



Half-Year Financial Report

June 2021

FRIEDRICH VORWERK GROUP SE

21255 Tostedt

Friedrich Vorwerk in figures

Half year (unaudited)	2021	2020	Δ2021 / 2020
	€k	€k	%
Order backlog	277,890	276,831	0.4
Order intake	104,063	129,043	-19.4
Earnings figures (adjusted*)	€k	€k	%
Revenue	132,681	137,437	-3.5
Operating performance	132,681	137,437	-3.5
Total performance	135,330	143,041	-5.4
Cost of materials	-48,966	-66,407	-26.3
Staff costs	-46,263	-42,707	8.3
EBITDA	27,532	19,634	40.2
<i>EBITDA margin</i>	<i>20.8%</i>	<i>14.3%</i>	
EBIT	21,316	14,337	48.7
<i>EBIT margin</i>	<i>16.1%</i>	<i>10.4%</i>	
EBT	19,186	12,963	48.0
<i>EBT margin</i>	<i>14.5%</i>	<i>9.4%</i>	
Consolidated net profit after non-controlling interests	12,979	9,964	30.3
eps in €	0.68	0.55	22.9
Average number of shares in circulation	19,077,778	18,000,000	6.0
Earnings figures (IFRS)	€k	€k	%
EBITDA	24,518	19,768	24.0
Consolidated net profit	10,421	9,849	5.8
eps in €	0.55	0.55	-0.2
Figures from the statement of financial position (IFRS)	30 Jun k€	31 Dec k€	%
Non-current assets	84,865	72,009	17.9
Current assets	183,790	104,903	75.2
thereof cash and equivalents	82,604	45,254	82.5
Issued capital (share capital)	20,000	3,120	541.0
Other equity	116,087	60,484	91.9
Total equity	136,087	63,604	114.0
<i>Equity ratio</i>	<i>50.7%</i>	<i>36.0%</i>	
Non-current liabilities	57,354	42,793	34.0
Current liabilities	75,214	70,515	6.7
Total assets	268,655	176,912	51.9
Net cash (+) or net debt (-)	59,204	27,851	112.6
Employees	1,395	1,304	7.0

* 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.

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Welcome Note from the Executive Management

Dear shareholders,

FRIEDRICH VORWERK looks back on a successful first half of 2021.

Following the successful step onto the capital market in the first quarter, we believe the company is ideally positioned to play a significant role in realizing the European energy transition. Our infrastructure solutions contribute to a reliable and low-CO₂ energy supply.

With more than 1,390 highly qualified employees, we cover a wide range of services for the gas, electricity and hydrogen markets. From the planning and implementation of underground pipeline networks to the development of complex solutions in the field of plant engineering, FRIEDRICH VORWERK offers leading network operators and industrial customers in Europe a comprehensive range of services from a single source.

Our excellent market position and technological competence are also reflected in our high profitability, which we were able to further increase in the first half of 2021. Compared with the previous year, we increased our adjusted EBITDA by 40.2% to €27.5 million in the first six months. Adjusted EBIT grew by €7.0 million to €21.3 million in the same period.

Following a weaker start to the year in the first quarter due to the weather, we were able to increase our sales in the further course of the financial year. At €132.7 million, sales in the first half of the year were only just below the previous year's figure of €137.4 million. Sales in our growth segments Electricity and Clean Hydrogen were 66.7% higher in the first half of the year than in the same period last year, growing to €26.2 million.

At €104.1 million, order intake was down 19.4% on the previous year, mainly due to the postponement of project awards. However, some of the postponed orders have already been acquired in the current third quarter. These include a new lighthouse project with a volume well into the double-digit million euro range. At €277.9 million, the order backlog at June 30, 2021 was slightly above the high level of the previous year.

In addition, we succeeded in acquiring KORUPP GmbH, one of the leading suppliers of cathodic corrosion protection, in the first half of the year. KORUPP ideally complements our existing portfolio of products and services. In the future, too, we intend to acquire additional technologies and capacities for the realization of the energy turnaround through corporate acquisitions. Our cash and cash equivalents of €82.6 million provide excellent conditions for this.

In the second half of the year, we expect to be able to further increase the company's sales compared to the first half. For the full year 2021, we therefore forecast sales of €270 million to €300 million. This already takes into account a customer-related project delay in Denmark, which will have no impact on profitability. We expect adjusted EBIT margin in the second half of the year to be 16%, roughly the same level as in the first half.

