Half-Year Financial Report

June 30, 2022

FRIEDRICH VORWERK GROUP SE

21255 Tostedt

Friedrich Vorwerk in figures

Half year (unaudited)	2022	2021	Δ2022 / 2021
	€k	€k	%
Order backlog	421,938	277,890	51.8
Order intake	251,973	104,063	142.1
Earnings figures (adjusted*)	€k	€k	%
Revenue	**142,813**	**132,681**	**7.6**
Operating performance	142,813	132,681	7.6
Total performance	151,812	135,330	12.2
Cost of materials	-56,573	-48,966	15.5
Staff costs	-58,570	-46,263	26.6
EBITDA	22,301	27,532	-19.0
EBITDA margin	*15.6%*	*20.8%*	
EBIT	14,566	21,316	-31.7
EBIT margin	*10.2%*	*16.1%*	
EBT	12,901	19,186	-32.8
EBT margin	*9.0%*	*14.5%*	
Consolidated net profit after non-controlling interests	**9,255**	**12,979**	**-28.7**
eps in €	0.46	0.68	-32.0
Average number of shares in circulation	20,000,000	19,077,778	4.8
Earnings figures (IFRS)	€k	€k	%
EBITDA	22,301	24,518	-9.0
Consolidated net profit	9,144	10,421	-12.3
eps in €	0.46	0.55	-16.3
Figures from the statement of financial position (IFRS)	30 Jun k€	31 Dec k€	%
Non-current assets	124,118	107,003	16.0
Current assets	159,087	183,458	-13.3
thereof cash and equivalents**	40,864	108,282	-62.3
Issued capital (share capital)	20,000	20,000	0.0
Other equity	136,154	132,470	2.8
Total equity	156,154	152,470	2.4
Equity ratio	*55.1%*	*52.5%*	
Non-current liabilities	60,657	59,383	2.1
Current liabilities	66,394	78,608	-15.5
Total assets	283,205	290,461	-2.5
Net cash (+) or net debt (-)**	17,266	83,589	-79.3
Employees	1,632	1,633	-0.1

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

** This figure includes the value of securities.

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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, 2022, or to the period from January 1 to June 30 of the fiscal year 2022. Percentages and figures in this report may be subject to rounding differences.

Business and general conditions

From a macroeconomic perspective, the first half of 2022 brought significant changes. The consequences of the Russian war of aggression against Ukraine have been severe and include further, in some cases extreme, price increases for energy and raw materials as well as renewed disruptions to international supply chains, which have been further exacerbated by a continued rigid covid lockdown policy in China. As a result, there has been a significant loss of purchasing power for many households throughout Europe and a massive increase in costs for many companies. Annual inflation compared with the corresponding month of the previous year is estimated at 8.9% for the euro zone in July 2022; the annual rate for Germany is slightly lower at 8.5%.

As a result, the ifo Institute's business climate index fell to 88.6 points in July 2022, well below the prior-year figure of 100.6 points in July 2021. Business expectations for the second half of the year were significantly more pessimistic with a value of 80.6 points in July, with the threat of gas shortages in particular weighing on the business outlook for the rest of the year. Among consumers, too, the in part massive price increases for energy, food and household goods are noticeably clouding the outlook and causing restraint in consumer behavior. According to the latest GfK study, the consumer climate index reached a historic low in July with a value of -27.7 points, and the market research institute even expects a value of -30.6 points for August.

The overall economic impact of the war is manifold and so far difficult to assess. They depend substantially on the duration of the conflict as well as a possible intensification and expansion. However, it is already clear that the war will have a significant impact on Europe's energy supply. In order to achieve the European Union's ambitious climate goals while ensuring security of supply for industrialized nations, a fundamental transformation of the energy industry can be expected in the coming decades, which will likely be accelerated by recent developments in Europe and will require numerous additional infrastructure measures.

FRIEDRICH VORWERK is ideally positioned for the necessary measures as a fully integrated provider of energy infrastructure solutions and is already involved in numerous places in the concrete implementation of the energy policy measures that have been introduced. As a result, FRIEDRICH VORWERK, as a long-standing partner of the energy industry, continues to look positively into the future and anticipates increasing market demand across all target markets.

Business development

In the first half of the year, the FRIEDRICH VORWERK Group once again demonstrated its excellent market position. In addition to the order for the construction of a district heating pipeline in Hamburg with a volume of over €70 million, further major orders were acquired in the course of the second quarter which will make an important contribution to the energy supply in Germany.

