Half-Year Financial Report
30 June 2023

FRIEDRICH VORWERK GROUP SE
21255 Tostedt

Friedrich Vorwerk in figures

Half year (unaudited)	2023	2022	Δ 2023 / 2022
	€k	**€k**	**%**
Order backlog	467,144	421,938	10.7
Order intake	317,683	251,973	26.1
Earnings figures (adjusted*)	**€k**	**€k**	**%**
Revenue	**165,630**	**142,813**	**16.0**
Operating performance	165,630	142,813	16.0
Total performance	174,914	151,812	15.2
Cost of materials	-82,025	-56,573	45.0
Staff costs	-63,034	-58,570	7.6
EBITDA	13,583	22,301	-39.1
EBITDA margin	*8.2%*	*15.6%*	
EBIT	4,856	14,566	-66.7
EBIT margin	*2.9%*	*10.2%*	
EBT	4,492	12,901	-65.2
EBT margin	*2.7%*	*9.0%*	
Consolidated net profit after non-controlling interests	**3,176**	**9,255**	**-65.7**
EPS in €	0.16	0.46	-65.7
Average number of shares outstanding	20,000,000	20,000,000	0.0
Earnings figures (IFRS)	**€k**	**€k**	**%**
EBITDA	13,583	22,301	-39.1
Group result	3,130	9,144	-65.8
EPS in €	0.16	0.46	-65.8
Figures from the statement of financial position (IFRS)	**30 Jun**	**31 Dec**	
	€k	**€k**	**%**
Non-current assets	141,948	131,070	8.3
Current assets	160,596	177,009	-9.3
thereof cash funds	4,443	45,876	-90.3
Issued capital	20,000	20,000	0.0
Other equity	144,254	143,181	0.7
Total equity	164,254	163,181	0.7
Equity ratio	*54.3%*	*53.0%*	
Non-current liabilities	53,563	54,751	-2.2
Current liabilities	84,728	90,147	-6.0
Total assets	302,544	308,079	-1.8
Net cash (+) / net debt(-))**	-18,041	27,242	-166.2
Employees	**1,663**	**1,657**	**0.4**

* 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 is inclusive 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 30 June 2023, or to the period from 1 January to 30 June of the financial year 2023. Percentages and figures in this report may be subject to rounding differences.

Business and general conditions

The global economy remained in difficult situation in the first half of 2023. In particular, persistently high inflation, rising interest rates and economic uncertainty weighed on the consumer and investment climate. Nevertheless, the OECD expects the global economy to grow by 2.7% in the current year, although this will be driven primarily by countries such as China and India. For the OECD economic area itself, growth of only 1.4% is expected. Growth in the eurozone is expected to be 0.9% for the year.

In Germany, GDP stagnated in Q2 2023 compared to the previous quarter, having fallen in the previous two quarters by -0.1% in Q1 2023 and -0.4% in Q4 2022. Retail sales in the first half of the year were significantly below the previous year's level, due in particular to a decline in demand as a result of the inflation-related loss of purchasing power. In the manufacturing sector, strong production increases in January and February were followed by a decline and subsequent stagnation. The positive effects from the easing of supply bottlenecks and high order backlogs were offset by obstacles from weaker demand and inflation. According to the Federal Statistical Office, the inflation rate in Germany was 6.4% in June 2023 and has weakened compared to the previous year due to, among other things, cheaper mineral oil products. The core inflation rate excluding energy and food prices remained stable at a high level of 5.8%. The Deutsche Bundesbank (German Federal Bank) expects an annual average inflation rate of 6.0% for 2023.

The ifo Institute's outlook for the German industrial economy in the coming months remains subdued, not least because energy-intensive companies are unsettled by high energy prices. For 2023, the ifo Institute expects a price-adjusted decline in GDP of 0.4%, which is also due to the gloomy economic outlook in the construction sector and the subdued export business. As a result, the ifo Institute's business climate index fell to 88.5 points in June 2023, down from 92.3 points in June 2022. Business expectations for the second half of the year were more pessimistic with a value of 83.6 points in June. Among consumers, the outlook have improved in the first half of 2023. Overall, however, the GfK consumer climate index remains at a low level. In June 2023, the index stands at -24.4 points.

