repayments of current financial liabilities of EUR 36.5 million (previous year: EUR 42.1 million). The increase in current and non-current financial liabilities in 2023 is mainly due to the new bank loan taken out by Manz Italy Srl. and generally due to the EUR 18.6 million higher utilization of credit lines compared to the previous year. In the previous year, cash flow from financing activities also included proceeds from equity contributions (EUR 30.6 million). Taking exchange rate changes into account, the Manz Group, therefore, had cash and cash equivalents of EUR 30.2 million as of December 31, 2023 (previous year: EUR 33.6 million). Cash and cash equivalents decreased by EUR 3.6 million despite the payment of EUR 10 million from the newly concluded earmarked loan from Manz Italy Srl. The unused credit lines with banks amounted to EUR 16.4 million as of the balance sheet date of the 2023 fiscal year (previous year: EUR 22.5 million).

Segment Reporting

The following charts show revenues, incoming orders, and the order backlog by segment.

Revenues by Business Segment January 1 to December 31, 2023



Order Intake

(in EUR million)	2023	2022	Change in %
Mobility & Battery Solutions	65.2	115.0	−43.3
Industry Solutions	130.4	244.7	−46.7
Group total	**195.7**	**359.7**	**−45.6**

Order Backlog

(in EUR million)	2023	2022	Change in %
Mobility & Battery Solutions	70.5	192.9	–63.5
Industry Solutions	116.0	147.0	–21.1
Group total	**186.5**	**339.9**	**–45.1**

Industry Solutions

In the Industry Solutions segment, the business for assembly automation systems showed a positive development on the sales side. The segment benefited from a high order backlog at the beginning of the fiscal year. A number of larger projects were won over the course of the year; however, due to the late conclusion of contracts in 2023, these had little or no impact on revenue and earnings.

Conditions on the Asian markets for systems for the production of displays for LCD, OLED and AMOLED flat screens remained challenging in the 2023 fiscal year. However, Manz Group is continuing to work on expanding its share of these markets for production equipment for the realization of interconnect applications and the packaging process Fan-Out Panel Level Packaging (FOPLP) in microchip manufacturing.

At EUR 130.4 million (previous year: EUR 244.7 million), incoming orders in the Industry Solutions segment as a whole, therefore, fell short of expectations. Nevertheless, Manz Group was able to confirm the previous year's revenue in this segment in 2023 at EUR 158.0 million (previous year: EUR 158.6 million). However, the target of a revenue increase in the lower double-digit percentage range was missed. Segment EBIT amounted to EUR 3.4 million compared to EUR 8.3 million in the previous year. Among other things, this includes the reclassification of guarantee commissions of EUR 0.6 million in the current year (previous year: EUR 0.7 million) from other operating expenses to financial expenses. Please refer to chapter III. Adjustment of previous year's figures in the notes to the consolidated financial statements. The forecast EBIT margin in the low positive single-digit percentage range was achieved at 2.2 % (previous year: 5.1 %).

Mobility & Battery Solutions

In the 2023 fiscal year, the Mobility & Battery Solutions segment did not perform as expected in terms of incoming orders and revenues. Despite the high order backlog at the beginning of the year and further incoming orders of EUR 65.2 million (previous year: EUR 115.0 million), there were project delays and cancellations over the course of the year, which ultimately prevented the company from achieving its targets.

As a result, the Mobility & Battery Solutions segment remained at the previous year's revenue level of EUR 92.3 million in the 2023 fiscal year at EUR 91.1 million. The targeted increase in revenues in the mid double-digit percentage range compared to the previous year was, therefore, clearly missed. This was largely due to the lack of major, planned incoming orders. Offsetting effects totaling EUR 20.2 million in 2023 had a positive impact on segment EBIT. Specifically, these included a positive revenue and earnings effect of EUR 13.6 million resulting from the termination of a contract with a customer, the effect of the share swap from Customcells Tübingen GmbH to Customcells Holding GmbH in the amount of EUR 5.7 million and the sale of the investment in Customcells Holding GmbH realized in October 2023, as well as and the change in the reporting of guarantee commissions of EUR 0.9 million (previous year: EUR 1.1 million). Please refer to chapter III. Adjustment of previous year's figures in the notes to the consolidated financial statements. The segment thus achieved a slightly negative EBIT of EUR –0.5 million, compared to EUR –12.5 million in the previous year. This corresponds to an EBIT margin of –0.5 % (previous year: –10.5 %). The target of an EBIT margin in the low positive single-digit percentage range was therefore not achieved, despite taking into account the aforementioned special effects.

Events after the Balance Sheet Date

For events after the balance sheet date, please refer to the information in the supplementary report in the notes to the consolidated financial statements and the notes to the annual financial statements of Manz AG.

Overall Statement on Business Performance and the Economic Situation 2023

The unsatisfactory overall incoming orders, revenues and earnings performance in the 2023 fiscal year is largely due to the ongoing challenges in the global mechanical and plant engineering sector, particularly in the Mobility & Battery Solutions segment. This was reflected in delayed or non-receipt of orders due to project postponements on the part of customers and the resulting significant drop in orders on hand. At the same time, increasing competition is having a negative impact on achievable sales prices.

The order backlog of EUR 186.5 million as of December 31, 2023 (previous year: EUR 339.9 million) and incoming orders of EUR 195.7 million as of December 31, 2023 (previous year: EUR 359.7 million) underscore this development. Nevertheless, promising battery projects at the offer stage and the stable demand for assembly automation solutions continue to be an excellent source of potential for Manz Group and its production solutions.

Manz AG (HGB)

In addition to reporting on the Group, the development of Manz AG is explained below. Manz AG, based in Reutlingen, is the parent company of the Manz Group. Manz AG's economic conditions essentially correspond to those of the Group as described in the "Economic Report" section.

Employees

Qualified and motivated employees provide the basis of Manz AG's long-term success. As of Sunday, December 31, 2023, Manz AG had 484 employees (previous year: 502) and 36 trainees (previous year: 39).

Income situation

Based on the order backlog of EUR 474.7 million as of December 31, 2022, revenue of EUR 164.1 million was generated in the 2023 fiscal year (previous year: EUR 308.7 million). Revenue in the previous year was mainly positively influenced by the final invoicing of the CIGSfab customer order due to a project termination in the amount of EUR 198.4 million. The majority of revenues in the 2023 fiscal year were realized in Germany with EUR 100.7 million. Other sales regions were other European countries with EUR 30.8 million, the USA with EUR 17.6 million, Taiwan with EUR 1.2 million, China with EUR 0.5 million and other countries in the world with EUR 13.3 million.

Inventories of work in progress and finished goods decreased by EUR 2.9 million in 2023 (previous year: decrease in inventories of EUR 131.1 million). The reduction in inventories in the previous year was primarily due to the final invoiced CIGSfab customer order. As a result, total operating performance fell by EUR 1.8 million compared to the previous year to EUR 173.0 million (previous year: EUR 194.8 million). Own work capitalized amounted to EUR 11.8 million (previous year: EUR 17.7 million) and resulted exclusively from capitalized development costs. Intensified development activities as part of customer orders led to reduced capacity for development activities as part of the IPCEI development project in the 2023 fiscal year.

At EUR 27.2 million (previous year: EUR 3.4 million), other operating income had a significant positive impact on earnings. In addition to exchange rate gains of EUR 1.6 million (previous year: EUR 1.3 million), this mainly includes realized currency derivatives relating to British pounds and US dollars, one-off effects from the recognition of the sale of shares in Custom-cells Holding GmbH realized in October 2023 in the income statement, as well as the effect from a canceled customer order in the amount of EUR 17.8 million.

The cost of materials fell to EUR 115.9 million in the 2023 fiscal year (previous year: EUR 129.5 million), while total operating performance decreased. This includes the EUR 9.8 million increase in expenses for raw materials and supplies and for purchased goods to EUR 92.6 million (previous year: EUR 82.8 million), which is primarily attributable to higher purchases of project-related goods. Purchased third-party services decreased from EUR 47.2 million in the previous year to EUR 23.3 million. The cost of materials ratio increased slightly to 67.0 % (previous year: 66.5 %). The cost of materials does not include any significant inflationary effects.

Personnel expenses amounted to EUR 44.5 million (previous year: EUR 41.2 million), mainly due to salary increases and a higher average number of employees compared to the previous year. The personnel expenses ratio increased to 25.7 % (previous year: 21.1 %).

Scheduled amortization of intangible assets and depreciation of property, plant and equipment decreased to EUR 5.1 million in the 2023 financial year (previous year: EUR 5.6 million). Of this, EUR 3.9 million (previous year: EUR 4.5 million) was attributable to amortization of capitalized development costs.

Other operating expenses amounted to EUR 20.4 million (previous year: EUR 51.8 million). The previous year's figure was characterized by individual value adjustments of EUR 23.8 million, in particular in connection with the final invoice for the CIGSfab customer order. Other operating expenses include building-related expenses amounting to EUR 4.2 million (previous year: EUR 4.5 million), expenses for IT service contracts amounting to EUR 2.6 million (previous year: EUR 2.1 million), legal and consulting costs of EUR 2.5 million (previous year: EUR 3.2 million), ongoing IT expenses of EUR 1.5 million (previous year: EUR 1.2 million), travel expenses totaling

EUR 1.4 million (previous year: EUR 1.2 million), insurance of EUR 0.7 million (previous year: EUR 0.7 million), packaging costs for customer orders of EUR 0.7 million (previous year: EUR 0.6 million), trade fair costs of EUR 0.6 million (previous year: EUR 0.5 million), additions to other provisions of EUR 0.5 million (previous year: EUR 0.3 million), freight costs for outgoing freight in the amount of EUR 0.4 million (previous year: EUR 0.8 million) and sales commissions to subsidiaries in the amount of EUR 0.3 million (previous year: EUR 1.2 million).

The financial result amounted to EUR –9.3 million (previous year: EUR –0.7 million) and therefore deteriorated considerably. This is primarily due to impairments on financial assets amounting to EUR 7.5 million (previous year: EUR 0.0 million), which included write-downs on shares in Manz Asia Ltd. in the amount of EUR 7.1 million and write-downs on the investment in MetOx Technologies Inc. in the amount of EUR 0.4 million. The expenses of included in interest and similar expenses include expenses for guarantee commissions amounting to EUR 1.5 million (previous year: EUR 1.8 million), which were reported under other operating expenses in the previous year. Other items are primarily interest and similar expenses of EUR 0.9 million (previous year: EUR 0.8 million) and interest and similar income of EUR 0.5 million (previous year: EUR 0.1 million). These resulted primarily from loans to affiliated companies and companies in which a participating interest was held.

Earnings after taxes improved by EUR 34.7 million compared to the previous year to EUR 4.1 million (previous year: EUR –30.6 million) and, in addition to impairments in financial assets, is mainly due to the special effects included in other operating income and, in the previous year, in other operating expenses.

A net profit of EUR 3.9 million was generated in the 2023 fiscal year (previous year's net loss: EUR 30.9 million). Taking into account the loss carried forward from the previous year, the accumulated loss amounted to EUR 3.5 million (previous year: EUR 7.4 million).

