



bertrandt

FISCAL

2021/  
2022

ANNUAL REPORT



# FISCAL 2021/2022 ANNUAL REPORT

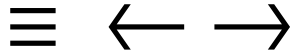
## INCOME STATEMENT, CASH FLOW STATEMENT, BALANCE SHEET, SHARE, EMPLOYEES

IFRS	2021/2022	Changes in %	2020/2021	2019/2020	2018/2019	2017/2018
<b>Income statement</b>						
Total revenues (EUR million)	1,009.159	18.9	848.592	916.582	1,059.870	1,021.020
EBIT (EUR million)	41.664	107.9	20.040	15.161	60.322	72.141
Profit from ordinary activities (EUR million)	35.304	149.7	14.140	9.930	57.477	69.158
Post-tax earnings (EUR million)	21.134	205.9	6.909	3.735	39.014	47.385
<b>Cash flow statement</b>						
Cash flow from operating activities (EUR million)	56.900	-22.8	73.662	123.521	72.284	27.208
Cash flow from investing activities (EUR million)	-47.939	27.0	-37.760	-51.341	-47.695	-50.935
Free cash flow (EUR million)	8.961	-75.0	35.902	72.180	24.589	-23.727
Capital spending (EUR million)	31.025	-19.0	38.299	51.638	65.219	52.500
<b>Balance sheet</b>						
Equity (EUR million)	431.846	5.6	408.828	403.431	416.692	398.876
Equity ratio (%)	45.2	1.3	44.6	42.7	51.5	50.6
Total assets (EUR million)	956.047	4.3	916.389	945.459	808.662	788.395
<b>Share</b>						
Earnings per share (EUR)	2.09	207.4	0.68	0.37	3.86	4.69
Dividend per share (EUR)	0.85 <sup>3</sup>	214.8	0.27	0.15	1.60	2.00
Share price on 30 September (EUR) <sup>1</sup>	33.50	-33.4	50.30	32.30	41.35	79.55
Share price, high (EUR) <sup>2</sup>	63.10	-0.2	63.20	57.10	78.80	109.30
Share price, low (EUR) <sup>2</sup>	32.50	12.8	28.80	25.00	40.80	76.40
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)	339.8	-33.4	510.2	327.6	419.4	806.9
<b>Employees</b>						
Number of employees at Bertrandt Group on 30 September	13,179	6.8	12,030	12,335	13,664	13,229

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

<sup>2</sup>In Xetra trading.

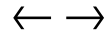
<sup>3</sup>Dividend proposed by the Management Board and Supervisory Board



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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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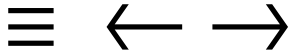


# The best solution for every customer

Bertrandt is a leading engineering service provider in the automotive and aerospace sectors and other industries that focuses on first-class technology-oriented services for the mobility of today and tomorrow. In this context, the trends of digitalisation, autonomous systems, connectivity and electromobility play a central role.

The expertise we have acquired across many industries over almost 50 years and our worldwide presence enable us to provide customer-focused solutions quickly and efficiently. Our strengths lie in our ability to carry out complete projects, from consulting through to implementation, validation, production transfer and after sales, as well as in the speed with which we can scale projects. We meet our customers' challenges with a workforce of over 13,000 people at over 50 main locations all around the world.

→ [WWW.BERTRANDT.COM](http://WWW.BERTRANDT.COM)



## Investor Relations

We create trust and sustainable shareholder value by communicating transparently and on an ongoing basis with investors. Our aim is to permanently enhance the enterprise value of the Company and to secure and expand our market share. Detailed information about Bertrandt shares and the Company is available here:

→ [WWW.BERTRANDT.COM/EN/COMPANY/INVESTOR-RELATIONS](http://WWW.BERTRANDT.COM/EN/COMPANY/INVESTOR-RELATIONS)



## Career

As a leading engineering service provider with over 13,000 employees, we work on behalf of our customers worldwide to further develop technology for people. We offer ideal conditions for employees to find the broadest possible purpose and to pursue careers that they desire and that enable them to make the most of their talents. Find out more about career opportunities at Bertrandt here:

→ [WWW.BERTRANDT.COM/EN/CAREER](http://WWW.BERTRANDT.COM/EN/CAREER)



## About the Group

Today's Bertrandt Group was founded in 1974 when Harry Bertrandt opened an engineering office in the Swabian town of Möglingen. Bertrandt continues to stand for expertise in forward-looking engineering, customer orientation, partnership and a combination of personal responsibility and sound experience. You can find out more about our history, corporate policy and further facts and figures about the Group here:

→ [WWW.BERTRANDT.COM/EN/COMPANY/BERTRANDT-GROUP](http://WWW.BERTRANDT.COM/EN/COMPANY/BERTRANDT-GROUP)



## Sustainability

As a technology partner, we attach great importance to the issue of sustainability. And we support our customers in achieving their sustainability and environmental goals by addressing issues such as the handling of spent batteries or the implementation of take-back systems for end-of-life vehicles. An overview of our activities in the field of sustainability is available here:

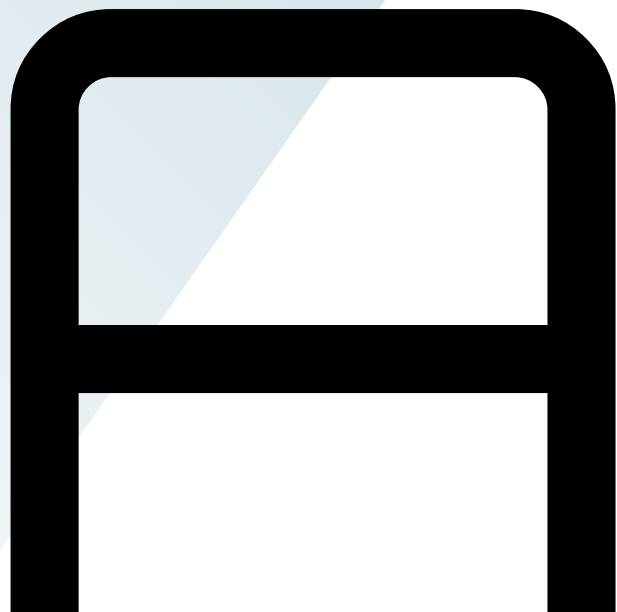
→ [WWW.BERTRANDT.COM/EN/AFTER-SALES-SOLUTIONS/TRANSLATE-TO-ENGLISH-NACHHALTIGKEIT](http://WWW.BERTRANDT.COM/EN/AFTER-SALES-SOLUTIONS/TRANSLATE-TO-ENGLISH-NACHHALTIGKEIT)

## Range of Services

Our services include all process steps in the project phases conceptual design, CAD, development, design modelling, tool production, vehicle construction and production planning right through to start of production and production support. We validate individual development steps by means of simulation, prototype building and testing. Find out more about our range of services here:

→ [WWW.BERTRANDT.COM/EN/RANGE-OF-SERVICES](http://WWW.BERTRANDT.COM/EN/RANGE-OF-SERVICES)





# A letter to the Shareholders

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0.85

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

→ [DIVIDEND: P. 12](#)





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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

**HANS-GERD CLAUS**

Member of the Management Board  
Engineering





## Dear shareholders,

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the macroeconomic forecasts of the economic research institutes for the past fiscal year 2021/2022 were decidedly positive. The reporting period started on a positive note as the economy recovered and the impact of the coronavirus pandemic subsided. This favourable situation continued well into the second quarter of the reporting period. At the same time, material shortages and rising inflation were already posing challenges for many industries. The macroeconomic environment then changed noticeably with the start of the war in Ukraine at the end of February 2022. All economic forecasts were revised and a global recession cannot be ruled out. Whether and at what point there will be a shortage of gas in Germany or in Europe, and what macroeconomic or social effects this will have, remains unclear at the present time. Unforeseeable geopolitical developments, persistently high inflation and the ongoing pandemic situation are continuing to cause uncertainty in markets in the new fiscal year.

The positive economic mood prevailing at the beginning of the 2021/2022 reporting period also brightened market sentiment in the automotive industry. Bertrandt was awarded more projects resulting in greater capacity utilisation compared with previous quarters that had suffered from the pandemic. This trend solidified in the course of the 2021/2022 fiscal year. Nonetheless, successive waves of the coronavirus pandemic throughout 2022 also led to high levels of illness in the Bertrandt Group and this slowed the Company's overall business recovery. Bertrandt has not been and is not directly affected by the war in Ukraine. However, the indirect impacts of the war, and sharply rising energy prices in particular, do pose challenges for us as well.

At the same time, long-term trends in the mobility sectors, such as resource conservation and climate change mitigation, electrification, digitalisation and connectivity, as well as autonomous driving, continued in fiscal 2021/2022. In particular, recent efforts to reduce dependence on fossil fuels have accelerated the transformation to electrified drives. In the summer of 2022, the EU Council of Ministers approved proposals tabled by the EU Commission for all new cars and vans registered in Europe to be zero-emission by 2035. Since then, the trend towards a clear prioritisation of research, development and production of e-cars has again been confirmed.

### SUSTAINABLE CORPORATE GOVERNANCE

As an innovative engineering services provider, Bertrandt is actively driving the transformation of mobility and technological progress – and thus of society as a whole – towards a sustainable future. Bertrandt is aware of the role it plays and the responsibility this entails. We will only be successful in the long term if our business actions are in harmony with the needs of the environment and wider society.

Bertrandt is pursuing a clear strategy designed to achieve our goal of cutting CO<sub>2</sub> emissions across all greenhouse gases by at least 15% by 2030 (reference year 2019) and of operating on an entirely climate-neutral basis from 2039 at the latest. With this aim in mind, we have systematically worked over several years to define and implement specific measures throughout the Company for divisions, regions and functional areas.



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In addition to these environmental targets, as a personnel rather than energy intensive engineering service provider we are focused in particular on social matters and ‘good corporate governance’. All the relevant procedures are coordinated by an interdisciplinary project group that reports directly to the Management Board. Above all, sustainability based on the diverse ESG criteria and the resulting growth will become more and more important in the future. We will also continue to focus on securing and further expanding the market share we already have. We constantly strive to maintain an optimal balance between customer benefits and business efficiency. Additional information on this is available in our new sustainability report 2021/2022.

## MEGATRENDS

The major megatrends in the mobility industries are driven by technology and innovation pressures as well as regulatory measures such as the European Green Deal. All car manufacturers and also many other customers from different industries are already transitioning by substituting fossil fuels with environmentally friendly alternatives. We are shaping this change with innovative engineering services that will best meet our customers' requirements. This creates market potential for e-mobility, for the development of lightweight materials or for innovative digitalisation solutions. The trend towards the outsourcing of whole project packages comprehensively managed by engineering service providers is unbroken. Our experience in the product development process across mobility sectors, such as the automotive or aerospace industries, paired with our digitalisation expertise is also a source of huge potential.

## STRATEGIC MILESTONES

Two years ago we took a strategic step for the future of the Bertrandt Group by pooling our automotive expertise and adopting the motto ‘All services for all customers’. Bertrandt offers its customers comprehensive solution expertise in all the disciplines for which there is customer demand and combines services from different industries as part of this process. We now know that this strategic reorientation was important and correct.

We are working consistently on the implementation of our strategic goals: the expansion of our units in Romania has enabled us to advance our internationalisation and our operational units work together across regions and disciplines. This enables us to offer existing and new customers a broader range of services, including for the growing number of large-scale projects in our home markets and internationally. This is demonstrated by successful project commissions, including from new OEMs.

We also see great potential in the aerospace industry. In the fiscal year 2021/2022 we were named ‘Preferred Supplier’ by a major European aerospace company. This status enables us to offer services in the fields of engineering, manufacturing engineering and customer services for this customer worldwide. To further expand our expertise across sectors, we acquired the Philotech Group; the acquisition was announced at the end of December 2021. This acquisition will expand the growth fields of software, electronics and IT security in particular. The transaction was completed in January 2021.



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## OVER 13,000 COMPETENT EMPLOYEES

As at the reporting date of 30 September 2022, Bertrandt employed 13,179 people worldwide. We are pleased to have increased headcount by 1,149 people compared to the previous year. We have intensified and internationalised our recruiting activities to achieve good organic growth in the current highly competitive employees' market in which there is a pronounced shortage of skilled workers. We also welcome the 427 colleagues of the Philotech Group to the Bertrandt Group. We have identified high demand in the areas of electronics and software, in particular, and are therefore looking for further specialists to work in these areas.

Our employees appreciate and make use of a working model that provides plenty of opportunity to work from home or remotely. This is made possible by a certified and secure IT infrastructure as well as the trust and dependability that is an important element of our corporate culture.

In addition to exciting and challenging engineering projects for well-known OEMs and industrial customers, we offer our employees team spirit, flat hierarchies and an employee-friendly environment. As an engineering service provider operating on an international scale, people from many different cultures and backgrounds come together every day in our company. Our cooperative leadership style and an open-door culture support constructive interactions between employees and managers and create space for individual development.

## ECONOMIC DEVELOPMENT

Overall gloomier economic conditions in fiscal year 2021/2022, geopolitical tensions and the continuing presence of the pandemic posed challenges for us as well.

The fact that we nevertheless met all our forecast financial performance indicators is mainly due to improved capacity utilisation as well as continued high cost discipline. The Bertrandt Group reported total revenues of EUR 1,009.159 million in the fiscal year under review (previous year EUR 848.592 million). The Company's business recovery was slowed down in particular by high levels of illness in the Bertrandt Group due to the pandemic. Nonetheless, we achieved the twice-increased forecasts of EUR 990 million to EUR 1,020 million. EBIT was EUR 41.664 million (previous year EUR 20.040 million), which corresponds to a margin of 4.1%. Despite the noticeable and unexpected inflation-induced increase in costs over the course of the year, particularly in energy prices, this figure is within the forecast target range of 4 to 7%. Thanks to our rock-solid balance sheet, we are able to confront challenges from a position of strength and continue to be a reliable partner for our customers, employees and shareholders.

For the 2022/2023 fiscal year, we anticipate further growth in total revenues of between EUR 60 and 100 million and an EBIT margin between 4.1% and 7%. However, we emphasise that these forecasts are subject to large uncertainties as a result of the war and are based on the assumption that there will be no further deterioration in the current macroeconomic forecasts for economic development and inflation. For further details and the long version of the forecast, please refer to the Forecast Report.



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## BERTRANDT SHARES AND DIVIDEND

The Bertrandt shares started the reporting period at a price of EUR 50.10. The share price rose to EUR 63.10 on 5 November 2021, marking its 52-week high for the fiscal year 2021/2022. Stock markets around the world corrected with the outbreak of the Ukraine war, the ensuing energy crisis and the general economic gloom. Bertrandt shares were unable to decouple from these developments and fell to EUR 32.50 on 23 September 2022, the lowest price in the fiscal year 2021/2022. The shares closed at EUR 33.50 on 30 September 2022.

The Management Board and the Supervisory Board propose to the annual general meeting a dividend of EUR 0.85 per share. This proposal is in line with our long-standing dividend policy and, as in previous years, corresponds to a payout ratio of around 40% of consolidated post-tax earnings.

Yours sincerely

**HANS-GERD CLAUS**  
Member of the  
Management Board  
Engineering

**MICHAEL LÜCKE**  
Member of the  
Management Board  
Sales

**MARKUS RUF**  
Member of the  
Management Board  
Finance

## ACKNOWLEDGEMENT

All of us at Bertrandt have had to adjust to the new challenges that have arisen during the past fiscal year. Despite this once again challenging environment, we have demonstrated our ability to perform. We achieved the annual forecasts for the key financial figures and are able to report gratifying growth in revenues and EBIT. The Group continued moving ahead in line with its strategic goals and we are perceived as a dependable partner for our customers. This is, of course, also thanks to our more than 13,000 employees worldwide, whose commitment, perseverance and team spirit have made a significant contribution to our shared success in meeting the many challenges of this period. We also thank our customers, business partners and shareholders for the confidence they have shown in us.



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## Supervisory Board report

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

**PROF. DR.-ING. WILFRIED SIHN**

**MARIANNE WEISS**  
Employee representative

**DIETMAR BICHLER**  
Chairman of the Supervisory Board

**MATTHIAS BENZ**

**UDO BÄDER**

**MICHAEL SCHMIDT**  
Employee representative



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the persistent coronavirus pandemic and supply bottlenecks continued to shape the underlying economic conditions for the Bertrandt Group in fiscal year 2021/2022 and also had an impact on the work of the Supervisory Board and its committees.

### ACTIVITIES OF THE SUPERVISORY BOARD DURING THE 2021/2022 FISCAL YEAR

The Supervisory Board of Bertrandt Aktiengesellschaft ('Bertrandt AG') diligently performed its duties also in fiscal 2021/2022 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 ensured 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, solutions-oriented and in-depth consultations were held as necessary between the Chairman of the Supervisory Board and the Management Board in addition to scheduled meetings. 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

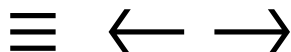
The Supervisory Board of Bertrandt AG has six members. After Mr Binnig resigned as a member of the Supervisory Board for personal reasons effective 30 April 2022, Mr Matthias Benz was appointed as a new Supervisory Board member by court order from 18 May 2022 until the end of the annual general meeting voting on the discharge of the Supervisory Board from their responsibilities for fiscal year 2022/2023.

### 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 subsidiaries 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 2021/2022 the Supervisory Board convened for four scheduled and four extraordinary meetings. The scheduled meetings were held on 6 December 2021, 23 February 2022, 17 May 2022 and 26 September 2022. The extraordinary meetings took place on 20 October 2021, 26 October 2021, 5 April 2022 and 26 April 2022.

The first extraordinary meeting on 20 October 2021, which was held by video conference, was attended by five Supervisory Board members and all Management Board members. The only topic discussed at this meeting was the envisaged acquisition of Philotech GmbH.

The second extraordinary meeting on 26 October 2021 was also held by video conference and was attended by all Supervisory Board and Management Board members. At this meeting, the Supervisory Board was once again informed about the acquisition of the company and the figures for the 2020/2021 fiscal year.

The fiscal year's first scheduled meeting on 6 December 2021 was held by video conference. All Supervisory Board and Management Board members attended the meeting. The deliberations in the meeting particularly related to the financial statements of Bertrandt AG and the Group for fiscal 2020/2021 and to the Corporate Social Responsibility report (CSR report for short). The Supervisory Board also adopted the proposals for resolutions to be submitted to the ordinary annual general meeting 2022, and gave the necessary approvals for holding a virtual annual general meeting, the details of which were also decided in the meeting. Upon the Audit Committee's proposal, the Board deliberated the proposal for the appointment of the auditor for fiscal year 2021/2022. The auditor submitted a written statement of independence. 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 Supervisory Board meeting was held on 23 February 2022, again as a virtual meeting, and was attended by all members of the Supervisory Board and the Management Board. At this meeting, reports were given on the status of the integration of Philotech GmbH, among other things.

The third extraordinary meeting of the Supervisory Board on 5 April 2022 was attended by all Supervisory Board and Management Board members by videoconference. The meeting was convened because of Mr Binnig's resignation on 30 April 2022 and the resulting election of a new deputy chairman for the Supervisory Board, a new member for the Audit Committee and a new member for the Human Resources Committee. Prof. Dr.-Ing. Wilfried Sihm was elected deputy chairman of the Supervisory Board at this meeting; until 5 April 2022 this role had been assumed by Horst Binnig. In addition, this meeting discussed a reassessment of the recommendations contained in C.1 and C.4 to C.13 of the German Corporate Governance Code.

The fourth extraordinary meeting on 26 April 2022 was attended by all Supervisory Board and Management Board members in person except for one Supervisory Board member who participated by video for health reasons. The topics of this meeting were the adoption of the minutes, the resolution on the update of the declaration of conformity and the resolution on the selection of a new board member as a replacement for Horst Binnig. In this context, Mr Matthias Benz introduced himself personally to the Supervisory Board as a potential new Supervisory Board member; he participated in the Supervisory Board meeting for the duration of his presentation.



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The third regular Supervisory Board meeting was held in Ehningen on 17 May 2022 and was attended in person by five Supervisory Board members and all members of the Management Board. Topics discussed at this meeting included training for Supervisory Board members on the topic of 'New regulations under the FISG (German Act to Strengthen Financial Market Integrity – Gesetz zur Stärkung der Finanzmarktintegrität) and overview of Supervisory Board responsibility/liability'. For the duration of the training, the lawyer giving the training also attended the Supervisory Board meeting. Furthermore, the status of the integration and current data and information of the Philotech Group were reported. In addition, the meeting discussed the separate non-financial report according to Sections 298b (3) and 315b (3) HGB, the German law for the implementation of the second Shareholder Rights Directive (ARUG II) (related party transactions) and the risk report were discussed. At the meeting, Mr Udo Bäder (who had already previously acted as financial expert) was appointed by the Supervisory Board as a member of the Supervisory Board with expertise in the field of 'auditing' and, in addition, Mr Dietmar Bichler was appointed as a member of the Supervisory Board with expertise in the field of 'accounting' within the meaning of Section 100 (5) AktG.

The last scheduled meeting in the fiscal year was held on 26 September 2022. All Supervisory Board and Management Board members attended in person. Topics discussed at this meeting included the invitation to tender for the auditing firm and IT security. The Board considered the business scenarios for fiscal 2022/2023 and adopted the declaration of conformity to the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG). Other topics were the status report of the internal audit department and the CSR report

## 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 were Udo Bäder (Chairman), Dietmar Bichler and Horst Binnig until 5 April 2022; since 5 April 2022 Prof. Wilfried Sihm has also been a member of the committee. All Audit Committee members are familiar with the industry in which Bertrandt AG operates.

The members of the Personnel Committee are Dietmar Bichler (Chairman), Prof. Wilfried Sihm; until 5 April 2022 Horst Binnig had been a committee member as well. Since 5 April 2022, Udo Bäder has also been a member of the Personnel Committee.

Six meetings of the Audit Committee were convened in the 2020/2021 fiscal year. The meetings and conference calls were held on 6 December 2021, 10 February 2022, 3 May 2022, 17 May 2022, 2 August 2022 and 26 September 2022.

The Audit Committee's first meeting on 6 December 2021 was held as a videoconference. In the meeting, the annual financial statements and consolidated financial statements for fiscal 2020/2021 were inspected together with all Audit Committee members. The meeting was attended by Management Board members Michael Lücke and Markus Ruf and, for discussion of the annual financial statements, also by the auditor's representatives. The members of the meeting also adopted a resolution to submit to the Supervisory Board a draft resolution for submission to the annual general meeting of Bertrandt AG on 23 February 2022 on the appointment of the auditor for fiscal year 2021/2022. In addition, the status of the German Accounting Law Modernisation Act (Gesetz zur Modernisierung des Bilanzrechts, BilMoG) and the audit of the CSR report were addressed.



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In the conference call meetings on 10 February 2022 and 2 August 2022, in which all Audit Committee members and Management Board member Michael Lücke participated, and in the conference call meeting on 3 May 2022, in which all Audit Committee members and Management Board member Markus Ruf participated, the Committee discussed the financial reports to be published soon after these dates with regard to revenues, earnings and cash flow development.

On 17 May 2022 a face-to-face meeting was held with all Audit Committee members and Management Board members Michael Lücke and Markus Ruf. On this occasion, the concept of the internal control system and the negotiation status of the 'remote working' works agreement were deliberated.

The last Audit Committee meeting was held as a face-to-face meeting on 26 September 2022 with all members of the Audit Committee, Management Board members Michael Lücke and Markus Ruf, and, for a part of the meeting, the auditor. This meeting dealt with company-specific matters of particular importance (key audit matters) and the independence of PwC in fiscal year 2021/2022. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft provided additional explanations on the focal areas previously determined by the Supervisory Board for the audit of fiscal 2021/2022. Other items on the agenda were the CSR report for fiscal year 2021/2022 and preparations for a change of auditor for Bertrandt AG and the Group, and the invitation to tender for the future audit of the financial statements.

The Human Resources Committee met seven times in the fiscal year 2021/2022. The meetings were held on 6 December 2021, 14 January 2022, 10 February 2022, 22 April 2022, 28 June 2022, 19 September 2022 and 26 September 2022.

At the meeting on 6 December 2021, the minutes of 18 May 2021 were adopted, and the inclusion of Mr Markus Ruf in an external advisory group and the associated approval were resolved.

The meetings on 14 January 2022 and 10 February 2022 discussed issues relating to long-term succession planning for appointments to the Management Board (a task also recommended in B.2 German Corporate Governance Code).

The meeting on 22 April 2022 dealt with the performance of the duties of the Nomination Committee (successor to Mr Binnig) and resolution recommendations to the Supervisory Board on updating the declaration of conformity, and on an application for the appointment by court of a Supervisory Board member.

The meetings held on 28 June 2022 and 19 September 2022 continued the deliberations from the committee meetings of 14 January and 10 February 2022. Moreover, discussions during the meeting of 26 September 2022 touched upon potential changes in the remuneration system applicable for the Management Board members.



## OVERVIEW OF THE PRESENCE IN THE MEETINGS

		Dietmar Bichler	Udo Bäder	Matthias Benz (from 18/05/2022)	Horst Binnig (until 30/04/2022)	Prof. Dr.-Ing. Wilfried Sihm	Michael Schmidt	Marianne Weiß
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	<b>Supervisory Board meetings</b>							
	20/10/2021 (extraordinary)	X	X	nM	X	X	X	X
06	26/10/2021 (extraordinary)	X	X	nM	X	X	X	X
	06/12/2021	X	X	nM	X	X	X	X
08	Management Board report							
	23/02/2022	X	X	nM	X	X	X	X
13	Supervisory Board report							
	05/04/2022 (extraordinary)	X	X	nM	X	X	X	X
20	Bertrandt on the capital market							
	26/04/2022 (extraordinary)	X	X	nM	X (virtual)	X	X	X
25	Corporate Governance							
	17/05/2022	X	X	nM		X	X	X
	26/09/2022	X	X	X		X	X	X
26	<b>B CORPORATE SOCIAL RESPONSIBILITY REPORT</b>							
	<b>Audit Committee meetings</b>							
	06/12/2021	X	X	nM	X	Member since 05/04/2022	nM	nM
70	<b>C GROUP MANAGEMENT REPORT</b>							
	10/02/2022 (Conference call)	X	X	nM	X	Member since 05/04/2022	nM	nM
126	<b>D REMUNERATION REPORT</b>							
	03/05/2022 (Conference call)	X	X	nM	Member until 05/04/2022	X	nM	nM
141	<b>E CONSOLIDATED FINANCIAL STATEMENTS</b>							
	17/05/2022	X	X	nM	Member until 05/04/2022	X	nM	nM
	02/08/2022 (Conference call)	X	X	nM	Member until 05/04/2022	X	nM	nM
208	<b>F FURTHER INFORMATION</b>							
	26/09/2022	X	X	nM	Member until 05/04/2022	X	nM	nM
	<b>Human Resources Committee meetings</b>							
	06/12/2021	X	Member since 05/04/2022	nM	X	X	nM	nM
	14/01/2022 (extraordinary)	X	Member since 05/04/2022	nM	X	X	nM	nM
	10/02/2022 (extraordinary)	X	Member since 05/04/2022	nM	X	X	nM	nM
	22/04/2022 (extraordinary)	X	X	nM	Member until 05/04/2022	X	nM	nM
	28/06/2022 (extraordinary)	X	X	nM	Member until 05/04/2022	X	nM	nM
	19/09/2022 (extraordinary)	X	X	nM	Member until 05/04/2022	X	nM	nM
	26/09/2022	X	X	nM	Member until 05/04/2022	X	nM	nM



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## AUDIT OF THE FINANCIAL STATEMENTS

On 23 February 2022, the ordinary annual general meeting of Bertrandt AG appointed PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, Stuttgart branch, as the auditor for the financial statements of fiscal year 2021/2022. 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 2021/2022 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 and management reports for fiscal year 2021/2022, 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 12 December 2022, and the remuneration report according to Section 162 AktG in its earlier extraordinary meeting on 6 December 2022. The external auditors entrusted with the auditor's report for the annual financial statements and the consolidated financial statements attended the meeting of 12 December 2022 for the relating deliberations. They reported on the audit as a whole, the defined focal areas of the audit (key audit matters) and other relevant audit results. They also informed on their assurance of the CSR report. 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 in its proposal for the use of Bertrandt AG's distributable profit for the fiscal year 2021/2022.

## 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 personal commitment and their work in the past fiscal year.

Ehningen, 12 December 2022

**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	10,143,240 number
Market segment	Prime Standard
Stock exchanges	Xetra, Frankfurt, Stuttgart, Berlin, Hamburg, Düsseldorf, Munich
Index	SDAX

Expectations of global economic recovery, the subsiding of the pandemic, the easing of material bottlenecks and the let-up in supply chain issues all contributed to a generally positive economic mood on stock markets at the beginning of the 2021/2022 fiscal year. The German blue-chip stock market index DAX started Bertrandt's 2021/2022 fiscal year at 15,042 points on 1 October 2021. By 5 January 2022, the share price had risen to its high for the fiscal year of 16,272 points. Rising inflation and interest rates, as well as the start of the Ukraine war, marked a turning point in stock markets after nearly two years of a bull market. Since February 2022, the DAX has been going through a correction phase to close at 12,114 points, not far from the low of our reporting period.

The SDAX, i.e. the index for smaller listed companies in Germany, started Bertrandt's reporting period at 16,302 points and peaked at 17,413 points in fiscal 2021/2022 on 8 November 2021. The pronounced deterioration in the economic situation also sent the SDAX into a tailspin from February 2022 onwards to its lowest closing price of 10,261 points on 29 September 2022. As at the end of the fiscal year on 30 September 2022 the SDAX closed at 10,523 points.

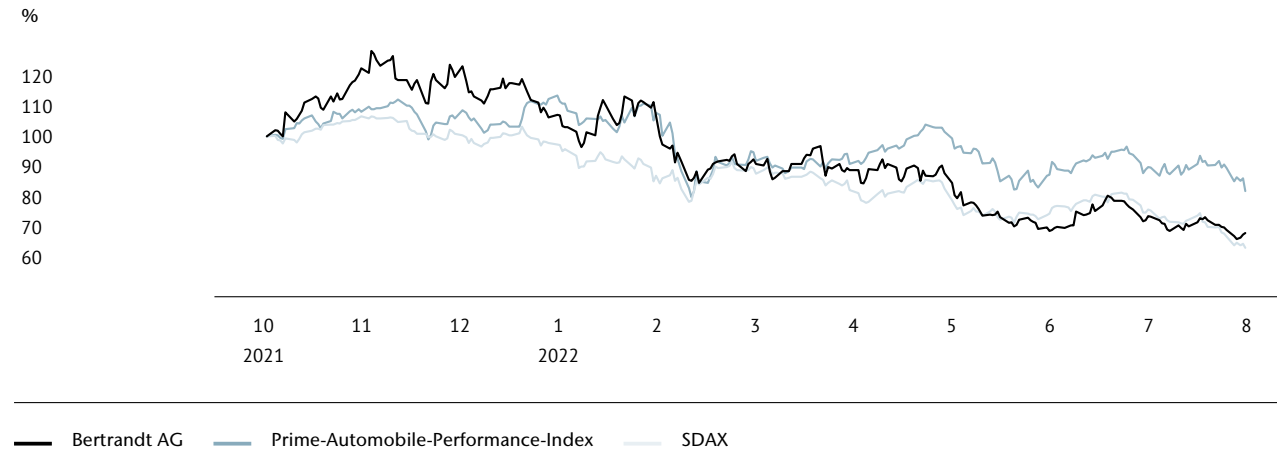
The Prime Automobile Performance Index started Bertrandt's fiscal year 2021/2022 at 1,872 points, recorded its high for the period at 2,125 points on 14 January 2022, and marked its lowest level for the period at 1,472 points on 7 March 2022. On 30 September 2022 the index closed at 1,528 points.





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## 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

	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018
Earnings per share (EUR)	2.09	0.68	0.37	3.86	4.69
Dividend per share (EUR)	0.85 <sup>3</sup>	0.27	0.15	1.60	2.00
Share price on 30 September (EUR) <sup>1</sup>	33.50	50.30	32.30	41.35	79.55
Share price, high (EUR) <sup>2</sup>	63.10	63.20	57.10	80.65	109.30
Share price, low (EUR) <sup>2</sup>	32.50	28.80	25.00	40.80	76.40
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)	339.8	510.2	327.6	419.4	806.9
Book value per share on 30 September (EUR)	42.57	40.31	39.77	41.08	39.32
Cashflow from operating activities per share (EUR)	5.61	7.26	12.18	7.13	2.68
Average daily trading volume (number)	6,636	7,375	10,557	7,716	14,843
Total payout (EUR million) <sup>3</sup>	8.6	2.7	1.5	16.2	20.3
P/E ratio <sup>4</sup>	16.0	74.0	87.3	11.2	17.0

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

<sup>2</sup> In Xetra trading.

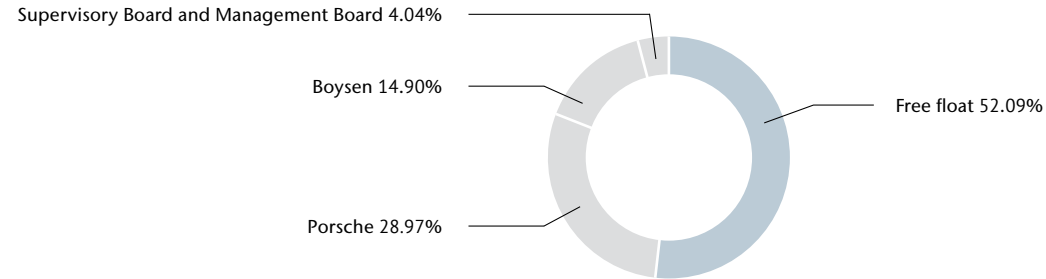
<sup>3</sup> Dividend proposed by the Management Board and Supervisory Board.

<sup>4</sup> On 30 September 2022.



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## SHAREHOLDER STRUCTURE



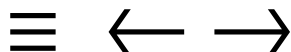
Data is based on disclosures made to the Company pursuant to Sections 33 et. seq. WpHG.  
As of: 30 September 2022

## BERTRANDT AG SHARE PERFORMANCE

Our shares opened the fiscal year 2021/2022 at EUR 50.10. Reflecting the overall economic conditions, the share price of the Bertrandt shares reached its high in the reporting period on 5 November 2021, at a value of EUR 63.10. As a result of the macroeconomic slowdown, the share price was corrected and the shares closed at the low of EUR 32.50 for the reporting period on 23 September 2022. On 30 September 2022, the shares closed at EUR 33.50. The average daily trading volume decreased year on year to 6.636 shares (previous year 7.375 shares).

# 52.09

% is the free float.



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## ANALYST RECOMMENDATIONS\*

Bank	Target for the share in EUR	Recommendation
B. Metzler seel. Sohn & Co. KGaA	55 €	Buy
Joh. Berenberg, Gossler & Co. KG	50 €	Hold
Deutsche Bank AG	50 €	Hold
DZ Bank AG	49 €	Buy
Hauck & Aufhäuser Institutional Research AG	92 €	Buy
Kepler Cheuvreux	45 €	Buy
M.M.Warburg & CO KGaA	57 €	Buy

\*As of: 1 November 2022. 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 14.9% 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 around 4.04%. Free float consequently amounted to 52.09%. 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 shares. Analysts' assessments are published in the Investor Relations section of Bertrandt's website.

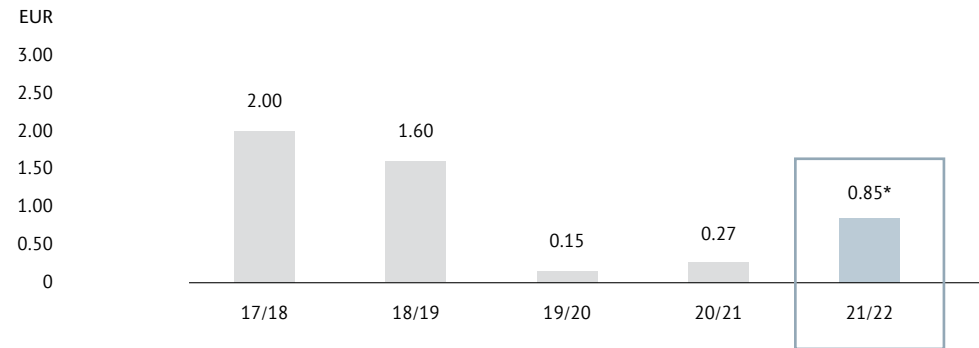
## CAPITAL MARKET DAY

Every year Bertrandt invites business partners from banks, analysts and journalists to the Company's annual Capital Market Day on Bertrandt's premises in Ehningen. After the Capital Market Day had to be cancelled for two fiscal years due to the coronavirus pandemic, the Company was able to organise this event again this year on 19 May 2022. On the occasion of the 15th Capital Market Day, numerous investors, analysts and bank representatives were welcomed in Ehningen. As well as receiving an insight into the business performance in the first half of 2021/2022, participants also heard talks given by internal and external speakers on the megatrends in the aerospace and automotive industries and the resulting strategic prospects for Bertrandt.



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## DEVELOPMENT OF THE DIVIDEND



\* Dividend proposed by the Management Board and Supervisory Board.

# 0.85

EUR per share was the dividend proposed to the annual general meeting by the Management Board and Supervisory Board.

### DIVIDEND PROPOSAL TO ANNUAL GENERAL MEETING

The Bertrandt Group's long-standing dividend policy has been 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 2021/2022, the Manage-

ment Board and Supervisory Board propose a dividend of EUR 0.85 per share to the annual general meeting this year on 22 February 2023. In this way we would like 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 German Corporate Governance Code.



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At the beginning of the 2021/2022 fiscal year, the majority of capital markets communication events still had to be held virtually. The annual press and analyst conference on 9 December 2021 was held in a virtual format and provided information about the Company's business performance to journalists, representatives of financial institutions and investors. The Company's communication focused on presenting its business model and strategic orientation, and explaining the technical and business management background. The annual general meeting in February 2022 was also held via video conference. The Management Board was at all times closely involved in the investor relations activities.

