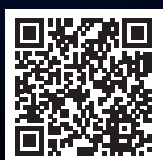


MOBOTIX AG

Half-Year Financial Report

October 01, 2022 to March 31, 2023

We create innovative solutions
Beyond**HumanVision**



MOBOTIX
Beyond**HumanVision**

Business and General Conditions

Market and Competition

At the beginning of the first half of fiscal 2022/23, the market for video security systems was still negatively impacted by the tense global procurement situation for semiconductors and electronic components, as well as by the war in Ukraine and the related tense overall economic situation worldwide, but then showed signs of recovery over the course of the first half of fiscal 2022/23. Competitive pressure in the main sales markets remains high due to a price-aggressive market environment and technologically stronger competitors. As a technology company, MOBOTIX is countering this competitive pressure with the introduction of new camera lines, numerous software innovations and strategic technology partnerships. The strategic focus is to present MOBOTIX as a German total solution provider for selected vertical markets.

In the first half of fiscal year 2022/23, MOBOTIX continued to focus consistently on portfolio expansion, availability of new innovative products and solutions, and sales concepts.

Integration and strategic partnerships are also a focus topic for MOBOTIX in this fiscal year. The MOBOTIX "Certified App" offering of strategic partners was expanded in the area of OCR (Optical Character Recognition) to include a generic text recognition app as well as an app for recognizing a wide range of barcode types. The issue of data protection was taken into account with the market launch of dynamic pixelation of persons. In addition, the **Thermal Validation App** was developed to significantly reduce false alarms caused by vehicles or

reflections in early fire detection. In order to further support the connection to existing systems, especially in the industrial environment, the camera firmware was extended to support the MQTT protocol.

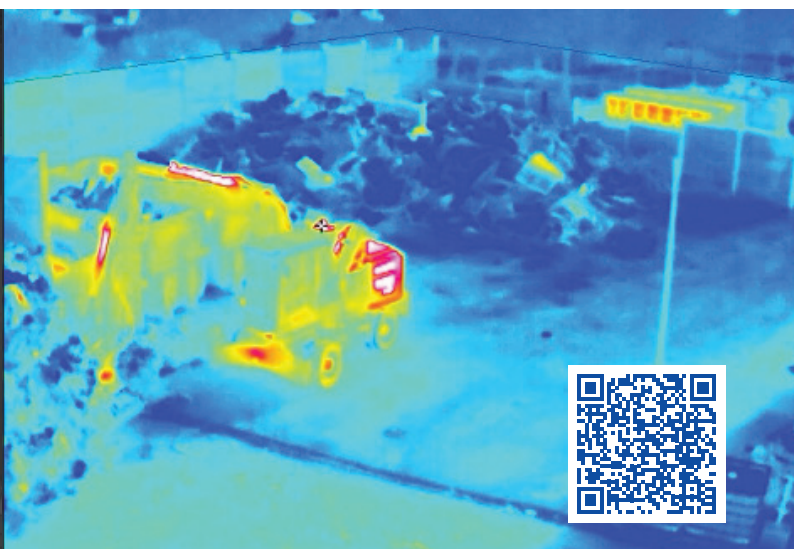
With the launch of the new **MOBOTIX MOVE NVR** with support for a PTZ keyboard, the integration of the MOBOTIX MOVE cameras into the system landscape was advanced. In addition, the MOBOTIX MOVE NVR was integrated into the MOBOTIX HUB video management system. With the product launch of the MOBOTIX MOVE 2MP ALPR camera, a cost-effective camera specialized for LPR applications is now also available.

In the software area, various functions were added to the **MOBOTIX CLOUD**, which was introduced in 2020, and a new bridge was released. With the release of **Management Center (MxMC) 2.7 and 2.7.1**, the connection of the MOBOTIX apps to the MxMC via the Smart Data Interface was advanced. The video management system **MOBOTIX HUB** was extended by various plug-ins, including a Thermal Dashboard to support the thermal focus of MOBOTIX cameras.



The Game Changer: **MOBOTIX Thermal Validation App**

Significantly reduces false alarms in thermal applications



Cooperation with Konica Minolta

The technology cooperation between MOBOTIX and Konica Minolta was further intensified on both sides in the first half of the year. The cooperation in the area of deep learning-based video analysis and the KM FORXAI platform was further advanced.

Konica Minolta also invested in a significant number of sales representatives in the first half of the fiscal year, focusing on the sales of MOBOTIX technologies to end customers and channel partners.