Income Statement Manz AG (German Commercial Code [HGB]):

in EUR million	**2023**	**2022**
Revenues	164.1	308.7
Changes in inventories	–2.9	–131.6
Other own capitalized work	11.8	17.7
Other operating income	27.2	3.4
Cost of materials	–115.9	–129.5
Personnel expenses	–44.5	–41.2
Amortization/depreciation	–5.1	–5.6
Other operating expenses	–20.4	–51.8
Financial result	–9.3	–0.7
Income taxes	–0.9	0.0
Other taxes	–0.2	–0.3
Net profit/loss for the year	**3.9**	**–30.9**
Losses carried forward from the previous year	–7.4	–6.5
Withdrawal from the capital reserve	0.0	30.0
Accumulated loss	**–3.5**	**–7.4**

Asset and financial situation

Total assets as of December 31, 2023 decreased from EUR 178.3 million in the previous year to EUR 125.0 million. One of the key reasons for the balance sheet contraction was the first-time net presentation of advance payments on supplier orders in inventories with the corresponding trade payables in the amount of EUR 13.8 million. The amount to be netted in this context as of December 31, 2022 is EUR 9.4 million. Please refer to the disclosures in the HGB notes to the financial statements in the section "Correction of errors in accordance with IDW RS HFA 6", in which it was shown that the previous year's statement was not adjusted.

Non-current assets accounted for 48.5 % of total assets as at the balance sheet date, falling by EUR 4.4 million to EUR 60.6 million (previous year: EUR 65.0 million). This was mainly due to depreciations on shares in Manz Asia Ltd. in the amount of EUR 7.1 million and on the investment in MetOx Technologies Inc. in the amount of EUR 0.4 million. Investments were made, in particular, for technical equipment and building conversion measures, which led to an increase in property, plant and equipment from EUR 3.6 million in the previous year to EUR 8.3 million as at the balance sheet date.

Current assets decreased by EUR 48.9 million from EUR 112.3 million in the previous year to EUR 63.4 million. Inventories fell by EUR 35.3 million from EUR 68.6 million in the previous year to EUR 33.3 million. This decline is primarily due to the reduction in inventories of raw materials and supplies by EUR 8.9 million to EUR 6.2 million as at the balance sheet date (previous year: EUR 15.1 million) and the increase in advance payments received on customer orders, which are deducted from inventories on the assets side, amounting to EUR 107.5 million (previous year: EUR 92.4 million). Taking into account for the first time the offsetting of advance payments made on supplier orders against trade payables in the amount of EUR 13.8 million, advance payments made amounted to EUR 16.7 million (previous year: EUR 25.2 million). Cash in hand and bank balances fell from EUR 22.7 million in the previous year to EUR 12.2 million. Despite the positive one-off effect from the realized sale of the stake in Customcells Holding GmbH in the amount of EUR 11.5 million, this decline is primarily due to negative operating activities in the amount of EUR –14.1 million, the remaining investment activities in the amount of EUR –8.4 million and positive financing activities in the amount of EUR 0.5 million. Against the backdrop of a significant fall in incoming orders, the advance payments on customer orders included in liabilities fell from EUR 73.8 million in the previous year to EUR 16.7 million as at the balance sheet date.

Equity increased from EUR 28.8 million in the previous year to EUR 32.7 million due to the net profit for the year of EUR 3.9 million. The equity ratio as at the balance sheet date improved from 16.1 % to 26.1 % compared to the previous year, partly due to the reduction in total assets and the first-time netting of advance payments on inventories with the corresponding trade payables.

As in the Group, Manz AG's order intake, revenue and earnings performance in the 2023 fiscal year were unsatisfactory and were largely characterized by the ongoing challenges in the global mechanical and plant engineering industry, particularly in the Mobility & Battery Solutions segment. This was reflected in delayed or non-receipt of orders due to customer-related project postponements and the resulting significant decline in the order backlog. At the same time, increasing competition had a negative impact on achievable sales prices.

Manz AG Annual Financial Statements (German Commercial Code [HGB]):

in EUR million	12/31/2023	12/31/2022
ASSETS		
Fixed assets		
Intangible assets	15.0	15.7
Property, plant and equipment	8.3	3.6
Investments	37.3	45.7
	60.6	**65.0**
Current assets		
Inventories	33.3	68.6
Receivables and other assets	17.9	21.1
Liquid assets	12.2	22.7
	63.4	**112.3**
Accruals and deferrals	**1.0**	**0.9**
Total assets	**125.0**	**178.3**
LIABILITIES		
Equity		
Issued capital	8.5	8.5
Surplus capital	26.1	26.1
Earnings reserves	1.5	1.5
Accumulated profit/loss	–3.5	–7.4
	32.7	**28.8**
Debt capital		
Provisions	15.2	12.3
at amortized cost	77.0	137.2
	92.3	**149.5**
Accruals and deferrals	**0.1**	**0.0**
Total liabilities	**125.0**	**178.3**

Explanation of the forecast achievement 2023

Manz AG generated revenues of EUR 164.1 million in fiscal year 2023 (previous year: EUR 308.7 million) and a total output of EUR 173.0 million (previous year: EUR 195.3 million). In operating business, Manz in financial earnings before interest, taxes, depreciation and amortization (EBITDA) of EUR 19.5 million (previous year: EUR –24.2 million) and earnings before interest and taxes (EBIT) of EUR 14.3 million (previous year: EUR –29.9 million).

A significant decline in revenues was forecast for the 2023 fiscal year. Revenues generated in the 2023 fiscal year decreased significantly by 46.8 % compared to the previous year, thus confirming the forecast for the 2023 fiscal year. Furthermore, an EBITDA margin in the low positive single-digit percentage range and an EBIT margin in the low negative percentage range were anticipated. With a positive EBITDA margin of 11.2 % and a positive EBIT margin of 8.3 %, the targets set were exceeded. The positive development is primarily due to special effects from the recognition of the sale of shares in Customcells Holding GmbH in October 2023 in the income statement, as well as the effect from a canceled customer order in the amount of EUR 17.8 million reported under other operating income in accordance with HGB.

At segment level, the Mobility & Battery Solutions segment achieved revenues of EUR 106.8 million (previous year: EUR 71.2 million) and the Industry Solutions segment achieved revenues of EUR 52.5 million (previous year: EUR 233.0 million). The 77.4 % drop in revenues in the Industry Solutions division was below the expected revenue decline of 90 % and resulted from projects that were completed in the 2023 financial year, contrary to planning. Revenues in the Mobility & Battery Solutions division increased by 49.1 %. The 40 % decline in revenue forecast was not confirmed due to customer projects completed and thus sales-relevant in the 2023 fiscal year.

The equity ratio improved to 26.1 % due to the net profit for the year and the first-time offsetting of advance payments made on supplier orders against the related trade payables, which led to a reduction in the balance sheet total, and significantly exceeded the expected equity ratio of 14.5 %. Excluding the first-time netting of advance payments on inventories with the corresponding trade payables of EUR 13.8 million, the equity ratio is 23.5 %. Gearing was expected to be in the mid negative double-digit percentage range and deteriorated slightly more than expected from –78.9 % to –28.7 %, which is mainly due to the positive annual result and the resulting increase in equity compared to the forecast value. The customer orders in progress with an order backlog according HGB of EUR 275.1 million as of December 31, 2023 (previous year: EUR 474.7 million) will be relevant to revenues in 2024 and primarily in 2025 (previous year: 2023 and 2024).

Research and development

For Manz – as a high-tech equipment manufacturer – the research and development (R&D) division with over 200 engineers, technicians and scientists also played an important role in the 2023 fiscal year. In the 2023 fiscal year, investments in R&D amounted to EUR 12.4 million (previous year: EUR 17.6 million). Subsidies received have already been taken into account here in each case. The ratio for research and capitalized development costs (ratio of capitalized research & development costs to total operating performance) fell from 10.0 % in the previous year to 7.2 % in the 2023 fiscal year. The decline, despite lower overall performance, is due to increased development expenses in some of Manz AG's customer projects and thus less development capacity in the IPCEI project. The capitalization rate here was 95.4 % as at the balance sheet date compared to 89.8 % in the previous year. Amortization of capitalized development costs amounted to EUR 3.9 million (previous year: EUR 4.5 million).

In the 2023 fiscal year, research and development costs recognized as expenses amounted to EUR 4.5 million compared to EUR 2.0 million in the previous year. Expenses for licenses and patents amounted to EUR 0.2 million in the 2023 fiscal year (previous year: EUR 0.2 million). For further details, please refer to the "Research and development" section of this combined management report.

Outlook

For information on the risks and opportunities of future business development, please refer to the risk and opportunity report and, with regard to business development in 2023, to the comments in the section on net assets, financial position and results of operations. In addition, sales, earnings and synergy effects may be lower than planned in the case of company acquisitions or existing financial assets (subsidiaries and investments). When entering new business areas, misjudgments regarding the use of resources, customer requirements and price targets as well as the development of demand, the market and competition cannot be ruled out. Such misjudgments and problems can increase the risk of impairment of investments, goodwill, carrying amounts of investments, capitalized development costs and other intangible assets. With regard to the economic and industry-specific assumptions, please refer to the Group's forecast report, as the economic and industry-specific assumptions of the Manz Group were also used for Manz AG as part of its forecast. Customer orders started at the end of the 2023 fiscal year will, for the most part, not lead to revenue recognition in the 2024 fiscal year and will have a positive impact on the development of work in progress. For this reason, the Managing Board expects a reduction in revenues according HGB of up to 50 % in 2024 compared to 2023. The Managing Board expects the EBITDA margin to be in the low single-digit positive percentage range and the EBIT margin in the low single-digit negative percentage range. At around 30 %, the equity ratio is not expected to change significantly compared to the previous year. Incoming orders in the 2023 fiscal year amounted to EUR 106.9 million. The Managing Board expects a significant increase in incoming orders, which will lead to at least a doubling of incoming orders in the 2024 fiscal year compared to 2023.

Manz AG's risks and opportunities largely correspond to those of the Group. Please refer to the "Risk, opportunity and forecast report" in this combined management report.

Corporate Governance

Declaration on Corporate Governance

The corporate governance declaration pursuant to Sections 289f and 315d German Commercial Code (HGB) was prepared jointly for Manz AG and the Manz Group and made publicly available under the title "Corporate Governance – Declaration of Manz AG for the 2023 fiscal year" on the company's website at **https://www.manz.com/en/investor-relations/corporate-governance/corporate-governance-statement.** This also contains all key aspects of the compliance management system, which the Managing Board considers to be aligned with the company's risk situation.

Takeover-Relevant Disclosures

(pursuant to Section 289a and Section 315a German Commercial Code [HGB] and explanatory report)

Composition of subscribed capital

The subscribed capital of Manz AG amounts to EUR 8,542,574.00 and is divided into 8,542,574 no-par value bearer shares with a proportional amount of the share capital of EUR 1.00. All shares are associated with the same rights and duties. Each share grants its holder one vote at the Annual General Meeting. Each share offers the same share of profits. This would exclude treasury shares held by Manz AG, which do not entitle the company to any rights. At the present time, the company does not hold any treasury shares. The rights and obligations of shareholders are, otherwise, governed by the provisions of the German Stock Corporation Act (AktG), in particular, Sections 12, 53a et seq., 118 et seq. and 186 German Stock Corporation Act (AktG).

Restrictions that apply to voting rights or the transfer of shares

The Managing Board of Manz AG does not know of any agreements pertaining to restrictions on the use of voting rights or the transfer of shares.