In the further course of the 2021/2022 fiscal year, Bertrandt informed institutional and private investors as well as analysts at the annual general meeting and in several conferences and roadshows in major finance centres about the Group's business

performance. Bertrandt presented itself to potential and existing institutional and private investors at 11 roadshows and investor conferences. As the pandemic subsided in the spring and summer, the majority of these investor events could be held as face-to-face events.

## 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 required according to Section 161 of the German Stock Corporation Act (AktG), which is dated 26 September 2022 and which was last updated on 24 October 2022, is available on the Company's website at <https://www.bertrandt.com/unternehmen/investor-relations/corporate-governance> under 'Fiscal year 2021/2022' and has been published since the release dates indicated.



# Corporate Social Responsibility Report

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A photograph of four employees walking on a paved plaza in front of a modern building. The building has a grey facade with large windows and the 'bertrandt' logo in dark grey letters. A tree with vibrant red autumn leaves is on the left. A white text box is overlaid on the right side of the image.

# 13,179

Employees with great  
commitment to our  
Customers.

→ [EMPLOYEES: P. 48](#)





# Interview with the Management Board

## Sustainability as part of the corporate strategy

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We will only achieve lasting success if our business actions are in harmony with the needs of the environment and wider society, and if they reflect good corporate governance.

**HANS-GERD CLAUS**  
Member of the Management Board  
Engineering

**MARKUS RUF**  
Member of the Management Board  
Finance

**MICHAEL LÜCKE**  
Member of the Management Board  
Sales

**ANDREAS AURACHER**  
Head of department and  
sustainability officer  
(from left to right)



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Acting in line with sustainability principles is relevant for the future of many companies and this is also true for the Bertrandt Group. In the following interview, Bertrandt's Management Board members Hans-Gerd Claus, Michael Lücke and Markus Ruf, and sustainability officer Andreas Auracher explain more about the background.

### 1. Why is the issue of sustainability on Bertrandt's agenda?

**Andreas Auracher:** Acting in line with sustainability principles is a key element of our corporate strategy. And we believe that sustainability isn't just about protecting the environment. Sustainable corporate governance also promotes the dependability and trust on which all of our stakeholders can rely. These attributes, in turn, are the cornerstones of our business success. Bertrandt is aware of its role in society and the responsibility this entails. We will only achieve lasting success if our business actions are in harmony with the needs of the environment and wider society, and if they reflect good corporate governance.

### 2. How is the concept of sustainability defined at Bertrandt?

**Markus Ruf:** Bertrandt is not a manufacturing company. Our employees have always been working on innovative development projects for the mobility sectors and other industries. Our business model is not highly energy intensive and therefore does not leave a large carbon footprint. By the way, this is why our economic activities are not covered by the EU taxonomy. Nonetheless, we are making an active contribution to the EU's environmental goals, for example by providing engineering services for development projects that focus on environmentally friendly mobility. Also, as our business activities are personnel intensive, social issues have top priority for us, just as good and honest corporate governance.

**Hans-Gerd Claus:** To ensure sustainable business practices, we are committed to the Ten Principles of the UN Global Compact for a more inclusive and sustainable economy that benefits all people, communities and markets. This framework for action not only includes the protection of human rights and the observance of labour standards, but also consideration of the environment and the prevention of corruption.

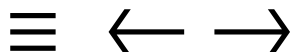
### 3. What are the key drivers of sustainability?

**Andreas Auracher:** The main driver of sustainability is what we expect of ourselves. We are a provider of engineering services. Our task is therefore to develop a wide range of sustainable technologies and solutions to reduce negative effects on the environment. Another factor is that the legislator is driving the implementation of sustainable trade. The EU, for example, emphasizes transparency with regard to green commitment in the implementation programme for its 'Fit for 55' package. And like Bertrandt, our customers have high expectations when it comes to implementing their sustainability strategies.

### 4. What influence do relevant stakeholders such as customers, the capital market and employees have on sustainability at Bertrandt?

**Michael Lücke:** Each of these three stakeholder groups places different demands on us and sets different priorities. Our customers have high expectations of themselves and their business partners. Because we are an important part of the value chain, we also meet these requirements, and we are expected to actively manage sustainability issues.

**Hans-Gerd Claus:** Our customers conduct their own audits and use external rating agencies to evaluate our sustainability commitment. The results are then taken into account in the commissioning process. Therefore, we naturally pay great attention to compliance with customer specifications.



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**Markus Ruf:** We always align communication with the needs of the target groups. Capital markets are regulated with the political aim of directing capital into the sustainable sectors of the economy. Regrettably, there's still a lack of clear and uniform criteria or reporting standards to guide companies in their sustainability reporting. The EU taxonomy has unfortunately not clarified the situation either, so expectations rest on the European Sustainable Reporting Standards.

**Andreas Auracher:** As our business activities are personnel intensive, our priorities are to become a highly attractive employer and promote the interests of our employees. Employee awareness of issues such as environmental protection, social engagement and fairness has grown in recent years. This is why every commitment to sustainability helps us to attract excellent employees on the one hand and retain existing employees on the other.

#### 5. What are Bertrandt's sustainability goals?

**Michael Lücke:** At Bertrandt, our overriding environmental goal is to become CO<sub>2</sub>-neutral by no later than 2039. This goal involves the entire supply chain. The interim goal is to achieve at least a 15% reduction in emissions across all greenhouse gases by the year 2030. The year 2019 has been defined as the base year for all calculations.

**Markus Ruf:** There are also a number of further targets for environmental, social and governance issues that are an integral part of our binding Bertrandt Management Manual. We report in detail on these targets in our CSR Report. Let me highlight our efforts and measures for employee recruitment and retention: although there is a very pronounced shortage of skilled workers, our workforce grew by over 1,000 to 13,179 colleagues in the past fiscal year. At the same time, we've invested EUR 5.5 million in vocational and further training and a further EU 9.6 million in employee retention measures such as (voluntary) employee benefits. These measures are proving successful and, as in the past, have enabled us to keep staff turnover well below average.

#### 6. What are the concrete measures and milestones for achieving the sustainability goals?

**Michael Lücke:** An important measure at all times will be to record and prioritise the sustainability requirements of the relevant stakeholders and to make them transparent. We will also closely examine the composition of Group-wide CO<sub>2</sub> consumption on the basis of a CO<sub>2</sub> balance calculated according to the Greenhouse Gas Protocol. As our group comprises around 60 companies in 10 countries and has more than 130 buildings, this is quite a challenge. But the CO<sub>2</sub> balance is an indispensable basis for prioritising CO<sub>2</sub> saving measures.

**Markus Ruf:** Just to give a few examples of concrete measures: they include the successive conversion to green electricity, floorspace optimisation, implementation of an expansion and replacement investment strategy based on sustainability criteria, and the introduction of climate-neutral facilities in areas where this is technologically possible. We will adapt our fleet policy for fleet vehicles and include a sustainability factor. An interdisciplinary project group, which is headed by Andreas Auracher, coordinates all measures in this context and reports directly to the full Management Board.

**Hans-Gerd Claus:** In addition, we will regularly review our various business segments for their future viability. This includes examining which segments already meet sustainability criteria and what we can do to help ensure sustainable business practices in the other business segments, for example through technological innovation. We will also continuously align our sustainability strategy with the relevant legislation and the current requirements of our stakeholders. Another milestone will be to develop our own business solutions around sustainability for customers based on the projects carried out to date.



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## 7. What challenges does Bertrandt face in implementing sustainability?

**Markus Ruf:** Considerable administrative effort is necessary to collect and prepare data, especially for Scope3 calculations, and to conduct, complete and update the various sustainability analyses and surveys. It would be desirable if an industry standard were introduced within the automotive industry. What's more, the verifiable KPIs used for measuring our sustainability activities must be determined regularly and mapped in a standard reporting system. Here, we still lack uniform reporting standards.

**Michael Lücke:** Another challenge for Bertrandt as a commercial enterprise is, of course, reconciling business requirements with sustainability goals. Unfortunately, not every sustainable investment or operating expense is also immediately attractive and reasonable from a business perspective. The use of green electricity, for example, is highly desirable for environmental policy reasons and is an integral part of our environmental goals. But, from an economic point of view, green electricity must be available at competitive costs, even on an international scale, because otherwise value creation will move out of Germany.

## 8. How is the issue of sustainability organised within the Bertrandt Group?

**Hans-Gerd Claus:** The Management Board has joint responsibility for the topic of sustainability. One reason for this is that we take a holistic approach to the topic and consider it from the perspectives of all stakeholders, that is, especially from the vantage points of customers, employees and the capital market. We have set up an interdisciplinary project team with members from Sales, Human Resources, Investor Relations, Legal, Finance, Marketing and CMS/Quality. This team has operational responsibility for the implementation of our sustainability targets and measures and reports to the full Management Board.



And an important measure at all times will be to record and prioritise the sustainability requirements of the relevant stakeholders and to make them transparent.



## 9. What is the response within the company with regard to sustainability?

**Andreas Auracher:** As a non-manufacturing business we have different sustainability issues than, for example, energy-intensive companies. Our employees particularly appreciate our activities regarding social issues. We therefore perceive a very positive response from our employees on the subject of sustainability at Bertrandt. The average age of our workforce is 37 years, and our many younger colleagues in particular attach great importance to sustainable business practices.



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## 10. What role will the aspect of sustainability play in the future?

**Michael Lücke:** Sustainability is here to stay – in all its aspects. As was said at the beginning: acting in line with sustainability principles has been a key element of Bertrandt’s corporate strategy for many years. And, of course, we are constantly evolving and adapting to new requirements. At the same time, we must be aware that acting sustainably requires additional effort. My colleague Markus Ruf mentioned the increasing administrative effort for reporting and I talked about the example of green electricity.

**Hans-Gerd Claus:** In future, we would like to see a more differentiated approach, particularly in the area of governance criteria. For example, there are good reasons for the so-called cool-down period for former board members before moving to the supervisory board. On the other hand, in some cases there may be even better

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Our employees particularly appreciate our activities regarding social issues.

reasons for deviating from this principle. In order to understand and adequately evaluate these interrelationships, it is necessary to maintain an open dialogue with all stakeholders at all times.





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# Introduction

## 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 2021/2022. The reporting period corresponds to our fiscal year, which runs from 1 October 2021 to 30 September 2022.

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 is for the first time fulfilling 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). All disclosures relating to the non-financial report are marked with a blue line next to the respective text.

Unless otherwise stated, the disclosures relate to the Bertrandt Group and the parent company Bertrandt AG. The Philotech Group is only partially included because the acquisition took place during the fiscal year 2021/2022. Where the Philotech Group has already been included in individual KPIs, this is indicated. The Philotech Group has its own sustainability-related management processes and will be included in the Bertrandt Group's non-financial reporting in future.

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.

The condensed separate non-financial report has been subjected to a voluntary limited assurance engagement in accordance with ISAE 3000 by the independent auditing firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC).

### Reporting boundaries and collection of data

The business-related disclosures are identical to the information provided in the Annual Report 2021/2022. The relevant figures were taken from the notes to the consolidated financial statements in the annual report. All disclosures on risk management are based on the use of standardised processes in group controlling and the Corporate Management System (CMS); the numbers are processed using Excel-based tools. The 'Group Management Report' and 'Consolidated Financial Statements' chapters of the Annual Report 2021/2022 were audited by auditing firm PricewaterhouseCoopers GmbH Wirtschaftsgesellschaft (PwC). The figures disclosed regarding employees are consistent with the Annual Report 2021/2022 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.

### 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 15 December 2022. Our next report will be published in December 2023.





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## SUSTAINABLE CORPORATE GOVERNANCE AT BERTRANDT

We attach overwhelming importance at Bertrandt to sustainable 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 looking at which issues matter most to our stakeholders, whether our employees, business partners, shareholders or, above all, 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. As a result of this ongoing innovation process, we can ensure a consistently high level of customer benefit. 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

Since the fiscal year 2021/2022 a sustainability officer has been in charge at group level, who regularly and directly reports to the full Management Board. 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. Responsibility for certifications of, for example, the environmental management or quality management systems, is exercised at a higher level; here, the main responsibility lies with the Board Member Finance. In line with our corporate culture we rely on flat hierarchies and an open-door policy, so that the managing directors 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.

### 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 Electrical and Electronic Manufacturers' Association (ZVEI)
- Society for the Promotion of Engineering Studies (Gesellschaft zur Förderung des Ingenieurstudiums, GFI)
- The Association of German Engineers (VDI)
- German Institute for Standardization (DIN)
- German Investor Relations Association (Deutscher Investor Relations Verband e.V., DIRK)
- German Aerospace Industries Association (BDLI) (membership by Philotech)

We cooperate in an open and constructive manner with authorities, external circles and interest groups, and regard this as a vital element of our corporate policy. We regularly review relevant requirements in the areas 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 through 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, we organise roadshows across Europe and invite investors to visit our subsidiaries. We also facilitate virtual meetings and conference calls at any time to discuss current issues.

#### **Main fields of action and goals**

Acting in line with sustainability principles is also expected of an engineering service provider like Bertrandt. This expectation becomes apparent time and again, especially in dialogue with our most important stakeholders: our existing and potential employees, our customers and our investors. Hence, we have defined the following areas as fields of action material to our business success in the long term: human resources, customers and resources.

In these fields of action we have set ourselves the following overarching goals:

#### **Customers**

- Continuing to increase customer satisfaction
- Strictly observing our compliance policy and maintaining the ratio of zero severe violations per year

#### **Human resources**

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

#### **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 local activities are in compliance with local laws, rules and regulations. 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 OECD guidelines 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, and 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 subsidiaries 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 subjects the foreign tax assessment notices to an auditor's review and supervises the audits of the foreign tax assessment notices.

### 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.



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## Description of the business model

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 as well as in Asia 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 2022, Bertrandt employed 13,179 people worldwide\*.

\* Including Philotech Group

### 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 which is evaluated on an ongoing basis. The mission statement guides our corporate strategy, day-to-day conduct and social responsibility. It governs 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. We have started a new, comprehensive brand identity project which will sustainably position our business model and the Bertrandt brand on the market and make us stand out from the competition. This will improve our brand's recognition among customers and applicants and make it easier for them to understand what we do.



# Opportunities and risks assessment\*

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As a leading technology partner, 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, dependability 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.

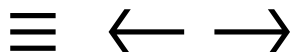
Non-financial performance indicators are assessed along a 100-point scale with the values associated with the following findings:

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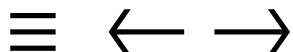
< 50	The analysed non-financial performance indicator shows deviations from target. The cause for the deviation must be determined and sustainable corrective action must be initiated. Effectiveness must be ensured.
50 – 75	The analysed non-financial performance indicator is stable and controlled. However, 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.

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\* Including Philotech Group



		Material non-financial performance indicators for Bertrandt	Individual aspects	Categorisation by aspects in accordance with the consolidated non-financial statement (German Commercial Code)	Target value
02	The fiscal 2021/2022	Performance of the management system	– Target process of the management system and its accomplishment	– Environmental matters	> 75
04	The best solution for every customer		– Outcomes of external and internal audits and reviews	– Social matters	
06	<b>A A LETTER TO THE SHAREHOLDERS</b>		– Controlling of resources		
			– Responding to a changing corporate environment		
26	<b>B CORPORATE SOCIAL RESPONSIBILITY REPORT</b>				
		Service delivery	– Feedback from customers	– Respect for human rights	> 75
			– Complaint management	– Combating corruption and bribery	
			– Supplier relationships		
28	Interview with the Management Board		– Project management		
33	Introduction				
37	Description of the business model	Continuous improvement	– 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	– Environmental matters	> 75
38	<u>Opportunities and risks assessment</u>			– Social matters	
43	Materiality analysis				
44	Mandatory disclosures under Section 289c (2) German Commercial Code (HGB)				
63	EU Taxonomy	Risk management	– Status of and dealing with process, security and environmental risks, particularly their prevention and avoidance	– Environmental matters	> 75
67	Independent limited assurance report		– Corporate security as well as occupational health and safety	– Employee-related matters	
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126	<b>D REMUNERATION REPORT</b>	Personnel and human resources	– Evaluation of employee satisfaction	– Employee-related matters	> 75
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			– Occupational health management		
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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 (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.

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**Amount of loss is described by the following categories:**

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- 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.
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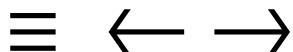
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**Probability of occurrence is expressed in the following categories:**

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- 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 of a risk event does not account 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.

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 289c (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 2021/2022:

Assessment areas	Points
I. Performance of the management system	85
II. Service delivery	86
III. Continuous improvement	98
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. Like 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.

The challenging macroeconomic environment as well as the impact of the coronavirus pandemic are also affecting the results of the non-financial performance indicators.

As a result, the assessment area 'Performance of the management system' is down slightly on the previous year. This is partly due to a difficult resource situation, which in turn led to adverse effects on some of our process indicators, for example in the field of recruiting. On the other hand, a number of process optimisation and improvement measures have been implemented successfully. Examples include an improved approach to environment and stakeholder analyses, optimised management of targets, and adjustments in the area of internal audits.



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Organisational changes initiated in fiscal 2020/21 were forged forward. A realignment also in the CMS (Corporate Management System) enables a more effective and efficient support of the process owners regarding all aspects of the management system. Some first positive effects of these measures were already evident in the past fiscal year.

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

In the field of service delivery, the adjustments initiated in the previous year were continued. We have been able to maintain our high degree of customer focus despite the challenges. The structural reorientation in sales and service delivery has once again proved to be the right approach.

Although the previous year's high value was not attained again in fiscal 2021/2022, the assessment area remains at a high level.

The way we deal with external and internal claims was completely changed. Responsibilities were reassigned, processes standardised and new systems introduced. These measures served to ensure the high quality of our service while improving effectiveness, efficiency and learning from mistakes.

The 'Continuous improvement' assessment area showed a significant increase. However, this is only partly attributable to the numerous improvement measures successfully completed in the past fiscal year. To a significant extent, the extraordinarily positive result is due to the methodology used for determining the performance indicator for assessment area III: in recent years, mixed results from post-investment analyses have clouded the results of this assessment area. However, according to the regular criteria of investment controlling, no ex-post analyses were due in fiscal year 2021/2022 so that no corresponding key figures were available. This is in line with internally defined processes and requirements, but has led to the mentioned impact on the overall result, as the positive results of the other aspects, such as professional action management or the very successful realignment of the internal suggestion scheme, were now reflected all the more strongly in the final point result of assessment area III.

One focus in the area of 'Continuous improvement' was implementing the exacting ESG requirements of our stakeholders. Bertrandt is striving to be CO<sub>2</sub>-neutral by 2039 and wants to bring down CO<sub>2</sub> emissions by 15% by 2030. These are ambitious goals. To this end, a project team was established and initial packages of actions were put together. The team's focus was on integrating the changed sustainability requirements into the Bertrandt process world. Corresponding activities have already commenced.

Our risk management continues to identify risks and opportunities in good time, enabling us to implement the required actions or devise successful measures. Our pandemic management is only one of many examples in this respect. The result of assessment area IV is therefore stable.

Bertrandt continues to grant its employees generous opportunities to work remotely insofar as the nature of their work permits. This not only served to protect the health of our employees during the pandemic. After all, the 'workplace for the future' programme had already been implemented before the first appearance of the coronavirus. Remote working also meets the needs of employees, for example for a better work-life balance or a reduced need to commute. An employee survey conducted during the year under review confirmed this. We are very pleased that employee satisfaction at Bertrandt is very high.

Bertrandt contributes to the health of its employees with a health management system that was established years ago. Due to the pandemic situation, it was not yet possible to resume regular health management activities in the past fiscal year, but measures were initiated to be able to offer attractive health activities for many Bertrandt sites in the future.



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## Materiality analysis

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

As we aim to become CO<sub>2</sub>-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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## Mandatory disclosures under Section 289c (2) German Commercial Code (HGB)

### ENVIRONMENTAL MATTERS

#### Environmental protection in customer projects

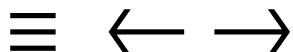
When working on a customer project we always look at the complete life cycle of products and services, from project planning via production and delivery through to disposal. Furthermore, the controlled use of raw materials, operating materials and supplies is of particular importance in the implementation of the concepts that we develop, as our customers face multifaceted challenges regarding environmental requirements, in particular. 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 CO<sub>2</sub> 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 in an environmentally friendly manner. The latter 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.

#### Environmental protection within the organisation

At Bertrandt, we are mindful of using natural resources such as energy, water, soil and air in a responsible manner. We are actively committed to environmental protection and climate change mitigation, and we closely monitor the environmental impacts of our business activities. Environmental protection is also included in our Code of Conduct. We conduct audits of our corporate processes every year to verify our compliance with environmental legislation as currently applicable and take action as required. We ensure that we always act in accordance with the law. We also expect our suppliers to protect the environment and comply with environmental legislation, regulations and standards as applicable at any time and we have concluded corresponding agreements with them.

Everywhere at Bertrandt – at the administrative level, in our technology labs or at 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. The wastewater 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 wastewater is discharged to the public sewage system via defined outlets. The wastewater quality meets the minimum standards according to the wastewater regulations of the municipalities we operate in. 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.



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Bertrandt uses an environmental aspects matrix, including an assessment of opportunities and risks, to evaluate process water impacts. 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 properties, we always examine them 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 in order to use energy more efficiently and sparingly. It is always our goal to clearly undercut, wherever possible, the savings target set by the German energy savings decree (EnEV). This effort was successful for our new buildings at the Tappenbeck and Freising sites. Both dynamometer test centres are operated by means of advanced heating and refrigeration plants with waste heat recovery and using outside air for free cooling, as well as the latest control system. The test hall recently inaugurated in Tappenbeck is additionally supplied with energy generated by a combined heat and power plant. Another combined heat and power plant is located at the Mönshheim site.

### CO<sub>2</sub> EMISSIONS ENERGY\*

Fiscal year	
	2021/2022
Total CO <sub>2</sub> emissions in t CO <sub>2</sub> (electricity, gas)	30,690
Total ground area in m <sup>2</sup>	292,175
<b>CO<sub>2</sub> emissions in t, total per m<sup>2</sup></b>	<b>0.105</b>

Source for emissions factors: German Environment Agency

The ecological footprint of CO<sub>2</sub> emissions caused by the Company's energy consumption (energies: electricity, gas) was 30,690 t\* in the 2020/2021 fiscal year.

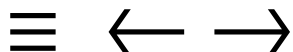
In addition, we encourage our employees to make sparing use of consumables such as paper and other office supplies. We only use recycled paper or FSC-labelled paper. In order to increase energy efficiency, all our lighting fixtures are equipped with energy-saving lamps.

### PAPER CONSUMPTION

Fiscal year (absolute values)	
	2021/2022
Paper consumption (t)	14
Paper consumption (t) per m <sup>2</sup>	0.05

Paper consumption amounted to 14 t in fiscal 2021/2022.

\*For some figures the data were derived from previous-year values using estimates and extrapolations. They relate to our domestic locations. Gas consumption is exclusive of our locations in Hamburg, Immendingen, Nürnberg und Regensburg.



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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.

### 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 lubricant and cooling fluids, are recycled 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	2021/2022
Waste total (t)	2,797
Waste for recovery (t)	592
Paper (t)	332
Recyclables (t)	1,146
Hazardous waste (t)	345
Construction and demolition waste (t)	123
Packaging waste (t)	159
Other waste from workshops (t)	34
Canteen waste (t)	27
Green waste (t)	27

The waste volume in fiscal year 2021/2022 amounted to 2,797 t.

Total waste amounted to 2,797 tonnes of which 345 tonnes were 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

As an engineering company active in the automotive industry, Bertrandt is constantly working on technologies to reduce vehicle fuel consumption and CO<sub>2</sub> emissions even further. At Bertrandt 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 781 vehicles of our own fleet and determined an average value of 191 g CO<sub>2</sub> per kilometre. Moreover, at many of our sites we operate electrified vehicles, which produce zero emissions locally. The average mileage per vehicle was 19,389 km in fiscal year 2021/2022. 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 CO<sub>2</sub> emissions per average mileage of all vehicles. This will allow us to define better targets in the future to help us reduce CO<sub>2</sub> emissions. In order to bring down this value, we educate our employees on e-mobility and on other available modes of transport; in addition, we strongly encourage the use of videoconferencing. In fiscal year 2021/2022 the mileage of our fleet vehicles increased to 15,143,000 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.

### VEHICLES

	2021/2022
Number of all vehicles incl. pool vehicles and executive managers' vehicles	781
CO <sub>2</sub> report (in t CO <sub>2</sub> ) of the vehicles (excl. project cars used for test drives)	2,892.746
<b>Total vehicles</b>	
Mileage (km)	15,143,000
Ø mileage per vehicle (km)	19,389
Ø g CO <sub>2</sub> emissions per Ø km mileage per vehicle	191

The Ø g CO<sub>2</sub> emissions per Ø km mileage per vehicle in fiscal year 2021/2022 was 191 g of CO<sub>2</sub>/km.





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## EMPLOYEE-RELATED MATTERS

### Human resources strategy

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 retain them in the long term. As at the reporting date of 30 September 2022, the Bertrandt Group employed 13,179\* people worldwide. A new human resources organisation was developed in the fiscal year 2021/2022, the aim of which is to provide the best possible support for Bertrandt's focus as an expert organisation and to ensure that the human resources strategy is implemented efficiently. The realignment of the People & Culture department is geared towards a 'candidate and employee journey', most notably by centralising the Talent Acquisition & Marketing and HR Development functions. The development of specialised Centers of Competence (CoCs) 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 roles of HR supervisor and HR business partner have been introduced to ensure comprehensive on-site HR support for staff and managers.

Furthermore, the functional area People Operations concentrates support for smaller locations centrally through the newly formed shared service centre units. This has improved performance.

\* including Philotech Group

We have benefited since the introduction of the new structure in the fiscal year 2021/2022 from the high quality of HR services, promotion of cross-location collaboration and consistent focus on our internal customers resulting from the specialisation of functional areas and the standardisation of HR processes.

We successfully derived and implemented numerous measures in the fiscal year 2021/2022 that have a direct impact on Bertrandt's attractiveness as an employer. The establishment and expansion of the Bertrandt Academy – where all the interdisciplinary and professional development, vocational and further training measures for our employees are pooled – enables us to ensure that our workforce has the qualifications it needs and is oriented towards the market.

The Group-wide employee survey that was conducted in March 2022 guaranteed transparent communication with the workforce and provided opportunities to participate actively in the Company's processes.

We have always applied market and performance-related criteria to the remuneration of our employees. The focus is particularly on ensuring lucidity and transparency.

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 policy, 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.



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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 published 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 therefore 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 qualifications. We are committed to firmly opposing any form of discrimination based on gender, race, age, skin colour, religion, marital status, sexual orientation, origin, physical 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. Our executives 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. These principles also apply to our suppliers, as they are laid out in the Code of Conduct published on our website.

The Group is in continuous dialogue with employee representation bodies. We have jointly discussed the needs of employees and set out in writing their rights and options with regard to various topics, e.g. remote working, within the framework of new company agreements and corporate policies.

The success of our employee retention measures is in part demonstrated by the length of service of our employees, which has increased substantially over the last five years.

The Talent Acquisition function has achieved a significant increase in the number of applications in the current fiscal year compared to the previous year. 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. Terminations during the probationary period represent a major cost factor and the recruiting effort is increased enormously if a position that has just been filled has to be filled again immediately. We effectively counteract such early terminations by successfully onboarding new hires, that is by integrating and making employees welcome from day one and introducing them not only to their work but also to our corporate culture. For reasons of competition, however, the key figures are not published here.

#### Recruitment of new employees

Recruitment will continue to be a priority in the fiscal year 2021/2022, especially for the Talent Acquisition function.



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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 2021/22, for example, we learned a great deal about how we are perceived 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, e.g. after interviews, is clustered centrally so that it can flow directly into and optimise the process. The evaluation of various surveys has shown that the candidate journey at Bertrandt is rated very positively overall.

We began using a new tool to digitalise our employee referral programme in the fiscal year 2021/2022 in order to provide existing employees with further incentives and to advertise vacant positions. This programme rewards employees with activity points simply for sharing job advertisements on social media. A recruitment bonus is also given if a recruited candidate is successfully hired. By centralising the Talent Acquisition function, we have also been able to establish uniform processes and standards across all locations.

We have also simplified the application process by creating the option of making a 'one-click application'. In order to make the selection process more efficient, increase flexibility and comply with the pandemic regulations, most interviews continued to be held as video interviews in the fiscal year 2021/2022. Overall, we were able to reduce 'time to hire' by more than 10%, in particular as a result of quick decision-making. One indicator of our recruiting success was the 'Best Recruiter' award. The recruiting performance of the largest employers in German-speaking countries was examined in a recruiting study conducted by career Institut & Verlag GmbH that applied a scientific catalogue of criteria. Overall, we are proud to have increased the number of job applications received in the past fiscal year to over 100,000.

#### **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 becoming a member of the workforce upon completion. 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. In the fiscal year 2021/2022 we established a permanent working group for this purpose with the aim of increasing the transparency of our training activities, ensuring the efficiency of processes and increasing our competitiveness in the area of training.

As a result, we were able to derive and implement many measures, such as increasing salaries for apprentices and students on dual study programmes from 1 January 2022. The salaries we pay our commercial trainees when they subsequently enter the workforce were also increased in the fiscal year 2021/2022. 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 2022 we were training 170 apprentices and 13 students on dual study programmes in technical, industrial and commercial professions. We are also delighted that, in the fiscal year 2021/2022, our apprentices received an award from the Chamber of Industry and Commerce (Stuttgart region) for their outstanding training performance, which highlights the quality of vocational training at Bertrandt.



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At Bertrandt we also aim to offer all our apprentices and university students permanent employment after they have completed their courses.

### Continuous professional development

The knowledge of our employees plays a critically important role in the success of our company. They provide the basis for the high quality demanded by our customers. Hence, our HR Development focuses on qualification.

However, learning needs are very different and today's learning opportunities must consequently be much more flexible and individualised. What is more, the Bertrandt Academy also takes account of the fact that the training that employees require is constantly changing.

We support the individual development our employees as required through our Centers of Competence Learning & Qualification, Development Consulting, People Diagnostics and Coaching & Team Consulting. This support includes team-building facilitation, coaching and soft-skill 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 2021/2022 Bertrandt invested a total of EUR 5.5 million (2020/2021: EUR 3.5 million) in further training measures and successfully implemented numerous measures.

### Tech Academy

The Tech Academy, which functions under the umbrella of the Bertrandt Academy, established a sparring partner for the operating units in the fiscal year 2021/2022. In its role as a driver of professional and interdisciplinary qualifications as well as a consulting and performance partner for technical training concepts, the Tech Academy continued to advance the vocational and further training of our employees. The range of qualifications for operational units such as Electronics or Product Engineering is being continuously adapted to current developments and technological trends. Bertrandt's own experts act as speakers and trainers in line with the maxim 'Sharing experience from practice'.

### Development support

Special efforts were made in the fiscal year 2021/2022 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 further training. To this end, a range of new learning content, such as e-learning, video tutorials, webinars and podcasts have been designed, developed and made available and the M365 'Learning Pathways' learning platform has been successfully launched.

### 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 as an employer ensure that further training at Bertrandt continues to be of a 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 employees.

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 of holiday for employees on full time contracts, we offer significantly more holiday than the legally required minimum.

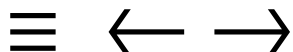
We offer our employees a comprehensive onboarding programme right from the start and a go-to person for 1 to 1 mentoring.

Further training and development opportunities that are designed and pooled in our Bertrandt Academy are also anchored in our corporate strategy. The leadership qualities of our professional and disciplinary managers are regularly reviewed and developed.

On the IT side, 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. Employees' work has remained of a high quality even with mobile work and our goals are achieved. We therefore naturally have complete trust in our employees, even 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 mouse, headset, laptop and monitor.

We ensure as a matter of principle that all these activities remain transparent. We increased this transparency in the fiscal year 2021/2022 by updating our careers website, job advertisements and our in-house intranet.

Bertrandt's attractiveness as an employer was assessed and confirmed by several bodies in the fiscal year 2021/2022. We received the Focus and Focus Money 'Top Career Prospects' award for the seventh year in a row. According to a study by Heise of 20,000 companies, Bertrandt is one of 'Germany's best STEM employers'. In the rankings of the independent consulting and market research company Trendence, we are also among the top 100 employers in both the student and professional categories for the year 2022.



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## Employee retention

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 2021/2022 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.

We continued to focus on increasing the quality of leadership in the fiscal year 2021/2022. In tandem with individual development opportunities, management competence matching has been expanded to optimise the quality of leadership. This process takes place within the framework of self-assessments and additional assessments by line managers, which are then discussed with all those involved as well as with neutral bodies, such as the HR business partners. Concrete measures are jointly defined on this basis. Overall, we were able to retain managers in this way and, most importantly, sustain the quality of leadership in the Company.

### Feedback from employees

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

The most important instruments we use for this purpose are the annual employee survey, executive surveys or topic- or project-related surveys. Since the fiscal year 2021/2022, we have also enabled departments to conduct their own surveys so that they can also carry out specific evaluations of individual issues. In the fiscal year 2021/2022 we established a new process for responding to the results, especially those of company-wide employee surveys. This process is intended to ensure that targeted and needs-oriented measures are implemented everywhere on the basis of the feedback received.

## Onboarding

We set up a central unit in the fiscal year 2021/2022 that is now responsible for the overall management of onboarding. The onboarding process can now be specifically aligned with the corporate strategy and a uniform standard ensured. Central onboarding defines clear rules on various issues for the respective locations. 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.

### 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.



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### 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. Our employees have the opportunity, moreover, to take sabbatical leave as agreed individually. Following the expiry of the Federal emergency brake and the associated obligation to work remotely during the coronavirus pandemic, we developed a policy that defines three remote working days per week as a benchmark for this purpose.

### Diversity at the workplace

We are an internationally operating company where people from many different cultures meet every day. This diversity creates a lively collaborative environment and ensures that we are continuously broadening our horizons. 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, race, age, skin colour, religion, marital status, sexual orientation, origin, physical 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.

We have further expanded our activities around diversity at the workplace in the fiscal year 2021/2022. One of the measures adopted was the project group "Diversity & Inclusion Management", which was set up with the aim of anchoring diversity as a firm component of our corporate culture and day-to-day interaction.

### Gender equality

On the whole, women are underrepresented in our industry. This is due in particular to the fact that girls and young women still appear to be less interested in technical domains, such as electronics, engineering sciences or IT. In the Bertrandt Group, women accounted for around 23%\* of the workforce in the year under review. We are striving to increase the percentage of women in

\* including Philotech Group

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. Of the 636 executive positions worldwide, 65 were occupied by women as at 30 September 2022; this corresponds to a quota of 10.2% (2021: 9.3, 2020: 9.7%, 2019: 9.4%).

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

### Occupational health and safety

As an employer, we wish to ensure a high level of health and safety at the workplace and in the working environment for all our employees. Only healthy employees can make full use of their skills and in the process make a significant contribution to Bertrandt's ongoing development. This covers ergonomic workplace design to offers within the framework of our health management 'Gesundheit 4Bertrandt' through to occupational safety management. We regard the preventive and long-term protection of our workforce's health as absolutely essential.

Our occupational health management was also expanded in this fiscal year and continues to offer employees a wide range of preventive and health-promoting measures. Our employees can benefit from preventive medical check-ups, company medical consultations and digital knowledge modules on the intranet. We can make health a top priority for all of us at Bertrandt.





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### Health events

We also held numerous health management events in the fiscal year 2021/2022. These events ranged from health days and flu vaccinations to workshops on topics related to stress management and mental stress through to company runs and nutrition weeks.

### Covid-19 information and containment measures

We also set ourselves the objective in the fiscal year 2021/2022 of helping to contain the Covid-19 pandemic. With the help of our Pandemic Committee, we have continuously worked to raise the awareness of our employees, including by drawing their attention to guidelines and legal changes documented on our intranet. In cooperation with medical assistants and doctors, we were again able to offer employees a comprehensive company vaccination programme, e.g. at the Ehningen, Monsheim and Munich locations.

### 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.

## 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.

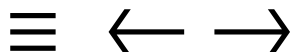
We take our responsibility towards society very seriously and hold the firm conviction that we can only be successful in a world that is sustainable in all its various dimensions and offers prospects for the future.

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.

### 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.

We therefore naturally sponsor several universities and participate in various education-oriented competitions. For this reason we again decided in the 2021/2022 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.



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## 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 fiscal year 2020/2021. The mobility sectors are consequently stepping up their investment in alternative drive technologies. A number of passenger car manufacturers, for example, have announced that they will phase out combustion engine production between 2030 and 2035. In the aerospace industry, research and development work is strongly focussing on hydrogen-powered aircraft. We support this innovative work of our customers.

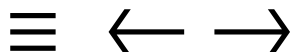
With our technical developments we aim to contribute together with our customers towards preventing accidents in road traffic as far as this is possible. Vehicle technology, including active and passive safety, is a core capability of our company. Our customers task us with the development of driver assistance systems, thereby supporting the safe mobility campaign 'Vision Zero', which has already been mainstreamed into political programmes in several European countries, especially Sweden. Statistics prove that the traffic safety approach of 'Vision Zero' can reduce the number of traffic fatalities considerably. The campaign aims to eliminate all road deaths by 2050. In Germany, the mobility club VCD drew up a master plan

Safety in society plays a major role for Bertrandt and is actively promoted in various projects. One example is the support Bertrandt has given to the local fire brigade in Tappenbeck since 2020. As this location has continuously grown in recent years, employees who are volunteer firemen in their own towns have now become members of the Tappenbeck local fire brigade as well. 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

Our company has a multinational workforce at over 50 main locations on three continents: we are part of society. Our social responsibility therefore extends beyond our core business. Most recently, we provided humanitarian aid to people affected by the war in Ukraine by supporting an aid transport from our headquarters in Ehningen, which was initiated by the organisation 'DHHN – Deutsche Humanitäre Hilfe Nagold eV in Altensteig'. We made financial resources available for this purpose. In addition to a monetary donation, items such as children's clothing and shoes, toys and stuffed animals were collected and transported to Ukraine. Humanitarian aid for Ukraine was also provided at Bertrandt's Munich location by supporting the aid organisations 'Johanniter' and 'Münchener Tafel'.

