REMOVING LIMITS.

SEMI-ANNUAL REPORT 2023

Overview of the Deufol Group

Figures in € k	6M 2023	6M 2022 [1]
Results of operations		
Total sales	143,938	129,344
Germany	96,487	86,988
Rest of the World	47,451	42,356
Ratio of foreign sales (%)	33.0	32.7
EBITDA	27,827	16,278
EBIT(A)	17,870	6,414
EBT	15,503	4,889
Income tax income (expenses)	−2,892	−1,719
Result for the period	12,611	3,170
thereof noncontrolling interests	431	243
thereof shareholders of the parent company	12,180	2,927
Earnings per share – EPS (€)	0.283	0.068
Assets structure		
Noncurrent assets	201,769	194,568
Current assets	77,836	70,854
Balance sheet total	279,605	265,422
Equity	135,112	120,037
Liabilities	144,493	145,385
Equity ratio (%)	48.3	45.2
Net financial liabilities	64,297	75,206
Cash flow/investments		
Cash flow from operating activities	19,378	15,212
Cash flow from investing activities	−1,913	−3,722
Cash flow from financing activities	−17,424	−12,846
Investments in property, plant and equipment	2,424	4,187
Employees		
Employees (as of Jun. 30)	2,183	2,031

1) Adjustment pursuant to IAS 12; for further details, please refer to Note (02) to the consolidated financial statements.

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Deufol in the First Six Months of 2023

Half-year results – Positive business trend in sales and earnings continues. Deufol remains on course for growth despite geopolitical and economic challenges. The expansion of end-to-end solutions for our customers' supply chain is progressing successfully. In addition, the settlement reached with former managers further boosts the result.

In the first half of 2023, Deufol concentrated on implementing its strategic focus on the digitization of end-to-end solutions for our customers' supply chains. Deufol's core area of competence, industrial packaging, serves as a platform here as well as the starting point for its expanded development of products and services. In the context of the Group's go-to-market strategy, these elements have now been utilized to realize targeted growth in its core regions and to successfully market its services together with digital solutions. The fact that the Deufol Group has achieved another significant increase in sales despite the persistently difficult geopolitical situation and challenging environment shows that this strategy is well received by the market and is paying off. On top of this, Deufol is pressing ahead with the expansion of its seaport hub locations. Following a test run in the previous year, the Group has established a further hub in Houston, Texas, which has already generated significant positive sales and earnings contributions in the first half of 2023.

While the COVID-19 pandemic has had hardly any further direct impact during the reporting period and the disruptions in global supply chains have subsided significantly, some areas of the mechanical and plant engineering sector continue to be affected by restricted availabilities and the resulting production bottlenecks, which in turn led to a backlog of equipment and components ready for shipment and semi-finished products in storage. The result is high demand for scarce storage capacities. Procurement issues in the form of pronounced price volatility and, in some cases, substantially reduced availability have eased significantly for most commodity groups. Raw material prices have stabilized and wood prices are on a downward trend. Overall, price rises are slowing down in the global economy. However, inflation rates, which surged especially after the outbreak of the Ukraine war, and prices in many sectors are well above pre-crisis levels. In the first half of 2023, this price pressure was reflected by a significant increase in personnel costs which was, however, offset by the stabilization of material costs and the associated reduction in the cost-of-materials ratio. As a result, both operating EBIT (excluding income from the conclusion of a settlement agreement) and the operating EBIT margin increased year-on-year. The global rise in interest rates resulting from numerous key interest rate hikes has pushed up interest expenses and thereby diminished the Deufol Group's financial result; the Group is addressing these challenges through active cash management.

In the first half of 2023, Deufol has successfully maintained the high level of utilization of the previous year. Aside from significantly expanding the depth of our services, the seaport hub concept has also provided Deufol with a unique selling point for the German and European mechanical and plant engineering export sector through the dovetailing of logistics chains with seagoing vessels.

The Deufol Group is pressing ahead with the optimization of material consumption in packaging, which also improves the sustainability of our packaging solutions. With the

Deufol Group generally focusing more closely on the identification and implementation of initiatives in the area of sustainability, measures such as in-house generation of electricity through the use of photovoltaics, growing electrification of the vehicle fleet and the substitution of previous materials with more environmentally friendly solutions are being pursued in addition to the reduction of the general use of resources and, above all, a reduction in energy consumption.

Conclusion of a Settlement Agreement

In May, Deufol SE and other Group companies entered into a settlement agreement with former managers and other individuals that settles all ongoing legal proceedings between the parties concerned. In return, Deufol SE will receive payments totaling € 11.0 million and 628,017 Deufol shares for redemption, which will be transferred free of charge. The settlement agreement was subject to the condition precedent of approval by the Annual General Meeting of Deufol SE; this approval was granted by resolution of the Annual General Meeting on June 29, 2023. In the current year, Deufol SE has already received € 4.4 million of the agreed settlement amount on schedule, € 1.1 million of which was paid during the reporting period. The outstanding balance is due for payment in three installments of € 2.2 million each in the years 2024 to 2026 and is fully secured by bank guarantees. The settlement claim of € 11.0 million (before tax) was recognized in income in the reporting period. Including discounting effects and costs incurred in connection with the conclusion and implementation of the settlement agreement, the resulting EBIT contribution was around € 10 million in the first half of 2023. The income component from the transfer of the Deufol shares will not be realized until a further condition precedent has been met and is therefore not included in the reporting period.

Positive Sales and Income Trend

The abovementioned developments are also reflected in the Deufol Group's sales and income. Sales increased again year-over-year and reached a volume of € 143.9 million in the first six months of 2023; this represents an 11.3 % increase. The operating result (EBITA) – excluding the income from the settlement agreement – increased by € 1.5 million or 23.4 % to € 7.9 million; the (operating) EBITA margin thus rose from 4.9 % to 5.5 % in 2023.

In the reporting period, a significant increase in personnel costs had a negative impact on EBITA, although this effect was offset by a disproportionately low increase in the cost of materials. Together with the effect of the settlement agreement, which contributed around € 10 million to EBITA, at € 17.9 million EBITA was thus already significantly higher in the first half of 2023 than in the full year 2022 (€ 13.2 million).

Dividend Distribution

The Annual General Meeting of Deufol SE on June 29, 2023 approved the proposal for the appropriation of net profit for the year submitted by the Administrative Board of Deufol SE, which had been revised from the adopted annual financial statements as of December 31, 2022, recommending the distribution of a dividend of € 0.03 per dividend-bearing share (totaling € 1.3 million) from the net income for fiscal year 2022.

Outlook – Planning Revised Upward

All in all, the Deufol Group believes it is well placed to further expand its position as a leading provider of end-to-end supply chain solutions in the heavy cargo industry and to generate steady growth in the medium and long term. Given the promising outlook for the current full year 2023, the Deufol Group has raised the target ranges for sales and EBIT in June and expects the two indicators to be within the range of €280–€305 million (sales) and €12–17 million (operating EBIT) plus around €10 million from the settlement agreement.

Economic Outline Conditions

Expansion of Global Economy Slowed by Tighter Monetary Policy

After almost three years of the COVID-19 pandemic and the Ukraine war that has been ongoing since last spring, the global economy is in a significantly weakened state. Although the pandemic finally seems to be a thing of the past, its long-term impact on the economy is still noticeable. While global production growth has picked up markedly since the beginning of 2023, there are still no signs of a sustained upturn.

With energy prices falling again, China's decision to abandon its zero-COVID policy and the associated improvement in the prospects for steady growth, as well as the significant reduction in supply bottlenecks affecting industry, the global economy has generally regained its footing. However, this positive trend was subdued by persistent inflation and the resulting significant tightening of monetary policy, which led to much higher financing costs and a slowdown in spending and investment.