Shareholdings in the capital exceeding 10 % of the voting rights

Based on the notifications received regarding significant voting rights pursuant to Sections 33 and 34 German Securities Trading Act (WpHG) and regarding transactions by executives on their own behalf pursuant to Article 19 of the Market Abuse Regulation, the Managing Board is aware of the existence of the following direct or indirect shareholdings in the capital of the company exceeding 10 % of the voting rights:

	Number of voting rights	Percentage of voting rights
Dieter Manz, Schlaitdorf	1,939,899	22.7 %
directly thereof (Section 33 WpHG)	775,942	9.1 %
of which attributable (Section 34 WpHG)	1,163,957	13.6 %
People's Republic of China, acting through the State-owned Asset Supervision Commission (SASAC) of the People's Government of Shanghai, People's Republic of China **Full chain of subsidiaries:** **Shanghai Electric (Group) Corporation** **Shanghai Electric Group Company Limited** **Shanghai Electric Hongkong Co. Limited** **Shanghai Electric Germany Holding GmbH (shareholder)**	1,523,480	17.9 %

Changes in the total number of voting rights of Manz AG within the meaning of Section 41 German Securities Trading Act (WpHG) that occurred after receipt of the notifications are not included in the stated shares of voting rights.

Shares with special rights that confer authority to exercise control

The company does not have shares with special rights that confer authority to exercise control.

Type of voting rights control if employees have an interest in the capital and do not exercise their control rights directly

Employees with a stake in Manz AG's capital can exercise the control rights to which they are entitled from the shares directly in accordance with the provisions of the Articles of Incorporation and prevailing laws.

Legal requirements and provisions of the Articles of Incorporation regarding the appointment and dismissal of members of the Managing Board and regarding amendments to the Articles of Incorporation

The appointment and dismissal of members of the Managing Board are governed by Sections 84 and 85 German Stock Corporation Act (AktG). Accordingly, members of the Managing Board are appointed by the Supervisory Board for a maximum of five years. Members may be repeatedly appointed or have their term extended, in either case for another period lasting a maximum of five years. Pursuant to Section 5 of the company's Articles of Incorporation, the Managing Board may consist of one or more persons. The Supervisory Board appoints the members of the Managing Board pursuant to the provisions of the German Stock Corporation Act and determines their number. The Supervisory Board may appoint a member as chairperson of the Managing Board. Pursuant to Section 84(4) of the German Stock Corporation Act (AktG), the Supervisory Board may revoke the appointment of a member of the Managing Board and the appointment of a chairperson of the Managing Board for good cause.

Amendments to the Articles of Incorporation are governed by Sections 133 et seqq. and 179 et seqq. of the German Stock Corporation Act (AktG). In general, amendments require a resolution passed at the Annual General Meeting. A resolution passed at the Annual General Meeting requires a majority of at least three-quarters of the capital stock represented at the time the resolution is adopted. The Articles of Incorporation may determine a different, but only greater capital majority, for any amendment to the corporate purpose of the company.

Pursuant to Section 16 (1) of the company's Articles of Incorporation, resolutions are passed at the Annual General Meeting by a simple majority of the votes cast, unless mandatory provisions of the German Stock Corporation Act stipulate otherwise. Where the German Stock Corporation Act also stipulates that a majority of the represented capital stock is required to pass a resolution, a simple majority of the represented capital fulfills this requirement, as permitted by law.

Authority of the Managing Board to issue or repurchase company shares

The Managing Board may issue new shares only on the basis of resolutions passed at the Annual General Meeting in respect of an increase in capital stock or in respect of authorized and conditional capital. Purchasing treasury shares is governed by Section 71 et seqq. of the German Stock Corporation Act (AktG) and, in certain cases, is permitted by operation of law or as a result of authorization given at the Annual General Meeting.

Authorized capital

By resolution of the Annual General Meeting on July 4, 2023, the Managing Board of the company is authorized – with the approval of the Supervisory Board – to increase the company's share capital in the period until July 3, 2028 once or in partial amounts by a total of up to EUR 4,270,143.00 by issuing a total of up to 4,270,143 new bearer shares (no-par value shares) against cash or non-cash contributions (Authorized Capital 2023).

In principle, the new shares must be offered to shareholders for subscription. The new shares may also be assumed by banks designated by the Managing Board with the obligation to offer them to the shareholders for subscription (indirect subscription right). However, the Managing Board is authorized, with Supervisory Board approval, to exclude shareholders' subscription rights

- in the event of a capital increase for cash consideration, if the issue amount of the new shares is not significantly less, within the meaning of Section 203 (1) and (2) and Section 186 (3) Sentence 4 German Stock Corporation Act (AktG), than the stock exchange price of shares of the company of the same type at the time of establishment of the issue price, which is to be as close in time as possible to the time of issue of new shares. This authorization to exclude subscription rights shall only apply to the extent that the shares to be issued as part of the capital increase do not account for more than EUR 854,028.00 of the share capital and do not account for more than 10 % of the share capital at the time the authorization is exercised. The proportionate amount of capital stock of shares which are issued or sold during the period of this authorization based on other authorizations in direct or corresponding application of Section 186 (3) Sentence 4 German Stock Corporation Act (AktG), with exclusion of subscription rights, is to be credited toward this maximum amount for the exclusion of subscription rights;
- in the case of a capital increases for contributions in kind for the purpose of acquisition of companies, parts of companies, and holdings in companies of other assets or entering into mergers;
- to the extent that it is necessary to give owners of warrant or convertible bonds, profit-sharing rights, or profit-sharing bonds (or combinations of these instruments) issued by the company or direct or indirect affiliates of the company a subscription right to new shares to the same extent as they would have upon exercising their option or conversion right or after fulfilling their conversion obligation;
- in order to exclude fractional amounts from subscription rights.

The Managing Board is authorized, with Supervisory Board approval, to determine the further details of the implementation of the capital increases based on the authorized capital.

The Supervisory Board will be given authorization to amend the wording of the Articles of Incorporation according to the implementation of the capital increase using authorized capital and after the expiration of the authorization term.

Authorization to issue partial debentures with options or conversion rights or conversion obligations, profit-sharing rights, and profit-sharing bonds (or combinations of these instruments) as well as Conditional Capital I

At the Annual General Meeting on July 2, 2019, a resolution was passed authorizing the Managing Board, with Supervisory Board approval, to issue bearer warrant or convertible bonds, profit-sharing rights and/or profit-sharing bonds, or a combination of these instruments (collectively referred to as “bonds”), up to a total nominal value of EUR 150 million, on one or more occasions until July 1, 2024. In addition, the Managing Board was also authorized to grant owners of warrant bonds option rights and owners of convertible bonds conversion rights for bearer shares of the company with a proportionate amount of capital stock totaling up to EUR 3,100,000.00, in accordance with the detailed terms and conditions of the warrant/convertible bonds.

The statutory subscription right is granted to the shareholders in the way that the bonds are underwritten by a bank or a syndicate of banks with the obligation to offer them for subscription to shareholders. If bonds are issued by one of Manz AG's subsidiaries pursuant to Section 18 German Stock Corporation Act, the company must ensure that the statutory subscription right is granted accordingly to shareholders of Manz AG.

However, the Managing Board is authorized, with the consent of the Supervisory Board, to exclude subscription rights to the extent necessary to grant the holders of previously issued bonds with option or conversion rights, or conversion obligations, respectively, subscription rights to the extent to which they would be entitled as shareholders after exercising their option or conversion rights or upon fulfillment of their conversion obligations.

Furthermore, the Managing Board is authorized, with Supervisory Board approval, to completely exclude shareholders' subscription rights to bonds issued with an option and/or conversion right or conversion obligation, provided the Managing Board, after dutiful examination, arrives at the view that the issue price of the bonds is not significantly below their hypothetical market value as calculated according to accepted and, in particular, actuarial methods. This authorization to exclude the subscription right applies to bonds issued with an option and/or conversion right or a conversion obligation, carrying an option and/or conversion right or a conversion obligation for shares with a total proportionate amount of the capital stock, which may not exceed 10 % of the capital stock, either at the time the authorization becomes effective or – in the event that this amount is lower – at the time this authorization is exercised. In certain cases, new shares from authorized capital and treasury shares sold are counted towards the aforementioned ten percent limit.

Where profit-sharing rights or profit-sharing bonds without an option right or conversion right/obligation are issued, the Managing Board is authorized, with Supervisory Board approval, to completely disapply shareholders' subscription rights if these profit-sharing rights or profit-sharing bonds have the characteristics of a debenture, i.e. do not give rise to any membership rights in the company, do not grant a share in the liquidation proceeds and the interest payable is not calculated on the basis of net income for the year, net retained profit or the dividend. Moreover, in such a case, the interest payment and the issue price of the profit-sharing rights or profit-sharing bonds must reflect current market conditions at the time of issue.

Pursuant to Section 3 (4) of the Articles of Incorporation, the capital stock of the company has been conditionally increased by up to EUR 3,100,000.00 through the issue of up to 3,100,000 no-par value bearer shares (Conditional Capital I).

The contingent capital increase will only be carried out to the extent that the holders of option or conversion rights or those obliged to convert from warrant or convertible bonds, profit participation rights or participating bonds issued by the Company or a Group company within the meaning of Section 18 German Stock Corporation Act (AktG) on the basis of issued or guaranteed at the Annual General Meeting on Tuesday, July 2, 2019 under agenda item 5, exercise their option or conversion rights or, if they are required to convert, fulfill their obligation to convert, unless a cash settlement is granted or treasury shares or shares of another listed company. The new shares are issued at the option or conversion price to be determined in each case in accordance with the authorization resolution described above. The new shares are to participate in profit from the beginning of the fiscal year in which they are created on the basis of the exercise of options or conversion rights or of the fulfillment of conversion obligations. The Managing Board is authorized, with Supervisory Board approval, to establish the further details of the execution of the conditional capital increase.

Authorization to issue share subscription rights within the scope of the Manz Performance Share Plan 2019 as well as Conditional Capital III

At the Annual General Meeting held on July 2, 2019, a resolution was passed authorizing the Managing Board, with Supervisory Board approval, to issue a total of up to 95,000 subscription rights for subscription of a total of up to 190,000 shares in the company to executives of affiliated companies of the company, as well as Manz's own managers below the executive level and managers of affiliated companies, both domestic and foreign, below the executive level on one or more occasions through June 30, 2024. The Supervisory Board was authorized to grant one or several times a total of up to 85,000 subscription rights for the purchase of up to 170,000 shares in the company to members of the company's Managing Board until June 30, 2024.

The subscription rights shall be granted, structured and exercised in accordance with the provisions set out in the resolution of the Annual General Meeting of July 2, 2019.

The Manz Performance Share Plan 2019 for members of the Managing Board and company executives and its group companies, which was approved during the Annual General Meeting 2019, was explained in a report by the Managing Board to the Manz AG Annual General Meeting on July 2, 2019.

Pursuant to Section 3 (6) of the Articles of Incorporation, the company's capital stock has been conditionally increased by up to EUR 360,000.00 through the issue of up to 360,000 no-par value bearer shares (Conditional Capital III). The conditional capital increase serves to secure the rights of the holders of subscription rights granted on the basis of the authorization granted by the Annual General Meeting on July 2, 2019.

The shares will be issued at the issue amount established in the authorization adopted at the annual general meeting on Tuesday, July 2, 2019. The contingent capital increase will be carried out only to the extent subscription rights are exercised and the company does not issue either treasury shares or a cash settlement for the purpose of fulfillment of the subscription rights. The new bearer shares will be equivalent to already issued shares of the same class with respect to their dividend entitlement. The Managing Board and, to the extent members of the Managing Board are affected, the Supervisory Board are authorized to establish the further details of the conditional capital increase and its implementation.

Furthermore, on June 30, 2020, the Annual General Meeting authorized the Managing Board and – if the shares are issued to members of the Managing Board – the Supervisory Board to use acquired treasury shares of Manz AG to service subscription rights that were or will be issued to members of the Managing Board and executives as part of the Manz Performance Share Plan 2015 resolved by the Annual General Meeting on July 7, 2015 under item 6 of the agenda or as part of the Manz Performance Share Plan 2019 resolved by the Annual General Meeting on July 2, 2019 under item 6 of the agenda (see below under the section "Treasury Shares"). This authorization to reissue clearly defines the group of people to whom the Manz shares can be transferred.

