Grant Thornton

MOBOTIX AG, Winnweiler-Langmeil

Report on the Audit of the Consolidated Financial Statements and Combined Management Report for the Financial Year ended 30 September 2024

Non-binding translation. The German version prevails.

The translation of certain passages of the management report cited in this audit report may vary from the translation of the management report itself because this was not available and could not be cited.

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With regard to the use of rounded amounts and percentages, we would like to point out that rounding differences might occur due to commercial rounding practices.

1. Audit engagement

By resolution of the general meeting on 10 May 2024 of

MOBOTIX AG, **Winnweiler-Langmeil**
(hereinafter also referred to as "MOBOTIX" or "Parent Company")

we have been elected as auditor for the financial year 2023/24. The supervisory board appointed us to perform the annual financial statements audit of the Company for the financial year from 1 October 2023 to 30 September 2024.

In addition to the annual financial statements audit, on which we have prepared a separate report, we have also been engaged to audit the consolidated financial statements and the group management report which has been combined with the management report (hereinafter referred to as "combined management report") for the financial year from 1 October 2023 to 30 September 2024.

Pursuant to section 321 paragraph 4a HGB we confirm that we observed the applicable regulations on auditor's independence in our audit.

Our report is addressed to MOBOTIX AG.

Execution of our engagement and our responsibility, also in relation to third parties, are governed by the General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as of 1 January 2024 (see Appendix 3). The extent of our liability is determined by section 323 paragraph HGB. In relation to third parties number 1 section 2 and number 9 of these General Engagement Terms are decisive.

2. Basic findings

2.1. Statement on the assessment of the Group's economic situation by the executive directors

The following statements contained in the combined management report prepared by the Company's executive directors are from our point of view of particular importance for the assessment of the Group's economic position and future development with its material opportunities and risks:

Economic position and business performance:

1. In the financial year 2023/24 The MOBOTIX Group suffered a reduction in sales revenue of EUR 13.2 million (-20.8%) year on year to EUR 50.0 million. Besides the changes to the general macro-economic environment relating to the wars in Ukraine and Gaza and the resulting hesitancy of many markets to invest, the main reasons for this development were also the delay in the launch of the MOBOTIX ONE platform, the restructuring of the organisation of sales and marketing, and a significant decline in the sales revenue of the largest global customer owing to optimisation of its working capital. Due to the size and structure of the MOBOTIX Group, the main developments and influences on MOBOTIX AG are congruent with those of the MOBOTIX Group.
2. In exercising the option under section 248(2) of the German Commercial Code [Handelsgesetzbuch – HGB], the Group's own development costs, amounting to EUR 4.9 million (PY: EUR 3.9 million), were capitalised, which were presented under the income statement item “Other own work capitalised”, affecting income.
3. Other operating expenses, amounting to EUR 7.9 million in the financial year 2023/24 (PY: EUR 13.3 million), declined year on year by EUR 5.4 million (40.5%). The increase in provision for the valuation allowances for losses on customer accounts receivable in the previous year, amounting to EUR 3.2 million, had a significant impact, while a reversal in the reporting year resulted in other operating income of EUR 0.2 million.
4. EBITDA (earnings before interest, taxes, depreciation and amortisation; 2.8% of total output) is EUR 1.5 million (2022/23; EUR 0.3 million). EBIT (earnings before interest and taxes; -5.9% of total output) is EUR -3.0 million (2022/23; EUR -3.9 million). The financial year 2023/34 ended with a consolidated net loss for the financial year of EUR 5.5 million (2022/23: EUR 5.4 million) and return on sales (sales revenues without construction parts) of -11.1% (2022/23: -8.6%).
5. Fixed assets increased by EUR 2.6 million (8.5%) to EUR 33.3 million. Additions to fixed assets, of EUR 7.2 million, are opposed by depreciations, amortisations, and write-downs of EUR 4.5 million. These refer to EUR 5.5 million in investments in intangible fixed assets and EUR 1.7 million in additions to tangible fixed assets. EUR 1.2 million of the additions to tangible fixed assets are

concerned with reclassifications from current assets to fixed assets. Investments in tangible fixed assets amount to EUR 0.5 million. Investments in intangible fixed assets are mainly concerned with internal development costs, amounting to EUR 4.9 million, and other costs, amounting to EUR 0.6 million, that were incurred for development projects.

6. The solvency of the Company and its subsidiaries was ensured in the financial year 2023/24. The credit lines available to MOBOTIX AG were mostly used up by the reporting date. Any further need for credit will be provided by the majority shareholder if banks are not available.

7. Mid- and long-term liabilities reduced compared to 30 September 2024 by EUR 6.9 million to EUR 0.2 million. Current financial liabilities, including current provisions increased from EUR 54.3 million to EUR 59.6 million. This was caused by the payment of EUR 1.4 million for an earn-out agreement on the one hand, from the acquisition in 2022 of the VAXTOR Group in the financial year 2021/22. On the other hand, short-term intercompany loans were taken out in the financial year 2023/24. Furthermore, the increase in current liabilities particularly results from loan repayments that become due in the financial year 2024/25. Additionally, short-term intercompany loans had the effect of increasing liabilities. Mid- and long-term liabilities as a proportion of the total assets of the MOBOTIX Group are 8.5% lower than the previous year. Current liabilities, including current provisions, as of the reporting date equate to a proportion of 77.5% of total assets, as opposed to 66.6% as of 30 September 2023.

8. Cash flow from operating activities before income tax in the business year 2023/24 was EUR 6.3 million (PY: EUR 3.2 million). The improvement mostly results from the decrease in inventories and targeted reducing of trade receivables. At the same time, fewer trade payables were reduced than in the previous year.

9. Cash flow from investing activities amounted to EUR -7.4 million (PY: EUR -6.3 million) and is mostly attributable to investment in internally developed intangible fixed assets and the earn-out payment of EUR 1.4 million made in the financial year for the acquisition of the VAXTOR Group.

10. The positive cash flow from financing activities, amounting to EUR 6.6 million (PY: EUR 25.7 million) mainly resulted from taking out short-term intercompany loans amounting to EUR 10.2 million. This is opposed by EUR 1.3 million in payment of liabilities to banks and interest payments totalling EUR 2.2 million (of which EUR 1.9 million is for intercompany loans and EUR 0.3 million for banks).

11. The development of assets, liabilities, the financial position and financial performance of the MOBOTIX Group and MOBOTIX AG in the financial year 2023/24 reflects management's expectations for the development of business. The development of business was negatively impacted by the continuing strained conditions of the economy, but also by internal factors in sales and marketing. However, it was possible to a large extent to compensate for these effects with cost savings compared with the previous year.

These key statements on the economic position and business development of the Group have been sufficiently explained in the combined management report. For further details we therefore refer to the combined management report attached as Appendix 2.

Future development with its material opportunities and risks:

1. Budgeted sales for the MOBOTIX Group for the financial year 2024/25 are in the order of around EUR 60.0 million. EBIT for the financial year 2024/25 is in the order of around EUR 4.0 million. On the one hand, sales are dependent on the macroeconomic situation due to the impact of the wars in Ukraine and Gaza, but also on the trend in interest rates/inflation and thus the trend in construction costs, as well as on further optimisation to the organisation of sales and marketing on the other.
2. In the coming months, MOBOTIX will be developing intelligent IP video solutions for selected market segments that the executive board considers have a clear advantage over the competition (e.g. due to system architecture or robust design) and push corresponding customer projects via key account marketing and the global network of certified partners. Robust outdoor cameras are to be used more intensively as sensors in industrial automation, for such things as monitoring temperature-sensitive processes, fire early warning detection and for preventive maintenance.
3. The current income and liquidity planning of MOBOTIX AG, and thus of the Group, includes a liquidity requirement covered by existing loan agreements with the majority shareholder that were set up based on the executive board's best estimates. If the loan agreements are terminated based on the existing termination clauses in the loan agreements or if significant delays to budgeted sales or other significant delays to incoming payments occur or if one or more of the assumptions made in the planning prove not to be accurate, further financial support will be necessary alongside the loans already granted, from the majority shareholder, for example. Otherwise, MOBOTIX AG will be jeopardised in continuing as a going concern owing to the Group's economic and financial interconnections. This constitutes a material uncertainty related to events or conditions that may cast significant doubt on the ability of MOBOTIX AG, and thus of the Group, to continue as a going concern (risk endangering ability to continue as a going concern).
4. There is financing risk related to the creditworthiness of the Company, and thus of the Group, and the existing credit commitments. Of the EUR 8.1 million in liabilities to banks within the Group presented as of the reporting date, EUR 8.1 million are due within one year. If the credit institutions do not extend their credit lines in future, or only extend them for lower amounts than those used, the majority shareholder has committed by contract to assume financing.
5. There is a further need to adapt the organisation owing to the changes to the conditions of the market and competition. Fundamental risks arise from this, which the business is countering by adapting its human resources, optimising processes and management systems, and updating its IT infrastructure (particularly ERP and CRM). Production and the marketing of technical products are fundamentally subject to warranty risks. These are taken into account in financial statement preparation by forming appropriate provisions. Furthermore,

production liability insurance has been taken out to secure potential losses and risks.

For the going concern risks under no. 3, please also see the comments in section 2.2. “Matters endangering the Group’s ability to continue as a going concern”. These key statements on the opportunities and risks of the future development of the Group have been sufficiently described in the combined management report. For further details we therefore refer to the combined management report, which is attached to this report as Appendix 2.

Summarised assessment

On the basis of the assessment of the economic position of the Group which we have been able to derive from the knowledge obtained in our audit of the consolidated financial statements and the combined management report, we have come to the assessment that the executive directors’ presentation and assessment of the position of the Group, in particular regarding the going concern and the future development of the Group with its material opportunities and risks reflected on the consolidated financial statements and in the combined management report are appropriate.

2.2. Matters endangering the Group’s ability to continue as a going concern

Pursuant to section 321 paragraph 1 clause 3 HGB it is our duty to report in our audit report on matters found in executing our audit that may endanger the Group’s ability to continue as a going concern.

Of the EUR 8.1 million in liabilities to banks presented within the Group as of the reporting date, EUR 8.1 million are due within one year. For the case that the credit institutions do not extend their credit lines in future, or only extend them for lower amounts than those used, the majority shareholder has committed by contract to assume financing.

The intercompany loans granted by the majority shareholder presented as of 30 September 2024 amount to EUR 38.7 million. As of 25 November 2024, a further intercompany loan for EUR 2.0 million was paid out by the majority shareholder as part of the credit line granted in the reporting year. The presented amount of intercompany loans in the most recent available monthly statement is EUR 40.7 million as of 28 February 2025. Unused loan commitments from the reporting year amount to EUR 4.0 million and also include the settlement of a bank loan for EUR 3.5 million.

On 25 February 2025, intercompany loans totalling EUR 44.7 million were extended by the majority shareholder until 31 March 2026. Unless the majority shareholder determines otherwise, the term of the intercompany loans will be extended automatically again to 30 September 2026. In the case of a change of control, this extension will apply automatically.

On 25 February 2025, the majority shareholder granted further loans of up to EUR 8.5 million as further support, also due by 31 March 2026. These may be claimed and paid out in different tranches. The term will also be automatically extended to 30 September 2026 unless the majority shareholder notifies the Company by 31 March 2026 that it is not to be automatically extended. The granting of loans for the above-mentioned EUR 8.5 million also means that a bank loan for EUR 3.0 million will be settled. Alongside this purpose limitation, reimbursements of EUR 2.0 million for development costs for development projects already approved would be taken into account.

The current income and liquidity planning of MOBOTIX AG, and thus of the Group, includes a liquidity requirement covered by existing loan agreements with the majority shareholder that was set up based on the executive board's best estimates. If the loan agreements are terminated based on the existing termination clauses in the loan agreements or if significant delays to budgeted sales or significant delays to incoming payments occur or if one or more of the assumptions made in the planning prove not to be accurate, further financial support will be necessary alongside the loans already granted, from the majority shareholder, for example. Otherwise, MOBOTIX AG will be endangered in continuing as a going concern owing to the Group's economic and financial interconnections. This constitutes a material uncertainty related to events or conditions that may cast significant doubt on the ability of MOBOTIX AG, and thus of the Group, to continue as a going concern (risk endangering ability to continue as a going concern).

The executive directors of the Company appropriately described this risk to the Group's ability to continue as a going concern in the notes to the financial statements (cf. information in Section A. of the notes "General disclosures") and in the combined management report (cf. the information in Section 8.3 "Management risks – financial risks"). In accordance with our professional duties, we have included in our auditor's report a reference to the explanations in the notes to the financial statements and in the combined management report on the risk endangering the Company's ability to continue as a going concern. Attention is therefore drawn to the section "Material Uncertainty Related to Going Concern" in our auditor's report.

2.3. Other non-compliance with laws and regulations

Within our audit, we identified the following serious non-compliance with other legal requirements:

In non-compliance with the requirements of sections 325 et seq. HGB the annual financial statements and combined management report, the consolidated financial statements and the combined management report and the other required documents from the prior year were not disclosed by the due date by the Company's executive directors. In this regard, we refer to section 335 HGB.

In non-compliance with the existing obligation under section 264 paragraph 1 sentence 3 HGB and section 16 paragraph 1 of the Company's articles, the annual financial statements and combined management report were not prepared within the first three months of the following financial year. Neither was the executive board's report on relations with affiliated companies prepared within the deadline of 3 months contrary to the existing obligation under section 312 paragraph 1 sentence 1 of the Stock Corporation Act [Aktiengesetz – AktG]. Neither were the consolidated financial statements prepared within the first five months of the following financial year contrary to section 290 paragraph 1 HGB. We have advised the executive board of the deadlines for preparation.

3. Reproduction of the independent auditor's report

On the basis of the final result of our audit, we have issued the independent auditor's report as reproduced below:

Reproduction of the auditor's report

Independent Auditor's Report

To MOBOTIX AG, Winnweiler-Langmeil

Audit Opinions

We have audited the consolidated financial statements of MOBOTIX AG, Winnweiler-Langmeil, and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as at 30 September 2024, the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 October 2023 to 30 September 2024, and the notes to the consolidated financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the combined management report of MOBOTIX AG, Winnweiler-Langmeil, for the financial year from 1 October 2023 to 30 September 2024.

In our opinion, on the basis of the knowledge obtained in the audit:

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as at 30 September 2024 and of its financial performance for the financial year from 1 October 2023 to 30 September 2024 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to section 322 paragraph 3 sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and the combined management report in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. 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 on the combined management report.

Material Uncertainty in Connection with the Going Concern assumption

We refer to the disclosure under Section A. of the notes to the consolidated financial statements “General disclosures” and the disclosures in Section 8.3 “Material risks – financial risks” of the combined management report, in which the executive directors describe that the current income and liquidity planning of MOBOTIX AG, and thus of the Group, includes a liquidity requirement that is covered with existing loan agreements with the majority shareholder which was prepared based on the executive board’s best estimates. If the loan agreements are terminated based on the existing termination clauses in the loan agreements or if significant delays to budgeted sales or significant delays to incoming payments occur or if one or more of the assumptions made in the planning prove not to be accurate, further financial support will be necessary alongside the loans already granted, from the majority shareholder, for example. Otherwise, MOBOTIX AG will be endangered in continuing as a going concern owing to the Group’s economic and financial interconnections.

