



FISCAL

2022/

2023

ANNUAL REPORT



FISCAL 2022/2023 ANNUAL REPORT

INCOME STATEMENT, CASH FLOW STATEMENT, BALANCE SHEET, SHARE, EMPLOYEES

IFRS	2022/2023	Changes in %	2021/2022	2020/2021	2019/2020	2018/2019
Income statement						
Total revenues (EUR million)	1,157.411	14.7	1,009.159	848.592	916.582	1,059.870
EBIT (EUR million)	50.080	20.2	41.664	20.040	15.161	60.322
Profit from ordinary activities (EUR million)	42.562	20.6	35.304	14.140	9.930	57.477
Post-tax earnings (EUR million)	30.444	44.1	21.134	6.909	3.735	39.014
Cash flow statement						
Cash flow from operating activities (EUR million)	38.459	-32.4	56.900	73.662	123.521	72.284
Cash flow from investing activities (EUR million)	-31.352	-34.6	-47.939	-37.760	-51.341	-47.695
Free cash flow (EUR million)	7.107	-20.7	8.961	35.902	72.180	24.589
Capital spending (EUR million)	26.415	-14.9	31.025	38.299	51.638	65.219
Balance sheet						
Equity (EUR million)	454.627	5.3	431.846	408.828	403.431	416.692
Equity ratio (%)	47.5	5.1	45.2	44.6	42.7	51.5
Total assets (EUR million)	956.120	0.01	956.047	916.389	945.459	808.662
Share						
Earnings per share (EUR)	3.01	44.0	2.09	0.68	0.37	3.86
Dividend per share (EUR)	1.20 ³	41.2	0.85	0.27	0.15	1.60
Share price on 30. September (EUR) ¹	44.00	31.3	33.50	50.30	32.30	41.35
Share price, high (EUR) ²	53.10	-15.8	63.10	63.20	57.10	78.80
Share price low (EUR) ²	28.20	-13.2	32.50	28.80	25.00	40.80
Shares outstanding on 30 September (number)	10,143.240	-	10,143.240	10,143.240	10,143.240	10,143.240
Market capitalisation on 30 September (EUR million)	446.3	31.3	339.8	510.2	327.6	419.4
Employees						
Number of employees at Bertrandt Group on 30 September	14,276	8.3	13,179	12,030	12,335	13,664

¹Closing price in Xetra trading on 30 September or the last trading day of the fiscal year.

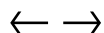
²In Xetra trading.

³Dividend proposed by the Management Board and Supervisory Board



Using the PDF

We want to make it as easy as possible for you to use the PDF. We have therefore included links in this report. You can use the navigation on the left to jump to specific chapters. The chapter that you are reading is highlighted. The icons at the top left function similarly to those on a website:



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You can also go from the table of contents directly to the chapter you want to read. There are also highlighted links in the text. Page references are linked in the PDF and also work offline. To access websites, you need an internet connection.

For environmental reasons no print version of the report is available.

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WE are Bertrandt



‘WE move, WE develop, WE change – together as a team and with our customers’.

As one of the world's leading engineering service providers in the automotive, aerospace and industries sectors, we work with our customers on an equal footing. We get to grips with the problems at hand, drive forward technological progress and make a significant contribution to a sustainable future. In the collaboration with our customers, we are their development partner and driving force, working in an agile and dynamic way on individual solutions. We work on this every day – with over 14,000 employees at more than 50 sites worldwide.

→ [WE ARE BERTRANDT. THE BEST SOLUTION FOR EVERY CUSTOMER.](#)

→ [THE BERTRANDT WAY](#)



Sustainability



Sustainability is integral to our Group strategy. It's what drives our business. We take a holistic view of sustainability and coordinate our projects on an interdisciplinary basis. Through many individual actions and a strategic initiative derived from them, we are helping to shape the world of tomorrow. You can find an example of our services in the area of sustainability here:

- [LIFE CYCLE ASSESSMENT](#)
- [BERTRANDT AIMS TO BE CO₂ NEUTRAL BY 2039](#)
- [BERTRANDT ANNUAL REPORT 2022/2023](#)
- [PRESS RELEASE](#)

About the Group

WE – that's over 14,000 employees. We have been part of the global development network for almost 50 years, offering cross-industry expertise and a comprehensive understanding of systems and products. We work with and for our customers to develop holistic solutions along the trending topics of autonomous systems, digitalisation and e-mobility.

- [THE BERTRANDT GROUP](#)
- [WE ARE BERTRANDT. THE BEST SOLUTION FOR EVERY CUSTOMER.](#)
- [BERTRANDT WINS THE GERMAN BRAND AWARD](#)

Range of Services

Thanks to our interdisciplinary and interconnected engineering network, our services include all project steps in the project phases of conceptual design, product design and development right through to the start of production and production support. The individual development steps are validated by our in-house teams through simulation, prototype building and testing. More information on our range of services is available here:

- [SERVICES – THE BERTRANDT ENGINEERING NETWORK](#)

Internationalisation



WE have extensive expertise in international and national projects. We are committed to supporting our customers also in their international locations and in managing projects across national borders. This enables us to deliver added value and ensure our competitiveness. Around 25% of our employees already work at international locations such as in the USA, Europe, China or in our newest subsidiary in North Africa (Morocco).

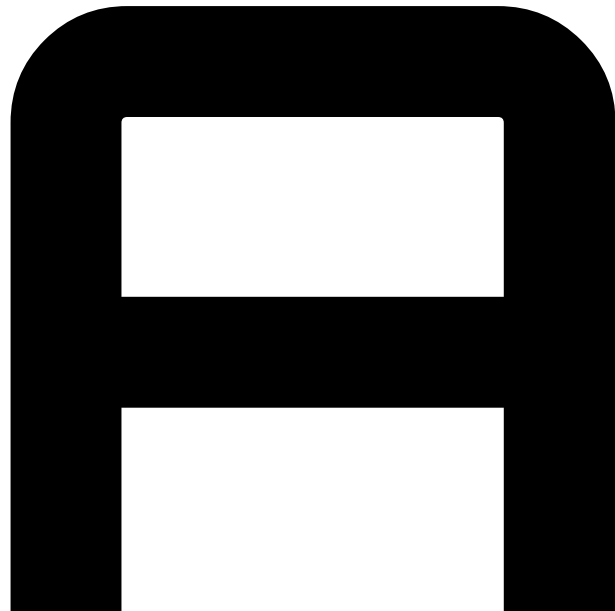
- [BERTRANDT OPENS FIRST LOCATION IN MOROCCO](#)



Investor Relations

WE engage in close dialogue with our investors and shareholders. In addition to the annual general meeting, we are in regular contact with our investors in all the major financial centres. We create trust and sustainable shareholder value through continuous, comprehensive and timely communication with the capital market. We are therefore delighted to have been nominated by IR Magazine in two categories: Best IR Department and Best IR Officer. Detailed information about Bertrandt shares and investor relations is available here:

- [BERTRANDT – INVESTOR RELATIONS](#)



A letter to the Shareholders

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1.20

Euro per share is the dividend proposed to the annual general meeting by the Management Board and Supervisory Board

→ [DIVIDEND: P. 23](#)



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Management Board report

Members of the Management Board of Bertrandt AG (from left to right):

MARKUS RUF

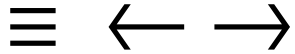
Member of the Management Board
Finance

MICHAEL LÜCKE

Member of the Management Board
Sales

DR. ANDREAS FINK

Member of the Management Board
Engineering



Dear shareholders,

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There was a change in the Management Board of Bertrandt AG in the fiscal year 2022/2023. Management Board member Hans-Gerd Claus (Engineering) resigned, at his own request, from the Management Board of Bertrandt AG on 31 March 2023. The Supervisory Board appointed Dr. Andreas Fink as his successor in the Management Board (Technology). All the active members of the Management Board would like to thank Hans-Gerd Claus for his work over many years and wish him all the best for the future.

SUCCESSFUL GROWTH IN REVENUES UNDER CHALLENGING CONDITIONS

In fiscal 2022/2023, Bertrandt benefited from large-scale research and development investment by our customers in the megatrends of digitalisation, autonomous driving, connectivity and electromobility. The market was driven by innovation for new and sustainable technologies, competitive products and regulatory requirements to shape the transformation of the sector.

We therefore look back on a challenging, yet successful fiscal year 2022/2023. With 14,276 employees, we not only passed the 14,000 mark for the first time, but also set a new workforce record in the year before our 50th anniversary. The same applies to total revenues of around EUR 1.157 billion, which are almost EUR 100 million higher than the previous record set in the pre-pandemic year 2018/2019.

These records must be seen in the context of geopolitical unrest, a slowdown in the global economy and an anticipated recession in Germany in 2023. At the same time, we are experiencing a level of inflation that is unfamiliar to many, but which is being tamed by rapid and significant interest rate hikes. Despite these and other negative external factors, such as supply bottlenecks or a pronounced wave of sickness at the beginning of the fiscal year, the Bertrandt Group's EBIT totalled just over EUR 50 million, which means that the EBIT margin of 4.3% is within our expected target corridor of 4.1–7%.

Together with all our managers and employees, we remain committed to ensuring on a daily basis that the Group's business continues to develop positively in the coming fiscal year 2023/2024, despite a persistently challenging environment.

The forecast for the 2023/2024 fiscal year is presented in detail in this Annual Report. In summary, we expect

- growth in total revenues of EUR 70–110 million and
- an EBIT margin of between 5% and 7%.

These forecasts are, of course, subject to the uncertainties of geopolitical and economic conditions and are based on the assumption that there will be no further deterioration in the current macroeconomic outlook or a renewed acceleration in inflation.

We continued to develop the Group in line with our corporate strategy in the fiscal year 2022/2023 and achieved important milestones.



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INTERNATIONALISATION

After a presence on three continents in the past, in Europe, North America and Asia, Bertrandt is now also serving customers in Africa from its branch in Morocco. Thanks to the pleasing development of our non-domestic branches in France, the USA, Spain and Romania, we generated over 17% (previous year 15%) of our total revenues abroad. Around 25% of all colleagues now work at one or other of our non-domestic branches for local, international or transnational projects and customers.

SUSTAINABLE CORPORATE GOVERNANCE

Another key element of Bertrandt's corporate strategy is acting in line with sustainability principles. We take a holistic view of sustainability. In addition to the overarching goal of achieving CO₂-neutrality as early as 2039, we aim to meet the needs of all our stakeholders (customers, society, employees). In fiscal 2022/2023 a number of measures were adopted to bring us closer to our goal and to meet our responsibilities. Our performance and progress were also assessed by various rating agencies during the reporting period. For example, we were again awarded an A rating by MSCI and a silver medal by ecovadis. Full details of our sustainability initiatives are provided in the Sustainability Report in this Annual Report.

INORGANIC GROWTH

The Group's corporate development strategy also includes external growth by means of collaborations or acquisitions. Following the acquisition of the Bertrandt Technology Group (formerly Philotech Group) in fiscal year 2021/2022 and its further integration in the reporting period, the takeover of CONCEPT AG was closed and the acquisition of evopro AG was largely completed in fiscal year 2022/2023. Both companies round off our production-related services and consultancy with the aim of further expanding and strengthening our customer relationships.

BERTRANDT SHARES AND DIVIDEND

We are a reliable partner for all of the Company's stakeholders. This applies to our employees, our customers and our shareholders. For the 2022/2023 fiscal year, we will continue to follow our stated dividend policy and will propose to the annual general meeting a dividend of around 40% of consolidated post-tax earnings. Based on the business performance in the 2022/2023 fiscal year, this payout ratio corresponds to a proposed dividend of EUR 1.20 per share. Compared to last year's dividend of EUR 0.85 per share, this represents an increase of over 40%.

The Bertrandt share slightly outperformed the stock market index for smaller listed companies in Germany (SDAX) over the period. The share price started the period at EUR 33.70. After reaching a high of EUR 53.10 in April 2023, the share closed the year at EUR 44.00. Further details on the share and our capital market activities can be found in the section 'Bertrandt on the capital Market'.



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ACKNOWLEDGEMENT

In a challenging environment, our customers continued to make substantial investments in research and development in fiscal 2022/2023, for example to actively shape the transformation of the mobility industries along the megatrends. All 14,276 Bertrandt employees have consistently served our customers. As reliable individual partners, they have contributed to the Company's positive development. We would therefore like to take this opportunity to extend our special thanks to our customers and colleagues. We would also like to thank our business partners and our shareholders for the trust they have placed in us. Together, we now look ahead to our upcoming anniversary year 2023/2024, when we will celebrate our 50th anniversary.

Yours sincerely

DR. ANDREAS FINK
Member of the
Management Board
Engineering

MICHAEL LÜCKE
Member of the
Management Board
Sales

MARKUS RUF
Member of the
Management Board
Finance



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Supervisory Board report

Members of the Supervisory Board of Bertrandt AG (from left to right):

PROF. DR.-ING. WILFRIED SIHN
Deputy Chairman of the Supervisory Board

MARIANNE WEISS
Employee representative

DIETMAR BICHLER
Chairman of the Supervisory Board

MATTHIAS BENZ
Member of the Supervisory Board

UDO BÄDER
Member of the Supervisory Board

JENNIFER ECKL
Employee representative



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The economic implications of the ongoing transformation in our customer sectors as well as geopolitical challenges not only shaped the business activities of the Bertrandt Group in the 2022/2023 fiscal year, but also the work of the Supervisory Board and its committees.

ACTIVITIES OF THE SUPERVISORY BOARD DURING THE 2022/2023 FISCAL YEAR

The Supervisory Board of Bertrandt Aktiengesellschaft ('Bertrandt AG') diligently performed its duties also in fiscal 2022/2023 in accordance with the law, the Articles of Association and the Board's Rules of Procedure. The Supervisory Board was consulted on all the decisions of fundamental importance in a direct and timely manner. Regular briefings by the Management Board in written and oral reports formed the principal basis for fulfilling the Supervisory Board's statutory supervisory tasks. These reports provided comprehensive and up-to-date information on a regular basis on the strategy, business performance, planning and the risk situation. In the context of its activity, the Supervisory Board assured itself that applicable statutory provisions, the Company's Articles of Association and the Rules of Procedure of the Supervisory Board and Management Board were complied with. Collaboration between the Supervisory Board and the Management Board has been and continues to be characterised by open and ongoing dialogue. In particular, the Chairman of the Supervisory Board and the Management Board held in-depth, solution-oriented discussions outside the scheduled meetings whenever necessary. The Chairman passed key findings and information obtained from these consultations on to the members of the Supervisory Board, thereby ensuring that they were up to date on all pertinent matters and enabling them to contribute their counsel.

NEW MEMBER OF THE SUPERVISORY BOARD

After one employee representative left Bertrandt with effect from 31 December 2022, a replacement member of the Supervisory Board was appointed by court order on 9 February 2023 for the duration of the replaced member's regular term of office.

FOCAL POINTS OF THE SUPERVISORY BOARD'S DELIBERATIONS

Throughout the fiscal year, the Supervisory Board monitored the Management Board's actions and provided it with advice. For this purpose, the Supervisory Board was given regular reports on Bertrandt's business performance and the current market situation and its impact on Bertrandt. In addition to monitoring the business performance of Bertrandt AG and the Bertrandt Group, the Supervisory Board also concerned itself with the performance of individual units in and outside Germany. The topics of discussion included fundamental issues relating to business policy and strategic direction, its implementation in short and medium-term planning, risk management and the Company's financing strategy. The Supervisory Board examined the internal control system and compliance management and satisfied itself of their proper functioning. In addition, the members of the Supervisory Board received detailed information on the Company's business and financial position, its situation regarding market and competition as well as the personnel situation.



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In fiscal year 2022/2023 the Supervisory Board convened for four scheduled and three extraordinary meetings. The scheduled meetings were held on 12 December 2022, on 22 February 2023, on 8 May 2023 and on 25 September 2023. The extraordinary meetings took place on 24 October 2022, 6 December 2022 and 16 March 2023.

The first extraordinary meeting on 24 October 2022, which was held by video conference, was attended by six Supervisory Board members and all Management Board members. Topics included resolutions on updating the declaration of conformity with the Corporate Governance Code pursuant to Section 161 German Stock Corporation Act (AktG) regarding recommendation B.3 and on interpretations of the remuneration system. The composition of the Management Board was also discussed.

The second extraordinary meeting on 6 December 2022 was also held by video conference and was attended by all Supervisory Board and Management Board members. The sole topic discussed at this meeting was the preparation of the remuneration report for the Management Board and Supervisory Board for the 2021/2022 fiscal year.

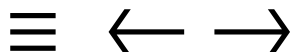
The first scheduled meeting of the 2022/2023 fiscal year, which was held on 12 December 2022 on the premises of Bertrandt AG in Ehningen, was attended by all members of the Supervisory Board, all members of the Management Board and some of the auditors. At this meeting, the Supervisory Board discussed in particular the annual and consolidated financial statements for the past fiscal year 2021/2022, and the auditors presented the outcome of their audit. The meeting also discussed the procedure for appointing a successor to the Supervisory Board due to the departure of an employee representative. Furthermore, a resolution was passed on the adoption of the annual financial statements for 2021/2022, the approval of the consolidated financial statements 2021/2022, the proposal for the appropriation of profits and the proposed resolutions for the annual general meeting. In line with the recommendations of the German Corporate Governance Code, the Supervisory Board also examined the efficiency of its activities and adopted the corporate governance report and the corporate governance declaration pursuant to Sections 289f and 315d of the German Commercial Code (HGB).

The second scheduled meeting was held on 22 February 2023 at Stadthalle Sindelfingen. All members of the Supervisory Board and Management Board were present. Topics discussed at this meeting included the status of the internal audit function and the preparation of an invitation to tender for the audit firm.

The third extraordinary meeting of the Supervisory Board, held on 16 March 2023, was attended by all members of the Supervisory Board via video conference. This meeting adopted resolutions on the resignation of Mr Hans-Gerd Claus as a member of the Management Board and the appointment of Dr. Andreas Fink as a member of the Management Board and the conclusion of his service contract. Resolutions were also adopted to reappoint Mr Lücke and Mr Ruf as members of the Management Board. The last item on the agenda of the Supervisory Board meeting was a resolution on the amendment, with effect from 1 April 2023, of Annex 1 (allocation of responsibilities) to the Rules of Procedure of the Management Board.

The third scheduled Supervisory Board meeting was held in Ehningen on 8 May 2023 and was attended by all members of the Supervisory Board and of the Management Board. Topics at this meeting included the training of Supervisory Board members on M&A processes, the status of the test centres, the German law for the implementation of the second Shareholder Rights Directive (ARUG II), the internal or external audit of the CSR report, discussion of ongoing M&A activities and the tender for an auditor as from the fiscal year 2023/2024.

The last scheduled meeting of the Supervisory Board was held on 25 September 2023 with all members of the Supervisory and Management Board on the premises of Bertrandt AG in Ehningen. The topics covered included business management and planning scenarios, the medium-term strategy, the coordination of dates up to the 2025 annual general meeting, a declaration on the GCGC Section 161 German Stock Corporation Act (AktG), status reports on internal auditing and IT security, and an update on M&A activities.



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ORGANISATION AND BUSINESS OF THE COMMITTEES

To perform its duties, the Supervisory Board has formed a Human Resources Committee and an Audit Committee. To raise efficiency, the Human Resources Committee also performs the duties of the Nomination Committee. The Audit Committee members are Udo Bäder (Chairman), Dietmar Bichler and Prof. Dr.-Ing. Wilfried Sihm. All Audit Committee members are familiar with the industry in which Bertrandt AG operates.

The members of the Human Resources Committee are Dietmar Bichler (Chairman), Prof. Dr.-Ing. Wilfried Sihm and Udo Bäder.

The Audit Committee held seven meetings in the 2022/2023 fiscal year. The meetings and conference calls were held on 18 November 2022, on 12 December 2022, on 8 February 2023, on 3 May 2023, on 8 May 2023, on 4 August 2023 and on 25 September 2023.

The Audit Committee's first extraordinary meeting on 18 November 2022 was held as a videoconference. In the meeting, the Audit Committee members inspected the remuneration report.

The Audit Committee meeting on 12 December 2022 was held on the premises of Bertrandt AG in Ehningen with all members of the Audit Committee and the two members of the Management Board, Mr Ruf and Mr Lücke. At the meeting, the auditor's report on the annual and consolidated financial statements as well as on the CSR and remuneration reports 2021/2022 was presented by PwC. Furthermore, a proposed resolution on the appointment of the auditor for the fiscal year 2022/2023 was adopted. In addition, an overview of the engagement of the auditor for non-audit services in the 2021/2022 fiscal year and on the status update PwC Check '3 Lines of Defence' was presented.

On 8 February 2023 a meeting was held as a conference call with all Audit Committee members and the Management Board member Michael Lücke. The topic of the meeting was the report on the first quarter in the 2022/2023 fiscal year.

The third scheduled meeting of the Audit Committee on 3 May 2023 was held as a conference call. All the members of the Audit Committee and the Management Board member Michael Lücke took part in this meeting. The topic of the meeting was the half-year report for the 2022/2023 fiscal year.

On 8 May 2023 a meeting was held with all members of the Audit Committee and the two members of the Management Board, Mr Lücke and Mr Ruf. The meeting was held on the premises of Bertrandt AG in Ehningen. The topics were an appraisal of the '3 Lines of Defence' process, the review of the CSR report and the status of the tender for an auditing firm.

The Audit Committee meeting on 4 August 2023 was held by conference call with all members of the Audit Committee. The topic of the meeting was the Q3 Report for the 2022/2023 fiscal year.

The last Audit Committee meeting was held as a face-to-face meeting on 25 September 2023 with all members of the Audit Committee, Management Board members Michael Lücke and Markus Ruf and, for part of the meeting, the auditor. This meeting addressed key audit matters. Furthermore, the previously defined key audit matters and the independence of the auditing firm PwC for fiscal year 2022/2023 were confirmed. The new invitation to tender for the auditor for the 2023/2024 fiscal year was also discussed.

The Human Resources Committee met four times in the fiscal year 2022/2023. These meetings were held on 24 October 2022, 18 November 2022, 12 December 2022 and 16 March 2023.



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The first extraordinary meeting on 24 October 2022 was held by conference call. All members of the Human Resources Committee were present. The topics discussed at the meeting included the resolution on the submission of a proposal to the Supervisory Board to update the declaration of conformity with the Corporate Governance Code in accordance with Section 161 German Stock Corporation Act (AktG) regarding recommendation B.3 and a resolution on the submission of a proposal to the Supervisory Board regarding an exception under the remuneration system. In addition, a resolution was adopted on the submission of an offer for the conclusion of a service contract with a new member of the Management Board.

The second extraordinary Human Resources Committee meeting was held virtually with all its members on 18 November 2022. The topic of the meeting was the audit of the remuneration report for the fiscal year 2021/2022.

On 12 December 2022 the first ordinary Human Resources Committee meeting was held with all its members on the premises of Bertrandt AG in Ehningen. One of the topics of the meeting was the adoption of the minutes of the previous meetings of the Human Resources Committee.

The third extraordinary meeting of the Human Resources Committee was held via Teams with all its members on 16 March 2023. The topics discussed at the meeting included resolutions on the resignation of Mr Hans-Gerd Claus as a member of the Management Board and on the submission of a proposal to the Supervisory Board regarding the appointment of Dr. Andreas Fink as a member of the Management Board. In addition, resolutions were passed on the reappointment of Mr Lücke and Mr Ruf as members of the Management Board. The last item on the agenda was a resolution on the submission of a proposal to the Supervisory Board regarding the amendment of Annex 1 to the Rules of Procedure of the Management Board (GO VS) with effect from 1 April 2023.



OVERVIEW OF THE PRESENCE IN THE MEETINGS

		Dietmar Bichler	Udo Bäder	Matthias Benz	Jennifer Eckl (from 9/2/2023)	Prof. Dr.-Ing. Wilfried Sihm	Michael Schmidt (until 31/12/2022)	Marianne Weiß
02	The fiscal year 2022/2023							
04	WE are Bertrandt							
	Supervisory Board meetings							
	24/10/2022 (extraordinary)	X	X	X	nM	X	X	X
06	A A LETTER TO THE SHAREHOLDERS							
	06/12/2022 (extraordinary)	X	X	X	nM	X	X	X
	12/12/2022	X	X	X	nM	X	X	X
08	Management Board report							
	22/02/2023	X	X	X	X	X	nM	X
12	Supervisory Board report							
	16/03/2023 (extraordinary)	X	X	X	X	X	nM	X
19	Bertrandt on the capital market							
	08/05/2023	X	X	X	X	X	nM	X
24	Corporate Governance							
	25/09/2023	X	X	X	X	X	nM	X
	Audit Committee meetings							
25	B CORPORATE SOCIAL RESPONSIBILITY REPORT							
	18/11/2022 (extraordinary)	X	X	nM	nM	X	nM	nM
	12/12/2022	X	X	nM	nM	X	nM	nM
72	C GROUP MANAGEMENT REPORT							
	08/02/2023	X	X	nM	nM	X	nM	nM
	03/05/2023	X	X	nM	nM	X	nM	nM
122	D REMUNERATION REPORT							
	08/05/2023	X	X	nM	nM	X	nM	nM
	04/08/2023	X	X	nM	nM	x	nM	nM
141	E CONSOLIDATED FINANCIAL STATEMENTS							
	25/09/2023	X	X	nM	nM	X	nM	nM
	Human Resources Committee meetings							
213	F FURTHER INFORMATION							
	24/10/2022 (extraordinary)	X	X	nM	nM	X	nM	nM
	18/11/2022 (extraordinary)	X	X	nM	nM	X	nM	nM
	12/12/2022	X	X	nM	nM	X	nM	nM
	16/03/2023 (extraordinary)	X	X	nM	nM	X	nM	nM

nM = not a member



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AUDIT OF THE FINANCIAL STATEMENTS

On 22 February 2023, the ordinary annual general meeting of Bertrandt AG appointed PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft as the auditor for the financial statements for fiscal year 2022/2023. The auditors have audited the annual financial statements and the management report of Bertrandt AG as well as the consolidated financial statements and the management report of the Group for fiscal year 2022/2023 including the accounting and have issued an unqualified auditor's report.

Following their preparation, and in good time before the meeting, all Supervisory Board members received the financial statements, management reports and notes for fiscal year 2022/2023, the CSR report, the reports by the auditor and the proposal of the Management Board for the appropriation of profits. After the Audit Committee had dealt with and prepared the topics, the full Supervisory Board discussed the process of the preparation of the financial statements and the accounting results in the meeting of 11 December 2023, and the remuneration report according to Section 162 German Stock Corporation Act (AktG) in its earlier extraordinary meeting on 7 December 2023. The external auditors entrusted with the auditor's report for the annual financial statements and the consolidated financial statements attended the meeting of 11 December 2023 for the related deliberations. They reported on the audit as a whole, the defined focal areas of the audit (key audit matters), and other relevant audit results. In addition, they answered questions from the members of the Supervisory Board.

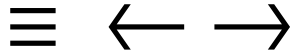
There were no objections from the Supervisory Board. The Supervisory Board noted the annual financial statements prepared by the Management Board, the consolidated financial statements, the management reports of Bertrandt AG and the Group and the auditors' report with consent, and approved the annual financial statements, the consolidated financial statements and the CSR report. Thus, the annual financial statements were adopted and the consolidated financial statements approved at the same time. The Supervisory Board followed the proposal made by the Management Board for the appropriation of profits of Bertrandt AG for the fiscal year 2022/2023.

ACKNOWLEDGEMENT

The Supervisory Board sincerely thanks all members of the Management Board and all employees of the Bertrandt Group in Germany and abroad for their work in the year under review. They showed great commitment and generated a good result in a very complex and challenging market environment.

Ehningen, 11 December 2023

DIETMAR BICHLER
Chairman of the Supervisory Board)



BERTRANDT ON THE CAPITAL MARKET

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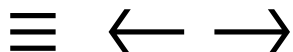
INFORMATION ON OUR SHARES

First trading day	1 October 1996
Ticker symbol	BDT
ISIN	DE0005232805
WKN	523280
Issued share capital (EUR)	10,143,240 EUR
Number of shares issued	10,143,240 shares
Market segment	Prime Standard
Stock exchanges	Xetra, Frankfurt, Stuttgart, Berlin, Hamburg, Düsseldorf, Munich
Benchmark index	SDAX

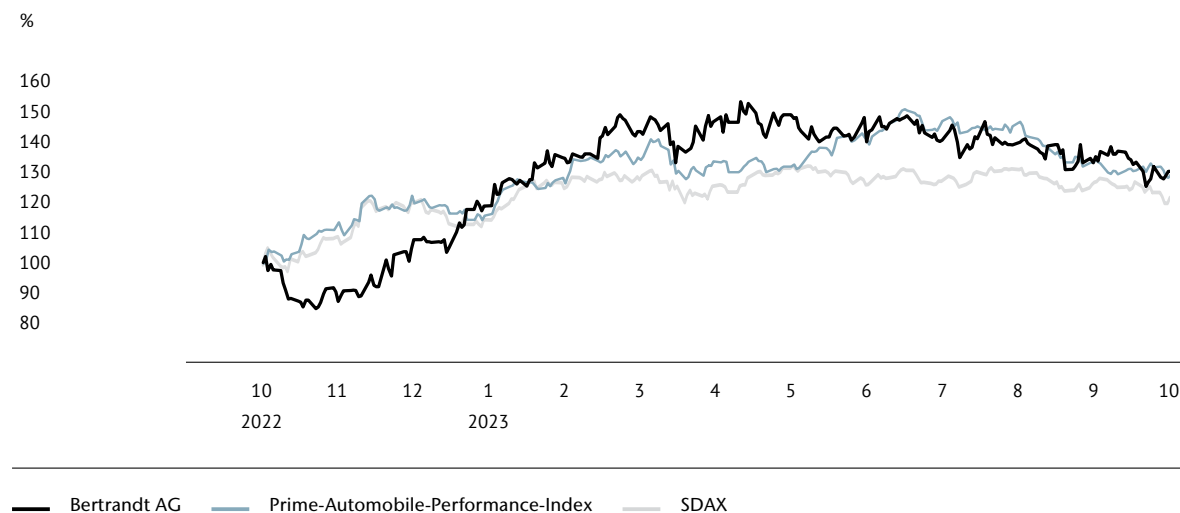
Due to the geopolitical situation and a mix of high inflation rates, sharply rising interest rates and a potential energy crisis in Europe, the 2022/2023 fiscal year got off to a tense start in October 2022. Various economic policy measures mitigated the risks in the course of the fiscal year and stock market sentiment brightened as a result. The German blue-chip stock market index DAX started Bertrandt's 2022/2023 fiscal year at 11,952 points on 3 October 2022 and dipped to its all year low of 11,894 points on the same day. By 31 July 2023 the DAX had risen to its high for the year of 16,529 points. The DAX underwent a correction phase following August 2023 and closed at 15,387 points on 29 September 2023.

The SDAX index for smaller listed companies in Germany started Bertrandt's reporting period at 10,449 points and recorded its lowest price at 10,103 points on 13 October 2022. As a result of various economic policy measures and the associated stabilisation of the economic situation, the SDAX rose continuously to its annual high of 13,881 points on 2 May 2023. As at the end of the fiscal year on 30 September 2023, the SDAX closed at 12,876 points.

The Prime Automobile Performance Index started Bertrandt's fiscal year 2022/2023 at 1,519 points. It recorded its low for the period at 1,496 points on 3 October 2022, the first trading day, and reached its highest level for the period on 14 June 2023 when it surged to 2,314 points. At the end of the financial year on 29 September 2023, the index closed at 1,962 points.



SHARE PERFORMANCE COMPARED TO BENCHMARK INDICES



For an optimal comparison of the different share price developments, the presentation is normalised to 100.

KEY FIGURES OF THE BERTRANDT SHARES

	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019
Earnings per share (EUR)	3.01	2.09	0.68	0.37	3.86
Dividend per share (EUR)	1.20 ³	0.85	0.27	0.15	1.60
Share price on 30 September (EUR) ¹	44.00	33.50	50.30	32.30	41.35
Share price, high (EUR) ²	53.10	63.10	63.20	57.10	80.65
Share price, low (EUR) ²	28.20	32.50	28.80	25.00	40.80
Shares outstanding on 30 September (number)	10,143,240	10,143,240	10,143,240	10,143,240	10,143,240
Market capitalisation on 30 September (EUR million)	446.3	339.8	510.2	327.6	419.4
Book value per share on 30 September (EUR)	44.8	42.57	40.31	39.77	41.08
Cashflow from operating activities per share (EUR)	3.79	5.61	7.26	12.18	7.13
Average daily trading volume (number)	3,837	6,636	7,375	10,557	7,716
Total payout (EUR million) ³	12.2	8.6	2.7	1.5	16.2
P/E ratio ⁴	14.6	16.0	74.0	87.3	11.2

¹ Closing price in Xetra trading on 30 September or the last trading day of the fiscal year.

² In Xetra trading.

³ Dividend proposed by the Management Board and Supervisory Board.

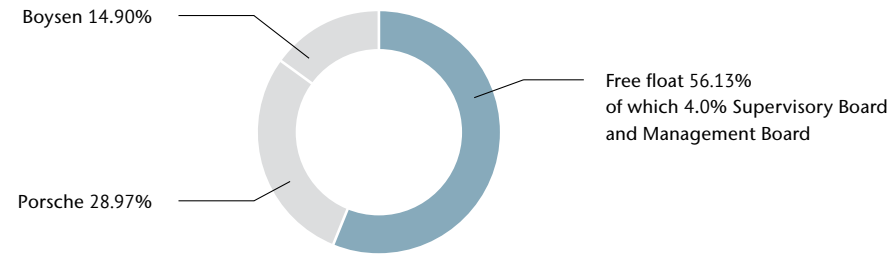
⁴ As at 30 September 2023.

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SHAREHOLDER STRUCTURE



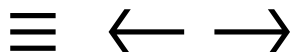
Data is based on disclosures made to the Company pursuant to Sections 33 et. seq. WpHG.
As at: 30 September 2023.

BERTRANDT AG SHARE PERFORMANCE

Our shares started the 2022/2023 fiscal year by opening at EUR 33.70 in Xetra trading on 3 October 2022. As a result of the macroeconomic environment, the share price underwent a correction and marked its low of EUR 28.20 for the reporting period 2022/2023 on 21 October 2022. Supported by the improving economic situation, the share price recovered and hit its high for the reporting period of EUR 53.10 on 11 April 2023. Bertrandt's shares closed the 2022/2023 fiscal year at EUR 44.00 on 29 September 2023. The average daily trading volume decreased year on year to 3,837 shares (previous year 6,636 shares).

56.13

% is the free float.



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ANALYST RECOMMENDATIONS*

Bank	Target price	Recommendations
B. Metzler seel. Sohn & Co. KGaA	60 €	Buy
Joh. Berenberg, Gossler & Co. KG	45 €	Hold
Deutsche Bank AG	50 €	Hold
DZ Bank AG	58 €	Buy
Hauck & Aufhäuser Institutional Research AG	90 €	Buy
Kepler Cheuvreux	50 €	Buy
M.M.Warburg & CO KGaA	69 €	Buy

*As at: 1 November 2023. Insofar as this Annual Report refers to statements by third parties, namely analysts' estimates, these statements do not represent the Company's views nor does the Company evaluate or comment them or in any other way claim them to be complete.

STABLE SHAREHOLDER STRUCTURE

As at the date when the consolidated financial statements were prepared, shareholdings in Bertrandt AG broke down as follows according to the notifications of voting rights: Porsche AG in Stuttgart continued to hold 28.97% of the shares. As before, another 14.90% were held by Friedrich Boysen Holding GmbH, with its registered offices in Altensteig, a subsidiary of Friedrich Boysen Unternehmensstiftung. The Supervisory Board and the Management Board held 4.00%. Free float consequently amounted to 56.13%. Notifications of voting rights pursuant to the German Securities Trading Act are published in the Investor Relations section of Bertrandt's website.

BROAD COVERAGE BY ANALYSTS

Bertrandt shares have been observed and evaluated by well-known banks and analysts for many years. Bertrandt's business performance is currently evaluated by seven analysts who issue recommendations and targets for the share. Analysts' assessments are published in the Investor Relations section of Bertrandt's website.

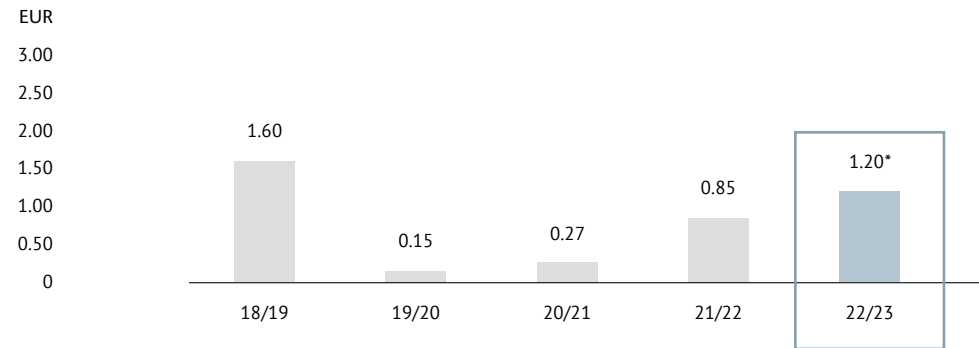
CAPITAL MARKET DAY

Every year Bertrandt invites representatives from banks, analysts and journalists to the Company's annual Capital Market Day. This year, the Capital Market Day took place on 11 May 2023 at Bertrandt's premises in Ehningen. The Management Board members provided an insight into the Company's business performance in the first half of 2022/2023 and two guest speakers gave presentations on the topics 'Employees as a success factor for the future' and 'Transport options for the last mile'.



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DEVELOPMENT OF THE DIVIDEND



* Dividend proposed by the Management Board and Supervisory Board.

1.20

EUR is the dividend that the Management Board and Supervisory Board propose to the annual general meeting.

DIVIDEND PROPOSAL TO ANNUAL GENERAL MEETING

It has been the Bertrandt Group's long-standing dividend policy to distribute every year a dividend equivalent to a payout ratio of around 40% of consolidated post-tax earnings to the Group's shareholders. In line with the Company's dividend policy and on the basis of earnings development in fiscal 2022/2023, the Management Board and Supervisory Board propose a dividend of EUR 1.20 per share to the annual general meeting on 21 February 2024. In this way we want to thank our shareholders for their investment in our company and the confidence they place in us.

INTENSIVE DIALOGUE WITH INVESTORS

A key component of Bertrandt's corporate policy involves transparent, comprehensive and timely capital markets communication with institutional and private investors, analysts and the media. In so doing, the Group seeks to position its shares as a long-term investment and, to this end, complies with the high transparency requirements of the Prime Standard of Frankfurt Stock Exchange as well as nearly all of the recommendations of the



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German Corporate Governance Code. At the annual press and analyst conference held on 15 December 2022, Bertrandt provided information about the Company's business performance to journalists, representatives of financial institutions and investors. The communication focused on presenting Bertrandt's business model, the Company's strategic orientation as well as explaining the technical and business management background. The annual general meeting in February 2023 was held in person. The Management Board was at all times closely involved in the investor relations activities.

In the further course of the 2022/2023 fiscal year, Bertrandt informed institutional and private investors as well as analysts at several conferences and roadshows in major finance centres about the Group's business performance. Bertrandt presented itself to 150 potential and existing institutional and private investors at 14 roadshows and conferences.

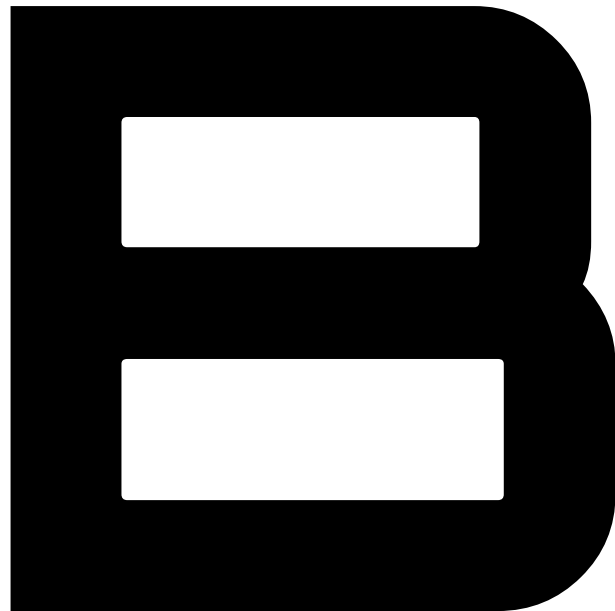
BERTRANDT'S WEBSITE

Information on the Group is published in due time in the Investor Relations section of Bertrandt's website in both German and English. Bertrandt uses the internet as a communication platform to provide all interested parties with comprehensive information on the Company. In addition to information on Bertrandt shares, basic information, current analysts' recommendations, and the financial calendar are published on the website.

Corporate Governance

DECLARATION OF CONFORMITY TO THE GERMAN CORPORATE GOVERNANCE CODE PURSUANT TO SECTION 161 AKTG

The declaration of conformity of 25 September 2023 required according to Section 161 of the German Stock Corporation Act (AktG) is available on the Company's website at <https://www.bertrandt.com/en/company/investor-relations/corporate-governance> under 'Fiscal year 2022/2023' and has been published since the release dates indicated.



Corporate Social Responsibility Report

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14,276

Employees with great
commitment to our
Customers.

→ EMPLOYEES: P. 44



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RELEVANT REGULATIONS

Our Corporate Social Responsibility Report (CSR report for short) or sustainability report informs you about the economic, ecological and social impacts of our business activities in fiscal year 2022/2023. The reporting period corresponds to our fiscal year, which runs from 1 October 2022 to 30 September 2023.

Bertrandt publishes a condensed separate non-financial report (hereinafter referred to as 'non-financial report'), which is embedded in the sustainability report and which is prepared according to Section 315c in conjunction with Section 289c to 289e of the German Commercial Code (HGB). In addition to the disclosures on non-financial aspects pursuant to Section 289c (2) HGB, Bertrandt fulfils its obligation to disclose information under the EU Taxonomy Regulation (EU 2020/852 Article 8 in conjunction with Article 10 (2) of the Delegated Regulation). Unless otherwise stated, the disclosures in this report relate to the Bertrandt Group and the parent company Bertrandt AG.

As the focus in this reporting period was on expanding sustainability management and on fully preparing for the EFRAG standards under the CSRD, Bertrandt did not apply a framework when preparing this non-financial report. This decision is reviewed annually within the Group.

All of the disclosures taken from the annual report are supported by the report of the auditor PricewaterhouseCoopers (PwC). The data collected specifically for corporate social reporting have not been confirmed by an auditor's report. The non-financial report was audited by the Supervisory Board in compliance with Section 171 German Stock Corporation Act (AktG). In addition to the external audit of our annual report by PwC, we conduct our own analyses and continuously review our targets, the measures we have adopted and our fields of action. The last audit of the CSR report by PwC was conducted for the fiscal year 2021/2022).

Reporting boundaries and collection of data

The business-related disclosures are identical to the information provided in the Annual Report 2022/2023. The relevant figures were taken from the notes to the group management report. All disclosures on risk management are based on the use of standardised processes in group controlling and the Corporate Management System (CMS). The 'Group Management Report' and 'Consolidated Financial Statements' chapters of the Annual Report 2022/2023 were audited by auditing firm PricewaterhouseCoopers GmbH Wirtschaftsgesellschaft (PwC). The figures disclosed regarding employees are consistent with the Annual Report 2022/2023 as well. The data on environmental protection within the organisation and the specific environmental and energy data were provided by the responsible staff. To enhance readability, this text uses masculine forms only. It is used to address all genders equally. For purposes of equal treatment, the corresponding terms apply to all genders.

Disclaimer

The information and data contained in this report have been collected with the utmost care. All of the report contents were reviewed by those responsible for them. Nevertheless, we cannot exclude the possibility of errors. Where we make assertions about the future development of our company, we rely on the information and forecasts available at the time of publication. The current sustainability report was published on 14 December 2023. Our next report will be published in December 2024.



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SUSTAINABLE CORPORATE GOVERNANCE AT BERTRANDT

At Bertrandt, we attach overwhelming importance to sustainable, socially balanced and responsible corporate governance. We are aware that we will only achieve lasting success if our business actions are in harmony with the needs of the environment and wider society. This also includes taking into account the issues that matter to our stakeholders, i.e. our employees and investors, and also our customers. We ensure that the services we provide to them meet high quality standards; to this end, we are continuously improving our corporate processes and service portfolio. Our suppliers are involved in all matters of quality and environmental management, occupational safety and economic efficiency. Suppliers undertake to comply with the Code of Conduct. As a result of this ongoing innovation process, we can ensure a consistently high level of customer benefit. Our development performance accelerates technological progress and makes a significant contribution to sustainable solutions for the future.

We use our comprehensive expertise and cross-technology and cross-industry know-how to work on tailor-made solutions that accelerate our customers' progress as well as our own and that of society. To this end, we empower our employees through individual expert careers and a wide range of training opportunities to keep up with the times and lay the foundations today from which we will also benefit in the future. A crucial factor in this is our commitment to enhancing our employees' skills and expertise and promoting their individual development on an ongoing basis. Bertrandt's corporate culture provides the setting for this with its focus on team spirit, flat hierarchies, an employee friendly work environment, flexible and dynamic approach, and performance orientation. A sense of togetherness at Bertrandt is also nurtured by a broad-based brand identity. The growth and progress thus achieved cannot be measured in numbers alone.

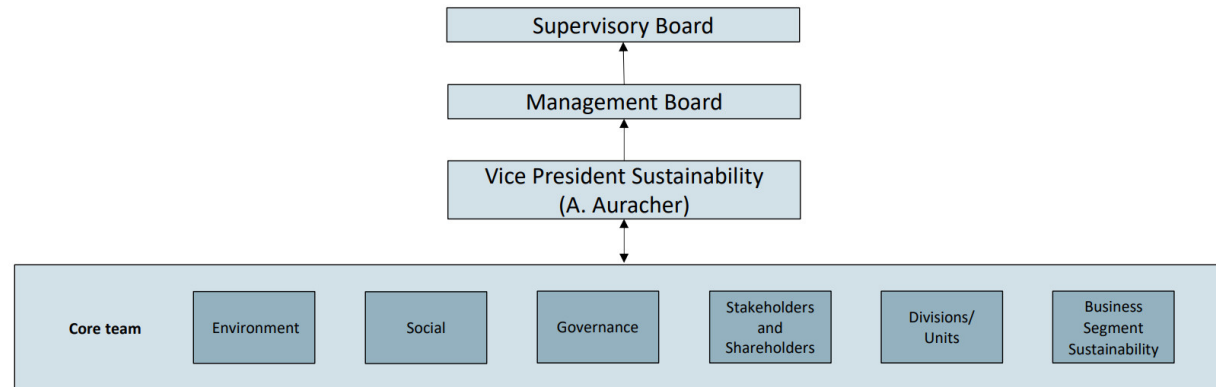
Sustainability management and organisation

Our approach to sustainability is a holistic approach as it affects all stakeholder interests. For this reason, the topic of sustainability is not assigned to just one member of the Management Board, but is the collective responsibility of the entire Management Board. A senior executive acts as Sustainability Manager and keeps the Management Board involved and informed at all times about the Group's sustainability measures and initiatives. The Sustainability Officer heads an interdisciplinary team that brings together all of the Group's sustainability topics, projects and initiatives. This means that our sustainability management is organised centrally. In addition, each functional area in the Company is responsible for implementing sustainability goals in its own sphere. In line with our corporate culture we rely on flat hierarchies and an open door policy, so that the heads of units and divisions of our subsidiaries and executives across all hierarchy levels can be approached at all times. The Management Board pays regular visits to the subsidiaries. This enables a direct exchange of opinions.



PROJECT ORGANIZATION SUSTAINABILITY

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Stakeholder dialogue

We maintain an open dialogue with our stakeholders. There is an ongoing exchange with our employees, customers, suppliers and investors, and also with representatives from the respective local communities and potential job candidates. We are a member of various (industrial) associations and in this capacity represent our interests in political and societal contexts.

Important memberships of our Group entities

- German Association of the Automotive Industry (VDA)
- German Association for Small and Medium-sized Businesses (Bundesverband mittelständische Wirtschaft, BVMW)
- Beuth Verlag
- Electromobility Baden-Württemberg (Elektromobilität Baden-Württemberg), competence and innovation cluster
- German Investor Relations Association (Deutscher Investor Relations Verband e.V., DIRK)
- German Aerospace Industries Association (Bundesverband der deutschen Luft- und Raumfahrtindustrie e.V., BDLI)

We cooperate in an open and constructive manner with the authorities, external circles and interest groups, and believe this is a vital element of our corporate policy. We regularly review our requirements in the area of social, ethical, remuneration-related and labour law topics and coordinate in this respect with the parties concerned. If critical events arise, we collaborate as closely as possible with the parties affected to ensure that such issues are resolved. The Company is also in ongoing contact with its partners.

Dialogue with our employees

Ongoing dialogue with our employees keeps them up to date with all major developments concerning the Company. To this end, we use online media such as our intranet, or social media formats. The subsidiaries organise events on a regular basis to enable direct communication with the staff on site. Additionally, we conduct regular employee surveys to learn about our employees' satisfaction with their work situation and our company.



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Potential employees are mainly approached through our website and social media. We attend recruiting events where we answer the questions of interested young people, and we use videos in addition to various image brochures to provide information on the Company.

Dialogue with our customers

It is essential for an engineering specialist like Bertrandt to cater to the demands and requirements of its customers. We utilise our website, social media and especially our own events to maintain contact with our customer base. Our communication tools also include newsletters and mailings. Additionally, we continuously evaluate our customers' satisfaction with our services. To this end, we also use our customer newsletter to conduct surveys. However, the feedback that is most important to us is from our employees, who are in direct contact with the customers. Potential new customers are informed about the range of our services in either in direct dialogue or through offers, our website, social media or in newsletters, brochures and product sheets.

Communication with investors

We attach great importance to transparent, comprehensive and timely capital markets communications. A key component of our corporate policy is the exchange with institutional and private investors, analysts and bank representatives, as well as the media. Engaging in these activities, we aim to position Bertrandt's shares and debt instruments as long-term investments. Our company complies with the high transparency requirements of the Prime Standard of Frankfurt Stock Exchange.

Our investors can choose from a wide range of dialogue opportunities: in addition to our annual press and analyst conferences, we are present at capital market conferences and we organise roadshows across Europe and invite investors to visit our subsidiaries. We also facilitate virtual meetings and conference calls to discuss current issues.

Main fields of action and goals

A technology service provider like Bertrandt is expected to align its actions with sustainability principles. We have defined three important fields of action and goals for ourselves in order to ensure sustainable corporate success: customers, human resources and natural resources. In these fields of action we have set ourselves the following overarching goals:

Customers

- Continuing to increase customer satisfaction
- Strict observance of our compliance policy and keeping the ratio of zero severe violations per year
- Ratings of our customers

Human resources

- Improving our attractiveness as an employer to gain new employees
- Strengthening employee satisfaction and retention
- Increasing the proportion of women
- Gender equality in employee promotion
- Developing our employees' know-how and providing individual support on an ongoing basis to enable them to meet the high requirements of responsible corporate governance

Natural resources

- 15% greenhouse gas reduction by the year 2030
- Complete climate neutrality by the year 2039
- Resource efficient use of materials
- Energy and resource efficient operation of plants
- Observance of our purchasing and compliance policies



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Tax strategy

The tax strategy as approved by the Management Board of Bertrandt AG sets out the Company's approach to its treatment of tax matters and, in particular, tax risks. Bertrandt AG and all entities belonging to the Bertrandt Group conduct their business in compliance with the laws of the jurisdictions in which these entities have their registered offices. The tax strategy is designed to ensure that all rules and regulations and local requirements are complied with. We do not pursue a tax avoidance strategy. Long-term market success is only possible where a company is able to convince its customers in the long term through innovation, quality, dependability and fairness. In our view, an essential aspect of this is to comply with statutory provisions as well as with the Company's own policies and ethical principles (compliance). Such internal rules and policies at Bertrandt are founded on factors such as integrity in business dealings, protecting our leading-edge knowledge and adhering to antitrust law and all foreign trade related regulations. Proper accounting and financial communication, equal opportunities and the principle of sustainability are equally important factors.

Responsible conduct in tax matters

The Bertrandt Group is managed based on business KPIs; taxes to be paid in the corresponding tax jurisdiction are derived from the Group's tax accounting in accordance with local regulations. Bertrandt is aware that paying public levies and taxes is a matter of social responsibility and necessity. The relationships we maintain with our business partners, for example customers and local tax authorities, are open and respectful. Bertrandt focuses on filing tax returns in time and paying related taxes and levies when they are due. Bertrandt AG submits the report to be prepared based on country-by-country reporting ('CbCR'), according to the guidelines of the Organisation for Economic Co-operation and Development (OECD), to the German Federal Central Tax Office as the parent company for the entire Bertrandt Group. Bertrandt refrains from general publication of the CbCR report, as the required transparency is already ensured by providing the relevant figures and data to the tax authorities for proper inspection.

Functioning of the governance bodies of Bertrandt AG

The managements of the domestic and foreign subsidiaries in which Bertrandt AG holds 100% of the shares report directly and indirectly to the Management Board of Bertrandt AG. The Management Board comprehensively informs the Supervisory Board as the highest governance body in a timely manner and on a regular basis of all key matters concerning corporate strategy, planning, business performance, the financial position and earnings situation, the risk situation and risk management activities as well as compliance. It submits to the Supervisory Board the capital expenditure and financial planning of the Group as well as earnings projections for the upcoming fiscal year. The Bertrandt Group's entities in Germany and in the other countries where locations are maintained use, apart from their own qualified staff, external consultants who keep records of daily activities and prepare tax returns according to local requirements. The corporate tax department centrally coordinates the tax returns for the domestic and foreign subsidiaries, adhering to the 4-eyes principle, and ensures that local laws are complied with. Furthermore, it supervises the review of the foreign tax assessment notices and subjects them to an auditor's review.

Tax risk management

Dealing carefully with potential risks to the Company is accorded high priority in our day-to-day work. We have set up a risk management system that helps us to detect risks and to minimise risk positions. This system is constantly being developed and adapted to changing circumstances. The Audit Committee set up by the Supervisory Board deals in particular with matters involving accounting, risk management (including the internal control system), compliance and the selection and required independence of the auditor. At Bertrandt, the accounting and controlling functions maintain an internal control and risk management system that ensures complete, accurate and timely provision of information.



Description of the business model

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As one of Europe's leading engineering service providers, Bertrandt has been a reliable partner in projects in all areas of research and development for more than 50 years and will continue to play this role in the future. We operate at more than 50 main locations in Europe, Asia, Africa and the USA. Bertrandt offers a comprehensive range of customised and all-in solutions along the entire product engineering process, from conceptual design and development right through to vehicle construction, simulation and testing. Almost 90%, and thus by far the largest share, of our revenues are accounted for by the automotive sector. The most important drivers of the Bertrandt business model are innovations such as environmentally friendly individual mobility, automated and connected driving, and an increasing variety of models and variants of battery electric vehicles. Digitalisation and resource efficiency are cross-industry megatrends. We are an active contributor to innovations both in the mobility and non-mobility sectors and never lose sight of customer needs and changing market conditions.

Outside the mobility industries, we provide services in such forward-looking sectors as energy, medical technology, electrical engineering as well as machinery and plant engineering. We are a reliable partner committed to getting things done when it comes to meeting current and future challenges across all engineering project stages. Qualified people are at the heart of our business success. As at the reporting date of 30 September 2023, Bertrandt employed 14,276 people worldwide.

Corporate values

Bertrandt is guided by clearly defined values. These are honesty, credibility, dependability, transparency and mutual trust. On the basis of these values, we have developed a mission statement to which all our employees adhere and which is evaluated on an ongoing basis. The mission statement guides our corporate strategy, day-to-day conduct and social responsibility. Whether customer or employee – we work on an equal footing, internally and externally, and create a working environment characterised by trust, partnership and flexibility that responds to individual needs and produces tailor-made solutions. For our customers, we are a long-term partner offering compelling and customer-oriented consulting expertise and reliable added value. Every individual at Bertrandt is given the scope for their personal development. Our corporate culture is based on diversity and equal opportunities, demands fairness and appreciation, leaves room for participation and initiative and promotes trust and individuality. A modern workplace for our employees and a flexible working time model for a healthy work-life balance are just as much a basic requirement for us as helping hands and mentoring. Our corporate culture guidelines govern not only the way in which we treat each other within the Group but also our relationships with customers and shareholders. It also identifies what we consider to be the roots of our success: being a reliable partner over many years for our customers, shareholders and employees, and our lasting commitment to wider society. The latter ambition is reflected in our Code of Conduct.



Opportunities and risks assessment

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As a leading technology service provider, Bertrandt has been devising specific and tailored solutions on behalf of its customers at 50 main locations in Europe, Asia and the United States for close to 50 years now. Our services for the automotive and aerospace industries include all process steps in the project phases of conceptual design, CAD, development, design modelling, tool production, vehicle construction and production planning right through to production launch and production support. In addition, individual development steps are validated by simulation, prototype building and testing. This means that we implement collaborative projects of different sizes at our technology centres. The technology centres provide dedicated design studios, electronics labs as well as testing facilities. Spurred by shorter lead times and new technologies, the complexity of individual mobility solutions in the automotive and aerospace sectors is constantly increasing. Trends towards environmentally friendly individual mobility, automated and connected driving, an increasing variety of models and variants of vehicles or Industry 4.0, for example, require detailed technical know-how and integrated thinking throughout product development. As an active contributor to the development of the mobility of the future we are constantly adapting our range of services to customer needs and changing market conditions. Bertrandt's particular strength lies in the linking up and further development of know-how, and this makes us one of the leading European partners on the market for engineering services. The engineering expertise Bertrandt has built up over many years of activity in the mobility industries provides a firm foundation upon which the Company can realise and take forward customised development solutions in new sectors. Our customer base comprises nearly all European manufacturers as well as major system suppliers. We also provide technological services outside the mobility industries in such forward-looking sectors as energy, medical technology, electrical engineering as well as machinery and plant engineering throughout Germany.

Thanks to our consistency, reliability and sustainable management, in particular, customer relationships are thriving. Non-financial performance indicators, which are key factors for our success, therefore play an important role in the management of our business model. To evaluate and appraise these indicators on a regular basis, Bertrandt has identified five particularly important assessment areas, and has installed a comprehensive management system. The non-financial performance indicators of Bertrandt's subsidiaries are aggregated for purposes of the assessment within the internal management system of the Group.

Non-financial performance indicators are assessed along a 100-point scale with the values associated with the following findings:

< 50	The analysed non-financial performance indicator shows deviations from target. The cause for the deviation must be determined and sustainable corrective action must be initiated. Effectiveness must be ensured.
50 – 75	The analysed non-financial performance indicator is stable and controlled. However, changes and potential deviations are to be expected. Preventive action must be initiated. Effectiveness must be ensured.
> 75	The analysed non-financial performance indicator is stable and controlled, sustainability and effectiveness are ensured. Activities are focused on maintaining the process as is or on increasing efficiency and performance.



