Half-Year Financial Report
30 June 2024

FRIEDRICH VORWERK GROUP SE
21255 Tostedt

Friedrich Vorwerk in figures

Half year (unaudited)	2024	2023	Δ 2024 / 2023
	€k	**€k**	**%**
Order backlog	1,214,347	467,144	160.0
Order intake	407,668	317,683	28.3
Earnings figures (adjusted*)	**€k**	**€k**	**%**
Revenue	**194,124**	**165,630**	**17.2**
Operating performance	194,124	165,630	17.2
Total performance	202,240	174,914	15.6
Cost of materials	-91,330	-82,025	11.3
Staff costs	-69,255	-63,034	9.9
EBITDA	24,443	13,583	80.0
EBITDA margin	*12.6%*	*8.2%*	
EBIT	14,516	4,856	199.0
EBIT margin	*7.5%*	*2.9%*	
EBT	13,594	4,492	202.6
EBT margin	*7.0%*	*2.7%*	
Consolidated net profit after non-controlling interests	**9,566**	**3,176**	**201.2**
EPS in €	0.48	0.16	201.2
Average number of shares outstanding	20,000,000	20,000,000	0.0
Earnings figures (IFRS)	**€k**	**€k**	**%**
EBITDA	24,443	13,583	80.0
Group result	9,515	3,130	203.9
EPS in €	0.48	0.16	203.9
Figures from the statement of financial position (IFRS)	**30 Jun**	**31 Dec**	
	€k	**€k**	**%**
Non-current assets	150,708	137,697	9.4
Current assets	166,263	173,579	-4.2
thereof cash funds	8,171	56,530	-85.5
Issued capital	20,000	20,000	0.0
Other equity	158,863	151,542	4.8
Total equity	178,863	171,542	4.3
Equity ratio	*56.4%*	*55.1%*	
Non-current liabilities	55,092	46,004	19.8
Current liabilities	83,017	93,730	-11.4
Total assets	316,971	311,276	1.8
Net cash (+) / net debt(-))**	-12,345	42,064	-129.3
Employees	**1,816**	**1,695**	**7.1**

* For a detailed account of the adjustments, please refer to the information provided in the section on results of operations, financial position and net assets

** This value includes the securities.

Contents

Interim Group management report

General information

Friedrich Vorwerk Group SE, based in Tostedt, forms the FRIEDRICH VORWERK Group together with its subsidiaries.

Unless otherwise stated, all figures in this report refer to 30 June 2024, or to the period from 1 January to 30 June of the financial year 2024. Percentages and figures in this report may be subject to rounding differences.

Business and general conditions

The global economy proved to be relatively resilient also in the first half of 2024 and grew moderately against the backdrop of a persistently restrictive monetary policy in the first six months. At the same time, global trade increased slightly. The most important central banks in the industrialised countries have recently signalled a somewhat more cautious easing of their monetary policy due to the slower decline in inflation. The OECD is forecasting global economic growth of 3.1% for the current year, driven primarily by India, China and the USA. Growth of 1.7% is expected for the OECD economic area and 0.7% for the eurozone.

In Germany, gross domestic product stagnated in the second quarter of 2024 compared to the previous quarter, after growing by 0.2% in the first quarter of 2024 and previously falling by 0.5% in the fourth quarter of 2023. The continued decline in order intake, particularly from abroad, is increasingly proving to be a brake on a sustainable recovery of the German industrial economy. The recovery in foreign trade observed since the turn of the year was dampened over the course of the second quarter, both in terms of exports and imports. The recovery in consumer sentiment in Germany at the beginning of the year also came to a standstill for the time being in the second quarter. According to the Federal Statistical Office, the inflation rate in Germany was 2.2% in June 2024. While energy and food prices have dampened the inflation rate since the beginning of the year, above-average price increases for services can still be observed. Deutsche Bundesbank (German Federal Bank) is forecasting an average annual inflation rate of 2.8% for 2024. The ifo Institute anticipates a price-adjusted increase in GDP of 0.4% in 2024, which will be supported by falling interest rates, the stable labour market, strong income growth and rising global demand.

As part of the development of a national hydrogen infrastructure, the 3rd amendment to the Energy Industry Act (EnWG) was approved by the German Bundestag on 12 April 2024. Among other things, the law provides for regular network development planning for hydrogen in combination with network development planning for natural gas as well as regulations on financing, which is generally carried out privately via network charges as well as an extension of the commissioning schedule until 2037. Together with the approval of the third Important Project of Common European Interest ("IPCEI") by the European Commission in February in accordance with EU state aid regulations, the starting signal for a nationwide European hydrogen infrastructure has thus been given. Due to the ambitious climate targets and the changed geopolitical security situation as a result of the Russia-Ukraine war, demand for energy infrastructure services is expected to continue to grow strongly. A new study by the consulting firm Ernst & Young and the German Association of Energy and Water Industries (bdew) estimates the investment volume required to achieve the energy transition targets by 2035 at over €1.2 trillion. Of this, over €610 billion will be invested in areas in which Friedrich Vorwerk is active, such as the expansion of transport and distribution grids or the hydrogen core grid.

In the first half of 2024, renewable energies covered around 58% of gross domestic electricity consumption in Germany. The increase of 6 percentage points compared to the first half of the previous year is partly due to the record expansion of photovoltaic systems in 2023 and the above-average electricity generation from hydropower. The continued strong growth in the expansion of renewable energies requires a comprehensive conversion of the power line infrastructure.

