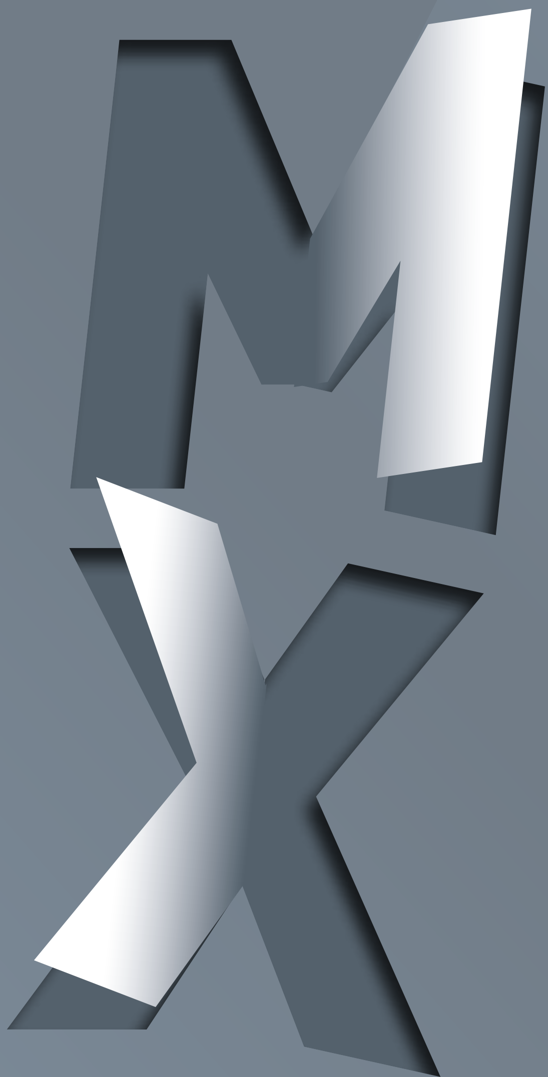
DMG MORI

AKTIENGESELLSCHAFT



MACHINING
TRANSFORMATION

Annual report and financial statements 2023

CONTENT

A ANNUAL REPORT FOR THE FINANCIAL YEAR 2023 OF DMG MORI AKTIENGESELLSCHAFT

4 Basis of the Company
31 Report on economic position
37 Opportunities and risk management report
44 Forecast report

B FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2023 OF DMG MORI AKTIENGESELLSCHAFT

48 Balance sheet as at 31 December 2023
50 Income statement
51 Fixed asset movement schedule
52 Notes
72 DMG MORI AG group companies
75 Responsibility statement
76 Independent auditor’s report

C FURTHER INFORMATION

85 List of Graphs and Tables
86 Forward-Looking Statements
86 Financial calendar
87 Contact

ANNUAL REPORT 2023

Click here to get to the PDF of the Annual Report 2023
dmgmori.com/gb-en-2023

A ANNUAL REPORT FOR THE FINANCIAL YEAR 2023 OF DMG MORI AKTIENGESELLSCHAFT

4 **Basis of the Company**

4 Strategy and management system

6 ⌜Corporate governance statement pursuant to section 289f of the german commercial code (HGB)⌝

13 Remuneration report

27 Research and development

31 **Report on economic position**

31 Overall economic development

31 Machine tool building industry

33 Results of operations, net worth and financial position

35 Employees

36 Overall statement of the executive board on financial year 2023

37 **Opportunities and risk management report**

44 **Forecast report**

45 Overall statement of the executive board on future business development 2024

⌜ ⌝ Business report information not reviewed for content

ANNUAL REPORT 2023

ANNUAL REPORT FOR THE FINANCIAL YEAR 2023 DMG MORI AKTIENGESELLSCHAFT (HGB)

BASIS OF THE COMPANY

DMG MORI AKTIENGESELLSCHAFT, Bielefeld, and its controlled companies pursuant to Section 17 of the German Stock Corporation Act (AktG) form the group (hereinafter group or DMG MORI AG). DMG MORI AG is part of the group (hereinafter DMG MORI or Global One Company) whose group parent company is the DMG MORI COMPANY LIMITED (hereinafter DMG MORI CO. LTD.) with headquarter in Tokyo. The sales revenues recognized for the parent company comprise primarily income from performing holding and service functions for the group as well as from rental income.

The earnings position of DMG MORI AKTIENGESELLSCHAFT differs from that of the group in terms of level and structure. The earnings result essentially from control and profit and loss transfer agreements with two domestic subsidiaries and from the income and expenses resulting from the holding functions.

The present management report refers exclusively to DMG MORI AKTIENGESELLSCHAFT as the parent company. A detailed presentation of the DMG MORI group is provided in our ↗ **2023 Annual Report** and in the consolidated financial statements and group management report contained therein, which were prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU.

The group annual report is published on the internet under ↗ **en.dmgmori-ag.com/investor-relations**.

STRATEGY AND MANAGEMENT SYSTEM

DMG MORI AKTIENGESELLSCHAFT, which has its headquarters in Bielefeld, manages the group centrally and across all functions as a management holding company. It comprises all cross-divisional key functions of the group.

DMG MORI's goal is to become the world's largest and most reputable manufacturer of turning, milling and grinding machines, additive manufacturing and process automation with a constant focus on maximizing customer value. DMG MORI AG consistently aligns its business activities with this goal. Our common objective is to support our customers along the entire value chain with innovative solutions – consisting of machine tools, automation, software, processes, peripherals and service.

We offer a broad product portfolio to provide the entire manufacturing industry with optimized solutions in all areas, from small manufacturing companies to large corporations. Our customers come from a wide range of industries – such as aerospace, semiconductor, medical, automotive, die and mold – and have different requirements. Moreover, external factors, such as high raw material and energy costs, high interest rates and the effects of inflation, the war in Ukraine and geopolitical conflicts, have a severe impact on the global manufacturing industry.

In today's challenging market conditions, DMG MORI is responding to the change and increase in customer expectations with its Machining Transformation (MX) strategy. MX is based on the four pillars of Process Integration, Automation, Digital Transformation (DX) and Green Transformation (GX). By interlinking these four pillars as closely as possible, we provide our customers with tailored solutions for state-of-the-art, sustainable and efficient production. With MX, DMG MORI is systematically developing from a machine builder to a holistic, sustainable solution provider in the production industry. However, the following principle continues to apply: The machine is and remains our key focus! We promise our customers high-performance, high-precision and sustainable machines of outstanding quality and an all-round service.

Thanks to perfect synergies between process integration, automation and digitization, MX supports users in unlocking maximum potential for sustainability and innovative growth. This is how we respond to the changes in our business environment, such as the increasing shortage of skilled workers and raw materials, and aim to provide our customers with a clear competitive advantage at every step of the value chain.

We have always nurtured a people-centered approach to implementing our corporate strategy. Qualified, motivated and satisfied employees are the basis for our success. This is why we work hard to be an attractive employer. Our group-wide "Mission Statement" forms the basis for our corporate culture, business practices and thus for our DMG MORI AG Code of Conduct. In order to accomplish our mission and achieve continuous improvement, we believe in an open feedback culture. Our HR strategy focuses on training, diversity, equal opportunities, flexible and innovative working environments, personnel development, occupational safety and an extensive health management program.

The table **A.01** provides an overview of key financial and performance indicators of DMG MORI AKTIENGESELLSCHAFT.

A.01 // KEY FINANCIAL PERFORMANCE INDICATORS OF DMG MORI AKTIENGESELLSCHAFT (GERMAN COMMERCIAL CODE – HGB)

	actual 2022	Plan 2023	actual 2023
Sales Revenues	€ 11.8 million	around € 14.0 million	€ 13.4 million
EBIT [1)]	€ -28.4 million	around € -41.0 million	€ -49.8 million
Investments in fixed assets / Intangible assets	€ 1.2 million	around € 1.3 million	€ 1.0 million
Number of employees (annual average)	119	slight increase	116

1) The definition of EBIT in this context is defined as the result prior the profit transfer from the subsidiaries.

DMG MORI AKTIENGESELLSCHAFT successfully closed financial year 2023. Sales revenue was slightly lower than planned due to adjustments to the allocation of the corporate service fee to subsidiaries. EBIT was below the forecast for financial year 2023. This essentially results from the expense effect from the severance agreements with former executive board members. Unplanned currency gains in the fiscal year 2023 were able to partially offset this expense effect. Investments in intangible assets and, in particular, property, plant and equipment at the Bielefeld site were slightly lower than planned at € 1.0 million. As at 30 September 2023, we standardized our procedure for measuring headcount across the entire “Global One Company”. Every employee is now recorded in full, which led to an adjustment in the number of employees at DMG MORI AG. All figures in the Annual Report 2023 – including the reference values from earlier dates – are based on this revised counting method and are therefore not comparable with previous publications. While the annual average number of employees slightly decreased by 3 employees from 119 employees to 116 employees the deviation between the number of employees compared at the end of the calendar year decreased significantly from 136 employees to 110 employees. This is mainly due to a transition of two departments in July 2022 into DMG MORI AKTIENGESELLSCHAFT previously belonging to a subsidiary as well as a subsequent transfer in October 2023 of these departments from DMG MORI AKTIENGESELLSCHAFT to a subsidiary.

⌜CORPORATE GOVERNANCE STATEMENT PURSUANT TO SECTION 289F OF THE GERMAN COMMERCIAL CODE (HGB)⌝

Business Report information not reviewed for content

Corporate Governance

The Executive Board and Supervisory Board of DMG MORI AKTIENGESELLSCHAFT always act in accordance with good corporate governance and report on matters concerning corporate governance at DMG MORI AG in adherence to the German Corporate Governance Code. This is reflected in a responsible and transparent business management and corporate governance. Good corporate governance is an essential element of strategic thinking and action on all organizational levels throughout the group.

In November 2023, the Executive Board and Supervisory Board issued a Compliance Statement pursuant to Section 161 of the German Stock Corporation Act (AktG). This statement confirms that DMG MORI AG complied with the recommendations of the “Government Commission on the German Corporate Governance Code” in the version dated 28 April 2022 following its publication in the Federal Gazette on 27 June 2022, with the following exceptions:

// **Exception: Recommendation G.10 of the German Corporate Governance Code**
In accordance with G.10 of the German Corporate Governance Code, the majority of the Executive Board remuneration is to be paid in the form of company shares or a corresponding share-based arrangement. DMG MORI AG is not implementing this recommendation, but is rather basing the long-term remuneration components of the Executive Board on performance indicators the Supervisory Board has found to bear significant relevance on the company’s success over the long term.

Share-based remuneration is not suitable for DMG MORI AG, as DMG MORI AKTIENGESELLSCHAFT, as a result of the domination and profit transfer agreement from 2 June 2016, is a dependent company whose shareholders have been promised compensation and settlement as part of the conclusion of the domination and profit transfer agreement. Thus, the Executive Board's performance does not significantly affect the company's share price performance and the latter is therefore not an appropriate means of measuring Executive Board long-term remuneration at DMG MORI AG.

// **Exception: Recommendations G.12 and G.13 of the German Corporate Governance Code**
If an Executive Board member's contract is terminated, the payment of outstanding remuneration components etc. should be made in accordance with the settlement dates or holding periods specified in the contract. In the event of early termination, no payments should exceed the total value of two years' remuneration.

DMG MORI AG was unable to fully comply with this recommendation in the 2023 financial year, as a higher payment amount was agreed for the termination of the contract as part of an overall settlement with the affected Executive Board members, taking into account the company's interest in terminating the contract and the Executive Board members' entitlements, as well as the long-term executive remuneration component (LTI) being settled in a lump sum as part of such an agreement. The severance packages agreed, which included outstanding variable remuneration components, reflected the company's interest in a full and prompt termination of contract.

In the future, DMG MORI AG will also comply with the recommendations of the Government Commission on the German Corporate Governance Code in the version dated 28 April 2022 following its publication in the Federal Gazette on 27 June 2022, with the exception shown below:

// **Exception: Recommendation G.10 of the German Corporate Governance Code**
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DMG MORI AG fully complies with the non-mandatory suggestions of the German Corporate Governance Code. The current declaration of conformity and the corporate governance report, together with the declarations of conformity from previous years, are permanently accessible on our website.
↗ **https://en.dmgmori-ag.com/investor-relations/corporate-governance/corporate-governance-overview**

Pursuant to Section 317 (2) sentence 6 German Commercial Code (HGB), the purpose of the audit of the statements made in the group declaration on corporate governance pursuant to Section 289f (2) and (5) and Section 315d German Commercial Code is limited to determining whether such statements have been made.

Description of the work of the Executive Board and Supervisory Board and their committees

Responsible Management of Opportunities and Risks
The risk and opportunity management system of DMG MORI AKTIENGESELLSCHAFT is an integral part of the group's current risk and opportunity management systems.

Within the opportunity management system of the DMG MORI group, we mainly focus on key individual opportunities, macroeconomic and industry-specific opportunities, as well as corporate strategic and performance opportunities.

Our group-wide risk management system comprises an early warning system, an internal control system (ICS), in accordance with German and Japanese legal requirements, and corporate insurance management.

Our group-wide early warning system allows us to identify and manage risks to future development using a forward-looking approach. We define risk as a negative deviation from our projected earnings target (EBIT). We also take tax and interest rate risks into account.

Our early warning system consists of five key components:

- A company-specific risk management manual,
- a corporate risk management officer at DMG MORI AKTIENGESELLSCHAFT level,
- local risk management officers at each group company,
- sector-specific risk assessments including the evaluation and prioritization of individual risks, and
- and the risk reporting system at group and subsidiary level with corresponding ad hoc reporting on risks threatening the existence of the company.

The early warning system within the DMG MORI group is structured in such a way that material risks are systematically identified, assessed, aggregated, monitored and reported throughout the group.

The risks of individual business units are identified on a regular basis using defined risk areas. All potential risks identified are analyzed and evaluated using quantitative measures. This also includes taking into account risk reduction measures. Risks threatening the existence of the group are reported immediately and not in the regular reporting cycle.

In order to present the overall risk situation of the group, individual local and corporate risks, as well as group effects, are identified and aggregated. The aggregate expected value from the risks identified and assessed for the group is compared with the group's current equity and used to calculate the group's risk-bearing capacity. This is a key risk indicator.

The Executive and Supervisory Boards are informed at regular intervals about the group's current overall risk situation and that of individual business units. They hold extensive discussions on the reasons for the current risk situation and the appropriate measures taken.

The early warning system set up by the Executive Board in accordance with Section 91 [2] of the German Stock Corporation Act [AktG] is reviewed by the auditors, continuously developed within the group and adjusted on a regular basis in line with changing conditions.

The DMG MORI group's current internal control system [ICS] is used to mitigate or eliminate manageable risks in business processes in day-to-day operations. Based on a documentation of essential business processes, manageable risks are identified and eliminated or reduced to an acceptable level by developing the group's organizational and operating structure and implementing adequate control activities. This is supported by the group' s current internal guidelines and instructions as part of the ICS. The effectiveness of the ICS is assessed on the basis of annual management testing. The ICS of DMG MORI AKTIENGESELLSCHAFT is structured to comply with both the requirements of German stock corporation law and those of the "Japanese Financial Instruments and Exchange Act" [J-SOX / Naibutousei].

Our reviews of the company's internal control and risk management system and internal audit reports have not identified any significant issues indicating that these systems are inadequate or ineffective.

Another aspect of risk management is the DMG MORI group's corporate insurance management, which strategically defines and hedges economically viable insurable risks across the group in close collaboration with DMG MORI COMPANY LIMITED.

Cooperation between the Executive Board and Supervisory Board

The Executive Board and Supervisory Board work together closely in the best interest of the company. The Executive Board coordinates the strategic direction of the company with the Supervisory Board and informs the Supervisory Board regularly, timely and comprehensively about all questions pertaining to the strategy, business development, risk position, risk management and compliance that are of relevance for the company. Any deviations in the course of business from the established plans and goals adopted by the group are investigated and explained. The Executive Board forwards the half-year reports and quarterly releases to the Finance and Audit Committee and discusses these reports and releases with the Finance and Audit Committee before their publication. The Articles of Association and the Rules of Procedure require the Supervisory Board's approval for a wide range of business transactions proposed by the Executive Board.

page 40 et seqq.
of the Annual Report

The remuneration of both the members of the Supervisory Board and of the Executive Board is presented in detail in the ↗ Remuneration Report – as part of the Financial Statements of DMG MORI AKTIENGESELLSCHAFT.

The Supervisory Board and Executive Board work together to ensure long-term succession planning. The Supervisory Board has set an age limit of 70 years for the (re-)appointment of Executive Board members.

Composition Targets of the Supervisory Board
The Supervisory Board adopted specific targets for its composition pursuant to Section C.1 DCGK (German Corporate Governance Code):

// The Supervisory Board should continue to be composed of the unchanged number of shareholder representatives with experience in the management or governance of companies with global operations;

// Consideration of employees from important areas of DMG MORI AG on the employee representatives' side;

// Knowledge about DMG MORI AG and key markets for DMG MORI AG, as well as knowledge about technical contexts and technology management should be taken into consideration;

// Specialist knowledge and experience in the application of accounting principles, internal monitoring procedures and compliance processes should be given consideration;

// At least two male and two female Supervisory Board members should be among the shareholder representatives as well as the employees' representatives;

// A least 50 % of all Supervisory Board members should be independent;

// Avoiding conflicts of interest;

// An upper age limit of 75 years at the time of election to the Supervisory Board should be observed; limit of five office terms;

// Nominations for future composition of the Supervisory Board should also look, in particular, to the interests of the company, while observing the aforementioned objectives.

The re-election of the Supervisory Board in May 2023 meant that the Supervisory Board again met its gender quota targets in financial year 2023. It also complied with recommendation C.7 of the German Corporate Governance Code on the independence of at least 50 % of Supervisory Board members. In the reporting year, the Supervisory Board reviewed the necessary qualifications and also defined the competencies for the entire board.

Diversity
The diversity culture lived out at DMG MORI AG allows our employees to become involved e.g. in the group's international projects. This cultural exchange promotes personnel diversity and improves performance. At DMG MORI AG, all employees and applicants are treated and valued equally, regardless of nationality or ethnic origin, gender, age, religion, sexual orientation or physical impairment. The Executive Board has manifested this equal opportunity through the Code of Conduct of DMG MORI AG.

Statutory Gender Quota Requirements
Taking into account the Act on Equal Participation of Men and Women in Executive Positions in Private Business and the Public Sector, the Supervisory Board passed a resolution on 5 May 2022 specifying that a quota of 20 % of the Executive Board of DMG MORI AKTIENGESELLSCHAFT is to be occupied by female members of staff by 30 June 2027.

As a result of flat hierarchies, there is only one management level below that of the Executive Board at DMG MORI AKTIENGESELLSCHAFT. On 13 June 2022, the Executive Board agreed on a target female quota of 15 % for this management level. This target is to be achieved by 30 June 2027.

With regard to the Supervisory Board, the statutory quota of 30 % has been met consistently since the Supervisory Board elections in 2023. The shareholders' and employees' representatives have decided to meet the legal requirements separately from each other. Two female members have been among the shareholder representatives of the Supervisory Board since the Supervisory Board's election. Three female Supervisory Board members have been among the employees' representatives since the Supervisory Board's elections.

Prevention of Conflicts of Interest
Members of the Executive Board and Supervisory Board are obliged to act in the best interests of the company. The members of the Executive Board and of the Supervisory Board are prohibited from pursuing personal interests in their decisions and in connection with their office, from pursuing business opportunities the company is entitled to for their own interests, and from granting undue advantages to other persons. Any conflicts of interest that may arise from these and other situations must be immediately disclosed to, assessed by and if necessary, authorized by the Supervisory Board. The Supervisory Board reports to the Annual General Meeting on any conflicts of interest and how they are dealt with.

Shareholders and Annual General Meeting
Our shareholders exercise their rights at the occasion of the Annual General Meeting. The Annual General Meeting adopts resolutions, among others, on the granting of discharge to the Supervisory Board and Executive Board, as well as on the election of the auditor of the annual financial statements and proposed amendments of the Articles of Association. In the reporting year, shareholders were able to personally exercise their voting rights at an in-person Annual General Meeting. Shareholders who are unable to personally attend an in-person Annual General Meeting are offered the option of appointing an authorized representative of their choosing to exercise their voting rights on their behalf, or to assign them to a proxy who must exercise them in accordance with their instructions. It is also possible to obtain timely information about the Annual General Meeting online. All documents and information are made available to our shareholders online well ahead of the meeting date.

Transparency
We aspire to ensure corporate communications that offer the greatest possible transparency and currency for all target groups, including shareholders, investors, business partners, employees and the general public. Our website is continuously updated with information on the company's current affairs. Press releases, quarterly releases, financial reports and a detailed financial calendar are also published on the website.

Compliance
We are aware of our responsibility towards our business partners, shareholders and employees, as well as to the environment and to the society. With their best interest in mind, we are firmly committed to clear principles and values. This particularly includes the adherence to and compliance with statutory requirements and regulatory standards, voluntary commitments and our internal policies. Our compliance management system is tasked with warranting our continued alignment with our principles and values. Further information about our compliance management system can be found in the Sustainability Report 2023 and on our website.

Accounting and Annual Audit
For the reporting year, it was agreed with the financial auditing firm, PwC PricewaterhouseCoopers GmbH, Frankfurt am Main, that the Chairman of the Supervisory Board and the Chairwoman of the Finance and Audit Committee are to be immediately informed of any reasons for exclusion or bias that arise during the audit and cannot be remedied. In addition, the auditor shall also immediately report any findings and events that arise during the audit of the financial statements and consolidated financial statements that have a significant bearing on the work of the Supervisory Board. Moreover, the auditor informs the Supervisory Board, or points out in the audit report, any circumstances that are inconsistent with the declaration of conformity issued by the Executive Board and Supervisory Board under the Corporate Governance Code.

Insurance for members of the Supervisory Board and the Executive Board of DMG MORI AG
The group has taken out D & O insurance policies (management liability insurance) and legal expenses insurance policies for members of the Supervisory Board, Executive Board members and Managing Directors. The D & O insurance contains the deductible provided for in the code or in the pertinent statutory provisions.

Shareholdings of the Executive Board and Supervisory Board members
Only one member of the Supervisory Board holds a significant indirect interest in DMG MORI AKTIENGESELLSCHAFT. Dr. Eng. Masahiko Mori holds shares in DMG MORI COMPANY LIMITED (Nara, Japan). DMG MORI COMPANY LIMITED indirectly holds an 88.23 % interest in the share capital of DMG MORI AKTIENGESELLSCHAFT. Hence, Dr. Eng. Masahiko Mori is holding an indirect interest in DMG MORI AKTIENGESELLSCHAFT.