		Bertrandt's key non-financial performance indicators	Individual aspects	Categorisation by aspects accordance to the consolidated non-financial statement (German Commercial Code)	Target value
02	The fiscal year 2022/2023	Performance of the management system	<ul style="list-style-type: none"> – Target process of the management system and its accomplishment – Results of external and internal audits and reviews – Controlling of resources – Responding to a changing corporate environment 	<ul style="list-style-type: none"> – Environmental matters – Social matters 	> 75
04	WE are Bertrandt				
06	A A LETTER TO THE SHAREHOLDERS				
25	B CORPORATE SOCIAL RESPONSIBILITY REPORT				
27	Introduction	Service delivery	<ul style="list-style-type: none"> – Feedback from customers – Complaint management – Supplier relationships – Project management 	<ul style="list-style-type: none"> – Respect for human rights – Combating corruption and bribery 	> 75
32	Description of the business model				
33	<u>Opportunities and risks assessment</u>	Continuous improvement	<ul style="list-style-type: none"> – Status of actions for sustainable correction of defects, for the prevention of potential future defects and for the response to predictable changes, for efficiency increase and innovation management 	<ul style="list-style-type: none"> – Environmental matters – Social matters 	> 75
39	Materiality analysis				
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72	C GROUP MANAGEMENT REPORT	Risk management	<ul style="list-style-type: none"> – Status of and dealing with process, security and environmental risks, particularly their prevention and avoidance – Corporate security as well as occupational health and safety 	<ul style="list-style-type: none"> – Environmental matters – Employee-related matters 	> 75
122	D REMUNERATION REPORT				
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The underlying management system is reviewed on an annual basis by external accredited bodies.

Reviews are based on the requirements of the following standards:

- DIN EN ISO 9001 Quality Management
- DIN EN ISO 14001 Environmental Management
- DIN ISO/IEC 27001 Information security in conjunction with the TISAX industry standard / prototype protection as specified by the German Association of the Automotive Industry (VDA)
- DIN EN ISO 45001 Occupational health and safety management in conjunction with the ‘AMS’ safety and health system as specified by the administrative employers’ liability insurance VBG
- DIN EN ISO/IEC 17025 for accredited test laboratories
- EN 9100 Quality management requirements relating to design, development and software development services for the aviation industry
- DIN EN ISO 13485 Quality management requirements relating to design and verification services for the manufacture of medical devices and the development of medical device software
- Energy audit pursuant to the German Energy Services Act (Gesetz über Energiedienstleistungen und andere Energieeffizienzmaßnahmen, EDL-G)

Bertrandt has installed a risk management system to identify risks resulting from a deviation from the target values described above as early as possible, and to minimise or completely avoid them. This is aimed at averting possible harm to the Company and any potential threat to it as a going concern. Bertrandt Group’s four-tier internal control and risk management system identifies and documents risks to the Company’s financial performance and continuing existence.

The risk management system is applicable to all Bertrandt Group entities, both domestic and foreign. The Management Board, the Vice Presidents Operations, the Global Account Managers and the Vice Presidents Commercial of the respective divisions, units and/or subsidiaries work closely together with corporate functions such as Group Controlling in identifying risks and devising corrective actions. Both regular and ad-hoc risk reviews are carried out to assess all the identified risks that could affect our business performance

with regard to amount of loss, probability of occurrence and importance. For this purpose, similar or identical risks affecting domestic and foreign operating units are aggregated to make their importance to the Group transparent. Depending on the results, appropriate corrective action plans are devised with top priority and compared with best practices. The corresponding strategy is implemented without delay by the responsible managing directors in cooperation with supporting corporate functions.

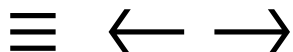
The assessment and identification of risks per division or operating unit are based on the maximum amount of loss and the probability of occurrence. The amount of loss describes the impact on the EBIT of the respective subsidiary.

Amount of loss is described by the following categories:

- Low is an amount of loss between EUR 0.050 and 0.250 million
 - Medium is an amount of loss between EUR 0.250 and 0.500 million
 - High is an amount of loss between EUR 0.500 and 1.500 million
 - Very high is an amount of loss exceeding EUR 1.500 million
-

Probability of occurrence is expressed in the following categories:

- Low is a probability of between 0 and 25%.
 - Medium is a probability of between 25 and 50%.
 - High is a probability of between 50 and 75%.
 - Very high is a probability of between 75 and 100%.
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Risks are assessed on this basis in gross and net terms. The gross assessment assesses the risk event without accounting for the effects of corrective action that may already have been taken. The net assessment accounts for corrective action already taken and thus enables an appraisal of its effectiveness. Amount of loss multiplied by the probability of occurrence equals risk magnitude. At group level, risks are assigned to one of the three categories A, B and C:

- A risk corresponds to a risk magnitude of \geq EUR 3.0 million
- B risk corresponds to a risk magnitude of between EUR 3.0 and 1.5 million
- C risk corresponds to a risk magnitude of $<$ EUR 1.5 million

The identified risks are updated several times a year and an aggregated risk report is prepared to provide the Management Board with an overview of the exposure of the Group. New risks arising between regular updates are described in ad-hoc risk reports and submitted to the Management Board.

Bertrandt's risk profile is updated constantly and shows the following potential individual risks. These identified risks are evaluated in order to determine whether they are essential risks. Moreover, risks of lesser importance were checked for plausibility, but are not separately stated here because of their low probability of occurrence, expected amount of loss and lack of materiality (C risks). The most important individual risks are summarised in the following sections under the respective aggregated risks.

Overall, Bertrandt considers the risk that the non-financial performance indicators fall below 75 points a category B risk with a low probability of occurrence. In relation to our business operations no material risks according to Section 289 c (3) nos. 3 and 4 German Commercial Code that are highly likely to cause seriously adverse impacts on the aspects stated in the CSR Directive Implementation Act were identified. No relevant connections with amounts in the consolidated financial statements required to be reported were identified.

The assessment procedure carried out to evaluate the business processes of the Bertrandt Group showed the following outcome for our non-financial performance indicators in fiscal year 2022/2023:

Assessment areas	Points
I. Performance of the management system	90
II. Service delivery	85
III. Continuous improvement	81
IV. Risk management	92
V. Personnel and human resources	91

The results can be regarded as indicators of the stability and sustainability of the business processes under our integrated management system. As in the previous year, the results for all assessment areas clearly exceed 75 points, the threshold which characterises the business processes as stable and controlled and ensures sustainability.



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Bertrandt was able to attain most of its non-financial objectives in fiscal year 2022/2023. This includes increasing quality in projects and in the supply chain with the aim of achieving a lasting high level of customer satisfaction, reducing the environmental footprint, increasing the attractiveness for applicants and employees, ensuring and further expanding good corporate governance as a reliable company with integrity, and developing a working environment that focuses on the health and safety of employees. In all of the areas mentioned, we assigned responsibilities throughout our company, implemented improvement measures and evaluated their success. Further measures to optimise target management are planned for the 2023/2024 fiscal year and are already being implemented in some cases.

In the assessment area 'Performance of the management system' further improvements introduced in the previous year are also having a positive effect: thanks to its regularity and the follow-up of the measures introduced, the environment and stakeholder analysis brings better transparency of internal and external opportunities and risks. The plan for the new fiscal year is to expand the process to include a comprehensive ESG materiality analysis.

Another example of the management system's increased performance is the advanced professionalization of the internal audit system. In this area, too, the course was set in previous years, so that the focus in the 2022/2023 fiscal year could be placed on increasing effectiveness and efficiency through standardised processes and procedures backed by metrics as well as through optimising the tools used.

As a result, Bertrandt's management system can be considered to be stable and controlled. No extraordinary activities or measures are therefore required.

In the area of service delivery, the structural reorientation in sales and the provision of services has once again proved to be the right approach. The value achieved in the assessment area remains at a high level.

The realignment of complaints management undertaken in the 2021/2022 fiscal year has become established and is being successfully implemented. During the period under review, the adapted process was anchored in the Bertrandt management manual (BMM) and publicised within the Company. The systems provide initial data and evaluations that can now be used to identify and eliminate the causes of faults even more effectively. Future activities will focus on further establishing the adapted process at all Bertrandt locations and in all entities.

The key topics for the coming years identified in fiscal 2022/2023 are the development of a comprehensive systems engineering process environment and the full integration and connection of acquired or newly incorporated foreign businesses. The internationalisation and, increasingly, also the inorganic growth of our business open up new opportunities for customer development and business success. However, they also pose challenges as all units need to be connected to the standardised system and process environment. Moreover, they require further ensuring our high quality, ESG and sustainability standards are met. The introduction of a revised BMM 3.0 management manual with updated software and content planned for the 2023/2024 fiscal year will make another important contribution to efficient and effective digitalisation, along with many other initiatives and measures.



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One focus in the area of ‘Continuous improvement’ was again the implementation of the exacting ESG requirements. Bertrandt has set itself ambitious aims: to become CO₂-neutral by 2039 and to bring down CO₂ emissions by 15% by 2030. These aims have been firmly fixed in our company and were supported by some first actions in the year under review. The interdisciplinary sustainability project team set up in the previous year met regularly to discuss and coordinate activities in this area. Further plans include better system support for the recording and evaluation of sustainability indicators.

In fiscal year 2021/2022 no ex-post analyses under investment controlling had been due. A material key figure for determining the value for assessment area III had therefore been missing and, consequently, the result was unusually high. Key figures are now available again in fiscal 2022/2023 for all associated aspects, including ex-post analysis, so that the final result for the period under review is back in the range of previous years. The inclusion of the innovation management process in the management manual should be mentioned as an associated measure implemented in this area of assessment. To obtain further meaningful information in this field in the future, process performance indicators are to be defined and regularly collected and evaluated.

In the area ‘IV. Risk management’, risks and opportunities continue to be identified in good time, and we implement the required actions or devise measures that we expect will be successful. This is due to the firmly established and stable risk management process in conjunction with opportunity and risk assessments at various levels. Besides the regular environmental and stakeholder analyses already referred to and the professional internal audit system, the committee and meeting landscape at Bertrandt also helps to ensure that targeted measures are introduced at an early stage. For instance, we have established management meetings, which focus on the respective legal entity, and a process steering committee, whose composition has been adapted to the changes in the corporate organisation and which focuses on the Group as a whole. The result of assessment area IV is therefore stable.

Bertrandt continues to provide ample opportunities to work remotely insofar as the nature of work permits this. Remote working meets the needs of employees, for example for a better work–life balance or reduced time needed to commute.

Bertrandt contributes to the health of its employees with an attractive and dynamic health management system. Following the difficulties during the pandemic, the Company's occupational health management system was able to resume normal operations in the 2022/2023 fiscal year. The offering was updated to meet the new requirements and circumstances of the working world and included – in addition to the established on-site health days – a digital health week, seminars on work–life balance, stress management, mental stress and resilience, as well as offers on motivation and appreciation in remote and hybrid work situations.



Materiality analysis

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In the reporting period, Bertrandt AG identified key sustainability issues by means of a materiality analysis in accordance with the German Commercial Code (HGB). Representatives of the responsible departments covered the respective stakeholder interests, primarily those of customers, investors and employees. The following 17 material non-financial matters were identified as part of this analysis:

Matters in accordance with the German Commercial Code (HGB)	Material non-financial matter
Environmental matters	<ul style="list-style-type: none"> – Environmental protection in customer projects – Environmental protection within the organisation – Waste – Climate change mitigation
Employee-related matters	<ul style="list-style-type: none"> – HR strategy – Recruiting new staff – Vocational and further training – Attractive employer – Employee retention – Diversity at the workplace – Occupational health and safety
Social matters	<ul style="list-style-type: none"> – Education – Charity projects – Local engagement – Customers
Respect for human rights	<ul style="list-style-type: none"> – Business partners
Combating corruption and bribery	<ul style="list-style-type: none"> – Compliance

As we aim to become CO₂-neutral by 2039, the focus is primarily on environmental sustainability issues where the Company can make a significant contribution. Furthermore, as we are an engineering service provider, a large amount of our expenses are for personnel. Therefore, all matters related to employees and the respect for human rights are of particular importance to Bertrandt. We take account of the impact of our activities on the environment and society, and of stakeholder expectations, material ESG requirements, Bertrandt AG's business model and compliance with statutory regulations and internationally established reporting standards. The matters identified as material define the structure of our corporate social responsibility report.



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ENVIRONMENTAL MATTERS

Environmental protection in customer projects

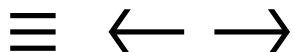
When working on a customer project we always consider the complete life cycle of products and services, from project planning, production and delivery through to disposal. Furthermore, the controlled use of raw materials, operating materials and supplies is of particular importance in the implementation of the concepts that we develop. Our customers face multifaceted challenges, especially in their efforts to meet environmental requirements. The ambitious climate targets of many governments, for example, necessitate the development of even more fuel-efficient vehicles with even lower emissions. In response to requirements such as these, we are constantly extending our range of services, designing new powertrain technologies for e-mobility and developing lightweight structures in order to reduce vehicle weight, fuel consumption and CO₂ emissions.

In our engineering work for automotive customers we develop reuse and recovery concepts to support sustainable end-of-life strategies. For example, OEMs are required by law to prove that at least 95% of an end-of-life vehicle can be reused and recovered. This target is equally integral to the development process as the requirement for vehicle parts to be remanufactured as easily as possible. We also advise our customers on how to best organise the return of parts for remanufacturing or of vehicles for reuse and recovery, as well as on the dismantling and disposal of prototypes by certified disposal firms in an environmentally friendly manner. Prototypes are frequently manufactured from materials that Bertrandt receives directly from the customer. For secrecy reasons, they must be completely destroyed at the end of each project. Bertrandt also continuously increases the share of green electricity in customer-specific projects.

Environmental protection within the organisation

The focus of Bertrandt's environmental management system is on improving and measuring environmental performance and preventing environmental incidents. This results in significant opportunities, such as reducing energy and water consumption as well as used water, waste and emissions in relation to production activity. A guideline for the environmental management system and other relevant processes provide the framework for the Bertrandt companies' local environmental management. We conduct internal and external audits of our corporate processes every year to verify our compliance with environmental legislation as currently applicable, and take action as required. Bertrandt has a reporting process in place for environmental incidents such as breaches of environmental regulations or pollution caused by spillages. In each case that occurred, the necessary measures were taken to reduce the environmental impact of the incident. Environmental incidents are recorded and processed internally. Where this is required, Bertrandt reports the incident immediately to the relevant authorities. Environmental incidents are analysed to determine their causes and prevent future incidents.

We also expect our suppliers to protect the environment and comply with environmental legislation, regulations and standards as applicable at any time. Compliance with these regulations is ensured by including them in corresponding contracts. Environmental protection is also anchored in our Code of Conduct for suppliers.



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Bertrandt, we are mindful of using natural resources such as energy, water, soil and air in a responsible manner. Everywhere at Bertrandt – at the administrative level, in our technology labs or at the test rigs – we measure our power, energy and water consumption in order to analyse and improve the environmental impacts of our business activities on an ongoing basis. We have installed testing processes in all relevant facilities to detect contamination or non-compliance with drinking water quality parameters. The local authorities are informed immediately if critical deviations from the local drinking water specifications are discovered. The used water from our operations is household-type waste water from toilets, kitchenettes, canteens and technical facilities, which is pre-treated by means of grease and light-liquid separators. The used water is discharged to the public sewage system via defined outlets. Strict regional and local legal requirements are followed for the discharge of wastewater. In our endeavour to save resources, we have installed water fountains extensively at all our sites and, as a result, bottled water is now rarely used by our staff. Water taps in the sanitary rooms as well as toilet flushes are in many cases sensor-controlled and switch off automatically after a short period of time.

WATER CONSUMPTION

Fiscal year	2022/2023
Water consumption in m ³	39,488
Water consumption (m ³) relative to m ²	0.12
Total ground area in m ²	324,546

To raise awareness for the sustainable use of water, we require each employee to complete a corresponding e-learning programme. Over the last few years we have optimised the utilisation of ground areas and buildings. Before buying or using the land, we always examine such properties for their geology as well as for possible previous pollution to ensure the greatest possible sustainability. When planning the energy supply for new buildings, we always opt for cogeneration or photovoltaic systems in order to use energy more efficiently or to generate our own energy in a climate-neutral way.

It is always our goal to clearly undercut, wherever possible, the savings target set by the German energy savings decree (EnEV). In order to increase energy efficiency, all our lighting fixtures are equipped with energy-saving lamps. EV drivers can now charge their vehicles at any time at 25 charging stations across the Bertrandt Group. Three of them are fast chargers. By expanding the number of charging stations, we are driving forward electromobility in order to reduce CO₂ emissions drastically by 2030 and achieve the goal of being CO₂-neutral by the end of 2039.

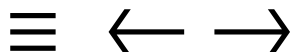
All IT hardware at our offices goes to power-saving mode after a short time. Moreover, we replace all our PCs, laptops, monitors and printers after three years at the latest with more energy-efficient equipment. This, however, is not the end of the lifecycle of these products. All IT and mobile devices that have become obsolete at Bertrandt go to AfB social&green IT, where they are reconditioned and sold on. Thanks to this cooperation, we help the environment and save resources while creating jobs for people with disabilities.

Our building services include programmes for energy optimisation focusing on air conditioning, heat pump systems, compressed air generation and IT.

CO₂ EMISSIONS ENERGY

Fiscal year	2022/2023
CO ₂ emissions – total in t CO ₂ (power, gas, district heating, oil)	21,080
Total ground area in m ²	324,546
CO₂ emissions in t – total per m²	0.07

The ecological footprint of CO₂ emissions caused by the Company's energy consumption (energies: electricity, gas, district heating, oil) was 21,080 t* in the 2021/2022 fiscal year.



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In addition, we encourage our employees to make sparing use of consumables such as paper and other office supplies. We promote the flexible workplace model throughout the Group, which has the advantage that employees are making more use of digital filing. We also only use recycled paper or FSC-labelled paper.

PAPER CONSUMPTION

Fiscal year (absolute values)	2022/2023
Paper consumption (t)	13.2
Paper consumption (t) relative to m ²	0.04

Paper consumption amounted to 13.2 t in fiscal 2022/2023.

Waste

One aspect of being mindful of the environment is producing as little waste as possible. We encourage our employees to avoid waste wherever possible and, where they produce waste, to separate and sort it for recycling. Batteries and toner cartridges are collected and disposed of separately. Component parts and operating fluids from test rigs, such as, for example, lubricant and cooling fluids, are recovered and reused, or disposed of, in line with statutory requirements. We have defined a detailed process chain describing how to handle different types of waste. The process first requires the separation of all hazardous waste. Any hazardous waste is then disposed of appropriately and professionally as specified in our waste disposal manual and applicable branch-specific rules and regulations. Written records are kept and archived on the disposal of hazardous waste. At the end of each fiscal year we prepare a waste balance sheet, which is based on the relevant environmental KPIs. Reporting of our waste management performance indicators has become more detailed compared with previous years. The more transparent presentation enables an in-depth analysis and evaluation of the data and related improvement actions.

WASTE DISPOSAL

Fiscal year	2022/2023
Waste total (t)	3,168
Waste for recovery (t)	432
Paper (t)	283
Recyclables (t)	1,552
Hazardous waste (t)	396
Construction and demolition waste (t)	136
Packaging waste (t)	304
Other waste from workshops (t)	21
Canteen waste (t)	20
Green waste (t)	24

The waste volume in fiscal year 2022/2023 was 3,168 t.

Total waste amounted to 3,168 tonnes of which 396 tonnes are qualified as hazardous waste; the rest is divided among other fractions (see table Waste Disposal). We continue to strictly insist on the responsible handling of waste. One example of this is the pragmatic approach of using less packaging material and the preferred use of deposit systems.



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Climate change mitigation and emissions

Bertrandt is also adapting to climate change and its effects. As a technology development provider focusing on the automotive industry, we are constantly working on methods to further reduce the fuel consumption and CO₂ emissions of vehicles in particular. In the year under review the main focus in the divisions was on increasing efficiency, saving energy and thus reducing CO₂ emissions. Within our company we are striving to set a good example by using particularly fuel-efficient company cars and by updating our fleet every three years. We examined the emissions of around 944 vehicles of our own fleet and determined an average value of g CO₂ per kilometre. In addition, at many of our sites we operate electrified vehicles, which produce zero emissions locally. The average mileage per vehicle was 17,768 km in fiscal year 2022/2023. As we collect better data regarding the actual type of fuel used (Diesel, petrol) we will be able to make more accurate statements on the average CO₂ emissions (in g) in relation to the average mileage of all vehicles. This will allow us to define better targets in the future to help us reduce CO₂ emissions. In order to bring down this value, we educate our employees on e-mobility and other available modes of transport; in addition, we strongly encourage the use of videoconferencing. Compared to the previous year, which was still influenced by the pandemic, the mileage of our fleet vehicles increased in fiscal year 2022/2023, reaching 16,772,888 km. The use of digital communication means is still increasing, yet a return to normal after the pandemic can be felt, which also has an impact on mileage travelled and fuel consumption.

New fleet policy

A new policy for the vehicle fleet was introduced within the Group in the 2022/2023 fiscal year. It promotes vehicles that contribute to the reduction in CO₂ emissions. Specific CO₂ limits have been set for this purpose. Additional monetary budgets are calculated using the combined 'Worldwide Harmonized Light Vehicles Test Procedure' (WLTP) value. If the vehicle configuration is such that emissions fall below the specified limit, an extended monetary budget is released. To continue to make an active contribution to environmental protection, we successively reduce the limits. This is a key measure in achieving our goal of CO₂ neutrality by 2039.

VEHICLES

	2022/2023
Number of all of vehicles incl. pool vehicles and executive managers' vehicles	944
CO ₂ report (in t CO ₂ e) of the vehicles in FY 2022/23 (excl. project cars used for test drives)	3,413.17
Total vehicles	
Mileage in km	16,772,888
Ø mileage per vehicle (km)	17,768
Ø-g CO ₂ emissions per Ø-km mileage per vehicle	204

The Ø-g CO₂ emissions per Ø-km mileage per vehicle in fiscal 2022/2023 were 204 g CO₂/km.



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EMPLOYEE-RELATED MATTERS

Responsibility and organisation

Our employees are the key to the Group's success. The expertise and commitment of our workforce have a direct impact on Bertrandt's success and our position as one of the leading engineering service providers. A fundamental part of the HR strategy and the thrust of the People & Culture department is therefore to be and remain an attractive employer. A consistent aim of the department's strategy is to recruit new and motivated people for Bertrandt, to integrate them optimally and to maintain their enthusiasm for Bertrandt in the long term. As at the reporting date of 30 September 2023, the Bertrandt Group employed 14,276 people (previous year 13,179) worldwide.

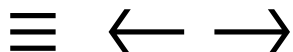
Generally, all our managers are responsible for managing Bertrandt's personnel; however, one member of Bertrandt's Management Board assumes executive-level responsibility for human resources management. The issues of diversity, equal opportunities, inclusion and the related goals are also firmly anchored in this role. Overall, our People & Culture organisation consists of specialist Centers of Competence (CoCs). The Talent Acquisition & Marketing and HR Development functions are organised centrally and consistently focus their work on the candidate and employee journey. This ensures that expertise is bundled. Processes and new programmes are designed, managed and continuously developed in the CoCs as part of the human resources strategy.

The HR supervisors and HR business partners ensure comprehensive on-site HR support for staff and managers. Furthermore, the functional area People Operations concentrates support for smaller locations centrally through shared service centre units.

Bertrandt has established Organizational Development as an independent functional area to ensure that the organisation and its employees are accompanied and supported in organisational and cultural change processes. This functional area aims to maintain the organisation's performance in the midst of change.

To strengthen communication at Bertrandt, we have developed the functional area of People & Culture Communications. This is where all HR-related topics are prepared professionally, for specific target groups and on an ongoing basis, and made available to employees and managers. We have also established an ESG function in the department, thereby creating a central point of contact for the topic of social sustainability. This function is responsible for managing and coordinating the topics as well as defining a structured and professional approach for incorporating sustainability aspects in the area of human resources.

Thanks to the further specialisation of the functional areas and standardisation of HR processes, we are benefitting from the high quality of HR services, promotion of cross-location collaboration and consistent focus on our internal customers.



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Human resources strategy

We successfully derived and implemented numerous services, actions and measures in the fiscal year 2022/2023 that have a direct impact on Bertrandt's attractiveness as an employer. We have established our organisational development and further expanded the Bertrandt Academy where all the interdisciplinary and professional development measures as well as vocational and further training programmes for our employees are pooled. This enables us to offer them the best possible support in our industry's transformation process and ensures that our workforce has the qualifications it needs.

The Group-wide employee survey, followed by a review of the actions taken, guarantees transparent communication with the workforce and provides opportunities to participate actively in the Company's processes. We have also set up an interdisciplinary and cross-departmental team where we developed a comprehensive concept for the further development and professionalization of all internal communication at Bertrandt. The 'Viva Engage' community platform introduced in the 2022/2023 fiscal year provides us with a wide range of opportunities to promote dialogue and knowledge sharing with and among our employees and managers.

We have always applied market and performance-related criteria to the remuneration of our employees, and our approach here is clear and transparent.

The department's key tasks also include establishing a culture of diversity and inclusion across the Group. Values such as openness, trust and respect must not only be anchored in policies, but must above all continue to be lived throughout the organisation. Among other things, these values lay the foundations for respecting human rights and for respectful and constructive interaction within the Group and in cooperation with business partners.

We conduct our business within the framework of applicable laws and regulations and comply with the professional and ethical standards of our industry. This also applies to the legal standards relating to employee-related matters and occupational health and safety at all our locations. The rules of conduct that apply to all Bertrandt employees are collated and stipulated in our mission statement and Code of Conduct, which are publicised on our website. These principles apply both to internal cooperation and to conduct towards our external partners. In this context, Bertrandt and its employees are committed to promoting international social standards and respect for human rights, because everything we do must be compatible with respect for people and the environment. We respect and uphold human rights within our sphere of influence and are expressly committed to the abolition of all forms of forced and child labour. Furthermore, Bertrandt respects the right to freedom of association and the right to employee representation within the framework of the applicable laws.

Personnel decisions are made in the Bertrandt Group on the basis of candidates' aptitudes and qualifications. We are committed to firmly opposing any form of discrimination based on gender, gender identity and sexual orientation; race; age; skin colour; religion; marital status; social origin; physical, psychological or mental impairment or any other characteristic that enjoys special protection under applicable laws or regulations. This refers in particular to discrimination against employees. We respect the personal dignity, privacy and personal rights of every employee. All colleagues treat each other with honesty and openness, and are guided by respect and responsibility. To ensure that our employees are always aware of these issues, we conduct mandatory annual training sessions on the various dimensions of diversity, prevention of discrimination and our social responsibility, among other things. Our managers are expected to act as role models in every respect, to monitor the legality of all conduct on behalf of the Bertrandt Group in particular and to promote professionalism, ethical behaviour and compliance as part of Bertrandt's corporate culture. Laid out in the Code of Conduct published on our website, these principles also apply to our suppliers.



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The Group is in continuous constructive dialogue with employee representation bodies. We have discussed employee needs in working groups and set out in writing their rights and options with regard to various topics, such as desk sharing and Microsoft 365 productivity cloud, within the framework of agreements and clear corporate policies.

The continuous measurement and monitoring of other key performance indicators, such as fluctuation during the probationary period, the hiring rate or the number of performance reviews conducted, ensures that the measures implemented pay off in terms of achieving our overarching goals. Early fluctuation is a significant factor for us and our focus is therefore specifically on the rate of fluctuation during the probationary period.

The Bertrandt Way

Bertrandt introduced a new corporate identity in the 2022/2023 fiscal year. This was also used to redevelop Bertrandt's employer brand. A yellow 'b' is the trademark that now represents our corporate values and the so-called 'Bertrandt Way'.

'The Bertrandt Way' expresses our corporate identity and sense of togetherness, which is characterised by teamwork and flat hierarchies. A core element of this is 'Enabling Progress', which describes how we embed a wide range of development opportunities in the Company for all our employees. 'Human Centricity' is also at the very heart of our identity. This describes the fact that people and their needs take centre stage at Bertrandt. Our corporate culture is based on diversity and equality, demands fairness and appreciation, allows for participation and personal responsibility and promotes trust and individuality.



Recruitment of new employees

Recruitment will continue to be a priority in the fiscal year 2022/2023, especially for the Talent Acquisition function.

In view of the ongoing shortage of skilled professionals it is essential that we have a very good understanding of the needs of applicants. It is therefore very important for us to interact closely with them. In the fiscal year 2022/23 we again learned a great deal about how we are perceived, especially at job fairs, in social media and through our cooperation with universities. These opportunities enable us to approach young and experienced professionals alike and to excite their interest in our company. Feedback provided by candidates, for example after interviews, is clustered centrally so that it can flow directly into and optimise the process. The evaluation of various surveys has shown that our candidate journey at Bertrandt is rated very positively overall.

During the course of the 2022/2023 fiscal year, our employee referral programme, Firstbird, developed into a very successful and important acquisition channel. This is reflected not only in the quantity of applications that are generated, but also in the quality of those applications. The quality rate of our acquisition channels is regularly reviewed. The quality rate compares the number of applications received via an acquisition channel with the number of contract offers generated. Firstbird's quality rate is very high compared to other acquisition channels. This makes it one of Bertrandt's most successful channels.

In early 2023 we launched the so-called 'StepStone Quick Apply' in cooperation with the recruitment platform StepStone. Applicants can now apply to Bertrandt directly via the StepStone interface without being redirected to the Bertrandt careers page. The 'quick apply' label also signals to candidates that the application process will run smoothly without them having to jump to another page. This simplifies applications and improves our candidate journey by significantly shortening the procedure and eliminating the need to switch platforms.



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Encouragingly, our extensive efforts and innovations in Talent Acquisition have resulted in a significant overall increase in applications of around 54% year on year. In absolute terms, this amounts to over 170,000 applications. In the 2022/2023 fiscal year, our average time to hire in the Group was 31 days.

Talent Acquisition & Marketing also intensified its dialogue with our international locations in the 2022/2023 fiscal year. The aim of this initiative is to increasingly standardise all processes across the Group in order to harmonise the candidate journey and the values behind the Bertrandt employer brand. As part of the opening of our new location in Morocco, an induction programme for new HR managers has also been developed to ensure that best practice is shared between locations at an early stage.

Vocational and further training

The vocational training and development of our employees as well as continuous professional development in the sense of lifelong learning are one aspect of the work of the People & Culture department. We consistently support our qualified employees and executives and invest in numerous internal and external vocational and further training programmes. These programmes are all carried out in the Bertrandt Academy and validated and refined by HR Development on an ongoing basis.

Further training activities start at the earliest stage possible: Various models, such as internships or information events, are in place that enable school students to learn about training opportunities at Bertrandt, to share their ideas with us and to gain initial hands-on experience.

Vocational training

Vocational training at Bertrandt combines work-integrated learning, continuous support of seasoned professionals and attractive career prospects with a high probability of being employed on a permanent contract upon completion of the training. Our apprentices and students on dual study programmes are the skilled workers of tomorrow. It is for this reason that we attach such importance to maintaining the high standard of training at Bertrandt.

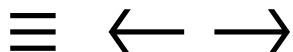
We have a permanent working group in place for this purpose that focuses on increasing the transparency of our vocational training areas, ensuring the efficiency of processes and increasing our competitiveness in the field of vocational training.

As a result, we were able to derive and implement many measures, such as increasing the salaries we pay our former apprentices in technical and IT professions when they become permanent employees. It is also important to us to validate our vocational training and portfolio of study programmes on an ongoing basis and to align them with future market requirements and technological developments. As at 30 September 2023, we were training 212 apprentices and 12 students on dual study programmes in technical, commercial and IT-related professions.

Further training

The knowledge of our employees plays a critically important role in the success of our company as they provide the basis for the high quality demanded by our customers. Vocational and further training is a key element in ensuring the long-term performance and competence of our employees.

HR Development focuses on supporting employees on their individual development paths. However, learning and development needs differ significantly between employees and today's learning and development opportunities should consequently be much more flexible and individualised. Moreover, the training that employees require is constantly changing. To account for this, we have aligned the Bertrandt Academy with our corporate strategy. In the 2022/2023 fiscal year 4,238 employees completed 28,646 training days in internal and external training and development programmes aimed at further developing their technical competence. Numerous briefings and training sessions were additionally held on technical and legal topics. The focus in the reporting period was primarily on promoting intercultural and language skills as well as expanding project management and sales knowledge and skills.



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We support the individual development of our employees according to their needs through our Centers of Competence Learning & Qualification, Development Consulting, People Diagnostics and Coaching & Team Consulting. We offer e.g. team-building facilitation, coaching and soft-skills training through to a modular 'Leadership Development Programme' and multi-level development counselling.

Within this framework, we have set ourselves the goal of ensuring the continuous expansion of our vocational and further training budget. In the fiscal year 2022/2023 Bertrandt invested a total of EUR 8.4 million (2021/2022: EUR 5.5 million | 2020/2021: EUR 3.5 million) in continuous professional development (CPD). The average number of CPD hours per employee in the Bertrandt Group was 16.8 hours in the reporting period.

Tech Academy

Under the umbrella of the Bertrandt Academy, the Tech Academy was able to further establish itself as a sparring partner for the operating units in the fiscal year 2022/2023. We support the professional development of our employees through our self-developed qualification programmes and training courses. A selected range of our training and qualification paths is also available to our external customers.

In line with the maxim 'sharing experience from practice', around 40 of Bertrandt's own experts take on the role of speakers and trainers, creating a close link with Bertrandt and its day-to-day project work. Almost all training is delivered as blended learning concepts (a combination of e-learning, live online training and/or virtual classrooms). The learning modules are modular and scalable. They take into account project requirements and the individual's own learning pace.

Our comprehensive range of services is designed to meet individual needs, the latest developments in a dynamic market, the needs of our service areas and the Group's strategy. Selected training programmes are already included in our onboarding process to ensure that people get off to a good start. Our range of learning opportunities is complemented by an external learning platform, which offers a wide range of topics for both professional and personal development.

Development support

Special efforts were made in the fiscal year 2022/2023 to provide comprehensive development input with the specific aim of supporting employees and managers who are seeking a change of role. With this in mind, the HR Development department has permanently expanded its advisory services in the form of discussions and individual development plans. This enables all-round support to be given to staff for future roles.

Digital learning

The department has also expanded the digital learning portfolio for sustainable learning to ensure flexible and location-independent participation in CPD measures. To this end, a range of new learning content, such as e-learning units, video tutorials, webinars and podcasts have been designed, developed and made available. In total, we are now able to provide 82% of our training courses digitally, with around 18% taking place in person.

Bertrandt also developed and implemented its first virtual reality training course as part of a cooperation project. The participants experience cultural differences and similarities and different ways of building relationships at first hand. We use these immersive learning environments to promote intercultural cooperation between our teams in the long term.

Career paths

A practice-based example that communicates and makes visible the potential career paths and potential stages along a career route for Bertrandt employees has been developed. This has made the opportunities for further development at Bertrandt more transparent for employees. Personal development can be pursued in various ways at Bertrandt. Many of our employees not only seek to move up within the Company but also opt for professional career pathways. Alternatively, people with a strong interest in particular projects can take on responsibility as project leaders. The same applies to the sales specialists within our workforce.



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E-Learning evaluation

In order to benefit in the future from a uniform and efficient evaluation process for training, we developed and implemented a concept in the fiscal year 2021/2022 that will enable the success of training measures to be determined as beneficially and uniformly as possible, necessary action to be identified and new ideas to be generated. Only by constantly evaluating our measures can we ensure as an employer that further training at Bertrandt continues to be of high quality.

Attractive employer

Our employees are the pillars of our Company, the driving force behind our business success and have top priority at Bertrandt. We therefore attach great importance to the needs and concerns of our staff. In addition to the project group on uniform remuneration, we are pursuing further measures to make Bertrandt even more attractive.

In addition to modern working spaces and attractive sabbatical opportunities, the People & Culture department also focuses on flexible working hours and reconciling the demands of work and family life. We also offer part-time opportunities across all hierarchies. We not only provide corporate benefits, job bike leasing for employees, pension plans, employee loans, additional and employee benefits, our employees are also covered by a group accident insurance policy. With up to 30 days leave for employees on full time contracts, we offer significantly more time off than the legally required minimum. Our employees additionally receive special leave for marriage, the birth or adoption of a child and relocation for operational reasons. A total of 1,428 days of special leave were taken by our employees in the 2022/2023 fiscal year.

Our job bike ('JobRad') leasing programme once again turned out to be a very popular measure adopted by employees for promoting their health and fitness. Under this programme, Bertrandt employees can order up to two new bikes from over 5,500 dealers in Germany. In the 2022/2023 fiscal year, a total of 428 new job bikes were ordered and sponsored by Bertrandt. This even earned us the 'Top JobBike Employer 2023' award from our cooperation partner JobRad GmbH.

In addition, we were again able to offer our employees the popular employee share scheme in this fiscal year. When employees purchase one Bertrandt share under this scheme, they receive two additional shares from Bertrandt that are exempt from tax and social security contributions ('1 + 2 share package').

New employees receive a comprehensive onboarding programme right from the start and a go-to person for 1 to 1 mentoring.

Further training and development opportunities that are designed and pooled in our Bertrandt Academy are also anchored in our corporate strategy. The leadership behaviour of our functional and line managers is being regularly reviewed and developed.



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We offer all employees the opportunity to work remotely, as far as the nature of their work allows. Three remote working days per week, as defined in the Germany-wide policy on remote working, serve as a benchmark for this purpose. Our employees' work performance continues to be of high quality and our company goals are met when they work remotely. It is therefore a matter of course for us place full trust in our employees when they are working remotely. We support employees who wish to work remotely by contributing towards the cost of an ergonomic chair and by providing a basic technical package consisting of a laptop and monitor, mouse and headset.

Bertrandt is an attractive company, as was confirmed in the 2022/2023 fiscal year with the 'Employer of the Future' award. The seal issued by the German Innovation Institute for Sustainability and Digitalisation (Deutsches Innovationsinstitut für Nachhaltigkeit und Digitalisierung) emphasises the importance of these two attributes for employers. Companies that are awarded this seal are therefore considered particularly attractive for young and highly skilled employees.

Employee retention

Bertrandt works on several levels to increase employee loyalty on a long-term basis. In addition to an extensive range of training and continuous professional development measures, bonuses and corporate benefits, we use a continuous and structured feedback process to derive measures that help improve retention.

One result of the employee survey is, for example, an adapted communication concept for our retention measures. We have added content that clearly shows which of the measures adopted by People & Culture increase employer attractiveness and employee loyalty. Here, benefits with added value for internal employees are listed for different areas, e.g. 'Working environment and organisation' (remote working), 'Role & Career' (individual coaching offers), 'Health & Leisure' (international soccer tournaments), 'Culture & Communication' (exchange formats for managers) and 'Compensation & Benefits' (job bike). Bertrandt is also continuously developing its concept of own employee retention.

The success of our employee retention measures can be seen, among other things, in the reduction in our voluntary fluctuation rate by 2.2% to 14.9% compared to the previous year. We made a conscious decision to communicate the voluntary quota, as this is closely linked to employee retention measures.

Feedback from employees

We obtain feedback from our employees through diverse channels and surveys on specific issues in order to increase employee satisfaction and employer attractiveness and to reduce fluctuation in the Company.

Performance reviews are held at least once a year to promote a feedback culture between employees and line managers. These reviews are managed across departments. Bertrandt also worked on the continuous improvement of these reviews in the fiscal year 2022/2023 to make the process more effective, in particular in the form of regular feedback with managers. The overall process was made more flexible by, in particular, integrating the lead structure. Regular information from the leads has enabled managers to prepare more effectively for and to develop performance reviews.

The most important feedback tool at a collective level is the employee survey, which takes place every two years. It includes a new feature implemented in the 2022/2023 fiscal year, i.e. a review of actions taken in the year following the implementation of the respective action. The last employee survey in the 2021/2022 fiscal year achieved a very good participation rate of over 75%. The aim of the review of actions carried out in the 2022/2023 fiscal year is to assess the progress of the actions and to learn what the employees think about them.



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We also conduct annual executive surveys or topic- or project-related surveys on a regularly basis. Moreover, we have enabled our departments to conduct their own surveys in their areas of responsibility, so that individual issues are evaluated more specifically. Feedback is also collected from employees who leave the company. In this case, quantitative data is collected by means of a questionnaire and exit interviews are conducted on a personal level. This data is compiled and analysed at regular intervals to derive recommendations for action as required.

Onboarding

Bertrandt has a standardised onboarding process that is specifically aligned with the corporate strategy. As well as an introductory event at each location, a Group introductory event is also attended by all new employees in Germany. This allows direct networking to take place across locations on the very first day of work.

The 'Net Promoter Score' was introduced as a key performance indicator for onboarding in early 2023. The 'Net Promoter Score' is typically used as a key figure to measure customer satisfaction, loyalty and retention. Customers (i.e. in Bertrandt's case, new employees who have recently been through the onboarding process) are asked how likely they would be to recommend the product in question – in this case, Group onboarding. The scale used allows for a score of between 0 (not at all likely) and 10 (very likely). The 'Net Promoter Score', which lies between –100 and +100, can then be calculated from the responses of all respondents. If the score is above 70, the recommendation rate is exceptionally high.

Since its introduction, the 'Net Promoter Score' for Group onboarding has been around 72. The recommendation rate for our Group onboarding programme is therefore exceptionally high, which underlines the quality of the events from the participants' perspective.

Mentoring model

We make sure that all new employees have an assigned mentor they can go to at any time during their probationary period and whose job is to help new hires get off to a good start. In the first few months, in particular, mentors take time to answer questions and impart basic knowledge about Bertrandt. Mentors also makes an important contribution to social integration within the team. Towards the end of the mentoring period, usually after six months, the participants take stock and provide anonymous feedback on the mentoring and the mentoring model.

A survey of employees after the end of their probationary period has shown that mentors play a very important role in helping to integrate new employees. This is why we place particularly high value on the quality of mentors.

Various tools have been available and an e-learning course has been in place since the fiscal year 2021/2022. These are designed to ensure high quality mentoring and to prepare mentors for their task. Mentors are selected by the responsible executives and must observe specific guidelines.

Work-life balance

We support our employees with various programmes that enable them to combine work, family and leisure time. In addition to a flexitime scheme, we also offer part-time jobs and remote working to promote a family friendly working environment. This includes different schemes for parental leave and partial retirement, in accordance with statutory rules. In total, 1,098 of 14,276 employees were employed part-time as at the end of the fiscal year (see table 'Distribution by type of employment'). Our employees have the opportunity, moreover, to take sabbatical leave as agreed individually. We also offer our employees the opportunity to work remotely, as far as the nature of their work allows. Three remote working days per week, as defined in the Germany-wide policy on remote working, serve as a benchmark for this purpose.



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DISTRIBUTION BY TYPE OF EMPLOYMENT

Number of employees	2022/2023
Bertrandt Group	14,276
Full-time	13,178
Part-time	1,098

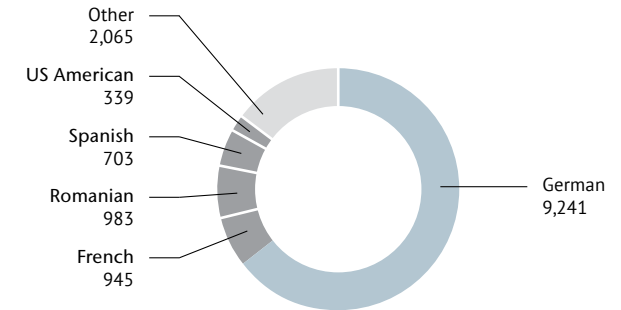
Diversity at the workplace

We are an internationally operating company where people from 111 different nations and many different cultures meet every day. This diversity creates a lively collaborative environment and ensures that we are continuously developing our intercultural learning. The Bertrandt Way describes the unique feeling of being part of something and represents a corporate culture that understands how diversity drives innovation. Respecting the individuality of each employee and using the diversity of our workforce for our joint success is important to Bertrandt. We promote equal opportunities and do not tolerate any form of discrimination. These principles are firmly anchored in our corporate policy. We treat all employees equally, regardless of gender, gender identity and sexual orientation; race; age; skin colour; religion; marital status; social background and physical, psychological or mental impairment. Everybody respects the personal dignity, privacy and personal rights of other people. All colleagues treat each other with honesty and openness, and are guided by respect and responsibility.

NATIONALITIES

The 5 most common nationalities at Bertrandt AG as at the reporting date 30/09/2023

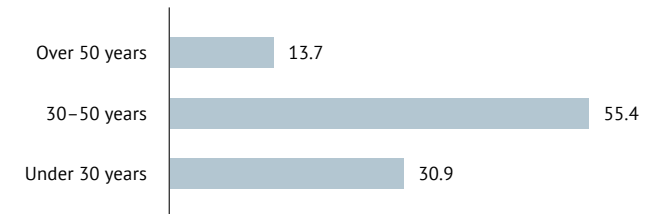
Number of employees



A diverse workforce is a fundamental element of our HR strategy. For example, we also aim to achieve a balanced mix of experienced and junior employees and we are striving to increase the proportion of women in management positions. The average age of employees as at the reporting date was 36.8 years.

TOTAL WORKFORCE BY AGE GROUP

%





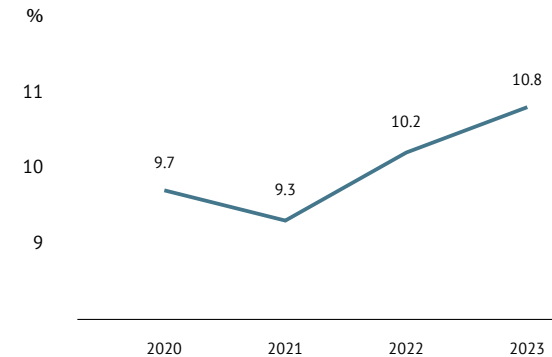
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We have also initiated a number of activities around diversity and inclusion at the workplace in fiscal year 2022/2023. The 'Diversity & Inclusion Management' project group identified key fields of action and developed measures to ensure that the idea of diversity is firmly anchored in our HR organisation and processes. We have also started to create a comprehensive communication platform that brings together internal and external points of contact for our employees, provides information on the core dimensions of diversity and raises awareness among the workforce.

Gender equality

On the whole, women are underrepresented in our industry. This is due, among others, to the fact that girls and young women still appear to be less interested in technical domains, such as electronics, engineering sciences or IT. According to a study by the Ministry of Economic Affairs, Labour and Tourism of the federal state of Baden-Württemberg published in September 2023, the percentage of women among all employees in the STEM professions (sciences, technology, engineering, maths) in the southwestern German state was 18.0% in 2022. In comparison, the Bertrandt Group reported a 23.5% proportion of women in the 2022/2023 fiscal year. We are striving to increase the percentage of women in our workforce by encouraging women's interest in our industry. For instance, we organise information days specifically for women, which aim to demonstrate the diversity of technical and scientific professions in practice. We design our job advertisements to ensure that they appeal to women, men and people of all genders. In general, female interest in technical training is already increasing. According to the above-mentioned study, the proportion of female STEM graduates in Baden-Württemberg was 33.6% in 2022, compared to 27.1% in 2016. The proportion of female managers in the Group was 10.8% as at 30 September 2023 (2022: 10.2%, 2021: 9.3%, 2020: 9.7%).

WOMEN IN MANAGEMENT POSITIONS



We have been awarded the 'Top Career Prospects for Women' seal for Germany by the magazines Focus and Focus Money.

Occupational health and safety

As an employer, it is our aim to ensure a high level of health and safety at the workplace and in the working environment for all our employees. This includes ergonomic workplace design and offers ranging from activities within the framework of our 'Bertrandt Health Management' (BGM) through to occupational safety management. When it comes to occupational health and safety, we rely on preventative measures and the personal responsibility of employees. The occupational safety concepts are adapted to the specific circumstances of the functional areas, which record data on occupational health and safety in line with legal requirements. Only healthy employees can make full use of their skills and in the process make a significant contribution to Bertrandt's ongoing development. From the ergonomic design of workplaces through to health management offers and occupational safety management – the preventive and long-term protection of our employees' health is absolutely essential for us.



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Occupational health and safety at the Bertrandt Group is organised centrally. Within the functional areas, internal occupational safety specialists monitor and advise on the application of relevant regulations and the specific sets of rules that may apply to local entities, or define approaches to be followed by the functional areas such as company-wide rules. Relevant data is reported regularly in order to identify deviations. Where deviations occur, a root cause analysis is initiated, the results are evaluated and, if necessary, corrective or preventive measures are introduced. Regular, annual internal audits support the review of data and management approaches in the Bertrandt companies. This ensures that internal rules and legal requirements are complied with.

Our company health management system was centralised in the 2022/2023 fiscal year and thus offers all employees in Germany access to numerous preventive and health-promoting measures, regardless of their location and place of work. We can make health a top priority for all of us at Bertrandt: our employees can have medical examinations carried out, attend company medical consultations and make use of other health offerings.

Health offerings

As in the past, we also held numerous BGM events in the fiscal year 2022/2023. The offerings ranged from in-person events, such as health days and flu vaccinations, company runs and fruit deliveries, to live digital offerings, such as target group-specific keynote speeches and blended learning units. It is with these varied and targeted health offerings that we want to emphasise that we appreciate our employees and care for their wellbeing.

Remote working and health

We aim to address the health challenges associated with frequent remote working in the best possible way. We therefore launched a digital knowledge base in the fiscal year 2021/2022 that provides our employees with information on issues related to remote working, such as ergonomic workplace design, self-discipline, boundaries between work and private life and break regulations. As an employer, we also encourage ergonomic sitting postures for employees engaged in remote work by contributing towards the cost of a privately purchased ergonomic chair or by making ergonomic chairs available on loan.

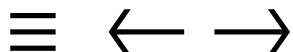
BGM offered a digital live programme, especially for our managers, on the topics of motivation, appreciation and team development in the home office and in hybrid work situations.

SOCIAL MATTERS

We have always understood Bertrandt as being both a part of and a partner to society. The size and global scope of our company give rise to obligations and, above all, responsibilities towards our stakeholders. These stakeholders include not only our customers and employees, but also and especially all our partners – regional, national and international – with whom we cooperate in a spirit of trust along value chains, generate growth and contribute to social development.

We take our responsibility towards society very seriously and hold the firm conviction that we can only be successful in a world that is sustainable in all its various dimensions and offers prospects for the future.

We have therefore identified, bundled and implemented measures that we consider to be necessary in this context. Our corporate social responsibility activities range from involvement in issues relevant to the environment and the future of the planet through to social projects and helping to raise the level of education in our society.



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Education

In addition to our internal vocational and further training initiatives, we attach great importance, as a technology partner, to bringing young people into contact with technology and science at an early age. Education is the foundation for our future. We work towards this goal by taking part in numerous training and career fairs, regularly visiting technical colleges and cooperating closely with universities.

It is therefore a matter of course for us that we sponsor several universities and participate in various education-oriented competitions. For this reason, we again decided in the 2022/2023 fiscal year to support four Formula Student teams from various universities, such as the Technical University of Munich or Ostfalia University of Applied Sciences, both financially and by providing corresponding consulting services.

Mobility and safety

Reductions in consumption and emissions in the field of individual mobility have become the buzzwords of our time. With its 'Green Deal' initiative, the European Union once again set stricter framework conditions in this fiscal year. The mobility sectors are consequently stepping up their investment in alternative drive technologies, which is why in the fiscal year under review various OEMs announced that they would be phasing out the combustion engine by 2035. Affected by this change as well, the aviation industry is responding to the altered conditions by accelerating its research and development activities regarding alternative drive systems. We support our customers in their innovation and development activities.

Our technological and technical advances – achieved together with our customers – are also aimed at reducing the traffic accident rate as far as possible. Vehicle technology, including active and passive safety, accordingly is a core capability of the Bertrandt Group. We do pioneer work in various customer projects where we develop driver assistance systems that support the international safe mobility campaign 'Vision Zero'. Statistics underline that the efforts for more traffic safety and the implementation of the 'Vision Zero' concept significantly reduce the number of traffic fatalities. The main goal of the concept is to reduce the number of traffic fatalities to close to zero by 2050. In Germany, a master plan was drawn up as early as 2004 by the association Verkehrsclub Deutschland (VDC), which has since been promoted through political lobbying, campaigns, actions and the dissemination of information.

Safety in society also plays an important role for Bertrandt and is actively promoted in various projects. One example is the engagement of Bertrandt staff members in the local fire brigade in Tappenbeck since 2020. In addition, Bertrandt again financed various items of fire-fighting equipment for the local fire brigade in Lehre during the course of the fiscal year.

Charity projects

Sustainability not only plays an important role for us as a global company – our Bertrandt employees also identify with the issue and want to make a contribution.

For example, around 50 employees from the Hermannstadt, Munich and Steyr locations launched an environmental and climate protection campaign in July 2023. In a major clean-up operation, they cleared the local forest in Hermannstadt of around 70 rubbish bags full of bottles, plastic and other rubbish. On the same day, they helped out at Hermannstadt Zoo by preparing animal feed, painting and mowing the grounds. This has instilled in these colleagues the need to be mindful of the responsible use of natural resources such as energy, water, soil and air.



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Our socio-cological engagement is also very important to us. We were delighted to receive another award from our partner AfB social & green IT – a non-profit organisation that refurbishes and sells used IT equipment. 54% of the around 4,000 IT devices we handed over were loaded with new software and resold last year alone. Compared to manufacturing new devices, the partnership has saved around 846,000 kWh of energy and more than 1.6 million litres of water. In addition, five jobs were secured for people with disabilities.

Local engagement

Sustainable action and social responsibility are key components of Bertrandt's corporate strategy. This is also underlined by the regional cooperation with the Tennental Village Community for people with disabilities. Together with the community's Branch Wood Workshop, Bertrandt has designed a hand-crafted present for its employees to celebrate the birth of a child.

Other local projects were also undertaken during the fiscal year 2022/2023, enabling our branches to do good in the community. For example, blood donation campaigns were once again organised at various Group locations.

Customers

At Bertrandt, we regard our customers and suppliers as valued and trusted partners. We feel a special responsibility towards our customers whose satisfaction is paramount for us. In order to fulfil their needs, we strive – together with our people and suppliers – to ensure the consistently high quality standard of our products, services and processes. This is also confirmed by customer-specific audits. As a technology partner Bertrandt maintains close relations with its customers. The trust they put in our company is of crucial importance. We have to earn this trust anew every day. The satisfaction of our customers is the result of innovation and high-quality services. We seek to add value for our clients and are conscientious in honouring agreements and commitments.

Our customer relationships are shaped by a high level of dependability and strict project confidentiality. Our solid financial standing and the transparency of our organisation are additional important prerequisites for partnerships based on trust. We reject unscrupulous methods of obtaining information. For Bertrandt, loyalty, mutual respect and integrity in dealings with business partners, customers, suppliers and other stakeholders are at the heart of communities of shared values that in the long run prove to be the best value-creating communities. We have supported manufacturers and suppliers in the international automotive and aerospace industries as well as the machinery and plant engineering, power engineering, medical technology and energy sectors for almost 50 years, bringing our expertise to bear in the development of their products. Our activities are driven equally by the challenges of the present and those of the future and the solutions we develop are tailored to the individual needs of our customers. It is our aim to support them by acting as a competent partner with a can-do attitude. They can rely on our know-how and expertise, as well as on a high degree of flexibility in the processes of engineering. Through our development performance we accelerate technological progress. This enables us to make a significant contribution to a sustainable future and promote social and individual independence.

Focus on automotive

Some 90% of our revenues are generated with customers in the automotive industry. Together we work on the development of the 'automobile of the future', focusing in particular on environmental sustainability, safety, comfort and connectivity. We accelerate technological progress in the megatrends that are relevant to us, i.e. digitalisation, the holistic approach to e-mobility, autonomous mobility and sustainability, and we find solutions to the questions they raise in our global development network. With close to 50 years of cross-industry experience, a global presence and our expert organisation, we help shape the future and implement innovative projects for our customers. Our strengths are our many years of transformation experience, our capacity to perform all-round projects from the initial idea through to implementation, production transfer and after-sales, as well as the speed at which we can scale projects.



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Whereas 10 years ago our focus was on the design of individual parts and modules, we are today proactively helping our clients in the development of complete model variants or model series. As a result, the boundaries between different disciplines are becoming increasingly fluid and permeable. For example, the integration of a battery into an electric vehicle always involves several disciplines. Our engineers from the powertrain team work on the dimensioning of the battery and its configuration in the actual vehicle. The electronics specialists contribute their expertise in energy management. Then our testing experts put the system through its paces in different testing cycles, for example to test the discharge behaviour or energy consumption. During the entire production process, we review system suppliers for their ability to manufacture the required components to the best quality and at optimum cost. All this requires seamless interface management between our company, the customer and the system suppliers, as well as between the different disciplines in our engineering team.

Customer centricity

Bertrandt invests in the expansion of its range of services and customer landscape in a targeted manner and with a strong customer focus. The Group demonstrates its cross-location cooperation and competence in the field of electromobility: the construction and modification of entire vehicles has played a major role at Bertrandt for many years. Entire series validation vehicles are constructed in customer projects, from pre-assembly to equipping the vehicles with the corresponding measurement technology. Whether a single vehicle or a small series – Bertrandt supports its customers along the entire life cycle of vehicle prototypes, providing tailor-made solutions and scalable project management.

In the eMobility Systems unit individual components can be manufactured using the laser welding process. This technique is very elaborate and at the same time significant for the future. We also validate series batteries in our laboratories and climate chambers and perform electrical and functional tests on road-to-rig test benches. We are able to offer our customers the full range of tests required and also advise them on test design. One of the special features in the eMobility Testing Solution unit is that we use our own toolchain to provide customers with a comprehensive analysis of the results very quickly after the end of the test. In demanding and dynamic

projects, Bertrandt is able to respond flexibly and at short notice to customers' wishes.

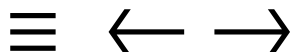
Bertrandt acquired 100% of the shares in Concept AG in July. With this move we are further expanding our range of services, which now also include organisational and process consulting, particularly in manufacturing. This reinforces our range of consulting services. By combining the consulting approach of Concept and the technological expertise offered by Bertrandt, we expect to originate complementary services and open up new service areas in the trend topics of e.g. automation, digitalisation, e-mobility, factory of the future. We also want to share Bertrandt's customer access and further expand customer segments.

Our clients are increasingly demanding sustainability-related services.

In this context, Bertrandt offers sustainable services in the After Sales Solution segment, e.g. in the area of conformity of materials or chemical products or regarding 'Handling End of Life'. For instance, Bertrandt helps its customers implement the technical regulations for handling end-of-life vehicles and batteries. The focus here is on the implementation of take-back schemes for end-of-life vehicles. We develop an end-of-life strategy for HV lithium batteries for our customers that covers environmental requirements worldwide and offers new opportunities through 2nd-life concepts.

Customer satisfaction

In our quality management we are guided by our customers' needs, and in particular by customer satisfaction. In the spirit of our corporate strategy 'All services for all customers', our customer focus is closely aligned with the value chain. In order to determine the degree to which we live up to this promise, we continuously evaluate our customers' satisfaction. These evaluations are based on various key performance indicators (KPIs), which allow us to assess the satisfaction levels we achieve with our customers in the run-up to, during and after the completion of a project.



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Customer satisfaction KPIs are measured and assessed regularly under the processes of our integrated management system, which is certified, among others, to DIN EN ISO 9001. At a strategic level, we also monitor our market share as an additional indicator of customer satisfaction. For example, we determine on a regular basis the number of vehicle models that are launched to the market and the proportion in which Bertrandt was involved. However, our most important gauge has always been our people and the immediate feedback they receive from the customers they work with on a daily basis.