Business development

In the first half of the year, the FRIEDRICH VORWERK Group once again benefited from its excellent positioning in the rapidly growing market for energy infrastructure and acquired numerous new projects. These mainly include the onshore underground cable connections for the BalWin3 and LanWin4 offshore connection projects, three further lots of the South German natural gas pipeline (SEL) and several plant construction projects in the Electricity (substations) and Adjacent Opportunities (biogas feed-in and biogas processing plants) segments. The Group also secured several orders in pipeline construction (Natural Gas and Clean Hydrogen). The order intake of FRIEDRICH VORWERK in the first six months amounted to €407.7 million which corresponds to an increase of 28.3% compared to the same period of the previous year (previous year: €317.7 million).

The order backlog as of 30 June 2024 grew to €1,214.3 million (31 December 2023: €1,000.8 million) and reached a new high in the company's history.

Revenue in the reporting period increased by 17.2% to €194.1 million (previous year: €165.6 million). In the same period, the Group's profitability improved significantly compared to the previous year. At €24.4 million, EBITDA margin was around 80% higher than in the same period last year, which corresponds to an EBITDA margin of 12.6%. Adjusted EBIT tripled from €4.9 million in the previous year to €14.5 million (EBIT margin: 7.5%). The turnaround in profitability that began in the first quarter continued with significantly greater intensity in the second quarter, in which an adjusted EBIT of €12.6 million (10.7% EBIT margin) was achieved. The improvement in profitability is mainly due to the gradual completion of the old projects that had been acquired in 2020 and 2021 and thus were affected by partly considerable increases in material and personnel cost.

After a construction period of just under a year, FRIEDRICH VORWERK, as part of a working group (joint venture), completed the Energy Transmission Line (ETL) 180 on schedule in the first quarter of 2024. The official commissioning of ETL 180, which connects the LNG terminal in Brunsbüttel with the existing long-distance pipeline network in the Hamburg area, took place on 11 March 2024 and makes an important contribution to the security of energy supply in Germany. Due to the high time pressure of this crucial infrastructure project and in some cases significant design changes, numerous items remain the subject of dedicated follow-up negotiations even after the completion of the construction work. Recultivation work along the approximately 55 km long route will continue into 2025.

Implemetation work on the first approximately 24 km long section of the South German natural gas pipeline started on schedule in March 2024. The pipeline is scheduled for completion by autumn 2024 so that work can then continue seamlessly on the other recently acquired sections.

Following the early start of construction in the fourth quarter of 2023, the Federal Network Agency completed the planning approval procedure for the approximately 80 km long "NDS2" pipeline section of the A-Nord project as planned in the second quarter of 2024. The planning approval notice also applies to the parallel DolWin4 and BorWin4 lines. Local resources have been increased accordingly. As a result, revenue recognition for this major project is expected to accelerate in the further course of the financial year. Construction permits for the other five sections are expected to be granted successively over the course of the year or by the end of the first quarter of 2025.

The Management Board and Supervisory Board of Friedrich Vorwerk Group SE proposed to the Annual General Meeting on 3 June 2024 to distribute a dividend of €0.12 per entitled share for the financial year 2023 and to carry forward the remaining amount to new account. The Annual General Meeting approved the company's proposal by a large majority. The dividend was paid out on 6 June 2024.

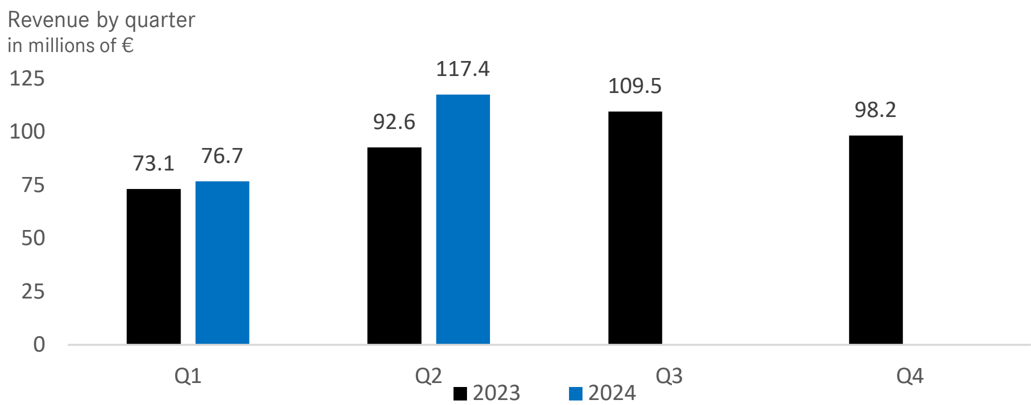
Results of operations, financial position and net assets

The key earnings figures include IFRS-related measurement effects and non-recurring expenses that are not used for corporate management purposes. In the financial year, these mainly included depreciation and amortisation on assets capitalised as part of purchase price allocations. Management therefore manages the Group on the basis of adjusted earnings figures, which reflect the operating profitability and development of the Group in a more transparent and sustainable manner.

At €1,214.3 million, the order backlog as of the reporting date of 30 June 2024 is above the previous year's level (30 June 2023: €467,1 million). Order intake in the reporting period was €407.7 million, which corresponds to an increase of 28.3% compared to the previous year (prior year period: €317.7 million).