As stated in Section A. of the combined management report “General disclosures” and Section 8.3 “Material risks – financial risks” of the combined management report, these events and conditions indicate the existence of a material uncertainty that may cast significant doubt on Group’s ability to continue as a going concern, representing a going concern risk within the meaning of section 322 paragraph 2 sentence 3 HGB.

Our audit opinions concerning the consolidated financial statements and the combined management report are not modified in relation to this matter.

Other Information

The executive directors or the supervisory board are responsible for the other information. The other information comprises the remaining parts of the business report, incl. the “letter to the shareholders” and the “supervisory board report”, but not the consolidated financial statements, or the combined management report or our auditor's report thereon.

The supervisory board is responsible for the supervisory board report. The executive directors are otherwise responsible for the other information.

Our audit opinions on the consolidated financial statements and the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our group audit, our responsibility is to read the other information referred to above (to the extent that they are available) and, in doing so, to consider whether the other information:

- is materially inconsistent with the consolidated financial statements, with the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law, and that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal controls as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement due either to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group’s position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are 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 combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and the combined 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 in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a 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 the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and 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 the risk of not detecting a material misstatement resulting from error, as fraud may include collusion, forgery, intentional omissions, misrepresentations, or override of internal controls.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined 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 these systems.
- evaluate the appropriateness of the accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' 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 material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease being able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.
- 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 on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group’s position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially 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 internal control that we identify during our audit.

Frankfurt am Main

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Maximilian Meyer zu Schwabedissen Wirtschaftsprüfer [German Public Auditor]	Arndt F. Krüger Wirtschaftsprüfer [German Public Auditor]

On publication or disclosure of the consolidated financial statements and/or the combined group management report in a form other than that audited by us (including translations into other languages), a further statement will be required from us if our auditor’s report is cited or reference is made to our audit; we refer hereby in particular to section 328 HGB.

4. Subject, nature and extent of the audit

4.1. Subject of the Audit

The subject of our audit was the consolidated financial statements which comprise the consolidated balance sheet as at 30 September 2024, the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 October 2023 to 30 September 2024, and the notes to the consolidated financial statements, including the presentation of the recognition and measurement policies – together with the group accounting records and the combined management report of MOBOTIX AG and its subsidiaries (“the Group”) for the financial year from 1 October 2023 to 30 September 2024.

The German Commercial Code, including the relevant regulations of the AktG [*Aktiengesetz: Stock Corporation Act]*, was the applicable financial reporting framework for our audit of the consolidated financial statements and the combined management report.

The Parent Company’s executive directors made use of the provisions of section 315 paragraph 5 HGB in conjunction with section 298 paragraph 2 HGB and combined the group management report with the management report prepared by the Company.

Regarding the responsibilities of the executive directors and the supervisory board of the Company related to the preparation of the consolidated financial statements and the combined management report we refer to the explanations given in our auditor‘s report which is reproduced in section 3 of this report. The responsibility of the executive directors also comprises responsibility for the Company’s group accounting records.

Our objective is to assess the consolidated financial statements together with the group accounting records and the combined management report as well as the disclosures made within the course of an audit performed in compliance with German Generally Accepted Standards for Financial Statement Audits. Our respective responsibilities are explained in the section “Audit opinions“ and in the section “Auditor’s responsibilities for the audit of the consolidated financial statements and of the combined management report“ of our auditor’s report.

Our group audit includes the audit of the scope of consolidated entities, the correctness of the financial information/financial statements included in the consolidated financial statements, the consolidation adjustments as well as the consolidation measures taken.

The audit of compliance with other regulations is only relevant to the audit of consolidated financial statements insofar as these regulations normally have an impact on the consolidated financial statements or the combined management report.

According to section 317 paragraph 4a HGB, an examination as to whether the ability of the Parent Company or of consolidated entities to continue as a going concern or whether the effectiveness and efficiency of the Group's management can be guaranteed is not required to be included in the audit.

4.2. Nature and extent of the audit

We conducted our audit in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer in Deutschland e.V. [Institute of Public Auditors in Germany] (IDW).

Regarding the objectives of our audit and the essential principles of conducting our audit we refer to the explanations given in the section “Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report“ of our auditor's report.

The audit was planned and performed by taking a risk-oriented approach. Within this approach, we exercise professional judgment and maintain professional scepticism throughout the audit, recognizing that circumstances may exist that cause the consolidated financial statements or the combined management report to be audited to contain material misstatements.

As part of our risk-oriented audit approach we have identified and assessed risks of material misstatement, whether due to fraud or error, in the consolidated financial statements and combined management report in order to develop a group audit strategy and program, including the determination of the nature, timing and extent of audit activities to be performed on the consolidation process and on the financial information of the components that are necessary to obtain sufficient appropriate audit evidence to provide a basis for our audit opinions. This is based on an understanding of the Group, its components and their respective environments, including Group-wide controls and the consolidation process, which includes the instructions issued by Group management to the components.

Based on the identification and assessment of risks, we determined the following focal points of the audit:

- appropriateness of the use of the going concern basis of accounting
- recognition of the reported sales revenues

In addition, based on our understanding of the Group and its components and the risks of material misstatement identified and assessed, we have also classified the subsidiaries and associates into significant and non-significant components for the Group. For these components we determined what work on the financial information or financial statements included in the group financial statements is to be performed by us and what is to be performed by another auditor (component auditor). Subsidiaries and associates were identified as significant components if they were of individual economic significance to the Group or if they are likely to include significant risks of material misstatement in the consolidated financial statements due to their specific nature or circumstances.

For all significant components we identified and assessed the risks of material misstatement ourselves or were involved in the component auditor's assessment. In addition, we designed the audit procedures to respond to identified significant risks ourselves or evaluated the appropriateness of the audit procedures designed by the component auditor and determined whether involved in these further audit procedures was necessary.

In all cases in which component auditors performed work at the component level, we determined prior to their involvement in the group audit that the component auditors had appropriate competence and capabilities. We evaluated the appropriateness of the component auditor's reporting for the purposes of the group audit and discussed significant matters as necessary with the component auditor, the component management (e.g. by attending the closing meetings at the component level) or group management and reviewed other relevant parts of additional component auditor audit documentation. In addition, we requested a confirmation of their independence from the component auditors, and we received this from all the component auditors whose work we used.

We performed an audit on the financial information or financial statements at the following components classified as significant:

- MOBOTIX AG
- MOBOTIX Corp.
- Vaxtor Group

For the remaining components that are individually and collectively not significant, we performed analytical procedures at the group level.

The starting point for our audit was the consolidated financial statements and combined management report for the prior financial year, on which Ernst & Young GmbH & Co. KG Wirtschaftsprüfungsgesellschaft issued an unqualified audit opinion. The consolidated financial statements were approved on 10 May 2024.

Regarding the opening balances, we read the most recent consolidated financial statements as well as the predecessor auditor's report and the long-form audit report thereon with regard to the information relevant for the opening balances including the disclosures and discussed significant matters with the predecessor auditor. In order to determine whether the opening balances contain misstatements that materially affect the consolidated financial statements of the reporting period, we have determined whether the prior period's closing balances were correctly carried forward to the reporting period and whether the opening balances reflect the application of appropriate accounting policies.

We performed our audit work with interruptions from July 2024 to 20 March 2025.

The executive directors of the Parent Company, the executive directors of the subsidiaries and named contact persons provided us with all explanations and supporting documents requested. The executive directors confirmed in writing the completeness of the consolidated financial statements and the combined management report presented to us.

5. Findings and explanations on the group financial reporting

5.1. Compliance of the group financial reporting

5.1.1. Scope of consolidation and group balance sheet date

The subsidiaries included in the consolidated financial statements are presented in the notes to the consolidated financial statements in Appendix 1.

The scope of consolidation did not change compared with the previous year.

The entities not included in the consolidated financial statements due to their minor importance are disclosed in the notes to the consolidated financial statements. Minor importance was assessed based on the same materiality benchmarks as the prior financial year.

Overall, in our opinion, on the basis of the knowledge obtained in our audit, the scope of consolidation has been properly determined in compliance with the requirements of German commercial law. The scope of consolidation was determined consistently. In our opinion, on the basis of the knowledge obtained in our audit, the disclosures made in the notes to the consolidated financial statements regarding the companies included in the consolidated financial statements are, in all material respects, complete and correct.

In accordance with section 299 paragraph 1 HGB the consolidated financial statements were prepared as at the balance sheet date of the Parent Company, which is 30 September 2024. If the balance sheet date of the subsidiaries included in the consolidated financial statements was not identical with the balance sheet date of the Parent Company, interim financial statements have been prepared.

5.1.2. Financial information of components included in the consolidated financial statements

In our opinion, on the basis of the knowledge obtained in our audit of the consolidated financial statements, the financial information/financial statements included in the consolidated financial statements have been prepared properly. The reconciliation to the uniform group accounting policies, if necessary, was performed properly. Therefore, the financial information/financial statements are an appropriate basis for the consolidation.

5.1.3. Consolidated financial statements

In our opinion, on the basis of the knowledge obtained in our audit, the consolidated financial statements of MOBOTIX AG for the financial year from 1 October 2023 to 30 September 2024 comply, in all material respects, with the requirements of German commercial law including the relevant regulations of AktG.

The consolidated financial statements for the year ended 30 September 2024 were prepared with computer assistance. The consolidation procedures were performed using the consolidation software LucaNet, Lucanet24 2311.0.61+5.

In our opinion, on the basis of the knowledge obtained in the audit:

- the consolidated financial statements have been prepared properly based on the financial information/financial statements of the components included in the consolidated financial statements and the supplementary evidence concerning the consolidation measures,
- the consolidation methods used are in compliance, in all material respects, with the requirements of German commercial law,
- the consolidation adjustments as well as the currency conversion were performed appropriately in all material respects,
- the consolidation entries have been properly brought forward,
- the consolidated balance sheet, the statement of profit and loss and the notes to the consolidated financial statements comply with the requirements of German commercial law,
- the consolidated statement of changes in equity and the consolidated cash flow statement comply, in all material respects, with the group accounting principles and
- the disclosures in the notes to the consolidated financial statements are, in all material respects, complete and accurate.

The consolidated financial statements do not comply with the following recommendations of the German Accounting Standards Committee (GASC) on the application of the principles for financial reporting in consolidated financial statements published by the German Federal Ministry of Justice insofar as they restrict statutory options or supplementary disclosures.

5.1.4. Combined management report

In our opinion, on the basis of the knowledge obtained in our audit, the combined management report of MOBOTIX AG for the financial year from 1 October 2023 to 30 September 2024 complies, in all material respects, with the legal requirements.

The consolidated financial statements do not comply with the following recommendations of the German Accounting Standards Committee (GASC) on the application of the principles for financial reporting in consolidated financial statements published by the German Federal Ministry of Justice insofar as they restrict statutory options or supplementary disclosures.

5.2. Overall view presented by the consolidated financial statements

5.2.1. Statement on the overall view presented by the consolidated financial statements

In our opinion, on the basis of the knowledge obtained in our audit, the consolidated financial statements of MOBOTIX AG give a true and fair view of its assets, liabilities, financial position of the Group as at 31 December 2023 and of its financial performance for the financial year from 1 October 2023 to 30 September 2024 in compliance with German Legally Required Accounting Principles.

5.2.2. Valuation principles and transactions with significant impact

5.2.2.1. Material valuation principles

The recognition, measurement and consolidation methods and further material valuation principles are presented in the notes to the consolidated financial statement (see Appendix 2). Compared with the prior year, no changes of recognition, measurement and consolidation methods were made.

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5.2.2.2. Transactions with significant impact

In our assessment, on the basis of the knowledge obtained in our audit, the following matters are of particular importance for the overall presentation of the consolidated financial statements:

- In the reporting year (as in the previous year), the Company exercised its option to capitalise internally developed intangible fixed assets under section 248 paragraph 2 HGB. Development costs for future products amounting to EUR 5,228k were capitalised for this. As at the reporting date of 30 September 2024, EUR 14,942k (PY: EUR 12,211k) in internally developed intangible fixed assets were capitalised. Amortisation of these assets in the reporting year was EUR 2,290k. A development project which the executive board classified as no longer of sound value was written off at EUR 100k.
- The Company exercised its recognition option under section 298 paragraph 1 in conjunction with 274 paragraph 1 HGB to recognise deferred tax assets. The deferred taxes were determined according to the “temporary concept”. According to this, fairly permanent differences are taken into account in calculating deferred taxes (if use by corresponding tax projections can be proven). The deferred tax assets determined at EUR 5,948k (PY: EUR 4,753k) are recognised on the consolidated balance sheet by exercising the option under accounting law. The result from loss carryforwards from corporate income tax and trade tax that arose in the financial year 2016/17 and since the financial year 2021/22. Deferred tax assets from loss carryforwards were not formed at MOBOTIX Corp. due to

uncertainty in realising the tax advantages. Deferred taxes are computed based on a combined income tax rate of 30.5% (PY: 29.0%).

6. Concluding remarks

Key audit partners for the group audit in terms of the German Professional Statute for German public accountants and German sworn auditors (Berufssatzung WP/vBP) are Arndt F. Krüger, WP – being primarily responsible for the engagement (engagement partner) – and Maximilian Meyer zu Schwabedissen, WP as additionally responsible key audit partner.

We provide this report concerning the audit of the consolidated financial statements and the combined management report of MOBOTIX AG, Winnweiler-Langmeil, for the financial year from 1 October 2023 to 30 September 2024 in accordance with the legal requirements and generally accepted standards for preparing long-form audit reports in accordance with with IDW AuS [IDW Auditing Standard] 450 (revised (10/2021)) (“IDW PS 450 n.F. (10.2021)”).

The independent auditor’s report issued by us is reproduced in section 3 of this report.