Following the events of recent weeks and months, the orders for the construction of the connecting pipelines for the LNG terminals in Wilhelmshaven and Brunsbüttel are at the center of political and social interest. The orders with volumes in the mid double-digit million range, scheduled for completion in Wilhelmshaven by the end of 2022 and in Brunsbüttel by the end of 2023, make a fundamental contribution to secure gas supplies in Germany. FRIEDRICH VORWERK is also making an important contribution to one of the most important energy infrastructure projects in Europe with the order for cable laying and cable logistics for the new SuedLink extra-high voltage transmission line, which was announced in May.

Overall, incoming orders reached a record level of €252.0 million in the reporting period (previous year: €104.1 million). The order backlog as of June 30, 2022, amounts to €421.9 million (December 31, 2021: €312.8 million), thus reaching the highest level in the company's history. Demand for the services of the FRIEDRICH VORWERK Group has grown in the wake of energy policy developments, while at the same time a trend towards more integrated and complex large-scale projects is emerging.

In the reporting period, sales increased by 7.6% to €142.8 million (previous year: €132.7 million). In the same period, adjusted EBIT decreased by 31.7% to €14.6 million, corresponding to an EBIT margin of 10.2% (previous year: 16.1%). The decline in the EBIT margin was mainly due to higher material intensity and increased personnel costs, as well as to integration measures at the Gottfried Puhlmann Group.

After start-up effects in major projects and an increased number of Corona infections in the workforce had a negative impact on overall performance in the first quarter, an acceleration in sales realization was realized in the second quarter. The first-time consolidation of the Gottfried Puhlmann Group as of December 31 of the past fiscal year also had a positive impact on sales. For the second half of 2022, further sales growth is expected compared to the first half.

As of April 27, 2022, the FRIEDRICH VORWERK Group acquired Hempel Aluminiumbau GmbH, Storkow, a supplier of aluminum control cabinets. The company, whose products are used in some of our Energy Transformation projects, represents a strategic expansion of the existing product and service portfolio and is thus part of our defined growth strategy. The company was consolidated for the first time on April 30, 2022.

The Executive Board and Supervisory Board of Friedrich Vorwerk Group SE proposed to the Annual General Meeting on June 1, 2022 to distribute a dividend of €0.20 per dividend-bearing share for the fiscal year 2021 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 June 7, 2022.

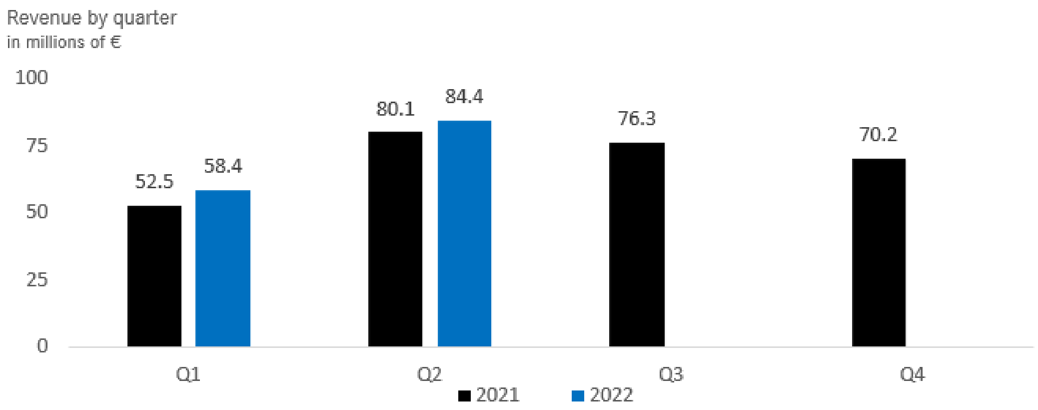
Result of operations, financial position and net assets

The earnings indicators 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 amortization of assets capitalized as part of purchase price allocations. The adjustments in the previous year mainly relate to expenses incurred in connection with the IPO. Management therefore manages the Group on the basis of adjusted earnings figures, which reflect the operating profitability and development of the Group much more transparently and sustainably.

At €421.9 million, the order backlog as of the reporting date of June 30, 2022 is significantly above the level of the previous year (June 30, 2021: €277.9 million). Order intake in the reporting period amounted to €252.0 million, representing a year-on-year increase of 142.1% (prior-year period: €104.1 million).