We thank you for your trust and look forward to shaping the European energy transition together with you.

Tostedt, 20 August 2021

Torben Kleinfeldt
Chief Executive Officer

Tim Hameister
Chief Financial Officer

Interim Group management report

General Information

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

Unless otherwise stated, all figures in this report refer to June 30, 2021, or to the period from January 1 to June 30 of the 2021 financial year. Percentages and figures in this report may be subject to rounding differences.

Business and general conditions

The first half of 2021 in Europe continued to be overshadowed by the COVID-19 pandemic. However, the measures introduced by individual governments in the form of far-reaching travel and contact restrictions and extensive economic support measures, together with ongoing vaccination of the population, led to a temporary easing of the pandemic situation.

According to the German Federal Statistical Office, the inflation rate in Germany in July 2021 was 3.8%, the highest level since December 1993, and the German Bundesbank expects that the inflation rate could move toward 5% by the end of the year. Supply bottlenecks of industrial precursors got off to a bumpy start in the manufacturing sector in the first half of the year, but the order situation nevertheless recovered somewhat in almost all industrial sectors, providing a positive outlook for the year as a whole. For 2021, the ifo Institute expects price-adjusted GDP growth of 3.3% (previous year: decline of 4.8%).

The forecast for the energy industry remains positive and is significantly better than for the economy as a whole. With the COVID-19 pandemic subsiding, the fight against climate change is gaining importance on the public agenda and the renewal of Europe's energy infrastructure is progressing at full speed.

This was recently underlined with the endorsement of the EU Climate Change Act by the European Council on June 28, 2021. The planned reduction of CO₂ emissions by 2030 compared to 1990 by a net 55% was thus legally fixed. In a next step, the EU Commission presented its "Fit for 55" legislative package on July 14, 2021, which includes, among other things, a reform of the EU emissions trading system, a higher share of renewable energies, and the de facto phase-out of combustion engine production from 2035.

A further increase in energy consumption is therefore expected in the future, not least due to the trend towards E-mobility and the rising demand for green hydrogen. For example, the German Federal Ministry for Economic Affairs and Energy recently updated its estimate for electricity consumption in Germany in 2030. Whereas consumption was previously assumed to be 580 terawatt hours, it is now expected to be 655 terawatt hours.

In order to achieve the ambitious climate targets of the European Union and at the same time ensure security of supply for the industrialized nations, a fundamental transformation of the energy industry is to be expected in the coming decades. The gradual phase-out of coal and nuclear energy will therefore be accompanied by massive investments in the expansion of renewable energies and the associated energy infrastructure. As a fully integrated provider of energy infrastructure solutions, the FRIEDRICH VORWERK Group is ideally positioned for the necessary measures and is already involved in the concrete implementation of the initiated measures in numerous places.

Business development

In this environment, the FRIEDRICH VORWERK Group recorded a slight decline in sales of 3.5% to €132.7 million in the first six months of the financial year. In the same period, adjusted EBIT increased by 48.7% to €21.3 million, corresponding to an EBIT margin of 16.1% (previous year: 10.4%). The slight decline in sales is mainly attributable to less favorable weather conditions compared with the prior-year period, with significantly more frost and rainy days in the first quarter, which slowed down the progress of work, particularly in the Energy Grids business area.

An acceleration in revenue recognition was observed in the second quarter. As a result, revenues here were €80.1 million, 52.5% higher than in the first quarter of 2021 (€52.6 million). For the second half of 2021, further revenue growth is expected compared to the first half of the year.

In February 2021, the FRIEDRICH VORWERK Group signed an agreement to acquire the shares in KORUPP GmbH, one of the leading suppliers of products and services in the field of cathodic corrosion protection, thus further expanding its own technological competencies. KORUPP represents an ideal addition to our existing portfolio of products and services and underlines our defined growth strategy. In addition to the ongoing integration of the company into the business operations of the FRIEDRICH VORWERK Group, we

are constantly on the lookout for opportunities to expand our existing portfolio of products and services through additional acquisitions. The initial consolidation of the company took place on April 1, 2021.

Initial public offering of Friedrich Vorwerk Group SE

Friedrich Vorwerk Group SE completed a successful IPO on March 25, 2021. As part of the IPO, 2,000,000 new shares were issued in a capital increase. The FRIEDRICH VORWERK Group received gross issue proceeds of €90.0 million from the capital increase. Taking into account the costs of €6.8 million directly attributable to the IPO, the net issue proceeds for the Group amount to €83.2 million.