However, according to the Kiel Institute for the World Economy (IfW), current indicators hardly point to a sustained upward trend in industrial activity, especially as global trade momentum has also been slow again in recent times. In the advanced economies, first-quarter gross domestic product increased by 0.3 %. The pace of US economic growth slowed, but remained robust despite the strongly interventionist monetary policy. Economic output remained weak in the Eurozone and the United Kingdom. In Japan, on the other hand, at 0.7 %, gross domestic product increased at a much faster rate than in previous quarters, and private consumption picked up significantly. One likely reason is the lifting of the last pandemic-related restrictions. Production output rose much more sharply in the emerging markets, mainly due to the scrapping of the zero-COVID policy in China. With the country's service sector expanding most significantly, this resulted in an increase of 2.2 % in China.

The situation on the commodity markets eased further in the first few months of the current year. Prices for non-energy raw materials, for instance, showed a further downward trend, in some cases even to the level last seen at the end of 2020. The oil price, which has been on a downward trend since June, and the significant drop in prices on the European gas market in recent months are the main reasons why the inflation rate in the G7 countries dropped from 8.4 % in October 2022 to 5.7 % in April. By contrast, the core inflation rate hardly changed from its high level.

Receding Energy Crisis and Improving Economic Outlook in Europe

Economic activity in the Eurozone has now exceeded the pre-pandemic level by 2.4 %; excluding Ireland, economic output was 1.4 % above the pre-crisis level at last count. The performance of the individual countries continued to be heterogeneous, with Spain recently lagging behind by just under 1 %, Germany merely reaching its pre-crisis level, and France and Slovakia a good 1 % above this reference level. Italy and Finland were even around 2 % above, although economic output in Finland and the Baltic states has recently shrunk, which is partly due to their economic ties with Russia. GDP in Greece, the Benelux countries, Slovenia and Croatia was significantly higher than before the coronavirus crisis.

The positive trend in private consumption, on the other hand, has been weak. Although energy price listings have returned to a moderate level in the current year, adjusted for the price change of energy and unprocessed food, the core rate of inflation has meanwhile remained high at 7.1 %, the highest level since the monetary union was established. In June, the inflation rate stood at 5.5 %. In response to the historic inflation surge, the ECB raised the main refinancing rate again by 0.25 percentage points to 4.25 % in late July. According to the IfW, an interest rate cut in response to a declining inflation trend is not expected before the middle of next year at the earliest.

By contrast, the relatively stable unemployment rate of 6.7 % remains low. The upward trend in wages in the Eurozone was much more dynamic than in the previous year, although nominal wage increases have so far been moderate against the backdrop of high inflation.

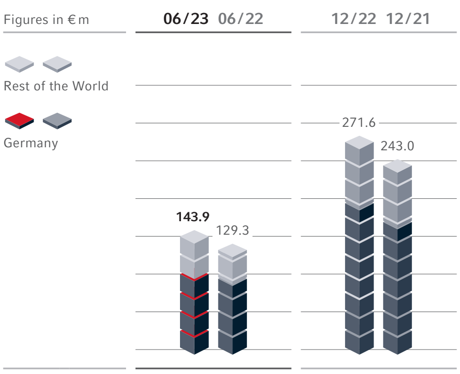
German Economy: Business Activity Slow to Pick up Speed

Lower GDP in the first quarter and the recent deterioration in economic indicators heightened concerns that the effects of the energy crisis and monetary tightening were having a greater impact on the German economy than previously expected. However, the summer report of the Kiel Institute for the World Economy (IfW) contradicts this view and predicts that the German economy will return to moderate growth. According to the IfW, industry can live off its high order backlog, and consumer-related service providers are benefiting from rising wages. Nevertheless, overextended macroeconomic capacities are indicative of production-side disruptions, in particular supply bottlenecks and high sickness rates, which continue to severely depress economic activity. Ongoing labor shortages and the increasingly restrictive monetary policy framework are also holding the economy back.

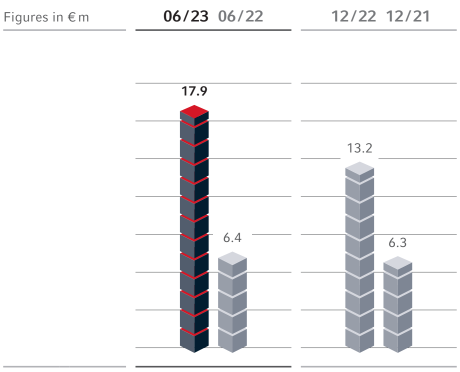
In the foreign trade sector, first-quarter service exports rose by 3.7 % year-on-year, while goods exports fell by 0.4 %. In 2023, the steep increase in energy prices will no longer be a driver of inflation, although their deflationary effect will be delayed. Fuel prices have been curbing inflation since the first quarter, while heating oil prices will follow suit from the second quarter and gas and electricity prices from next year onwards.

Results of Operations, Financial and Asset Position

Sales



EBITA



Sales Trend

In the first six months of 2023, at € 143.9 million, total sales were 11.3 % or € 14.6 million higher year-over-year; there were no additions to or disposals from the scope of consolidation.

While fluctuations in the US dollar exchange rate had only a marginal impact on sales (€ 0.1 million), the Czech crown appreciated against the euro by 3.9 % on average, relative to the same period in the previous year. This exchange rate effect was reflected in a € 0.5 million increase in euro terms in revenue resulting from CZK sales. The appreciation of the Polish zloty and the Singapore dollar had no relevant impact on Group sales. Adjusted for exchange rate effects, group sales increased by 10.8 % compared to the same period in the previous year.

In Germany (incl. the holding company), sales rose to € 96.5 million (previous year: € 87.0 million). In the Rest of Europe, Deufol realized sales of € 37.5 million (previous year: € 33.0 million). In the USA / Rest of the World segment, sales climbed by € 0.6 million to € 9.9 million.

Income Development

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased to € 27.8 million in the first half of 2023 (previous year: € 16.3 million); the EBITDA margin rose to 19.3 % (previous year: 12.6 %). This includes income from a settlement agreement concluded in the first half of 2023 with former managers and other individuals which, net of discounting effects and the costs incurred in connection with the conclusion and implementation of the agreement, contributed around € 10 million to EBITDA; please refer to Note (06) to the consolidated financial statements.

However, the margin was affected by an increase in personnel costs of € 7.0 million or 15.7 %, which led to an increase in the personnel cost ratio from 34.5 % in the previous year to 35.8 % in the reporting period. This increase is essentially due to an inflation-driven rise in wages and salaries as well as an increase in the number of employees; higher social benefits, such as vacation entitlements, also contributed to this development. On top of that, the ratio of other operating expenses went up in relation to the sales volume, rising from 14.8 % to 15.6 %. Apart from higher rental and leasing expenses and an increase in energy costs, this was mainly due to higher legal and consulting costs resulting from the conclusion and implementation of the settlement agreement. The cost of materials, on the other hand, rose by € 3.9 million to € 56.4 million, a disproportionately low increase; as a result, the cost of materials ratio fell year-on-year to 39.2 % (previous year: 40.6 %), reflecting not only the overall decline in prices on the procurement markets but also the Deufol Group's ongoing efforts to conserve costs and resources in its use of materials. Depreciation of property, plant and equipment and amortization of other intangible assets increased slightly to € 10.0 million (previous year: € 9.9 million).

The operating result (EBITA) in the reporting period amounted to € 17.9 million, which is significantly higher than both the previous year's figure of € 6.4 million and the total figure for 2022 (€ 13.2 million). Excluding the effect of the settlement agreement, EBITA would have increased by € 1.5 million compared to the same period of the previous year.

