

Report of the Supervisory Board
MOBOTIX AG,
Winnweiler-Langmeil Financial
year 2022/23

October 01, 2022 to September 30, 2023

Dear Ladies and Gentlemen,

Dear Shareholders

The development of the net assets, financial position and results of operations in the 2022/23 financial year again did not fully meet the expectations of the Executive Board and Supervisory Board with regard to business development. The macroeconomic environment worldwide was characterized by Russia's ongoing war of aggression against Ukraine, the associated rise in inflation and the global rise in interest rates.

The planned revenue of EUR 64.0 to 66.0 million was not achieved with the revenue of EUR 63.2 million generated. Overall, MOBOTIX increased its revenue by 13% in the 2022/23 financial year compared to the previous year.

EBIT improved from EUR -7.5 million to EUR -3.9 million due to an improved cost of materials and personnel expenses ratio. Additional value adjustments on customer receivables amounting to EUR 3.3 million were recognized due to outstanding payments from some long-term partners.

Due to these value adjustments, EBIT deviates from the forecast of EUR -0.8 to 0.2 million published in August 2023.

The consolidated net loss for the year improved by EUR 0.9 million to EUR -5.4 million (previous year: EUR -6.3 million).

The main growth resulted from both increased sales of video surveillance cameras and increased software sales in the areas of video management systems and analytics. The VAXTOR Group, which was acquired in 2022, contributed to this result with software sales that were above the expected level.

The business strategy targets the healthcare, industrial and utilities markets in particular, based on recent product launches in collaboration with technology partners and on the new "ONE" platform, which will be launched in spring 2024. Feedback from recent partner conferences in DACH and EMEA in February 2024 was positive and customer feedback will continue to be incorporated into R&D strategies.

The focus in BY 2023/24 will be on streamlining costs and investing in new customer platforms to optimize the customer experience, e.g. online configuration and ordering, etc. The organization has been optimized and will be further adapted to focus primarily on the core markets in DACH and Europe, while partnerships with distributors and key accounts in the US and APAC markets will be strengthened.

The MOBOTIX Group's financial position was strained throughout the 2022/23 financial year.

As at December 31, 2023, a further loan was taken over from a bank of Konica Minolta, Inc., Tokyo, Japan, and a further intercompany loan was granted. The reported balance of intercompany loans thus amounts to EUR 34.2 million as at March 21, 2024. The financing from the banks assumed by the majority shareholder Konica Minolta, Inc., Tokyo, Japan, on February 24, 2023 was extended to June 30, 2025 on February 28, 2024 and a qualified letter of subordination was issued. On February 28, 2024, the majority shareholder also agreed to provide further support in the form of loans in the amount of EUR 7.0 million until June 30, 2025; of this amount, EUR 2.5 million is to be drawn down by March 31, 2024.

With an equity ratio of 23% and equity of EUR 18.2 million, the company still has a satisfactory equity base.

Methods of consulting, auditing and control

The Management Board fulfilled its duty to provide information. At its meetings, it provided the

Report of the Supervisory Board

Supervisory Board with regular, comprehensive and timely information on all topics relevant to the Group, such as the company's situation, technology strategy, product development, business performance, the financial situation, the personnel situation, current and new investment projects and all decisions and business transactions of importance to the company.

Deviations in the course of business from the plans, which the Management Board always explained to us promptly and in detail, were dealt with intensively by the Supervisory Board.

In preparation for the Supervisory Board meetings, we regularly received detailed written reports from the Management Board. This meant that we always had sufficient opportunity to critically examine the reports and proposed resolutions of the Management Board and to make our own suggestions before adopting our resolutions after careful examination and consultation. The Management Board was available to answer our questions at the Supervisory Board meetings.

The Management Board also kept the Supervisory Board informed of the current business situation and significant financial and internal company developments outside of meetings through regular reports. In the case of transactions requiring approval, the Supervisory Board gave its approval to the measures proposed by the Management Board after thorough examination and consultation. In doing so, we critically assessed the information provided by the Management Board, scrutinized it in detail and checked its plausibility.