The significant increase in order intake was mainly due to the order for the realisation of the onshore underground cable connection in the BalWin3 and LanWin4 offshore connection projects with an order volume in the three-digit million range. Another major order comprises the realisation of further parts of the South German natural gas pipeline (SEL) as part of a working group (joint venture) with an order volume in the high double-digit million range. The order intake trend is generally subject to a certain degree of volatility due to the nature of the business, as it can be influenced both positively and negatively by individual major projects. Of the order backlog, 7% is attributable to the Natural Gas segment, 83% to the Electricity segment, 1% to the Clean Hydrogen segment and 9% to the Adjacent Opportunities segment.

The consolidated revenue of the FRIEDRICH VORWERK Group in the reporting period was €194.1 million. This corresponds to an increase of 17.2% compared to the same period of the previous year (€165.6 million). The main driver of revenue growth in the first half of the year was the large A-Nord project, which restarted as planned in February 2024 after a short winter break and was ramped up further during the second quarter. Recruiting success in the first half of the year was another growth driver. The number of employees increased by 7.1% compared to the last reporting date. Thus, the revenue of €117.4 million in the second quarter was significantly higher than in the same quarter of the previous year (€92.6 million).



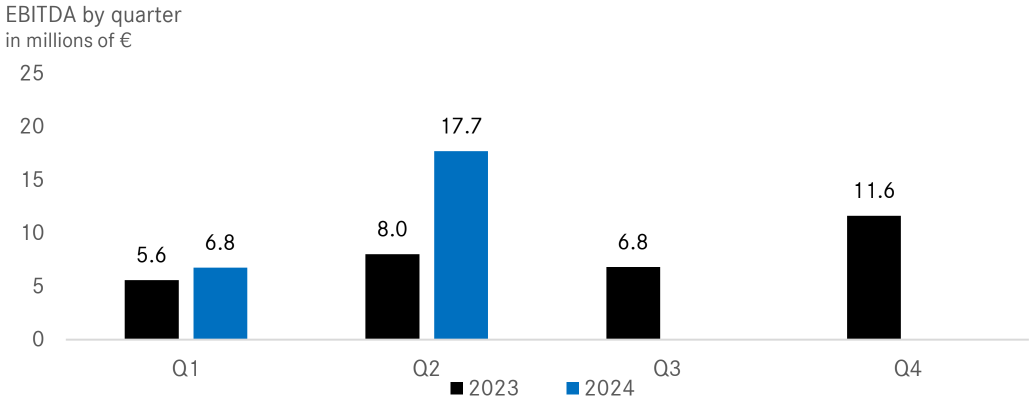
Income from equity investments fell by 19.3% year-on-year to €5.5 million (previous year: €6.8 million). The decline is mainly due to lower earning contributions from joint ventures, which are subject to fluctuations due to the project structure in the order backlog. Other operating income increased slightly to €2.6 million (previous year: €2.5 million).

Due to lower proportion of subcontractor services, the cost of materials increased disproportionately low by 11.1% to €91.3 million (previous year: €82.0 million). The cost of materials ratio is therefore 47.0%, which is below the cost of materials ratio of the previous year (previous year: 49.5%).

Personnel expenses of €69.3 million increased by 9.9% compared to the previous year (previous year: €63.0 million). The increase is mainly due to wage and salary increases as well as an increase in the average number of employees. Compared to the previous year, the average number of employees rose by 6.8%.

The overheads increased by 5.8% to €17.2 million in the reporting period (previous year: €16.3 million).

EBITDA (earnings before interest, taxes, depreciation and amortisation) increased by €10.9 million to €24.4 million in the reporting period (previous year: €13.6 million). The improvement in profitability is mainly due to the gradual completion of the old projects that had been acquired in 2020 and 2021 and thus were affected by partly considerable increases in material and personnel costs. In addition, the proportion of subcontractor services was further reduced and a greater proportion of the value added was generated using the company's own resources.



After adjusted depreciation and amortisation of €9.9 million (previous year: €8.7 million), adjusted EBIT amounted to €14.5 million (previous year: €4.9 million). The year-on-year increase in depreciation and amortisation is mainly due to the increased investment activity in previous years. Adjusted consolidated net profit after non-controlling interests amounted to €9.6 million (previous year: €3.2 million) or €0.48 per share (previous year: €0.16 per share).

Change in cash and cash equivalents amounted to €-48.4 million (previous year: €-41.4 million) and is composed as follows:

Net cash outflow from operating activities in the first half of the year amounted to €31.8 million (previous year: €26.5 million). The operating cash flow is characterised by a seasonal increase in net working capital over the course of the year. A positive cash flow from operating activities is expected for the year as a whole.

Cash flow from investing activities amounted to €-18.4 million (previous year: €-14.2 million) and mainly relates to investments in our technical equipment and machinery as well as the expansion and extension of our locations.

Cash flow from financing activities amounted to €1.7 million (previous year: €-0.7 million) and is mainly due to proceeds from borrowing of financial loans of €8.0 million, dividend payment of €2.4 million as well as current interest and redemption payments.

Equity amounted to €178.9 million as of 30 June 2024 (31 December 2023: €171.5 million). In relation to the consolidated balance sheet total of €317.0 million (31 December 2023: €311.3 million), the equity ratio was 56.4% as of the balance sheet date, compared to 55.1% as of 31 December 2023. The increase resulted from the current net profit. This was offset by the payment of a dividend of €2.4 million, which was approved by the Annual General Meeting on 3 June 2024.