The financial result has decreased in the first six months of 2023 year-over-year, by – € 0.9 million from –€ 1.5 million in the previous year to –€ 2.4 million. The main reason for this was the –€ 1.1 million increase in interest expenses. Interest income, on the other hand, went up by € 0.1 million. At € 0.2 million, another positive earnings contribution was made by the investments recognized according to the equity method.

Earnings before taxes (EBT) thus totaled € 15,5 million (previous year: € 4.9 million) in the first half of the year. After income tax expenses of € 2.9 million (€ 1.7 million in the same period in the previous year), the result for the period amounted to € 12.6 million, compared to € 3.2 million in the first half of 2022. After deduction of the profit shares of noncontrolling interests (€ 0.4 million, compared to € 0.2 million in the same period in the previous year), a net gain of € 12.2 million (previous year: € 2.9 million) was attributable to the shareholders of Deufol SE. Earnings per share in the first six months were € 0.283 (previous year: – € 0.068; with regard to the adjustment of individual figures for the previous year that result from a new regulation in IAS 12, we refer to the disclosures in Note (02) to the consolidated financial statements).

Cash Flow and Investments

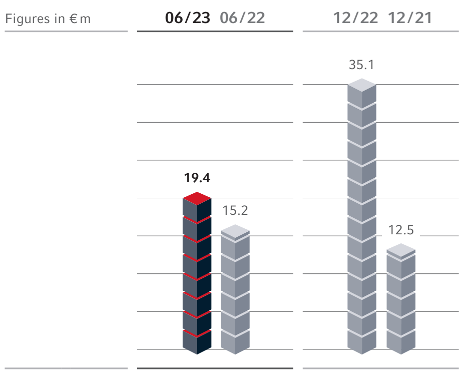
At € 19.4 million, the cash flow from operating activities in the first six months of the year was higher than the previous year's € 15.2 million. This figure includes an inflow of € 1.1 million from the first installment of the settlement agreement.

Cash flow from investing activities amounted to – € 1.9 million (previous year: –€ 3.7 million) and was mainly attributable to outflows of funds for the acquisition of intangible assets and property, plant and equipment in the amount of –€ 2.4 million (previous year: –€ 4.2 million). Inflows of funds mainly resulted from the disposal of intangible assets and property, plant and equipment as well as interest and dividends received (€ 0.4 million, compared to € 0.2 million in the same period in the previous year). There were no proceeds from the disposal of subsidiaries in the reporting period (previous year: € 0.2 million).

The cash flow from financing activities was – € 17.5 million (previous year: –€ 12.8 million). Outflows of funds mainly resulted from the extinction of amounts due to banks (–€ 8.1 million) and other financial liabilities (–€ 6.5 million) as well as interest paid (–€ 2.7 million).

The cash and cash equivalents item (€ 17.6 million) was virtually unchanged compared with the end of the year.

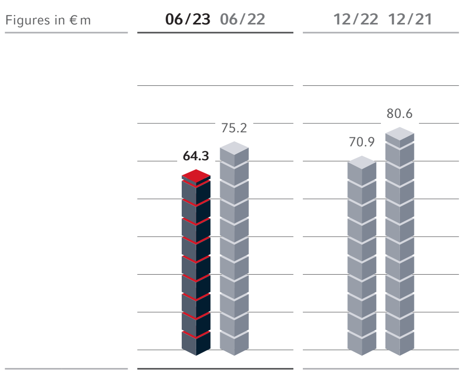
Cash flow from operating activities



Financing

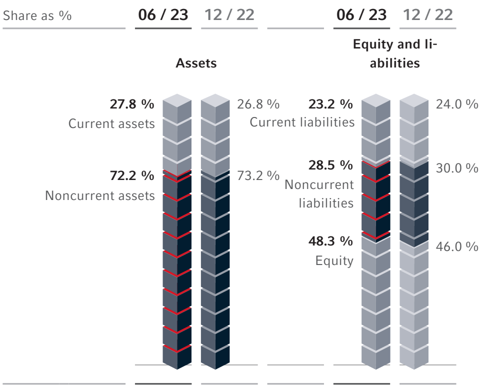
Several different financing groups exist within the Deufol Group, which operate largely independently of one another. In Germany, Deufol has a variable-interest syndicated financing arrangement with a volume of € 36.2 million as of the reporting date and a term ending in the year 2024. Already at the end of 2022, the management took steps to secure liquidity on a long-term basis in order to achieve optimized ongoing financing in 2023. As before, this is to offer sufficient financial scope so as to be able to act on any strategic opportunities that arise alongside day-to-day business operations. Within the scope of this financing arrangement, the loan agreement prescribes specific financial covenants that the Deufol Group is required to comply with during the term of the agreement. The Group also has other financing groups in the USA, the Czech Republic, Belgium, Hungary and Austria, some of which are independent and some of which are directly or indirectly integrated within its central syndicated financing arrangement. These mainly comprise amortizing loans for real estate, operating credit lines and factoring.

Net financial liabilities



The financial liabilities of the Deufol Group decreased in the first six months of the fiscal year and amount to € 82.0 million compared to € 88.7 million at year-end. Together with the slight change in cash and cash equivalents and financial receivables (– € 0.1 million), net financial liabilities declined from € 70.9 million at the end of the year to € 64.3 million. The balance of liabilities to banks and call deposits at banks stood at –€ 28.8 million compared to –€ 36.8 million at the end of 2022.

Balance sheet structure



Balance Sheet Total

As a result of the adjustment of deferred taxes in accordance with IAS 12, the balance sheet total at the end of 2022 has increased by € 0.2 million to € 269.8 million compared with the original reported figure. The changes related on the one hand to the deferred tax assets included in the non-current asset item; on the other hand, the retained earnings (€ 0.2 million) as well as the profit brought forward and the noncontrolling interests in equity (each < € 0.1 million) were adjusted in the equity item; we refer to Note (02) to the consolidated financial statements. The balance sheet total as of June 30, 2023 is at € 279.6 million, which represents an increase of € 9.8 million or 3.6 %.

The largest change to noncurrent assets relates to other receivables and other assets in the amount of € 4.1 million. This increase is mainly due to receivables resulting from the settlement agreement that was concluded in the first half of the year. In comparison, the other noncurrent assets realized only marginal changes. In the current asset item, other receivables and other assets increased by € 6.0 million to € 9.7 million; again, this increase was primarily due to receivables from the settlement agreement. Trade receivables have declined (by – € 1.3 million to € 32.3 million). The other short-term assets have changed only marginally.

On the liabilities side, in the first six months of 2023 equity (incl. noncontrolling interests) increased on balance by € 11.0 million to € 135.1 million compared to the adjusted previous year's value. The result for the period (€ 12.6 million) was the main factor here. The dividend (– € 1.3 million) had the opposite effect. With a significantly higher balance sheet total, the equity ratio was, at 48.3 %, higher than at the end of the previous year (46.8 %). On balance, liabilities dropped by –€ 1.2 million to € 144.5 million. Financial liabilities have decreased substantially (–€ 6.7 million), and trade payables have also gone down (–€ 0.7 million). By contrast, other liabilities have increased (+€ 4.4 million), together with tax liabilities (+€ 1.7 million). The remaining liabilities items changed only slightly.

Employees

Deufol Group	06/2023	06/2022
Germany	1,236	1,169
Share (%)	57.2	58.0
Rest of Europe	738	683
Share (%)	34.1	33.9
USA/Rest of the World	96	83
Share (%)	4.4	4.1
Holding	93	82
Share (%)	4.3	4.1
Total	**2,163**	2,017

Number of Employees

On June 30, 2023, the Deufol Group had 2,183 employees worldwide, compared to 2,031 employees as of December 31, 2022. On average, the Deufol Group employed 2,163 staff members worldwide over the course of the reporting period. This corresponds to an increase of 146 employees, or 7.2 % by comparison with the same period in 2022. On average over the past six months, the Group had 1,329 employees in Germany and the Group's holding company (61.4 %) and 834 employees (38.6 %) elsewhere. The numbers rose in all segments, with the largest increase recorded in Germany.