Corporate security and data privacy

We attach highest priority to non-disclosure and the confidential treatment of customers' data. Our internal Compliance and Security Circle was established to define and enforce corporate security and IT security as well as data privacy requirements. We comply as a matter of course with all statutory rules and regulations. Security and data privacy are the responsibility of every individual – whether inside our company or externally. This is why not only our employees, but also our customers and business partners are part and parcel of our security and privacy concept. We disclose the purpose and consequences of data processing and storage and demonstrate how important it is to treat collected data with the highest levels of care. In this way, we ensure that our employees process all data according to a defined purpose and adhere to our security policies. We protect ourselves against threats and risks by investing in effective technologies. Implementation is governed by organisational and technical standards. As part of our corporate security initiatives, regular external audits and approvals are carried out in accordance with the TISAX AL3 standard for all relevant locations. TISAX is based on ISO 27001 and extends the standard's controls to include TISAX-specific maturity levels as well as technical and organisational measures. Our employees receive dedicated training on security matters upon joining Bertrandt, and after that once a year. All Bertrandt employees must sign a non-disclosure agreement (NDA). The NDA also lays down the sanctions to be expected in the case of a severe breach of our rules. Detailed documentation, such as on the confidentiality of documents, the handling and categorisation of information as well as on the use of mobile communication devices and assets, is available to our staff on the intranet.

In order to prevent vulnerabilities, we have developed our IT security processes in particular in the last few years, which we also coordinate with our customers. The development of our security processes has been intensified especially due to the coronavirus pandemic as we needed to ensure business continuity through enabling remote work for our workforce. Thanks to well-prepared processes, we managed quickly to provide the required IT infrastructure to enable the highest possible degree of remote work with the highest possible security for all those employees for whom working away from the office was feasible.

In the period under review there were no breaches arising from the wilful violation of a statutory or contractual provision that triggered a sanction involving a customer or supplier.

RESPECT FOR HUMAN RIGHTS

Business partners

Social standards in the supply chain

As a company acting at a global scale, we believe it is an important aspect of our corporate responsibility to uphold human rights and social standards across our organisation and in the supply chain. We also aim to assume responsibility beyond the Company. Risks in the supply chain are systematically assessed according to the provisions of the German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz) and effective remedial mechanisms are implemented to prevent any potential violations of human rights.



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Management concept

Our commitment to the protection of human rights is set out in our Code of Conduct for Suppliers and Service Providers ('CoC'). The code contains an obligation for our business partners to act responsibly in compliance with the law. The CoC is an integral part of the general purchasing conditions; directly contracted suppliers are required to oblige their sub-contractors as well to comply with these guidelines, and to ensure compliance. The scope of the CoC also extends to our expectations with regard to human rights due diligence obligations in accordance with the provisions of the German Supply Chain Act. The CoC has for a long time been a mandatory basis for establishing a business relationship with Bertrandt. With regard to our existing suppliers, we concentrated in 2022 on consistently implementing the CoC across the group of active business partners. Bertrandt pursues a risk-based approach to identifying potential sustainability risks and human rights violations in the supply chain. This includes using a risk filter for the external ranking of countries according to their compliance with human rights standards. We combine this risk filter with a commodity group-specific view to produce a regular risk report for the Company's senior executives that provides a condensed overview of the risks to which the Company is exposed. Sustainability and other aspects are also evaluated in external quality audits to provide a control mechanism. To ensure better traceability, monitoring and verification of the supply chain, we decided to implement IntegrityNext as a cloud-based platform. This covers aspects of sustainability and CSR requirements relevant with regard to the supply chain. Thanks to ready-made questionnaires, a large number of suppliers can be monitored with minimal administrative effort. In the case of particularly high-risk suppliers or in concrete suspected cases of wrongdoing, our procedures provide for on-site sustainability assessments as part of the quality audits. If deviations are identified, the Company and the supplier agree on corrective action that must be implemented within an appropriate time window. The implementation of such corrective action is verified by Bertrandt. If necessary, issues are escalated via the existing channels, first to the respective head of the business unit and then, as a last resort, to the Management Board of Bertrandt AG.

Where serious violations occur, Bertrandt reserves the right to terminate the business relationship. In addition, Bertrandt provides suppliers, other external third parties and employees with secure reporting channels to report suspected violations. The Company runs an online whistleblowing platform through which employees and third parties can raise concerns about non-compliant behaviour or possible wrongdoing, such as violations of applicable laws or failure to respect internal policies. The platform provider has implemented technical measures that guarantee that, if requested, such concerns can be raised with complete anonymity. The whistleblowing platform represents a further building block in Bertrandt's compliance management and is available to employees on the intranet. Business partners, customers or other third parties can report violations or suspected wrongdoing via Bertrandt AG's website. The system anticipates the requirements that are expected to apply after the transposition of the EU's Whistleblowing Directive into national law.

Selected measures in 2022/2023

In the reporting year we focused in particular on the compliance-oriented implementation of the provisions of the German Supply Chain Act. To this end, an interdisciplinary working group involving the Group's legal department was set up, which dealt intensively with possible actions required under the Supply Chain Act. Besides the country- and product group-specific risk analyses described above, we adapted the agreements with some suppliers and in particular supplemented our central supplier guidelines, also by including stricter requirements. The work results are summarised in a risk report for the Company's senior executives, which is reissued at regular intervals. To increase transparency in the supply chain, we introduced a cloud-based platform that documents the status of each panel supplier in a transparent manner.



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Results and achievements

Bertrandt is striving to further increase the maturity level regarding environmental protection and occupational safety in the supply chain. The Company has therefore further specified the minimum requirements for suppliers and also raised them for individual product groups. These minimum requirements are firmly anchored in our management system and transparent for everybody in our organisation. By consistently pushing our panel strategy we contribute to the continuous improvement in the quality of our supply chain. The cloud-based platform solution Integrity-Next has improved the transparency and traceability of our suppliers. In the reporting period no violations of human rights or environmental standards and regulations were reported to Bertrandt.

COMBATING CORRUPTION AND BRIBERY

Compliance

A key element of sustainable and responsible corporate governance is a value-based understanding of compliance. Integrity and transparency are the values that guide us in our business activities. We are therefore committed to full compliance with applicable law, our own corporate policies and the ethical standards of our industry. This is not exhaustive, but applies explicitly to the areas of corruption and bribery, competition law, accounting and reporting obligations and compliance with human and employee rights, and it applies both within the Group and in the supply chain.

Bertrandt has a compliance management system in place and is consistently developing it further. The Chief Compliance Officer reports directly to the Management Board of Bertrandt AG. The compliance management system pursues the strategic approach of preventing misconduct in advance, investigating suspected wrongdoing such as of breaches of regulations or hazards as quickly as possible and responding appropriately with the necessary measures.

With regard to prevention, risk analyses and audits, codes of conduct for employees and business partners and a broad range of training courses are key components of the compliance management system.

A comprehensive whistleblowing system, which also enables anonymous reporting and communication with Bertrandt's compliance officers, is used to identify risks and clarify suspected cases. The internal investigation process follows clear rules and defined responsibilities and involves the compliance, corporate security and internal audit departments.

In response to identified risks or breaches of regulations, clear compliance reporting mechanisms are used, among other things, to provide the Management Board, Supervisory Board or management with appropriate information. Operational and disciplinary measures are taken in response to breaches of regulations or grievances.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) at Bertrandt means that we are aware of our responsibility to contribute to society and take actions to play our part. This applies to all our locations. While the Management Board is responsible for the process, the responsibility for implementing CSR measures lies with all employees. Bertrandt's Code of Conduct and Compliance Policy are the foundation of our corporate social responsibility provisions.



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Bertrandt Code of Conduct

Our Code of Conduct is an important basis for responsible corporate governance and constitutes an element of the preventive approach in our compliance management (see above). The code summarises the principles and policies that govern both teamwork within the Company and the way we work with external partners. All staff are required to comply with the Code of Conduct. Moreover, superiors act as role models in every respect. They play a monitoring function regarding legal conduct, and demand professionalism, ethical behaviour and compliance as part of Bertrandt's corporate culture. Non-conforming conduct or work processes can be anonymously reported to a compliance officer who assess suspected cases of wrongdoing from a legal point of view. The internal investigation process follows clear guidelines and defined responsibilities and involves the compliance, corporate security and internal audit departments. Where required in individual cases, measures are recommended and their implementation is verified.

Compliance Policy ('15 Golden Rules')

The Compliance Policy specifies the principles set out in the Bertrandt Code of Conduct. It is also an internal Group code of conduct and is intended to prevent breaches of rules by Bertrandt Group employees, particularly in their dealings with competitors, customers or third parties. Fifteen compliance rules provide the framework for ensuring compliance in fundamental areas. Additional explanations are provided in an accompanying Q & A catalogue (FAQs Bertrandt: Compliance Policy).

The Compliance Policy is a topic in different trainings and there is a prominent link to the policy document on our intranet site that is easy for employees to find. All Group employees can report violations or suspected wrongdoing according to the above procedure to the Group's compliance department, which will look into the matters and take follow-up measures.

The compliance officers were notified of 76 suspected breaches of our Compliance Policy. However, further investigations showed that these did not severely affect Bertrandt's actions as a business. The Compliance department attributes the increase in the number of reports over the previous year to the improved organisational processes in the reporting system.

Corporate Governance

Bertrandt AG is the parent company within the Bertrandt Group, which operates with independent legal entities or permanent establishments in Germany, Austria, China, France, Italy, Morocco, Romania, Spain, Turkey, the United Kingdom and the United States of America. As a joint stock company (Aktiengesellschaft) incorporated under the law of the Federal Republic of Germany, Bertrandt AG has a dual management structure consisting of a Management Board and a Supervisory Board. The three members of the Management Board are responsible for managing the Company and are its legal representatives. One of the key tasks of the Management Board is to ensure that statutory provisions are complied with and also that internal policies and ethical principles are followed (compliance). The Supervisory Board comprises six members, two of whom are women. The Supervisory Board supervises and advises the Management Board and appoints its members. The shareholder representatives are elected at the annual general meeting; the last election was in 2019. Following the resignation of a shareholder representative with effect from 30 April 2022, a new member of the Supervisory Board was appointed by the court in his place on 18 May 2022 for the duration of the replaced member's regular term of office. The employee representatives are elected by the employees; the last election was in 2018. Since one employee representative left Bertrandt with effect from 31 December 2022, a new member of the Supervisory Board was appointed by the court in his place by decision on 9 May 2023 for the duration of the replaced member's regular term of office.



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To perform its duties, the Supervisory Board has formed a Human Resources Committee and an Audit Committee. The Management Board meets every two weeks and ad hoc if needed; the Supervisory Board usually meets four times a year and as required. The Supervisory Board and the Management Board maintain an intensive and ongoing dialogue. The Management Board provides the Supervisory Board in a timely manner as well as on a regular basis with comprehensive information on the strategy, the course of business and the Group's situation (including risk situation, risk management, and compliance) and also on the corporate forecast and direction. It also presents to the Supervisory Board the Group's capital expenditure and financial planning and earnings projections for the upcoming fiscal year. The Management Board advises the Chairman of the Supervisory Board without delay of any events that might be of material significance in judging the Company's situation and performance and for its management. Transactions and measures that require the Supervisory Board's approval are submitted to the Board in good time. The members of the Management Board are obliged to immediately disclose to the Supervisory Board any conflicts of interest and also to notify the other Management Board members. No sideline activities, in particular as supervisory board members outside the Group, may be exercised by members of the Management Board unless they have been approved by the Supervisory Board. The Management Board acts without any specific committees. The remuneration structures for the members of the Management Board and the Supervisory Board are comprehensively described in our annual report and are approved by the annual general meeting. The subsidiaries of Bertrandt AG are run independently by their own management. The interests of the Management Board and of the respective subsidiaries' management are coordinated at regular meetings. The recommendations of the Government Commission on the German Corporate Governance Code (GCGC) as amended on 28 April 2022 and published in the electronic Federal Gazette on 27 June 2022 have been and are being fundamentally complied with. The Company has refrained and continues to refrain from applying a small number of recommendations. These deviations are specified in the Company's declaration of conformity of 25 September 2023 and reevaluated on a regular basis.



EU Taxonomy

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Legal background

The non-financial report contains a section with disclosures to be made in accordance with the EU Taxonomy Regulation (EU 2020/852 Article 8 in conjunction with Article 10 (2) of the Delegated Regulation 2021/2178).

The EU Taxonomy is an important component of the European Commission's Action Plan and aims to channel capital flows into sustainable economic activities. The regulation is thus an important building block for achieving climate neutrality by 2050 in line with EU targets as well as the Paris Agreement. It focuses on the following six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

In accordance with the current EU Taxonomy Regulation and the supplementary delegated acts (Article 8 (EU) 2020/852 in conjunction with Article 10 (2) of the Delegated Regulation (EU) 2021/2178), Bertrandt AG is obliged to report only on the first two environmental objectives for the 2022/2023 fiscal year. In last year's report, the taxonomy eligibility of the two environmental objectives was examined and, as from this fiscal year 2022/2023, their taxonomy conformity ('alignment') must also be examined and analysed.

Core business

Bertrandt AG has audited all Taxonomy-eligible economic activities listed in the 'Delegated Act on the Taxonomy Regulation' (Delegated Regulation (EU) 2021/2139) based on our business activities as a provider of contract- and project-based engineering services.

After this in-depth review we conclude, as in the previous fiscal year 2021/2022, that our core economic activities do not fall under the classification system of the Delegated Act on the Taxonomy Regulation. They are consequently not reported as Taxonomy-eligible. We have defined activities that, in the case of the Bertrandt Group, are merely supplementary to carrying out our core business activities as Taxonomy non-eligible, because they do not generate external revenues on a stand-alone basis. When considered in isolation, these activities could come under the classification system.

The EU Taxonomy Delegated Act focuses on those economic activities and sectors that have the greatest potential in meeting EU environmental objectives. This essentially includes all those economic activities with a large contribution of greenhouse gas emissions and/or with the greatest emissions saving potential, and economic activities focusing on the long-term storage of carbon or its decomposition in the atmosphere. The economic activities referred to by the Taxonomy Regulation

- a) Annex 1
 - 9.1. ('Close-to-market research, development and innovation'),
 - 9.2. ('Research, development and innovation in the field of direct CO₂ capture from the air')
- b) Annex 2
 - 9.1. ('Engineering activities and related technical consultancy dedicated to adaptation to climate change')
 - 9.2. ('Close-to-market research, development and innovation')

focus among other things on research, applied research and experimental development. These activities do not correspond to the business activities of an engineering services provider such as Bertrandt who works on a project-by-project basis to develop near-production or production solutions on behalf of customers.



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Taxonomy-eligible share of revenues

The above analysis explains why the proportion of our revenues from Taxonomy-eligible activities is 0%. Nevertheless, the Group's economic activities can contribute to the European Union's environmental goals. For example, we are involved in development projects for lightweight design, alternative or zero-emission drive systems or vehicles, and we conduct testing activities for batteries or program software solutions to reduce consumption or emissions.

Taxonomy-eligible proportion of capital expenditure (CapEx) and operating expenditure (OpEx)

In addition to the turnover KPI, CapEx (capital expenditure) and OpEx (operating expenditure) are among the other relevant key performance indicators (KPIs) in the Taxonomy Regulation. Pursuant to Article 10 (2) of the Delegated Act on Article 8 of the Taxonomy Regulation, the KPIs relating to Taxonomy-eligible economic activities and Taxonomy non-eligible economic activities must be disclosed for fiscal year 2022/2023. As our economic activities as an engineering services provider do not come under the Delegated Act supplementing the Taxonomy Regulation and thus the Taxonomy-eligible proportion of our revenues is 0%, the associated capital expenditure and operating expenditure is consequently also 0% in each case (see Table EU Taxonomy KPIs). Given the analysis above, there are no investment plans aimed at improving a Taxonomy-eligible economic activity in order to align it to the Taxonomy or to expand an economic activity.

However, we are also required to report any capital and operating expenditure associated with the purchase of output from Taxonomy-eligible economic activities and certain individual measures that enable their target activities to become low-carbon or lead to a reduction in greenhouse gas emissions. These CapEx and OpEx will be considered in this chapter.

Accounting methods

The Taxonomy-eligible KPIs are determined in accordance with the statutory requirements of Annex I of the Delegated Act supplementing Article 8 of the Taxonomy Regulation. The accounting method applied is described as follows:

Turnover KPI

The proportion of Taxonomy-eligible economic activities of our total revenues was calculated as the portion of net revenues derived from products and services related to Taxonomy-eligible economic activities (numerator), divided by total net revenues (denominator). The denominator of the turnover KPI is based on our consolidated net revenues in accordance with IFRS 15. Further details on our accounting principles for reporting our total revenues are provided in the notes to this Annual Report on pages 147 to 149. For the numerator, we have not identified any Taxonomy-eligible activities, as explained at the outset. Our total revenues can be derived from the consolidated financial statements (see consolidated income statement and consolidated statement of comprehensive income).

CapEx KPI and OpEx KPI

1. CapEx KPI

The CapEx KPI is calculated by dividing Taxonomy-eligible CapEx (numerator) by total CapEx (denominator) as per Taxonomy Regulation.

The numerator is explained below in the chapter 'Explanation of the CapEx and OpEx KPI numerators'. In accordance with the Taxonomy Regulation, total capital expenditure as the denominator includes additions to property, plant and equipment (IAS 16), additions to intangible assets (IAS 38) and additions to right-of-use assets (IFRS 16) during the fiscal year, before depreciation, amortisation and remeasurement, including those additions resulting from remeasurements and impairments and excluding changes in fair value. Additions to the group of consolidated companies are also included. Goodwill is not included in CapEx as it is not defined as intangible asset under IAS 38.



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Further details on capital expenditure can be found in this Annual Report on page 92. Our total capital expenditure can be derived from the notes to the consolidated financial statements. They are the sum of the additions of the previously mentioned items.

2. OpEx KPI

The OpEx KPI is calculated by dividing Taxonomy-eligible OpEx (numerator) by total OpEx (denominator) as per Taxonomy Regulation. The numerator is explained below in the chapter ‘Explanation of the CapEx and OpEx KPI numerators’. By definition, the total operating expenditure denominator covers direct, non-capitalised costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and all other direct expenses related to the day-to-day servicing of assets of property, plant and equipment. This includes the following:

- The volume of non-capitalised leases was determined in accordance with IFRS 16, and it includes expenses for short-term leases and leases of low-value assets (cf. page 168 of this Annual Report). Although leases of low-value assets are not explicitly referred to in the Delegated Act supplementing Article 8 of the Taxonomy Regulation, we have interpreted the legislation to include such leases.
- Maintenance and repair costs and other direct expenses related to the day-to-day servicing of property, plant and equipment assets were determined on the basis of the maintenance and repair costs allocated to our internal cost centres. The corresponding cost items can be found in various line items of our income statement and also include building renovation measures.
- There are no significant research and development expenses at Bertrandt due to our business model: we conduct research and development on behalf of our customers in our day-to-day business and report the related revenues directly as total revenues.

As a rule, these items are costs for services and materials for daily maintenance and for regular and unplanned maintenance and repair measures. This does not include expenses for the day-to-day operation of property, plant and equipment, such as the cost of employees operating machinery and expenses for raw materials, electricity or fluids needed to operate property, plant and equipment. Direct costs for training and other measures related to employees are not included in either the denominator or the numerator. The reason for this is that Annex I of the Delegated Act supplementing Article 8 of the Taxonomy Regulation lists these costs only for the numerator, so that no mathematically meaningful calculation of the OpEx KPI is possible.

Explanation of the numerators of the CapEx and OpEx KPIs

Bertrandt AG has not identified any Taxonomy-eligible economic activities and has no CapEx plans aimed at improving a Taxonomy-eligible economic activity in order to align it to the Taxonomy or to expand a Taxonomy-aligned economic activity. Therefore, CapEx and OpEx related to assets or processes associated with Taxonomy-eligible economic activities are not included in the numerator of the CapEx KPI or OpEx KPI.

Only CapEx and OpEx of ‘category (c)’ can therefore be classified as Taxonomy-eligible, i.e. as CapEx or OpEx related to the purchase of output from Taxonomy-eligible economic activities and individual measures that enable specific target activities (our Taxonomy non-eligible activities) to become low-carbon or to lead to greenhouse gas reductions (according to Annex I section 1.1.2.2. (c) of the Delegated Act supplementing Article 8 of the Taxonomy Regulation). We have evaluated this category for fiscal 2022/2023 as follows for Taxonomy eligibility purposes:

CapEx/OpEx that fall into this category are classified as Taxonomy-eligible if the purchased output or measure meets the description of the economic activity in question. This applies, for example, to the purchase of output from an individually Taxonomy-eligible economic activity, regardless of whether these CapEx or OpEx result in greenhouse gas reductions.



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The following economic activities that give rise to CapEx and OpEx and that can be considered as purchased output or measures that are by themselves Taxonomy-eligible have been identified pursuant to the Delegated Act supplementing the EU Taxonomy Regulation:

Description of the purchased individually Taxonomy-eligible output or measure	Related economic activity pursuant to Annex I of the Delegated Act supplementing the Taxonomy Regulation
Bicycle fleet (rental, maintenance, repair and leasing)	6.4 Operation of devices for personal mobility, cycle logistics
Passenger car fleet (rental, maintenance, repair and leasing)	6.5 Transport by motorbikes, passenger cars and light commercial vehicles
Renovation measures on existing buildings	7.2 Renovation of existing buildings
Maintenance and repair of energy-efficient equipment in existing buildings	7.3 Installation, maintenance and repair of energy efficiency equipment
Charging stations for electric vehicles	7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
Devices for central control of heat flows for building heating and air conditioning	7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling energy performance of buildings

For allocation purposes, we have identified the relevant purchases and measures and the primary related economic activity specified in the Delegated Act supplementing the EU Taxonomy Regulation to ensure that neither CapEx nor OpEx items are considered more than once.

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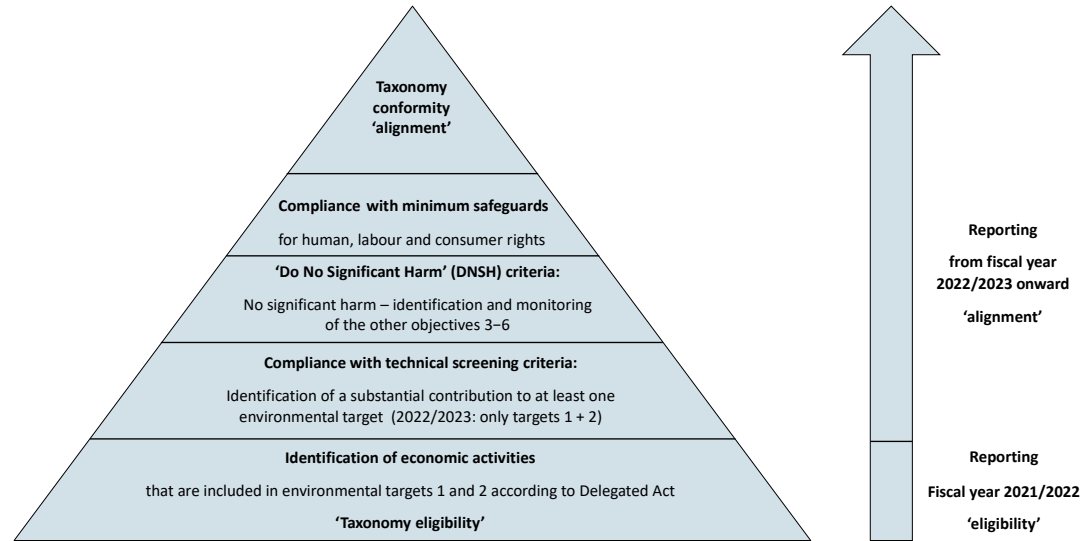
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Taxonomy-aligned economic activities of Bertrandt AG

The Bertrandt AG carried out a taxonomy conformity audit in the 2022/2023 fiscal year for the Taxonomy-eligible economic activities listed above. These include compliance with the technical evaluation criteria, the so-called minimum safeguards and the ‘Do No Significant Harm’ (DNSH) analysis. The activities associated with category (c) CapEX and OpEx are so-called ‘purchase of output’ activities. The main services or products in connection with these activities are purchased from third parties. Due to a lack of information from third parties, Bertrandt AG was not able to make a well-founded statement on the Taxonomy-aligned proportion

of such activities and to report them accordingly. For example, no concrete and well-founded statement can be made about economic activity 6.4 as the necessary data could not be collected. By way of support, an ESG platform (Environment, Social and Governance) and a process for informing and surveying suppliers about ESG have been established. The platform is intended to help obtain the relevant information from third parties. The implementation of this platform and the process will be continued in the 2023/2024 fiscal year, so that the Taxonomy-aligned proportions (category (c) CapEx and OpEx) can be determined and evaluated in future. However, this requires suppliers to implement the corresponding Taxonomy-aligned processes as well.



TURNOVER KEY PERFORMANCE INDICATOR (KPI)

		Criteria for a material contribution							DNSH criteria ('no significant harm')												
		Codes	Absolute turnover in EUR million	Proportion of turnover in %	Climate mitigation in %	Adaptation to climate change in %	Water and marine resources in %	Circular economy in %	Environmental pollution in %	Biodiversity and ecosystems in %	Climate mitigation Y/N	Adaptation to climate change Y/N	Water and marine resources Y/N	Circular economy Y/N	Environmental pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Taxonomy-aligned proportion of turnover, year 2022	Taxonomy-aligned proportion of turnover, year 2021	Category (enabling activity) E	Taxonomy-aligned proportion of turnover, year 2021
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63	<u>EU Taxonomy</u>	A.2 Taxonomy-eligible activities that are not environmentally sustainable (not Taxonomy-aligned)																			
72	C GROUP MANAGEMENT REPORT																				
122	D REMUNERATION REPORT																				
141	E CONSOLIDATED FINANCIAL STATEMENTS	activity 6.4	77																		
		activity 6.5	49																		
		activity 7.2	49/53/77																		
		activity 7.3	42/43/71																		
		activity 7.4	42/43/71																		
		activity 7.5	42/43/71																		
213	F FURTHER INFORMATION	Turnover from Taxonomy-eligible activities that are not environmentally sustainable (not Taxonomy-aligned) (A.2)																			
		Total (A.1 + A.2)																			
		B. Taxonomy non-eligible activities																			
		Turnover from Taxonomy non-eligible activities (B)																			
		Total (A + B)																			



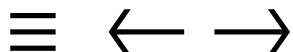
OPEX- KPI

		Criteria for a material contribution								DNSH criteria ('no significant harm')											
		Codes	Absolute OpEx in EUR million	Proportion of OpEx in %	Climate mitigation in %	Adaptation to climate change in %	Water and marine resources in %	Circular economy in %	Environmental pollution in %	Biodiversity and ecosystems in %	Climate mitigation Y/N	Adaptation to climate change Y/N	Water and marine resources Y/N	Circular economy Y/N	Environmental pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Taxonomy-aligned proportion of OpEx, year 2022	Taxonomy-aligned proportion of OpEx, year 2021	Category (enabling activity) E	Category (transitional economic activity) T
02	The fiscal year 2022/2023																				
04	WE are Bertrandt																				
06	A A LETTER TO THE SHAREHOLDERS	Economic activities																			
25	B CORPORATE SOCIAL RESPONSIBILITY REPORT																				
27	Introduction	A. Taxonomy-eligible activities (%)																			
32	Description of the business model	A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
33	Opportunities and risks assessment	OpEx from environmentally sustainable activities (Taxonomy-aligned) (A.1)																0			
39	Materiality analysis	A.2 Taxonomy-eligible activities that are not environmentally sustainable (not Taxonomy-aligned)																			
40	Mandatory disclosures under Section 289c (2) German Commercial Code (HGB)																				
63	<u>EU Taxonomy</u>																				
72	C GROUP MANAGEMENT REPORT																				
122	D REMUNERATION REPORT	activity 6.4	77	1,340	15.6																
		activity 6.5	49	2,439	28.4																
141	E CONSOLIDATED FINANCIAL STATEMENTS	activity 7.3	42/43/71	1,978	23.1																
		activity 7.5	42/43/71	487	5.7																
213	F FURTHER INFORMATION	OpEx from Taxonomy-eligible activities that are not environmentally sustainable (not Taxonomy-aligned) (A.2)																			
		Total (A.1 + A.2)		6,244	72.8													0			
		B. Taxonomy non-eligible activities																			
		OpEx from Taxonomy non-eligible activities (B)		2,333	27.2																
		Total (A + B)		8,577	100																



CAPEX KPI

		Criteria for a material contribution								DNSH criteria ('no significant harm')											
		Codes	Absolute CapEx in EUR million	Proportion of CapEx in %	Climate mitigation in %	Adaptation to climate change in %	Water and marine resources in %	Circular economy in %	Environmental pollution in %	Biodiversity and ecosystems in %	Climate mitigation Y/N	Adaptation to climate change Y/N	Water and marine resources Y/N	Circular economy Y/N	Environmental pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Taxonomy-aligned proportion of CapEx, year 2022	Taxonomy-aligned proportion of CapEx, year 2021	Category (enabling activity) E	Category (transitional economic activity) T
02	The fiscal year 2022/2023																				
04	WE are Bertrandt																				
06	A A LETTER TO THE SHAREHOLDERS	Economic activities																			
25	B CORPORATE SOCIAL RESPONSIBILITY REPORT																				
27	Introduction	A. Taxonomy-eligible activities (%)																			
32	Description of the business model	A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
33	Opportunities and risks assessment	CapEx from environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0														0			
39	Materiality analysis	A.2 Taxonomy-eligible activities that are not environmentally sustainable (not Taxonomy-aligned)																			
40	Mandatory disclosures under Section 289c (2) German Commercial Code (HGB)	activity 6.5	49	3,997	10.5																
63	<u>EU Taxonomy</u>	activity 7.2	49/53/77	34	0.1																
72	C GROUP MANAGEMENT REPORT	activity 7.3	42/43/71	96	0.3																
122	D REMUNERATION REPORT	activity 7.4	42/43/71	421	1.1																
141	E CONSOLIDATED FINANCIAL STATEMENTS	CapEx from Taxonomy-eligible activities that are not environmentally sustainable (not Taxonomy-aligned) (A.2)																			
213	F FURTHER INFORMATION	Total (A.1 + A.2)	4,548	12.0														0	0		
		B. Taxonomy non-eligible activities																			
		CapEx from Taxonomy non-eligible activities (B)	33,426	88.0																	
		Total (A + B)	37,974	100																	

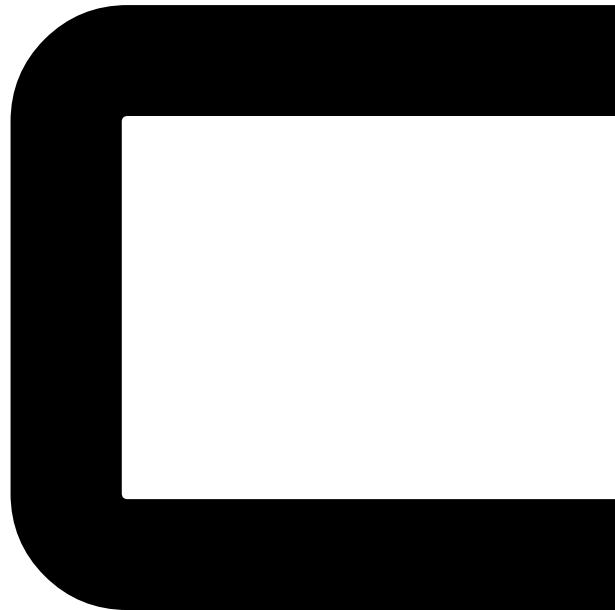


CR PERFORMANCE INDICATORS

		KPI	2022/2023	2021/2022
		Unit		
		Workforce		
		Workforce development		
02	The fiscal year 2022/2023	Employees	14,276	13,179
04	WE are Bertrandt	Change over previous year	1,097	1,149
06	A A LETTER TO THE SHAREHOLDERS	Organic growth	1,061	722
		Distribution by gender		
25	B CORPORATE SOCIAL RESPONSIBILITY REPORT	Male	10,925	10,257
		Female	3,349	2,922
		Diverse	0	0
27	Introduction	Not specified	2	0
32	Description of the business model	Most frequent nationalities		
33	Opportunities and risks assessment	German	9,241	8,839
39	Materiality analysis	French	945	866
40	Mandatory disclosures under Section 289c (2) German Commercial Code (HGB)	Romanian	983	761
		Spanish	703	408
		US American	339	294
63	<u>EU Taxonomy</u>	Type of employment		
		Full-time	13,178	12,241
72	C GROUP MANAGEMENT REPORT	Part-time	1,098	938
		Employee retention		
122	D REMUNERATION REPORT	Voluntary fluctuation rate	14.9	17.1
		Age (mean)		
141	E CONSOLIDATED FINANCIAL STATEMENTS	Age distribution	36.8	37.0
		Under 30 years	30.9	27.7
		30–50 years	55.4	58.8
213	F FURTHER INFORMATION	Over 50 years	13.7	13.6
		Women in management		
		Women in management positions	10.8	10.2
		Women in 2nd level management positionen	7.4	6.1
		Women in 1st level management positionen	12.7	12.5
		New hires		
		Male	3,046	2,787
		Female	1,051	781
		Diverse	0	0
		Continuous professional development		
		CPD hours per employee	16.8	-
		Training days, total	28,646	-
		Cost	8,366	5,500

		KPI	2022/2023	2021/2022
		Unit		
		Governance/integrity		
		Compliance management		
		Compliance training for employees	Hours	1,065
		Reported suspected violations of anti-corruption and anti-bribery rules	Numbers	0
		Confirmed violations of anti-corruption and anti-bribery rules	Numbers	0
		Sustainable purchasing	%	
		CoC quota	92,3	n. s.
		CO₂ emissions energy	m ²	
		Total ground area in m ²	t/m ²	324,546
		CO ₂ emissions		0.07
		Paper consumption	t/m ²	
		Paper consumption	Tonnes	0.04
		Waste disposal		
		Waste total		3,168
		Waste for recovery		432
		Paper		283
		Recyclables		1,552
		Hazardous waste		396
		Construction and demolition waste		136
		Packaging waste		304
		Other waste from workshops		21
		Canteen waste		20
		Green waste		24

n. s. = not specified



Group Management Report

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50.080

million EURO EBIT
were generated in fiscal
2022/2023

→ BUSINESS PERFORMANCE: P. 85



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In fiscal 2022/2023, Bertrandt benefited from large-scale research and development investment by our customers in the megatrends of digitalisation, autonomous driving, connectivity and electromobility. The market was driven by innovation for new and sustainable technologies, competitive products and regulatory requirements to shape the transformation of the sector. According to the German Association of the Automotive Industry (VDA), automotive OEMs and suppliers in Germany will invest more than EUR 250 billion in related research and development activities worldwide between 2023 and 2027. This figure is higher than the VDA's previous assumption of EUR 220 billion for the period 2022 to 2026.

Based on these assumptions, the overall market potential for research and development looks more positive than the overall economic picture. In macroeconomic terms, the fiscal year 2022/2023 was characterised by geopolitical tensions, high inflation rates, rising interest rates and weak overall economic growth worldwide. According to the International Monetary Fund (IMF), our home market of Germany will even slip into recession in 2023.

Compared with the overall economic trend, the international automotive industry benefited in fiscal 2022/2023 as demand recovered from the low levels of the previous year, which had been characterised by material shortages and the pandemic. In the major car markets of the USA, China and Europe, car sales in the first nine months of 2023 were significantly higher than in the previous year.

The improved situation in the industry is an important prerequisite for continuing to drive forward the long-term challenges in the automotive industry related to megatrends and transformation. Great effort is being put into the electrification of the powertrain in particular. Different manufacturers are pursuing their own specific strategies for the transition to electromobility. As was seen at the IAA Mobility in September 2023, many car manufacturers are planning new models with alternative drive systems and technological innovations. These trends continue to open up a wide range of opportunities for engineering service providers such as the Bertrandt Group.

Bertrandt therefore constantly adapts to new market demands and actively participates in shaping the transformation of the automotive and other industries. By pooling our automotive expertise in more than 50 locations on four continents, the Group is able to make all its services and experts available to all its customers. In addition to our established locations in Europe, the USA and China, our international engineering network for the development and validation of technical innovations has also had a branch in Morocco since the fiscal year 2022/2023.

External growth is also part of the Group's corporate development strategy. Following the acquisition of the Bertrandt Technology Group (formerly Philotech Group) in fiscal year 2021/2022, the takeover of Concept AG was closed and the acquisition of evopro AG was largely completed (closing on 18 October 2023) in fiscal year 2022/2023. Both companies round off our production-related services and consultancy.



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Another key element of Bertrandt's corporate strategy is sustainability. In addition to the overarching goal of achieving CO₂ neutrality by 2039, we take a holistic view of sustainability to meet the needs of all our stakeholders (customers, society, employees). In fiscal 2022/2023, a number of measures were adopted to bring us closer to our goal and to meet our responsibilities. Our performance and progress were also assessed by various rating agencies during the reporting period. For example, we were awarded an A rating by MSCI and a silver medal by ecovadis. Full details of our sustainability initiatives are provided in the Sustainability Report in this Annual Report.

Against the general setting described above, the Company's key performance indicators developed as follows in the 2022/2023 fiscal year:

- Total revenues increased by around 15% from EUR 1,009.159 million to EUR 1,157.411 million, which is an all-time record in the almost 50 years of Bertrandt's history.
- EBIT improved to EUR 50.080 million (previous year EUR 41.664 million), resulting in an EBIT margin of 4.3% (previous year 4.1%)
- Investments totalled EUR 26.415 million (previous year EUR 31.025 million).
- Cash flow from operating activities came to EUR 38.459 million (previous year EUR 56.900 million).
- The workforce grew to a new historic high of 14,276 employees (previous year 13,179).



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BUSINESS MODEL AND STRATEGY

Bertrandt has been devising solutions on behalf of its customers for close to 50 years. It is our aim to help shape the mobility and trends of the future of cars, commercial vehicles, aerospace and other industries with our people at more than 50 main locations around the world. At the same time, we are at all times mindful of the challenges facing society and the environment as well as the applicable legal rules and regulations. We support customers throughout all phases of their product development from the initial idea through to series production and take on conceptual design, development and simulation, start of production and in-series support. Throughout all development steps, we continuously validate the project by simulation and comprehensive testing in both the virtual and the physical world.

When we deliver and manage comprehensive services for our customers, our focus is on the megatrends of digitalisation, autonomous systems, connectivity, e-mobility and sustainability. Other fields of expertise in which we offer solutions to our customers throughout the development process and lifecycle of their products are mechanical and plant engineering, medical technology, and the electrical and electronic industry.

CORPORATE SOCIAL RESPONSIBILITY

Innovative and sustainable mobility is more than just a business concern for us. Sustainable corporate governance that encompasses non-financial aspects is an integral part of Bertrandt's business model. Our Corporate Social Responsibility Report forms a separate chapter of the Annual Report. It provides information on the economic, ecological and social impacts of the Bertrandt Group's business activities in fiscal 2022/2023. It covers the aspects of sustainability and corporate social responsibility, as well as non-financial matters according to Sections 315b and 315c in conjunction with Sections 289c to 289e of the German Commercial Code (HGB) and in accordance with the Taxonomy Regulation.

BASIS OF THE BUSINESS MODEL

Shorter lead times and new technologies pose challenges for the industry. As an expert organisation able to pool the comprehensive knowledge of specialists across our multiple sites, we ensure that our customers are offered the most innovative technology solutions, and provide tailored assistance throughout the entire engineering process. Major mobility trends such as autonomous systems, digitalisation, connectivity, e-mobility and sustainability require profound technical know-how across industries and a holistic approach. Together with our customers we shape future-relevant topics and tailor our range of services to customer needs and market changes. It is our aim to devise the solutions for tomorrow's trends already today. The most significant market trends that drive Bertrandt's success are the following:

ENVIRONMENTALLY FRIENDLY AND INDIVIDUAL MOBILITY

The electrification of future vehicle models is currently the preferred solution in the automotive industry to meet regulatory requirements with respect to local emissions reduction. In addition to exhaust emissions, the European Union plans to regulate particulate emissions caused by tires and brakes, which are to be reduced by 2035. A number of OEMs have already announced that they will be phasing out the production of combustion engine powered vehicles in the course of the 2030s. According to a forecast by the Chemnitz Automotive Institute (CATI) and the Network Automotive Supplier Saxony (AMZ), almost 1.6 million electric vehicles will be produced in Germany by 2025, which corresponds to a share of around 30% of total domestic vehicle production.



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AUTONOMOUS AND CONNECTED DRIVING

Autonomous driving, alternative drive systems and fully connected vehicles are the focus of future developments in the car industry. According to a study by Deloitte, software-based product innovations and services are key to gaining a competitive advantage in the field of connected driving. So far, only two German car manufacturers have official approval to drive their cars in conditionally automated mode (Level 3). In view of the global competition with new, financially strong market participants, the German Association of the Automotive Industry (VDA) emphasises the need for unprecedented speed of innovation and considerable investment in research and development. According to the VDA's analysis, the German automotive industry plays an outstanding role in research and development. The increased innovative dynamism of the OEMs also opens up opportunities for new business models. In particular, expertise in the fields of vehicle architectures and connectivity/infotainment, in which companies such as Bertrandt have been active for years, will gain in importance in the future.

The connected car is also a significant step in the evolution of the automotive industry. According to a study conducted by the Center of Automotive Management conducted in 2022, global car manufacturers generated almost 3,000 innovations between 2016 and 2021, reflecting the dynamic nature of the market. These approaches revolutionised the way vehicles interact with their environment and exchange information. By integrating modern communication technologies and sensors, connected driving enables a real-time connection between vehicles, infrastructure and other road users. This leads to improved traffic safety, efficient route planning and enables innovative services. One example of this is the 'Bertrandt Guide', which we have developed for the world of connected driving to enable efficient and resource-efficient driving. The 'Bertrandt Guide' combines a mobile app and a native Android Automotive application and, using cloud solutions, can turn the car into an individualised partner.

Over 150

electric vehicle models from German OEMs by the end of 2025 according to McKinsey & Company.

DIVERSITY OF MODELS AND VARIANTS

With over 80 electric vehicle models in all major vehicle segments, German OEMs are now among the leading international suppliers. According to a study by McKinsey & Company, the number of different models is set to increase to over 150 by the end of 2025. After the Chinese market, the German market therefore has the second-highest diversity of models. The German automotive industry alone is planning to invest around EUR 150 billion by 2025 in order to continue this positive development and further increase the number of variants.

Various innovation initiatives by OEMs, such as the development of the PPE Premium Platform Electric by a leading global car manufacturer, are further expanding the range of variants of the various vehicle models. This approach makes it possible to develop a large number of different models in a reasonable amount of time and at a reasonable cost and to produce them in series. This platform concept leverages economies of scale in production, opening up new opportunities for OEMs to bring high-volume models meeting high technical standards to the market. This is accelerating the transformation towards an electrified portfolio.



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SMART PRODUCTION PLANNING

Shorter lead times and competitive pressure require increasingly cost-efficient production planning, ideally throughout the entire industrial value chain. Nowadays, complete processes can be mapped and developed digitally, including production planning and plant design. Special tools are used to reproduce products, production facilities and factory halls virtually in the digital factory and to amalgamate data from different sources. The digital factory offers a number of benefits: planning processes can be accelerated and errors can be reduced – even before an actual factory hall is built, manufacturing of an actual product begins or substantial investments are made in machinery. This improves the reliability of planning and reduces costs.

In order to design the smart factory of tomorrow, planning experts feed production planning processes into a digital process chain. Any optimisation or validation work that may be necessary can then be performed based on the digital image, using existing data from production as appropriate. This enables Bertrandt to offer holistic and smart solutions for production to all manufacturing operations, from initial consulting, suitable solutions and effective technologies to the actual implementation. The digitalisation of production promises great revenue potential. Artificial intelligence in particular will play a big role in this field by providing a better basis for operational decision-making. The acquisitions of CONCEPT AG (in July 2023) and evopro AG (in October 2023) will complement and strengthen our existing range of services in the production environment. With CONCEPT AG, we optimise existing factories and production processes. CONCEPT AG conducts an analysis, derives measures and provides support during implementation. By increasing productivity, we increase the financial strength for investments in the factory of the future with our smart production solutions through to implementation by evopro AG.

RANGE OF SERVICES

Bertrandt's comprehensive range of services provides each customer with customised and all-in solutions throughout the entire product engineering process. We regard ourselves as a reliable partner when it comes to meeting current and future challenges across all engineering project stages. Customers benefit from the comprehensive expertise of our specialists, which we pool across multiple sites to support customer projects. This is how Bertrandt leverages synergies in order to provide our highest expertise to customers no matter which industry they are from for tailored developments in future-relevant fields such as digitalisation, autonomous systems, connectivity and electrification. Our services include all process steps in the project phases of conceptual design, development, right through to start of series production and in-series support. Furthermore, the individual development steps are validated by simulation and validation.

Our special know-how and many years of experience in project and process management mean we can efficiently advance entire processes and make us an expert partner for all established OEMs, New OEMs and system suppliers, as well as customers from other industries. Our work is characterised by interconnected thinking and a high level of synergy efficiency. From the conceptual design through to steering complete projects, we offer our customers services that also structure, integrate and optimise processes upstream and downstream the development project.

Specialist know-how relating to every step of the development process is key to our ability to deliver the best possible solution to our customers. The high level of expertise of our specialists, their years of experience and the way we manage interfaces enable us to deliver optimum performance in a range of different customer projects. Bertrandt is also constantly expanding its expertise in the fields of virtual and augmented reality, cloud solutions, artificial intelligence, machine learning and big data.

In parallel to the actual development process, many complementary tasks are managed along the development value chain. Whether project management, quality management, supply chain management, or the documentation of the entire project – Bertrandt offers a comprehensive range of services. Thus Bertrandt is able to support customers with broad expert knowledge. Our support does



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not stop with the end of the product design process, as we lend continued support, for example in projects relating to production planning, digital marketing or after sales. These services are available to all customer industries.

We are continuously aligning our range of services to changing demands from the market and our customers. As OEMs focus on their core business, development tasks are contracted out to external partners. Because of our many years of experience in the industry and the specialists we employ, we possess the know-how required for component and module development through to complete derivative development. In addition, we assume project responsibility in development tasks, including the management of all the interfaces between the customer and system suppliers, and the controlling of quality, costs and deadlines.

GROUP-WIDE COMPETENCES

Bertrandt is managed on the basis of three segments: Digital Engineering, Physical Engineering and Electrical Systems/Electronics. One level down, the segments are structured by divisions. Any other activities of the Bertrandt Group, such as the aerospace business and international operations, are also clearly assigned to one of the three segments.

Group strategy alignment to mobility megatrends

The automotive industry – Bertrandt's largest customer industry – continues to be in the midst of probably the most profound transformation in the history of individual mobility. Technology progress and regulations such as the Green Deal, which mandates a substantial reduction in CO₂ emissions and which amounts to a virtual ban on the registration of new vehicles with conventional internal combustion engines from 2035, as well as broader changes in society, are important factors driving this transformation. As a result, the requirements that customers brought to us have changed continuously in recent years. Therefore, we have pooled our different competences across multiple sites to ensure our customers benefit from our comprehensive and holistic expertise.

Electronics Division

From the idea to series production: the Electronics Division, which forms part of our Electrical Systems/Electronics segment, benefits from interdisciplinary domain know-how and many years of experience. Bertrandt provides every service throughout the process of developing systems and components for autonomous mobility, pioneering information systems and smart electric drives. This division brings together future-proof and innovative solutions in the field of digitalisation.

Product Engineering Division

The Product Engineering Division, which forms part of the Digital Engineering segment, manages all vehicle development services for our customers. Vehicle development at Bertrandt means that we understand all the processes involved in the engineering of a vehicle, a component, a module or a system in their entirety, including networked thinking across interfaces and efficient design. In addition, we assume responsibility for design, simulation and all relevant interdisciplinary topics.

Physical Division

The Physical Division, which forms part of the Physical Engineering segment, takes on all business activities related to testing and validation on and with physical component parts, components, systems and the vehicle as a whole. Advanced drive concepts are validated to requirements using state-of-the-art test rigs. The range of services is rounded off with road tests as well as vehicle constructions and modifications, including the production of components.



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Industries Division

The Industries Division, which forms part of the Digital Engineering segment, supports the digital transformation of processes in production and production planning. Our specialists advise and support our customers, from the concept through to the finished solution. We offer our customers a full range of supporting services and take on responsibility for the related business development. This division also includes our partner business as well as consulting and services for sectors outside the automotive and aerospace industries, such as medical technology, the electrical and electronics industry, the energy sector or other medium-sized customers.

Aerospace Division

Following the acquisition of the Bertrandt Technology Group (former Philotech Group) and its appointment as preferred supplier by a major aerospace customer, Bertrandt is also consolidating its position as a preferred development partner in the aerospace industry. Depending on their focus, the division's operating units are allocated to the Digital Engineering or Electrical Systems/ Electronics segment. We develop innovative solutions for current and future challenges in all areas within the sector. The range of services Bertrandt offers to the aerospace industry encompasses the process stages of conceptual design/simulation, pre-development/detail and derivative development, production planning, production start-up support, after sales. The Bertrandt Technology Group (former Philotech Group) is a specialist for demanding, holistic development projects in the areas of software, electronics and IT security.

DIVISIONS OVERVIEW

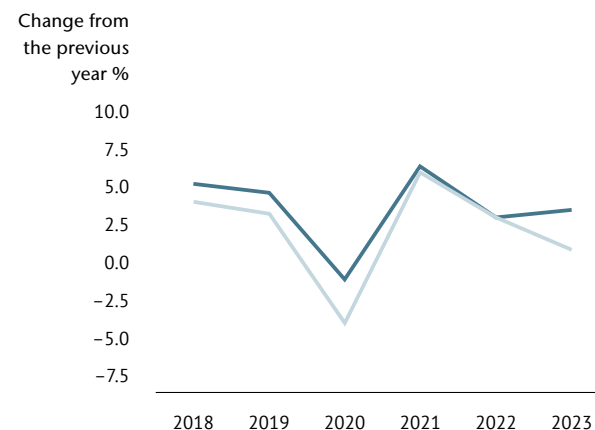
Electronics	Product Engineering	Physical	Industries	Aerospace
Software Experts	Design Solutions	Testing Solutions	Smart Production Solutions	Commercial Aviation
Autonomous Mobility	Simulation Solutions	eMobility Testing Solutions	Customer Interaction Solutions	DS
eMobility Systems	Engineering Integration & Management Services	Vehicle & Prototype Services	Bertrandt Services	
Electronics & Virtual Testing Solutions		Powertrain Solutions	Bertrandt Technology Consulting	
Information Systems			Concept AG	
			Evopro AG	



Report on the economic position

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REAL GROSS DOMESTIC PRODUCT



A challenging global economic environment.

— World — Europe

Source: Joint Economic Forecast, IMF

ECONOMIC DEVELOPMENT

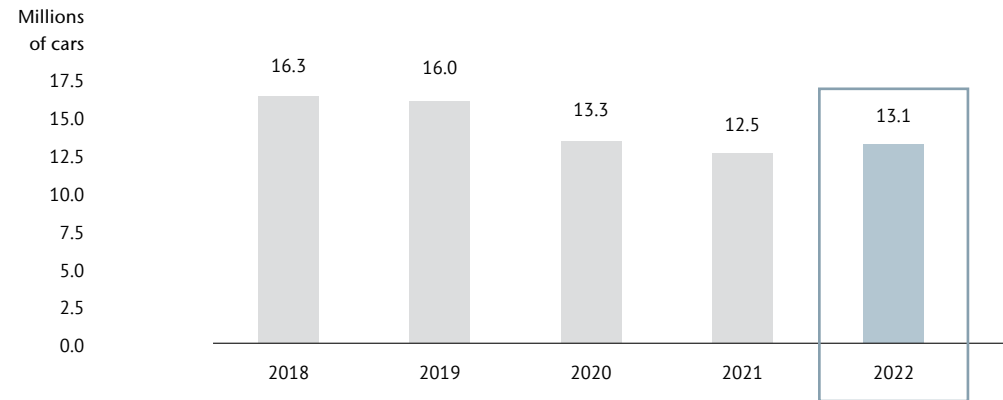
Economically, the 2022/2023 fiscal year presented a heterogeneous picture. The global economy was hit in particular by high inflation and strongly rising interest rates. The macroeconomic environment was also affected by ongoing geopolitical unrest and the resulting commodity shortages. The Autumn Report of the Joint Economic Forecast Project Group issued by economic research institutes concluded that the global economy is expanding only modestly.

According to the International Monetary Fund's (IMF) World Economic Outlook, global output rose by 3.5% in the calendar year 2022. GDP in the United States grew by 2.1%, in China by 3.0% and in the euro area by 3.3%. With GDP growth of only 1.8%, Germany was one of the regions with the lowest growth rates. In its Spring Report 2023, the Joint Economic Forecast attributed this relative weakness to ongoing supply chain problems for intermediate goods, severe turbulence with extreme price spikes in energy markets and labour shortages. This prevented GDP from rising more strongly.



GLOBAL CAR PRODUCTION OF GERMAN MANUFACTURERS

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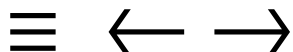
In 2022, German car production output totalled 13.1 million vehicles (including JV production).

Source: Based on VDA figures.

According to the IMF, the global economy in 2023 is only slowly recovering from the effects of the pandemic, geopolitical disputes and high global inflation. Nevertheless, the resilience of the economy is remarkable, according to the IMF. Despite the sharp rise in energy and food prices and the countermeasures taken by almost all central banks in the form of interest rate hikes, economic growth may have slowed, but it has not stopped. As a result, the IMF expects global growth to slow to 3.0% in 2023 from 3.5% in 2022. However, this forecast is slightly higher than the IMF's last forecast in July 2023, which still estimated global economic growth at 2.8% in 2023. According to an analysis by economists at M.M.Warburg & CO, this is merely a cosmetic change that reflects a shift within the developed world. While the US economy performed much better than initially expected, the figures for Europe are disappointing.

Fears of a recession in the USA in 2023 have diminished, according to M.M.Warburg & CO. Instead, experts now expect a 'soft landing' for the economy, i.e. moderate economic growth. Contrary to fears, the sharp rise in US interest rates has only dampened growth, while expansionary fiscal policy, private consumption and corporate investment are stimulating the economy. Against this backdrop, the IMF expects the US economy to grow by 2.1% in 2023.

The Chinese economy received only a brief boost from the end of China's zero-covid policy. The problems in the real estate market are having a noticeable negative impact on the economy as a whole. According to the Autumn Report, the government's growth target of 5% by 2023 is achievable despite the slowdown in economic momentum.



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According to the IMF, the euro area will grow by 0.7% in 2023. This represents a significant slowdown in economic growth compared to last year. There is a marked divergence in economic development across the region. For example, while the Spanish economy is expected to grow by 2.5%, the IMF predicts that the German economy will contract by 0.5%. The German economy is struggling with high (energy) prices, rising interest rates and weak global trade.

DEVELOPMENT OF THE AUTOMOTIVE INDUSTRY

According to the German Association of the Automotive Industry (VDA), the automotive economy is stable in the various core markets and car sales are positive in most markets.

According to the VDA, 71.7 million new passenger cars were registered worldwide in 2022, an increase of 0.4% on the previous year. In the USA, 13.8 million new passenger cars were registered in the calendar year 2022, around 7.3% fewer vehicles than in the previous year. Car registrations in China grew by 9.9% in 2022 to 23.2 million new cars. In the European Union, 11.3 million new passenger cars were registered in 2022, equivalent to a drop of 4.2%. In Germany, registrations in the year 2022 rose by 1.1% to 2.65 million new units.

71.7

million passenger cars were newly registered worldwide in 2022 according to the VDA

New car registrations increased again in most international car markets in the first three quarters of 2023. New car sales in the US were particularly dynamic, rising by 14.1% year-on-year to 11.6 million units at the end of September 2023. In China, sales were also significantly higher than in the same period last year, rising by 7.1% to 17.9 million units. The European passenger car market also grew noticeably in the first nine months of 2023, by 16.9% to 7.9 million units, although according to the VDA this is still around a fifth lower than the pre-crisis level in 2019. In Germany, 2.1 million new passenger cars were registered in the first nine months of 2023. This was 14.5% up on the figures for the previous year. However, new car registrations have not yet returned to the pre-pandemic level of 2.7 million.

DEVELOPMENT OF THE AEROSPACE INDUSTRY

According to the German Aerospace Industries Association (BDLI), the industry recovered from the impact of the coronavirus crisis in 2022. The sales revenue of the industry as a whole increased significantly in 2022 to EUR 39 billion, up from EUR 31.4 billion in the previous year. The number of people employed in the industry increased by 5,000 from a total of 100,000 in 2021 to 105,000. According to the BDLI, the recovery in overall sales was due to, on the one hand, an increase in aircraft manufacturers' delivery rates and, on the other, the effect of a 12% improvement in the exchange rate against the US dollar. Sales in the biggest segment of the aerospace industry, commercial aviation, increased in 2022 by 27.3% to EUR 28 billion (2021: EUR 22 billion).

According to the BDLI, aerospace is among the few industries in which Germany and Europe currently are world leaders and primed for the future. This is due in part to innovative research and development in fields such as the planned climate-neutral aircraft and the European Future Combat Air System (FCAS).



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'European aerospace industry leading the world' – BDLI

A major European aerospace company describes the operating environment in the period January to September 2023 as very complex. On the one hand, new orders were well above the previous year's figure. On the other hand, the aerospace company points to fragile supply structures due to the Ukraine war, energy shortages and a tight labour market. Especially the war in Ukraine has highlighted the strategic importance of space travel and the military aerospace sector. According to the BDLI, the industry sector generated sales of EUR 8.4 billion in 2022 (2021: EUR 7 billion). Germany's Zeitenwende (turning point), and the new orders in the military aerospace sector it will result in, have not yet reached the aircraft manufacturers' books. According to the BDLI President, this can be attributed to the fact that the German military aerospace sector lacks a sustainable industrial strategy in conjunction with a technology strategy that would enable further development.

DEVELOPMENTS IN OTHER SECTORS

According to the German Engineering Federation (VDMA), the machinery and plant engineering industry faced a challenging environment throughout Bertrandt's 2022/2023 fiscal year. Companies were still benefiting in the period from January to July 2023 from a high order backlog, which led to an increase in production of 1.7%. However, new orders fell by 14% in the first seven months of 2023 and production in 2023 as a whole will be down by 2%, according to the VDMA forecast.

According to the German Electrical and Electronic Manufacturers' Association (ZVEI), 2022 ended on a positive note for the electrical and digital industry. The market in Germany grew by 13% to EU 167 billion. Aggregated industry turnover also totalled EUR 120.4 billion in the period from January to June 2023, an increase of around 14% year on year. The association anticipates market growth of 9% to over EUR 180 billion in 2023.

The German Industry Association for Optics, Photonics, Analytical and Medical Technology (SPECTARIS) stated that Germany's 2,684 medical technology producers generated total sales of EUR 84.1 billion in 2022. Sales revenues went up significantly compared to the previous year, particularly in the field of photonics (+11.4%) and analytical, bio and laboratory technology (+7.4%). For the year 2023 the association expects total sales to increase by 3–7%.



Business performance

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Rising demand for engineering services, an increase in project awards and the successful acquisition of projects have been further consolidated in the current reporting period based on the megatrends in our customer industries. Bertrandt's total revenues in the fiscal year 2022/2023 grew by 14.7% or EUR 148.252 million (previous year 18.9%, EUR 160.567 million). Growth momentum was particularly strong in the first half of 2022/2023, but was slowed by high sickness rates and fewer working days than in the previous year.

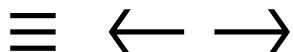
Earnings also developed positively year on year. However, the increase in earnings was dampened by, for example, general cost increases and expenses related to the start-up of the new Powertrain Solution Centers. The measures taken in response will take some time before they have an effect.

Business and the performance indicators used for controlling purposes developed as forecast in the Half Year Report 2022/2023 (p. 15 and following) subsequent to the forecast in the Management Report 2021/2022 (p. 122 and following). This also applies to the forecast originally published in the Management Report 2021/2022 for the fiscal year 2022/2023, with the exception of total revenues, which were higher than forecast.