The option to grant Manz AG's own shares to those entitled to subscribe in fulfillment of their subscription rights is a suitable means of counteracting the dilution of capital holdings and voting rights that would occur if the subscription rights were fulfilled with newly created shares based on the contingent capital. If Manz AG makes use of this option, Conditional Capital II pursuant to Article 3 (5) of the Articles of Incorporation and Conditional Capital III pursuant to Article 3 (6) of the Articles of Incorporation do not have to be utilized. Whether and to what extent the authorization to issue treasury shares is used to fulfill the subscription rights or whether new shares are issued instead from the contingent capital, is to be decided by the Managing Board and – if a member of the Managing Board exercises the subscription right – by the Supervisory Board, which is guided by the interests of the company and its shareholders.

Authorization to issue share subscription rights within the scope of the Manz Performance Share Plan 2023 as well as Conditional Capital IV

At the Annual General Meeting of Manz AG held on July 4, 2023, a resolution was passed authorizing the Managing Board, with Supervisory Board approval, to issue a total of up to 143,000 subscription rights for subscription of a total of up to 286,000 shares in the company to executives of affiliated companies of the company, as well as Manz's own managers below the executive level and managers of affiliated companies, both domestic and foreign, below the executive level on one or more occasions through July 03, 2028. The Supervisory Board was given authorization to issue a total of up to 95,000 subscription rights for a total of up to 190,000 shares in the company to members of Manz's Managing Board, on one or more occasions, through July 03, 2028.

The subscription rights shall be granted, structured and exercised in accordance with the provisions set out in the resolution of the Annual General Meeting of July 4, 2023.

Pursuant to Section 3 (7) of the Articles of Incorporation, the company's capital stock has been conditionally increased by up to EUR 476,000.00 through the issue of up to 476,000 no-par-value bearer shares (Conditional Capital IV). The contingent capital increase serves to secure the rights of the holders of subscription rights (Performance Shares) granted on the basis of the authorization granted by the Annual General Meeting on Tuesday, July 4, 2023 in agenda point 7. The issue of shares will be in the issue amount established in the authorization resolved at the Annual General Meeting on Tuesday, July 4, 2023 in agenda point 7. The contingent capital increase will be carried out only to the extent subscription rights are exercised and the company does not issue either treasury shares or a cash settlement for the purpose of fulfillment of the subscription rights. The new shares will be equivalent to already issued shares of the same class with respect to their dividend entitlement. The Managing Board and, to the extent members of the Managing Board are affected, the Supervisory Board are authorized to establish the further details of the conditional capital increase and its implementation.

Authorization to purchase and dispose of treasury shares

The Annual General Meeting on June 30, 2020 authorized the Managing Board of the company to acquire treasury shares until June 29, 2025 in accordance with Section 71 (1) No. 8 German Stock Corporation Act (AktG) up to a total of 10 % of the company's capital stock existing at the time this authorization takes effect or – if this amount is lower – at the time this authorization is exercised. The shares acquired on the basis of this authorization, together with other shares in the company, which the company has already acquired and still holds or which are attributable to the company pursuant to Sections 71d and 71e German Stock Corporation Act (AktG), may at no time account for more than 10 % of the company's capital stock. The provisions in Section 71 (2) Sentences 2 and 3 German Stock Corporation Act (AktG) must be observed.

The acquisition may only be effected via the stock exchange or by means of a public purchase offer addressed to all shareholders and must comply with the principle of equal treatment of shareholders (Section 53a German Stock Corporation Act [AktG]).

The Managing Board was authorized to sell the treasury shares acquired on the basis of the above authorization also in manners other than through the stock exchange or through an offer to other shareholders, under the condition that the sale is for cash and is at a price that is not significantly below the stock-exchange price, at the time of the sale, of company shares with the same features. This authorization to use shares is limited to shares representing a proportionate amount of the capital stock which in total may not exceed 10 % of the capital stock of the company, either at the time this authorization becomes effective or – if this amount is lower – at the time this authorization is exercised. The maximum limit of 10 % of the capital stock shall be reduced by the pro rata amount of the capital stock attributable to those shares which are issued or sold during the term of this authorization subject to the exclusion of subscription rights, in accordance with (or pursuant to) Section 186 (3) Sentence 4 German Stock Corporation Act (AktG). The maximum limit of 10 % of the capital stock shall also be reduced by the pro rata amount of capital stock represented by those shares to be issued to service bonds with option or conversion rights, or option or conversion obligations, respectively, insofar as these bonds are issued during the term of this authorization to the exclusion of subscription rights in analogous application of Section 186 (3) Sentence 4 German Stock Corporation Act (AktG).

The Managing Board was further authorized to transfer treasury shares acquired on the basis of the above authorization to third parties insofar as this is for the purpose of acquiring companies, parts of companies or interests in companies or other assets, or to carry out business combinations.

The Managing Board and – to the extent there is an obligation with respect to members of the Managing Board – the Supervisory Board were further authorized to use the treasury shares acquired on the basis of the above authorization for the purpose of fulfilling the subscription rights that were or are issued in the framework of the Manz Performance Share Plan 2015 resolved at the regular Annual General Meeting of July 7, 2015, under item 6 of the agenda or in the framework of the Performance Share Plan 2019 adopted at the Annual General Meeting of July 2, 2019, under item 6 of the agenda.

The Managing Board was also authorized to use the treasury shares acquired on the basis of the above authorization for the purpose of fulfillment of the subscription and conversion rights that result from exercising option or conversion rights or fulfilling option or conversion obligations that have been granted or imposed within the framework of issuing convertible or warrant bonds, profit-sharing rights, or profit-sharing bonds (or combinations of these instruments) of the company or its subsidiaries.

The Managing Board was further authorized to transfer own shares acquired on the basis of the above authorization to employees of the company or employees or members of governing bodies of subordinate affiliates of the company within the meaning of Sections 15 et seqq. German Stock Corporation Act (AktG).

Significant company agreements that are conditional on a change of control as a result of a takeover bid

Contracts with banks and surety insurers for guarantee and cash loans

Contracts existing between Manz AG and a number of domestic and foreign banks and surety insurers for the granting of guarantee and cash loans each contain extraordinary termination rights for the banks and surety insurers in the event of a change of control at Manz AG. In the event of termination, the guarantee and cash loans would no longer be available to Manz AG, which would have a significant negative impact on its business activities.

Apart from the agreements mentioned above and in the section below, there are no significant company agreements that are conditional on a change of control as a result of a takeover bid.

Compensation agreements of the company entered into with members of the Managing Board or with employees in the event of a takeover bid

In the event of a change of control, the employment contract of Managing Board member Martin Drasch stipulates that the Managing Board member is entitled to terminate the employment contract with a notice period of three months to the end of a calendar month and to resign from his office as member of the Managing Board with the same deadline. These rights may be exercised only within six months after the change of control has occurred.

A change of control occurs when the company receives a notification from a party subject to a reporting obligation pursuant to Section 33 (1) Sentence 1 German Securities Trading Act (WpHG) that said party, including the voting rights attributable to it pursuant to Section 34 German Securities Trading Act (WpHG), has reached or exceeded 25 % or a higher proportion of the voting rights in the company.

In the event of a termination of the employment contract pursuant to the above provisions, the member of the Managing Board shall receive a severance payment. This consists of the total amount of the fixed salary owed for the remaining term of the employment relationship and the total amount of the cash bonus owed for the remaining term of the employment relationship, whereby the calculation of the amount is to be based as the EBIT return on the average of the EBIT return in the last fiscal year preceding the termination and the EBT return expected to be achieved in the current fiscal year according to the company's planning. The severance payment is limited to the amount corresponding to 150 % of the severance payment cap. The value of two years' annual compensation is deemed to be the severance cap. If the remaining term of the employment relationship at the time the termination takes effect is more than two years, the severance payment, insofar as it is granted for the exceeding period, shall be reduced by 75 % for the purpose of offsetting, on a lump-sum basis, the other income of the Managing Board member to be expected for the period after termination of the employment relationship. In addition, the amounts to be taken into account for the severance payment shall be discounted at a rate of 3 % p.a. to the date on which the severance payment falls due.

Aside from that, the company has no agreements with members of the Managing Board or employees that provide for compensation in the event of a takeover bid.

Report on Opportunities and Risks

Risk Management and Internal Control System

The goal of Manz AG's risk management system is to identify possible risks early on and to initiate appropriate measures to avert any threat of damage. The risk management system records both risks and opportunities. The application of a risk management system integrated into corporate management is aimed at identifying and assessing potential risks throughout the Group in good time and countering them with appropriate measures. Risks cannot be avoided in principle within the scope of business activities, but the further minimized or transferred as far as possible.

The company's risk management activities are managed centrally by the risk management officer, are regularly evaluated internally with regard to their effectiveness and appropriateness and they are the complete responsibility of the CFO as Chief Risk Officer. The entire Managing Board monitors the efficacy and appropriateness of the internal control systems at regular intervals. The quarterly revision of the risk management system is reviewed by the entire Managing Board and communicated to the Supervisory Board. In addition, the control systems are reviewed annually by an internal audit.

Responsibility for risk monitoring, on the other, is organized on a decentralized basis and is the responsibility of both the Divisional Heads and the Managing Directors, depending on the risk category and scope. Regular written and oral inquiries are used to detect potential risks in all business segments and, at the same time, they also provide the opportunity to take prompt countermeasures to prevent any negative developments.

Risks are analyzed and assessed on the basis of a risk management system that is essentially unchanged from the previous year, consisting of a defined group of risk owners, specified risk categories and a risk classification that reflects the risk potential and the urgency of the need for action. Particular attention is paid to risks whose probability of occurrence is high and whose potential damage in the event of occurrence is high. The identification and handling of risks is anchored in the corporate principles and defined as the task of all Manz Group employees. By involving the entire workforce, risks are to be identified and communicated to the respective risk manager, who must take appropriate action in line with the principles for action defined throughout the Group.

The risks are attributed to the following categories:

- Operational risks
- Strategic risks
- Market risks
- Environmental risks

In addition to this risk management system, as part of the planning process based on continuous technology and market observation, further activities are taking place both for risk identification and mitigation and for identifying opportunities.

Risk management system and internal control system for the financial reporting process (Section 289 [4] and Section 315 [4] German Commercial Code [HGB])

The goal of Manz AG's risk management and internal control system as it pertains to the accounting process is to identify and assess risks that might conflict with the compliance of the annual and consolidated financial statements and the summarized management report. Risk management encompasses the entirety of the organizational regulations and measures for detecting risks and for dealing with the risks associated with entrepreneurial activity. With regard to the accounting process, Manz has implemented the following structures and processes:

The CFO has total responsibility for the company's internal monitoring and risk management system as it pertains to the accounting process. All of the companies included in the consolidated financial statements are integrated via a defined management and reporting organizational structure. The annual financial statements of Manz AG and its subsidiaries are prepared in accordance with the respective national law and reconciled to consolidated financial statements in accordance with IFRS.

The purpose of the Group's accounting policies and group accounting, which are regularly adapted to current external and internal developments, is to ensure uniform accounting and valuation on the basis of the regulations applicable to the parent company. Furthermore, companies in the Group are prescribed report packages that they are required to prepare. The SAP SEM-BCS tool is used for the monthly consolidation process. Automatic plausibility checks are already carried out during data collection in order to test the consistency of the data.

