

**Report of the Supervisory
Board MOBOTIX AG,
Winnweiler-Langmeil**

Fiscal Year 2021/22

01. October 2021 until September 30, 2022

Ladies and Gentlemen, Dear Shareholders,

The development of the net assets, financial position, and results of operations in the fiscal year 2021/22 does not reflect the expectations of the Executive Board and Supervisory Board regarding business performance. The continued poor economic conditions negatively impacted business performance due to the COVID-19 pandemic, supply chain issues, and the effects of the Ukraine war.

The planned sales revenues of EUR 68 to 72 million could not be achieved with the achieved sales revenues of EUR 56 million. Similarly, the planned EBIT (earnings before interest and taxes) of EUR 1.0 to 2.0 million for the 2021/22 financial year was not achieved at EUR -7.5 million. The consolidated net loss for the year deteriorated from EUR 6.2 million to EUR -6.3 million (previous year: EUR -0.1 million).

In particular, product-related sales in almost all sales regions were below expectations due to many project delays caused by the COVID-19 pandemic and delivery difficulties.

While the DACH, Europe, Middle East/Africa, and APAC sales regions recorded declining sales, sales from video security systems and software in the Americas sales regions increased in the fiscal year 2021/22 compared to the previous year. This was due, in particular, to stronger cooperation with Konica Minolta USA. Nevertheless, the sales expansion in the Americas sales region could not be implemented according to the plan.

In the fiscal year 2021/22, developing new camera models based on the latest MOBOTIX 7 camera platform was implemented. The basis for growth in the coming fiscal years was laid, particularly in software products as part of vertical market solutions.

The financial situation of the MOBOTIX Group was precarious in the fiscal year 2021/22, especially in the 2nd half of the year. The bank credit lines had to be used almost entirely at times. In December 2022, agreements could be reached with the banks on extending the granted short-term credit facilities. If the banks do not extend the short-term credit lines in each case, or only with lower amounts than those drawn, the majority shareholder Konica Minolta, Inc., has contractually agreed to take over the financing until September 30, 2024. There is still a satisfactory equity base with an equity ratio of 27.0% and equity of EUR 23.7 million.

Methods of consultation, testing, and control

The Executive Board fulfilled its duties to provide information. At its meetings, it informed the Supervisory Board regularly, comprehensively, and promptly about all issues of relevance to the Group, such as the situation of the Company, the technology strategy, product development, business performance, the financial situation, the personnel situation, current and new investment projects, and all decisions and transactions of importance to the company.

The Supervisory Board dealt intensively with any deviations from the business plan during the course of the year, which the Executive Board always explained promptly and in detail.

In preparation for the Supervisory Board meetings, we regularly received detailed written reports from the Executive Board. We therefore, always had sufficient opportunity to critically examine the reports and resolution proposals of the Executive Board and to contribute our suggestions before adopting

Report of the Supervisory Board

resolutions after careful examination and discussion. The Executive Board was available to answer our questions at the Supervisory Board meetings.

The Executive Board also informed the Supervisory Board, apart from our formal meetings, through regular reports on the current business situation and essential financial and internal company developments. In the case of transactions requiring approval, the Supervisory Board approved the measures proposed by the Executive Board after detailed examination and discussion. We critically evaluated the information provided by the Executive Board, questioned it specifically, and checked its plausibility.

Throughout the year, the Supervisory Board satisfied itself with proper business conduct. No conflicts of interest arose from the Supervisory Board or Executive Board members.

The Executive Board also kept the Chairman of the Supervisory Board informed of all important developments and pending decisions in regular discussions between meetings. The Supervisory Board did not use the option to inspect documents and writings of the Company or to commission particular experts for specific tasks (§ 111 (2) AktG) for the reporting year. The Supervisory Board has not formed any committees to date, as they would not have contributed to increased efficiency due to the size and structure of the Company. In all matters, the entire Supervisory Board has always dealt with pending issues and decisions.

Focus of the Supervisory Board's deliberations

A total of 10 Supervisory Board meetings were held in the fiscal year 2021/22. Where necessary, the Supervisory Board met without the presence of the Executive Board. In principle, all three members of the Supervisory Board were present at the meetings.

At the first regular Supervisory Board meeting in October 2021, the agenda included the revenue analysis and KPIs for the fiscal year 2021/22, the preliminary income statement for the fiscal year 2021/22, medium-term business planning up to the fiscal years 2023/24, the investor relations strategy, the acquisition of the Vaxtor Group, an update regarding the legal dispute in France, and preparations for the virtual Annual General Meeting in 2022.

