

**BLUE
CAP**

**EMPOWERING
TRANSFOR
MATION**



2021 half-year report



GROUP KEY FIGURES

EUR thousand			
	H1 2021	H1 2020	Change in %
Revenue	120,778	113,930	6.0
Adjusted EBITDA*	10,465	6,000	74.4
Adjusted EBITDA margin in %*	8.4	5.0	68.0
Adjusted EBIT*	5,261	1,332	>100
Adjusted EBIT margin in %*	4.2	1.1	>100
Consolidated net income	1,453	15,647	90.7
Free cash flow	7,850	21,467	63.4
Earnings per share in EUR	0.36	3.92	90.8

	30 June 2021	31 Dec. 2020	Change in %
Total assets	223,215	198,502	12.4
Net asset value in EUR million	155.2	153.9	0.8
Equity	82,481	80,301	2.7
Equity ratio in %	37.0	40.5	8.7
Working capital (net)	43,469	34,968	24.3
Net debt ratio in years**	1.7	1.6	6.2
Average no. of employees in the Group	1,122	1,095	2.5
Average no. of employees in the holding company	15	15	0.0

* Adjustments: Adjusted to reflect extraordinary, prior-period and other effects resulting from reorganisation measures and one-off effects, as well as effects arising from the purchase price allocations

** The reported net debt ratio (in years) represents debt less cash in relation to adjusted EBITDA over the last twelve months



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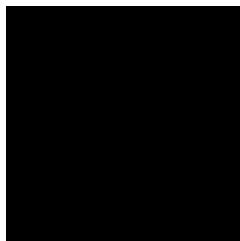
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LETTER TO OUR SHAREHOLDERS

Dear Shareholders,



Macroeconomic development in the first half of 2021 needed to strike a balance between the reopening of the economy and challenges on the global procurement markets. The Blue Cap Group made positive progress overall in this environment due to the high level of diversification of its portfolio. With consolidated revenue up slightly at EUR 120.8 million (previous year: EUR 113.9 million) and a significantly improved adjusted EBITDA margin of 8.4% (previous year: 5%), we are very satisfied.

The Plastics Technology segment made a key contribution to the Group's growth with the acquisition of the Hero Group and the current positive order development at con-pearl. Uniplast was able to pass on some of the significant price increases in the plastics market to its customers. In the field of adhesive technology, Planatol recorded positive development and increased revenue and earnings significantly despite generally difficult conditions in the supply of raw materials. The opposite trend was seen in the Coating Technology segment, with Neschen continuing to be affected by lower order volumes, particularly for products for graphic applications. Carl Schaefer was still confronted with the effects of the coronavirus restrictions in the first half of 2021 with reduced delivery volumes. Over the last few months, the Production Technology segment continued to struggle with project delays and postponements.

Net asset value ("NAV") increased slightly in the first half of the year to EUR 155.2 million or EUR 38.82 per share. The calculation has hardly changed overall compared to the end of 2020, since, first of all, the medium-term plans only had to be adjusted in exceptional cases in the first six months and, second, Hero is still included in the NAV at the purchase price shortly after its acquisition in line with the guidelines for private equity valuations. Major changes could arise at the end of 2021 on the basis of the actual figures for the year as a whole and the new corporate plans, which will have been revised by then.



EMPOWERING TRANSFORMATION

With three acquisitions since the beginning of the year and a capital increase, we are successfully continuing on the growth path we initiated in 2020.

Everything we do is centred on transformation and adding value. Blue Cap put an immense amount of work into this in the first six months of the reporting year, and in partnership with the management teams of the portfolio companies either initiated or already implemented strategic and operational issues. We also grew through acquisitions: After purchasing the Hero Group in January and Recyplast GmbH in April, we were able to announce the acquisition of the HY-LINE Group at the beginning of August. The application specialist for electronic components and systems focuses on innovative technologies and caters to megatrends such as the Internet of Things, smart homes and Industry 4.0 with customised product solutions. The acquisition of the HY-LINE Group contributes to the further diversification of Blue Cap's investment portfolio.