Throughout the year, the Supervisory Board satisfied itself of the proper conduct of business. There were no conflicts of interest on the part of Supervisory Board or Management Board members.

The Management Board also kept the Chairman of the Supervisory Board informed of all important developments and upcoming decisions in regular discussions between meetings. In the reporting year, the Supervisory Board did not make use of the option to inspect company documents and writings or to appoint special experts for certain tasks (Section 111 (2) AktG). The Supervisory Board has not formed any committees to date, as this would not have contributed to an increase in efficiency due to the size and structure of the company. In all matters, the entire Supervisory Board has always dealt with the issues and decisions at hand.

Focus of the Supervisory Board's deliberations

A total of 14 Supervisory Board meetings were held in the 2022/23 financial year. If 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 ordinary Supervisory Board meeting in October 2022, the agenda included the sales analysis and KPIs for the 2022/23 financial year, the preliminary income statement for the 2022/23 financial year, an update on the product roadmap, the investor relations strategy in light of the current share price performance and the presentation of the customer survey by the Management Board.

At the second ordinary Supervisory Board meeting in February 2023, the agenda items for the upcoming Annual General Meeting were discussed and resolved. Resolutions were also passed to confirm the repayment plan, to confirm the new business allocation plan from April 1, 2023 and to appoint Christian Cabirol as the new CTO. The sales and earnings performance was then discussed and the status of the ongoing audit was explained.

At the third ordinary Supervisory Board meeting to approve the financial statements in April 2023, the Executive Board presented the financial report for the past 2021/22 financial year. The annual and consolidated financial statements as at September 30, 2022 were presented and analyzed in detail in the presence of the auditor who confirmed this report. All questions were answered fully 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 and agenda for the Annual General Meeting in May 2023 and the proposal for the appropriation of profits were resolved.

At this meeting, the Supervisory Board also discussed the sales and earnings performance as well as the product roadmap for the first half of the 2022/23 financial year.

At an extraordinary Supervisory Board meeting in May 2023, the mid-term plan for the financial years

2023/24 to 2025/26 was presented to the members of the Supervisory Board and discussed in detail.

At an extraordinary Supervisory Board meeting in July 2023, the sales and earnings performance of the past quarter was analyzed and discussed in detail. In addition, the fourth quarter was the focus of discussions with regard to turnover, costs and measures to boost turnover. Staff turnover was also discussed.

At the fourth ordinary Supervisory Board meeting in July 2023, the Management Board presented the sales performance in the second financial quarter and provided an outlook for the sales and earnings performance in the second half of the year. In addition, the Management Board presented the status of the product roadmap. The Supervisory Board was also updated on the ongoing legal proceedings.

Another extraordinary Supervisory Board meeting was held in September 2023. The Executive Board analyzed and discussed in detail with the Supervisory Board an adjustment to the medium-term planning based on the current business and sales situation. Growth drivers, external factors such as rising inflation and higher interest rates as well as a stronger focus on the core markets were discussed.

Between meetings, the Supervisory Board was in regular contact with the Management Board, in particular with the Chairman of the Management Board, on important issues and held repeated discussions. In the months in which no Supervisory Board meetings were held, a total of seven "Jour fixe" meetings were held in which the Management Board and Supervisory Board discussed current issues and developments together.

Topics that were generally discussed regularly throughout the year were company development, sales and marketing activities, the status of product development and product quality as well as technology partnerships, pending legal proceedings and the development of the share price.

In addition, the Supervisory Board dealt intensively with personnel, financing and liquidity planning as well as the status of process and structural optimizations. The development of the subsidiary in the USA and the US market as a whole was discussed regularly.

Audit of the AG and consolidated financial statements 2021/22

On May 26, 2023, the company's Annual General Meeting elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Saarbrücken, as the auditor and Group auditor for the financial year ending September 30, 2023. A declaration of independence was obtained from the auditor in advance, which did not lead to any objections.