TOTAL REVENUES

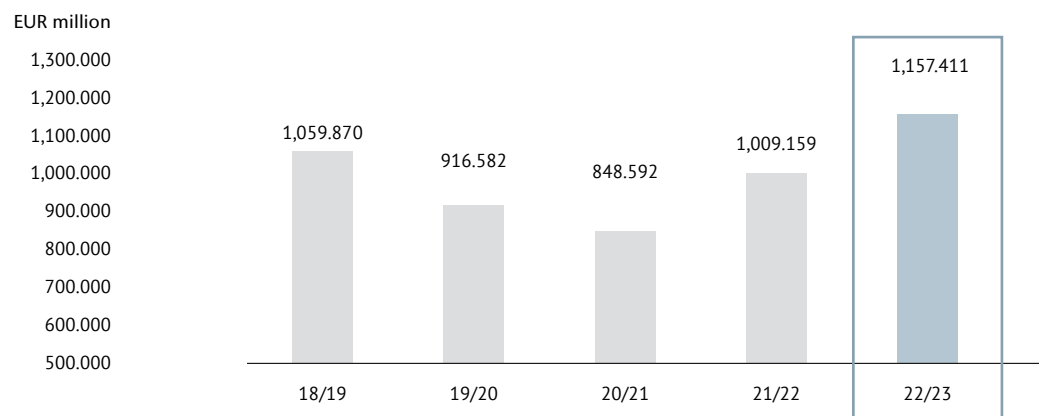
Total revenues for 2022/2023 as a whole rose by 14.7% to a record high of EUR 1,157.411 million (2021/2022: EUR 1,009.159 million). Taking account of acquisition effects, the Bertrandt Group grew organically in the 2022/2023 reporting period by 13.2%. These effects relate to the Bertrandt Technology Group (formerly Philotech Group), which was consolidated for the first time in the second quarter of fiscal 2021/2022, and to CONCEPT AG, which was initially consolidated in the fourth quarter of 2022/2023.

Total revenues in 2022/2023 were influenced by temporary and project-related higher procurements from external service providers as well as by the overall positive management of inflation effects and also include own work capitalised of EUR 0.601 million (previous year EUR 0.684 million). Total revenues grew in the first quarter of 2022/2023 by 20.3% (organic: 14.8%), in the second quarter of 2022/2023 by 15.2%, in the third quarter of 2022/2023 by 13.0% and in the fourth quarter by 11.0% (organic: 10.4%). Seasonal business performance in fiscal year 2022/2023 was determined by the number of working days per quarter, the distribution of public holidays and other holidays, and base effects due to the course of the pandemic in the previous year. The fiscal year 2022/2023 had 2.4 fewer working days than the previous year. The business performance of Bertrandt's foreign subsidiaries was positive with total revenues of EUR 201.007 million (previous year EUR 154.362 million). International growth was particularly strong in France, the USA, Spain and Romania.



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TOTAL REVENUES



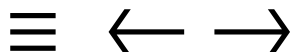
Bertrandt generated total revenues of EUR 1,157.411 million.

KEY EXPENDITURE FIGURES

In line with the increase in total revenue, the number of employees rose by 1,097 people to 14,276 employees at the end of the reporting period (30 September 2022: 13,179). Personnel expenses of EUR 839.677 million (2021/2022: EUR 740.314 million) in the fiscal year 2022/2023 were mainly due to employee growth and wage and salary adjustments. Personnel expenses include the payment of an inflation adjustment premium of EUR 8.069 million (previous year EUR 0 million). In addition, the normalisation of capacity utilisation and the significant reduction of short-time working in France compared to the same period last year are having a noticeable impact. The staff cost ratio improved slightly in the fiscal year 2022/2023 to 72.5% (2021/2022: 73.4%).

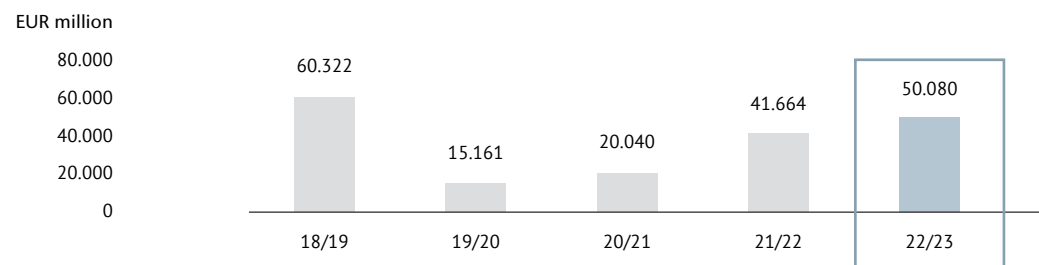
A project-related increase in the use of external services, particularly in the first and third quarters of 2022/2023, led to a disproportionate increase in the cost of materials of EUR 132.194 million (previous year EUR 108.904 million). As a result, the cost of materials ratio increased slightly from 10.8% in the previous year to 11.4% in the fiscal year 2022/2023.

Depreciation and amortisation expense of EUR 56.247 million in the reporting period was at much the same level as in the previous year (EUR 56.976 million). This includes an asset impairment (EUR 1.200 million, previous year EUR 0 million) in respect of property, plant and equipment in accordance with IAS 36. Other operating expenses increased in line with total revenues from EUR 81.108 million in the previous year to EUR 91.351 million in fiscal 2022/2023. The year-on-year increase is related to the increased volume of business and is linked, for example, to insurance and consulting expenses, maintenance for buildings and machinery, dismantling obligations as a result of leases being terminated, sales and marketing initiatives, and effects from exchange rate differences. There was a noticeable reduction in energy costs, partly as a result of the energy price brake. The noticeable decline in other operating income to EUR 12.138 million (2021/2022: EUR 19.806 million) is mainly due to the netting of benefits in kind and a reclassification to personnel expenses. There was no income from the disposal of assets comparable to the previous year. Refer to the Notes for further information.



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EBIT



EBIT rose to EUR 50.080 million in the fiscal year 2022/2023.

EBIT

The Bertrandt Group's EBIT of EUR 50.080 million (2021/2022: EUR 41.664 million) and the corresponding EBIT margin (4.3%, previous year 4.1%) benefited overall in the reporting period 2022/2023 from higher capacity utilisation, measures to compensate for inflation and cost optimisations introduced during the pandemic. At the same time, the recovery in earnings was impacted by start-up costs related to the opening of the new test centres, an increased sickness rate at the beginning of the fiscal year, fewer working days and generally rising costs due to persistently high inflation. The measures taken in this context will take some time before they are able to counterbalance these negative factors. Bertrandt's foreign subsidiaries generated a cumulative EBIT of EUR 11.233 million (previous year EUR 5.457 million).

50.080

EUR million EBIT were generated
in fiscal year 2022/2023.

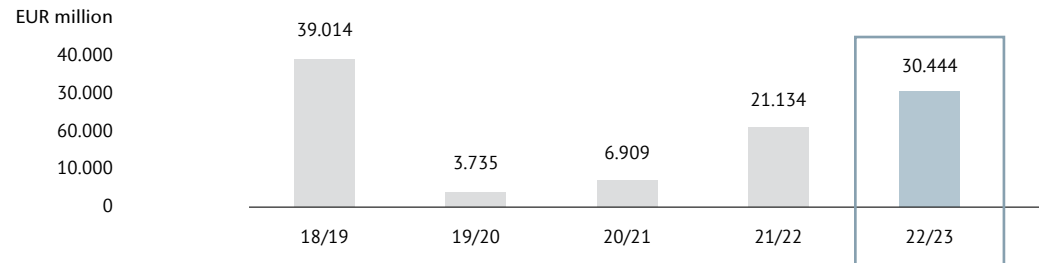
NET FINANCE INCOME

Net finance income in the reporting period was EUR -7.518 million (2021/2022: EUR -6.360 million). The year-on-year change is mainly due to higher finance expenses, which exceeded the increase in interest income.



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POST-TAX EARNINGS



Post-tax earnings came to EUR 30.444 million in the fiscal year 2022/2023.

POST-TAX EARNINGS

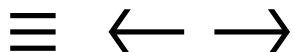
Profit from ordinary activities rose along with operating profit (EBIT) and totalled EUR 42.562 million (previous year EUR 35.304 million). The income tax expense of EUR 9.655 million (previous year EUR 11.663 million) was influenced by the revaluation of foreign loss carryforwards compared to the previous year. The income tax rate for the period was 24.1% (previous year 35.6%). Post-tax earnings in the fiscal year 2022/2023 were EUR 30.444 million (previous year EUR 21.134 million). This works out at earnings per share of EUR 3.01 (previous year EUR 2.09). Following the implementation of an employee share scheme, the number of shares outstanding increased by 5,619 from 10,100,041 (as at 30 September 2022) to 10,105,660 as at 30 September 2023. Conversely, the number of treasury shares fell from 43,199 to 37,580 shares. The share capital remained divided into 10,143,240 no-par-value shares with an arithmetic par value of EUR 1.00.

PERFORMANCE BY SEGMENTS

Bertrandt is managed on the basis of three segments. The divisional structure is an important element in our segment structure and gives us a sharper profile within the existing Digital Engineering, Physical Engineering and Electrical Systems/Electronics segments.

Segment performance varied in the fiscal year 2022/2023 in line with service and topic-specific conditions. Nevertheless, total revenues and EBIT developed positively as anticipated in all segments.

The Digital Engineering segment, which mainly covers the design of modules and components, achieved year-on-year growth in total revenues of 15.6% to EUR 563.167 million (2021/2022: EUR 487.354 million). EBIT in the reporting period was EUR 30.359 million (2021/2022: EUR 27.634 million). The significant improvement was driven by positive business development, particularly in France.



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The Physical Engineering segment takes on all business activities related to the testing and validation of and with physical component parts, components, systems and the vehicle as a whole. Total revenues in fiscal year 2022/2023 amounted to EUR 229.279 million (2021/2022: EUR 216.746 million), which corresponds to an increase of 5.8%. The segment's EBIT was negatively impacted by expenses and partial write-downs in connection with the delayed commissioning of the new Powertrain Solution Centers. These expenses exceeded the increase in the recognised claim for damages in the fiscal year 2022/2023 in the amount of EUR 7.250 million (previous year EUR 6.000 million). EBIT in the reporting period therefore totalled EUR -6.042 million (2021/2022: EUR -6.173 million), which represents a slightly positive development.

The Electrical Systems/Electronics segment, which brings together many services related to the megatrends in the fields of digitalisation, software and electrification, generated total revenues of EUR 364.965 million (2021/2022: EUR 305.059 million). The growth rate thus corresponds to 19.6%. The segment EBIT increased to EUR 25.763 million (2021/2022: EUR 20.203 million).

NET ASSETS

The Group's balance sheet structure is based on the principle of matching maturities. Total assets as at 30 September 2023 were EUR 956.120 million, which is almost the same level as in the previous year (EUR 956.047 million).

On the assets side, non-current assets were EUR 422.584 million as at 30 September 2023 and thus fell compared to the previous year (EUR 444.058 million as at 30 September 2022). As a result of depreciation and reduced investing activity, the balance sheet value of property, plant and equipment at the end of the reporting period amounted to EUR 355,095 million after EUR 373.841 million as at 30 September 2022. At the same time, intangible assets increased from EUR 34.868 million to EUR 41.512 million. This is mainly due to the addition of goodwill from the initial consolidation of CONCEPT AG. The change in non-current assets was also affected by the increase in the netting of deferred income tax assets and liabilities.

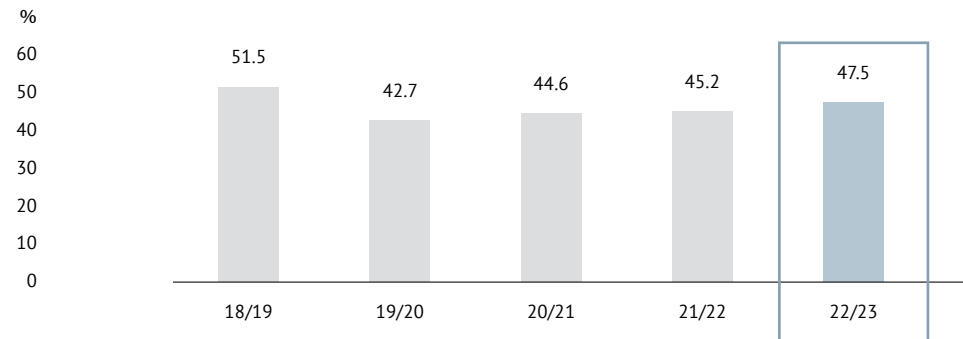
Current assets came to EUR 533.536 million at the end of the reporting period (EUR 511.990 million as at 30 September 2022). At the end of the reporting period, contract assets increased to EUR 140.214 million (EUR 115.510 million as at 30 September 2022) and trade receivables to EUR 236.918 million (EUR 208.933 million as at 30 September 2022) due to the increased business volume. Cash and cash equivalents were lower at EUR 121.360 million at the end of the fiscal year (end of 2021/2022: EUR 161.557 million). Contributing factors included the dividend payment, M&A transactions, an increase in funds tied up in net assets (working capital) as at the reporting date and a reduction in liabilities. For further details, please refer to the report on the financial position in this Management Report.



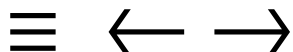
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On the liabilities side, equity as at 30 September 2023 was EUR 454.627 million (30 September 2022: EUR 431.846 million). This change is largely due to post-tax earnings of EUR 30.444 million (2021/2022: EUR 21.134 million) less the dividend payment of EUR 8.585 million approved by the annual general meeting (2021/2022: EUR 2.726 million). The equity ratio again increased and rose from 45.2% as at 30 September 2022 to 47.5% at the end of the fiscal year 2022/2023.

EQUITY RATIO



47.5% equity ratio makes Bertrandt a financially strong company.

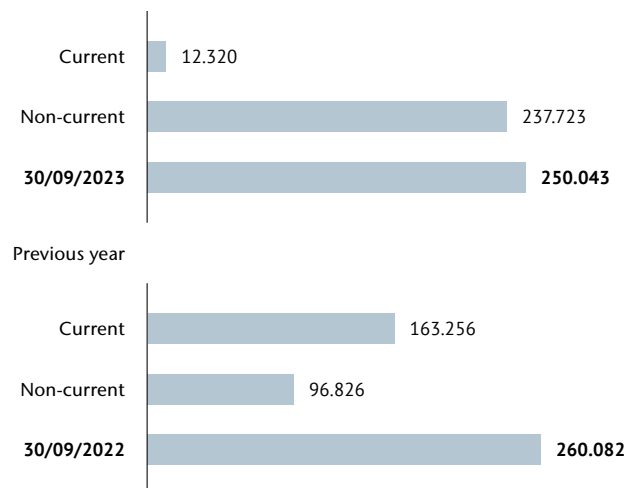


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OVERVIEW OF MATURITIES OF BORROWINGS

CURRENT AND NON-CURRENT BORROWINGS

Borrowings in EUR million



Total borrowings at the end of the reporting period were down to EUR 250.043 million (30 September 2022: EUR 260.082 million). At the same time, the maturity structure has changed. While at the end of the fiscal year 2021/2022 current borrowings amounted to EUR 163.256 million and non-current borrowings to EUR 96.826 million, the majority of borrowings at the end of September 2023 (amounting to EUR 237.723 million) are non-current (current: EUR 12.320 million).

Total non-current liabilities increased from EUR 188.097 million (30 September 2022) to EUR 312.757 million at the end of the reporting period. While other financial liabilities and deferred tax liabilities were reduced, the maturity of borrowings was structurally adjusted, in the main by refinancing maturing loans. A long-term bonded loan was issued in November 2022. Largely as a result of this, non-current borrowings increased from EUR 96.826 million (30 September 2022) to EUR 237.723 million (30 September 2023).

In contrast to non-current liabilities, current liabilities were down to EUR 188.735 million as at 30 September 2023 (EUR 336.104 million as at 30 September 2022). The significant reduction of EUR 147.369 million is mainly due to the repayment of the loan due in November 2022 in the amount of EUR 141.000 million. Overall current borrowings were reduced by EUR 150.936 million.

FINANCIAL POSITION

The fundamental objective of Bertrandt's financial management policy is to safeguard the Company's liquidity at all times. The financial management activities cover capital structure management as well as cash and liquidity management.

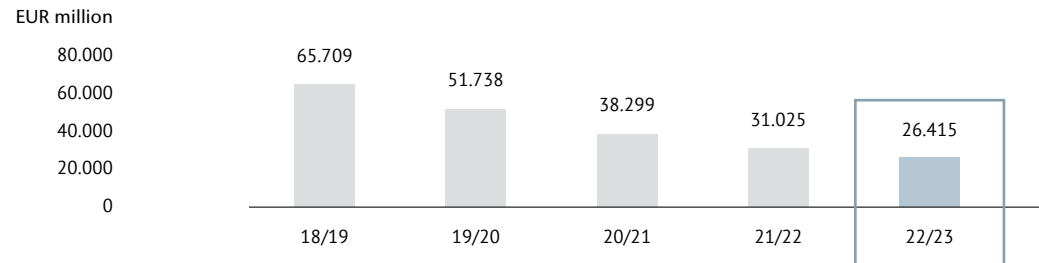
CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities in the fiscal year 2022/2023 amounted to EUR 38.459 million (previous year EUR 56.900 million). This development is mainly related to the increase in business activity and the resulting funds tied up in net current assets (working capital). As a percentage of total revenues, net current assets were almost stable at 29.8% as at 30 September 2023 (30 September 2022: 29.1%).



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PAYMENTS MADE FOR INVESTMENTS



Investments in the fiscal year 2022/2023 totalled EUR 26.415 million.

INVESTMENTS

In the fiscal year 2022/2023, payments made for investments in property, plant and equipment, intangible assets and investments accounted for using the equity method were lower than in the previous year and totalled EUR 26.415 million (2021/2022: EUR 31.025 million). Payments for the acquisition of consolidated companies and other companies decreased to EUR 5.942 million (previous year EUR 19.815 million) in the reporting period. Cash flow from investing activities totalled EUR -31.352 million (2021/2022: EUR -47.939 million). The objective of our investments in infrastructure and facilities is to extend and round off the scope of our services to meet our customers' specific needs. State-of-the-art technical equipment will enhance the range of existing competences and make them available to our customers. New capital expenditure is intended to promote innovation as well. Investment is concentrated on the dominant technology trends in the industry, such as environmentally friendly individual mobility and autonomous and connected driving.

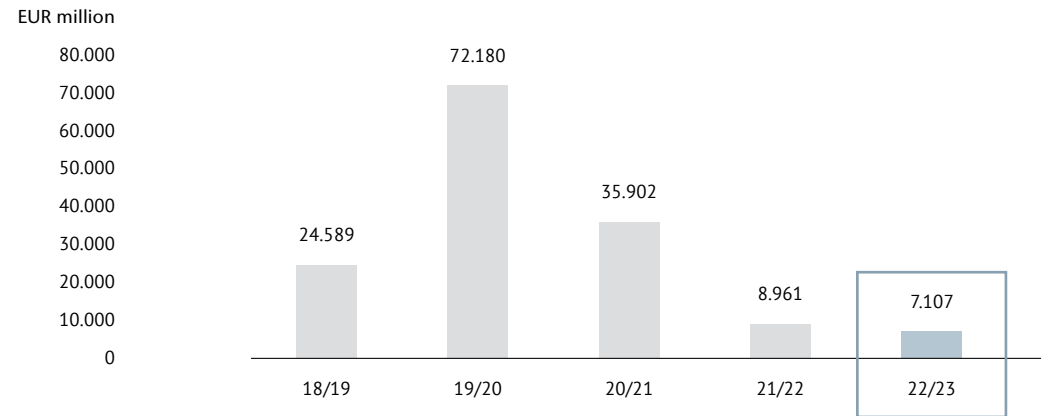
7.107

million EUR – free cash flow was positive despite M&A investments.



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FREE CASH FLOW



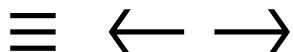
Bertrandt's free cash flow was positive in the reporting period.

FINANCING AND LIQUIDITY

The matters explained relating to cash flow from operating activities and cash flow from investing activities resulted in positive free cash flow of EUR 7.107 million (previous year EUR 8.961 million) in fiscal 2022/2023.

Cash flow from financing activities amounting to EUR -46.710 million (2021/2022: EUR -38.642 million) results from the cumulative payments for dividends, for the repayment of borrowings and other liabilities as well as for interest paid. In addition, payments received from borrowings issued, which totalled EUR 135.500 million in the 2022/2023 reporting period (previous year: EUR 0 million) were used to repay existing liabilities.

Cash and cash equivalents at the end of the reporting period decreased to EUR 121.360 million (30 September 2022: EUR 161.557 million). With these financial resources, unused and committed credit lines and alternative financing instruments totalling EUR 293 million (previous year EUR 241 million) as well as its good internal financing capacity, Bertrandt has sufficient financial leeway and corresponding financial flexibility to expand and develop its range of products and services even further.



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GENERAL STATEMENT ON BUSINESS PERFORMANCE

After the expected strong growth in total revenues materialised and the EBIT margin improved in fiscal 2021/2022 following the pandemic-related lower figures in the previous year, Bertrandt was able to continue its successful growth trend in fiscal 2022/2023 as expected and to report record numbers of employees and total revenues.

The recovery of operating profit (EBIT) was impacted by a high sickness rate at the beginning of the reporting period, start-up expenses related to the Powertrain Solution Centers and generally high inflation, while countermeasures such as the Company's own price increases only took full effect with a time lag.

The Management Board judges the Company's development and prospects to be good. The megatrends of digitalisation, autonomous mobility, connectivity and e-mobility offer potentials for the future. The Bertrandt Group's financial and balance sheet resources form a good basis for future internal and external growth as well as a successful future.

HUMAN RESOURCES MANAGEMENT

Our employees are the key to our Company's success. This is why human resources management plays such a decisive role. A key task for Bertrandt as an employer is to ensure the availability of skilled workers and managers. In particular, we set great store by providing vocational and further training as well as continuous professional development to our employees in order to meet our personnel requirements from our own ranks. The targeted development of our workforce is an integral part of Bertrandt's human resources strategy.

As at the reporting date of 30 September 2023, Bertrandt employed 14,276 people worldwide (previous year 13,179). This means that we created over 1,000 new jobs in Germany and abroad in the reporting period and attained a new record level of employment. The proportion of our employees abroad in the 2022/2023 fiscal year was 24.7% (previous year 22.4%).

The fact that Bertrandt is an attractive company was confirmed in the 2022/2023 fiscal year, among others, with the 'Employer of the Future' award. The seal issued by the German Innovation Institute for Sustainability and Digitalisation (Deutsches Innovationsinstitut für Nachhaltigkeit und Digitalisierung) emphasises the importance of these two attributes for employers. Companies that are awarded this seal are therefore considered particularly attractive for young and highly skilled talent. The Bertrandt Group invested a total of EUR 8.4 million (2021/2022: EUR 5.5 million) in continuous professional development activities for its specialist and executive staff in fiscal 2022/2023.

Vocational training

Our apprentices and students on dual study programmes are the skilled workers of tomorrow. Bertrandt has consequently always set great store by providing vocational training. Vocational training standards at Bertrandt have been kept at a very high level thanks to a multitude of measures in fiscal 2022/2023, such as the adjustment of the pay received by apprentices and students on dual study programmes, or the validation of Bertrandt's range of training programmes. In fiscal year 2022/2023, several of our apprentices received awards from the Chamber of Industry and Commerce (Stuttgart region) for their outstanding training performance, which further highlights the quality of vocational training provided by Bertrandt. As at 30 September 2023, we were training 212 apprentices (previous year: 183) and 12 students (previous year: 13) on dual study programmes in technical, industrial and commercial professions. The proportion of women at Bertrandt among our trainees and dual students in technical, commercial and IT professions was 29% in fiscal 2022/2023 (previous year 23%).



Group organisation and controlling

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INTERNATIONAL GROUP STRUCTURE

Bertrandt AG is the parent company within the Bertrandt Group. The Group operates with domestic and foreign independent legal entities or permanent establishments in Germany, Austria, China, the Czech Republic, France, Italy, Morocco, Romania, Spain, Turkey, the United Kingdom and the United States of America. In the 2022/2023 fiscal year the foreign companies accounted for 17.4% (previous year:15.3%) of the Group's total revenues. The Management Board of Bertrandt AG is responsible for managing the Company. The Supervisory Board appoints the members of the Management Board and supervises and advises them and, in particular, is consulted on decisions of fundamental importance for the Company. The subsidiaries of Bertrandt AG are run independently by their own management. The interests of the Group and of its subsidiaries are coordinated at regular management meetings between the Group Management Board and the heads of the divisions in their capacity as the executive management of their respective businesses. Cyclical and sector-specific changes are constantly monitored and taken into account in the operating control of the businesses in a timely manner.

ENHANCING ENTERPRISE VALUE AS A PRIORITY

In all its actions Bertrandt focuses on enhancing enterprise value in a sustainable way while considering economic, social and ecological factors. New market and customer requirements call for new approaches. By pooling different competences, we are striving to meet the demand for greater depth of responsibility and know-how in the fields of digitalisation and electromobility and in large-scale projects. Bertrandt's management system is geared to increasing the value of the entire Group. On this basis, targets are defined for the different segments and subsidiaries. Bertrandt is managed on a pyramidal basis from the Group via the segments and subsidiaries down to individual profit centre levels. Management activities conducted on a periodic basis take the recognition and measurement principles defined by international accounting standards into account. Along with total revenues, Bertrandt uses EBIT and cash flow from operating activities as key performance indicators for management purposes.



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Corporate governance declaration pursuant to Sections 315d and 289f of the German Commercial Code (HGB)

PERTINENT CORPORATE GOVERNANCE PRACTICES

Bertrandt conducts its business in line with the legal systems of the Federal Republic of Germany and of those countries in which the Company operates. In addition to the statutory provisions, the Group has adopted the corporate governance practices described below.

COMPLIANCE

Long-term market success is only possible if a company is able to enduringly convince its customers by its innovation, quality, dependability and fairness. In our view, an essential aspect of this is to comply with statutory provisions as well as with the Company's own policies and ethical principles (compliance). Bertrandt's corporate culture is aligned with these rules and policies. Moreover, we have always felt bound by principles going beyond legal provisions. Ethical principles and obligations entered into voluntarily are also integral parts of our corporate culture and simultaneously the guide on which our decisions are based. All this is founded on factors like, for example, the integrity of business dealings, protecting our leading-edge knowledge, adhering to antitrust law and all foreign trade related regulations, proper record keeping and financial communication, equal opportunities and the principle of sustainability. Bertrandt continuously requires staff and business partners to adhere to these principles and monitors compliance.

OUR VALUE SYSTEM: BERTRANDT'S MISSION STATEMENT

Bertrandt is a forward-looking company defined by a clear and unambiguous system of values. Its cornerstones are honesty, credibility, dependability, transparency and trust in people. Based on this value system, Bertrandt's mission statement was developed as early as 1996. This mission statement, which was last updated in 2022, is the guide for our corporate strategy, for our daily conduct and our social responsibility. The mission statement's aim is not only to govern teamwork within the Company, but also what we do for our customers and shareholders. Commitment and trust are values that Bertrandt emphasises afresh every day. Our day-to-day collaboration is characterised by openness, trust and mutual appreciation. Bertrandt's mission statement illustrates to our shareholders, customers, workforce and the general public what makes our business successful. For many years, we have been a long-standing, dependable partner to our customers, shareholders and employees.

Our mission statement is available at <https://www.bertrandt.com/en/career/why-bertrandt/corporate-culture>

RISK MANAGEMENT

Dealing carefully with potential risks to the Company is accorded high priority in our day-to-day work. We have set up a risk management system that helps us detect risks and optimise risk positions. The internal control system as the entirety of all systematically defined controls and monitoring activities aims to ensure the integrity and efficiency of business transactions, the reliability of financial reporting and the compliance of all activities with laws and regulations. An effective and efficient internal control system is crucial to



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successfully managing risks in our business processes. The internal control system is designed to consider all key business processes and goes beyond controls in the accounting process. The internal control system related to accounting is described in more detail in the opportunities and risks report. This risk management and internal control system is continuously adapted to changing circumstances. The Audit Committee set up by the Supervisory Board deals in particular with matters involving accounting, risk management including the internal control system, compliance and the required independence and selection of the statutory auditor.

With our internal control and risk management system the Management Board has created and implemented a management framework that aims to ensure appropriate and effective internal control and risk management. The measures implemented as part of this approach are also aimed at the effectiveness and appropriateness of internal control and risk management and are, for example, explained in more detail in the opportunities and risks report. Apart from that, the implemented approach and the legal framework also provide for independent monitoring and audits, in particular by the internal audit department and its reports to the Management Board and the Audit Committee of the Supervisory Board. Based on its examination of the internal control and risk management system and the internal audit reports, the Management Board is not aware of any circumstances that would indicate that these systems are inadequate or ineffective.

ACCOUNTING AND AUDIT OF THE FINANCIAL STATEMENTS

The financial statements of the Bertrandt Group are prepared in conformity with International Financial Reporting Standards (IFRS). The separate financial statements of Bertrandt AG are prepared according to the German Commercial Code (HGB). Pursuant to statutory provisions, the auditor is appointed by the annual general meeting. The Audit Committee prepares the Supervisory Board's proposal to the annual general meeting for the appointment of the auditor. The auditor is independent and audits both the Group's consolidated financial statements and the separate financial statements of Bertrandt AG.

The Supervisory Board has appointed Udo Bäder as a member of the Supervisory Board with expertise in the field of 'auditing' and, in addition, Dietmar Bichler as a member of the Supervisory Board with expertise in the field of 'accounting' within the meaning of Section 100 (5) AktG.

TRANSPARENCY

The Company's shareholders, all participants in the capital market, financial analysts, investors, shareholders' associations and the media are regularly informed and kept up to date on the Company's situation and material changes in its business. The principal communication channel for this is the internet. All persons who work for the Company and have access to insider information as specified by the regulations are advised of their obligations arising from insider trading law. The situation and results of Bertrandt AG are reported in interim reports (quarterly and half-year) and annual reports, at annual press conferences and the annual general meeting and also in conference calls and events involving international financial analysts and investors both in and outside Germany.

The financial calendar with the dates of the regular financial reporting is available on Bertrandt's website at <https://www.bertrandt.com/en/company/investor-relations/events>. In addition to regular reporting, information that concerns Bertrandt AG and that might have a considerable impact on Bertrandt's share price, but is not publicly known, is disclosed by means of ad-hoc announcements pursuant to Article 17 Market Abuse Regulation (Regulation (EU) No. 596/2014).

WORKING PROCEDURES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The Management Board is responsible for the management of the Company, acting in the interest of the latter and representing it in transactions with third parties. The Board's main tasks relate to Bertrandt's strategic direction and managing and controlling the Company's activities; they also include maintaining and monitoring an effective risk management system. The Management Board consists of three members, without a single individual exercising



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a particular role as chairman or spokesman. Thus, the importance of overarching work for the development of the entire Group is consistently reflected in the forward-looking and networked leadership approach implemented at the Board level. Notwithstanding this overall responsibility, it is the duty of each Board member to independently manage the field of activity assigned to him. The Rules of Procedure set forth by the Supervisory Board govern the details of the Management Board's activities. The Management Board acts without any specific committees.

The members of the Management Board are obliged to immediately disclose to the Supervisory Board any conflicts of interest and also to notify the other Management Board members. Members of the Management Board may not exercise sideline activities, in particular as supervisory board members outside the Group, without the consent of the Supervisory Board.

The Management Board normally meets every two weeks and ad hoc if needed; the Supervisory Board usually meets four times a year and as required. The Management Board comprehensively informs the Supervisory Board in a timely manner and on a regular basis of all key matters concerning corporate strategy, planning, business performance, the financial position and earnings situation, the risk situation and risk management activities as well as compliance. It also presents to the Supervisory Board the Group's capital expenditure and financial planning as well as earnings projections for the upcoming fiscal year. The Management Board advises the Chairman of the Supervisory Board without delay of any key events that might be of material significance in judging the Company's situation and performance and for its management. Transactions and measures that require the Supervisory Board's approval are submitted to the Supervisory Board in good time.

The Supervisory Board appoints the members of the Management Board. It also advises and monitors the Management Board regarding its activities.

The size and composition of the Supervisory Board is as defined in Article 8 (1) of the Articles of Association. The Supervisory Board comprises four shareholder representatives and two representatives elected by Bertrandt employees. A list of all members of the Supervisory Board and their CVs are available at <https://www.bertrandt.com/en/company/bertrandt-group/supervisory-board>.

[bertrandt.com/en/company/bertrandt-group/supervisory-board](https://www.bertrandt.com/en/company/bertrandt-group/supervisory-board). Information on the professions of the Supervisory Board members and disclosures on other offices held in supervisory boards and other monitoring bodies are not only found in the CVs disclosed on the website but also in the 2022/2023 Annual Report (section 'Consolidated financial statements / Notes to the consolidated financial statements') which is available at <https://www.bertrandt.com/en/company/investor-relations/financial-reports> after its publication on 14 December 2023.

The Supervisory Board has set forth Rules of Procedure that govern the details of the activities of the Supervisory Board and its committees.

According to D.12 of the German Corporate Governance Code, the Supervisory Board assesses the effectiveness of its own actions and the committees' actions on a regular basis. In fiscal 2022/2023 the Supervisory Board conducted one such assessment. A questionnaire provided to the Supervisory Board members on 30 November 2023 enabled them to prepare themselves individually for the subsequent debate. Thirty-seven different areas were assessed in the questionnaire. The topics included the conducting of Supervisory Board meetings, the work performed by the Chairman of the Supervisory Board, the work performed by Board members, and committees and their activities. The evaluation also covered topics relating to strategy, human resources, monitoring and external reporting. In addition, the Chairman of the Supervisory Board commissioned a third party bound by professional secrecy. Supervisory Board members may approach this third party with suggestions for improving the Board's work. The third party will report back to the Supervisory Board without mentioning the respective Board member's name, so that the Chairman can then introduce any suggestions made anonymously to the debate on the Supervisory Board's actions. The debate in the Supervisory Board was held on 11 December 2023. No details of the Supervisory Board's deliberations will be disclosed as it is in the Company's interest to ensure the greatest possible openness in the Board's internal discussions.



COMPOSITION AND WORKING PROCEDURES OF THE SUPERVISORY BOARD COMMITTEES

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To perform its duties, the Supervisory Board has formed a Human Resources Committee and an Audit Committee. For efficiency reasons, the Human Resources Committee also performs the duties of the Nomination Committee. These committees prepare specific subject areas for discussion and decision-making in plenary meetings. For certain subjects the decision-making powers have been delegated by the Supervisory Board to the committees that hold meetings as required.

The members of the Audit Committee are Udo Bäder, Dietmar Bichler and Prof. Dr.-Ing. Wilfried Sihm. All Audit Committee members are familiar with the industry in which Bertrandt AG operates. The Chairman of the Audit Committee is Udo Bäder. He has also been appointed as an expert in the field of ‘Auditing’ by the Supervisory Board and Dietmar Bichler has been appointed as an expert in the field of ‘Accounting’. Udo Bäder has many years of experience as an auditor of financial statements. He withdrew as a partner of the Company’s auditing firm with effect from the end of 30 June 2018. Dietmar Bichler has many years of experience in accounting; in particular he was also responsible for this topic in his role as Chairman of the Management Board prior to the appointment of Markus Ruf as Member of the Management Board, Finance. He has been a member of the Audit Committee since his election to the Supervisory Board.

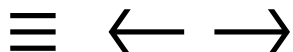
The Human Resources Committee currently consists of Dietmar Bichler, Udo Bäder and Prof. Dr.-Ing. Wilfried Sihm. Dietmar Bichler chairs the Human Resources Committee.

STIPULATIONS PURSUANT TO SECTION 76 (4) AND SECTION 111 (5) AKTG, EACH IN CONJUNCTION WITH SECTION 26L (2) EGAKTG

On 1 May 2015 the Act on the equal participation of women and men in leadership positions entered into force. According to said law, the supervisory board of a listed company or a company subject to codetermination must define a target for the proportion of women represented on supervisory and management boards. In addition, the management board of such company must define targets for female representation on the two management levels below the management board. Where the proportion of women is below 30% at the time when the supervisory and management boards stipulate the number of women to be appointed to the boards, the targets specified must not be set below the current proportion. At the same time, a deadline of no longer than five years must be specified for attaining the target number. The targets may be set with a deadline not exceeding 31 May 2025.

By a resolution adopted in May 2021, the Supervisory Board of the Company last stipulated, in accordance with Section 111 (5) AktG (as in force at the time), a target of 0% female representation on the Management Board to be attained by 31 May 2025. This corresponded to the actual proportion at the time of stipulating the target. Pursuant to Section 26l (2) EGAKTG, a separate justification of the ‘zero’ proportion according to Section 111 (5) sentences 3 and 4 AktG as amended on 12 August 2021 is not required because this standard does not yet apply in the present case.

By a resolution adopted in May 2021, the Management Board of the Company last stipulated, in accordance with Section 76 (4) AktG (as in force at the time), a target of 0% for the proportion of women at the first management level below the Management Board and a target of 25% for the proportion of women at the second management level below the Management Board, both to be attained by 31 May 2025. Both management levels as referred to in Section 76 (4) AktG were defined based on the existing reporting lines in the Company below Management Board level. Pursuant to Section 26l (2) EGAKTG, a separate justification of the ‘zero’ proportion pursuant to Section 76 (3) sentences 3 and 4 AktG as amended on 12 August 2021 is not required because this standard does not yet apply in the present case.



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By a resolution adopted in May 2021, the Supervisory Board of the Company last stipulated, in accordance with Section 111 (5) AktG (as in force at the time), a target of 16.67% female representation on the Management Board to be attained by 31 May 2025.

In the period considered in this corporate governance declaration, the targets defined in May 2021 were attained at the level of the Management Board and were even exceeded at the first and second levels below the Management Board, where the proportion of women was 12.5% and 27.77% respectively. The targets for the Supervisory Board were also achieved in the period considered. The proportion of women here was 16.67% until 31 December 2022 and has even increased to 33.33% since 9 February 2023. This was due to the election and appointment as replacement of female Supervisory Board members as employee representatives and the success in recruiting female executives for the Group and providing them development opportunities.

DECLARATION OF CONFORMITY PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG) DATED 25 SEPTEMBER 2023

'Declaration of conformity to the German Corporate Governance Code pursuant to Section 161 AktG

The Management Board and Supervisory Board of Bertrandt Aktiengesellschaft declare in accordance with Section 161 of the German Stock Corporation Act (AktG) that the recommendations of the Government Commission on the German Corporate Governance Code (GCGC), as amended on 28 April 2022 and published in the electronic Federal Gazette on 27 June 2022 have been and are being complied with, with the following exceptions: The Company has not complied with the recommendations in A.2; B.2 last clause; C.1; C.4 to C.9; C.10 sentence 1 first and third alternatives; C.11 to C.13; E.1; G.1 to G.3; G.7 sentence 1; G.9 sentence 1; G.10; G.11 sentence 2; G.13 sentence 2 and G.16 GCGC 2022. Since 24 October 2022, the recommendation in B.3 has not been applied. Furthermore, the recommendation in A.5 last clause has not been and will not be applied until probably 14 December 2023.

The deviations from individual recommendations are or were based on the following considerations:

A.2 GCGC

The Company continues to deviate from the recommendations in A.2. It has always been in the interest of Bertrandt AG to give priority to the professional experience, capabilities and knowledge of the individual persons when appointing executives. In its own interest, the Company strives to ensure that its appointment process is free from discrimination and barriers in all countries where it operates, so as to leverage the potential offered by applicants and candidates for leadership positions.

A.5 last clause GCGC

The group management report of Bertrandt Aktiengesellschaft as at 30 September 2022 includes a description of the principal characteristics of the internal control and risk management systems. In the next management report as at 30 September 2023, which is expected to be published on 14 December 2023, an additional statement on appropriateness and effectiveness is to be included.

B.2 last clause GCGC

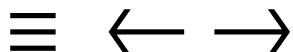
Together with the Management Board, the Supervisory Board ensures long-term succession planning. To safeguard effectiveness and ensure the confidentiality required in the Company's interest, no details are disclosed in this respect.

B.3 GCGC

B.3 of the Code recommends that first appointments to the Management Board should be made for a maximum of three years. It is in the interest of the Company that high-calibre external candidates who expect a longer tenure and employment are not excluded per se from the pool of candidates; it should therefore be possible to make full use of the statutory employment period also for first appointments made since 24 October 2022.

C.1 and C.4 to C.9, C.10 sentence 1 first and third alternatives, C.11 to C.13 GCGC

C.1 and C.4 to C.9, C.10 sentence 1 first and third alternatives, C.11 to C.13 GCGC contain various recommendations for the composition of the Supervisory Board and the election of Supervisory Board members, for example regarding their independence.



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Elections to the Supervisory Board are held in accordance with the relevant statutory provisions. To date, the Company has always given priority to the professional experience, capabilities and knowledge of the individual persons when appointing members to the Supervisory Board or filling other executive positions.

The scope of action for shareholders and the Supervisory Board should not be restricted by rigid competence profiles and qualified persons should not be excluded as Supervisory Board members or for certain tasks and functions on the Supervisory Board to the detriment of the Company due to recommendations of the Code that limit the choice for appointments.

Furthermore, Bertrandt AG's business model is founded, amongst other things, on reliable confidentiality regarding customers' development processes and innovation cycles, and on the reliable protection of their trade secrets. Our customers' trust in these corporate processes is enhanced by the fact that there are no representatives of shareholders on the Supervisory Board who are also customers of the Company.

E.1 GCGC

In its Rules of Procedure, the Supervisory Board has provided for the handling of conflicts of interests independently and in deviation from the recommendations in E.1 GCGC. The Rules of Procedure require each Supervisory Board member to disclose any conflicts of interest to the Chairman of the Supervisory Board; it is mandatory for the Chairman of the Supervisory Board to disclose this information to his or her deputy. These provisions exceed the recommendations of the GCGC by applying to all conflicts of interest and not distinguishing between matters of material significance and temporary conflicts. The right to waive public disclosure of such information enables the members of the Supervisory Board to discuss in confidence with the Chairman also cases which merely appear to be conflicts of interests.

In the opinion of the Company, the Rules of Procedure for the Management Board complied with the recommendations of E.2 GCGC in the reporting period. The deviation announced as a precautionary measure in the previous year was based solely on the fact that the Company does not have a Chairman or Spokesman of the Management Board.

G.1 GCGC

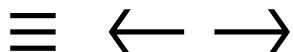
No target remuneration and no relative fixed and variable remuneration components are defined in Bertrandt's remuneration system, which was approved by the annual general meeting on 26 February 2021. Moreover, no non-financial performance criteria are determined. In the opinion of the Supervisory Board, linking remuneration to a key performance indicator for managing the Group across its different levels is a rather important point to ensure the proper functioning of the remuneration system. Under the remuneration system, the incentive for the Management Board is based on the Bertrandt Group's EBIT as determined in the financial statements in conformity with IFRS, because apart from EBIT being an indicator of the respective strength of the core business, remuneration is linked to EBIT over several years; thus the remuneration system helps to safeguard the financial foundation needed to implement the corporate strategy for a long-term, sustainable development of the Company. This is also the reason why the Company links remuneration to a specific, fixed percentage of EBIT achieved rather than specifying a target EBIT denominated in euro in absolute terms each year. No fixed weighting is applied to the individual remuneration components; remuneration changes every year depending on the relation between the variable components on the one hand, and the fixed component and fringe and retirement benefits on the other.

G.2 GCGC

The deviation described for G.1 automatically results in a deviation from G.2, as this recommendation implies target remuneration pursuant to G.1.

G.3 GCGC

The Supervisory Board ensures that the remuneration paid to Management Board members is in line with benchmarks, and verifies this on an annual basis. To this end, the Board applies both horizontal and vertical benchmarking. In addition to the comparison of remuneration figures of stock corporations listed in the MDAX, TecDax and SDAX, horizontal benchmarking also includes other relevant market information. With vertical benchmarking, the Supervisory Board takes account of how Management Board remuneration has evolved compared to the remuneration paid to senior executives and the total workforce of the Bertrandt Group in Germany. No dedicated peer group comparison is made as there is no sufficient number of listed companies that could be compared with the Bertrandt Group and would also offer engineering solutions for the international automotive, aerospace, mechanical and plant engineering, energy, medical engineering, and electrical and electronics industries.



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G.7 sentence 1 GCGC

Under the remuneration system, the incentive for the Management Board is based on the Bertrandt Group's EBIT as determined in the financial statements in conformity with IFRS, because apart from EBIT being an indicator of the respective strength of the core business, remuneration is linked to EBIT over several years; thus the remuneration system helps to safeguard the financial foundation needed to implement the corporate strategy for a long-term, sustainable development of the Company. This is also the reason why the Company links remuneration to a specific, fixed percentage of EBIT achieved rather than specifying a target EBIT denominated in euro in absolute terms each year.

G.9 sentence 1 GCGC

The variable performance-related remuneration generally consists exclusively of a performance-related bonus, which is linked to the Bertrandt Group's EBIT as determined in the financial statements in conformity with IFRS. A separate specification of the target by the Supervisory Board is therefore superfluous.

G.10 GCGC

Share-based remuneration as a component of general remuneration is not provided under Bertrandt's remuneration system, and there is no obligation to invest in shares. As is widely known, stock market prices are also subject to a variety of influences that are not related to the Company's development and the performance of the Management Board. The variable performance-related remuneration consists exclusively of a performance-related bonus, which is linked to the Group's EBIT as determined in the financial statements in conformity with IFRS. The basis for the assessment of the bonus is the EBIT generated in two consecutive financial years. This is to ensure that the work performed is remunerated in a transparent and performance-oriented manner.

G.11 sentence 2 GCGC

Provisions referred to as 'clawback' provisions for the recovery of sums already paid, especially when a member of the Management Board breaches a duty, are not incorporated into the remuneration system. While such arrangements are common in other jurisdictions, it is the view of Bertrandt AG that there is no discernible need for such provisions in view of the statutory liability provisions according to Section 93 AktG which even stipulate in paragraph (2) sentence 2 that the onus of proving that a board member exercised the due care of a prudent manager faithfully complying with their duties is on the board member.

G.13 sentence 2 GCGC

Where post-contractual non-compete clauses apply, the Company will also in the future decide in each case, taking the Company's interest into account, whether or not the severance payment is to be factored into the calculation of the compensation payment; there is no general decision applicable to all cases. There were no such decisions in the reporting period.

G.16 GCGC

According to this recommendation, the Supervisory Board decides whether and to what extent the remuneration paid for supervisory board mandates outside the Group is to be offset. The service contracts with Management Board members currently only contain a provision according to which such mandates require approval; however, they do not lay down in detail how the remuneration from such mandates would have to be offset, and, as a result, the corresponding decision lies not with the Supervisory Board alone.

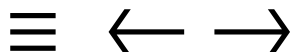
Ehningen 25 September 2023

The Supervisory Board

DIETMAR BICHLER
Chairman
PROF. DR.-ING. WILFRIED SIHN
Deputy Chairman

The Management Board

DR. ANDREAS FINK
Member of the
Management Board
MICHAEL LÜCKE
Member of the
Management Board
MARKUS RUF
Member of the
Management Board'



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REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD AND MANAGEMENT BOARD

'The applicable remuneration system pursuant to Section 87a (1) and (2) sentence 1 of the German Stock Corporation Act and the latest remuneration resolution pursuant to Section 113 (3) of the German Stock Corporation Act are available at:

https://www.bertrandt.com/fileadmin/files/files/00_Unternehmen/01_Investor_Relations/05_Corporate_Governance/Verguetungssystem/Verguetungssystem_Vorstand_Bertrandt_AG.pdf

and

https://www.bertrandt.com/fileadmin/files/files/00_Unternehmen/01_Investor_Relations/05_Corporate_Governance/Verguetungssystem/Verguetungssystem_Aufsichtsrat_Bertrandt_AG.pdf

The remuneration report to be given for fiscal 2022/2023 will be published on the Company's website together with the auditor's report pursuant to Section 162 AktG:

<https://www.bertrandt.com/en/company/investor-relations/corporate-governance>

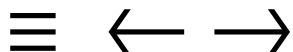
DIVERSITY POLICY

The Company does not pursue a diversity policy regarding the composition of the Supervisory Board and the body legally representing the Company. As has been set out in the declaration of conformity of 25 September 2023 pursuant to Section 161 AktG, it is in the interest of Bertrandt AG to give priority to the professional experience, capabilities and knowledge of the individual candidates when filling positions.

With regard to the composition of the Management Board, the Supervisory Board's Rules of Procedure explicitly require the Board's Human Resources Committee to take diversity in the composition of the Management Board into account when a proposal for an appointment is made to the Supervisory Board. However, no comprehensive diversity concept according to Section 289f (2) no. 6 Commercial Code (HGB) was developed to lay down details for age, gender, educational or professional background and related targets. The reason for this is that it is in the interest of Bertrandt AG to give priority to the professional experience, capabilities and knowledge of the individual candidates when filling positions. As has been set out in the explanations given in the declaration of conformity of 25 September 2023 pursuant to Section 161 AktG for the deviation from A.2 GCGC, the Company strives to ensure that in the Group's own interest its appointment process is free from discrimination and barriers in all countries where it operates so as to leverage the potential offered by applicants and candidates for leadership positions.

Also with respect to the composition of the Supervisory Board, no comprehensive diversity concept according to Section 289f (2) no. 6 HGB was developed in fiscal 2022/2023 to lay down the details regarding age, gender, educational or professional background and related targets.

To date, the Company has always given priority to the professional experience, capabilities and knowledge of the individual persons when appointing members to the Supervisory Board or filling other executive positions. Furthermore, Bertrandt AG's business model is founded, amongst other things, on reliable confidentiality regarding customers' development processes and innovation cycles, and on the reliable protection of their business secrets. Our customers' trust in these corporate processes is enhanced by the fact that no representatives of shareholders serve on the Supervisory Board who are at the same time customers of the Company.



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Other disclosures resulting from the recommendations of the German Corporate Governance Code:

An upper age limit has been set for members of the Management Board. The Human Resources Committee should not nominate any candidates for appointment to the Management Board who have reached the age of 64 when the nomination is made.

There is also an age limit for Supervisory Board members. Section 8 (1) of the Articles of Association stipulates: ‘The Supervisory Board comprises six members. Four of these are elected by the shareholders and must not have reached the age of 75 at the time of the election. Two members are elected based on the agreement pursuant to Section 22 of the German Act on Codetermination of Employees in Cross-Border Mergers (MgVG) of 9 May 2008 on employees’ representation on the Supervisory Board of Bertrandt Aktiengesellschaft.’

In its meeting of 20 September 2021 the Supervisory Board had already stated that Udo Bäder is independent from the Company in his capacity as chairman of the Audit Committee within the meaning of C.10 GCGC, and substantiated this statement as follows: ‘Udo Bäder withdrew as a partner of the Company’s auditor with effect from the end of 30 June 2018. The auditor responsible for the audits of the financial statements for the years ending 30 September 2020, 30 September 2019 and 30 September 2018 was Mr Jürgen Berghaus; the auditor’s reports supporting the audits were issued by Mr Jürgen Berghaus and Mr Denis Etzel on 25 November 2020, 27 November 2019 and 29 November 2018 respectively. The auditor responsible for the audit of the financial statements for the year ending 30 September 2017 was Ms Angelika Kraus; the auditor’s report was issued by Ms Angelika Kraus and Ms Dagmar Liphardt. The audit last conducted by Udo Bäder related to the financial statements for the year ending 30 September 2016; the auditor’s report was issued by Udo Bäder and Dagmar Liphardt on 29 November 2016. It is the subjective assessment of the shareholder representatives on the Supervisory Board that to the extent that Mr. Bäder performed any subsequent activities in his personal capacity as consultant for the Company, this does not give rise to any doubts regarding his independence, notwithstanding the fact that such activity may qualify as an indicator according to recommendation C.7 of the German Corporate Governance Code.’

There are no reasons to amend this statement, not even as a result of the resolutions of 17 May 2022.

Ehningen, 11 December 2023

The Supervisory Board

DIETMAR BICHLER
Chairman
PROF. DR.-ING. WILFRIED SIHN
Deputy Chairman

The Management Board

DR. ANDREAS FINK
Member of the
Management Board
MICHAEL LÜCKE
Member of the
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ISSUED SHARE CAPITAL

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DISCLOSURES ON ISSUED SHARE CAPITAL AND POSSIBLE TAKEOVER RESTRICTIONS (SECTION 315A GERMAN COMMERCIAL CODE)

The share capital is EUR 10,143,240.00 and is divided into 10,143,240 bearer shares. Each share has one vote. The Management Board is not aware of any restrictions concerning voting rights or the transfer of shares apart from Bertrandt's treasury shares and the shares issued under the employee share scheme, which are subject to a contractually defined lock-up period. The following shareholders hold more than 10% of the voting rights:

- Dr. Ing. h. c. F. Porsche Aktiengesellschaft, Stuttgart, Germany: 28.97% of voting rights as last reported on 15 June 2016
- Friedrich Boysen Holding GmbH, Altensteig, Germany: 14.90% of voting rights as last reported on 21 February 2011

Refer to Note [49] in the notes to the consolidated financial statements for further disclosure. The owners of shares do not have any special rights establishing a power of control. The appointment and removal of members of the Management Board is governed by Sections 84 and 85 of the German Stock Corporation Act (AktG) in conjunction with Article 6 of the Articles of Association. Pursuant to Section 179 AktG in conjunction with Article 18 (1) of the Articles of Association, any amendments to the Articles of Association require a resolution by the annual general meeting adopted by a simple majority. At the annual general meeting on 22 February 2023, the shareholders authorised the Management Board to buy back the Company's own shares up to a proportion of share capital equivalent to the amount of EUR 1,000,000.00 in the period until 31 January 2028. At the annual general meeting on 26 February 2021, the shareholders had also authorised the Management Board to increase the share capital of Bertrandt AG pursuant to the Articles of Association with the approval of the Supervisory Board by issuing, in the period leading to 31 January 2026, new bearer shares on a cash or non-cash basis (including in the form of so-called mixed non-cash contributions), either once or several times, however by a maximum amount of EUR 4,000,000.00 (Authorised Capital 2021). Bertrandt has entered into the following agreement of material significance which provides for the event of a change of control by the following provisions: The financing agreements with banks generally provide for an extraordinary right of termination of the lender. There are no agreements with either the members of the Management Board or employees on compensation payments in the event of a change of control.



Opportunities and risks report

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Bertrandt's accounting, internal audit and controlling functions maintain an internal control and risk management system. This chapter first describes the internal control system and the risk management system. Thereafter it sets out both the relevant risks and the opportunities that may influence Bertrandt's operating activities. The German Corporate Governance Code provides for disclosures on risk management and the internal control system that go beyond the statutory requirements for the management report and are therefore exempt from the audit of the management report by the auditor ('disclosures not required in a management report'). They are considered a topic to be covered by the corporate governance declaration. For an assessment of the adequacy and effectiveness of the risk management and internal control system, please refer to the comments in the corporate governance declaration.

DESCRIPTION OF THE PRINCIPAL CHARACTERISTICS OF THE INTERNAL CONTROL SYSTEM

The separate financial statements of Bertrandt AG and its subsidiaries are prepared according to the applicable law in the respective jurisdiction and are then reconciled to prepare the consolidated financial statements according to IFRS. The corporate policies contained in the accounting manual ensure consistent accounting and measurement. The material separate financial statements subject to audit were audited or subjected to an auditor's review. A clear delineation of areas of responsibility, the use of the four eyes principle, the use of numerous IT authorisation concepts, encrypted transmission of information and the performance of plausibility checks are also important control elements which are applied in the course of the preparation of the annual financial statements. Staff are continually advised and trained in all the relevant aspects and issues of accounting law.

DESCRIPTION OF THE PRINCIPAL CHARACTERISTICS OF THE RISK MANAGEMENT SYSTEM

Our risk management system seeks to identify risks as early as possible, as well as to minimise or completely avoid them. This is aimed at averting possible harm to the Company and any potential threat to it as a going concern. Bertrandt Group's four-tier internal control and risk management system identifies and documents risks to the Company's financial performance and continuing existence. The risk management system is applicable to all Bertrandt Group entities, both domestic and foreign. The Management Board, the Vice Presidents Operations, the Global Account Managers and the Vice Presidents Commercial of the respective divisions, units and/or subsidiaries work closely together with corporate functions such as Group Controlling in identifying risks and devising corrective actions. Both regular and ad-hoc risk reviews are carried out to assess all the identified risks that could affect our business performance with regard to amount of loss, probability of occurrence and importance. For this purpose, similar or identical risks affecting domestic and foreign operating units are aggregated to make their importance to the Group transparent. Depending on the results, appropriate corrective action plans are devised with top priority and compared with best practices, and the corresponding strategy is implemented without delay by the responsible management in cooperation with the required corporate functions.

The assessment and identification of risks per division or operating unit are based on the maximum amount of loss and the probability of occurrence. The amount of loss describes the impact on the EBIT of the respective subsidiary.

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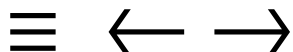
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Amount of loss is described by the following categories:

- Low is an amount of loss between EUR 0.050 and 0.250 million
- Medium is an amount of loss between EUR 0.250 and 0.500 million
- High is an amount of loss between EUR 0.500 and 1.500 million
- Very high is an amount of loss exceeding 1.500 million

Probability of occurrence is described by the following categories:

- Low is a probability of between 0 and 25%.
- Medium is a probability of between 25 and 50%.
- High is a probability of between 50 and 75%.
- Very high is a probability of between 75 and 100%.



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Risks are assessed on this basis in gross and net terms. The gross assessment assesses the risk event without accounting for the effects of corrective action that may already have been taken. The net assessment accounts for corrective action already taken and thus enables an appraisal of its effectiveness. Amount of loss multiplied by the probability of occurrence equals risk magnitude (gross and net). At Group level, the net risk magnitude is aggregated and the risk is assigned to one of the three categories A, B and C:

- A risk corresponds to a risk magnitude of \geq EUR 3 million.
- B risk corresponds to a risk magnitude of between EUR 1.5 to 3.0 million.
- C risk corresponds to a risk magnitude of $<$ EUR 1.5 million.

The identified risks are updated several times a year and an aggregated risk report is prepared to provide the Management Board with an overview of the exposure of the Group. New risks arising between regular updates are described in ad-hoc risk reports and submitted to the Management Board. Bertrandt's risk profile is updated constantly and shows the following potential individual risks. These identified risks are evaluated in order to determine whether they are essential risks. Apart from this, risks of lesser importance were checked for plausibility, but are not separately stated here because of their low probability of occurrence, expected amount of loss and lack of materiality (C risks). In the following text sections, the most significant individual risks are clustered and discussed in their respective aggregation.

FINANCIAL RISKS

As an engineering service provider operating on an international scale, the Bertrandt Group is exposed to a variety of financial risks. They include default risks on trade receivables, risks from interest rate and currency fluctuations as well as liquidity risks, which are centrally hedged by corporate Treasury. The risk of default is limited to the greatest possible extent by means of preventive credit rating checks and by concluding credit guarantee insurance. Product liability risks and risks of additional claims are, in addition, evaluated and hedged by Strategic Procurement. Based on a liquidity forecast covering a fixed period into the future and considering credit facilities available to the Bertrandt Group but not utilised as well as alternative financial instruments, we regard supply of liquidity as secured at all times. The Company uses derivative financial instruments as appropriate for managing individual fixed-interest periods and currency segments. The technical operability of the Powertrain Solution Centers, which has been delayed to date, is expected to be achieved based on a claim for completion of the facilities; the parties are negotiating with the aim of reaching an agreement on compensation. If commissioning is further delayed, Bertrandt will miss out on business and thus incur losses, and the amortisation period for this investment will be adversely affected. The compensation claim bears uncertainties, because it is based on estimated values. Depending on the outcome of the negotiations, this may lead to further expenses or income. It is difficult to estimate how long it would take to obtain legal certainty if this were required. In view of these circumstances, and given that macroeconomic risks continue to exist, potentially resulting in financial risks, all these risks continue to be considered category A risks with a medium probability of occurrence. Possible product liability risks are covered by corresponding insurance. Additional claims by customers are checked by stringent project management. The product liability/additional claims risk continues to be classified as a B risk with a medium probability of occurrence.