Business development

In terms of order intake, the FRIEDRICH VORWERK Group was once again able to demonstrate its excellent market position in the first half of the year. Numerous orders in the Electricity segment in particular contributed to this, such as the framework contract with the transmission system operator TenneT to carry out horizontal drilling for offshore connection lines in the North Sea. Shortly after signing, TenneT already ordered the first services from the framework contract with an order volume in the high double-digit million range.

Another major order includes the realisation of the land cable connection in the offshore grid connection project BorWin6 with an order volume in the mid double-digit million range. These orders demonstrate the excellent positioning in the growing Electricity market and make an important contribution to the transformation of the energy supply in Germany.

In the first half of the year, the Group continued to be intensively involved in the second project phase of the major A-Nord project through its subsidiary Bohlen & Doyen. This project, which is being realised by the transmission system operator Amprion, is to be implemented in the novel IPA model (Integrated Project Execution). The current project phase is expected to be completed by late summer 2023 at the latest, in order to be able to start work in time for the end of the year or early 2024 in the event of a successful agreement and subsequent commissioning of the third project phase. It is already becoming apparent that the project volume will probably exceed the previously communicated range of €850 million to €1,100 million, of which Bohlen & Doyen will account for about 40%.

In addition to the aforementioned order intakes, numerous other orders were acquired across all segments in the course of the first half of the year. These include, for example, numerous biogas processing and biogas feed-in plants as well as various pipeline renovation and new construction projects.

Overall, order intake in the reporting period was again at a record level. In the first six months of the financial year, this amounted to €317.7 million, which corresponds to an increase of 26.1% compared to the same period of the previous year (previous year: €252.0 million). The order backlog as of 30 June 2023 thus grew to €467.1 million (31 December 2022: €315.1 million).

Revenue in the reporting period increased by 16.0% to €165.6 million (previous year: €142.8 million). In the same period, adjusted EBIT decreased by 66.7% to €4.9 million which corresponds to an EBIT margin of 2.9% (previous year: 10.2%). The decline in the EBIT margin is due in particular to the persistently high material and personnel costs, which have a particularly negative impact on the profitability of projects assessed and acquired in 2020 and 2021. Another reason is delays and significant order changes in the large-scale LNG Brunsbüttel project. Despite the high urgency of the construction project in the context of Germany's energy supply security, it has not yet been possible to reach an agreement with the client on assumption of the additional costs incurred.

At its meeting on 20 March 2023, the Supervisory Board of Friedrich Vorwerk Group SE has decided to extend the Management Board contracts of Torben Kleinfeldt and Tim Hameister. Torben Kleinfeldt was appointed CEO for a further six years until September 2029 and Tim Hameister was appointed CFO for a further four years until September 2027. In addition, the Supervisory Board of FRIEDRICH VORWERK Management SE, a subsidiary of FRIEDRICH VORWERK Group SE, has decided to appoint Torben Kleinfeldt and Kevin Loots for further six years and Tim Hameister for further four years as members of the Management Board of FRIEDRICH VORWERK Management SE. Klaus-Dieter Ehlen is leaving the company as planned at his own request in October 2023 after 33 years within the Group and a three-year term as a member of the Management Board of FRIEDRICH VORWERK Management SE, but will continue to advice the Group.

The Management Board and Supervisory Board of Friedrich Vorwerk Group SE proposed to the Annual General Meeting on 1 June 2023 to distribute a dividend of €0.12 per entitled share for the financial year 2022 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 2023.