In addition to the order for the construction of a district heating pipeline in Hamburg with a volume of over €70 million from the first quarter, the significant increase in order intake resulted from the major order for cable laying and cable logistics for the new SuedLink line and the connecting lines for the planned LNG terminals in Wilhelmshaven and Brunsbüttel. The development of order intake is subject to a certain degree of volatility for business reasons, as it can be influenced both positively and negatively by individual major projects. Of the order backlog, 40% is attributable to the Natural Gas segment, 15% to the Electricity segment, 8% to the Clean Hydrogen segment and 37% to the Adjacent Opportunities segment.

The consolidated sales of the FRIEDRICH VORWERK Group amounted to €142.8 million in the reporting period. This corresponds to an increase of 7.6% compared to the same period of the previous year (€132.7 million). While at the beginning of the year start-up effects in major projects and an increased number of Corona infections in the workforce slowed down project progress, the second quarter saw an acceleration in sales realization. At €84.4 million, sales in the second quarter were 5.4% higher than the figure of €80.1 million for the same quarter of the previous year.

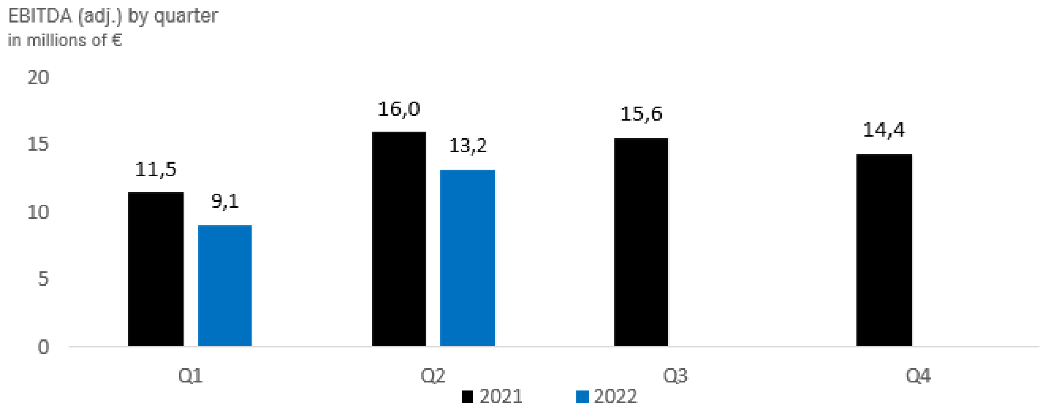


Income from equity investments increased significantly year-on-year to €6.2 million (previous year: €0.4 million). Other operating income also increased slightly to €2.8 million (previous year: €2.3 million). The adjustments relate to the previous year and consist of income from initial consolidations amounting to €0.1 million.

The cost of materials increased to €56.6 million (previous year: €49.0 million). The cost of materials ratio is therefore 39.6% (previous year: 36.9%). The increase was mainly due to significantly higher material prices in some cases and higher energy costs, which could not be passed on in full to the customers, partly also because the current cost increases were not foreseeable to this extent when the orders were accepted in the previous year. Furthermore, the changed composition of the order backlog, with a higher proportion of materials compared with the prior-year period, had an impact on the cost of materials ratio.

Adjusted personnel expenses of €58.6 million increased by 26.6% compared with the previous year (previous year: €46.3 million). The increase was mainly due to the year-on-year rise in the number of employees (+19%), a related reduction in the share of subcontractor services, and wage and salary increases. The adjustments relate to the previous year and result from bonuses of €2.7 million in connection with the IPO. Adjusted overheads increased slightly in the reporting period to €14.4 million (previous year: €12.6 million). The adjustments relate to the previous year and consist of consulting costs in connection with the IPO amounting to €0.4 million.

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) decreased by €5.2 million to €22.3 million in the reporting period (previous year: €27.5 million). The decline was mainly due to integration measures, including the completion of low-margin legacy projects, at the Gottfried Puhlmann Group and the aforementioned cost increases in the areas of materials, energy and personnel. In addition, start-up costs for major orders commenced at the same time in the second quarter had a negative impact on profitability. The adjustments relate to the previous year and consist of 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 €7.7 million (previous year: €6.2 million), adjusted EBIT amounted to €14.6 million (previous year: €21.3 million). The year-on-year increase in depreciation and amortization is mainly due to the consolidation of the Gottfried Puhlmann companies and increased investment activity in the past financial year. Adjusted Group earnings after minority interests amounted to €9.3 million (previous year: €13.0 million) or €0.46 per share (previous year: €0.68 per share).