As of 30 June 2024, the FRIEDRICH VORWERK Group has a liquidity reserve (including securities) of €10.4 million (31 December 2023: €58.6 million). The decrease in the liquidity reserve is mainly the result of the negative cash flow from operating activities, primarily due to the increase in working capital in the amount of €-31.8 million, as well as the payments for investments. After deducting financial debt of €22.8 million (31 December 2023: €16.5 million), net cash and cash equivalents amounted to €-12.3 million as of the balance sheet date (31 December 2023: €42.1 million).

Calculation of adjusted earnings figures

The following table shows the reconciliation of the IFRS earnings figures to the adjusted earnings figures:

	1 Jan - 30 Jun 2024 €k	1 Jan - 30 Jun 2023 €k
Revenue	**194,124**	**165,630**
Operating performance	**194,124**	**165,630**
Income from equity investments	5,494	6,810
Other operating income	2,622	2,474
Total performance	**202,240**	**174,914**
Cost of raw materials and supplies	-24,217	-18,532
Cost of purchased services	-67,113	-63,493
Cost of materials	**-91,330**	**-82,025**
Wages and salaries	-53,587	-48,427
Social security and pension costs	-15,668	-14,607
Staff costs	**-69,255**	**-63,034**
Other operating expenses	-17,212	-16,273
Adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA)	**24,443**	**13,583**
Depreciation and amortisation expense	-10,008	-8,804
Adjustments:		
Depreciation and amortisation of assets acquired in business combinations	81	77
Adjusted earnings before interest and taxes (EBIT)	**14,516**	**4,856**
Finance income	464	143
Finance costs	-593	-307
Earnings attributable to non-controlling interests	-787	-194
Net finance costs	**-916**	**-358**
Adjustments:		
Non-controlling interests	-6	-5
Adjusted earnings before taxes (EBT)	**13,594**	**4,492**
Income tax expense	-3,755	-1,133
Other taxes	-250	-107
Adjustments:		
Deferred taxes on adjustments	-24	-23
Adjusted profit or loss for the period	**9,566**	**3,229**
Non-controlling interests	0	-53
Adjusted consolidated net profit	**9,566**	**3,176**
Adjusted earnings per share (in €)	0.48	0.16

Segment performance

Due to the different market perspectives, The FRIEDRICH VORWERK Group distinguishes between the following business segments:

- Natural Gas
- Electricity
- Clean Hydrogen
- Adjacent Opportunities

The **Natural Gas** segment comprises infrastructure services and product solutions for the transportation and processing of natural gas. This takes place in a series of steps from the transport of natural gas through high-pressure pipelines to processing in filter and separation plants, compressor stations, storage and metering systems, LNG terminals, and gas pressure control and metering systems. Our natural gas infrastructure solutions are generally individually designed and manufactured to customers' specifications, enabling them to benefit from lower CO2 emissions when operating our facilities.

In the Natural Gas segment, revenue in the first six months fell by €4.2 million year-on-year to €72.5 million. The revenue share of the segment is 37.4%. EBIT of the segment of €8.1 million is significantly above the previous year's figure of €3.8 million. This corresponds to an EBIT margin of 11.2% (previous year: 4.9%). The improvement in profitability is mainly due to the gradual completion of various old projects that had been acquired in 2020 and 2021 and thus were affected by partly considerable increases in material and personnel cost. The order backlog as of 30 June 2024 amounts to €82.3 million (31 December 2023: €83.8 million).

Our **Electricity** segment focuses on providing infrastructure for the underground transport and conversion of electricity generated largely from climate-friendly, non-fossil energy sources such as wind, solar, hydro and renewable raw materials. Our core competencies in this segment focus on the landfall of offshore electricity and the installation of high-voltage underground cables, which are increasingly being used to transport electricity over long distances. This is followed by connection to local power distribution networks through connection points in the form of substations and inverters, as well as power-to-heat plants. The adoption of the amended Energy Expansion Act in 2015, which created the legal framework for the rapid expansion of underground power lines, is leading to significant investment in energy infrastructure, as is the phase-out of coal and nuclear power, as well as numerous new major projects to lay underground cables. As in the Natural Gas segment, we are developing tailored solutions for our customers' individual applications.

Revenue in the Electricity segment increased significantly from €25.7 million to €58.0 million in the reporting period, which corresponds to an increase of 126.3%. The revenue share of the Electricity segment is therefore 29.9%. EBIT of the segment is at an increased EBIT margin of 8.1% (previous year: 3.6%) at €4.7 million (previous year: €0.9 million). The order backlog as of 30 June 2024 amounts to €1,006.7 million (31 December 2023: €806.7 million).

The **Clean Hydrogen** segment contains product solutions and infrastructure services for the production and safe transport of clean hydrogen. This covers a range of processing steps: from converting renewable energy into hydrogen by means of an electrolysis process to processing and safely transporting the hydrogen through storage facilities, compressor stations, pipelines, and gas pressure control and metering systems. We draw on our many years of expertise and project experience in handling complex gases at high pressure levels and in large volumes, and offer dedicated energy infrastructure solutions ranging from the construction of individual components to fully integrated turnkey solutions. Against the backdrop of increasingly ambitious climate targets, we firmly believe that the Clean Hydrogen segment will play an increasingly important role in the growth of our business and are committed to continuing to invest significant resources in developing this segment. We are committed to providing innovative and safe solutions for the operations of many of Europe's leading transmission system operators as well as energy and industrial companies, many of which are already long-time customers or end users of our solutions. In doing so, we are taking an active role in shaping the technological and legislative framework for the hydrogen economy of the future. Since mid-2022, FRIEDRICH VORWERK is an associated partner in the GET H2 initiative, under whose aegis the core for a nationwide hydrogen infrastructure is already being created.