Pursuant to Section 19 MMVO (German Market Abuse Regulations), members of the Supervisory Board and Executive Board, as well as other individuals, who are subject to reporting requirements, must notify both the company and the Federal Financial Supervisory Authority whenever they buy or sell, among others, shares or other securities of the company. The company is then required to immediately publish a corresponding notification. The relevant notices made by DMG MORI AKTIENGESELLSCHAFT can be accessed at any time on the company's website.

Supervisory Board and Committees
Pursuant to the articles of association, the Supervisory Board comprises twelve members. In accordance with the German Codetermination Act (Mitbestimmungsgesetz), there are six employee representatives, one of whom represents the executive staff, in addition to the six shareholders' representatives on the Supervisory Board. All Supevisory Board members (shareholders' representatives and employees' representatives) were elected until the end of the Annual General Meeting that will pass a resolution on the approval of the actions of the Supervisory Board for financial year 2027.

pages 69 et seqq. The members of the Supervisory Board are named in the ↗ notes.

The Supervisory Board held six meetings in financial year 2023. The Supervisory Board also reported on the scope of its work in the report of the Supervisory Board in the group annual report.

In financial year 2023, four committees of the Supervisory Board of DMG MORI AKTIENGESELLSCHAFT held meetings: Five times the Finance and Audit Committee and three times the Personnel-, Nominations and Remuneration Committee, one time the Nominations Committee as well as two times the Related Party Transaction Committee. The Supervisory Board reports on the scope of its work in the committees in its report in the group annual report.

REMUNERATION REPORT

The remuneration system and remuneration of the Supervisory Board and the Executive Board for financial year 2023 are presented in the following report. The Executive Board and the Supervisory Board are responsible for the annual preparation of the remuneration report according to Section 162 of the German Stock Corporation Act (AktG). In accordance with Section 162 (1) sentence 2 no. 1 AktG, remuneration is reported in the financial year in which the activity on which the remuneration is based was completed in full.

Approval of the remuneration report by the Annual General Meeting 2023

At the Annual General Meeting on 12 May 2023, the remuneration report for financial year 2022, prepared and audited in accordance with Section 162 AktG, was approved by 99.87 %. There were no aspects to be considered with regard to the remuneration system or its implementation in the remuneration report.

Supervisory Board remuneration

The Supervisory Board's remuneration is determined by the Annual General Meeting and governed by Section 12 of the Articles of Association of DMG MORI AKTIENGESELLSCHAFT. The remuneration system for the Supervisory Board was approved by the Annual General Meeting 2021 in accordance with Section 113 AktG. The components of the Supervisory Board remuneration include the fixed remuneration that each member of the Supervisory Board receives, compensation for committee work, as well as attendance fees for meetings.

In financial year 2023, the fixed remuneration entitlement of each individual Supervisory Board member amounted to € 60,000. The chairman is entitled to the 2.5 times this amount (€ 150,000). The Chairman of the Supervisory Board Dr. Eng. Masahiko Mori as well as James V. Nudo and Irene Bader have waived their complete Supervisory Board remuneration. The vice chairman is entitled to 1.5 times this amount (€ 90,000). The entitlement from the base remuneration amounted to € 630,000 in total (previous year: € 630,000).

The remuneration entitlements for committee work totaled € 252,000 (previous year: € 252,000) and took into consideration the work performed in the Finance and Audit Committee, in the Personnel, Nomination and Remuneration Committee and in the Committee for Transactions with Related Parties. The individual committee members were entitled to € 18,000. The committee chairpersons received an additional fixed remuneration of € 18,000.

The members of the Supervisory Board and its committees receive an attendance fee of € 1,500 for each Supervisory Board and committee meeting they attend as a member.

In financial year 2023, the total remuneration paid to the Supervisory Board amounted to € 1,009,500 (previous year: € 1,003,500). The total base remuneration and committee remuneration amounted to € 882,000 (previous year: € 882,000). The meeting attendance fees amounted to € 127,500 (previous year: € 121,500).

A.02 // REMUNERATION GRANTED AND PAYABLE TO THE SUPERVISORY BOARD

in €	Base remuneration	Committee remuneration: Finance and Audit Committee (F&A)	Committee remuneration: Personnel, Nomination and Remuneration Committee (PNR)	Committee remuneration: Committee for Transactions with Related Parties (TRP)	Base remuneration and committee remuneration total	Meeting attendance fees	Total remuneration
Dr. Eng. Masahiko Mori 1) Chairman of the Supervisory Board Chairman PNR	–	–	–	–	–	–	0
Ulrich Hocker 2) Deputy chairman SB Chairman TRP	90,000	0	18,000	36,000	144,000	16,500	160,500
Irene Bader 3)	–	–	–	–	–	–	0
Prof. Dr.-Ing. Berend Denkena 4)	60,000	0	0	18,000	78,000	12,000	90,000
Prof. Dr. Annette Köhler Chairwoman F&A	60,000	36,000	0	0	96,000	15,000	111,000
James Victor Nudo 5)	–	–	–	–	–	–	0
Mario Krainhöfner 6) 1st Deputy chairman SB (until 12 May 2023) SB member (until 12 May 2023)	32,548	0	6,510	0	39,058	4,500	43,558
Stefan Stetter 7) Deputy chairman SB	90,000	18,000	0	18,000	126,000	19,500	145,500
Tanja Fondel 8) 13) 1st Deputy chair (since 12 May 2023)	79,151	0	18,000	0	97,151	13,500	110,651
Dietmar Jansen 9) 13)	60,000	18,000	0	0	78,000	9,000	87,000
Larissa Schikowski 10)	60,000	0	18,000	0	78,000	13,500	91,500
Michaela Schroll 11) 13)	60,000	18,000	0	18,000	96,000	19,500	115,500
Thomas Reiter 12) 13) SB member (since 12 May 2023)	38,301	0	11,490	0	49,792	4,500	54,292
Total amount	**630,000**	**90,000**	**72,000**	**90,000**	**882,000**	**127,500**	**1,009,500** 14)

1) Dr. Eng. Masahiko Mori is also a member of the F&A, Nomination and Mediation Committees. Dr. Eng. Masahiko Mori waives his Supervisory Board remuneration in full. Thus, Dr. Eng. Masahiko Mori has not received any Supervisory Board remuneration for 2023.
2) Ulrich Hocker is also a member of the PNR as well as of the Nomination and the Mediation Committee.
3) Irene Bader waives her Supervisory Board remuneration in full. Thus, Irene Bader has not received any Supervisory Board remuneration for 2023.
4) Prof. Dr.-Ing. Berend Denkena is a member of the TRP.
5) James Victor Nudo is a member of the F&A, PNR and Nomination Committee. James Victor Nudo waives his Supervisory Board remuneration in full. Thus, James Victor Nudo has not received any Supervisory Board remuneration for 2023.
6) Mario Krainhöfner was a member of the Supervisory Board as well as the PNR and Mediation Committees until 12 May 2023
7) Stefan Stetter is a member of the F&A and TRP Committees. Mr. Stetter transfers part of his remuneration for his Supervisory Board activities to various charitable organizations.
8) Tanja Fondel is a member of the PNR and the Mediation Committee.
9) Dietmar Jansen is a member of the F&A.
10) Larissa Schikowski is a member of the PNV and transfers part of her remuneration for her Supervisory Board activities to various charitable organizations.
11) Michaela Schroll is a member of the F&A and TRP Committees.
12) Thomas Reiter has been a member of the Supervisory Board and the PNR Committee since 12 May 2023.
13) These employee representatives transfer the majority of their remuneration for their Supervisory Board activities to the Hans Böckler Foundation, Düsseldorf.
14) The total amount corresponds to the expenses of DMG MORI AKTIENGESELLSCHAFT for 2023.

As the remuneration of the members of the Supervisory Board is not composed of variable but solely of fixed components, it is not necessary to determine a maximum total remuneration for the members of the Supervisory Board.

In the reporting year, no loans and advances were granted to members of the Supervisory Board of DMG MORI AKTIENGESELLSCHAFT.

Comparison of annual change in Supervisory Board remuneration

The Table **A.03** shows a comparison of the percentage change in the remuneration of Supervisory Board members with the earnings performance (EAT) of DMG MORI AKTIENGESELLSCHAFT and the average remuneration of the employees on a full-time basis compared to the previous year.

A.03 // COMPARISON OF ANNUAL CHANGE IN SUPERVISORY BOARD REMUNERATION

in %	2021 against 2020	2022 against 2021	2023 against 2022
Dr. Eng. Masahiko Mori [1]	–	–	–
Ulrich Hocker	+8.5 %	+8.2 %	+0.9 %
Irene Bader [2]	–	–	–
Prof. Dr.-Ing. Berend Denkena	+4.4 %	+13.2 %	+/-0.0 %
Prof. Dr. Annette Köhler	+3.6 %	+4.3 %	+1.4 %
James Victor Nudo [3]	–	–	–
Mario Krainhöfner (until 12 May 2023)	+1.7 %	+8.3 %	-62.3 %
Stefan Stetter	+5.2 %	+8.9 %	-1.0 %
Tanja Fondel	+2.3 %	+9.3 %	+25.0 %
Dietmar Jansen	+0.4 %	+5.3 %	-3.3 %
Larissa Schikowski	+2.3 %	+9.3 %	+3.4 %
Michaela Schroll	+6.6 %	+5.6 %	+1.3 %
Thomas Reiter (since 12 May 2023)	–	–	–
EAT (DMG MORI AG group) [4]	+64 %	+79 %	+6 %
EAT (DMG MORI AKTIENGESELLSCHAFT) [5]	+8 %	+400 %	+1 %
Average employee remuneration [6]	+2 %	+3 %	+4 %

1) Dr. Eng. Masahiko Mori has not received any Supervisory Board remuneration for 2023.
2) Irene Bader has not received any Supervisory Board remuneration for 2023.
3) James Victor Nudo has not received any Supervisory Board remuneration for 2023.
4) 2023: € 163.2 million / 2022: € 153.4 million / 2021: € 85.6 million / 2020: € 52.1 million
5) 2023: € 147.5 million (under HGB) / 2022: € 146.5 million (under HGB) / 2021: € 29.3 million (under HGB) / 2020: € 27.1 million (under HGB)
6) Employee remuneration in Germany in the respective financial year.

Executive Board remuneration

The remuneration system for the Executive Board is determined by the Supervisory Board. The Personnel, Nomination and Remuneration Committee develops recommendations for the Executive Board remuneration system, which the Supervisory Board also discusses and decides on in detail.

The Personnel, Nomination and Remuneration Committee regularly reviews the Executive Board's remuneration system and presents relevant proposals to the Supervisory Board. The remuneration system is resubmitted to the Annual General Meeting for approval after significant changes, and in any case every four years.

The remuneration system for the Executive Board of DMG MORI AKTIENGESELLSCHAFT is geared to promoting implementation of the company's business strategy and the sustainable and long-term development of the company. This is achieved in compliance with the statutory requirements and in consideration of competitive aspects. The remuneration system was prepared by the Supervisory Board by resolution of 28 November 2019 on the legal basis of the Implementation of the Shareholders' Rights Directive (ARUG II) and approved by the 118th Annual General Meeting on 15 May 2020.

Essential elements of the remuneration system
The system's fundamental structure abides by the following guiding principles:

a// Extraordinary performances and successes should be rewarded adequately, while target shortfalls should result in a substantial reduction in remuneration ("pay-for-performance-orientation").

b// The collective performance of the Executive Board members should be promoted without constraining the entrepreneurial discretion of the individual members in their respective portfolio remits. Since important strategic goals can only be achieved in an interdisciplinary approach with the collaboration of all Executive Board members, short and long-term remuneration components result from different performance indicators to which the Executive Board members contribute.

c// The remuneration system for the Executive Board members is consistently adaptable to the remuneration systems for other management and staff levels within the group.

d// The remuneration of the Executive Board members should conform with market standards and reflect the size, complexity and strategic direction as well as economic situation of the company.

This forms the basis on which Executive Board members are offered a competitive and market value remuneration package that keeps within the regulatory requirements and promotes the sustainable work of the Executive Board. This is intended to secure the best possible candidates for the Executive Board of DMG MORI AG, both now and in the future.

The remuneration system adopted by the Supervisory Board conforms with the current requirements under the German Stock Corporation Act and in all essential aspects with the recommendations made in the German Corporate Governance Code (DCGK), with the exception that the long-term remuneration component is not share-based. In view of both the current domination and profit transfer agreement between DMG MORI AKTIENGESELLSCHAFT and DMG MORI Europe Holding GmbH, a wholly-owned subsidiary of DMG MORI COMPANY LIMITED and the low free float of the company's share, it was decided not to implement a remuneration component paid in shares or a share-based remuneration component.

Adequacy of the Executive Board remuneration
Following preparation by the Personnel, Nomination and Remuneration Committee, the Supervisory Board determines the amount of total target remuneration for the upcoming financial year for each Executive Board member based on the remuneration system. The total target remuneration for each Executive Board member is the sum of the base remuneration, the STI for 100 % target achievement, the LTI for 100 % target achievement and the pension contribution.

In addition to being reasonably proportionate to the duties and performances of the Executive Board members, this in particular gives consideration to the economic position, the market environment, the success and the future prospects of the company. The Supervisory Board pays particular attention to assuring that the total target remuneration conforms with market standards. Market conformity is assessed on the basis of the following points:

External benchmarking (horizontal conformity): The market conformity of the total remuneration is assessed on the basis of remuneration data from the 90 largest listed companies in Germany with DAX and MDAX listings. This horizontal market benchmarking considers the market position, size and complexity of DMG MORI AG with special emphasis on the position of the company within the comparison group (e. g., on the basis of performance indicators such as sales revenues, number of employees and earnings per share).

Internal benchmarking (vertical conformity): In addition to the above, the development of the Executive Board's remuneration in proportion to the remuneration of the employees of DMG MORI AG is considered in an internal (vertical) benchmarking process. This comparison determines the proportion of the Executive Board's remuneration to the remuneration paid to the upper management and other employees and subjected to a market comparison.

The determination of the total target remuneration gives special credit to the individual Executive Board member's function. The chairperson of the Executive Board, in particular, is awarded a higher total remuneration than the other Executive Board members.

Malus and clawback provisions
The Supervisory Board may withhold or demand repayment of the short-term and the long-term variable remuneration in the case of serious breaches of duty or compliance infringements. The same applies in cases of serious unethical conduct.

In cases of grossly negligent or intentional breaches of a duty of care by a diligent business manager pursuant to Section 93 (1) AktG the company is further authorized to demand the Executive Board member repay all or part of the variable remuneration components (STI and / or LTI) paid for the relevant assessment period in which the breach of duty took place, or to withhold such payment before its remittance.

A claim for repayment also arises if the Executive Board member's office tenure or employment has already ended at the time repayment is demanded. This is without prejudice to claims for damages against the Executive Board member.

Early resignation of Executive Board members
If an Executive Board member resigns upon request by the Supervisory Board due to reasons not attributable to the Executive Board member's person or conduct, all outstanding LTI tranches will be paid to the member at the end of the initially agreed performance period. The same applies if an Executive Board member resigns from the Executive Board for other reasons outside of his responsibility (e. g. regular expiry or mutually agreed termination of the employment contract, or other contractually recognized reasons for resignation). This also includes the transition into early retirement and the Executive Board member's rejection of an offer of reappointment.

If the company terminates an Executive Board member's employment for good cause, or if the Executive Board member terminates his employment contract without proper cause ("bad leaver"), all outstanding LTI allocations where the three-year reference period has not yet ended will be forfeited.

Components of the remuneration system

The remuneration of the Executive Board members of DMG MORI AKTIENGESELLSCHAFT consists of fixed and variable remuneration components. The fixed, non-performance-based remuneration consists of a base remuneration ("fixed amount"), fringe benefits and pension entitlements (in particular to the contribution-based retirement provisions). The short-term variable remuneration (STI) and the long-term variable remuneration (LTI) are performance-based variable amounts that depend on the achievement of specific measurable targets.

a) Fixed remuneration components

The fixed remuneration forms the basis for recruiting and retaining the highly qualified Executive Board members needed for the group's further development and implementation of its corporate strategy.

The fixed remuneration consists of the base remuneration, fringe benefits and pension entitlements (contribution-based retirement provisions).

Base remuneration: Each Executive Board member receives a fixed base remuneration. This is paid in twelve monthly installments.

Fringe benefits: Fringe benefits and their maximum amounts are determined for each Executive Board member. These fringe benefits mainly include non-cash benefits from the company and other fringe benefits, particularly the provision of a company car but also insurance coverage.

Retirement provisions: Each Executive Board member is granted a payment that must be used to add to his personal retirement provisions. The payment is for a certain amount to be invested in an external pension scheme (contribution-based retirement provision).

b) Short-term variable incentive (STI)

The STI is intended to motivate Executive Board members to achieve challenging and demanding financial, operational and strategic targets in the financial year. These targets reflect the corporate strategy of DMG MORI AG and aim at increasing the earnings and market position of the company. The one-year variable remuneration is linked to the achievement of key group figures in the respective financial year, particularly as it is connected to order intake and EBIT. An individual target amount is set for each member of the Executive Board. The target amount represents the initial value for determining performance-related payment after the end of the assessment period. A payment claim only arises at the end of the one-year assessment period and depends on if and how the targets have been achieved.

The STI system is based on two target dimensions, which are assigned different weightings and can be adjusted through so called sustainability factors ("modifiers"). This considers both the market position (measured by the performance indicator "order intake"), as well as the earnings position (measured by the performance indicator "EBIT"). These company-specific targets are modified by a sustainability factor ("modifier"), which moves within a bandwidth from 80 % to 120 %. The sustainability factor is intended to reward the Executive Board's actions and successes that have made a contribution to sustainably securing the company's success.

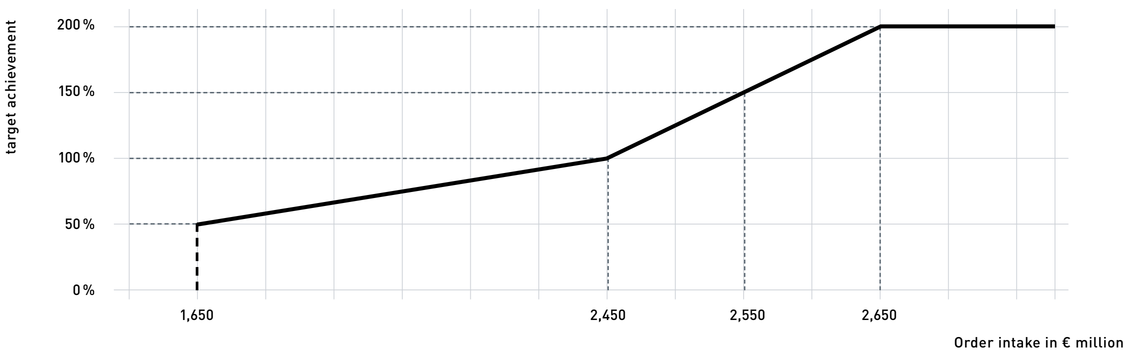
A.04 // SHORT-TERM-INCENTIVE (STI) DIAGRAM

The target achievement levels for the STI 2023 result from the following key figures and factors for 2023 and are determined using the same criteria for all Executive Board members:

Order intake is weighted at 1/3. This means that the STI includes one of the key financial figures of DMG MORI AG. The order intake component of the STI must reach a floor before it becomes relevant to bonus payments. This floor is a target achievement of 50 %. Reaching the target amount corresponds to a target achievement of 100 %. The component does not increase any further once a cap has been reached. This cap is a target achievement of 200 %.

The following figure shows further target achievement details:

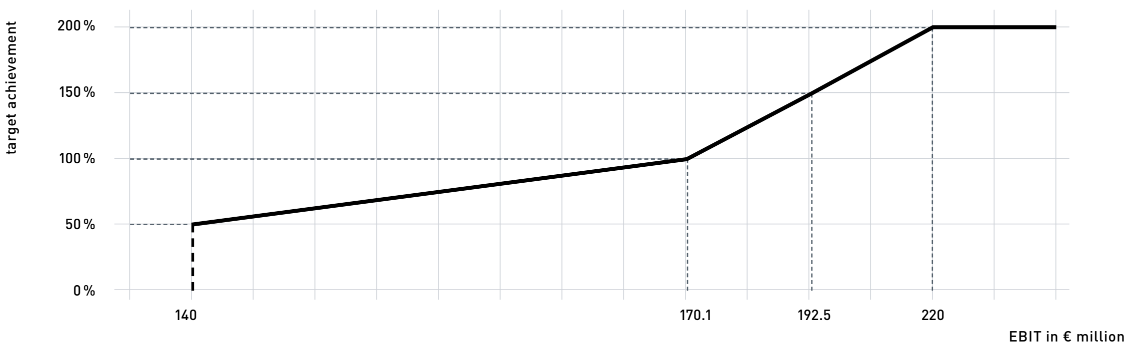
A.05 // TARGET ACHIEVEMENT ORDER INTAKE 1/3



EBIT is weighted at 2/3. This means that the STI includes another key financial figure of DMG MORI AG. The EBIT component of the STI must reach a floor before becoming relevant to bonus payments. This is a target achievement of 50 %. Reaching the target amount corresponds to a target achievement of 100 %. The consideration of a bonus ends once a cap has been reached. This is a target achievement of 200 %.

The following figure shows further target achievement details:

A.06 // TARGET ACHIEVEMENT EBIT 2/3



The remuneration resulting from the achievement of targets is adjusted by three sustainability factors ("modifiers") defined as part of the bonus payment (80 %-120 %). These goals, on which the sustainability factor is based, include investments in property, plant and equipment, investments for the GLOBE project (SAP implementation) and the development of internal market shares and positions (order intake ratio for the DMG MORI AG group and DMG MORI COMPANY LIMITED). All sustainability factors can reach a level of 80 %-120 %. The factors, investments in property, plant and equipment and investments for the GLOBE project are each weighted at 25 %. The factor, development of internal market shares and positions is weighted at 50 %. They are intended to boost the Executive Board's efforts aimed at a sustainable management that delivers future growth.

c) Long-term variable incentive (LTI)

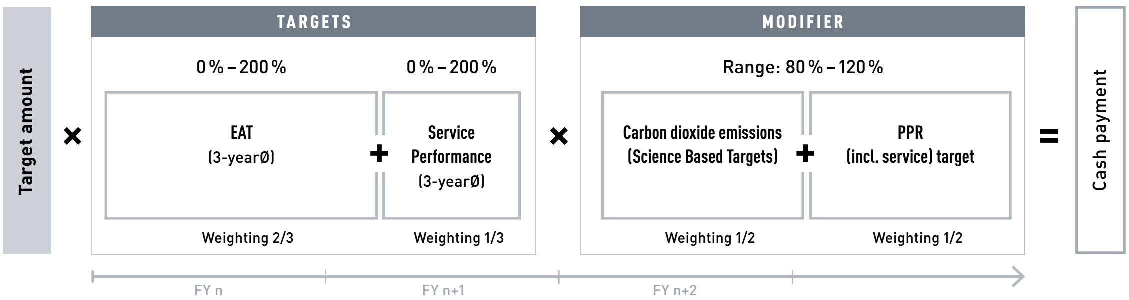
The Executive Board's work is focused on a long-term, sustainable commitment to DMG MORI AG. It is the only way to promote sustainable growth and achieve a permanent increase in value. The three-year performance period helps to ensure that the Executive Board's decisions in the current financial year are also focused on the company's long-term development.