The cash-effective change in cash and cash equivalents amounted to €-71.1 million in the reporting period (previous year: €37.3 million) and is composed as follows:

Net cash outflow from operating activities amounted to €43.7 million (previous year: €14.4 million). The operating cash flow is characterized by a seasonal increase in net working capital over the course of the year, which was significantly boosted in the first half of the year by the simultaneous start-up of several major projects in the Energy Grids division. For the full year, cash flow from operating activities is expected to be clearly positive.

Cash flow from investing activities amounts to €-15.2 million (previous year: €-14.4 million) and mainly relates to investments in our technical equipment and machinery, the expansion and extension of our sites, and the conversion of the energy supply at the Wiesmoor site to renewable energies.

Cash flow from financing activities amounts to €-12.1 million (previous year: €66.2 million) and mainly consists of current interest and redemption payments as well as the dividend payment of €4.0 million. The previous year's balance resulted mainly from the capital increase in the course of the IPO in the amount of €90.0 million, payments for dividends, interest and principal payments, and proceeds from new loans.

Equity amounted to €156.2 million as of June 30, 2022 (December 31, 2021: €152.5 million). In relation to the consolidated balance sheet total of €283.2 million (December 31, 2021: €290.5 million), the equity ratio was 55.1% as of the balance sheet date, compared with 52.5% as of December 31, 2021. The increase resulted from the current net profit for the year. This was offset by the payment of a dividend of €4.0 million, which was approved by the Annual General Meeting on June 1, 2022.

As of June 30, 2022, the FRIEDRICH VORWERK Group has a liquidity portfolio (including securities) of €40.9 million (December 31, 2021: €108.3 million). The decrease in cash and cash equivalents is mainly due to the seasonal negative cash flow from operating activities in the amount of €-43.7 million as well as payments for investments and the repayment of financial liabilities. Less financial debt of €23.6 million (December 31, 2021: €24.7 million), net cash and cash equivalents amounted to €17.3 million as of the balance sheet date (December 31, 2021: €83.6 million).

Calculation of adjusted earnings figures

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

	Jan 1 - Jun 30, 2022 €k	Jan 1 - Jun 30, 2021 €k
Revenue	**142,813**	**132,681**
Operating performance	**142,813**	**132,681**
Income from joint ventures and associates	6,188	380
Other operating income and income from first-time consolidation	2,811	2,407
Adjustments:		
Income from initial consolidation	0	-138
Total performance	**151,812**	**135,330**
Cost of raw materials and supplies	-12,769	-10,988
Cost of purchased services	-43,803	-37,979
Cost of materials	**-56,573**	**-48,966**
Wages and salaries	-45,277	-38,765
Social security and pension costs	-13,293	-10,243
Staff costs	**-58,570**	**-49,008**
Other operating expenses	-14,368	-12,976
Adjustments:		
Expenses for staff bonuses in connection with the IPO	0	2,745
Expenses for consulting services in connection with the IPO	0	408
Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA)	**22,301**	**27,532**
Depreciation and amortization expense	-7,937	-6,261
Adjustments:		
Depreciation and amortization of assets acquired in a business combination	202	45
Adjusted earnings before interest and taxes (EBIT)	**14,566**	**21,316**
Finance income	13	4
Finance costs	-443	-369
Earnings attributable to non-controlling interests	-1,234	-1,765
Net finance costs	**-1,665**	**-2,130**
Adjusted earnings before taxes (EBT)	**12,901**	**19,186**
Income tax expense	-3,590	-5,598
Other taxes	-202	-190
Adjustments:		
Deferred taxes on adjustments	-59	-512
Adjusted profit or loss for the period	**9,050**	**12,887**
Non-controlling interests	205	92
Adjusted consolidated net profit	**9,255**	**12,979**
Adjusted earnings per share (in €)	0.46	0.68

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, sales in the first six months fell by €9.3 million year-on-year to €78.7 million. The decline in sales in this segment is mainly due to a change in the composition of the order backlog. EBIT for the segment was €12.6 million (previous year: €13.7 million), with a slight increase in the EBIT margin to 16.0% (previous year: 15.6%). The order backlog as of June 30, 2022 amounts to €169.5 million (December 31, 2021: €178.8 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.