Revenue in the Clean Hydrogen segment increased from €8.7 million to €11.0 million in the reporting period, which corresponds to an increase of around 26.5%. The revenue share of the Clean Hydrogen segment is therefore 5.7%. EBIT of the segment, with an EBIT margin of 12.4% (previous year: 14.7%) was at €1.4 million (previous year: €1.3 million). The order backlog as of 30 June 2024 amounts to €16.6 million (31 December 2023: €14.1 million).

In our **Adjacent Opportunities** segment, we focus on related turnkey technologies such as the treatment and purification of biogenic and synthetic gases, heat extraction technologies used in district heating, and solutions for the transport of drinking water and wastewater, as well as special solutions for the chemical and petrochemical industries.

In the Adjacent Opportunities segment, revenue fell slightly by 3.6% from €54.5 million to €52.5 million in the reporting period. The revenue share of the Adjacent Opportunities segment is therefore 27.0%. EBIT of segment is at an EBIT margin of 0.7% (previous year: -2.0%) at €0.4 million (previous year: €-1.1 million). The order backlog as of 30 June 2024 amounts to €108.8 million (31 December 2023: €96.2 million).

Employees

The number of employees in the FRIEDRICH VORWERK Group of 1,816 as of 30 June 2024 is 7.1% above the previous year's level (31 December 2023: 1,695). Furthermore, the FRIEDRICH VORWERK Group is currently training 98 apprentices and employees in dual study programmes (31 December 2023: 119). Despite the pleasing employee growth, there are still a large number of vacancies to be filled, reflecting the increasing capacity utilisation and demand for capacity across all subsidiaries and branches. The number and details of vacancies as well as further information can be found on our website at www.friedrich-vorwerk-group.de/en in the section Jobs & Careers.

Report on risks and opportunities

Opportunities and risks for the business development of the FRIEDRICH VORWERK Group are described in the combined management report and group management report for the financial year 2023, which is available on our website www.friedrich-vorwerk-group.de/en/. The assessment in this regard remains unchanged.

The risk management system of the FRIEDRICH VORWERK Group is suitable for identifying risks at an early stage and taking immediate action.

Outlook

Against the background of the excellent performance in the first half of the year and an unchanged positive outlook, the Executive Board is raising its forecast for the 2024 financial year and now expects consolidated revenue of over €410 million with profitability at the upper end of the communicated range of EBITDA margin of 11-13%.

IFRS consolidated income statement

IFRS consolidated income statement (unaudited)	1 Jan - 30 Jun 2024 €k	1 Jan - 30 Jun 2023 €k
Revenue	**194,124**	**165,630**
Operating performance	**194,124**	**165,630**
Income from equity investments	5,494	6,810
Other operating income	2,622	2,474
Total performance	**202,240**	**174,914**
Cost of raw materials and supplies	-24,217	-18,532
Cost of purchased services	-67,113	-63,493
Cost of materials	**-91,330**	**-82,025**
Wages and salaries	-53,587	-48,427
Social security and pension costs	-15,668	-14,607
Staff costs	**-69,255**	**-63,034**
Other operating expenses	-17,212	-16,273
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**24,443**	**13,583**
Depreciation and amortisation	-10,008	-8,804
Earnings before interest and taxes (EBIT)	**14,435**	**4,779**
Finance income	464	143
Finance expenses	-593	-307
Earnings attributable to non-controlling interests	-787	-194
Net finance costs	**-916**	**-358**
Earnings before taxes (EBT)	**13,519**	**4,420**
Income tax expense	-3,755	-1,133
Other taxes	-250	-107
Profit or loss for the period	**9,515**	**3,180**
Non-controlling interests	0	-49
Consolidated net profit	**9,515**	**3,130**
Earnings per share (in €)	0.48	0.16

IFRS consolidated statement of comprehensive income

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan – 30 Jun 2024 €k	1 Jan – 30 Jun 2023 €k
Profit or loss for the period	**9,515**	**3,180**
Items that may be subsequently reclassified to profit and loss		
Currency translation differences	4	21
Items that cannot be subsequently reclassified to profit and loss		
Changes in the fair value of shares	204	272
Other comprehensive income after taxes	**208**	**293**
Comprehensive income for the reporting period	**9,723**	**3,473**
thereof attributable to:		
- Shareholders of the parent company	9,723	3,424
- Non-controlling interests	0	49

IFRS consolidated income statement - quarter

IFRS consolidated income statement (unaudited)	1 Apr – 30 Jun 2024 €k	1 Apr – 30 Jun 2023 €k
Revenue	**117,413**	**92,553**
Increase (+), decrease (-) in finished goods and work in progress	0	1
Operating performance	**117,413**	**92,554**
Income from equity investments	2,296	2,399
Other operating income	1,330	1,452
Total performance	**121,040**	**96,406**
Cost of raw materials and supplies	-15,732	-13,203
Cost of purchased services	-41,338	-32,516
Cost of materials	**-57,070**	**-45,719**
Wages and salaries	-28,831	-26,599
Social security and pension costs	-8,430	-7,465
Staff costs	**-37,261**	**-34,064**
Other operating expenses	-9,027	-8,613
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**17,682**	**8,009**
Depreciation and amortisation	-5,150	-4,440
Earnings before interest and taxes (EBIT)	**12,532**	**3,569**
Finance income	141	28
Finance expenses	-341	-172
Earnings attributable to non-controlling interests	-776	-158
Net finance costs	**-976**	**-303**
Earnings before taxes (EBT)	**11,556**	**3,267**
Income tax expense	-3,461	-781
Other taxes	-138	-78
Profit or loss for the period	**7,957**	**2,408**
Non-controlling interests	0	-26
Consolidated net profit	**7,957**	**2,382**
Earnings per share (in €)	0.40	0.12