The costs attributable to the IPO on the Group side include bank commissions of €3.6 million, personnel expenses from bonuses of €2.7 million, and other costs of €0.5 million.

In accordance with IAS 32, a total of €3.7 million (mainly bank commissions) relating to the IPO was recognized directly in equity, while €3.1 million (mainly personnel expenses) was recognized in profit or loss. The amount recognized directly in equity includes bank commissions of €3.6 million and other costs of €0.1 million. The costs recognized in profit or loss include personnel expenses from bonuses of €2.7 million and other costs of €0.4 million. Group equity increased by €72.5 million, mainly driven by the IPO, so that the Group equity ratio is now 50.7%. Similarly, the net cash position of the FRIEDRICH VORWERK Group increased from €27.9 million as of December 31, 2020 to €59.2 million as of the balance sheet date, mainly due to the IPO.

Financial position and financial performance

The earnings figures include IFRS-related measurement effects and non-recurring expenses that are not used for corporate management purposes. In the fiscal year, these mainly include the expenses of the IPO. Furthermore, in 2020, revenues and expenses of remaining projects from the Offshore division of the Bohlen & Doyen Group acquired in 2019, which was discontinued after the acquisition, were adjusted ("offshore projects"). Management therefore manages the Group on the basis of adjusted earnings figures, which reflect the Group's operating profitability and development in a much more transparent and sustainable manner.

At €277.9 million, the order backlog at the reporting date of June 30, 2021, was slightly above the previous year's level (June 30, 2020: €276.8 million). Order intake in the reporting period amounted to €104.1 million, which corresponds to a year-on-year decline of 19.4%. The decline in order intake is mainly attributable to the postponement of project awards in the second quarter. However, some of the postponed orders have already been acquired in the current third quarter. Of the order backlog, 74% is attributable to the Natural Gas segment, 12% to the Electricity segment, 7% to the Clean Hydrogen segment and 7% to the Adjacent Opportunities segment.

The consolidated sales of the FRIEDRICH VORWERK Group amounted to €132.7 million in the reporting period. This corresponds to a slight decrease of 3.5% compared to the same period of the previous year (€137.4 million). This is mainly attributable to less favorable weather conditions with significantly more frost and rainy days in the first quarter. At €80.1 million, the second quarter of fiscal 2021 is higher than the comparable period of 2020 at €75.3 million. In connection with the offshore projects, revenues of €0.5 million were adjusted in the first six months of 2020.

While income from equity investments was lower year-on-year at €0.4 million in the first six months of fiscal year 2021 (previous year: €3.6 million), other operating income increased slightly year-on-year to €2.3 million (prior-year period: €2.0 million). The adjustments in the reporting period relate to income from initial consolidations amounting to €0.1 million (previous year: €0).

The adjusted cost of materials as a percentage of sales decreased significantly to €49.0 million (previous year: €66.4 million). The cost of materials ratio is therefore 36.9% (previous year: 48.3%). The decrease is mainly due to a lower share of subcontractor services in the reporting period, which amounted to €23.1 million (previous year: €39.4 million). The adjustments of €0.2 million relate only to the previous year and result from expenses in connection with the offshore projects.

Adjusted personnel expenses of €46.3 million increased slightly compared with the previous year (previous year: €42.7 million). The increase is mainly due to the higher number of employees. The position was adjusted for bonuses of €2.7 million in connection with the IPO. Adjusted overheads fell slightly in the reporting period to €12.6 million (previous year: €14.3 million). The adjustments in the reporting year relate to consulting costs of €0.4 million in connection with the IPO (previous year: €0.2 million in connection with the offshore projects).

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) increased by 40.2% to €27.5 million in the first half of 2021 (prior-year period: €19.6 million). This figure was adjusted for

expenses of €3.2 million attributable to the IPO and income of €0.1 million from the change in the scope of consolidation.

After depreciation and amortization of €6.2 million (previous year: €5.3 million), adjusted EBIT amounted to €21.3 million (previous year: €14.3 million). Adjusted net income after minority interests amounted to €13.0 million (prior-year period: €10.0 million) or €0.68 per share (previous year: €0.55 per share).