In August 2021, we successfully carried out a capital increase with exclusion of subscription rights and thus strengthened Blue Cap's equity base by EUR 10.8 million. The successful placement with institutional investors underlines the attractiveness of the Blue Cap share, which is reflected not least in a roughly 70% increase in the share price since the beginning of the year. This also reduced the discount on our net asset value.

The foundation for further growth has been laid and we would like to continue pushing this momentum forward. Despite the continuing uncertainties surrounding the Covid-19 pandemic and on the procurement markets, we are looking to the coming months and the 2022 financial year with optimism.

We thank you for your trust and wish you all the best,

Munich, August 2021

Ulrich Blessing

Tobias Hoffmann-Becking

Matthias Kosch



OUR BUSINESS MODEL: BUY, TRANSFORM & SELL

----- As an investment company, Blue Cap AG acquires and supports SMEs that have clear potential for improving their earnings and growth prospects.





BUY: STRUCTURED M&A PROCESS AND ACTIVE MARKET SCREENING

Companies are acquired in a structured M&A process. The process involves the systematic identification and selection of target companies based on fixed investment criteria. We invest in companies where succession arrangements are unresolved, in Group spin-offs and in the event of shareholder disputes. Our potential acquisitions also, however, include companies facing crisis situations or growth challenges.

OUR FOCUS: SMEs that manufacture, trade in, and offer services relating to industrially manufactured physical goods.

- **Fundamentally intact core business**
- **Registered office in Germany, Austria or Switzerland**
- **Annual revenue: EUR 30 million to EUR 80 million**
- **Majority stake**
- **Potential for commercial improvement**
- **Growth opportunities (organic and inorganic)**
- **Compatibility with sustainability objectives**

TRANSFORM: STRATEGIC AND ACTIVE SUPPORT

The portfolio companies are managed independently by the management teams and keep their established SME identity. In principle, each company pursues its own strategy. At the same time, the portfolio companies receive close support from Blue Cap with their strategic and operational development. The transformation can include optimising cost structures and margins as well as securing and expanding the company's financial capacity to act (liquidity). Growth through innovation and the strengthening of sales activities are also the focus of our activities. We provide targeted support to companies in the areas of digitalisation and sustainability.

SELL: REALISING GROWTH IN VALUE

Blue Cap generally only steps in as a temporary owner and follows a best-owner approach. When it appears to make more sense to allow the company to continue on its path with a new ownership structure, Blue Cap can also sell its shares in the portfolio companies. Proceeds realised from exits, as well as support resources, are reinvested in existing and new companies.



HIGHLIGHTS





acquisitions in the first half of 2021

----- ACQUISITION OF HERO GMBH

At the end of January, Blue Cap AG announced the acquisition of 71% of the shares in Hero GmbH. Hero develops and manufactures high-quality plastic parts and assemblies for vehicle interiors and the household appliance industry. As a specialist in (gas-assisted) injection moulding, the company supports its customers on the path from the product idea to series production. Hero GmbH and its two subsidiaries have been part of the Blue Cap Group since 28 February 2021.

The difficult market environment created by the Covid-19 pandemic created an excellent opportunity for Blue Cap to invest due to a low valuation multiple. With the economy set to recover over the next few years and boosted by various growth measures, earnings and, as a result, also the valuation multiple will increase substantially. The group of companies is planning to step up its distribution activities further and examine options for inorganic growth.

The transaction underlines Blue Cap AG's portfolio strategy of focusing on equity investments with an intact core business and clear growth and improvement potential.

----- ADD-ON ACQUISITION FOR CON-PEARL GMBH: RECYPLAST GMBH

con-pearl GmbH acquired all of the material assets and employees of Recyplast GmbH in April 2021. Recyplast, based in Hillscheid, Rhineland-Palatinate, specialises in the production of regranulate from various plastics. The acquisition of Recyplast and further investments will allow con-pearl to develop a second, independent recycling site for polypropylene and polyethylene regranulate in the coming years. This will see the company expand its raw material base and make it more attractive for recycle customers and industrial companies that want to dispose of their waste. Stepping up its recycling activities is part of Blue Cap's sustainability strategy.