Benefits from the LTI program are paid in cash on the basis of a indicator-based remuneration determined over an assessment period of three years ("performance period"). These benefits are paid in annual tranches.

The LTI is based on two financial targets as well as measurable sustainability targets that are expressed in the form of a "modifier". The financial performance criteria represent the key management ratios of DMG MORI AG (Earnings After Tax – EAT – and service performance). In addition to that, the "modifier" with a bandwidth of 80 % to 120 % also incorporates the sustainability targets.

An individual target amount is set for each member of the Executive Board. The target amount represents the initial value for determining performance-related payment after the end of the assessment period. A claim for payment only arises at the end of the three-year assessment period and depends on whether and to what degree the targets were achieved.

A.07 // LONG-TERM-INCENTIVE (LTI) DIAGRAM

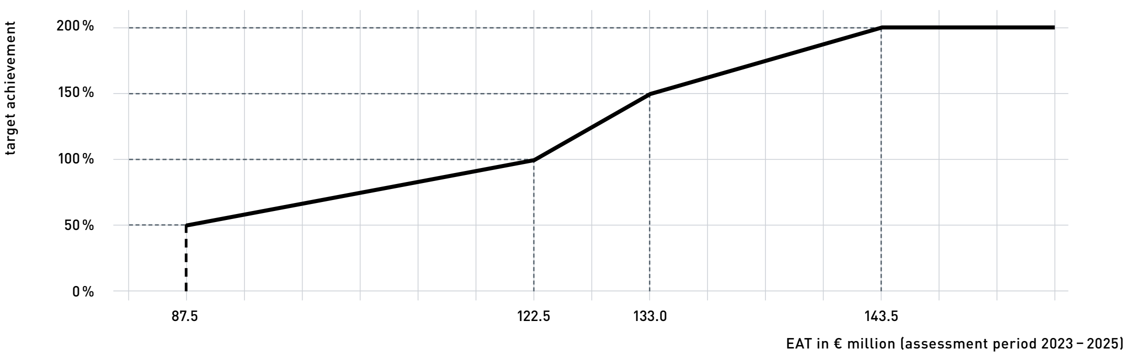


The levels of target achievement result from the following key figures and factors and are determined using the same criteria for all Executive Board members:

EAT is weighted at 2/3. This means that the LTI includes one of the key financial figures of DMG MORI AG. The EAT component of the LTI must reach a floor before becoming relevant to bonus payments. This floor is a target achievement of 50 %. Reaching the target amount corresponds to a target achievement of 100 %. The component does not increase any further once a cap has been reached. This cap is a target achievement of 200 %.

The following figure shows further target achievement details:

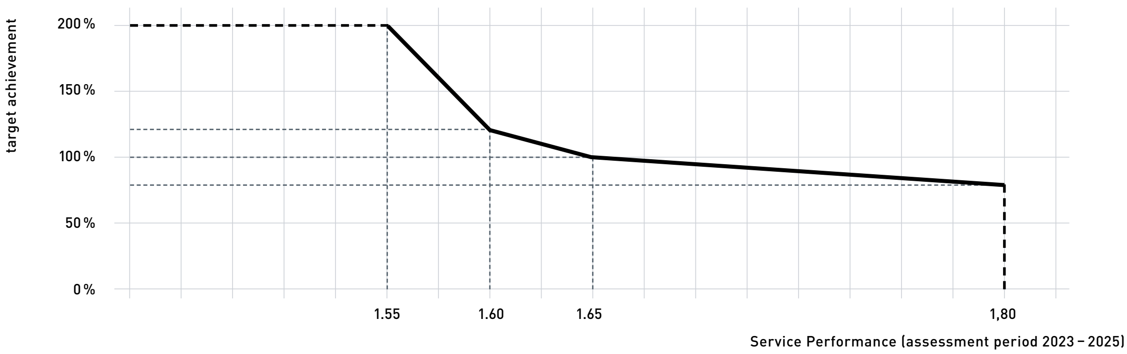
A.08 // TARGET ACHIEVEMENT EAT 2/3



Service performance over a period of three years is weighted at 1/3. This means the LTI includes a key performance indicator of DMG MORI AG. The service performance is the average number of service calls per machine under warranty over the last 12 months. The service performance component of the LTI must fall below a threshold value before becoming relevant to bonus payments. This threshold value is a target achievement of 80 %. Reaching the target figure corresponds to a target achievement of 100 %. It does not increase further after reaching the minimum value. This minimum value is a target achievement of 200 %.

The following figure shows further target achievement details:

A.09 // SERVICE-PERFORMANCE (1/3)



The remuneration resulting from the targets achieved is adjusted (80 %-120 %) by two sustainability factors ("modifiers"), which are defined as part of the bonus payment. These sustainability targets include the reduction of carbon dioxide emissions (carbon dioxide emissions as defined by science-based targets) and the development of the PPR indicator (number of "Product Problem Reports" in the last twelve months with status completed and final adjusted divided by the number of "Product Problem Reports" issued in the last twelve months). A "product problem report" describes a customer complaint. Both sustainability factors can reach a level of 80 % – 120 % and are weighted at 50 % each. To secure the long-term and sustainable development, the targets are selected in consideration of the strategy.

Target and maximum amounts of remuneration

The payment from the STI and LTI is limited in each case to a total of 200 % of the target amount.

The maximum total remuneration of an Executive Board member is determined annually by the Supervisory Board on the basis of their target total remuneration and is the maximum amount of total remuneration for the respective bonus payment year, taking into account their fixed remuneration, short-term variable remuneration (STI), long-term variable remuneration (LTI) and retirement provisions.

The maximum total remuneration for financial year 2021 was set at € 4,800 K for the CEO and € 2,400 K each for Executive Board members (Table **A.10**).

A.10 // TARGET AND MAXIMUM REMUNERATION (REMUNERATION COMPONENTS 2021)

	Christian Thönes		Björn Biermann		Michael Horn	
in €	2021 (Actual)	2021 (MAX)	2021 (Actual)	2021 (MAX)	2021 (IST)	2021 (MAX)
Base remuneration	1,080,000	1,200,000	540,000	600,000	540,000	600,000
STI	1,600,000	1,600,000	800,000	800,000	800,000	800,000
LTI 2021-2023 [1] [2]	805,000	2,300,000	428,750	1,225,000	860,000	1,225,000
Pension	450,000	450,000	200,000	200,000	200,000	200,000
Total remuneration [3]	**4,055,000**	**4,800,000**	**2,400,000**	**2,400,000**	**2,400,000**	**2,400,000**

1) Amounts of € 805,000 for Christian Thönes and € 428,750 for Björn Biermann are only an advance payment.
LTI 2021-2023 payment for Christian Thönes and Björn Biermann settled with termination agreement.
2) Amount of € 860,000 for Michael Horn is the total amount for LTI 2021-2023 including an advance payment.
3) The total remuneration is a CAP value. The CAP value is not necessarily the sum of the individual remuneration components.

The maximum total remuneration for financial year 2023, including a pension, is € 1,567 K for the CEO, Alfred Geißler and € 2,950 K each for the Executive Board members, Björn Biermann and Michael Horn (Table **A.11**). The maximum total remuneration for financial year 2023 is € 5,000 K for Christian Thönes. The maximum total remuneration threshold in 2023 was exceeded for Christian Thönes and Björn Biermann as a result of their agreed severance payments (Table **A.11**).

A.11 // TARGET AND MAXIMUM REMUNERATION (REMUNERATION COMPONENTS 2023)

	Alfred Geißler (since 26 May 2023) [1]		Christian Thönes		Björn Biermann		Michael Horn	
in €	2023 (Target)	2023 (MAX)	2023 (Target)	2023 (MAX)	2023 (Target)	2023 (MAX)	2023 (Target)	2023 (MAX)
Base remuneration	538,043	538,043	1,200,000	1,200,000	600,000	600,000	600,000	600,000
STI	361,644	723,288	800,000	1,600,000	400,000	800,000	400,000	800,000
LTI 2023-2025	538,043	1,076,087	1,150,000	2,300,000	612,500	1,225,000	612,500	1,225,000
Pension	175,000	175,000	450,000	450,000	200,000	200,000	200,000	200,000
Total remuneration [2]	**1,612,730**	**1,567,123**	**3,600,000**	**5,000,000**	**1,812,500**	**2,950,000**	**1,812,500**	**2,950,000**

1) Pro rata salary due to appointment as CEO during the year
2) The total remuneration is a CAP value. The CAP value is not necessarily the sum of the individual remuneration components.

Retirement provisions

The retirement provisions are a further foundation for recruiting and retaining the highly qualified Executive Board members required for the group's further development and implementation of the corporate strategy. The retirement provisions should be competitive on the market for highly qualified Executive Board members and provide an appropriate level of benefits. Retirement benefits were paid for the financial year in the form of a defined contribution-based retirement provisions for the following active and former members of the Executive Board:

// Alfred Geißler: € 175 K (pro rata as of 26 May 2023)

// Christian Thönes: € 450 K p.a.

// Björn Biermann: € 200 K p.a.

// Michael Horn: € 200 K p.a.

The expenses for the contribution-based retirement provisions for all members of the Executive Board amounted to € 1,025 K in financial year 2023 (previous year: € 850 K).

Remuneration for former members of the Executive Board
In the reporting year, as part of direct pension obligations € 1,187 K (previous year: € 1,087 K) was paid to former members of the Executive Board and their surviving dependents, of which € 775 K went to Dr. Rüdiger Kapitza who left the Executive Board in 2016.

Remuneration of the Executive Board for financial year 2023
The target achievement for the short-term variable remuneration (STI) was 200 % for the performance indicator EBIT, and 166.8 % for order intake. The target achievement for the sustainability factor relating to the budget for investments in property, plant and equipment was 102 %, for the GLOBE project 120 % and for the relative market shares AG / CO 107 %, resulting in a weighted modifier of 109 % in total. The target achievement for short-term variable remuneration (STI) for 2023 was 206 %. The STI payment was limited to a total of 200 % of the target amount (cap).

Target achievement for the long-term remuneration component (LTI tranche 2021-2023) was 200 % for the EAT indicator (3-year average 2021-2023) and 200 % for the service performance indicator. The target achievement for the sustainability factor for the adherence to the R&D and marketing budet was 120 % and for the development of the PPR indicator also 120 %, resulting in a weighted modifier of 120 % in total. The target achievement for the LTI tranche 2021-2023 was 240 %. The payment from the LTI tranche 2021-2023 was limited to a total of 200 % of the target amount (cap).

Christian Thönes left the company with effect from 25 May 2023. As an exception to the normal remuneration system, Christian Thönes received a severance payment of € 20,000 K. All contractual payments for the future, including future STI and LTI tranches, have been settled with the agreed severance payment. Advance payments already made (LTI tranche 2021-2023: € 805 K, LTI tranche 2022-2024: € 805 K) cannot be recovered.

Björn Biermann left the company with effect from 31 December 2023. As an exception to the normal remuneration system, Björn Biermann received a severance payment of € 7,500 K. With the exception of the STI 2023 all contractual payments for the future, including future STI and LTI tranches, have been settled with the agreed severance payment. Advance payments already made (LTI tranche 2021-2023: € 429 K, LTI tranche 2022-2024: € 429 K) cannot be recovered.

The total remuneration of the Executive Board for financial year 2023, excluding advance payments, amounted to € 33,560 K (previous year: € 9,753 K). This includes € 29,781 K (previous year: € 2,461 K) in fixed, non-performance-related remuneration (base remuneration and fringe benefits as well as severance payments) and € 2,323 K (previous year: € 3,200 K) in short-term variable remuneration (STI) as well as € 1,025 K in contribution-based retirement provisions (previous year: € 850 K).

Only Michael Horn will receive a payment from the LTI Tranche 2021-2023, which was allocated on 31 December 2023 and will be paid in 2024. The LTI Tranche 2021-2023 results in an amount for Michael Horn totaling € 1,225 K. After deduction of the advance payment, this amounts to € 796 K. Taking into account the maximum remuneration for 2021, the payment from the 2021-2023 LTI tranche amounts to € 431 K.

For the LTI Tranche 2022-2024, Christian Thönes, Björn Biermann and Michael Horn were paid recoverable advance payments in 2023 totaling € 1,663 K (LTI 2021-2023: € 1,663 K), which are a remuneration component under Section 162 (1) sentence 1 AktG.

As part of the severance agreements with Christian Thönes and Björn Biermann, DMG MORI AG waives the repayment of advance payments on LTI tranches not yet due for payment.

No loans were granted to members of the Executive Board of DMG MORI AKTIENGESELSCHAFT in the reporting year.

The companies belonging to the DMG MORI AKTIENGESELLSCHAFT group did not pay any remuneration directly to members of the Executive Board for services provided personally, in particular consulting and mediation services.

No Executive Board members were requested to repay any remuneration components. Malus and clawback provisions were not invoked.

Table **A.12** shows the granted and payable remuneration components for active and former Executive Board members in the respective financial year, including the corresponding relative share pursuant to Section 162 (1) sentence 1 AktG. The figures represent the base remuneration, fringe benefits and retirement provisions paid in the financial year. The table shows the STI 2023 and the LTI tranche 2021-2023 that will be paid in financial year 2024, but whose underlying activities were fully performed by the end of financial year 2023. The recoverable advance payment for the LTI tranche 2022-2024 is also shown.

A.12 // REMUNERATION AS GRANTED AND PAYABLE (SECTION 162 (1) SENT. 1 AKTG)

	Alfred Geißler CEO (since 26 May 2023)				Christian Thönes CEO (until 25 May 2023)			
in € K	2022	2022 [4]	2023	2023 [4]	2022	2022 [4]	2023	2023 [4]
Base remuneration	–		538		1,200		483	
Fringe benefit	–		8		11		4	
Severance payment			–		–		20,000	
Total	**–**	**–**	**546**	**38 %**	**1,211**	**25 %**	**20,487**	**98 %**
STI	–	–	723	50 %	1,600	33 %	–	
LTI 2020 – 2022	–	–	–	–	1,650	33 %	–	
LTI 2021 – 2023 [1]	–	–	–	–	–	–	–	
Total	**–**	**–**	**723**	**50 %**	**3,250**	**66 %**	**–**	
Pension [2]	–	–	175	12 %	450	9 %	450	2 %
Total remuneration without advance payment	**–**	**–**	**1,444**	**100 %**	**4,911**	**100 %**	**20,937**	**100 %**
Recoverable advance payment LTI 2021 – 2023 [3]	–		–		805		–	
Recoverable advance payment LTI 2022 – 2024 [3]	–		–		–		805	
Total inflow with advance payment (Remuneration pursuant to Section 162 (1) sent. 1 AktG)	**–**		**1,444**		**5,716**		**21,742**	

	Björn Biermann Executive Board Member (until 31 Dec. 2023)				Michael Horn Executive Board Member			
	2022	2022 [4]	2023	2023 [4]	2022	2022 [4]	2023	2023 [4]
Base remuneration	600		600		600		600	
Fringe benefit	8		8		42		40	
Severance payment	–		7,500		–		–	
Total	**608**	**26 %**	**8,108**	**89 %**	**642**	**26 %**	**640**	**31 %**
STI	800	33 %	800	9 %	800	33 %	800	38 %
LTI 2020 – 2022	796	33 %	–	–	796	33 %	–	–
LTI 2021 – 2023 [1]	–		–	–	–	–	431	21 %
Total	**1,596**	**66 %**	**800**	**9 %**	**1,596**	**66 %**	**1,231**	**59 %**
Pension [2]	200	8 %	200	2 %	200	8 %	200	10 %
Total remuneration without advance payment	**2,404**	**100 %**	**9,108**	**100 %**	**2,438**	**100 %**	**2,071**	**100 %**
Recoverable advance payment LTI 2021 – 2023 [3]	429		–		429	–	–	
Recoverable advance payment LTI 2022 – 2024 [3]	–		429		–	–	429	
Total inflow with advance payment (Remuneration pursuant to Section 162 (1) sent. 1 AktG)	**2,833**		**9,537**		**2,867**	**–**	**2,500**	

	Executive Board total			
	2022	2022 [4]	2023	2023 [4]
Base remuneration	2,400		2,221	
Fringe benefit	61		60	
Severance payment	–		27,500	
Total	**2,461**	**25 %**	**29,781**	**89 %**
STI	3,200	33 %	2,323	7 %
LTI 2020 – 2022	3,242	33 %	–	–
LTI 2021 – 2023 [1]	–	–	431	1 %
Total	**6,442**	**66 %**	**2,754**	**8 %**
Pension [2]	850	9 %	1,025	3 %
Total remuneration without advance payment	**9,753**	**100 %**	**33,560**	**100 %**
Recoverable advance payment LTI 2021 – 2023 [3]	1,663	–	–	–
Recoverable advance payment LTI 2022 – 2024 [3]	–	–	1,663	–
Total inflow with advance payment (Remuneration pursuant to Section 162 (1) sent. 1 AktG)	**11,416**	**–**	**35,223**	**–**

1) Amount less prepayments and including maximum remuneration for 2021
2) Payments for defined contribution pension plans
3) LTI 2021 – 2023: Advance payment made in 2022, LTI 2022 – 2024: Advance payment made in 2023
4) The relative percentages stated here relate to the remuneration components "granted and payable" in the respective financial year pursuant to Section 162 (1) sentence 1 AktG.

Table **A.13** shows a comparison of the percentage change in the remuneration of Executive Board members with the earnings performance of DMG MORI AKTIENGESELLSCHAFT and the average remuneration of employees on a full-time equivalent basis compared to the previous year. These figures for the reporting year correspond to the total remuneration figures specified in the table "Remuneration granted and payable" pursuant to Section 162 (1) sentence 1 AktG. Earnings performance is generally presented on the basis of the development of the key figure EAT.

A.13 // COMPARISON OF ANNUAL CHANGE IN EXECUTIVE BOARD'S REMUNERATION (SECTION 162 (1) NO. 2 AKTG)

	2021 against 2020	2022 against 2021	2023 against 2022
Alfred Geißler	–	–	–
Christian Thönes [4]	+47.7 %	+37.7 %	+280.4 %
Björn Biermann [4]	+35.4 %	+27.8 %	+236.6 %
Michael Horn	+49.8 %	+27.0 %	-12.7 %
EAT (DMG MORI AG group) [1]	+64 %	+79 %	+6 %
EAT (DMG MORI AKTIENGESELLSCHAFT) [2]	+8 %	+400 %	+1 %
Average employee remuneration [3]	+2 %	+3 %	+4 %

1) 2023: € 163.2 million / 2022: € 153.4 million / 2021: € 85.6 million / 2020: € 52.1 million
2) 2023: € 147.5 million (under HGB) / 2022: € 146.5 million (under HGB) / 2021: € 29.3 million (under HGB) / 2020: € 27.1 million (under HGB)
3) Employee remuneration in Germany in the respective financial year
4) Reason for the high percentage increase is a severance payment

RESEARCH AND DEVELOPMENT

The DMG MORI AKTIENGESELLSCHAFT is responsible for research and development strategy. All research and development activities within the group are coordinated by the executive portfolios of product development, production and technology. The implementation is carried out at the group company level.

The purpose of research and development at DMG MORI AG is to sustainably increase the value of our products for our customers. As a technology company, we are responding to the change and increase in customer expectations with our Machining Transformation (MX) strategy. MX is based on the four pillars of Process Integration, Automation, Digital Transformation (DX) and Green Transformation (GX). By interlinking these four pillars as closely as possible, we provide our customers with tailored solutions for state-of-the-art, sustainable and efficient production. In the reporting year, together with DMG MORI COMPANY LIMITED, we presented 30 innovations – including 9 world premieres focusing on process integration, 2 automation products, 5 digital innovations, 4 technology cycles, 4 DMG MORI Components and 6 innovations for a reduced energy consumption of our machines.

In the reporting year, we expanded our diversified product portfolio, which then comprised 159 different machine models, as follows:

// **CTX 350, CTX 450, CTX 550 –** The universal turning machines from the 6th generation of our CTX series allow a high precision for 6-sided complete machining by main and counter spindles thanks to liquid-cooled spindle drives and direct measuring systems. With a better cutting performance of up to 45 % and a larger turning diameter of up to 20 % on a smaller footprint, as well as a wide range of equipment options, such as the integrated robot for loading and unloading workpieces with a diameter of up to 100 mm, our new CTX machines can be tailored to the individual needs of our customers.

// **CTX beta 450 TC –** The high-tech turn & mill center combines 6-sided complete machining with 5-axis simultaneous milling as standard and if required, provides 5-in-1 process integration: turning, milling, grinding, gearing and measurement. This makes it ideal for complex components as well as for fast and precise machining on identical main and counter spindles, and with the compactMASTER milling spindle with up to 20,000 rpm.

// **INH 63 & INH 80 –** The high-productivity 5-axis horizontal machining centers from our new INH series convince with their large working area, high dynamic performance and acceleration of up to 1.2 g. Their high performance coupled with innovative solutions, such as the new DMG MORI Component *zero-sludge*COOLANT pro, provide ideal conditions for automated production, e. g. with our linear pallet storage automation system LPP or CPP and our robot automation system MATRIS.

// **DMU 40 –** The DMU 40 is an excellent entry-level solution for 5-axis simultaneous machining and can be flexibly automated, for example with the Robo2Go Milling, PH 150 or PH Cell. With a footprint of less than 5.1 m^2, the 5-axis universal machine is one of the most compact on the market. With direct drives and a one-piece machine bed, among others, it offers high precision of up to 5 µm, as well as outstanding dynamic performance and productivity with rapid traverse rates of up to 30 m / min.

// **DMU 65 / 75 monoBLOCK 2nd Generation –** The compact and easy-to-automate second generation DMU 65 and 75 monoBLOCK are a combination of the experience gained from supplying over 6,000 machines of the monoBLOCK series with 30 % higher volumetric accuracy, 20 % greater temperature stability and high productivity through the integration of milling, turning, grinding, gearing and measurement on a single machine. With their high-level process integration, monoBLOCK series machines help to achieve resource-saving and efficient production processes.

// **DMF 300|11 –** The DMF 300|11, which we presented at our Open House exhibition in Pfronten at the beginning of the reporting year, is based on a modular system providing maximum flexibility and is a new addition to our series of innovative traveling column machine centers. Its large machining area with a travel distance of 3,000 mm can be divided into two separate areas by an easy-to-install partition wall. Together with our innovative, patented tool changer and flexible automation solutions, the machine can be used with high efficiency via runtime parallel setup in both working areas. High rigidity and precision are achieved by three X-axis linear guides.