Results of operations, financial position and net assets

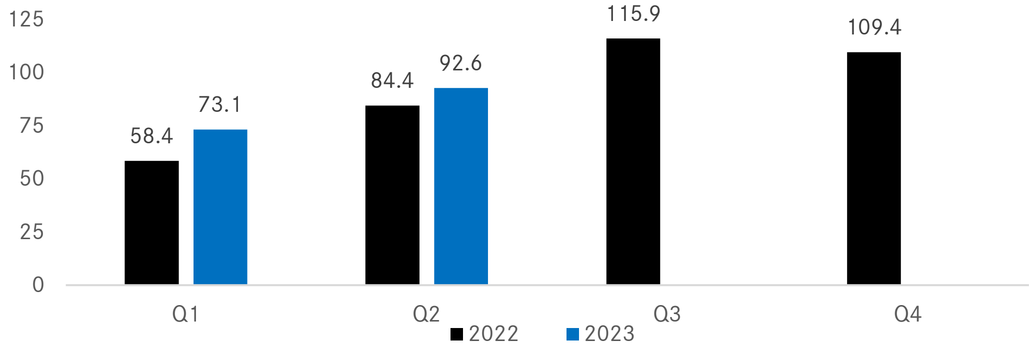
The earnings indicators include IFRS-related measurement effects and non-recurring expenses that are not used for corporate management purposes. In the financial year, these mainly included depreciation and amortization of assets capitalized as part of purchase price allocations. Management therefore 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 €467.1 million, the order backlog as of the reporting date of 30 June 2023 is above the previous year's level (30 June 2022: €421.9 million). Order intake in the reporting period was €317.7 million, which corresponds to an increase of 26.1% compared to the previous year (prior-year period: €252.0 million).

The significant increase in order intake results from the call-off of the framework contract with TenneT in the area of HDD drilling with a volume in the high double-digit million range. Another major order includes the realisation of the land cable connection in the offshore grid connection project BorWin6 with an order volume in the mid double-digit million range. The development of order intake 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, 24% is attributable to the Natural Gas segment, 43% to the Electricity segment, 4% to the Clean Hydrogen segment and 29% to the Adjacent Opportunities segment.

The consolidated revenue of the FRIEDRICH VORWERK Group in the reporting period was €165.6 million. This corresponds to an increase of 16.0% compared to the same period of the previous year (€142.8 million). Revenue in the first quarter was characterised in particular by high performance shares in large-scale projects in plant construction (Energy Transformation) and inner-city construction projects. These types of projects are naturally subject to a comparatively lower seasonality than large grid-related projects (Energy Grids) and therefore account for the high revenue in the first quarter. This development continued in the second quarter. The main drivers here were the large pipeline projects, which saw a significant acceleration in revenue recognition over the course of the year due to the weather. Thus, revenue in the second quarter of €92.6 million was 9.6% higher than in the same quarter of the previous year (previous year: €84.4 million). In total, the highest half-year revenue in the company's history was achieved in the first six months of the year.

Revenue by quarter
in millions of €

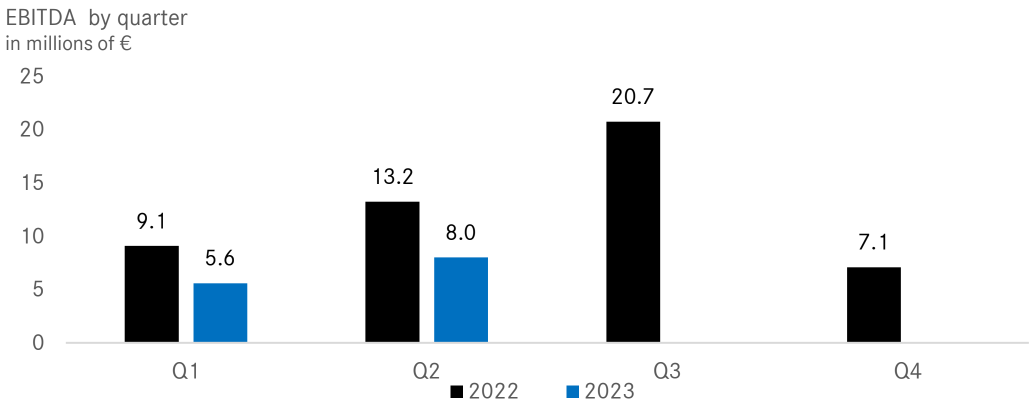


Income from equity investments increased slightly year-on-year to €6.8 million (previous year: €6.2 million). Other operating income fell slightly to €2.5 million (previous year: €2.8 million).