At an extraordinary Supervisory Board meeting in October 2021, the R&D roadmap, the release and positioning of various products in the market, and the status and future of the "MOVE" segment were discussed in detail by the Executive Board and the Supervisory Board.

At the second regular meeting of the Supervisory Board in November 2021, the Executive Board presented the financial report for the past fiscal year, 2020/21. The annual and consolidated financial statements as of September 30, 2021, were presented and intensively analyzed in the presence of the auditor who confirmed this report. All questions were answered in full and conclusively by the auditor. At this meeting, we passed the resolution to adopt the annual financial statements and approve the consolidated financial statements. The invitation to and agenda for the virtual Annual General Meeting in January 2022 and the proposal on the appropriation of profits were resolved. At this meeting, the Supervisory Board also dealt with developing sales and earnings in the first half of fiscal 2021/22 against the background of the COVID-19 pandemic.

At an extraordinary meeting of the Supervisory Board in December 2021, an update on the Capital Market Plan and the completion of the M&A transaction were discussed.

At the third regular meeting of the Supervisory Board in January 2022, the Executive Board presented the development of sales in the 1st fiscal quarter. It provided a forecast of sales and earnings growth in the 1st half of the year. Furthermore, the Executive Board presented the development of the medium-term business plan and an outlook on the product roadmap. The Supervisory Board was also briefed on post-acquisition management following the acquisition of the Vaxtor Group and discussed an update regarding the litigation in France and the preparation of the 2022 Virtual Annual General Meeting.

At an extraordinary Supervisory Board meeting in February 2022, the Executive Board and Supervisory Board discussed an update of the medium-term business planning up to fiscal years 2023/24. A further extraordinary Supervisory Board meeting was held in March 2022. The Management Board reported to the Supervisory Board on the current business situation, the status of the supply chain, and the planned investor relations activities.

At the fourth regular meeting of the Supervisory Board in May 2022, the Executive Board presented the sales performance in the 1st half of the year and provided an outlook for the 2nd half. Concerning profit development, the Executive Board presented various scenario models. The Supervisory Board was informed about the sales region USA and the planned new structure and management. The topic of MOBOTIX employee turnover was also discussed intensively. The post-management of the M&A transaction of the Vaxtor Group was still a topic in this Supervisory Board meeting as well as the French legal dispute. The Supervisory Board and the Executive Board discussed the ethical position of MOBOTIX on the topic "Distribution of MOBOTIX products in regions such as Saudi Arabia or Russia."

At an extraordinary Supervisory Board meeting in May 2022, the product strategy was presented in detail and discussed at length by the Executive Board and Supervisory Board.

The fifth regular meeting of the Supervisory Board in July 2022 focused on the cash flow situation. The Executive Board presented the sales development in the 3rd quarter and provided a sales outlook for the entire year. The Executive Board presented the current status of the income statement and various scenario models (including a recovery plan) for its future development. It also presented in-depth analyses of the vertical markets business model. It provided a report on the status of the business plan for the fiscal year 2022/23, an update on the progress of the P7 Basic project, the R&D roadmap, and an update on the filling of a new CSO position and the planned investor relations activities, which were analyzed and discussed by the Supervisory Board.

Between meetings, the Supervisory Board maintained regular contact with the Executive Board and, in particular, with the Chairman of the Executive Board on important issues and held repeated discussions. In the months when no Supervisory Board meetings were held, five so-called "jours fixes" were held. The Executive Board and Supervisory Board jointly discussed current issues and developments.

Topics regularly discussed throughout the year include corporate development, sales, and marketing activities, product development and product quality status, technology partnerships, pending legal proceedings, and share price development.

The Supervisory Board also dealt intensively with the issue of personnel, financing, and liquidity planning, as well as with the status of the process and structural optimizations. The development of the subsidiary in the USA, the US market as a whole, and the preparation for and follow-up to the acquisition of the Vaxtor Group were regularly discussed.

AG and consolidated financial statement audit 2021/22

On January 27, 2022, the company's Annual General Meeting elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Mannheim, as auditors and group auditors for the fiscal year ending September 30, 2022. A declaration of independence was obtained from the auditor in advance, which did not give rise to any objections.

The auditor issued an unqualified audit opinion on the annual financial statements and the management report of MOBOTIX AG according to HGB and the consolidated financial statements, and the combined management report according to HGB as of September 30, 2022. However, it refers to statements by the Executive Board in the notes to the financial statements and the management report that, should significant delays in planned revenues or significant delays in incoming payments occur, or should one or more of the assumptions made in the planning prove to be incorrect, further support from the majority shareholder or other external sources of financing will be required to enable the parent company and thus the Group to continue as an on going entity. This indicates the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

The report submitted by the Executive Board of MOBOTIX AG on relationships with affiliated companies pursuant to Section 312 of the German Stock Corporation Act (dependent company report) for the period from October 01, 2021, to September 30, 2022, was also audited by the auditor and issued with an unqualified audit opinion.