Frankfurt am Main, 20 March 2025

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Maximilian Meyer zu Schwabedissen Wirtschaftsprüfer [German Public Auditor]	Arndt F. Krüger Wirtschaftsprüfer [German Public Auditor]

Appendix 1

Consolidated Financial Statements of MOBOTIX AG,

Winnweiler-Langmeil

Fiscal year 2023/24

01 October 2023 to 30 September 2024

Consolidated Balance Sheet as of 30 September 2024

				30.09.2024	30.09.2023
			See Notes	kEUR	kEUR
A.	**Assets**				
	I.	**Intangible Assets**	(1)		
	1.	Self-created intangible assets		14.942	12.211
	2.	Purchased industrial property rights and similar rights and assets as well as licenses to such rights and assets		333	690
	3.	Goodwill		3.224	3.649
	4.	Advance payments		736	447
				19.235	16.997
	II.	**Property, Plant and Equipment**	(1)		
	1.	Land and buildings, including buildings on third-party land		9.538	10.115
	2.	Technical equipment and machinery		1.193	1.100
	3.	Other equipment, factory and office equipment		3.304	2.469
	4.	Advance payments and assets under construction		19	6
				14.054	13.690
				33.289	30.687
B.	**Current Assets**				
	I.	**Inventory**			
	1.	Raw materials and supplies		11.194	13.732
	2.	Work in progress		4.672	3.854
	3.	Finished goods and merchandise		5.198	7.703
				21.064	25.289
	II.	**Receivables and Other Assets**	(3)		
	1.	Trade receivables		11.531	14.723
	2.	Receivables due from affiliated companies		1.973	3.662
	3.	Other assets		1.247	751
				14.751	19.136
	III.	**Cash in Hand and Bank Balances**		1.310	944
				37.126	45.369
C.	**Prepaid Expenses and Deferred Charges**			455	680
D.	**Deferred Tax Assets**		(4)	5.948	4.753
ASSETS				**76.818**	**81.489**

			See Notes		30.09.2024 kEUR		30.09.2023 kEUR
A.	**Equity**		(5)				
	I.	**Subscribed Capital**		13.271		13.271	
		./. Treasury shares		-62		-62	
		(Corrected) subscribed capital			13.209		13.209
	II.	**Capital Reserves**			1.250		1.250
	III.	**Retained Earnings**					
	1.	Statuatory reserve			78		78
	2.	Other retained earnings			18.791		18.790
					18.869		18.869
	IV.	**Equity Capital Difference from Currency Conversion**			236		44
	V.	**Loss Carryforward**			-15.156		-9.777
	VI.	**Consolidated Net Loss**			-5.531		-5.409
					12.877		18.186
B.	**Provisions**						
	1.	Provisions for taxes			-5		19
	2.	Other provisions	(6)		5.182		7.590
					5.177		7.609
C.	**Liabilities**		(7)				
	1.	Bank loans and overdrafts			8.092		14.011
	2.	Advance payments received for orders			-		8
	3.	Trade payables			7.598		6.300
	4.	Liabilities to affiliated companies			37.962		30.090
	5.	Other liabilities			972		1.762
					54.626		52.171
D.	**Prepaid Expenses and Deferred Charges**				10		93
E.	**Deferred Tax Liabilities**				4.127		3.430
LIABILITIES					**76.818**		**81.489**

Consolidated Income Statement

from 01 October 2023 to 30 September 2024

			Fiscal Year	
		See Notes	**01.10.2023 - 30.09.2024**	**01.10.2022 - 30.09.2023**
			TEUR	TEUR
1.	Revenue from sales	(8)	50.002	63.168
2.	Increase/decrease in finished and unfinished goods and work in progress		-2.500	-1.517
3.	Other own work capitalized		4.927	3.922
4.	Other operating income	(9, 10, 12)	1.244	1.375
5.	Material costs		22.485	27.936
	a) Expenses for raw, auxiliary and operating materials as well as for purchased goods		16.049	22.031
	b) Expenses for purchased services		6.436	5.905
6.	Personnel expenses		21.795	25.389
	a) Wages and salaries		18.166	21.807
	b) Social security contributions and expenditure on pension benefits of which relating to pensions EUR 68,000 (previous year: EUR 36,000)		3.597	3.582
7.	Amortization of intangible assets and depreciation of property, plants and equipment		4.549	4.219
8.	Other operating expenses	(9, 10, 12)	7.912	13.288
9.	Interest and similar expenses		2.287	1.489
10.	Taxes from income and profit	(14)	106	-23
	a) Current taxes		499	523
	b) Deferred taxes	(4, 14)	-604	-546
11.	**After-Tax Profit**		**-5.462**	**-5.351**
12.	Other taxes		69	58
13.	**Consolidated Net Loss**		**-5.531**	**-5.409**

Consolidated Cash Flow Statement
from 01 October 2023 to 30 September 2024

		Fiscal Year	
		01.10.2023 - 30.09.2024	**01.10.2022 - 30.09.202**
		kEUR	kEUR
Annual result before taxes on income		-5.424	-5.432
+	Income from interest	2.287	1.489
+	Amortization of intangible assets and depreciation of property, plants and equipment	4.549	4.219
-/+	Decrease/increase in other provisions	-1.008	-241
+	Loss due to disposal of fixed and tangible assets	0	3
+	Other non-cash expenses	0	0
Operating cash flow before changes in working capital		404	38
+/-	Decrease/increase in inventory, trade receivables and other assets that do not fall under investment or financing activities	7.659	6.922
-/+	Decrease/increase in trade payables and other liabilities that do not fall under investment or financing activities	-1.909	-3.714
Cash flow from operating activities before taxes on income		6.154	3.246
-	Income tax payments/refunds	-153	-522
Cash flow from operating activities		6.001	2.724
Cash flow from investing activities			
-	Cash outflows for purchases of property, plants and equipment	-505	-490
-	Cash outflows for purchases of intangible assets	-5.511	-4.396
-	Payments for additions to the scope of consolidation	-1.400	-1.400
Cash flow from investing activities		-7.416	-6.286
Cash flow from financing activities			
-	Dividend payments	-	-
-	Cash outflows for redemption of loans	-1.277	-1.278
+	Cash inflows from the take-up of loans	10.200	28.515
-	Interest paid	-2.287	-1.489
Cash flow from financing activities		6.636	25.748
Net change in cash and cash equivalents		5.221	22.186
+	Net change in financial facilities due to exchange rate	102	-128
+	Consolidation-related changes in the scope of funds	0	0
+	Cash and cash equivalents at the beginning of the reporting period	-7.471	-29.529
Cash and cash equivalents at the end of the reporting period		-2.150	-7.471
Transfer to inventory in accordance with balance sheet:			
+ Short-term loans		3.461	8.415
Cash in hand and bank balances		1.311	944

Consolidated Statement of Changes in Equity

	Subscribed capital	Treasury shares	(Corrected) subscribed capital	Capital reserves	Statuatory reserve	Other retained earnings
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
As at 01/10/2022	13.271	-62	13.209	1.250	77	17.974
Allocation to reserves					1	817
Distribution						
Issuance of treasury shares						
Currency conversion						
Consolidated annual net loss						
As at 30/09/2023	13.271	-62	13.209	1.250	78	18.791
As at 01/10/2023	13.271	-62	13.209	1.250	78	18.791
Allocation to reserves						
Distribution						
Issuance of treasury shares						
Currency conversion						
Change in the scope of consolidation						
Consolidated annual net loss						
As at 30/09/2024	13.271	-62	13.209	1.250	78	18.791

	Reserves	Equity difference from currency conversion	Loss carry-forward	Consolidated net loss	Group equity
	kEUR	kEUR	kEUR	kEUR	kEUR
As at 01/10/2022	18.051	214	-8.981		23.743
Allocation to reserves	818		-818		
Distribution					
Issuance of treasury shares					
Currency conversion		-170	22		-148
Consolidated annual net loss				-5.409	-5.409
As at 30/09/2023	18.869	44	-9.777	-5.409	18.186
As at 01/10/2023	18.869	44	-9.777	-5.409	18.186
Allocation to reserves					
Distribution					
Issuance of treasury shares					
Currency conversion		192	37		192
Consolidated net loss			-5.531		-5.531
As at 30/09/2024	18.869	236	-15.156	-5.531	12.878

Notes to the Consolidated Financial Statements for the 2023/24 Fiscal Year

A. General Information

The fiscal year of MOBOTIX AG covers the period from 1 October of one year to 30 September of the following year.

The consolidated financial statements of MOBOTIX AG were prepared based on the stipulations of the German Commercial Code (Sections 290 et seq.).

The Company is registered under the name MOBOTIX AG at the local court in Kaiserslautern under HRB No. 3724.

The assets and liabilities have been recognized and measured on a going concern basis. Financing risks arise from the creditworthiness of MOBOTIX AG and, consequently, the Group, as well as from the existing credit commitments. As of the reporting date, the Group's total bank liabilities amounted to EUR 8.1 million, all of which have a maturity of up to one year (MOBOTIX AG: EUR 8.0 million, with the full amount also maturing within one year). If banks do not extend their credit lines in the future or renew them at lower amounts than currently utilized, the majority shareholder has contractually committed to providing financing of up to EUR 6.5 million.

As of 30 September 2024, the intercompany loans granted by the majority shareholder totaled EUR 38.7 million. On 25 November 2024, an additional intercompany loan of EUR 2.0 million was disbursed by the majority shareholder as part of the credit line established during the reporting year. Consequently, the reported balance of intercompany loans in the latest available monthly financial statements stood at EUR 40.7 million as of 28 February 2025. The unutilized loan commitments from the reporting year amount to EUR 4.0 million, which also cover the repayment of a bank loan of EUR 3.5 million.

On February 25, 2025, intercompany loans in the total amount of EUR 44.7 million were therefore extended to March 31, 2026, by the majority shareholder. Unless the majority shareholder determines otherwise, the term of the intercompany loans will be automatically extended to September 30, 2026. In the event of a change of control, this extension will occur automatically.

On 25 February 2025, the majority shareholder provided additional loan commitments of up to EUR 8.5 million as further financial support, available until 31 March 2026. These funds can be drawn in multiple tranches. Unless the majority shareholder notifies the company by 31 March 2026 that the automatic extension will not apply, the loan term will be extended to 30 September 2026. The granted EUR 8.5 million also includes the repayment of a bank loan of EUR 3.0 million. Additionally, reimbursements of development costs for previously approved projects totaling EUR 2.0 million are considered.

The current earnings and liquidity planning of MOBOTIX AG and thus of the Group includes a liquidity requirement covered by existing loan agreements of the majority shareholder, which was prepared based on the best possible estimates of the Management Board. Should the existing termination clauses in the loan agreements lead to their termination or should there be significant delays in planned sales or further significant delays in incoming payments or should one or more of the assumptions made in the planning prove to be incorrect, further financial support, for example from the majority shareholder, is required in addition to the loans already granted. Otherwise, the continued existence of MOBOTIX AG and, due to the economic and financial interdependencies, the Group as a going concern would be jeopardized. This represents a material uncertainty in connection with events or circumstances that could cast significant doubt on the company's ability to continue as a going concern of MOBOTIX AG and thus of the Group (going concern risk).

As in the previous year, the total cost method was used for the income statement.

Differences of +/- one unit (EUR, %) may arise from the presentation of the figures in EUR thousand and the rounding.

Scope of Consolidation

With the exception of MOBOTIX LIMITED, Nottingham, UK, the consolidated financial statements include all companies over which the Company exercises a direct or indirect controlling influence.

MOBOTIX LIMITED, Nottingham, United Kingdom, is not included in the consolidated financial statements as it is not material for the presentation of a true and fair view of the MOBOTIX Group's net assets, financial position and results of operations.

Name and registered office of the company	Share of capital in percent	Equity	Result in 2023/24
MOBOTIX LIMITED, Nottingham, Great Britain*)	100,0	1 Brit. pound	0 Brit. pound

*) not operational

		Shareholding	
Company	**Registered Office**	**30/09/2024**	**30/09/2023**
MOBOTIX CORP	New York, USA	100,00 %	100,00 %
MOBOTIX LIMITED	Nottingham, GB	100,00 %	100,00 %
MOBOTIX SINGAPORE PTE. LTD.	Singapore, SG	100,00 %	100,00 %
MOBOTIX AUSTRALIA PTY LTD	Sydney, AU	100,00 %	100,00 %
VAXTOR TECHNOLOGIES, S.L.	Madrid, ES	100,00 %	100,00 %
VAXTOR ASIA PTE. LTD.	Singapore, SG	100,00 %	100,00 %

B. Principles of Consolidation

The annual financial statements and interim financial statements of the companies included in the consolidated financial statements of MOBOTIX AG are prepared in accordance with uniform Group accounting policies as of 30 September 2024.

Capital Consolidation

Equity consolidation for companies that are consolidated for the first time as a result of an acquisition is carried out using the purchase method the time the company became a subsidiary.

The carrying amount of the shares belonging to the parent company is offset against the amount of the subsidiary's equity attributable to these shares. Treasury equity is recognized at the amount that corresponds to the fair value of the assets, liabilities and prepaid expenses to be included in the consolidated financial statements at the time of consolidation. Any goodwill remaining after netting is recognized as goodwill if it arises on the assets side and, if it arises on the liabilities side, as equity under the item "Difference from equity consolidation".

The relevant date for determining the fair value of the assets and liabilities to be included in the consolidated financial statements and for capital consolidation is generally the date on which the company became a subsidiary. In the case of subsidiaries whose inclusion was previously waived in accordance with Section 296 HGB, the date of inclusion of the subsidiary in the consolidated financial statements is decisive.

Liability Consolidation/Interim Results/Consolidation Of Expenditures And Incomes

Intra-group receivables and liabilities between the companies included in the consolidated financial statements, as well as all income and expenses from intercompany deliveries and services, are offset against each other. In the consolidated income statement, income from internal sales and other intra-group income is offset against the corresponding expenses. Interim results within the scope of consolidation are eliminated. Profits and losses between the consolidated companies ("interim results") are also eliminated as part of the consolidation.

Currency Conversion

With the exception of equity, which is translated into euros at the historical rate, the asset and liability items in the annual financial statements prepared in foreign currencies are translated into euros at the respective mean spot exchange rate on the reporting date. The currency translation into euros of the items in the income statement of the annual financial statements prepared in foreign currencies is carried out using monthly average exchange rates. The resulting translation difference is recognized in consolidated equity under the item "Equity difference from currency conversion".

Deferred Taxes

Deferred tax assets and liabilities are recognized for differences between the carrying amounts of assets, liabilities or prepaid expenses and their tax base as well as for differences arising from consolidation measures in accordance with Sections 300 to 307 HGB, provided that these differences are expected to reverse in subsequent fiscal years. However, differences from the first-time recognition of goodwill from equity consolidation are not recognized. The resulting tax expenses and benefits are not netted.

In addition, differences resulting from consolidation measures in accordance with Sections 300 to 307 HGB are also recognized but not differences from the initial recognition of goodwill from equity consolidation.

Information on Accounting Policies

Accounting and Valuation Principles

The accounting and valuation methods are basically unchanged from the previous year.

Intangible Assets, Property, Plants and Equipment and Financial Assets

Development costs are capitalized as self-created intangible assets. They are capitalized if it is sufficiently probable that completion of the intangible asset is technically feasible and that future surpluses will result from marketing. Research is conducted by MOBOTIX AG and is clearly distinguished from development by a separate "Strategic Innovation" division. Research activities are not part of capitalization.

Capitalized development costs are amortized over the expected useful life of five years. Amortization begins at the end of the development phase. This is the date from which the asset can be utilized.

Purchased intangible assets are valued at acquisition cost less scheduled straight-line amortization corresponding to the expected useful life of between two and ten years.

Property, plant and equipment are recognized at acquisition or production cost less scheduled straight-line depreciation corresponding to the expected useful life of between three and thirty-three years. Grants received are deducted from the cost of acquisition or production costs.

A fixed value of EUR 1.152 thousand for MOBOTIX AG and USD 179 thousand for MOBOTIX CORP was recognized for camera inventories intended for permanent use in the company.

In addition to the direct material and production costs, the manufacturing costs of self-constructed property, plant and equipment include appropriate portions of the necessary material and production overheads, including depreciation, insofar as they are caused by manufacturing. Administrative costs are not capitalized.

Borrowing costs are not included in the cost of sales.

Inventories

In the case of inventories, raw materials and supplies are recognized at average cost, taking into account their usability on the balance sheet date and the lower-of-cost-and-market-principle. Work in progress and finished goods are recognized at the lower of cost-or-market-principle. Manufacturing costs include direct material and production costs, appropriate portions of material and production overheads and depreciation of fixed assets, insofar as this is caused by production. Interest on borrowed capital is not included in production costs, nor are administrative costs capitalized. Merchandise is recognized at the lower of cost or market.

All recognizable risks arising from reduced usability and lower replacement costs are taken into account by means of appropriate write-downs.

Receivables and Other Assets

Receivables and other assets are measured at nominal value, taking into account all identifiable risks. All risk items are taken into account by recognizing appropriate individual value adjustments. The general credit risk is taken into account by means of of flat-rate discounts.

Cash In Hand and Bank Balances

Cash in hand and bank balances are recognized at nominal value.

