

Ecology and Economy in harmony

Probably the most effective contributions to the reduction of global CO² emissions are, on the one hand, energy savings and, on the other hand, replacing fossil-based power generation with regenerative ones. Both methods also have the advantage that they not only make ecological sense, but also deliver direct economic return. That is why Mensch und Maschine has been active on both paths for a very long time.

M+M as a regenerative power producer ...

We are using all suitable roof surfaces in corporate ownership for regenerative power production, totalling approx. 200 MWh p.a.

As early as 2011 M+M's first photovoltaic plant had been installed on the roof of our Training Center in Wiesbaden.



The new SOFISTiK building in Nuremberg with solar+geothermal and the new DATAflor Technology Center in Goettingen with solar plus cogeneration unit followed in 2019/20.

In September 2021, an approx. 1,500 square meter photovoltaic system was installed on the roof of M+M headquarters in Wessling.

As replacing coal-fired by solar electricity saves around one kilogram CO² emissions per kWh (Source: strom-report.de), M+M thus is achieving approx. 200 metric tons of CO² savings per year. Moreover, ecology and economy are in full harmony: The new power plant on the headquarters roof will have amortized after approx. 10 years.

... compensates 7% of CO² footprint

As a pure think tank with just over 1,100 employees, M+M does not have a very large CO² footprint: Assuming around 7 tons of CO² per head & year and a professional/private distribution of 40/60%, the annual total is approx. 3,000 tons of CO² for the M+M group.

Thus we compensate approx. 7% of our CO² footprint by regenerative power generation.

The new 1,500 square meters photovoltaic system on the roof of M+M headquarters in Wessling takes up the entire useful roof area and has been supplying green electricity since October 2021.

The M+M business model is based on resource savings for customers ...

A much greater effect is generated at the level of M+M customers - through our business model, which is consistently based on process optimization and the associated savings in resources:

A precision machine tool that runs two to five times faster consumes correspondingly less electricity (see pages 6/7).

The same applies when customers accelerate their technical processes with eXs, customX or PDM Booster (pages 11/12/14).

Or when BIM Ready training and the use of BIM Booster enable more effective planning and resource-saving construction (page 13), or when large infrastructure operators can achieve their ambitious sustainability goals more quickly through MapEdit (page 14).

A structure planned and calculated with SOFISTiK software uses less steel and concrete or can alternatively be made of a more environmentally friendly material such as wood (pages 8/9).

And with the Gardening/Landscaping design software from DATAflor, gardens or parks are created that make a direct contribution to CO² reduction (page 10).

It can therefore be assumed that the main motivation of M+M customers is to save resources with the help of our technical software and digitization solutions - hence a direct correlation between the turnover of the M+M group and CO² footprint reduction of our global customers is likely to exist.

The level of this correlation certainly cannot be quantified exactly, but it can be estimated approximately based on customers' electrical energy savings:

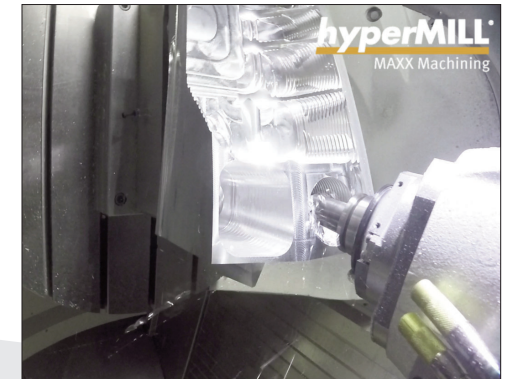
Assuming an electricity price of 25 cents per kWh and CO² emissions of 250 grams per kWh (estimated average values for our customer/country mix), one million Euros less in electricity expenses corresponds to 1,000 tons savings of CO² emissions.

... which should be enough to more than compensate the M+M CO² footprint

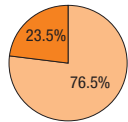
In relation to M+M's approx. 3,000 tons CO² footprint, this means: If our customers save only EUR 3.0 million in electricity costs by using our software (that would be below 1% of the M+M turnover), we are already CO²-neutral.

Realistically, a significantly higher savings rate can certainly be assumed for our customers, moreover since the above calculation only refers to electrical energy and all other resource savings would have to be added.

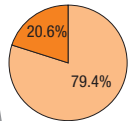
The significant reduction of machining times by M+M's CAM software goes hand in hand with accordingly less power consumption (and tool wear). Good for the machine operator - and the environment.



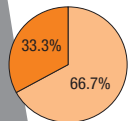
Workforce (FTE)



Management



Admin Board



■ Female
■ Male

Group headcount just rose moderately

Group gross headcount at Dec 31, 2023, was 1,148 persons (PY: 1,120 / +2.5%). The average full time equivalent (FTE) 2023 climbed to 1,056 (PY: 1,031 / +2.4%), with 547 / 52% (PY: 530 / 51%) in Software and 509 / 48% (PY: 501 / 49%) in Digitization.