The financial statement documents, the Executive Board's proposal for the appropriation of profits, and the auditor's reports were submitted to the Supervisory Board for review in good time. The Supervisory Board examined and discussed in detail the annual financial statements, the consolidated financial statements, the combined management report, the dependent company report according to § 312 AktG, the Executive Board's proposal for the appropriation of net income, and the auditors' report. The auditors took part in these discussions, were available to answer questions, and reported on the main results of the audit.

After completing its review, the Supervisory Board concurred with the auditor's findings. It determined objections, including the declaration of the Board of Management at the end of the dependency report

"The Board of Management declares that concerning the legal transactions and measures listed in the report on relations with affiliated companies, the company received appropriate consideration for each legal transaction according to the circumstances known to us at the time the legal transactions were carried out or the measures were taken and was not disadvantaged by the actions taken.

No measures have been omitted at the instigation of or in the interests of the controlling company or one of its affiliated companies.

Winnweiler-Langmeil, March 31, 2023

The Board of Directors" are not to be raised.

In its meeting on April 12, 2023, the Supervisory Board approved the annual and consolidated financial statements of MOBOTIX AG prepared by the Executive Board. The annual financial statements are thus adopted.

Appropriation of earnings

Intensively, we discussed with the Executive Board a proposal for the appropriation of earnings that does not provide for a dividend. We approved this proposal given the current financial situation of the Company.

Committees

The Supervisory Board of MOBOTIX AG has no committees because a corresponding need has yet to become apparent. A report on the work of committees is, therefore, optional.

There were the following personnel changes on the Supervisory Board in the reporting period:

Mr. Koji Ozeki has succeeded Mr. Osafumi Kawamura, who has resigned from Konica Minolta, Inc., effective November 2, 2021. Mr. Ozeki, a resident of Mainz, Germany, has worked for the Konica Minolta Group for many years - most recently as General Manager (Konica Minolta Business Solutions Europe GmbH, Langenhagen, Germany). As of November 02, 2021, the Supervisory Board comprises Toshiya Eguchi (Chairman of the Supervisory Board), Olaf Jonas (Vice Chairman of the Supervisory Board), and Koji Ozeki.

There were no personnel decisions in the Executive Board during the reporting period.

However, the following personnel decisions were made in the current fiscal year:

The new appointment of a member of the Board of Management:

Mr. Christian Cabirol replaces Mr. Hartmut Sprave as Chief Technology Officer (CTO). He was appointed as Chief Technology Officer of MOBOTIX AG by the Supervisory Board in its meeting on December 21, 2022, until March 31, 2025. He is responsible for Mechanical and Electronic Design, Software Development, and Strategic Innovation.

Reappointment of a member of the Board of Management:

In its meeting on March 01, 2023, the Supervisory Board reappointed Mr. Klaus Kiener as Chief Financial Officer (CFO) of MOBOTIX AG until March 31, 2025. He will continue to be responsible for Finance, Corporate Planning/Controlling, Investor Relations, Legal/Compliance/Data Protection, Organization, IT Services, and Logistics/Customs. In the future, the "Quality Management" department will be assigned to the Chief Financial Officer.

Since April 01, 2023, the Executive Board has thus consisted of Thomas Lausten (Chief Executive Officer and Chief Sales Officer), Klaus Kiener (Chief Financial Officer), and Christian Cabirol (Chief Technical Officer).

Report of the Supervisory Board

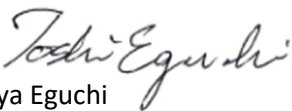
The Supervisory Board would like to thank all Group employees worldwide and the Executive Board members for their achievements in the fiscal year 2021/22 and their great personal commitment, as well as the employee representatives for their trusting cooperation.

We are convinced that the MOBOTIX Group is strategically well-positioned for the future to return to the growth path in the fiscal year 2022/23 and beyond. The cooperation with Konica Minolta offers promising growth opportunities in the medium term, both in technological order development and sales.

We, therefore, wish the management and employees every success in the challenges of the fiscal year 2022/23. Special thanks go to the customers, partners, and shareholders of MOBOTIX AG for their benevolent trust in these challenging times.

Winnweiler-Langmeil, April 12, 2023

For the Supervisory Board


Toshiya Eguchi