Various projects that support people in need of special care and attention have also been organised at our location in Vélizy-Villacoublay, France. With the help of the French-Ukrainian association IDFU in the city of Fresnes and, above all, Bertrandt employees, almost ten boxes of relief supplies, such as food and hygiene articles, were also collected in France over a period of two months. The French location also participates in a project called Yoti, in which toys – new, well-kept or even well used – are collected, refurbished and resold. Thus, Yoti provides new opportunities for long-term unemployed people as the preparation work takes place within the framework of a social reintegration project, and the project is also a valuable contribution to our environment because it makes use of toys that would otherwise be thrown away. A beautiful gesture for people and our planet.



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## Local involvement

Our local branches also do positive things for their local communities in other local projects. During this fiscal year, for example, vaccination campaigns were at different Bertrandt sites where all employees and their family members were able to be vaccinated for better protection against the coronavirus. In addition, the proceeds from the Bertrandt-wide football tournament, which finally took place again this year after the corona-related break, were donated to the local TSV Ehningen sports club. We are now a long-standing sponsor of the Ehningen football club.

Furthermore, food, masks and rapid tests were donated from our location in Ingolstadt to the St. Franziskus streetwork project, which helps people who are homeless or in need.

## 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 industry, machinery and plant engineering, power engineering, medical technology and energy sectors in the development of their products for almost 50 years. Our activities are driven equally by the needs of the present and those of the future. It is our aim to be a competent partner with a can-do attitude for our customers, supporting them with our know-how, our expertise, as well as with a high degree of flexibility in the processes of engineering. We accelerate technological progress through our development performance. We make a significant contribution to a sustainable future and promote social and individual independence.

## Focus on automotive

We generate some 90% of our revenues with customers in the automotive industry. Together we work on the development of the automobile of the future, concentrating in particular on environmental compatibility, safety, comfort and connectivity. Our company focuses on the trends of digitalisation, autonomous systems, connectivity and electromobility. With almost 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.

#### **All services for all customers**

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: for example, 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. The Vehicle & Prototype Services Unit has around 70,000 square metres of workspace and more than 180 lifting platforms throughout the Group for this purpose.

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 one of the e-axes or 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 compre-

hensive 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's subsidiary Philotech was already able to provide services in the area of functional safety. For vehicle functions, Philotech accompanied the concept phase, performed analyses and risk assessments and then developed the functional safety concepts according to ISO 26262. This is where customers benefit from our extensive industrial experience in the field of functional safety, from our knowledge of standards and methods as well as our application experience.

With our many years of expertise and the comprehensive know-how of our colleagues, we are working on climate-friendly products for a future with sustainable mobility concepts.

Our clients are increasingly demanding sustainability-related services.

In this context, Bertrandt offers sustainable services in the After Sales Solution segment, such as 'Handling End of Life'. Bertrandt helps its customers to 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 2<sup>nd</sup>-life concepts.



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### 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. 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. Under our corporate security policies, most of our sites have been audited to the VDA's TISAX standard, which is based on ISO 27001 and

includes, among others, access controls. 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.



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## 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 and effective remedial mechanisms are implemented to prevent any potential violations of human right.

#### Management concept

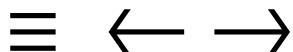
Our commitment to the protection of human rights is set out in our Code of Conduct for Suppliers and Service Providers ('CoC'). The code contains an obligation for our business partners to act responsibly in compliance with the law. The CoC is an integral part of the general purchasing conditions; directly 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 (Lieferkettensorgfaltspflichtengesetz). 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. 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 detected, 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 guidelines. The platform provider has implemented technical measures that guarantee that, if requested, such concerns can be raised with complete anonymity. The whistleblowing system represents a further building block in Bertrandt's compliance management. The reporting system 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 2021/2022

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 the consequences of the regulations. 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 (CoC), 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 also contribute to the continuous improvement in the quality of our supply chain. In the reporting period no violations of human rights or environmental standards and regulations were reported to Bertrandt.

## COMBATING CORRUPTION AND BRIBERY

### Compliance

To ensure long-term competitiveness, we have to keep on convincing our customers of our quality, dependability and fairness and demonstrate our innovative edge. This means that we have to comply with statutory provisions and with our own guidelines and ethical principles at all times. Our entire corporate culture is aligned to these principles; they provide the structure for our day-to-day work and the decisions we make. All this is founded on

- the integrity of our 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,
- respect for human rights.

## 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 guidelines.

### Bertrandt Code of Conduct

Our Code of Conduct is an important basis for responsible corporate governance. 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. The problems reported are then evaluated by the Bertrandt Group's compliance department. The internal audit and corporate security units examine the issues, if necessary, propose adequate measures, as required, and check their implementation. Our quality management function (CMS) organises compliance audits on an annual basis. These audits are announced beforehand and are conducted alternately by staff members responsible for the CMS and by external auditors. Processes are certified according to ISO standards.

### Compliance Policy ('15 Golden Rules')

We have a zero tolerance approach to any form of corruption, bribery, acceptance or offering of advantages, and we do not engage in any such action. The high level of transparency in our business processes allows no room for such offences. The corresponding conduct guidelines to be observed by all Bertrandt employees are defined in our '15 Golden Rules'. Additional explanations are provided in the Q&A accompanying the Compliance Policy. There is a prominent link to the Compliance Policy document on our intranet site that is easy for employees to find.



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All stakeholders of the Group can report violations or suspected wrongdoing also via Bertrandt AG's website. In the past fiscal year, a whistleblowing system was set up under which both employees and third parties can report compliance incidents on a fully anonymous basis. In the 2020/2021 fiscal year the compliance officers were notified of 41 violations of our compliance policy or other legal and/or operational requirements. However, further investigations into Bertrandt's actions as a business showed that the violations were not severe. The compliance officers attribute the significant increase in the number of reports compared with the previous year primarily to the improved organisational processes in the reporting system. The compliance officers also dealt with numerous questions about compliance not related to any suspicion of wrongdoing.

### 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, the Czech Republic, France, Italy, 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 guidelines and ethical principles are followed (compliance). The Supervisory Board comprises six members, one of whom is a woman. 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. 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 Company has complied and continues to comply with the recommendations of the Government Commission on the German Corporate Governance Code (GCGC) as amended on 16 December 2019 (published in the German Federal Gazette on 20 March 2022) until substituted with an amended version on 28 April 2022, effective from 27 June 2022, with the exception of some recommendations. These deviations are specified and explained in the Company's declaration of conformity of 26 September 2022, which was last updated on 24 October 2022.



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## EU Taxonomy\*

### Legal background

This year, 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) for the first time.

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. 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 reports for the first time for fiscal 2021/2022, on the basis of the relief provisions, the proportion of Taxonomy-eligible turnover, capital expenditure (CapEx) and operating expenditure (OpEx) related to the first two environmental goals (climate change mitigation and adaptation to climate change).

### 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 that our core economic activities do not fall under the classification system of the Delegated Act on the Taxonomy Regulation and, consequently, need not be reported as Taxonomy-eligible. We have not recognised activities that, in the case of the Bertrandt Group, are merely supplementary to carrying out our core business activities as Taxonomy-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 in

- a) Annex 1
  - 9.1 ('Close-to-market research, development and innovation'),
  - 9.2 ('Research, development and innovation for direct air capture of CO<sub>2</sub>')
- 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.

### 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.

\* Consideration including Philotech Group



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## 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 financial year 2021/2022. 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 for all our KPIs).

Furthermore, there are no investment 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.

However, we are 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. The 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 on page 143 of this Annual Report).

### 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 financial 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.

Further details on capital expenditure can be found in this Annual Report on page 91. Our total capital expenditure can be derived from the notes to the consolidated financial statements (see pages 164 to 168 of this Annual Report). They are the sum of the additions of the previously mentioned items.



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## 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 172 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.

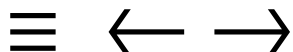
As a rule, these items are costs for services and materials for daily maintenance and for regular and unplanned maintenance and repair measures. This does not include expenses for the day-to-day operation of property, plant and equipment, such as the cost of employees operating machinery and expenses 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). Since the disclosure requirements for fiscal year 2021/2022 solely apply to Taxonomy-eligible capital and operating expenditures, we have evaluated this category 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 electrified and 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.

In accordance with our accounting method used for individually Taxonomy-eligible CapEx and OpEx (cf. section 'CapEx and OpEx KPI' in the description of our accounting methods), we report our overall KPIs as follows:

## EU TAXONOMY KPIs

EUR million (2021/2022)	Total	Proportion of Taxonomy-eligible economic activities	Proportion of Taxonomy non-eligible economic activities
Total revenues	1,009.159	0.0%	100%
Capital expenditure (CapEx)*	54.168	6.3%	93.7%
Operating expenditure (OpEx)	6.444	70.3%	

\* Capital expenditure as defined by EU Taxonomy Regulation





# Independent limited assurance report

## Engagement to provide limited assurance on the non-financial reporting

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To Bertrandt AG, Ehningen

We have subjected the condensed separate non-financial report of Bertrandt AG, Ehningen (hereinafter ‘the Company’) for the period from 1 October 2021 to 30 September 2022 (hereinafter referred to as ‘condensed separate non-financial report’) to a limited assurance engagement.

Within the scope of our engagement we did not perform an assurance on the external sources of documentation or expert opinions mentioned in the condensed separate non-financial report.

### Responsibilities of the management

The Company’s Management is responsible for the preparation of the condensed separate non-financial report in accordance with Section 315c in conjunction with Section 289c to 289e HGB and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (hereinafter ‘EU Taxonomy Regulation’) and the supplementary delegated acts, and with the Management’s own interpretation of the wordings and terms used in the EU Taxonomy Regulation and its delegated acts as it is presented in the section ‘EU Taxonomy’ of the condensed separate non-financial report.

This responsibility of the Management includes selecting and applying appropriate non-financial reporting methods, and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the Management is responsible for such internal control as Management has considered to be necessary to enable the preparation of a condensed separate non-financial report that is free from material misstatement, whether due to fraud (manipulation of the non-financial report) or error.

There is still a considerable degree of uncertainty around the wordings and terms used in the EU Taxonomy Regulation and its delegated acts, and clarifications have not yet been published in every case. Therefore, the Company’s Management explains its interpretation of the EU Taxonomy Regulation and the related delegated acts in the section titled ‘EU Taxonomy’ of the condensed separate non-financial report. The Management is responsible for ensuring that this interpretation is reasonable. In view of the inherent risk that undefined legal terms can be interpreted in different ways, the legal conformity of the interpretation is subject to uncertainties.



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### Independence and quality assurance of the auditing firm

We have complied with the German laws and regulations on independence that govern our profession and with other ethical responsibilities in accordance with these requirements.

Our auditing firm applies the national statutory regulations and professional pronouncements – in particular the Professional Code for German Public Auditors and German Chartered Auditors (Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer, BS WP/vBP) and the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm' ('Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis', IDW QS 1) issued by the Institute of Public Auditors in Germany (IDW) – and accordingly maintains a comprehensive quality management system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and relevant legal and regulatory requirements.

### Practitioner's responsibility s

Our responsibility is to express a conclusion and provide limited assurance on the condensed separate non-financial report based on the procedures we have performed and the evidence we have obtained.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board (IAASB). The standard requires that we plan and perform our procedures to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the condensed separate non-financial report of the Company, except for the external sources for documentation or expert opinions stated in the condensed separate non-financial report, has not been prepared, in all material respects, in accordance with Section 315c in conjunction with Section 289c to 289e HGB and the EU Taxonomy Regulation and its delegated acts and according to the interpretation by management as set out in the section 'EU Taxonomy' of the condensed separate non-financial report.

In a limited assurance engagement, the evidence gathering procedures are less extensive than those applied in a reasonable assurance engagement, and accordingly, a significantly lower level of assurance is obtained. The procedures selected and the extent of work depend on the practitioner's judgement.

Our assurance work included performing the following assurance procedures and other activities:

- Obtaining an understanding of the structure of the Group's sustainability organisation and of stakeholder engagement
- Making inquiries of the Company's Management and the personnel involved in the preparation of the condensed separate non-financial report regarding the preparation process, internal control relevant to the preparation process, and disclosures in the condensed separate non-financial report
- Identifying probable risks of material misstatement of matters in the condensed separate non-financial report
- Analytical assessment of selected disclosures in the condensed separate non-financial report
- Comparison of selected disclosures to the corresponding data in the consolidated financial statements and the group management report
- Assessment of the presentation of the condensed separate non-financial report
- Assessment of the process for identifying Taxonomy-eligible economic activities and the related disclosures in the condensed separate non-financial report
- Inquiries on the relevance of climate risks

The Company's Management is required to interpret undefined legal terms when establishing the disclosures according to Article 8 of the EU Taxonomy Regulation. In view of the inherent risk that undefined legal terms can be interpreted in different ways, the legal conformity of the interpretation and, accordingly, our assurance, are subject to uncertainties.



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### Assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the condensed separate non-financial report of the Company for the period from 1 October 2021 to 30 September 2022 has not been prepared, in all material respects, in accordance with Section 315c in conjunction with Section 289c to 289e HGB and the EU Taxonomy Regulation and its delegated acts and according to the interpretation by Management as set out in the section 'EU Taxonomy' of the condensed separate non-financial report. We do not express an assurance conclusion on the external sources of documentation or expert opinions mentioned in the condensed separate non-financial report.

### Restriction on use

We emphasise that the assurance engagement has been performed for purposes of the Company and that the report has solely been prepared to inform the Company about the results of the review. Consequently, it may not be suitable for any purpose other than the use aforementioned. The report is not intended for any third parties to base any (financial) decision thereon. We do not assume any responsibility towards third parties. Our assurance conclusion is not modified in this respect.

Frankfurt am Main, 12 December 2022

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

**NICOLETTE BEHNCKE**    **PPA. MEIKE BEENKEN**  
Auditor



# Group Management report

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# 41.664

million EURO EBIT were  
generated in fiscal  
2021/2022.

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# Overview

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The 2021/2022 fiscal year kicked off under relatively normal economic conditions. The macroeconomic forecasts of the economic research institutes were decidedly positive and the effects of the coronavirus pandemic were expected to gradually subside. This favourable situation continued well into the second quarter of the reporting period. At the same time, material shortages and rising inflation were already posing challenges for many industries. The macroeconomic indicators changed noticeably with the start of the war in Ukraine at the end of February 2022. Existing high rates of inflation increased further, in particular because energy became much more expensive. Central banks responded by adopting strict monetary policy measures. This resulted in the revision of all economic forecasts in the further course of the fiscal year. At the same time, the various waves of the coronavirus pandemic and, in particular, ongoing government quarantine orders led to major staff shortages in many industries.

Market sentiment in the automotive industry brightened with the generally positive mood prevailing in the industry at the beginning of the 2021/2022 reporting period. As Bertrandt won projects it was able to increase capacity utilisation compared with the previous quarters that had suffered from the pandemic. This trend solidified in the course of the 2021/2022 fiscal year. Nonetheless, successive waves of the coronavirus pandemic throughout 2022 also led to high levels of illness in the Bertrandt Group and this slowed down the Company's overall business recovery. Bertrandt has not been and is not directly affected by the war in Ukraine. However, the indirect impacts of the war, and sharply rising energy prices in particular, do pose challenges for us as well.

Progress has continued to be made with the transformation of the automotive sector in the past fiscal year. The megatrends of digitalisation, autonomous driving, connectivity and emission reduction or electrification continue to dominate the industry. With regard to the latter trend, a landmark decision was taken by the Council of Ministers of the European Union in the third quarter of 2021/2022: from 2035 onwards, all new cars registered in Europe must be zero-emission. This will further advance the transformation in the automotive industry towards electrified drives. Innovations of this kind as well as various technological leaps coupled with even more variants of electrified or alternative drives present a huge range of opportunities for engineering service providers such as the Bertrandt Group.

Bertrandt is also constantly adapting to the new opportunities in the market and is actively shaping progress towards transformation in the automotive and other industries. By pooling our automotive expertise at the various locations, the Group is able to make all its services and experts available to all its customers. By creating an overlapping and interlocking engineering network, we are a dependable partner in the development of components, modules and vehicle derivatives.

With the acquisition of the Philotech Group, we have noticeably expanded our strategic positioning in the growth fields of software development, electronics and IT security for the aerospace and automotive industries in the 2021/2022 fiscal year.





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Sustainability is a core element of Bertrandt's strategy. In line with this, we have set ourselves the goal of operating in a CO2-neutral manner by 2039, a goal involving the entire supply chain. A Bertrandt project team was implemented so that the necessary measures to achieve this can be developed and implemented. We also internally apply the high standards of all ESG criteria in our day-to-day work. The rating agency MSCI has awarded an A rating to us for our achievements.

Against the general setting described above, the Company's key performance indicators developed as follows in the 2021/2022 fiscal year:

- Total revenues increased by around 19% from EUR 848.592 million in the previous year to EUR 1,009.159 million, thus exceeding the EUR 1 billion mark again.
- EBIT improved to EUR 41.664 million (previous year EUR 20.040 million).
- The workforce as at the end of the fiscal year 2021/2022 was 13,179 people (previous year 12,030).



# The Group – General information

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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 of the future – from cars, commercial vehicles through to aerospace – with our people at more than 50 main locations around the world. 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.

The project packages that we comprehensively manage for our customers focus on the megatrends of digitalisation, autonomous systems, connectivity, e-mobility and sustainability. We also offer support to customers in the mechanical and plant engineering, medical technology and electrical industries by providing solutions throughout the development process and lifecycle of their products.

## 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 this Annual Report. It provides information on the economic, ecological and social impacts of the Bertrandt Group's business activities in fiscal 2021/2022. It covers the aspects of sustainability and corporate social responsibility and non-financial matters according to Sections 315b and 315c in conjunction with Section 289c to 289e of the German Commercial Code (HGB) and according to the EU 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 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 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. The pace of this development is now even more rapid following the decision of the EU Commission to reduce CO<sub>2</sub> emissions by 55% by the year 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 the German Association of the Automotive Industry (VDA), 72,800 new e-vehicles were registered in Germany in September 2022. Electric passenger cars therefore accounted for 32.4% of all new registrations in September 2022 – the highest proportion this year.



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## AUTONOMOUS AND CONNECTED DRIVING

In the past ten years, innovation has been a permanent and growing feature of vehicle technology in the field of connected and autonomous driving. According to an analysis published by the Center of Automotive Management (CAM) in 2021, the number of innovations in the fields of connectivity, interfaces and autonomous driving has tripled over the last ten years. Connected services in particular play an important role for innovative OEMs, for example in the fields of infotainment, parking and charging. The study anticipates extremely dynamic advances in connected car applications in the coming ten years. New business models and competitors are likely to emerge from the world of big data. The fields of vehicle architecture, connectivity/infotainment and autonomous driving, in which Bertrandt has been highly active and which require specific expertise, are set to rapidly grow in importance in the near future. This includes services such as over-the-air services or the Bertrandt GUIDE. They not only make driving more comfortable, they also link up journeys efficiently and help save time. Ultimately, these developments help in making more sustainable use of resources. Automated driving functions and autonomous driving also require relevant technical know-how and exhaustive testing. Here, too, Bertrandt supports customers with consistent testing methods, combining scenario-based, virtual and real tests in the most economical and sustainable manner. Experts at Berylls Strategy Advisors expect OEMs and suppliers to make increasing use of the development competence offered by technology partners such as Bertrandt in order to meet market demand for autonomous and connected driving.

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# 500

new e-car models will come on to the market by 2025  
according to a study by McKinsey.

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## DIVERSITY OF MODELS AND VARIANTS

Module and platform strategies and using common parts enable carmakers to offer a broad range of vehicle variants. Scale effects across several models and model series enable automotive manufacturers to produce variants that are profitable even in small numbers. The ultimate goal of this strategy is to serve major portions of the global market including smaller niches. In the wake of the EU Commission's decision to bring down CO<sub>2</sub> emissions even further, many OEMs are now focusing completely on e-mobility and have already announced the phase-out of internal combustion engines. Against this backdrop, medium-term model plans are in many cases being updated to develop models with alternative powertrains. In its analysis published in 2022, McKinsey anticipates that more than 500 new e-cars will reach the market by 2025

The production planning of one of our customers includes the production of fifteen fully electric models – including pre-production vehicles – by the end of 2022. The number of fully-electric vehicles delivered is expected to have exceeded 10 million by 2030. Another customer plans to offer more than twenty fully-electric models by 2026. Yet another client is also accelerating its transformation into a manufacturer of electric cars and aims to launch ten new all-electric models by 2025.



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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 intelligent factory of tomorrow, planning experts will 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.

## 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. In this way Bertrandt leverages synergies in order to provide outstanding 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

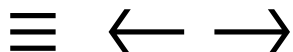
in-series support. Furthermore, individual development steps are validated by simulation and testing.

Our special know-how and many years of experience in project and process management means we can efficiently advance entire processes, and make us an expert partner for established OEMs, New OEMs and system suppliers. 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 – we offer a comprehensive range of services and support customers with our broad expert knowledge. Our support does 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.

We strive to align our range of services to changing demands from the market and our customers. As OEMs are increasingly focusing on their core business, development tasks are being 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. The project responsibility in development tasks, for example, comprises the management of all the interfaces between the customer, the system suppliers and Bertrandt, and the control of quality, costs and deadlines.



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## GROUP-WIDE COMPETENCES

Bertrandt is managed on the basis of three segments: Digital Engineering, Physical Engineering and Electrical Systems/Electronics. The divisional structure for the automotive units in Germany is an important element of this segment structure. The Bertrandt Group's other activities, such as its aerospace business or foreign operations, are also allocated to one of the three segments.

### Group strategy alignment to mobility megatrends

The automotive 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 CO<sub>2</sub> 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 have brought to us have changed continuously in recent years. Therefore, Bertrandt realigned its automotive units two years ago, so that we can now pool our comprehensive expertise across multiple sites for customer projects – always with the aim of serving each and every one of our customers with the best solution. Our competence areas – the units of our German automotive activities – are clustered in four divisions:

### Electronics Division

From the idea to series production: the Electronics Division, which is allocated to the 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.

### Software Experts

We combine a keen appreciation of solutions with exceptional expert knowledge and high quality standards. This applies not only to the automotive field but also to other sectors. The Software Experts unit performs all the activities needed for software development, from embedded software through to application software, and from app and web applications through to IT solutions and data science.

### Autonomous Mobility & Information Systems

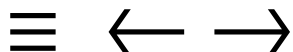
With our vast experience and an interdisciplinary team, we are a development partner for entire systems and components for autonomous mobility and sustainable information systems. The Autonomous Mobility & Information Systems unit combines all services related to the development and integration of vehicle-supported and experiential functions as well as the manual and semi-automated testing of components and systems by means of test boxes or in the complete vehicle, such as AD/ADAS, Connected Car, HMI, Infotainment and Connectivity, and Comfort.

### eMobility Systems

Serial electric drive production – we are a one-stop shop for complete electric powertrain development. This means that we are a reliable partner for the successful implementation of projects. The eMobility Systems unit supplies a comprehensive range of services for the development and integration of individual e-drive components as well as an understanding of the overall system, focusing in particular on storage systems, power electronics, e-machine, functional application, validation and commissioning.

### Electronics & Virtual Testing Solutions

Bertrandt is a reliable partner for the functional testing of complex systems that are scalable from complete virtualisation through to physical validation. The Electronics & Virtual Testing Solutions Unit is responsible for all issues in the realm of functional and automated validation of XiL test benches; virtual testing in the cloud; vehicle, sensor and environment simulations; security testing as well as connectivity and diagnosis testing.



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## Product Engineering Division

The Product Engineering Division, which is allocated to the Digital Engineering segment, manages all vehicle development at Bertrandt. In addition, the division is responsible for design, simulation and all relevant interdisciplinary topics.

### Design Solutions

Our experts develop components, modules, derivatives and complete vehicles, focusing on geometric, mechanical and mechatronic functions for vehicle bodies/exterior, interiors, electronics, drives, chassis and overall vehicle development.

### Simulation Solutions

We are masters in all the simulation fields, such as stiffness/strength, CFD, durability, short-term dynamics, crash and vehicle safety, robustness, multi-body systems and field simulation. All these simulations are required for complete vehicle development in the automobile industry and in product development in all other industries.

### Engineering Integration & Management Services

The Engineering Integration & Management Services unit is responsible for all cross-cutting functions, services and interface tasks in vehicle development. This includes product data management, quality management and weight management.

## Physical Division

The Physical Division, which is allocated to 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

## Testing Solutions

We provide functional validation of physical components, systems and complete vehicles. Our range in this field encompasses stiffness; strength; durability; and combined properties such as seating comfort, overall vehicle acoustics and much more.

### eMobility Testing Solutions

We offer a variety of solutions designed to provide deep insights into the maturity level of the e-drivetrain at an early stage of the development process – perfectly coordinated to match our customers' needs. The eMobility Testing Solutions unit provides functional validation as well as pre- and post-processing in the field of electromobility, focusing on energy storage, power electronics and e-machine.

### Vehicle & Prototype Services

The Vehicle & Prototype Services unit covers vehicle constructions and modifications and relevant associated work, such as pre- and post-processing, prototype parts production, parts disposal, vehicle recycling and complete vehicle test drives.

### Powertrain Solutions

Bertrandt's Powertrain Solution Center develops, tests and validates conventional powertrains for various fuels as well as alternative drives with anything from hybrid, electric and hydrogen systems, through to fuel cell systems.

## Production & After Sales Division

The Production & After Sales Division, which is allocated to the Digital Engineering segment, supports the digital transformation of processes in production and production planning. Our experts advise on and develop our customers' entire production planning process, from the initial idea to serial production. We offer our customers a full range of supporting services and take on responsibility for the related business development.

### Smart Production Solutions

The Smart Production Solutions unit is a partner with broad know-how for advice and implementation for smart production solu-





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tions, from the design to the implementation of customer projects. We find smart and digitalised solutions to challenges along the entire factory planning process.

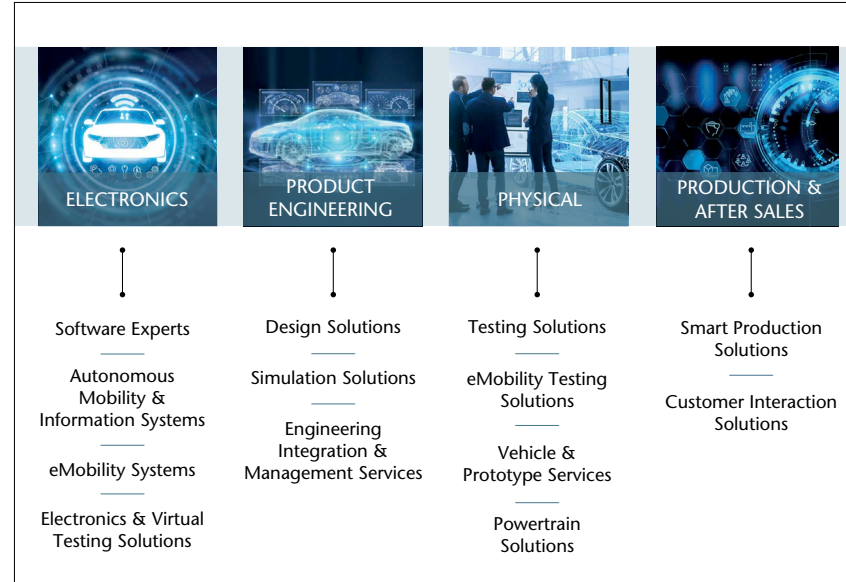
**After Sales & Next Media Solutions**

As a full service partner, our After Sales & Next Media Solutions unit supports clients with high quality standards and professional and bespoke offerings to help them retain and increase their market position and to increase their satisfaction with our services. With After Sales Solutions, we provide our customers with tailored and future-relevant solutions for the optimisation of their business models. Next Media Solutions comprises all our digital services. Here we pool specialists from our range of competences to provide interdisciplinary support to customers from a variety of industries.

**Aerospace Division**

Following its selection as preferred supplier by a major aerospace company industry and the acquisition of the Philotech Group, Bertrandt is securing its market position as a preferred engineering partner. The operative units of the Aerospace Division, which is currently in the making at the Bertrandt Group, are either allocated to the Digital Engineering or the Electrical Systems/Electronics segment, depending on the focus of the activities. Bertrandt develops innovative solutions for current and future challenges in all areas within the sector. The range of services we offer to the aerospace industry encompasses the process stages conceptual design/simulation, pre-development/detail and derivative development, production planning, production start-up support, after sales. The Philotech Group is a specialist for demanding, holistic development projects in the areas of software, electronics and IT security.

**ORGANISATIONAL STRUCTURE OF OUR DOMESTIC AUTOMOTIVE UNITS**

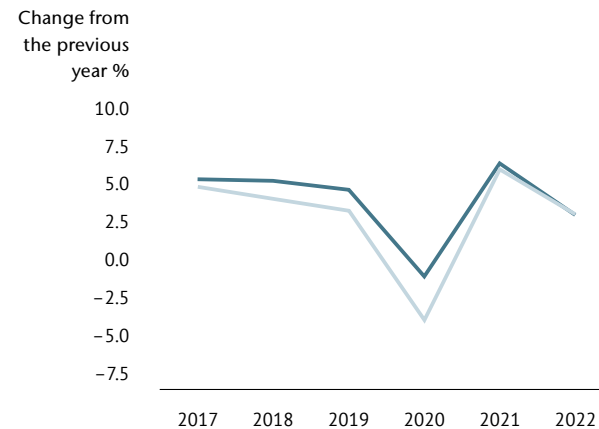




# Report on the economic position

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## REAL GROSS DOMESTIC PRODUCT



A challenging global economic environment.

— World — Europe

Source: Joint Economic Forecast for Autumn 2022 by the Joint Economic Forecast Project Group

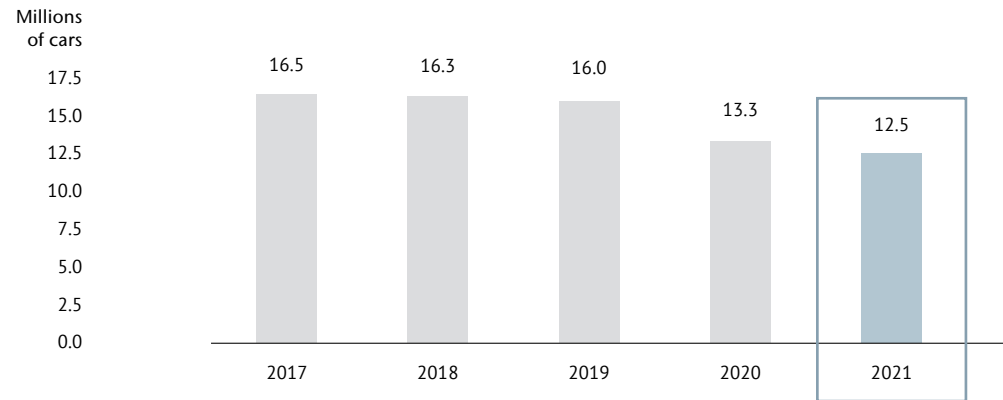
## ECONOMIC DEVELOPMENT

The reporting period in October 2021 kicked off on a positive note as the economy recovered and the impact of the coronavirus pandemic subsided. However, the overall economic situation changed noticeably from the second reporting quarter onwards with the start of the Ukraine war in February 2022. The effects of the war and the resulting energy crisis impacted the macroeconomic environment in the second half of fiscal year 2021/2022 in particular. The Autumn Report of the Joint Economic Forecast Project Group issued by the economic research institutes concluded that the global economy is in a downturn in 2022. The overall economy was characterised by inflation for energy commodities, high general rates of inflation, the suppression of economic activities in China due to regular lockdowns, and generally weakening global demand.

According to the Autumn Report, overall global output rose by 5.9% in calendar year 2021 as a result of a strong recovery after the pandemic years. GDP in the United States grew by 5.7% and by 8.1% in China. Europe recorded an increase of 5.6%. With GDP growth of only 2.6%, Germany was one of the regions with the lowest growth rates. The Joint Economic Forecast in the 2022 Spring Report attributed this relative weakness to the high share of total goods produced in Germany accounted for by automobile manufacturing. Supply chain problems were very pronounced in the automotive sector.



## GLOBAL CAR PRODUCTION OF GERMAN MANUFACTURERS



In 2021, German car production output totalled 12.5 million vehicles (including JV production)

Source: Based on VDA figures.

Almost identical forecasts in the 2022 Autumn Report and in the World Economic Outlook of the International Monetary Fund (IMF) project global economic growth of just 2.5% and 2.7% (IMF) for the year 2022 as a whole due to the ongoing tense geopolitical situation, high energy prices and generally high rates of inflation. These forecasts are significantly below the expectations of the IMF in autumn 2021 when it still estimated global economic growth for 2022 at 4.2%.

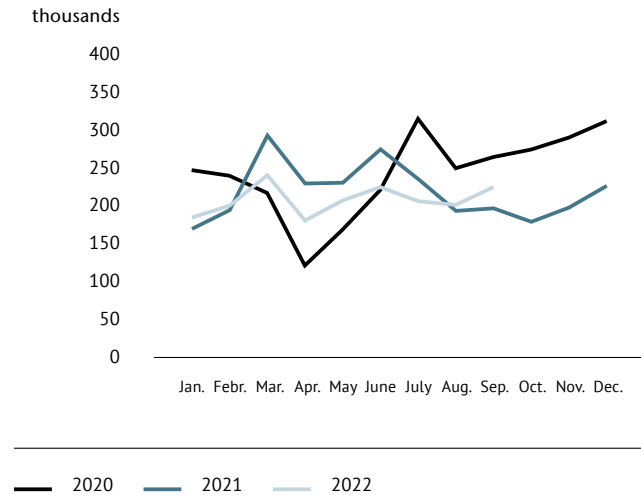
In the current situation, the Autumn Report expects the US economy to grow by 1.6% in 2022. Low growth is mainly due to strong upward pressure on prices, reduced private consumption and the rather moderate sales and earnings prospects of companies. The Chinese economy is not expected to recover its previous high momentum in the near future. The government's zero-covid policy as well as the crisis in the real estate market underlie the assumption that gross domestic product will increase by a mere 3.0% in the current year. According to the autumn forecast, GDP in Europe will grow by 2.6%, while Germany will again only grow at a below-average rate of 1.5%. The German economy was severely affected by the crisis in gas markets. The loss of purchasing power in the economy as a whole as a result of rising energy costs is dampening the post-pandemic recovery.

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## DEVELOPMENT OF NEW CAR REGISTRATIONS IN GERMANY SINCE 2020



Source: Federal Motor Transport Authority

## DEVELOPMENT OF THE AUTOMOTIVE INDUSTRY

According to the German Association of the Automotive Industry (VDA), the picture in international automobile markets has been rather mixed. Markets continue to face numerous challenges along the value chain. Highly dynamic prices are also having a dampening effect in Europe and the USA. Nonetheless, markets have responded quite differently from country to country so far in 2022. While China and India experienced a clear upswing, the recovery in Europe and the USA has been only marginal.

# 71.3 million

passenger cars were newly registered worldwide in 2021 according to the VDA

According to VDA figures, 71.3 million passenger cars were newly registered worldwide in 2021, which is an increase of 4% on the previous year. In the USA, 14.9 million passenger cars were newly registered in the calendar year 2021, or around 3% more vehicles than in the previous year. New car registrations in China grew by 7% in 2021 to 21.1 million cars; 11.8 million passenger cars were newly registered in the European Union in 2021, equivalent to a drop of 2%. Germany presents a weak picture. In 2021 the number of new car registrations in Germany fell by 10.0% to 2.6 million units.

Passenger car sales in the first three quarters of 2022 varied according to region but were weaker overall than in 2021. In the USA, sales of light vehicles fell by 13.0% year-on-year to around 10.1 million units in the period January to September 2022. A total of 16.8 million passenger cars were newly registered in China, about 15% more than in the same period last year, which was still hampered by pandemic measures. By September 2022, 8.3 million passenger cars had been sold on the European market, down 10% compared to the previous year.



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The VDA reports that 1.9 million passenger cars were newly registered in Germany in the first nine months of the calendar year 2022. This was 7% down on the figures for the previous year. Compared to 2019, there was even a 32% drop in sales to September 2022. Only electric cars have bucked this negative trend in Germany with sales up by 2% year-on-year in the period to September 2022.

Weak passenger car sales in some regions affect manufacturers in different ways. Contingent on their positioning and product mix, the revenues and earnings of our main customers have developed positively on the whole. Some passenger car manufacturers even reported record margins during some phases of the 2021/2022 reporting period.

## DEVELOPMENT OF THE AEROSPACE INDUSTRY

According to the German Aerospace Industries Association (BDLI), the industry was still suffering from the impact of the coronavirus crisis in 2021. At EUR 31.4 billion, the sales revenue of the industry as a whole in 2021 stagnated at the low level of the previous year (EUR 31.5 billion). The number of employees decreased by 5,000 from a total of 105,000 (2020) to 100,000. According to the BDLI, the persistent dip in total sales revenues is mainly due to the ongoing crisis in civil aviation. Sales revenues in this, the biggest segment of the aerospace industry as a whole were, as in the previous year, EUR 22 billion. System manufacturers and the highly stratified, national supply chain were also massively affected by the slump in international travel and the associated low demand for new commercial aircraft in 2021. Furthermore, the number of people employed in the industry decreased by 4,000 to 69,000 due to necessary structural adjustment measures that could no longer be compensated for by short-time working, especially in the production of long-haul aircraft. However, the BDLI President emphasises that this crisis should be seen as an opportunity. Accordingly, the BDLI's goal for the future is to develop and build climate-neutral aircraft in Europe and Germany. The BDLI is consequently strongly committed to research funding and the financing of technology demonstrators. The major European aerospace company Airbus describes the operating environment in the period January to September 2022 as very complex.

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# 647

new units of commercial aircraft, well above the previous year's figure of 133, have been ordered from Airbus.