Sales in the Electricity segment increased from €21.1 million to €24.1 million in the reporting period, which corresponds to an increase of 13.8%. By contrast, EBIT fell from €3.0 million in the same period of the previous year to €0.1 million in the reporting period. The temporary decline in profitability in this segment is mainly due to the processing of loss-making legacy projects from the acquisition of the Gottfried Puhlmann group. The order backlog as of June 30, 2022 amounts to €62.4 million (December 31, 2021: €42.8 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. As part of this, we recently signed a cooperation agreement with a leading stack manufacturer to further deepen our hydrogen competencies in order to expand our expertise in this area in the long term. Furthermore, 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.

In the Clean Hydrogen segment, there was a decline in sales revenue of €2.7 million to €2.4 million, with EBIT of €0.5 million, corresponding to an EBIT margin of 18.9%. Sales in the comparable period were €5.1 million, with EBIT of €1.2 million. The order backlog as of June 30, 2022, amounts to €34.8 million and has thus almost tripled (December 31, 2021: €12.4 million). Based on the order backlog, increasing sales contributions from this segment are therefore expected in the short and medium term.

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 by 103.7% from €18.5 million to €37.7 million in the reporting period. Profitability in this segment declined compared to the previous year, mainly due to start-up costs for major projects and also legacy projects from the Gottfried Puhlmann acquisition. EBIT in the reporting period was €1.3 million (previous year: €3.4 million), corresponding to an EBIT margin of 3.5% (previous year: 18.4%). The order backlog as of June 30, 2022 amounts to €155.2 million (December 31, 2021: €78.8 million).

Employees

The number of employees in the FRIEDRICH VORWERK Group is 1,632 as of June 30, 2022, compared to 1,633 as of December 31, 2021, the same level as at the last balance sheet date. The average number of employees increased by 19% to 1,625 in the first half of 2022 compared to the same period of the previous year. Furthermore, the FRIEDRICH VORWERK Group is currently training 102 apprentices and employees in dual studies (December 31, 2021: 115). In addition, there are a large number of vacancies to be filled, reflecting the increasing capacity utilization and capacity demand across all subsidiaries and branches. The number and details of vacancies as well as further information can be found on our homepage www.friedrich-vorwerk.de under the heading vacancies.

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 the fiscal year 2021, which is available on our website www.friedrich-vorwerk.de. The war currently being waged by Russia against Ukraine and the current COVID-19 pandemic have already been addressed there.

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

The current tense situation on the energy and raw material markets have sparked a discussion about the independence of energy supply in Germany and Europe. On the way to complete sovereignty, the construction or preparatory measures of two LNG terminals in Wilhelmshaven and Brunsbüttel have already been started, in which FRIEDRICH VORWERK is significantly involved. According to plans of the Federal Ministry of Economics, further such terminals are planned in Stade as well as in Lubmin on the Baltic Sea. While the increased switch from Russian pipeline gas to liquefied gas offers additional opportunities for FRIEDRICH VORWERK, the risk of a gas quota or a temporary gas shortage is considered to be manageable.

Due to the current dynamics of the situation, increased demand for energy infrastructure in the segments Natural Gas, Electricity (for example in the form of submarine cable landings and underground cables) and Clean Hydrogen as well as further opportunities for FRIEDRICH VORWERK can therefore be expected in the future.

Outlook

The global economy is currently struggling with macroeconomic challenges such as inflationary pressure and disrupted global supply chains. FRIEDRICH VORWERK is actively countering these challenges and is therefore currently not affected by any significant delivery failures or project stoppages. However, the forecast risks in connection with the war waged by Russia against Ukraine and the COVID-19 pandemic remain.

Against this background, the Executive Board continues to expect consolidated sales of over €320 million in fiscal year 2022. With regard to profitability, an adjusted EBIT margin of 13 - 15% (previously: 15%) is now expected.