Industry-typical gender quota

The proportion of women is 26.7% (gross) or 23.5% (FTE). This reflects the unfortunately very weak supply of female specialists in technical professions and the significantly higher share of part-time female employees. Nevertheless, M+M has a female proportion of 20.6% in the management teams.

Employees are co-entrepreneurs

Traditionally, there is a very high focus on good corporate culture at M+M. During the 40 years since foundation, our employees were always seen as 'Co-Entrepreneurs' and fully integrated in the decision making process.

Whenever acquiring companies in and outside Germany in the course of the intensive expansion since IPO in 1997, M+M always cared for and respected the specific culture of the companies acquired.

The decision making structures in the M+M group are as decentralised as possible. The individual entities have a high degree of autonomy in order to be able to optimally meet the customers' requirements and to achieve the best possible results in the individual markets.

Experienced management team

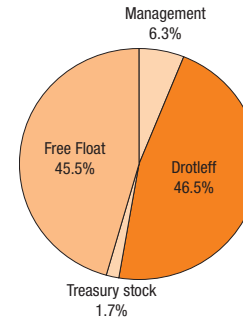
This corporate culture generates a high degree of continuity. Staff turnover in the M+M group is very low, which even during the hype phases of the IT industry prevented a drain of qualified specialists from which other similar companies in IT suffered. As a result, M+M has an experienced management team down to the second and third management level, with team members mostly looking back on an employment period of more than 15 years.

Apprenticeship and qualification:

Approach vs. shortage of skilled workforce
M+M offers apprenticeship and is very active in employee qualification. In addition, there are cooperations with local universities and colleges at many locations. In this way, we increase our attractiveness as an employer and actively counteract the lack of skilled workforce that is also latent in our industry.



Boubacar Likeng started working for M+M in Paris in 1998. Since 2012 she has been head of M+M's French subsidiary with 21 employees.



Entrepreneurial and public company

Though M+M shares have been listed on the stock market for 27 years, a large portion of the shares are still in the hands of the management. Founder Adi Drotleff held 46.5% on Dec 31, 2023, other management members held further 6.3% of shares.

Trading under 'European SE'

In 2006, the parent company was converted from AG to SE. In parallel, a structure with M+M SE acting as pure finance holding was realized. Central group functions are executed by the subsidiary M+M Management AG, while all operating business is performed by German and international subsidiaries.

Due to the founder's controlling interest, a 'monistic' instead of the dualistic AG board structure was chosen for M+M SE, which, from a corporate governance point of view, is much better suited for an owner-managed and at the same time public company.

Monistic SE board structure

In the Administrative Board, combining the AG's Advisory Board ('Aufsichtsrat') functions with those of an administrative body ('Organ'), Drotleff holds the controlling majority together with his wife Heike Lies, while Dr. Rupprecht von Bechtolsheim as independent member represents the interests of free shareholders.

The Board of Managing Directors ('Geschäfts-führende Direktoren'), equalling the 'Vorstand' of a German AG without being a legal body ('Organ'), consists of Adi Drotleff and CFO Markus Pech (Group finance and admin).

The founder as an 'active' Chairman

Since Jan 1, 2023, Drotleff is at his own request only simple member of the board of directors with halved remuneration, since he had completely withdrawn from daily business in recent years. As an 'active Chairman' he concentrates on Strategy and Group Communications.

Control by Group Management Board

More than 10 years ago, Drotleff had set up the Group Management Board staffed by the Managing Directors and the heads of the large operating units. Currently these are Volker Nesenhoener (CAM), Marcus Hoellrich (Digitization Europe), Wolfgang Huber (Manufacturing/CAE) and Rainer Sailer (Architecture/BIM).

In addition, other members of the upper management levels take part in the regular board meetings as required.

Listed in scale and m:access

The M+M share is listed in the premium SMB segments scale of Frankfurt stock exchange and m:access of Munich stock exchange.

Both segments prescribe, for admission, consequential duties above and beyond legal requirements, guaranteeing a high degree of transparency. In M+M's view, they are ideal market segments for achieving a reasonable cost-benefit ratio of a stock exchange listing in relation to the market capitalisation, protecting the legitimate interests in transparency of the shareholders.

Due to the requirements for disclosure and transparency these market segments represent fully operational markets with protective mechanisms that are very close to that of the regulated market and that guarantee the marketability of the shares including the tradability through Xetra.

In addition, M+M is highly overfulfilling the scale and m:access rules by publishing full quarterly reports and German/English IFRS reporting.