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On the one hand, the new orders for 647 units of commercial aircraft were well above the previous year's figure of 133 units. Large order books consequently filled up by just under 6% to 7,294 units. On the other hand, Airbus points to fragile supply structures due to ongoing pressures from the pandemic, the Ukraine war, energy shortages and a tight labour market. Sales revenues in the space industry remained constant at EUR 2.4 billion. Nevertheless, supply chains continued to face challenges due to both corona and fewer launches of European carrier rockets. In 2021, however, space travel again demonstrated the benefits it offers people and the environment, as new major successes in climate change research were achieved with the satellites made by the German space industry. The Ukraine war in particular has revealed the strategic relevance of the spaceflight and the need for European, satellite-based and secure connectivity. The military aerospace segment has also come into focus with the new geopolitical challenges. The industry generated ongoing sales revenues of EUR 7.0 billion in 2021. Revenues will likely increase in the years ahead if planned armament programmes such as FCAS go ahead.



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## DEVELOPMENTS IN OTHER SECTORS

According to the German Engineering Federation (VDMA), the industry performed well, despite the challenging market environment in 2021. The order books of the German machinery and plant engineering sector showed an overall increase of 2% in the first half of 2022, largely due to orders from abroad. Customers still wish to invest in new machinery and equipment but they are becoming increasingly hesitant.

According to the German Electrical and Electronic Manufacturers Association (ZVEI), the electro and digital industry closed the year 2021 with encouraging developments. Aggregate industry sales in the period January to August 2022 stood at EUR 143 billion, 10.7% higher than in the previous year. Price-adjusted production was 9.3% higher in August 2022 than in the previous year.

In 2021, according to German Industry Association for Optics, Photonics, Analytical and Medical Technology (SPECTARIS), Germany's 2,676 medical technology producers reported total sales of EUR 77.9 billion. Sales revenues went up significantly compared to the previous year, particularly in the field of photonics (+17.9%) and analytical, bio and laboratory technology (+12.5%). For the year 2022, the association expects a slight increase in total sales revenues.





# Business performance

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Bertrandt's business performance in fiscal 2021/2022 was largely determined by an increase in the number of projects awarded and a noticeable improvement in capacity utilisation compared with the previous year, which was hit by the impact of the pandemic. As a result, short-time working came to a complete stop in Germany and was significantly reduced abroad during the course of the fiscal year. Bertrandt is therefore able to report strong growth in total revenues for the fiscal year 2021/2022, although the pace of the recovery was slowed by high levels of sick leave during ongoing waves of the pandemic. Earnings also increased compared to the pandemic-related lower level of the previous year. At the same time, however, the increase in earnings was dampened by general cost increases and by sharply rising energy prices in particular. The measures taken in response will take some time before they are able to counterbalance these negative factors.

Business and the performance indicators used for controlling purposes developed as forecast in the Half Year Report 2021/2022 (p. 14 and following) subsequent to the forecast in the Annual Report 2020/2021 (p. 106 and following) as well as the supplement published in the ad-hoc announcement of 27 July 2022. Business in the reporting period also developed as originally forecast for the 2021/2022 fiscal year in the Annual Report 2020/2021, with the exception of total revenues, which were slightly higher than forecast.

## TOTAL REVENUES

Despite a challenging macroeconomic environment and the continuing negative impact of the pandemic in the form of sickness and quarantine-related absences, Bertrandt benefited in the period under review from higher demand for development services, a noticeable rise in project awards and improved capacity utilisation both at home and abroad. Accordingly, total revenues in the full year 2021/2022 rose by 18.9% to EUR 1,009.159 million (2020/2021: EUR 848.592 million). The Philotech Group was con-

solidated for the first time in the second quarter of 2021/2022. In the 2021/2022 reporting period the Bertrandt Group grew organically by 15.1%. Total revenues in fiscal 2021/2022 include own work capitalised of EUR 0.684 million. The high figure for the previous year of EUR 3.019 million was mainly due to the construction, completion and commissioning of the Powertrain Solution Center. Total revenues were negatively affected by absences and high rates of sick leave relating to the pandemic.

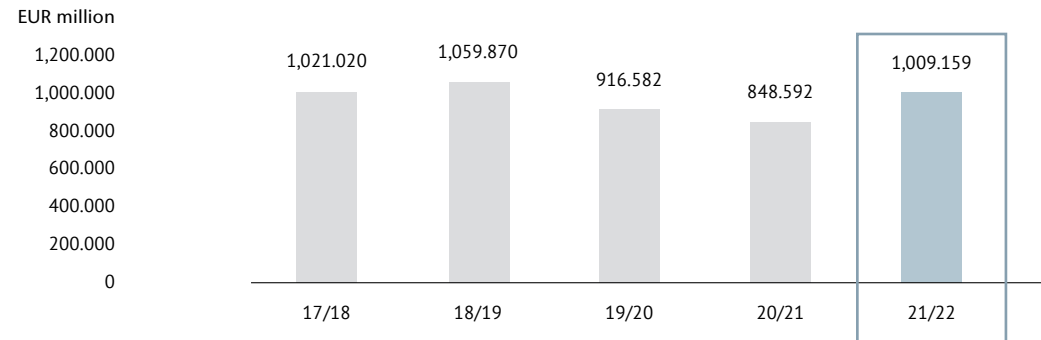
The business performance of Bertrandt's foreign subsidiaries varied strongly, depending on customers. Overall, total revenues of EUR 154.361 million (previous year EUR 106.895 million) were generated. All Bertrandt's foreign markets, such as France, Spain, the USA, Romania and China, grew strongly. Short-time working was still in place in France during the fiscal year 2021/2022.

Seasonal business performance in fiscal year 2021/2022 was determined by the number of working days per quarter and the distribution of public holidays and other holidays.



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## TOTAL REVENUES



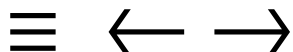
Bertrandt generated total revenues of EUR 1,009.159 million.

## KEY EXPENDITURE FIGURES

Improved capacity utilisation and increasing total revenues are reflected in the key expenditure figures. The cost of materials of EUR 108.904 million rose compared to the previous year (EUR 72.222 million) as a result of project-related higher procurements from external service suppliers. Personnel expenses rose to EUR 740.314 million (2020/2021: EUR 650.668 million) owing to the return to a normal level of capacity utilisation and the resulting reduction in short-time working, which continued to affect Bertrandt's subsidiaries in France and a few locations in Germany in the first half of the reporting period. A further factor influencing personnel costs was the gratifying increase in the number of employees to 13,179 people as at the reporting date (12,030 people as at 30 September 2021). This includes 427 employees at Philotech and the addition of 722 new hires since the previous year. Increasing capacity utilisation enabled the staff cost ratio to be improved to 73.4% in the reporting period (2020/2021: 76.7%). Owing to short-time working in the course of the fiscal year 2021/2022, personnel costs included government grants of EUR 0.198 million (2020/2021: EUR

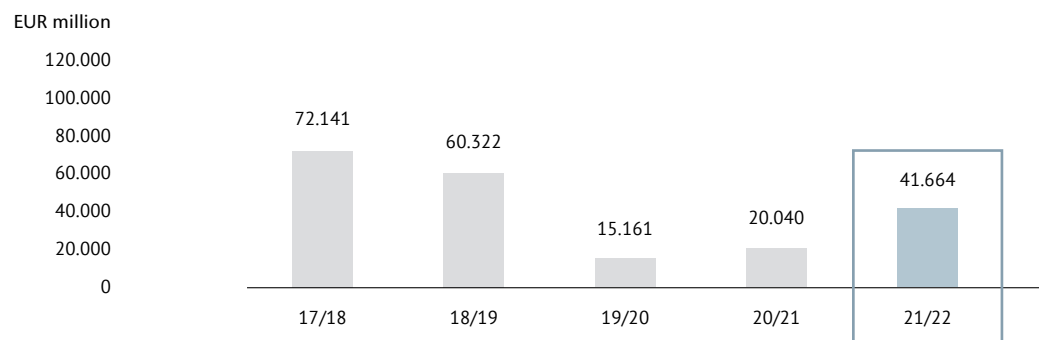
4.011 million) in Germany and EUR 3.048 million (2020/2021: EUR 6.885 million) in other countries. This expense item also includes a one-off Covid-19 bonus payment to employees as well as expenses for staff and team events in the aftermath of the pandemic.

Depreciation/amortisation expense of EUR 56.976 million in the reporting period was at much the same level as the previous year's figure of EUR 56.497 million. Other operating expenses increased from EUR 62.655 million in the previous year to EUR 81.108 million in fiscal 2021/2022. This increase is related to the higher business volume and concerns, for example, recruiting measures, vocational and further training costs or sales initiatives. The noticeable rise in energy costs also led to an increase in this expense item.



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## EBIT



EBIT increased to EUR 41.664 million in the 2021/2022 fiscal year.

## EBIT

The Bertrandt Group's EBIT of EUR 41.664 million (2020/2021: EUR 20.040 million) benefited in the reporting period 2021/2022 from higher capacity utilisation and the cost optimisations introduced during the pandemic, although the increase in expense items already referred to slowed down the recovery in earnings. The operating margin in the reporting period rose to 4.1% (2020/2021: 2.4%). Earnings development in the reporting period was largely in line with total revenues and is significantly influenced by the capacity utilisation rate in the different months. Bertrandt's foreign subsidiaries generated a cumulative EBIT of EUR 5.457 million (previous year EUR 1.488 million).

The increase in other operating income to EUR 19.806 million (2020/2021 EUR 13.490 million) is mainly due to the recognition of a claim for compensation payment resulting from the delay in the operational capability of technical equipment and machinery. Refer to the Notes for further information.

# 41.664

million EUR EBIT were generated  
in fiscal year 2021/2022

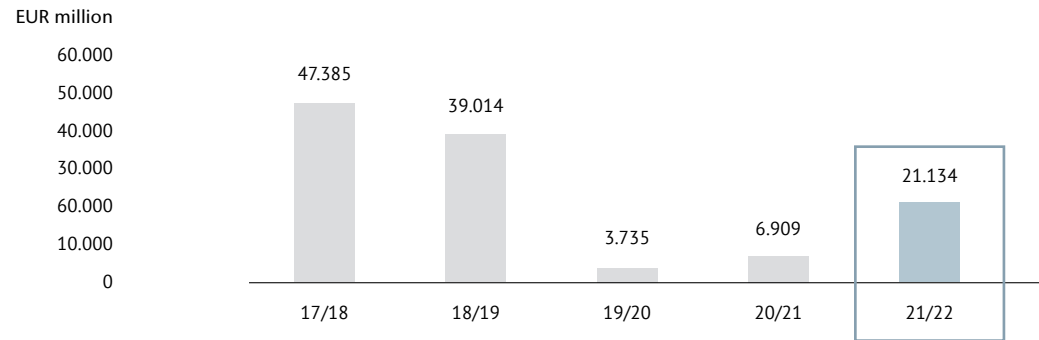
## NET FINANCE INCOME

Net finance income in the reporting period was EUR -6.360 million (2020/2021: EUR -5.900 million). This year-on-year high is mainly explained by higher finance costs.



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## POST-TAX EARNINGS



Post-tax earnings came to EUR 21.134 million in the fiscal year 2021/2022.

## POST-TAX EARNINGS

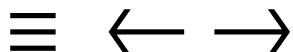
Profit from ordinary activities rose along with operating profit (EBIT) and totalled EUR 35.304 million (previous year EUR 14.140 million). With income tax expense amounting to EUR 11.663 million (previous year EUR 5.251 million), the tax rate for the reporting period normalised at 35.6%, compared to the higher rate in the previous year (43.2%), largely due to the recognition of tax losses at the level of foreign subsidiaries. Post-tax earnings in the fiscal year 2021/2022 were EUR 21.134 million (previous year EUR 6.909 million). This works out at earnings per share of EUR 2.09 (previous year EUR 0.68). Following the implementation of an employee share scheme, the number of shares outstanding increased from 10,095,213 (on 30 September 2021) to 10,100,041 as at 30 September 2022. Conversely, the number of Bertrandt's own shares fell from 48,027 to 43,199 shares. As in the past, the share capital is 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 for the automotive units in Germany 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 2021/2022 in line with service and topic-specific conditions. Nevertheless, total revenues developed positively 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 19.3% to EUR 487.354 million (2021/2022: EUR 408.592 million). EBIT in the reporting period was EUR 27.634 million (2020/2021: EUR 6.643 million). This significant improvement is due to noticeably higher capacity utilisation following the delays in the award of projects in the previous year due to the pandemic.



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The segment EBIT margin of 5.7% (2020/2021: 1.6%) reflects this recovery and the cost optimisation measures implemented in previous years.

The Physical Engineering segment takes on all business activities related to the testing and validation on and with physical component parts, components, systems and the vehicle as a whole. Total revenues in fiscal year 2021/2022 amounted to EUR 216.746 million (2020/2021: EUR 199.390 million), which corresponds to an increase of 8.7%. The segment's EBIT was adversely affected by expenses in connection with the start-up process of the new Powertrain Solution Centers and amounted in the reporting period to EUR -6.173 million (2020/2021: EUR -1.356 million), which corresponds to a margin of -2.9% (2020/2021: -0.7%).

The Electrical Systems/Electronics segment, which brings together many services related to the megatrends of digitalisation, software and electrification, generated total revenues of EUR 305.059 million (2020/2021: EUR 240.611 million). The growth rate thus corresponds to 26.8%. The segment EBIT was EUR 20.203 million (2020/2021: EUR 14.753 million), equal to a margin of 6.6% (2020/2021: 6.1%).

## NET ASSETS

The Group's balance sheet structure is based on the principle of matching maturities. Total assets increased by EUR 39.658 million to EUR 956.047 million as at 30 September 2022 (previous year EUR 916.389 million), which was mainly due to the increased business volume and the initial consolidation of the Philotech Group.

Non-current assets of EUR 444.058 million as at 30 September 2022 were more or less unchanged (EUR 440.675 million as at 30 September 2021) despite the acquisition of Philotech and mainly relate to intangible assets. Explanations on the acquisition's effects on the balance sheet are given in the Notes. As a result of depreciation and reduced investing activity, property, plant and equipment at the end of the reporting period amounted to EUR 373.841 million after EUR 391.406 million as at 30 September 2021.

Current assets came to EUR 511.990 million at the end of the reporting period (EUR 475.714 million as at 30 September 2021). Due to the increased business volume, at the end of the reporting period contract assets increased to EUR 115.510 million (EUR 92.962 million as at 30 September 2021) and trade receivables to EUR 208.933 million (EUR 168.856 million as at 30 September 2021). Cash and cash equivalents were lower at EUR 161.557 million at the end of the fiscal year (end of 2020/2021: EUR 190.205 million).

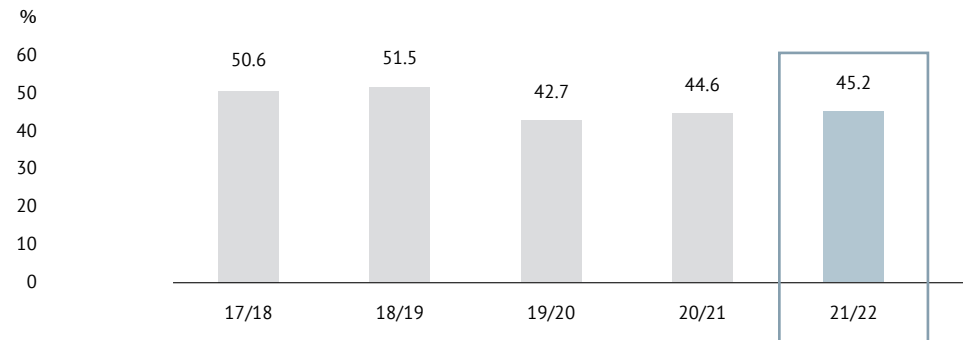
Current liabilities came to EUR 336.104 million on 30 September 2022 (EUR 154.856 million as at 30 September 2021). The distinct rise in current liabilities by EUR 181.248 million essentially results from the reclassification of the tranches of the bonded loan falling due in November 2022 from non-current to current borrowings. In addition, trade payables increased from EUR 13.862 million (30 September 2021) to EUR 30.528 million (30 September 2022) as business activity expanded.

Non-current liabilities decreased from EUR 352.706 million (30 September 2021) to EUR 188.097 million at the end of the reporting period, mainly due to the reclassification of the tranches of the bonded loan.



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## EQUITY RATIO



An equity ratio of 45.2% makes Bertrandt a financially strong company.

## SOLID EQUITY BASE

As at 30 September 2022, equity of EUR 431.846 million was higher than at the end of the previous fiscal year (EUR 408.828 million). This change is largely due to post-tax earnings of EUR 21.134 million (2020/2021: EUR 6.909 million) less the paid out dividend of EUR 2.726 million (2020/2021: EUR 1.514 million) approved by the annual general meeting. The equity ratio increased slightly from 44.6% (30 September 2021) to 45.2% at the end of the fiscal year 2021/2022.

## 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

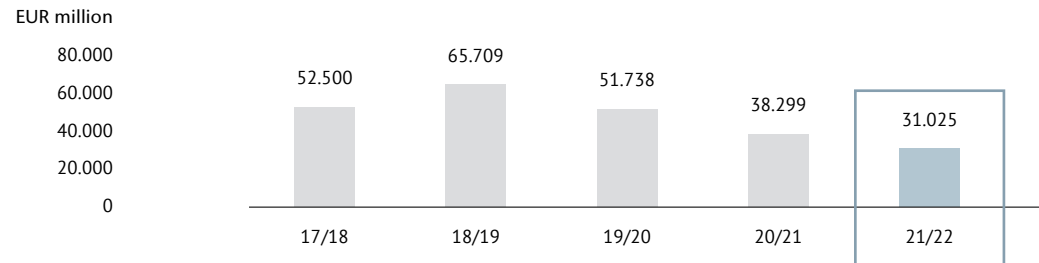
Despite the increase in post-tax earnings, cash flow from operating activities in the fiscal year 2021/2022 of EUR 56.900 million was not as high as in the previous reporting period (EUR 73.662 million). This development is mainly related to the increase in business activity and the resulting funds tied up in net assets (working capital).





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## PAYMENTS MADE FOR INVESTMENTS



The investments made in the fiscal year 2021/2022 were reduced as expected.

## CAPITAL EXPENDITURE

At EUR 26.366 million, payments made for investments in property, plant and equipment in the fiscal year 2021/2022 were, as expected, lower than in the previous year (2020/2021: EUR 35.676 million). The increase in capital expenditure on intangible assets to EUR 4.634 million (2020/2021: EUR 2.623 million) is related to increased investments in software and licences. Taking account of the additional EUR 19.815 million (previous year EUR 0 million) for payments made for the acquisition of consolidated and other companies, total cash flow from investing activities was EUR -47.939 million (2020/2021: EUR -37.760 million). As at the reporting date of 30 September 2022 other financial obligations of EUR 17.807 million exist for property, plant and equipment (previous year EUR 12.189 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.

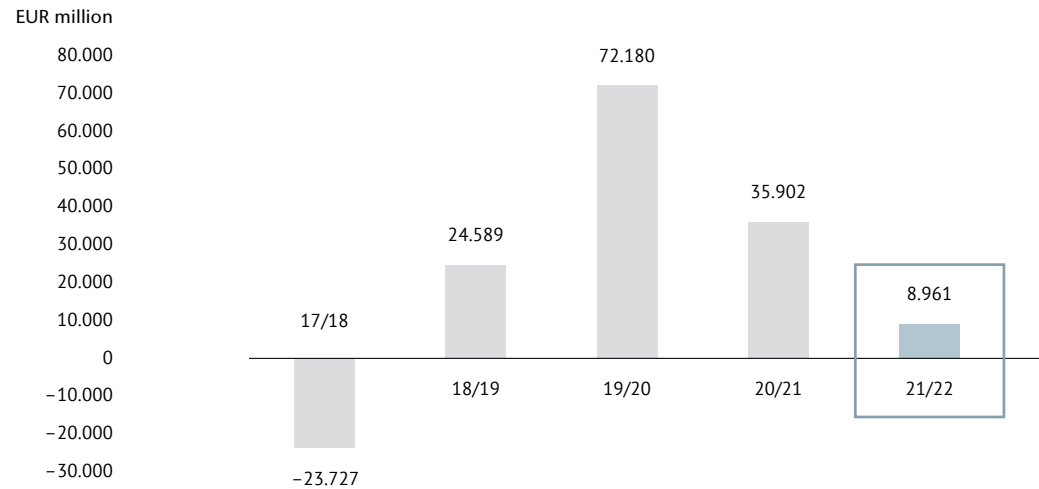
# 8.961

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 8.961 million in fiscal 2021/2022 (previous year EUR 35.902 million).

The negative cash flow from financing activities of EUR -38.642 million (2020/2021: EUR -33.105 million) results from the cumulative payments for the dividend, the repayment of borrowings and other liabilities, and for interest paid. In contrast to the previous year, no payments were received from borrowings issued in the reporting period 2021/2022.

Total cash and cash equivalents at the end of the reporting period decreased to EUR 161.557 million (30 September 2021: EUR 190.205 million). With these financial resources, unused and committed credit lines and alternative financing instruments of more than EUR 241 million (previous year EUR 252 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 two fiscal years of declining total revenues and EBIT as a result of the impact of the pandemic, Bertrandt's total revenues grew strongly and EBIT improved again, as anticipated, in the fiscal year 2021/2022 within the forecast target range. Bertrandt has thus returned to the growth path that was temporarily interrupted by the effects of the pandemic and generated total revenues of over EUR 1 billion in the reporting period.

However, the effects of the pandemic had not yet been completely overcome in the reporting period. Particularly in the first two quarters, the instrument of short-time working was still being used at some locations to compensate to some extent for the pandemic-related under-utilisation of capacity. In recent quarters, the recovery of total revenues has also been slowed down by a high level of sick leave. The recovery of operating profit (EBIT) was also limited by the generally high rate of inflation and the sharp rise in energy prices, as countermeasures such as increases in Bertrandt's own prices only take 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.

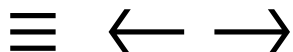
## HUMAN RESOURCES MANAGEMENT

Our employees are the key to the Group's success. As at the reporting date of 30 September 2022, the Bertrandt Group employed 13,179 people worldwide (previous year 12,030). With their innovative ideas and a high readiness to perform they have made a major contribution towards the development of the Group. Of the 13,179 employees, 427 people were employed by the Philotech Group as at the reporting date (30 September 2021: 356). Organic employee growth at Bertrandt thus amounted to 722 people in fiscal 2021/2022.

Bertrandt's primary focus continued to be on ensuring its attractiveness as an employer. Attracting new people and retaining existing employees in the long term is an important goal.

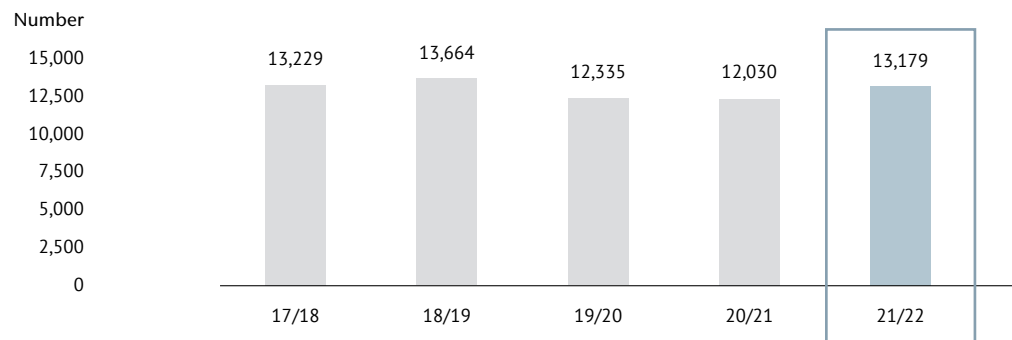
Bertrandt has always endeavoured to enable our employees to combine work, family and leisure time by offering various programmes such as flexitime schemes or part-time employment. In fiscal year 2021/2022, these efforts were further supported by, among other things, the development of a remote working policy to promote remote working, which, at the same time, provides great flexibility for employees.

It is one of the key tasks of the People & Culture department at Bertrandt to establish a culture of diversity and inclusion across the Group. Values such as openness, trust and respect are not only anchored in policies but are filled with life throughout the organisation.



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## DEVELOPMENT OF HEADCOUNT



As at the reporting date, 13,179 employees worked for Bertrandt worldwide.

The Group-level functions Talent Acquisition & HR Marketing and HR Development are comprised of decentralised teams that work together across our locations. We pool the expertise that is distributed in our organisation in Centers of Competence (CoCs) to ensure the high quality for our HR services. This immediately increases Bertrandt's attractiveness as an employer.

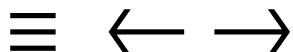
We conduct group wide employee satisfaction surveys and use ongoing dialog between managers and employees to analyse employees' needs and wishes as effectively as possible.

In fiscal year 2021/2022, several external sources confirmed Bertrandt's reputation as an attractive employer. We have received the Focus and Focus Money 'Top Career Prospects for Women' seal and, for the seventh year in a row, the 'Top Career Prospects' seal for Germany. According to a study by Heise of 20,000 companies, Bertrandt is one of 'Germany's best STEM employers'. Bertrandt is also among the top 100 employers in both the student and professional categories for the year 2022 in the rankings of the independent consulting and market research company Trendence.

# 13,179

employees are working for our customers  
and partners every day.

We set great store by our attractiveness as an employer and it is therefore essential that we ensure the good health and safety of our employees at the workplace by means of ergonomic workplace design, our 'Health 4Bertrandt' health management programme and occupational safety management.



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### Talent Acquisition & HR Marketing

Recruiting new employees again played a central role for the Bertrandt Group in fiscal year 2021/2022. The current challenges on the labour market primarily associated with a shortage of skilled workers require a precise understanding of applicants' needs and an alignment of recruiting measures to what is frequently called 'candidate journey'.

In fiscal year 2021/2022, we were again able to attend or host a large number of career events and enter into collaborations with key universities. We will expand our online marketing measures by, for example, optimising our careers website for visitors, strengthening our social media activities and identifying entirely new channels.

The establishment of a central unit for onboarding rounds off the measures for attracting new employees. The alignment of the onboarding process with the corporate strategy and establishment of a uniform standard enables us to maintain a high level of quality in the integration of new employees.

### Continuous professional development

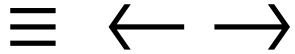
The continuous professional development and further training of our employees in the sense of lifelong learning form another essential pillar at Bertrandt which is based on our competence model. By establishing and expanding the Bertrandt Academy – which takes care of all our employees' interdisciplinary and professional development, vocational and further training needs – in fiscal year 2021/2022 we have ensured that our workforce has the skills that are needed at Bertrandt. Our employees receive the best possible support for their individual development from the Centers of Competence. The portfolio ranges from personality training such as team-building facilitation, coaching, soft-skill training and modular 'leadership development' programmes through to specialist and service-specific training.

In fiscal year 2021/2022, the Tech Academy became a driver of professional and interdisciplinary training and qualifications as well as a consulting and implementation partner for technical training concepts.

The Bertrandt Group has invested a total of EUR 5.5 million (2020/2021: EUR 3.5 million) in continuous development activities for its specialist and executive staff.

### Vocational training

Our apprentices and students on dual study programmes are the skilled workers and specialists of tomorrow. Therefore, Bertrandt has always set great store by providing vocational training. Vocational training standards at Bertrandt have been kept at a very high level thanks to measures in fiscal 2021/2022, such as ensuring attractive pay to apprentices and students on dual study programmes or the validation of Bertrandt's range of training programmes. In fiscal year 2021/2022, our apprentices received an award from the Chamber of Industry and Commerce (Stuttgart region) for their outstanding training performance, which highlights the quality of vocational training at Bertrandt. As at 30 September 2022, we were training 183 apprentices and 13 students on dual study programmes in technical, industrial and commercial professions. The proportion of women at Bertrandt who are apprentices or students on dual study programmes in technical, industrial and commercial professions was just over 23% in fiscal 2021/2022.



# 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, Romania, Spain, Turkey, the United Kingdom and the United States of America. 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 management of the respective subsidiary. Cyclical and sector-specific changes are constantly monitored and incorporated in the operative control of the business segments 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 controlling 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. Controlling 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 controlling 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 corporate governance practices described below are also adopted by the Group.

## 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 guidelines and ethical principles (compliance). Bertrandt's corporate culture is geared to 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 2019, 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>.



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## 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 optimise risk positions. This 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, and compliance as well as the required independence and selection of the statutory auditor.

## 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 had appointed Mr Udo Bäder as an independent Supervisory Board member with accounting and auditing expertise (referred to as 'financial expert') according to Section 100 (5) German Stock Corporation Act (AktG) in conjunction with Section 12 (6) Introductory Act to the Stock Corporation Act (EG-AktG). As the transitional arrangement was to expire on 18 May 2022, the Supervisory Board, at its meeting on 17 May 2022, appointed Mr Udo Bäder as member of the Supervisory Board with expertise in the field of 'auditing' and, in addition, Mr Dietmar Bichler as member of the Supervisory Board with expertise in the field of 'accounting' within the meaning of Section 100 (5) AktG.

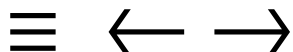
## TRANSPARENCY

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 which might have a considerable impact on the price of Bertrandt's shares, 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 managing 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 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 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 Management Board member to independently manage the field of activity assigned to them. The Rules of Pro-



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cedure 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. 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 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; and 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 are 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.

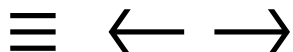
The Supervisory Board appoints the members of the Management Board. It also advises and monitors the Management Board regarding its activities.

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>. 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 2021/2022 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 15 December 2022.

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 is required to assess the effectiveness of its own actions and the committees' actions on a regular basis. The Supervisory Board conducted one such assessment in fiscal year 2021/2022. A questionnaire provided to the Supervisory Board members on 2 December 2022 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, actions of 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 on the self-evaluation was held on 12 December 2022. 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.



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## COMPOSITION AND WORKING PROCEDURES OF THE SUPERVISORY BOARD COMMITTEES

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 Mr Udo Bäder and Mr Dietmar Bichler. Mr Horst Binnig was a member of the Audit Committee until 5 April 2022; since 5 April 2022 Prof. Dr.-Ing. Wilfried Sihm has been an additional member of the Audit Committee. All Audit Committee members are familiar with the industry in which Bertrandt AG operates. As has already been explained, the Supervisory Board had appointed Udo Bäder as Supervisory Board member with accounting and auditing expertise ('financial expert') according to Section 100 (5) AktG in conjunction with Section 12 (6) EGAktG. Udo Bäder also acts as chairman of the Audit Committee. On 17 May 2022 the Supervisory Board appointed Mr Udo Bäder as an expert in the field of 'auditing' and Mr Dietmar Bichler as an expert in the field of 'accounting', as has also been explained above. Mr 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. Mr 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 Mr Dietmar Bichler and Prof. Dr.-Ing. Wilfried Sihm. Until 5 April 2022, Mr Horst Binnig was a member of the Human Resources Committee; since 5 April 2022, Mr Udo Bäder has been a member of the Human Resources Committee. The Human Resources Committee, which is chaired by Dietmar Bichler, simultaneously assumes the role of the Nomination 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 proportion already achieved. At the same time, deadlines of no longer than five years must be specified for attaining the targets. The targets may currently 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) AktG, 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 according to this the standard is not yet applicable.*

*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) AktG, 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.*

*The targets defined in May 2021 were attained at the level of the Management Board and at the first management level in the period considered in this corporate governance declaration, but they were not attained at the second level below the Management Board and in the Supervisory Board. Female representation at the second level below the Management Board was 25%; in the Supervisory Board it was 16.67%. This is due to the election of a female Supervisory Board member by the employees and the success in recruiting female executives for the Group and offering them development opportunities.*

## **DECLARATION OF CONFORMITY PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG) DATED 26 SEPTEMBER 2022**

### **'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 Company in principle complied with the recommendations of the Government Commission on the German Corporate Governance Code, as amended on 16 December 2019 and published in the German Federal Gazette on 20 March 2020 ('hereinafter referred to as 'GCGC 2020'), until the Code was replaced with the amended version dated 28 April 2022 with effect from 27 June 2022. The Company did not comply with the recommendations in A.1; A.2 sentence 1 last clause; B.2 last clause; B.3; C.1; C.4 to C.9; C.10 sentence 1 first and third alternatives, C. 11 to C.13; D.1 last clause; D.7, E.1 and 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 of the GCGC 2020. The recommendation in F.2 was not complied with until the publication of the half-year report on 19 May 2022, after which F.2 was complied with. Since 26 April 2022 the Company has deviated from the recommendation under Section C.15 sentence 2 GCGC 2020; in this respect, last year's declaration of conformity had already been updated during the year with the declaration of 26 April 2022. The Company has already complied with*

*the recommendation in C.10 sentence 1, second alternative ('independence of the audit committee's chair') since 20 September 2021; moreover, C.10 sentence 2 was also complied with in the reporting period.*

*The recommendations of the Government Commission on the German Corporate Governance Code as amended on 28 April 2022 and published in the Federal Gazette on 27 June 2022 (hereinafter referred to as 'GCGC 2022') have been and are being complied with in principle, with the exception of the recommendations in A.2; B.2 last clause, C.1; C.6 to C.8; C.10 sentence 1 first and third alternatives, 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. In addition, the recommendations in A.3; C.4; C.5; C.9 and C.11; C.12; D.1 last clause were not applied until 26 September 2022. Furthermore, the recommendation in A.5 last clause will not be applied until probably 15 December 2022.*

*The Supervisory Board is currently working on a new remuneration system for the Management Board. It is aiming for a resolution to be adopted before the end of 2022, if possible, so that it can then be submitted to the 2023 annual general meeting for approval. The Supervisory Board expects that, as a result, the declaration of conformity may be updated during the year as appropriate, because individual or all of the above deviations from recommendations in section G. may no longer apply.*

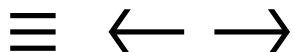
*The deviations from individual recommendations are or were based on the following considerations:*

### **I. Deviations from recommendations of the GCGC 2020 (until 27 June 2022)**

#### **A.1 GCGC**

*The Company deviated from the recommendations in A.1. It was in the interest of Bertrandt AG to give priority to the professional experience, capabilities and knowledge of individuals when appointing executives. In its own interest, the Company strove to ensure that its appointment process was free from discrimination and barriers in all countries where it operated so as to leverage the potential offered by applicants and candidates for leadership positions. The Supervisory Board's Rules of Procedure even explicitly required the Board's Human Resources Committee to take diversity in the composition of the Management Board into account when a proposal for an appointment was made to the Supervisory Board.*





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#### **A.2 sentence 1 last clause GCGC**

Bertrandt AG maintained an adequate compliance management system which was aligned to the Company's risk situation. The Company reported on this system in accordance with the provisions of the Act to strengthen non-financial reporting by companies in their management reports and group management reports (CSR Directive Implementation Act). However, since the GCGC fails to define which are the individual requirements arising from A.2 sentence 1 last clause GCGC, the Company, as a precautionary measure, declares a deviation from A.2 sentence 1 last clause GCGC.

#### **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**

As a precautionary measure, the Company declared a deviation from this recommendation last year. In the case of new appointments to the Management Board, high-calibre candidates in particular may demand service contracts for the statutory maximum term. It is in Bertrandt's interest not to exclude these candidates per se. In the reporting period, however, there were no appointments of new Management Board members; therefore, no use was made of the reserved deviation from B.3 GCGC.

#### **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.13 GCGC contain various recommendations for the composition of the Supervisory Board and the election of Supervisory Board members, for example regarding their independence; the deviation from these recommendations had already been declared and announced in the past year by the Company.

In 2019 a new Supervisory Board was elected for a term lasting until the end of the annual general meeting that votes on the discharge of the Supervisory Board members from their responsibilities for the fourth fiscal year after the beginning of their terms.

The relevant recommendations of the German Corporate Governance Code are to be evaluated and deliberated in good time before the election of a new Supervisory Board by the 2024 annual general meeting. In order not to anticipate these deliberations, the Company had already declared in the past year, as a precautionary measure, a major deviation from the recommendations of C.1 and C.4 to C.13 GCGC. Notwithstanding this, it was declared and announced in the past year already that the Company had applied and would continue to apply the recommendation in C.10 sentence 1, second alternative ('independence of the audit committee's chair') since 20 September 2021; moreover, C.10 sentence 2 was also complied with in the reporting period

#### **C.15 sentence 2 GCGC**

Section C.15 sentence 2 of the GCGC recommends that where an application is made for the appointment by Court of a shareholder representative to the Supervisory Board, the term of that member shall be limited in time until the next annual general meeting. In view of the remaining term of office of former Supervisory Board member Horst Binnig, who resigned from office with effect from the end of 30 April 2022, the declaration of conformity was updated during the year on 26 April 2022, and a deviation declared, so that the Company was given the opportunity to apply for an appointment by Court also for the remaining term of office of the resigning Supervisory Board member, which was then also used for the Court appointment of Mr Matthias Benz.

#### **D.1 last clause GCGC**

The information provided in the Corporate Governance section of the Company's website has so far only consisted of the declaration of conformity and the Articles of Association. The Company has continued this proven practice.

#### **D.7 GCGC**

The Supervisory Board held meetings without the involvement of Management Board members as required (e.g. in the situations addressed by Section 109 (1) sentence 3 AktG), but not regularly.