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CHANGE IN OEMS' OUTSOURCING STRATEGIES, NEW TECHNOLOGIES, PROJECT POSTPONEMENTS OR DISCONTINUATIONS AS WELL AS LARGE-SCALE PROJECTS

In recent years, the automotive industry has intensified the external sourcing of engineering services in response to the rising number of different drive technologies, increasing diversity of e-powered models and ever shorter model lifecycles. However, it is conceivable that OEMs will insource engineering services again in some areas. In addition, temporary reallocations of research and development budgets may lead to project postponements or discontinuations also due to more general cost constraints. This would result in a reduction of Bertrandt's current and future business volume, which may adversely affect our revenue and earnings situation. Owing to technological challenges, limited resources, a strong focus on costs and stable external sourcing strategies on the part of our customers, the risk arising from a change in their external sourcing strategies continues to be considered a category B risk, in conjunction with a medium probability of occurrence.

The transformation of the automotive industry in general and in the field of e-mobility in particular has become the new normal for the industry. Medium-term model roadmaps may now frequently be reviewed for this aspect and possibly adapted, the result of which could be a reduction in the variety of models, in particular with respect to combustion-engined passenger cars, whereas the range of e-powered models will probably see a marked increase. Development tasks within Bertrandt's existing range may therefore shrink or disappear completely. This may also occur as a consequence of short-term regulatory changes which may have an impact on the planned capacity utilisation of our machinery or test centres, for example. In such a case, the medium to long-term capital expenditure budget would deviate from the actual development with potential effects on the assessment of the impairment of such investments. The technology change also offers additional opportunities and possibilities to tap into new markets, but it may involve the need for additional capital expenditure. In addition, new competitive situations may arise. Bertrandt continues to consider this risk a category B risk with a medium probability of occurrence.

Geopolitical tensions can be a major burden for businesses and the entire economy. In addition, manufacturers are still affected by supply chain risks with a corresponding impact on production chains. This may affect customers' revenues and may influence the awarding of development budgets. This exposes Bertrandt to an existing risk associated with stops or postponements of projects. Correspondingly, the risk is rated lower overall, but is still considered a category A risk – now with a high probability of occurrence.

Customer expectations regarding the scope of project responsibility and duration are rising constantly. For this purpose, we must ensure the necessary capacities are available in the long term and be prepared to provide additional ones as needed. Due to a shortage of suitable applicants on the market, this may result in increased risks. The risk can be countered by appropriate project management and by an increased use of external service providers. Increased risks may arise in the area of antitrust law when working on projects for cooperating customers. In view of this increased risk, Bertrandt now considers this a category A risk, albeit with a low probability of occurrence (previously: category B risk with high probability of occurrence).



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PRICING

Traditionally, the automotive industry is characterised by a high level of cost sensitivity while efficient processes structures are taken for granted. Moreover, changes in the law have made matters considerably more complex in the field of contracts for work. Customers are requiring increasing scopes of engineering services to be sourced in low-wage countries. Forecast adjustments and cost-saving programmes of some OEMs may lead to pressure on prices and more restrictive external sourcing behaviour. We are responding to these challenges by optimising our cost structure, working to high levels of quality and, depending on the project in question, diversifying our locations outside Germany. Prices will therefore continue to be subject to competitive pressures. There is an increased risk that the rise in inflation will be followed by cost increases, in particular, but not limited to, in the fields of personnel and energy. Therefore, Bertrandt rates this risk lower, but still as an A risk, in conjunction with a high probability of occurrence. New strategies must be devised to counteract the pressure on prices. Joint ventures or maintaining our own subsidiaries abroad are activities which are increasing in importance. This requires the identification of new target markets and, furthermore, the acquisition of suitable resources at attractive costs.

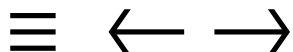
IMPLEMENTATION OF NEW PROCESSES

The ongoing alignment with the technical demands of customers is an integral part of the business model of an engineering provider such as Bertrandt. This results in the continuous implementation of new processes, software tools and systems. Flawless introduction in each case is necessary in order to maintain the obligatory certifications. Moreover, flawed implementation of new processes may result in effectiveness and efficiency losses, and increased costs. The risk associated with the implementation of new processes continues to be classified as a B risk with a medium probability of occurrence. In order to address this risk, Bertrandt installed a comprehensive management system which is applicable throughout the Group and which regularly measures and evaluates non-financial performance indicators. With this management system, Bertrandt meets requirements of customers, partners, authorities

and the legislator, as well as other stakeholders. The management system supports Bertrandt's employees' endeavours to work effectively and without making mistakes, to identify potential for optimisation and to actively contribute to the continued development of processes.

The management system is reviewed on an annual basis by external accredited bodies. Reviews are based on the requirements of the following standards:

-
- DIN EN ISO 9001 Quality Management
-
- DIN EN ISO 14001 Environmental Management
-
- DIN ISO/IEC 27001 Information security in conjunction with the TISAX industry standard / prototype protection as specified by the German Association of the Automotive Industry (VDA)
-
- DIN ISO 45001 Occupational health and safety management in conjunction with the 'AMS' safety and health system as specified by the administrative employers' liability insurance VBG
-
- DIN EN ISO/IEC 17025 for accredited test laboratories
-
- EN 9100 Quality management requirements relating to design, development and software development services for the aviation industry
-
- DIN EN ISO 13485 Quality management requirements relating to design and verification services for the manufacture of medical devices and the development of medical device software
-
- Energy audit pursuant to the German Energy Services Act (Gesetz über Energiedienstleistungen und andere Energieeffizienzmaßnahmen, EDL-G)
-



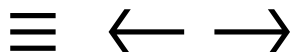
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Business processes are assessed using the internal management system; to this end, the processes in the operating units and corporate functions at the Group's branches are aggregated. The aggregated assessment represents the status of the business processes in a total of five assessment areas, which are derived from the high level structure of the management system standards:

- I. **Performance of the management system** (for example: target process of the management system and its accomplishment, outcomes of external audits and reviews, controlling of resources)
- II. **Service delivery** (for example: feedback from customers, complaint management, supplier relationships, project management)
- III. **Continuous improvement** (for example: status of actions for sustainable correction of defects, for the prevention of potential future defects and for the response to predictable changes, for efficiency increase and innovation management)
- IV. **Risk management** (for example: status of and dealing with process, security and environmental risks, particularly their prevention and avoidance, corporate security as well as occupational health and safety)
- V. **Personnel and human resources** (for example: employee focus, fluctuation, occupational health management)

Business processes are assessed along a 100 point scale with the values associated with the following findings:

< 50	The analysed business process showed deviations from target. The cause for the deviation must be determined and sustainable corrective action must be initiated. Effectiveness must be ensured.
50–75	The analysed business process is stable and controlled. However, changes and potential deviations are to be expected. Preventive action must be initiated. Effectiveness must be ensured.
> 75	The analysed business process is stable and controlled, sustainability and effectiveness are ensured. Activities are focused on maintaining the process as is or on increasing efficiency and performance.



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The assessment procedure carried out to evaluate the business processes of the Bertrandt Group showed the following outcome for our non-financial performance indicators in fiscal year 2022/2023:

Assessment areas	Points
I. Performance of management system	90 (previous year 85)
II. Service delivery	85 (previous year 86)
III. Continuous improvement	81 (previous year 98)
IV. Risk management	92 (previous year 92)
V. Personnel and human resources	91 (previous year 91)

The results can be regarded as indicators of the stability and sustainability of the business processes under our integrated management system. As in the previous year, the results for all assessment areas clearly exceed 75 points, the threshold which characterises the business processes as stable and controlled.

PERFORMANCE OF THE MANAGEMENT SYSTEM

In the ‘Performance of the management system’ assessment area, some of the measures initiated already in the previous year show a positive effect: thanks to its regularity and the follow-up of the measures introduced, the environment and stakeholder analysis leads to better transparency of opportunities and risks, both internal and external to the Company. The plan for the new financial year is to expand the process to include a comprehensive ESG materiality analysis. Another example of the increased performance of the management system is the advanced professionalisation of the internal audit system. In this area, too, the course was essentially already set in previous years so that the focus in the 2022/2023 fiscal year could be placed on increasing effectiveness and efficiency through standardised processes and procedures backed by metrics as well as through optimising the tools used. The rating has improved from 85 points in the previous year to 90 points. As a result, Bertrandt’s management system can be considered to be

stable and controlled. No extraordinary activities or measures are therefore required.

SERVICE DELIVERY

In the area of service-delivery, the customer-centric alignment of our sales organisation has shown a positive effect. In addition, complaints management has been established and is being successfully implemented. During the period under review, the adapted process was included in the BMM management manual and disseminated within the Company. The systems provide data and evaluations that can now be used to identify and eliminate the causes of defects even more accurately. Future activities will focus on further establishing the adapted process at all Bertrandt locations and in all business units. The key topics already initiated in fiscal 2022/2023 and to be optimised in the coming years are the ‘Development of a comprehensive systems engineering process environment’ and the comprehensive ‘Integration and connection of acquired or foreign businesses’. The internationalisation and, increasingly, also the inorganic growth of our business open up new opportunities for customer development and business success. But this also poses challenges as all units need to be connected to the standardised system and process environment. Moreover, they require further ensuring our high quality, ESG and sustainability standards are met. The introduction of a revised BMM 3.0 management manual with updated software and content planned for the 2023/2024 fiscal year will make another important contribution to efficient and effective digitalisation, along with many other initiatives and measures. At 85 points, the value achieved in this assessment area remains at the high level of the previous year (86 points).

CONTINUOUS IMPROVEMENT

One focus in the area of ‘Continuous improvement’ was again the implementation of the exacting ESG requirements. Bertrandt has set itself ambitious aims: to become CO₂-neutral by 2039 and to bring down CO₂ emissions by 15% by 2030. These aims continued to be firmly anchored in our company and supported by specific actions in the year under review. The interdisciplinary sustainability project team set up in the previous year met regularly to coordinate all our activities in this area. Further plans include better



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system support for recording and evaluating sustainability indicators. The inclusion of the innovation management process in the management manual should be mentioned as an associated measure implemented in this area of assessment. To obtain further meaningful information in this field in the future, process performance indicators are to be defined and regularly collected and evaluated. In fiscal 2021/2022, no ex-post analyses under investment controlling were due. Thus a material key figure for determining the value for assessment area III was missing and, consequently, the result was unusually high at 98 points. An ex-post investment analysis is now available again for the 2022/2023 fiscal year, meaning that the valuation in the period under review is back at the normal level of the previous years at 81 points.

RISK MANAGEMENT

In the 'Risk management' assessment area, risks and opportunities continue to be identified in good time, and we implement the required actions or devise measures that we expect will be successful. This is due to the firmly established, stable risk management process in conjunction with opportunity and risk assessments at various levels. Besides the regular environment and stakeholder analyses already referred to and the professional internal audit system, the committee and meeting landscape at Bertrandt also helps to ensure that targeted measures are introduced at an early stage. For instance, the newly established management meetings focus on the respective legal entity, whereas the process steering committee, whose composition has been adapted to the changes in the corporate organisation, focuses on the Group as a whole. The assessment area is stable at 92 points (previous year 92 points).

PERSONNEL AND HUMAN RESOURCES

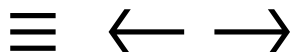
At Bertrandt, remote working continues to be integral to the way we work insofar as the nature of one's job permits this. Remote working meets the needs of employees, for example for a better work-life balance or reduced time needed to commute. Bertrandt also contributes to the health of its employees with an attractive and dynamic health management system. Following the difficulties during the pandemic, the Company's occupational health

management system was able to resume normal operations in the 2022/2023 financial year. The offering was updated to meet the new requirements and circumstances of the working world and included – in addition to the established on-site health days – a digital health week, seminars on work-life balance, stress management, mental stress and resilience, as well as offers on motivation and appreciation in remote and hybrid work situations. The offers were well received and will be continued in the future in a target-group oriented manner where they are needed. This assessment area attained 91 points and is stable at a high level (previous year 91 points).

Overall, Bertrandt considers the risk that the non-financial performance indicators fall below 75 points a category B risk with a low probability of occurrence.

IT SECURITY

As an engineering services provider, Bertrandt is highly reliant on well-functioning and secure data processing by, for example, access control systems, databases, ERP systems, cloud technologies, data connections. Therefore the risk of system and network failures is of increasing significance. When business processes are subject to constant change, solutions must still be found despite high cost pressure while the demands placed on Bertrandt are increasing due to growing digitalisation, remote working and heightened security requirements. The challenge is to optimise overall IT costs and, at the same time, enhance functionality and security. For a few years now, IT Security Circles have been established throughout the Group that define and monitor uniform security standards. Since 2006, several of our locations have been certified to ISO 27001 and have implemented internal IT security procedures according to uniform specifications that exceed the standard and that are coordinated continuously with our customers. Bertrandt is continuously applying several different solutions for identifying vulnerabilities, such as the latest firewalls, intrusion detection systems or so-called content scanners. Against the backdrop of increasing international cyber attacks and criminal activities, there is a risk of unauthorised access to company networks along the entire supply chain. In order to enhance security even more, additional actions have also been taken such as multi-factor authentication or strong cryptography for transmissions from and to customers,



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and for the exchange of data. In addition, Bertrandt created the position of a Chief Information Security Officer (CISO) as early as in the fiscal year 2015/2016. Aggregated to the Group as a whole and in view of the comprehensive preventive measures taken, this risk continues to be considered a category A risk with a low probability of occurrence.

HUMAN RESOURCES

Inadequate availability as well as fluctuation of qualified staff could have an inhibiting effect on the business performance. This category therefore includes the shortage of qualified personnel and the risk arising from this situation. Recruitment of qualified staff as well as ongoing professional development for employees ensures that the Company has the necessary skills and is able to grow. Bertrandt consistently aims to offer its workforce attractive working conditions with interesting, varied and challenging activities. Still, it can never be ruled out that our staff leave Bertrandt, for example to join our customers, since they are able to offer attractive career prospects as well. The risk of inadequate availability of personnel has increased overall in view of the current situation in the automotive industry and is therefore considered a category B risk with a high probability of occurrence. The risk of fluctuation continues to be of high significance and is correspondingly still considered a category A risk in conjunction with a high probability of occurrence.

CORPORATE SECURITY

The Corporate security risk continues to be categorised as a category B risk with a medium probability of occurrence. In order to meet corporate requirements, the security risk management is structured along the lines of ISO 31000. Guided by past experience, the present state but also future trends, risks are categorised based on areas of crime and combined to build a single score. The score is an aggregated number which expresses the average risk of security incidents attributable to defined areas of crime in the corporate security risk category.

Overall, corporate security means taking strategic and operational precautions and measures to protect the Company's assets which are required to secure its continuing existence. Incidents in the context of corporate security could adversely affect Bertrandt's operating activities. This category therefore covers, among others, crimes/incidents from the area of violent crime, non-violent and organised crime, industrial and economic espionage, sabotage, extremism, and threats originating from our own organisation. The aim of risk management in this area is to protect our employees and assets, but also the protection of the Company's own information and reputation and the safeguarding of its capabilities and processes.

OVERALL RISK

The early warning system described enables management to detect existing risks at an early stage and to initiate corrective action. As every year, the system of early risk detection and monitoring was subjected to a compulsory review as part of the audit of this year's annual financial statements. In conclusion, the risk analysis based on the information currently at hand produces following picture: The A risks range between EUR 3.6 million and EUR 10.4 million. The maximum risk magnitude after corrective actions declined in comparison with the previous year. However, there continues to be no evidence of any risks which, in isolation or in conjunction with other risks, bear any going-concern risks or hazards with a loss or hazard potential for the Company's net assets, results of operations or financial position. According to the risk management, there are no reportable non-financial risks under the German Commercial



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Code (HGB) for fiscal year 2022/2023. No relevant connections with reportable amounts in the consolidated financial statements were identified.

OPPORTUNITIES

Bertrandt is a technology company which provides skilled support as a partner to its customers. The Company's objective is to manage its business sustainably, to position itself successfully on the market and to further build a leading position with a broad and integrated range of services. The most important drivers of the Bertrandt business model are the following three trends: growing model diversity, technology progress and the external sourcing of engineering services. In the following we describe the possible development of these three influencing factors from the point of view of Bertrandt AG and the opportunities that they offer to the Group.

The 'probability of occurrence' categories for these trends are as follows:

- Low is a probability of between 0 and 25%.
- Medium is a probability of between 25 and 50%.
- High is a probability of between 50 and 75%.
- Very high is a probability of between 75 and 100%.

With regard to the possible financial impacts of the opportunities, Bertrandt applies the following categories:

- Insignificant corresponds to a positive influence on total revenues of up to 2%.
- Moderate corresponds to a positive influence on total revenues of 2 to 5%.
- Significant corresponds to a positive influence on total revenues of more than 5%.

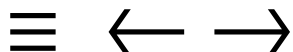
DIVERSITY OF MODELS

The strategic transformation in the field of drive technologies continues unabated. According to the German Association of the Automotive Industry (VDA), OEMs and automotive suppliers are revising their medium-term model roadmaps with the intention of increasing the number of different drive systems, in particular electric drive systems and including battery technology, pushing ahead with autonomous driving and digitalisation. A study by Deloitte also confirms this notion. Electric mobility is arriving more and more on the mass market, and the variety of electric models is also increasing. The adaption of different drive and transmission variants offers business opportunities to engineering service providers in addition to vehicle development in its own right, according to a study conducted by experts at Berylls. A large number of international OEMs have announced plans for the future electrification of their respective car fleets. At the IAA Mobility trade show in September 2023, a large number of manufacturers presented their respective model outlooks or new technologies. Bertrandt assesses the probability of occurrence for this scenario to be high in conjunction with a significant influence on total revenues. Our assessment of this has not changed compared to the previous year.

TECHNOLOGY PROGRESS

The global advance of electromobility is unabated as is reflected in the number of new passenger car registrations of the years 2022 and 2023. One in six passenger cars sold globally now has an electrified drive. The shift from the internal combustion engine to the electric motor, which is necessary in view of the EU's climate change mitigation targets, is thus in full swing.

According to the VDA, the smart connectivity of vehicles and digitalisation in and around the car will additionally revolutionise the transport sector in the future. All the technical innovations on which the German automotive industry is working vigorously will achieve further advances in vehicle safety, environmental friendliness and comfort.



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Moreover the VDA notes that German manufacturers and suppliers aim to make travelling by road even safer in the future. The German automotive industry intends to achieve this by means of the 'Vision Zero' EU project in the context of which it intensifies its research and development of technology innovations for safe road transport. It is the goal of the project to reduce the number of traffic fatalities or severe injuries to zero. There is still a long way to go towards achieving an accident-free future, given that nine out of ten accidents are caused by human error. Nevertheless, industry players are working to achieve this goal by developing and improving automated cars.

According to the VDA, information and communication systems in vehicles, digitalisation and connectivity between vehicles are key issues for the future of the automotive industry. The Association expects car IT to be the essential feature and basis of future vehicle generations. Vehicle manufacturers and vehicles are destined to become service providers for connected mobility. The new mobility will recognise drivers' needs and provide necessary driver assistance.

In the heavy-duty truck segment, it appears that these vehicles in Germany and Europe will become emission-free earlier than previously expected, and that neither overall costs nor operating requirements should be an obstacle to the market ramp-up. These are findings of a study by the Netherlands Organisation for Applied Scientific Research (TNO). According to the study, battery-electric trucks will already be more economical than Diesel trucks in 99.6% of all use cases by 2030 based on a total cost calculation, while meeting the same requirements regarding range, service life and payload.

The aerospace industry in Germany is also making significant progress, especially on the road to climate-neutral flying. According to the German Aerospace Industries Association's (BDLI) Vice President for Aviation, Germany and Europe are at the forefront of this technology and Europe is to become the hub of climate-neutral flying. The industry is currently preparing the ground for the use of so-called 'Sustainable Aviation Fuels' (SAF). While more than 400,000 flights worldwide have been operated with up to 50% SAF fuelling, certification for 100% SAF use was launched in 2021.

Thanks to these technological breakthroughs and pending certifications, aircraft will be able to fly entirely on sustainable fuel in a few years, according to the BDLI.

Increasing digitalisation of processes is a major influence in the other key industries in which Bertrandt operates apart from the automotive and aerospace sectors. Establishing intelligent, digitally networked systems is the basis for implementing more efficient value chains – from the idea for a product through to its development, production, use, maintenance and, finally, recycling. Industry 4.0 offers huge opportunities for Germany as a leading international industry supplier.

Despite a challenging environment, the probability of occurrence of an increasing level of technology expectations in the Bertrandt Group's target industries is, according to our present knowledge, rated as high, with a significant influence on total revenues. This assessment has not changed since last year.

COMPETITION

There is fierce international competition in the automotive industry. Among other things, the OEMs are trying to increase buyer interest with product innovations in order to gain market share in the global automotive market. According to a German premium manufacturer, the aim of every innovation concept is to bring an improved and future-proof product to series production readiness. According to an analysis by the Center of Automotive Management (CAM) from September 2023, Chinese car manufacturers showed greater innovative strength than German OEMs for the first time in 2022. As premium manufacturers in particular are most likely going to try to stand out through product innovations, we currently assess the probability of occurrence of our customers' general willingness to continue to innovate as high, resulting in research and development investments with a significant influence on the Bertrandt Group's total revenues.



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EXTERNAL SOURCING OF ENGINEERING SERVICES

According to the expectations of the German Association of the Automotive Industry (VDA), an upward-pointing trend in the external sourcing of engineering services can be discerned for the long-term. We believe that the reason for this is that our customers seek to optimise costs and to ensure sufficient availability of engineering resources. Business opportunities for engineering service providers seem to emerge especially in vehicle series development and in the context of developing new technologies such as autonomous driving and software for use in vehicles. It will be necessary for engineering service providers to envisage new forms of cooperation and to upgrade their capabilities in order to meet increasing requirements of customers. Based on our current state of knowledge, we assess the probability of occurrence of a basically upward trend in the external sourcing of engineering services in the core industry of the Bertrandt Group to be high in conjunction with a significant influence on total revenues. This assessment has not changed since the last fiscal year.

INORGANIC GROWTH

It is part of Bertrandt's corporate strategy to strengthen its position also by means of inorganic growth. An essential prerequisite for any company acquisition is a careful analysis of a potential takeover target as part of a commercial and technical due diligence and after assessing the cultural and strategic fit. This is intended to minimise the risks of an acquisition and maximise business opportunities at the same time. The aims of an acquisition could be to vertically expand our technical service portfolio, achieve regional diversification, improve our international service delivery or deepen or broaden our customer relationships.

OVERALL OPPORTUNITIES

Apart from macro and geopolitical risks and the further course of inflation and energy prices, the main factors influencing Bertrandt's business model remain intact from the point of view of the Company and continue to offer potentials for a successful business performance. External experts also deem it probable that there will be a further increase in model diversity of electrified vehicles, that technological progress will continue and that external sourcing of engineering services will remain stable. In the light of the current geopolitical situation, any predictions for fiscal 2023/2024 are fraught with a high degree of uncertainty. In conclusion, our analysis of opportunities, which is based on the external studies currently at hand and on specific interviews that we conducted with customers, produces a picture that is basically intact and promising for our future business performance.

CONCLUSION

The current outlook for the next fiscal year reflects developments in the sectors that are important for Bertrandt. Their ultimate outcomes cannot be wholly judged at present. Depending on the turn the influencing factors described here take, they may result in opportunities or risks for the Bertrandt Group in the next fiscal year. As long as the described risks do not materialise and the opportunities are still intact, Bertrandt expects to develop positively in the coming fiscal year.



Forecast

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ECONOMIC ENVIRONMENT

The 2023 Autumn Report of the Joint Economic Forecast Project Group of Germany's leading economic research institutes finds that the global economy has recently lost momentum after a strong start to the year. In Europe in particular, weak industrial production is holding back the economy. The global economy is only slowly recovering from the effects of the pandemic, geopolitical disputes and high inflation. At the same time, the monetary policy measures taken to combat inflation are having an effect as the higher interest rates slow economic growth. However, the International Monetary Fund also notes in its World Economic Outlook of October 2023 that the global economy is proving to be remarkably resilient despite persistent challenges. The IMF also finds that high inflation appears to have been brought under control. However, the IMF also notes that there are no signs that growth is returning to its pre-pandemic path. Therefore, after the increase by 3.5% in 2022 global economic growth is projected to fall to 3.0% in 2023 and 2.9% in 2024.

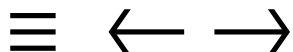
Overall, the IMF revised its previous projections of global growth downward by only 0.1%. However, there are noticeable adjustments across the regions. The outlook for the USA in particular is more optimistic than previously (1%) with expected GDP growth of 1.5% in 2024 as private consumption – thanks to a stable labour market – as well as corporate investment and fiscal policy measures are supporting growth. The IMF forecasts economic growth in China of 4.2% in 2024 (previously: 4.5%) as the property sector crisis is expected to hamper growth. Growth in the euro area is projected to accelerate in 2024 from 0.7% (2023) to 1.2%, as Germany, among others, returns to a growth path with GDP of 0.9% in the coming year. However, projections for both the euro area and Germany have recently fallen short of the IMF's previous expectations.

The IMF sees China's property sector as the most significant global risk factor, as a fall in prices would have a negative impact on bank balance sheets, households and local government finances. In addition, strongly fluctuating commodity prices together with falling but still high general inflation rates are major risk factors for the global economy. The IMF also sees a risk in high levels of public debt combined with rising interest rates, as countries increasingly lack the financial resources for fiscal policy measures.

SITUATION IN THE INDUSTRY

Compared with the economic forecasts, expectations for research and development programmes in the industries relevant to Bertrandt are positive.

We believe that the trend towards increasing global automotive research and development (R&D) budgets predicted for 2021 by management consultants Berylls has become a reality. Berylls anticipates global research and development expenditure in the automotive market of EUR 183.7 billion in 2025 (2020: EUR 156.7 billion). This would correspond to average annual growth of 3.2% (CAGR 2020–2025). According to analysts at Warburg Research, German car manufacturers are also investing large sums in research and development. After spending a cumulative EUR 27.4 billion on innovation in 2020, these manufacturers are expected to spend EUR 39.9 billion by 2025, which corresponds to average annual growth of 7.8%. The VDA expects global research and development investment for the entire German automotive industry to total EUR 250 billion in the years 2023 to 2027, equal to an annual volume of more than EUR 60 billion. We believe therefore that the key megatrends underlying Bertrandt's business success remain intact: environmentally-friendly individual mobility, digitalisation, connected and automated driving as well as a greater variety of models and variants of electrified vehicles. According to the German Association of the Automotive Industry (VDA), the EU's Green



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Deal and its initial application to the transport sector in particular, such as the agreement on climate-neutral new cars from 2035, mean that the focus will be put squarely on electromobility. Advantage will have to be taken of all the available drive options in order to master this challenge. This includes, for example, using other alternative drive options, such as e-fuels, hydrogen or regenerative fuels.

The aerospace industry is also investing in research and development to develop solutions for climate-neutral flying. According to the German Aerospace Industries Association (BDLI), aircraft emissions and noise pollution have already been reduced by 75–80% per passenger kilometre in recent years. However, the goal is to ensure that growth in international air transport will be climate-neutral in the future. Work on achieving this target is precisely the reason why 90% of research and development spending has for some time now been invested in reducing emissions. In the autumn of 2020, one large European aircraft manufacturer revealed for the first time its concepts for zero-emission commercial aircraft from 2035 onwards. Hydrogen plays a key role as an energy source, as do Sustainable Aviation Fuels (SAF). In the non-civil segment of the European aerospace industry, the BDLI expects the 'Future Combat Air System' (FCAS) to generate substantial research and development momentum in the fields of autonomous flight, European cloud solutions, quantum technology and artificial intelligence or innovative aircraft engines.

The German Engineering Federation (VDMA) expects production to drop by 2% in real terms in 2023 as a whole due to a dampened investment mood among customers. As new orders have fallen sharply recently, the forecast for 2024 also assumes a 2% real decline in output. According to the VDMA, investment in machinery and equipment is suffering as a result of the war in Ukraine, high inflation rates, ongoing geopolitical tensions between the USA and China, and a heated debate about local competitive conditions. The VDMA notes a positive easing off in material shortages and an increase in the workforce of half of all association member companies.

In the electrical and electronics industry, experts from the German Electrical and Electronic Manufacturers' Association (ZVEI) report expected growth of 9% for 2023. The ZVEI forecasts a significant slowdown in growth for the German market to 1% in 2024. According to ZVEI estimates, the European market for goods in the electrical and digital industry is expected to grow by around 9% in 2023, while growth in 2024 is likely to be just 3%.

According to the German industry association SPECTARIS, manufacturers in the medical technology sector are cautiously optimistic about prospects for the next few years. Although sales revenues increased in this industry in 2022, the earnings situation deteriorated due to higher costs. In 2023, the association expects to see at least a nominal increase. According to SPECTARIS, businesses are coming under pressure and will continue to be affected in the long term by the impact of gas shortages, supply chain disruptions and rising personnel, material, energy and logistics costs. Moreover, some sectors within the association are facing enormous challenges. For example, the stricter approval requirements and increased bureaucracy generated by the new EU Medical Devices Regulation is pushing many, especially smaller, medical technology manufacturers to the limit and is massively damaging the innovative strength of the industry.



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POTENTIALS

As a solution-orientated engineering partner, the Bertrandt Group focuses on market and customer requirements. Investments in vocational and further training as well as infrastructure are made in line with the transformation of our customer industries and according to their requirements. Bertrandt provides skilled support as a partner to its customers. The Company's objective is to position itself successfully on the market and to further build a leading position with a broad and integrated range of services.

Bertrandt regards itself as an engineering partner for all-in development solutions and as an innovation partner for key disciplines such as electronics and software. We deliberately serve a rather diverse customer base. We assume the role of expert consultant in all customer industries while embracing the development of technological future trends with a can-do attitude. We believe the market offers potentials in a variety of fields as a result of the increasingly demanding mobility needs of consumers, ever more stringent legislation and a growing diversity of variants and models with alternative drives.

There are also promising opportunities for the Company to establish a market position and to bring its expertise to bear in sectors beyond the mobility industries, such as in the energy and electrical engineering and medical technology industries as well as the machinery and plant engineering industries. Our corporate strategy is to make all our services available to all customers. This underlines our claim to be an international technology company with a clear focus on specific competences. Bertrandt remains as committed as ever to agile and competent units and is focusing on industries and customers in the fields of medical technology, virtual and augmented reality, cloud solutions, machine learning and big data. Our organisational structure and international positioning also enable us to achieve maximum customer penetration. Bertrandt is therefore confident that there is potential for the Company to continue to secure and enhance its market position as an engineering service provider and technology partner in the years to come. Well-targeted investment enables Bertrandt to optimise its range of services on an ongoing basis. The key factors for success are: maximum possible customer focus, committed employees and efficient cost and capacity management.

In addition, we are already using artificial intelligence (AI) to accelerate, digitise or even enable development. This includes, for example, analysing and evaluating large volumes of data from our virtual and physical tests. At the same time, there are still limits to AI, as the development steps of a project must also be transparent and verifiable, and the final product or technology must pass certification. Furthermore, how data is used and safeguarded when using AI is not yet fully understood. However, we do expect that in the future there will be an increase in the use of the potential of AI in research and development, with the potential to optimise and speed up our processes.

GENERAL STATEMENT ON THE EXPECTED DEVELOPMENT

As described in the previous sections of the Management Report, the economic and industry-specific conditions for business development in the year under review 2023/2024 are associated with opportunities and risks. External factors such as geopolitical tensions or their impact on raw materials or energy prices, for example, are outside the management's sphere of influence. The megatrends digitalisation and automated, connected and environmentally friendly mobility all represent opportunities for engineering service providers. The legal requirements for reductions in emissions, in particular, require large-scale investment in research and development.



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Provided that the economic and geopolitical environment does not deteriorate, our customers continue to invest in research and development for new technologies, engineering services continue to be outsourced to service providers, regulatory requirements do not lead to a change in customer behaviour and qualified employees can be recruited, Bertrandt expects the following development in the fiscal year 2023/2024:

- growth in total revenues of EUR 70 million to EUR 110 million
- an EBIT margin (EBIT as a percentage of total revenues) of between 5% and 7%
- capital expenditures of between EUR 25 million and EUR 40 million

The Management Board

DR. ANDREAS FINK
Member of the
Management Board
Engineering

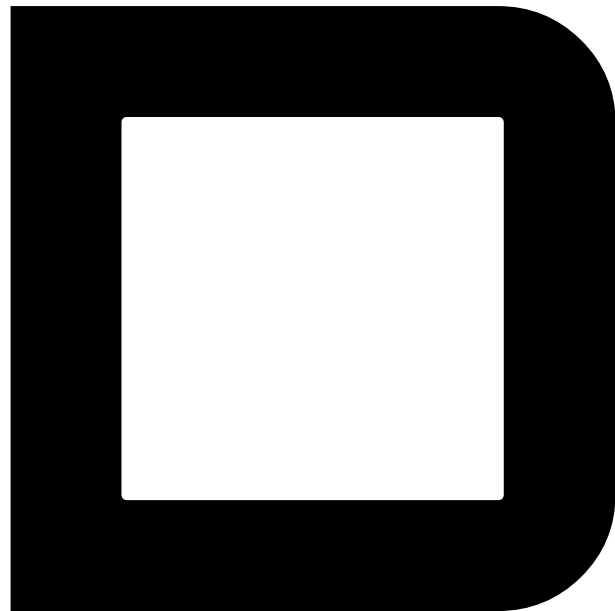
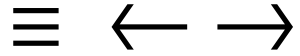
MICHAEL LÜCKE
Member of the
Management Board
Sales

MARKUS RUF
Member of the
Management Board
Finance

- positive cash flow from operating activities; the actual magnitude will ultimately be a result of the growth of total revenues, depending on the funds tied up in net current assets.

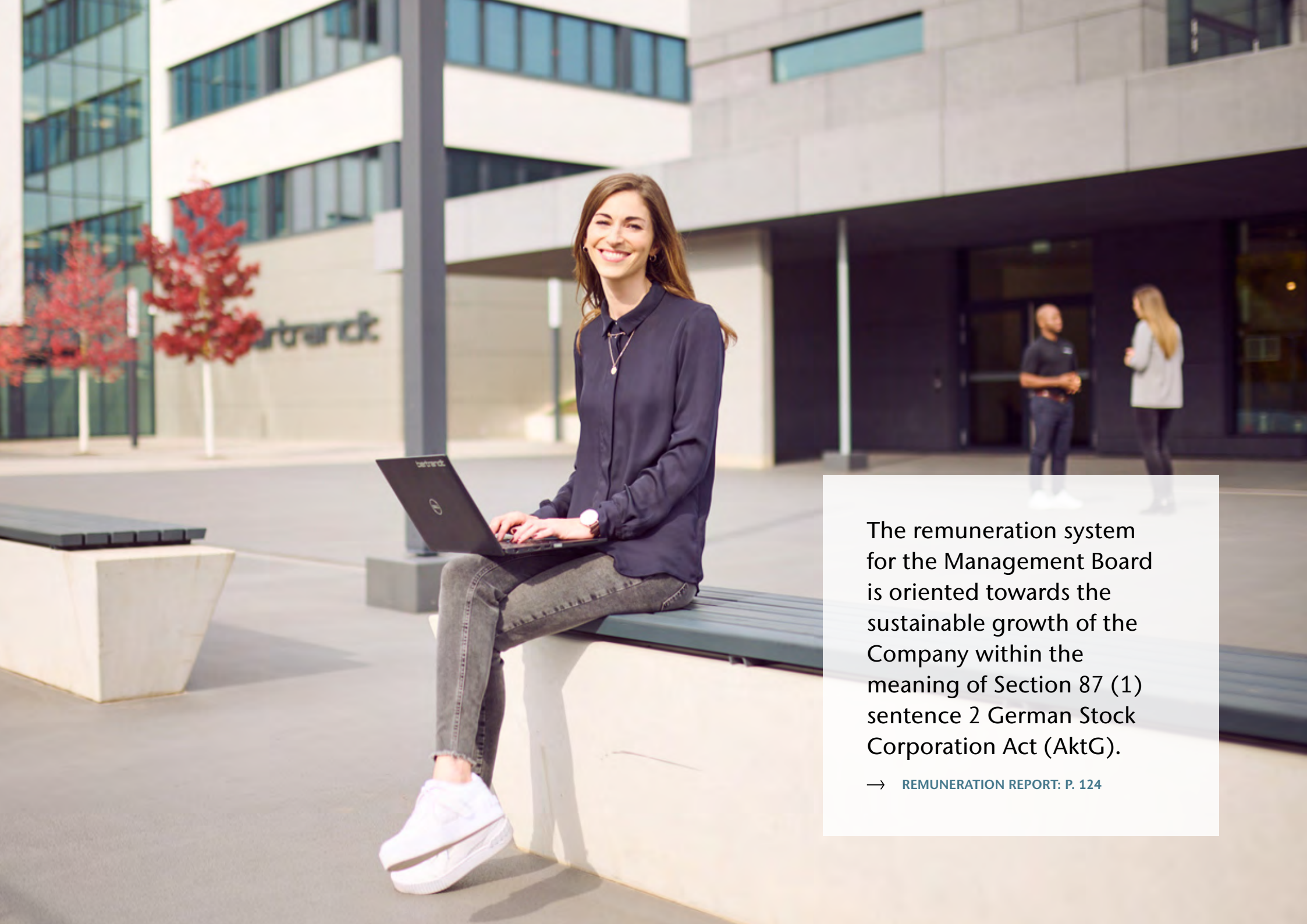
The Management has grounds for optimism that in the segments Digital Engineering, Physical Engineering and Electrical Systems/Electronics total revenues and EBIT will develop positively in fiscal 2023/2024 based on and in relation to the Group's forecast. With respect to non-financial performance indicators, it is our objective to maintain the high level of the previous year.

Ehningen, 11 December 2023



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The remuneration system for the Management Board is oriented towards the sustainable growth of the Company within the meaning of Section 87 (1) sentence 2 German Stock Corporation Act (AktG).

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Introduction

ABOUT THIS REPORT

This report explains the remuneration system for members of the Management Board of Bertrandt Aktiengesellschaft ('Bertrandt') and the remuneration paid to members of the Supervisory Board in accordance with the Articles of Association. The remuneration report is based on the requirements of the German Commercial Code (HGB) and primarily on the requirements of the German Stock Corporation Act (AktG) and contains, among others, the disclosures required by Section 162 AktG. Unless stated otherwise, all disclosures are shown in millions of euros (EUR million). Where percentages and figures are subject to rounding, rounding differences may occur.

Management Board remuneration

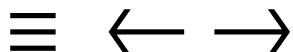
SYSTEM FOR THE REMUNERATION OF THE MANAGEMENT BOARD

On 26 February 2021 the annual general meeting approved the remuneration system adopted by the Supervisory Board on 7 December 2020. The remuneration system can be accessed at <https://www.bertrandt.com/en/company/investor-relations/corporate-governance>

Bertrandt Aktiengesellschaft is the parent company within the Bertrandt Group, which maintains domestic and foreign independent legal entities or permanent establishments. Bertrandt is an innovative engineering services provider and offers skilled support as a partner to its customers. The Company's objective is to manage its business sustainably, to position itself successfully on the market

and to further build a leading position with a broad and integrated range of services. In all its actions Bertrandt focuses on enhancing enterprise value in a sustainable way while considering economic, social and ecological factors. New market and customer requirements call for new approaches. By pooling different competences, we are striving to meet the demand for greater depth of responsibility and know-how in the fields of digitalisation, electromobility and large-scale projects. Bertrandt's new management system is also geared to increasing the value of the entire Group. On this basis, targets are defined for the different segments and subsidiaries. Bertrandt is managed on a pyramidal basis from the Group, via the segments and subsidiaries down to individual profit centre levels. Management activities conducted on a periodic basis take the recognition and measurement principles defined by international accounting standards into account. Along with total revenues, Bertrandt uses EBIT and cash flow from operating activities as key performance indicators for management purposes.

The remuneration system for the Management Board is embedded in and contributes to the Bertrandt world. The remuneration of the Management Board members is commensurate with their respective tasks and performance and the economic situation of the Bertrandt Group. The Management Board remuneration system is oriented towards the sustainable growth of the Company within the meaning of Section 87 (1) sentence 2 AktG.



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The variable remuneration component consists of a performance-related bonus paid to the Board members, which is linked to the Group's EBIT as determined in the financial statements in conformity with IFRS. This assessment basis for the bonus has been used for the remuneration of Management Board members for over a decade; the Supervisory Board is convinced that this approach has proven its worth, which is why it has also been adopted in the remuneration system pursuant to Section 87a AktG.

In contrast to what is customary in many stock corporations, the remuneration system in place at Bertrandt Aktiengesellschaft does not provide for any function-specific differentiation among the members of the Management Board, for instance on the basis of area of responsibility or department. This corresponds with the decision of the Supervisory Board of 5 November 2018 to adopt a forward-looking networked leadership approach, so that the importance of overarching work for the development of the entire Group is consistently reflected at Management Board level. Since the adoption of a resolution at the annual general meeting of 20 February 2019, the Management Board, as is generally known, has conducted its work without a single individual exercising a particular role as chairman or spokesman.

Upper limits are set for both the bonus for a fiscal year and the total Management Board remuneration for a fiscal year, and corresponding contractual restrictions are agreed. The bonus paid for one fiscal year is capped so that it can only be six times the fixed basic annual salary, and the total remuneration of the Management Board members is capped at an amount of eight times their fixed basic annual salaries.

COMPONENTS OF THE REMUNERATION SYSTEM

Remuneration of the Management Board members comprises fixed, non-performance-related and variable, performance-related components. The sum of these components is the total remuneration paid to the respective Management Board member. The maximum remuneration that can be attained by the full Management Board for one fiscal year within the meaning of Section 87a (1) sentence 2 no. 1 AktG is EUR 10.080 million.

Fixed, non-performance-related remuneration comprises the fixed basic annual salary and fringe benefits. The basic salary is a fixed remuneration based on the full year, which is paid in twelve monthly instalments. The fringe benefits mainly consist of the provision of a company car for business and private use, and co-insurance under a group accident insurance policy.

Variable, performance-related remuneration is adjusted to the Bertrandt Group's earnings situation. The variable remuneration component consists of a performance-related bonus paid to the Management Board members, which is linked to the Group's EBIT as determined in the financial statements in conformity with IFRS. The basis for the assessment of the bonus is the EBIT generated in two consecutive financial years. However, only 45% of the resulting bonus is paid out after the end of the fiscal year. The remaining 55% is allocated to a 'bonus/malus' pool and is only paid out after the end of a further fiscal year, depending on the results of the second year. The bonus allocated to the bonus/malus pool is reduced, where applicable, by the percentage by which EBIT in the second year is lower than EBIT in the previous fiscal year. If, on the other hand, the same level of EBIT is achieved in the second year or if it exceeds the EBIT of the previous fiscal year, the bonus allocated to the bonus/malus pool is paid out in full. The total bonus paid for one fiscal year is capped so that it can only be six times the fixed basic annual salary in the fiscal year concerned. Remuneration for Management Board members paid in one fiscal year is capped at an amount of eight times their fixed basic annual salaries in the fiscal year concerned.

Retirement benefits and share options do not form part of the current remuneration system. The sum of all remuneration components determines the total remuneration of a Management Board member.



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No fixed weighting is applied to the individual remuneration components; the weighting changes every year depending on the relation between the variable component on the one hand and the fixed component and fringe and retirement benefits on the other. The current status is shown in the table below.

Under the remuneration system, incentives for the Management Board are based on EBIT, because apart from EBIT being an indicator of the respective strength of the core business, the effect of the bonus-malus scheme covers several years and this is to help safeguard the financial foundation needed to implement the corporate strategy for a long-term, sustainable development of the Company.

This is also the reason why the Company links remuneration to a specific, fixed percentage (currently 1.25%) of EBIT achieved in the fiscal year, which is not to exceed 2%, rather than specifying a target EBIT denominated in euro in absolute terms each year. Provisions referred to as ‘clawback’ provisions for the recovery of sums already paid when a member of the Management Board breaches a duty do not form part of the remuneration system.

The service contracts with today’s Management Board members concluded in the wake of the three new or re-appointments of Board members and approved by the Supervisory Board on 16 March 2023 reflect the remuneration system set out above. Even before that, the service contracts with Management Board members active in the reporting period generally provided for remuneration arrangements in line with the remuneration system. As a result, the remuneration system was/is implemented at the contractual level, although all contracts concluded before the contracts newly adopted on 16 March 2023 were old contracts (see further comments on Section 162 (1) sentence 2 no. 7 AktG below).

As the following disclosures report ‘remuneration granted and owed’ in accordance with Section 162 AktG, remuneration is shown for the year in which it is fully transferred to and actually received by the Management Board member. The Management Board members received remuneration for their services exclusively from Bertrandt.

Bertrandt has made pension commitments to two former members of the Management Board, which are taken into account in the following disclosures pursuant to Section 162 (2) sentence 1 no. 3 AktG.

COMPONENTS OF THE REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD (SECTION 162 (1) SENTENCE 2 NO. 1)

A change occurred in the Management Board in the 2022/2023 fiscal year. Hans-Gerd Claus resigned from his position on the Management Board on 31 March 2023 and Dr. Andreas Fink was appointed to the Management Board on 1 April 2023. They are therefore both included in the Management Board remuneration system



Remuneration granted and owed to current members of the Management Board in fiscal year 2022/2023:

COMPONENTS OF THE REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD (SECTION 162 (1) SENTENCE 2 NO. 1)

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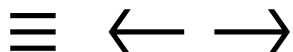
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In EUR million		2022/2023		2021/2022		2022/2023		2021/2022			
Hans-Gerd Claus*						Markus Ruf					
Non-performance-related remuneration	Basic annual salary	0.210	36%	0.420	64%	Non-performance-related remuneration	Basic annual salary	0.420	52%	0.420	65%
	Fringe benefits	0.009	2%	0.017	3%		Fringe benefits	0.015	2%	0.014	2%
Multiyear performance-related remuneration	Variable component 2018/2019	0	0%	0	0%	Multiyear performance-related remuneration	Variable component 2018/2019	0	0%	0	0%
	2019/2020	0	0%	0.104	16%		2019/2020	0	0%	0.104	16%
	2020/2021	0.138	23%	0.113	17%		2020/2021	0.138	17%	0.113	17%
	2021/2022	0.234	40%	0	0%		2021/2022	0.234	29%	0	0%
	2022/2023	0				2022/2023	0				
Total		0.591	100%	0.654	100%	Total		0.807	100%	0.651	100%
Dr. Andreas Fink**						Gesamt					
Non-performance-related remuneration	Basic annual salary	0.210	97%			Non-performance-related remuneration	Basic annual salary	1.261	52%	1.261	64%
	Fringe benefits	0.006	3%				Fringe benefits	0.044	2%	0.052	3%
Multiyear performance-related remuneration	Variable component 2018/2019	0	0%			Multiyear performance-related remuneration	Variable component 2018/2019	0	0%	0	0%
	2019/2020	0	0%				2019/2020	0	0%	0.312	16%
	2020/2021	0	0%				2020/2021	0.413	17%	0.339	17%
	2021/2022	0	0%				2021/2022	0.703	29%	0	0%
	2022/2023	0				2022/2023	0				
Total		0.216	100%			Total		2.420	100%	1.964	100%
Michael Lücke											
Non-performance-related remuneration	Basic annual salary	0.420	52%	0.420	64%						
	Fringe benefits	0.014	2%	0.022	3%						
Multiyear performance-related remuneration	Variable component 2018/2019	0	0%	0	0%						
	2019/2020	0	0%	0.104	16%						
	2020/2021	0.138	17%	0.113	17%						
	2021/2022	0.234	29%	0	0%						
	2022/2023	0									
Total		0.806	100%	0.659	100%						

* until 31 March 2023

** from 1 April 2023



COMPARATIVE STATEMENT OF MANAGEMENT BOARD REMUNERATION (SECTION 162 (1) SENTENCE 2 NO. 2)

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With regard to the average remuneration of employees over the last five years, the remuneration report must currently be prepared in accordance with the transitional provision under Section 26j (2) sentence 2 of the Introductory Act to the Stock Corporation Act (EgAktG) and therefore, for fiscal year 2022/2023, in deviation from Section 162 (1) sentence 2 no. 2 AktG, does not yet cover a five-year period.

In the comparison of the remuneration paid in the different fiscal years, the partial waiver of remuneration by the Management Board in fiscal year 2019/2020 has to be taken into account, which resulted in lower variable remuneration figures to be reported in fiscal year 2020/2021.

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COMPARATIVE STATEMENT OF MANAGEMENT BOARD REMUNERATION (SECTION 162 (1) SENTENCE 2 NO. 2)

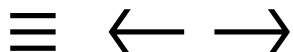
EUR million		2022/2023	2021/2022	2020/2021	Change in absolute terms	Change in %
Net income for the fiscal year of Bertrandt AG (HGB)		14.935	22.160	9.824	-7.225	-33%
EBIT Bertrandt Group (IFRS)		50.080	41.664	20.040	8.416	20%
Average remuneration	Employees*	0.072	0.068	0.062	0.004	6%
	Senior**	0.216	0.207	0.181	0.009	4%
Remuneration of active Management Board members	Hans-Gerd Claus***	0.591	0.654	0.584	-0.063	-10%
	Dr. Andreas Fink****	0.216			0.216	
	Michael Lücke	0.806	0.659	0.589	0.147	22%
	Markus Ruf	0.807	0.651	0.582	0.156	24%
Remuneration former Management Board members	Dietmar Bichler	0	0	0.081	0	

* The average remuneration of employees was determined in each case from the personnel expenses in the separate financial statements of Bertrandt AG less the expenses for the Management Board on the basis of full-time equivalents of the average number of employees in the fiscal year (blue-collar and white-collar workers) in order to ensure comparability with the members of the Management Board who are all employed on a full-time basis.

** In addition, the average remuneration of senior executives is shown, which the Supervisory Board uses for vertical benchmarking as part of its decisions on Management Board remuneration. For this purpose, the Supervisory Board currently defines the group of senior executives as follows: it consists of the managing directors of the domestic subsidiaries and their respective authorised representative (Prokurist), and the department heads of Bertrandt Aktiengesellschaft.

*** until 31 March 2023

**** from 1 April 2023



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In addition to the Company's earnings situation and its development, the Group's EBIT (IFRS) is presented above, as this is the reference figure for the variable, performance-related remuneration of the members of the Management Board. In addition, the development of total revenues is reported below:

DEVELOPMENT TOTAL REVENUES

All disclosures in accordance with IFRS for the Bertrandt Group					
EUR million	2022/2023	2021/2022	2020/2021	Absolute change	Change in relative terms
Total revenues	1,157.411	1,009.159	848.592	148.252	15%

OTHER DISCLOSURES (SECTION 162 (1) SENTENCE 2 NOS. 3–4)

No shares, share options or other forms of share-based remuneration were granted or promised to any member of the Management Board. These forms of remuneration do not form part of the remuneration system.

Similarly, no variable remuneration components were reclaimed from any Management Board member in the reporting period. In accordance with the remuneration system, the service contracts with Management Board members do not contain any 'clawback' provisions.

DEVIATIONS FROM THE REMUNERATION SYSTEM (SECTION 162 (1) SENTENCE 2 NO. 5)

The remuneration system approved by the annual general meeting expressly authorises the Supervisory Board under Section F to make certain deviations and arrangements. In the Company's opinion, making use of this authorisation is not a deviation within the meaning of Section 162 (1) sentence 2 no. 5 AktG, but rather the mere exercise of rights granted by the system itself.

There were no deviations from the system during the reporting period, nor were any deviations allowed under the system exercised.

RESOLUTION OF THE ANNUAL GENERAL MEETING (SECTION 162 (1) SENTENCE 2 NO. 6)

This remuneration report is the second report prepared by the Company according to Section 162 AktG. The annual general meeting adopted a resolution pursuant to Section 120a (4) AktG for the first time on 22 February 2023. Since the resolution was passed by the annual general meeting with a large majority, there was no reason to change the remuneration system, its implementation or the way in which it is reported.



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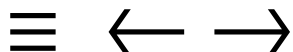
OMPLIANCE WITH THE DEFINED MAXIMUM REMUNERATION (SECTION 162 (1) SENTENCE 2 NO. 7)

The maximum annual remuneration that can be attained by the Management Board members, including fringe benefits and pension expenses, is limited to EUR 10.080 million for the Management Board as a whole.

Pursuant to Section 26j (1) last sentence EGActG, the approved remuneration system is not applicable to existing Management Board remuneration provisions and the Management Board service contracts; to this extent, the specified maximum remuneration does not apply to contracts from earlier periods. This affects contracts concluded with members of the Management Board before the new or re-appointments adopted on 16 March 2023. However, already before 16 March 2023, the total bonus paid for one fiscal year had always been capped in absolute terms as per the contracts of all Board members so that it can only be six times the fixed basic annual salary, and total remuneration has always been capped at an amount of eight times the fixed basic annual salary. The service contracts with today's Management Board members concluded in the wake of the new or re-appointments in the reporting period all provide for compliance with the defined maximum remuneration.

In principle, compliance with the provision for maximum remuneration can only be reported conclusively in the remuneration report for the year in which the last tranche of the variable, performance-based remuneration is received. Compliance with the defined maximum remuneration can thus now be effectively confirmed for the fiscal year 2020/2021, even if, as explained above, such compliance was not required for this fiscal year.

The possible payout of the variable remuneration component for fiscal 2022/2023 in the coming fiscal years including the bonus/malus pool is limited to a total of EUR 1.878 million. It is therefore already evident that the total remuneration for all Management Board members for the fiscal year under review will also remain below the defined maximum remuneration. As stated in the previous year's report, this also applies to the 2021/2022 fiscal year with a maximum possible payout of EUR 1.562 million.



COMPLIANCE WITH THE DEFINED MAXIMUM REMUNERATION (SECTION 162 (1) SENTENCE 2 NO. 7)

EUR million		2022/2023		2021/2022		2020/2021			
Hans-Gerd Claus*									
02	The fiscal year 2022/2023	Non-performance-related remuneration	Basic annual salary	0.210	39%	0.420	44%	0.420	61%
04	WE are Bertrandt		Fringe benefits	0.009	2%	0.017	2%	0.017	2%
		Multiyear performance-related remuneration	Variable component for the fiscal year***	0.313	59%	0.521	54%	0.251	36%
06	A A LETTER TO THE SHAREHOLDERS	Total remuneration		0.532	100%	0.958	100%	0.688	100%
Dr. Andreas Fink**									
25	B CORPORATE SOCIAL RESPONSIBILITY REPORT	Non-performance-related remuneration	Basic annual salary	0.210	40%				
			Fringe benefits	0.006	1%				
72	C GROUP MANAGEMENT REPORT	Multiyear performance-related remuneration	Variable component for the fiscal year***	0.313	59%				
122	D REMUNERATION REPORT	Total remuneration		0.529	100%				
Michael Lücke									
124	Introduction	Non-performance-related remuneration	Basic annual salary	0.420	40%	0.420	44%	0.420	61%
124	Management Board remuneration		Fringe benefits	0.014	1%	0.022	2%	0.022	3%
134	Supervisory Board remuneration	Multiyear performance-related remuneration	Variable component for the fiscal year***	0.626	59%	0.521	54%	0.251	36%
140	Audit of the remuneration report	Total remuneration		1.060	100%	0.963	100%	0.693	100%
141	E CONSOLIDATED FINANCIAL STATEMENTS								
Markus Ruf									
213	F FURTHER INFORMATION	Non-performance-related remuneration	Basic annual salary	0.420	40%	0.420	44%	0.420	61%
			Fringe benefits	0.015	1%	0.014	1%	0.015	2%
		Multiyear performance-related remuneration	Variable component for the fiscal year***	0.626	59%	0.521	55%	0.251	37%
		Total remuneration		1.061	100%	0.955	100%	0.686	100%
Total									
		Non-performance-related remuneration	Basic annual salary	1.261	40%	1.261	44%	1.261	61%
			Fringe benefits	0.044	1%	0.052	2%	0.053	3%
		Multiyear performance-related remuneration	Variable component for the fiscal year***	1.878	59%	1.562	54%	0.752	36%
		Total remuneration		3.182	100%	2.875	100%	2.066	100%

* until 31 March 2023

** from 1 April 2023

*** maximum amount that can be paid out from the variable remuneration component including the bonus/malus pool.

The actual amount paid out may be a smaller one. As explained above, compliance with the maximum remuneration provision can only be reported in a future remuneration report after payment of the last performance-related remuneration.



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OTHER DISCLOSURES (SECTION 162 (2) NO. 1)

No benefits were promised or granted to a Management Board member by a third party with respect to that member's activities as a member of the Management Board.

BENEFITS IN THE EVENT OF PREMATURE TERMINATION OF SERVICE (SECTION 162 (2) NO. 2)

No benefits were promised to an active member of the Management Board for the event of the premature termination of their service, and no such benefits were agreed in the year under review.

BENEFITS IN THE EVENT OF REGULAR TERMINATION OF SERVICE (SECTION 162 (2) NO. 3)

The service contracts of active Management Board members or of Board members whose service ended in the period under review do not include any promise of a retirement pension or other commitments in the event of the regular termination of their service.

Only older service contracts of two former Management Board members contain retirement benefits also including a commitment of surviving dependants' benefits. This relates to Mr Dietmar Bichler and another former Management Board member who is not to be named in accordance with Section 162 (4) and (5) (AktG) and whose departure occurred more than ten years ago.



Retirement benefits granted and owed to former members of the Management Board in fiscal year 2022/2023:

BENEFITS IN THE EVENT OF REGULAR TERMINATION OF SERVICE (SECTION 162 (2) NO. 3)

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EUR million	2022/2023			2021/2022		
	Benefit	Expenses	Present Value	Benefit	Expenses	Present Value
Dietmar Bichler	0	0.061	3.676	0	0.190	3.615
Total amount for Management Board member not to be named in accordance with 162 (5) sent. 2	0.061	0	1.124	0.061	0	1.167

No other changes in these old commitments to former Board members were agreed in fiscal 2022/2023

BENEFITS IN THE EVENT OF REGULAR TERMINATION OF SERVICE (SECTION 162 (2) NO. 4)

An arrangement exists with Hans-Gerd Claus for his contract to be fulfilled by both parties until it expires on 5 November 2023 including his continued availability for induction of his successor and for a smooth transition of the projects that he has been responsible for until that date.

REMUNERATION

EUR million		2022/2023	
Hans-Gerd Claus*			
Non-performance-related remuneration	Basic annual salary	0.210	96%
	Fringe benefits	0.009	4%
Multiyear performance-related	Variable component		
	2018/2019	0	0%
	2019/2020	0	0%
	2020/2021	0	0%
	2021/2022	0	0%
	2022/2023	0	0%
Total		0.219	100%

* from 1 April 2023.



Supervisory Board remuneration

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The remuneration report explains the remuneration paid to members of the Supervisory Board in accordance with the Articles of Association. The remuneration report is based on the requirements of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG) and contains in particular the disclosures required by Section 162 AktG.