Development of the Vaxtor Group

MOBOTIX had acquired 100% of the shares in Vaxtor Group, Tres Cantos, Spain, a specialist in optical character recognition (OCR), automated license plate recognition (ALPR), artificial intelligence (AI) and machine learning (so-called deep learning) in the second half of the last fiscal year.

Vaxtor's OCR analysis technology is used in the automated capture of letters, numbers, barcodes or other machine-readable data. It enables such information to be captured, processed and associated processes to be initiated cost-effectively and at high speed.



OCR technology is a door opener for Deep Learning in the vertical target markets defined by MOBOTIX, for example in the application of license plate recognition and beyond; e.g. in the commercial sector for the recognition of containers, vehicles and aircraft or the monitoring of supply chains.

Vaxtor supports MOBOTIX's strategic direction in Deep Learning, as Vaxtor can run ALPR in a decentralized manner via apps, providing a competitive advantage over a number of competitors.



Results of Operations, Net Assets and Financial Position

Earnings

In the 1st half of fiscal year 2022/2023, sales increased by 22.4% to EUR 33.1 million compared with the same period of the previous year. Revenues from order development (EUR 1.1 million) decreased by EUR 0.3 million compared to the same period of the previous year. In contrast, revenues from the sale of video systems and software increased by EUR 6.8 million (27.0%). Revenues from the sale of video systems and software developed positively worldwide. The largest growth was achieved in the regions Europe with 50% and MEA+ with 48%. This growth was mainly due to increased cooperation with Konica Minolta in Europe, but also to a strengthening of other customer relationships. The Americas region recorded a 10% decline in sales. The main reason is a one-off effect from the conversion of the American warehouse in the first half of the previous fiscal year.

The intensified cooperation with Konica Minolta in the area of deep learning-based video analysis and the KM FORXAI platform was continued in the first half of fiscal year 2022/23. The decrease in revenue from contract development is mainly due to the strengthening of in-house development. Own work capitalized increased accordingly by EUR 0.1 million to EUR 1.7 million.

Sales of video systems and software are increasingly focused on the new P7 camera platform, which is why sales of these cameras doubled. The strategic focus is also reflected in sales of thermal solutions, which increased by over 100%. Sales of software and services also increased by 10%.

At 47.0% (prior year: 53.3%), the cost of materials ratio (cost of materials adjusted for changes in inventories as a percentage of sales excluding order development) decreased by 6.3 percentage points compared with the 1st half of 2021/22, mainly due to the higher proportion of software.

The ratio of personnel expenses to total operating performance fell from 41.5% in the first half of the previous year to 38.2% in the first half of the year due to the increase in sales. The increase in personnel expenses by EUR 0.5 million results from the inclusion of the VAXTOR Group in the consolidated financial statements.

Other operating expenses of EUR 4.4 million in the 1st half of 2022/23 were down EUR 0.3 million (5.6%) on the previous year. The decrease in other operating expenses mainly results from the decrease in foreign exchange losses (EUR 0.3 million).

EBITDA (7.3% of total performance; earnings before interest, taxes, depreciation and amortization) amounted to EUR 2.5 million and was EUR 4.7 million higher than in the first half of the previous year (EUR -2.2 million). EBIT (1.1% of total performance; operating result before interest and taxes) amounted to EUR 0.4 million and was thus EUR 4.2 million higher than in the first half of the previous year.

H1 2022/23 ended with a net loss for the period of EUR 0.3 million (H1 2021/22 EUR -3.1 million) and a return on sales of -0.9% (H1 21/22: -11.5%).

Net Assets

Fixed assets increased by EUR 0.1 million compared to the beginning of the fiscal year to EUR 30.2 million. Intangible assets increased by EUR 1.1 million, mainly due to the capitalization of own development costs. Property, plant and equipment decreased by EUR 0.6 million to EUR 14.2 million, with scheduled depreciation of EUR 0.8 million.

Inventories decreased from EUR 30.6 million at the beginning of the fiscal year to EUR 28.3 million as of March 31, 2023. This is mainly due to the easing of the situation on the procurement market, which allows for a lower inventory range of components.

Trade receivables increased by EUR 0.7 million to EUR 15.9 million as of March 31, 2023 compared to the beginning of the fiscal year. This is mainly due to the payment behavior of some customers and additional payment terms granted.

Compared to the beginning of the fiscal year, receivables from affiliated companies, which include receivables from companies in the Konica Minolta Group, increased by EUR 3.9 million to EUR 8.2 million as of March 31, 2023. The receivables mainly result from product sales in February and March 2023.

Cash and cash equivalents as of March 31, 2023, decreased by EUR 1.1 million compared to September 30, 2022, to EUR 1.2 million (September 30, 2022: EUR 2.3 million).