#### **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 such information to the deputy





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Chairman. These provisions exceed the recommendations of the GCCG 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, however, the Rules of Procedure for the Management Board complied with the recommendations of E.2 GCCG 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 spokesperson of the Management Board.*

#### **F.2 GCCG**

*Bertrandt AG's reporting conforms with legal requirements and the published expectations of the stock exchange. In the 2021/2022 fiscal year the Company did not publish its statement on the 1st quarter and its half-year report within 45 days from the end of the reporting period, but made use of the 'grace period' of several days granted by the stock exchange beyond the deadlines stated in the recommendations under F.2 (see 'Guide to the DAX Equity Indices', section 4.1.1.1). However, the recommendations in F.2 have been complied with since the publication of the half-year report in the current fiscal year on 19 May 2022.*

#### **G.1 GCCG**

*Bertrandt AG's remuneration system, which was approved by the annual general meeting on 26 February 2021, does not define any target remuneration or relative fixed and variable remuneration components nor does it determine any non-financial performance criteria. In the opinion of the Supervisory Board, linking remuneration to a key performance indicator for controlling the Group across its different levels, as has been described in this Annual Report, 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 to determine target*

*achievement. No fixed weighting is applied to the individual remuneration components; the weighting 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 GCCG**

*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 GCCG**

*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 Supervisory 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 comparable to the Bertrandt Group that also offer engineering solutions for the international automotive, aerospace, mechanical and plant engineering, energy, medical engineering, and electrical and electronics industries.*

#### **G.7 sentence 1 GCCG**

*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 to determine target achievement.*



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### **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 decision on target achievement by the Supervisory Board is therefore dispensable.*

### **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 a company's development and the performance of its management board.*

*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, as statutory liability provisions according to Section 93 (2) sentence 2 AktG even stipulate 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 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 for restrictions on competition after termination of the contract; 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.*

## **II. Deviations from recommendations of the GCGC 2022 (from 27 June 2022)**

### **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 individuals 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. The Supervisory Board's Rules of Procedure even 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.*

### **A.3 GCGC**

*Since 26 September 2022 Bertrandt has also included sustainability-related targets in its ICS and risk management system and therefore complies with the new recommendation. A deviation must be declared for the period leading up to this date as Bertrandt needed a transition period to implement the new recommendation appropriately.*

### **A.5 last clause GCGC**

*The group management report of Bertrandt Aktiengesellschaft as at 30 September 2021 includes a description of the significant characteristics of the internal control and risk management systems. In the management report as at 30 September 2022, which is expected to be published on 15 December 2022, an additional statement on adequacy and effectiveness is intended to be included.*



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### **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.

### **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.13 GCGC contain various recommendations for the composition of the Supervisory Board and the election of Supervisory Board members, for example regarding their independence.

In 2019 a new Supervisory Board was elected for a term lasting until the end of the annual general meeting that votes on the discharge of the Supervisory Board members from their responsibilities for the fourth fiscal year after the beginning of their terms.

The relevant recommendations of the German Corporate Governance Code are to be evaluated and deliberated in good time before the election of a new Supervisory Board by the 2024 annual general meeting. In order not to anticipate these deliberations, the Company, as a precautionary measure, declares a deviation from the recommendations under C.1 and C.6; C.7, C.8; C.10 sentence 1 first and third alternatives and C.13 GCGC.

To date, the Company has always given priority to the professional experience, capabilities and knowledge of individuals 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. To enhance our customers' trust in these corporate processes, no representatives of shareholders serve on the Supervisory Board who are at the same time customers of the Company.

As already explained with respect to the GCGC 2020, the Company has applied the recommendation in C.10 sentence 1, second alternative ('independence of the audit committee's chair') since 20 September 2021; moreover, C.10 sentence 2 was also complied with in the reporting period.

With regard to the deviations from C.4, C.5, C.9, C.11 and C.12 until 26 September 2022, we refer to the above comments on the GCGC 2020, which is identical in wording. The Management Board and Supervisory Board, anticipating to some extent the announced comprehensive reassessment for the next election of new Supervisory Board members, resolved on 26 September 2022 to also follow these recommendations in future.

### **D.1 last clause GCGC**

The Supervisory Board has been working according to its own Rules of Procedure for the Supervisory Board for decades, as recommended by the Code. From 26 September 2022 onwards, these are also to be published on the Company's website.

### **E.1 GCGC**

In this respect we refer to the above comments on the recommendations under E.1 of the GCGC 2020, which are identical in wording.

### **G.1 GCGC**

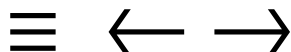
In this respect we refer to the above comments on the recommendations under G.1 of the GCGC 2020, which are identical in wording, but also to the corresponding note in the declaration of conformity regarding the ongoing deliberations on a change in the remuneration system.

### **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. Also to this extent, to explain the deviation, we refer to the above comments on the recommendations under G.3 of the GCGC 2020, which are identical in wording, but also to the corresponding note in the declaration of conformity regarding the ongoing deliberations on a change in the remuneration system.



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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. Also in this respect we refer to the above comments on the recommendations under G.7 of the GCGC 2020, which are identical in wording, but also to the corresponding note in the declaration of conformity regarding the ongoing deliberations on a change in the remuneration system.*

#### **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 decision on target achievement by the Supervisory Board is therefore dispensable. Also in this respect we refer to the above comments on the recommendations under G.9 of the GCGC 2020, which are identical in wording, but also to the corresponding note in the declaration of conformity regarding the ongoing deliberations on a change in the remuneration system.*

#### **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. Also in this respect, to explain the deviation, we refer to the above comments on the recommendations under G.10 of the GCGC 2020, which are identical in wording, but also to the corresponding note in the declaration of conformity regarding the ongoing deliberations on a change in the remuneration system.*

#### **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. Also in this respect we refer to the above comments on the recommendations under G.11 of the GCGC 2020, which are identical in wording, but also to the note in the declaration of conformity regarding the ongoing deliberations on a change in the remuneration system.*

#### **G.13 sentence 2 GCGC**

*Where post-contractual non-compete clauses apply, the Company will 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 for restrictions on competition after termination of the contract; 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 should decide whether and to what extent remunerations paid for supervisory board mandates outside the Group are 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. Also in this respect we additionally refer to the note in the declaration of conformity regarding the ongoing deliberations on a change in the remuneration system.*

Ehningen, 26 September 2022

The Supervisory Board

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

The Management Board

**HANS-GERD CLAUS**  
Member of the  
Management Board  
**MICHAEL LÜCKE**  
Member of the  
Management Board  
**MARKUS RUF**  
Member of the  
Management Board“



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### **Update of the declaration of conformity to the German Corporate Governance Code pursuant to Section 161 AktG**

*The Management Board and Supervisory Board of Bertrandt AG submitted the annual declaration of conformity pursuant to Section 161 AktG on 26 September 2022. This declaration is updated and supplemented as follows:*

*From 24 October 2022, there is also a deviation from the recommendation under B.3 of the German Corporate Governance Code as amended on 28 April 2022 and published in the Federal Gazette on 27 June 2022.*

#### ***This further deviation is based on the following considerations:***

*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 not to exclude high-calibre external candidates per se from the pool of candidates for Management Board appointments; as such candidates expect a longer term of appointment, it should also be possible to make full use of the statutory maximum term for first appointments.*

*Ehningen, 24 October 2022*

*The Supervisory Board*

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

*The Management Board*

**HANS-GERD CLAUS**  
*Member of the Management Board*  
**MICHAEL LÜCKE**  
*Member of the Management Board*  
**MARKUS RUF**  
*Member of the Management Board“*

### **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](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](https://www.bertrandt.com/fileadmin/files/files/00_Unternehmen/01_Investor_Relations/05_Corporate_Governance/Verguetungssystem/Verguetungssystem_Aufsichtsrat_Bertrandt-AG.pdf)

A remuneration report pursuant to Section 162 AktG was not yet required for the 2020/2021 fiscal year under Section 26j (2) EGAktG. It was prepared for the first time for fiscal year 2021/2022 and 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 26 September 2022 (as amended on 24 October 2022) pursuant to Section 161 AktG, it is in the interest of Bertrandt AG to give priority to the professional experience, capabilities and knowledge of individual candidates when filling positions.



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While the Supervisory Board's Rules of Procedure explicitly require its 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, no comprehensive diversity concept according to Section 289f (2) no. 6 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 individual candidates when filling positions. As has been set out in the explanations for the deviation from A.2 GCGC given in the declaration of conformity of 26 September 2022 (as amended on 24 October 2022) pursuant to Section 161 AktG, 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 2021/22 to lay down details for age, gender, educational or professional background and related targets. However, in its explanation for the Company's deviation from recommendation C.1 sentence 2 GCGC provided in the declaration of conformity of 26 September 2022 (as amended on 24 October 2022), the Supervisory Board announced that it will also evaluate and deliberate the topic of diversity in good time before the election of new Supervisory Board members by the 2024 annual general meeting. These deliberations might eventually result in the adoption of a diversity concept according to Section 289f (2) no. 6 HGB as amended.

To date, the Company has always given priority to the professional experience, capabilities and knowledge of individuals 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 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.

#### **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 shall comprise six members. Four of these shall be elected by the shareholders and must not have reached the age of 75 at the time of the election. Two members shall be elected pursuant to the Company Agreement of 9 May 2008 on the codetermination of employees on the Supervisory Board of Bertrandt Aktiengesellschaft in accordance with Section 22 of the German Act on Codetermination of Employees in Cross-Border Mergers (MgVG).'





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In its meeting of 20 September 2021 the Supervisory Board had already resolved that Udo Bäder is independent from the Company and the Management Board in his capacity as chairman of the Audit Committee within the meaning of C.10 GCGC, and substantiated this statement as follows: ‘Mr 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 Mr Udo Bäder related to the financial statements for the year ending 30 September 2016; the auditor’s report was issued by Mr Udo Bäder and Ms 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 Udo 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 assessment, not even as a result of the resolutions of 17 May 2022.

Ehningen, 12 December 2022

The Supervisory Board

**DIETMAR BICHLER**  
Chairman  
**PROF. DR.-ING. WILFRIED SIHN**  
Vice Chairman

The Management Board

**HANS-GERD CLAUS**  
Member of the  
Management Board  
**MICHAEL LÜCKE**  
Member of the  
Management Board  
**MARKUS RUF**  
Member of the  
Management Board“





# ISSUED SHARE CAPITAL

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## DISCLOSURES ON ISSUED SHARE CAPITAL AND POSSIBLE TAKEOVER RESTRICTIONS (SECTION 315A OF THE 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 own 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

We refer to Note [49] 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. Any amendments to the Articles of Association require a resolution by the annual general meeting adopted by a simple majority, pursuant to Section 179 AktG in conjunction with Article 18 (1) of the Articles of Association. At the annual general meeting on 20 February 2019, 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 2024. 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 '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: financing agreements with banks provide for an extraordinary right of termination by the lender. There are no agreements with either Management Board members 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 that ensures complete, accurate and timely provision of information. 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.

## 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 separate financial statements of the subsidiaries are audited or subjected to an auditor's review. In addition, they are tested for plausibility based on the report submitted by the auditors. 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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Bertrandt's risk management system seeks to identify potential risks as early as possible, as well as to minimise or completely avoid them.

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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 EUR 1.500 million

**Probability of occurrence is expressed in the following categories:**

- Low is a probability of between zero 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 > EUR 3 million
- B risk corresponds to a risk magnitude of > EUR 1.5 million to EUR 3 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 as required, 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.

## 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. 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. As macroeconomic risks continue to exist unabated and in view of the potentially resulting financial risks, they continue to be considered category A risks with a medium probability of occurrence. The risk of default is limited to the greatest possible extent by means of preventive credit rating checks and by concluding credit guarantee insurance. Possible product liability risks are covered by corresponding insurance. Additional claims by customers are checked by stringent project management. This 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 AND 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 cannot be ruled out that the manufacturers will again provide their own development services in certain areas again. 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 is 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 kind of 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. At present, Bertrandt continues to consider this risk a category B risk with a medium probability of occurrence.

The coronavirus pandemic continues to be a burden for businesses and the entire economy, particularly due to a high level of sick leave and quarantine obligations. Manufacturers are affected by material shortages with a corresponding impact on production chains. This has an impact on customers' revenues and may influence the awarding of development budgets. As a result, Bertrandt is exposed to an existing risk associated with stops or postponements of projects. This risk is continued to be considered a category A risk with a medium 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. In view of this, Bertrandt now considers this risk a category B risk with a high probability of occurrence.



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## PRICING

Traditionally, the automotive industry is characterised by high cost sensitivity while efficient process 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 abrupt rise in inflation will be followed by cost increases, in particular in the fields of personnel and energy. Power availability is also a risk, as regional power outages can adversely affect the availability of services. Therefore, Bertrandt continues to classify this risk as an A risk, but newly 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. The Bertrandt Group is in a position to compensate regional power failures thanks to its globally distributed locations, decentralised IT structures and cloud solutions.

## IMPLEMENTATION OF NEW PROCESSES

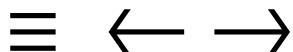
The ongoing alignment with the technical demands of customers is an integral part of the business model of an engineering provider such as Bertrandt. This results in the continuous implementation of new processes, software tools and systems. Flawless introduction in each case is necessary in order to obtain the obligatory certifications. Moreover, flawed implementation of new processes may result in effectiveness and efficiency losses, and increased costs. 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 law on energy services and energy efficiency measures (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 have 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. |

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 2021/2022:

Assessment areas	Points
I. Performance of management system	85 (previous year 87)
II. Service delivery	86 (previous year 92)
III. Continuous improvement	98 (previous year 77)
IV. Risk management	92 (previous year 92)
V. Personnel and human resources	91 (previous year 86)



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The results can be regarded as indicators of the stability and sustainability of the business processes covered by our integrated management system. Like 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.

The challenging macroeconomic environment as well as the impact of the coronavirus pandemic are also affecting the results of the non-financial performance indicators.

As a result, the assessment area ‘Performance of the management system’ is down slightly on the previous year. This is partly due to a difficult resource situation. In the wake of this, some of our process indicators were adversely affected, for example in the field of recruiting. At the same time, however, a number of process optimisation and improvement measures have been implemented successfully. Examples include an improved approach to environment and stakeholder analyses, optimised management of targets, and adjustments in the area of internal audits.

Organisational changes initiated in fiscal 2020/21 were forged forward. A realignment also in the CMS (Corporate Management System) enables a more effective and efficient support of the process owners in all aspects of the management system. Some first positive effects of these measures were already evident in the past fiscal year. As a result and despite the year-on-year fluctuations, Bertrandt's management system can be considered to be stable and controlled. No extraordinary activities or measures are therefore required.

In the field of service delivery, the adjustments initiated in the previous year were continued. We have been able to maintain our high degree of customer focus despite the challenges. The structural reorientation in sales and service delivery has once again proved to be the right approach.

Although the previous year's high value was not attained again in fiscal 2021/22, the assessment area remains at a high level. The way we deal with external and internal complaints underwent a fundamental realignment. Responsibilities were reassigned, processes standardised and new systems introduced. These measures served to ensure the high quality of our service while improving effectiveness, efficiency and learning from mistakes.

The ‘Continuous improvement’ assessment area showed a significant increase. However, this is only partly attributable to the numerous improvement measures successfully completed in the past fiscal year. To a significant extent, the extraordinarily positive result is due to the methodology used for determining the performance indicator for the assessment area: in recent years, mixed results from post-investment analyses have clouded the results of this assessment area. However, according to the regular criteria of investment controlling, no ex-post analyses were due in fiscal year 2021/2022 so that no corresponding key figures were available. This is in line with internally defined processes and requirements, but led to the mentioned impact on the overall result, as the positive results of the other aspects, such as professional action management or the very successful realignment of the internal suggestion scheme, were now reflected all the more strongly in the final point result of the assessment area.

One focus in the area of ‘Continuous improvement’ was implementing the exacting ESG requirements of our stakeholders. Bertrandt strives to be CO<sub>2</sub>-neutral by 2039 and wants to bring down CO<sub>2</sub> emissions by 15% by 2030. These are ambitious goals. To this end, a project team was established and initial packages of actions were put together. The team's focus was on integrating the changed sustainability requirements into the Bertrandt process world. Corresponding activities have already commenced.



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Bertrandt continues to grant its employees generous opportunities to work remotely insofar as the nature of their work permits. This not only served to protect the health of our employees during the pandemic. After all, the ‘workplace for the future’ programme had already been implemented before the first appearance of the coronavirus. Remote working also meets the needs of employees, for example for a better work-life balance or a reduced need to commute. An employee survey conducted during the year under review confirmed this. We are very pleased that employee satisfaction at Bertrandt is very high. Bertrandt contributes to the health of its employees with a health management system that was established years ago. Due to the pandemic situation it was not yet possible to resume regular health management activities in the past fiscal year, but measures were initiated to be able to offer attractive health activities for many Bertrandt sites in the future. 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 service provider, Bertrandt is highly reliant on well-functioning and secure data processing, e.g. access control systems, databases, ERP systems, cloud technologies and data lines. Therefore, the risks of system and network failures are of increasing importance. We must be ready at all times to provide solutions quickly to constantly changing business processes despite cost pressure. At the same time the demands placed on Bertrandt by increasing digitalisation, mobile working and heightened security requirements are growing. The challenge here is to optimise overall IT costs and, at the same time, enhance functionality and security. Since 2005, internal Security Circles have been established that define and monitor uniform security standards. From 2006 onwards, 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 content scanners. Against a backdrop of rising international cyber attacks and criminal activity, there is a risk of unauthorised access to cor-

porate networks throughout the supply chain. In order to enhance security even more, additional actions have also been taken, e.g. multi-factor authentication or strong cryptography for transmissions from and to customers and for data exchange. In addition, Bertrandt created the position of a Chief Information Security Officer (CISO) in the fiscal year 2015/2016. Aggregated to the Group as a whole, in view of the comprehensive preventive action taken, this risk is considered a category A risk with a low probability of occurrence, which means that the risk category has increased compared to the previous year (category B).

## HUMAN RESOURCES

Inadequate availability as well as fluctuation of qualified staff could have an inhibiting effect on the business performance. This category therefore also includes the shortage of qualified personnel and the risk arising from this situation for the Company. 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. An additional risk arises from high inflation rates, which could have pronounced second-round effects. The risk of a shortage of personnel has increased overall in view of the current situation in the automotive industry. This is considered a category B risk with a medium probability of occurrence. The risk of fluctuation is becoming more significant and is now considered a category A risk, in conjunction with a high probability of occurrence.



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## CORPORATE SECURITY

Corporate security is a risk which can be categorised as B risk with a medium probability of occurrence. In order to meet future corporate requirements, the security risk management was restructured (taking into account ISO 31000). Guided by past experience, the present state but also future trends, previous risks were re-categorised and new areas of crime were added. These factors were combined to build a single score which can now be calculated using a more robust methodology. 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. The conclusion is that the risk analysis based on the information currently at hand produces the following picture: the A risks range between EUR 3 million and EUR 15 million. The maximum risk magnitude after corrective actions rose considerably. Risks which, either individually or in conjunction with other risks, could result in potential damage to or jeopardise the Bertrandt Group's net assets, financial position and results of operations are still not discernible at present. According to the risk management, there are no reportable non-financial risks under

the German Commercial Code (HGB) for fiscal year 2021/2022. No relevant connections with amounts in the consolidated financial statements required to be reported were identified.

## OPPORTUNITIES

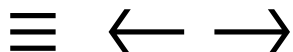
Bertrandt is a technology company which provides skilled support as a partner to its customers. The Company's objective is to manage its business sustainably, to position itself successfully on the market and to further build a leading position with a broad and integrated range of services. The most important drivers of the Bertrandt business model are the following three trends: 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 zero 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%.



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## MODEL VARIETY

The strategic transformation in the field of drive technologies continues unabated. Medium term model roadmaps are now frequently reviewed and revised for this aspect, the result of which could be an increase in alternative drives. The VDA's forecast predicts that by 2024, companies will have invested EUR 50 billion in the development of new drive systems. This will result in a compelling model initiative. The adaptation 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. Therefore, 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.

A study by McKinsey also confirms the above assumptions. Accordingly, e-mobility is arriving more and more on the mass market, and the variety of electric models is also increasing. According to McKinsey, more than 500 new e-cars will reach the market by 2025. This goal is also reflected in the visions of our major customers. For example, one of our major OEM customers aims to have 15 fully electric models – including pre-production vehicles – in production by the end of this year and to exceed the mark of 10 million fully electric vehicles delivered to customers in total by 2030. Another customer of ours plans to have more than twenty fully electric models in its offering as early as 2026. Yet another client is also accelerating its transformation into a manufacturer of electric cars and aims to launch ten new all-electric models by 2025.

## TECHNOLOGY PROGRESS

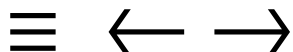
The global advance of electromobility is unabated as is reflected in the number of new passenger car registrations of the years 2021 and 2022. One in nine passenger cars sold globally now has an electric drive. The shift from the internal combustion engine to the electric motor, which appears necessary in view of the EU's climate change mitigation targets, is thus in full swing. Germany was the second most important market in Europe with 681,900 (+73%)

new electric passenger cars registered in 2021. The German market accounts for three out of ten of all the e-cars sold in Europe. Fully electric cars already accounted for 19.7% of new car registrations in Germany in September 2022. Another 30.4% of newly registered passenger cars were hybrid vehicles.

In the heavy-duty truck segment, it appears that 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. This is the finding 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.

According to the VDA, the smart connectivity of vehicles and digitalisation in and around the car will 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.

The aviation 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. Accordingly, Europe is to become the hub of climate-neutral flying. The industry is currently preparing the ground for the use of 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 has been 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.



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Increasing digitalisation of processes figures among the major influences also 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. Nevertheless, the sentiment in the German economy regarding the future economic development has deteriorated significantly in recent months according to the ifo Institute. The business climate index fell to 84.3 points in September 2022 – its lowest level since May 2020. The decline affects all sectors of the economy. Consequently, assessments of the current situation were more negative also in the services sector. Respondents also expect further deterioration in the coming months.

Based on our current state of knowledge, the level of technology applied in the Bertrandt Group's target industries is, however, very likely to continue rising and this will have a significant influence on total revenues. This assessment has not changed since last year.

## EXTERNAL SOURCING OF ENGINEERING SERVICES

According to a study by Berylls carried out in the summer of 2021, the global automotive R&D market is estimated to have a budget of EUR 215 billion by 2030. The areas of electronics and software in particular are playing an increasingly important role. External sourcing of R&D will reach EUR 20.5 billion by 2030.

Also according to a study of the German Association of the Automotive Industry (VDA), an upward-pointing trend in external sourcing can be discerned for the long-term. According to our assessment, the reasons for this are our customers' efforts to optimise costs and the availability of engineering resources. Business opportunities for engineering service providers are emerging 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.

## OVERALL OPPORTUNITIES

Apart from macro and geopolitical risks and the further course of the coronavirus pandemic, 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, too, 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 and the continued uncertainty resulting from the coronavirus pandemic, any predictions for fiscal 2022/2023 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

In the Joint Economic Forecast of the Autumn Report 2022, the experts of the leading German economic institutes state that the global economy is in a downturn. The high energy prices resulting from the Ukraine war are impacting European economic actors in particular. Increasingly strict monetary policy worldwide is also inhibiting investments by companies and households. In China, zero-covid policy is taking a heavy toll on economic activity. On the positive side, the report emphasised that with the gradual easing off of supply chain problems, initially high order backlogs can now be worked off before industrial momentum slackens as the number of new orders falls.

As a result, global production is now forecast to grow by just 2.5% in 2022, in contrast to the Joint Economic Forecast in spring 2022 of 3.5% growth. Global GDP is expected to increase by 1.8% in 2023 (previous forecast: 3.0%). The International Monetary Fund (IMF) has confirmed the position taken and trends identified in the Joint Economic Forecast, although it has also recently published slightly more progressive estimates for economic growth. According to the IMF, global production can be expected to increase by 3.2% (2.7%) in 2022 (2023).

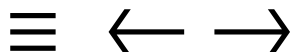
The Joint Economic Forecast projects growth in US production of 1.6% in 2022 (previously 3.6%) and of 0.6% in 2023 (previously 2.1%). With anticipated growth of 3.0% (2022) and 5.0% (2023) China has one of the highest rates of growth. Nonetheless, the expectations stated in the Joint Economic Forecast have been reduced compared to the reports produced in the spring (2022: previously 4.8%; 2023: previously 5.6%). The institutes have recently also been more pessimistic about the region Europe than they were in the spring of 2022. Real gross domestic product (GDP) in Europe is expected to increase by 2.6% (2022, previously 2.7%) and by 0.1% in 2023 (previously 2.2%). The institutes have revised their GDP projections for Germany as well. While they anticipated growth of 2.7% in the spring of 2022, the most recent projection is now for 1.5% in the year 2022. In 2023, instead of an increase in German GDP of 3.3%, which was still expected in the Spring Re-

port 2022, a decline of -0.2% adjusted for calendar effects is now projected. This would make Germany one of the few countries in the world to be in recession in 2023. However, the low point is likely to be reached as early as the first calendar quarter of 2023. For the second quarter, the Joint Economic Forecast expects German gross domestic product to grow again compared to the same quarter of the previous year.

According to the Joint Economic Forecast, the biggest risk factor for the economic forecasts is the availability of gas and the possibility of government rationing. Another economic risk factor is the coronavirus pandemic and potential government restrictions. In addition, rising interest rates and stricter lending conditions could have a negative impact on the willingness of households, companies and countries to invest and refinance.

## SITUATION IN THE INDUSTRY

Compared with the economic forecasts, expectations for research and development programmes in the industries relevant to Bertrandt are positive. According to a study by management consultants Berylls, global research and development spending (R&D budgets) in the automotive sector is expected to rise from EUR 156.7 billion to EUR 183.7 billion by 2025, following a dip in 2020, the first year of the pandemic. The volume of R&D sourced from external service providers is expected to rise in the same period from EUR 10.9 billion (2022) to EUR 16.0 billion. The main drivers for this growth are services in the area of electrical systems/electronics and software.



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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 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 VDA notes that German manufacturers and suppliers also aim to make travelling by road even safer in the future. The German automotive industry is a pioneer in the research and development of technological road safety innovations. The industry has set its sights on 'Vision Zero': the goal of eliminating all traffic fatalities and severe injuries on the roads in the future. 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.

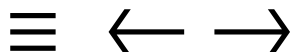
According to the VDA, information and communication systems in vehicles and connectivity between transport modes and road traffic as well as infrastructure are key issues for the automotive industry. The Association expects car IT to be the essential feature and basis of future vehicle generations. Vehicle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

The aerospace industry is also working with great commitment on solutions for climate neutral flying. According to the German Aerospace Industries Association (BDLI), aircraft emissions and noise pollution have already been reduced by 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, Airbus 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). Airbus is building development centres for hydrogen tanks at its sites in Bremen and Nantes. 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 the high order backlog in 2022 to push up production slightly by 1% in real terms in 2022 as a whole. On the other hand, price-adjusted production is expected to fall by 2% in 2023. According to the VDMA, investments in machinery and equipment are suffering from weaker growth in China, the Ukraine war, high rates of inflation and rising interest rates. The VDMA notes an easing in material shortages and an increase in the workforce of half of all association member companies.

Experts at the German Electrical and Electronic Manufacturers' Association (ZVEI) report that 50% of companies in the industry rated their business situation as good in September 2022. 43% rated their situation as stable and 7% as poor. Looking ahead, only 8% of electrical and electronic manufacturers expected business to expand in the approaching final months of the year. 55% believed levels of activity would remain the same and 37% believed activity would drop off. According to ZVEI estimates, the European market for goods in the electrical and digital industry is expected to grow by around 8% in 2022, while growth in 2023 is likely to be just 3%. ZVEI forecasts for Germany are +10% (2022) and +7% (2023).



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According to the German industry association SPECTARIS, manufacturers in the medical technology sector are gloomy about prospects for the next few years. According to SPECTARIS, businesses are coming under pressure and will be affected in the long term by the impact of gas shortages, supply chain disruptions and rising material, energy and logistics costs. 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.

## POTENTIALS

As a solutions-focused engineering partner, the Bertrandt Group is geared to market and customer requirements and consequently also invests in infrastructure and the competences of its employees. 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 new structure for the organisation in German also enables 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 capital expenditure 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.

## 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 2022/2023 are associated with opportunities and risks. External influencing factors, such as the development of energy prices, lie beyond management's sphere of influence. At the same time, material shortages and high rates of inflation pose risks for further economic development. The megatrends digitalisation and automated, connected and environmental 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 pandemic does not intensify again, the economic situation does not deteriorate, energy prices do not continue to rise, our customers continue to invest in research and development for new technologies, engineering services continue to be outsourced to service providers and qualified employees can be recruited, Bertrandt expects the following development in the fiscal year 2022/2023:

- growth in total revenues of EUR 60 to 100 million
- an EBIT margin (EBIT as a percentage of total revenues) of between 4.1 to 7%
- capital spending of between EUR 25 and 40 million
- 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 assets

The Management Board

**HANS-GERD CLAUS**  
Member of the  
Management Board  
Engineering

**MICHAEL LÜCKE**  
Member of the  
Management Board  
Sales

**MARKUS RUF**  
Member of the  
Management Board  
Finance


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 2022/2023 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, 12 December 2022



# Remuneration report

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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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# Introduction

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## 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). Rounding differences may occur in the statement of percentages and figures depending on the system used.

## 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>.

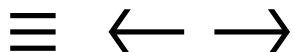
Bertrandt Aktiengesellschaft is the parent company within the Bertrandt Group, which maintains domestic and foreign independent legal entities or permanent establishments. Bertrandt is an innovative engineering services provider and offers skilled support as a partner to its customers. The Company's 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 in large-scale projects. Bertrandt's new 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. Periodic key performance indicators are used for controlling activities taking account of the recognition and measurement principles defined in international accounting standards. Along with total revenues, Bertrandt uses EBIT and cash flow from operating activities as key performance indicators for controlling 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.

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 linking of the bonus has been used for the remuneration of the current Management Board members since they were first appointed in July 2012; the Supervisory Board is convinced that this approach has proven its worth, which is why





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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 close of the annual general meeting on 20 Februar 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 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 10,080,000.00.

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

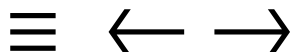
component consists of a performance-related bonus paid to the Board members, which is linked to the Group's EBIT as determined in the financial statements in conformity with IFRS. The basis for the assessment of the bonus is the EBIT generated in two consecutive financial years. However, only 45% of 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 financial 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.

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 currentstatus 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, especially when a member of the Management Board breaches a duty, do not form part of the remuneration system.



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All employment contracts with Management Board members active in the reporting period generally contain remuneration arrangements in line with the remuneration system. As a result, the remuneration system is implemented at the contractual level, although all of the contracts are 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 actually received by and fully transferred to 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)

EUR million		Hans-Gerd Claus			
		2021/2022		2020/2021	
Non-performance-related remuneration	Basic annual salary	0.420	64%	0.420	72%
	Fringe benefits	0.017	3%	0.017	3%
Multi-year performance-related remuneration	Variable component 2018/2019	0	0%	0.104	18%
	2019/2020	0.104	16%	0.043	7%
	2020/2021	0.113	17%	0	0%
	2021/2022	0	0%	0	0%
<b>Total</b>		<b>0.654</b>	<b>100%</b>	<b>0.584</b>	<b>100%</b>

		Michael Lücke			
		2021/2022		2020/2021	
Non-performance-related remuneration	Basic annual salary	0.420	64%	0.420	71%
	Fringe benefits	0.022	3%	0.022	4%
Multi-year performance-related remuneration	Variable component 2018/2019	0	0%	0.104	18%
	2019/2020	0.104	16%	0.043	7%
	2020/2021	0.113	17%	0	0%
	2021/2022	0	0%	0	0%
<b>Total</b>		<b>0.659</b>	<b>100%</b>	<b>0.589</b>	<b>100%</b>

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

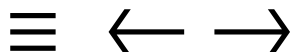
In the comparison of the remuneration paid in the different fiscal years, the partial waiver of remuneration by the Supervisory Board in fiscal year 2019/2020 has to be taken into account, which resulted in lower remuneration figures to be reported in fiscal year 2020/2021.

Remuneration granted and owed to current members of the Management Board in fiscal year 2021/2022:

EUR million		Markus Ruf			
		2021/2022		2020/2021	
Non-performance-related remuneration	Basic annual salary	0.420	65%	0.420	72%
	Fringe benefits	0.014	2%	0.015	3%
Multi-year performance-related remuneration	Variable component 2018/2019	0	0%	0.104	18%
	2019/2020	0.104	16%	0.043	7%
	2020/2021	0.113	17%	0	0%
	2021/2022	0	0%	0	0%
<b>Total</b>		<b>0.651</b>	<b>100%</b>	<b>0.582</b>	<b>100%</b>

		Total			
		2021/2022		2020/2021	
Non-performance-related remuneration	Basic annual salary	1.261	64%	1.261	72%
	Fringe benefits	0.052	3%	0.053	3%
Multi-year performance-related remuneration	Variable component 2018/2019	0	0%	0.312	18%
	2019/2020	0.312	16%	0.129	7%
	2020/2021	0.339	17%	0	0%
	2021/2022	0	0%	0	0%
<b>Total</b>		<b>1.964</b>	<b>100%</b>	<b>1.755</b>	<b>100%</b>



Remuneration granted and owed to former members of the Management Board in fiscal year 2021/2022:

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

EUR million		Dietmar Bichler		
		2021/2022	2020/2021	
Non-performance-related remuneration	Basic annual salary	0	0	
	Fringe benefits	0	0	
Multi-year performance-related remuneration	Variable component 2018/2019	0	0.081	100%
	2019/2020	0	0	
	2020/2021	0	0	
	2021/2022	0	0	
<b>Total</b>		<b>0</b>	<b>0.081</b>	<b>100%</b>

### COMPARATIVE STATEMENT OF MANAGEMENT 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 2021/2022 must 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, in deviation from Section 162 (1) sentence 2 no. 2 AktG, does not yet cover a five-year period.

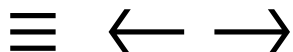
\* The average remuneration of employees was determined in each case from the personnel expenses in the separate financial statements of Bertrandt AG less the expenses for the Management Board on the basis of full-time equivalents of the average number of employees in the fiscal year (blue-collar and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

\*\* 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 representatives (Prokurist), and the Vice Presidents of Bertrandt Aktiengesellschaft.

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

EUR million		2021/2022	2020/2021	Absolute change	Percentage change
Net income for the fiscal year of Bertrandt AG (HGB)		22.160	9.824	12.336	126%
EBIT Bertrandt Group (IFRS)		41.664	20.040	21.624	108%
Average remuneration	Employees*	0.068	0.062	0.006	10%
	Group of senior executives**	0.207	0.181	0.026	14%
Remuneration of active Management Board members	Hans-Gerd Claus	0.654	0.584	0.070	12%
	Michael Lücke	0.659	0.589	0.070	12%
	Markus Ruf	0.651	0.582	0.069	12%
Remuneration of former Management Board members	Dietmar Bichler	0	0.081	-0.081	-100%

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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 according to IFRS for Bertrandt Group EUR million				
	2021/2022	2020/2021	Absolute change	Percentage change
Total revenues	1,009.159	848.592	160.567	19%

### 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 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.

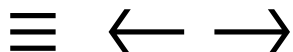
### RESOLUTION OF THE ANNUAL GENERAL MEETING (SECTION 162 (1) SENTENCE 2 NO. 6)

This remuneration report is the first report prepared by the Company according to Section 162 AktG. A resolution pursuant to Section 120a (4) AktG will therefore be adopted for the first time at the annual general meeting in 2023.

### COMPLIANCE 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 EG AktG, 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 currently affects the contracts with all active Management Board members. However, in the service contracts of all Board members the total bonus paid for one fiscal year has always been capped in absolute terms 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.



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In principle, compliance with the provision for maximum remuneration can only be reported conclusively in the remuneration report for the year under review in which the last tranche of variable, performance-based remuneration is received. However, no more than the total of EUR 1.562 million for the reporting year 2021/2022

can be paid out of the variable remuneration component including the bonus/malus pool in the coming fiscal years; as a result, total remuneration for all Management Board members will clearly be below the maximum remuneration amount.

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

EUR million		Hans-Gerd Claus				Markus Ruf			
		2021/2022		2020/2021		2021/2022		2020/2021	
Non-performance-related remuneration	Basic annual salary	0.420	44%	0.420	61%	0.420	44%	0.420	61%
	Fringe benefits	0.017	2%	0.017	2%	0.014	1%	0.015	2%
Multi-year performance-related remuneration	Variable component for fiscal year*	0.521	54%	0.251	36%	0.521	55%	0.251	37%
<b>Total remuneration</b>		<b>0.958</b>	<b>100%</b>	<b>0.688</b>	<b>100%</b>	<b>0.955</b>	<b>100%</b>	<b>0.686</b>	<b>100%</b>
		Michael Lücke				Total			
		2021/2022		2020/2021		2021/2022		2020/2021	
Non-performance-related remuneration	Basic annual salary	0.420	44%	0.420	61%	1.261	44%	1.261	61%
	Fringe benefits	0.022	2%	0.022	3%	0.052	2%	0.053	3%
Multi-year performance-related remuneration	Variable component for fiscal year*	0.521	54%	0.251	36%	1.562	54%	0.752	36%
<b>Total remuneration</b>		<b>0.963</b>	<b>100%</b>	<b>0.693</b>	<b>100%</b>	<b>2.875</b>	<b>100%</b>	<b>2.066</b>	<b>100%</b>

\*Maximum amount that can be paid out from 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) NOS. 2 AND 4)

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 the active Management Board members do not include any promise of a retirement pension or other commitments in the event of the regular termination of their service.

Only the older service contracts with two former Management Board members contain retirement benefits, also linked to the 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 was more than 10 years ago.

Retirement benefits granted and owed to former members of the Management Board in fiscal year 2021/2022:

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

EUR million	2021/2022		
	benefit	Expenses	Present value
Dietmar Bichler	0	0.190	3.615
Total amount for Management Board members not to be named according to Section 162 (5) sent. 2	0.061	0	1.167



# 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, among others, 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. Pursuant to Section 26j (1) of the Introductory Act to the Stock Corporation Act (EGAktG), the first resolution of the annual general meeting in accordance with Section 113 (3) AktG must be adopted no later than at the end of the first ordinary annual general meeting following 31 December 2020. 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 EUR 32,000.00 paid after the end of the fiscal year in addition to the reimbursement of expenses. The Chairman of the Supervisory Board shall receive two and a half times the amount and their 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 while 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.