In the reporting year, over 30,000 visitors at the Formnext trade fair in Frankfurt had a chance to see our new generation LASTERTEC 30 *SLM* for the first time. We will be expanding our portfolio in the area Additive Manufacturing with, among others, the presentation of this machine in the current financial year.

As part of our MX strategy, **Automation** is the key to more efficiency, productivity, and even faster amortization – resulting in greater competitiveness and sustainability for our customers. Our innovative and broad automation portfolio includes workpiece, pallet and tool handling, as well as digital solutions, such as the DMG MORI Cell Controller LPS 4. In a production line with multiple machines, the DMG MORI Cell Controller is a master computer that ensures efficient workpiece, pallet and tool management. In the reporting year, we expanded our automation portfolio with the following products:

// **PH Cell 800 –** The latest solution from our PH Cell series is designed for workpieces with a diameter of up to 800 mm and a maximum transfer weight of 800 kg. Its modular design allows handling of up to 30 pallets with a footprint of less than 16.5 m^2. The PH Cell 800 can be retrofitted and the machine tool remains easily accessible at all times.

// **AMR 2000 –** This modular system features various automation solutions that move together with people in one and the same system and are able to bypass obstacles independently. AMR 2000 platform products can transport workpieces, pallets, tools and chip carts weighing up to 2,000 kg between machines and other locations. At the EMO in September 2023, customers and interested visitors were given a live demonstration of how these innovative AMRs (Autonomous Mobile Robots) work and discovered other technological highlights in our "DMG MORI City – The Home of Technology" across an area of around 9,000 m^2.

As one of four pillars, **Digital Transformation (DX)** supports the implementation of our MX strategy. With digital solutions along the entire value chain of our customers, we aim to increase productivity in production and enable Green Transformation (GX). With the machine as our focus, we presented the following digitization solutions and technology cycles in the reporting year:

// **3D Shopfloor Programming –** Thanks to innovative part recognition and the generation and simulation of the part-specific machining program, the process of creating NC codes is up to 80 % faster.

// **4 new DMG MORI Technology Cycles –** Our new programs for monitoring, measuring, or creating machining cycles, such as our new gearSKIVING AI technology cycle for grinding, allows us to support our customers with easy programming of their machine on the shop floor.

// ***my*** **DMG MORI –** Our online customer portal *my* DMG MORI digitizes service processes and sets new standards for transparent communication. Continuously enhanced functions such as the easy returns option via instant messaging mean that we are always within easy reach of our customers.

// **DMG MORI gearMILL 2nd Gen. –** Technology integration combined with our unique DMG MORI gear cutting solutions, such as the new DMG MORI gearMILL make it possible to program a wide variety of gearings directly on the machine and to manufacture them without special gear cutting machines. The resulting increase in capacity utilization and efficiency makes another contribution to greater sustainability for our customers.

The new **CELOS X** is a digital and data-based ecosystem for the integrated management, planning, control, operation, monitoring and interaction of machines, automation solutions, workflows and processes in the industrial manufacturing sector. CELOS Xchange provides a trusted data hub to securely store, analyze and exchange manufacturing data in global production chains. CELOS Xperience and the new panel **ERGOline X** demonstrate our focus on user-friendly functions e. g. by standardized interfaces.

Our product development processes are also driven by our commitment to sustainability and resource conservation. Our MX strategy enables our customers to achieve efficient and thus energy-saving parts production processes via process integration, automation and digital solutions. We also combine a range of options for resource-saving machine operation under the name of DMG MORI **GREEN**MODE. We use innovative technologies for the demand-oriented operation of machine components and focus on using components of high efficiency. For example, the adaptive coolant flow introduced in the reporting year means only as much coolant is supplied to the process as is actually required for each process step. This has reduced the coolant pump's power consumption by up to 80 %. We also use the energy from braking processes of drives wherever possible and support users in achieving energy-efficient machine operation by creating transparency about energy consumption. With our **GREEN**MODE measures, we can thus consistently increase the energy and resource efficiency of our machines (Scope 3 Downstream) through the use of innovative hardware and software components. Energy savings of over 30 % are possible in the operation of our machine tools. The effectiveness of our energy efficiency measures and our calculation methods has also been confirmed by the renowned TÜV SÜD Industrie Service GmbH: DMG MORI was the first machine tool manufacturer in Germany to be awarded the TÜV SÜD EME certificate in January 2023 for its **GREEN**MODE management system.

Our research and development activities are decentralized and coordinated by a central product development committee. This structure allows the development of high-level market and product competence, while at the same time opening up synergy effects through cross-plant cooperation. We are creating synergies through our annual worldwide development conference. At our already 10th "Global Development Summit" in September 2023, around 250 international experts came together in Bielefeld and virtually to develop and promote future concepts for our MX strategy.

REPORT ON ECONOMIC POSITION

OVERALL ECONOMIC DEVELOPMENT

The global economy showed only little momentum in 2023. Ongoing geopolitical uncertainties and conflicts and the resulting high costs for energy and raw materials, multiple interest rate hikes and the sharp tightening of monetary policy by international central banks to curb inflation dampened economic growth, particularly in the second half of the year. In the Eurozone and China in particular, economic momentum fell short of expectations, while the US economy proved to be surprisingly robust. According to preliminary calculations by the Institute for the World Economy (IfW) at the University of Kiel, the global economy grew by +3.1 % (previous year: +3.3 %).

MACHINE TOOL BUILDING INDUSTRY

International development

The global market for machine tools again faced major challenges in 2023. The war in Ukraine, the geopolitical conflicts, multiple interest rate hikes and continued high raw material and energy costs curbed demand for capital goods, particularly in the second half of the year. According to preliminary figures from the German Machine Tool Builders' Association (VDW) and the British economic research institute, Oxford Economics, global consumption in 2023 fell for the first time since the pandemic year, 2020, by -2.0 % to € 78.8 billion (2022: € 80.4 billion).

According to preliminary information from the VDW, machine tool consumption in Europe increased by +3.5 % (previous year: +19.6 %). Asia recorded a sharp decline of -8.8 % (previous year: +11.0 %). In North and South America, consumption decreased by -2.6 % (previous year: +15.9 %).

In China, the world's largest market, machine tool consumption saw a significant drop of -8.5 % to € 23.8 billion (2022: € 26.0 billion). The USA, the second most important market for machine tools, experienced a decline of -6.9 % to € 9.0 billion (2022: € 9.7 billion). In Germany, the third largest market, consumption rose by only +0.3 % to € 5.3 billion (2022: € 5.2 billion) and was still well below its pre-pandemic level in 2019 (€ 7.1 billion). Italy remained in fourth place as in the previous year. Consumption rose by +5.8 % to € 5.0 billion (2022: € 5.3 billion). Japan's consumption fell by -10.2 % to € 3.2 billion (2022: € 3.6 billion), maintaining its position as the fifth-strongest market ahead of India with € 3.1 billion (2022: € 2.8 billion). The ten key consumer markets represented around 76 % of global machine tool consumption as in the previous year.

For global production, the VDW calculated a volume of € 78.8 billion (2022: € 80.4 billion). According to preliminary estimates, China remained the world's largest producer of machine tools with a volume of € 25.4 billion (2022: € 25.7 billion). Germany with € 10.5 billion (2022: € 9.7 billion) and Japan with € 8.7 billion (2022: € 9.9 billion) changed places and followed in second and third place. The ten key production countries represented a total of 87 % (previous year: 88 %) of machine tool production worldwide.

German machine tool industry

The German machine tool industry started 2023 at a moderate pace but was unable to maintain this trend over the course of the year and lost significant momentum at the end of 2023. Multiple interest rate hikes and high costs for raw materials and energy curbed machine tool investments. Orders in Germany fell by a sharp -10.5 % to € 14.1 billion (2022: € 15.8 billion). Both domestic demand, which was down -14.2 % (previous year: +17.8 %) and international orders, which were down -9.0 % (previous year: +15.8 %) saw a significant decline. Order intake for metal-cutting machines also fell by -11.0 % (previous year: +18.0 %). Domestic orders for metal-cutting machines were down by -15.0 % (previous year: +23.0 %). International orders fell by -9.0 % (previous year: +16.0 %). In the forming machines area, order intake fell by -9.0 % (previous year: +12.0 %). Order intake at the international plants of German manufacturers is not included in these figures.

The sales of German machine tool manufacturers experienced a strong upward trend due to the easing of supply chains. They grew by +7.6 % to € 15.2 billion but were still -10.4 % below their high pre-pandemic levels in 2019 (€ 17.0 billion). The production of machinery, parts and accessories reached a total volume of € 13.7 billion and was up +7.6 % on the previous year (€ 12.7 billion).

German machine tool exports rose by +9.0 % to € 9.5 billion (previous year: € 8.7 billion). The export ratio rose by about one percentage point to 69.5 %. The most important export market for German machine tools was again China with an increase of +7.2 % to € 1.7 billion (previous year: € 1.6 billion). This corresponds to a share of 17.5 % of machine tool exports (previous year: 17.8 %).

As in the previous year, the USA took second place with an export volume of € 1.5 billion (export share: 15.6 %). Italy was the third most important export market with € 0.6 billion and an export share of 6.7 %, followed by Switzerland and France. Imports of machine tools to Germany fell by -1.0 % to € 3.6 billion (previous year: € 3.7 billion). With an import share of 24.9 %, almost one in four imported machine tools came from Switzerland, followed by Japan (10.6 %) and Italy (8.5 %).

The domestic consumption of machines, parts and accessories increased by +2.0 % to € 7.8 billion. Over the course of the year, the capacity utilization of German machine tool manufacturers rose by around 2 percentage points to 89.6 % (previous year: 87.7 %).

The number of employees in German machine tool companies rose by an annual average of +1.4 % to around 65,200 (previous year: 64,264).

The ifo business climate index is one of the leading indicators of economic development in Germany. According to the ifo publication of January 2024, sentiment in the German economy continued to deteriorate overall at the start of the year. However, the business climate index rose slightly in almost all key manufacturing industries (mechanical engineering, manufacture of metal products and electrical equipment). Companies were somewhat more satisfied with their current business activities. Expectations also improved, but remained pessimistic. The order backlog continues to decline, however less sharply than at the end of 2023, and is still at a high level. Capacity utilization also fell and, at 81 %, was around two and a half percentage points below the long-term average.

RESULTS OF OPERATIONS, NET WORTH AND FINANCIAL POSITION

The result of DMG MORI AKTIENGESELLSCHAFT was essentially determined by the income from financial assets amounting to € 220.1 million (previous year: € 200.8 million). These resulted from profit transfers of DMG MORI Vertriebs und Service GmbH in the amount of € 141.3 million (previous year: € 150.1 million) and GILDEMEISTER Beteiligungen GmbH in the amount of € 78.8 million (previous year: € 50.7 million). The net earnings of DMG MORI Vertriebs und Service GmbH include investment income from the profit distribution subsidiary of € 69.8 million (previous year: € 70.0 million).

Overall, DMG MORI AKTIENGESELLSCHAFT finished the year with EBIT of € -49.8 million (previous year: € -28.4 million). The EBT amounted to € 185.9 million due to the profit transfers received by € 8.9 million (previous year: € 177.0 million).

EAT amounted to € 147.5 million (previous year: € 146.5 million), which will be transferred to DMG MORI Europe Holding GmbH due to the domination and profit transfer agreement. The tax expense amounted to € 38.4 million (previous year: € 30.5 million).

In the reporting year, sales revenues (group cost allocations and rents) amounted to € 13.4 million (previous year: € 11.8 million). Other operating income fell by € 10.6 million to € 22.7 million (previous year: € 33.3 million). They comprises exchange rate gains of € 18.6 million (previous year: € 27.3 million) from the measurement of receivables and liabilities denominated in a foreign currency and the measurement of forward exchange transactions. The exchange rate gains are offset by corresponding losses. The net foreign exchange gain in the financial year was € 13.1 million (previous year: foreign exchange gain of € 7.6 million).

Expenses incurred for the purchased services mainly cover maintenance of the grounds and premises at the Bielefeld site. These amounted to € 2.0 million, or € 0.4 million above the previous year's figure (€ 1.6 million).

Personnel expenses increased by € 22.3 million to € 51.5 million (previous year: € 29.2 million).

The operating expenses decreased by € 10.3 million from € 39.9 million to € 29.6 million. This decrease is mainly due to lower exchange rate losses of € 14.2 million to € 5.6 million (previous year: € 19.7 million). The exchange rate losses are the result due to the valuation of receivables and liabilities in foreign currency and valuation losses from forward exchange contracts, which were compensated by offsetting effects in other operating income. Adjusted for the effect of foreign exchange losses, DMG MORI AKTIENGESELLSCHAFT increased other operating expenses by € 3.9 million. The increase mainly results from of a provision amounting to € 1.9 million for an impending claim arising from a given warranty, as well as increased expenses in the insurance and other personnel expenses.

The financial result increased from € 205.4 million by € 30.3 million to € 235.7 million. The increase of the financial result is primarily due to the higher income investments due to profit and loss transfer agreements of subsidiary companies, which rose from € 200.8 million in the previous year to € 220.1 million, an increase of € 19.3 million. Other interest and similar income increased due to adjusted interest rates from € 12.8 million to € 47.3 million, an increase of € 34.5 million. Similarly, due to adjusted interest rates, interest and similar expenses increased by € 23.6 million to € 31.7 million (previous year: € 8.2 million). As a result, there was a positive interest result of € 15.6 million for the fiscal year (previous year: € 4.6 million).

The tax expense recognized in an amount of € 38.4 million (previous year: € 30.5 million) is mainly attributable to expenses from tax allocations amounting to € 32.0 million (previous year: € 21.2 million), taxes for previous years amounting to € 1.1 million (previous year: income amounting to € 1.7 million), expenses from deferred tax amounting to € 2.8 million (previous year: expense amounting to € 8.6 million), and the prepayment of corporate income tax for 2023 amounting to € 1.9 million (previous year: € 1.9 million).

The balance sheet total as of 31 December 2023 decreased slightly by 0.5 % to € 2,132.5 million (previous year: € 2,142.8 million).

Fixed assets of € 750.7 million were almost at the previous year's level (€ 752.7 million).

The current assets decreased from € 1,379.8 million to € 1,374.8 million, a decrease of € 5.0 million. On the one hand, deposits with banks decreased by € 35.3 million from € 94.0 million to € 58.7 million. Furthermore, other assets decreased by € 4.8 million from € 17.1 million to € 12.2 million. This is mainly due to a decrease in claims for tax refunds from value-added tax amounting to € 2.3 million to € 2.1 million (previous year: € 4.4 million). On the other hand, receivables from affiliated companies increased from € 1,268.6 million by € 35.1 million to € 1,303.7 million. This includes a loan to DMG MORI Europe Holding GmbH of € 500.0 million (previous year: € 540.0 million) plus interest of € 3.7 million (previous year: € 0.7 million).

On the liabilities side, equity remained unchanged at € 921.2 million. The equity ratio slightly rose to 43.2 % (previous year: 43.0 %). The share capital has remained unchanged at € 204.926.784,40 and is divided into 78.817.994 no-par shares.

The provisions decreased compared to the previous year by € 2.9 million to € 29.8 million (previous year: € 32.7 million). The decline is primarily due to reduced provisions for royalties, which decreased by € 7.3 million from € 12.8 million to € 5.5 million. In contrast, provisions for pensions increased by € 0.6 million from € 10.4 million to € 11.0 million, provisions for contingent liabilities increased by € 1.9 million (previous year: € 0 million), and tax provisions increased by € 0.6 million to € 2.6 million (previous year: € 2.0 million).

Liabilities fell by € 7.4 million from € 1,188.9 million to € 1,181.5 million. These mainly relate to amounts owed to affiliated companies, which decreased by € 9.9 million to € 1,174.5 million. This decrease is mainly due to financial settlements, which fell by € 6.4 million from € 1,167.4 million to € 1,161.0 million. This includes the profit transfer to DMG MORI Europe Holding GmbH of € 147.5 million (previous year: € 146.5 million). The liabilities incurred from this agreement in the amount of € 32.0 million (previous year: € 21.2 million) are also included in this item. The item also includes trade creditors to affiliated companies amounting to € 12.2 million (previous year: € 17.0 million). As in the previous year there were no liabilities to banks.

DMG MORI AKTIENGESELLSCHAFT covers the capital requirements as well as for the subisiaries from operating cash flow, cash and cash equivalents, and short- and long-term loans. Committed credit lines totaled € 781.0 million in financial year 2023 (previous year: € 772.4 million). These consist of a cash tranche amounting to € 200.0 million, a guarantee tranche of € 300.0 million, other guaranteed lines amounting to € 58.6 million, the funding framework for the company's Pinghu plant in China in the amount of € 57.5 million and factoring agreements amounting to € 165.0 million.

A significant component of the credit facility is a syndicated credit line totaling € 500 million with an original maturity date of February 2027. The syndicated credit line still consists of a revolving cash tranche of € 200 million and a guarantee tranche of € 300 million. The syndicated loan bears interest at the current money market rate (1 to 6-month Euribor) plus an interest mark-up. This interest mark-up may change depending on group key figures. The cash tranche has not been used as of 31 December 2023.

Factoring is still a key component in our financing mix. Besides the financing effect, this also enables us to optimize our receivables management processes. DMG MORI needs guarantee lines for its operating business, in order to issue guarantees for advance payments and warranties.

This financing mix allows us to draw on enough credit lines to provide the liquidity we need for our business. Our syndicated Loan agreement requires us to comply with a customary covenant. The group complied with this covenant on a quarterly basis and as of 31 December 2023.

DMG MORI group's financing is carried out centrally. Only if group financing is not advantageous due to the legal framework is local financing concluded in individual cases. Cash pooling is used to deploy the liquidity surpluses of subsidiaries cost-effectively within the group. The risks referring to derivatives are presented in the notes.

EMPLOYEES

On 31 December 2023, DMG MORI AKTIENGESELLSCHAFT had 110 employees (previous year: 136 employees). The number of employees increased from the previous year due to the integration of two departments previously belonging to a subsidiary of DMG MORI AKTIENGESELLSCHAFT.

DMG MORI AKTIENGESELLSCHAFT organized in three executive units, which are as follows:

- Mr. Alfred Geißler (Chairman): Product Development / Strategy / Sales and Service / Procurement / Human Resources / Legal a and Audit,
- Mr. Hirotake Kobayashi: Controlling / Finance / Accounting / Taxes / Risk Management / Compliance,
- Mr. Michael Horn: Production / Logistics / Quality and Information Technologies

OVERALL STATEMENT OF THE EXECUTIVE BOARD ON FINANCIAL YEAR 2023

DMG MORI AKTIENGESELLSCHAFT successfully concluded financial year 2023. Sales revenues of € 13.4 million were slightly below budget due to adjustments made to offset cost allocations to subsidiaries. EBIT decreased slightly to € -49.8 million (previous year: € -28.4 million) from the previous year. The earnings of subsidiaries rose in financial year 2023, resulting in an increase in profits transferred to DMG MORI AKTIENGESELLSCHAFT. DMG MORI AKTIENGESELLSCHAFT closes the year overall with € 147.5 million in earnings after taxes (previous year: € 146.5 million), which are transferred to DMG MORI Europe Holding GmbH.

OPPORTUNITIES AND RISK MANAGEMENT REPORT

In its business activities, DMG MORI AKTIENGESELLSCHAFT is exposed to various opportunities and risks. Our opportunities and risk management assists us in identifying and assessing these early on. The Executive Board and the Supervisory Board are regularly informed about the current risk situation of the company and of the individual business units.

DMG MORI AKTIENGESELLSCHAFT is integrated in the opportunity and risk management of the DMG MORI group.

OPPORTUNITIES MANAGEMENT SYSTEM (OMS)

Opportunities are systematically identified, managed and analyzed within DMG MORI. Besides annual and medium-term planning we also continually create rolling forecasts (RFC). We define any positive deviations from the latest RFC within a twelve-month assessment period as operating opportunities. Our global Customer Relationship Management (CRM) system also allows us to document and analyze our sales and service activities in Machine Tools and Industrial Services. Our OMS is based on a large number of early operating indicators, such as market potential, order intake, and trade fair evaluations. This allows us to selectively manage our sales and service activities and systematically exploit opportunities. We also continuously monitor our markets and thus identify macroeconomic and industry-specific opportunities at an early stage.

Other opportunities are also identified by our operational management. The opportunities identified are discussed with the Executive Board, resulting in the development of strategies.

As a holding company, DMG MORI AKTIENGESELLSCHAFT partakes in the opportunities of its subsidiaries. These are described in detail in the group management report. If group subsidiaries manage to exploit their opportunities, this has a positive effect on income from financial assets and thus on the earnings of DMG MORI AKTIENGESELLSCHAFT.

RISK MANAGEMENT SYSTEM (RMS)

As a leading global manufacturer of machine tools and provider of integrated and sustainable technology, automation and digitization solutions, our international business activities expose us to potential risks. An active risk management is therefore essential for DMG MORI. It helps to identify and assess risks at an early stage and actively counteract them, covering all organizational levels.

Our risk management system comprises, inter alia, an early warning system, internal control system (ICS) and corporate insurance management.

Early warning system
Our early warning system is based on the COSO II concept and allows us to ascertain and control risks that affect the future development of our company. We define operational risk as a negative deviation from our planned earnings target (EBIT) over the next twelve months compared with the current RFC. We also allow for tax and interest rate risks. Our early warning system consists of five components:

1 // the company-specific risk management manual, in which the system is defined;

2 // a corporate risk management officer who develops, implements and monitors the present risk management concept, and who coordinates the measures aimed at risk reduction or risk elimination,

3 // local risk management officers at each group company who identify, analyze and communicate current risks on a decentralized basis,

4 // sector-specific risk identification based on classified risk areas and a review of corresponding risk mitigation or elimination strategies, including a quantitative assessment that takes into account the risk-bearing capacity of the group and its subsidiaries,

5 // risk reporting at group and subsidiary level with ad hoc reporting on risks threatening the existence of the company

At DMG MORI AG, risks are determined as the sum of the maximum number of potential risks reported and their probability of occurrence (gross risks), in order to deduct the effect of risk mitigation or elimination measures (net risks). Based on the current net risks, a report is submitted to the risk management department. The corporate departments of DMG MORI AKTIENGESELLSCHAFT also report group-wide risks. Hence, these risks include risks related to DMG MORI AKTIENGESELLSCHAFT and group-wide risks from the company's corporate departments.

The following risk categories are used for our risk assessment:

A.14 // PROBABILITY OF OCCURRENCE

in %	
No Risk	0
Very low	5
Unlikely	25
Probable	50

Risks with a probability of occurrence of more than 50 % are either immediately recognized in the group's rolling forecast together with the net risk values or as risk provisions. Risks posing a threat to the company as a going concern are also immediately reported outside the group's reporting schedule.