Consolidation measures and monitoring of adherence to chronological and process-related requirements are carried out by members of the consolidation department at Group level. Other control activities at Group level include analyzing and, if necessary, correcting the reporting packages submitted by the subsidiaries. Key elements of the company's strategy for monitoring risks in the accounting process also include the functional separation between entry, verification and approval, as well as a clear allocation of responsibilities in the departments in question. The general use of SAP BCS for Group consolidation and SAP BPS for annual planning makes a further important contribution to the consistent avoidance of errors. Furthermore, the company should use a dual control system at all process levels.

If there are special issues of a technical or complex nature, the company also involves external experts. Further monitoring activities include analyzing and conducting plausibility checks on transactions as well as continuously monitoring project calculations.

The illustrated structures, processes and features of the internal control and risk management system ensure that Manz Group’s financial reporting is consistent and in accordance with legal requirements, generally accepted accounting principles, international accounting standards and consolidated internal guidelines. The internal control system and the risk management system are dynamic systems and are continuously adapted to changes in the business model, the type and scope of business transactions or responsibilities.

Statement not included in the management report (unaudited)
As a result, the internal and external audits reveal potential for improvement in individual cases with regard to the appropriateness (completeness of suitable controls) of controls. With regard to the assessment of these management systems, the Managing Board has no evidence that they might not be appropriate in their entirety. The Managing Board works with Manz employees to implement identified potential improvements to the effectiveness of the systems.

All risks are classified according to the matrix below, which quantifies both the probability of occurrence and potential impact on EBIT expectations.

Impact

High damage (> 5,000 TEUR)				
Medium damage (500 TEUR to 5,000 TEUR)				
Low damage (50 TEUR to 500 TEUR)				
Probability	**Low** (0 % to 20 %)	**Medium** (20 % to 40 %)	**High** (40 % to 70 %)	**Very High** (70 % to 99 %)

Risk Report

The following overview shows the assessment of risks arising in the fiscal year 2024 (forecast period) and could lead to deviations in the development of revenues and/or earnings.

Risks		Impact	Probability of occurence	Change to previous year
Operating risks	Project risks	medium	medium	→
	Personnel risks	medium	medium	↗
	Liquidity and financing risks	high	medium	↗
	Currency risks	medium	high	→
	Risks from IT	medium	low	→
Strategic risks	Risks from the strategic focus on dynamic growth markets	high	medium	→
	Dependence on major customers and industries	high	medium	→
Market risks	Risks in connection with international business activities	high	low	→
	Risks due to increasing competition	medium	medium	↗
	Risks arising from rapid technological change and the market launch of new products	high	low	→
Environmental risks	Risks related to pandemics	low	low	→
	Risks from the environment and nature	medium	low	→

Operating risks

Project risks

Project risks relate primarily to non-standardized major contracts. Here, risks from the possible failure to meet planned costs and schedule, the non-fulfillment of acceptance criteria, from order cancellations and associated non-acceptance of orders and resulting contractual risks, as well as from the possible default of individual key suppliers. By expanding the share of standardized machine components in the product portfolio, which can be modularly customized to modules or entire production equipment according to the customer's requirements, Manz intends to reduce the aforementioned project risks overall. In order to keep projects under control, costs, time and quality are coordinated in a gate process between business unit and operations. Design changes to non-standard machines that are necessary and unforeseeable at the beginning of an order could lead to higher costs than expected and thus erode project margins. In addition, inadequately maintained material master data can lead to standard materials not being recognized and, therefore, price advantages in project purchasing not being exploited. In order to avoid additional work and associated additional costs for project completion, project and product specifications are to be already clearly and precisely defined in the contract offers through interdepartmental cooperation.

Major changes in the scope of orders or the unexpected termination of orders can have a negative impact on Manz AG's liquidity and earnings position.

Personnel risks

For the corporate success of a high-tech equipment manufacturer, qualified and motivated managers and employees are of decisive importance. The departure of executives or key employees could have a negative impact on the company's business performance, thereby affecting its net assets, financial position and operational results. At the same time, there is also a risk that the company will not be able to hire a sufficient number of new, suitable executives or additional employees. Manz aims to create a positive working environment with measures such as various working time models or giving employees a financial stake in the company's success, thereby retaining employees and expertise within the company in the long term. As a listed company, Manz AG is more in the focus of potential employees than non-listed companies. This allows Manz to better present its offerings to employees, such as flat hierarchies, exciting activities, flexible working hours, and well-equipped workplaces. However, it also brings extra attention in economically challenging times, which can temporarily make it harder to recruit. Another positive aspect of stock market listing is the ability to bind employees more closely to the company through the issue of shares and a corresponding profit share.

Liquidity and financing risks, including going concern risks

Based on a decline in incoming orders of EUR 195.7 million in the 2023 fiscal year compared to the previous year (EUR 359.7 million) at the Manz Group and EUR 106.9 million (previous year: EUR 215.2 million) at Manz AG, in particular advance payments received from customers fell as of the reporting date. Over the course of the year, this led to a decline in cash and cash equivalents at the Manz Group (EUR 30.2 million, previous year: EUR 33.6 million) and at Manz AG (EUR 8.1 million, previous year: EUR 17.7 million) despite proceeds of EUR 11.5 million from the sale of shares in Customcells Holding GmbH. Cash and cash equivalents fell to EUR 16.3 million for the Manz Group and EUR 3.3 million for Manz AG in the period up to April 30, 2024.

Accordingly, liquidity and financing risks, including going concern risks, increased further in the 2023 fiscal year compared to the previous year.

In order to counter these going concern risks in the forecast period up to May 2025, the Managing Board of Manz AG has developed and implemented various measures to maintain solvency, which are already used as assumptions in the last updated version of the rolling liquidity planning described below in addition to current assumptions for the operating business.

A key ongoing assumption in the liquidity planning of the Manz Group and Manz AG is the receipt of the customer orders identified and planned as part of the budget planning discussions in relation to the order amount and in relation to the planned time of receipt of the order. Incoming orders are then associated with payments from the respective order at short intervals, which are followed by payments for supplier orders with a time lag. A delay or change in the volume of planned incoming orders or payments from new and existing projects, higher project costs or repayment obligations from projects as well as the general absence of incoming orders or the loss of customer payments from existing projects can have a significant impact on the liquidity of Manz AG and the respective subsidiaries and thus also on the Group.

Other key assumption for the liquidity planning of the Manz Group and Manz AG for the forecast period relate in particular to the amount and timing of payments from subsidies as part of the ICPEI project in the low double-digit million range.

Manz AG and the Manz Group's subsidiaries work with rolling liquidity planning in order to promptly recognize the risks from delayed or non-payments and other significant issues affecting liquidity. Based on the sensitivity analyses carried out with regard to the liquidity planning for Manz AG, the Managing Board recognized that, taking into account a risk discount of 20 % on incoming orders and a simultaneous 5 % decline in the gross margin from projects in the forecast period, the Managing Board had to take immediate measures to maintain solvency and thus to continue the business activities of Manz AG and the Manz Group.

The Managing Board has therefore developed and implemented a comprehensive package of measures to maintain solvency. With the signing of the purchase agreement dated May 8, 2024 between Manz AG and Harro Höfliger Verpackungsmaschinen GmbH, Allmersbach im Tal, the sale of the shares in Manz Hungary Kft, Debrezin/Hungary, as part of a share deal, was agreed between the two contracting parties subject to a condition precedent at a purchase price of EUR 8 million. The following conditions for the transfer of the shares and the receipt of the purchase price must be fulfilled in advance:

- Presentation of the audited consolidated financial statements and the audited annual financial statements of Manz AG as of December 31, 2023
- Duly confirmed by the Hungarian Minister of Domestic Economy pursuant to Government Regulation No. 561/2022 on Foreign Direct Investment for the acquisition of shares in Manz Hungary Kft.
- Proper confirmation of the Hungarian Investment Promotion Agency on the approval of the change of ownership of Manz Hungary Kft. with simultaneous transfer of the subsidy commitments
- Application for subsidies to the Hungarian state by June 30, 2024 by Manz Hungary Kft.
- Conclusion of an IT framework agreement between Manz AG, Harro Höfliger Verpackungsmaschinen GmbH and Manz Hungary Kft.

- Approval of SAP license transfer and legal transfer of SAP licenses by SAP SE, Walldorf
- Approval of the legal license transfer of a CAD system by Siemens Aktiengesellschaft, Munich

The legal representatives of Manz AG assume that the conditions will be met within the second quarter of 2024 and that the purchase price will be paid by August 31, 2024 at the latest.

Furthermore, in May 2024, an agreement was already concluded for a shareholder loan, which is structured as a current account line of credit in the amount of EUR 3 million and is available to Manz AG on demand for a period of 12 months from the conclusion of the agreement.

In addition, advance payments were agreed with a major customer in April 2024, which would actually have been due in the course of the third and fourth quarters of 2024. As agreed, these prepayments led and will lead to a cash inflow of around EUR 8 million in May and June 2024.

In addition, based on the liquidity planning of the relevant subsidiaries abroad, the Manz Group and Manz AG require the regular extension of short-term overdraft facilities, particularly at the subsidiaries in Taiwan,China and Slovakia, for which Manz AG is a partial guarantor, is also necessary to maintain its solvency in the forecast period until the end of May 2025 and thus to enable the Group to continue its business activities. The Executive Board also assumes that the overdraft facilities still to be extended will most likely be renewed.

All measures taken as part of the package of measures will make a significant contribution to maintaining solvency in the forecast period. The result of this analysis is that it is highly likely that full financing can be maintained in the forecast period.

However, if there are significant deviations affecting liquidity, in particular due to a lack of incoming orders, i.e. with a discount of 50 % on the planned incoming orders in the forecast period, Manz AG is called upon under other warranty guarantees or significant overdraft facilities at foreign subsidiaries are not extended, this will result in a liquidity shortfall in the second half of the forecast period, which will jeopardize the continued existence of Manz AG and the Manz Group.

The continued existence of Manz AG, and thus also of the Group, depends to a large extent on the liquidity risks outlined above not materializing. These events and circumstances represent a going concern risk within the meaning of Section 322 (2) sentence 3 HGB.

Currency risks

The Manz Group's currency risks arise from operating activities. In the 2023 fiscal year, these mainly related to transactions by the Asian companies and Manz AG from the sale of machinery. The transaction-related exchange rate risk resulting from the appreciation or depreciation of the US dollar against the New Taiwan dollar and the US dollar against the Chinese renminbi is generally hedged using forward exchange transactions where necessary and possible. In addition, the exchange rate risk is also to be reduced by spreading the production sites across several countries.

Due to the balance sheet items of individual subsidiaries currently held in foreign currencies, this risk has increased significantly compared to the previous year.

Risks from IT

A large part of the processes and communication in the Manz Group is IT-supported. Therefore, the security of corporate data and the avoidance of interruptions to IT-supported business processes have high priority. To this end, IT systems are protected against possible cyber attacks by unauthorized third parties or by malware, and alternative solutions are developed in the event of stability problems. Work is also ongoing to standardize the use of IT systems across the entire Group.