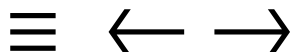
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The remuneration system for the Supervisory Board is submitted to the annual general meeting for review at least every four years. Irrespective of this, it is regularly reviewed by the Supervisory Board and the Management Board. The remuneration system adopted by the Annual General Meeting on February 26, 2021 is available 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 2021/2022 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 2021/2022:

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

		EUR million				
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		Dietmar Bichler				
06	<b>A A LETTER TO THE SHAREHOLDERS</b>	2021/2022		2020/2021		
26	<b>B CORPORATE SOCIAL RESPONSIBILITY REPORT</b>	Chairman of Supervisory Board	0.080	77%	0.064	73%
		Human Resources Committee, Chairman	0.016	15%	0.016	18%
		Audit Committee	0.008	8%	0.008	9%
70	<b>C GROUP MANAGEMENT REPORT</b>	<b>Total remuneration</b>	<b>0.104</b>	<b>100%</b>	<b>0.088</b>	<b>100%</b>
		Udo Bäder*				
126	<b>D REMUNERATION REPORT</b>	2021/2022		2020/2021		
128	Introduction	Supervisory Board	0.032	67%	0.026	62%
128	Management Board remuneration	Human Resources Committee	0	0%	0	0%
135	Supervisory Board remuneration	Audit Committee, Chairman	0.016	33%	0.016	38%
140	Audit of the remuneration report pursuant to Section 162 (3) German Stock Corporation Act (AktG)	<b>Total remuneration</b>	<b>0.048</b>	<b>100%</b>	<b>0.042</b>	<b>100%</b>
		Matthias Benz**				
141	<b>E CONSOLIDATED FINANCIAL STATEMENTS</b>	2021/2022		2020/2021		
		Supervisory Board	0		0	
		Human Resources Committee	0		0	
208	<b>F FURTHER INFORMATION</b>	Audit Committee	0		0	
		<b>Total remuneration</b>	<b>0</b>		<b>0</b>	
		Horst Binnig***				
		2021/2022		2020/2021		
		Deputy Chairman of Supervisory Board	0.048	75%	0.038	71%
		Human Resources Committee	0.008	13%	0.008	15%
		Audit Committee	0.008	13%	0.008	15%
		<b>Total remuneration</b>	<b>0.064</b>	<b>100%</b>	<b>0.054</b>	<b>100%</b>
		Prof. Dr.-Ing. Wilfried Sihl****				
		2021/2022		2020/2021		
		Deputy Chairman of Supervisory Board	0.032	80%	0.026	76%
		Human Resources Committee	0.008	20%	0.008	24%
		Audit Committee	0	0%	0	0%
		<b>Total remuneration</b>	<b>0.040</b>	<b>100%</b>	<b>0.034</b>	<b>100%</b>
		Michael Schmidt				
		2021/2022		2020/2021		
		Supervisory Board	0.032	100%	0.026	100%
		Human Resources Committee	0	0%	0	0%
		Audit Committee	0	0%	0	0%
		<b>Total remuneration</b>	<b>0.032</b>	<b>100%</b>	<b>0.026</b>	<b>100%</b>
		Marianne Weiß				
		2021/2022		2020/2021		
		Supervisory Board	0.032	100%	0.026	100%
		Human Resources Committee	0	0%	0	0%
		Audit Committee	0	0%	0	0%
		<b>Total remuneration</b>	<b>0.320</b>	<b>100%</b>	<b>0.026</b>	<b>100%</b>
		<b>Total</b>	<b>0.320</b>		<b>0.269</b>	

\* from 5 April 2022 member of the Human Resources Committee

\*\* from 18 May 2022 member of the Supervisory Board

\*\*\* 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

\*\*\*\* from 5 April 2022 Deputy Chairman of the Supervisory Board and member of the Audit Committee



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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 will only affect the statement in the remuneration report for fiscal year 2022/2023. 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)

With regard to the average remuneration of employees over the last five years, the remuneration report for fiscal year 2021/2022 must currently be prepared in accordance with the transitional provision under Section 26j (2) sentence 2 EGAktG and therefore, in deviation from Section 162 (1) sentence 2 no. 2 AktG, does not yet cover a five-year period.

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

EUR million		2021/2022	2020/2021	Absolute change	Percentage change
Net income for the fiscal year of Bertrandt AG (HGB)		22.160	9.824	12.336	126%
EBIT Bertrandt Group (IFRS)		41.664	20.040	21.624	108%
Average remuneration	Employees	0.068	0.062	0.006	10%
Remuneration of Supervisory Board members	Dietmar Bichler	0.104	0.088	0.016	18%
	Udo Bäder	0.048	0.042	0.006	15%
	Horst Binnig	0.064	0.054	0.010	18%
	Prof. Dr.-Ing. Wilfried Sihn	0.040	0.034	0.006	19%
	Michael Schmidt	0.032	0.026	0.006	25%
	Marianne Weiß	0.032	0.026	0.006	25%
	Matthias Benz	0	0	0	0%



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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.

## 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. Accordingly, no variable compensation was reclaimed ('clawback'). There were no deviations from the remuneration provisions of Section 12 of the Articles of Association. This remuneration report is the first report prepared by the Company according to Section 162 AktG. A resolution pursuant to Section 120a (4) AktG will therefore be adopted for the first time at the annual general meeting in 2023.

Ehningen, 6 December 2022

The Supervisory Board

**DIETMAR BICHLER**  
Chairman of the Supervisory Board

The Management Board

**HANS-GERD CLAUS**  
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

## Audit opinion

We have formally audited the remuneration report of Bertrandt Aktiengesellschaft, Ehningen, for the fiscal year from 1 October 2021 to 30 September 2022 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.

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.

## 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.

## Responsibilities of the Management and the Supervisory Board

The Company's Management and the 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 control 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, 6 December 2022

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

**DENIS ETZEL**  
Auditor

**PPA. BOJAN JOVANOVIC**  
Auditor



# Consolidated financial statements

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1,009.159

EUR million total revenues  
generated in fiscal 2021/2022.

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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 <sup>1</sup>				EUR million <sup>1</sup>							
01/10 until 30/09		Notes	2021/2022	2020/2021	01/10 until 30/09		Notes	2021/2022	2020/2021		
<b>I. Income statement</b>				<b>II. Statement of comprehensive income</b>							
<b>Revenues</b>				[6]	<b>1,008.475</b>	<b>845.574</b>	<b>Post-tax earnings</b>				
Other internally generated assets				[7]	0.684	3.019	Exchange rate differences and hedging reserve <sup>2</sup>				
<b>Total revenues</b>					<b>1,009.159</b>	<b>848.592</b>	Tax effects on hedging reserve <sup>2</sup>				
Other operating income				[8]	19.806	13.490	Remeasurement of pension obligations and plan assets				
Raw materials and consumables used				[9]	-108.904	-72.222	Tax effects on remeasurement of pension obligations and plan assets				
Personnel expenses				[10]	-740.314	-650.668	<b>Other comprehensive income after taxes</b>				
Depreciation				[11]	-56.976	-56.497	<b>Total comprehensive income</b>				
Other operating expenses				[12]	-81.108	-62.655	- attributable to shareholders of Bertrandt AG				
<b>EBIT</b>					<b>41.664</b>	<b>20.040</b>	25.559				6.911
Share of profit in associates					0.575	0.565					
Interest income					0.141	0.092					
Financial expenses					-6.964	-6.517					
Other financial result					-0.112	-0.040					
<b>Net finance income</b>				[13]	<b>-6.360</b>	<b>-5.900</b>					
<b>Profit from ordinary activities</b>					<b>35.304</b>	<b>14.140</b>					
Other taxes				[14]	-2.507	-1.981					
<b>Earnings before tax</b>					<b>32.797</b>	<b>12.160</b>					
Income taxes				[15]	-11.663	-5.251					
<b>Post-tax earnings</b>					<b>21.134</b>	<b>6.909</b>					
attributable to shareholders of Bertrandt AG					21.134	6.909					
Number of shares (million) - diluted/basic, average weighting					10.100	10.095					
Earnings per share (EUR) - diluted/basic				[16]	2.09	0.68					

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

<sup>2</sup>Components of other comprehensive income which will be reclassified to the income statement of future periods.



# Consolidated balance sheet

## CONSOLIDATED BALANCE SHEET

		EUR million <sup>1</sup>		EUR million <sup>1</sup>			
		Notes	30/09/2022	30/09/2021	Notes	30/09/2022	30/09/2021
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<sup>1</sup>Rounding differences of EUR 0.001 - 0.002 million may occur in the presentation of figures due the system used.







# 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. Refer to the Articles of Association for a definition of the business purpose. The Articles of Associations are available at [https://www.bertrandt.com/fileadmin/files/files/00\\_Unternehmen/01\\_Investor\\_Relations/06\\_Hauptversammlung/HV\\_19-20/2021-02-26\\_Aktuelle\\_Satzung\\_26-02-2021\\_Bertrandt\\_AG.pdf](https://www.bertrandt.com/fileadmin/files/files/00_Unternehmen/01_Investor_Relations/06_Hauptversammlung/HV_19-20/2021-02-26_Aktuelle_Satzung_26-02-2021_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 2021 to 30 September 2022 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 2021/2022 fiscal year were applied.

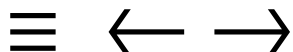
The consolidated financial statements have been prepared on the basis of historical cost, with the exception of certain financial instruments which are measured at fair value.

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 12 December 2022. This is the date on which the period for disclosure of adjusting events ends.

### **Presentation of financial statements and segment reporting**

The 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 contrast to previous years, business performance in fiscal year 2021/2022 was no longer significantly impacted by the coronavirus pandemic. However, the Company's business recovery was slowed down by high levels of sick leave, and cost increases, particularly for energy, had a noticeable impact on earnings development from the second half of the year onwards.

- Total revenues grew by EUR 160.567 million to EUR 1,009.159 million (previous year EUR 848.592 million).
- Earnings before interest and taxes (EBIT) increased to EUR 41.664 million (previous year EUR 20.040 million).
- Cash flow from operating activities came to EUR 56.900 million (previous year EUR 73.662 million).

Additional explanations are provided in the management report.

#### **International Financial Reporting Standards and IFRIC Interpretations mandatorily effective from the fiscal year 2021/2022**

The following table sets out the International Financial Reporting Standards and IFRIC Interpretations that are applicable as of fiscal 2021/2022.

Standard / Interpretation		Mandatory application <sup>1</sup>	Effects
<b>IFRS 4</b>	Amendment to IFRS 4: Insurance contracts – Deferral of IFRS 9	01/01/2021	none
<b>IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39</b>	Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39: Interest rate benchmark reform – Phase 2	01/01/2021	none
<b>IFRS 16</b>	Amendment to IFRS 16: Covid-19-related rent concessions – concessions beyond 30 June 2021	01/04/2021	Single-case audit

<sup>1</sup>Fiscal 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

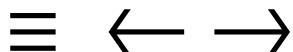
The following standards and interpretations have already been adopted by the IASB and to some degree endorsed by the European Union but were not yet effective in fiscal 2021/2022. Bertrandt will apply them for the accounting period for which they become effective.

Standard / Interpretation		Mandatory application <sup>1</sup>	Expected effects
<b>IFRS 3, IAS 16 and IAS 37</b>	Amendments to IFRS 3, IAS 16 and IAS 37: Annual improvements	01/01/2022	Single-case audit
<b>IFRS 17</b>	Insurance contracts including amendments to IFRS 17	01/01/2023	none
<b>IFRS 17</b>	Insurance contracts: First-time adoption of IFRS 17 and IFRS 9 – Comparative information	01/01/2023	none
<b>IAS 1</b>	Amendments to IAS 1: Disclosure of accounting policies	01/01/2023	Currently under examination
<b>IAS 8</b>	Amendments to IAS 8: Definition of accounting estimates	01/01/2023	Currently under examination
<b>IAS 12</b>	Amendments to IAS 12: Deferred tax related to assets and liabilities arising from a single transaction	01/01/2023	Single-case audit
<b>IAS 1<sup>2</sup></b>	Amendments to IAS 1: Classification of liabilities as current or non-current/ Non-current liabilities with covenants	01/01/2024	Currently under examination
<b>IFRS 16<sup>2</sup></b>	Amendments to IFRS 16: Lease liability in a sale and leaseback	01/01/2024	none

<sup>1</sup>Fiscal years beginning on or after the specified date.

<sup>2</sup>Not yet adopted by the EU.





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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.

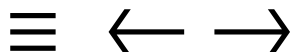
Entities that are not controlled by Bertrandt but over which the Bertrandt has significant influence, are accounted for in the consolidated financial statements as associates using the equity method; entities of which Bertrandt directly or indirectly has joint control are accounted for as joint ventures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

The Bertrandt Group consists of the following consolidated companies:

### GROUP OF CONSOLIDATED COMPANIES

	30/09/2022
<b>Bertrandt AG and consolidated subsidiaries</b>	<b>59</b>
Germany	45
Abroad	14
<b>Associates and joint ventures</b>	<b>16</b>
Germany	15
Abroad	1
<b>Total</b>	<b>75</b>

Refer to Note [54] 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.

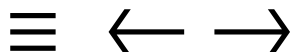
The newly incorporated Bertrandt Technology Consulting GmbH, Ehningen, and the joint venture Bertrandt Alten Engineering Solutions SAS, Boulogne-Billancourt, France, were included in the consolidated financial statements for the first time.

Effective 1 January 2022, Bertrandt Beteiligungen GmbH acquired 100% of the shares in Philotech Systementwicklung und Software GmbH and its subsidiaries ("the Philotech Group") for a total consideration of EUR 24.217 million. Less transaction costs of EUR 0.317 million, this corresponds to the fair value. The Philotech Group is a specialist for demanding, holistic development projects in the areas of software, electronics and IT security. The acquisition enables Bertrandt to expand these growth fields in particular. The net assets acquired amounted to EUR 5.416 million; this results in goodwill of EUR 18.484 million, which is allocated in full to the Electrical Systems/Electronics segment. The net assets acquired included EUR 4.402 million in cash and cash equivalents; the actual capital outflow was EUR 19.815 million.

## NET ASSETS ACQUIRED

EUR million	01/01/2022
Intangible assets	0.504
Property, plant and equipment	2.548
Financial receivables	0.051
Deferred income tax assets	0.520
<b>Non-current assets</b>	<b>3.623</b>
Contract assets	1.429
Trade receivables	8.660
Other financial and non-financial assets	0.417
Cash and cash equivalents	4.402
<b>Current assets</b>	<b>14.908</b>
Borrowings	0.602
Other financial liabilities	2.071
Provisions	113
Deferred tax liabilities	0.353
<b>Non-current liabilities</b>	<b>3.139</b>
Contract liabilities	0.405
Trade payables	5.592
Other financial and non-financial liabilities	2.350
Other provisions and income tax provisions	1.629
<b>Current liabilities</b>	<b>9.976</b>
<b>Net assets acquired</b>	<b>5.416</b>

In the present consolidated financial statements, the Philotech Group accounts for revenues of EUR 32.263 million and post-tax earnings of EUR 1.572 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 financial 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.

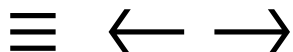
The parities of the key currencies relative to one euro were as follows:

### FOREIGN CURRENCY TRANSLATION

Relative to one euro		Average rate on balance sheet date		Annual average rate	
		30/09/2022	30/09/2021	2021/2022	2020/2021
China	CNY	6.9073	7.5043	7.0930	7.7840
United Kingdom	GBP	0.8968	0.8615	0.8473	0.8742
Romania	RON	4.9486	4.9476	4.9384	4.9014
Turkey	TRY	17.9989	10.3058	15.8550	9.6250
Czech Republic	CZK	24.6860	25.5240	24.8180	25.9744
United States	USD	0.9714	1.1571	1.0850	1.1955

## [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, the recognition and measurement of provisions and the parameters for calculating percentage of completion values and the resulting recognition of revenues. 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 the future economic environment which are assumed to be realistic. This applies, among other things, to the discount rates used. 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.



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The lease term determined and the discount rates used affect the amounts recognised for the right-of-use assets and lease liabilities.

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.

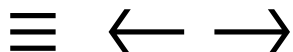
The transaction price for a contract with a customer is the amount of consideration to be paid for the service based on what has been agreed in the contract.

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 10.4% (previous year 11.3%) and, for the terminal growth rate, of 9.4% (previous year 10.3%) are applied in the Digital Engineering segment. In the Physical Engineering segment, the WACC before tax is 10.5% (previous year 10.6%) and for the terminal growth rate it is 9.5% (previous year 9.6%). The value in use in the Electrical Systems/Electronics segment, which had to be determined for the first time in the fiscal year under review, was calculated using a WACC before tax of 11.1% and, for the terminal growth rate, of 10.1%. The terminal growth rate is based on a growth factor of 1% (previous year 1%). A change in WACC by +/- 1.0% points has no influence on the results of the impairment tests for goodwill in the Digital Engineering and Electrical Systems/Electronics segments. The recoverable amount of the Physical Engineering segment exceeds the carrying amount by EUR 23.244 million as at the reporting date. If the WACC increases by +0.7% points, the recoverable amount of the Physical Engineering segment corresponds to the carrying amount. 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% 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.

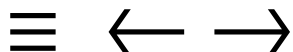
### Property, plant and equipment

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 three and 20 years for technical equipment and machinery. Assuming normal use, furniture, fixtures and equipment are depreciated over a period of three 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.

### 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 1.4% (previous year 1.2% and 1.4%).



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## Investment properties

Investment properties comprised properties which Bertrandt did not use for business or administration purposes. They were measured at their fair value.

## 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 at fair value through profit or loss
- Financial assets and financial liabilities 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 [47].

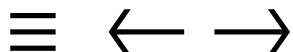
Financial instruments are recorded for the first time on inception of the contract and measured at their fair value including transaction costs, if any. They are then subsequently measured at amortised cost or at their fair value. Financial instruments are derecognised when the rights to payments from 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 using the effective interest method. Appropriate provisions for impairment are made to allow for discernible individual risks and general credit risks such as insolvency and uncollectibility.



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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 such as insolvency and uncollectibility.

### **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 correspond to 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. Appropriate provisions for impairment are made to allow for general credit risks.

### **Financial liabilities**

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

### **Derivative financial instruments and hedge accounting**

As an engineering service provider operating on an international scale, the Bertrandt Group is mainly exposed to interest rate and currency risks. The Company uses derivative financial instruments as appropriate 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 (cash flow hedges) as well as other derivatives are measured at their fair value. 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 gain or loss that has been recognised in equity needs to be reclassified from equity to the income statement as a reclassification adjustment.

The fair values are determined with generally accepted methods of financial mathematics.

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. They are recognised at cost or at 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 the local jurisdiction's 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, and 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.

## 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

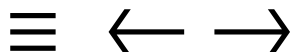
Other provisions are recognised if there is any legal or constructive present obligation towards a third party as a result of a past event, an outflow of resources to settle the obligation is probable and a reliable estimate of the amount of the obligation can be made.

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 1,008.475 million (previous year EUR 845.574 million), EUR 854.113 million (previous year EUR 738.679 million) were contributed by the domestic entities, and EUR 154.362 million (previous year EUR 106.895 million) by the foreign entities.



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Revenues recognised over time were EUR 775.543 million (previous year EUR 645.838 million).

Revenues include EUR -0.255 million (previous year: EUR 0 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 by these two customers were EUR 390.315 million (previous year EUR 328.545 million) and EUR 167.372 million (previous year EUR 174.062 million) respectively.

As at the reporting date, revenues expected from performance obligations not yet satisfied amounted to EUR 628.455 million (previous year EUR 652.354 million). Of this total, EUR 511.364 million (previous year EUR 544.701 million) were accounted for by performance obligations satisfied over time, of which obligations of EUR 229.702 million (previous year EUR 229.530 million) are expected to be satisfied in the course of the Company's next fiscal year. Of the performance obligations satisfied at a point in time, the obligations expected to be satisfied in the next fiscal year amount to EUR 79.422 million (previous year EUR 64.725 million).

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.

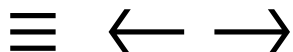
## [8] OTHER OPERATING INCOME

Other operating income for fiscal 2021/2022 is comprised of the following:

### OTHER OPERATING INCOME

EUR million	2021/2022	2020/2021
Non-cash benefits to employees	4.922	4.975
Rental income	0.503	0.942
Income from disposal of assets	1.661	0.358
Income from reversal of provisions	0.353	1.277
Income from reversal of impairment losses	0.714	0.134
Income from derecognised receivables	0.012	0
Other non-work-related income	0	1.573
Compensation payments	7.435	1.029
Income from exchange rate differences	2.122	0.457
Miscellaneous other income	2.085	2.746
<b>Total</b>	<b>19.806</b>	<b>13.490</b>

Rental income comprises rental income from investment property in the amount of EUR 0.077 million (previous year EUR 0.233 million). For the coming fiscal years other rental income of EUR 1.058 million (previous year EUR 1.201 million) is expected. Of this, rental income of EUR 0.920 million (previous year EUR 0.924 million) arises from leases with a term of up to twelve months and EUR 0.138 million (previous year EUR 0.277 million) from leases with a term of more than twelve months. Income from the disposal of assets includes a gain on the disposal of a property with a building for EUR 1.366 million (previous year EUR 0 million).



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In the previous year other non-work-related income comprised the net gain of EUR 1.573 million resulting from the application of fair value measurement according to IAS 40. Compensation payments include a claim for EUR 6.000 million (previous year: EUR 0 million) due to delays in the operability of technical equipment and machinery (see Note [19]).

In the previous year, miscellaneous other income included the waiver of a loan granted under a coronavirus state aid programme in another country in the amount of EUR 1.683 million. In the fiscal year under review this item also includes government grants of EUR 0.126 million (previous year EUR 0 million) and government subsidies for innovative projects of EUR 0.438 million (previous year EUR 0 million).

## [9] COST OF MATERIALS

The cost of materials breaks down as follows:

### RAW MATERIALS AND CONSUMABLES USED

EUR million	2021/2022	2020/2021
<b>Expenditure on raw material and consumables used</b>	<b>14.006</b>	<b>11.691</b>
<b>Expenditure on work purchased</b>	<b>94.898</b>	<b>60.531</b>
of which CAX costs	23.746	22.183
of which external work	70.909	38.114
of which incoming freight	0.243	0.234
<b>Total</b>	<b>108.904</b>	<b>72.222</b>

## [10] PERSONNEL EXPENSES

Overall, the Bertrandt Group employed an average of 11,897 people in the fiscal year (previous year 11,660).

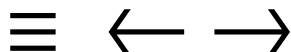
### AVERAGE NUMBER OF EMPLOYEES

Number	2021/2022	2020/2021
Technical employees	658	742
Office employees	10,715	10,459
Trainees/undergraduates	166	212
Interns/post-graduates	104	63
Temporary staff	254	184
<b>Total</b>	<b>11,897</b>	<b>11,660</b>

Personnel expenses include expenses for wages and salaries in the amount of EUR 612.755 million (previous year EUR 535.358 million) as well as social security expenses of EUR 127.559 million (previous year EUR 115.310 million) including the employer contribution to the statutory pension system presented under expenses for post-employment benefits, and further defined contribution expense of EUR 56.721 million (previous year EUR 52.129 million).

### PERSONNEL EXPENSES

EUR million	2021/2022	2020/2021
<b>Wages and salaries</b>	<b>612.755</b>	<b>535.358</b>
<b>Social security expenses</b>	<b>127.559</b>	<b>115.310</b>
of which employer contribution to social security	70.355	62.802
of which expenses for post-employment benefits	57.204	52.508
<b>Total</b>	<b>740.314</b>	<b>650.668</b>



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Personnel expenses were reduced by government grants of EUR 0.198 million in Germany (previous year EUR 4.011 million) and of EUR 3.048 million (previous year EUR 6.885 million) outside Germany. Subsidies for innovative projects received under government economic stimulus packages reduced expenses by EUR 0.613 million (previous year EUR 0.569 million).

Bertrandt AG provides grants for the purchase of Bertrandt shares by staff under an employee share scheme [see Notes [32] and [33]].

A lock-up period of a total of two years applies to the sale of these shares. This resulted in personnel expenses of EUR 0.093 million in fiscal 2021/2022 (previous year EUR 0 million).

## [11] DEPRECIATION/AMORTISATION EXPENSE

Depreciation and amortisation expense is comprised of the following:

### DEPRECIATION/AMORTISATION

EUR million	2021/2022	2020/2021
Intangible assets	3.244	2.360
Property, plant and equipment	53.731	54.088
Investment properties	0	0.049
<b>Total</b>	<b>56.976</b>	<b>56.497</b>

Depreciation of right-of-use assets of EUR 22.301 million (previous year EUR 21.590 million) is included in property, plant and equipment. Refer to Notes [18] – [20] for a detailed breakdown of depreciation and amortisation expense for individual items.

## [12] OTHER OPERATING EXPENSES

Other operating expenses are comprised of the following:

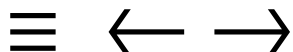
### OTHER OPERATING EXPENSES

EUR million	2021/2022	2020/2021
Miscellaneous manufacturing expenses	4.644	5.205
Office premises, furnishings and fittings	32.999	25.433
Miscellaneous personnel expenses	12.878	12.124
General administrative expenses	2.701	2.485
Distribution expenses	9.099	4.742
Expenditure on exchange-rate differences	1.823	0.487
Non-work-related expenses	5.162	4.355
Fleet expenses	5.552	4.089
Miscellaneous expenses	6.250	3.736
<b>Total</b>	<b>81.108</b>	<b>62.655</b>

The increase in expenditure for premises and inventory is mainly due to higher energy costs.

Expenses for changes in personnel structure in fiscal 2021/2022 were EUR 2.283 million (previous year EUR 2.876 million), which are included in non-work-related expenses. The effects of the positive progress of pending legal proceedings caused a reduction in miscellaneous expenses of EUR 0.488 million (previous year: EUR 2.652 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 0.196 million (previous year EUR 0.285 million) are included in miscellaneous expenses.

Expenses resulting from exchange rate differences include EUR 0.119 million (previous year: EUR 0 million) from the non-designated portion of the cash flow hedge (Note [48]).



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## [13] NET FINANCE INCOME

Net finance income breaks down as follows:

### NET FINANCE INCOME

EUR million	2021/2022	2020/2021
Share of profits in associates	0.575	0.565
Interest income	0.141	0.092
Financial expenses	-6.964	-6.517
Other finance income	-0.112	-0.040
<b>Total</b>	<b>-6.360</b>	<b>-5.900</b>

Finance expense of EUR 6.964 million (previous year EUR 6.517 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 3.866 million in total (previous year EUR 3.685 million). They also comprise interest expense of EUR 1.932 million (previous year EUR 2.334 million) for contractual relationships that must be recognised according to IFRS 16. Moreover, they include, among others, other interest for factoring, custodian fees and tax interest.

Interest income primarily results from bank deposits and other interest income of a total of EUR 0.127 million (previous year EUR 0.092 million). It also comprises interest income of EUR 0.014 million (previous year EUR 0 million) from contractual relationships that must be recognised according to IFRS 16.

Included in net other finance income are valuation matters of EUR 0.112 million (previous year EUR 0.040 million) attributable to net finance income.

## [14] OTHER TAXES

Foreign tax expense primarily involves the subsidiaries in France.

### OTHER TAXES

EUR million	2021/2022	2020/2021
Domestic tax expense	0.480	0.376
Foreign tax expense	2.027	1.605
<b>Other taxes</b>	<b>2.507</b>	<b>1.981</b>

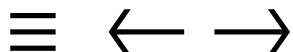
## [15] INCOME TAXES

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 carryforwards which are expected to be usable in accordance with IAS 12.

Income taxes thus break down as follows:

### INCOME TAXES

EUR million	2021/2022	2020/2021
Current domestic tax expense	5.561	-0.594
Current foreign tax expense	1.643	1.397
<b>Current tax expense</b>	<b>7.204</b>	<b>0.803</b>
Deferred tax expense/income	4.459	4.448
<b>Income taxes</b>	<b>11.663</b>	<b>5.251</b>



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In the year under review deferred tax expense of EUR 1.215 million was recognised, which resulted from the application of depreciation allowances for tax purposes, some of which limited in time, which had been granted in Germany because of the coronavirus pandemic (previous year deferred tax expense of EUR 2.994 million). The income tax expense of EUR 11.663 million calculated for fiscal 2021/2022 is EUR 1.824 million higher than the expected income tax expense of EUR 9.839 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	2021/2022	2020/2021
Earnings before income tax	32.797	12.160
Expected tax rate	30.0%	30.0%
<b>Expected income tax expense</b>	<b>9.839</b>	<b>3.648</b>
Taxation differences affecting foreign subsidiaries	1.912	3.141
Tax effects of payouts and pre-year tax assessments	0.106	-0.021
Tax effect of non-deductible operating expenses and other tax modifications	-0.279	-1.324
Tax effect of write-ups of loss carry-forwards	-0.101	-0.175
Consolidation effects	0.183	-0.024
Other effects	0.003	0.006
<b>Actual income tax expense</b>	<b>11.663</b>	<b>5.251</b>
Effective tax rate	35.6%	43.2%

The item 'Taxation differences affecting foreign subsidiaries' includes, among other things, impairment of deferred tax assets from loss carry-forwards of EUR 1.119 million (previous year EUR 3.314 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 0.539 million (previous year EUR 1.052 million). In addition, tax effects of EUR 0.501 million resulting from the tax-exempt waiver of loans granted in previous years under coronavirus state aid programmes outside Germany were recognised under this item in the previous year.

The deferred tax assets from loss carryforwards utilised in the fiscal year amounted to EUR 0.009 million (previous year EUR 0.120 million).

In the period under review, tax effects of EUR -1.226 million (previous year EUR 0.084 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 0.279 million (previous year EUR 1.505 million). In addition, tax effects with respect to the designated portion of the change in value of the cash flow hedges of EUR 0.496 million (previous year: EUR 0 million) are included for the fiscal year; this is the cumulative value (previous year: EUR 0 million).

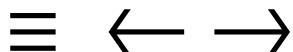
### [16] EARNINGS PER SHARE

Earnings per share as defined in IAS 33 are as follows:

#### EARNINGS PER SHARE

According to IAS 33	2021/2022	2020/2021
Post-tax earnings (EUR million)	21.134	6.909
<b>attributable to shareholders of Bertrandt AG (EUR million)</b>	<b>21.134</b>	<b>6.909</b>
Number of shares (million)	10.143	10.143
Number of treasury shares (million)	0.043	0.048
<b>Number of shares which are entitled to dividend (million) – diluted/basic, average weighting</b>	<b>10.100</b>	<b>10.095</b>
<b>Earnings per share (EUR) – diluted/basic</b>	<b>2.09</b>	<b>0.68</b>





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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, loss allowance and changes resulting from subsequent measurement.

### NET GAINS OR NET LOSSES ON FINANCIAL INSTRUMENTS BY CATEGORY AS DEFINED IN IFRS 7

EUR million	2021/2022	2020/2021
Loans and receivables	-0.338	-0.273
Financial liabilities measured at amortised cost	-4.468	-4.237
Financial assets and liabilities measured at fair value through profit and loss	-0.262	-0.136
Financial assets and financial liabilities at fair value through other comprehensive income	-0.100	0.000
<b>Total</b>	<b>-5.167</b>	<b>-4.646</b>

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 liabilities to banks, 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.

In the reporting period no foreign-currency forwards were used by the Company.

## TOTAL INTEREST INCOME AND EXPENSE FOR FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

EUR million	2021/2022	2020/2021
Interest income	0.141	0.092
Interest expense	-4.670	-4.370
<b>Total</b>	<b>-4.529</b>	<b>-4.278</b>

Due to their short maturities the application of the effective interest method to trade receivables did not result in any interest expense or income in fiscal 2021/2022, as had also been the case in the previous year.

Impairment losses on loans and receivables came to EUR 0.231 million in the fiscal year (previous year EUR 0.236 million).

## Notes on items of the balance sheet

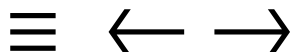
### Assets

#### NON-CURRENT ASSETS

#### [18] INTANGIBLE ASSETS

Additions to intangible assets primarily comprised technical software licenses

Goodwill is subjected to regular impairment testing in accordance with IAS 36. In fiscal 2021/2022, as in the previous year, this did not result in any impairment losses.



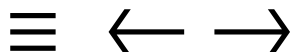
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Goodwill breaks down by segment as follows: Digital Engineering accounts for EUR 6.340 million (previous year EUR 6.399 million), Physical Engineering accounts for EUR 2.909 million (previous year EUR 2.909 million) and Electrical Systems/Electronics accounts for EUR 18.484 million (previous year EUR 0 million).

The addition relates to the acquired Philotech Group. Other intangible assets primarily comprise internally developed software in progress and advance payments of EUR 0.045 million (previous year EUR 0.324 million).

## INTANGIBLE ASSETS

EUR million	Concessions and licences	Internally generated software	Goodwill	Other	Total intangible assets
<b>Historical costs</b>					
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
<b>Amortisation</b>					
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
<b>Residual carrying amount 30/09/2022</b>	<b>6.308</b>	<b>0.693</b>	<b>27.733</b>	<b>0.135</b>	<b>34.868</b>
<b>Residual carrying amount 30/09/2021</b>	<b>4.054</b>	<b>0.493</b>	<b>9.309</b>	<b>0.430</b>	<b>14.285</b>
<b>Previous year</b>					
<b>Historical costs</b>					
Value on 01/10/2020	55.355	1.057	9.308	0.953	66.673
Currency differences	0.015	0	0	0	0.015
Additions from initial consolidation	0	0	0	0	0
Additions	2.478	0	0	0.146	2.623
Disposals	0.266	0	0	0.523	0.789
Reclassifications	-0.002	0.085	0	-0.085	-0.002
Value on 30/09/2021	57.579	1.142	9.308	490	68.520
<b>Amortisation</b>					
Value on 01/10/2020	51.585	0.478	0	0.044	52.107
Currency differences	0.012	0	0	0	0.012
Additions	2.195	0.174	0	0.016	2.385
Disposals	0.266	0	0	0	0.266
Reclassifications	0	-0.003	0	0	-0.003
Value on 30/09/2021	53.526	0.649	0	0.060	54.235
<b>Residual carrying amount 30/09/2021</b>	<b>4.054</b>	<b>0.493</b>	<b>9.308</b>	<b>0.430</b>	<b>14.285</b>
<b>Residual carrying amount 30/09/2020</b>	<b>3.770</b>	<b>0.579</b>	<b>9.308</b>	<b>0.909</b>	<b>14.566</b>



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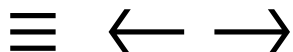
## [19] PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are recognised at cost less depreciation in accordance with their respective useful lives. As in the previous year, no impairment of goodwill was assessed in impairment tests in accordance with IAS 36.

Technical equipment and machinery as well as other furniture, fixtures and equipment primarily consist of CAD machines, machinery and equipment for prototype construction, and testing facilities. In the current fiscal year the technical equipment and machinery within a trial area were reclassified as assets under construction due to better knowledge of the still lacking stable operating capability. Borrowing costs to be capitalised as part of the cost of qualifying assets amounted to EUR 0.250 million (previous year EUR 0.309 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
<b>Historical costs</b>					
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
Additions	16.749	2.312	17.222	10.200	46.482
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
<b>Amortisation</b>					
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
Value on 30/09/2022	102.382	113.161	117.793	1.491	334.827
<b>Residual carrying amount 30/09/2022</b>	<b>216.041</b>	<b>58.520</b>	<b>37.292</b>	<b>61.988</b>	<b>373.841</b>
<b>Residual carrying amount 30/09/2021</b>	<b>227.039</b>	<b>97.129</b>	<b>32.003</b>	<b>35.236</b>	<b>391.406</b>
<b>Previous year</b>					
<b>Historical costs</b>					
Value on 01/10/2020	302.130	166.331	134.835	56.352	659.648
Currency differences	-0.008	0	0.015	0	0.007
Additions from initial consolidation	0	0	0	0	0
Additions	7.087	2.926	8.966	19.791	38.771
Disposals	4.724	2.043	9.672	0	16.440
Reclassifications	-0.002	36.648	4.157	-40.834	-0.031
Value on 30/09/2021	304.483	203.862	138.301	35.309	681.955
<b>Amortisation</b>					
Value on 01/10/2020	52.882	92.837	100.873	0	246.592
Currency differences	0.015	0	0.015	0	0.030
Additions	24.571	15.679	13.740	0.074	54.064
Disposals	0.002	1.673	8.432	0	10.107
Reclassifications	-0.021	-0.110	0.101	0	-0.030
Value on 30/09/2021	77.444	106.733	106.298	0.074	290.549
<b>Residual carrying amount 30/09/2021</b>	<b>227.039</b>	<b>97.128</b>	<b>32.003</b>	<b>35.235</b>	<b>391.406</b>
<b>Residual carrying amount 30/09/2020</b>	<b>249.248</b>	<b>73.494</b>	<b>33.962</b>	<b>56.352</b>	<b>413.056</b>



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
<b>Historical costs</b>				
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
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
<b>Amortisation</b>				
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
<b>Residual carrying amount 30/09/2022</b>	<b>68.828</b>	<b>0.405</b>	<b>4.323</b>	<b>73.557</b>
<b>Residual carrying amount 30/09/2021</b>	<b>74.690</b>	<b>0.297</b>	<b>4.040</b>	<b>79.027</b>
<b>Previous year</b>				
<b>Historical costs</b>				
Value on 01/10/2020	108.442	0.969	5.826	115.237
Currency differences	-0.008	0	0	-0.008
Additions from initial consolidation	0	0	0	0
Additions	7.024	0.202	2.579	9.805
Disposals	4.683	0.018	0.078	4.779
Reclassifications	-0.078	-0.560	0.558	-0.080
Value on 30/09/2021	110.697	0.593	8.885	120.175
<b>Amortisation</b>				
Value on 01/10/2020	17.167	0.263	2.139	19.569
Currency differences	0.015	0	0	0.015
Additions	18.849	0.146	2.595	21.590
Disposals	0.001	0	0	0.001
Reclassifications	-0.024	-0.112	0.111	-0.025
Value on 30/09/2021	36.006	0.297	4.845	41.148
<b>Residual carrying amount 30/09/2021</b>	<b>74.691</b>	<b>0.296</b>	<b>4.040</b>	<b>79.027</b>
<b>Residual carrying amount 30/09/2020</b>	<b>91.275</b>	<b>0.706</b>	<b>3.687</b>	<b>95.668</b>

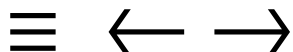


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In fiscal 2021/2022 expenses for short-term leases were EUR 0.806 million (previous year EUR 1.471 million); they are included in other operating expenses. Expenses of EUR 0.230 million (previous year EUR 0.430 million) were incurred for leases of low-value assets, with cost of materials accounting for EUR 0.120 million (previous year EUR 0.216 million) and other operating expenses accounting for EUR 0.110 million (previous year EUR 0.214 million). In addition, expenses of EUR 3.055 million (previous year EUR 2.788 million) resulting from incidental rental costs and components not relevant under IFRS 16 were incurred.