Besides potential financial impact, the group's risk-bearing capacity – defined as the ratio of the expected aggregate of all risks identified, adjusted for current group effects, to the group's total equity – is also an important key performance indicator.

A.15 // POTENTIAL FINANCIAL EFFECTS

in € million	
Immaterial	0 – 10
Moderate	> 10 – 20
Substantial	> 20

The potential financial impact was categorized on the basis of the prevailing risk management strategy, taking into account sales, EBIT, equity, and risk-bearing capacity.

The Supervisory and Executive Boards are informed at regular intervals about the current aggregate risk position of the group and DMG MORI AKTIENGESELLSCHAFT.

The early warning system set up by the Executive Board in accordance with Section 91 (2) of the German Stock Corporation Act (AktG) is audited according to Section 317 German Commercial Code HGB by the group's external auditors.

Internal control system (ICS)
The ICS of DMG MORI is another integral part of the risk management system used throughout the group. It complies with both the statutory requirements of the German Stock Corporation Act (AktG) and the corresponding statutory requirements of the "Japanese Financial Instruments and Exchange Act" in the form of J-SOX/Naibutousei compliant documentation.

Our ICS records the controllable risks on the basis of the information from an annually updated analysis and documentation of essential business processes. We eliminate or reduce these risks to an appropriate level by optimizing our structural and procedural organization, as well as through suitable control activities. Our ICS is comprised of our existing internal guidelines and instructions, as well as preventive and detective control activities, such as authorizations and releases, plausibility checks, reviews and a dual control principle. Our transparent organizational and procedural structure assures an adequate functional separation of business processes.

In addition, the ICS comprises the principles, procedures and measures for ensuring the correctness of the Annual Financial Statements and the management report of the company. For this purpose, we analyze new laws, accounting standards and other public notices with respect to their effect on the Annual Financial Statements. We standardize relevant regulations in accountingrelated guidelines, for example, in the accounting manual. These guidelines and the respectively valid financial statements calendar form the basis for the preparation of the financial statements. If required, DMG MORI AKTIENGESELLSCHAFT avails itself of external service providers; for example, for measuring pension obligations. Employees who are entrusted with drawing up the financial reports undergo regular training, as needed.

The appropriateness and effectiveness of the internal control system is evaluated based on annual management testing in the group subsidiaries and central departments of DMG MORI AKTIENGESELLSCHAFT. This is carried out by the internal audit department on the basis of random samples. The findings are reported to the Executive and Supervisory Boards The adequacy and effectiveness of the ICS is also monitored and evaluated on a random basis as part of scheduled and unscheduled audit reviews. The findings are also reported to the Executive and Supervisory Boards.

Insurance Management
As a further component of the risk management system, DMG MORI has a corporate insurance management system, which, in close coordination with DMG MORI COMPANY LIMITED, strategically defines and hedges economically viable and insurable risks throughout the group.

Overview of relevant risk areas
As a holding company, DMG MORI AKTIENGESELLSCHAFT is also affected by the risks of its subsidiaries. These are described in detail in the Group management report. Risks of the subsidiaries can have a negative impact on income and expenses from profit transfer agreements or cause expenses from write-downs on financial assets and thus have a significant impact on the result of DMG MORI AKTIENGESELLSCHAFT. This relates in particular to risks from the ongoing war in Ukraine and possible expropriations of our existing companies in Russia.

As a holding company, the activities of DMG MORI AKTIENGESELLSCHAFT also result in the following risks which occur within the company:

A.16 // OVERVIEW OF RELEVANT RISK AREAS (WITHOUT RISKS FROM PROFIT AND LOSS TRANSFER AGREEMENTS)

Risk type	Potential financial effects
Corporate strategic risks	Moderate
Procurement and purchasing risks	Material
Personnel risks	Immaterial
Financial risks	Immaterial
Legal risks	Immaterial
Tax risks	Immaterial
Other risks	Immaterial

Presentation of individual risk areas:
Corporate strategy risks are mainly incurred from the misjudgment of future technological and industry-specific developments. We counter these risks through close market and competition monitoring, regular strategy meetings with customers and suppliers, digital customer-events, and a corporate strategy focused on innovation. The current domination and profit and loss transfer agreement incurs risks to the extent that the company's business development may be affected by directives issued by DMG MORI Europe Holding GmbH. These do not always have to be in the sole interest of DMG MORI AKTIENGESELLSCHAFT but may be issued in the group's interest.

Procurement and purchasing risks are incurred by material supply issues, longer shipping times, and rising prices for raw materials, energy and transportation. The global shipping situation remains tense. We are facing severe supply bottlenecks and persistently long shipping times, which may lead to material shortages and thus to production stoppages resulting in a potential increase in the manufacturing costs of our products. Risks also arise from possible supplier insolvencies and reliance on individual suppliers. Stricter environmental regulations and requirements for suppliers may also lead to the loss of individual suppliers. We counter these risks through the standardization of parts and components and our global double-sourcing strategy. This means we have at least two suppliers for key components. We are also increasing our in-house production of core components through our DMG MORI Components. We maintain stable and close partnerships with our suppliers while also leveling up our local sourcing strategy. In combination with digital tools, this allows us to identify risks in our supply chain at an early stage and to immediately initiate counteractive measures. Additionally, we use all available transport routes to speed up deliveries and ensure they arrive on time. These measures allow us to further strengthen the resilience of our supply chain.

Personnel risks exist due to our constant need for highly qualified managers and employees. If these employees are not adequately recruited and retained, the company's development may be adversely affected in the long term. We limit these risks through a modern corporate culture, employee surveys, comprehensive programs for vocational training and personal development, performance-related remuneration with a performance-based incentive scheme, early successor planning and deputizing arrangements. The availability of specialists and executive staff may also be adversely affected by an increased sick leave rate. We counter this risk, in particular, through preventive occupational health care as well as the option of mobile work. The risk of rising personnel costs also exists as a result of inflation and higher salary demands.

Financial risks result from our international business activities in the form of currency risks, which we assess and hedge via our currency management strategy. Full details of our currency management strategy and financial instruments can be found in the Notes under section 13 "↗ Derivative financial instruments".

pages 62 et seqq.

The main financing components of DMG MORI AKTIENGESELLSCHAFT are a syndicated loan, which includes a cash and a guarantee tranche and is firmly committed until February 2027, and accounts receivable securitization programs. The financing agreements include the agreement to comply with a customary covenant. DMG MORI AKTIENGESELLSCHAFT has sufficient liquidity. Fundamentally, our customers may continue to face increased risks of bad debt and insolvency due to inflation, rising interest rates, and a weakening economy. This may result in the recognition of value impairments, or in certain cases even credit losses.

Legal risks may occur, in particular, as a result of legal disputes with suppliers, service providers, authorities and former employees.

Tax risks may arise from tax audits. We believe that the tax and social security returns we have submitted are complete and correct. Additional claims may arise during tax audits due to a different assessment of facts and circumstances and double taxation.

Other risks mainly include general risks and other balance sheet risks. There are no significant potential risks for DMG MORI AKTIENGESELLSCHAFT.

Overall risk assessment

We classify the risks as manageable and do not consider the continued existence of DMG MORI AKTIENGESELLSCHAFT to be at risk. Compared to the previous year, total risks have risen.

DISCLOSURES REQUIRED BY SECTION 289A GERMAN COMMERCIAL CODE (HGB)

As to Section 289a (1) (1) German Commercial Code, HGB
The subscribed capital (share capital) of DMG MORI AKTIENGESELLSCHAFT amounts to € 204,926,784.40 and is divided into 78,817,994 no-par value bearer shares. Each share grants the same rights and one vote at the Annual General Meeting. The no-par shares each have a no-par value of € 2.60 in the share capital.

As to Section 289a (1) (3) German Commercial Code, HGB
As at 31 December 2023, the company had received the following notifications regarding direct or indirect shareholdings exceeding 10 % of the voting rights: DMG MORI COMPANY LIMITED, Nara (Japan), indirectly holds a stake of 88.23 % in the share capital of DMG MORI AKTIENGESELLSCHAFT.

As to Section 289a (1) (6) German Commercial Code, HGB
In accordance with Sections 84, 85 AktG and Section 31 MitbestG in conjunction with Article 7 (2) of the Articles of Association of DMG MORI AKTIENGESELLSCHAFT, the Supervisory Board is responsible for appointing and dismissing members of the Executive Board. This authorization is specified in Article 7 (2) of the Articles of Association of DMG MORI AKTIENGESELLSCHAFT to the effect that the Supervisory Board appoints the members of the Executive Board, determines their number and regulates the allocation of responsibilities. The amendment of the Articles of Association is resolved by the Annual General Meeting with a majority of at least three quarters of the share capital represented at the time of the resolution; Sections 179 et seq. AktG are applicable. According to Article 10 (8) of the Articles of Association, the Supervisory Board is authorized to resolve amendments to the Articles of Association that only affect the wording. Most recently, the Annual General Meeting extended the Articles of Association in Articles 15 para. 10 and 16 para. 3 and resolved to authorize the Executive Board to stipulate that Annual General Meetings held within five years of the amendment to the Articles of Association may be held as virtual Annual General Meetings.

As to Section 289a (1) (7) German Commercial Code, HGB
Pursuant to Article 5 (3) of the Articles of Association, the Executive Board is authorized, with the approval of the Supervisory Board, to increase the share capital of the company in the period up to 9 May 2024, by up to a nominal amount of € 102,463,392.20 by issuing up to 39,408,997 new shares on one or more occasions in return for cash and / or non-cash contributions (authorized capital). In this context, the Executive Board is also authorized to issue shares in the value of € 5,000,000 to employees of the company and affiliates of the company, subject to the exclusion of pre-emptive rights.

Moreover, the Executive Board is authorized, with the approval of the Supervisory Board, to exclude the statutory subscription right in specific cases regulated in detail in the Articles of Association (authorized capital).

As to Section 289a (1)(8) German Commercial Code, HGB
The relevant financing agreements of DMG MORI AKTIENGESELLSCHAFT are subject to the condition of a change of control (meaning the acquisition either of (i) 30 % or more of the voting rights in DMG MORI AKTIENGESELLSCHAFT, if the participation interests of DMG MORI COMPANY LIMITED in DMG MORI AKTIENGESELLSCHAFT is or falls below 50 %, or of (ii) 50 % or more of the voting rights in DMG MORI AKTIENGESELLSCHAFT (except by DMG MORI COMPANY LIMITED) or of (iii) 50 % or more of the voting rights in DMG MORI COMPANY LIMITED). Thus, no change of control occurs, if

DMG MORI COMPANY LIMITED (indirectly) holds more than 50 % of the voting rights in DMG MORI AKTIENGESELLSCHAFT.

The conditions of a change of control comply with standard agreements. They do not lead to an automatic termination of the aforementioned agreements, but merely allow our contractual partners to terminate them in the event of a change of control.

FORECAST REPORT

The earnings position of DMG MORI AKTIENGESELLSCHAFT differs from that of the group in terms of level and structure, but is significantly influenced by the control and profit and loss transfer agreements with two domestic subsidiaries. In the following, we will initially take a closer look at the group forecast.

The Kiel Institute for Economic Research (IfW) forecasts global economic growth of +2.9 % for the financial year 2024 in its latest economic report published in December 2023. The measures taken by central banks in Europe and the USA to combat inflation and rising prices appear to be slowly taking effect. However, high key interest rates could dampen global investment demand and thus lead to lower growth in the world economy.

In Europe, the economy is expected to slowly regain momentum this year. Energy prices are expected to stabilize further and inflation to continue to fall. However, economic momentum looks set to remain subdued, as monetary policy is likely to be eased only gradually. Economic growth of +0.9 % GDP is forecast for Germany in 2024. GDP growth of +0.8 % is also assumed for the Eurozone. Asia is again expected to be the fastest-growing region, with growth of +5.2 %.

In China, the real estate crisis looks set to continue, which is expected to lead to slower growth momentum of +4.7 %. According to IfW estimates, GDP growth of just +0.7 % is forecast for the Japanese economy. With only +1.5 %, the economic growth in the USA is expected to develop moderately in the forecast period.

According to VDW and Oxford Economics, global machine tool consumption should grow by only +0.7 % to € 79.3 billion in 2024 and thus remain below the 2022 peak figure (€ 80.4 billion; 2023: € 78.8 billion). The effects of the war in Ukraine, geopolitical conflicts and tighter global monetary policy are likely to continue to affect demand for capital goods. Thus, these trade association forecasts could be revised during the year.

According to the VDW and Oxford Economics, machine tool consumption in Germany is set to fall by -0.9 % to € 5.2 billion in 2024 (2023: € 5.3 billion) and thus to remain well below its high pre-pandemic level in 2019 (€ 7.1 billion) by around 26 %.

In Europe, consumption is also predicted to see a marginal increase of +0.6 % to € 24.0 billion (2023: € 23.8 billion). A +3.5 % rise is expected for Asia. At country level, the growth rate in the Chinese machine tool market is expected to be rather moderate at +3.8 % to € 24.7 billion. Meanwhile, demand in Japan is set to fall by a further -3.6 % to € 3.1 billion (2023: € 3.2 billion) and thus remain well below its pre-pandemic level in 2019 (€ 5.5 billion). The VDW and Oxford Economics are also forecasting a marked decline in machine tool consumption in the USA by -10.1 % to € 8.1 billion (2023: € 9.0 billion).

Global demand for capital goods is expected to gradually recover from around midyear. The stabilization of prices for raw materials and energy, the decline in high inflation rates and easing global supply chains are expected to continue, and should no longer be a major obstacle to economic development. However, potential exchange rate fluctuations, geopolitical crises and conflicts, as well as industrial structural change could have a significant impact on demand. In light of this, forecasts may need to be adjusted amid deteriorating economic conditions around the world.

The following table A.17 provides an overview of the budgeted values 2023 of key financial and performance indicators of the DMG MORI AKTIENGESELLSCHAFT:

A.17 // FINANCIAL AND KEY PERFORMANCE INDICATORS OF DMG MORI AKTIENGESELLSCHAFT (HGB)

	actual 2022	actual 2023	Plan 2024
Sales Revenues	€ 11.8 million	€ 13.4 million	around € 10.6 million
EBIT	€ -28.4 million	€ -49.8 million	around € -41.5 million
Investments in fixed assets / Intangible assets	€ 1.2 million	€ 1.0 million	around € 0.8 million
Number of employees (annual average)	119	116	nearly unchanged

Key internal target and performance indicators are sales revenues, EBIT and investments. The EBIT is defined as the result before profit and loss transfers from the subsidiaries.

Sales revenue is expected to be around € 10.6 million in financial year 2024, which is below the previous year's level due to adjustments in the allocation charged to subsidiaries. The planned capital expenditures of around € 0.8 million for financial year 2024 mainly relate to modernization measures at the Bielefeld site. EBIT is expected to be around € -41.5 million in financial year 2024. In financial year 2023, EBIT includes special items such as severance payments to former members of the Executive Board amounting to € 24.7 million and unplanned foreign exchange gains of € 13.1 million. No currency translation effects were recognized for financial year 2024. When adjusted for these special factors, the maintenance expenses at the Bielefeld site have a negative impact on EBIT. The number of employees is expected to remain relatively constant in financial year 2024.

OVERALL STATEMENT OF THE EXECUTIVE BOARD ON FUTURE BUSINESS DEVELOPMENT 2024

Overall economic growth is expected to develop very cautiously in the current financial year. Although energy prices in Europe are set to largely stabilize and inflation to continue to fall, the situation is likely to remain tense due to the ongoing war in Ukraine, geopolitical conflicts and the resulting political and economic consequences. Momentum is also expected to remain slow in the USA and China.

According to the VDW and Oxford Economics, global machine tool consumption is expected to grow by only +0.7 % to € 79.3 billion in 2024 and will remain below the 2022 peak figure (€ 80.4 billion; 2023: € 78.8 billion). The effects of the war in Ukraine, geopolitical conflicts, and tighter global monetary policy are likely to continue to affect demand for capital goods. However, these trade association forecasts may be revised during the year.

For the financial year 2024, we are planning order intake of around € 2.3 billion. Sales revenues are expected to amount to around € 2.4 billion. We assume EBIT to be around € 200 million. Free cash flow is expected to be around € 150 million. Capital expenditure on tangible and intangible assets is forecast to amount to around € 80 million and will be financed primarily from our own funds.

In today's challenging market conditions, we are responding to the change and increase in customer expectations with our Machining Transformation (MX) strategy. By interlinking these four pillars as closely as possible, we provide our customers with tailored solutions for state-of-the-art, sustainable and efficient production. MX is helping DMG MORI to systematically evolve from a machine builder to a holistic, sustainable solution provider in the production industry – true to our DMG MORI Mission Statement.

At DMG MORI AKTIENGESELLSCHAFT, we are expecting income from investments to be below the previous year's figure. Overall, we are expecting around € -41.5 million in EBIT before the transfer of profits. In 2024, we are not anticipating any significant changes in net worth and financial position.

By a decree published on February 19, 2024, the Russian Federation has placed our participation in Ulyanovsk Machine Tools LLC, Ulyanovsk (Russia), under state control. The DMG MORI AG has thus lost the ability to control the company.

As part of an existing foreign direct investment guarantee by the Federal Republic of Germany for this investment, we are currently pursuing compensation for the incurred equity loss. An assessment of the potential compensation from the investment guarantee is currently not possible.

The forecast of EBIT and Free Cash Flow for the fiscal year 2024 does not consider the loss of control and therefore compensation from the investment guarantee.

B FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2023 OF DMG MORI AKTIENGESELLSCHAFT

48 Balance sheet as at 31 December 2023
50 Income statement
51 Fixed asset movement schedule
52 Notes
52 A – general declaration
52 B – accounting and valuation principles
55 C – notes on the individual balance sheet items
63 D – notes to individual items in the income statement
67 E – other disclosures
69 F – corporate directory
72 DMG MORI AG goup companies
75 Responsibility statement
76 Independent auditor’s report

FINANCIAL STATEMENTS

BALANCE SHEET
as at 31 December 2023

B.01

in €	Notes	31 Dec. 2023	31 Dec. 2022
ASSETS			
A. FIXED ASSETS			
I. Intangible assets	1		
Industrial and similar rights and values and licences to such rights and values acquired against payment		6,639	9,248
		6,639	**9,248**
II. Tangible assets	1		
1. Land and buildings		18,389,703	19,950,942
2. Other equipment, factory and office equipment		6,957,930	8,000,319
3. Payments on account and construction in progress		1,153,730	319,564
		26,501,363	**28,270,825**
III. Financial assets	2		
1. Share in affiliated companies		717,561,748	717,811,748
2. Investments		6,657,493	6,657,493
		750,727,243	**752,749,314**
B. CURRENT ASSETS			
I. Receivables and other assets	3		
1. Receivables from affiliated companies		1,303,707,063	1,268,585,456
2. Receivables from other companies in which an investment is held		174,317	196,733
3. Other assets		12,247,937	17,089,959
		1,316,129,317	**1,285,872,148**
II. Cash assets and bank balances	4	58,705,724	93,968,434
		1,374,835,041	**1,379,840,582**
C. PREPAID EXPENSES	5	**1,275,831**	**1,760,291**
D. DEFERRED TAX ASSET ALLOCATION FROM THE PARENT COMPANY	6	**5,618,998**	**8,430,320**
		2,132,457,113	**2,142,780,507**

BALANCE SHEET
as at 31 December 2023

B.01

in €	Notes	31 Dec. 2023	31 Dec. 2022
EQUITY AND LIABILITY			
A. EQUITY	7		
I. Subscribed capital		204,926,785	204,926,785
II. Capital reserves		516,197,471	516,197,471
III. Revenue reserves			
1. Statutory reserves		680,530	680,530
2. Other revenue reserves		199,376,726	199,376,726
		921,181,512	**921,181,512**
B. PROVISIONS			
1. Pension provisions	8	10,963,971	10,405,999
2. Tax provisions	9	2,610,069	2,041,000
3. Other provisions	10	16,219,854	20,271,785
		29,793,894	**32,718,784**
C. LIABILITIES	11		
1. Trade payables		1,216,357	368,402
2. Amounts owed to affiliated companies		1,174,485,757	1,184,411,405
3. Amounts owed to companies with which a financial interest exists		44,128	49,094
2. Other liabilities		5,712,006	4,027,851
		1,181,458,248	**1,188,856,752**
D. PREPAID INCOME		**23,459**	**23,459**
		2,132,457,113	**2,142,780,507**

INCOME STATEMENT

for the period 1 January to 31 December 2023

B.02

in €	Notes	2023	2022
1. Sales revenues	15	13,354,382	11,754,987
2. Other operating income	16	22,747,059	33,297,148
		36,101,441	**45,052,135**
3. Cost of materials			
Cost of purchased services		-2,033,669	-1,639,108
		-2,033,669	**-1,639,108**
4. Personnel expenses	17		
a) Wages and salaries		-47,164,454	-21,546,292
b) Social contributions, pensions and other benefits thereof pension plan expenses: € -2,787 K (previous year: € -6,157 K)		-4,338,756	-7,621,351
		-51,503,210	**-29,167,643**
5. Depreciation and amortization of intangible assets and property, plant and equipment and property	18	-2,764,657	-2,817,247
6. Other operating expenses thereof expenses according to Sec. 67 (1, 2) EGHGB: -211,8 T€ (previous year: -211.8 T€)	19	-29,608,776	-39,873,573
7. Income from profit transfer agreements	20	220,135,370	200,818,831
8. Other interest receivables and similar income	21	47,316,566	12,768,237
9. Interest payable and similar expenses	22	**-31,737,751**	-8,153,464
10. Tax on income thereof tax allocation agreement: -31,982 T€ (previous year: -21,173 T€) thereof deferred tax allocation revenues: -2,811 T€ (previous year: Tax Income 8,634 T€)	23	-38,433,285	-30,479,341
11. Earnings after tax		**147,472,029**	**146,508,827**
12. Expenses from profit transfer agreement	24	-147,472,029	-146,508,827
13. Net income / Net profit for the year		**0**	**0**

FIXED ASSET MOVEMENT SCHEDULE
as at 31 December 2023

B.03

in €	as at 01. Jan. 2023	Additions	Merger Effect	Disposals	Book Transfer	as at 31 Dec. 2023
ACQUISITION AND PRODUCTION COSTS						
I. INTANGIBLE ASSETS						
Industrial and similiar rights and values and licences to such rights and values acquired against payment	18,127,725	2,500	0	0	0	18,130,225
	18,127,725	**2,500**	**0**	**0**	**0**	**18,130,225**
II. TANGIBLE ASSETS						
1. Land and buildings	55,849,816	5,617	3,000,244	0	1,200	58,856,877
2. Other equipment, factory and office equipment	30,584,814	152,710	0	76,841	42,318	30,703,001
3. Payments on account and construction in progress	319,564	877,684	0	0	-43,518	1,153,730
	86,754,194	**1,036,011**	**3,000,244**	**76,841**	**0**	**90,713,608**
III. FINANCIAL ASSETS						
1. Shares in affiliated companies	717,811,748	0	0	250,000	0	717,561,748
2. Investments	6,657,493	0	0	0	0	6,657,493
	724,469,241	**0**	**0**	**250,000**	**0**	**724,219,241**
Total fixed assets	**829,351,160**	**1,038,511**	**3,000,244**	**326,841**	**0**	**833,063,074**

in €	as at 01. Jan. 2023	Additions	Merger Effect	Recoverable Amount	Disposals	Book Transfer	as at 31 Dec. 2023	carrying amount as at 31 Dec. 2023	carrying amount as at 31 Dec. 2022
DEPRECIATION AND IMPAIRMENT OF VALUE									
I. INTANGIBLE ASSETS									
Industrial and similiar rights and values and licences to such rights and values acquired against payment	18,118,477	5,109	0	0	0	0	18,123,586	6,639	9,248
	18,118,477	**5,109**	**0**	**0**	**0**	**0**	**18,123,586**	**6,639**	**9,248**
II. TANGIBLE ASSETS									
1. Land and buildings	35,898,874	1,576,668	2,991,632	0	0	0	40,467,174	18,389,703	19,950,942
2. Other equipment, factory and office equipment	22,584,495	1,182,880	0	0	22,304	0	23,745,071	6,957,930	8,000,319
3. Payments on account and construction in progress	0	0	0	0	0	0	0	1,153,730	319,564
	58,483,369	**2,759,548**	**2,991,632**	**0**	**22,304**	**0**	**64,212,245**	**26,501,363**	**28,270,825**
III. FINANCIAL ASSETS									
1. Shares in affiliated companies	0	0	0	0	0	0	0	717,561,748	717,811,748
2. Investments	0	0	0	0	0	0	0	6,657,493	6,657,493
	0	**0**	**0**	**0**	**0**	**0**	**0**	**724,219,241**	**724,469,241**
Total fixed assets	**76,601,846**	**2,764,657**	**2,991,632**	**0**	**22,304**	**0**	**82,335,831**	**750,727,243**	**752,749,314**

NOTES FOR THE FINANCIAL YEAR 2023 OF DMG MORI AKTIENGESELLSCHAFT

NOTES

A – GENERAL DECLARATION

The annual financial statements of DMG MORI for the year ending 31 December 2023 were prepared in compliance with the regulations stipulated in the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The registered office of DMG MORI AKTIENGESELLSCHAFT is in Bielefeld and the company is registered at the Bielefeld District Court, department B, under the registration number HRB 7144. The income statement is drawn up according to the total cost method of accounting. DMG MORI COMPANY LIMITED, Nara (Japan), is the ultimate parent company within the DMG MORI group. During the financial year, DMG MORI AKTIENGESELLSCHAFT and DMG MORI Europe Holding GmbH (until 09th of September 2023 DMG MORI GmbH) concluded a domination and profit and loss transfer agreement. With effect from 1 January 2017, a tax compensation agreement was concluded between DMG MORI Europe Holding GmbH and DMG MORI AKTIENGESELLSCHAFT. Explanations to the conclusion of the tax compensation agreement with DMG MORI Europe Holding GmbH can be found in the Notes.