PRINCIPLES GOVERNING THE REMUNERATION OF THE SUPERVISORY BOARD

The remuneration of the Supervisory Board of Bertrandt Aktiengesellschaft is governed by Section 12 of the Company's Articles of Association. Pursuant to Section 113 (3) AktG, in the case of listed companies, a resolution on the remuneration of the members of the Supervisory Board must be adopted at least every four years. The corresponding resolution on the confirmation of the remuneration of the Supervisory Board members was adopted at the annual general meeting on 26 February 2021.

Article 12 'Remuneration of the Supervisory Board' of the Articles of Association reads as follows:

(1) Each member of the Supervisory Board is entitled to a fixed remuneration of 32,000.00 EUR paid after the end of the fiscal year in addition to the reimbursement of expenses. The Chairman of the Supervisory Board receives two and a half times the amount and his deputy one and a half times the amount. Supervisory Board members who are also members of a Supervisory Board committee shall additionally receive an amount equal to 25 per cent of their fixed remuneration according to sentence 1 and members acting as chairpersons of a Supervisory Board committee shall receive another 25 per cent of their fixed remuneration according to sentence 1. However, a member of the Supervisory Board shall receive in total no more than four times the fixed remuneration pursuant to sentence 1.

(2) The members of the Supervisory Board may be included in a pecuniary damage liability insurance policy for members of governing bodies and specific executives maintained by the Company in the interest of the Company, insofar as such a policy exists. The premiums for this shall be paid by the Company.

(3) Bertrandt Aktiengesellschaft shall reimburse each member of the Supervisory Board for the value-added tax payable on their remuneration.

(4) The remuneration and value-added tax shall be payable upon adoption by the annual general meeting of the resolution on the appropriation of profits.

(5) Supervisory Board members who are members of the Supervisory Board or a committee or who chair or vice-chair the Supervisory Board or chair a committee for only part of the fiscal year shall receive remuneration on a pro rata temporis basis.

In accordance with the provisions of the Articles of Association reproduced above, the members of the Supervisory Board receive, in addition to reimbursement of their expenses after the end of each fiscal year, a fixed annual remuneration and, where applicable, any value-added tax payable thereon. There is no variable remuneration component.

This remuneration takes into account the responsibility and scope of activities of the Supervisory Board members. By overseeing the management activities of the Management Board, the Supervisory Board contributes towards advancing the business strategy and the long-term development of the Company. The Supervisory Board and the Management Board deliberate the remuneration of the Supervisory Board and the underlying system taking into account the guidelines and recommendations of the German Corporate Governance Code as amended. Due to the special nature of Supervisory Board remuneration, which is granted for an activity that differs fundamentally from the activity of the employees of the Company and the Group, a vertical comparison with the remuneration of employees was not made. From the point of view of the Supervisory Board and the Management Board, the decisive factors are, in particular, the time committed by the Supervisory Board members to their duties and the remuneration paid by other, comparable companies.



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The remuneration system for the Supervisory Board is submitted to the annual general meeting for review at least every four years. Irrespective of this, it is regularly reviewed by the Supervisory Board and the Management Board.

The remuneration system adopted by the annual general meeting on 26 February 2021 can be accessed at <https://www.bertrandt.com/en/company/investor-relations/corporate-governance>

REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD (SECTION 162 (1) SENTENCE 2 NO. 1)

The members of the Supervisory Board receive, in addition to reimbursement of their expenses after the end of each fiscal year, a fixed annual remuneration and, where applicable, any value-added tax payable thereon. There is no variable remuneration component. This remuneration takes into account the responsibility and scope of activities of the Supervisory Board members. By overseeing the management activities of the Management Board, the Supervisory Board contributes towards advancing the business strategy and the long-term development of the Company.

Other than this, the members of the Supervisory Board did not receive any remuneration or benefits in the 2022/2023 fiscal year (as in the previous year) for services provided in a personal capacity, in particular consulting and brokerage services.



Remuneration granted and owed to current members of the Supervisory Board in fiscal year 2022/2023:

VERGÜTUNG DER MITGLIEDER DES AUFSICHTSRATS (§ 162 ABS. 1 SATZ 2 NR. 1)

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		EUR million			
		2022/2023		2021/2022	
Dietmar Bichler					
	Chairman of the Supervisory Board	0.080	77%	0.080	77%
	Human Resources Committee, chairman	0.016	15%	0.016	15%
	Audit Committee	0.008	8%	0.008	8%
	Total remuneration	0.104	100%	0.104	100%
		2022/2023		2021/2022	
Prof. Dr.-Ing. Wilfried Sihh					
	Deputy Chairman of the Supervisory Board	0.040	77%	0.032	80%
	Human Resources Committee	0.008	15%	0.008	20%
	Audit Committee	0.004	8%	0	0%
	Total remuneration	0.052	100%	0.040	100%
		2022/2023		2021/2022	
Udo Bäder					
	Supervisory Board member	0.032	62%	0.032	67%
	Human Resources Committee	0.004	8%	0	0%
	Audit Committee, chairman	0.016	31%	0.016	33%
	Total remuneration	0.052	100%	0.048	100%
		2022/2023		2021/2022	
Matthias Benz					
	Supervisory Board member	0.012	100%	0	
	Human Resources Committee	0	0%	0	
	Audit Committee	0	0%	0	
	Total remuneration	0.012	100%	0	
		2022/2023		2021/2022	
Michael Schmidt**					
	Supervisory Board member	0.032	100%	0.032	100%
	Human Resources Committee	0	0%	0	0%
	Audit Committee	0	0%	0	0%
	Total remuneration	0.032	100%	0.032	100%
		2022/2023		2021/2022	
Marianne Weiß					
	Supervisory Board member	0.032	100%	0.032	100%
	Human Resources Committee	0	0%	0	0%
	Audit Committee	0	0%	0	0%
	Total remuneration	0.032	100%	0.032	100%
		2022/2023		2021/2022	
Jennifer Eckl*					
	Supervisory Board member				
	Human Resources Committee				
	Audit Committee				
	Total remuneration	0		0	
		2022/2023		2021/2022	
Total		0.319		0.320	

* From 9 February 2023 Member of the Supervisory Board.

** Until 31 December 2023 member of the Supervisory Board.



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As the above statement shows the 'remuneration granted and owed' in accordance with Section 162 of the German Stock Corporation Act (AktG), the changes to the Supervisory Board in fiscal year 2021/2022 and the corresponding pro-rata entitlements affect the statement in the remuneration report for fiscal year 2022/2023. Changes in fiscal year 2022/2023 will only affect the statement in the remuneration report in fiscal year 2023/2024.

COMPONENTS OF THE REMUNERATION OF FORMER MEMBERS OF THE SUPERVISORY BOARD (SECTION 162 (1) SENTENCE 2 NO. 1)

EUR million				
	2022/2023		2021/2022	
Horst Binnig*				
Supervisory Board member	0.027	77%	0.048	75%
Human Resources Committee	0.004	11%	0.008	13%
Audit Committee	0.004	11%	0.008	13%
Total remuneration	0.035	100%	0.064	100%
Total	0.035		0.064	

* Until 30 April 2022 member of the Supervisory Board; until 5 April 2022 member of the Audit Committee and Deputy Chairman of the Supervisory Board.



COMPARATIVE STATEMENT OF SUPERVISORY BOARD REMUNERATION (SECTION 162 (1) SENTENCE 2 NO. 2)

With regard to the average remuneration of employees over the last five years, the remuneration report for fiscal year 2022/2023 must be prepared in accordance with the transitional provision under Section 26j (2) sentence 2 of the Introductory Act to the Stock Corporation Act (EAG AktG) and therefore, in deviation from Section 162 (1) sentence 2 no. 2 AktG, does not yet cover a five-year period.

In the comparison of the remuneration paid in the different fiscal years, the partial waiver of remuneration by the Supervisory Board in fiscal year 2019/2020 has to be taken into account, which resulted in lower remuneration figures to be reported in fiscal year 2020/2021.

COMPARATIVE STATEMENT OF SUPERVISORY BOARD REMUNERATION (SECTION 162 (1) SENTENCE 2 NO. 2)

EUR million		2022/2023	2021/2022	2020/2021	Absolute Change	Percentage Change
Net income for the fiscal year of Bertrandt AG (HGB)		14.935	22.160	9.824	-7.225	-33%
EBIT Bertrandt Group (IFRS)		50.080	41.664	20.040	8.416	20%
Average remuneration	Employees	0.072	0.068	0.062	0.004	6%
Remuneration of Supervisory Board members	Dietmar Bichler	0.104	0.104	0.088	0	0%
	Udo Bäder	0.052	0.048	0.042	0.004	8%
	Matthias Benz*	0.012				
	Jennifer Eckl**	0				
	Prof. Dr.-Ing. Wilfried Sihm	0.052	0.040	0.034	0.012	30%
	Michael Schmidt***	0.032	0.032	0.026	0	0%
	Marianne Weiß	0.032	0.032	0.026	0	0%

* member of the Supervisory Board from 18 May 2022

** member of the Supervisory Board until 9 February 2023

*** member of the Supervisory Board until 31 December 2023

The comparative figures were determined in the same way as the comparative table of Management Board remuneration. Reference is made to the explanations already given there for the determined comparative values and the definitions.

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OTHER DISCLOSURES (SECTION 162 (1) SENTENCE 2 NOS. 3–6)

In accordance with the Articles of Association, no share-based or variable remuneration was granted or promised to any of the members of the Supervisory Board. No variable remuneration was therefore reclaimed (“clawback”). There were no deviations from the remuneration provisions of Section 12 of the Articles of Association.

A resolution on the Remuneration Report pursuant to Section 120a (4) AktG was adopted for the first time at the annual general meeting on 22 February 2023. Since the resolution was passed by the annual general meeting with a large majority, there was no reason to question the remuneration system, its implementation or the way in which it is reported.

Ehningen, 7 December 2023

The Supervisory Board

DIETMAR BICHLER
Chairman of the Supervisory Board

The Management Board

DR. ANDREAS FINK
Member of the
Management Board
Engineering

MICHAEL LÜCKE
Member of the
Management Board
Sales

MARKUS RUF
Member of the
Management Board
Finance



Audit of the remuneration report pursuant to Section 162 (3) German Stock Corporation Act (AktG)

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To Bertrandt Aktiengesellschaft, Ehningen

25 **B CORPORATE SOCIAL
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Audit opinion

We have formally audited the remuneration report of Bertrandt Aktiengesellschaft, Ehningen, for the fiscal year from 1 October 2022 to 30 September 2023 to determine whether the information required under Section 162 (1) and (2) AktG has been disclosed in the remuneration report. In accordance with Section 162 (3) AktG, we have not audited the content of the remuneration report.

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In our opinion, the information required under Section 162 (1) and (2) AktG has been disclosed in all material respects in the accompanying remuneration report. Our opinion does not cover the content of the remuneration report.

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Basis for the audit opinion

We conducted the audit of the remuneration report in accordance with Section 162 (3) AktG and based on the IDW auditing standard 'Audit of the Remuneration Report in Accordance with Section 162 (3) AktG' ('Die Prüfung des Vergütungsberichts nach § 162 Abs. 3 AktG', IDW PS 870). Our responsibility under that provision and that standard is further described in the 'Practitioner's responsibility' section of our report. As auditing firm, we have complied with the IDW Standard on quality management 'Requirements for Quality Management in the Audit Firm' ('Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis', IDW QS 1). We have complied with our professional obligations under the Professional Code for German Public Auditors and German Chartered Auditors (Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer) including the requirements regarding independence.

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Responsibilities of the Management Board and the Supervisory Board

The Company's Management Board and Supervisory Board are responsible for the preparation of the remuneration report including the related disclosures, which complies with the requirements of Section 162 AktG. They are also responsible for such internal controls as they have considered to be necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Practitioner's responsibility

Our objective is to obtain reasonable assurance about whether the information required by Section 162 (1) and (2) AktG has been disclosed in all material respects in the remuneration report, and to express an opinion thereon in an auditor's report.

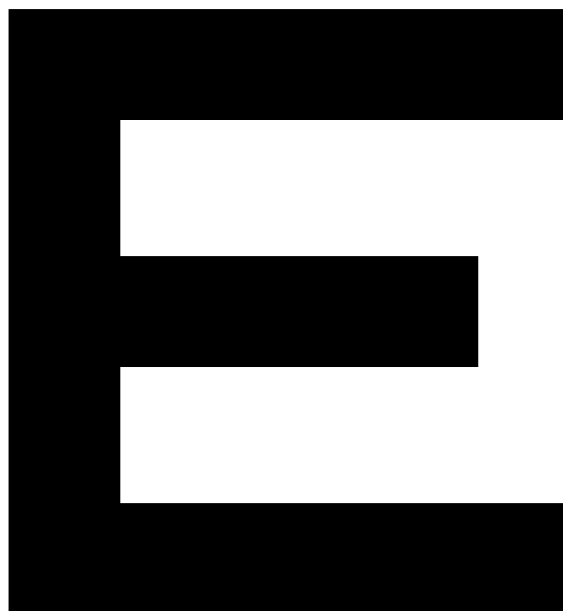
We planned and performed our audit of the remuneration report such that by comparing the disclosures made in the remuneration report with the disclosures required under Section 162 (1) and (2) AktG we are able to determine formal completeness of the remuneration report. In accordance with Section 162 (3) AktG, we have not audited the accuracy of the disclosures, the completeness of the content of the individual disclosures or the fair presentation of the remuneration report.

Stuttgart, 11 December 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

DENIS ETZEL
Auditor

PPA. BOJAN JOVANOVIC
Auditor



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1,157.411

EUR million total revenues
generated in fiscal 2022/2023.

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Consolidated income statement and statement of comprehensive income

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CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

EUR million ¹			
01/10 until 30/09	Notes	2022/2023	2021/2022
I. Income statement			
Revenues	[6]	1,156.810	1,008.475
Other internally generated assets	[7]	0.601	0.684
Total revenues		1,157.411	1,009.159
Other operating income	[8]	12.138	19.806
Raw materials and consumables used	[9]	-132.194	-108.904
Personnel expenses	[10]	-839.677	-740.314
Depreciation	[11]	-56.247	-56.976
Other operating expenses	[12]	-91.351	-81.108
EBIT		50.080	41.664
Share of profit in associates		0.577	0.575
Interest income		2.120	0.141
Financial expenses		-10.097	-6.964
Other financial result		-0.119	-0.112
Net finance income	[13]	-7.518	-6.360
Profit from ordinary activities		42.562	35.304
Other taxes	[14]	-2.462	-2.507
Earnings before tax		40.099	32.797
Income taxes	[15]	-9.655	-11.663
Post-tax earnings		30.444	21.134
attributable to shareholders of Bertrandt AG		30.444	21.134
Number of shares (million) – diluted/basic, average weighting		10.106	10.100
Earnings per share (EUR) – diluted	[16]	3.01	2.09
Earnings per share (EUR) – basic	[16]	3.01	2.09

EUR million ¹			
01/10 until 30/09	Notes	2022/2023	2021/2022
II. Statement of comprehensive income			
Post-tax earnings		30.444	21.134
Exchange rate differences and hedging reserve ²		0.820	0.767
Tax effects on hedging reserve ²		-0.539	0.496
Remeasurement of pension obligations and plan assets ³		0.505	4.388
Tax effects on remeasurement of pension obligations and plan assets ³		-0.128	-1.226
Other comprehensive income after taxes		0.658	4.425
Total comprehensive income		31.102	25.559
attributable to shareholders of Bertrandt AG		31.102	25.559

¹Rounding differences of EUR 0.001 - 0.002 million may occur in the presentation of figures due the system used.

²Components of other comprehensive income which will be reclassified to the income statement in future periods.

³Components of other comprehensive income which will not be reclassified to the income statement in future periods.



Consolidated Balance Sheet

CONSOLIDATED BALANCE SHEET

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EUR million ¹		30/09/2023	30/09/2022
	Notes		
Assets			
	[18]	41.512	34.868
	[19]	355.095	373.841
	[20]	8.752	8.175
	[21]	5.984	6.337
	[22]	4.332	3.587
	[23]	2.516	4.107
	[24]	4.392	13.143
		422.584	444.058
	[25]	0.835	0.948
	[26]	140.214	115.510
	[27]	236.918	208.933
	[21]	15.076	7.320
	[22]	4.849	4.011
	[23]	13.482	12.931
	[28]	0.802	0.780
	[29]	121.360	161.557
		533.536	511.990
		956.120	956.047

EUR million ¹		30/09/2023	30/09/2022
	Notes		
Equity and liabilities			
	[30]	10.143	10.143
	[31]	30.162	29.899
	[32]	369.596	362.128
	[32]	-0.824	-1.482
		45.550	31.158
		454.627	431.846
	[33]	237.723	96.826
	[34]	47.052	57.148
	[35]	0.414	0.684
	[36/37]	8.163	8.218
	[24]	19.406	25.221
		312.757	188.097
	[33]	12.320	163.256
	[38]	3.773	2.740
	[39]	28.799	30.528
	[34]	33.178	35.830
	[35]	78.746	72.853
	[37]	28.194	23.036
	[40]	3.723	7.860
		188.735	336.104
		956.120	956.047

¹Rounding differences of EUR 0.001 - 0.002 million may occur in the presentation of figures due the system used.



Consolidated statement of changes in equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

02 The fiscal year 2022/2023		EUR million ¹									
04 WE are Bertrandt		Issued Capital	Capital reserves	Retained earnings	Other reserves			Consolidated distributable profit	Total		
06 A A LETTER TO THE SHAREHOLDERS					Currency translation	Hedging reserve	Remeasurement of pension obligations and plan assets	Total			
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141 E CONSOLIDATED FINANCIAL STATEMENTS											
143 Consolidated income statement and statement of comprehensive income		Value on 01/10/2022	10.143	29.899	362.128	0.619	-1.157	-0.944	-1.482	31.158	431.846
144 Consolidated balance sheet		Post-tax earnings								30.444	30.444
145 Consolidated statement of changes in equity		Other comprehensive income after taxes				-0.976 ²	1.257 ²	0.377 ³	0.658		0.658
146 Consolidated cash flow statement		Total comprehensive income				-0.976	1.257	0.377	0.658	30.444	31.102
147 Notes to the Consolidated Financial Statements		Dividend payment								-8.585	-8.585
205 Independent Auditor's Report		Other non-operating changes			7.468					-7.468	0
212 Responsibility statement by the management (balance sheet oath)		Addition/disposal of treasury shares		0.264						0	0.264
213 F FURTHER INFORMATION		Value on 30/09/2023	10.143	30.162	369.596	-0.357	0.100	-0.567	-0.824	45.550	454.627
		Previous year									
		Value on 01/10/2021	10.143	29.714	351.048	-1.801	0	-4.106	-5.907	23.830	408.828
		Post-tax earnings								21.134	21.134
		Other comprehensive income after taxes				2.420 ²	-1.157 ²	3.162 ³	4.425		4.425
		Total comprehensive income				2.420	-1.157	3.162	4.425	21.134	25.559
		Dividend payment								-2.726	-2.726
		Other non-operating changes			11.080					-11.080	0
		Addition/disposal of treasury shares		0.185						0	0.185
		Value on 30/09/2022	10.143	29.899	362.128	0.619	-1.157	-0.944	-1.482	31.158	431.846

¹Rounding differences of EUR 0.001 - 0.002 million may occur in the presentation of figures due the system used.

²Components of other comprehensive income which will be reclassified to the income statement in future periods.

³Components of other comprehensive income which will not be reclassified to the income statement in future periods.



Notes to the Consolidated Financial Statements

[1] BASIS OF PREPARATION

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Bertrandt AG is a listed joint stock company (Aktiengesellschaft) incorporated under the law of the Federal Republic of Germany with registered offices at Birkensee 1, 71139 Ehningen, Germany (commercial register number HRB 245259, local court of Stuttgart). The consolidated financial statements are published in the electronic Federal Gazette. The business purpose of Bertrandt AG and its subsidiaries in the automotive, aerospace, mechanical / plant engineering and electrical and medical engineering sectors is to provide technology-oriented services for mobility, including in the Company's competence areas of digitalisation, autonomous systems, connectivity and e-mobility. This comprises all engineering activities and services, in particular designing, developing, engineering, producing and fabricating prototypes and parts of prototypes; testing; planning; project management and CAD activities and electronics and software development. A definition of the business purpose is given in the Articles of Association. The Articles of Associations are available at https://www.bertrandt.com/fileadmin/files/files/00_Unternehmen/01_Investor_Relations/06_Hauptversammlung/HV_21-22/satzung_22-02-2023_bertrandt_ag.pdf

As stipulated by EU Regulation (EC) No. 1606/2002, the consolidated financial statements of Bertrandt AG for the fiscal year from 1 October 2022 to 30 September 2023 have been prepared in accordance with the accounting standards issued by the International Accounting Standards Board (IASB), i.e. the International Financial Reporting Standards (IFRS), and IFRIC Interpretations, as adopted by the European Union. In addition, the requirements of Section 315e (1) of the German Commercial Code (HGB) (taking into account Article 83 of the Introductory Law to the German Commercial Code (EGHGB)) were observed.

All standards effective in the 2022/2023 fiscal year were applied.

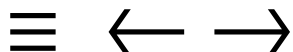
The consolidated financial statements have been prepared on the basis of historical cost, with the exception of certain assets and liabilities which are measured at fair value.

The consolidated financial statements were compiled in euros. Unless stated otherwise, all amounts are shown in millions of euros (EUR million). Rounding differences may occur in the statement of percentages and figures due to the system used.

The Management Board prepared the consolidated financial statements on 11 December 2023. This is the date on which the period for disclosure of adjusting events ends.

Presentation of financial statements and segment reporting

The consolidated income statement is prepared using the nature of expense method. Pursuant to International Accounting Standard (IAS) 1, current and non-current assets and liabilities are separately classified in the balance sheet. Assets and liabilities are considered to be current if the respective amount is expected to be recovered or settled no more than twelve months after the reporting period. Correspondingly, they are considered to be non-current if they are expected to remain in the Group's balance sheet for more than one year. Provisions for pensions are carried under non-current liabilities to reflect their long-term nature. Deferred tax assets and liabilities are classified as non-current.



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The consolidated financial statements give a true and fair view of the net assets, results of operations and financial position as well as the cash flows of the Group, also taking the coronavirus pandemic into account. In fiscal 2022/2023, Bertrandt benefited from large-scale research and development investment by our customers in the megatrends of digitalisation, autonomous driving, connectivity and electromobility. This was counteracted by the general inflation and the resulting cost increases, which can only be compensated for with a time lag. In addition, historically high levels of sick leave, particularly in the first half of the year, and losses in connection with the start-up process for the new Powertrain Solution Centers had a negative impact on earnings. In addition, the rising interest rates are reflected in net finance income.

- Total revenues grew by EUR 148.252 million to EUR 1,157.411 million (previous year EUR 1,009.159 million).
- Earnings before interest and taxes (EBIT) rose to EUR 50.080 million (previous year EUR 41.664 million).
- Cash flow from operating activities was EUR 38.459 million (previous year EUR 56.900 million).

Additional explanations are provided in the management report.

International Financial Reporting Standards and IFRIC Interpretations mandatorily effective from the fiscal year 2022/2023

The following table sets out the International Financial Reporting Standards and IFRIC Interpretations that are applicable as of fiscal 2022/2023.

Standard/ Interpretation		Mandatory application ¹	Effects
IFRS 3, IAS 16 and IAS 37	Amendments to IFRS 3, IAS 16 and IAS 37: Contingent Liabilities and Contingent Assets / Annual Improvements 2018 – 2020	01/01/2022	None

¹Fiscal years beginning on or after the specified date.



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International Financial Reporting Standards and Interpretations that have been issued but are not yet mandatorily effective

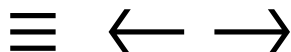
The following standards and interpretations have already been adopted by the IASB and to some degree endorsed by the European Union but were not yet effective in fiscal 2022/2023. Bertrandt will apply them for the accounting period for which they become effective.

Standard/ Interpretation		Mandatory application ¹	Effects
IFRS 17	Insurance contracts, including amendments to IFRS 17	01/01/2023	None
IFRS 17	Amendments to IFRS 17: Initial application of IFRS 17 and IFRS 9 – Comparative information	01/01/2023	None
IAS 1	Amendments to IAS 1: Disclosure of accounting policies	01/01/2023	None
IAS 8	Amendments to IAS 8: Definition of accounting estimates	01/01/2023	None
IAS 12	Amendments to IAS 12: Deferred tax related to assets and liabilities arising from a single transaction	01/01/2023	None
IAS 12	Amendments to IAS 12: International tax reform – Pillar 2 Model Rules	01/01/2023	Currently under examination
IFRS 7 and IAS 7²	Amendments to IAS 7: Supplier Finance Arrangements	01/01/2024	None
IFRS 16	Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	01/01/2024	None
IAS 1²	Amendments to IAS 1: Classification of liabilities as current or non-current / Non-current liabilities with covenants	01/01/2024	None
IAS 21²	Amendments to IAS 21: Lack of Exchangeability	01/01/2025	None

¹Fiscal years beginning on or after the specified date.

²Not yet adopted by the EU.

The effects of the rules published by the Organization for Economic Cooperation and Development (OECD) for the introduction of a global minimum tax are currently being analysed within the Bertrandt Group. Bertrandt will apply them for the accounting period for which they become effective.



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[2] PRINCIPLES OF CONSOLIDATION

Subsidiaries are all entities over which Bertrandt AG has direct or indirect control pursuant to the criteria provided in IFRS 10. The subsidiaries are included in the financial statements by applying the principle of full consolidation. The financial statements of the fully consolidated companies are prepared in accordance with IFRS 10 using uniform accounting policies. Entities are consolidated for the first time on the date on which control is transferred to Bertrandt AG and they are deconsolidated when such control ceases. The reporting date of the separate financial statements of the consolidated group companies corresponds to the fiscal year of Bertrandt AG, with two exceptions: Bertrandt Engineering Shanghai Co., Ltd. whose fiscal year is the calendar year due to local statutory requirements, and Fariba Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG.

The acquisition method is used for consolidation, i.e. acquisition costs are offset with the pro-rata share of the remeasured equity which is attributable to the parent company on the acquisition date. To the extent that the purchase price of the investment exceeds the fair value of the identifiable assets net of liabilities, the resulting difference is classified as goodwill and recognised as an asset on initial consolidation.

Investments are consolidated using the equity method if the Company has significant influence (IAS 28) or if the investment is jointly controlled (IFRS 11 in conjunction with IAS 28). This is generally the case with a shareholding of between 20% and 50% of the voting rights. The carrying amounts of investments accounted for under the equity method are increased or reduced every year by the amount equivalent to the proportion of changes in equity of the associates or joint ventures attributable to the Bertrandt Group. The principles for full consolidation are also applied to the allocation and measurement of any difference between the acquisition costs of the investment and the Group's proportionate share in its equity identified when recognising the investment.

Receivables and liabilities as well as revenues, expenses and income arising from transactions between consolidated entities are offset and intercompany profits are eliminated.

[3] GROUP OF CONSOLIDATED COMPANIES

The group of consolidated companies includes, in addition to Bertrandt AG, all operating subsidiaries under the legal and constructive control of Bertrandt AG.

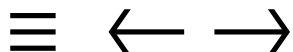
Entities that are not controlled by Bertrandt but over which Bertrandt has significant influence, are accounted for in the consolidated financial statements as associates using the equity method; entities of which Bertrandt directly or indirectly has joint control are accounted for as joint ventures using the equity method.

The Bertrandt Group consists of the following consolidated companies:

GROUP OF CONSOLIDATED COMPANIES

	30/09/2023
Bertrandt AG and consolidated subsidiaries	62
Germany	47
Abroad	15
Associates and joint ventures	16
Germany	15
Abroad	1
Total	78

Refer to Note [53] for more disclosures on the shareholdings of Bertrandt AG.



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According to existing contractual arrangements, the Company has no control of joint ventures in which Bertrandt's shareholdings exceed 50% and which are consolidated using the equity method.

aucip GmbH & Co. KG, aucip Verwaltung GmbH, LASONO tool GmbH, SADONA tool GmbH and SIDENO tool GmbH adopted the calendar year as their financial year. The other associated companies and joint ventures have the same balance sheet date as the Bertrandt Group.

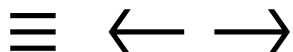
The newly incorporated Bertrandt Technologie SASU, Casablanca, Morocco, was included in the consolidated financial statements for the first time.

On 28 July 2023, Bertrandt Beteiligungen GmbH acquired 100% of the shares in "CONCEPT AG The productivity people" and its subsidiary "digital result gmbh". The consideration of EUR 9.115 million consists of an immediate payment of EUR 7.290 million and a contingent purchase price payment of EUR 1.825 million, which will be paid on a pro rata basis in the 2024/2025 and 2025/2026 fiscal years. The contingent component is dependent on the achievement of certain performance indicators by the acquired companies. Incidental acquisition costs were EUR 0.157 million. "CONCEPT AG The productivity people" is a management consultancy specialising in productivity enhancements to improve the business efficiency of companies. This enables Bertrandt to offer corresponding implementation projects, for example in the area of production optimisation, at a very early stage. The net assets acquired amounted to EUR 1.257 million; this results in goodwill of EUR 7.858 million, which is allocated in full to the Digital Engineering segment. The net assets acquired included EUR 1.505 million in cash and cash equivalents; the actual capital outflow including incidental acquisition costs was therefore EUR 5.942 million.

NET ASSETS ACQUIRED

EUR million	28/07/2023
Intangible assets	0.281
Property, plant and equipment	0.643
Other financial assets	0.402
Deferred income tax assets	0.075
Non-current assets	1.401
Contract assets	0.116
Trade receivables	0.884
Other financial and non-financial assets	0.094
Cash and cash equivalents	1.505
Current assets	2.599
Other financial liabilities	0.295
Deferred tax liabilities	0.055
Non-current liabilities	0.350
Borrowings	0.295
Trade payables	0.177
Other financial liabilities	0.644
Other non-financial liabilities	0.549
Other provisions	0.411
Income tax provisions	0.317
Current liabilities	2.393
Net assets acquired	1.257

In the present consolidated financial statements, the acquired group "CONCEPT AG The productivity people" accounts for revenues of EUR 1.718 million and post-tax earnings of EUR 0.103 million. If the group "CONCEPT AG The productivity people" had been included in the Bertrandt Group since the beginning of the year under review, consolidated revenues would amount to EUR 1,162.605 million and consolidated post-tax earnings would be EUR 31.038 million.



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[4] FOREIGN CURRENCY TRANSLATION

The financial statements of subsidiaries using a functional currency other than the euro are translated according to IAS 21 based on the concept of a functional currency. The subsidiaries carry out their business independently for financial, commercial and organisational purposes. The functional currency is therefore identical to the currency of the country in which they are based.

In the consolidated financial statements, these subsidiaries' assets and liabilities were translated at the mean closing rate as of the reporting date, and income and expenses were translated at the average exchange rate for the fiscal year. All resulting exchange differences including differences resulting from the translation of amounts brought forward from the previous year are recognised directly in equity.

Foreign currency transactions are recorded by translating the foreign currency amount into the functional currency amount at the exchange rate prevailing on the date of the transaction.

Gains and losses arising from the settlement of such transactions and from the translation as at the reporting date of monetary assets and liabilities held in foreign currencies are recognised in profit or loss.

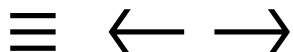
The parities of the key currencies relative to one euro were as follows:

FOREIGN CURRENCY TRANSLATION

Relative to one euro		Average rate on balance sheet date		Annual average rate	
		30/09/2023	30/09/2022	2022/2023	2021/2022
China	CNY	7.6107	6.9073	7.5026	7.0930
United Kingdom	GBP	0.8650	0.8968	0.8707	0.8473
Romania	RON	4.9740	4.9486	4.9348	4.9384
United States	USD	1.0609	0.9714	1.0673	1.0850

[5] SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND UNDERLYING ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements requires to some degree the use of assumptions and estimates that affect the assets and liabilities recognised and the income, expenses and contingent liabilities reported. The assumptions and estimates primarily relate to an assessment as to whether assets and liabilities are impaired; the uniform group-wide definition of the useful lives of intangible assets and items of property, plant and equipment; the recoverability of receivables (including for a claim for compensation payment); the recognition and measurement of provisions and the parameters for calculating percentage of completion values and the resulting recognition of revenues. The term of a lease according to IFRS 16 is estimated on the basis of the non-cancellable period of the lease and on the assessment of whether it is reasonably certain that an option to extend the lease or to terminate the lease will be exercised. The lease term determined and the discount rates used affect the amounts recognised for the right-of-use assets and lease liabilities. The assumptions and estimates have been selected in such a way as to provide a fair view of the Company's net assets, operating results and financial position. They are based on premises which in turn reflect the knowledge available at that point in time. In particular, estimates concerning the Company's expected future business performance are based on the circumstances known at the time when the consolidated financial statements were prepared and on expectations regarding



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the future macroeconomic and geopolitical environment which are assumed to be realistic. This applies, among other things, to the discount rates used. A review was also carried out to determine whether climate-related matters had a material impact on reporting for the period. Climate-related risk factors are generally included in estimates and discretionary decisions when preparing the consolidated financial statements and in the planning process. As in the previous years, no significant influences on reporting were identified in the areas mentioned above.

The amounts actually arising may vary from the original estimates as a result of unforeseeable developments beyond the management's influence. In this case, the underlying assumptions and, if necessary, the carrying amounts of the assets and liabilities are restated.

Recognition of income and expenses

Revenues from contracts with customers and other operating income are recognised when the service has been performed and control of the goods or services has been transferred to the customer. Control can either be transferred over time or at a point in time. In the case of service contracts, the performance obligation is satisfied and control is transferred both over time and at a point in time. Contracts for work are primarily customer-specific in nature. Control is transferred over time as the customer is continuously receiving the benefits provided by the performance, the customer controls the asset in question as it is created or enhanced, or the entity's performance creates an asset with no alternative use to the entity performing the service, and the entity has an enforceable right to payment for performance completed to date.

Where a performance obligation is satisfied over time, the progress towards complete satisfaction of that performance obligation, and consequently revenue recognition, is measured using the percentage of completion method in combination with an input method. Revenues are recognised net of all deductions such as discounts and bonuses.

The transaction price for a contract with a customer is the amount of consideration to be paid for the service based on what has been agreed in the contract.

Operating expenses are charged to the income statement at the time when the service is used or the expense is incurred. Provisions for contingent losses are made when the latter become known.

Government grants are recognised only where it is reasonably certain that the applicable conditions have been met and the grants will be disbursed. They are charged to the periods in which the expenses that the grants are to cover are incurred.

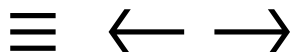
Interest income and expense and all other income and expenses are recognised in the period in which they arise.

Intangible assets

Acquired or internally generated intangible assets are recognised as assets according to IAS 38 if a future economic benefit can be expected from using the asset and it is possible to measure the cost of the asset reliably.

Intangible assets are recognised at historical cost and amortised on a straight-line basis over their useful lives.

Intangible assets, with the exception of goodwill, are amortised over a useful life of three to ten years, starting with the commencement of the asset's commercial use.



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Goodwill is tested for impairment annually in accordance with IAS 36 and IFRS 3. The assessment is carried out at least once a year; however, it is always carried out whenever an impairment indicator arises. To test goodwill for impairment, the higher of the value in use and fair value, less costs of disposal of the respective classes of cash-generating units is used.

At Bertrandt, these are the segments Digital Engineering, Physical Engineering and Electrical Systems/Electronics defined according to IFRS 8.

The impairment tests are based on the corporate forecast for a three-year period, which is considered sufficient to test goodwill for impairment. To determine the values in use, a WACC before tax of 12.1% (previous year 10.4%) and, for the terminal growth rate, of 11.1% (previous year 9.4%) are applied in the Digital Engineering segment. In the Physical Engineering segment, the WACC before tax is 11.5% (previous year 10.5%) and for the terminal growth rate it is 10.5% (previous year 9.5%). In the Electrical Systems/Electronics segment, the WACC before tax is 12.0% (previous year 11.1%) and for the terminal growth rate it is 11.0% (previous year 10.1%). The terminal growth rate is based on a growth factor of 1% (previous year 1%). A change in the WACC by +/- 1% points has no influence on the results of the impairment tests for goodwill in the segments Digital Engineering and Electrical Systems/Electronics. The recoverable amount of the Physical Engineering segment exceeds the carrying amount by EUR 24.954 million as at the reporting date. If the WACC increases by +1% point, the carrying amount of the Physical Engineering segment exceeds the recoverable amount by EUR 2.264 million. To determine cost of capital (WACC), peer group information is used for the debt-to-equity ratio and the beta factors.

Corporate forecasts take account of current knowledge as well as historical performance. On this basis forecasts are made regarding future developments of revenues and earnings. Adjusting the figures for revenues by +/- 15.0% and earnings by +/- 7.5% has no influence on the results of the impairment tests for goodwill.

On the basis of the underlying assumptions, future cash flows are determined. The discounted cash flow method is used to calculate the value in use from these derived future cash flows of the cash generating units. Where the carrying amount exceeds the recoverable amount, a corresponding impairment loss is recognised.

The main assumptions for the forecasts relating to the Digital Engineering, Physical Engineering and Electrical Systems/Electronics segments are based on sector forecasts concerning global research and engineering requirements underlying the Company's marketing and capacity planning as well as specific customer commitments regarding individual projects and specific internal adjustments, which also take projected cost adjustments into account.

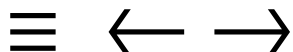
Property, plant and equipment

Property, plant and equipment used in business operations for more than one year are recorded at historical cost less accumulated depreciation. Historical cost includes all the costs attributable to the production process as well as an appropriate proportion of production-related overheads. Depreciation is based on useful lives which are standardised within the Group.

The useful lives are assumed to be between 17 and 40 years for buildings, ten years for outdoor installations and between 3 and 20 years for technical equipment and machinery. Assuming normal use, furniture, fixtures and equipment are depreciated over a period of 3 to 35 years.

The useful lives of property, plant and equipment are reviewed as at each reporting date and adjusted if necessary.

Additions are written down pro rata temporis using the straight-line method.



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Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. At Bertrandt this is relevant for property, plant and equipment.

The underlying cost of debt is 1.2% and 3.9% (previous year 1.2% and 1.4%).

Impairment losses

Impairment losses (write-downs) in respect of intangible assets and property, plant and equipment (including right-of-use assets according to IFRS 16) are calculated in accordance with IAS 36 if the value in use or the net realisable value of the respective asset has fallen below its carrying amount. If the reasons for an impairment loss recognised in previous periods no longer apply, such loss is reversed with the exception of goodwill.

Financial Instruments

Financial instruments comprise both primary financial instruments (e.g. trade receivables and trade payables) and derivative financial instruments (e.g. transactions to hedge against interest rate and currency risks).

Pursuant to IFRS 9, Bertrandt classifies its financial instruments in the following categories:

- Financial assets and financial liabilities measured at fair value through profit or loss
- Financial assets and financial liabilities measured at fair value through other comprehensive income
- Financial assets and financial liabilities measured at amortised cost

Financial assets are classified and measured on the basis of an entity's business model and the cash flow characteristics. The classification of financial liabilities depends on their specific purpose.

The assignment of the classes into which financial instruments are grouped to these categories is shown in the reconciliation statement in Note [46].

Financial instruments are recorded for the first time on inception of the contract and measured at their fair value including transaction costs, if any. They are then subsequently measured at amortised cost or at their fair value.

Financial instruments are derecognised when the rights to payments from the investment have extinguished or have been transferred and the Group has transferred materially all of the risks and rewards of ownership.

Investments accounted for using the equity method

Investments in associates which are not controlled by Bertrandt but over which the Company has significant influence, and joint ventures of which Bertrandt has joint control are accounted for using the equity method.

Trade receivables and other assets

Trade receivables and other assets are measured at amortised cost.

Appropriate provisions for impairment are made to allow for discernible individual risks and general credit risks.



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Financial receivables and other financial assets

Depending on their classification, financial receivables and other financial assets (with the exception of derivatives) are recognised either at amortised cost on the basis of the effective interest method, or at fair value, either through profit or loss or through other comprehensive income, according to their category. Appropriate provisions for impairment are made to allow for discernible individual risks and general credit risks.

Contract assets

Contract assets include performance obligations satisfied over time which are recognised according to the measured progress towards satisfaction of a performance obligation. The progress is measured on the basis of the relation of cost incurred and total cost (input method) and is multiplied by the agreed transaction price. This appropriately reflects the progress of performance, as contract costs incurred regularly provide the best measure of the degree to which performance obligations have been met. The contract assets are taken into account when determining the revenues related to performance obligations satisfied over time.

Advance payments received for contract assets are netted against the contract assets. Advance payments received which cannot be offset are recognised as contract liabilities.

Cash and cash equivalents

Bank balances and cash in hand are measured at amortised cost.

A risk provision is recognised on the basis of the respective bank's credit rating.

Financial liabilities

Financial liabilities are measured at amortised cost or at fair value using the effective interest method.

Derivative financial instruments and hedge accounting

As an engineering service provider operating on an international scale, the Bertrandt Group is exposed to interest rate and currency risks. The Company uses derivative financial instruments for managing these risks.

Interest derivatives are used to control and optimise the financial results for floating-rate debt of the Group and are classified as financial instruments held for trading pursuant to IFRS 9.

Any changes in fair value are recognised in profit or loss. Their subsequent measurement is based on fair value.

Foreign-currency forwards used to hedge future foreign-currency cash flows are measured at their fair value. All existing forward exchange transactions are currently recognised as hedging instruments (hedge accounting). The designated portion (spot rate component) of the hedging instrument is recognised in other comprehensive income as a reduction in equity. Once the hedged item is recognised, this portion of the hedging instrument is recognised in the income statement. The non-designated portion of a cash flow hedge is immediately recognised in the income statement. If the future transaction is no longer expected to occur, the cumulative gains or losses recognised in equity are reclassified immediately from equity to the income statement.

Derivative financial instruments are recognised as financial assets to the extent that their fair value is positive, and as financial liabilities to the extent that their fair value is negative.

Inventories

Inventories are assets in the form of materials or supplies which are recognised at cost or their net realisable value, whichever is lower.



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Current and deferred income tax

Tax expense for the period under review comprises current income tax and deferred tax.

Current income tax expense is calculated according to national tax laws effective at the reporting date.

Deferred tax assets and liabilities are recognised in accordance with IAS 12 for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts pursuant to IFRS as well as for consolidation measures taken to the income statement. Deferred tax assets also include future tax reduction claims resulting from the expected use in future periods of carryforwards of unused tax losses, provided that their recovery is reasonably probable. For the calculation of deferred taxes the tax rates are used which are applicable or expected in the individual countries in accordance with prevailing law on the date of recognition. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are offset where permitted. No deferred tax assets and liabilities are recognised for temporary differences resulting from applicable or announced tax rules to implement the model regulations published by the Organization for Economic Co-operation and Development (OECD) for the introduction of global minimum taxation.

Provisions

Provisions for pension obligations

Provisions for pension obligations are set aside for obligations arising from pension plans or statutory provisions. The Group operates both defined contribution plans and defined benefit plans.

Provisions for defined benefit pension plans are calculated using the projected unit credit method as defined in IAS 19. Actuarial gains and losses are recognised in other comprehensive income. Existing plan assets are netted against the related pension obligation and, depending on their development, recognised either as a pension liability or as an asset under other financial assets.

The defined benefit plan is calculated on the basis of final salaries; the defined contribution obligations apply towards government or private pension funds in accordance with contractual or statutory provisions. The Company has no further obligations once the contributions have been paid.

Tax provisions

Tax provisions are set aside for current income tax obligations which are calculated according to applicable national tax laws.

Other provisions

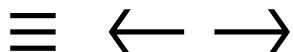
Other provisions are recognised if there is any legal or constructive present obligation towards a third party as a result of a past event, an outflow of resources to settle the obligation is probable and a reliable estimate of the amount of the obligation can be made.

Other provisions that do not result in an outflow of resources in the following period are recognised at the present value of the settlement amount as of the reporting date using market interest rates for discounting.

Government grants

Government grants for investments are recorded under other liabilities and are released to the income statement on a straight-line basis over the expected useful lives of the assets concerned.

Government subsidies for innovative projects or other grants related to income are either recognised as other operating income or deducted from the related expense, provided that the grant is received in the same accounting year (net basis).



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Leases – Lessee

A right-of-use asset and a lease liability are recorded for all leases where Bertrandt acts as a lessee. To the extent that options to extend or terminate the lease have been agreed in the lease, the exercise of these options is examined and evaluated by accounting for all relevant facts and circumstances before the lease's recognition on the balance sheet, provided that the exercise or non-exercise is deemed reasonably certain.

The Company applies the recognition exemption according to which no recognition of a right-of-use asset and lease liability is required for leases with a lease term of 12 months or less (short-term leases) and leases of low-value assets (guiding value of EUR 5,000.00). The lease payments under these leases are recognised as other operating expenses over the lease term.

Right-of-use assets

The right-of-use asset is initially measured at the amount of the lease liability plus direct costs. Subsequently, the right-of-use asset is depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Right-of-use assets are recognised in property, plant and equipment; the provisions of IAS 36 are complied with.

Lease liability

The lease liability is measured at the present value of the lease payments not yet made and which are due during the lease term. The interest rate used by the Bertrandt Group is an incremental borrowing rate. The lease liability is subsequently measured using the effective interest method; the lease payment is split into interest and capital.

The incremental borrowing rate is determined based on benchmark interest rates with equivalent maturities of ten years or less, based on the yields of German corporate bonds.

Leases – Lessor

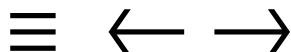
Leases are classified as either finance leases or operating leases according to the extent to which risks and rewards lie with the lessor or the lessee. To the extent that the ownership of the underlying asset continues to lie with Bertrandt, the underlying asset continues to be recognised in the balance sheet and rental income is recognised in the income statement. If all risks and rewards lie with the lessee, the underlying asset is removed from property, plant and equipment and a receivable in the amount of the net investment value is recognised.

Notes on items of the income statement

[6] REVENUES

Revenues from contracts with customers are recognised when the performance obligation is satisfied and control of the good or service is transferred to the customer. This can be either over time or at a point in time. Revenues from contracts with customers are recognised net of value added tax and all discounts and bonuses.

Of the consolidated revenues of EUR 1,156.810 million (previous year EUR 1,008.475 million), EUR 955.803 million (previous year EUR 854.113 million) were contributed by the domestic entities, and EUR 201.007 million (previous year EUR 154.362 million) by the foreign entities. Of the latter, France accounted for EUR 124.452 million (previous year EUR 98.851 million).



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The revenues recognised over time were EUR 891.736 million (previous year EUR 775.543 million).

The revenues include EUR 0.440 million (previous year: EUR –0.255 million) from hedging transactions.

There are two customers with whom Bertrandt generated more than 10% of its total revenues respectively, in both cases across all segments. Total revenues generated with these two customers were EUR 439.494 million (previous year EUR 390.315 million) and EUR 180.805 million (previous year EUR 167.372 million) respectively.

As at the reporting date, revenues expected from performance obligations not yet satisfied amounted to EUR 677.913 million (previous year EUR 628.455 million). Of this total, EUR 494.636 million (previous year EUR 511.364 million) were accounted for by performance obligations satisfied over time. Of these obligations, EUR 188.415 million (previous year EUR 229.702 million) are expected to be satisfied in the course of the Company's next fiscal year; EUR 296.109 million (previous year EUR 247.238 million) in the next two to five fiscal years, and EUR 10.112 million (previous year EUR 34.424 million) after five fiscal years. Of the performance obligations satisfied at a point in time, which total EUR 183.277 million (previous year EUR 117.091 million), EUR 122.090 million (previous year EUR 79.422 million) are expected to be satisfied in the course of the Company's next fiscal year; EUR 51.105 million (previous year EUR 34.597 million) in the next two to five fiscal years, and EUR 10.082 million (previous year EUR 3.072 million) in after five fiscal years.

In addition to the volumes already ordered, there is a large volume of services offered in a catalogue structure, which are not included in these performance obligations.

As in the previous year, there were no significant revenues in the year under review which resulted from performance obligations satisfied in prior years.

[7] OTHER OWN WORK CAPITALISED

This item comprises internally generated tangible and intangible assets which are capitalised pursuant to IAS 16 and IAS 38 and depreciated/amortised over their expected useful lives on a straight-line basis.

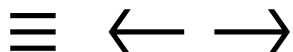
[8] OTHER OPERATING INCOME

Other operating income for fiscal 2022/2023 is comprised of the following:

OTHER OPERATING INCOME

EUR million	2022/2023	2021/2022
Non-cash benefits to employees	0	4.922
Rental income	0.474	0.503
Income from disposal of assets	0.321	1.661
Income from reversal of provisions	0.516	0.353
Income from reversal of impairment losses	0.173	0.714
Income from derecognised receivables	0.143	0.012
Compensation payments	7.471	7.435
Income from exchange rate differences	1.779	2.122
Miscellaneous other income	1.261	2.085
Total	12.138	19.806

Rental income comprises no rental income from investment property (previous year EUR 0.077 million) as the investment property was sold in the previous year. For the coming fiscal years, other rental income of EUR 0.358 million (previous year EUR 1.058 million) is expected. Of this, rental income of EUR 0.334 million (previous year EUR 0.920 million) arises from leases with a term of up to twelve months and EUR 0.024 million (previous year EUR 0.138 million) from leases with a term of more than twelve months. In the previous year, income from the disposal of assets included a gain



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of EUR 1.366 million from the sale of a plot of land with a building. Compensation payments include revenue from a claim of EUR 7.250 million (previous year: EUR 6.000 million) due to delays in the operability of technical equipment and machinery (Note [19]). The evaluation of the matter is based on estimates and is subject to uncertainties, so that only that amount is recognised as a receivable for which realisation of income is virtually certain. Income of EUR 5.507 million for benefits in kind provided to employees were for the first time recognised in personnel expenses in the year under review.

In addition, other operating income in the year under review includes government grants of EUR 0.113 million (previous year EUR 0.126 million). In the previous year, government subsidies for innovative projects of EUR 0.438 million were also included.

[9] COST OF MATERIALS

The cost of materials breaks down as follows:

RAW MATERIALS AND CONSUMABLES USED

EUR million	2022/2023	2021/2022
Expenditure on raw material and consumables used	15.197	14.006
Expenditure on work purchased	116.997	94.898
of which CAX costs	23.702	23.746
of which external work	93.073	70.909
of which incoming freight	0.222	0.243
Total	132.194	108.904

[10] PERSONNEL EXPENSES

Overall, the Bertrandt Group employed an average of 13,406 people in the fiscal year (previous year 11,897).

AVERAGE NUMBER OF EMPLOYEES

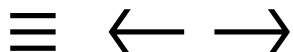
Number	2022/2023	2021/2022
Technical employees ¹	485	594
Office employees ¹	12,234	10,779
Trainees/undergraduates	183	166
Interns/post-graduates	125	104
Temporary staff	379	254
Total	13,406	11,897

¹Previous year`s figure restated.

Personnel expenses include expenses for wages and salaries in the amount of EUR 696.804 million (previous year EUR 612.755 million) as well as social security expenses of EUR 142.873 million (previous year EUR 127.559 million) including the employer contribution to the statutory pension system presented under expenses for post-employment benefits, and further defined contribution expense of EUR 63.785 million (previous year EUR 56.721 million).

PERSONNEL EXPENSES

EUR million	2022/2023	2021/2022
Wages and salaries	696.804	612.755
Social security expenses	142.873	127.559
of which employer contribution to social security	78.540	70.355
of which expenses for post-employment benefits	64.333	57.204
Total	839.677	740.314



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Personnel expenses were reduced by government grants of EUR 1.637 million (previous year EUR 3.048 million) received from outside Germany. There were no government grants from Germany in the year under review (previous year: EUR 0.198 million). Subsidies for innovative projects received under government economic stimulus packages reduced expenses by EUR 0.380 million (previous year EUR 0.613 million).

Bertrandt AG provides grants for the purchase of Bertrandt shares by staff under an employee share scheme [see Notes [31] and [32]]. A lock-up period of a total of two years applies to the sale of these shares. This resulted in personnel expenses of EUR 0.176 million in fiscal 2022/2023 (previous year EUR 0.093 million).

[11] DEPRECIATION/AMORTISATION EXPENSE

Depreciation and amortisation expense is comprised of the following:

DEPRECIATION/AMORTISATION

EUR million	2022/2023	2021/2022
Intangible assets	3.681	3.244
Property, plant and equipment	52.567	53.731
Total	56.247	56.976

Depreciation of right-of-use assets of EUR 21.318 million (previous year EUR 22.301 million) is included in property, plant and equipment. Refer to Notes [18] – [19] for a detailed breakdown of depreciation and amortisation expense for individual items.

Depreciation of property, plant and equipment includes write-downs of EUR 1.200 million (previous year: EUR 0 million) (Note [19]).

[12] OTHER OPERATING EXPENSES

Other operating expenses are comprised of the following:

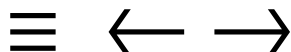
OTHER OPERATING EXPENSES

EUR million	2022/2023	2021/2022
Miscellaneous manufacturing expenses	6.506	4.644
Office premises, furnishings and fittings	33.085	32.999
Miscellaneous personnel expenses	14.717	12.878
General administrative expenses	2.991	2.701
Distribution expenses	13.536	9.099
Expenditure on exchange-rate differences	3.893	1.823
Non-work-related expenses	1.269	5.162
Fleet expenses	6.845	5.552
Miscellaneous expenses	8.509	6.250
Total	91.351	81.108

Expenses of EUR 2.283 million for changes in personnel structure are included in non-work-related expenses of the previous year. From the fiscal year 2022/2023, these expenses will be recognised in personnel expenses.

The effects of the positive progress of pending administrative appeal and court proceedings caused a reduction in miscellaneous expenses of EUR 0.504 million (previous year: EUR 0.488 million). In addition, the amounts recognised include primarily legal and consulting fees, and other fees. In the year under review, government subsidies for innovative projects in the amount of EUR 0.169 million (previous year EUR 0.196 million) are included in miscellaneous expenses.

Expenses resulting from exchange rate differences include EUR 0.572 million (previous year: EUR 0.119 million) from the non-designated portion of the cash flow hedge (Note [47]).



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[13] NET FINANCE INCOME

Net finance income breaks down as follows:

NET FINANCE INCOME

EUR million	2022/2023	2021/2022
Share of profits in associates	0.577	0.575
Interest income	2.120	0.141
Financial expenses	-10.097	-6.964
Other finance income	-0.119	-0.112
Total	-7.518	-6.360

Finance expense of EUR 10.097 million (previous year EUR 6.964 million) essentially comprises interest expense resulting from short- and long-term loans and advances, and fees for the long-term commitment of credit facilities of EUR 7.541 million in total (previous year EUR 3.866 million).

They also comprise interest expense of EUR 1.919 million (previous year EUR 1.932 million) for contractual relationships that must be recognised according to IFRS 16. Moreover, they include, among others, other interest for factoring and tax interest.

Interest income primarily results from bank deposits and other interest income of a total of EUR 2.114 million (previous year EUR 0.127 million). It also comprises interest income of EUR 0.007 million (previous year EUR 0.014 million) from contractual relationships that must be recognised according to IFRS 16.

Included in net other finance income are valuation matters of EUR 0.119 million (previous year EUR 0.112 million) attributable to net finance income.

[14] OTHER TAXES

Foreign tax expense primarily involves the subsidiaries in France.

OTHER TAXES

EUR million	2022/2023	2021/2022
Domestic tax expense	0.521	0.480
Foreign tax expense	1.941	2.027
Other taxes	2.462	2.507

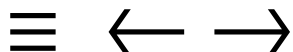
[15] INCOME TAXES

As in the previous year, income taxes comprise corporate income tax of 15% plus the solidarity surcharge of 5.5%, trade tax of approximately 14% in Germany and comparable income-related taxes in other countries. In addition, this item includes deferred income tax on the temporary differences between the carrying amounts recognised pursuant to IFRS and corresponding tax bases, as well as deferred income tax on consolidation measures and loss carry-forwards which are expected to be usable in accordance with IAS 12.

Income taxes thus break down as follows:

INCOME TAXES

EUR million	2022/2023	2021/2022
Current domestic tax expense	5.688	5.561
Current foreign tax expense	1.710	1.643
Current tax expense	7.398	7.204
Deferred tax expense/income	2.258	4.459
Income taxes	9.655	11.663



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In the year under review, deferred tax expense of EUR 0.941 million resulted from the use of different tax depreciation options. Some of these are temporary and were waived in Germany as a result of, among others, the coronavirus pandemic (previous year: deferred tax expense of EUR 1.215 million). The income tax expense of EUR 9.655 million calculated for fiscal 2022/2023 is EUR 2.375 million lower than the expected income tax expense of EUR 12.030 million that would have arisen had a tax rate of 30% (previous year 30%) been applied to the consolidated pre-tax earnings.

Reconciliation of expected and actual income tax expense is as follows:

RECONCILIATION OF INCOME TAX

EUR million	2022/2023	2021/2022
Earnings before income tax	40.099	32.797
Expected tax rate	30.0%	30.0%
Expected income tax expense	12.030	9.839
Taxation differences affecting foreign subsidiaries	-0.804	1.912
Tax effects of payouts and pre-year tax assessments	0.006	0.106
Tax effect of non-deductible operating expenses and other tax modifications	0.116	-0.279
Tax effect of write-ups of loss carry-forwards	-1.382	-0.101
Consolidation effects	-0.092	0.183
Other effects	-0.219	0.003
Actual income tax expense	9.655	11.663
Effective tax rate	24.1%	35.6%

The item 'Taxation differences affecting foreign subsidiaries' results mainly from differing tax rates applicable outside Germany. In the previous year it also included loss allowance for deferred tax assets from loss carry-forwards of EUR 1.119 million. The item 'Tax effects of non-deductible operating expenses and other tax modifications' includes tax effects resulting from a tax-free grant of EUR 0.344 million (previous year EUR 0.539 million).

The deferred tax assets in respect of loss carryforwards utilised in the fiscal year amounted to EUR 0.002 million (previous year EUR 0.009 million).

In the period under review, tax effects of EUR -0.128 million (previous year EUR -1.226 million) resulted from the remeasurement of the retirement benefit obligations and plan assets. These tax effects are recognised in other reserves (OCI); their cumulative amount is EUR 0.225 million (previous year EUR 0.353 million¹). In addition, tax effects with respect to the designated portion of the change in value of the cash flow hedges of EUR -0.539 million (previous year: EUR 0.496 million) are included for the fiscal year; their cumulative value is EUR -0.043 million (previous year: EUR 0.496 million).

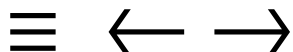
¹Previous year's figure restated.

[16] EARNINGS PER SHARE

Earnings per share as defined in IAS 33 are as follows:

EARNINGS PER SHARE

According to IAS 33	2022/2023	2021/2022
Post-tax earnings (EUR million)	30.444	21.134
attributable to shareholders of Bertrandt AG (EUR million)	30.444	21.134
Number of shares (million)	10.143	10.143
Number of treasury shares (million)	0.038	0.043
Number of shares which are entitled to dividend (million) – diluted/basic, average weighting	10.106	10.100
Earnings per share (EUR) – diluted/basic	3.01	2.09



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[17] FURTHER NOTES ON THE EFFECTS OF FINANCIAL INSTRUMENTS ON THE INCOME STATEMENT

Net gains or net losses on financial instruments comprise interest, the results of foreign currency translation, risk provisions and changes resulting from subsequent measurement.

NET GAINS OR NET LOSSES ON FINANCIAL INSTRUMENTS BY CATEGORY AS DEFINED IN IFRS 7

EUR million	2022/2023	2021/2022
Loans and receivables	0.186	-0.338
Financial liabilities measured at amortised cost	-7.671	-4.468
Financial assets and liabilities measured at fair value through profit and loss	0.013	-0.262
Financial assets and liabilities measured at fair value through other comprehensive income	-0.572	-0.100
Total	-8.044	-5.167

The 'Loans and receivables' category comprises financial receivables, trade receivables, other financial assets and cash and cash equivalents.