IFRS consolidated statement of profit or loss

IFRS consolidated statement of profit or loss	1 Jan - 30 Jun 2022	1 Jan - 30 Jun 2021
(unaudited)	k€	k€
Revenue	**142,813**	**132,681**
Operating performance	**142,813**	**132,681**
Badwill	0	138
Result from joint ventures and associates	6,188	380
Other operating income	2,811	2,268
Total performance	**151,812**	**135,468**
Cost of raw materials and supplies	-12,769	-10,988
Cost of purchased services	-43,803	-37,979
Cost of materials	**-56,573**	**-48,966**
Wages and salaries	-45,277	-38,765
Social security and pension costs	-13,293	-10,243
Staff costs	**-58,570**	**-49,008**
Other operating expenses	-14,368	-12,976
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**22,301**	**24,518**
Amortization and depreciation expense	-7,937	-6,261
Earnings before interest and taxes (EBIT)	**14,363**	**18,257**
Finance revenue	13	4
Finance costs	-443	-369
Earnings attributable to non-controlling interests	-1,222	-1,776
Net finance costs	**-1,652**	**-2,141**
Earnings before taxes (EBT)	**12,711**	**16,116**
Income tax expense	-3,590	-5,598
Other taxes	-202	-190
Profit or loss for the period	**8,919**	**10,329**
Non-controlling interests	225	92
Consolidated net profit	**9,144**	**10,421**
Earnings per share (in €)	0.46	0.55

IFRS consolidated statement of other comprehensive income

IFRS consolidated statement of other comprehensive income (unaudited)	1 Jan - 30 Jun 2022 k€	1 Jan - 30 Jun 2021 k€
Consolidated net profit	**9,144**	**10,421**
Non-controlling interests	-225	-92
Profit or loss for the period	**8,919**	**10,329**
Items that may be subsequently reclassified to profit and loss		
Currency translation differences	-6	4
Items that may not be subsequently reclassified to profit and loss		
Fair value changes shares	-753	0
Other comprehensive income after taxes	**-759**	**4**
Comprehensive income for the reporting period	**8,160**	**10,333**
thereof attributable to:		
- Shareholders of the parent company	8,385	10,425
- Non-controlling interests	-225	-92

IFRS consolidated statement of profit or loss - quarter

IFRS consolidated statement of profit or loss	1 Apr - 30 Jun 2022	1 Apr - 30 Jun 2021
(unaudited)	k€	k€
Revenue	**84,427**	**80,131**
Operating performance	**84,427**	**80,131**
Results from joint ventures and associates	1,268	505
Other operating income	1,620	1,283
Total performance	**87,315**	**81,920**
Cost of raw materials and supplies	-9,339	-5,777
Cost of purchased services	-26,213	-28,242
Cost of materials	**-35,552**	**-34,019**
Wages and salaries	-24,121	-19,664
Social security and pension costs	-7,191	-5,535
Staff costs	**-31,312**	**-25,199**
Other operating expenses	-7,226	-6,714
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	**13,225**	**15,988**
Amortization and depreciation expense	-4,112	-3,220
Earnings before interest and taxes (EBIT)	**9,113**	**12,768**
Other interest and similar income	6	2
Interest and similar expenses	-173	-194
Earnings attributable to non-controlling interests	-735	-1,088
Net finance costs	**-901**	**-1,280**
Earnings before taxes (EBT)	**8,212**	**11,488**
Income tax expense	-2,321	-3,400
Other taxes	-78	-89
Profit or loss for the period	**5,813**	**7,999**
Non-controlling interests	27	22
Consolidated net profit	**5,840**	**8,021**
Earnings per share (in €)	0.29	0.42

IFRS Statement of financial position

Statement of financial position Assets (IFRS)	30 Jun 2022 unaudited k€	31 Dec 2021 audited k€
Non-current assets		
Concessions, industrial property rights and similar rights	358	772
Goodwill	3,270	1,692
Intangible assets	3,628	2,464
Land and buildings including buildings on third-party land	32,518	32,225
Technical equipment and machinery	33,471	32,778
Other equipment, operating and office equipment	18,165	15,067
Advance payments and assets under development	2,852	544
Property, plant and equipment	87,006	80,614
Investments in associates	15,301	8,470
Investment securities	3,694	3,295
Other loans	633	610
Financial assets	19,628	12,375
Deferred tax assets	13,856	11,550
	124,118	107,003
Current assets		
Raw materials and supplies	8,861	6,031
Work in progress	110	114
Inventories	8,972	6,146
Trade receivables	18,251	15,809
Contract assets	81,963	45,227
Other current assets	12,731	7,995
Trade receivables and other current assets	112,945	69,031
Cash in hand	100	85
Cash at banks	37,070	108,196
Cash in hand and at banks	37,170	108,282
	159,087	183,458
Total assets	283,205	290,461