B – ACCOUNTING AND VALUATION PRINCIPLES

The intangible assets acquired against payment and tangible fixed assets were recognised at their acquisition and production costs and, if applicable, reduced by amortisation and depreciation. In the case of a possible impairment, special write-downs are made to the lower fair value. For depreciation the straight-line method was applied in accordance with the useful life expectancy.

B.04 // USEFUL LIFE OF ASSETS

Intangible assets	3 up to 4 years
Office and factory buildings	10 up to 50 years
Factory and office equipments	5 up to 13 years

Amortisation and depreciation of additions to intangible assets and fixed assets was carried out in the year of acquisition pro rata temporis according to the straight-line method. The depreciation / amortisation method has not changed from the previous year. The rates of depreciation / amortisation also remained unchanged with respect to intangible assets, office and factory building, and factory and office equipment. Financial assets are recognised on the balance sheet at their acquisition costs or the lower fair value.

Receivables and other assets with a term of up to one year were shown at face value, receivables and other assets with a term of more than one year were recognised in the year or less were translated at the average spot exchange rate pursuant to Section 256 a HGB. Insofar as there are indications for impairment, receivables and other assets are measured at lower fair market value.

The valuation of bank balances was based on the nominal value. The valuation of bank balances in foreign currency is based on the average spot exchange rate. Measurement of internal and external derivatives is made at market value.

Assets that are not accessible to all other creditors and are solely used to settle liabilities arising from pension obligations or similar long-term obligations ("plan assets") are measured at the settlement amount of the related pension liabilities (liability option).

Pursuant to Section 250 (1) HGB, prepaid expenses include expenses before the reporting date that represents expense to be incurred during a specific period after this date.

Equity items are shown at their nominal value.

The measurement of pension commitments was carried out by the projected unit credit method (PUC method) based on an accounting interest rate of 1.83 % (previous year: 1.79 %) over an average 10-year period. For this purpose, the Heubeck-reference tables 2018 G were taken as a basis. Furthermore, the provisions include top-up payments, which the employer cannot avoid due to a collective pay agreement or a works agreement. The remaining provisions were calculated so that they allow for all identifiable risks and contingent obligations. The measurements were made on the basis of prudent business judgement. In each case the expected probable settlement amount was taken into account. Provisions for payments on the occasion of employee jubilees are discounted at an interest rate of 1.75 % p. a. (previous year: 1.45 %).

The other provisions are valued in accordance with the principles of prudent commercial judgment. The valuation is carried out at the amount of the settlement value. Other Provisions with a remaining term of more than one year are discounted at the average market interest rate of the past seven financial years, corresponding to their remaining term. For comparable long-term obligations a flat discounting rate is applied at an average market interest rate resultant under the assumption of a remaining term of 15 years. A 10-year average interest rate was used.

Provisions with a remaining term of exactly one year or less are not liable to discount. They are not discounted.

Liabilities are recognised at their settlement amounts. Liabilities in foreign currency are measured at the average spot exchange rate.

Pursuant to Section 250 (2) HGB, deferred income includes income before the reporting date that represents income to be generated during a specific period after this date.

DMG MORI Europe Holding GmbH, a wholly owned subsidiary of DMG MORI COMPANY LIMITED, has concluded a domination and profit transfer agreement with DMG MORI AKTIENGESELLSCHAFT, pursuant to Sections 291 et seq. AktG (Stock Corporation Act). This agreement entered into force following entry into the commercial register on 24 August 2016.

Through the resulting entry of DMG MORI AG and that of the domestic companies previously belonging to the DMG MORI AG tax group into the income tax group of DMG MORI Europe Holding GmbH, the income tax liability of DMG MORI AG expired as of 31 December 2016. Any earnings from the domestic tax group are now legally subject to taxation at DMG MORI Europe Holding GmbH, which is not included in the Consolidated Financial Statements of DMG MORI AG. With effect from 1 January 2017, a tax allocation agreement was entered into with DMG MORI Europe Holding GmbH and DMG MORI AKTIENGESELLSCHAFT with the objective of fair and reasonable tax allocation and to allow the full transfer of tax or tax relief.

The tax or tax relief from the tax allocation agreement is recognised in the income statement as "Expenses or income from tax allocations" under "Taxes before income and earnings". The obligation to transfer or refund tax allocations is recognised on the balance sheet in Amounts owed to or amounts owed by affiliated companies.

Previously, current tax expenses were recognised in the income statement under "Taxes from income and earnings" and obligations were recognised on the balance sheet as tax provisions. When accounting for deferred tax allocations, the tax option is exercised as laid down in Section 274 HGB (Commercial Code). This allows future allocation tax or tax relief arising from the tax entity's existing, temporary differences to be reflected at tax entity level in accordance with the economic cause of such tax or tax relief. At DMG MORI AKTIENGESELLSCHAFT, this not only includes the differences from the company's own balance sheet items, but also those existing for previous taxable entities. Deferred taxes are calculated for temporary differences between the fiscal and commercial valuation of assets, liabilities, prepaid expenses and deferred income. Deferred tax allocations are calculated on the basis of the combined income tax rate for the previous consolidated tax group of DMG MORI AKTIENGESELLSCHAFT, which is currently 29.8 % (previous year: 29.8 %). The combined income tax rate includes corporation, trade and solidarity taxes. Any resulting overall tax charge would be reflected on the balance sheet as deferred tax allocation liabilities and any tax relief as deferred tax allocation assets.

With the merger agreement dated 28 March 2023, MITIS Grundstücks-Vermietungsgesellschaft mbH was merged into DMG MORI AKTIENGESELLSCHAFT, which became effective at midnight on 01 Jan. 2023. MITIS Grundstücks-Vermietungsgesellschaft mbH was the sole general partner of MITIS KG (HRA 15823, Bielefeld District Court). The merger of MITIS Grundstücks-Vermietungsgesellschaft mbH into DMG MORI AKTIENGESELLSCHAFT was entered in the commercial register (HRB 7144, Bielefeld District Court) on 10 July 2023, when, pursuant to Section 20 (1) no. 2 UmwG (German Transformation Act), MITIS Grundstücks-Vermietungsgesellschaft mbH ceased to exist, resulting in a merger loss of € 3 K and an accretion of € 698 K for DMG MORI AKTIENGESELLSCHAFT. The two effects are disclosed in the other operating income as well as in the other operating expenses.

In recognising hedges for foreign currency, the gross hedge presentation method is used.

The OECD's global minimum tax rules i.e. "Pillar Two" model rules, were transposed into German law (Minimum Tax Act - MinStG) on 28 December 2023 and are applicable from 1 January 2024. The DMG MORI AG group falls within the scope of these rules. The minimum tax will be levied at the level of DMG MORI COMPANY LIMITED, Nara (Japan) as the parent company of the DMG MORI AG group and the ultimate parent entity. Within the scope of the minimum tax rules, DMG MORI Europe Holding GmbH, Bielefeld, as the parent company (Gruppenträger) of the DMG MORI AG group, is to be designated as a partially owned parent entity. The DMG MORI AG group is included in the financial statements of DMG MORI COMPANY LIMITED, Nara (Japan) and is therefore assessed together with the other companies of the entire DMG MORI group for the calculation of the group's minimum tax. Pursuant to Section 3 (6) MinStG, the DMG MORI AG group is required to pay its share of the minimum tax to DMG MORI Europe Holding GmbH, Bielefeld. The global minimum tax rules stipulate that the difference between the effective tax rate under GloBE rules and the 15 % minimum tax rate - based on the adjusted minimum taxable profit – is paid as minimum tax by the ultimate parent entity (DMG MORI COMPANY LIMITED, Nara (Japan)) for each country. In a transitional period for the financial years 2024 to 2026, the exact calculation of the minimum tax may be waived through the use of "safe harbor" rules, which are linked to certain criteria being met, as the minimum tax is set to zero in these cases.

C – NOTES ON THE INDIVIDUAL BALANCE SHEET ITEMS

ASSETS

1. Intangible assets and fixed assets

The movements of the individual fixed assets are set out in the fixed-asset movement schedule. The value disclosed for industrial property rights and similar rights includes mainly data processing software. Fixed assets mainly include property and buildings at the Bielefeld site.

With the merger agreement dated 28 March 2023, MITIS Grundstücks-Vermietungsgesellschaft mbH was merged into DMG MORI AKTIENGESELLSCHAFT, which became effective at midnight on 1 January 2023. The merger effect is presented separately in the fixed asset schedule.

2. Financial assets

The changes in financial assets of DMG MORI AKTIENGESELLSCHAFT are set out in the balance sheet supplement to the notes. The companies included in the "Shares in affiliated companies" item, and the corresponding information on registered office, equity, capital shares and results as of 31 December 2023 are set out in a separate summary at the end of the notes.

No value adjustments were made for financial assets in the financial year, as the impairment tests conducted did not identify any impairment requirement.

DMG MORI AKTIENGESELLSCHAFT has concluded domination and profit and loss transfer agreements with the following companies:

// GILDEMEISTER Beteiligungen GmbH, Bielefeld
// DMG MORI Vertriebs und Service GmbH, Bielefeld

3. Receivable and other assets

Receivables owed by affiliated companies of € 1,303,707 K (previous year: € 1,268,585 K) primarily arose from receivables from profit and loss transfer agreements and financial clearing in the amount of € 1,289,686 K (previous year: € 1,250,817 K) and trade account receivables of € 14,021 K (previous year: € 17,768 K). Receivables owed by affiliated companies includes the loan agreement between DMG MORI AKTIENGESELLSCHAFT and DMG MORI Europe Holding GmbH amounting to € 500,000 K (previous year: € 540,000 K) plus interests of € 3,721 K (previous year: € 733 K). The loan bears interest at the market rate. Other assets amounted to € 12,248 K (previous year: € 17,090 K). In addition, they include receivables from derivatives of € 4,125 K (previous year: € 2,598 K), receivables from emission certificates of € 4,063 K (previous year: € 5,009 K) and tax refund claims from value-added tax of € 2,066 K (previous year: € 4,382 K) amongst others.

Receivables and other assets do not have receivables with a remaining term of more than one year (previous year: € 0 K).

4. Cash assets, Banks balances

The disclosure refers to credit balances with banks and the cash in hand value and decreased to € 58,706 K (previous year: € 93,968 K).

5. Prepaid expenses

The prepaid expenses under assets relates to payments amounting to € 1,276 K (previous year: € 1,760 K) before the reporting date which are expenses for the following years.

6. Deffered tax assets allocation from the parent company

As a result of the tax allocation agreement, the company made use of the option to recognise deferred taxes as well as applying Section 274 HGB (German Commercial Code) at the level of DMG MORI AKTIENGESELLSCHAFT. The deferred tax asset allocation from the parent company results from temporary differences between the commercial and tax balance sheets. The temporary differences in value are mainly attributable to pension provisions.

An average tax rate of 29.8 % (previous year: 29.8 %) was used to calculate deferred tax assets. There are no tax loss carry forwards for DMG MORI AKTIENGESELLSCHAFT.

EQUITY AND LIABILITIES

7. Equity

Subscribed capital
The share capital of the Company amounts to € 204,926,784.40 (in words: two hundred four million nine hundred twenty-six thousand seven hundred and eighty-four Euros and forty cents).

This is divided into 78,817,994 no-par value bearer shares with a nominal value of € 2,60 per share.

The following statements are primarily taken from the Articles of Association of DMG MORI AKTIENGESELLSCHAFT (as of Mai 2023).

The Executive Board is authorized to increase the share capital during the period until 9 May 2024, with the consent of the Supervisory Board, by a nominal amount of up to € 102,463,392.20 by issuing up to 39,408,997 new no-par value bearer shares against cash and/or non-cash con-tributions (authorized capital). The authorization may be exercised on one occasion or in partial amounts on several occasions.

Where contributions are made in cash the new shares may also be subscribed by one or more credit institutions or companies designated by the Executive Board as provided for in § 186 (5) sentence 1 AktG with the obligation to offer the shareholders the opportunity to acquire such shares (indirect pre-emptive right). The shareholders must be granted a right of preemption. The Executive Board is however authorized, with the consent of the Supervisory Board, to exclude the shareholders' pre-emptive right in the following cases:

a// with respect to a proportionate amount of the share capital of up to € 5,000,000.00, in order to issue shares to employees of the Company or of enterprises affiliated with the Company within the meaning of §§ 15 AktG;

b// in the event of capital increases against non-cash contributions for purposes of acquiring other companies, divisions of companies or shareholdings in companies or other assets in exchange for granting shares in appropriate situations;

c// in the event of a cash capital increase, if the issue price for the new shares as finally determined by the Executive Board, which shall take place as close in time as possible to the placement of the shares, is not significantly below the stock exchange price within the meaning of §§ 203 (1) and 2, 186 (3) sentence 4 AktG and the total propor tionate amount of the share capital allocable to the new shares in respect of which the pre-emptive right is excluded does not exceed 10 % of the share capital neither at the time when the authorization takes effect nor at the time when it is exercised. Shares that are issued or sold during the term of the authorized capital with exclusion of the pre-emptive right of shareholders in direct or analogous application of § 186 (3) sentence 4 AktG count towards this 10 % limit;

d// in order to eliminate any fractional amounts from the pre-emptive right.

All shares issued under the above authorization with exclusion of the pre-emptive right in accordance with b) and c) may not exceed 20 % of the share capital neither at the time when the authorization takes effect nor at the time when it is exercised. Shares that are issued during the term of the authorization as described above with exclusion of pre-emptive rights from any other authorized capital count towards this 20 % limit; however, pre-emptive rights to settle fractional amounts or to issue shares to employees of the Company and enterprises affiliated with the Company do not count towards the 20 % limit.

The Executive Board is authorized, with the consent of the Supervisory Board, to determine the further details of the capital increase and its implementation. The Supervisory Board is authorized to amend the Company's Articles of Association as the authorized capital is used from time to time or, if the authorized capital has not been used by 9 May 2024 or not used up in full, to cancel the authorized capital upon expiration of this deadline.

Capital Reserves
The capital reserves of DMG MORI AKTIENGESELLSCHAFT also include the premiums from the issue of shares from past capital increases. As of the reporting date, the capital reserves were unchanged at € 516,197,471 K compared with the previous year.

Retained earnings

Statutory reserves
The statutory reserves of € 680,530 have not changed since the previous year.

Other retained earnings
The other retained earning of € 199,376,726 have not changed since the previous year.

Control and profit transfer agreement
DMG MORI AKTIENGESELLSCHAFT closes the year with € 147.5 million (previous year: € 146.5 million) in earnings after taxes. The earnings after taxes will be transfered to DMG MORI Europe Holding GmbH due to the control and profit transfer agreement.

A transfer ban of € 5,619 K (previous year: € 8,430 K) exists for € 5,619 K (previous year: € 8,430 K) in deferred tax allocation assets for the parent company as applied in accordance with Section 268 (8) HGB (Commercial Code), unless adequate, readily available reserves exist to cover the transfer ban amount. As the current, readily available other retained earnings amount of € 199,377 K (previous year: € 199,377 K) exceeds the amount of deferred tax allocation assets, a transfer ban pursuant to Section 301 AktG (Companies Act) in conjunction with Section 268 (8) HGB does not exist in this case. The difference amount according to section 253 (6) HGB is € 217 K (previous year: € 978 K).

The disposable amount of retained earnings means there is also no dividend limitation of € 83 K (previous year: € 157 K) from the adjustment in the measurement period for the pension provisions market rate from 7 to 10 years in accordance with Section 253 (6) HGB (German Commercial Code).

8. Pension provisions

The measurement of pension obligations was carried out by the projected unit credit method (PUC method). The provisions amount has been determined by taking account of trend assumptions with respect to future development of entitlements or pensions as well as of fluctuation probabilities. An actuarial interest rate of 1.83 % p.a. (previous year: 1.79 % p. a.) and a pension of 2.20 % p.a. (previous year: 2.20 % p. a.) have been assumed. The provisions for widows'/widowers' entitlements are carried out in accordance with the collective method, in which the probability of marriage that arose from the calculation basis employed was taken as a basis. In principle the contractually agreed pension age was used as the age for ending the financing. Within the framework of implementing the German Accounting Law Modernisation Act (BilMoG) as of 1 January 2010, DMG MORI AKTIENGESELLSCHAFT exercised the option under Sec. 67 (1) (1) of the Introductory Act on the German Commercial Code (EGHGB). Sec. 67 (1) (1) EGHGB contains the option to accumulate at least a fifteenth of the allocations to provisions determined on the basis of the revised measurement of current pensions and vested pensions rights at the latest by 31 December 2024 in each financial year. The total allocation determined as of 1 January 2010 was € 3,178 K. Of this, as in the previous year, one-fifteenth (€ 212 K) (previous year: € 212 K) was taken into the expenses. An amount of € 212 K remains from this obligation for non-established provisions for subsequent years. As of the reporting date, provisions were € 10,964 K (previous year: € 10,406 K).

DMG MORI AKTIENGESELLSCHAFT has taken out appropriate reinsurance policies for certain pension obligations. As these are plan assets, the assets measured at the settlement amount of the pension obligations (liability option) were netted against the relevant pension obligation. As of 31 December 2023, the assets were initially measured at the settlement amount of the pension obligations in the amount of € 12.980 K (previous year: measurement at cost € 13,336 K). The settlement amount of the provision is € 24,155 K (previous year: € 24,166 K) of which € 212 K (previous year: € 424 K) pursuant to Section 67 (1) Introductory Act to the Commercial Code (EG-HGB – Einführungsgesetz zum Handelsgesetzbuch) have not yet been recognised as a provision as of 31 December 2023. In conformity with the offsetting of assets and debts, income of € 240 K (previous year: € 592 K) and expenses of € 424 K (previous year: € 212 K) are shown balanced in interest revenue (Previous year: interest expenses).

The measurement of reinsurance policies for the commercial balance sheet is carried out in accordance with the regulations of the IDW accounting standard: The measurement of provisions for pensions from reinsured direct pension commitments under commercial law (IDW RH FAB 1.021, last updated April 30, 2021) and based on a report of the findings of the German Association of Actuaries' (DAV) Pension Plan Committee of April 26, 2022 on the actuarial implementation of the IDW accounting standard. The accounting standard was implemented using the actuarial reserving method and selecting the liability option. This involved a multiplicative re-estimation of the biometric actuarial bases between the "2018 G mortality tables" by Klaus Heubeck and the DAV tables using the "biometric factors" specified by the DAV.

9. Provisions for taxes

Tax provisions of € 2,610 K (previous year: € 2,041 K) include liabilities for trade tax of € 1,218 K (previous year: € 1,021 K) and for corporation tax of € 1,392 K (previous year: € 1,020 K) for financial year 2023 and – due to tax audits – for previous year.

10. Other provisions

Other provisions include anticipated bonus payments of € 5,506 K (previous year: € 12,801 K) and expenses for other personnel expenses in an amount of € 5,043 K (previous year: € 3,918 K).

Additionally, a provision for anticipated losses due to a negative surplus of derivatives was formed in the amount of € 121 K (previous year: € 87 K).

The provisions accrued in 2023 for outstanding invoices amounts to € 1,915 K (previous year: € 1,301 K). Additionally, other provisions include amounts for contingent liabilities of € 1.875 K for an impending claim arising from a given warranty (previous year: € 0 K), annual financial statement costs of € 681 K (previous year: € 751 K), provisions for Supervisory Board members' remuneration of € 1,010 K (previous year: € 1,004 K) and other provisions of € 70 K (previous year: € 410 K).