IFRS consolidated statement of comprehensive income - quarter

IFRS consolidated statement of comprehensive income (unaudited)	1 Apr – 30 Jun 2024 €k	1 Apr – 30 Jun 2023 €k
Profit ot loss for the period	**7,957**	**2,408**
Items that may be subsequently reclassified to profit and loss		
Currency translation differences	0	20
Items that cannot be subsequently reclassified to profit and loss		
Changes in the fair value of shares	-1	99
Other comprehensive income after taxes	**-1**	**120**
Comprehensive income for the reporting period	**7,956**	**2,528**
thereof attributable to:		
- Shareholders of the parent company	7,956	2,502
- Non-controlling interests	0	26

IFRS consolidated statement of financial position

IFRS consolidated statement of financial position Assets	30 Jun 2024 unaudited €k	31 Dec 2023 audited €k
Non-current assets		
Concessions, industrial property rights and similar rights	1,151	1,147
Goodwill	4,450	4,276
Intangible assets	**5,601**	**5,423**
Land and buildings, including buildings on third-party lands	50,319	36,758
Technical equipment and machinery	38,073	36,154
Other equipment, operating and office equipment	29,018	23,310
Advance payments and assets under construction	2,214	14,118
Property, plant and equipment	**119,625**	**110,340**
Equity investments	12,819	10,591
Investment securities	2,271	2,068
Financial assets	**15,090**	**12,659**
Deferred tax assets	**10,392**	**9,276**
	150,708	**137,697**
Current assets		
Raw materials and supplies	8,135	7,241
Work in progress	2,483	7
Inventories	**10,618**	**7,249**
Trade receivables	36,188	37,431
Contract assets	104,548	66,174
Other current assets	6,737	6,194
Trade receivables and other current assets	**147,474**	**109,800**
Cash in hand	11	28
Bank balances	8,160	56,503
Cash in hand, bank balances	**8,171**	**56,530**
	166,263	**173,579**
Total assets	**316,971**	**311,276**

IFRS consolidated statement of financial position Equity and liabilities	30 Jun 2024 unaudited €k	31 Dec 2023 audited €k
Equity		
Issued capital	20,000	20,000
Capital reserve	76,204	76,204
Retained earnings and other reserves	82,614	75,293
Non-controlling interests	44	45
	178,863	**171,542**
Non-current liabilities		
Liabilities to banks	16,462	10,333
Liabilities to non-controlling interests	7,378	6,591
Liabilities from participation rights	10,213	10,213
Lease liabilities	1,473	1,364
Pension provisions	1,990	1,990
Deferred tax liabilities	17,575	15,513
	55,092	**46,004**
Current liabilities		
Liabilities to banks	3,080	2,370
Contract liabilities	15,069	25,541
Trade payables	7,132	3,695
Liabilities to non-controlling interests	1,310	1,821
Other liabilities	14,524	19,221
Lease liabilities	1,772	2,267
Provisions with liability character	24,990	25,100
Tax provisions	6,853	6,811
Other provisions	8,287	6,904
	83,017	**93,730**
Total equity and liabilities	**316,971**	**311,276**

IFRS consolidated statement of cash flows

IFRS consolidated statement of cash flows (unaudited)	1 Jan – 30 Jun 2024 €k	1 Jan – 30 Jun 2023 €k
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	**14,435**	**4,779**
Depreciation and amortisation	10,008	8,804
Increase (+), decrease (-) in provisions	1,354	-1,132
Losses (+), gains (-) from disposal of property, plant and equipment	-44	-37
Results from equity investments	-5,494	-6,810
Other non-cash expenses and income	61	0
Adjustments for non-cash transactions	**5,884**	**825**
Increase (-), decrease (+) in inventories, trade receivables and other assets	-37,505	-23,586
Decrease (-), increase (+) in trade payables and other liabilities	-11,759	-2,275
Change in working capital	**-49,264**	**-25,861**
Income taxes paid	-3,303	-7,746
Interest received	464	143
Cash receipts from dividends paid by equity investments	29	1,325
Cash flow from operating activities	**-31,755**	**-26,535**
2. Cash flow from investing activities		
Investments (-), divestments (+) in intangible assets	-155	-259
Investments (-), divestments (+) in property, plant and equipment	-18,073	-14,551
Investments (-), divestments (+) in financial assets and securities	0	569
Acquisitions (less cash received)	-126	0
Cash flow from investing activities	**-18,354**	**-14,240**
3. Cash flow from financing activities		
Proceeds from borrowing financial loans	8,000	5,974
Repayments of financial loans	-1,361	-1,191
Profit distribution to shareholders	-2,400	-2,400
Repayments of lease liabilities	-1,336	-1,509
Payments to non-controlling interests	-570	-1,234
Interest payments	-584	-300
Cash flow from financing activities	**1,748**	**-661**