The change in cash and cash equivalents amounted to €37.4 million in the first half of 2021 (previous year: €-19.1 million) and breaks down as follows:

Net cash outflow in operating activities amounts to €14.4 million (previous year: €2.5 million). This is mainly the result of the increase in net working capital, which is typical for the course of the year.

Cash flow from investing activities amounts to €-14.4 million (previous year: €-5.7 million) and mainly relates to investments in our technical equipment and machinery as well as the purchase price payment for the acquisition of KORUPP GmbH.

Cash flow from financing activities amounts to €66.2 million (previous year: €-10.9 million). The reporting period includes the capital increase in connection with the IPO in the amount of €90.0 million. It also includes payments for dividends, interest and principal repayments, and proceeds from new loans taken out.

Equity amounted to €136.1 million as of June 30, 2021 (December 31, 2020: €63.6 million). In relation to the consolidated balance sheet total of €268.7 million (December 31, 2020: €176.9 million), the equity ratio as of the balance sheet date is 50.7% compared to 36.0% as of December 31, 2020. The increase results from the capital increase in connection with the IPO as well as the current annual result. The payment of a dividend of €25.1 million, which was approved by the Annual General Meeting on February 10, 2021, had an offsetting effect.

As of June 30, 2021, the FRIEDRICH VORWERK Group has cash and cash equivalents of €82.6 million (December 31, 2020: €45.3 million). Less financial debt of €23.4 million (December 31, 2020: €17.4 million), net cash and cash equivalents as of the balance sheet date amount to €59.2 million (December 31, 2020: €27.9 million).

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 transport 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, sales in the first six months fell by 15.7% year-on-year to €87.9 million. The decline in sales in this segment was mainly due to unfavorable weather conditions in the first quarter and customer-related project delays in a natural gas project. In this respect, the segment's EBIT developed very favorably and amounted to €13.7 million (previous year: €11.2 million). The order backlog as of June 30, 2021, amounts to €206.6 million (December 31, 2020: €224.3 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, water and renewable resources. 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, as well as the phase-out of coal and nuclear power are leading to significant investments in energy infrastructure and to numerous new major projects to lay

underground cables. As in the Natural Gas segment, we are developing tailored solutions for our customers' individual applications.

Sales in the Electricity segment increased from €15.6 million to €21.1 million in the reporting period, corresponding to an increase of 35.4%. There was also an increase in the segment's EBIT from €1.4 million to €3.0 million. The order backlog as of June 30, 2021, amounted to €32.1 million (December 31, 2020: €38.3 million).

The **Clean Hydrogen** segment includes product solutions and infrastructure services for the production and safe transport of clean hydrogen. This covers a range of processing steps: from the conversion of renewable energy into hydrogen by means of an electrolysis process to the processing and safe transport of the hydrogen and 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, of which many are already long-time customers or end users of our solutions. In doing so, we take an active role in shaping the technological and legislative framework of the hydrogen economy of the future. For example, the FRIEDRICH VORWERK Group is actively involved in the European umbrella organization Hydrogen Europe and, since the middle of the year, has been an associated partner in the GET H2 initiative, under whose aegis the core for a nationwide hydrogen infrastructure is already being created.

In the Clean Hydrogen segment, there was a significant increase in sales to €5.1 million with EBIT of €1.2 million, corresponding to an EBIT margin of 24.0%. Sales in the comparative period here were €0.1 million, while EBIT was €-21.0k. The order backlog as of June 30, 2021 amounts to €18.5 million (December 31, 2020: €21.4 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, sales increased from €17.9 million to €18.5 million in the reporting period. Profitability in this segment increased significantly compared to the previous year. EBIT in the reporting period was €3.4 million (previous year: €1.8 million), with an EBIT margin of 18.4%. The order backlog as of June 30, 2021 amounts to €20.7 million (December 31, 2020: €22.5 million).

Employees

The number of employees at the FRIEDRICH VORWERK-Group increased by 7.0% to 1,395 as at June 30, 2021 compared to 1,304 as at December 31, 2020. In addition, the FRIEDRICH VORWERK-Group is currently training 73 apprentices and employees in dual studies (December 31, 2020: 85).

Report on risk 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 fiscal year 2020, which is available on our website www.friedrich-vorwerk.de/en. The current COVID-19 pandemic has already been dealt with in detail there. The assessment in this regard remains unchanged. The risk management system at the FRIEDRICH VORWERK-Group is suitable for identifying risks at an early stage and taking immediate measures.