Development of the Segments

The primary reporting format is based on geographical regions and consists of the "Germany," "Rest of Europe," "USA / Rest of the World" and "Holding" segments.

In the reporting period, external sales have risen to € 96.4 million in Germany (previous year: € 86.9 million). This segment is therefore now contributing 67.0 % to Group sales (previous year: 67.2 %). The previous year's volume of sales was clearly exceeded. This is attributable to price adjustments due to procurement cost increases, as well as to a consistently higher level of utilization. Among other factors, further optimization of our hub locations together with the expansion of the services that we offer there contributed to this result.

At 5.9 million, the operating result (EBITA) in Germany in the first six months of the year remained at the previous year's level. The EBITA margin declined from 5.9 % to 5.2 %; this effect resulted primarily from the higher personnel cost ratio following the increase in the number of employees as well as higher wages and salaries.

In the Rest of Europe, consolidated sales amounted to € 37.5 million in the first six months of the year (previous year: € 33.0 million). This segment is therefore now contributing 26.1 % to Group sales (compared to 25.5 % in the same period in the previous year). In this segment, too, Deufol was able to realize improvements to the level of utilization and in sales prices in all of the Group's markets; in addition, the Polish Group company, which was newly placed on the market in 2021, significantly expanded its volume of business.

In the first six months of the year, the operating result (EBITA) in the Rest of Europe increased to € 4.7 million (previous year: € 4.4 million), while the EBITA margin declined from 8.8 % in the same period of the previous year to 8.3 %.

In the USA / Rest of the World segment, in the first six months of the year consolidated sales of € 9.9 million were € 0.6 million higher year-over-year. The main contributor to this was the new hub location in Houston, Texas, which opened in the preceding year. This segment is now realizing 6.9 % of Group sales (previous year: 7.2 %).

The increase in the volume of business is also reflected in the operating result (EBITA), which amounted to € 1.0 million in the first six months of the year (previous year: € 0.2 million); again, the new location in Houston, Texas, played a significant role in this increase.

On account of its structure and its tasks, the holding company only realizes marginal external sales (less than € 0.1 million for the first six months of 2023). The EBITA figure including consolidation effects at Group level amounted to € 6.2 million in the first six months of 2023 and is thus significantly higher than the previous year's level (– € 4.0 million). Essentially, this increase is due to the EBIT contribution of around € 10 million made by the settlement agreement.

Germany

Figures in € k	06 / 2023	06 / 2022
Sales	113,193	100,347
Consolidated sales	96,428	86,888
EBIT(A)	5,869	5,912
EBITA margin (%)	5.2	5.9
EBT	4,261	4,896

Rest of Europe

Figures in € k	06 / 2023	06 / 2022
Sales	56,710	49,823
Consolidated sales	37,557	33,022
EBIT(A)	4,701	4,362
EBITA margin (%)	8.3	8.8
EBT	4,324	4,015

USA / Rest of the World

Figures in € k	06 / 2023	06 / 2022
Sales	10,693	9,340
Consolidated sales	9,894	9,334
EBIT(A)	1,001	189
EBITA margin (%)	9.4	2.0
EBT	702	53

Outlook

Monetary Policy Slows Down Global Economy

The main parameters largely responsible for the weakening of the global economy in recent times have improved in the first half of the year, which has reduced the risk of a slide into recession. Energy prices have come down again, and inflationary pressures have eased as a result. China’s transition away from its zero-CVID policy and the associated prospects for steady growth have also had a positive impact. Supply bottlenecks resulting from the COVID pandemic and the war in Ukraine now have a much smaller impact on economic activity. All of this has contributed to a global improvement in business and household sentiment, and the economy is beginning to regain its footing. However, the high order backlogs in industry are increasingly being reduced, which means that a decline in incoming orders will have a stronger impact on production in the future. Demand in the service sector, which has largely returned to normal, cannot compensate for the weak industry performance. However, the most significant constraint on the global economy is the severe tightening of monetary policy, which has led to a substantial increase in financing costs and is slowing down the propensity to spend. Moreover, it appears that the financial cycle is turning in many countries. Property prices are now softening after a long period of substantial increases.

Given this background, the Kiel Institute for the World Economy (IfW) expects only moderate growth in the global economy, with GDP rising by 2.8 % in 2023 and going up slightly to 3.0 % in the following year. Furthermore, the global trade in goods is expected to shrink by 0.6 % in 2023 and increase by 2.8 % next year. Analysts are positive about the labor markets, with unemployment, which is very low almost everywhere, likely to increase only moderately despite the weak economy. In the advanced economies, the loss of purchasing power caused by high inflation is curbing growth, but is in the process of tapering off. For the coming year, consumer prices are expected to rise by an average of 2.4 %. The deterioration in the monetary framework conditions is becoming increasingly noticeable. According to the IfW, the US Federal Reserve will raise interest rates by 0.25 percentage points this summer, bringing the federal funds rate to a level of 5.25 to 5.5 %. The ECB is also expected to raise rates further to a peak of 4.5 % in the summer. Similarly, the Bank of England is likely to raise its key interest rate to 4.75 %.

Growth Slowly Picking Up in the Eurozone

Although the economic outlook in the monetary union has improved slightly since the turmoil of the previous year, the pace of growth remains moderate. Contrary to forecasts a few months ago, energy prices should be noticeably lower in the future; at present, however, they are still considerably above pre-crisis levels. Non-energy commodities have also become noticeably cheaper since last spring, and international maritime transport costs have actually reverted to pre-crisis levels. However, with monetary policy having an increasingly inhibiting effect, the economy is likely to pick up slowly in the forecast period. Private consumption in particular is expected to make a significant contribution to GDP growth in the forecast period. The IfW forecasts a 1.1 % increase in economic output for 2023 and 1.6 % for the coming year. According to the forecast, inflation will ease noticeably in the course of the year, as long as energy prices continue to fall and the impact of the energy component on the inflation rate declines. The drop in energy prices will also reduce price pressures on other product categories and core inflation is set to decline as a result. Consumer prices are expected to rise by an average of 5.5 % in 2023 and by 2.6 % next year. The average unemployment rate in the Eurozone will be stable at 6.8 % in 2023 and 2024; excluding Germany, the projected rate is 8.1 % in the current year and 8.2 % in the following year.

Delayed Onset of Economic Recovery in the German Economic Region

The German economy is caught between considerable scope for growth on the one hand and persistent obstacles on the production side on the other. According to the IfW, economic output in Germany will pick up again in line with the progress made in overcoming the obstacles to production. For the coming year, GDP is thus expected to rise by 1.8 %. However, the significant correction of financing conditions resulting from tightening monetary policies will continue to weigh on the economy for the foreseeable future.

The downturn in economic expectations since the start of the Ukraine war and the deterioration in financing conditions, which in themselves indicate a decline in investments in machinery, equipment and vehicles, are mitigated by the fact that many investment projects have not yet been realized due to supply bottlenecks. These projects will be implemented as capital goods become more readily available again. Moreover, given that the special funding for Germany's armed forces has hardly been touched so far and procurement processes have been streamlined, a marked increase in public investments in equipment is likely to occur as the forecast progresses. The higher level of interest rates and the associated financing costs, on the other hand, are having a depressing effect. In its analysis, the IfW expects equipment investment to increase by 3 % in 2023 and by 5.6 % in 2024.