Deferred Taxes

Deferred tax assets and liabilities arising from temporary or quasi-permanent differences between the tax bases of assets and liabilities, prepaid expenses and deferred income under commercial law and their carrying amounts for financial reporting purposes are measured using enacted tax rates that are expected to apply in the years in which the temporary differences are expected to reverse.

Tax deferred assets and liabilities are not netted.

Equity Capital

Equity is recognized at nominal value.

Provisions

Tax and other provisions take appropriate account of all recognizable risks and contingent liabilities; they are recognized at the settlement amount required according to prudent business practice. Future price and cost increases are recognized if there is sufficient objective evidence that they will occur. Provisions with a remaining term of more than one year are discounted at the average market interest rate corresponding to their remaining term.

Liabilities

Liabilities are recognized at their settlement amount.

Currency Conversion

Assets and liabilities denominated in foreign currencies are generally translated at the mean spot exchange rate on the balance sheet date, as all foreign currency items have remaining terms of less than one year. § Section 253 (1) sentence 1 and Section 252 (1) no. 4 half-sentence 2 HGB are not applied in this respect.

C. Information and Explanations Regarding Individual Items on the Consolidated Income Statement

(1) Intangible Assets and Property, Plants and Equipment

The development of the fixed assets recognized in the balance sheet is shown in the statement of changes in non-current assets (annex to the notes).

Self-Created Intangible Assets

Research and development costs totaling EUR 8.419 thousand were incurred in the 2023/24 fiscal year. Of this amount, EUR 4.927 thousand was capitalized under internally generated intangible assets.

Purchased Industrial Property Rights and Similar Rights and Assets as Well as Licenses to Such Rights and Assets

The technologies and brand names capitalized as part of the initial consolidation of the VAXTOR Group will be depreciated over a period of four to ten years.

Goodwill

The initial consolidation of the VAXTOR Group in the 2021/22 fiscal year resulted in goodwill of EUR 4.251 thousand.

Based on the life cycle of the products of the acquired companies, a useful life of ten years is assumed for this goodwill. The residual carrying amount as at the reporting date is EUR 3.224 thousand.

(2) Trade Receivables, Receivables from Affiliated Companies and Other Assets

As in the previous year, trade receivables, receivables from affiliated companies and other assets have a remaining term of less than one year.

(3) Receivables from Affiliated Companies

Receivables from affiliated companies amounting to EUR 1.973 thousand (previous year: EUR 3.662 thousand) include trade receivables from companies of the Konica Minolta Group, in whose consolidated financial statements

MOBOTIX AG is included by way of full consolidation; in this respect, a disclosure in the consolidated financial statements of MOBOTIX AG itself is realized in the affiliated companies area.

(4) Deferred Tax Assets

Deferred tax assets of EUR 5.948 thousand (previous year: EUR 4.752 thousand) result from income tax loss carryforwards of EUR 1.428 thousand (previous year: EUR 4.744 thousand) that arose in previous years and in the 2023/24 financial year and from the elimination of sales with Konica Minolta Business Solutions U.S.A., Inc. that are to be eliminated from a Group perspective due to the resale to MOBOTIX CORP, USA. This results in deferred tax assets of EUR -234 thousand.

There were no deferred tax assets from the elimination of intercompany profits from deliveries between MOBOTIX AG and MOBOTIX CORP in the reporting year. The recognition of deferred tax assets is based on a tax rate of approx. 30,5%.

Deferred tax assets on tax loss carryforwards in the USA are not recognized as the resulting benefit is not expected to be realized within the next five years.

(5) Equity

The subscribed capital corresponds to the share capital of MOBOTIX AG on the respective balance sheet date.

As at the balance sheet date, the Company had issued 13.271.442 ordinary shares. Of these, 13.165.536 shares are in circulation. As at 30 September 2024, 61.558 shares were held as treasury shares. The shares are no-par value shares with a pro rata amount of the share capital of EUR 1,00 each. The share capital is fully paid up.

By resolution of the Annual General Meeting on 27 January 2022, there is authorized capital of EUR 6.500 thousand for 5 years.

The accumulated deficit for the fiscal year ending 30 September 2023 in the amount of EUR 5.409 thousand was carried forward to new account. By resolution of the Annual General Meeting on 28 May 2018, the Management Board was again authorized to acquire treasury shares in the Company up to a total of 10% of the Company's existing share capital at the time of this authorization until 30 April 2023, subject to compliance with the principle of equal treatment (Section 53a of the German Stock Corporation Act). The shares acquired on the basis of this authorization, together with other shares in the Company that the Company has already acquired or still holds or are attributable to it in accordance with Sections 71d and 71e AktG, may at no time account for more than 10% of the Company's share capital.

At the discretion of the Management Board, the acquisition will be made via the stock exchange or by means of a public purchase offer addressed to all shareholders of the Company or by means of a public invitation to shareholders to submit offers for sale.

The Company did not acquire any treasury shares in the 2023/24 fiscal year. The amount of share capital attributable to treasury shares is EUR 62 thousand. The treasury shares were acquired in the 2010/11 and 2011/12 fiscal years.

The capital reserve consists of premiums from various capital increases.

The legal reserve in accordance with Section 150 (1) AktG was recognized in previous years in accordance with Section 150 (2) AktG in the amount of EUR 78 thousand.

In accordance with the resolution of the Annual General Meeting on 28 May 2018, EUR 17.678 thousand was transferred to other revenue reserves.

Retained earnings comprise the accumulated, undistributed profit for the year that has not been allocated to other revenue reserves.

The Management Board of MOBOTIX AG proposes to carry forward the accumulated deficit of MOBOTIX AG in the amount of TEUR 6,129 to new account.

The other revenue reserves less the loss carried forward are blocked from distribution at the parent company in accordance with Section 268 (8) HGB due to the capitalization of internally generated intangible assets, taking into account deferred tax liabilities of EUR 3.641 thousand and deferred tax assets of EUR 6.172 thousand.

(6) Other Provisions

The item "Other provisions" mainly includes the following types of provisions.

- Provisions for purchase price obligations	kEUR 1.400 (previous year: kEUR 2.800)
- Provisions for outstanding invoices	kEUR 1.514 (previous year: kEUR 1.578)
- Provisions for annual bonuses and sales commissions	kEUR 675 (previous year: kEUR 739)
- Provisions for holidays	kEUR 446 (previous year: kEUR 446)
- Provisions for Christmas bonus	kEUR 323 (previous year: kEUR 390)

(7) Liabilities

The following table shows the remaining terms and collateralization rights of the liabilities listed in the balance sheet (in kEUR; previous year's figures in brackets).

		Maturity period			of which secured	
Liabilities	Total	up to 1 year	1 to 5 years	over 5 years	Amount	Note
to financial institutions	8.092 (14.011)	8.092 (9.761)	0 (4.250)	0 (0)	5.500 (5.500)	1
arising from advance payments received for orders	0 (8)	0 (8)	0 (0)	0 (0)	0 (0)	
trade receivables	6.861 (6.300)	7.599 (6.300)	0 (0)	0 (0)	0 (0)	
Liabilities to affiliated companies	38.700 (30.090)	37.962 (30.090)	0 (0)	0 (0)	0 (0)	
Other liabilities	973 (1.762)	973 (1.762)	0 (0)	0 (0)	0 (0)	
Total	**54.626 (52.171)**	**54.626 (47.921)**	**0 (4.250)**	**0 (0)**	**5.500 (5.500)**	

1 = Land charges

Other liabilities include social security payments totaling EUR 681 thousand (previous year: EUR 665 thousand) and taxes totaling EUR 297 thousand (previous year: EUR 357 thousand).

The liabilities to affiliated companies primarily relate to loans from Konica Minolta Inc., Tokyo, Japan, amounting to EUR 38.7 million.

(8) Passiv Deferred Tax Assets

Deferred tax liabilities of EUR 4.127 thousand (previous year: EUR 3.430 thousand) result from the first-time consolidation of the VAXTOR Group in the 2021/22 fiscal year in the amount of EUR 342 thousand (previous year: EUR 295 thousand) and from the capitalization of internally generated intangible assets in the amount of EUR 3.784 thousand (previous year: EUR 3.136 thousand). The recognition of deferred tax liabilities is based on a tax rate of approx. 30,5%.

(9) Revenue from Sales

Revenues include income from the sale of video management system solutions totaling EUR 47.771 thousand (previous year: EUR 61.133 thousand), income from the sale of components to external manufacturers amounting to EUR 1.998 thousand (previous year: EUR 477 thousand) and income from contract development for Konica Minolta, Inc. Tokyo, Japan, amounting to EUR 233 thousand (previous year: EUR 1.558 thousand).

EUR 13.003 thousand (previous year: EUR 15.696 thousand) of revenue from the sale of video management system solutions is attributable to Germany, EUR 23.364 thousand (previous year: EUR 26.054 thousand) to the rest of Europe and EUR 11.404 thousand (previous year: EUR 19.383 thousand) to the rest of the world.

Revenues of MOBOTIX AG with Konica Minolta Business Solutions U.S.A., Inc. in connection with the resale to MOBOTIX CORP., USA, were eliminated from the Group perspective.

(10) Extraordinary Income and Expenses

Other operating expenses include expenses from the recognition of specific valuation allowances on trade receivables totaling EUR -231 thousand (previous year: EUR 3.392 thousand).

Other operating income includes income from a government-funded grant for a research project totaling EUR 450 thousand.

(11) Income and Expenses from Other Reporting Periods

Income relating to other periods totaling EUR 2 thousand (previous year: EUR 156 thousand) is reported under other operating income and expenses relating to other periods totaling EUR 50 thousand (previous year: EUR 67 thousand) are reported under other operating expenses.

(12) Other Financial Obligations

Other financial obligations mainly consist of purchase commitments for components. Purchase commitments for components amounted to EUR 5.798 thousand as of 30 September 2024. There are also leasing obligations for server infrastructure with an outstanding amount of EUR 242 thousand.

(13) Currency Conversion Income and Expenses

Income from currency translation totaling EUR 267 thousand (previous year: EUR 849 thousand) is reported under other operating income and expenses from currency translation totaling EUR 456 thousand (previous year: EUR 1.137 thousand) are reported under other operating expenses.

(14) Derivative Financial Instruments

There were no derivative financial instruments as at the reporting date. No economic hedging relationships were entered into as at the reporting date.

(15) Taxes from Income and Profit

Income taxes include income of EUR 1.183 thousand from the recognition of deferred tax assets on loss carryforwards and expenses of EUR 684 thousand from the recognition of deferred tax liabilities due to the capitalization of development costs.

E. Other Mandatory Information

(1) Average Number of Employees during the Fiscal Year employees (full-time equivalents)

The following employee groups (excluding the Management Board, trainees and temporary staff) were employed by the Group during the 2023/24 fiscal year

Full-time employees	257 (previous year: 300)
Part-time employees	23 (prev. year 25)

The total average number of employees is therefore 281 (previous year: 326).

(2) Auditor's Fees

For the auditor of MOBOTIX AG, Grant Thornton AG Wirtschaftsprüfungsgesellschaft, the following disclosures must be made in the fiscal year in accordance with Section 285 No. 17 HGB:

Services	**Fees**	
	2023/24	2022/23
	kEUR	kEUR
Statutory Audit Services		
invoiced	51	222
from provisions	123	70
Total	**174**	**292**

(3) Management Board of MOBOTIX AG

Members of the Management Board of MOBOTIX AG

- Thomas Lausten, Master of Business Administration, Kaiserslautern, Germany
  (Chairman of the Management Board)
- Klaus Kiener, Graduate in Business Administration, Wiesbaden,
  (Chief Financial Officer)
- Christian Cabirol, Doctor of Engineering, Kaiserslautern, Germany
  (Chief Technology Officer)
- Philippos Antoniou, Bachelor of Science in Business Information Systems, Barnet, United Kingdom
  (until 30 September 2024) (Chief Sales and Marketing Officer)

Remuneration of the Management Board

The remuneration of the members of the Management Board totaled EUR 1.033 thousand (previous year: EUR 968 thousand). These consist exclusively of short-term renumeration.

(4) Supervisory Board of MOBOTIX AG

Members of the Supervisory Board

- Toshiya Eguchi, Executive Officer at Konica Minolta Inc., Tokyo, Japan, responsible for IoT Service Platform Development, Imaging-IoT Solution Business and Visual Solutions Business (Chairman)
- Koji Ozeki, General Manager, Imaging-IoT Solution Development, Konica Minolta Business Solutions Europe GmbH, Mainz, Germany
- Olaf Lorenz, General Manager Corporate Governance Division, Konica Minolta Business Solutions Europe GmbH, Langenhagen, Germany (from 01 October 2023)

Remuneration of the Members of the Supervisory Board

Each member of the Supervisory Board receives fixed annual remuneration of EUR 10 thousand for their activities. In addition, each member of the Supervisory Board receives variable remuneration of EUR 75,00 per EUR 0,01 of the earnings per share of the Company (based on share capital of EUR 13.271.442,00 divided into 13.271.442 no-par value shares with a pro rata amount of share capital of EUR 1,00 per share), calculated in accordance with the principles of the German Association for Financial Analysis and Asset Management (DVFA). The Chairman of the Supervisory Board receives twice the fixed and variable remuneration.

The remuneration of the members of the Supervisory Board in the 2023/24 fiscal year totaled EUR 20 thousand (previous year: EUR 40 thousand).

(5) Group Affiliation

MOBOTIX AG is a subsidiary of Konica Minolta, Inc., Tokyo, Japan, which in turn is a subsidiary of Konica Minolta Holdings, Inc., Tokyo, Japan.

Konica Minolta Holdings, Inc., Tokyo, Japan, prepares the consolidated financial statements for the largest group of companies. These are available on request from the company. MOBOTIX AG prepares the consolidated financial statements for the smallest group of companies, which are published in the Federal Gazette and can be obtained from the company on request.

(6) Business with Related Companies and Individuals

No unusual market transactions were conducted with related companies or individuals.

(7) Notifications Pursuant to Section 20 (1) or (5) and (6) AktG

In a letter dated 13 May 2016, Dr Ralf Hinkel Holding GmbH, Kaiserslautern, informed us in accordance with Section 20 (5) AktG that it no longer holds the majority of shares and voting rights (majority shareholding) in MOBOTIX AG in accordance with Section 20 (4) AktG as of 10 May 2016.

In the same letter, Dr Ralf Hinkel Holding GmbH, Kaiserslautern, informed us that since 10 May 2016, it no longer holds more than one quarter of the shares in MOBOTIX AG in accordance with Section 20 (1) AktG - not even if shares are added (Section 20 (2) AktG).

Konica Minolta, Inc., Tokyo, Japan, informed us in a letter dated 10 May 2016 in accordance with Section 20 (1) and (3) AktG that it owns more than one quarter of the shares in MOBOTIX AG - even without the addition of shares (Section 20 (2) AktG).

In the same letter, Konica Minolta, Inc., Tokyo, Japan, informed us in accordance with Section 20 (4) AktG that it holds the majority of shares and voting rights (majority interest) in MOBOTIX AG.

(8) Supplementary Report

As of 30 September 2024, the intercompany loans granted by the majority shareholder totaled EUR 38.7 million. On 25 November 2024, an additional intercompany loan of EUR 2.0 million was disbursed by the majority shareholder as part of the credit line established during the reporting year. Consequently, the reported balance of intercompany loans in the latest available monthly financial statements stood at EUR 40.7 million as of 28 February 2025. The unutilized loan commitments from the reporting year amount to EUR 4.0 million, which also cover the repayment of a bank loan of EUR 3.5 million.