IFRS consolidated statement of cash flows (unaudited)	1 Jan – 30 Jun 2024 €k	1 Jan – 30 Jun 2023 €k
Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents	-48,360	-41,436
Effects of changes in foreign exchange rates	1	3
Cash and cash equivalents at the beginning of the period	56,530	45,876
Cash and cash equivalents at the end of the period	**8,171**	**4,443**
Composition of cash and cash equivalents		
Cash in hand	11	20
Bank balances	8,160	4,423
Reconciliation to liquidity reserve on 30 Jun	2024	2023
Cash and cash equivalents at the end of the period	8,171	4,443
Investment securities	2,271	2,255
Liquidity reserves on 30 Jun	**10,442**	**6,697**

IFRS consolidated statement of changes in equity

IFRS consolidated statement of changes in equity

			Retained earnings						
	Issued capital	Capital reserve	Currency translation	Fair value reserve	Pension reserve	Generated group equity	Attributable to shareholders	Non-controlling interests	Consolidated equity
	€k	€k	€k	€k	€k	€k	€k	€k	€k
1 Jan 2023	**20,000**	**76,204**	**-10**	**-802**	**306**	**67,109**	**162,806**	**374**	**163,181**
Distributions to shareholders	0	0	0	0	0	-2,400	-2,400	0	-2,400
Amounts recognised in other comprehensive income	0	0	21	272	0	0	293	0	293
Consolidated net profit	0	0	0	0	0	3,130	3,130	49	3,179
Total comprehensive income	**0**	**0**	**21**	**272**	**0**	**3,130**	**3,423**	**49**	**3,472**
30 Jun 2023	**20,000**	**76,204**	**11**	**-530**	**306**	**67,839**	**163,830**	**424**	**164,254**
1 Jan 2024	**20,000**	**76,204**	**21**	**-325**	**354**	**75,243**	**171,497**	**45**	**171,542**
Distributions to shareholders	0	0	0	0	0	-2,400	-2,400	0	-2,400
Amounts recognised in other comprehensive income	0	0	4	204	0	0	208	0	208
Consolidated net profit	0	0	0	0	0	9,515	9,515	0	9,515
Total comprehensive income	**0**	**0**	**4**	**204**	**0**	**9,515**	**9,723**	**0**	**9,723**
30 Jun 2024	**20,000**	**76,204**	**25**	**-121**	**354**	**82,358**	**178,820**	**44**	**178,864**

Notes to the interim consolidated financial statements

Information on the company

Friedrich Vorwerk Group SE is headquartered at Harburger Straße 19, 21255 Tostedt, Germany. It is entered in the commercial register of the Tostedt District Court under HRB 208170.

Accounting

The interim financial report of the FRIEDRICH VORWERK Group for the period from 1 January to 30 June 2024 was prepared on the basis of the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted in the EU. It was prepared in accordance with IAS 34.

Accounting policies

The accounting policies applied are consistent with those of the consolidated financial statements for the year ended on 31 December 2023. The preparation of the financial statements is influenced by recognition and measurement methods, as well as assumptions and estimates that affect the amount and disclosure of the assets, liabilities and contingent liabilities recognised as well as the income and expense items. Revenue-related items are recognised on an accrual basis during the year.

Business combinations

As part of the initial consolidation of Seyde und Coburg Kathodischer Korrosionsschutz GmbH as of 29 February 2024, goodwill of €0.2 million was recognised.

Dividend

On 3 June 2024, the Annual General Meeting of Friedrich Vorwerk Group SE resolved to distribute a dividend in the amount of €0.12 per entitled share for the financial year 2023. The dividend was paid out on 6 June 2024.

Segment reporting

The management of the FRIEDRICH VORWERK Group defines the segments as follows:

Segment reporting 1 Jan – 30 Jun 2024 (unaudited)	Natural Gas €k	Electricity €k	Clean Hydrogen €k	Adjacent Opp. €k	Reconciliation €k	Group €k
Revenue from third parties	72,547	58,043	11,002	52,532	0	194,124
EBIT	**8,116**	**4,674**	**1,361**	**365**	**-81**	**14,435**
EBIT margin	11.2%	8.1%	12.4%	0.7%		7.4%
Revenue share	37.4%	29.9%	5.7%	27.0%		

Segment reporting 1 Jan – 30 Jun 2023 (unaudited)	Natural Gas €k	Electricity €k	Clean Hydrogen €k	Adjacent Opp. €k	Reconciliation €k	Group €k
Revenue from third parties	76,793	25,652	8,695	54,490	0	165,630
EBIT	**3,777**	**916**	**1,277**	**-1,083**	**-108**	**4,779**
EBIT margin	4.9%	3.6%	14.7%	-2.0%		2.9%
Revenue share	46.4%	15.5%	5.2%	32.9%		

Reconciliation of EBIT to consolidated net income Half year	1 Jan - 30 Jun 2024 €k	1 Jan - 30 Jun 2023 €k
Total EBIT of the segments	**14,516**	**4,887**
Reconciliation to the Group EBIT	-81	-108
Net finance costs	-916	-358
EBT	**13,519**	**4,420**
Taxes on income	-3,755	-1,133
Other taxes	-250	-107
Non-controlling interests	0	-49
Consolidated net profit	**9,515**	**3,130**

Revenue

Revenue amounts to €194,124 thousand (previous year: €165,630 thousand) in the first half of 2024.