According to the IfW, the assessment of the potential output and thus of the scope for growth is particularly uncertain following the protracted period of exceptional macroeconomic developments. However, it is precisely this uncertainty surrounding the actual potential output that is transmitted to economic forecasts and the effectiveness of monetary policy measures.

Company-Specific Outlook

Risks and Opportunities

The risks and opportunities described in the report on expected developments and in the Risk Report contained in the Group management report for the 2022 annual financial statements continue to apply.

The COVID-19 pandemic had virtually no further direct impact in the first half of 2023. The disruptions in global supply chains, which persisted, in particular, due to China's strict zero-COVID policy, have also eased to a large degree. However, some areas of the mechanical and plant engineering sector continue to be affected by limited availability, which is impacting the Deufol Group's business. In this respect, the production backlog, which is also reflected in a high order volume in the industrial sector, ensures that the business outlook remains positive. Procurement issues in the form of pronounced price volatility and, in some cases, substantially reduced availability of packaging materials, which the Deufol Group had to contend with in the last two years, have eased significantly for most commodity groups.

The Ukraine war, which has become an ongoing geopolitical crisis, has had no direct impact on the Deufol Group's business activities. Indirect effects arising from customers' supply links to Ukraine, Russia or Belarus are manageable, and suppliers have otherwise addressed raw material dependencies, e.g., in the case of metals (screws and nails as well as other elements in packaging materials). Nonetheless, the global economic repercussions, which have mainly taken the form of steep price rises in numerous sectors, have been, and continue to be serious.

Even though inflation rates are currently on the decline, prices in many areas remain higher than before the outbreak of the war. The resulting price pressure, which in Germany is further exacerbated by the general shortage of skilled workers, has also affected, and will continue to affect, the Deufol Group through rising wages and salaries and higher remuneration for temporary workers, subcontractors and service providers. However, in the recent past, Deufol has reacted to this trend by adjusting its customer prices, so that its rising costs will soon be offset by higher revenue. The Group is also making a substantial effort to optimize its costs and improve the level of efficiency of its services.

With the Deufol Group focusing more closely on the identification and implementation of initiatives in the area of sustainability, measures such as in-house generation of electricity through the use of photovoltaics, growing electrification of the vehicle fleet and the substitution of previous materials with more environmentally friendly solutions are being pursued in addition to the reduction of the general use of resources and, above all, a reduction of energy consumption.

Outlook – Planning Revised Upward

All in all, the Deufol Group believes it is well placed to offer its customers innovative solutions and to further expand its position as a leading provider of end-to-end supply chain solutions in the heavy cargo industry. Despite ongoing uncertainty in the global economy, Deufol remains determined to deliver consistent growth in the medium and long term and to successfully market its services.

For the second half of 2023, Deufol continues to expect high capacity utilization and especially a strong fourth quarter. The new hub site in Houston, Texas, which opened in 2022, is also expected to make an increasing contribution to sales and earnings. Given this background, the Deufol Group is confident that the prospects for the current full year 2023 are promising and, in its outlook, expects sales and EBIT to be within the higher ranges of € 280–€ 305 million (sales) and € 12 to € 17 million (operating EBIT) according to the upward revision made in June, plus around € 10 million from the settlement reached with former managers and other individuals.

Consolidated Income Statement

Figures in € k	Jan. 1, 2023–Jun. 30, 2023	Jan. 1, 2022–Jun. 30, 2022 [1]	Note/Page
Sales	**143,938**	**129,344**	07/020
Other own work capitalized	489	525	
Inventory changes	848	822	
Other operating income	12,994	1,708	06/020
Overall operating performance	**158,269**	**132,399**	
Cost of materials	−56,410	−52,482	
Personnel costs	−51,557	−44,564	
Depreciation, amortization and impairment	−9,957	−9,864	
Other operating expenses	−22,475	−19,075	
Income (loss) from operating activities (EBIT)	**17,870**	**6,414**	
Financial income	166	36	
Finance costs	−2,801	−1,694	
Income (loss) from investments accounted for using the equity method	253	92	
Other financial result	15	41	
Profit (loss) before taxes (EBT)	**15,503**	**4,889**	
Income taxes	−2,892	−1,719	02/018
Result for the period	**12,611**	**3,170**	
thereof share of profits held by noncontrolling interests	431	243	
thereof share of profits held by shareholders in the parent company	12,180	2,927	

1) Adjustment pursuant to IAS 12; for further details, please refer to Note (02) to the consolidated financial statements.

Earnings per share

Figures in €			
Basic and diluted earnings per share, based on the income (loss) attributable to common shareholders of Deufol SE	0.283	0.068	08/020

Consolidated Statement of Comprehensive Income

Figures in € k	Jan. 1, 2023–Jun. 30, 2023	Jan. 1, 2022–Jun. 30, 2022 [1]	Note/Page
Result for the period	**12,611**	**3,170**	
Other comprehensive income	**−154**	**830**	
Items that may be reclassified to the income statement in future			
Income/loss (-) from currency translation, after taxes	−191	753	
Cash flow hedges before taxes	0	110	
Deferred taxes on cash flow hedges	0	−33	
Cash flow hedges after taxes	0	77	
Items that will not be reclassified to the income statement in future			
Actuarial gains/losses (–) from pensions, before taxes	53	0	
Deferred taxes on actuarial gains/losses from pensions	−16	0	
Actuarial gains/losses (–) from pensions, after taxes	37	0	
Comprehensive income after taxes	**12,457**	**4,000**	
thereof noncontrolling interests	431	243	
thereof shareholders in the parent company	12,026	3,757	

1) Adjustment pursuant to IAS 12; for further details, please refer to Note (02) to the consolidated financial statements.

Consolidated Balance Sheet

Assets Figures in € k	Jun. 30, 2023	Dec. 31, 2022 [1]	Note/Page
Noncurrent assets	**201,769**	**197,430**	
Property, plant and equipment	100,871	100,640	
Goodwill	68,855	68,855	
Other intangible assets	4,580	4,540	
Investment property	14,605	14,605	
Investments accounted for using the equity method	2,006	1,883	
Financial receivables	58	75	
Other financial assets	273	273	
Other receivables and other assets	4,206	95	
Deferred tax assets	6,315	6,464	02/018
Current assets	**77,836**	**72,370**	
Inventories	17,121	16,657	
Trade receivables	32,322	33,589	
Other receivables and other assets	9,729	3,771	
Tax receivables	1,008	614	
Financial receivables	87	175	
Cash and cash equivalents	17,569	17,564	
Total assets	**279,605**	**269,800**	

1) Adjustment pursuant to IAS 12; for further details, please refer to Note (02) to the consolidated financial statements.

Equity and liabilities Figures in € k	Jun. 30, 2023	Dec. 31, 2022 [1]	Note/Page
Equity	**135,112**	**124,101**	09/021
Equity attributable to the shareholders of Deufol SE	132,768	122,035	
Subscribed capital	43,774	43,774	
Capital reserves	107,329	107,329	
Retained earnings	13,073	13,073	02/018
Profit brought forward	−31,912	−42,799	12/021
Other comprehensive income	979	1,133	
Treasury stock at cost	−475	−475	
Noncontrolling equity interests	2,344	2,066	
Noncurrent liabilities	**79,713**	**80,848**	
Financial liabilities	62,963	64,155	10/021
Provisions for pensions	3,251	3,370	
Other provisions	5,419	5,286	
Other liabilities	2	1	
Deferred tax liabilities	8,078	8,036	
Current liabilities	**64,780**	**64,851**	
Trade payables	22,532	23,179	
Financial liabilities	19,048	24,570	10/021
Other liabilities	19,883	15,440	
Tax liabilities	2,753	1,053	
Other provisions	564	609	
Total equity and liabilities	**279,605**	**269,800**	

1) Adjustment pursuant to IAS 12; for further details, please refer to Note (02) to the consolidated financial statements.