On February 25, 2025, intercompany loans in the total amount of EUR 44.7 million were therefore extended to March 31, 2026, by the majority shareholder. Unless the majority shareholder determines otherwise, the term of the intercompany loans will be automatically extended to September 30, 2026. In the event of a change of control, this extension will occur automatically.

On 25 February 2025, the majority shareholder provided additional loan commitments of up to EUR 8.5 million as further financial support, available until 31 March 2026. These funds can be drawn in multiple tranches. Unless the majority shareholder notifies the company by 31 March 2026 that the automatic extension will not apply, the loan term will be extended to 30 September 2026. The granted EUR 8.5 million also includes the repayment of a bank loan of EUR 3.0 million. Additionally, reimbursements of development costs for previously approved projects totaling EUR 2.0 million are considered.

The Management Board also refers to the statements in the management report.

No further significant events occurred after the end of the financial year that have a significant financial impact on the MOBOTIX Group's net assets and results of operations.

Winnweiler-Langmeil, March, 19 2025

The Management Board

Thomas Lausten - CEO Klaus Kiener - CFO Christian Cabirol - CTO

Annex to the Notes

	As at 01.10.2023	Additions	Disposals	Transfer Postings	Currenry Translation Differences	As at 30.09.24
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Initial Investment Costs/Manufacturing Costs						
Intangible Assets						
Self-created intangible assets	16.184	5.228	107			21.305
Purchased industrial property rights and similar rights and assets as well as licenses to such rights and assets	4.099				-4	4.095
Goodwill	4.251					4.251
Advance payments	448	288				736
Total Intangible Assets	**24.982**	**5.516**	**107**	**0**	**-4**	**30.387**
Property, Plant and Equipment						
Land and buildings, including buildings on third-party land	18.244	8				18.252
Technical equipment and machinery	11.212	429				11.641
Other equipment, factory and office equipment	13.767	1.283			16	15.034
Advance payments and assets under construction	6	13				19
Total Property, Plant and Equipment	**43.229**	**1.733**	**0**	**0**	**16**	**44.946**
Aggregated Amortization and Depreciation						
Intangible assets						
Self-created intangible assets	3.973	2.390				6.363
Purchased industrial property rights and similar rights and assets as well as licenses to such rights and assets	3.410	357			-4	3.763
Goodwill	602	425				1.027
Advance payments	0					0
Total Intangible Assets	**7.985**	**3.172**	**0**	**0**	**-4**	**11.153**
Property, Plant and Equipment						
Land and buildings, including buildings on third-party land	8.128	585				8.713
Technical equipment and machinery	10.113	337				10.450
Other equipment, factory and office equipment	11.299	456			25	11.730
Advance payments and assets under construction	0					0
Total Property, Plant and Equipment	**29.540**	**1.378**	**0**	**0**	**25**	**30.893**
Net Carrying Amount						
Intangible assets						
Self-created intangible assets	12.211					14.942
Purchased industrial property rights and similar rights and assets as well as licenses to such rights and assets	689					332
Goodwill	3.649					3.224
Advance payments	448					736
Total Intangible Assets	**16.997**	**0**	**0**	**0**	**0**	**19.234**
Property, Plant and Equipment						
Land and buildings, including buildings on third-party land	10.115					9.538
Technical equipment and machinery	1.100					1.192
Other equipment, factory and office equipment	2.469					3.305
Advance payments and assets under construction	6					19
Total Property, Plant and Equipment	**13.690**	**0**	**0**	**0**	**0**	**14.054**

Appendix 2

Summary of the Annual Report of MOBOTIX AG, Winnweiler-Langmeil

Fiscal Year 2023/24

October 01, 2023 to September 30, 2024

1. Basic Information on the Group

1.1 Technology and Products

MOBOTIX AG, Winnweiler-Langmeil (hereinafter referred to as "MOBOTIX" or the Company), offers high-resolution and network-based video control systems. The systems consist of hardware, with a focus on high-performance cameras, and increasingly on software, such as application software (also known as applications or apps), which perform customer-specific functions. The solutions are sold worldwide through distributors and qualified sales partners. Founded in 1999, the company now has 25 years of market experience in decentralized, IP-based video surveillance solutions.

The system architecture developed by MOBOTIX offers two options for managing data either decentrally in the camera or on a central server, depending on customer requirements. The processing of recorded data begins in the camera and therefore directly at the boundary between the real world and the MOBOTIX system. This type of architecture is known as "edge technology".

The decentralized structure of the MOBOTIX systems reduces the load on the network and central video management, enables higher frame rates and reduces data storage requirements when recording high-resolution video sequences. This makes the system cost-effective over its entire lifetime, taking into account the initial and ongoing costs of the network components required for standard video surveillance systems. MOBOTIX video security systems are suitable for a wide range of applications, from small systems with just a few cameras to monitoring large properties with hundreds of cameras and central control stations. MOBOTIX systems are used at airports, train stations, universities, logistics companies and in industry for remote maintenance and automation.

In recent years, MOBOTIX has transformed itself from an originally pure product provider to a solution provider with integrated software. On the one hand, the combination of hardware and software to create a complete solution is due to corresponding customer requirements. On the other hand, digital possibilities open a growing scope for using MOBOTIX technologies to the benefit of customers.

MOBOTIX offers a comprehensive range of accessories and powerful software solutions for all camera lines.

The key feature of MOBOTIX technology is its decentralized approach. The security of the acquired data is thus protected in the best possible way against access by unauthorized persons. Both high quality and data security are two key features that set MOBOTIX apart from the competition.

For MOBOTIX, IT security is a central component of every technology. Continuous certifications are therefore of considerable importance. MOBOTIX solutions are based on a combination of decentralized IoT technology developed in-house and video management software. Both the MOBOTIX 7 platform and the Mx6 security cameras have been repeatedly tested and certified by SySS GmbH over the past few fiscal years. In the first half of calendar year 2025, the SySS certification for MOBOTIX 7 will be repeated and the new MOBOTIX ONE will be tested for the first time. SySS GmbH is one of the leading providers of penetration tests in Germany and is manufacturer-independent. MOBOTIX has been working regularly with SySS since 2017 as part of its "Cactus Concept" cyber security campaign. The SySS tests expose hardware and software components to simulated hacker attacks, whereby MOBOTIX products and solutions are certified as having the best possible cyber security. As part of the decentralized approach, the industry standards ONVIF, H.264 and H.265 were met.

The company also cooperates with other external IT security test houses - the French CNPP (Centre national de prévention et de protection), Paris, France, and White Hat IT Security Kft, Budapest, Hungary. In 2019, MOBOTIX was the first European manufacturer to receive the French "CNPP Certified" product certification for video security systems with the highest level of protection against cyber attacks. So-called "white hacker" institutes have been and will be commissioned to specifically attack MOBOTIX software. This complements the measures to offer solutions that take account of the continuously growing IT security requirements worldwide. The company's explicit focus on cyber security is a clear competitive differentiator for MOBOTIX.

Focus on Vertical Markets

MOBOTIX expects long-term market growth for video systems in the following economic sectors: public sector and administration, industry, mining (oil/gas), utilities and waste disposal, energy, manufacturing, education, retail and healthcare.

MOBOTIX is specifically addressing these vertical markets to position its solutions here and will continue to do so in the 2024/25 fiscal year. MOBOTIX offers both the hardware (cameras, access control) and the software (intelligent apps and video analytics) as well as professional and convenient camera management and control (MOBOTIX HUB, MxManagementCenter, MOBOTIX CLOUD) to be able to provide tailor-made offers in these markets and thus exploit the long-term growth opportunities that present themselves.

Part of this approach are solution packages for clearly definable user groups, such as waste disposal companies and logistics companies. MOBOTIX offers package solutions that combine different aspects of user interest. For companies in the food processing sector, for example, fire protection, cold chain monitoring and documentation requirements can be covered by MOBOTIX solution packages in addition to classic security monitoring. In the healthcare sector, NurseAssist solutions can improve the quality of care.

Focus on Recurring Business

In the past, MOBOTIX generated revenue almost exclusively through the sale of hardware and cameras. The company can structurally improve its business model because of the wide range of opportunities by generating more recurring revenue in future. These have the advantage that they are less dependent on economic cycles and are easier to plan. MOBOTIX is therefore pursuing a strategy of generating more recurring revenue in the long term. Recurring revenues include rental and leasing arrangements for hardware and software, subscription models, services such as (remote) maintenance or regular software upgrades, user training and the consumption of tools and materials used (although the latter plays virtually no role for MOBOTIX). In contrast to the sale of a product or service as a one-off event, the aim is to establish a long-term connection with the end customer.

On the one hand, this opens opportunities to better understand customers and their markets, i.e. to recognize customer wishes and needs earlier and more precisely. On the other hand, recurring sales reduce MOBOTIX's dependency on economic cycles, as they improve predictability and planning. This aspect can have a positive impact on the company both in its operating business and on the capital market. On the capital market, investors often demand a higher risk premium as economic sensitivity increases. Expanding the proportion of recurring revenues therefore offers MOBOTIX the opportunity to reduce risk premiums in the long term and thus create added value for shareholders and employees.

Product Launches in the Past Fiscal Year

A key development of the past fiscal year was the launch of the MOBOTIX ONE M1S, the first camera model of the new ONE platform, in August 2024 . The new platform aims to combine the best elements of the previous Mx6, MOBOTIX 7 and MOBOTIX MOVE platforms. The design has been kept mechanically compatible with the Mx6 series to make the transition from the previous generation as easy as possible. The general feature set is based on the MOBOTIX 7 platform and enables future extensions through camera apps. For the first time, MOBOTIX is releasing a camera model that is equipped with a motorized varifocal lens to simplify installation and commissioning of the camera. The new ActivitySensor ONE app was made available free of charge with the first camera model. This extends the familiar ActivitySensor functionality with AI-based object recognition of people and vehicles.

The MOBOTIX 7 platform was expanded in the 2023/24 financial year with a focus on vertical solutions. For the healthcare sector, the c71 NurseAssist powered by Kepler was released, which makes it possible to detect falls and various movements in order to optimise the workflow of nursing staff and reduce daily workload.

A new app was released in the thermal sector that enables false alarms in early fire detection to be significantly reduced. In the area of waste management, for example, this makes it possible to ignore heat sources from construction vehicles and thus optimize operational processes.

In the software area, various functions were added to MOBOTIX CLOUD, MOBOTIX HUB and the ManagementCenter (MxMC). Here too, the focus was primarily on expanding vertical solutions in the healthcare, industry and utilities sectors. Plugins were released for MOBOTIX HUB to expand the NurseAssist solution and thermal applications. For MxMC, there is now a graphical extension of the camera's thermal measurement results.

In addition to the decentralized camera range, MOBOTIX also offers the classic centrally managed MOBOTIX MOVE series. The MOBOTIX Direct to Cloud (DTC) functionality introduced for selected MOBOTIX MOVE cameras in the first quarter of the 2023/24 fiscal year, which is available on the camera side via a free firmware update, enables MOBOTIX MOVE cameras to be integrated into the MOBOTIX CLOUD solution without additional "MOBOTIX Bridge Hardware". This has significantly improved the scalability of the cloud solutions, from micro solutions with just one camera to complex multifunctional systems. The DTC functionality will be further expanded in the 2024/25 fiscal year and rolled out to other MOBOTIX MOVE models.

In the second quarter of fiscal year 2023/24, the MOBOTIX MOVE Turret camera series, which includes a total of 4 models (2MP/5MP with fixed focal length or motorized varifocal lens), was launched, expanding the MOBOTIX MOVE range with a powerful and price-efficient product series. This camera series, which also offers KI/object-based video analysis functions, is aimed specifically at expanding the volume/distribution market.

In addition, the MOBOTIX MOVE Eco system, which enables stand-alone solutions but can also be fully integrated into the MOBOTIX IoT and 3rd party system environments, has been expanded with two new, more powerful 8- and 16-channel network video recorders. The increased processing power of the recorders considers the trend towards high-quality recording and playback of video streams with ever higher image resolutions up to 12 MP and are fully integrated into the MOBOTIX video management system MOBOTIX HUB. The free MOBOTIX MOVE CMS software and IoS & Android-based MOBOTIX MOVE Connect APPs enable convenient access to the NVRs and the IP cameras connected to them.

Like the existing MOVE product range, all new MOVE products are fully NDAA-compliant.

Outlook

The focus of development in the 2024/25 fiscal year will be on the release of further MOBOTIX ONE models and the expansion of vertical solutions in the vertical markets. The focus here will primarily be on optimizing and expanding the solution packages to include NurseAssist, Thermal and OCR.

1.2 Structure of the MOBOTIX Group

The MOBOTIX Group consists of MOBOTIX AG, Winnweiler-Langmeil, Germany; MOBOTIX CORP, New York, USA; MOBOTIX LIMITED, Nottingham, United Kingdom; MOBOTIX SINGAPORE PTE. LTD, Singapore; and MOBOTIX AUSTRALIA PTY LTD, Sydney, Australia. Since May 1, 2022, the companies VAXTOR TECHNOLOGIES, S.L., Madrid, Spain, and VAXTOR ASIA PTE. LTD, Singapore have also been wholly owned by the MOBOTIX Group. MOBOTIX LIMITED, Nottingham, is not included in the consolidated financial statements as an inactive company.

The production and development of MOBOTIX IoT-products as well as the management of the worldwide distribution of MOBOTIX products are carried out exclusively at the Winnweiler-Langmeil site.

The VAXTOR companies are managed from Madrid, Spain. The VAXTOR companies are sales companies and distribute the software developed in Madrid, Spain.

The subsidiary MOBOTIX CORP, which is included in the consolidated financial statements, is a sales company for the American market and exclusively sells MOBOTIX AG products. The Managing Directors of MOBOTIX CORP are Thomas Lausten (CEO) and Klaus Kiener (CFO).

MOBOTIX SINGAPORE PTE. LTD., Singapore, and MOBOTIX AUSTRALIA PTY LTD, Sydney, are purely sales-supporting service companies for the respective local market with no intention of generating revenue. Financing is provided by MOBOTIX AG.

Overall, this structure and organization means that MOBOTIX AG plays a dominant role within the Group and is also responsible for financing the Group. For this reason, the main opportunities and risks of MOBOTIX AG are essentially identical to those of the Group.

1.3 Sales

MOBOTIX products are sold in Germany via certified partners, security and IT installers and electrical wholesalers.

MOBOTIX products are primarily sold internationally via distributors with downstream qualified system integrators and resellers. In most regions, distributors are supported by locally based Business Development Managers and Technical Project Engineers employed directly by the MOBOTIX Group.

Since April 2022, MOBOTIX products have also been distributed in the USA via Konica Minolta Business Solutions U.S.A., Inc. This means that MOBOTIX AG now sells the products directly to Konica Minolta Business Solutions U.S.A., Inc. which acts as the main distributor. Konica Minolta is thus able to supply both its own customers and the customers of MOBOTIX CORP. The MOBOTIX Group's American customers will continue to order directly from MOBOTIX CORP, but Konica Minolta will take over the entire handling. Consequently, MOBOTIX CORP will no longer have its own warehouse, as Konica Minolta will take over the entire logistics. In return, Konica Minolta receives a handling fee of two per cent of the purchasing costs for this service.

In addition, there are distribution agreements with individual regional companies of the Konica Minolta Group and other MOBOTIX partners.

VAXTOR products are mainly sold via system integrators or directly to end customers. Global sales are managed from Madrid, Spain.