Outlook

In the second half of the year, management expects to be able to further increase sales compared to the first half. For the full year 2021, sales of €270 million to €300 million are forecasted. This already takes into account a customer-related project delay in Denmark, which will have no impact on profitability. Adjusted EBIT margin in the second half of the year is expected to be 16%, roughly the same level as in the first half.

IFRS consolidated half-year financial statements 2021

IFRS consolidated statement of profit or loss (unaudited)	1 Jan - 30 Jun 2021 k€	1 Jan - 30 Jun 2020 k€
Revenue	132,681	137,987
Operating performance	132,681	137,987
Badwill	138	0
Result from joint ventures and associates	380	3,618
Other operating income	2,268	1,986
Total performance	135,468	143,590
Cost of raw materials and supplies	-10,988	-10,849
Cost of purchased services	-37,979	-55,750
Cost of materials	-48,966	-66,599
Wages and salaries	-38,765	-33,670
Social security and pension costs	-10,243	-9,037
Staff costs	-49,008	-42,707
Other operating expenses	-12,976	-14,517
Earnings before interest, taxes, depreciation and amortization (EBITDA)	24,518	19,768
Amortization and depreciation expense	-6,261	-5,420
Earnings before interest and taxes (EBIT)	18,257	14,348
Finance revenue	4	59
Finance costs	-369	-307
Earnings attributable to non-controlling interests	-1,776	-1,103
Net finance costs	-2,141	-1,351
Earnings before taxes (EBT)	16,116	12,997
Income tax expense	-5,598	-2,987
Other taxes	-190	-161
Profit or loss for the period	10,329	9,849
Non-controlling interests	92	0
Consolidated net profit	10,421	9,849
Earnings per share (in €)	0.55	0.55

IFRS consolidated statement of other comprehensive income (unaudited)	1 Jan - 30 Jun 2021 k€	1 Jan - 30 Jun 2020 k€
Consolidated net profit	10,421	9,849
Non-controlling interests	-92	0
Profit or loss for the period	10,329	9,849
Items that may be subsequently reclassified to profit and loss		
Currency translation differences	4	0
Other comprehensive income after taxes	4	0
Comprehensive income for the reporting period	10,333	9,849
thereof attributable to:		
- Shareholders of the parent company	10,425	9,849
- Non-controlling interests	-92	0

IFRS consolidated statement of profit or loss (unaudited)	1 Apr - 30 Jun 2021 k€	1 Apr - 30 Jun 2020 k€
Revenue	80,131	75,380
Operating performance	80,131	75,380
Results from joint ventures and associates	505	2,162
other operating income	1,283	1,403
Total performance	81,920	78,945
Cost of raw materials and supplies	-5,777	-6,957
Cost of purchased services	-28,242	-31,937
Cost of materials	-34,019	-38,894
Wages and salaries	-19,664	-17,552
Social security and pension costs	-5,535	-4,647
Staff costs	-25,199	-22,199
Other operating expenses	-6,714	-6,361
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	15,988	11,491
Amortization and depreciation expense	-3,220	-2,734
Earnings before interest and taxes (EBIT)	12,768	8,757
Other interest and similar income	2	34
Interest and similar expenses	-194	-143
Earnings attributable to non-controlling interests	-1,088	-755
Net finance costs	-1,280	-864
Earnings before taxes (EBT)	11,488	7,893
Income tax expense	-3,400	-1,094
Other taxes	-89	-61
Profit or loss for the period	7,999	6,739
Non-controlling interests	22	0
Consolidated net profit	8,021	6,739
Earnings per share (in €)	0.42	0.37

Statement of financial position	30 Jun 2021	31 Dec 2020
Assets (IFRS)	unaudited	audited
	k€	k€
Non-current assets		
Concessions, industrial property rights and similar rights	243	265
Goodwill	314	0
Intangible assets	557	265
Land and buildings including buildings on third-party land	27,890	17,566
Technical equipment and machinery	28,544	22,208
Other equipment, operating and office equipment	12,161	10,807
Advance payments and assets under development	47	9,238
Property, plant and equipment	68,641	59,820
Investments in associates	7,453	5,403
Financial assets	7,453	5,403
Deferred tax assets	8,213	6,521
	84,865	72,009
Current assets		
Raw materials and supplies	5,374	4,374
Work in progress	575	565
Advance payments	21	0
Inventories	5,970	4,938
Trade receivables	23,942	20,931
Contract assets	62,262	27,821
Other current assets	9,013	5,959
Trade receivables and other current assets	95,216	54,711
Cash in hand	76	50
Cash at banks	82,527	45,204
Cash in hand and at banks	82,604	45,254
	183,790	104,903
Total assets	268,655	176,912