Consolidated Cash Flow Statement

Figures in € k	Jan. 1, 2023– Jun. 30, 2023	Jan. 1, 2022– Jun. 30, 2022	Note/Page
Income (loss) from operating activities (EBIT) from continuing operations	17,870	6,414	
Adjustments to reconcile net income (loss) to cash flow from operating activities			
Depreciation, amortization and impairment	9,957	9,864	
(Gain) loss from disposal of fixed assets	–8	33	
Taxes paid	–1,419	–788	
Other noncash expenses (income)	0	–10	
Changes in assets and liabilities from operating activities			
Decrease (increase) in trade accounts receivable	1,217	–2,884	
Decrease (increase) in inventories	–461	–3,252	
Decrease (increase) in other receivables and other assets	–10,072	–89	
Increase (decrease) in trade accounts payable	–662	4,505	
Increase (decrease) in other liabilities	3,133	1,979	
Increase (decrease) in provisions	–120	–430	
Decrease (increase) in other operating assets/liabilities (net)	–57	–130	
Cash flow from operating activities	**19,378**	**15,212**	11/021
Payments made for investments in intangible assets and property, plant and equipment	–2,424	–4,187	
Proceeds from the sale of intangible assets and property, plant and equipment	94	149	
Disposal of business units less cash disposed of	0	192	11/021
Net change in financial receivables	105	88	
Interest and dividends received	312	36	
Cash flow from investing activities	**–1,913**	**–3,722**	11/021
Addition (extinction) of amounts due to banks	–8,094	–4,951	
Addition (extinction) of other financial liabilities	–6,508	–6,202	
Proceeds from capital increase	0	17	
Dividend paid to noncontrolling interests	–153	–16	
Interest paid	–2,669	–1,694	
Cash flow from financing activities	**–17,424**	**–12,846**	11/021
Exchange rate- and scope of consolidation-related changes in financial resources	**–36**	273	
Change in cash and cash equivalents	**5**	–1,083	
Cash and cash equivalents at the beginning of the period	17,564	14,140	
Cash and cash equivalents at the end of the period	**17,569**	**13,057**	

Consolidated Statement of Changes in Equity

						Accumulated other comprehensive income				
Figures in € k	Subscribed capital	Capital reserves	Retained earnings	Profit brought forward	Treasury stock at cost	Cumulative translation adjustment	Cash flow hedges and provisions for pensions	Equity attributable to the shareholders of Deufol SE	Noncontrolling equity interests	**Total equity**
Balance at Jan. 1, 2022 [1)]	**43,774**	**107,329**	**13,017**	**−49,250**	**−475**	**259**	**−140**	**114,514**	**1,522**	**116,036**
Result for the period				2,927				2,927	243	3,170
Other comprehensive income						753	77	**830**		**830**
Comprehensive income				**2,927**		**753**	**77**	**3,757**	**243**	**4,000**
Dividends								0	−16	−16
Capital increase								0	17	17
Balance at Jun. 30, 2022	**43,774**	**107,329**	**13,017**	**−46,323**	**−475**	**1,012**	**−63**	**118,271**	**1,766**	**120,037**
Balance at Jan. 1, 2023 [1)]	**43,774**	**107,329**	**13,073**	**−42,799**	**−475**	**819**	**314**	**122,035**	**2,066**	**124,101**
Result for the period				12,180				**12,180**	431	12,611
Other comprehensive income						−191	37	−154		**−154**
Comprehensive income				12,180		−191	37	**12,026**	431	**12,457**
Dividends [2)]				−1,293				−1,293	−153	−1,446
Balance at Jun. 30, 2023	**43,774**	**107,329**	**13,073**	**−31,912**	**−475**	**628**	**351**	**132,768**	**2,344**	**135,112**

1) Adjustment pursuant to IAS 12; for further details, please refer to Note (02) to the consolidated financial statements.
2) Please refer to Note (12) to the consolidated financial statements.

Notes to the Consolidated Interim Financial Statements

01 General Accounting and Valuation Methods

These consolidated financial statements for the interim report – which have not been audited or verified by an auditor – describe the business activities of Deufol SE and its subsidiaries (the "Group"). The statements were produced in accordance with IFRS (International Financial Reporting Standards). All IFRS (IFRS, IAS, IFRIC, SIC) as adopted by the European Union and effective as of the balance sheet date were applied.

With the exception of the adjustment explained in the "New Accounting Standards" section below, the balancing and valuation methods used are fundamentally those for the last consolidated financial statements as of the end of the fiscal year. A detailed description of these methods is provided in our annual report for the year 2022. In addition, IAS 34 "Interim Financial Statements" was applied. The option to prepare a condensed report as compared with the consolidated financial statements as of December 31, 2022 has been exercised.

02 New Accounting Standards

The amendments to IAS 12 resulting from the pronouncement entitled "Deferred Taxes related to Assets and Liabilities arising from a Single Transaction" are applicable for the first time for reporting periods beginning on or after January 1, 2023. Essentially, the amendments state that the exception from initial recognition of deferred taxes does not apply to transactions for which deductible and taxable temporary differences arise simultaneously and in equal amounts at the time of addition.

In the case of the Deufol Group, this relates exclusively to leases. Instead of requiring a full retrospective application within the meaning of IAS 8, the amendment allows for the deferred tax asset or liability to be calculated as of the beginning of the earliest comparison period presented in the financial statements; the cumulative effect of the first-time application of the amendments must be recognized as an adjustment of the opening balance sheet value of the retained earnings.

This had the following effects for Deufol: As of January 1, 2022, the first-time recognition of deferred tax assets and liabilities and their offset in accordance with IAS 12 (74) resulted in an asset item of € 193 thousand for the Deufol Group, which is reported under deferred tax assets. Of this amount, € 192 k was attributable to the shareholders of Deufol SE, which was recognized in retained earnings, and € 1 thousand to noncontrolling equity interests.

As of June 30, 2022, the asset item had increased by € 23 thousand to € 216 thousand; accordingly, the result for the period from January 1 to June 30, 2022 rose by € 23 thousand due to the reduction of the reported tax expense. In the second half of 2022, the asset item and the result for the period from July 1 to December 31, 2022 increased by a further € 17 thousand. The adjustments made for the 2022 fiscal year related exclusively to the shareholders of the parent company, which means that the profit brought forward was up by € 23 thousand compared with the originally reported figures as of June 30, 2022, and by a further € 17 thousand as of December 31, 2022, thus increasing by a total of € 40 thousand.

The adjustments described above also had a minor impact on other indicators, in particular earnings per share.

All segments were affected by the adjustments; accordingly, the segment reporting for the first half of 2022 showed a reduction of the reported tax expense and a corresponding increase in the result for the period and in the assets compared with the figures originally reported.

The other new standards and interpretations that are mandatory for the first time as of the 2023 fiscal year had no effect on the recognition and measurement of assets and liabilities.

03 Management Judgments and Key Sources of Estimation Uncertainty

The preparation of the interim consolidated financial statements in accordance with IFRS sometimes requires the managing directors to make estimates or assumptions that can affect the accounting for assets, liabilities and financial liabilities as of the reporting date in the interim financial statements, and the income and expenses for the reporting period. Actual amounts and changes may differ from these estimates and assumptions. Due to various influences arising from the current global economic and geopolitical situation, these discretionary decisions, estimates and assumptions are subject to greater uncertainty. Where such effects represent critical factors, we carefully monitor their impact to ensure that appropriate countermeasures can be taken in good time. We have not identified any specific need for action with regard to the semi-annual financial statements.