The export share in the 2023/24 fiscal year was 74% (previous year: 73%).

1.4 Research and Development

As of September 30, 2024, the MOBOTIX Group employed 67 people (headcount) in product development.

The MOBOTIX Group incurred total research and development costs of EUR 8.4 million in the 2023/24 fiscal year. Of this amount, EUR 4.9 million (58% of research and development costs) was capitalized under internally generated intangible assets. Amortization of capitalized development costs was carried out in the amount of EUR 2.4 million.

This figure includes impairment losses of EUR 0.1 million for a development project that was no longer classified as recoverable.

As in previous years, the focus here was on the development of new hardware and software products and the optimization of product functionality. Development activities are mainly carried out internally. Development activities are only outsourced to a limited extent in the areas of camera and lens design, tool design, circuit board layout and narrowly defined software projects.

In terms of research and development, MOBOTIX worked together with Konica Minolta in the 2023/24 fiscal year. The cooperation focused on the further expansion of image processing algorithms based on deep learning and general image processing in the camera.

2. Financial Report

2.1 Macroeconomic and Sector-Specific Framework Conditions

MOBOTIX is active in the video security systems market. The market for video security systems comprises analog video security systems and network camera systems as well as video management software and accessories. The relevant market segment for MOBOTIX is the market segment for video-based security systems in general and the segment for network camera systems in particular.

In its June 2024 market study, the market research company Novaira Insights assumes that sales in the market for video-based security systems worldwide excluding China will grow by an average of around 11,3% per year from 2019 to 2028, while sales in the network camera segment will grow by an average of 12,4%. The forecasts for the network camera segment anticipate the greatest growth in the EMEA and ASIA regions with an average of 12.6% per year from 2019 to 2028, followed by the Americas with 12,2% (excluding China).

In addition to the increased use of image analysis in general, the study identifies the accelerated development and use of artificial intelligence to process ever larger amounts of data and a continued high demand for cyber security as key trends in the market for video-based security systems. For the analytics market segment, Novaira Insights forecasts an average annual growth rate of 25,1% from 2019 to 2028 for network cameras including deep learning functionality.

2.2 Business Development

The MOBOTIX Group suffered a year-on-year decline in revenue of EUR 13.2 million (-20,8%) to EUR 50.0 million in the 2023/24 fiscal year. The main reasons for this development are, in addition to the general macroeconomic changes surrounding the war in Ukraine and Gaza and the resulting delay in the willingness of many markets to invest, the delayed launch of the MOBOTIX ONE platform, restructuring in sales organisation and a significant decline in the sales volume of the world's largest customer due to its working capital optimizations. Due to the size and structure of the MOBOTIX Group, the main developments and influencing factors at MOBOTIX AG are the same as those of the MOBOTIX Group.

While revenue from order development for Konica Minolta decreased by EUR 0.2 million (previous year: EUR 1.6 million), revenue from the sale of components to contract manufacturers increased by EUR 2.0 million (previous year: EUR 0.5 million). Revenue from the sale of video security systems and software fell by EUR 13.3 million (-21,9%) to EUR 47.8 million. Reduced costs because of cost savings introduced have led to a reduction in the consolidated net loss for the year and a corresponding improvement in the key earnings figures. Significant cost savings includes the reduction in personnel costs, which fell from EUR 25.4 million in the previous year to EUR 21.7 million. Other operating expenses were also reduced considerably - from a total of EUR 13.3 million to EUR 7.9 million. Last year's increase in the allocation to specific valuation allowances on trade receivables in the amount of EUR 3.2 million had a significant impact, while a reversal of EUR 0.2 million led to other operating income in the reporting year. Additional savings were realized in the marketing area, where costs fell from EUR 1.2 million in the previous year to EUR 0.8 million in the reporting year. Currency losses were also reduced from EUR 1.1 million to EUR 0.5 million.

The EBIT (earnings before interest and taxes) for the fiscal year of EUR -3.0 million is EUR 0.9 million higher than the previous year's figure (previous year: EUR -3.9 million). This is due to the cost savings mentioned above.

The consolidated net loss for the year deteriorated by EUR 0.1 million to EUR -5.5 million (previous year: EUR -5.4 million).

Cash and cash equivalents as of September 30, 2024 increased by EUR 0.4 million to EUR 1.3 million compared to the start of the fiscal year (September 30, 2023: EUR 0.9 million). The decrease in liabilities to banks by EUR 5.9 million to EUR 8.1 million (September 30, 2023: EUR 14.0 million) is largely due to the redemption and repayment of short-term bank loans through loans from the majority shareholder. As at the reporting date, these amounted to EUR 38.7 million (previous year: EUR 28.5 million) Non-financial performance indicators are currently still of minor importance for understanding the business performance and position of the MOBOTIX Group; in view of the future requirements of management reporting in the context of ESG reporting, the Management Board is currently in the preparatory phase of collecting and evaluating the relevant non-financial data.

2.3 Results of Operations, Net Assets and Financial Position of the MOBOTIX Group

Results of Operations

In the 2023/24 fiscal year, the MOBOTIX Group's revenue fell by EUR 13.2 million (-20,8%) from EUR 63.2 million in the previous year to EUR 50.0 million . The main reasons have already been listed in section 2.2. A decline in sales was recorded in the sales regions Middle East/Africa and Americas in particular. This was partly due to larger projects in the previous year and partly to a decline in business with the main American distributor, while sales at MOBOTIX CORP were largely in line with planning. As the new MOBOTIX ONE camera platform was only released in the last quarter of the fiscal year, the planned increase in sales of outdoor camera solutions could not be realized. Only sales of the "NurseAssist" healthcare solution led to an increase in sales of indoor cameras.

Revenue includes income from the sale of components to contract manufacturers in the amount of EUR 1.9 million (previous year: EUR 0.5 million). Revenue from order development amounting to EUR 0.2 million was down on the previous year (previous year: EUR 1.6 million). Revenue from the sale of video security systems and software fell by 21,9% to EUR 47.8 million (previous year: EUR 61.1 million).

The VAXTOR Group which was fully consolidated for a full fiscal year the first time in the 2022/2023 fiscal year, contributed external sales of EUR 5.1 million. (previous year: EUR 4.5 million), which corresponds to 10,8% (previous year: 7,1%) of total sales, made a major contribution to sales.

The export ratio (excluding component sales) amounted to 74% overall in the 2023/24 fiscal year (previous year: 73%). Revenue from the sale of video security systems and software fell in Germany to EUR 15.6 million in the previous year and EUR 13.0 million in the 2023/24 fiscal year. The rest of Europe (excluding Germany) accounted for EUR 23.4 million (previous year: EUR 26.0 million). Sales in the rest of the world fell from EUR 19.4 million in the previous year to EUR 11.4 million in the reporting year.

Exercising the option under Section 248 (2) HGB, own development costs of EUR 4.9 million (previous year: EUR 3.9 million) were capitalized and reported in the income statement under "Other own work capitalized".

Total operating output (sales revenue, increase/decrease in inventories of finished goods and work in progress, other own work capitalized) fell by 20,0% from EUR 65.6 million in the previous year to EUR 52.4 million in the 2023/24 fiscal year. This is mainly due to the reduction in sales revenue.

Other operating income fell by EUR 0.2 million to EUR 1.2 million.

The material cost ratio (material expenses excluding material expenses for component sales, adjusted for inventory changes, in relation to revenue from the sale of video security systems and software) deteriorated year-on-year to 48,1% in the 2023/24 fiscal year (previous year: 47,4%). The main reasons for the higher materials ratio are a slight increase in the purchase costs of selected raw materials, consumables and supplies on the one hand and a change in the product mix with an increased share of indoor cameras and a lower share of software revenue on the other. The margin for indoor cameras is slightly lower than for outdoor models due to higher price pressure.

The increase in the personnel expenses ratio (personnel expenses in relation to total performance excluding component sales) in the 2023/24 fiscal year to 43,2% (previous year: 39,0%) is largely due to lower sales revenue. In contrast, personnel expenses fell by EUR 3.5 million (14,2%) compared to the previous year. This is mainly due to the lower average number of employees at MOBOTIX AG, particularly in the sales area in the 2023/24 fiscal year.

Depreciation and amortization increased by EUR 0.3 million to EUR 4.5 million in the 2023/24 fiscal year (previous year: EUR 4.2 million). This is primarily due to the increase in amortization of own capitalized development costs.

Other operating expenses of EUR 7.9 million in the 2023/24 fiscal year (previous year: EUR 13.3 million) fell by EUR 5.4 million (40,5%) compared to the previous year. Last year's increase in the allocation to specific valuation allowances on customer receivables in the amount of EUR 3.2 million had a significant impact, while a reversal of EUR 0.2 million led to other operating income in the reporting year. Additional savings were realized in the marketing area, where costs fell from EUR 1.2 million in the previous year to EUR 0.8 million in the reporting year. Currency losses were also reduced from EUR 1.1 million to EUR 0.5 million. EBITDA (earnings before interest, taxes, depreciation and amortization; 2,8% of total operating performance) amounted to EUR 1.5 million (2022/23: EUR 0.3 million). EBIT (earnings before interest and taxes; -5,9% of total operating performance) amounted to EUR -3.0 million (2022/23: EUR -3.9 million). The 2023/24 fiscal year ended with a consolidated annual net loss for the year of EUR 5.5 million (2022/23: EUR 5.4 million) and a return on sales of -11,1% (2022/23: -8,6%).

Net Assets

Non-current assets increased by EUR 2.6 million (8,5%) to EUR 33.3 million. Additions to fixed assets in the amount of EUR 7.2 million were offset by depreciation and amortization in the amount of EUR 4.5 million. This relates to investments in intangible assets in the amount of EUR 5.5 million and additions to property, plant and equipment in the amount of EUR 1.7 million. Of the additions to property, plant and equipment, EUR 1.2 million relate to reclassifications from current assets to fixed assets. Investments in property, plant and equipment amounted to EUR 0.5 million. Investments in intangible assets mainly relate to internal development costs of EUR 4.9 million and other costs of EUR 0.6 million incurred as part of development projects.

Inventories, in particular raw materials, consumables and supplies and finished goods, were reduced from EUR 25.3 million to EUR 21.1 million because of the targeted reduction in inventories.

Trade receivables were reduced by EUR 3.1 million to EUR 14.7 million in the 2023/24 fiscal year compared to the start of the fiscal year. This resulted from the targeted reduction of older receivables.

Receivables from affiliated companies amounting to EUR 1.9 million are EUR 1.7 million below the previous year's level of EUR 3.6 million. Receivables from affiliated companies relate to deliveries and services to companies in the

Konica Minolta Group. The main reason for this development is the decline in sales, both in the product business and from development cooperation.

Cash in hand and bank balances and cash equivalents as of September 30, 2024, increased by EUR 0.4 million to EUR 1.3 million compared to the start of the fiscal year (September 30, 2023: EUR 0.9 million).

Deferred tax assets of EUR 5.9 million (September 30, 2023: EUR 4.8 million) mainly result from income tax loss carryforwards of EUR 5.9 million (September 30, 2023: EUR 4.7 million).

At EUR 12.8 million (September 30, 2023: EUR 18.2 million), equity capital decreased by EUR 5.3 million compared to the previous year, mainly due to the consolidated annual net loss of EUR 5.5 million. With total assets down by EUR 4.6 million (-5,7%) to EUR 76.8 million (September 30, 2023: EUR 81.5 million), the equity ratio fell from 22,3% to 16.8%. As of September 30, 2024, the company held a total of 61,658 treasury shares. 44,248 treasury shares were used as a purchase price component for the acquisition of the VAXTOR Group in the 2021/22 fiscal year

The decrease in other provisions by EUR 2.4 million to EUR 5.2 million is mainly due to the utilization of the provision for purchase price obligations in the amount of the payment of EUR 1.4 million made in 2024 as part of the earn-out agreement from the acquisition of the VAXTOR Group in 2022. The provision for purchase price obligations relates to the earn-out payments still expected from the acquisition of the VAXTOR Group in 2022.

The decrease in liabilities to banks by EUR 5.9 million to EUR 8.1 million (September 30, 2023: EUR 14.0 million) is largely due to the redemption and repayment of short-term bank loans through loans from the majority shareholder. These amounted to EUR 38.7 million as at the reporting date (previous year: EUR 28.5 million).

Accounts payable increased by EUR 1.3 million compared to September 30, 2023, to EUR 7.6 million (September 30, 2023: EUR 6.3 million).

Passive deferred tax liabilities of EUR 4.1 million (30 September 2023: EUR 3.4 million) result exclusively from the capitalization of development costs.

Financial Position

Operating cash flow before changes in working capital amounted to EUR 0.4 million in the 2023/24 fiscal year (previous year: EUR 0.04 million). The increase compared to the previous year is due in particular to the significant decrease in other provisions and higher net interest income.

Cash flow from operating activities before income taxes amounted to EUR 6.2 million in the 2023/24 fiscal year (previous year: EUR 3.2 million). The improvement was mainly due to the decrease in inventories and the targeted reduction in trade receivables. At the same time, fewer trade payables were reduced compared to the previous year.

Cash flow from investing activities amounted to EUR -7.4 million (previous year: EUR -6.3 million) and is mainly attributable to investments in internally generated intangible assets and the earn-out payment of EUR 1.4 million made in the fiscal year for the acquisition of the VAXTOR Group.

The positive cash flow from financing activities of EUR 6.6 million (previous year: EUR 25.7 million) is mainly the result of taking out short-term intercompany loans in the amount of EUR 10.2 million. This was offset by repayments of liabilities to banks in the amount of EUR 1.3 million and interest payments totaling EUR 2.2 million (of which EUR 1.9 million for intercompany loans and EUR 0.3 million for banks).

The development of the individual cash flows resulted in a decrease of EUR 2.1 million in cash and cash equivalents as of September 30, 2024 (September 30, 2023: EUR 7.5 million). The negative development of cash and cash equivalents is covered by short-term intercompany loans in the amount of EUR 10.2 million.

The solvency of the company and its subsidiaries was guaranteed in the 2023/24 fiscal year. The credit lines available to MOBOTIX AG were largely utilized as at the reporting date. Any further credit requirements will be provided by the majority shareholder if credit institutions are not available. Please also refer to the supplementary report and the Group structure described in section 1.2.

Medium and long-term liabilities decreased by EUR 6.9 million to EUR 0.2 million compared to 30 September 2024. Current liabilities, including current provisions, increased from EUR 54.3 million to EUR 59.6 million. One reason for this is the payment of EUR 1.4 million as part of the earn-out agreement from the acquisition of the VAXTOR Group in 2022 in the 2021/22 financial year. On the other hand, short-term intercompany loans were taken out in the 2023/2024 financial year. Furthermore, the increase in current liabilities results in particular from loan repayments due in the 2024/2025 financial year. Short-term intercompany loans also had the effect of increasing liabilities. The share of medium and long-term liabilities in the MOBOTIX Group's total assets is 8.5% lower than in the previous year. Current liabilities, including current provisions, accounted for 77.5% of total assets as at the reporting date compared to 66.6% as at 30 September 2023.