The following table shows revenue broken down by region:

Region	1 Jan – 30 Jun 2024 €k	1 Jan – 30 Jun 2023 €k
Germany	190,171	160,759
Europe excluding Germany	2,916	3,767
Miscellaneous	1,037	1,104
	194,124	**165,630**

15.0% of revenue (previous year: 12.8%) relates to Service & Operations.

Related party transactions

Related parties are entities and persons that have the ability to control the FRIEDRICH VORWERK Group or exercise significant influence over its financial and operating policies. The affiliated companies included in the consolidated financial statements and those not included are also considered to be related parties. Transactions between the company and its subsidiaries have been eliminated on consolidation and are not explained in this note.

In addition, companies included in the consolidated financial statements using the equity method are considered as related parties.

Business relations between fully consolidated Group companies, other related parties, MBB SE and other companies of the MBB Group are conducted on an arm's length basis.

Disclosures on financial instruments

Financial instruments break down as follows as at the end of the reporting period:

30 Jun 2024 €k	Classification according to IFRS 9 1)	Carrying amount	Fair value Level 1	Fair value Level 2	Fair value Level 3	Total
Assets						
Investment securities	FVTOCI	2,271	2,271			2,271
(31 Dec 2023)		2,068	2,068			2,068
Trade receivables	AC	36,188				
(31 Dec 2023)		37,431				
Other assets[2]	AC	1,513				
(31 Dec 2023)		2,119				
Non-hedge derivatives	FVTPL	150		150		150
(31 Dec 2023)		172		172		172
Cash funds	AC	8,171				
(31 Dec 2023)		56,530				
Liabilities						
Liabilities to banks	FLaC	19,542		18,941		18,941
(31 Dec 2023)		12,702		12,084		12,084
Liabilities from participation rights	FLaC	10,213		14,011		14,011
(31 Dec 2023)		10,213		13,845		13,845
Trade payables	FLaC	7,132				
(31 Dec 2023)		3,695				
Other loans	FLaC	0				
(31 Dec 2023)		200				
Other liabilities[2)]	FLaC	7,115				
(31 Dec 2023)		8,946				
Provisions with liability character	FLaC	24,990				
(31 Dec 2023)		25,100				
Liabilities to non-controlling interests	FLaC	8,688				
(31 Dec 2023)		8,412				
Aggregated according to category						
Financial assets	AC	45,872				
Financial assets	FVTOCI	2,271				
Financial assets	FVTPL	150				
Financial liabilities	FLaC	77,680				

1) AC: amortised cost; FLaC: Financial liabilities at amortised cost; FVTPL: fair value through profit and loss; FVTOCI: fair value through other comprehensive income
2) Other assets and liabilities that are not financial assets or liabilities are not included.

The fair value of financial instruments for which the carrying amount is a reasonable approximation of fair value is not disclosed separately.

Investments in equity instruments are measured at fair value through other comprehensive income, which is based on the market price quoted on an active market. For the derivatives measured at fair value, the fair value is calculated based on the expected future cash flows, discounted applying the generally observable market data for the corresponding yield curves.

Cash funds, other financial assets and trade receivables predominantly have short remaining terms. Their carrying amounts as at the end of the reporting period are therefore approximately their fair value

Trade payables, other current loans and other financial liabilities are typically short-term; the amounts recognised are approximately the fair values. The fair values of financial liabilities and liabilities from profit participation rights are calculated at the present value of the expected future cash flows. Discounting uses standard market interest rates based on the corresponding maturities and credit ratings.

There were no changes between levels in either the current year or the previous financial year.

The following tables show the measurement methods used to determine the fair values.

Financial instruments measured at fair value

Financial instrument	Valuation technique	Material, unobservable input factors	Relationship between key unobservable input factors and fair value measurement
Securities	The fair value is based on the market price of equity and debt instruments as at 30 June 2024.	Not applicable	Not applicable
Interest rate swaps	The fair value is calculated as the present value of the estimated future cash flows.	Not applicable	Not applicable

Financial instruments not measured at fair value

Financial instrument	Valuation technique
Liabilities to banks Liabilities from participation rights	Discounted cash flows: the valuation model takes into account the present value of the expected payments, discounted using a risk-adjusted discount rate.

Auditor's review

The condensed interim consolidated financial statements as at 30 June 2024 and the interim group management report have neither been audited in accordance with section 317 of the German Commercial Code (HGB) nor reviewed by an auditor.

Voting rights announcements

The notifications pursuant to section 40 of the German Securities Trading Act (WpHG) can be viewed on the website of Friedrich Vorwerk Group SE at https://www.friedrich-vorwerk-group.de/en/investor-relations/corporate-governance/ .

Events after the end of the reporting period

There were no significant events after the balance sheet date of 30 June 2024.

Tostedt, 14 August 2024

Torben Kleinfeldt — Tim Hameister

Chief Executive Officer — Chief Financial Officer

Assurance of the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Tostedt, 14 August 2024

Torben Kleinfeldt	Tim Hameister
Chief Executive Officer	Chief Financial Officer

Financial calendar

Half-Year Financial Report 2024

14 August 2024

Quarterly Report Q3 2024

14 November 2024

End of financial year

31 December 2024

Conferences

Berenberg and Goldman Sachs German Corporate Conference, Munich

24 September 2024

Furthermore, we would like to draw your attention to our newsletter, which you can subscribe to at www.friedrich-vorwerk-group.de/en/.

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Legal notice

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