

**Ecology and Economy in harmony**

Probably the most effective contributions to the reduction of global CO<sub>2</sub> 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 ...**

In September 2021, an approx. 1,500 square meter photovoltaic system was installed on the roof of M+M headquarters in Wessling. Altogether the M+M group is now producing approx. 140 MWh solar power p.a. by using all suitable roof surfaces in corporate ownership for regenerative power production.



As early as 2011 the first plant with nearly 25 MWh annual output had been installed on the M+M Training Center in Wiesbaden. In the years 2019/20 new buildings were completed by group members SOFiSTiK in Nuremberg (with photovoltaic plus geothermal energy) and DATAflor in Goettingen (with photovoltaic plus cogeneration unit).

As replacing coal-fired by solar electricity saves around one kilogram CO<sub>2</sub> emissions per kWh (Source: strom-report.de), M+M thus is achieving approx. 140 metric tons of CO<sub>2</sub> 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 5% of CO<sub>2</sub> footprint**

As a pure think tank with around 1,000 employees, M+M does not have a very large CO<sub>2</sub> footprint: Assuming around 7 tons of CO<sub>2</sub> per head & year and a professional/private distribution of 40/60%, the annual total is approx. 2,800 tons of CO<sub>2</sub> for the M+M group.

Thus we compensate approx. 5% of our CO<sub>2</sub> 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 September 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 page 5).

The same applies when customers accelerate their technical processes with eXs, customX or PDM Booster (pages 9/10/12).

Or when BIM Ready training and the use of BIM Booster enable more effective planning and resource-saving construction (page 11), or when a city like Emden can achieve its ambitious sustainability goals more quickly through MapEdit (page 12).

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 6/7).

And with the Gardening/Landscaping design software from DATAflor, gardens or parks are created that make a direct contribution to CO<sub>2</sub> reduction (page 8).

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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> emissions.

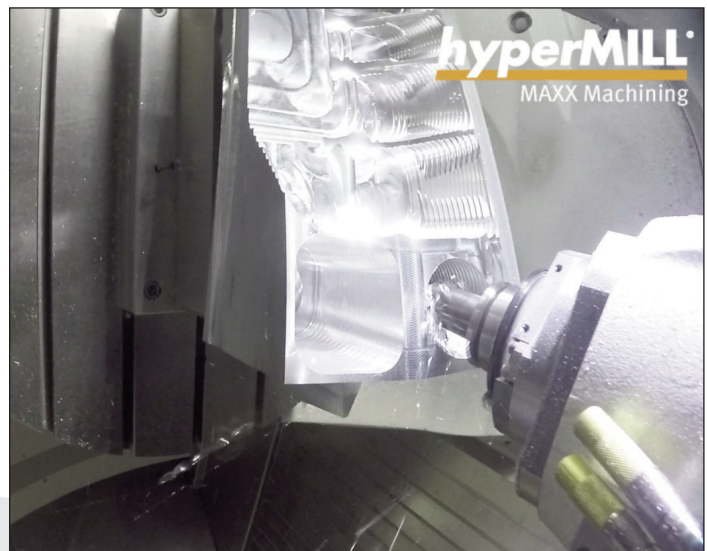
**... which should be enough to more than compensate the M+M CO<sub>2</sub> footprint**

In relation to M+M's approx. 2,800 tons CO<sub>2</sub> footprint, this means:

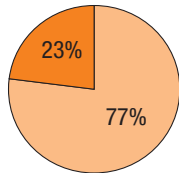
If our customers save only EUR 2.8 million in electricity costs by using our software (that would be a good 1% of the M+M turnover), we are already CO<sub>2</sub>-neutral.

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.

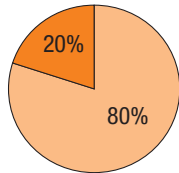
*The significant reduction of machining times by M+M's CAM software goes hand in hand with accordingly less power consumption (and tool wear). Good for the machine operator - and the environment.*



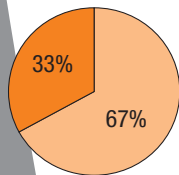
Workforce (FTE)



Management



Admin Board



- Female
- Male

**Group headcount +3.3%**

Group gross headcount at Dec 31, 2021, amounted to 1,081 persons (PY: 1,030). The average full time equivalent (FTE) 2021 climbed to 979 (PY: 948 / +3.6%), with 504 / 51% (PY: 484 / 51%) in Software and 475 / 49% (PY: 464 / 49%) in VAR Business.

**Industry-typical gender quota**

The proportion of women is 26% (gross) or 23% (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% in the management teams.

**Employees are co-entrepreneurs**

Traditionally, there is a very high focus on good corporate culture at M+M. During the 38 years since foundation, the 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**

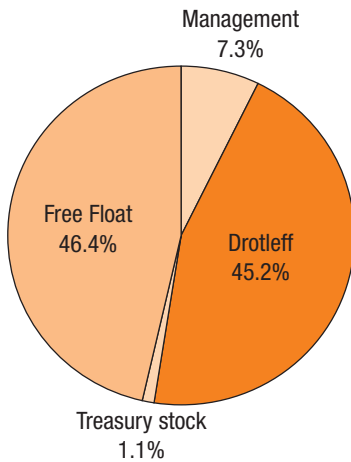
This corporate culture generates a high degree of continuity. Staff turnover in the M+M group is very low, which even during the hype phases of the IT industry prevented a drain of qualified specialists from which other similar companies in IT suffered. As a result, M+M has an experienced management 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: Recipe 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 VAR Business subsidiary with 21 employees.*



### Entrepreneurial and public company

Though M+M shares have been listed on the stock market for 25 years, a large portion of the shares are still in the hands of the management. Founder Adi Drotleff held 45.2% on Dec 31, 2021, other management members held further 7.3% of shares.

All in all, M+M SE can be seen as a private entrepreneurial and public company in one.

### 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.

### ... with the founder in both boards...

The Board of Managing Directors ('Geschäftsführende Direktoren'), equalling the 'Vorstand' of a German AG without being a legal body ('Organ'), consists of Adi Drotleff, Christoph Aschenbrenner (COO) and Markus Pech (CFO).

### ... but since 2022 no longer as CEO

Since Jan 1, 2022, Drotleff is no longer CEO at his own request, but only simple member of the board of directors, since he has largely withdrawn from daily business in recent years. In the future, he would like to concentrate on non-operational fields such as strategy, supervision and capital market communication, knowing that operational leadership is in good hands at the two colleagues and their perfectly coordinated management team.

### Listed in scale and m:access

Since March 31, 2010, the M+M share has been listed in the m:access trading segment of Munich stock exchange, since Jan 2, 2012, additionally in the Entry Standard segment of Frankfurt Stock exchange, which since March 1, 2017 has been replaced by a listing in the premium SMB segment scale. The M+M share has been a member of the scale30 selection index since its start in 2018.

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.