2.4 Results of Operations, Net Assets and Financial Position of MOBOTIX AG

Results of Operations

In the 2023/24 fiscal year, MOBOTIX AG's revenue fell by 20,7% from EUR 53.9 million in the previous year to EUR 42.8 million. The reasons are identical to the reasons given in sections 2.2 and 2.3 for the reduction in the MOBOTIX Group's revenue. Revenue includes income from the sale of components to contract manufacturers in the amount of EUR 1.9 million (previous year: EUR 0.5 million). Revenues from order development amounting to EUR 0.2 million are lower than in the previous year. (previous year: EUR 1.6 million). Revenue from the sale of video security systems and software fell by 1,9% to EUR 40.5 million (previous year: EUR 51.7 million).

The export ratio (excluding component sales) amounted to 69,0% overall in the 2023/24 fiscal year (previous year: 70,0%). Revenue from the sale of video security systems and software in Germany fell to EUR 13.0 million in the 2023/24 fiscal year, compared to EUR 15.6 million in the previous year. The rest of Europe (excluding Germany) accounted for EUR 19.1 million (previous year: EUR 22.4 million). Sales in the rest of the world fell from EUR 13.6 million in the previous year to EUR 8.5 million in the reporting year.

In accordance with the option under Section 248 (2) HGB, own development costs of EUR 4.3 million (previous year: EUR 3.4 million) were capitalized and reported in the income statement under "Other own work capitalized".

Total operating output (sales revenue, increase/decrease in inventories of finished goods and work in progress, other own work capitalized) fell from EUR 57.2 million in the previous year to EUR 45.4 million in the 2023/24 fiscal year. Other operating income fell from EUR 1.5 million in the previous year to EUR 1.0 million.

The material cost ratio (material expenses excluding material expenses for component sales, adjusted for changes in inventories, in relation to revenue from the sale of video security systems and software) deteriorated year-on-year to 55,1% in the 2023/24 fiscal year (previous year: 53,4%). As with the MOBOTIX Group, the main reasons for the increased material ratio are both the slight increase in purchasing costs and a change in the product mix with an increased proportion of indoor cameras.

The increase in the personnel expenses ratio (personnel expenses in relation to total operating performance excluding component sales) in the 2023/24 fiscal year to 41,4% (previous year: 36,2%) is mainly due to the reduction in sales revenue in addition to lower personnel expenses. Personnel expenses in the 2023/24 fiscal year fell by EUR 2.6 million (-12,5%) compared to the previous year. This is mainly due to the lower average number of employees in the 2023/24 fiscal year.

Depreciation and amortization increased by EUR 0.1 million to EUR 3.7 million in the 2023/24 fiscal year (previous year: EUR 3.6 million). This is mainly due to the increase in amortization of own capitalized development costs.

Other operating expenses of EUR 6.6 million in the 2023/24 fiscal year (previous year: EUR 12.0 million) fell by EUR 5.4 million (-44,7%)

The previous year's increase of EUR 3.2 million in individual value adjustments on customer receivables had a significant impact, while a reversal of EUR 0.4 million led to other operating income in the reporting year.

Additional savings were realized in the marketing area, where costs fell from EUR 0.8 million in the previous year to EUR 0.6 million in the reporting year. Currency losses were also reduced from EUR 1.2 million to EUR 0.3 million

EBITDA (earnings before interest, taxes, depreciation and amortization; -2,1% of total operating performance) amounted to EUR -0.9 (2022/23: EUR -1.9 million). EBIT (earnings before interest and taxes; -10,7% of total operating performance) amounted to EUR -4.6 million (2022/23: EUR -5.5 million). The 2022/23 fiscal year ended with a net loss for the year of EUR -6.1 million (2022/23: EUR -5.5 million) and a return on sales of -15,0% (2022/23: -10,4%).

Net Assets

Non-current assets increased by EUR 2.5 million (5,8%) to EUR 45.3 million. Investments in fixed assets amounting to EUR 6.3 million were offset by depreciation and amortization of EUR 3.7 million.

Investments in intangible assets amounted to EUR 4.9 million and additions to property, plant and equipment amounted to EUR 1.7 million. Of the additions to property, plant and equipment, EUR 1.2 million relate to reclassifications from current assets to fixed assets. Investments in property, plant and equipment amounted to EUR 0.5 million. Investments in intangible assets mainly relate to internal development costs of EUR 4.3 million and other costs of EUR 0.6 million incurred as part of development projects.

Inventories, in particular raw materials, consumables and supplies and finished goods, decreased because of the targeted reduction in inventories.

Trade receivables decreased by EUR 2.3 million to EUR 6.4 million in the 2023/24 fiscal year compared to the start of the fiscal year. This resulted from the targeted reduction of older receivables.

Receivables from affiliated companies amounting to EUR 4.6 million are EUR 0.2 million below the previous year's level of EUR 4.8 million. Receivables from affiliated companies relate to trade receivables from companies in the Konica Minolta Group and from MOBOTIX CORP. Receivables from the Konica Minolta Group were reduced by EUR 1.8 million from EUR 3.7 million in the previous year to EUR 1.9 million .

Cash and cash equivalents as of September 30, 2024, increased by EUR 0.2 million to EUR 0.5 million compared to the beginning of the fiscal year (September 30, 2023: EUR 0.3 million).

Deferred tax assets of EUR 6.2 million (September 30, 2023: EUR 4.7 million) result from income tax loss carryforwards that arose in previous years and in the 2023/24 fiscal year.

At EUR 20.6 million (September 30, 2023: EUR 26.8 million), equity capital decreased by EUR 6.1 million compared to the previous year, mainly due to the net loss for the year of EUR 6.1 million. With total assets down by EUR 1.5 million (-1,7%) to EUR 86.4 million (September 30, 2023: EUR 87.8 million), the equity ratio fell from 30,5% to 23,9%. Treasury shares amounted to 61.658 shares as of September 30, 2024. 44.248 treasury shares were used as a purchase price component for the acquisition of the VAXTOR Group in the 2021/22 fiscal year.

The decrease in other provisions by EUR 1.8 million to EUR 5.2 million is primarily the result of the utilization of the provision for purchase price obligations in the amount of the payment of EUR 1.4 million made in 2024 as part of the earn-out agreement from the acquisition of the VAXTOR Group in 2022. The provision for purchase price obligations relates to the earn-out payments still expected from the acquisition of the VAXTOR Group in 2022.

The decrease in liabilities to banks by EUR 5.8 million to EUR 8.0 million (September 30, 2023: EUR 13.9 million) is mainly due to the redemption and repayment of short-term bank loans by loans from the majority shareholder in the amount of EUR 38.7 million. In this context, please refer to the comments under section 2.5 Overall Assessment of the Net Assets, Financial Position and Results of Operations of the MOBOTIX Group.

Trade payables increased by EUR 0.8 million to EUR 7.1 million compared to September 30, 2023.

Deferred tax liabilities of EUR 3.6 million (30 September 2023: EUR 3.0 million) result from the capitalization of development costs.

Financial Situation

Operating cash flow before changes in working capital amounted to EUR -1.2 million in the 2023/24 fiscal year (previous year: EUR -3.7 million). The decrease compared to the previous year is due to the higher net interest income of EUR 2.2 million (previous year: EUR 0.9 million).

Cash flow from operating activities before income taxes amounted to EUR 4.8 million in the 2023/24 fiscal year (previous year: EUR 2.9 million). The improvement was mainly due to the decrease in inventories and the targeted reduction in trade receivables.

Cash flow from investing activities amounted to EUR -6.7 million (previous year: EUR -5.5 million) and is mainly attributable to investments in internally generated intangible assets and the earn-out payment of EUR 1.4 million made in the fiscal year for the acquisition of the VAXTOR Group.

The positive cash flow from financing activities of EUR 7.1 million (previous year: EUR 25.3 million) is mainly the result of short-term intercompany loans taken out in the amount of EUR 10.8 million. This was offset by repayments of financial loans in the amount of EUR 1.5 million and interest payments totaling EUR 2.1 million.

The development of the individual cash flows resulted in a decrease of EUR 2.9 million in cash and cash equivalents as of September 30, 2024 (September 30, 2023: EUR 8.1 million). The negative development of cash and cash equivalents is covered by short-term intercompany loans in the amount of EUR 10.8 million.

The company's solvency was guaranteed in the 2023/24 fiscal year. The available credit lines were largely utilized as at the reporting date. Any further credit requirements will be provided by the majority shareholder if credit institutions are not available. Please also refer to the supplementary report.

Medium and long-term liabilities decreased by EUR 0.4 million to EUR 6.1 million compared to September 30, 2023. Current liabilities, including current provisions, increased from EUR 51.5 million to EUR 56.0 million. One reason for this is the payment of EUR 1.4 million as part of the earn-out agreement from the acquisition of the VAXTOR Group in 2022 in the 2021/22 fiscal year. At the same time, short-term intercompany loans were taken out in the 2023/2024 fiscal year. The share of medium- and long-term liabilities of MOBOTIX AG in the total balance sheet has decreased by 7.1% compared to the previous year. As of the reporting date, short-term liabilities, including short-term provisions, accounted for 71.6% of the total balance sheet, compared to 58.6% as of 30 September 2023.

2.5 Overall Assessment of The Net Assets, Financial Position and Results of Operations of the MOBOTIX Group

The development of the net assets, financial position and results of operations in the 2023/24 fiscal year does not reflect the management's expectations for business development. Business performance was negatively impacted by the ongoing tense economic conditions as well as internal factors in sales, although the effects were largely offset by the cost savings achieved compared to the previous year.

The forecast of planned sales revenue of EUR 54.0 million to EUR 56.0 million was not achieved with the sales revenue of EUR 50.0 million generated; the planned EBIT for the 2023/24 fiscal year of EUR 0.3 million to EUR 1.0 million was also not achieved at EUR -3.0 million.

As of 30 September 2024, the intercompany loans granted by the majority shareholder totaled EUR 38.7 million. On 25 November 2024, an additional intercompany loan of EUR 2.0 million was disbursed by the majority shareholder as part of the credit line established during the reporting year. Consequently, the reported balance of intercompany loans in the latest available monthly financial statements stood at EUR 40.7 million as of 28 February 2025. The unutilized loan commitments from the reporting year amount to EUR 4.0 million, which also cover the repayment of a bank loan of EUR 3.5 million.

On February 25, 2025, intercompany loans in the total amount of EUR 44.7 million were therefore extended to March 31, 2026, by the majority shareholder. Unless the majority shareholder determines otherwise, the term of the intercompany loans will be automatically extended to September 30, 2026. In the event of a change of control, this extension will occur automatically.

On 25 February 2025, the majority shareholder provided additional loan commitments of up to EUR 8.5 million as further financial support, available until 31 March 2026. These funds can be drawn in multiple tranches. Unless the majority shareholder notifies the company by 31 March 2026 that the automatic extension will not apply, the loan term will be extended to 30 September 2026. The granted EUR 8.5 million also includes the repayment of a bank loan of EUR 3.0 million. Additionally, reimbursements of development costs for previously approved projects totaling EUR 2.0 million are considered.

With an equity ratio of 16.8% at the Group level and total equity of EUR 12.8 million, the equity base remains satisfactory. The same applies to MOBOTIX AG, which has an equity ratio of 23.9% and total equity of EUR 20.6 million.

3. Changes to the Supervisory Board

As of October 1, 2023, the Supervisory Board of MOBOTIX will consist of Toshiya Eguchi (Chairman of the Supervisory Board), Koji Ozeki and Olaf Lorenz.

4. Changes to the Executive Board

Mr. Philippos Antoniou, Bachelor of Science in Business Information Systems, Barnet, United Kingdom, resigned as member of the Management Board responsible for Sales and Marketing with effect from 30 September 2024.

5. Rescissory Actions and Annulment of Resolutions of the Annual General Meeting of the 2015/16 Fiscal Year

On March 9, 2017, MOBOTIX became aware that three shareholders had filed an action for rescission and nullity with the Kaiserslautern Regional Court against the resolutions adopted at the Annual General Meeting on January 12, 2017 regarding agenda items 2 to 6, i.e. in particular against the resolution to retain the net retained profits as of September 30, 2016 (agenda item 2) and to elect two new Supervisory Board members (agenda item 6).

The Management Board considers the claims to be unfounded and has taken legal action. The proceedings have since been appealed to the Zweibrücken Higher Regional Court but have since been returned to the Kaiserslautern Regional Court. A hearing to announce a decision was held on February 20, 2024, following an initial hearing before the Regional Court of Kaiserslautern on November 14, 2023, at which the status of the dispute was discussed again, and a settlement was discussed. However, no agreement was reached. MOBOTIX has appealed against the decision announced on February 20, 2024, in which MOBOTIX AG was ordered to pay a minimum dividend of around EUR 0.5 million. All other appeals were dismissed.

6. Penalty Imposed by the French Competition Authority (DGCCRF)

On November 8, 2021, the Management Board was informed by the French competition authority DGCCRF that illegal price agreements had allegedly been made with French wholesalers and distributors in previous years. The fine of EUR 645 thousand was imposed for a distribution practice that existed over six to seven years in the years 2011/12 to 2017/18 and affected a significant proportion of sales of MOBOTIX products in France. The corresponding practice was changed in the 2017/18 fiscal year and is no longer applied today.

The Management Board considers the penalty and the allegations to be unfounded and has taken legal action. In addition, a distributor involved in the proceedings has registered potential recourse claims from the penalty announced against it, which our legal review has shown to be unfounded, and which would be contested if necessary.

Nevertheless, a provision of EUR 0.7 million was recognized for this risk in the 2020/21 annual financial statements as a precautionary measure, which was utilized for the payment of EUR 0.65 million in the 2021/22 annual financial statements.

MOBOTIX appealed the decision of the French competition authority before the Paris Court of Appeal on December 21, 2021.
The hearing before the Paris Court of Appeal originally scheduled for 28 September 2023 was postponed to 15 February 2024 due to internal organizational problems at the Court of Appeal.

A hearing was held in Paris on February 15, 2024, which was constructive in accordance with the lawyers and their memorandum. A reduction of the penalty already paid is expected, with a decision expected in March 2025. An appeal against this decision can be lodged within two months, which will then be decided by the Supreme Court as the court of last instance.

7. Legal Dispute with the General Contractor for the New Building (Construction Phase I) in Winnweiler-Langmeil

The contractual relationship with the general contractor for the new building (construction phase I) in Winnweiler-Langmeil was terminated for cause in 2009 before completion. The general contractor submitted its final invoice in the amount of EUR 2.2 million (net) in 2009. This is disputed by MOBOTIX AG, as there are counterclaims from contractual penalties, defects and underperformance in at least the same amount. The central legal issue of the "verifiable final invoice", which the court-appointed expert negated in favor of MOBOTIX, will have to be reassessed considering the updated case law of the Federal Court of Justice.

The Senate has set a date for an oral appeal hearing. This decision by the Palatinate Higher Regional Court on March 5, 2024, was in line with the expectations that had arisen from the previous decisions of the Higher Regional Court and the preliminary hearing. Due to significant procedural flaws in the decision of the Regional Court of Kaiserslautern, the case was referred to the Regional Court.

The Higher Regional Court issued a comprehensive legal instruction to the Regional Court as a "sailing instruction". As a result, the proceedings were reopened at the Regional Court of Kaiserslautern, whereby the court had to consider the instructions of the Higher Regional Court. This concerned both the comprehensive review of the ARGE's final invoice and the extensive taking of evidence.

The information provided by the Higher Regional Court was essentially in line with expectations. The Higher Regional Court did not make its own assessment of the verifiability of the ARGE's final invoice but also left this question to the (renewed) assessment by the Regional Court of Kaiserslautern.