The cost of materials increased significantly to €82.0 million (previous year: €56.6 million). The cost of materials ratio is therefore 49.5% (previous year: 39.6%). The increase was mainly due to significantly higher material prices and higher energy costs as well as a higher ratio of external services. Furthermore, the changed composition of the order backlog with a higher share of materials compared to the same period last year had a negative impact on the cost of materials ratio.

Personnel expenses of €63.0 million increased by 7.6% compared to the previous year (previous year: €58.6 million). The increase is mainly the result of 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 increased by 2.6%. The overheads increased by 13.3% to €16.3 million in the reporting period (previous year: €14.4 million).

EBITDA (earnings before interest, taxes, depreciation and amortisation) decreased by €8.7 million to €13.6 million in the reporting period (previous year: €22.3 million). The decline was mainly due to the aforementioned cost increases in the areas of materials, energy and personnel. Two plant construction projects in the Natural Gas segment and a pipeline construction project in the Adjacent Opportunities segment were particularly hard hit. The follow-up work on the Wilhelmshaven LNG pipeline and the unexpected delays in the Brunsbüttel LNG pipeline had also a negative impact on EBITDA.



After adjusted depreciation and amortisation of €8.7 million (previous year: €7.7 million), adjusted EBIT amounted to €4.9 million (previous year: €14.6 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 €3.2 million (previous year: €9.3 million) or €0.16 per share (previous year: €0.46 per share).

Change in cash and cash equivalents amounted to €-41.4 million (previous year: €-71.1 million) and is composed as follows:

Net cash outflow from operating activities in the first half of the year amounted to €26.5 million (previous year: €43.7 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 €-14.2 million (previous year: €-15.2 million) and mainly relates to investments in our technical equipment and machinery and the expansion of our locations.

Cash flow from financing activities amounted to €-0.7 million (previous year: €-12.1 million) and mainly consists of the increase in current liabilities to banks of €6.0 million, dividend payment of €2.4 million as well as current interest and redemption payments.

Equity amounted to €164.3 million as of 30 June 2023 (31 December 2022: €163.2 million). In relation to the consolidated balance sheet total of €302.5 million (31 December 2022: €308.1 million), the equity ratio was 54.3% as of the balance sheet date, compared to 53.0% as of 31 December 2022. 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 1 June 2023.

As of 30 June 2023, the FRIEDRICH VORWERK Group has a liquidity reserve (including securities) of €6.7 million (31 December 2022: €48.4 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 €-26.5 million, as well as the payments for investments. After deducting financial debt of €24.7 million (31 December 2022: €21.2 million), net cash and cash equivalents amounted to €-18.0 million as of the balance sheet date (31 December 2022: €27.2 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 2023 €k	1 Jan - 30 Jun 2022 €k
Revenue	**165,630**	**142,813**
Operating performance	**165,630**	**142,813**
Income from equity investments	6,810	6,188
Other operating income	2,474	2,811
Total performance	**174,914**	**151,812**
Cost of raw materials and supplies	-18,532	-12,769
Cost of purchased services	-63,493	-43,803
Cost of materials	**-82,025**	**-56,573**
Wages and salaries	-48,427	-45,277
Social security and pension costs	-14,607	-13,293
Staff costs	**-63,034**	**-58,570**
Other operating expenses	-16,273	-14,368
Adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA)	**13,583**	**22,301**
Depreciation and amortisation expense	-8,804	-7,937
Adjustments:		
Depreciation and amortisation of assets acquired in business combinations	77	202
Adjusted earnings before interest and taxes (EBIT)	**4,856**	**14,566**
Finance income	143	13
Finance costs	-307	-443
Earnings attributable to non-controlling interests	-194	-1,222
Net finance costs	**-358**	**-1,652**
Adjustments:		
Non-controlling interests	-5	-12
Adjusted earnings before taxes (EBT)	**4,492**	**12,901**
Income tax expense	-1,133	-3,590
Other taxes	-107	-202
Adjustments:		
Deferred taxes on adjustments	-23	-59
Adjusted profit or loss for the period	**3,229**	**9,050**
Non-controlling interests	-53	205
Adjusted consolidated net profit	**3,176**	**9,255**
Adjusted earnings per share (in €)	0.16	0.46