## [20] INVESTMENT PROPERTIES

In the financial year under review, the investment property was disposed of. The previous year's value of EUR 2.800 million corresponded to the fair value according to IAS 40; in the absence of a comparable market price, it was based on the property's discounted cash flows, taking into account a WACC of 11.3% and an additional risk discount of 2.5% that resulted from the lower risk assessment of the future cash flows in connection with the investment. In the previous year this left a discount rate of 8.8%. The previous year's net gain from the change in valuation of EUR 1.573 million was recognised in other operating income (Note [8]). In the previous year rental income of EUR 0.233 million was generated; no maintenance expense was incurred in the reporting period or the previous year.



## [21] 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
<b>Historical costs</b>			
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
<b>Amortisation</b>			
Value on 01/10/2021	0	0	0
Additions	0	0	0
Disposals	0	0	0
Value on 30/09/2022	0	0	0
<b>Residual carrying amount 30/09/2022</b>	<b>0.075</b>	<b>8.100</b>	<b>8.175</b>
<b>Residual carrying amount 30/09/2021</b>	<b>0.074</b>	<b>7.501</b>	<b>7.574</b>
<b>Previous year</b>			
<b>Historical costs</b>			
Value on 01/10/2020	0.119	6.929	7.048
Additions	0	0	0
Disposals	0.038	0	0.038
Share of profit/loss	-0.006	0.571	0.565
Dividends	0	0	0
Value on 30/09/2021	0.074	7.501	7.574
<b>Amortisation</b>			
Value on 01/10/2020	0	0	0
Additions	0	0	0
Disposals	0	0	0
Value on 30/09/2021	0	0	0
<b>Residual carrying amount 30/09/2021</b>	<b>0.074</b>	<b>7.501</b>	<b>7.574</b>
<b>Residual carrying amount 30/09/2020</b>	<b>0.119</b>	<b>6.929</b>	<b>7.048</b>

The previous year's disposal resulted from a sale of shares in associated companies; the proceeds from the sale amounted to EUR 0.038 million and were reported under other financial assets (Note

[23]). Of the joint ventures' share of profit/loss, a portion of EUR 0.526 million (previous year EUR 0.491 million) is attributable to Bertrandt Campus GmbH.

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## [22] CURRENT AND NON-CURRENT FINANCIAL RECEIVABLES

Financial receivables are broken down as follows according to their maturities:

### FINANCIAL RECEIVABLES

EUR million			
	Current	Non-current	30/09/2022
Financial receivables	7.320	6.337	<b>13.657</b>
<b>Previous year</b>			
	Current	Non-current	30/09/2021
Financial receivables	0.353	1.931	<b>2.283</b>

Current and non-current financial receivables comprise, in addition to loans receivable, lease payments receivable of EUR 4.333 million (previous year EUR 0 million). In addition, the recognition of a claim for compensation payment in the amount of EUR 6.000 million (previous year: EUR 0 million) caused financial receivables to increase (Note [9]). 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 ten years. Gains on disposal of EUR 0.095 million (previous year EUR 0 million) in connection with lease payments receivable were realised in fiscal 2021/2022.

Lease payments receivable developed as follows:

### LEASE PAYMENTS RECEIVABLE

EUR million		
	2021/2022	2020/2021
<b>Lease payments receivable 01/10</b>	<b>0</b>	<b>0</b>
New leases	5.927	0
Lease income	-1.608	0
Interest income	0.014	0
<b>Lease payments receivable 30/09</b>	<b>4.333</b>	<b>0</b>

Future cash receipts from existing leases break down as follows:

### FUTURE CASH RECEIPTS FROM LEASES ACCORDING TO IFRS 16

EUR million		
	30/09/2022	30/09/2021
< 1 year	1.223	0
1-2 years	1.127	0
2-3 years	1.014	0
3-4 years	977	0
4-5 years	0	0
> 5 years	0	0
<b>Total</b>	<b>4.341</b>	<b>0</b>
Discounting	-8	0
<b>Lease payments receivable as at 30/09</b>	<b>4.333</b>	<b>0</b>

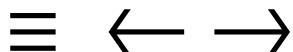
## [23] CURRENT AND NON-CURRENT OTHER FINANCIAL ASSETS

Of the total of EUR 7.598 million (previous year EUR 6.783 million) of other financial assets, EUR 3.587 million (previous year EUR 3.019 million) are non-current assets, mainly comprising reinsurance.

## [24] CURRENT AND NON-CURRENT OTHER ASSETS

Other assets were EUR 17.038 million (previous year EUR 23.989 million) and include prepaid expenses and receivables from public institutions, of which EUR 4.107 million (previous year EUR 6.424 million) have a residual maturity of more than one year.





## [25] DEFERRED TAX ASSETS AND TAX LIABILITIES

Deferred tax assets and liabilities comprise the following items:

### DEFERRED TAX ASSETS AND LIABILITIES

EUR million	30/09/2022		30/09/2021	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Non-current assets	0.274	27.947	0.765	28.034
Contract assets	0	8.877	0	6.292
Post-retirements benefit provisions	0.947	0	0.897	0
Other provisions	0.806	0.101	1.310	0
Unused tax losses	1.593	0	1.025	0
Financial receivables	0	1.300	0	0
Other financial liabilities	22.561	0	23.374	0.031
Other items	0.340	0.373	0.108	0.193
<b>Total before offsetting</b>	<b>26.521</b>	<b>38.599</b>	<b>27.479</b>	<b>34.550</b>
Offsetting	-13.378	-13.378	-14.244	-14.244
<b>Deferred tax assets and liabilities</b>	<b>13.143</b>	<b>25.221</b>	<b>13.235</b>	<b>20.306</b>

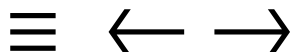
Of the deferred tax assets before offsetting, EUR 24.766 million (previous year EUR 26.061 million) have a residual maturity of more than twelve months. Of the deferred tax liabilities before offsetting, EUR 9.351 million (previous year EUR 6.505 million) are short-term and EUR 29.247 million (previous year EUR 28.045 million) are long-term liabilities.

A deferred tax asset of EUR 1.470 million (previous year EUR 1.025 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 22.198 million (previous year EUR 18.393 million), which 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 42.729 million (previous year EUR 43.631 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

### [26] INVENTORIES

On the reporting date the inventories of the Bertrandt Group were as follows:

#### INVENTORIES

EUR million	30/09/2022	30/09/2021
<b>Raw materials and consumables used</b>	<b>0.948</b>	<b>0.812</b>

As in the previous year, no impairments were made in the period under review.

### [27] CONTRACT ASSETS

Contract assets developed as follows:

#### CONTRACT ASSETS

EUR million	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
<b>Total</b>	<b>92.962</b>			<b>115.510</b>
<b>Previous year</b>				
EUR million	01/10/2020	Increase	Decrease	30/09/2021
Contract assets	204.528	90.813	-110.683	184.658
Less contract liabilities	-114.035			-91.695
<b>Total</b>	<b>90.493</b>			<b>92.962</b>

Contract assets exclusively comprise performance obligations satisfied over time.

As at the end of the fiscal year, the Company recognised provisions of EUR 0.672 million (previous year EUR 0.228 million) for onerous contracts with customers.

For most contracts for work, payment schedules have been specified. Rework is performed without delay; consequently, there are no obligations to accept returns or give refunds, and no warranties exceeding the statutory period of 24 months.

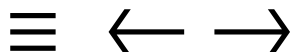
### [28] TRADE RECEIVABLES

Trade receivables came to EUR 208.933 million (previous year EUR 168.856 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 23.118 million (previous year EUR 15.045 million) which were fully derecognised.

Provisions for impairment of EUR 2.914 million (previous year EUR 4.706 million) were recognised.

### [29] INCOME TAX ASSETS

Income tax assets of EUR 0.780 million (previous year EUR 1.197 million) included tax credits for the current fiscal year and from prior years.



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## [30] CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and bank balances. They amounted to EUR 0.071 million (previous year EUR 0.080 million) including a general impairment provision. Foreign currency balances were translated into the Group currency at the mean closing rate prevailing on the balance sheet date 30 September 2022. The changes in cash and cash equivalents are stated in the cash flow statement. Note [42] provides additional explanations on the cash flow statement.

## Equity and liabilities

### EQUITY

#### [31] SHARE CAPITAL

On 30 September 2022, 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**

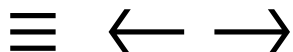
At the annual general meeting on 20 February 2019, the shareholders authorised the Management Board to buy back the Company's own shares up to a proportion of share capital equivalent to the amount of EUR 1,000,000.00 in the period until 31 January 2024.

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.

#### [32] 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 [33]).

As at the reporting date, the Company's own shares amounted to 43,199 shares (previous year 48,027 shares), equivalent to 0.4% (previous year 0.5%) of the Company's share capital. The change results from an employee share scheme implemented in fiscal year 2021/2022. A grant for 4,828 shares was provided under this scheme, the weighted average fair value of the shares being EUR 38.35. No employee share scheme was implemented in the previous year.



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### [33] RETAINED EARNINGS AND OTHER RESERVES (OCI)

Exchange differences of EUR 2.420 million (previous year EUR 0.297 million) resulting from the consolidation of the subsidiaries' equity were offset with 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 4.388 million (previous year EUR -0.380 million), were offset with the tax effects allocable thereto and recognised in other reserves (OCI) at the amount of EUR -1.226 million (previous year EUR 0.084 million).

The designated portion of the change in value of the cash flow hedges of EUR -1.653 million (previous year EUR 0 million) was netted with the related tax effects of EUR 0.496 million (previous year EUR 0 million) and recognised in other reserves (OCI).

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

#### [34] CURRENT AND NON-CURRENT BORROWINGS

Borrowings declined in the year under review by EUR 7.451 million; as at 30 September 2022, they came to EUR 260.082 million in total (previous year EUR 267.533 million).

Non-current borrowings of EUR 96.826 million (previous year EUR 257.854 million) essentially consist of the tranche of the bonded loan of EUR 66.500 million. The original maturity of the tranche was ten years. The reduction in non-current borrowings compared with the previous year is mainly due to the tranches of EUR 103.500 million maturing in November 2022 and maturing loans recognised as current borrowings. The reclassification caused current borrowings to increase to EUR 163.256 million in total as at 30 September 2022 (previous year EUR 9.679 million).

For information on future long-term financing, please refer to the report on subsequent events (Note [52]).

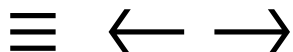
As at 30 September 2022, the interest rates on domestic and non-domestic current and non-current financial borrowings were in the range between 0.5 and 1.9% (previous year 0.5 and 1.9%).

In the previous year, repayment subsidies of EUR 7.064 million were granted for existing loans under the KfW's programme 'Energy Efficiency Programme – Waste Heat'. Accordingly, borrowings and costs of the technical equipment and machinery concerned had decreased in fiscal 2020/2021.

The maturities of borrowings are as follows:

### CURRENT AND NON-CURRENT BORROWINGS

EUR million	Current	Non-current	30/09/2022
Borrowings	163.256	96.826	260.082
<b>Previous year</b>			
	Current	Non-current	30/09/2021
Borrowings	9.679	257.854	267.533



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## [35] CURRENT AND NON-CURRENT OTHER FINANCIAL LIABILITIES

### CURRENT AND NON-CURRENT OTHER FINANCIAL LIABILITIES

EUR million			
	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
<b>Other financial liabilities</b>	<b>35.830</b>	<b>57.148</b>	<b>92.978</b>
<b>Previous year</b>			
	Current	Non-current	30/09/2021
Lease liabilities	19.248	61.209	80.456
Liabilities to employees	1.320	0	1.320
Other	8.899	0.005	8.904
<b>Other financial liabilities</b>	<b>29.467</b>	<b>61.214</b>	<b>90.680</b>

Miscellaneous other financial liabilities include negative fair values from cash flow hedges of EUR 2.008 million in total (previous year EUR 0 million), of which EUR 1.172 million (previous year EUR 0 million) have a residual maturity of more than one year.

Current miscellaneous other financial liabilities comprise payments of EUR 9.316 million (previous year EUR 4.830 million) received on assigned receivables, which have not yet been forwarded. In addition, they include a number of individual payment obligations. The carrying amounts of current other financial liabilities correspond to their fair values.

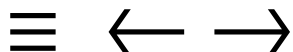
## [36] CURRENT AND NON-CURRENT OTHER LIABILITIES

The carrying amounts of other liabilities approximate their fair values and are comprised of the following:

### CURRENT AND NON-CURRENT OTHER LIABILITIES

EUR million			
	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
<b>Other liabilities</b>	<b>72.853</b>	<b>0.684</b>	<b>73.537</b>
<b>Previous year</b>			
	Current	Non-current	30/09/2021
Taxes	26.938	0	26.938
Payroll and church tax	6.904	0	6.904
Social security	3.037	0	3.037
Personnel obligations	35.867	0	35.867
Miscellaneous other	2.713	1.120	3.833
<b>Other liabilities</b>	<b>75.459</b>	<b>1.120</b>	<b>76.579</b>

Personnel obligations essentially include obligations regarding employee time and leave accounts. Miscellaneous other liabilities comprise an investment grant of EUR 0.289 million (previous year EUR 0.342 million) which was received as a government grant for an investment made. In accordance with IAS 20, EUR 0.053 million (previous year EUR 0.053 million) of the investment grant was released to the income statement in the reporting period based on the useful lives of the assets concerned.



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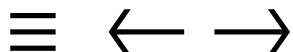
## [37] PROVISIONS FOR PENSIONS

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 are determined on the basis of the following assumptions:

### ASSUMPTIONS FOR DETERMINING PENSION OBLIGATIONS

Diverse information	30/09/2022		30/09/2021	
	Germany	France	Germany	France
Interest rate	3.70%	3.70%	0.50%	0.50%
Assumed rate of salary increase	0.0%	2.0%	0.0%	2.0%
Assumed rate of pension increase	2.0% / 2.5%	0.0%	1.5% / 2.5%	0.0%
Assumed rate of cost increase	2.0%	0.0%	1.5%	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 / 65 years	65 years	65 years
Average remaining life expectancy of persons with active entitlement	-	26 years	-	27 years

Net pension obligations changed by EUR 3.639 million (previous year EUR 0.698 million) and were EUR 6.315 million as at 30 September 2022 (previous year EUR 9.954 million). Of the change in pension obligations, EUR 1.259 million result from the initial consolidation of the Philotech Group. In addition, EUR 0.399 million are recognised as an increase in personnel expenses (previous year EUR 0.318 million increase) and EUR 4.395 million are recognised in other comprehensive income as an increase in equity (previous year EUR 0.380 million reduction in equity). Of the related plan assets, EUR 0.902 million (previous year EUR 0 million) were offset. As at the reporting date, the weighted average duration of the pension obligations in Germany was 12.5 years (previous year 17.4 years) and average duration abroad was 25.6 years (previous year 27.0 years).



The actuarial present value of the pension obligations changed as follows:

### ACTUARIAL PRESENT VALUE OF PENSION OBLIGATIONS

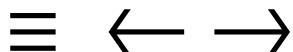
EUR million	2021/2022			2020/2021		
	Germany	France	Total	Germany	France	Total
<b>Present value on 01/10</b>	<b>6.366</b>	<b>3.588</b>	<b>9.954</b>	<b>6.619</b>	<b>2.637</b>	<b>9.256</b>
Additions from initial consolidation	1.243	0.016	1.259	0	0	0
Past service cost	0	0.464	0.464	0	0.355	0.355
Interest expense	0.037	0.012	0.049	0.020	0.008	0.028
Paid retirement benefits	-0.107	-0.007	-0.114	-0.060	-0.005	-0.065
Actuarial gain (-)/ losses (+) from changes in financial assumptions	-2.638	-1.402	-4.040	-0.227	-0.127	-0.354
Actuarial gain (-)/ losses (+) from changes in historical assumptions	0.022	-0.377	-0.355	0.014	0.720	0.734
<b>Present value on 30/09</b>	<b>4.923</b>	<b>2.294</b>	<b>7.217</b>	<b>6.366</b>	<b>3.588</b>	<b>9.954</b>
Netted against plan assets	-0.902	0	-0.902	0	0	0
<b>Net liability as at 30/09</b>	<b>4.021</b>	<b>2.294</b>	<b>6.315</b>	<b>6.366</b>	<b>3.588</b>	<b>9.954</b>

The above present value of the pension obligations includes obligations of EUR 0.902 million (EUR 0 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 0.390 million.

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The effects that changes of actuarial parameters may have on the present value of the pension obligations are determined with sensitivity analyses. If interest rates were 25 basis points higher (lower), the present value of the pension obligations would be lower by EUR 0.228 million (previous year EUR 0.348 million) or higher by EUR 0.239 million (previous year EUR 0.361 million). If life expectancy was higher by one year, the present value would be higher by EUR 0.142 million (previous year higher by EUR 0.327 million); if life expectancy was lower by one year, the present value would be lower by EUR 0.145 million (previous year lower by EUR 0.322 million). If salary growth rates were 25 basis points higher (lower), the present value would be higher by EUR 0.086 million (previous year higher by EUR 0.331 million) or lower by EUR 0.082 million (previous year lower by EUR 0.299 million). If pension growth rates were 25 basis points higher (lower), the present value would be higher by EUR 0.053 million (previous year higher by EUR 0.063 million) or lower by EUR 0.034 million (previous year lower by EUR 0.060 million).

## DEVELOPMENT OF PLAN ASSETS AND REINSURANCE POLICIES

EUR million	2021/2022		2020/2021	
	Plan assets	Reinsurance policies <sup>1</sup>	Plan assets	Reinsurance policies <sup>1</sup>
<b>Fair value as at 01/10</b>	<b>0</b>	<b>2.740</b>	<b>0</b>	<b>2.489</b>
Additions from initial consolidation	1.146	0	0	0
Payments received/made	-0.039	0.197	0	0.207
Remeasurement	-0.007	0.082	0	0.044
<b>Fair value as at 30/09</b>	<b>1.100</b>	<b>3.019</b>	<b>0</b>	<b>2.740</b>
Netted against pension obligations	-0.902	0	0	0
<b>Financial asset recognised as at 30/09<sup>2</sup></b>	<b>0.198</b>	<b>3.019</b>	<b>0</b>	<b>2.740</b>

<sup>1</sup>To the extent that there are no plan assets.

<sup>2</sup>See Note [25] for disclosures on reinsurance.



## [38] OTHER PROVISIONS

Other provisions are comprised of the following:

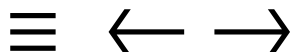
### CURRENT AND NON-CURRENT OTHER PROVISIONS

EUR million	Personnel provisions	Provisions for ongoing business operations	Provisions for buildings	Other provisions	Total of other provisions
<b>Value on 01/10/2021</b>	<b>11.738</b>	<b>1.866</b>	<b>0.606</b>	<b>7.184</b>	<b>21.395</b>
of which current	10.331	1.866	0.397	6.543	19.136
of which non-current	1.407	0	0.210	0.642	2.258
Additions from initial consolidation	0.562	0.208	0	0.765	1.535
Currency differences	0.088	0	0	0.070	0.158
Reclassifications	0	0	0	0	0
Utilisation	8.521	1.246	0.346	5.342	15.455
Reversal	2.189	0.227	0.035	1.011	3.462
Addition	12.851	1.977	0.888	5.051	20.768
<b>Value on 30/09/2022</b>	<b>14.530</b>	<b>2.578</b>	<b>1.113</b>	<b>6.717</b>	<b>24.938</b>
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

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 comprised provisions for guarantee obligations in the previous year. Provisions for construction contracts where the losses to be expected exceed the costs incurred were EUR 0.672 million (previous year EUR 0.228 million). Provisions for buildings comprise, among other items, maintenance costs, energy costs and other incidental costs. Other provisions have been set aside for numerous discernible individual risks.

Of the reversals, an amount of EUR 0.142 million (previous year EUR 0.671 million) is offset against revenues; an amount of EUR 2.110 million (previous year EUR 0.474 million) is offset against personnel expenses; an amount of EUR 0.804 million (previous year EUR 3.477 million) is offset against other operating expenses; and an amount of EUR 0 million (previous year EUR 0.038 million) is offset against cost of materials. No provisions were reversed, resulting in a disposal of property, plant and equipment, in the year under review (previous year EUR 0.537 million). Unwinding of a discount on non-current provisions totalled EUR 0.047 million (previous year EUR 0.030 million); this amount 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

### [39] CONTRACT LIABILITIES

Contract liabilities developed as follows:

#### CONTRACT LIABILITIES

EUR million	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
<b>Contract liabilities after offsetting</b>	<b>3.233</b>			<b>2.740</b>

The contract liabilities are fully recognised in revenues.

### [40] TRADE PAYABLES

The carrying amounts largely approximate their fair values and are due for settlement in less than 12 months.

#### TRADE PAYABLES

EUR million	30/09/2022	30/09/2021
<b>Trade payables</b>	<b>30.528</b>	<b>13.862</b>

### [41] INCOME TAX PROVISIONS

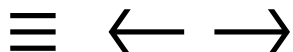
Income tax provisions relate to income taxes calculated for the current and the previous fiscal years.

### [42] 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; the initial consolidation of the Philotech Group is taken into account.

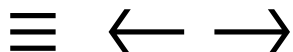
Using post-tax earnings as a basis, the cash flow statement was prepared according to the indirect method. Post-tax earnings were adjusted for non-cash income and expenses. Taking into account the changes in working capital, cash flow from operating activities was EUR 56.900 million (previous year EUR 73.662 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	
02	The fiscal 2021/2022	As at 01/10/2021	92.962	168.856	13.862	3.233
04	The best solution for every customer	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
06	<b>A A LETTER TO THE SHAREHOLDERS</b>	<b>Change</b>	<b>22.548</b>	<b>40.077</b>	<b>16.666</b>	<b>-493</b>
<hr/>						
		Contract assets	Trade receivables	Trade payables	Contract liabilities	
26	<b>B CORPORATE SOCIAL RESPONSIBILITY REPORT</b>	Previous year				
		As at 01/10/2020	90.493	175.471	12.852	2.137
		As at 30/09/2021	92.962	168.856	13.862	3.233
70	<b>C GROUP MANAGEMENT REPORT</b>	<b>Change</b>	<b>2.469</b>	<b>-6.615</b>	<b>1.010</b>	<b>1.096</b>
<hr/>						
126	<b>D REMUNERATION REPORT</b>					
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The cash flow from investing activities was EUR -47.939 million (previous year EUR -37.760 million); the purchase price for the Philotech Group, less cash acquired, had a material influence on the cash flow. Bertrandt's investment activities in the year under review continued to be restrained and generally adapted to the overall economic environment. Capital expenditure on property, plant and equipment was lower by EUR 9.345 million in the year under review. In addition, this item essentially comprises cash outflows for additions to intangible assets. Starting with the 2021/2022 Annual Report, cash inflows and outflows from financial receivables will be reported in cash flows from investing activities. Free cash flow in the reporting period was EUR 8.961 million (previous year EUR 35.902 million).



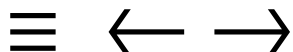
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Cash flow from financing activities amounted to EUR -38.642 million (previous year EUR -33.105 million). In addition to dividend payments, it mainly comprises interest and principal repayments of EUR -24.450 million (previous year EUR -23.528 million) for loans and advances and for lease liabilities which require recognition in the balance sheet pursuant to IFRS 16. The principal repayments mainly result from the scheduled repayment of loans in the amount of EUR -8.148 million. In the previous year, two tranches of a bonded loan of EUR 30.000 million falling due were reported here, among other things. There were no new borrowings in this financial year (previous year: EUR 37.519 million).

The financial liabilities arising from financing activities were as follows:

### DEVELOPMENT OF FINANCIAL LIABILITIES IN FINANCING ACTIVITIES

EUR million	Borrowings	Lease liabilities
<b>Value on 01/10/2021</b>	<b>267.533</b>	<b>80.456</b>
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
<b>Value on 30/09/2022</b>	<b>260.082</b>	<b>75.247</b>
<b>Previous year</b>	<b>Borrowings</b>	<b>Lease liabilities</b>
<b>Value on 01/10/2020</b>	<b>280.324</b>	<b>96.563</b>
Interest paid	-3.651	-2.334
Other changes in cash	-3.846	-21.195
Other non-cash changes	-5.294	7.422
<b>Value on 30/09/2021</b>	<b>267.533</b>	<b>80.456</b>



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In the previous year the non-cash changes in financial liabilities resulted from the reduction in subsidised loans needed for investments as a result of the credit posting of the related repayment subsidy, the remittance of the loans granted under short-term coronavirus state aid programmes in other countries, and valuation issues.

Total cash outflows for tenancies and leases, including short-term leases and leases of low-value assets, were EUR 25.478 million (previous year EUR 25.433 million<sup>1</sup>), of which EUR 0.806 million (previous year EUR 1.471 million) are attributable to short-term leases and EUR 0.230 million (previous year EUR 0.430 million) to leases of low-value assets. The latter are included in cash flow from operating activities.

Cash and cash equivalents were at EUR 161.557 million (previous year EUR 190.205 million).

<sup>1</sup> Previous year figure restated.

## [43] NOTES ON SEGMENT REPORTING

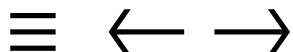
The Group uses the operating segments Digital Engineering, Physical Engineering and Electrical Systems/Electronics as a basis for controlling the Group's activities. Non-current assets within the meaning of IFRS 8 were measured at EUR 408.709 million (previous year EUR 405.692 million). Of this total, domestic non-current assets account for EUR 394.926 million (previous year EUR 389.776 million) and foreign non-current assets account for EUR 13.784 million (previous year EUR 15.916 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 divisions	
	01/10 until 30/09	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021
02	The fiscal 2021/2022								
04	The best solution for every customer								
06	<b>A A LETTER TO THE SHAREHOLDERS</b>								
	Revenues	551.241	418.433	234.783	223.005	342.741	239.509	1.128.765	880.947
	Transfers between segments	63.937	9.917	18.549	26.360	37.804	-904	120.290	35.373
	<b>Consolidated revenues</b>	<b>487.304</b>	<b>408.516</b>	<b>216.234</b>	<b>196.645</b>	<b>304.937</b>	<b>240.413</b>	<b>1.008.475</b>	<b>845.574</b>
26	<b>B CORPORATE SOCIAL RESPONSIBILITY REPORT</b>								
	Other internally generated assets	0.050	0.076	0.512	2.745	0.122	0.198	0.684	3.019
	<b>Consolidated total revenues</b>	<b>487.354</b>	<b>408.592</b>	<b>216.746</b>	<b>199.390</b>	<b>305.059</b>	<b>240.611</b>	<b>1.009.159</b>	<b>848.592</b>
70	<b>C GROUP MANAGEMENT REPORT</b>								
	Depreciation/amortisation	-12.396	-12.469	-35.638	-35.376	-8.942	-8.652	-56.976	-56.497
	<b>EBIT</b>	<b>27.634</b>	<b>6.643</b>	<b>-6.173</b>	<b>-1.356</b>	<b>20.203</b>	<b>14.753</b>	<b>41.664</b>	<b>20.040</b>
126	<b>D REMUNERATION REPORT</b>								
	Net finance income							-6.360	-5.900
141	<b>E CONSOLIDATED FINANCIAL STATEMENTS</b>								
	<b>Profit from ordinary activities</b>							<b>35.304</b>	<b>14.140</b>
	Other taxes							-2.507	-1.981
	<b>Earnings before tax</b>							<b>32.797</b>	<b>12.160</b>
143	Consolidated income statement and statement of comprehensive income								
	Income taxes							-11.663	-5.251
	<b>Post-tax earnings</b>							<b>21.134</b>	<b>6.909</b>

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Revenues related to performance obligations satisfied over time were EUR 775.543 million (previous year EUR 645.838 million). The segments' contributions were as follows: Digital Engineering, EUR 319.751 million (previous year EUR 254.630 million); Physical Engineering, EUR 192.926 million (previous year EUR 180.125 million) and Electrical Systems/Electronics, EUR 262.867 million (previous year EUR 211.083 million).

Revenues with customers accounting for more than 10% of total revenues break down by segment as follows: Digital Engineering, EUR 171.443 million (previous year EUR 131.640 million) and EUR 56.309 million (previous year EUR 61.154 million) respectively; Physical Engineering, EUR 95.928 million (previous year EUR 81.630 million) and EUR 34.883 million (previous year EUR 42.507 million) respectively; and Electrical Systems/Electronics, EUR 122.943 million (previous year EUR 115.275 million) and EUR 76.179 million (previous year EUR 70.402 million) respectively. There are no control relationships.

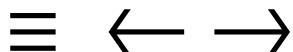
Segment reporting is not required for assets and liabilities since they are not included in internal reporting at segment level.

## OTHER DISCLOSURES

### [44] COLLATERAL PROVIDED

As at the reporting date, liabilities secured by mortgages were EUR 13.809 million (previous year EUR 15.132 million) and liabilities secured by transfer of security were EUR 36.592 million (previous year EUR 42.829 million).





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## [45] CONTINGENT LIABILITIES

As at the reporting date the Company recorded contingent liabilities of EUR 3.463 million (previous year EUR 3.291 million) which substantially relate to pending administrative appeal and court proceedings brought against a non-domestic tax authority.

## [46] 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	30/09/2022	30/09/2021
Current	36.600	39.598
Non-current	0.742	5.587
<b>Total</b>	<b>37.342</b>	<b>45.184</b>

The current other financial obligations not requiring recognition in the balance sheet comprise EUR 0.086 million (previous year EUR 0.095 million) for short-term property leases, of which EUR 0.009 million (previous year EUR 0.007 million) are accounted for by related parties. In addition, current financial obligations of EUR 0.892 million (previous year EUR 1.558 million) exist for other items of property, plant and equipment, of which EUR 0.022 million (previous year EUR 0.033 million) are accounted for by related parties. Non-current financial obligations amount to EUR 0.103 million (previous year EUR 0.148 million), of which EUR 0.022 million (previous year EUR 0.039 million) are accounted for by related parties. Furthermore, there are other financial obligations under supplier contracts for intangible assets of EUR 0.599 million (previous year EUR 1.069 million) and items of property, plant and equipment in the amount of EUR 13.115 million (previous year EUR 12.189 million).

## Future cash outflows according to IFRS 16

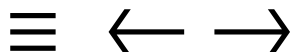
The table provides an overview of future cash outflows under the existing leases:

### FUTURE CASH OUTFLOWS ACCORDING TO IFRS 16

EUR million	30/09/2022	30/09/2021
< 1 year	23.101	22.661
1-5 years	48.025	49.838
> 5 years	13.009	16.446
<b>Total</b>	<b>84.135</b>	<b>88.945</b>

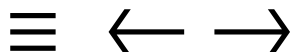
## [47] FURTHER NOTES ON THE EFFECTS OF FINANCIAL INSTRUMENTS ON THE BALANCE SHEET

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	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
		Carrying amount	Carrying amount	Carrying amount	Fair Value	Carrying amount	
02	The fiscal 2021/2022						
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		<b>Non-current assets</b>					
		Investments accounted for using the equity method				8.175	8.175
06	<b>A A LETTER TO THE SHAREHOLDERS</b>	Financial receivables	1.961		4.376	4.376	6.337
		Other financial assets	3.019		0.369	0.369	3.587
		Other assets				4.107	4.107
26	<b>B CORPORATE SOCIAL RESPONSIBILITY REPORT</b>	<b>Current assets</b>					
		Contract assets			115.510	115.510	115.510
		Trade receivables			208.933	208.933	208.933
		Financial receivables			7.320	7.320	7.320
70	<b>C GROUP MANAGEMENT REPORT</b>	Other financial assets			4.011	4.011	4.011
		Other assets					12.931
		Cash and cash equivalents			161.557	161.557	161.557
126	<b>D REMUNERATION REPORT</b>	<b>Non-current liabilities</b>					
		Borrowings			96.826	86.476	96.826
		Other financial liabilities		1.172	0.005	0.005	57.148
141	<b>E CONSOLIDATED FINANCIAL STATEMENTS</b>	Other liabilities				0.684	0.684
		<b>Current liabilities</b>					
		Borrowings			163.256	162.905	163.256
		Contract liabilities					2.740
143	Consolidated income statement and statement of comprehensive income	Trade payables			30.528	30.528	30.528
144	Consolidated balance sheet	Other financial liabilities	1.248	0.835	14.471	14.471	35.830
145	Consolidated statement of changes in equity	Other liabilities				72.853	72.853
		<b>Previous year</b>	Measured at fair value through profit and loss	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
			Carrying amount	Carrying amount	Carrying amount	Fair Value	Carrying amount
		<b>Non-current assets</b>					
		Investments accounted for using the equity method					7.574
199	Independent Auditor's Report	Financial receivables	0.893		1.038	1.038	1.931
207	Responsibility statement by the management (balance sheet oath)	Other financial assets <sup>1</sup>	2.740		0.279	0.279	3.019
		Other assets					6.424
		<b>Current assets</b>					
		Contract assets			92.962	92.962	92.962
		Trade receivables			168.856	168.856	168.856
208	<b>F FURTHER INFORMATION</b>	Financial receivables			0.353	0.353	0.353
		Other financial assets			3.764	3.764	3.764
		Other assets					17.565
		Cash and cash equivalents			190.205	190.205	190.205
		<b>Non-current liabilities</b>					
		Borrowings			257.854	263.806	257.854
		Other financial liabilities			0.005	0.005	61.209
		Other liabilities					1.120
		<b>Current liabilities</b>					
		Borrowings			9.679	10.482	9.679
		Contract liabilities <sup>1</sup>					3.233
		Trade payables			13.862	13.862	13.862
		Other financial liabilities	1.198		9.021	9.021	19.248
		Other liabilities					75.459



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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. Interest rate derivatives and foreign exchange forward contracts are categorised as Level two, other derivatives as Level three. The fair value of non-current financial liabilities recognised at amortised cost is determined based on the market interest curve using the zero-coupon method, taking credit spreads into account (Level two). The values include interest accrued as at the reporting date.

The fair values of the financial instruments are determined applying methods normally used in the market. Because of the short maturities of the current financial instruments measured at amortised cost, the fair values obtained almost approximate their carrying amounts. As in the previous year, there were no transfers between the three levels of the fair value hierarchy. A sensitivity analysis is performed every year, analysing and evaluating internal and external information and overall conditions for their probability of occurrence and the resulting financial burdens. As in the previous year, the sensitivity analysis did not lead to any change in the carrying amount.

## [48] MANAGEMENT OF FINANCIAL RISKS

### Hedging policies and principles of financial risk management

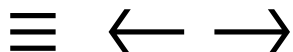
As a service provider operating on an international scale, the Bertrandt Group is exposed to a variety of financial risks. Bertrandt primarily distinguishes the following types of risks:

- Liquidity Risk
- Default and 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 96.826 million (previous year EUR 257.854 million) in long-term financing available. For information on future long-term financing, we refer to the report on subsequent events (Note [52]). Bertrandt AG maintains cash pooling arrangements with most of its German subsidiaries via its principle banks. The foreign subsidiaries are provided with funds by means of loans from banks or Group entities. Moreover, with EUR 241 million available, the Bertrandt Group has sufficient unused credit facilities and alternative financing instruments. A material part of the facility agreements is secured on a long-term basis. The option agreement valid in the previous year has expired.



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The following table sets out the carrying amounts and the contractually agreed (undiscounted) interest and principal payments arising from the original financial liabilities and the derivative financial instruments with negative fair value:

## PRIMARY AND DERIVATIVE FINANCIAL LIABILITIES

EUR million	Carrying amount	Payment obligations		
		30/09/2022	2022/2023	2023/2024 until 2026/2027
<b>Borrowings</b>	260.082	164.191	96.208	5.447
<b>Trade payables</b>	30.528	30.528	0	0
<b>Other financial liabilities</b>	92.978	39.655	49.202	13.009
<b>Previous year</b>	30/09/2021	2021/2022	2022/2023 until 2025/2026	2026/2027 ff.
<b>Borrowings</b>	267.533	10.957	251.853	11.798
<b>Trade payables</b>	13.862	13.862	0	0
<b>Other financial liabilities</b>	90.680	32.881	49.843	16.446

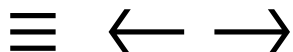
Financial instruments for which payments were already agreed as at the reporting date are included in the portfolio. Payment obligations arising from floating-rate and fixed-rate financial instruments were calculated using the interest rates last determined prior to the reporting date. These calculations do not include budgeted figures for future liabilities. Foreign-currency items were translated using the spot exchange rate prevailing on the reporting date. Financial liabilities repayable on demand were assigned to the earliest maturity band.

### Default and 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. The risk of default is limited to the greatest possible extent by means of preventive credit rating checks and ongoing monitoring of accounts receivable. There

were no material payment defaults during the 2021/2022 fiscal year. The risk of default in the future is also rated as low thanks to the mainly good creditworthiness of our customers, our proactive receivables management and risk mitigation through credit guarantee insurance.

Impairment losses and allowances for losses 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 loss allowance at initial recognition and at each subsequent reporting date in the amount of the expected loss within the maturity period. In this context, a loss allowance for expected credit losses is recognised with respect to the portfolio of receivables on which no specific valuation allowances have been recognised, based on the Company's own default rate and two different valuation groups.