Further information was presented to the court at the hearing on July 22, 2024. Subsequently, an oral hearing was held before the Kaiserslautern Regional Court on September 3, 2024. The court requested further information on the scope of the expert commissioned, with the focus remaining on the settlement of the general contractor's final invoice and the verifiability of the individual items of the final invoice. The provision of EUR 1.4 million formed in the past covers the risk of an additional payment or settlement. The legal fees are also covered by a provision.

8. Risk Report

8.1 Risk Management

The MOBOTIX Group has implemented a risk management system as part of corporate management, which ensures that risks (before taking risk limitation measures into account) are identified and addressed at an early stage. All companies within the scope of consolidation are included in this system. It comprises the components of early risk identification, controlling and planning processes, reporting and an internal control system. Corresponding principles and specifications for the risk management system are documented in a risk management manual. It is continuously developed and optimized. Due to the size and structure of the Group, the material risks of MOBOTIX AG are the same as those of the Group.

The Group's risk management system serves to identify, control and manage the risks taken. In addition to risks to the company as a going concern, activities, events and developments that could have a significant impact on future business success are also recorded. As part of risk management, operational opportunities and risks are identified and managed over a period of one to three years. A correspondingly longer forecast period is used for strategic opportunities and risks.

The earnings risks are analyzed with the help of a risk matrix. The probability of occurrence and the potential amount of loss are recorded. If risks cannot be measured quantitatively, their impact is assessed qualitatively.

Probability of Occurrence		Possible Impacts (€)	
Low	< 25%	Low	< EUR 0.1 million
Medium	25% - 50%	Medium	EUR 0.1 million - EUR 0.2 million
High	50% - 75%	High	EUR 0.2 million - EUR 0.7 million
Very high	> 75%	Very high	> EUR 0.7 million

We have set up the internal control system described in section 8.2 to manage the typical business risks of the MOBOTIX Group, the occurrence of which could have a significant impact on the Group's net assets, financial position and results of operations

8.2 Internal Control System

The MOBOTIX Group has a comprehensive system of process controls. The introduction of the comprehensive system of process controls for the companies of the VAXTOR Group is still in the implementation phase. The objective of the control system is to identify potential deficits in the company's processes at various process levels, to trigger appropriate countermeasures and to ensure and continuously improve the effectiveness of the identification and analysis of risks by regularly reviewing the methods. The tasks of the control system are performed by the members of management and by employees based centrally in the organization department, who perform some of the tasks of an internal audit. The Organization department reports directly to the Management Board. The employees of this department are available to the department heads as consultants and, among other things, check the functionality of the internal control system. A key component of this is proper compliance with and implementation of the guidelines. Recommendations categorized according to importance and any need for adjustments to the guidelines are reported directly to the managers of the audited units and to the Management Board.

Ad-hoc audits are used to promptly address and examine current special issues. If necessary, this results in immediate process changes aimed at continuously improving process quality. Follow-up audits are then carried out to check the implementation of the process changes. Any deviations are reported to the Management Board in a timely manner.

The internal control system is a key component of Group risk monitoring. In addition to defined preventive and monitoring control mechanisms such as systematic and manual coordination processes, the internal control system is based on predefined approval processes, the separation of functions and compliance with guidelines. The dual control principle plays a central role here. Through the consistent application of risk policy principles and directives, a large proportion of risks are already avoided or at least their impact reduced.

8.3 Significant Risks

Overview of Overall Risks

	Probability Of Occurrence	Possible Impact
Market Risks		
Sales Risks/Competitive Situation	Very High	Very High
Procurement Risks	Very High	Very High
Financial Risks		
Financing Risks	Medium	Very High
Risk of Receivables Default	High	Very High
Currency And Interest Rate Risks	High	Very High
Political And Legal Risks		
Legal And Regulatory Risks	Low	Very High
Risks From Patent Disputes	Medium	Medium
Operational Risks		
Personnel Risks	High	Medium
Warranty Risks	Low	Medium

Market Risks

MOBOTIX products are used as video security solutions in a wide variety of areas such as transportation (buses, train stations, airports, traffic monitoring, etc.), retail, industry, building and perimeter security. In recent years, MOBOTIX has set itself apart from many of its competitors with its high-resolution and hemispheric camera technology.

External market studies show that growth is expected to continue in digital IP video security systems in the coming years, but that the average prices to be achieved will fall significantly. Specifically, competition is expected to intensify, particularly in the high-resolution network camera segment, in which MOBOTIX has held a strong position to date.

There are also further risks due to political changes in individual regions as well as global supply chain volatility. The Executive Board therefore considers the market environment to be increasingly risky.

Procurement market risks increased significantly in the reporting year due to the global procurement situation for electronic components, particularly semiconductors, processors and chips. Global market fluctuations can therefore lead to changes in the availability of components. The threat of longer delivery times associated with this is considered through contractually agreed increased stock levels of components at suppliers and finished goods. Procurement bottlenecks with an impact on product availability have been recorded; these are consequences of global supply chain volatility.

A short-term loss of critical suppliers, e.g. for processors, which could lead to significant production disruptions, cannot currently be ruled out due to the global procurement situation for electronic components, particularly semiconductors, processors and chips because of global supply chain volatility. The Executive Board therefore considers the procurement environment to be increasingly risky.

Financial Risks

There are financing risks exist in connection with the creditworthiness of the company and thus of the Group and the existing loan commitments. Of the EUR 8.1 million in liabilities to banks recognized in the Group as at the reporting date, EUR 8.1 million have a term of up to one year (MOBOTIX AG: EUR 8.0 million, of which EUR 8.0 million have a term of up to one year). If the banks do not extend their credit lines in future or only extend them at lower amounts than those utilized, the majority shareholder has contractually agreed to assume the financing in the amount of EUR 6.5 million.

As of 30 September 2024, the intercompany loans granted by the majority shareholder totaled EUR 38.7 million. On 25 November 2024, an additional intercompany loan of EUR 2.0 million was disbursed by the majority shareholder as part of the credit line established during the reporting year. Consequently, the reported balance of intercompany loans in the latest available monthly financial statements stood at EUR 40.7 million as of 28 February 2025. The unutilized loan commitments from the reporting year amount to EUR 4.0 million, which also cover the repayment of a bank loan of EUR 3.5 million.

On February 25, 2025, intercompany loans in the total amount of EUR 44.7 million were therefore extended to March 31, 2026, by the majority shareholder. Unless the majority shareholder determines otherwise, the term of the intercompany loans will be automatically extended to September 30, 2026. In the event of a change of control, this extension will occur automatically.

On 25 February 2025, the majority shareholder provided additional loan commitments of up to EUR 8.5 million as further financial support, available until 31 March 2026. These funds can be drawn in multiple tranches. Unless the majority shareholder notifies the company by 31 March 2026 that the automatic extension will not apply, the loan term will be extended to 30 September 2026. The granted EUR 8.5 million also includes the repayment of a bank loan of EUR 3.0 million. Additionally, reimbursements of development costs for previously approved projects totaling EUR 2.0 million are considered.

The current earnings and liquidity planning of MOBOTIX AG and thus of the Group includes a liquidity requirement covered by existing loan agreements of the majority shareholder, which was prepared based on the best possible estimates of the Management Board. Should the existing termination clauses in the loan agreements lead to their termination or should there be significant delays in planned sales or further significant delays in incoming payments or should one or more of the assumptions made in the planning prove to be incorrect, further financial support, for example from the majority shareholder, is required in addition to the loans already granted. Otherwise, the continued existence of MOBOTIX AG and, due to the economic and financial interdependencies, the Group as a going concern would be jeopardized. This represents a material uncertainty in connection with events or circumstances that could cast significant doubt on the company's ability to continue as a going concern of MOBOTIX AG and thus of the Group (going concern risk).

Currency risks generally exist in connection with the operating business in the USA and the purchasing requirements of MOBOTIX AG in US dollars. An interest rate risk is significant due to the use of short-term credit lines and short-term money market loans. The existing medium-term debt financing was concluded with fixed interest rates. Bad debt risks are to be limited in future through revised and more effective debtor management, including dunning and debt collection with restrictive payment terms, but cannot be ruled out due to global supply chain volatility.

Political and Legal Risks

Existing video surveillance increases the public's sense of security and is therefore increasingly being accepted. There are increasing numbers of political initiatives aimed at improving the quality of surveillance systems in public areas. If the standards in public security change in favor of high-resolution systems, MOBOTIX, as a major manufacturer of such systems, can also benefit from this. On the other hand, various laws and regulations, such as the EU General Data Protection Regulation, place limits on video surveillance.

There is still a risk of patent infringement proceedings in the video security industry. It cannot be ruled out that the MOBOTIX Group will be involved in patent infringement proceedings and that these could have a significant financial impact.

Operational Risks and Other Risks

Due to the changed market and competitive environment, there is a further need to adapt the organization. This gives rise to risks of a fundamental nature, which the company is countering by adjusting personnel resources, optimizing processes and control systems and renewing the IT infrastructure (ERP and CRM).

Warranty risks generally exist in the production and sale of technical products. These are considered when preparing the financial statements by setting aside appropriate provisions. In addition, product liability insurance has been taken out to cover potential damages and risks.

If developments on the global financial and real markets were to result in a global, possibly widespread recession, this would naturally have a noticeable impact on the relevant market environment of the MOBOTIX Group.

The IT risk and cyber security requirements necessary for the business model are ensured through significant investments in the IT infrastructure as well as product certifications and penetration tests.

The Management Board continues to believe that technological innovations and the further expansion of sales are of great importance for the sustainable success of the Group.

9. Opportunities Report

MOBOTIX operates in the growing market for video surveillance systems. Growth is mainly driven by an increasing need for IT security, automation, Industry 4.0, intelligent sensors based on high-performance deep learning and AI video analytics, and the Internet of Things (IoT). Due to the size and structure of the Group, the main opportunities for MOBOTIX AG are the same as those for the Group.

In principle, the Management Board assumes that technological market drivers such as cloud-based installations and software applications in the areas of analytics, deep learning and artificial intelligence will favor the decentralized technology approach and that MOBOTIX will therefore be able to hold its own even in the face of increasing competitive pressure.

In the coming months, MOBOTIX will develop intelligent IP video solutions for selected market segments with what the Management Board considers to be a clear competitive advantage (e.g. due to the system architecture or the robust design) and promote corresponding customer projects via key account sales and the global network of certified partners. The robust outdoor cameras will also be increasingly used as sensors in industrial automation, for example for monitoring temperature-critical processes, early fire detection or as part of preventive maintenance.

MOBOTIX currently has a wide range of IP video cameras including accessories and its own video management software. The aim is to offer a complete system from a single source as part of the MOBOTIX MOVE segment with supplementary software applications and by expanding the range to include peripheral components (switch, IR illuminators, NAS, etc.) and thus be able to stand out even better from the competition. With the introduction of the MOBOTIX MOVE camera portfolio in 2018 as a "supplementary portfolio" and consistent expansions, we were able to offer our customers additional business opportunities. MOBOTIX will continue to focus on additional MOBOTIX MOVE products and the associated business opportunities and add them to our product portfolio in line with our high-quality standards.

Further opportunities arise from the extended integration possibilities through the adaptation of standards such as ONVIF and H.264/H.265 as well as from the integration of MOBOTIX cameras into leading video management systems and the ONVIF compatibility of our products.

MOBOTIX is also optimizing the revenue and earnings model of MOBOTIX AG by monetizing software via licensing models. With the market launch of the MOBOTIX 7 cameras M73 and S74 in the 2019/20 fiscal year, high-performance video analytics apps were also made available for a license fee, enabling the development of new vertical markets through new customer solutions.

In the future, MOBOTIX will focus even more strongly on technology partnerships to respond to the diverse requirements in the vertical markets with optimally tailored complete solutions.

In addition, the cooperation with Konica Minolta already offers good growth opportunities in the medium term, both in terms of technology-oriented order development and sales.

10. Forecast Report

The MOBOTIX Group's planned revenue for the 2024/25 fiscal year is in the order of around EUR 60.0 million. EBIT for the 2024/25 fiscal year is in the order of around EUR 4.0 million. For MOBOTIX AG, the Management Board expects revenue and EBIT to develop in line with the MOBOTIX Group. Revenue depends on the one hand on the overall economic situation because of the war in Ukraine and Gaza, but also on the development of interest rates and inflation and thus the development of construction costs, and on the other hand on further optimizations in the sales organization.

The forward-looking statements made above are prognostic.

11. Dependency Report

A report on relationships with affiliated companies was prepared for the 2023/24 fiscal year in accordance with Section 312 AktG. Regarding the reportable transactions, the report states: "The Management Board declares that the company received appropriate consideration for each legal transaction and measure listed in the report on relationships with affiliated companies in accordance with 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 were omitted at the instigation of or in the interests of the controlling company or one of its affiliated companies."

Winnweiler-Langmeil, March 19, 2025

The Management Board

Thomas Lausten - CEO Klaus Kiener - CFO Christian Cabirol - CTO

Appendix 3

General Engagement Terms

for

Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]

as of January 1, 2024

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (Wirtschaftsprüferinnen/Wirtschaftsprüfer) or German Public Audit Firms (Wirtschaftsprüfungsgesellschaften) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing (Textform) or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties. A German Public Auditor is also entitled to invoke objections (Einwendungen) and defences (Einreden) arising from the contractual relationship with the engaging party to third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (Grundsätze ordnungsmäßiger Berufsausübung). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (betriebswirtschaftliche Prüfungen), the consideration of foreign law requires an express agreement in writing (Textform).

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information submitted as well as the explanations and statements provided in statement as drafted by the German Public Auditor or in a legally accepted written form (gesetzliche Schriftform) or any other form determined by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in a legally accepted written form (gesetzliche Schriftform) or in writing (Textform) as part of the work in executing the engagement, only that presentation is authoritative. Draft of such presentations are non-binding. Except as otherwise provided for by law or contractually agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing (Textform). Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of, a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's consent be issued in writing (Textform), unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for subsequent performance (Nacherfüllung) in writing (Textform) without delay. Claims for subsequent performance pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: Handelsgesetzbuch], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: Wirtschaftsprüferordnung], § 203 StGB [German Criminal Code: Strafgesetzbuch]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, claims for damages due to negligence arising out of the contractual relationship between the

engaging party and the German Public Auditor, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: Produkthaftungsgesetz], are limited to € 4 million pursuant to § 54 a Abs. 1 Number 2 WPO. This applies equally to claims against the German Public Auditor made by third parties arising from, or in connection with, the contractual relationship.

(3) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(4) The maximum amount under paragraph 2 relates to an individual case of damages. An individual case of damages also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million.

(5) A claim for damages expires if a suit is not filed within six months subsequent to the written statement (Textform) of refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

(6) § 323 HGB remains unaffected by the rules in paragraphs 2 to 5.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report (Bestätigungsvermerk), he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's consent, issued in a legally accepted written form (gesetzliche Schriftform), and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any material errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing (Textform), ongoing tax advice encompasses the following work during the contract period:

a) preparation and electronic transmission of annual tax returns, including financial statements for tax purposes in electronic format, for income tax, corporate tax and business tax, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
b) examination of tax assessments in relation to the taxes referred to in (a)
c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing (Textform).

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (Steuerberatungsvergütungsverordnung) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (Textform).

(6) Work relating to special individual issues for income tax, corporate tax, business tax and valuation assessments for property units as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

a) work on non-recurring tax matters, e.g. in the field of estate tax and real estate sales tax;
b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (Textform) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (Verbraucherschlichtungsstelle) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (Verbraucherstreitbeilegungsgesetz).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.