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 slightly by €1.9 million year-on-year to €76.8 million. The revenue share of the segment was 46.4%. EBIT of the segment of €3.8 million is significantly below the previous year's value of €12.6 million. This corresponds to an EBIT margin of 4.9% (previous year: 16.0%). The decline in profitability is mainly the result of cost pressure in the areas of materials and personnel, which particularly affects old projects in the Natural Gas and the Adjacent Opportunities segments, as well as delays in the Brunsbüttel LNG connection pipeline. The order backlog as of 30 June 2023 amounted to €111.0 million (31 December 2022: €104.4 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 from €24.1 million to €25.7 million in the reporting period, which corresponds to an increase of 6.6%. The revenue share of the Electricity segment was 15.5%. EBIT of the segment is at an increased EBIT margin of 3.6% (previous year: 0.4%) at €0.9 million (previous year: €0.1 million). The order backlog as of 30 June 2023 amounts to €201.9 million (31 December 2022: €51.6 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 significantly from €2.4 million to €8.7 million in the reporting period which corresponds to an increase of around 260%. The revenue share of the Clean Hydrogen segment was 5.2%. EBIT of the segment, with an EBIT margin of 14.7% (previous year: 18.9%) was at €1.3 million (previous year: €0.5 million). The order backlog as of 30 June 2023 amounted to €18.4 million (31 December 2022: €21.2 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 increased by 44.6% from €37.7 million to €54.5 million in the reporting period. The revenue share of the Adjacent Opportunities segment was 32.9 %. Profitability in this segment declined compared to the previous year, mainly due to the aforementioned reasons in the Natural Gas segment. EBIT in the reporting period was €-1.1 million (previous year: €1.3 million), which corresponds to an EBIT margin of -2.0% (previous year: 3.5%). The order backlog as of 30 June 2023 amounted to €135.8 million (31 December 2022: €137.9 million).

Employees

The number of employees in the FRIEDRICH VORWERK Group is 1,663 as of 30 June 2023, compared to 1,657 as of 31 December 2022, the same level as at the last balance sheet date. Furthermore, the FRIEDRICH VORWERK Group is currently training 94 apprentices and employees in dual studies (31 December 2022: 121). In addition, there are a large number of vacancies to be filled, reflecting the increasing capacity utilisation 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 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 2022, which is available on our website www.friedrich-vorwerk.de. 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 revenue and earnings development in the first half of the year and the increased uncertainty in connection with the major LNG Brunsbüttel project, the Management Board expects now consolidated revenue of over €330 million (previously: over €300 million) with an adjusted EBITDA margin of 8-11% (previously: 13%) for the financial year 2023.

IFRS consolidated income statement

IFRS consolidated income statement (unaudited)	1 Jan - 30 Jun 2023 €k	1 Jan - 30 Jun 2022 €k
Revenue	**165,630**	**142,813**
Operating performance	**165,630**	**142,813**
Income from equity investments	6,810	6,188
Other operating income	2,474	2,811
Total performance	**174,914**	**151,812**
Cost of raw materials and supplies	-18,532	-12,769
Cost of purchased services	-63,493	-43,803
Cost of materials	**-82,025**	**-56,573**
Wages and salaries	-48,427	-45,277
Social security and pension costs	-14,607	-13,293
Staff costs	**-63,034**	**-58,570**
Other operating expenses	-16,273	-14,368
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**13,583**	**22,301**
Depreciation and amortisation	-8,804	-7,937
Earnings before interest and taxes (EBIT)	**4,779**	**14,363**
Finance income	143	13
Finance expenses	-307	-443
Earnings attributable to non-controlling interests	-194	-1,222
Net finance costs	**-358**	**-1,652**
Earnings before taxes (EBT)	**4,420**	**12,711**
Income tax expense	-1,133	-3,590
Other taxes	-107	-202
Profit or loss for the period	**3,180**	**8,919**
Non-controlling interests	-49	225
Consolidated net profit	**3,130**	**9,144**
Earnings per share (in €)	0.16	0.46