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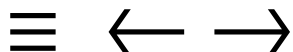
The default risk of trade receivables reported as at the reporting date is covered by the loss allowances. The carrying amounts of the contract assets, trade receivables, financial receivables, other financial assets and other assets recognised in the balance sheet at EUR 362.736 million (previous year EUR 294.874 million) represent the maximum default risk.

Cash and cash equivalents are placed in short-term, non-risk-oriented investments.

The following table shows the credit and default risks applicable to the financial assets according to their gross carrying amounts.

### CREDIT AND DEFAULT RISK OF FINANCIAL ASSETS

EUR million	Neither overdue nor impaired	Overdue but not impaired	Impaired	30/09/2022
Contract assets	115.510	0	0	<b>115.510</b>
Trade receivables	184.434	24.430	2.982	<b>211.846</b>
Financial receivables and other financial assets	21.255	0	0	<b>21.255</b>
	<b>321.199</b>	<b>24.430</b>	<b>2.982</b>	<b>348.611</b>
<b>Previous year</b>	Neither overdue nor impaired	Overdue but not impaired	Impaired	<b>30/09/2021</b>
Contract assets	92.962	0	0	<b>92.962</b>
Trade receivables	148.490	19.790	5.282	<b>173.562</b>
Financial receivables and other financial assets	9.067	0	0	<b>9.067</b>
	<b>250.519</b>	<b>19.790</b>	<b>5.282</b>	<b>275.591</b>



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The following table shows the age of the gross carrying amounts of financial assets past due for which no impairment provision was made:

### AGE OF FINANCIAL ASSETS PAST DUE AS AT THE REPORTING DATE AND FOR WHICH NO IMPAIRMENT PROVISION WAS MADE

EUR million	until 30 days	31 until 90 days	more than 90 days	30/09/2022
Trade receivables	13.053	8.385	2.992	24.430
<b>Previous year</b>	until 30 days	31 until 90 days	more than 90 days	30/09/2021
Trade receivables	9.114	6.913	3.764	19.790

There was no evidence of a loss allowance being required for the financial assets which were due and past due as at the reporting date and for which no impairment provision was made.

Loss allowances for trade receivables, financial receivables, other financial assets and cash and cash equivalents developed as follows:

### DEVELOPMENT OF LOSS ALLOWANCES FOR FINANCIAL ASSETS

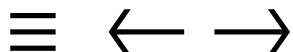
EUR million	2021/2022	2020/2021
<b>Value on 01/10</b>	<b>4.786</b>	<b>4.683</b>
Additions from initial consolidaton	0.031	0
Addition	0.231	0.236
Utilisation	1.559	0.075
Reversal	0.507	0.058
<b>Value on 30/09</b>	<b>2.982</b>	<b>4.786</b>

Losses on receivables of EUR 1.102 million (previous year: EUR 0.075 million) were recognised as an expense in the fiscal year; income from derecognised receivables amounted to EUR 0.012 million (previous year: EUR 0 million). The completion of legal proceedings had effects on the portfolio of receivables and loss allowances which are recognised as losses on receivables and utilisation of loss allowances. This is 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. Group Treasury utilises suitable interest derivatives to hedge interest risk if needed.

Floating-rate liabilities in connection with the bonded loan are EUR 12.000 million (previous year EUR 12.000 million). The benchmark interest rate relevant for the calculation of interest is the 6-month Euribor applicable at the respective fixing date.



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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. If interest rates in the market were 100 basis points higher, the result would be higher by EUR 1.133 million (previous year EUR 1.116 million higher). If interest rates in the market were 100 basis points lower, the result would be lower by EUR 0.074 million (previous year EUR 0.011 million lower). Financial instruments measured at amortised cost and subject to a fixed rate of interest are not exposed to any interest rate risks as defined in IFRS 7.

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, as a rule, to hedge the risk. 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 2022 are cash flow hedges to protect revenues. The fair values are determined on the basis of current observable market prices and taking into account forward premiums and discounts. The nominal amounts of the hedges are EUR 26.039 million (previous year EUR 0 million); the hedged volume in the transaction currency is USD 28.175 million (previous year USD 0 million).

#### [49] 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.

The Group's equity corresponds to the equity shown on the balance sheet. As at 30 September 2022, the ratio of equity to total assets (equity ratio) was 45.2% (previous year 44.6%).

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.

#### [50] DISCLOSURES PURSUANT TO THE GERMAN SECURITIES TRADING ACT (WPHG)

The notifications of voting rights are included in the annual financial statements for the 2021/2022 fiscal year of Bertrandt AG, which are published in the electronic Federal Gazette.

#### [51] DECLARATION OF CONFORMITY TO THE GERMAN CORPORATE GOVERNANCE CODE

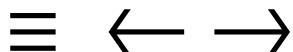
The declaration of conformity to the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act has been submitted by the Management Board and the Supervisory Board. It is available on the Bertrandt website at <https://www.bertrandt.com/unternehmen/investor-relations/corporate-governance>.

#### [52] REPORT ON SUBSEQUENT EVENTS

To strategically safeguard the Company's liquidity in the long term, Bertrandt AG issued a bonded loan of EUR 115.5 million in October 2022 with disbursement in November 2022. It will exclusively affect non-current borrowings and net finance income. The bonded loan serves as follow-up financing for the loans due in the first quarter of fiscal year 2022/2023.

No other material events have occurred after the end of the fiscal year, which would be of major significance for the net assets, results of operations and financial position of the Bertrandt Group. The ongoing difficult environment leads 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.





## [53] 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

**Hans-Gerd Claus**  
Member of the Management Board  
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 Philotech UK Limited, Dunton (since 24 August 2022)
- 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

The total remuneration for members of the Management Board active in fiscal 2021/2022 is EUR 2.875 million (previous year EUR 2.066 million<sup>1</sup>). It includes a fixed amount of EUR 1.261 million (previous year EUR 1.261 million), fringe benefits of EUR 0.052 million (previous year EUR 0.053 million) and a multi-year performance-related component of EUR 1.562 million (previous year EUR 0.752 million<sup>1</sup>) that has not been paid yet and of which EUR 0.859 million (previous year EUR 0.413 million) is paid over a longer term. In addition, there are payment obligations related to the bonus/malus pool for the previous year, so that open balances totalling EUR 1.975 million (previous year: EUR 1.065 million) have been 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

0.060 million) were paid to former members of the Management Board.

<sup>1</sup> Previous year's figure restated

### Active members of the Supervisory Board

**Dietmar Bichler**  
Chairman of the Supervisory Board

- Chairman of the Supervisory Board of b.invest AG i. L., Ehningen
- Member of the Supervisory Board of MAHLE GmbH, Stuttgart
- Chairman of the Supervisory Board of Lindauer DORNIER GmbH, Lindau

**Prof. Dr.-Ing. Wilfried Sihh**  
Member of the Supervisory Board,  
Deputy Chairman of the Supervisory Board (since 5 April 2022)

- University professor 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, Hochstraß

**Udo Bäder**  
Member of the Supervisory Board

- Auditor and tax advisor

**Matthias Benz**  
Member of the Supervisory Board (since 18 May 2022)

- Chairman of the Management Board (CEO) of CAG-Holding / Neumann Aluminium Industries, Vienna
- Member of the Supervisory Board of Pfisterer AG, Winterbach

**Michael Schmidt**  
Employee representative

- Team leader, Bertrandt Ingenieurbüro GmbH, Munich

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**Marianne Weiß**  
**Employee representative**  
 – Commercial clerk, Bertrandt Ingenieurbüro GmbH,  
 Gaimersheim

### Members of the Supervisory Board who resigned during the fiscal year

**Horst Binnig**  
**Deputy Chairman of the Supervisory Board until 5 April 2022,**  
**Member of the Supervisory Board until 30 April 2022**  
 – Member of the Advisory Board of HELLA GmbH & Co. KGaA,  
 Lippstadt (until 30 April 2022)

In fiscal 2021/2022 the Supervisory Board members received a fixed remuneration for their activity of EUR 0.319 million in total (previous year EUR 0.320 million).

The amounts paid to the individual members of the Supervisory Board were as follows:

### SUPERVISORY BOARD COMPENSATION

EUR	Fixes
	2021/2022
Dietmar Bichler	104.000
Udo Bäder <sup>1</sup>	51.923
Matthias Benz <sup>2</sup>	11.923
Horst Binnig <sup>3</sup>	30.882
Prof. Dr.-Ing. Wilfried Sihn <sup>4</sup>	55.934
Michael Schmidt	32.000
Marianne Weiß	32.000
<b>Total</b>	<b>318.662</b>

<sup>1</sup>From 5 April 2022 member of the Human Resources Committee.

<sup>2</sup>From 18 May 2022 member of the Supervisory Board.

<sup>3</sup>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.

<sup>4</sup>From 5 April 2022 Deputy Chairman of the Supervisory Board and member of the Audit Committee.

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 2021/2022 fiscal year for services provided in a personal capacity, in particular those involving consulting and brokerage services.

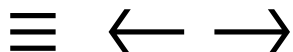
Bertrandt shares held by members of the Management Board and Supervisory Board are broken down as follows:

### SHARES OWNED BY MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS

Number	Shares	Shares
	Balance at 30/09/2022	Balance at 30/09/2021
<b>Members of the Management and Supervisory Boards owning shares</b>		
Dietmar Bichler (Member of the Supervisory Board)	400,000	400,000
Hans-Gerd Claus (Member of the Management Board, Engineering)	4,020	0
Michael Lücke (Member of the Management Board, Sales)	3,019	0
Markus Ruf (Member of the Management Board, Finance)	3,019	0
<b>Total</b>	<b>410,058</b>	<b>400,000</b>

No share options are disclosed as no share option programme is currently proposed by the Company.





The operating results and net assets of associates are as follows:

## NET ASSETS AND RESULTS OF OPERATIONS OF ASSOCIATES

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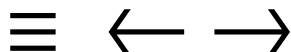
EUR million	30/09/2022	30/09/2021
Assets	0.201	0.205
Liabilities	0	0
Revenues	0.008	0.008
Post-tax earnings/comprehensive income	-0.003	-0.032

The carrying amount of the investments in associates is EUR 0.075 million (previous year EUR 0.074 million).

The net assets and results of operations of the joint ventures are as follows:

## NET ASSETS AND RESULTS OF OPERATIONS OF JOINT VENTURES

EUR million	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
<b>Assets</b>	<b>35.691</b>	<b>6.757</b>	<b>8.331</b>	<b>9.339</b>	<b>8.405</b>	<b>14.606</b>	<b>6.421</b>	<b>89.550</b>
– Non-current	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
<b>Liabilities</b>	<b>20.405</b>	<b>6.832</b>	<b>8.615</b>	<b>9.046</b>	<b>8.458</b>	<b>14.885</b>	<b>6.010</b>	<b>74.251</b>
– 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
Revenues	2.664	0.355	0.177	0.384	0.393	0.656	0.116	4.745
Income taxes	0.198	0	0	0	0	0	0.015	0.213
Post-tax earnings	1.051	0.005	0.051	-0.036	-0.016	0.038	0.156	1.249
<b>Previous year</b>	<b>Bertrandt Campus GmbH</b>	<b>Bertrandt Liegenschaft GmbH &amp; Co. KG</b>	<b>Bertrandt Liegenschaft Süd GmbH &amp; Co. KG</b>	<b>Bertrandt Grundstücks GmbH &amp; Co. KG</b>	<b>Bertrandt Prüfzentrum GmbH &amp; Co. KG</b>	<b>Bertrandt Prüfzentrum Süd GmbH &amp; Co. KG</b>	<b>Other</b>	<b>30/09/2021</b>
<b>Assets</b>	<b>36.813</b>	<b>6.929</b>	<b>8.555</b>	<b>9.564</b>	<b>8.637</b>	<b>14.770</b>	<b>6.453</b>	<b>91.720</b>
– Non-current	35.495	6.908	8.492	9.190	8.468	12.538	5.984	87.075
– Current	1.318	0.021	0.063	374	0.169	2.232	0.469	4.645
<b>Liabilities</b>	<b>22.578</b>	<b>7.008</b>	<b>8.891</b>	<b>9.236</b>	<b>8.676</b>	<b>15.086</b>	<b>6.198</b>	<b>77.673</b>
– Non-current	20.192	6.100	8.800	8.555	7.699	13.507	3.594	68.447
– Current	2.387	0.908	0.091	0.681	0.977	1.579	2.604	9.226
Revenues	2.614	0.344	0.042	0.454	0.366	0.001	0.116	3.937
Income taxes	0.185	0	0	0	0	0	0.003	0.187
Post-tax earnings	0.983	-0.012	-0.113	0.046	0.019	-0.179	0.105	0.848



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The carrying amount of the investments in joint ventures is EUR 8.100 million (previous year EUR 7.501 million), of which EUR 7.643 million (previous year EUR 7.117 million) are attributable to Bertrandt Campus GmbH. As in the previous year, depreciation of property, plant and equipment at Campus GmbH amounted to EUR 1.015 million. 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 balance sheet date, receivables from associates and joint ventures amounted to EUR 1.978 million (previous year EUR 0.893 million) and payables were at EUR 0.012 million (previous year EUR 0.089 million). In the fiscal year under review, revenues were EUR 0.099 million (previous year EUR 0.093 million), other operating expenses were EUR 0.273 million (previous year EUR 0.197 million) and interest expense was EUR 0 million (previous year EUR 0.033 million).

### **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 must 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 amounted to EUR 390.315 million in the period under review (previous year EUR 328.545 million). In addition, other operating income of EUR 0.185 million (previous year EUR 0.104 million) and expenses of EUR 3.016 million (previous year EUR 3.571 million) have been recognised. As at the reporting date, trade receivables amounted to EUR 74.219 million (previous year EUR 82.212 million); contract assets were EUR 48.517 million (previous year EUR 31.085 million); contract liabilities were EUR 9.132 million (previous year EUR 0.926 million); and payables amounted to EUR 0.077 million (previous year EUR 0.028 million). No loss allowances for trade receivables were made in the 2021/2022 fiscal year (previous year EUR 0 million).



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## [55] 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	2021/2022	2020/2021
Audit of financial statements	0.418	0.377
Other audit services	0	0.007
Tax consulting services	0.003	0.004
Other services	0.005	0.012
<b>Total</b>	<b>0.426</b>	<b>0.400</b>

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. Fees paid for tax consultancy services are mainly related to enquiries regarding transfer prices. Non-audit services comprise participation in start-up seminars.

## [56] PROFIT ALLOCATION PROPOSAL

In accordance with Section 58 (2) AktG, the dividend distributed by Bertrandt Aktiengesellschaft is based on the distributable profit as shown in the financial statements for the year ending on 30 September 2022 of Bertrandt Aktiengesellschaft prepared according to German Commercial Law.

The Management Board proposes using the distributable profit of EUR 44,231,883.18 of Bertrandt Aktiengesellschaft for the fiscal year 2021/2022 to pay a dividend of EUR 0.85 per qualified share, and carry forward the remaining amount of EUR 35,610,129.18 to the next financial 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, i.e. on 27 February 2023. 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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## [57] DIVIDEND FOR THE FISCAL YEAR 2020/2021

The Management Board's proposal in the previous year for a dividend of EUR 0.27 per qualified share was adopted by the annual general meeting.

The Management Board

**HANS-GERD CLAUS**  
Member of the  
Management Board  
Engineering

**MICHAEL LÜCKE**  
Member of the  
Management Board  
Sales

## [58] 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 12 December 2022.

Ehningen, 12 December 2022

**MARKUS RUF**  
Member of the  
Management Board  
Finance





# 'INDEPENDENT AUDITOR'S REPORT

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To Bertrandt AG, 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 AG, Ehningen, and its subsidiaries (the Group) – comprising the consolidated balance sheet as at 30 September 2022, and 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 2021 to 30 September 2022, 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 AG, Ehningen for the financial year from 1 October 2021 to 30 September 2022. In accordance with German statutory requirements, we have not audited the content of the corporate governance declaration pursuant to Sections 289f and 315d of the German Commercial Code (HGB).

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

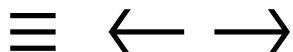
- the accompanying consolidated financial statements comply, in all material respects, with the International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB) and give a true and fair view of the net assets and financial position of the Group as at 30 September 2022, as well as of the earnings situation for the financial year from 1 October 2021 to 30 September 2022, 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 suitably 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 objections 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 standards for the audit of financial statements promulgated by the 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 2021 to 30 September 2022. 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 matters of most significance in our audit were as follows:

1. Business acquisition
2. Goodwill impairment test
3. Measurement of contract assets

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

1. Matter and issue
2. Audit approach and findings
3. Reference to further information

We present the key audit matters in the following section:

### 1. Business acquisition

1. Bertrandt AG acquired 100% of the shares in Philotech Systementwicklung und Software GmbH, with registered offices in Taufkirchen, in fiscal 2021/2022. The purchase price for the acquisition of the company was € 24.2 million. The acquired assets and liabilities are generally recognised at fair value as at the date of acquisition, taking into account various assumptions made by the Management. Taking into account acquired net assets of € 5.4 million attributable to Bertrandt AG, this results in total acquired goodwill of € 18.5 million. In view of the complexity of the valuation of the business acquisition and its material impact in quantitative terms on the net assets, financial position and results of operations of

Bertrandt AG, these aspects were of particular importance in the context of our audit.

2. As part of our audit, we assessed the accounting treatment of the acquisition with the support of our internal valuation specialists. To this end, we first inspected and comprehended the contractual agreement on which the company acquisition was based. In conjunction with this, we compared, among other things, the purchase price paid by Bertrandt AG as consideration for the shares acquired with the evidence presented to us regarding the payment made. With respect to the acquisition of the company, we have assessed the underlying opening balance sheet values. The fair values determined were reconciled to the original financial accounting. The valuation method and the underlying parameters were assessed by our valuation specialists. In addition, we used checklists to verify that the disclosures required under IFRS 3 were complete. On the whole, the audit procedures described and other procedures performed enabled us to satisfy ourselves that the acquisition of the shares was properly accounted for, taking into account the information available.
3. The Company's disclosures pertaining to the business acquisition are contained in Note 3 to the consolidated financial statements.

### 2. Goodwill impairment test

1. In Bertrandt AG's consolidated financial statements, the balance sheet item 'Intangible assets' includes goodwill of € 27.7 million, representing around 2.9 % of total assets and 6.4 % of the Group's equity shown in the balance sheet. Goodwill is subjected to an impairment test by the Company once a fiscal year or on an ad-hoc basis in order to determine any need for amortisation or write-downs. The impairment test is performed at the level of the groups of cash-generating units to which the respective goodwill is allocated. In the impairment test, the carrying amount of the respective cash-generating units including goodwill is compared with the corresponding recoverable amount. The recoverable amount is in general determined on the basis of the value



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in use. The measurement is based on the present value of future cash flows of the respective group of cash-generating units. The present values are determined using discounted cash flow models. The starting point for this is the Group's adopted medium-term planning, which is updated on the basis of assumptions about long-term growth rates. This also takes into account expectations regarding future market developments and assumptions about the development of macroeconomic influencing factors. Discounting is performed using the weighted average cost of capital of the respective group of cash-generating units. No impairment was identified in the impairment test. The result of this valuation is highly dependent on the Management's assessment with regard to the future cash flows of the respective group of cash-generating units, the discount rate used, the growth rate, and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complexity of the valuation, this matter was of particular importance in the context of our audit.

2. As part of our audit, we evaluated, among others, the methodology employed to perform the impairment test. After comparing the future cash flows used in the calculation with the Group's approved medium-term planning, we assessed the appropriateness of the calculation, in particular by comparing it with general and industry-specific market expectations. In addition, we assessed the appropriate accounting for the costs of corporate functions. Knowing that even relatively small changes in the discount rate can have a material impact on the value in use determined in this way, we also reviewed the parameters used in determining the discount rate applied, including the weighted average cost of capital, and comprehended the Company's calculation scheme. In order to account for the existing forecast uncertainties, we have reproduced the sensitivity analyses prepared by the Company. Due to the material significance of goodwill and the fact that the measurement of goodwill also depends on economic conditions that are beyond the Company's control, we have additionally performed our own sensitivity analyses for the cash-generating units with low excess cover (value in use compared to carrying amount) and determined that the

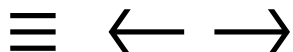
carrying amounts of the cash-generating units including the allocated goodwill are sufficiently covered by the discounted future cash inflows, taking into account the available information. Overall, the valuation parameters and assumptions applied by the Management are in line with our expectations and are also within what we consider to be reasonable ranges.

3. The Company's disclosures on goodwill are contained in Note 5 to the consolidated financial statements.

### 3. Measurement of contract assets

1. Contracts assets in the amount of EUR 115.5 million are reported in the consolidated financial statements of Bertrandt Aktiengesellschaft, Ehningen, as at 30 September 2022. This is equivalent to 12.1% 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 PoC 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 is multiplied by the agreed transaction price. Finished performance obligations which have not yet been accepted are measured at their contract value. 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, the systems, procedures and controls established



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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 27 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 and Section 315d as a component of the group management report that has not been audited in terms of content.

The other information also includes

- the separate non-financial report in accordance with Section 289b (3) and Section 315b (3) 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, financial position and the earnings situation 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 or error.



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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 related 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.

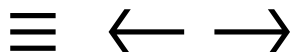
#### **Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report**

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 the 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 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 skepticism. We also:

- identify and assess the risks of material misstatement in 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.



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- 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 related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the group management report or, if such disclosures are inadequate, to modify our 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, financial position and the earnings situation of the Group and comply 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.

- 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 material 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 related safeguards.

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.



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## OTHER STATUTORY 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 a reasonable assurance engagement in accordance with Section 317 (3 a) 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-2022-09-30.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 2021 to 30 September 2022 contained in the 'Report on the audit of the consolidated financial statements and of the group management report'.

#### 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 (10.2021)) 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 the 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.





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## 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 skepticism. 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 the 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 Delegated Regulation (EU) 2019/815 in the version applicable as at the reporting date.
- evaluate whether the ESEF documents enable a 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 In-line XBRL technology (iXBRL) according to Articles 4 and 6 of 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 23 February 2022. The Supervisory Board engaged us on 29 July 2022. We have acted uninterruptedly as the group auditor of Bertrandt AG, Ehningen since financial year 1996.

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.

## 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 Federal Gazette – 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 Denis Etzel.'

Stuttgart, 12 December 2022

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

**DENIS ETZEL**  
Auditor

**PPA. BOJAN JOVANOVIĆ**  
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 net assets, results of operations and financial position of the Group, and the 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, 12 December 2022

Bertrandt AG

The Management Board

**HANS-GERD CLAUS**  
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	30/09/2022	30/09/2021
<b>Assets</b>		
<b>A. Fixed assets</b>	<b>225.386</b>	<b>227.669</b>
I. Intangible assets	6.076	3.880
II. Property, plant and equipment	209.620	215.301
III. Long-term financial assets	9.690	8.488
<b>B. Current assets</b>	<b>514.746</b>	<b>477.857</b>
I. Inventories	74.620	58.734
II. Receivables and other assets	317.520	267.859
III. Securities	0.001	0.001
IV. Cash in hand, bank balances and cheques	122.605	151.263
<b>C. Prepaid expenses</b>	<b>6.206</b>	<b>4.933</b>
<b>Assets total</b>	<b>746.338</b>	<b>710.459</b>

EUR million	30/09/2022	30/09/2021
<b>Equity and liabilities</b>		
<b>A. Equity</b>	<b>358.264</b>	<b>338.737</b>
I. Issued share capital less nominal amount of treasury shares	10.100	10.095
II. Capital reserves	28.798	28.791
III. Retained earnings		
– other retained earnings	275.134	263.974
IV. Distributable profit	44.232	35.877
<b>B. Special reserve item for investment grants received for fixed assets</b>	<b>0.088</b>	<b>0.120</b>
<b>C. Provisions</b>	<b>63.185</b>	<b>56.496</b>
1. Provisions for pensions	5.285	4.996
2. Tax provisions	7.552	3.906
3. Other provisions	50.348	47.594
<b>D. Liabilities</b>	<b>324.574</b>	<b>314.980</b>
1. Liabilities to banks	218.960	214.474
2. Advance payments received on account of orders	1.070	0.881
3. Trade payables	4.433	1.417
4. Liabilities to associates	82.339	71.721
5. Other liabilities	17.772	26.487
<b>E. Deferred income</b>	<b>0.227</b>	<b>0.126</b>
<b>Deferred income</b>	<b>746.338</b>	<b>710.459</b>



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## INCOME STATEMENT

EUR million		
01/10 until 30/09	2021/2022	2020/2021
<b>1. Total revenues</b>	<b>842.994</b>	<b>756.377</b>
2. Other operating income	26.027	12.620
3. Cost of materials	-90.152	-74.005
4. Personnel expenses	-627.710	-573.200
5. Amortisation of intangible fixed assets and depreciation of property, plant and equipment	-30.614	-29.705
6. Other operating expenses	-96.289	-80.958
<b>7. EBIT</b>	<b>24.256</b>	<b>11.129</b>
<b>8. Net finance income</b>	<b>4.183</b>	<b>-1.089</b>
9. Income taxes	-5.935	0.029
<b>10. Post-tax earnings</b>	<b>22.504</b>	<b>10.069</b>
11. Other taxes	-0.344	-0.245
<b>12. Net income for the fiscal year</b>	<b>22.160</b>	<b>9.824</b>
13. Retained profits	33.152	30.965
14. Transfer to other retained earnings	-11.080	-4.912
<b>15. Distributable profit</b>	<b>44.232</b>	<b>35.877</b>



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## CONSOLIDATED BALANCE SHEET

EUR million <sup>1</sup>	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	30/09/2013
<b>Assets</b>										
Intangible assets	34.868	14.285	14.566	14.017	13.724	15.740	17.480	17.455	15.548	14.262
Property, plant and equipment	373.841	391.406	413.056	302.855	282.104	264.284	235.800	184.823	132.365	89.488
Investment properties	0	2.800	1.277	1.342	1.408	1.474	1.540	1.608	1.672	1.737
Investments accounted for using the equity method	8.175	7.574	7.048	6.453	5.874	5.488	5.077	4.367	0.090	0.086
Financial receivables	6.337	1.931	1.428	1.412	1.291	1.685	2.729	3.724	4.795	5.269
Other financial assets	3.587	3.019	2.832	2.581	2.294	2.017	1.988	2.949	2.572	2.290
Other assets	4.107	6.424	8.724	8.831	8.895	6.693	4.703	3.889	5.254	4.631
Income tax assets	0	0	0	0	0	0	0	0.150	0.301	0.446
Deferred taxes	13.143	13.235	15.866	3.072	3.324	3.822	2.473	3.212	3.717	2.685
<b>Non-current assets</b>	<b>444.058</b>	<b>440.675</b>	<b>464.797</b>	<b>340.563</b>	<b>318.914</b>	<b>301.203</b>	<b>271.790</b>	<b>222.177</b>	<b>166.314</b>	<b>120.894</b>
Inventories	0.948	0.812	0.860	0.993	1.156	1.182	0.889	0.558	0.614	0.749
Contract assets	115.510	92.962	90.493	125.315	121.100	119.607	114.130	139.342	75.081	62.443
Trade receivables	208.933	168.856	175.471	226.007	236.206	193.024	189.879	167.630	174.262	164.770
Financial receivables < 1 year	7.320	0.353	0.413	0.558	1.277	1.640	1.639	1.722	1.694	1.713
Other financial assets	4.011	3.764	3.156	2.873	2.901	4.379	1.349	1.066	1.965	1.549
Other assets	12.931	17.565	19.671	15.664	14.515	15.047	21.984	15.921	10.095	8.868
Income tax assets	0.780	1.197	3.365	5.198	3.921	3.452	1.833	1.525	0.232	0.181
Cash and cash equivalents	161.557	190.205	187.233	91.491	88.405	139.266	159.821	13.068	41.543	47.253
<b>Current assets</b>	<b>511.990</b>	<b>475.714</b>	<b>480.662</b>	<b>468.099</b>	<b>469.481</b>	<b>477.597</b>	<b>491.524</b>	<b>340.832</b>	<b>305.486</b>	<b>287.526</b>
<b>Total assets</b>	<b>956.047</b>	<b>916.389</b>	<b>945.459</b>	<b>808.662</b>	<b>788.395</b>	<b>778.800</b>	<b>763.314</b>	<b>563.009</b>	<b>471.800</b>	<b>408.420</b>

<sup>1</sup> Rounding 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 <sup>1</sup>	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	30/09/2013
<b>Equity and liabilities</b>										
Issued capital	10.143	10.143	10.143	10.143	10.143	10.143	10.143	10.143	10.143	10.143
Capital reserves	29.899	29.714	29.714	29.714	29.713	29.374	29.374	28.595	27.734	26.984
Retained earnings and other reserves	360.646	345.141	340.227	341.071	319.256	297.319	279.025	246.799	206.323	171.219
Consolidated distributable profit	31.158	23.830	23.347	35.764	39.764	39.524	39.394	34.083	35.455	30.666
<b>Equity attributable to shareholders of Bertrandt AG</b>	<b>431.846</b>	<b>408.828</b>	<b>403.431</b>	<b>416.692</b>	<b>398.876</b>	<b>376.360</b>	<b>357.936</b>	<b>319.620</b>	<b>279.655</b>	<b>239.012</b>
Minority interests	0	0	0	0	0	0	0	0.686	0.669	0.001
<b>Equity</b>	<b>431.846</b>	<b>408.828</b>	<b>403.431</b>	<b>416.692</b>	<b>398.876</b>	<b>376.360</b>	<b>357.936</b>	<b>320.306</b>	<b>280.324</b>	<b>239.013</b>
Borrowings	96.826	257.854	234.913	212.419	199.810	215.737	199.701	0	0	0
Other financial liabilities	57.148	61.214	76.449	0	0	0	0	0	0	0
Other liabilities	0.684	1.120	1.648	1.747	0.447	0.215	0.246	0.278	0.400	0.432
Provisions	8.218	12.212	13.002	12.445	9.740	9.908	16.927	130.039	12.374	9.690
Deferred taxes	25.221	20.306	18.586	12.634	12.611	19.578	20.910	24.168	17.214	14.138
<b>Non-current liabilities</b>	<b>188.097</b>	<b>352.706</b>	<b>344.598</b>	<b>239.245</b>	<b>222.608</b>	<b>245.438</b>	<b>237.784</b>	<b>37.485</b>	<b>29.988</b>	<b>24.260</b>
Borrowings	163.256	9.679	45.412	3.498	18.339	5.202	2.367	39.642	0.092	0.221
Contract liabilities	2.740	3.233	2.137	4.520	6.354	9.743	18.408	13.832	11.373	10.066
Trade payables	30.528	13.862	12.852	15.751	17.849	18.257	15.066	20.444	12.289	10.179
Other financial liabilities	35.830	29.467	35.205	22.442	22.517	12.578	7.553	10.486	15.570	13.558
Sonstige Verbindlichkeiten	72.853	75.459	67.046	72.562	64.648	65.352	70.066	62.049	46.148	44.018
Other liabilities	23.036	19.136	26.546	33.185	36.433	40.458	46.586	54.594	61.210	52.147
Other provisions	7.860	4.019	8.232	0.767	0.771	5.412	7.548	4.171	14.806	14.958
<b>Current liabilities</b>	<b>336.104</b>	<b>154.856</b>	<b>197.430</b>	<b>152.725</b>	<b>166.911</b>	<b>157.002</b>	<b>167.594</b>	<b>205.218</b>	<b>161.488</b>	<b>145.147</b>
<b>Total equity and liabilities</b>	<b>956.047</b>	<b>916.389</b>	<b>945.459</b>	<b>808.662</b>	<b>788.395</b>	<b>778.800</b>	<b>763.314</b>	<b>563.009</b>	<b>471.800</b>	<b>408.420</b>

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## CONSOLIDATED INCOME STATEMENT

EUR million <sup>1</sup>	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013
01/10 until 30/09										
<b>Revenues</b>	<b>1,008.475</b>	<b>845.574</b>	<b>915.191</b>	<b>1,058.112</b>	<b>1,019.914</b>	<b>992.276</b>	<b>992.021</b>	<b>934.787</b>	<b>870.563</b>	<b>782.405</b>
Other internally generated assets	0.684	3.019	1.391	1.758	1.106	1.602	0.672	0.472	0.176	0.375
<b>Total revenues</b>	<b>1,009.159</b>	<b>848.592</b>	<b>916.582</b>	<b>1,059.870</b>	<b>1,021.020</b>	<b>993.878</b>	<b>992.693</b>	<b>935.259</b>	<b>870.739</b>	<b>782.780</b>
Other operating income	19.806	13.490	8.771	17.406	8.594	8.682	11.471	13.323	13.208	13.043
Raw materials and consumables used	-108.904	-72.222	-76.943	-108.755	-100.388	-105.605	-98.097	-88.089	-71.444	-62.862
Personnel expenses	-740.314	-650.668	-696.829	-765.386	-723.971	-703.593	-695.681	-660.357	-624.141	-560.548
Depreciation	-56.976	-56.497	-54.356	-33.687	-33.022	-33.864	-29.725	-25.193	-22.234	-19.594
Other operating expenses	-81.108	-62.655	-82.064	-109.126	-100.092	-96.628	-87.796	-83.306	-77.041	-71.558
<b>EBIT (EUR million)</b>	<b>41.664</b>	<b>20.040</b>	<b>15.161</b>	<b>60.322</b>	<b>72.141</b>	<b>62.870</b>	<b>92.865</b>	<b>91.637</b>	<b>89.087</b>	<b>81.261</b>
<b>Net finance income</b>	<b>-6.360</b>	<b>-5.900</b>	<b>-5.231</b>	<b>-2.845</b>	<b>-2.983</b>	<b>-2.181</b>	<b>-1.378</b>	<b>0.033</b>	<b>0.432</b>	<b>0.384</b>
<b>Profit from ordinary activities</b>	<b>35.304</b>	<b>14.140</b>	<b>9.930</b>	<b>57.477</b>	<b>69.158</b>	<b>60.689</b>	<b>91.487</b>	<b>91.670</b>	<b>89.519</b>	<b>81.645</b>
Other taxes	-2.507	-1.981	-3.162	-3.257	-3.858	-2.698	-1.674	-1.250	-1.220	-1.148
<b>Earnings before tax</b>	<b>32.797</b>	<b>12.160</b>	<b>6.768</b>	<b>54.220</b>	<b>65.300</b>	<b>57.991</b>	<b>89.813</b>	<b>90.420</b>	<b>88.299</b>	<b>80.497</b>
Income taxes	-11.663	-5.251	-3.033	-15.206	-17.915	-14.125	-26.205	-27.784	-25.956	-23.229
<b>Post-tax earnings</b>	<b>21.134</b>	<b>6.909</b>	<b>3.735</b>	<b>39.014</b>	<b>47.385</b>	<b>43.866</b>	<b>63.608</b>	<b>62.636</b>	<b>62.343</b>	<b>57.268</b>
– attributable to minority interest	0	0	0	0	0	0	0	0.017	0.004	0
– attributable to shareholders of Bertrandt AG	21.134	6.909	3.735	39.014	47.385	43.866	63.608	62.619	62.339	57.268
Number of shares (million) – diluted/basic, average weighting	10.100	10.095	10.095	10.095	10.095	10.091	10.091	10.083	10.076	10.069
<b>Earnings per share (EUR) – diluted/basic</b>	<b>2.09</b>	<b>0.68</b>	<b>0.37</b>	<b>3.86</b>	<b>4.69</b>	<b>4.35</b>	<b>6.30</b>	<b>6.21</b>	<b>6.19</b>	<b>5.69</b>

<sup>1</sup> Rounding differences of EUR 0.001 million may occur in the presentation of figures due the system used.



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## A

**Ad hoc bulletins:** It is only if listed companies notify all market participants rapidly and comprehensively of any inside information that investors can make well-founded decisions and are not put at a disadvantage to insiders. For this reason, domestic issuers have a legal obligation to disclose to the public immediately – i.e. ad hoc – any facts about their company that have the potential to influence the price of the financial instrument and directly concern the issuer (Article 17(1) of the MAR).

**AktG:** German Stock Corporation Act

**Arm's-Length-Prinzip:** 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

**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 gains tax:** Tax on investment income.

**Capital increase:** Issue of new shares on a cash or non-cash basis or by using the company's own funds.

**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:**

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.

**CSRD:** Corporate Sustainability Reporting Directive - Rules on non-financial Reporting.

## 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



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## 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.

**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.

**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 abbreviation for the Commercial Code.

## I

**IAS:** The IAS (International Accounting Standards) are intended to ensure that accounting and reporting is comparable on an international level.

**IFRS:** IFRS (International Financial Reporting Standards) refer to the internationally accepted accounting standards since 2002. They therefore also comprise the applicable International Accounting Standards.

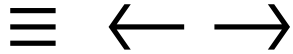
**Impairment test:** A method of testing the value of assets.

**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.

**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.



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## 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.

## 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.

**Percentage-of-completion method:** Degree of completion, used to value unfinished work.

**Price-earnings ratio:** Ratio of the current share price to earnings per share.

## S

**SDAX:** Defined index in the Prime Standard for smaller companies (small caps) of the traditional industries below the MDAX companies.

## 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.

## V

**VorstOG:** German abbreviation for Act on the Appropriateness of Management Board Compensation.

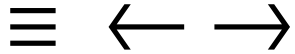
## W

**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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**WE UNDERSTAND CUSTOMER ORIENTATION TO MEAN WORKING CLOSELY WITH OUR CUSTOMERS**

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**Annual report 2021/2022**  
**Annual press and analysts' conference**  
15 December 2022

**Report on the 1<sup>st</sup> quarter 2022/2023**  
15 February 2023

**Annual General Meeting**  
22 February 2023  
Stadthalle Sindelfingen

**Report on the 2<sup>nd</sup> quarter 2022/2023**  
11 May 2023

**16<sup>th</sup> Capital Market Day**  
11 May 2023

**Report on the 3<sup>rd</sup> quarter 2022/2023**  
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**Annual report 2022/2023**  
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