04 Currency Translation

In accordance with IAS 21, the financial statements of the foreign subsidiaries included in the consolidated financial statements whose functional currency is not the euro were converted into the Group currency euro on the balance sheet cut-off date on the basis of the functional-currency concept. The conversion was in accordance with the modified-closing-rate method.

The exchange rates for the translation of currencies that are not part of the European Economic and Monetary Union changed as follows:

Foreign currency	ECB reference rate as of the balance sheet date		Average rate of exchange	
per €	**Jun. 30, 2023**	Jun. 30, 2022	**6M 2023**	6M 2022
US dollar	1.0866	1.0387	1.0811	1.0940
Czech crown	23.7420	24.7390	23.6801	24.6364
Hungarian forint	371.9300	397.0400	380.7114	374.7122
Polish zloty	4.4388	4.6904	4.6259	4.6329
Singapore dollar	1.4732	1.4483	1.4443	1.4925
Chinese renminbi	7.8983	6.9624	7.4898	7.0827

05 Scope of Consolidation

All significant subsidiaries over which Deufol SE has legal or effective control are included in the consolidated financial statements.

The consolidated group is as follows:

Number	Dec. 31, 2022	Additions	Disposals	**Jun. 30, 2023**
Consolidated subsidiaries	45	0	0	45
thereof in Germany	19	0	0	19
thereof abroad	26	0	0	26
Companies valued using the equity method	5	0	0	5
thereof in Germany	3	0	0	3
thereof abroad	2	0	0	2
Total	**50**	0	0	**50**

06 Conclusion of a Settlement Agreement

In the context of a settlement agreement concluded in the reporting period, Deufol SE and other Group companies agreed with the former Executive Board members Andreas Bargende and Tammo Fey, as well as the former Managing Director Manfred Wagner and other individuals, to settle all ongoing legal proceedings to which they are a party. In return, the settlement agreement provides for payments to Deufol SE totaling € 11.0 milliono million and the transfer of 628,017 Deufol shares to Deufol SE for redemption, with the transfer being effected free of charge.

The settlement agreement was subject to the condition precedent of approval by the Annual General Meeting of Deufol SE; this approval was granted by resolution passed at the Annual General Meeting on June 29, 2023.

The transfer of the shares is subject to the further condition precedent that no action for rescission or annulment is brought against any of the resolutions of the Annual General Meeting within a period of one month after the resolution has been adopted by the Annual General Meeting, or that any such actions are dismissed with legal effect or finally withdrawn or settled in some other way. No such action has been brought before the competent Regional Court of Frankfurt am Main within the aforementioned period.

The payment of the settlement amount totaling € 11.0 million will be made in several installments, the first of which, amounting to € 1.1 million, was paid on schedule within the reporting period. Further scheduled installments totaling € 3.3 million were paid to Deufol SE in July 2023. The outstanding balance is due for payment in three equal installments of € 2.2 million each in the years 2024 to 2026 and is fully secured by bank guarantees.

The settlement claim of € 11.0 million (before tax) was recognized in income in the reporting period and has provisionally been allocated in full to the "Holding" segment; partial allocation to other segments will take place in the second half of 2023. Including the discounting effects arising from the payment terms described above and the costs incurred in connection with the conclusion and implementation of the settlement agreement, the resulting EBIT contribution was around € 10 million in the first half of 2023.

The income component from the transfer of the Deufol shares will not be realized until both forenamed conditions precedent have been met and is therefore not included in the reporting period.

07 Sales

In respect of further comments on the sales, we refer to the segment reporting.

08 Earnings per Share

Income Figures in € k	Jan. 1, 2023–Jun. 30, 2023	Jan. 1, 2022–Jun. 30, 2022 [1]
Result attributable to the holders of Deufol SE common stock	12,180	2,927
Shares in circulation Figures in units		
Weighted average number of shares	43,104,480	43,104,480

Earnings per share Figures in €		
Basic and diluted earnings per share, based on the income (loss) attributable to common shareholders of Deufol SE	0.283	0.068

1) Adjustment pursuant to IAS 12; for further details, please refer to Note (02) on page 18.

09 Equity

There were no changes to Subscribed Capital in the first six months of 2023.

The authorization to purchase treasury stock pursuant to § 71 (1) no. 8 of the German Stock Corporation Act (AktG) resolved at the Annual General Meeting of June 29, 2022 and valid until July 28, 2027 remains in force without changes.

10 Financial Liabilities

Under the existing German syndicated loan agreement, the Deufol Group is obliged to comply with minimum and maximum limits for firmly defined financial covenants.

The Deufol Group complied with all of the financial covenants under its loan agreement as of March 31, 2023 and June 30, 2023.

11 Cash Flow Statement

The cash flow statement shows the origin and appropriation of the money flows in the first six months of fiscal years 2022 and 2023. It is of key significance for an assessment of the financial position of the Deufol Group.

The cash funds shown in the cash flow statement correspond to the balance sheet item "Cash and cash equivalents".

Cash flow from operating activities has been adjusted for changes to the scope of consolidation – where relevant – and amounted to € 19,378 thousand in the first six months of 2023. This figure includes an inflow of € 1,094 thousand from the first installment of the settlement agreement; please refer to the explanations in Note (06) on page 20.

The outflow of funds from investing activities amounted to € 1,913 thousand and includes the cash flows from the purchase and sale of property, plant and equipment and intangible assets as well as the change in financial receivables and in interest and dividends received. In the reporting period, there were no inflows or outflows from the disposal or acquisition of subsidiaries (in the previous year, inflows from disposals amounted to € 192 thousand).

The outflow of funds from financing activities amounted to € 17,424 thousand and reflects the net changes in financial liabilities and equity plus interest paid.

Including the exchange rate-related changes, which amounted to – € 36 thousand, the cash and cash equivalents balance increased by € 5 thousand.

12 Dividend

The Annual General Meeting on June 29, 2023 resolved to distribute a dividend of € 0.03 per no-par value share on 43,104,480 no-par value shares carrying dividend rights (equivalent to € 1,293,134.40). The dividend was due on the third business day following the resolution passed by the Annual General Meeting and was therefore payable on July 4, 2023. As the resolution was passed before June 30, the dividend was already recognized as a liability as of the reporting date.

13 Contingencies

There were no significant changes to contingencies by comparison with December 31, 2022.

14 Financial Instruments Disclosures

The carrying amounts for the financial instruments in terms of valuation categories and fair-value hierarchy levels are as follows:

			Balance sheet valuation (IFRS 9)					
				Fair value through OCI				
Figures in € k	Fair-value hierarchy	**Carrying amount as of Jun. 30 2023**	Amortized cost	Incl. recycling*	Excl. recycling**	Fair value through profit or loss	Valuation according to IFRS 16	**Fair value as of Jun. 30, 2023**
Financial assets								
Cash and cash equivalents	1	17,569	17,569	—	—	—	—	17,569
Trade receivables	2	32,322	32,322	—	—	—	—	32,322
Other receivables	2	14,079	14,079	—	—	—	—	14,079
Other financial assets	3	273	273	—	—	—	—	273
Derivatives used for hedging purposes	2	1	—	1	—	—	—	1
Financial liabilities								
Amounts due to banks	2	46,358	46,358	—	—	—	—	46,358
Trade payables	2	22,532	22,532	—	—	—	—	22,532
Liabilities under financial leases	2	35,653	—	—	—	—	35,653	35,653
Other liabilities	2	12,312	12,312	—	—	—	—	12,312

* Incl. recycling = items that may be reclassified to the income statement in future.
** Excl. recycling = items that will not be reclassified to the income statement in future.