Strategic risks

Risks from the strategic focus on dynamic growth markets

As a high-tech equipment manufacturer, Manz AG focuses on rapidly growing future markets with short product life cycles. With its production solutions, Manz contributes to the development of numerous technologies. Among other things, consumer electronics, power electronics and other components of the electric drive train, as well as batteries for electric vehicles, consumer electronics and stationary energy storage systems, are manufactured on Manz machines. This market positioning in highly competitive and innovation-driven markets entails the risk of a competitive disadvantage due to insufficient flexibility of structures, insufficient know-how or too slow a pace of development. In order to avoid this, the respective segments therefore always endeavor to recognize customer requirements and future technological trends in the industries at an early stage. The company derives innovations from these findings, in order to stay one step ahead of the competition. The innovation approaches are presented and discussed by the business units in a group-wide strategy meeting every six months and their implementation is approved after a detailed, positive review.

Dependence on major customers and industries

The development of production equipment for industrial companies entails the risk of a concentration in the order volume on individual projects, sectors and customers. In the 2023 fiscal year, the Manz Group generated around 40 % of its revenues with five customers. If the loss of a major client cannot be compensated for, negative effects on the Manz Group's results are to be expected. For this reason, Manz pursues the goal of balancing the order structure within the two reporting segments. Machines that can be combined modularly and machine components, as well as "small lines" and major projects with an order volume of > EUR 10 million are to be balanced out. The risk of a decline in major customers is to be reduced in principle by broadening the customer base and diversifying project volumes and the business model.

Market risks

Risks in connection with international business activities

Negative macroeconomic and financial developments in the international sales markets may have negative effects on business development. As a result, refinancing for Manz as a listed company via the capital market could become significantly more difficult. For potential Manz customers, there is a general risk that the necessary capital for investments in new equipment will not be available due to the fact that some markets are still young. As a result, Manz constantly monitors and analyzes the market and the competition in order to recognize such developments at an early stage and to counteract them. The flexibility of the entire corporate organization, the expansion of the product portfolio, the customer base and global sales capacities, and the focus on growth markets of the three core regions of Asia, Europe and the United States make it possible to react quickly to negative changes in individual markets. Increasing internationalization may also result in risks on the purchasing market side, for instance shortfalls due to trade wars, such as the ongoing one between China and the USA, as well as due to the current situation with the war in Ukraine. In addition, an increase in interest rates by the central banks could lead to a weakening of the global economy with corresponding effects on the Manz Group. A high inflation rate also generally entails the risk of a loss of purchasing power and an associated deterioration in the Group's earnings situation.

On the supplier side, Manz endeavors to avoid becoming dependent on individual suppliers or procurement markets through flexibility, e.g. by avoiding single-source suppliers. In addition thereto, the harmonization of all relevant internal processes as part of international cooperation within the Manz Group is intended to ensure the quality of products at the lowest possible cost and generally optimized IT processes.

Risks due to increasing competition

Existing and potential competitors, in particular, Asian manufacturers, could attempt to gain market share in Manz's target industries – primarily through an aggressive pricing policy, an imbalance caused by local tax and subsidy policies of states and governments, or import restrictions to support national companies. Although the market for battery production systems has enormous growth potential, it is currently almost entirely in the hands of Asian suppliers. For another battery cluster to emerge outside Asia, European and North American manufacturers, equipment suppliers and public institutions will need to work closely together. If this does not succeed, Asia will extend its lead and retain its supremacy. Another risk is that there will be too many new competitors, resulting in oversupply on the market and subsequent consolidation among companies. This could have a direct impact on the development of the company's market share and thus on the Manz Group's revenue and earnings situation. In order to counteract these risks effectively, the "Market Intelligence" division constantly conducts market and competitive surveys, which are discussed in detail in international sales meetings on a regular basis and serve as a basis for possible countermeasures. Furthermore, the CRM system (Customer Relationship Management) provides leading indicators for assessing future market development. A detailed analysis of lost projects provides prompt clarity about the competitive situation. The process of "product invention, development and market launch" also aims to provide strategic innovations for the company's competitive edge in growth markets and to further strengthen Manz's positioning as a high-tech engineering company. With its local facilities in Taiwan and China, the associated production costs that are standard for the local area, and direct customer contacts, Manz counteracts any churn to domestic competitors.

Risks from rapid technological change and from launching new products

Research and development and an innovative product portfolio are crucial for the company to maintain its technological position on the market. The industries for which Manz develops and manufactures its machines and systems are characterized by rapid technological change. Substitutive or disruptive technologies may occupy substantial parts of an existing market. Competitors of the Manz Group could thus succeed in reacting faster (or better) to changing customer requirements by developing corresponding technologies or software, thereby gaining a competitive advantage over Manz. In these cases, demand for Manz's products could be significantly impaired. Furthermore, the Manz Group could develop machines and equipment for which there is little or no demand on the market. There is also a risk that the development of new products will not deliver any usable results, or that these are already protected by patent law elsewhere. Problems with, e.g., technical feasibility, quality assurance, failure to meet deadlines, increased costs, etc., could at worst lead to the loss of customers in conjunction with financial losses. Manz endeavors to maintain close contact with its clients and thus to recognize new trends at an early stage. Furthermore, in the Business Development segment, we are also working on new application possibilities for the technologies developed by Manz. The proximity to the customer further enhances Manz AG through the constant expansion of the associated service business, in particular with after-sales service. Based on our risk analysis, Manz also pursues the goal of ensuring that projects and products are implemented in line with contractual agreements. Manz also counters fundamental risk involved in developing and launching new products for individual customers by expanding its product portfolio to include machine components which can be customized to form modular assemblies or complete production machines at the customer's request. With the help of the measures described, the probability of occurrence of this risk was kept at a consistently low level compared to the previous year.

Environmental risks

Risks related to pandemics

As an internationally active high-tech engineering company, the Manz Group has production facilities in Germany, China, Taiwan, Slovakia, Hungary, and Italy, as well as service subsidiaries in the USA and India. Activities in regions with less developed healthcare systems could have a negative impact on the company's business in the region in the event of pandemics and the resulting production stops, thus impacting the company's net assets, financial position and results of operations. In this context, pandemics could continue to have a negative impact on the execution of our customer projects outside Europe, in particular.

Risk from the environment and nature

Natural disasters – such as earthquakes and floods or other events like fires – can lead to production stoppages, which could have a negative impact on the company's business development and thus impair its net assets, financial position and results of operations. There are also risks of environmental pollution that Manz itself can influence and could, therefore, be held liable for. In general, there is a risk that the company will not or only partially comply with legal requirements in the area of sustainability. These risks are to be minimized by installing an environmental and sustainability management system.

Opportunities Report

The Manz Group's opportunity management system is firmly interlinked with the implemented risk management system. As in the previous year, the aim of the opportunity management system is to identify strategic and operational opportunities at an early stage and, on the basis of corresponding analyses, to provide the Managing Board and segment managers with the necessary information to consistently exploit opportunities for further corporate growth by taking appropriate measures. As a rule, different scenarios are developed for the individual opportunities, on the basis of which well-founded decisions can be made.

We see attractive opportunities for our Group in the coming years in the following areas, in particular:

Industry focus with competitive and customer-oriented, innovative technology portfolio

In recent years, we have laid the foundations for utilizing our current growth potential by consistently focusing our technology and product portfolio on the needs and challenges of the automotive industry & electromobility, battery production, electronics and energy technology. By focusing, in particular, on the megatrends of electrification and digitalization, the aim is to significantly accelerate growth in the medium to long term.

Sustainable competitiveness and profitability through profitable growth

Sustainable and profitable growth is to be achieved through the use of cutting-edge technologies and the realization of economies of scale through modular production facilities. The basis for this is Manz AG's diversified business model, which addresses different industries for its innovative production solutions. Customized solutions and the proportion of modular machines in the product portfolio should strengthen the attractiveness of our highly specialized technology solutions for a constantly growing customer base and be an important driver for sustainable profitability. Based on a modular system, the modular machines can be linked together to form complete, individual system solutions and can be used for a wide range of application scenarios. This step should significantly reduce development risks, effort and duration and thus significantly shortens the amortization of development efforts. Simultaneously, we can generate synergy effects that further increase the productivity of the entire Group.

We are also advancing the development of highly efficient machines and processes for the fully automated production of next-generation lithium-ion batteries with the “Lithium battery factory of the future” project. The proven project and development expertise should significantly improve the performance and cost efficiency of production and considerably reduce the time to market for customers. This project is supported by the Federal Ministry of Economics and Climate Protection (BMWK) and the Baden-Württemberg Ministry of Economics as part of the Important Projects of Common European Interest (IPCEI), in order to promote research and innovation in the battery value chain. In addition, Manz Italy Srl also received a funding commitment from the Italian Ministry for Economic Development. As one of the few European engineering companies that already has extensive experience in the entire value chain of lithium-ion battery production, the IPCEI funding will allow Manz to further intensify its development activities and thus continuously expand its own competitiveness.

In addition, cost-conscious management is of central importance for the profitable development of a company. The diversified business model and ongoing measures to optimize costs are aimed at maintaining long-term competitiveness and profitability.

Cross-segment technology deployment offers possibilities for synergy effects and flexibility

When developing our production systems, we actively transfer technology between industries. By applying our comprehensive technological expertise across all sectors, we create synergies and strive to help minimize production costs for our customers and thus contribute to their cost-effective production. At the same time, the synergy effects achieved between the segments should increase the Manz Group’s productivity and profitability. By utilizing the synergy effects between the segments, our business model is also flexibly positioned for new growth trends and sales markets with additional revenue and earnings potential.

Cooperation with strategic partners opens up growth potential

We see additional growth potential through close cooperation with selected strategic partners. In 2022, we expanded the strategic cooperation with GROB-WERKE GmbH & Co. KG in the field of lithium-ion battery systems, which has been in place since 2021, to include Dürr AG. The cooperation enables us to jointly set new, innovative machine standards “Made in Europe”, combine market and customer access and pool our technical expertise. We can combine our specific, complementary skills to form a unique European alliance and jointly acquire and work on projects to equip complete battery factories. The aim of our partnership is to establish ourselves together as a European system provider of battery production systems, and to offer customers a high-performance alternative to the equipment suppliers that have mostly come from Asia to date. In doing so, the immense growth potential in the production technology business for lithium-ion batteries is to be exploited and the entire value chain covered.

Daimler Truck AG’s investment in Manz AG and the additional cooperation agreement signed in this context also reflect Manz’s strong position in the field of lithium-ion battery production. As a first step, a pilot line for the production of lithium-ion battery cells and the assembly of batteries will be established at the Daimler Truck site in Mannheim. Going forward, the partners will pool their expertise to jointly develop innovative battery technology and the associated production processes for trucks and buses.

Opportunities	Impact	Probability of Occurence
Industry focus with competitive and customer-oriented, innovative technology portfolio	high	high
Sustainable competitiveness and profitability through profitable growth	high	medium
Cross-segmental use of technology offers synergy effects and flexibility	high	high
Cooperation with strategic partners opens up growth potential	medium	high

Overall picture of the Group's risk and opportunity situation

Manz AG's risk portfolio consists of both risks that can be influenced by the Group and risks that cannot be influenced such as economic and industry developments. The company regularly monitors and analyzes the situation in these areas. Risks that can be influenced should be identified at an early stage through appropriate monitoring and control systems and thus avoided. Significant risks, which are likely to have serious negative effects on the ecological or social aspects, cannot be deduced from the business model of Manz AG.

With regard to going concern risks, please refer to the comments on liquidity and financing risks, including going concern risks. For the 2024 forecast period, this risk, in particular, has increased further compared to the previous year. For the change in other risks, please refer to the table at the beginning of the risk report. Risks which do not have any or little relevance according to the risk management system in comparison with the preceding year have not been shown in the current risk report. The risks and their possible effects are known, as are the measures to be introduced. The resulting opportunities are analyzed and, if necessary, implementation is initiated.