Statement of financial position	30 Jun 2021	31 Dec 2020
Liabilities and Equity (IFRS)	unaudited	audited
	k€	k€
Equity		
Issued capital	20,000	3,120
Reserves	76,783	6,739
Retained earnings and other reserves	39,053	53,744
Non-controlling interests	251	0
	136,087	63,604
Non-current liabilities		
Liabilities to banks	15,392	6,864
Lease liabilities	3,005	4,210
Liabilities from participation rights	10,213	10,213
Liabilities to non-controlling interests	8,826	7,050
Pension provisions	427	427
Deferred tax liabilities	19,488	14,029
	57,354	42,793
Current liabilities		
Liabilities to banks	2,298	1,466
Lease liabilities	2,705	4,863
Trade payables	4,185	2,019
Contract liabilities	13,928	17,819
Liabilities to non-controlling interests	4,436	4,894
Other liabilities	13,448	7,125
Accruals	19,339	15,729
Income tax liabilities	7,760	8,234
Other provisions	7,114	8,367
	75,214	70,515
Total equity and liabilities	268,655	176,912

Consolidated statement of cash flows (unaudited)	1 Jan - 30 Jun 2021 k€	1 Jan - 30 Jun 2020 k€
1. Cashflow from operating activities		
Earnings before interest and taxes (EBIT)	18,257	14,348
Amortization and depreciation	6,261	5,420
Increase (+), decrease (-) in provisions	-1,700	2,287
Gains (-), Losses (+) from disposal of non-current assets	-362	-3
Result from joint ventures and associates	-380	-3,618
Other non-cash expenses / income	-167	-3
Adjustments for non-cash transactions	3,651	4,083
Increase (-), decrease (+) in inventories, trade receivables and other assets	-39,302	-18,027
Decrease (-), increase (+) in trade payables and other liabilities	4,820	-2,363
Change in working capital	-34,482	-20,389
Income taxes paid	-2,644	-1,242
Interest received	4	59
Dividend proceeds from equity investments	810	603
Cash flow from operating activities	-14,403	-2,539
2. Cash flow from investing activities		
Investments (-), divestments (+) of intangible assets	-37	-14
Investments (-), divestments (+) of property, plant and equipment	-13,517	-5,706
Business combination (less cash and cash equivalents received)	-888	0
Cash flow from investing activities	-14,442	-5,720
3. Cash flow from financing activities		
Proceeds from contributions to equity by shareholders of the parent company	90,000	0
Payments to non-controlling interests	-459	-1,189
Profit distribution to shareholders	-25,116	-7,200
Payments for transaction costs from the issue of equity instruments	-3,655	0
Proceeds from borrowings	10,618	850
Repayments of loans	-1,000	-701
Payments for lease liabilities	-3,636	-2,338
Interest payments	-557	-304
Cash flow from financing activities	66,195	-10,882

Consolidated statement of cash flows (unaudited)	1 Jan - 30 Jun 2021 k€	1 Jan - 30 Jun 2020 k€
Cash and cash equivalents at end of period		
Change in cash and cash equivalents (Subtotal 1-3)	37,350	-19,140
Cash and cash equivalents at beginning of period	45,254	52,361
Cash and cash equivalents at end of period	82,604	33,221
Composition of cash and cash equivalents		
Cash in hand	76	66
Bank balances	82,527	33,155
Liquidity reserve on 30 Jun	82,604	33,221