IFRS consolidated statement of comprehensive income

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan – 30 Jun 2023 €k	1 Jan – 30 Jun 2022 €k
Profit or loss for the period	**3,180**	**8,919**
Items that may be subsequently reclassified to profit and loss		
Currency translation differences	21	-6
Items that cannot be subsequently reclassified to profit and loss		
Changes in the fair value of shares	272	-753
Other comprehensive income after taxes	**293**	**-759**
Comprehensive income for the reporting period	**3,473**	**8,160**
thereof attributable to:		
- Shareholders of the parent company	3,424	8,385
- Non-controlling interests	49	-225

IFRS consolidated income statement - quarter

IFRS consolidated income statement (unaudited)	1 Apr – 30 Jun 2023 €k	1 Apr – 30 Jun 2022 €k
Revenue	**92,553**	**84,427**
Increase (+), decrease (-) in finished goods and work in progress	1	0
Operating performance	**92,554**	**84,427**
Income from equity investments	2,399	1,268
Other operating income	1,452	1,620
Total performance	**96,406**	**87,315**
Cost of raw materials and supplies	-13,203	-9,339
Cost of purchased services	-32,516	-26,213
Cost of materials	**-45,719**	**-35,552**
Wages and salaries	-26,599	-24,121
Social security and pension costs	-7,465	-7,191
Staff costs	**-34,064**	**-31,312**
Other operating expenses	-8,613	-7,226
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**8,009**	**13,225**
Depreciation and amortisation	-4,440	-4,112
Earnings before interest and taxes (EBIT)	**3,569**	**9,113**
Finance income	28	6
Finance expenses	-172	-173
Earnings attributable to non-controlling interests	-158	-735
Net finance costs	**-303**	**-901**
Earnings before taxes (EBT)	**3,267**	**8,212**
Income taxes	-781	-2,321
Other taxes	-78	-78
Profit or loss for the period	**2,408**	**5,813**
Non-controlling interests	-26	27
Consolidated net profit	**2,382**	**5,840**
Earnings per share (in €)	0.12	0.29

IFRS consolidated statement of comprehensive income – quarter

IFRS consolidated statement of comprehensive income (unaudited)	1 Apr – 30 Jun 2023 €k	1 Apr – 30 Jun 2022 €k
Profit or loss for the period	**2,408**	**5,813**
Items that may be subsequently reclassified to profit and loss		
Currency translation differences	20	-2
Items that cannot be subsequently reclassified to profit and loss		
Changes in the fair value of shares	99	-523
Other comprehensive income after taxes	**120**	**-525**
Comprehensive income for the reporting period	**2,528**	**5,288**
thereof attributable to:		
- Shareholders of the parent company	2,502	5,315
- Non-controlling interests	26	-27

IFRS consolidated statement of financial position

IFRS consolidated statement of financial position Assets	30 Jun 2023 unaudited €k	31 Dec 2022 audited €k
Non-current assets		
Concessions, industrial property rights and similar rights	401	273
Goodwill	4,276	4,276
Intangible assets	**4,677**	**4,549**
Land and buildings including buildings on third-party land	34,122	33,916
Technical equipment and machinery	36,722	34,722
Other equipment, operating and office equipment	22,018	20,732
Advance payments and assets under construction	10,599	7,862
Property, plant and equipment	**103,462**	**97,233**
Equity investments	20,927	17,072
Investment securities	2,255	2,560
Other loans	635	627
Financial assets	**23,817**	**20,259**
Deferred tax assets	**9,991**	**9,029**
	141,948	**131,070**
Current assets		
Raw materials and supplies	10,372	10,165
Work in progress	102	100
Inventories	**10,474**	**10,266**
Trade receivables	30,138	17,683
Contract assets	106,855	95,428
Other current assets	8,687	7,756
Trade receivables and other current assets	**145,680**	**120,867**
Cash in hand	20	31
Bank balances	4,423	45,845
Cash in hand, bank balances	**4,443**	**45,876**
	160,596	**177,009**
Total assets	**302,544**	**308,079**