Forecast Report

Economic and Sectoral Outlook

In its outlook for the global economy from December 2023, the Kiel Institute for the World Economy (IfW) assumes that economic momentum will remain low for the time being and that the global economic upturn will be a long time coming. On the one hand, commodity prices and energy costs, in particular, have fallen significantly, while supply bottlenecks are no longer an unusually heavy burden on economic activity, and real wages are rising again thanks to falling inflation and rising remuneration. On the other hand, however, uncertainty for companies and consumers remains high, particularly due to geopolitical tensions, and is likely to curb the propensity to invest and consume. Overall, the IfW experts expect the global economy to expand at a moderate pace in December 2023 and only gradually gain momentum. Global economic growth of 2.9 % is expected for the current year 2024 (previous year: 3.1 %). Economic researchers at the IfW expect economic output in the USA to increase by 1.5 % in 2024 (previous year: 2.4 %). In China, the economic situation remains subdued due to structural problems and the pace of expansion remains low by historical standards. The Chinese economy is expected to grow by 4.7 % in 2024 (previous year: 5.4 %). Growth of 0.9 % is expected for the European Union in 2024 (previous year: 0.5 %). Even if no major economic momentum is currently foreseeable, the IfW is forecasting a slight increase in economic output in Germany of 0.9 % in 2024, which will be supported, in particular, by private consumption (previous year's forecast: −0.1 %).

In its December 2023 forecast, the VDMA expects machine production to decline by −4.0 % in real terms in 2024 (previous year: −1.0 %), which is primarily due to falling order backlogs. The VDMA forecasts a total nominal production value of EUR 247 billion for mechanical engineering in 2024 (previous year: EUR 249 billion).

For the global automotive industry addressed by the Mobility & Battery Solutions segment, S&P Global Mobility identifies a risk to further growth following the easing of supply chain disruptions, particularly in the declining demand momentum, as consumer uncertainty exceeds the pent-up demand.

According to forecasts by market analysts at EV-volumes.com, roughly 13 million all-electric vehicles (BEVs) will be sold worldwide in 2024, which corresponds to growth of around 31 % compared to 2023. The share of all-electric vehicles in total car sales therefore increased to around 14.3 % (previous year: 11.2 %). In order to meet the growing demand for lithium-ion batteries as a key component of electric vehicles in the coming years, production capacities are being significantly expanded. For the current year 2024, EV Volumes forecasts the battery capacity required for the aforementioned production of 13.3 million electric vehicles at around 918 gigawatt hours, which corresponds to an increase of around 44 % compared to 2023.

Market analysts at Interact Analysis forecast growth of roughly 16 % to around USD 6.2 billion (previous year: 34 %) for the battery cell assembly production systems market in 2024.

In the Industry Solutions segment, Manz addresses various markets with its machines. These include production solutions for the electronics and display industry, as well as assembly lines for the automotive industry, including the manufacture of inverters for electric vehicles.

Due to the strong growth in the electric vehicle sector, the demand for inverters, which are an essential component of the power electronics in electric vehicles, will continue to increase. Based on IHS Markit forecasts, Manz assumes that European and North American automotive manufacturers (OEMs) will require a total of around 23 million inverters in 2024 (previous year: around 17 million).

DSCC expects capacity in the global display market to grow by around 2–3 % in 2024 compared to 2023 (previous year: –1 %). In particular, additional investments in IT OLED plants and some LCD production lines, which will now continue to operate after all, contributed to this increase.

Within PCB production, Prismark expects growth rates for packaged substrates to increase again in the coming years. The market is expected to grow to around USD 20 billion by 2027, which corresponds to an average annual growth rate of 11.8 % from 2023 to 2027.

The Yole Group forecasts that the global market for the fan-out panel level packaging (FOPLP) chip packaging process will grow by around 55 % to USD 189 million in 2024 (previous year: USD 122 million). The most important growth drivers on the application side include Yole's increasing demand in the area of high-performance computing (HPC) and for high-end smartphones and smartwatches.

Expected Development of the Group and the Segments

Forecast Revenues

	2022 actual	2023 forecast*	2023 actual	2024 forecast
	Revenues in millions of EUR	**Revenue trend**	**Revenues in millions of EUR**	**Revenue trend**
Group	251.0	Revenue growth in the lower double-digit percentage range compared to the previous year*	249.2	Increase in revenues in the mid single-digit percentage range
Mobility & Battery Solutions	92.3	Revenue growth in the mid double-digit percentage range compared to previous year	91.1	Increase in revenues in the lower double digit percentage range
Industry Solutions	158.6	Revenue growth in the lower double-digit percentage range to the previous year	158.0	Increase in revenues in the low single-digit percentage range

*Adjustment of the revenue forecast with ad hoc announcement dated January 26,2024 to a value approximately at the previous year's level.

Earnings Forecast

	2022 actual	2023 forecast	2023 actual	2024 forecast
	EBIT margin in %*	**Earnings trend**	**EBIT margin in %**	**Earnings trend**
Group	–1.5	EBIT margin in the low positive single-digit percentage range	1.1	EBIT margin in the low positive single-digit percentage range
Mobility & Battery Solutions	–10.5	EBIT margin in the low positive single-digit percentage range	0.5	EBIT margin in the low positive single-digit percentage range
Industry Solutions	5.1	EBIT margin in the low positive single-digit percentage range	2.2	EBIT margin in the low positive single-digit percentage range

*Adjustment of previous year's items: Guarantee commissions are now reported under financial expenses instead of other operating expenses. EBITDA and EBIT for the previous year improved accordingly.

For information on the risks and opportunities of future business development, please refer to the risk and opportunity report and; with regard to business development in 2022 and 2023, to the comments in the section on the results of operations.

Due to the continued positive overall industry outlook in the markets addressed by the Manz Group, the Managing Board expects Manz to grow profitably in 2024. The extent to which the consequences of the war in Ukraine, trade wars – such as the one between China and the USA – and the central banks' current interest rate policy will affect the overall economic and sector-specific conditions in 2024 cannot be conclusively estimated. The Managing Board expects the Group to achieve a mid single-digit percentage increase in revenues compared to 2023, a mid to upper double-digit percentage increase in incoming orders, an EBITDA margin in the mid positive single-digit percentage range and an EBIT margin in the low positive single-digit percentage range. The equity ratio is expected to be around 30 %.

At segment level, the Managing Board anticipates an increase in revenues in the low double-digit percentage range for Mobility & Battery Solutions, an EBITDA margin in the mid positive single-digit percentage range and an EBIT margin in the low positive single-digit percentage range, particularly as a result of the market opportunities arising from the cooperation with Dürr and GROB. With regard to incoming orders, the Managing Board is forecasting a doubling to tripling of the figure compared to the 2023 financial year, with an amount of around EUR 65 million. For Industry Solutions, the Managing Board is forecasting an increase in revenues in the low single-digit percentage range, an EBITDA margin in the mid positive single-digit percentage range, an EBIT margin in the low positive single-digit percentage range and an increase in incoming orders in the mid double-digit percentage range. The aim of the Managing Board is to further develop the comprehensive technology portfolio, on the one hand, and to strengthen and expand Manz's robust market position in both segments, on the other. With its technologies, Manz will continue to focus, in particular, on the automotive and electromobility, battery production, electronics and energy industries.

Forward-Looking Statements

This report contains forward-looking statements, which are based on the current assumptions and forecasts of Manz AG's Managing Board. Such statements are subject to both risks and uncertainties. These and other factors could cause the actual results, financial position, developments or performance of the company to differ materially from the estimates given here. Notwithstanding existing obligations under capital market law, the company assumes no obligation whatsoever to update such forward-looking statements, or to adapt them to future events or developments.

Reutlingen, May 17, 2024

The Managing Board

Martin Drasch　　　　Manfred Hochleitner

Translation – German version prevails

The below copy of our auditor's report includes a "Report on the Audit of the Electronic Reproductions of the Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB" ("ESEF report"). The subject of the audit underlying the ESEF report (ESEF documents to be audited) is not enclosed. The audited ESEF documents can be found in and retrieved from the German Federal Gazette.

INDEPENDENT AUDITOR'S REPORT

To Manz AG, Reutlingen /Germany

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of Manz AG, Reutlingen /Germany, which comprise the balance sheet as at 31 December 2023, and the statement of profit and loss for the financial year from 1 January to 31 December 2023, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the combined management report for the parent and the group of Manz AG, Reutlingen/Germany, for the financial year from 1 January to 31 December 2023.

In accordance with the German legal requirements, we have not audited the content of the sustainability report that includes the separate consolidated non-financial reporting according to Section 315b (3) German Commercial Code (HGB), and of the combined corporate governance statement according to Secs. 289f and 315d HGB, to which reference is made in the combined management report each. In addition, we have not audited the content of the section "Assertion extraneous to management reports (unaudited)" in the chapter "Report on opportunities and risks".

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2023 and of its financial performance for the financial year from 1 January to at 31 December 2023 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the above-mentiond sustainability report, of the combined corporate governance statement and the content of the above-mentioned section "Assertion extraneous to management reports (unaudited)".

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report” section of our auditor’s report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the combined management report.

Material Uncertainty Related to Going Concern

We refer to the sections “General explanations“ and “Going concern and facts endangering the existence as a going concern“ in the notes to the consolidated financial statements and the section “Risk report“ subsection “Liquidity and financing risks, including risks endangering the existence as a going concern“ in the combined management report. The executive directors refer in these sections to, on the one hand, uncertainty surrounding future developments in the Group’s business and liquidity against a backdrop of substantially decreased order intake compared to the previous year and, on the other hand, the liquidity and financing situation as risks endangering the existence of the Company as a going concern, that continued to increase from the previous year. Developments in the financial year 2023 led, as the year progressed, to a decline in existing liquid funds of Manz AG (mEUR 12.2, prior year: mEUR 22.7) as of the balance sheet date, despite a one-off effect of mEUR 11.5 that increased liquidity. Time delays or changes in the volume of planned order intake or cash receipts from new or existing projects, higher project costs or repayment obligations arising from projects, and a general lack of order intake or customers defaulting on cash to be received from existing projects can have a significant negative effect on Manz AG’s liquidity. Because sensitivity analyses regarding liquidity planning for Manz AG were conducted, the executive directors realized that immediate action had to be taken in the forecast period until the end of May 2025 to maintain the ability to make required payments and hence continue the business operations of the Company and the Group, taking into account a risk discount rate of 20% for order intake and a simultaneous 5% decline in gross project margins. The executive directors have hence developed and implemented a corresponding action plan to maintain the ability to make required payments.

A contract between Manz AG and Harro Höfliger Verpackungsmaschinen GmbH, Allmersbach im Tal/Germany, the contracting parties, was signed on 8 May 2024 that sets out the terms by which shares in Manz Hungary Kft., Debrecen/Hungary, are sold in a share deal at a purchase price of mEUR 8 subject to satisfaction of conditions precedent (aufschiebend bedingt). The following conditions must be satisfied in advance to transfer the shares and receive the purchase price:

- Appropriate confirmation by Hungarian National Economy Minister according to Government Decree No. 561/2022 on foreign direct investments regarding the acquisition of shares in Manz Hungary Kft.;
- Appropriate confirmation by Hungarian Investment Promotion Agency regarding approval for a change of owner of Manz Hungary Kft., given a simultaneous transfer of promised subsidies;
- An application for subsidies submitted by 30 June 2024 to the Hungarian government by Manz Hungary Kft.;
- Conclusion of an IT framework agreement between Manz AG, Harro Höfliger Verpackungsmaschinen GmbH, and Manz Hungary Kft.;
- Consent to SAP licence transfer and legal transfer of SAP licences through SAP SE, Walldorf/Germany;
- Consent to legal licence transfer of a CAD system through Siemens Aktiengesellschaft, Munich/Germany.