Deferred tax assets of EUR 4.0 million were recognized mainly due to the existing loss carryforwards as of March 31, 2023.

Taking into account the result for the first half of fiscal year 2022/23, equity decreased by EUR 0.5 million to EUR 23.3 million. The equity ratio of 27.0% as of September 30, 2022, has decreased to 26.1% as of March 31, 2023, due to the increase in total assets.

Other provisions decreased by EUR 0.6 million to EUR 8.6 million, mainly due to low provisions for personnel.

Liabilities to banks decreased by EUR 0.3 million compared with the beginning of the financial year to EUR 38.3 million as of March 31, 2023. In addition to the scheduled repayment of short- and medium-term loans in the amount of EUR 1.4 million, additional short-term loans in the amount of EUR 1.1 million were taken out to ensure liquidity. As of March 31, 2023, short-term borrowings amounted to EUR 32.1 million.

Compared to September 30, 2022, trade payables increased by EUR 1.3 million to EUR 8.8 million due to purchases of production material in February and March.

Deferred tax liabilities of EUR 3.1 million were recognized due to the capitalization of own development costs as of March 31, 2023.

Financial Position

Cash flow from operating activities before income taxes amounted to EUR 2.5 million in the first half of fiscal year 2021/22 (prior-year period: EUR -11.2 million). Mainly due to the non-cash depreciation and amortization of EUR 2.1 million, a positive operating cash flow before changes in working capital of EUR 1.8 million (prior-year half-year: EUR -3.5 million) was achieved on the basis of an almost balanced half-year result before income taxes. The further utilization of supplier credits resulted in a positive change in working capital of EUR 0.7 million (first half of previous year: EUR -7.8 million), so that overall a positive cash flow from operating activities of EUR 2.3 million (first half of previous year: EUR -11.3 million) was reported.

The negative cash flow from investing activities of EUR 2.3 million (first half of previous year: EUR -2.9 million) is mainly due to investments in intangible assets of EUR 2.1 million, which mainly relate to capitalized in-house development costs.

The negative cash flow from financing activities of minus EUR 1.2 million (first half of previous year: EUR -2.4 million) is mainly due to the scheduled repayment of financial loans and the payment of interest on borrowings.

The following table shows the development of the individual cash flows as of the reporting date March 31, 2023, negative cash and cash equivalents of EUR 30.9 million (March 31, 2022: EUR -24.7 million). Short-term loans of EUR 32.1 million were taken out to finance the negative cash and cash equivalents, resulting in cash and bank balances of EUR 1.2 million as of March 31, 2023. As of March 31, 2023, almost all existing bank credit lines had been drawn down. The majority shareholder has agreed to make up to EUR 1.7 million available at short notice if required.

Opportunities and Risks of Future Development and Outlook

There were no changes in the opportunities and risks relating to future developments in the first half of fiscal year 2022/23. The statements made in the risk report for fiscal 2021/22 apply unchanged. In particular, the difficult overall economic situation due to the war in Ukraine has not improved significantly.

The Management Board generally assumes that technological market drivers, such as cloud-based installations and software applications in the fields of analytics, deep learning and artificial intelligence, will favor the decentralized technology approach and that MOBOTIX will, therefore, prevail despite growing competitive pressure.

In the future, MOBOTIX will continue to focus to an even greater extent on technology partnerships in order to respond to the diverse requirements in the vertical markets with optimally tailored complete solutions.

Moreover, today's cooperation with Konica Minolta is already opening up good growth opportunities in the medium-term for technologically oriented order development and sales.

With regard to the financial situation of MOBOTIX AG, the Executive Board points out that the majority shareholder Konica Minolta, Inc., contractually agreed on February 24, 2023, to assume financing until September 30, 2024, and issued a qualified letter of subordination. Konica Minolta, Inc., has assumed short-term bank liabilities in the amount of EUR 21.9 million as of April 30, 2023 and granted corresponding intercompany loans.

The revenue target for the MOBOTIX Group for fiscal year 2022/23 is in the range of EUR 66 million to EUR 68 million. EBIT for fiscal year 2022/23 is in the range of EUR 2.0 million to EUR 4.0 million. Sales continue to depend on the overall economic situation due to the consequences of the global procurement situation for electronic components, in particular semiconductors, processors and chips, but also on the effects of the Ukraine war, as well as on the product mix and the development of the US sales market. The forward-looking statements made above are prognostic.