IFRS consolidated statement of financial position Equity and liabilities	30 Jun 2023 unaudited €k	31 Dec 2022 audited €k
Equity		
Issued capital	20,000	20,000
Reserves	76,204	76,204
Retained earnings and other reserves	67,626	66,602
Non-controlling interests	424	374
	164,254	**163,181**
Non-current liabilities		
Liabilities to banks	11,715	12,912
Liabilities to non-controlling interests	7,014	6,820
Liabilities from participation rights	10,213	10,213
Lease liabilities	1,707	2,646
Pension provisions	1,991	1,991
Deferred tax liabilities	20,922	20,168
	53,563	**54,751**
Current liabilities		
Liabilities to banks	8,369	2,388
Contract liabilities	4,109	7,296
Trade payables	7,227	10,888
Liabilities to non-controlling interests	1,343	2,534
Other liabilities	30,262	22,757
Lease liabilities	2,948	3,247
Provisions with liability character	21,634	24,640
Tax provisions	5,268	11,697
Other provisions	3,568	4,700
	84,728	**90,147**
Total equity and liabilities	**302,544**	**308,079**

IFRS consolidated statement of cash flows

IFRS consolidated statement of cash flows (unaudited)	1 Jan – 30 Jun 2023 €k	1 Jan – 30 Jun 2022 €k
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	**4,779**	**14,363**
Depreciation and amortisation	8,804	7,937
Increase (+), decrease (-) in provisions	-1,132	-1,328
Losses (+), gains (-) from disposal of property, plant and equipment	-37	-95
Results from equity investments	-6,810	-6,188
Other non-cash expenses and income	0	-166
Adjustments for non-cash transactions	**825**	**161**
Increase (-), decrease (+) in inventories, trade receivables and other assets	-23,586	-47,596
Decrease (-), increase (+) in trade payables and other liabilities	-2,275	-8,354
Change in working capital	**-25,861**	**-55,950**
Income taxes paid	-7,746	-3,105
Interest received	143	13
Cash receipts from dividends paid by equity investments	1,325	770
Cash flow from operating activities	**-26,535**	**-43,747**
2. Cash flow from investing activities		
Investments (-), divestments (+) in intangible assets	-259	-8
Investments (-), divestments (+) in property, plant and equipment	-14,551	-13,880
Investments (-), divestments (+) in financial assets and securities	569	-1,166
Acquisitions (less cash received)	0	-181
Cash flow from investing activities	**-14,240**	**-15,236**
3. Cash flow from financing activities		
Proceeds from borrowing financial loans	5,974	0
Repayment of financial loans	-1,191	-5,313
Profit distribution to shareholders	-2,400	-4,000
Repayments of lease liabilities	-1,509	-2,011
Payments to non-controlling interests	-1,234	-360
Interest payments	-300	-443
Cash flow from financing activities	**-661**	**-12,127**

IFRS consolidated statement of cash flows	1 Jan – 30 Jun 2023	1 Jan – 30 Jun 2022
(unaudited)	€k	€
Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents	-41,436	-71,110
Effects of changes in foreign exchange rates	3	-2
Cash and cash equivalents at the beginning of the period	45,876	108,282
Cash and cash equivalents at the end of the period	**4,443**	**37,171**
Composition of cash and cash equivalents		
Cash in hand	20	100
Bank balances	4,423	37,070
Reconciliation to liquidity reserve on 30 Jun	2023	2022
Cash and cash equivalents at the end of the period	4,443	37,170
Investment securities	2,255	3,694
Liquidity reserve on 30 Jun	**6,697**	**40,864**

IFRS consolidated statement of changes in equity

IFRS consolidated statement of changes in equity

			Retained earnings						
	Issued capital	Reserves	Currency translation	Fair value reserve	Pension reserve	Generated group equity	Attributable to share-holders	Non-con-trolling in-terests	Consolidated equity
	€k	€k	€k	€k	€k	€k	€k	€k	€k
1 Jan 2022	**20,000**	**76,204**	**-3**	**169**	**-40**	**55,082**	**151,412**	**1,058**	**152,470**
Distributions to shareholders	**0**	**0**	**0**	**0**	**0**	**-4,000**	**-4,000**	**0**	**-4,000**
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**
Change in consolidated group	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**
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**

Notes to the interim consolidated financial statements

Information on the company

Friedrich Vorwerk Group SE is headquartered at Niedersachsenstraße 19-21, 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 1 January to 30 June 2023 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 31 December 2022. 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.