The executive directors assume that the conditions will be satisfied within the second quarter of 2024 and the purchase price will be received by 31 August 2024 at the latest.

In addition, a contract was concluded in May 2024 that details the terms of a shareholder loan which is in the form of an overdraft line of credit of mEUR 3.

Moreover, prepayments to be made in advance were agreed with a major customer in April 2024 that would have become due, in some cases, during the third and fourth quarters of 2024. The prepayments have led, and will lead to a cash inflow of about mEUR 8 in May and June 2024 according to the terms of the agreement.

In addition, to maintain the ability to make required payments in the forecast period until the end of May 2025 and hence the Group's ability to continue its business operations, it is necessary for the Manz Group and Manz AG to extend the maturity dates of short-term overdraft lines of credit on a regular basis, particularly short-term overdraft lines of credit taken out by subsidiaries in Taiwan, China and Slovakia for which Manz AG acts as a guarantor in some cases, on the basis of liquidity planning of the relevant subsidiaries.

However, if significant deviations occur that affect liquidity, particularly because of a lack of order intake, i.e., a 50% discount for planned order intake in the forecast period, other payment guarantees require Manz AG to make payments, or the maturity dates of significant short-term overdraft lines of credit of subsidiaries are not extended, a liquidity shortfall is faced in the second half of the forecast period that endangers Manz AG's and the Manz Group's ability to continue as a going concern. To that extent Manz AG's ability to continue as a going concern depends crucially on the non-occurrence to a significant extent of the liquidity risks outlined above.

As is presented in the combined management report, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern, and constitutes a risk endangering the existence of the Company as a going concern within the meaning of Section 322 (2) sentence 3 HGB.

According to Article 10 (2) lit. c) point ii) of the EU Audit Regulation, we summarize our audit procedures with regard to that risk as follows: As part of our audit, we dealt with the topic, whether the use of the going concern basis of accounting and the disclosures on the material uncertainty related to going concern as expressed in the annual financial statements and in the combined management report are appropriate. In doing so, we analyzed rolling short-term and/or medium term liquidity planning of Manz AG on a monthly basis that extended to the end of May 2025, and corporate planning that the executive director of Manz AG had issued, and the supervisory board had approved for the financial year 2024 and taken note of for the financial year 2025, including the sensitivity analyses conducted by the executive directors, in which we involved our internal valuation specialists dealing with "Turnaround and Restructuring". More specifically, we evaluated the assumptions underlying the corporate planning to determine whether the assumptions made were plausible and planned actions were feasible, particularly through a review of existing order backlog as of the balance sheet date and order intake after 31 December 2023, based on an understanding that we obtained of the Company's business model, and identified and examined the difference between plan and actual derived from the assumptions used in the previous year. In addition, we used the results of the reports provided by an expert whose services had been engaged by the executive directors, Struktur Management Partner GmbH, Cologne/Germany, a consulting firm, on assistance offered in evaluating the plausibility of liquidity planning of Manz AG until May 2025, taking into account our evaluation of their competence, capabilities and objectivity. Moreover, we evaluated how paid and planned cash receipts associated with the action plan implemented by the executive directors affected liquidity planning and corporate planning, and analyzed their implications. This is the context in which we additionally analyzed the contracts establishing the terms by which shares were sold, a shareholder loan was taken out, and prepayments were adjusted. Moreover, we obtained and assessed evidence of the more-likely-than-not satisfaction of the condition precedent associated with the sale of shares in Manz Hungary Kft. in particular. Regarding a lengthening of the maturities of short-term overdraft lines of credit of subsidiaries in Taiwan, China and Slovakia, we used and discussed with the executive directors of Manz AG evidence in particular of contract negotiations that had taken place, in which we involved the component auditors of the relevant companies. Finally, we verified the completenes and correctness of the disclosures in the annual financial statements and combined management report in connection with the risks endangering the existence of the Company as a going concern within the meaning of Section 322 (2) sentence 3 HGB.

Our audit opinions on the annual financial statements and on the combined management report were not modified in respect of these matters.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In addition to the matter described in section “Material Uncertainty Related to Going Concern”, we have identified the matters described in the following as key audit matters, which are to be stated in our auditor’s report:

1. Recoverability of shares in affiliated companies
2. Accounting for contracts for production solutions

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

a) description (including reference to corresponding information in the annual financial statements)
b) auditor’s response

1. Recoverability of Shares in Affiliated Companies

a) Shares in affiliated companies of mEUR 21.1 (prior year: mEUR 28.2) are recognized in the annual financial statements of Manz AG as of 31 December 2023. They account for 17.3% (prior year 15.8%) of the balance sheet total and hence have a major impact on the Company’s assets and liabilities.

Shares in affiliated companies are reviewed annually by the executive directors for impairment as of the balance sheet date. The executive directors have determined that performed impairment tests resulted in the need to recognize impairment losses of mEUR 7.1 for an equity investment. Shares in affiliated companies are recorded at acquisition costs or the lower market value. The Company determines the market value based on a discounted cash flow method whereby planned future income is discounted using risk-adequate capitalization rates.

Future income projections are based on detailed corporate planning undertaken by the executive directors for the coming three and/or five years, which are rolled forward to the time period that follows. Corporate planning has been reviewed and issued by the executive directors of Manz AG. The supervisory board of Manz AG has approved budgetary planning of the Group for the financial year 2024, and taken note of corporate planning for the following four years.

The valuation has been highly dependent on an assessment of future income conducted by the executive directors that requires the exercise of judgment, and on the discount rate used by the executive directors, and is hence surrounded by substantial uncertainty. For this reason, we considered this issue to be of special importance when we conducted our audit.

The disclosures by the executive directors on the valuation of shares in affiliated companies, on the accounting and valuation policies used, and on the related decisions that require the exercise of judgment, can be found in the chapter “Accounting and valuation policies“ in the notes to the annual financial statements.

b) During our audit, we obtained an in-depth understanding of the process of testing shares in affiliated companies for impairment. We evaluated the design and establishment of selected internal controls relevant to the audit.

We reperformed the impairment test conducted by the executive directors, in which we involved our internal valuation specialists and, in doing so, assessed the extent to which the impairment test could be influenced by subjectivity, complexity, or other inherent risk factors, and assessed the reasonableness of the methods applied, assumptions made, and data used when estimates were made by the executive directors. This is the context in which we also assessed whether the valuation procedure applied was methodologically and arithmetically appropriate. In relation to planning data included in the valuation, we performed reconciliations on the budget planning that the executive directors of Manz AG had issued, and the supervisory board had approved, and on the corporate planning that the supervisory board had taken note of.

In addition, we evaluated the plausibility of expected future income used in budget calculations, including the underlying significant assumptions, using economic and industry-specific market data.

We also examined whether planning was consistent with information about control, about strategy and about medium-term planning, and about forecast reporting in the combined management report.

Moreover, we assessed the determination of the capitalization rate used. For this purpose, we concerned ourselves with the parameters used, that we reconciled to market data, including inflation data and the related expectations, in which we involved internal valuation specialists who we consulted.

2. Accounting for Contracts for Production Solutions

a) A significant portion of Manz AG’s revenue is generated from customer-specific contracts for production solutions. The revenue associated with contracts for production solutions is recognized according to the so-called completed contract method at the time all primary and significant secondary tasks are completed.

According to our risk assessment, the accounting for contracts for production solutions, including the resulting revenue recognition, is an area posing a significant risk of material misstatement, and is hence a key audit matter because the recognition of revenue from individual construction contracts in the period when earned has a significant effect on the presentation of the Company’s financial performance.

In addition, decisions requiring the exercise of judgment, estimates and assumptions must be made by the executive directors about the valuation of inventories associated with the relevant construction contracts at net realizable value, particularly decisions, estimates and assumptions about the total cost of a contract, the remaining cost the Company expects to pay to complete a contract, the total revenue of a contract, including amendments, and contract risks.

The disclosures on accounting and valuation methods used to account for contracts for production solutions can be found in the chapter “Accounting and valuation methods“ in the Notes.

b) During our audit, we obtained an in-depth understanding of the underlying processes from the proposal stage to the implementation stage of construction contracts, and evaluated the extent to which the processes and the related data can be influenced by subjectivity, complexity, or other inherent risk factors. In doing so, we considered the design and establishment of internal controls relevant to the audit and designed to ensure that the revenue of contracts for production solutions is correctly recognized in the annual financial statements. For selected controls, we tested the operating effectiveness of these controls and relied on a control-based audit approach.

Based on a representative sample, we concerned ourselves with the revenues recognized as of the reference date to assess the recognition of revenue in the period when earned. This is the context in which we obtained evidence from third parties, e.g., evidence of transfer of risk and client acceptance documentation.

For selected construction contracts, we performed substantive procedures. We:

- reperformed the appropriate and timely allocation of material costs and construction costs included in the relevant construction contract using purchase orders, performance records and supplier invoices;
- analyzed cost changes as the year progressed to identify irregularities, and took the knowledge obtained on this basis into consideration when we reviewed changes in planned costs and contract value;
- obtained and considered assessments of project risks of significant projects from the individuals who were responsible for the projects and had been named by the executive directors.

We evaluated estimates and assumptions made by the executive directors about net realizable value when we performed tests of details of the relevant construction contracts. Our audit procedures included, among other things, a review of the contractual arrangements, including addenda, and significant contract terms. In addition, we enquired of the individuals who were responsible for the contracts and had been named by the executive directors about the development of the construction contracts, the reasons for deviation between planned costs and the costs actually incurred, a recent evaluation of the remaining cost the Company expects to pay to complete a contract, and an assessment made by the executive directors of the probability of occurrence of contract risk.

Other Information

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

- the sustainability report that includes the separate consolidated non-financial reporting,
- the combined corporate governance statement, including reporting on corporate governance,
- the section “Assertion extraneous to management reports (unaudited)” included in the chapter “Report on opportunities and risks” of the combined management report,
- the executive directors’ confirmation regarding the annual financial statements and the combined management report pursuant to Sections 264 (2) sentence 3 and 289 (1) sentence 5 HGB.

The executive directors and the supervisory board are responsible for the statement according to Section 161 German Stock Corporation Act (AktG) concerning the German Corporate Governance Code, which is part of the combined corporate governance statement. Otherwise the executive directors are responsible for the other information.

Our audit opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

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

- is materially inconsistent with the annual financial statements, with the audited content of the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

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

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

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

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

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

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

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

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

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets,

liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

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

OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Audit Opinion

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the annual financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value 7398689869ad78d2bc397c3736b6d614e5331eacbf30437f90af00905660a1dc, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

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

Basis for the Audit Opinion

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

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents based on the electronic files of the annual financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.

- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited annual financial statements and to the audited combined management report.

Further Information Pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the general meeting on 4 July 2023. We were engaged by the supervisory board on 4 September 2023. We have been the auditor of Manz AG, Reutlingen /Germany, since the financial year 2023.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as with the audited ESEF documents. The annual financial statements and the combined management report converted into the ESEF format – including the versions to be submitted to the Company Register – are merely electronic reproductions of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Jan Bühler.

Stuttgart/Germany, 17 May 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Jan Bühler	Katharina Niemann
Wirtschaftsprüfer	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)

Responsibility statement by the legal representatives

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

Reutlingen, May 17, 2024

The Managing Board of Manz AG

Martin Drasch, CEO Manfred Hochleitner, CFO