Statement of financial position Liabilities and Equity (IFRS)	30 Jun 2022 unaudited k€	31 Dec 2021 audited k€
Equity		
Issued capital	20,000	20,000
Reserves	76,204	76,204
Retained earnings and other reserves	59,185	55,208
Non-controlling interests	765	1,058
	156,154	152,470
Non-current liabilities		
Liabilities to banks	14,105	15,295
Lease liabilities	3,319	5,979
Liabilities from participation rights	10,213	10,213
Liabilities to non-controlling interests	7,082	5,860
Pension provisions	2,727	2,727
Deferred tax liabilities	23,211	19,308
	60,657	59,383
Current liabilities		
Liabilities to banks	2,378	3,689
Lease liabilities	3,796	3,024
Trade payables	4,083	6,818
Contract liabilities	4,439	10,817
Liabilities to non-controlling interests	4,637	4,997
Other liabilities	16,837	20,101
Accruals	13,961	12,676
Income tax liabilities	10,624	10,921
Other provisions	5,638	5,565
	66,394	78,608
Total equity and liabilities	283,205	290,461

Consolidated statement of cash flows

Consolidated statement of cash flows (unaudited)	1 Jan - 30 Jun 2022 k€	1 Jan - 30 Jun 2021 k€
1. Cashflow from operating activities		
Earnings before interest and taxes (EBIT)	**14,363**	**18,257**
Amortization and depreciation	7,937	6,261
Increase (+), decrease (-) in provisions	-1,328	-1,700
Gains (-), Losses (+) from disposal of non-current assets	-95	-362
Result from joint ventures and associates	-6,188	-380
Other non-cash expenses / income	-166	-167
Adjustments for non-cash transactions	**161**	**3,651**
Increase (-), decrease (+) in inventories, trade receivables and other assets	-47,596	-39,302
Decrease (-), increase (+) in trade payables and other liabilities	-8,354	4,820
Change in working capital	**-55,950**	**-34,482**
Income taxes paid	-3,105	-2,644
Interest received	13	4
Dividend proceeds from equity investments	770	810
Cash flow from operating activities	**-43,747**	**-14,403**
2. Cash flow from investing activities		
Investments (-), divestments (+) of intangible assets	-8	-37
Investments (-), divestments (+) of property, plant and equipment	-13,880	-13,517
Investments (-), divestments (+) of non-current financial assets and securities	-1,166	0
Business combination (less cash and cash equivalents received)	-181	-888
Cash flow from investing activities	**-15,236**	**-14,442**
3. Cash flow from financing activities		
Repayments of loans	-5,313	-1,000
Profit distribution to shareholders	-4,000	-25,116
Payments for lease liabilities	-2,011	-3,636
Interest payments	-443	-557
Payments to non-controlling interests	-360	-459
Proceeds from contributions to equity by shareholders of the parent company	0	90,000
Payments for transaction costs from the issue of equity instruments	0	-3,655
Proceeds from borrowings	0	10,618
Cash flow from financing activities	**-12,127**	**66,195**

Consolidated statement of cash flows (unaudited)	1 Jan - 30 Jun 2022 k€	1 Jan - 30 Jun 2021 k€
Cash and cash equivalents at end of period		
Change in cash and cash equivalents (Subtotal 1-3)	-71,110	37,350
Effects of changes in foreign exchange rates (non-cash)	-2	0
Cash and cash equivalents at beginning of period	108,282	45,254
Cash and cash equivalents at end of period	**37,170**	**82,604**
Composition of cash and cash equivalents		
Cash in hand	100	76
Bank balances	37,070	82,527
Reconciliation to liquidity reserve on 30 Jun	2022	2021
Cash and cash equivalents at end of period	37,170	82,604
Securities	3,694	0
Liquidity reserve on 30 Jun	**40,864**	**82,604**