11. Liabilities

B.05 // LIABILITIES

in € K	Statement of financial positions as of 31 Dec. 2023	Of which residual term up to 1 year	Of which residual term up to 1 to 5 years	Of which residual term more than 5 years	Statement of financial positions as of 31 Dec. 2021
1) Trade payables	1,216	1,216	–	–	368
Residual terms 31 Dec. 2022			–	–	368
2) Liabilities to affiliated companies	1,174,486	1,174,486	–	–	1,184,411
Residual terms 31 Dec. 2022			–	–	1,184,411
3) Liabilities to other investees	44	44	–	–	49
Residual terms 31 Dec. 2022			–	–	49
4) Other liabilities [1]	5,712	5,712	–	–	4,028
Residual terms 31 Dec. 2022			–	–	4,028
	1,181,458	1,181,458	–	–	1,188,856

1) Of which from taxes: € 3,917 K (previous year: € 400 K)

The short and medium-term working capital needs of DMG MORI AKTIENGESELLSCHAFT and, as part of the intragroup cash management system, of the majority of domestic subsidiaries, are covered by cash flow from operations as well as by a syndicated loan agreement.

A significant component of the credit lines is a syndicated credit line totaling € 500 million with an original maturity date of February 2025. In April 2022, this existing syndicated credit line was already extended early to February 2027. It consists of a cash tranche in the amount of € 200.0 million and a guarantee tranche of € 300.0 million. The financing agreements for the syndicated loan require DMG MORI AKTIENGESELLSCHAFT to comply with customary covenants. All covenants had been complied quarterly and with as of 31 December 2023.

For the financing of the syndicated credit line, the creditor banks have fully waived their right to collateralisation. Various group companies are guarantors for the credit agreements.

The liabilities to affiliated companies in the amount of € 1,174,486 K (previous year: € 1,184,411 K) primarily resulted from liabilities from financial clearing € 1,161,028 (previous year: 1,167,445). This includes € 179,455 K (previous year: € 167,682 K) in liabilities to DMG MORI Europe Holding GmbH, of which € 147,472 K (previous year: € 146,509 K) relates to the transfer of profits and € 31,982 K (previous year: € 21,173 K) in taxes charged as a result of fiscal unity. Payment to DMG MORI Europe Holding GmbH will be made in financial year 2024. The liabilities also include € 12,213 K (previous year: € 16,966 K) in trade payables to affiliated companies and derivative liabilities in the amount of € 1,420 K (previous year: € 3,283 K).

12. Contingencies and other financial obligations

At the balance sheet date, the following contingencies and other financial obligations existed, shown at their nominal amount:

B.06 // CONTINGENTIES

in € K	31 Dec. 2023	31 Dec. 2022
Guarantees	550,948	564,536
Warranties	29,008	35,564
	579,956	**600,100**

B.07 // OBLIGATIONS FROM TENANCY AND LEASE AGREEMENTS DUE

in € K	31.12.2023	31.12.2022
Within 1 year	315	322
Within 1 to 5 years	502	106
	817	**428**

The guarantees of DMG MORI AKTIENGESELLSCHAFT include maximum amount guarantees for affiliated companies of € 31,923 K similar to the previous year and payment sureties of € 86,485 K (previous year: € 117,233 K). DMG MORI AKTIENGESELLSCHAFT was jointly and severally liable for liabilities of € 130,000 K (previous year: € 130,000 K) as of the balance sheet date.

An amount of € 54,270 K (previous year: € 59,660 K) was given as prepayment guarantees to customers of several group companies. DMG MORI AKTIENGESELLSCHAFT also has a guarantee line, which can be used to guarantee advance payment and warranties of domestic and foreign subsidiaries with secondary liability of DMG MORI AKTIENGESELLSCHAFT. As of 31 December 2023 the utilization decreased from € 194,271 K by € 2,124 K to € 192,147 K. The performance bonds decreased by € 9,853 K to € 88,742 K (previous year: € 98.595 K).

Moreover, DMG MORI AKTIENGESELLSCHAFT has issued comfort Letters for subsidiaries totalling € 6,569 K (previous year: € 13,791 K). As of the reporting date, the obligations in this respect were unchanged at € 642 K compared with the previous year.

The probability of any imminent Claim by the beneficiaries based on previous experience is considered to be very slight in our estimation.

13. Derivative financial instruments

The nominal and market values of the derivative financial instruments existing on the reporting date present as follows:

B.08 // DERIVATIVE FINANCIAL INSTRUMENTS OF THE DMG MORI AKTIENGESELLSCHAFT

	31 Dec. 2023		31 Dec. 2022	
in € K	Nominal Value	Fair market value (netted)	Nominal Value	Fair market value (netted)
Forward foreign exchange contracts	245,358	2,654	268,379	-355

The notional amount corresponds to the total of all absolute sale and purchase amounts of derivative financial transactions. The fair market values disclosed correspond with the price at which third parties would assume the rights or obligations arising from the financial instruments. The fair market values are the current values of the derivative financial instruments excluding any adverse trends in value from underlying transactions. The fair values of the forward exchange contracts used are calculated on the basis of forward exchange rates using standard actuarial models.

The fair market values of the forward foreign exchange contracts are balanced at € 2,654 K (previous year: € -355 K) and comprise positive market values of € 4,194 K (previous year: € 3,015 K) and negative market values of € 1,540 K (previous year: € 3,370 K).

The DMG MORI AKTIENGESELLSCHAFT concludes intra-group forward exchange contracts in the amount of the expected cash flows from order intake, as well as trade payables for group subsidiaries. The term of these transactions is normally less than a year. The expected cash flows from these intra-group forward exchange contracts and from loan liabilities from group companies in foreign currencies are hedged externally with banks.

Derivatives are used solely for hedging purposes. The conclusion and settlement of derivative financial instruments is based on binding internal regulations defining scope, responsibilities, reporting and monitoring.

The forward exchange contracts concluded as of the balance sheet date generally have a remaining term of up to one year and are used to hedge foreign currencies (mainly USD, JPY, GBP and CHF).

The forward exchange contracts are aggregated into valuation units for each currency. This involves the use of the gross hedge presentation method. The carrying amounts recognized in the balance sheet generally correspond to the fair values, although any excess from derivatives is not recognized and provisions for contingent losses are recognized for any deficits. For derivatives, € 4,125 K (previous year: € 2,598 K) was recognized in other assets and € 1,420 K (previous year: € 3,283 K) in other liabilities in the financial year. The provision for contingent losses on derivatives amounted to € 121 K in the financial year (previous year: € 87 K).

The hedge is in place for the entire duration of the underlying transaction. The dollar offset method is used to determine the effectiveness.

In the previous financial year, DMG MORI AKTIENGESELLSCHAFT had two types of valuation units (Portfolio Hedges):

B.09 // TYPES OF HEDGES OF THE DMG MORI AKTIENGESELLSCHAFT

in € K	31.12.2023		31.12.2022	
No. Underlying transaction	Nominal amount of underlying transaction	Hedged risks (netted)	Nominal amount of underlying transaction	Hedged risks (netted)
1) Internal forward exchange programs (not offset): Cash flow hedges from order intake and subsidiaries' debts to supplie	48,423	-224	74,351	416
2) Internal group foreign currency loans (not offset)	135,129	2,706	162,703	-700

On the one hand, valuation units from external forward exchange transactions and the intragroup external forward exchange transactions with a nominal volume of € 48,423 K (previous year: € 74,351 K) are formed in order to secure order intakes and payments to suppliers. The secured risk as of 31 December 2023 amounted to € -224 K (previous year: € 416 K). On the other hand, valuation units from external forward exchange transactions and intragroup foreign currency loans with a nominal volume of € 135,129 K (previous year: € 162,703 K) are formed the secured currency risk as of 31 December 2023 amounted to € 2,706 K (previous year: € -700 K).

14. Transactions with related companies and persons

In financial year 2023, DMG MORI AKTIENGESELLSCHAFT only concluded transactions at customary market conditions with related companies and persons.

D – NOTES ON THE INDIVIDUAL ITEMS IN THE INCOME STATEMENT

15. Sales revenues

Sales revenues of € 13,354 K (previous year: € 11,755 K) essentially involve sales arising from the groupwide holding and services functions. Of this, Germany had € 11,595 K (previous year: € 10,291 K), the rest of Europe € 1,662 K (previous year: € 1,305 K), and the rest of world € 97 K (previous year: € 159 K).

16. Other operating income

Other operating income of € 22,747 K (previous year: € 33,297 K) mainly includes exchange rate gains from the measurement of receivables and liabilities in foreign currencies as well as from the valuation of forward exchange transactions totaling € 18,610 K (previous year: € 27,320 K). This was offset by exchange rate and foreign currency losses totaling € 5,552 K (previous year: € 19,712 K), which are reported in other operating expenses. The net gain in financial year 2023 amounted to € 13,058 K (previous year: gain of € 7,608 K).

Moreover, it includes income from cost reimbursements amounting to € 899 K (previous year: € 668 K). Income relating to other periods amounts to € 1,981 K (previous year: € 2,887 K). This includes € 526 K from the reversal of provisions (previous year: € 2,089 K).

17. Personnel expenses

Personnel expenses amounted to € 51,503 K (previous year: € 29,168 K). The total remuneration without advance payments of the Executive Board for financial year 2023 amounted to € 33,560 K (previous year: € 9,753 K). Of this amount, € 29,781 K (previous year: € 2,461 K) is attributable to the fixed, non-performancebased remuneration (base remuneration and fringe benefits as well as severance payments and € 2,323 K (previous year: € 3,200 K) to the short-term variable remuneration (STI) as well as € 1,025 K to contributionbased retirement provisions (previous year: € 850 K). The expense effect from the severance agreements with former board members amounted to € 24.7 million euros (previous year: € 0 million).

The target achievement for the short-term variable remuneration (STI) was 200 % for the performance indicator EBIT, and 166.8 % for order intake. The target achievement for the sustainability factor relating to the budget for investments in property, plant and equipment was 102 %, for the GLOBE project 120 % and for the relative market shares AG / CO 107 %, resulting in a weighted modifier of 109 % in total. The target achievement for short-term variable remuneration (STI) for 2023 was 206 %. The STI payment was limited to a total of 200 % of the target amount (cap).

Only Michael Horn will receive a payment from the LTI Tranche 2021-2023, which was allocated on 31 December 2023 and will be paid in 2024. The LTI Tranche 2021-2023 results in an amount for Michael Horn totaling € 1,225 K. After deduction of the advance payment, this amounts to € 796 K. Taking into account the maximum remuneration for 2021, the payment from the 2021-2023 LTI tranche amounts to € 431 K. For the LTI Tranche 2022-2024, Christian Thönes, Björn Biermann and Michael Horn were paid recoverable advance payments in 2023 totaling € 1,663 K (LTI 2021-2023: € 1,663 K), which are a remuneration component under Section 162 (1) sentence 1 AktG. As part of the severance agreements with Christian Thönes and Björn Biermann, DMG MORI AG waives the repayment of advance payments on LTI tranches not yet due for payment.

Advances and loans to members of governing bodies were not granted. No liability arrangements were entered into in favour of any members of governing bodies (Section 285 (9c) HGB). Further details on executive board remuneration can be found in the remuneration report in the management report.

In comparison with the previous year, the average number of employees has changed as follows:

B.10 // EMPLOYEE DEVELOPMENT

	2023	2022
Salary earners (annual average)	116	119

18. Depreciation of fixed assets and plant, property and equipment

The depreciation of fixed assets and plant increased by € 52 K up to € 2,765 K (previous year: € 2,817 K).

19. Other operating expenses

Other operating expenses decreased by € 10,265 K from € 39,874 K and amounted to € 29,609 K. Exchange rate and foreign currency losses fell by € 14,160 K from € 19,712 K to € 5,552 K. This was offset by exchange rate and foreign currency gains totaling € 18,610 K (previous year: € 27,320 K), which are reported in other operating income. The net gain in financial year 2023 amounted to € 13,058 K (previous year: gain of € 7,608 K). Other operating expenses rose by € 3,895 K after allowing for the effect of foreign exchange losses. The increase mainly results from of a provision amounting to € 1,875 K for an impending claim arising from a given warranty, as well as increased expenses in the insurance and other personnel expenses.

The other operating expenses contain expenses pursuant to Sec. 67 (1, EGHGB amount € 212 K (Explanatory note – see ↗ number 8: pension provisions).

pages 59 et seq.

Auditor’s fees and services
The annual auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Bielefeld, was appointed to audit the annual accounts and consolidated financial statements of DMG MORI AKTIENGESEllSCHAFT.

The fees and charges for the services provided by the annual auditor, PricewaterhouseCoopers GmbH auditing firm, recognized as expenses in financial year 2023 relate to € 842 K and relate to € 792 K (previous year: € 552 K) for auditing services, other audit services € 50 K (previous year: € 0 K) and € 0 K (previous year: € 12 K) for other services. Only services that are consistent with the engagement as auditor of the annual accounts of DMG MORI AKTIENGESELLSCHAFT were provided.

The audit services mainly related to the audit of the annual and consolidated financial statements of DMG MORI AKTIENGESELLSCHAFT including statutory extensions of the audit engagement and key audit areas agreed with the Supervisory Board.The auditors also reviewed the IFRS group reporting packages of DMG MORI AKTIENGESELLSCHAFT for the half-year report as of 30 June 2023, the quarterly report as of 31 March and the quarterly report as of 30 September 2023. The fees for other services relate to consulting services for compliance with the EU taxonomy regulation. The fees for other services pertain to additional assurance services related to the examination of selected information in the separate non-financial consolidated report.

Remuneration of the Supervisory Board
In the financial year 2023, € 1,010 K (previous year: € 1,004 K) were allocated to provisions for Supervisory Board members’ remuneration. Further details of the remuneration of the Supervisory Board are given in the Management Report.

20. Income from profit and loss transfer agreements

DMG MORI AKTIENGESELLSCHAFT achieved income from profit and loss transfer agreements of € 220,135 K (previous year: € 200,819 K) from GILDEMEISTER Beteiligungen GmbH and from DMG Vertriebs und Service GmbH DECKEL MAHO GILDEMEISTER.

21. Other interest and similar income

The interest income of € 47,317 K (previous year: € 12,768 K) includes interest and guarantee commissions invoiced to related companies in the amount of € 45,693 K (previous year: € 11,990 K).

22. Interest and similar expenses

The interest expense of € 31,738 K (previous year: € 8,153 K) includes interest of € 29,115 K (previous year: € 5,605 K), which has been charged by affiliated companies as well as an interest expense from addition of accrued interest from provisions of € 427 K (previous year: € 406 K). Other interest expense mainly relates to € 1,740 K (previous year: € 1,451 K) in expenses from guarantee commissions and € 879 K (previous year: € 176 K) in interest owed to DMG MORI Europe Holding GmbH.

23. Tax on income and earnings

Income taxes rose by € 7,954 K from € 30,479 K to € 38,433 K. This includes an expense unrelated to the accounting period amounting to € 1,109 K (previous year: income € 1,731 K) and current tax expenses of € 34,512 K (previous year: € 23,575 K). Current tax expenses include the taxes charged by DMG MORI Europe Holding GmbH, Bielefeld, due to tax group, in an amount of € 31,982 K (previous year: € 21,173 K), the tax payments due in accordance with Section 16 sentence 2 of the German Corporation Tax Act (KStG) on the compensation payment of DMG MORI GmbH in the amount of € 1,914 K (previous year: € 1,914 K), the withholding taxes due in the amount of € 274 K (previous year: € 300 K) and capital gains tax in the amount of € 343 K (previous year: € 188 K). This also results in an expense from deferred tax allocations amounting to € 2,811 K (previous year deferred tax income of € 8,634 K).

24. Expenses from profit transfer agreements

The domination and profit and loss transfer agreement between DMG MORI AKTIENGESELLSCHAFT and DMG MORI Europe Holding GmbH resulted in the recognition of expenses of € 147,472 K (previous year: € 146,509 K).

E – OTHER DISCLOSURES

25. Statutory notification pursuant to section 40 WPHG

DMG MORI COMPANY LIMITED, Nara (Japan) indirectly holds a 88.23 % share of voting rights in the share capital of DMG MORI AKTIENGESELLSCHAFT.

26. Declaration of conformity with the corporate governance code of practice

The latest declaration of conformity in accordance with Section 161 of the German Stock Corporate Act (AktG) was issued in November 2023 – just as the declarations of conformity of the previous years – and has been made permanently accessible on our website at
↗ **en.dmgmori-ag.com/investor-relations/corporate-governance/**

27. Supplementary report

By a decree published on February 19, 2024, the Russian Federation has brought the participation in Ulyanovsk Machine Tools ooo, Ulyanovsk, under state control. This involves a direct participation of GILDEMEISTER Beteiligungen GmbH and indirect participation of DMG MORI AG. Based on our current assessment, we assume that this measure by the Russian government is of a definitive nature. The decree of February 19, 2024, is a subsequent event after the reporting date, having no impact on the valuation of the shares in Ulyanovsk Machine Tools ooo, Ulyanovsk, as of December 31, 2023. The loss of participation rights is expected to result in a full write-downs on the book value at GILDEMEISTER Beteiligungen GmbH. The book value as of December 31, 2023, amounted to € 63.0 million. The results of GILDEMEISTER Beteiligungen GmbH are transferred to DMG MORI AG through a profit and loss transfer agreement.

As part of an existing foreign direct investment guarantee by the Federal Republic of Germany for this investment, we are currently pursuing compensation for the incurred loss of participation. An assessment of the potential compensation from the investment guarantee is currently not possible.

Mr. Horn will resign as a member of the Executive Board with effect from 31 March 2024 on the basis of an consensual agreement reached on 18 March 2024.

Furthermore, there have been no significant events until the date of release for publication by the board on March 18, 2024.

The war in Ukraine and the geoplitical conflicts may also have an impact on the future business development of the DMG MORI AG group in the 2024 financial year. It is not possible to make a reliable estimate of the effects on the recognition and measurement of material items in the financial statements based on the current conflicts in the following financial years.

The estimates and assumptions known to DMG MORI AG group for the financial year are described in the forecast report. Moreover, no other material effects are known or can be estimated at present, but other effects may occur in the course of the year.

28. Group affiliation

DMG MORI COMPANY LIMITED, Nara (Japan), is the ultimate parent company of DMG MORI AKTIENGESELLSCHAFT. DMG MORI AKTIENGESELLSCHAFT is included in the consolidated financial statements of DMG MORI COMPANY LIMITED, Nara (Japan). These can be found on the company website ↗ **www.dmgmori.co.jp.**

F – CORPORATE DIRECTORY

SUPERVISORY BOARD

Dr. Eng. Masahiko Mori
Member of the Supervisory Board since 6 September 2009
Nara, born 1961
Chairman
President of DMG MORI COMPANY LIMITED, Tokyo

Tanja Fondel
(Employee representative)
Member of the Supervisory Board since 19 January 2018
Frankfurt / Main, born 1976
1st Deputy Chair since 12 May 2023
Union Secretary, IG Metall Management Board, Frankfurt / Main

Ulrich Hocker
Member of the Supervisory Board since 11 May 2010
Düsseldorf, born 1950
Deputy Chairman
Attorney and President of Deutsche Schutzvereinigung für Wertpapierbesitz e.V.
› FERI AG, Bad Homburg, Deputy Chairman of the Supervisory Board
• Phoenix Mecano AG, Stein am Rhein, Switzerland, Member of the Board of Directors, Independent Lead Director

Stefan Stetter
(Employee representative)
Member of the Supervisory Board since 4 May 2018
Durach, born 1968
Deputy Chairman
Head of Controlling of DMG MORI Pfronten GmbH
Senior Executive's representative

Irene Bader, M.B.A
Member of the Supervisory Board since 24 May 2016
Feldafing, born 1979
Member of the Board, DMG MORI COMPANY LIMITED, Tokyo
Managing Director, DMG MORI Europe Holding GmbH, Bielefeld
Managing Director, DMG MORI Global Marketing GmbH, Munich
Managing Director, DMG MORI Sport Marketing SAS, Lorient

› Supervisory mandate as per § 100 AktG
• Membership in comparable domestic and foreign control bodies of business enterprises

Prof. Dr.-Ing. Berend Denkena
Member of the Supervisory Board since 17 May 2013
Wedemark, born 1959
Managing Director of the Institute of Production Engineering and Machine Tools (IFW) at Leibniz University Hanover

Dietmar Jansen
(Employee representative)
Member of the Supervisory Board since 17 May 2013
Memmingen, born 1965
1st Director (Managing Director) and Treasurer of the IG Metall office Allgäu
• AGCO GmbH, Marktoberdorf, Deputy Chairman of the Supervisory Board

Prof. Dr. Annette G. Köhler, M.A.
Member of the Supervisory Board since 6 May 2017
Düsseldorf, born 1967
University Professor & Chair of the Accounting, Auditing & Controlling Department at the University of Duisburg-Essen
› GEA Group Aktiengesellschaft, Düsseldorf, Member of the Supervisory Board
› Gerresheimer AG, Düsseldorf, Member of the Supervisory Board
• DKSH Holding AG, Zürich, Member of the Board of Directors
• ABB E-Mobility Holding AG, Baden (Switzerland), Member of the Board of Directors (until March 2023)

James Victor Nudo
Member of the Supervisory Board since 4 May 2018
Chicago/Illinois (USA), born 1954
Managing Director, DMG MORI Europe Holding GmbH, Bielefeld
Managing Director, DMG MORI EMEA GmbH, Wernau
Vice President, DMG MORI COMPANY LIMITED, Tokyo
President, DMG MORI Americas Holding Corporation, Chicago

Thomas Reiter
(Employee representative)
Member of the Supervisory Board since 12 May 2023
Füssen, born 1969
Chairman of the Works Council of DMG MORI Pfronten GmbH

Larissa Schikowski
(Employee representative)
Member of the Supervisory Board since 4 May 2018
Pfronten, born 1969
Corporate Health Manager Sales & Service

› Supervisory mandate as per § 100 AktG
• Membership in comparable domestic and foreign control bodies of business enterprises

Michaela Schroll
(Employee representative)
Member of the Supervisory Board since 4 May 2018
Bielefeld, born 1976
Member of the Works Council of DMG MORI Bielefeld GmbH
Electrician in the Installation Department of DMG MORI Bielefeld GmbH

FORMER SUPERVISORY BOARD MEMBER:

Mario Krainhöfner
(Employee representative; 1st Deputy Chairman until 12 May 2023)
Pfronten, born 1964
Head of Idea Management of DMG MORI Pfronten GmbH

EXECUTIVE BOARD

Dipl.-Ing. (FH) Alfred Geißler
Pfronten
Executive Board member since 26 May 2023
CEO since 26 May 2023

Hirotake Kobayashi
Tokyo
Executive Board member since 1 January 2024

Michael Horn, M.B.A.
Rosenheim

Dipl.-Kfm. Christian Thönes
Bielefeld
Executive Board member until 25 May 2023
CEO until 25 May 2023