Statement of changes in consolidated equity								
	Issued capital	Reserves	Retained Earnings			Attributable to Vorwerk - shareholders	Non-controlling interests	Consolidated equity
			Currency translation difference	Pension reserve	Generated consolidated equity			
	k€	k€	k€	k€	k€	k€	k€	k€
1 Jan 2020	2,000	11,556	0	-59	24,384	37,880	0	37,880
Reorganisation of the company structure	1,120	-4,817	0	0	-1,133	-4,829	0	-4,829
Subtotal	3,120	6,739	0	-59	23,251	33,051	0	33,051
Amounts recognised in other comprehensive income	0	0	0	-7	0	-7	0	-7
Consolidated net profit	0	0	0	0	30,559	30,559	0	30,559
Total comprehensive income	0	0	0	-7	30,559	30,552	0	30,552
31 Dec 2020	3,120	6,739	0	-66	53,810	63,604	0	63,604
Dividends paid	0	0	0	0	-25,116	-25,116	0	-25,116
Subtotal	3,120	6,739	0	-66	28,694	38,488	0	38,488
Amounts recognised in other comprehensive income	0	0	4	0	0	4	0	4
Consolidated net profit	0	0	0	0	10,421	10,421	-92	10,329
Total comprehensive income	0	0	4	0	10,421	10,425	-92	10,333
Capital increase	16,880	70,043	0	0	0	86,923	0	86,923
Changes in the scope of consolidation	0	0	0	0	0	0	343	343
30 Jun 2021	20,000	76,782	4	-66	39,115	135,835	251	136,087

Notes to the interim consolidated financial statements

Accounting

These condensed and unaudited interim consolidated financial statements have been prepared in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting". They do not include all the information required by IFRS for consolidated financial statements at the end of a financial year and should therefore only be read in conjunction with the consolidated financial statements as of December 31, 2020.

Accounting policies

The accounting policies applied are consistent with those of the consolidated financial statements for the year ended December 31, 2020. The preparation of the financial statements is influenced by recognition and measurement methods, as well as assumptions and estimates, which have an impact on the amount and disclosure of the assets, liabilities and contingent liabilities recognized, and on the income and expense items. Revenue-dependent items are accrued during the year.

Goodwill

As part of the initial consolidation of KORUPP GmbH as of April 1, 2021, goodwill in the amount of €0.3 million was disclosed.

Segment reporting

The management of the FRIEDRICH VORWERK-Group defines the segments as reported in the interim Group management report.

Segment reporting 1 Jan - 30 Jun 2021 (unaudited)	Natural Gas €k	Electricity €k	Clean Hydrogen €k	Adjacent Opp. €k	Reconcilia- tion €k	Group €k
Revenue from third parties	87,943	21,141	5,098	18,499	0	132,681
EBIT	13,694	2,997	1,224	3,409	-3,067	18,257
EBIT-margin	15.6%	14.2%	24.0%	18.4%		13.8%
Share in Revenue	66.3%	15.9%	3.8%	13.9%		

Segment reporting 1 Jan - 30 Jun 2020 (unaudited)	Natural Gas €k	Electricity €k	Clean Hydrogen €k	Adjacent Opp. €k	Reconcilia- tion €k	Group €k
Revenue from third parties	104,338	15,613	131	17,905	0	137,987
EBIT	11,237	1,428	-21	1,826	-122	14,348
EBIT-margin	10.8%	9.1%	-16.0%	10.2%		10.4%
Share in Revenue	75.6%	11.3%	0.1%	13.0%		

Initial public offering

On March 25, 2021, Friedrich Vorwerk Group SE completed a successful IPO in which 2,000,000 new shares were issued from a capital increase.

Friedrich Vorwerk Group SE received gross issue proceeds of €90 million from the capital increase. The costs directly attributable to the IPO amount to €6.8 million and include bank commissions of €3.6 million, variable remuneration components of €2.7 million and other costs of €0.5 million.

In accordance with IAS 32.35, effects from the IPO amounting to €3.7 million were recognized directly in equity.

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.

Auditor's review

The condensed interim consolidated financial statements as of June 30, 2021 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 § 40 of the German Securities Trading Act (WpHG) can be viewed on the website of Friedrich Vorwerk Group SE at <https://www.friedrich-vorwerk.de/en/investor-relations/corporate-governance.html>.

Events after the end of the reporting period

There were no significant events after the balance sheet date of June 30, 2021.

Tstedt, 20 August 2021

Torben Kleinfeldt
Chief Executive Officer

Tim Hameister
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.

Tstedt, 20 August 2021

Torben Kleinfeldt
Chief Executive Officer

Tim Hameister
Chief Financial Officer

Financial calendar

Quarterly Report Q3 2021

12 November 2021

End of Fiscal Year 2021

31 December 2021

Conferences

Berenberg and Goldman Sachs Tenth German Corporate Conference

20 - 22 September 2021

Deutsches Eigenkapitalforum

22 - 24 November 2021

Berenberg European Conference

06 - 09 December 2021

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