The carrying amounts for the financial instruments in terms of valuation categories and fair-value hierarchy levels are as follows:

			Balance sheet valuation (IFRS 9)					
				Fair value through OCI				
Figures in € k	Fair-value hierarchy	**Carrying amount as of Jun. 30 2022**	Amortized cost	Incl. recycling*	Excl. recycling**	Fair value through profit or loss	Valuation according to IFRS 16	**Fair value as of Jun. 30, 2022**
Financial assets								
Cash and cash equivalents	1	13,057	13,057	—	—	—	—	13,057
Trade receivables	2	31,691	31,691	—	—	—	—	31,691
Other receivables	2	5,024	5,024	—	—	—	—	5,024
Other financial assets	3	273	273	—	—	—	—	273
Derivatives used for hedging purposes	2	110	—	110	—	—	—	110
Financial liabilities								
Amounts due to banks	2	59,222	59,222	—	—	—	—	59,222
Trade payables	2	22,320	22,320	—	—	—	—	22,320
Liabilities under financial leases	2	29,381	—	—	—	—	29,381	29,381
Other liabilities	2	15,376	15,376	—	—	—	—	15,376

* Incl. recycling = items that may be reclassified to the income statement in future.
** Excl. recycling = items that will not be reclassified to the income statement in future.

15 Significant Events after the Balance Sheet Date

No material events have occurred since the balance sheet date for which a reporting obligation is applicable pursuant to IAS 10.

16 Segment Information

The segment reporting is prepared in accordance with the provisions of IFRS 8 (Operating Segments).

Its primary reporting format is based on geographical regions that are grouped for the purpose of corporate management. In order to assess the business success of the respective segments, the management has calculated the result for the period before taxes, financial income, financial expenses, shares of profits of companies accounted for using the equity method and amortization / impairment of goodwill (EBITA) as the relevant performance indicator. The Deufol Group has the following segments:

- Germany
- Rest of Europe
- USA / Rest of the World
- Holding

The Holding Company segment covers the Group's administrative activities and, in addition to Group management functions, includes support functions such as sales, purchasing, controlling, financial accounting, personnel, legal and corporate communications.

The operating result (EBITA) for the business units is separately monitored by the management in order to make decisions on the allocation of resources and to determine the units' performance. The segments' development is mainly measured with reference to the operating result. As the Deufol Group has a decentralized organizational structure, financial expenses and income can be allocated to the individual business segments.

The prices charged between the business segments are determined on the basis of the arm's length principle.

Supplementary Disclosures

17 Disclosures Concerning the Executive Bodies

Administrative Board

At the Annual General Meeting on June 29, 2023, the following gentlemen were elected as members of the Administrative Board with effect from the end of this Annual General Meeting: Detlef W. Hübner, Helmut Olivier, Holger Bürskens, Prof. Dr. Rüdiger Grube, Dennis Hübner, Marc Hübner, Ewald Kaiser, Gerard van Kesteren and Axel Wöltjen.

At the constituent meeting of the Administrative Board, Mr. Detlef W. Hübner was elected as the chairman and Mr. Helmut Olivier as the deputy chairman.

All of the members of the Administrative Board have been appointed to serve up to the end of the Annual General Meeting that votes on the grant of discharge to the Administrative Board for fiscal year 2024.

18 Relationships with Related Parties

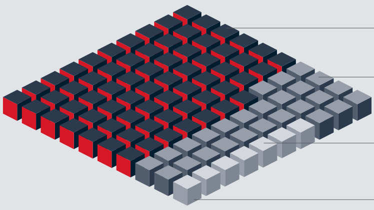
With regard to the transactions with related parties, there was no significant change in relation to the previous annual financial statements.

19 Segment Information by Region (Primary Reporting Format)

Figures in € k	Germany	Rest of Europe	USA/Rest of the World	Holding	Elimination	**Group**
6M 2023						
External sales	96,428	37,557	9,894	59	0	143,938
Internal sales	16,765	19,153	799	5,305	−42,022	0
Total sales	113,193	56,710	10,693	5,364	−42,022	**143,938**
EBIT(A)	5,869	4,701	1,001	6,231	68	17,870
Financial income	162	470	14	854	−1,334	166
Finance costs	−2,038	−847	−313	−937	1,334	−2,801
Income (loss) from associates	253	0	0	0	0	253
Other financial result	15	0	0	0	0	15
EBT	4,261	4,324	702	6,148	68	15,503
Taxes	37	−538	−45	−2,348	2	−2,892
Result for the period	4,298	3,786	657	3,800	70	**12,611**
Assets	143,872	137,438	55,823	252,024	−309,552	279,605
thereof investments accounted for using the equity method	2,006	0	0	0	0	2,006
Non-allocated assets	0	0	0	0	0	0
Total assets	143,872	137,438	55,823	252,024	−309,552	**279,605**
Financial liabilities	52,063	45,788	11,362	43,198	−70,400	82,011
Other debt	41,573	27,664	19,513	5,594	−31,862	62,482
Non-allocated debt	0	0	0	0	0	0
Total liabilities	93,636	73,452	30,875	48,792	−102,262	**144,493**
Depreciation, amortization and impairment	5,986	2,071	1,424	550	−74	9,957
Investments (incl. additions due to IFRS 16)	3,750	2,757	3,101	781	0	10,389

External sales by region

Figures in %



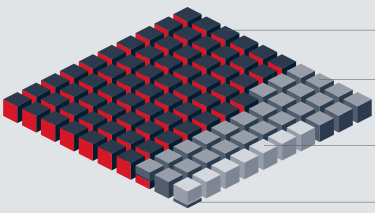
	6M 2023
Germany	67.0
Rest of Europe	26.1
USA/Rest of the World	6.9
Holding	0.0

Figures in € k	Germany	Rest of Europe	USA/Rest of the World	Holding	Elimination	Group
6M 2022 [1]						
External sales	86,888	33,022	9,334	100	0	129,344
Internal sales	13,459	16,801	6	4,761	−35,027	0
Total sales	100,347	49,823	9,340	4,861	−35,027	**129,344**
EBIT(A)	5,912	4,362	188	−3,964	−85	6,414
Financial income	197	305	10	979	−1,455	36
Finance costs	−1,346	−652	−146	−1,006	1,456	−1,694
Income (loss) from associates	133	0	0	0	0	133
Other financial result	0	0	0	0	0	0
EBT	4,896	4,015	53	−3,991	−84	4,889
Taxes	−197	−632	11	−901	0	−1,719
Result for the period	4,699	3,383	64	−4,892	−84	**3,170**
Assets	137,728	136,320	47,522	256,673	−312,821	265,422
thereof investments accounted for using the equity method	1,637	0	0	0	0	1,637
Non-allocated assets	0	0	0	0	0	0
Total assets	137,728	136,320	47,522	256,673	−312,821	**265,422**
Financial liabilities	56,268	50,187	7,536	51,416	−76,804	88,603
Other debt	33,746	27,441	15,487	10,710	−30,602	56,781
Non-allocated debt	0	0	0	0	0	0
Total liabilities	90,014	77,628	23,023	62,126	−107,406	**145,385**
Depreciation, amortization and impairment	6,169	2,187	908	675	−75	9,864
Investments (incl. additions due to IFRS 16)	4,293	1,694	1,861	611	−25	8,434

1) Adjustment pursuant to IAS 12; for further details, please refer to Note (02) to the consolidated financial statements.

External sales by region

Figures in %



	6M 2022
Germany	67.2
Rest of Europe	25.5
USA/Rest of the World	7.2
Holding	0.1

Additional Information

Financial Calendar

August 29,	2023	Semi-Annual Financial Report 2023
April 26,	2024	Annual Financial Report 2023

Key to Symbols

- Basis of Preparation
- Scope of Consolidation
- Consolidated Income Statement Disclosures
- Consolidated Balance Sheet Disclosures
- Consolidated Cash Flow Statement Disclosures
- Other Disclosures
- Segment Information
- Supplementary Disclosures

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