IFRS statement of changes in consolidated equity

Statement of changes in consolidated equity

			Retained Earnings						
	Issued capital	Reserves	Currency translation	Fair Value Reserve	Pension reserve	Generated consolidated equity	Attributable to Vorwerk - shareholders	Non-controlling interests	Consolidated equity
	k€	k€	k€	k€	k€	k€	k€	k€	k€
1 Jan 2021	**3,120**	**6,739**	**0**	**0**	**-66**	**53,810**	**63,604**	**0**	**63,604**
Dividends paid	0	0	0	0	0	-25,116	-25,116	0	-25,116
Subtotal	**3,120**	**6,739**	**0**	**0**	**-66**	**28,694**	**38,488**	**0**	**38,488**
Amounts recognised in other comprehensive income	0	0	4	0	0	0	4	0	4
Consolidated net profit	0	0	0	0	0	10,421	10,421	-92	10,329
Total comprehensive income	**0**	**0**	**4**	**0**	**0**	**10,421**	**10,425**	**-92**	**10,333**
Capital increase	16,880	70,043	0	0	0	0	86,923	0	86,923
Changes in the scope of consolidation	0	0	0	0	0	0	0	343	343
30 Jun 2021	**20,000**	**76,783**	**4**	**0**	**-66**	**39,115**	**135,835**	**251**	**136,087**
1 Jan 2022	**20,000**	**76,204**	**-3**	**169**	**-40**	**55,082**	**151,412**	**1,058**	**152,470**
Amounts recognised in other comprehensive income	0	0	-6	-753	0	0	-759	0	-759
Consolidated net profit	0	0	0	0	0	9,144	9,144	-225	8,919
Total comprehensive income	**0**	**0**	**-6**	**-753**	**0**	**9,144**	**8,385**	**-225**	**8,160**
Dividends paid	0	0	0	0	0	-4,000	-4,000	0	-4,000
Changes in the scope of consolidation	0	0	0	0	0	-408	-408	-68	-476
30 Jun 2022	**20,000**	**76,204**	**-9**	**-584**	**-40**	**59,818**	**155,389**	**765**	**156,154**

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, 2021.

Accounting policies

The accounting policies applied are consistent with those of the consolidated financial statements for the year ended December 31, 2021. 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.

Impact of the Ukraine crisis

The FRIEDRICH VORWERK Group does not have any significant business relationships with customers or suppliers from the states directly or indirectly involved in the conflict.

The necessary reorganization of the gas and energy supply in Germany and Europe could entail massive additional investments in the existing energy infrastructure, so that significant opportunities in the form of additional projects could arise for the FRIEDRICH VORWERK Group.

Further effects are not known at the current time. Should the situation deteriorate further, this could have an impact on our business activities.

Business combinations

As part of the initial consolidation of Hempel Aluminiumbau GmbH as of April 30, 2022, goodwill of €0.2 million was disclosed.

Within the measurement period as defined by IFRS 3.45, the purchase price allocation of Gottfried Puhlmann GmbH Havelländische Bauunternehmung was adjusted due to the now finalized measurement of the contract assets and liabilities and the resulting change in the net assets acquired. Compared with the preliminary purchase price allocation and the presentation published within the Annual Report 2021, contract assets have decreased by €0.8 million and intangible assets by €0.3 million, while other provisions have increased by €1.4 million. Taking into account deferred taxes and a decrease in non-controlling interests of €0.5 million, goodwill increased by €1.4 million to €2.8 million.

Dividend

On June 1, 2022, the Annual General Meeting of Friedrich Vorwerk Group SE resolved to distribute a dividend in the amount of €0.20 per no-par value share entitled to dividend for the fiscal year 2021. The dividend was paid out on June 7, 2022.

Segment reporting

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

Segment reporting 1 Jan - 30 Jun 2022 (unaudited)	Natural Gas €k	Electricity €k	Clean Hydrogen €k	Adjacent Opp. €k	Reconcilia-tion €k	Group €k
Revenue from third parties	78,667	24,068	2,390	37,688	0	142,813
EBIT	**12,621**	**95**	**452**	**1,328**	**-133**	**14,363**
EBIT-margin	16.0%	0.4%	18.9%	3.5%		10.1%
Share in Revenue	55.1%	16.9%	1.7%	26.4%		

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%		

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, 2022 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, 2022.

Tostedt, 12 August 2022

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, 12 August 2022

Torben Kleinfeldt
Chief Executive Officer

Tim Hameister
Chief Financial Officer

Financial calendar

Half-year Financial Report 2022

12 August 2022

Quarterly Report Q3 2022

11 November 2022

End of Fiscal Year 2022

31 December 2022

Conferences

Berenberg and Goldman Sachs German Corporate Conference

21 September 2022

Deutsches Eigenkapitalforum

28 – 30 November 2022

Berenberg European Conference

6 December 2022

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

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