The auditor has issued an unqualified audit opinion on the annual financial statements and the management report of MOBOTIX AG in accordance with HGB as well as the consolidated financial statements and the combined management report in accordance with HGB as at September 30, 2023. However, it refers to statements made by the Management Board in the notes and management report that, should significant delays in planned sales 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 a going concern. This indicates the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

The report of MOBOTIX AG on relationships with affiliated companies pursuant to Section 312 AktG (dependent company report) for the period from October 1, 2022 to September 30, 2023 submitted by the Management Board was also audited by the auditor and issued with an unqualified audit opinion.

The financial statement documents and the Management Board's proposal for the appropriation of profits as well as the auditor's reports were submitted to the Supervisory Board for review in good time. The Supervisory Board examined and discussed the annual financial statements, the consolidated financial statements, the combined management report, the dependent company report in accordance with Section 312 AktG, the Management Board's proposal for the appropriation of profits and the auditor's report in detail. The auditor took part in these discussions, was available to answer questions

and reported on the key findings of the audit.

After completing its own review, the Supervisory Board concurred with the auditor's findings and determined that there were no objections, including to the declaration by the Management Board at the end of the dependent company report:

"The Management Board declares that, in the legal transactions and measures listed in the report on relationships 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 measures 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 21, 2024

The Executive Board"

are not to be collected.

At its meeting on March 25, 2024, the Supervisory Board approved the annual financial statements and the consolidated financial statements of MOBOTIX AG prepared by the Management Board. The annual financial statements are thus adopted.

Appropriation of earnings

We discussed in detail with the Management Board a proposal for the appropriation of earnings that does not provide for a dividend and approved this proposal in view of the company's current financial situation.

Committees

The Supervisory Board of MOBOTIX AG currently has no committees, as there has been no corresponding need to date. There is therefore no need for a report on the work of the committees.

The following changes were made to the Supervisory Board in the reporting period:

With effect from October 1, 2023, Mr. Olaf Lorenz has succeeded Mr. Olaf Jonas, who is leaving the Board at his own request. Mr. Lorenz, resident in Hamburg, Germany, has worked for the Konica Minolta Group for many years - most recently as Head of Marketing of the International Marketing Division of Konica Minolta Business Solutions Europe GmbH in Langenhagen, Germany. Since October 1, 2023, the Supervisory Board has been composed of Toshiya Eguchi (Chairman of the Supervisory Board), Olaf Lorenz (Deputy Chairman of the Supervisory Board) and Koji Ozeki.

The following personnel decisions were made on the Management Board in the reporting period.

Appointment of two new members of the Board of Directors:

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

Effective May 1, 2023, Philippos Antoniou will become the fourth member of the MOBOTIX AG Management Board in the position of Chief Sales and Marketing Officer (CSMO). In his new role, he will drive the technological and sales development of MOBOTIX based on the MOBOTIX DNA, take customer feedback into account and further increase awareness of MOBOTIX solutions and products.

Reappointment of two members of the Board of Directors:

At its meeting on March 1, 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. The "Quality Management" department will in future be assigned to the CFO.

On April 20, 2023, the Supervisory Board appointed Thomas Lausten as Chief Executive Officer (CEO) of MOBOTIX AG for a further two years until June 30, 2025. The aim for the coming years will be to drive forward more product innovations and make investments that secure a stronger global presence in selected geographical and vertical markets.

Since May 1, 2023, the Management Board has thus consisted of Thomas Lausten (Chief Executive Officer), Klaus Kiener (Chief Financial Officer), Christian Cabriol (Chief Technology Officer) and Philippos Antoniou (Chief Sales and Marketing Officer).

The Supervisory Board would like to thank all of the Group's employees worldwide and the members of the Executive Board for their achievements in the 2022/23 financial year 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 in order to return to growth in the 2023/24 financial year and beyond. The cooperation with Konica Minolta offers good growth opportunities in the medium term, both in terms of technological order development and sales.

We wish the management and employees every success for the challenges of the 2023/24 financial year and would particularly like to thank the customers, partners and shareholders of MOBOTIX AG for their benevolent trust in these challenging times.

Winnweiler-Langmeil, March 25, 2024

For the Supervisory Board



Toshiya Eguchi