Winnweiler-Langmeil, May 23, 2023

The Management Board



Thomas Lausten • CEO



Christian Cabirol • CTO



Klaus Kiener • CFO



Philippos Antoniou • CSMO

Condensed Consolidated Financial Statements

Condensed notes to the consolidated financial statements as of March 31, 2023

KEUR	03-31-2023	09-30-2022
Fixed assets	30,215	30,068
Current assets	54,326	53,531
Prepaid expenses	599	767
Deferred tax assets	4,011	3,596
ASSETS	89,151	87,962
Equity	23,251	23,743
Provisions	8,716	9,271
Liabilities	54,011	52,089
Prepaid expenses	101	40
Deferred tax liabilities	3,072	2,819
PASSIVA	89,151	87,962

Condensed notes to the consolidated financial statements

General data

The fiscal year of MOBOTIX AG begins on October 1 of a year and ends on September 30 of the following year.

Basis of accounting

In the condensed interim consolidated financial statements as of March 31, 2023, which have been prepared in analogous application of German Accounting Standard No. 16 (GAS 16) „Interim Financial Reporting“ issued by the German Accounting Standards Committee e.V. (GASC) and in accordance with the General Terms and Conditions for the Regulated Unofficial Market (Basic Board) of Deutsche Börse AG, essentially the same accounting policies have been applied as in the consolidated financial statements for the financial year 2021/22.

In accordance with the option under section 248 (2) HGB, own development costs of EUR 1,705k were capitalized in the 1st half of fiscal year 2022/23. Amortization of the capitalized development costs amounted to EUR 760k. Accordingly, deferred tax liabilities of EUR 274k were recognized.

Condensed income statement from October 01, 2022 to March 31, 2023

KEUR	10-01-2022 - 02-31-2023	10-01-2021 - 02-31-2022
Revenues	33,140	27,071
Decrease/increase in inventories of finished goods and work in progress	-654	1,646
Other own work capitalized	1,707	1,609
Other operating income	337	172
Cost of materials	14,526	15,468
Personnel expenses	13,078	12,583
Depreciation	2,116	1,576
Other operating expenses	4,442	4,704
Interest and similar expenses	580	127
Taxes on income and earnings	61	-869
Earnings after taxes	-273	-3,089
Other taxes	22	18
Consolidated net loss/income for the period	-295	-3,107

In exercising the option pursuant to § 274 (1) sentence 2 HGB, deferred tax assets of EUR 4,069 thousand are recognized, of which EUR 3,892 thousand result from income tax loss carryforwards of MOBOTIX AG.

For further information on the accounting policies applied, please refer to the consolidated financial statements of MOBOTIX AG as of September 30, 2022.

All figures in the condensed interim consolidated financial statements are presented in thousands of euros (EUR thousand) unless otherwise stated. Differences of +/- one unit (EUR thousand, %) may arise from the presentation of the figures in EUR thousand and the rounding.

Scope of Consolidation

The scope of consolidation of MOBOTIX AG as of March 31, 2022 has not changed compared to the consolidated financial statements as of September 30, 2022.

Supplementary Report

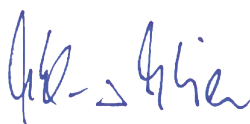
With regard to the financial position of MOBOTIX AG, the Executive Board points out that the majority shareholder Konica Minolta, Inc., contractually agreed on February 24, 2023, to assume financing until September 30, 2024, and issued a qualified letter of subordination. Konica Minolta, Inc., has assumed short-term bank liabilities in the amount of EUR 21,900 thousand as of April 30, 2023 and granted corresponding intercompany loans.

Winnweiler-Langmeil, May 23, 2023

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Disclaimer

This financial report contains statements and information by MOBOTIX AG relating to future periods of time. These forward-looking statements can be identified by words such as plan, expect, intend, aim, will, estimate, assume, target or similar expressions. Such statements have been made on the basis of the current situation and current expectations and may differ significantly from actual performance, both positively and negatively. Uncertainties may be due to factors such as: Changes in the overall economic situation, both domestically and globally, changes in the political environment, the introduction of new products or technologies by other companies, changes in investment behavior in MOBOTIX AG's key customer markets, changes in exchange rates and interest rates, the integration of acquired companies, and other factors. Beyond existing legal obligations, MOBOTIX AG assumes no obligation to correct or update forward-looking statements.

Contact

Klaus Kiener

CFO

Telefon: +49 6302 9816-0

Fax: +49 6302 9816-190

E-Mail: Klaus.Kiener@mobotix.com

MOBOTIX AG

Investor Relations

Kaiserstrasse

67722 Langmeil, Germany

E-Mail: ir@mobotix.com

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