Dipl.-Kfm. Björn Biermann
Bielefeld
Chairman until 31 December 2023

DMG MORI AG GROUP COMPANIES

B.11 // PRODUCTION PLANTS, SALES AND SERVICES COMPANIES

	Local currency	Equity [1]		Participation quota in %
			in € K	
Subsidiaries (fully consolidated companies)				
GILDEMEISTER Beteiligungen GmbH, Bielefeld [2/3/4]			263,495	100.0
DMG MORI Pfronten GmbH, Pfronten (previously: DECKEL MAHO Pfronten GmbH) [3/4/5/6]			83,427	100.0
DMG MORI Ultrasonic Lasertec GmbH, Stipshausen / Idar-Oberstein [3/4/7/8]			12,455	100.0
Alpenhotel Krone GmbH & Co. KG, Pfronten [3/7]			2,619	100.0
Alpenhotel Krone Beteiligungsgesellschaft mbH, Pfronten [3/7]			33	100.0
DMG MORI Logistik GmbH, Pfronten [3/7/8]			25	100.0
DMG MORI Bielefeld GmbH, Bielefeld (previously: GILDEMEISTER Drehmaschinen GmbH) [3/4/5/6]			28,592	100.0
DMG MORI BERGAMO S.r.l., Brembate di Sopra (Bergamo), Italy (previously: GILDEMEISTER Italiana S.r.l.) [5]			83,939	100.0
DMG MORI TORTONA S.r.l., Tortona, Italy (previously: GRAZIANO Tortona S.r.l.) [9]			46,509	100.0
DMG MORI Global Service Turning S.r.l., Brembate di Sopra (Bergamo), Italy [9]			3,786	100.0
CARLINO FTV 3.2 S.R.L., Bozen, Italy [9]			10,692	100.0
DMG MORI Seebach GmbH, Seebach (previously: DECKEL MAHO Seebach GmbH) [3/4/5/6]			43,000	100.0
DMG MORI Spare Parts GmbH, Geretsried [3/4/5/6]			25,000	100.0
ISTOS GmbH, Bielefeld [3/5/6]			1,000	100.0
Ulyanovsk Machine Tools ooo, Ulyanovsk, Russia [5]	RUB K	8,554,238	86,620	100.0
DMG MORI Additive GmbH, Bielefeld [5/6/21]			9,366	100.0
DMG MORI Digital GmbH, Bielefeld [3/4/5/6]			2,691	100.0
DMG MORI Manufacturing Solutions (Pinghu) Co., Ltd., Pinghu, China [5]	CNY K	116,551	14,877	100.0
COMPONENT MANUFACTURING d.o.o., Zivinice, Bosnia und Herzegowina [5]	BAM K	2,517	1,287	100.0
DMG MORI Sales and Service Holding GmbH, Bielefeld (previously: DMG MORI Vertriebs und Service GmbH) [2/3]			398,646	100.0
DMG MORI Deutschland GmbH, Leonberg [3/4/10/11]			63,968	100.0
DMG MORI München GmbH, Munich [3/4/12/13]			5,000	100.0
DMG MORI Bielefeld Hilden GmbH, Bielefeld [3/4/12/13]			7,000	100.0
DMG MORI Berlin Hamburg GmbH, Bielefeld [3/4/12/13]			5,500	100.0
DMG MORI Frankfurt GmbH, Bad Homburg [3/4/12/13]			2,700	100.0
DMG MORI Stuttgart GmbH, Leonberg [3/4/12/13]			7,000	100.0
DMG MORI Global Service GmbH, Bielefeld [3/4/10/11]			5,200	100.0
DMG MORI Academy GmbH, Bielefeld [3/4/10/11]			4,000	100.0
DMG MORI Used Machines GmbH, Geretsried [3/4/10/11]			17,517	100.0
DMG MORI Netherlands Holding B.V., Veenendaal, Netherlands [10]			465,159	100.0
DMG MORI Sales and Service Holding AG, Winterthur, Switzerland [14]			506,294	100.0
DMG MORI Schweiz AG, Winterthur, Switzerland [15]	CHF K	18,556	19,959	100.0
DMG MORI Balkan GmbH, Klaus, Austria [15]			4,760	100.0
DMG MORI Austria GmbH, Klaus, Austria [16]			28,612	100.0
DMG MORI Netherlands B.V., Veenendaal, Netherlands [15]			11,829	100.0
DMG MORI BeLux BV SRL, Zaventem, Belgium [15]			6,045	100.0
DMG MORI Czech s.r.o., Brno, Czech Republic [15]	CZK K	166,767	6,755	100.0

B.11 // PRODUCTION PLANTS, SALES AND SERVICES COMPANIES

	Local currency	Equity [1]	in € K	Participation quota in %
DMG MORI DENMARK ApS, Copenhagen, Denmark [15]	DKK K	30,821	4,134	100.0
DMG MORI FRANCE SAS, Paris, France [15]			29,124	100.0
DMG MORI Hungary Kft., Budapest, Hungary [15]			13,349	100.0
DMG MORI IBERICA S.L., Ripollet, Spain [15]			15,899	100.0
DMG MORI Italia S.r.l., Milan, Italy [15]			55,632	100.0
DMG MORI MIDDLE EAST FZE, Dubai, United Arab Emirates [15]			4,680	100.0
DMG MORI Saudi Arabia Maintenance Company, Riad, Saudi Arabia [20]			-154	100.0
DMG MORI Israel Ltd., Tel Aviv, Israel [15]	ILS K	0	0	100.0
DMG MORI POLSKA Sp. z o.o., Pleszew, Poland [15]	PLN K	109,404	25,186	100.0
DMG / MORI GREECE M.E.P.E., Thessaloniki, Greece [15]			2,056	100.0
DMG MORI Sweden AB, Gothenburg, Sweden [15]	SEK K	182,219	16,368	100.0
DMG MORI NORWAY AS, Langhus, Norway [15]	NOK K	25,191	2,246	100.0
DMG MORI Finland Oy AB, Tampere, Finland [15]			5,692	100.0
DMG MORI UK Limited, Luton, Great Britain [15]	GBP K	32,551	37,564	100.0
DMG MORI Romania S.R.L., Bucharest, Romania [15]	RON K	11,627	2,337	100.0
DMG MORI BULGARIA EOOD, Sofia, Bulgaria [15]	BGN K	1,454	744	100.0
DMG MORI ISTANBUL MAKINE TICARET VE SERVIS LIMITED SIRKETI, Istanbul, Turkey [15]	TRY K	291,599	8,938	100.0
DMG MORI Rus ooo, Moscow, Russia [15]	RUB K	4,174,866	42,275	100.0
DMG Egypt for Trading in Machines Manufactured LLC, Cairo, Egypt [15]	EGP K	-692	-20	100.0
Mori Seiki Egypt for Trading in Machines & Equipments LLC, Cairo, Egypt [15]	EGP K	200	6	100.0
DMG MORI Africa for Trading in Machines & Service (S.A.E.), Cairo, Egypt [17]	EGP K	31,942	935	100.0
DMG MORI Asia Pte. Ltd., Singapore [15]			15,094	100.0
DMG MORI Machine Tools Spare Parts (Shanghai) Ltd., Shanghai, China [15]	CNY K	29,253	3,734	100.0
DECKEL MAHO GILDEMEISTER (Shanghai) Machine Tools Co., Ltd., Shanghai, China [15]	CNY K	84,762	10,819	100.0
FAMOT Pleszew Sp. z o.o., Pleszew, Poland [15]	PLN K	932,821	214,750	100.0
DMG MORI Machine Tools Trading Co., Ltd., Shanghai, China [10]	CNY K	323,395	41,279	51.0
GILDEMEISTER energy solutions GmbH, Würzburg [3/10/11]			9,100	100.0
GILDEMEISTER LSG Beteiligungs GmbH, Würzburg [18]			2,402	100.0
GILDEMEISTER ENERGY SERVICES ITALIA S.R.L., Milan, Italy [18]			5,258	100.0

B.11 // PRODUCTION PLANTS, SALES AND SERVICES COMPANIES

	Local currency	Equity [1]	Equity [1] in € K	Participation quota in %
Associates				
DMG MORI Finance GmbH, Wernau			29,713	42.6
DMG MORI HEITEC Digital Kft., Budapest, Hungary [5]	HUF K	308,017	806	49.9
INTECH DMLS Pvt. Ltd., Bangalore, India [5]	INR K	-37,682	-410	30.0
PRAGATI AUTOMATION Pvt. Ltd., Bangalore, India [5]	INR K	3,156,019	34,334	30.0
Vershina Operation, LLC., Narimanov, Russia [19]	RUB K	35,610	361	33.3
RUN-TEC GmbH, Niedenstein [5]			1,050	40.0
DMG MORI India Private Ltd., Bangalore, India [15]	INR K	598,905	6,515	49.9
CCP Services GmbH, Mülheim an der Ruhr [5]			-178	45.0
German Egyptian Company for Manufacturing Solutions (GEMAS), Cairo, Egypt [5]	EGP K		0	40.0

1) The figures correspond with the financial statements prepared in accordance with local regulations; they do not show the respective companies´contribution to the Consolidated Financial Statements. Foreign currencies with respect to equity were translated at the market price on reporting date.
2) with profit and loss transfer and control agreement with DMG MORI AKTIENGESELLSCHAFT
3) The domestic subsidiary has complied with the conditions required by Section 264 paragraph 3 HGB (German Commercial Code) regarding the application of the exemption regulations and therefore waives the disclosure of its annual financial statements and relating documents.
4) The domestic subsidiary has complied with the conditions required by Section 264 paragraph 3 HGB (German Commercial Code) regarding the application of the exemption regulations and therefore waives the preparation of a management report.
5) equity investment of GILDEMEISTER Beteiligungen GmbH
6) with profit and loss transfer and control agreement with GILDEMEISTER Beteiligungen GmbH
7) equity investment of DMG MORI Pfronten GmbH (previously: DECKEL MAHO Pfronten GmbH)
8) with profit and loss transfer and control agreement with DMG MORI Pfronten GmbH (previously: DECKEL MAHO Pfronten GmbH)
9) equity investment of DMG MORI BERGAMO S.r.l. (previously: GILDEMEISTER Italiana S.r.l.)
10) equity investment of DMG MORI Sales and Service Holding GmbH, Bielefeld (previously: DMG MORI Vertriebs und Service GmbH)
11) with profit and loss transfer and control agreement with DMG MORI Sales and Service Holding GmbH, Bielefeld (previously: DMG MORI Vertriebs und Service GmbH)
12) equity investment of DMG MORI Deutschland GmbH
13) with profit and loss transfer and control agreement with DMG MORI DEUTSCHLAND GmbH
14) equity investment of DMG MORI Netherlands Holding B.V.
15) equity investment of DMG MORI Sales and Service Holding AG
16) equity investment of DMG MORI Balkan GmbH
17) subsidiary of DMG Egypt for Trading in Machines Manufactured LLC (51%), DMG MORI Sales and Service Holding AG (47,7%) and Mori Seiki Egypt for Trading in Machines & Equipments LLC (1,3%)
18) equity investment of GILDEMEISTER energy solutions GmbH
19) equity investment of GILDEMEISTER LSG Beteiligungs GmbH
20) equity investment of DMG MORI MIDDLE EAST FZE
21) The domestic subsidiary has complied with the conditions requited by section 264 paragraph 3 HGB (German Commercial Code) regarding the application of the exemption regulations and makes use of the exemption.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting and reporting principles, the financial statement gives a true and fair view of the assets, liabilities, financial position and profit or loss of the DMG MORI AKTIENGESELLSCHAFT, and the management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

Bielefeld, 18 March 2024

DMG MORI AKTIENGESELLSCHAFT

The Executive Board

Dipl.-Ing. (FH) Alfred Geißler

Hirotake Kobayashi

Michael Horn, M.B.A.

INDEPENDENT AUDITOR'S REPORT

To DMG MORI AKTIENGESELLSCHAFT, Bielefeld

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Audit Opinions
We have audited the annual financial statements of DMG MORI AKTIENGESELLSCHAFT, Bielefeld, which comprise the balance sheet as at December 31, 2023, and the statement of profit and loss for the financial year from January 1 to December 31, 2023, and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of DMG MORI AKTIENGESELLSCHAFT including the remuneration report pursuant to § [Article] 162 AktG [Aktiengesetz: German Stock Corporation Act], including the related disclosures, included in section "Basis of the Company" , for the financial year from January 1 to December 31, 2023. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to § 289f HGB [Handelsgesetzbuch: German Commercial Code] and the other disclosures in section "Statement on Corporate Governance pursuant to § 289f HGB" of the management report.

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

- the accompanying annual 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 Company as at December 31, 2023 and of its financial performance for the financial year from January 1 to December 31, 2023 in compliance with German Legally Required Accounting Principles, and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the statement on corporate governance and other disclosures in section "Statement on Corporate Governance pursuant to § 289f HGB" referred to above.

Pursuant to § 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions
We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") 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 Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance

with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1 to December 31, 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

1. Recoverability of shares in affiliated companies

Our presentation of this key audit matter has been structured as follows:

1. Matter and issue

2. Audit approach and findings

3. Reference to further information

Hereinafter we present the key audit matter:

1. Recoverability of shares in affiliated companies

1. In the annual financial statements of the Company shares in affiliated companies amounting to EUR 717.6 million (33.6% of total assets) are reported under the "Financial assets" balance sheet item.

   Shares in affiliated companies are measured in accordance with German commercial law at the lower of cost and fair value. The fair values are calculated using discounted cash flow models as the present values of the expected future cash flows according to the planning projections prepared by the executive directors. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the individually determined cost of capital for the relevant financial asset. On the basis of the values determined and supplementary documentation, no write-downs were required in the financial year.

   The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors of the future cash flows, and on the respective discount rates and rates of growth used. The valuation is therefore subject to material uncertainties. Against this background and due to the highly complex nature of the valuation and its material significance for the Company's assets, liabilities, financial position and financial performance, this matter was of particular significance in the context of our audit.

2. As part of our audit, we evaluated the methodology used for the purposes of the valuation, among other things. In particular, we assessed whether the fair values had been appropriately determined using discounted cash flow models in compliance with the relevant measurement standards. We based our assessment, among other things, on a comparison with general and sector-specific market expectations as well as on the executive directors' detailed explanations regarding the key value drivers underlying the expected cash flows. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model.

In our view, taking into consideration the information available, the valuation parameters and underlying assumptions used by the executive directors are appropriate overall for the purpose of appropriately measuring shares in affiliated companies.

3. The Company's disclosures relating to shares in affiliated companies are contained in section B "Accounting policies" and C-2 "Financial assets" of the notes to the financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the statement on corporate governance pursuant to § 289f HGB and the other disclosures in section "Statement on Corporate Governance pursuant to § 289f HGB" of the management report as an unaudited part of the management report.

Our audit opinions on the annual financial statements and on the 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 audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

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

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control 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, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company'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 management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual 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 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 management report.

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

The executive directors and the supervisory board are further responsible for the preparation of the remuneration report, including the related disclosures, which is included in a separate section of the management report and complies with the requirements of § 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

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

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual 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 annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation 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 annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the 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 of the Company.

- Evaluate the appropriateness of 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. 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 Company to cease to be able to continue as a going concern.

- Evaluate the presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the 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.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats to independence or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Reference to an Other Matter – Formal Audit of the Remuneration Report pursuant to § 162 AktG
The audit of the management report described in this auditor's report comprises the formal audit of the remuneration report required by § 162 Abs. 3 AktG, including the expression of an opinion on this audit. As we express an unqualified opinion on the management report, this opinion includes the opinion that the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion
We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the electronic file DMG MORI_AG_JA+LB-2023-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from January 1 to December 31, 2023 contained in the "Report on the Audit of the Annual Financial Statements and on the Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above

Basis for the Assurance Opinion
We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering,

of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents
The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the annual financial statements and the management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF Documents
Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

// Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

// Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

// Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the annual financial statements on the technical specification for this electronic file.

// • Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further Information pursuant to Article 10 of the EU Audit Regulation
We were elected as auditor by the annual general meeting on May 12, 2023. We were engaged by the supervisory board on May 29, 2023. We have been the auditor of the DMG MORI AKTIENGESELLSCHAFT, Bielefeld, without interruption, since the financial year 2020.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

REFERENCE TO AN OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Uwe Rittmann.

Bielefeld, March 18, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Uwe Rittmann	ppa. Matthias Nicolmann
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

C FURTHER INFORMATION

85 List of Graphs and Tables
86 Forward-Looking Statements
86 Financial Calendar
87 Contact

FURTHER INFORMATION

LIST OF GRAPHS AND TABLES

Nr.		Page
	MANAGEMENT REPORT OF THE FINANCIAL YEAR 2023 OF DMG MORI AKTIENGESELLSCHAFT	
A.01	Key Financial performance indicators of DMG MOR AKTIENGESELLSCHAFT (German Commercial Code - HGB)	5
A.02	Remuneration granted and payable to the supervisory board	14
A.03	Comparison of annual change in supervisory board remuneration	15
A.04	Short-term-incentive (STI) diagram	19
A.05	Target achievement Order intake (1/3)	19
A.06	Target achievement EBIT (2/3)	20
A.07	Long-term-incentive (LTI) diagram	21
A.08	Target achievement EAT (2/3)	21
A.09	Target achievement Service-Performance (1/3)	22
A.10	Target and maximum remuneration (remuneration component 2021)	23
A.11	Target and maximum remuneration (remuneration component 2023)	23
A.12	Remuneration as granted and payable (Section 162 (1) sent. 1 AktG)	26
A.13	Comparison of annual change in executive board's remuneration (Section 162 (1) No. 2 AktG)	27
A.14	Probability of occurrence	38
A.15	Potential financial effects	39
A.16	Overview of relevant risk areas	40
A.17	Financial and key performance indicators of DMG MORI AKTIENGESELLSCHAFT (HGB)	45
	NOTES FOR THE FINANCIAL YEAR 2023 OF DMG MORI AKTIENGESELLSCHAFT	
B.01	Balance sheet	48
B.02	Income statement	50
B.03	Fixed asset movement schedule	51
B.04	Useful life of assets	52
B.05	Liabilities	60
B.06	Contingenties	61
B.07	Obligations from tenancy and lease agreements due	61
B.08	Derivative financial instruments of the DMG MORI AKTIENGESELLSCHAFT	62
B.09	Types of hedges of the DMG MORI AKTIENGESELLSCHAFT	63
B.10	Employee development	64
B.11	DMG MORI Group Companies	72

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements, which are based on current estimates of the management regarding future developments. Such statements are based on the management's current expectations and specific assumptions. They are subject to risks, uncertainties and other factors, as well as to the effects of the war in Ukraine or of other geopolitical conflicts, that could cause the actual circumstances including the results of operations, financial position and net worth of DMG MORI AKTIENGESELLSCHAFT to differ materially from or be more negative than those expressly or implicitly assumed or described in these statements. The business activities of DMG MORI AKTIENGESELLSCHAFT are subject to a range of risks and uncertainties, which may likewise render a forwardlooking statement, estimate or forecast inaccurate.

DMG MORI AKTIENGESELLSCHAFT is strongly affected, in particular, by changes in general economic and business conditions (including margin developments in the most important business areas as well as the consequences of a recession) as these have a direct effect on processes, suppliers and customers. Due to their differences, not all business areas are affected to the same extent by changes in the economic environment; significant differences exist with respect to the timing and extent of the effects of any such changes. This effect is further intensified by the fact that, as a global entity, DMG MORI AKTIENGESELLSCHAFT operates in various markets with very different economic rates of growth. Uncertainties arise inter alia from the risk that customers may delay or cancel orders or they may become insolvent or that prices become further depressed by a persistently unfavorable market environment than that which we are expecting at the current time; developments on the financial markets, including fluctuations in interest rates and exchange rates, in the price of raw materials, in borrowing and equity margins as well as financial assets in general; growing volatility on the capital markets and a deterioration in the conditions for the credit business as well as a deterioration in the future economic success of the core business areas in which we operate; challenges in integrating major acquisitions and in implementing joint ventures and achieving the expected synergy effects and other essential portfolio measures; the introduction of competing products or technology by other companies or the entry onto the market of new competitors; a change in the dynamics of competition (primarily on developing markets); a lack of acceptance of new products and services in customer target groups of DMG MORI; changes in corporate strategy; interruptions in the supply change, including the inability of a third party, for example due to natural catastrophes, to supply pre-fabricated parts, components or services on schedule; the outcome of public investigations and associated legal disputes as well as other measures of public bodies; the potential effects of these investigations and proceedings on the business of DMG MORI AKTIENGESELLSCHAFT and various other factors.

Should one of these factors of uncertainty or other unforeseeable event occur, or should the assumptions on which these statements are based prove incorrect, the actual results may differ materially from the results stated, expected, anticipated, intended, planned, aimed at, estimated or projected in these statements. DMG MORI AKTIENGESELLSCHAFT neither intends to nor does DMG MORI AKTIENGESELLSCHAFT assume any separate obligation to update any forward-looking statements to reflect any change in events or developments occurring after the end of the reporting period. Forward-looking statements must not be understood as a guarantee or as assurances of future developments or events contained therein.

There are two companies using the name "DMG MORI": DMG MORI AKTIENGESELLSCHAFT with registered office in Bielefeld, Germany, and DMG MORI COMPANY LIMITED with registered office in Tokyo, Japan. DMG MORI AKTIENGESELLSCHAFT is an affiliated company of DMG MORI COMPANY LIMITED. This report refers exclusively to DMG MORI AKTIENGESELLSCHAFT. If reference is made in this report to the "group" or "DMG MORI AG", this refers exclusively to DMG MORI AKTIENGESELLSCHAFT and its controlled companies within the meaning of Section 17 of the German Stock Corporate Act (Aktiengesetz – AktG). If reference is made to "DMG MORI" or Global One Company", this refers to the joint activities of DMG MORI COMPANY LIMITED and DMG MORI AKTIENGESELLSCHAFT including all subsidiary companies.

FINANCIAL CALENDAR

Annual Press Conference Publication of the Annual Report 2023 Analysts' Conference	**20 March 2024**
Release for the 1st Quarter 2024 (1st January to 31 March)	**25 April 2024**
122nd Annual General Meeting	**30 April 2024**
Report for the 1st Half-Year 2024 (1st January to 30 June)	**31 July 2024**
Release for the 3rd Quarter 2024 (1st January to 30 September)	**04 November 2024**

Subject to alteration

RESSOURCE CONSERVATION

For sustainability reasons, DMG MORI AKTIENGESELLSCHAFT has been offering annual reports only digitally since 2021.
All financial reports are available at:
↗ **en.dmgmori-ag.com/investor-relations/financial-reports**

We will also gladly send you the interactive PDF file, please let us know your e-mail address at: ↗ **press@dmgmori.com**

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