Dividend

On 1 June 2023, 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 2022. The dividend was paid out on 6 June 2023.

Segment reporting

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

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%		

Segment reporting 1 Jan – 30 Jun 2022 (unaudited)	Natural Gas €k	Electricity €k	Clean Hydrogen €k	Adjacent Opp. €k	Reconciliation €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%
Revenue share	55.1%	16.9%	1.7%	26.4%		

Reconciliation of EBIT to consolidated net profit Half year	1 Jan – 30 Jun 2023 €k	1 Jan – 30 Jun 2022 €k
Total EBIT of the segments	**4,887**	**14,496**
Reconciliation to Group EBIT	-108	-133
Net finance cost	-358	-1,652
EBT	**4,420**	**12,711**
Taxes on income	-1,133	-3,590
Other taxes	-107	-202
Non-controlling interests	-49	225
Consolidated net profit	**3,130**	**9,144**

Revenue

Revenue amounts to €165,630 thousand (previous year: €142,813 thousand) in the first half of 2023.

The following table shows revenue broken down by region:

Region	1 Jan – 30 Jun 2023 €k	1 Jan – 30 Jun 2022 €k
Germany	160,759	129,284
Europe excluding Germany	3,767	11,808
Miscellaneous	1,104	1,721
	165,630	**142,813**

12.8% of revenue (previous year: 22.1%) 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:

€k	Classification according to IFRS 9*	30 Jun 2023 Carrying amount	30 Jun 2023 Fair value
Assets			
Investment securities	FVTOCI	2,255	2,255
(31 Dec 2022)		2,560	2,560
Trade receivables	AC	30,138	
(31 Dec 2022)		17,683	
Non-hedge derivatives	FVTPL	286	286
(31 Dec 2022)		321	321
Cash funds	AC	4,443	
(31 Dec 2022)		45,876	
Liabilities			
Liabilities to banks	FLaC	20,084	19,213
(31 Dec 2022)		15,300	14,271
Liabilities from participation rights	FLaC	10,213	13,684
(31 Dec 2022)		10,213	13,607
Trade payables	FLaC	7,141	
(31 Dec 2022)		10,784	
Other financial liabilities	FLaC	21,479	
(31 Dec 2022)		14,725	
Liabilities to non-controlling interests	FLaC	8,357	
(31 Dec 2022)		9,355	
Aggregated according to category			
Financial assets	AC	34,581	
Financial assets	FVTOCI	2,255	
Financial assets	FVTPL	286	
Financial liabilities	FLaC	67,274	

* AC: amortised cost; FLaC: financial liabilities at amortised cost; FVTPL: fair value through profit and loss; FVTOCI: fair value through other comprehensive income

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 in equity at fair value, 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.

Auditor's review

The condensed interim consolidated financial statements as at 30 June 2023 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/de/investor-relations/corporate-governance.html.

Events after the end of the reporting period

There were no significant events after the balance sheet date of 30 June 2023.

Tostedt, 15 August 2023

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.

Tostedt, 15 August 2023

Torben Kleinfeldt Chief Executive Officer	Tim Hameister Chief Financial Officer

Financial calendar

Half-Year Financial Report 2023
15 August 2023

Quarterly Report Q3 2023
14 November 2023

End of financial year
31 December 2023

Conferences

Berenberg and Goldman Sachs Twelth German Corporate Conference
18 – 20 September 2023

Deutsches Eigenkapitalforum
27 - 29 November 2023

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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Legal notice

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