Financial liabilities measured at amortised cost include borrowings, trade payables and other financial liabilities.

Financial assets and financial liabilities measured at fair value through profit or loss comprise financial receivables, other financial assets and other financial liabilities.

Financial assets and financial liabilities measured at fair value through other comprehensive income comprise foreign exchange forward contracts designated in hedge accounting.

No interest hedges were used by the Company in the reporting period.

TOTAL INTEREST INCOME AND EXPENSE FOR FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

EUR million	2022/2023	2021/2022
Interest income	1.923	0.141
Interest expenses	-8.251	-4.670
Total	-6.328	-4.529

Impairment losses on loans and receivables came to EUR 0.483 million in the fiscal year (previous year EUR 0.231 million).

Notes on items of the balance sheet

Assets

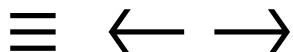
NON-CURRENT ASSETS

[18] INTANGIBLE ASSETS

The addition of goodwill relates to the acquired group "CONCEPT AG The productivity people" (Note [3]). Apart from this, additions to intangible assets primarily comprise technical software licenses.

Goodwill is subjected to regular impairment testing in accordance with IAS 36.

In fiscal 2022/2023, as in the previous year, this did not result in any impairment losses. Goodwill breaks down by segment as follows:



Digital Engineering accounts for EUR 14.198 million (previous year EUR 6.340 million), Physical Engineering accounts for EUR 2.909 million (previous year EUR 2.909 million) and Electrical Systems/ Electronics accounts for EUR 18.484 million (previous year EUR

18.484 million). Other intangible assets primarily comprise internally developed software in progress and advance payments of EUR 0.077 million (previous year EUR 0.045 million).

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INTANGIBLE ASSETS

EUR million	Concessions and licences	Internally generated software	Goodwill	Other	Total intangible assets
Historical costs					
Value on 01/10/2022	62.357	1.571	27.733	0.568	92.229
Currency differences	-0.046	0	0	0	-0.046
Additions from initial consolidation	0.249	0	7.858	0.032	8.139
Additions	2.012	0	0	0.031	2.043
Disposals	0.024	0	0	0	0.024
Reclassifications	0.157	0	0	0	0.157
Value on 30/09/2023	64.705	1.571	35.592	0.631	102.499
Amortisation					
Value on 01/10/2022	56.049	0.878	0	0.433	57.360
Currency differences	-0.031	0	0	0	-0.031
Additions	3.331	0.302	0	0.048	3.681
Disposals	0.024	0	0	0	0.024
Reclassifications	0	0	0	0	0
Value on 30/09/2023	59.326	1.180	0	0.481	60.987
Residual carrying amount 30/09/2023	5.379	0.391	35.592	0.150	41.512
Residual carrying amount 30/09/2022	6.308	0.693	27.733	0.135	34.868
Previous year					
Historical costs					
Value on 01/10/2021	57.579	1.142	9.309	0.490	68.520
Currency differences	0.041	0	0	0	0.041
Additions from initial consolidation	0.086	0.060	18.484	0.357	18.988
Additions	4.544	0	0	0.089	4.634
Disposals	0.090	0	0.060	0	0.150
Reclassifications	0.196	0.368	0	-0.368	0.196
Value on 30/09/2022	62.357	1.571	27.733	0.568	92.229
Amortisation					
Value on 01/10/2021	53.526	0.649	0	0.060	54.235
Currency differences	0.030	0	0	0	0.030
Additions	2.641	0.229	0	0.373	3.244
Disposals	0.073	0	0	0	0.073
Reclassifications	-0.076	0	0	0	-0.076
Value on 30/09/2022	56.049	0.878	0	0.433	57.360
Residual carrying amount 30/09/2022	6.308	0.693	27.733	0.135	34.868
Residual carrying amount 30/09/2021	4.054	0.493	9.309	0.430	14.285



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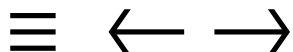
[19] PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are recognised at cost less depreciation in accordance with their respective useful lives.

Where impairment indicators arise, impairment tests are performed in accordance with IAS 36. In the year under review an impairment test revealed the necessity to write down several assets under construction of the not yet commissioned Powertrain Solution Centers in the Physical Engineering segment. An amount of EUR 1.200 million in total (previous year EUR 0 million) was written down and included in depreciation of property, plant and equipment (Note [11]) as the value in use of the cash-generating unit decreased to EUR 31.247 million, i.e. below the carrying amount. The impairment test procedure is based on the corporate planning of the cash-generating unit over the useful life of the underlying assets. A WACC before tax as at 30 September 2023 of 12.0% was taken into account to determine the value in use.

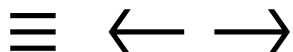
Technical equipment and machinery as well as other furniture, fixtures and equipment primarily consist of CAD machines, machinery and equipment for prototype construction as well as testing facilities.

Borrowing costs to be capitalised as part of the cost of qualifying assets are EUR 0.235 million (previous year EUR 0.250 million).



PROPERTY, PLANT AND EQUIPMENT

EUR million		Property and plant	Technical equipment and machinery	Other facilities, factory and office equipment	Advance payments and work in progress	Total PPE	
02	The fiscal year 2022/2023	Historical costs					
04	WE are Bertrandt	Value on 01/10/2022	318.422	171.681	155.085	63.479	708.667
		Currency differences	-0.178	0	-0.112	0	-0.290
06	A A LETTER TO THE SHAREHOLDERS	Additions from initial consolidation	0.209	0	0.434	0	0.643
		Other effects	0.163	-0.006	-0.382	0	-0.226
		Additions	7.867	5.446	17.663	4.954	35.931
25	B CORPORATE SOCIAL RESPONSIBILITY REPORT	Disposals	12.747	4.543	7.141	0.048	24.479
		Reclassifications	0	3.855	0.276	-4.289	-0.157
		Value on 30/09/2023	313.737	176.434	165.823	64.096	720.090
72	C GROUP MANAGEMENT REPORT	Amortisation					
		Value on 01/10/2022	102.382	113.161	117.793	1.491	334.827
		Currency differences	-0.139	0	-0.074	0	-0.213
		Additions	23.932	13.030	14.404	1.200	52.567
122	D REMUNERATION REPORT	Disposals	11.650	4.123	6.414	0	22.187
		Reclassifications	0	0.007	0	-0.007	0
		Value on 30/09/2023	114.524	122.075	125.710	2.684	364.993
141	E CONSOLIDATED FINANCIAL STATEMENTS	Residual carrying amount 30/09/2023	199.212	54.359	40.113	61.413	355.095
		Residual carrying amount 30/09/2022	216.041	58.520	37.292	61.988	373.841
143	Consolidated income statement and statement of comprehensive income	Previous year					
144	Consolidated balance sheet	Historical costs					
145	Consolidated statement of changes in equity	Value on 01/10/2021	304.483	203.862	138.310	35.309	681.964
		Currency differences	0.215	0	0.111	0	0.326
		Additions from initial consolidation	2.145	0.016	0.387	0	2.548
		Other effects	0	0	0	0	0
146	Consolidated cash flow statement	Additions	16.749	2.312	17.222	10.200	46.482
147	<u>Notes to the Consolidated Financial Statements</u>	Disposals	5.997	8.513	7.412	0.534	22.456
		Reclassifications	0.828	-25.995	6.467	18.504	-0.196
		Value on 30/09/2022	318.422	171.681	155.085	63.479	708.667
205	Independent Auditor's Report	Amortisation					
212	Responsibility statement by the management (balance sheet oath)	Value on 01/10/2021	77.444	106.733	106.307	0.074	290.558
		Currency differences	0.186	0	0.082	0	0.268
		Additions	25.100	15.164	13.468	0	53.732
		Disposals	0.348	7.394	2.064	0	9.806
		Reclassifications	0	-1.341	0	1.417	0.076
213	F FURTHER INFORMATION	Value on 30/09/2022	102.382	113.161	117.793	1.491	334.827
		Residual carrying amount 30/09/2022	216.041	58.520	37.292	61.988	373.841
		Residual carrying amount 30/09/2021	227.039	97.129	32.003	35.236	391.406



The balance sheet item 'Property, plant and equipment' includes right-of-use assets under leases. Their carrying amounts are determined as follows:

IFRS 16 Right-of-use assets

EUR million				
	Property and plant	Technical equipment and machinery	Other facilities, factory and office equipment	Total right-of-use-assets
Historical costs				
Value on 01/10/2022	124.426	0.970	11.798	137.194
Currency differences	-0.178	0	-0.002	-0.179
Additions from initial consolidation	0.209	0	0.318	0.527
Other effects	0.163	-0.006	-0.382	-0.226
Additions	7.620	0.021	3.686	11.327
Disposals	12.747	0.382	2.556	15.685
Reclassifications	0	0	0	0
Value on 30/09/2023	119.492	0.603	12.862	132.957
Amortisation				
Value on 01/10/2022	55.598	0.565	7.475	63.637
Currency differences	-0.139	0	-0.001	-0.141
Additions	18.337	0.245	2.737	21.318
Disposals	11.691	0.327	2.392	14.410
Reclassifications	0	0	0	0
Value on 30/09/2023	62.104	0.482	7.818	70.405
Residual carrying amount 30/09/2023	57.388	0.121	5.044	62.553
Residual carrying amount 30/09/2022	68.828	0.405	4.323	73.557
Previous year				
Historical costs				
Value on 01/10/2021	110.697	0.593	8.885	120.175
Currency differences	0.215	0	0.003	0.217
Additions from initial consolidation	2.145	0	0.066	2.210
Other effects	0	0	0	0
Additions	16.288	0.377	2.899	19.564
Disposals	4.919	0	0.053	4.972
Reclassifications	0	0	0	0
Value on 30/09/2022	124.426	0.970	11.798	137.194
Amortisation				
Value on 01/10/2021	36.007	0.297	4.845	41.149
Currency differences	0.186	0	0.002	0.188
Additions	19.405	0.268	2.628	22.301
Disposals	0	0	0	0
Reclassifications	0	0	0	0
Value on 30/09/2022	55.598	0.565	7.475	63.637
Residual carrying amount 30/09/2022	68.828	0.405	4.323	73.557
Residual carrying amount 30/09/2021	74.690	0.297	4.040	79.027



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Expenses for short-term leases in fiscal 2022/2023 were EUR 1.682 million (previous year EUR 0.806 million); they are included in other operating expenses. Expenses of EUR 0.152 million (previous year EUR 0.230 million) were incurred for leases of low-value assets, with cost of materials accounting for EUR 0.034 million (previous year EUR 0.120 million) and other operating expenses accounting for EUR 0.118 million (previous year EUR 0.110 million). In addition, expenses of EUR 2.983 million (previous year EUR 3.055 million) resulting from incidental rental costs and components not relevant under IFRS 16 were incurred.



[20] INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

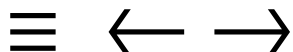
The equity method is used for all investments in associates and joint ventures. Their development was as follows:

INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

EUR million	Associates	Joint ventures	Total
Historical costs			
Value on 01/10/2022	0.075	8.100	8.175
Additions	0	0	0
Disposals	0	0	0
Share of profit/loss	-0.021	0.598	0.577
Dividends	0	0	0
Value on 30/09/2023	0.054	8.698	8.752
Amortisation			
Value on 01/10/2022	0	0	0
Additions	0	0	0
Disposals	0	0	0
Value on 30/09/2023	0	0	0
Residual carrying amount 30/09/2023	0.054	8.698	8.752
Residual carrying amount 30/09/2022	0.075	8.100	8.175
Previous year			
Historical costs			
Value on 01/10/2021	0.074	7.501	7.574
Additions	0	0.025	0.025
Disposals	0	0	0
Share of profit/loss	0.001	0.574	0.575
Dividends	0	0	0
Value on 30/09/2022	0.075	8.100	8.175
Amortisation			
Value on 01/10/2021	0	0	0
Additions	0	0	0
Disposals	0	0	0
Value on 30/09/2022	0	0	0
Residual carrying amount 30/09/2022	0.075	8.100	8.175
Residual carrying amount 30/09/2021	0.074	7.501	7.574

Of the joint ventures' share of profit/loss, a portion of EUR 0.572 million (previous year EUR 0.526 million) is attributable to Bertrandt Campus GmbH.

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[21] CURRENT AND NON-CURRENT FINANCIAL RECEIVABLES

Financial receivables are broken down as follows according to their maturities:

FINANCIAL RECEIVABLES

EUR million			
	Current	Non-current	30/09/2023
Financial receivables	15.076	5.984	21.060
Previous year			
	Current	Non-current	30/09/2022
Financial receivables	7.320	6.337	13.657

Current and non-current financial receivables comprise, in addition to loans receivable, lease payments receivable of EUR 3.022 million (previous year EUR 4.333 million). In addition, the increase in a claim for compensation payment due to delays in the operability of technical equipment and machinery by EUR 7.250 million to EUR 13.250 million (previous year: EUR 6.000 million) caused financial receivables to increase (Note [8]). The interest rates are between 0% and 5%. The long-term lease payments receivable and the long-term loans are due for settlement in two to 10 years. There were no gains on disposal in connection with lease payments receivable in the 2022/2023 fiscal year (previous year: EUR 0.095 million).

Lease payments receivable developed as follows:

LEASE PAYMENTS RECEIVABLE

EUR million		
	2022/2023	2021/2022
Lease payments receivable 01/10	4.333	0
New leases	0	5.927
Lease income	-1.318	-1.608
Interest income	0.007	0.014
Lease payments receivable 30/09	3.022	4.333

Future cash receipts from existing leases break down as follows:

FUTURE CASH RECEIPTS FROM LEASES ACCORDING TO IFRS 16

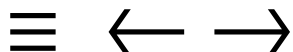
EUR million		
	30/09/2023	30/09/2022
< 1 year	1.092	1.223
1-2 years	0.990	1.127
2-3 years	0.942	1.014
3-4 years	0	0.977
4-5 years	0	0
> 5 years	0	0
Total	3.024	4.341
Discounting	-0.002	-0.008
Lease payments receivable as at 30/09	3.022	4.333

[22] CURRENT AND NON-CURRENT OTHER FINANCIAL ASSETS

Of the total of EUR 9.181 million (previous year EUR 7.598 million) of other financial assets, EUR 4.332 million (previous year EUR 3.587 million) are non-current assets. These mainly include reinsurance policies.

[23] CURRENT AND NON-CURRENT OTHER ASSETS

Other assets were EUR 15.998 million (previous year EUR 17.038 million) and include prepaid expenses and receivables from public institutions, of which EUR 2.516 million (previous year EUR 4.107 million) have a residual maturity of more than one year.



[24] DEFERRED TAX ASSETS AND TAX LIABILITIES

Deferred tax assets and liabilities comprise the following items:

DEFERRED TAX ASSETS AND LIABILITIES

EUR million	30/09/2023		30/09/2022	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Non-current assets	0.277	25.707	0.274	27.947
Contract assets	0	12.499	0	8.877
Post-retirements benefit provisions	0.939	0	0.947	0
Other provisions	0.833	0	0.806	0.101
Unused tax losses	3.142	0	1.593	0
Financial receivables	0	0.907	0	1.300
Other financial liabilities	18.717	0.150	22.561	0
Other items	0.410	0.069	0.340	0.373
Total before offsetting	24.318	39.332	26.521	38.599
Offsetting	-19.926	-19.926	-13.378	-13.378
Deferred tax assets and liabilities	4.392	19.406	13.143	25.221

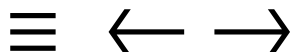
Of the deferred tax assets before offsetting, EUR 23.032 million (previous year EUR 24.766 million) have a residual maturity of more than twelve months. Of the deferred tax liabilities before offsetting, EUR 12.710 million (previous year EUR 9.351 million) are short-term and EUR 26.623 million (previous year EUR 29.247 million) are long-term liabilities.

A deferred tax asset of EUR 3.742 million (previous year EUR 1.470 million) was capitalised for entities that in the previous year or the current fiscal year generated a negative taxable income, as the realisation of the related tax benefit is probable based on projected future taxable profit/loss.

In addition to the deferred tax assets arising from tax losses carried forward, there are unused tax losses in the amount of EUR 16.337 million (previous year EUR 22.198 million), which generally can be carried forward for an unlimited time period. In individual countries, the time period is limited to five years.

No deferred tax liabilities have been recognised on the temporary differences in the carrying amounts of investments which amounted to EUR 42.127 million (previous year EUR 42.729 million), because Bertrandt AG is able to control the timing of the reversal of the temporary differences and these will not reverse in the foreseeable future.

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CURRENT ASSETS

[25] INVENTORIES

As at the reporting date, the inventories of the Bertrandt Group were as follows:

INVENTORIES

EUR million	30/09/2023	30/09/2022
Raw materials and consumables used	0.835	0.948

As in the previous year, no impairments were made in the year under review.

[26] CONTRACT ASSETS

Contract assets developed as follows:

CONTRACT ASSETS

EUR million	01/10/2022	Increase	Decrease	30/09/2023
Contract assets	238.274	180.941	-130.988	288.227
Less contract liabilities	-122.765			-148.013
Total	115.510			140.214
Previous year				
	01/10/2021	Increase	Decrease	30/09/2022
Contract assets	184.658	136.558	-82.941	238.274
Less contract liabilities	-91.695			-122.765
Total	92.962			115.510

Contract assets exclusively comprise performance obligations satisfied over time.

As at the end of the fiscal year, the Company recognised provisions of EUR 0.368 million (previous year EUR 0.672 million) for onerous contracts with customers.

For most contracts for work, payment schedules have been specified. Rework is performed without delay; there are consequently no obligations to accept returns or give refunds, and no warranties exceeding the statutory period of 24 months.

[27] TRADE RECEIVABLES

Trade receivables came to EUR 236.918 million (previous year EUR 208.933 million) and are due for settlement in less than twelve months. Payment terms for customers are between 0 and 90 days on average (previous year 0 to 90 days). Under a factoring agreement with a bank the Company sold trade receivables to the bank. The agreement is a non-recourse factoring agreement; no risk of default remains with the Company. The Company sold trade receivables in the amount of EUR 21.090 million (previous year EUR 23.118 million) which were fully derecognised.

Risk provisions of EUR 3.226 million (previous year EUR 2.914 million) were recognised.

[28] INCOME TAX ASSETS

Income tax assets of EUR 0.802 million (previous year EUR 0.780 million) included tax credits for the current fiscal year and from prior years.



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[29] CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and bank balances and take into account an adequate risk provision of EUR 0.041 million (previous year EUR 0.071 million), which was determined based on the banks' credit ratings. Foreign currency balances were translated into the Group currency at the mean closing rate prevailing on the balance sheet date 30 September 2023. The changes in cash and cash equivalents are stated in the cash flow statement. Note [41] provides additional explanations on the cash flow statement.

Equity and liabilities

EQUITY

[30] SHARE CAPITAL

As at 30 September 2023, the share capital of Bertrandt AG was EUR 10,143,240.00 as in the previous year and was paid in full. The share capital is divided into 10,143,240 no-par-value shares with an arithmetic par value of EUR 1.00.

Authorised Capital

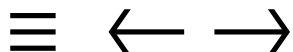
At the annual general meeting on 22 February 2023, the shareholders authorised the Management Board to buy back the Company's own shares up to a proportion of share capital equivalent to the amount of EUR 1,000,000.00 in the period until 31 January 2028.

At the annual general meeting on 26 February 2021, the shareholders authorised the Management Board to increase the share capital of Bertrandt AG with the consent of the Supervisory Board by issuing, until 31 January 2026, new bearer shares on a cash or non-cash basis (including in the form of mixed non-cash contributions), either once or several times, however in total by a maximum amount of EUR 4,000,000.00 (Authorised Capital 2021). The Management Board was also authorised to exclude subscription rights for shareholders under certain conditions and within defined limits with the consent of the Supervisory Board. No use has been made of the authorised capital to date.

[31] CAPITAL RESERVES

Capital reserves contain the premium on the issue of new shares as well as the proceeds from the sale of own shares that exceed the original cost (Note [32]).

As at the reporting date, the Company's own shares amounted to 37,580 shares (previous year 43,199 shares), equivalent to 0.4% (previous year 0.4%) of the Company's share capital. The change results from an employee share scheme implemented in fiscal year 2022/2023. A grant for 5,619 shares (previous year 4,828 shares) was provided under this scheme, the weighted average fair value of the shares being EUR 46.90 (previous year EUR 38.35).



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[32] RETAINED EARNINGS AND OTHER RESERVES (OCI)

Exchange differences of EUR -0.976 million (previous year EUR 2.420 million) resulting from the consolidation of the subsidiaries' equity were offset with other reserves (OCI).

The designated portion of the change in value of the cash flow hedges of EUR 1.796 million (previous year EUR -1.653 million) was netted with the related tax effects of EUR -0.539 million (previous year EUR 0.496 million) and recognised in other reserves (OCI).

The change in provisions for pensions due to actuarial gains/losses in the fiscal year and the change in the value of the related plan assets, of which the total amount was EUR 0.505 million (previous year EUR 4.388 million), were offset with the tax effects allocable thereto and recognised in other reserves (OCI) at the amount of EUR -0.128 million (previous year EUR -1.226 million).

The Company's own shares are recognised at cost as at the date of purchase and offset with retained earnings. Offsetting will be applied in the event of a disposal, to the extent that the proceeds are equivalent to the original cost. Any excess amount is recognised in capital reserves.

NON-CURRENT LIABILITIES

[33] CURRENT AND NON-CURRENT BORROWINGS

Borrowings declined in the year under review by EUR 10.039 million; as at 30 September 2023, they came to EUR 250.043 million in total (previous year EUR 260.082 million).

Non-current borrowings of EUR 237.723 million (previous year EUR 96.826 million) essentially consist of the tranches of the bonded loans of EUR 182.000 million. Bertrandt AG issued a bonded loan of EUR 115.5 million in October 2022, with disbursement in November 2022, to strategically safeguard the Company's liquidity in the long term. The bonded loan served as follow-up financing for the loans due in the first quarter of fiscal year 2022/2023. The terms of the individual tranches of this bonded loan are three, five and seven years. When payment is due, 100% of the loan amount must be paid, with special redemption rights applying to the floating-rate tranches.

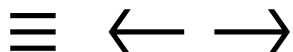
The reduction in current borrowings from EUR 163.256 million to EUR 12.320 million as at 30 September 2023 is mainly due to the repayment of the loans due in November 2022 in the amount of EUR 141.000 million.

The interest rates on domestic and non-domestic current and non-current financial borrowings were in the range between 1.2% and 5.5% as at 30 September 2023 (previous year 0.5% and 1.9%).

The maturities of borrowings are as follows:

CURRENT AND NON-CURRENT BORROWINGS

EUR million	Current	Non-current	30/09/2023
Borrowings	12.320	237.723	250.043
Previous year			
	Current	Non-current	30/09/2022
Borrowings	163.256	96.826	260.082



[34] CURRENT AND NON-CURRENT OTHER FINANCIAL LIABILITIES

CURRENT AND NON-CURRENT OTHER FINANCIAL LIABILITIES

EUR million	30/09/2023		
	Current	Non-current	30/09/2023
Lease liabilities	19.500	45.095	64.595
Liabilities to employees	2.875	0	2.875
Other	10.803	1.957	12.760
Other financial liabilities	33.178	47.052	80.230
Previous year			
	Current	Non-current	30/09/2022
Lease liabilities	19.277	55.970	75.247
Liabilities to employees	1.806	0	1.806
Other	14.747	1.177	15.925
Other financial liabilities	35.830	57.148	92.978

Miscellaneous other financial liabilities include negative fair values from cash flow hedges of EUR 0.315 million in total (previous year EUR 2.008 million), of which EUR 0.100 million (previous year EUR 1.172 million) have a residual maturity of more than one year.

Miscellaneous other financial liabilities also include a contingent purchase price payment from the acquisition of “CONCEPT AG The productivity people” in the amount of EUR 1.843 million.

Current miscellaneous other financial liabilities comprise payments of EUR 4.012 million (previous year EUR 9.316 million) received on assigned receivables, which have not yet been forwarded. In addition, they include a large number of individual payment obligations. The carrying amounts of current other financial liabilities correspond to their fair values.

[35] CURRENT AND NON-CURRENT OTHER LIABILITIES

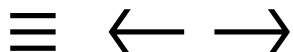
The carrying amounts of other liabilities approximate their fair values and are comprised of the following:

CURRENT AND NON-CURRENT OTHER LIABILITIES

EUR million	30/09/2023		
	Current	Non-current	30/09/2023
Taxes	23.258	0	23.258
Payroll and church tax	8.494	0	8.494
Social security	4.463	0	4.463
Personnel obligations	40.250	0	40.250
Miscellaneous other	2.280	0.414	2.695
Other liabilities	78.746	0.414	79.160
Previous year			
	Current	Non-current	30/09/2022
Taxes	18.522	0	18.522
Payroll and church tax	8.883	0	8.883
Social security	3.456	0	3.456
Personnel obligations	39.443	0	39.443
Miscellaneous other	2.549	0.684	3.233
Other liabilities	72.853	0.684	73.537

Personnel obligations essentially include obligations regarding employee time and leave accounts. Miscellaneous other liabilities comprise an investment grant of EUR 0.237 million (previous year EUR 0.289 million) which was received as a government grant for an investment made. In accordance with IAS 20, an amount of EUR 0.053 million (previous year EUR 0.053 million) of the investment grant was released to the income statement in the period under review based on the useful lives of the assets concerned.

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[36] PROVISIONS FOR PENSIONS

Provisions for post-employment benefits are calculated using the internationally established projected unit credit method according to IAS 19, and in light of foreseeable future trends.

The pension obligations were determined on the basis of the following assumptions:

ASSUMPTIONS FOR DETERMINING PENSION OBLIGATIONS

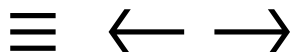
Diverse information	30/09/2023		30/09/2022	
	Germany	France	Germany	France
Interest rate	4.10%	4.10%	3.70%	3.70%
Assumed rate of salary increase	0.0%	2.0%	0.0%	2.0%
Assumed rate of pension increase	2.0% / 2.5%	0.0%	2.0% / 2.5%	0.0%
Assumed rate of cost increase	2.0%	0.0%	2.0%	0.0%
Probability of mortality and invalidity according to	Heubeck 2018 G	Insee 2017	Heubeck 2018 G	Insee 2017
Valuation of surviving dependants entitlement to benefits	Collectiv	None	Collectiv	None
Retirement age	65 years	62 / 67 years	65 years	62 / 65 years
Average remaining life expectancy of persons with active entitlement	-	27 Jahre	-	26 years

Net pension obligations changed by EUR –0.120 million (previous year EUR 3.639 million) and were EUR 6.195 million as at 30 September 2023 (previous year EUR 6.315 million).

As a result of this change, personnel expenses increased by EUR 0.548 million (previous year EUR 0.513 million¹) and equity increased by EUR 0.473 million (previous year EUR 4.395 million) recognised in other comprehensive income.

Of the related plan assets, EUR 3.014 million (previous year EUR 0.902 million) were offset. As at the reporting date, the weighted average duration of the pension obligations in Germany was 8.9 years (previous year 12.5 years) and average duration abroad was 27.1 years (previous year 25.6 years).

¹Previous year's figure restated.



The actuarial present value of the pension obligations changed as follows:

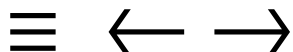
ACTUARIAL PRESENT VALUE OF PENSION OBLIGATIONS

EUR million	2022/2023			2021/2022		
	Germany	France	Total	Germany	France	Total
Present value on 01/10	4.923	2.294	7.217	6.366	3.588	9.954
Additions from initial consolidation	2.126	0	2.126	1.243	0.016	1.259
Past service cost	0	0.260	0.260	0	0.464	0.464
Interest expense	0.199	0.089	0.288	0.037	0.012	0.049
Paid retirement benefits	-0.136	-0.003	-0.209	-0.107	-0.007	-0.114
Actuarial gains (-)/losses (+) from changes in financial assumptions	-0.202	-0.135	-0.337	-2.638	-1.402	-4.040
Actuarial gains (-)/losses (+) from changes in historical assumptions	0.025	-0.161	-0.136	0.022	-0.377	-0.355
Present value on 30/09	6.935	2.274	9.209	4.923	2.294	7.217
Netted against plan assets	-3.014	0	-3.014	-0.902	0	-0.902
Net liability as at 30/09	3.921	2.274	6.195	4.021	2.294	6.315

The above present value of the pension obligations includes obligations of EUR 3.014 million (EUR 0.902 million), which were netted against the related plan assets.

From the point of view of the Bertrandt Group there are no material risks arising from the pension obligations. The expected addition to the anticipated value of the obligations is EUR 0.359 million.

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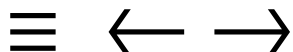
The effects that changes in actuarial parameters may have on the present value of the pension obligations are determined with sensitivity analyses. If the technical interest rate was 100 basis points higher (lower), the present value of the pension obligations would be lower by EUR 0.858 million or higher by EUR 1.032 million. If the technical interest rate had been higher (lower) by 25 basis points in the previous year, the present value of the pension obligations would have been lower by EUR 0.228 million or higher by EUR 0.239 million. If life expectancy was higher (lower) by one year, the present value would be higher by EUR 0.132 million (previous year: higher by EUR 0.142 million) or lower by EUR 0.135 million (previous year: lower by EUR 0.145 million). If the salary growth rate was 50 basis points higher (lower), the present value of the pension obligations would be higher by EUR 0.181 million or lower by EUR 0.158 million. If the salary growth rate in the previous year had been 25 basis points higher (lower), the present value would have been higher by EUR 0.086 million or lower by EUR 0.082 million. If the pension growth rate was 50 basis points higher (lower), the present value would be higher by EUR 0.098 million or lower by EUR 0.060 million. If the pension growth rate in the previous year had been 25 basis points higher (lower), the present value would have been higher by EUR 0.053 million or lower by EUR 0.034 million.

DEVELOPMENT OF PLAN ASSETS AND REINSURANCE POLICIES

EUR million	2022/2023		2021/2022	
	Plan assets	Reinsurance policies ¹	Plan assets	Reinsurance policies ¹
Fair value as at 01/10	1.100	3.019	0	2.740
Additions from initial consolidation	2.524	0	1.146	0
Payments received/made	-0.078	0.191	-0.039	0.197
Remeasurement	0.032	0.091	-0.007	0.082
Fair value as at 30/09	3.578	3.301	1.100	3.019
Netted against pension obligations	-3.014	0	-0.902	0
Financial asset recognised as at 30/09²	0.564	3.301	0.198	3.019

¹To the extent that there are no plan assets.

²See Note [22] for disclosures on reinsurance.



[37] OTHER PROVISIONS

Other provisions were as follows:

CURRENT AND NON-CURRENT OTHER PROVISIONS

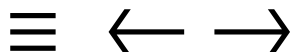
EUR million					
	Personnel provisions	Provisions for ongoing business operations	Provisions for buildings	Other provisions	Total of other provisions
Value on 01/10/2022	14.530	2.578	1.113	6.718	24.938
of which current	13.265	2.578	0.933	6.259	23.036
of which non-current	1.264	0	0.180	0.459	1.903
Additions from initial consolidation	0.222	0	0	0.189	0.411
Currency differences	-0.034	-0.006	0	-0.101	-0.141
Utilisation	13.560	0.999	1.722	4.854	21.134
Reversal	0.188	0	0.134	0.194	0.516
Addition	16.927	1.808	2.290	5.579	26.605
Value on 30/09/2023	17.897	3.381	1.547	7.338	30.163
of which current	16.642	3.381	1.444	6.728	28.194
of which non-current	1.255	0	0.103	0.610	1.968

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Personnel provisions comprise amounts for profit sharing arrangements and bonuses, changes in personnel structures, as well as levies for failure to meet the required quota of severely handicapped employees (Schwerbehinderten-Abgaben) and contributions for employer liability insurance associations.

Provisions for obligations related to ongoing business operations comprise provisions of EUR 0.368 million (previous year EUR 0.672 million) for construction contracts where the losses to be expected exceed the costs incurred. Provisions for buildings comprise, among other items, dismantling costs, energy costs and other incidental costs. Other provisions refer to provisions set aside for numerous discernible individual risks.

Of the reversals, an amount of EUR 0.191 million (previous year EUR 0.142 million) is offset against revenues; an amount of EUR 0.066 million (previous year EUR 2.110 million) is offset against personnel expenses and an amount of EUR 0.095 million (previous year EUR 0.804 million) is offset against other operating expenses. Provisions of EUR 0.100 million (previous year EUR 0 million) were reversed in the year under review, which resulted in a disposal of property, plant and equipment. Unwinding of a discount on non-current other provisions totalled EUR 0.054 million (previous year EUR 0.047 million); of this amount, EUR 0.048 million is not reported under net finance income (previous year EUR 0 million). The cash outflow associated with non-current provisions depends on the individual case.



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CURRENT LIABILITIES

[38] CONTRACT LIABILITIES

Contract liabilities developed as follows:

CONTRACT LIABILITIES

EUR million				
	01/10/2022	Increase	Decrease	30/09/2023
Contract liabilities	125.505	114.318	-88.036	151.787
Offsetting with contract assets	-122.765			-148.013
Contract liabilities after offsetting	2.740			3.773
Previous year				
	01/10/2021	Increase	Decrease	30/09/2022
Contract liabilities	94.928	67.389	-36.812	125.505
Offsetting with contract assets	-91.695			-122.765
Contract liabilities after offsetting	3.233			2.740

The contract liabilities are fully recognised in revenues.

[39] TRADE PAYABLES

The carrying amounts largely approximate their fair values and are due for settlement in less than 12 months.

TRADE PAYABLES

EUR million	30/09/2023	30/09/2022
Trade payables	28.799	30.528

[40] INCOME TAX PROVISIONS

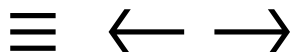
Income tax provisions relate to income taxes calculated for the current and the previous fiscal years.

[41] NOTES ON THE CASH FLOW STATEMENT

The cash flow statement shows how the Bertrandt Group's liquidity position has changed in the course of the year under review as a result of cash inflows and outflows regardless of the structure of the balance sheet. In accordance with IAS 7, cash flows are distinguished according to operating, investing and financing activities. The item cash and cash equivalents comprises solely the cash and cash equivalents recognised in the consolidated balance sheet.

The changes in the individual items are derived from the consolidated balance sheet and the consolidated income statement, taking into account the initial consolidation of the group "CONCEPT AG The productivity people".

Using post-tax earnings as a basis, the cash flow statement was prepared according to the indirect method. Post-tax earnings were adjusted for non-cash income and expenses.



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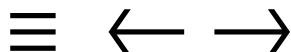
Taking into account the changes in working capital, cash flow from operating activities was EUR 38.459 million (previous year EUR 56.900 million). Compared with the previous year, the funds tied up in working capital changed as follows:

CHANGE IN FUNDS TIED UP IN WORKING CAPITAL

EUR million	Contract assets	Trade receivables	Trade payables	Contract liabilities
As at 01/10/2022	115.510	208.933	30.528	2.740
Additions from initial consolidation	0.116	0.884	0.177	0
As at 30/09/2023	140.214	236.918	28.799	3.773
Change	24.704	27.985	-1.729	1.033
Previous year	Contract assets	Trade receivables	Trade payables	Contract liabilities
As at 01/10/2021	92.962	168.856	13.862	3.233
Additions from initial consolidation	1.429	8.660	5.592	0.405
As at 30/09/2022	115.510	208.933	30.528	2.740
Change	22.548	40.077	16.666	-0.493

The cash flow from investing activities of EUR -31.352 million (previous year: EUR -47.939 million) is mainly the result of capital expenditure on property, plant and equipment and the purchase price payment for the acquisition of the group "CONCEPT AG The productivity people", net of the acquired cash and cash equivalents.

Bertrandt's investment activities in the year under review were generally restrained and adapted to the overall economic environment. Capital expenditure on property, plant and equipment was largely on a par with the previous year. Cash outflows for additions to intangible assets and cash inflows and outflows from financial receivables are recognised in cash flows from investing activities. The free cash flow in the reporting period was EUR 7.107 million (previous year EUR 8.961 million).



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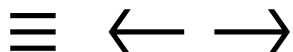
Cash flow from financing activities was EUR –46.710 million (previous year EUR –38.642 million). In addition to dividend payments, it mainly comprises interest and principal repayments for loans and advances. It also includes interest and principal repayments of EUR –23.352 million (previous year EUR –24.450 million) for lease liabilities recognised in the balance sheet pursuant to IFRS 16. The principal repayments for borrowings mainly result from the scheduled repayment of loans. Due to tranches falling due for the bonded loan taken out in 2015, repayments in the year under review were significantly higher than in the previous year and accounted for EUR 146.890 million (previous year: EUR 8.148 million). In addition, the new loans of EUR 135.500 million (previous year: EUR 0 million) taken out as part of the follow-up financing in the year under review are recognised under this item.

From the 2022/2023 fiscal year interest received and paid was partially reclassified from cash flow from operating activities and reported in full in cash flow from financing activities for the first time.

The financial liabilities arising from financing activities were as follows:

DEVELOPMENT OF FINANCIAL LIABILITIES IN FINANCING ACTIVITIES

EUR million		
	Borrowings	Lease liabilities
Value on 01/10/2022	260.082	75.247
Additions from initial consolidation	0.295	0.527
Interest paid	-5.555	-1.919
Other changes in cash	-11.390	-21.433
Other non-cash changes	6.611	12.173
Value on 30/09/2023	250.043	64.595
Previous year		
Value on 01/10/2021	267.533	80.456
Additions from initial consolidation	0.602	2.210
Interest paid	-3.503	-1.932
Other changes in cash	-8.148	-22.518
Other non-cash changes	3.598	17.031
Value on 30/09/2022	260.082	75.247



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Total cash outflows for tenancies and leases, including short-term leases and leases of low-value assets, were EUR 25.186 million (previous year EUR 25.478 million), of which EUR 1.682 million (previous year EUR 0.806 million) are attributable to short-term leases and EUR 0.152 million (previous year EUR 0.230 million) to leases of low-value assets. The latter are included in cash flow from operating activities.

Cash and cash equivalents were at EUR 121.360 million (previous year EUR 161.557 million).

[42] NOTES ON SEGMENT REPORTING

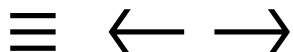
The Group uses the operating segments Digital Engineering, Physical Engineering and Electrical Systems/Electronics as a basis for controlling the Group's activities. Non-current assets within the meaning of IFRS 8 are measured at EUR 396.607 million (previous year EUR 408.709 million). Of this total, domestic non-current assets account for EUR 382.214 million (previous year EUR 394.926 million) and foreign non-current assets account for EUR 14.394 million (previous year EUR 13.784 million).

The Digital Engineering segment comprises the design of vehicle components for the interior, exterior, powertrain, chassis or body as well as the development of complete vehicles including numerical analysis. The aerospace business and other industries are also allocated to this segment.

The Physical Engineering segment combines all activities related to the validation of physical component parts, components, systems, powertrains and the vehicle as a whole. The validation services use state-of-the-art technology and substantially cover testing, road tests, modelling, vehicle structure, rapid prototyping and rapid tooling.

Activities related to conventional automotive electrical systems are bundled in the Electrical Systems/Electronics segment, together with aspects of modern automotive electronics. These include, among others, the development of electronic modules such as batteries, e-drivetrains and onboard networks as well as the development and simulated deployment of software, and autonomous driving.

Segment information is based on the same recognition and measurement principles as the consolidated financial statements. Internal revenues are invoiced at normal market prices in compliance with the arm's length principle. Inter-segment income and expenses and inter-segment results have been eliminated.



SEGMENTS

EUR million		Digital Engineering		Physical Engineering		Electrical Systems / Electronics		Total for all segments	
	01/10 until 30/09	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022
02	The fiscal year 2022/2023								
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	Revenues ¹	605.017	526.343	245.892	233.647	388.870	326.987	1,239.779	1,086.977
	Transfers between segments ¹	41.914	39.039	17.116	17.413	23.939	22.050	82.969	78.502
	Consolidated revenues	563.103	487.304	228.775	216.234	364.931	304.937	1,156.810	1,008.475
25	B CORPORATE SOCIAL RESPONSIBILITY REPORT								
	Other internally generated assets	0.063	0.050	0.504	0.512	0.034	0.122	0.601	0.684
	Consolidated total revenues	563.167	487.354	229.279	216.746	364.965	305.059	1,157.411	1,009.159
72	C GROUP MANAGEMENT REPORT								
	Depreciation/amortisation	-11.961	-12.396	-35.137	-35.638	-7.949	-8.942	-55.047	-56.976
	EBIT	30.359	27.634	-6.042	-6.173	25.763	20.203	50.080	41.664
122	D REMUNERATION REPORT								
	Net finance income							-7.518	-6.360
141	E CONSOLIDATED FINANCIAL STATEMENTS								
	Profit from ordinary activities							42.562	35.304
	Other taxes							-2.462	-2.507
	Earnings before tax							40.099	32.797
143	Consolidated income statement and statement of comprehensive income								
	Income taxes							-9.655	-11.663
	Post-tax earnings							30.444	21.134
144	Consolidated balance sheet								
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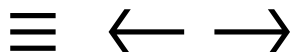
¹Previous year`s figure restated.

Revenues related to performance obligations satisfied over time were EUR 891.736 million (previous year EUR 775.543 million). The segments' contributions were as follows: Digital Engineering, EUR 363.468 million (previous year EUR 319.751 million); Physical Engineering, EUR 206.873 million (previous year EUR 192.926 million) and Electrical Systems/Electronics, EUR 321.395 million (previous year EUR 262.867 million).

Revenues with customers accounting for more than 10% of total revenues break down by segment as follows: Digital Engineering, EUR 199.620 million (previous year EUR 171.443 million) and EUR 58.592 million (previous year EUR 56.309 million) respectively; Physical Engineering, EUR 100.944 million (previous year EUR 95.928 million) and EUR 37.487 million (previous year EUR 34.883 million) respectively; and Electrical Systems/Electronics, EUR 138.930 million (previous year EUR 122.943 million) and EUR 84.726 million (previous year EUR 76.179 million) respectively. There are no control relationships.

To ensure comparability, an allocation between the transfers between the segments and total revenues in the 2021/2022 fiscal year was corrected. The corrections amounted to EUR 24.898 million for the Digital Engineering segment, EUR 1.136 million for the Physical Engineering segment and EUR 15.754 million for the Electrical Systems/Electronics segment.

Segment reporting is not required for assets and liabilities since they are not included in internal reporting at segment level.



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OTHER DISCLOSURES

[43] COLLATERAL PROVIDED

As at the reporting date, liabilities secured by mortgages were EUR 12.946 million (previous year EUR 13.809 million) and liabilities secured by transfer of security were EUR 30.355 million (previous year EUR 36.592 million).

[44] CONTINGENT LIABILITIES

As at the reporting date, the Company recorded contingent liabilities of EUR 3.131 million (previous year EUR 3.463 million), which substantially relate to pending administrative appeal and court proceedings brought against a non-domestic tax authority.

[45] OTHER FINANCIAL OBLIGATIONS

Future financial obligations resulting from rental and maintenance agreements and leases are carried at their nominal values and fall due as follows, provided that no recognition of a right-of-use asset and a lease liability is required under IFRS 16:

OTHER FINANCIAL OBLIGATIONS

EUR million	30/09/2023	30/09/2022
Current	32.708	36.600
Non-current	3.515	0.742
Total	36.222	37.342

The current other financial obligations not requiring recognition in the balance sheet comprised EUR 0.170 million (previous year EUR 0.086 million) for short-term property leases, of which EUR 0.007 million (previous year EUR 0.009 million) were accounted for by related parties.

In addition, current financial obligations of EUR 0.895 million (previous year EUR 0.892 million) exist for other items of property, plant and equipment, of which EUR 0.011 million (previous year EUR 0.022 million) were accounted for by related parties. Non-current financial obligations from other items of property, plant and equipment were EUR 0.049 million (previous year EUR 0.103 million), none of which (previous year EUR 0.022 million) were accounted for by related parties.

Furthermore, there were other financial obligations under supplier contracts amounting to EUR 0.088 million (previous year EUR 0.599 million) for intangible assets and EUR 7.562 million (previous year EUR 13.115 million) for items of property, plant and equipment.

Future cash outflows according to IFRS 16

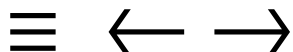
The table provides an overview of future cash outflows under the existing leases:

FUTURE CASH OUTFLOWS ACCORDING TO IFRS 16

EUR million	30/09/2023	30/09/2022
< 1 year	21.451	23.101
1-5 years	40.273	48.025
> 5 years	8.417	13.009
Total	70.141	84.135

[46] FURTHER NOTES ON THE EFFECTS OF FINANCIAL INSTRUMENTS ON THE BALANCE SHEET

The following table reconciles the line items of the balance sheet with the categories of financial instruments broken down by carrying amount and fair value.



RECONCILIATION OF THE LINE ITEMS OF THE BALANCE SHEET WITH THE CATEGORIES OF FINANCIAL INSTRUMENTS

EUR million		Measured at fair value through profit and loss	Measured at fair value through other comprehensive income	Loans and receivables / Measured at amortised cost	Outside the scope of IFRS 7 / No measurement category under IAS 9	Balance sheet item 30/09/2023	
		Carrying amount	Carrying amount	Carrying amount	Fair Value	Carrying amount	
02	The fiscal year 2022/2023						
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		Non-current assets					
		Financial receivables	3.007	2.977	2.977	5.984	
		Other financial assets	3.301	0.467	0.467	4.332	
25	B CORPORATE SOCIAL RESPONSIBILITY REPORT						
		Current assets					
		Contract assets		140.214	140.214	140.214	
		Trade receivables		236.918	236.918	236.918	
		Financial receivables		15.076	15.076	15.076	
72	C GROUP MANAGEMENT REPORT						
		Other financial assets	0.001	4.848	4.848	4.849	
		Cash and cash equivalents		121.360	121.360	121.360	
122	D REMUNERATION REPORT						
		Non-current liabilities					
		Borrowings		237.723	229.612	237.723	
		Other financial liabilities		0.100	1.857	45.095	
141	E CONSOLIDATED FINANCIAL STATEMENTS						
		Current liabilities					
		Borrowings		12.320	14.059	12.320	
		Trade payables		28.799	28.799	28.799	
		Other financial liabilities	1.294	0.215	12.170	19.500	
143	Consolidated income statement and statement of comprehensive income						
144	Consolidated balance sheet	Previous year	Measured at fair value through profit and loss	Measured at fair value through other comprehensive income	Loans and receivables / Measured at amortised cost	Outside the scope of IFRS 7 / No measurement category under IAS 9	Balance sheet item 30/09/2022
145	Consolidated statement of changes in equity		Carrying amount	Carrying amount	Carrying amount	Fair Value	Carrying amount
146	Consolidated cash flow statement		Non-current assets				
147	Notes to the Consolidated Financial Statements		Financial receivables		4.376	4.376	6.337
			Other financial assets		0.369	0.369	3.587
			Current assets				
			Contract assets		115.510	115.510	115.510
205	Independent Auditor's Report		Trade receivables		208.933	208.933	208.933
212	Responsibility statement by the management (balance sheet oath)		Financial receivables		7.320	7.320	7.320
			Other financial assets		4.011	4.011	4.011
			Cash and cash equivalents		161.557	161.557	161.557
			Non-current liabilities				
213	F FURTHER INFORMATION		Borrowings		96.826	86.476	96.826
			Other financial liabilities	1.172	0.005	0.005	55.970
			Current liabilities				
			Borrowings		163.256	162.905	163.256
			Trade payables		30.528	30.528	30.528
			Other financial liabilities	1.248	0.835	14.471	19.277
							35.830

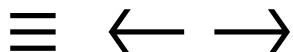


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Pursuant to IFRS 13, financial instruments must be assigned to the three levels of the fair value hierarchy. The assignment to a particular level depends on the availability of observable market prices in an active market.

Level one input is input available for financial instruments that are measured at quoted prices in active markets for identical assets or liabilities. Financial instruments that are measured using Level two input are measured on the basis of inputs other than quoted prices included within Level one, which are observable either directly or indirectly. Level three input refers to market data for the measurement of financial instruments that are unobservable.

The following tables show the assignment of financial instruments to the three levels of the fair value hierarchy:



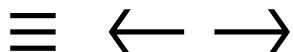
LEVEL ASSIGNMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

EUR million		Fair value as at 30/09/2023	Level 1	Level 2	Level 3
02	The fiscal year 2022/2023				
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	Non-current assets				
	Financial receivables	3.007		3.007	
	Other financial assets	3.301		3.301	
	Current assets				
	Other financial assets	0.001	0.001		
25	B CORPORATE SOCIAL RESPONSIBILITY REPORT				
	Current liabilities				
	Other financial liabilities	1.294		1.294	
72	C GROUP MANAGEMENT REPORT				
122	D REMUNERATION REPORT				
141	E CONSOLIDATED FINANCIAL STATEMENTS				
	Previous year	Fair value as at 30/09/2022	Level 1	Level 2	Level 3
	Non-current assets				
	Financial receivables	1.961		1.961	
	Other financial assets	3.019		3.019	
	Current liabilities				
	Other financial liabilities	1.248		1.248	

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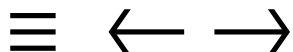
LEVEL ASSIGNMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

EUR million		Fair value as at 30/09/2023	Level 1	Level 2	Level 3
	Non-current liabilities				
	Other financial liabilities	0.100		0.100	
	Current liabilities				
	Other financial liabilities	0.215		0.215	
	Previous year	Fair value as at 30/09/2022	Level 1	Level 2	Level 3
	Non-current liabilities				
	Other financial liabilities	1.172		1.172	
	Current liabilities				
	Other financial liabilities	0.835		0.835	



LEVEL ASSIGNMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

EUR million					
		Fair value as at 30/09/2023	Level 1	Level 2	Level 3
02	The fiscal year 2022/2023				
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		Non-current assets			
		Financial receivables		2.977	
		Other financial assets		0.467	
		Current assets			
25	B CORPORATE SOCIAL RESPONSIBILITY REPORT	Contract assets		140.214	
		Trade receivables		236.918	
		Financial receivables		15.076	
		Other financial assets		4.848	
72	C GROUP MANAGEMENT REPORT	Cash and cash equivalents	121.360		
		Non-current liabilities			
122	D REMUNERATION REPORT	Borrowings	229.612		
		Other financial liabilities		1.857	
141	E CONSOLIDATED FINANCIAL STATEMENTS	Current liabilities			
		Borrowings	14.059		
		Trade payables		28.799	
		Other financial liabilities		12.170	
143	Consolidated income statement and statement of comprehensive income				
144	Consolidated balance sheet				
145	Consolidated statement of changes in equity	Previous year			
		Non-current assets			
146	Consolidated cash flow statement	Financial receivables		4.376	
147	<u>Notes to the Consolidated Financial Statements</u>	Other financial assets		0.369	
		Current assets			
205	Independent Auditor's Report	Contract assets		115.510	
212	Responsibility statement by the management (balance sheet oath)	Trade receivables		208.933	
		Financial receivables		7.320	
		Other financial assets		4.011	
213	F FURTHER INFORMATION	Cash and cash equivalents	161.557		
		Non-current liabilities			
		Borrowings	86.476		
		Other financial liabilities		0.005	
		Current liabilities			
		Borrowings	162.905		
		Trade payables		30.528	
		Other financial liabilities		14.471	



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The fair values of the financial instruments are determined applying methods normally used in the market. The fair values of foreign-currency forwards are determined on the basis of current observable market prices and taking into account forward premiums and discounts. The fair value of non-current borrowings recognised at amortised cost is determined based on the market interest curve using the zero-coupon method and taking credit spreads into account (Level one). Because of short maturities of the other current financial instruments, it is assumed that the fair values obtained by measuring them at amortised cost are equal to their carrying amounts.

As in the previous year, there were no transfers between the three levels of the fair value hierarchy.

[47] MANAGEMENT OF FINANCIAL RISKS

Hedging policies and principles of financial risk management

As a service provider operating on an international scale, the Bertrandt Group is exposed to financial risks. Bertrandt primarily distinguishes the following types of risks:

- Liquidity Risk
- Credit risk
- Market price risk

The controlling, monitoring and management of financial risks is carried out by the Group's central Treasury department under policies approved by the Management Board. The aim is to recognise risks in good time and take suitable countermeasures to minimise potential adverse effects. Currently there is no concentration of financial risks.

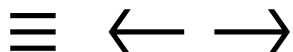
Liquidity Risk

Liquidity risks can arise from a decline in the operating business or as a result of credit and market price risks. The Bertrandt Group manages liquidity risks by means of short- and long-term liquidity planning in the light of existing credit facilities. These data are monitored and updated on an ongoing basis. Financing of long-term investments is based on the principle of matching maturities. At present, the Company has EUR 237.723 million (previous year EUR 96.826 million) in long-term financing available.

Bertrandt AG maintains cash pooling arrangements with most of its German subsidiaries via its principal banks. The foreign subsidiaries are provided with loans by Group entities or local banks.

Moreover, with EUR 293 million available in total, the Bertrandt Group has sufficient unused credit facilities and alternative financing instruments.

The majority of the agreed credit facilities were increased at the end of the year under review and committed on a long-term basis.



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The following table sets out the carrying amounts and the contractually agreed (undiscounted) interest and principal payments arising from the primary financial liabilities and the derivative financial instruments with negative fair value:

PRIMARY AND DERIVATIVE FINANCIAL LIABILITIES

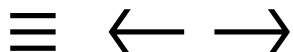
EUR million	Carrying amount	Payment obligations		
		30/09/2023	2023/2024	2024/2025 until 2027/2028
Borrowings	250.043	16.413	228.680	36.191
Trade payables	28.799	28.799	0	0
Lease liabilities	64.595	21.451	40.273	8.417
Miscellaneous other financial liabilities	15.635	13.678	1.957	0
Previous year	30/09/2022	2022/2023	2023/2024 until 2026/2027	2027/2028 ff.
Borrowings	260.082	164.191	96.208	5.447
Trade payables	30.528	30.528	0	0
Lease liabilities	75.247	23.101	48.025	13.009
Miscellaneous other financial liabilities	17.731	16.554	1.177	0

Financial instruments for which payments were already agreed as at the reporting date are included in the portfolio. Payment obligations arising from floating-rate and fixed-rate financial instruments were calculated using the interest rates effective at the reporting date. These calculations do not include budgeted figures for future liabilities.

Foreign-currency payment obligations were translated using the closing rate in each case. Financial liabilities repayable on demand were assigned to the earliest maturity band.

Credit risk

The Group has policies in place to ensure that its contracting parties as a general rule fulfil certain creditworthiness criteria prior to the conclusion of a contract and during its term. Suitable risk reduction measures are derived depending on the credit rating assessment. The risk of default is limited to the greatest possible extent by means of preventive measures, such as ongoing monitoring of accounts receivable and near-term cash receipts. There were no material payment defaults during the 2022/2023 fiscal year. The risk of default in the future is also rated as low thanks to the Bertrandt Group's customer structure, our proactive receivables management and risk mitigation through credit guarantee insurance.



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The default risk of receivables reported as at the reporting date is covered by risk provisions. The carrying amounts of the contract assets, trade receivables, financial receivables, other financial assets and other assets recognised in the balance sheet at EUR 423.371 million (previous year EUR 362.736 million) represent the maximum default risk.

Impairment losses and risk provisions are determined according to the expected credit loss model using the simplified impairment model in accordance with IFRS 9.

According to this model, Bertrandt recognises a risk provision at initial recognition and at each subsequent reporting date in the amount of the expected loss within the maturity period. Based on the Company's own default rate and distinguishing between two different valuation groups, a risk provision for expected credit losses is recognised with respect to the portfolio of receivables on which no specific valuation allowances have been recognised.

Cash and cash equivalents are placed in short-term risk-oriented investments.

The following table shows the credit risk applicable to the financial assets according to their gross carrying amounts.

CREDIT RISK OF FINANCIAL ASSETS

EUR million	Neither overdue nor impaired	Overdue but not impaired	Impaired	30/09/2023
Contract assets	140.214	0	0	140.214
Trade receivables	206.336	30.528	3.280	240.144
Financial receivables and other financial assets	30.241	0	0	30.241
	376.791	30.528	3.280	410.599
Previous year				30/09/2022
Contract assets	115.510	0	0	115.510
Trade receivables	184.434	24.430	2.982	211.846
Financial receivables and other financial assets	21.255	0	0	21.255
	321.199	24.430	2.982	348.611



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The following table shows the age of the gross carrying amounts of financial assets past due for which no loss allowance was made:

MATURITY OF THE GROSS CARRYING AMOUNTS OF FINANCIAL ASSETS PAST DUE FOR WHICH NO LOSS ALLOWANCE WAS MADE

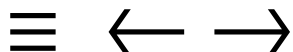
EUR million	until 30 days	31 until 90 days	more than 90 days	30/09/2023
Trade receivables	14.990	7.914	7.624	30.528
Previous year	until 30 days	31 until 90 days	more than 90 days	30/09/2022
Trade receivables	13.053	8.385	2.992	24.430

There was no evidence of a risk provision being required for the financial assets which were due and past due as at the reporting date and for which no loss allowance was made.

Risk provisions for trade receivables, financial receivables, other financial assets and cash and cash equivalents developed as follows:

DEVELOPMENT OF LOSS ALLOWANCES FOR FINANCIAL ASSETS

EUR million	2022/2023	2021/2022
Value on 01/10	2.982	4.786
Additions from initial consolidaton	0.007	0.031
Addition	0.483	0.231
Utilisation	0	1.559
Reversal	0.205	0.507
Value on 30/09	3.267	2.982



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Losses on receivables of EUR 0.001 million (previous year: EUR 1.102 million) were recognised as an expense in the fiscal year; income from derecognised receivables was EUR 0.143 million (previous year: EUR 0.012 million). In the previous year the completion of legal proceedings had effects on the portfolio of receivables and risk provisions which were recognised as losses on receivables and utilisation of risk provisions. This was offset by income from compensation payments. Overall, the impact on earnings was of minor significance. As in the previous year, the difficult underlying economic conditions did not lead to a material impairment of Bertrandt's financial assets.

Market price risk

The Group is exposed to market price risks, i.e. primarily risks arising from changes in interest and exchange rates. Bertrandt pursues a strategy of hedging such risks adequately while taking the risk-bearing capacity into account in each case.

Group Treasury utilises suitable interest derivatives to hedge interest risk if needed. The Company has floating-rate liabilities of EUR 75.097 million (previous year EUR 12.000 million). The benchmark interest rate relevant for the calculation of interest is the 3- or 6-month Euribor applicable at the respective fixing date.

In accordance with IFRS 7, sensitivity analyses are performed to present the interest risks to which the Company is exposed. These analyses show the effects of changes in market interest rates on interest payments, interest income and interest expense. They are based on the assumption of a parallel shift in the yield curve. If interest rates in the market had been 100 basis points higher, earnings before tax would have been lower by EUR 0.145 million (previous year: higher by EUR 1.133 million). If interest rates in the market had been 100 basis points lower, earnings before tax would have been higher by EUR 0.145 million (previous year: lower by EUR 0.074 million). Financial instruments measured at amortised cost and subject to a fixed rate of interest are not exposed to any interest rate risks.

Foreign currency risks are generally addressed by ensuring that transactions are mainly invoiced in the applicable functional currency (natural hedges). If it is not possible to conclude a transaction in the applicable functional currency, foreign exchange forwards are used to hedge the risk in individual cases. Such hedges are transacted centrally via Group Treasury. The selection of the respective hedging instruments is based on an analysis of the hedged item.

The hedges in place as at 30 September 2023 are cash flow hedges to protect revenues. The nominal amounts of the hedges total EUR 15.090 million (previous year: EUR 26.039 million); the hedged volume in transaction currency is USD 16.484 million (previous year: USD 28.175 million).

In accordance with IFRS 7, sensitivity analyses are performed to present the currency risks to which the Company is exposed. These show the effects of exchange rate changes on earnings before tax for the most important currencies of the Bertrandt Group:

SENSITIVITY ANALYSIS CURRENCIES

EUR million	2022/2023		2021/2022	
	+10%	-10%	+10%	-10%
Currency relation				
EUR / CNY	-0.183	0.221	-0.079	0.096
EUR / GBP	-0.003	0.004	-0.002	0.003
EUR / RON	0.219	-0.265	-0.086	0.096
EUR / USD	-0.246	0.327	-0.029	0.035



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[48] DISCLOSURES ON CAPITAL MANAGEMENT

The Bertrandt Group is committed to a strategy of steady and sustainable growth in its enterprise value.

Bertrandt pursues the goal of safeguarding its going concern status on a long-term basis and protecting the interests of its shareholders, employees and all other users of this Annual Report.

The capital structure is managed in the light of any changes in general economic conditions and risks arising from underlying assets. Its equity corresponds to the equity shown on the balance sheet. As at 30 September 2023, the ratio of equity to total assets (equity ratio) was 47.5% (previous year 45.2%).

There are partly external minimum capital requirements that apply to the credit facilities; these were complied with in the current fiscal year and also in prior fiscal years.

For more detailed explanations see the management report and the statement of changes in equity.

[49] DISCLOSURES PURSUANT TO THE GERMAN SECURITIES TRADING ACT (WPHG)

The notifications of voting rights are included in the annual financial statements for the 2022/2023 fiscal year of Bertrandt AG, which are published in the electronic Federal Gazette.

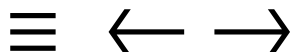
[50] DECLARATION OF CONFORMITY TO THE GERMAN CORPORATE GOVERNANCE CODE

The declaration of conformity to the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act has been submitted by the Management Board and the Supervisory Board. It is available on the Bertrandt website at <https://www.bertrandt.com/en/company/investor-relations/corporate-governance>.

[51] REPORT ON SUBSEQUENT EVENTS

On 18 October 2023, Bertrandt Beteiligungen GmbH acquired 100% of the shares in EKV GmbH and its subsidiary evopro systems engineering AG. The acquisition strengthens Bertrandt's position as a provider of production-related and consulting services with the aim of further expanding and strengthening customer relationships. The acquisition is of minor direct significance for the Bertrandt Group's net assets, results of operations and financial position.

No other material events which would be of major significance for the net assets, results of operations and financial position of the Bertrandt Group have occurred after the end of the fiscal year. The ongoing challenging conditions lead to uncertainty about the overall economic development and may have an impact on the net assets, results of operations and financial position of the Bertrandt Group.



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[52] DISCLOSURES ON THE COMPANY'S CORPORATE GOVERNANCE BODIES

The Company's corporate governance bodies are related parties within the meaning of IAS 24.

Management Board

Dr. Andreas Fink
Member of the Management Board (since 1 April 2023)
Engineering

Michael Lücke
Member of the Management Board
Sales

- Member of the Board of Directors of Bertrandt UK Limited, Dunton
- Member of the Board of Directors of Bertrandt Technology UK Limited, Dunton
- Chairman of the Board of Directors of Bertrandt US Inc., Rochester Hills

Markus Ruf
Member of the Management Board
Finance

- Representing Bertrandt AG as 'Président' of Bertrandt France S.A.S., Vélizy-Villacoublay

Members of the Management Board who resigned during the fiscal year

Hans-Gerd Claus
Member of the Management Board until 31 March 2023
Engineering

The total remuneration for members of the Management Board active in fiscal 2022/2023 was EUR 3.182 million (previous year EUR 2.875 million). It includes a fixed amount of EUR 1.261 million (previous year EUR 1.261 million), fringe benefits of EUR 0.044 million (previous year EUR 0.052 million) and a multi-year performance-related component of EUR 1.878 million (previous year EUR 1.562 million) that has not been paid yet and of which EUR 1.033 million (previous year EUR 0.859 million) is paid over a long term. Moreover, the Company has payment obligations with respect to the bonus/malus pool for the

previous year. As a result, outstanding balances of a total of EUR 2.737 million (previous year EUR 1.975 million) are taken into account. The basis for the assessment of the multi-year performance-related component is the EBIT generated in two consecutive fiscal years. Pensions in the amount of EUR 0.061 million (previous year EUR 0.061 million) were paid to former members of the Management Board.

Active members of the Supervisory Board

Dietmar Bichler
Chairman of the Supervisory Board

- Member of the Board of Directors of b.invest AG (in liquidation), Ehningen
- Member of the Supervisory Board of MAHLE GmbH, Stuttgart
- Chairman of the Supervisory Board of Lindauer DORNIER GmbH, Lindau
- Member of the Supervisory Board of MAHLE Behr Verwaltung GmbH, Stuttgart (since 1 January 2023)
- Deputy Chairman of the Supervisory Board of Boysen Holding Verwaltungs-SE, Altensteig (since 2 February 2023)

Prof. Dr.-Ing. Wilfried Sihh
Deputy Chairman of the Supervisory Board

- Professor (retired) at the Institute of Management Science of the Technical University of Vienna, Vienna (since 1 October 2022)
- Managing Director of Fraunhofer Austria Research GmbH, Vienna
- Member of the Board of Directors of Glutz AG, Soloturn
- Member of the Supervisory Board of Kostwein GmbH, Klagenfurt – Member of the Advisory Board of BECOM GmbH, Hochstraße
- Member of the Supervisory Board of HOMARIS AG, Berlin (since 20 October 2022)

Udo Bäder
Member of the Supervisory Board

- Auditor and tax advisor

Matthias Benz
Member of the Supervisory Board

- Chairman of the Management Board (CEO) of CAG-Holding / Neuman Aluminium Industries, Vienna
- Member of the Supervisory Board of Pfisterer AG, Winterbach



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Jennifer Eckl
Employee representative (since 9 February 2023)
 – Commercial Lead, Bertrandt Technologie GmbH, Mönshheim

Marianne Weiß
Employee representative
 – Commercial clerk, Bertrandt Ingenieurbüro GmbH, Gaimersheim

Members of the Supervisory Board who resigned during the fiscal year

Michael Schmidt
Employee representative until 31 December 2022
 – Team leader, Bertrandt Ingenieurbüro GmbH, Munich

In fiscal 2022/2023 the Supervisory Board members received a fixed remuneration for their activity of EUR 0.317 million in total (previous year EUR 0.319 million).

The amounts paid to the individual members of the Supervisory Board were as follows:

SUPERVISORY BOARD COMPENSATION

EUR	Fixes
	2022/2023
Dietmar Bichler	104,000
Udo Bäder	56,000
Matthias Benz	32,000
Jennifer Eckl ¹	20,515
Michael Schmidt ²	8,066
Prof. Dr.-Ing. Wilfried Sihl	64,000
Marianne Weiß	32,000
Total	316,581

¹From 9 February 2023 member of the Supervisory Board.

²Until 31 December 2022 member of the Supervisory Board.

The employee representatives on the Supervisory Board received usual salaries as provided for in their employment contracts, including statutory social security contributions. Other than this, the members of the Supervisory Board did not receive any compensation or benefits in the 2022/2023 fiscal year for services provided in a personal capacity, in particular those involving consulting and brokerage services.

The number of Bertrandt shares held by members of the Management Board and Supervisory Board breaks down as follows:

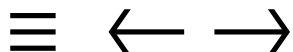
SHARES OWNED BY MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS

Number	Shares	Shares
	Balance at 30/09/2023	Balance at 30/09/2022
Members of the Management and Supervisory Boards owning shares		
Dietmar Bichler (Member of the Supervisory Board)	400,000	400,000
Jennifer Eckl (Member of the Supervisory Board) ¹	21	n.a.
Hans-Gerd Claus (Member of the Management Board, Engineering) ²	n.a.	4,020
Michael Lücke (Member of the Management Board, Sales)	3,019	3,019
Markus Ruf (Member of the Management Board, Finance)	3,019	3,019
Total	406,059	410,058

No share options are disclosed as no share option programme is currently proposed by the Company.

¹From 9 February 2023 member of the Supervisory Board.

²Until 31 March 2023 member of the Management Board.



[53] SHAREHOLDINGS OF BERTRANDT AG

SHAREHOLDINGS OF BERTRANDT AG

	%	Share of equity		Share of equity	
02	The fiscal year 2022/2023				
04	WE are Bertrandt				
06	A A LETTER TO THE SHAREHOLDERS	Germany		Germany	
		Bertrandt Beteiligungen GmbH, Ehningen ¹	100.0	Bertrandt Automotive GmbH & Co. KG, Pullach i. Isartal ¹	94.9
		Bertrandt Cognition GmbH, Ehningen ¹	100.0	Bertrandt Grundbesitz GmbH & Co. KG, Pullach i. Isartal ¹	94.9
		Bertrandt Development GmbH, Ehningen ¹	100.0	Bertrandt Immobilien GmbH & Co. KG, Pullach i. Isartal ¹	94.9
		Bertrandt Digital GmbH, Ehningen ¹	100.0	Fariba Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz ¹	94.8
25	B CORPORATE SOCIAL RESPONSIBILITY REPORT	Bertrandt Ehningen GmbH, Ehningen ¹	100.0	Bertrandt Grundstücks GmbH & Co. KG, Pullach i. Isartal	100.0
		Bertrandt Energie GmbH, Mönshheim	100.0	Bertrandt Liegenschaft GmbH & Co. KG, Pullach i. Isartal	70.0
		Bertrandt Fahrerprobung Süd GmbH, Nufringen ¹	100.0	Bertrandt Liegenschaft Süd GmbH & Co. KG, Pullach i. Isartal	70.0
72	C GROUP MANAGEMENT REPORT	Bertrandt GmbH, Hamburg ¹	100.0	Bertrandt Prüfzentrum GmbH & Co. KG, Pullach i. Isartal	70.0
		Bertrandt Grundstücks GmbH, Nufringen	100.0	Bertrandt Prüfzentrum Süd GmbH & Co. KG, Pullach i. Isartal	70.0
		Bertrandt Ingenieurbüro GmbH, Gaimersheim ¹	100.0	Bertrandt Campus Beteiligungen GmbH, Ehningen	50.0
122	D REMUNERATION REPORT	Bertrandt Ingenieurbüro GmbH, Ginsheim-Gustavsburg ¹	100.0	Bertrandt Campus GmbH, Ehningen	50.0
		Bertrandt Ingenieurbüro GmbH, Hamburg ¹	100.0	Bertrandt Campus Grundbesitz GmbH, Ehningen	50.0
		Bertrandt Ingenieurbüro GmbH, Köln ¹	100.0	Bertrandt Campus Liegenschaft GmbH, Ehningen	50.0
141	E CONSOLIDATED FINANCIAL STATEMENTS	Bertrandt Ingenieurbüro GmbH, München ¹	100.0	Bertrandt Entwicklungen AG & Co. OHG, Pullach i. Isartal	30.0
		Bertrandt Ingenieurbüro GmbH, Neckarsulm ¹	100.0	aucip GmbH & Co. KG, Pullach i. Isartal	24.9
		Bertrandt Ingenieurbüro GmbH, Tappenbeck ¹	100.0	aucip Verwaltung GmbH, Pullach i. Isartal	24.9
		Bertrandt Innovation GmbH, Tappenbeck	100.0	LASONO tool GmbH, Pullach i. Isartal	24.9
143	Consolidated income statement and statement of comprehensive income	Bertrandt Medical GmbH, Ehningen ¹	100.0	SADONA tool GmbH, Pullach i. Isartal	24.9
		Bertrandt Mobility GmbH, Ehningen	100.0	SIDENO tool GmbH, Pullach i. Isartal	24.9
144	Consolidated balance sheet	Bertrandt München GmbH, München	100.0		
145	Consolidated statement of changes in equity	Bertrandt Neo GmbH, Tappenbeck	100.0		
		Bertrandt Powertrain Validation GmbH, Freising (formerly: München) ¹	100.0		
146	Consolidated cash flow statement	Bertrandt Sales GmbH, Ehningen ¹	100.0		
		Bertrandt Services GmbH, Ehningen ¹	100.0		
147	<u>Notes to the Consolidated Financial Statements</u>	Bertrandt Simulations GmbH, Ehningen ¹	100.0		
		Bertrandt Solutions GmbH, Ehningen ¹	100.0		
205	Independent Auditor's Report	Bertrandt Systems & Consulting GmbH (formerly: usb Gesellschaft für Unternehmensberatung und Systementwicklung mbH), Taufkirchen ¹	100.0		
212	Responsibility statement by the management (balance sheet oath)	Bertrandt Tappenbeck GmbH, Tappenbeck	100.0		
		Bertrandt Technikum GmbH, Ehningen ¹	100.0		
		Bertrandt Technologie GmbH, Immendingen ¹	100.0		
		Bertrandt Technologie GmbH, Mönshheim ¹	100.0		
		Bertrandt Technologie GmbH, München ¹	100.0		
213	F FURTHER INFORMATION	Bertrandt Technologie GmbH, Nürnberg ¹	100.0		
		Bertrandt Technologie GmbH, Regensburg ¹	100.0		
		Bertrandt Technologie GmbH, Sassenburg ¹	100.0		
		Bertrandt Technology Consulting GmbH, Ehningen	100.0		
		Bertrandt Technology Germany GmbH (formerly: Philotech Systementwicklung und Software GmbH), Taufkirchen ¹	100.0		
		Bertrandt Verwaltungs GmbH, Mönshheim ¹	100.0		
		b.professional GmbH, Mannheim ¹	100.0		
		CONCEPT AG The productivity people, Stuttgart	100.0		
		digital result gmbh, Stuttgart	100.0		
		Jobfair GmbH, Mannheim ¹	100.0		
				Other countries	
				Bertrandt Česká Republika Engineering Technologies s.r.o., Mladá Boleslav, Czech Republic	100.0
				Bertrandt Engineering Shanghai Co., Ltd., Shanghai, China	100.0
				Bertrandt Engineering Technologies (Italia) SRL, Sant'Agata Bolognese, Italy	100.0
				Bertrandt Engineering Technologies Romania SRL, Sibiu, Romania	100.0
				Bertrandt France S.A.S., Paris/Vélizy-Villacoublay, France	100.0
				Bertrandt Otomotiv Mühendislik Hizmetleri Ticaret Limited Sirketi, Istanbul, Turkey	100.0
				Bertrandt S.A.S., Paris/Vélizy-Villacoublay, France	100.0
				Bertrandt Technologie GmbH, Steyr, Austria	100.0
				Bertrandt Technologie SASU, Casablanca, Morocco	100.0
				Bertrandt Technology France S.A.S. (formerly: Philotech France S.A.S.), Toulouse, France	100.0
				Bertrandt Technology Spain S.L.U. (formerly: Philotech Ibérica Sistemas y Logística S.L.U.), Madrid, Spain	100.0
				Bertrandt Technology UK LTD (formerly: Philotech UK LTD), Bristol, United Kingdom	100.0
				Bertrandt UK Limited, Dunton, United Kingdom	100.0
				Bertrandt U.S. Inc., Rochester Hills, United States	100.0
				Bertrandt Services LLC, Rochester Hills, United States	100.0
				Bertrandt Alten Engineering Solutions S.A.S., Boulogne-Billancourt, France	50.0

¹Pursant to Section 264 (3) and Section 264b of the German Commercial Code (HGB), the entity has exercised the option not to prepare and publish any notes or management report in addition to its annual financial statements as at 30 September 2023.

The breakdown of voting rights is largely in accordance with the shareholder structure.



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The operating results and financial positions of associates are as follows:

NET ASSETS AND RESULTS OF OPERATIONS OF ASSOCIATES

EUR million	30/09/2023	30/09/2022
Assets	0.180	0.201
Liabilities	0	0
Revenues	0.008	0.008
Post-tax earnings/comprehensive income	0.004	-0.003

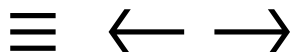
The carrying amount of the investments in associates was EUR 0.054 million (previous year EUR 0.075 million).



The net assets and results of operations of the joint ventures are as follows:

NET ASSETS AND RESULTS OF OPERATIONS OF JOINT VENTURES

02 The fiscal year 2022/2023		EUR million							
04 WE are Bertrandt		Bertrandt Campus GmbH	Bertrandt Liegenschaft GmbH & Co. KG	Bertrandt Liegenschaft Süd GmbH & Co. KG	Bertrandt Grundstücks GmbH & Co. KG	Bertrandt Prüfzentrum GmbH & Co. KG	Bertrandt Prüfzentrum Süd GmbH & Co. KG	Other	30/09/2023
06	A A LETTER TO THE SHAREHOLDERS								
	Assets	34.675	6.690	8.386	9.115	8.325	14.327	6.804	88.322
	– Non-current	33.449	6.553	8.242	8.747	8.047	12.788	6.219	84.045
25	B CORPORATE SOCIAL RESPONSIBILITY REPORT	1.226	0.137	0.144	0.368	0.278	1.539	0.585	4.277
	of which cash and cash equivalents	0.116	0	0.015	0	0.047	1.068	0.534	1.780
	Liabilities	18.246	6.762	8.675	8.852	8.393	14.624	6.243	71.795
72	C GROUP MANAGEMENT REPORT								
	– Non-current	15.759	5.400	0	7.762	6.864	11.816	5.409	53.010
	– Current	2.487	1.362	8.675	1.090	1.529	2.808	0.834	18.785
122	D REMUNERATION REPORT								
	Revenues	2.715	0.349	0.356	0.385	0.422	0.592	0.245	5.064
	Depreciation	1.015	0.182	0	0.226	0.246	0.280	0.046	1.995
	Interest income	0.041	0	0	0	0	0	0	0.041
141	E CONSOLIDATED FINANCIAL STATEMENTS								
	Interest expenses	0.305	0.118	0.309	0.152	0.154	0.289	0.171	1.498
	Income taxes	0.215	0	0	0	0	0	0.003	0.218
	Post-tax earnings/ comprehensive income	1.143	0.004	-0.004	-0.030	-0.014	-0.019	0.104	1.184
143	Consolidated income statement and statement of comprehensive income								
	Previous year	Bertrandt Campus GmbH	Bertrandt Liegenschaft GmbH & Co. KG	Bertrandt Liegenschaft Süd GmbH & Co. KG	Bertrandt Grundstücks GmbH & Co. KG	Bertrandt Prüfzentrum GmbH & Co. KG	Bertrandt Prüfzentrum Süd GmbH & Co. KG	Other	30/09/2022
144	Consolidated balance sheet								
	Assets	35.691	6.757	8.331	9.339	8.405	14.606	6.421	89.550
145	Consolidated statement of changes in equity	34.478	6.736	8.242	8.973	8.276	12.826	6.073	85.604
	– Current	1.213	0.021	0.089	0.366	0.129	1.780	0.348	3.946
146	Consolidated cash flow statement								
	of which cash and cash equivalents	0.120	0	0.015	0	0.069	1.334	0.335	1.873
147	<u>Notes to the Consolidated Financial Statements</u>	20.405	6.832	8.615	9.046	8.458	14.885	6.010	74.251
	– Non-current	17.981	5.754	0	8.162	7.376	12.671	3.462	55.406
	– Current	2.424	1.078	8.615	0.884	1.082	2.214	2.548	18.845
205	Independent Auditor's Report								
	Revenues	2.664	0.355	0.177	0.384	0.393	0.656	0.116	4.745
212	Responsibility statement by the management (balance sheet oath)	1.015	0.182	0	0.226	0.245	0.277	0.046	1.991
	Depreciation	0.017	0	0	0	0	0	0	0.017
	Interest income	0.017	0	0	0	0	0	0	0.017
	Interest expenses	0.342	0.125	0.135	0.159	0.128	0.307	0.059	1.255
	Income taxes	0.198	0	0	0	0	0	0.015	0.213
213	F FURTHER INFORMATION								
	Post-tax earnings/ comprehensive income	1.051	0.005	0.051	-0.036	-0.016	0.038	0.156	1.249



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The carrying amount of the investments in joint ventures was EUR 8.698 million (previous year EUR 8.100 million), of which EUR 8.214 million (previous year EUR 7.643 million) were attributable to Bertrandt Campus GmbH. The business purpose of the joint ventures is primarily the management of real estate. The Group has the following direct and indirect ownership interests: 50% in Bertrandt Campus GmbH, 70% in Bertrandt Liegenschaft GmbH & Co.KG, Bertrandt Liegenschaft Süd GmbH & Co.KG, Bertrandt Prüfzentrum GmbH & Co. KG and Bertrandt Prüfzentrum Süd GmbH & Co. KG respectively, and 100% in Bertrandt Grundstücks GmbH & Co.KG. According to existing contractual arrangements, the Group has no control of these joint ventures.

The supplier relationships between the Group's fully consolidated companies and its associates and joint ventures were based on arm's length prices.

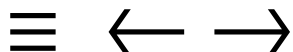
As at the reporting date, receivables from associates and joint ventures were EUR 3.053 million (previous year EUR 1.978 million) and payables were at EUR 0.012 million (previous year EUR 0.012 million).

Revenues from associates and joint ventures, which were recognised by consolidated companies of the Bertrandt Group were EUR 0.095 million in the year under review (previous year EUR 0.099 million); other operating expenses were EUR 0.187 million (previous year EUR 0.273 million). As in the previous year, no interest expense was incurred in the period under review.

Other related parties

On 2 July 2014, Dr. Ing. h.c. F. Porsche AG, Stuttgart, increased its shareholding in Bertrandt AG by nearly 4 percentage points. After the share purchase, the Volkswagen Group now indirectly holds around 29% of voting shares in Bertrandt. As in the past it is not the intention of Volkswagen to exercise influence on the Supervisory Board or the Management Board of Bertrandt AG. Since the date of the purchase of the additional shares, Bertrandt AG has been accounted for as an associate in the consolidated financial statements of the Volkswagen Group under the equity method. Accordingly, the Volkswagen group has to be classified as a related party pursuant to IAS 24. All supplier relationships between Bertrandt AG and the Volkswagen group were based on arm's length prices. The revenues arising from transactions with all Volkswagen Group companies totalled EUR 439.494 million in the period under review (previous year EUR 390.315 million). In addition, other operating income of EUR 0.167 million (previous year EUR 0.185 million) and expenses of EUR 1.238 million (previous year EUR 3.016 million) were recognised.

As at the reporting date, trade receivables were EUR 117.271 million (previous year EUR 74.219 million); contract assets were EUR 70.291 million (previous year EUR 48.517 million); contract liabilities were EUR 20.772 million (previous year EUR 9.132 million); and payables amounted to EUR 0.005 million (previous year EUR 0.077 million). As in the previous year, no risk provisions for receivables were made in the period under review.



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[54] AUDITOR'S FEES

The auditor's fees which are expensed in accordance with Section 319 (1) HGB were comprised of the following:

AUDITOR'S FEES

EUR million	2022/2023	2021/2022
Audit of financial statements	0.550	0.418
Other audit services	0.055	0
Tax consulting services	0	0.003
Other services	0.018	0.005
Total	0.623	0.426

The auditor's fees comprise the fees for the audit of the consolidated financial statements as well as for the statutory audits of Bertrandt AG and the subsidiaries included in the consolidated financial statements. The fee for other audit services mainly relates to the audit of the Corporate Social Responsibility Report. Other services include consulting on internal control systems.

[55] PROFIT ALLOCATION PROPOSAL

In accordance with Section 58 (2) of the German Stock Corporation Act (AktG), the dividend distributed by Bertrandt Aktiengesellschaft is based on the distributable profit as shown in the financial statements prepared according to German commercial law for the year ending 30 September 2023.

The Management Board proposes using Bertrandt AG's distributable profit of EUR 43,114,486.81 for fiscal year 2022/2023 to pay a dividend of EUR 1.20 per qualified share, and carry forward the remaining amount of EUR 30,942,598.81 to the next fiscal year. In accordance with Section 58 (4) sentence 2 AktG, the entitlement to a dividend becomes due on the third business day after adoption of the dividend proposal by the annual general meeting, which will be 26 February 2024. In accordance with the German Stock Corporation Act, any own shares held by Bertrandt AG at the time the proposal is adopted by the annual general meeting are not entitled to a dividend. The amount applicable to such shares is also carried forward.



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[56] DIVIDEND FOR THE FISCAL YEAR 2021/2022

The Management Board's proposal in the previous year for a dividend of EUR 0.85 per qualified share was adopted by the annual general meeting.

The Management Board

DR. ANDREAS FINK
Member of the
Management Board
Engineering

MICHAEL LÜCKE
Member of the
Management Board
Sales

MARKUS RUF
Member of the
Management Board
Finance

[57] DAY OF RELEASE FOR PUBLICATION

The Management Board of Bertrandt AG has submitted the consolidated financial statements to the Supervisory Board which will make a decision concerning these on 11 December 2023.

Ehningen, 11 December 2023



'INDEPENDENT AUDITOR'S REPORT

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To Bertrandt Aktiengesellschaft, Ehningen

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

Audit Opinions

We have audited the consolidated financial statements of Bertrandt Aktiengesellschaft, Ehningen, and its subsidiaries (the Group), comprising the consolidated balance sheet as at 30 September 2023, the consolidated income statement and statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 October 2022 to 30 September 2023, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Bertrandt Aktiengesellschaft, Ehningen for the financial year from 1 October 2022 to 30 September 2023. In accordance with German statutory requirements, we have not audited the content of the corporate governance declaration pursuant to Section 289f of the German Commercial Code (HGB) and Section 315d HGB.

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

- the accompanying consolidated financial statements comply, in all material respects, with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and give a true and fair view of the net assets and financial position of the Group as at 30 September 2023, as well as of the earnings situation for the financial year from 1 October 2022 to 30 September 2023, in accordance with these requirements, and

- the accompanying group management report as a whole provides an accurate view of the Group's position. In all material respects, the group management report is consistent with the consolidated financial statements, complies with German statutory requirements and accurately presents the risks and opportunities of future development. Our audit opinion on the group management report does not cover the content of the corporate governance declaration referred to above.

According to Section 322 (3) sentence 1 HGB, we state that our audit has not led to any reservations with respect to the propriety of the consolidated financial statements and the group management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and the group management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014) under consideration of the German generally accepted standard for the audit of financial statements promulgated by Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report' section of our auditor's report. We are independent of the Group entities in accordance with provisions under EU laws as well as German commercial law and the laws that govern our profession, and we have fulfilled our other German ethical responsibilities in accordance with these requirements. Furthermore, we declare in accordance with Article 10 (2) lit. f) of the EU Audit Regulation that we have not provided any prohibited non-audit services referred to in 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 consolidated financial statements and the group management report.



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Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 October 2022 to 30 September 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon, and we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

1. Measurement of contract assets

Our presentation of this key audit matter has been structured as follows:

1. Matter and issue
2. Audit approach and findings
3. Reference to further information

We present the key audit matter in the following section:

1. Measurement of contract assets

1. Contracts assets EUR 140.2 million are reported in the consolidated financial statements of Bertrandt Aktiengesellschaft, Ehningen, as at 30 September 2023. This is equivalent to 14.7% of total assets. The item includes contract assets resulting from performance obligations satisfied over time which are recognised according to the progress measured on the basis of the input method. The progress towards complete satisfaction of a performance obligation is measured on the basis of the relation of cost incurred and total cost (input method) and multiplied by the agreed transaction price. Finished performance obligations which have not yet been accepted are measured at their contract values. Advance payments received for contract assets are netted against the contract assets, provided that offsetting is possible. Given the uncertainty inherent in estimates and the significance of the

item for the consolidated financial statements, this item was of particular importance for our audit.

2. As part of our audit, we evaluated the methodology employed, the internal processes and controls used to determine the total costs and expected income, among other things. Furthermore, we evaluated the processes and technical systems used to record actual costs incurred, examined the manual controls and those controls implemented in the system for the respective contracts, and evaluated the audit steps and controls established for the purpose of testing for any impairment. In our view, based on the information available, we believe that the systems, procedures and controls established by the Management are appropriate overall for properly and consistently measuring contract assets. Based on our audit procedures, we verified that both the estimates made by the Management and any events and actions potentially resulting in changes to assumptions are sufficiently documented.

3. The Company's disclosures pertaining to contract assets are contained in Notes 5, 6 and 26 to the consolidated financial statements.

Other information

The Management is responsible for the other information. The other information includes the corporate governance declaration pursuant to Section 289f HGB and Section 315d HGB as a component of the group management report that has not been audited in terms of content:



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The other information also includes

- the separate non-financial report in accordance with Sections 289b to 289e HGB and Sections 315b to 315c HGB
- the remuneration report in accordance with Section 162 AktG, for which the Supervisory Board is additionally responsible
- all other parts of the annual report – excluding cross-references to external information –, with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

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

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

- is materially inconsistent with the consolidated financial statements, the disclosures in the group management report that were audited in terms of content, or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Management and the Supervisory Board for the consolidated financial statements and the group management report

The Management is responsible for the preparation of the consolidated financial statements, which comply, in all material respects, with IFRS, as adopted by the European Union, and the additional requirements of German commercial law pursuant to § 315e (1) HGB, and for ensuring that they give a true and fair view of the net assets, results of operations and financial position of the Group in accordance with these requirements. Furthermore, the Management is responsible for such internal controls as the Management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (manipulation of accounting or misappropriation of assets) or error.

In preparing the consolidated financial statements, the Management is responsible for assessing the Group's ability to continue as a going concern. It is also the Management's responsibility to disclose, if relevant, matters relating to going concern and use the going concern basis of accounting unless the Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

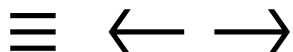
The Management is also responsible for the preparation of the group management report, which as a whole provides an accurate view of the Group's position and is consistent in all material respects with the consolidated financial statements, complies with German statutory requirements and suitably presents the risks and opportunities of future development. The Management is also responsible for such policies and procedures (systems) as the Management determines are necessary to enable the preparation of the group management report in accordance with the applicable German statutory requirements and to provide sufficient appropriate evidence for the assertions in the group management report.

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

Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB



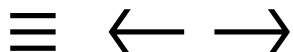
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and the EU Audit Regulation and based on the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) will always detect material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

Throughout the audit we exercise professional judgement and maintain professional scepticism. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and we obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of the internal control system relevant to the audit of the consolidated financial statements and of the policies and procedures relevant to the audit of the group 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 those systems.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the group management report or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained until the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures. We also evaluate whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation of the net assets, results of operations and financial position of the Group in compliance with IFRS, as adopted by the European Union, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.



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- evaluate whether the group management report is consistent with the consolidated financial statements, its compliance with the German statutory requirements and the view it provides of the Group's position.
- perform audit procedures on the prospective information presented by the Management in the group management report. Based on sufficient and appropriate audit evidence, we in particular evaluate the significant assumptions used by the Management as a basis for the prospective information and the appropriate derivation of the prospective information from these assumptions. We are not issuing a separate audit opinion on the prospective information or the underlying assumptions. There is a significant, unavoidable risk that future events deviate significantly 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 the internal control system that we identified during our audit.

We also provide those charged with governance with the statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and, if relevant, the actions or safeguards adopted to eliminate threats to our independence.

From the matters discussed with those charged with governance, we choose those matters that were of most significance in the audit of the consolidated financial statements of the current period under review and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure of the matter.

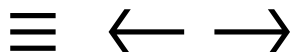
OTHER LEGAL AND REGULATORY REQUIREMENTS

ASSURANCE REPORT IN ACCORDANCE WITH SECTION 317 (3A) HGB ON THE ELECTRONIC REPRODUCTIONS OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT PREPARED FOR DISCLOSURE PURPOSES

Reasonable assurance conclusion

We have performed an assurance engagement in accordance with Section 317 (3a) HGB to obtain reasonable assurance as to whether the reproductions of the consolidated financial statements and the group management report (hereinafter the 'ESEF' documents) contained in the electronic file Bertrandt_AG_KA+KLB_ESEF-2023-09-30.zip and prepared for disclosure purposes comply in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ('ESEF' format). In accordance with German statutory requirements, this assurance engagement only extends to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these reproductions nor to any other information contained in the above-mentioned electronic file.

In our opinion, the reproductions of the consolidated financial statements and the group management report contained in the above-mentioned electronic file and prepared for disclosure purposes comply in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in these reproductions nor on any other information contained in the above-mentioned electronic file beyond this reasonable assurance conclusion and our audit opinions on the accompanying consolidated financial statements and the accompanying group management report for the fiscal year from 1 October 2022 to 30 September 2023 contained in the 'Report on the audit of the consolidated financial statements and of the group management report'.



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Basis for the reasonable assurance conclusion

We conducted our assurance engagement on the reproductions of the consolidated financial statements and the group management report contained in the above-mentioned electronic file in accordance with Section 317 (3a) HGB and under consideration of the IDW Assurance Standard: Assurance in Accordance with Section 317 (3a) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Disclosure Purposes (IDW PS 410 (June 2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibilities thereunder are further described in the section entitled 'Group auditor's responsibilities for the assurance engagement on the ESEF documents'. Our audit firm has applied the IDW's requirements for quality management set forth in the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm' (IDW QS 1).

Responsibilities of the Management and the Supervisory Board for the ESEF documents

The Management is responsible for the preparation of the ESEF documents including the electronic reproductions of the consolidated financial statements and the group management report in accordance with Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 no. 2 HGB.

Furthermore, the Management is responsible for such internal controls as management has considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format, whether due to fraud or error.

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

Group auditor's responsibilities for the assurance engagement on the ESEF documents

Our objective is to obtain reasonable assurance as to whether the ESEF documents are free from material non-compliance with the requirements of Section 328 (1) HGB, whether due to fraud or error. Throughout the assurance engagement we exercise professional judgement and maintain professional scepticism. We also:

- identify and assess the risks of material non-compliance with the requirements of Section 328 (1) HGB – whether due to fraud or error–; design and perform audit procedures responsive to those risks; and we obtain audit evidence that is sufficient and appropriate to provide a basis for our assurance conclusion.
- obtain an understanding of internal controls relevant to the assurance engagement on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance conclusion on the effectiveness of the internal control system.
- evaluate the technical validity of the ESEF documents, i.e. whether the electronic file containing the ESEF documents meets the requirements for the technical specification for this electronic file as laid down in the Delegated Regulation (EU) 2019/815 in the version applicable as at the reporting date.
- evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and the audited group management report.
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) according to Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 in the version applicable as at the reporting date enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Other disclosures pursuant to Article 10 of the EU Audit Regulation

We were appointed as group auditor by the annual general meeting on 22 February 2023. The Supervisory Board engaged us on 1 June 2023. We have acted uninterruptedly as the group auditor of Bertrandt Aktiengesellschaft, Ehningen since financial year 1994.



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We confirm that the audit opinions contained in this auditor's report are consistent with the additional report to the audit committee as referred to in Article 11 of the EU Audit Regulation (additional report).

INFORMATION ON AN ADDITIONAL MATTER USING THE AUDITOR'S REPORT

Our auditor's report should always be read in conjunction with the audited consolidated financial statements and the audited group management report as well as the ESEF documents on which the assurance engagement was performed. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Company Register – are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and do not replace them. In particular, the 'Assurance report in accordance with Section 317 (3a) HGB on the electronic reproductions of the consolidated financial statements and the group management report prepared for disclosure purposes' and our assurance conclusion contained therein are only valid in conjunction with the electronically provided ESEF documents on which the assurance engagement was performed.

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Marcus Nickel.'

Stuttgart, 11 December 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

MARCUS NICKEL **PPA. BOJAN JOVANOVIC**
Auditor Auditor



Responsibility statement by the Management (balance sheet oath)

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To the best of our knowledge, and in accordance with the applicable principles for financial reporting, the consolidated financial statements give a true and fair view of the net assets, results of operations and financial position of the Group, and the group management report includes a fair presentation of the Group's

business development and performance as well as of its position, together with a description of the principal risks and opportunities associated with the Group's expected development.

Ehningen, 11 December 2023

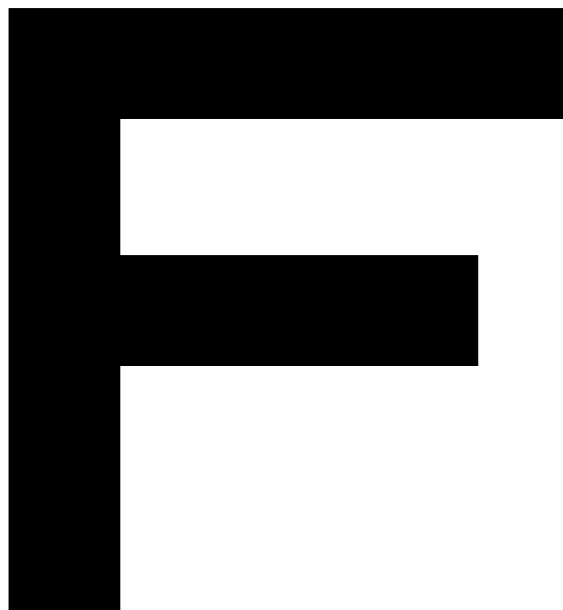
Bertrandt AG

The Management Board

DR. ANDREAS FINK
Member of the
Management Board
Engineering

MICHAEL LÜCKE
Member of the
Management Board
Sales

MARKUS RUF
Member of the
Management Board
Finance



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BALANCE SHEET

EUR million	30/09/2023	30/09/2022
Assets		
A. Fixed assets	215.462	220.214
I. Intangible assets	4.656	6.076
II. Property, plant and equipment	199.522	204.448
III. Long-term financial assets	11.284	9.690
B. Current assets	543.584	519.918
I. Inventories	95.602	74.620
II. Receivables and other assets	368.264	322.692
III. Securities	0.001	0.001
IV. Cash in hand, bank balances and cheques	79.717	122.605
C. Prepaid expenses	6.793	6.206
Assets total	765.839	746.338

EUR million	30/09/2023	30/09/2022
Equity and liabilities		
A. Equity	364.702	358.264
I. Issued share capital less nominal amount of treasury shares	10.106	10.100
II. Capital reserves	28.786	28.798
III. Retained earnings		
– other retained earnings	282.696	275.134
IV. Distributable profit	43.114	44.232
B. Special reserve item for investment grants received for fixed assets	0.056	0.088
C. Provisions	65.392	63.185
1. Provisions for pensions	5.309	5.285
2. Tax provisions	3.099	7.552
3. Other provisions	56.984	50.348
D. Liabilities	335.167	324.574
1. Liabilities to banks	210.708	218.960
2. Advance payments received on account of orders	1.777	1.070
3. Trade payables	2.736	4.433
4. Liabilities to associates	98.045	82.339
5. Other liabilities	21.901	17.772
E. Deferred income	0.522	0.227
Equity total	765.839	746.338

Previous year's figures adjusted. For details, please refer to the individual financial statements for 2022/2023.



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INCOME STATEMENT

EUR million	2022/2023	2021/2022
01/10 until 30/09		
1. Total revenues	931.375	842.994
2. Other operating income	14.021	26.027
3. Cost of materials	-100.601	-90.152
4. Personnel expenses	-690.747	-627.710
5. Amortisation of intangible fixed assets and depreciation of property, plant and equipment	-29.842	-30.614
6. Other operating expenses	-101.993	-96.289
7. EBIT	22.213	24.256
8. Net finance income	-0.635	4.183
9. Income taxes	-6.248	-5.935
10. Post-tax earnings	15.330	22.504
11. Other taxes	-0.395	-0.344
12. Net income for the fiscal year	14.935	22.160
13. Retained profits	35.647	33.152
14. Transfer to other retained earnings	-7.468	-11.080
15. Distributable profit	43.114	44.232



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CONSOLIDATED BALANCE SHEET

EUR million ¹	30/09/2023	30/09/2022	30/09/2021	30/09/2020	30/09/2019	30/09/2018	30/09/2017	30/09/2016	30/09/2015	30/09/2014
Assets										
Intangible assets	41.512	34.868	14.285	14.566	14.017	13.724	15.740	17.480	17.455	15.548
Property, plant and equipment	355.095	373.841	391.406	413.056	302.855	282.104	264.284	235.800	184.823	132.365
Investment properties	0	0	2.800	1.277	1.342	1.408	1.474	1.540	1.608	1.672
Investments accounted for using the equity method	8.752	8.175	7.574	7.048	6.453	5.874	5.488	5.077	4.367	0.090
Financial receivables	5.984	6.337	1.931	1.428	1.412	1.291	1.685	2.729	3.724	4.795
Other financial assets	4.332	3.587	3.019	2.832	2.581	2.294	2.017	1.988	2.949	2.572
Other assets	2.516	4.107	6.424	8.724	8.831	8.895	6.693	4.703	3.889	5.254
Income tax assets	0	0	0	0	0	0	0	0	0.150	0.301
Deferred taxes	4.392	13.143	13.235	15.866	3.072	3.324	3.822	2.473	3.212	3.717
Non-current assets	422.584	444.058	440.675	464.797	340.563	318.914	301.203	271.790	222.177	166.314
Inventories	0.835	0.948	0.812	0.860	0.993	1.156	1.182	0.889	0.558	0.614
Contract assets	140.214	115.510	92.962	90.493	125.315	121.100	119.607	114.130	139.342	75.081
Trade receivables	236.918	208.933	168.856	175.471	226.007	236.206	193.024	189.879	167.630	174.262
Financial receivables	15.076	7.320	0.353	0.413	0.558	1.277	1.640	1.639	1.722	1.694
Other financial assets	4.849	4.011	3.764	3.156	2.873	2.901	4.379	1.349	1.066	1.965
Other assets	13.482	12.931	17.565	19.671	15.664	14.515	15.047	21.984	15.921	10.095
Income tax assets	0.802	0.780	1.197	3.365	5.198	3.921	3.452	1.833	1.525	0.232
Cash and cash equivalents	121.360	161.557	190.205	187.233	91.491	88.405	139.266	159.821	13.068	41.543
Current assets	533.536	511.990	475.714	480.662	468.099	469.481	477.597	491.524	340.832	305.486
Total assets	956.120	956.047	916.389	945.459	808.662	788.395	778.800	763.314	563.009	471.800

¹Rounding differences of EUR 0.001 million may occur in the presentation of figures due the system used.



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CONSOLIDATED BALANCE SHEET

EUR million ¹	30/09/2023	30/09/2022	30/09/2021	30/09/2020	30/09/2019	30/09/2018	30/09/2017	30/09/2016	30/09/2015	30/09/2014
Equity and liabilities										
Issued capital	10.143	10.143	10.143	10.143	10.143	10.143	10.143	10.143	10.143	10.143
Capital reserves	30.162	29.899	29.714	29.714	29.714	29.713	29.374	29.374	28.595	27.734
Retained earnings and other reserves	368.772	360.646	345.141	340.227	341.071	319.256	297.319	279.025	246.799	206.323
Consolidated distributable profit	45.550	31.158	23.830	23.347	35.764	39.764	39.524	39.394	34.083	35.455
Equity attributable to shareholders of Bertrandt AG	454.627	431.846	408.828	403.431	416.692	398.876	376.360	357.936	319.620	279.655
Minority interests	0	0	0	0	0	0	0	0	0.686	0.669
Equity	454.627	431.846	408.828	403.431	416.692	398.876	376.360	357.936	320.306	280.324
Borrowings	237.723	96.826	257.854	234.913	212.419	199.810	215.737	199.701	0	0
Other financial liabilities	47.052	57.148	61.214	76.449	0	0	0	0	0	0
Other liabilities	0.414	0.684	1.120	1.648	1.747	0.447	0.215	0.246	0.278	400
Provisions	8.163	8.218	12.212	13.002	12.445	9.740	9.908	16.927	13.039	12.374
Deferred taxes	19.406	25.221	20.306	18.586	12.634	12.611	19.578	20.910	24.168	17.214
Non-current liabilities	312.757	188.097	352.706	344.598	239.245	222.608	245.438	237.784	37.485	29.988
Borrowings	12.320	163.256	9.679	45.412	3.498	18.339	5.202	2.367	39.642	0.092
Contract liabilities	3.773	2.740	3.233	2.137	4.520	6.354	9.743	18.408	13.832	11.373
Trade payables	28.799	30.528	13.862	12.852	15.751	17.849	18.257	15.066	20.444	12.289
Other financial liabilities	33.178	35.830	29.467	35.205	22.442	22.517	12.578	7.553	10.486	15.570
Sonstige Verbindlichkeiten	78.746	72.853	75.459	67.046	72.562	64.648	65.352	70.066	62.049	46.148
Other liabilities	28.194	23.036	19.136	26.546	33.185	36.433	40.458	46.586	54.594	61.210
Other provisions	3.723	7.860	4.019	8.232	0.767	0.771	5.412	7.548	4.171	14.806
Current liabilities	188.735	336.104	154.856	197.430	152.725	166.911	157.002	167.594	205.218	161.488
Total equity and liabilities	956.120	956.047	916.389	945.459	808.662	788.395	778.800	763.314	563.009	471.800

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CONSOLIDATED INCOME STATEMENT

EUR million ¹	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014
01/10 until 30/09										
Revenues	1,156.810	1,008.475	845.574	915.191	1,058.112	1,019.914	992.276	992.021	934.787	870.563
Other internally generated assets	0.601	0.684	3.019	1.391	1.758	1.106	1.602	0.672	0.472	0.176
Total revenues	1,157.411	1,009.159	848.592	916.582	1,059.870	1,021.020	993.878	992.693	935.259	870.739
Other operating income	12.138	19.806	13.490	8.771	17.406	8.594	8.682	11.471	13.323	13.208
Raw materials and consumables used	-132.194	-108.904	-72.222	-76.943	-108.755	-100.388	-105.605	-98.097	-88.089	-71.444
Personnel expenses	-839.677	-740.314	-650.668	-696.829	-765.386	-723.971	-703.593	-695.681	-660.357	-624.141
Depreciation	-56.247	-56.976	-56.497	-54.356	-33.687	-33.022	-33.864	-29.725	-25.193	-22.234
Other operating expenses	-91.351	-81.108	-62.655	-82.064	-109.126	-100.092	-96.628	-87.796	-83.306	-77.041
EBIT (EUR million)	50.080	41.664	20.040	15.161	60.322	72.141	62.870	92.865	91.637	89.087
Net finance income	-7.518	-6.360	-5.900	-5.231	-2.845	-2.983	-2.181	-1.378	0.033	0.432
Profit from ordinary activities	42.562	35.304	14.140	9.930	57.477	69.158	60.689	91.487	91.670	89.519
Other taxes	-2.462	-2.507	-1.981	-3.162	-3.257	-3.858	-2.698	-1.674	-1.250	-1.220
Earnings before tax	40.099	32.797	12.160	6.768	54.220	65.300	57.991	89.813	90.420	88.299
Income taxes	-9.655	-11.663	-5.251	-3.033	-15.206	-17.915	-14.125	-26.205	-27.784	-25.956
Post-tax earnings	30.444	21.134	6.909	3.735	39.014	47.385	43.866	63.608	62.636	62.343
– attributable to minority interest	0	0	0	0	0	0	0	0	0.017	0.004
– attributable to shareholders of Bertrandt AG	30.444	21.134	6.909	3.735	39.014	47.385	43.866	63.608	62.619	62.339
Number of shares (million) – diluted/basic, average weighting	10.106	10.100	10.095	10.095	10.095	10.095	10.091	10.091	10.083	10.076
Earnings per share (EUR) – diluted/basic	3.01	2.09	0.68	0.37	3.86	4.69	4.35	6.30	6.21	6.19

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A

AG: Abbreviation for the German word 'Aktiengesellschaft' (stock corporation).
AktG: German Stock Corporation Act
Arm's Length Principle: Internal sales are invoiced at normal market prices and as matter of principle are thus in line with sales to third parties.
Authorised capital: Contingent resolution passed by the shareholders authorising the management board of a public company to increase the capital up to a certain amount and within a certain time-frame.

B

BDLI: German Aerospace Industries Association
BEV: Battery Electric Vehicle; refers to an automobile that uses at least one electric motor as drive system.
BilMoG: Act of the modernisation of accounting law.
Borrowings: Capital raised externally by taking on loans.

C

CAPEX: Acronym for 'capital expenditures'. Capital spending on non-current assets such as machinery or buildings.
Capital and reserves: Funds made available to a company by its legal owners. Equals the company's assets net of all liabilities, provisions and deferred items.
Capital increase: Issue of new shares on a cash or non-cash basis or by using the company's own funds.
Carbon footprint: The carbon footprint is the amount of CO₂ emissions that a person produces in a certain period of time. It shows your average CO₂ balance: a large footprint causes an above-average amount of emissions; a small footprint, on the other hand, implies a climate-friendly life.
Cash and cash equivalents: Cash in hand plus bank balances and cheques.
Cash flow: Cash flow represents the funds generated from own operating activity and shows the ability of a company to fund itself (net profit plus depreciation and transfer to longterm provisions).
Cash flow from operating activities: EPost-tax earnings adjusted for non-cash items, plus depreciation/amortisation, additions to provisions and changes in working capital.

Cash-generating units: The smallest identifiable group of assets that generates cash inflows and that are largely independent of the cash inflows from other assets.
CoC: Abk. für engl.
a) Center of Competence.
b) Code of Conduct.
Corporate compliance: This refers to a company's efforts to comply with statutes, guidelines and voluntary codes and entails, for example, the entrenchment of applicable laws in the company's corporate culture and day-to-day business practice.
Corporate Governance: Corporate Governance summarizes the legal and factual framework of governance and monitoring a company.
Corporate Responsibility: A company's responsibility taking into account the impact of its actions on society, employees, the environment and the economic environment.
Corporate Social Responsibility: 'Corporate Social Responsibility' (CSR) is the social responsibility of companies to manage their business sustainably. It is the responsibility of companies for their impact on society. This includes social, ecological and economic aspects.
CO₂ equivalents: CO₂ equivalents illustrate the global warming potential of various climate-damaging gases and show how much a certain quantity of a greenhouse gas contributes to the greenhouse effect. The reference value used is carbon dioxide (CO₂). The index expresses the warming effect of a certain quantity of a greenhouse gas over a clearly defined period of time compared to that of CO₂.
CO₂ emissions: CO₂ emissions refer to the emission of carbon dioxide, a potent greenhouse gas. CO₂ is produced during the combustion of materials containing carbon, such as wood, coal, diesel or gas.
CSRD: Corporate Sustainability Reporting Directive – Rules on non-financial Reporting.



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D

DAX: The DAX (German share index) encompasses Germany's 40 largest public companies that are stock-market listed.

DCGK: The Deutscher Corporate Governance Kodex (German Corporate Governance Code) presents essential statutory regulations for the management and supervision of German listed companies and contains, in the form of recommendations and suggestions, internationally and nationally acknowledged standards for good and responsible corporate governance. Besides giving recommendations and suggestions that reflect the best practice of corporate governance, the Code aims at enhancing the German corporate governance system's transparency and comprehensibility, in order to strengthen the confidence of international and national investors, clients, employees and the general public in the management and supervision of German listed companies.

Deferred taxes: Income tax arising in future periods as a result of temporary differences between the IFRS carrying values and the tax base.

Derivatives: Products that are derived from a base asset and whose price depends to a large extent on the price of the underlying financial instrument. They make it possible to control market price risks. Derivatives include the following types of product: forex forward transactions, swaps, options and option-like instruments (caps, floors etc.).

Discounted cash flow method: A method of valuing a business based on capitalising future financial surpluses.

Distributable profit: The surplus of net profit or net loss plus profit or loss carry-forwards, less retained profit and minority interests.

Dividend: A distribution of a portion of a company's earnings to its shareholders

E

Earnings per share:: Derived by dividing the earnings for a period that are due to the shareholders by the average number of share outstanding during the period.

EBIT margin: Ratio of EBIT to total revenues as a measure of operating profitability.

EFRAG: European Financial Reporting Advisory Group – EU standards for sustainability reporting.

EBIT: Earnings before interest and taxes.

Equity method: Method of accounting for investments in associates in single and consolidated financial statements.

Equity ratio: Ratio of shareholders' equity to total capital.

E

ESG: Environment, Social and Governance as aspects of sustainable action.

EU Taxonomy: Catalogue of criteria defined by the EU for the uniform assessment of the sustainability of economic activities.

F

Fair Value: In accordance with IFRS.

Free cash flow: Cash flow from operating activities and cash flow from investing activities.

Free float: Shares in a public company not held by major investors.

G

Goodwill: Intangible asset. Corresponds to the future economic benefit of assets that cannot be individually identified or separately carried.

GUIDE: Guide for Intelligent Driving Efficiency. Development of new functionalities that not only make the vehicle a customizable partner, but also optimize driving time and distance.

H

HGB: German appreciation for the Commercial Code.



Glossary

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I

IAS: The IAS (International Accounting Standards) are intended to ensure that accounting and reporting is comparable on an international level.

IDW: Institut der Wirtschaftsprüfer in Deutschland e. V. (Institute of Public Auditors in Germany, Incorporated Association)

IFRS: IFRS (International Financial Reporting Standards) refer to the internationally accepted accounting standards since 2002. They therefore also comprise the applicable International Accounting Standards.

Impairment test: A method of testing the value of assets.

Institutional investor: Institutional investors may be insurance companies, pension funds, capital investment companies or also banks that regularly have investment requirement. Other investor groups comprise professional traders and private investors.

ISO 9001: International standard that describes the minimum requirements for quality management systems.

ISO 14001: International environmental management standard that specifies globally recognised requirements for an environmental management system.

ISO 45001: A standard that specifies the requirements currently applicable for an occupational health and safety management system.

Investments: Payments made for investments in property, plant and equipment and payments for investments in intangible assets. Payments for the acquisition of consolidated companies and other business units and for investments accounted for using the equity method are not included here.

Issued capital: The ISIN (International Security Identification Number) is a tendigit number prefixed with a country code (DE = Germany, CH = Switzerland) and serves to make securities internationally identifiable.

ISAE 3000: International Standard on Assurance Engagements 3000 - is an international auditing standard published by the International Federation of Accountants.

ISIN: The share capital in a public company or company with limited liability that is to be recorded in the balance sheet.

K

KPI: 'Key performance indicators' relate to the success, performance or capacity utilisation of a business, its individual organisational units, or a machine.

M

MAR: Since 3 July 2016, Regulation (EU) No 596/2014 (Market Abuse Regulation) has been directly applicable in the member states of the European Union. Its objective is to create a consistent set of rules applicable throughout the EU for the protection of market integrity.

Market capitalisation: effects the current stock-market value of the company. Derived by multiplying the number listed shares by the closing-day share price.

Material expenses: Sum of all the expenses incurred in the purchase of raw materials and supplies needed for the company's own processing, plus acquired services.

N

Net current assets: see working capital.



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Glossary

O

OPEX: Acronym for 'operational expenditures'. Operating expenses related to functioning business operations.

P

Payout: Dividends, bonuses, bonus shares as well as liquidation proceeds that are paid out to shareholders.

PHEV: Plug-in Hybrid Electric Vehicle; a hybrid electric vehicle with a battery that can be recharged by plugging a charging cable into an external power source. The battery can also be charged internally on board the vehicle using the combustion engine's generator.

Price-earnings ratio: Ratio of the current share price to earnings per share.

R

Roadshow: Series of company presentations by an issuer to investors in various financial centres. The purpose of a roadshow is to inform investors and other stakeholders about current developments in the company.

S

SDAX: Defined index in the Prime Standard for smaller companies (small caps) of the traditional industries below the MDAX companies.

Shareholder: Shareholders are persons who own shares in a company, usually equities. As a result, shareholders act as owners and hope to generate financial returns. This term is frequently used, especially by listed companies.

Stakeholder: Stakeholders are all persons, groups or institutions that are directly or indirectly affected by the activities of a company or that have an interest in these activities. Stakeholders try to influence the company.

Sustainable Development Goals (SDGs): The Sustainable Development Goals were adopted by the United Nations General Assembly in 2015. They cover economic, ecological and social aspects and each aspect comprises individual indicators that make implementation of the goals measurable.

T

Tax rate: Ratio of actual income taxes to earnings before income taxes.

Total assets/total equity and liabilities: The sum of all assets or the sum of shareholders' equity and liabilities.

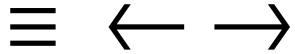
W

WACC: (weighted average cost of capital) is the rate that a company is expected to pay on average to all its security holders to finance its assets.

WKN: German abbreviation for Security Code Number.

Working Capital: Current assets (trade receivables, future receivables from construction contracts, inventories and other current assets) less current liabilities (trade payables and other current liabilities not attributable to financing activity).

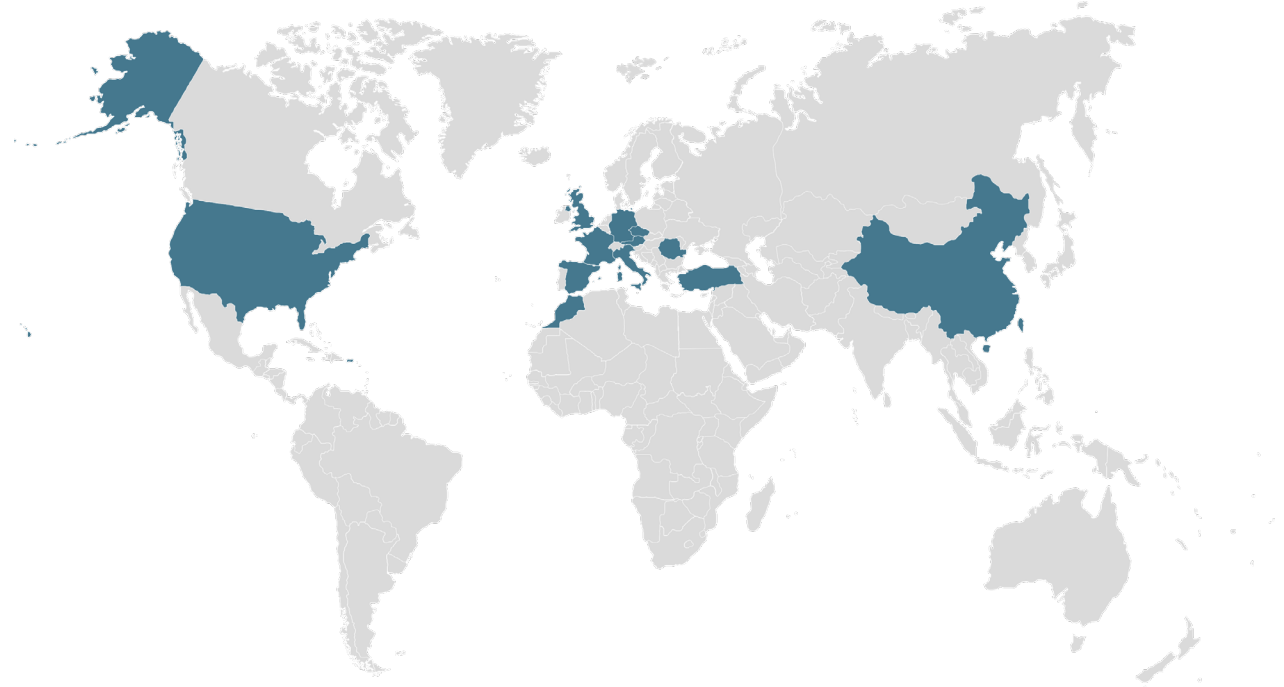
WpHG: German Securities Trading Act.



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OUR INTERNATIONAL FOOTPRINT



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Annual press and analysts' conference
14 December 2023

Report on the 1st quarter 2023/2024
14 February 2024

Annual General Meeting
21 February 2024
Stadthalle Sindelfingen

Report on the 2nd quarter 2023/2024
15 May 2024

17th Capital Market Day
15 May 2024

Report on the 3rd quarter 2023/2024
5 August 2024

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