----- REALIGNMENT OF GÄMMERLER GMBH UNDER WAY

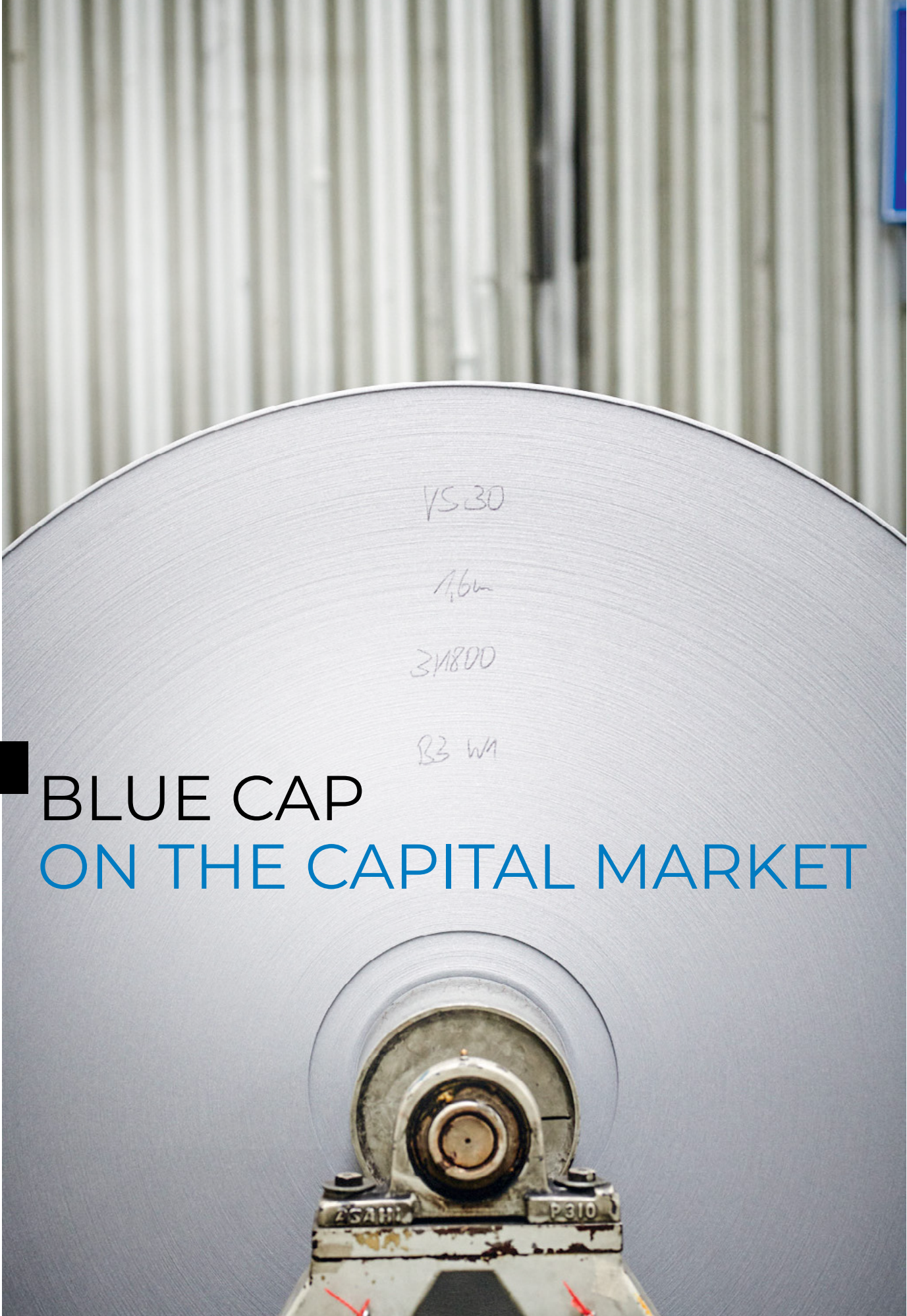
In recent years, Gämmerler GmbH's business performance has been dominated by consolidation pressure in the printing industry. This pressure was further intensified in the wake of the global Covid-19 pandemic. In light of these circumstances and the lack of a positive market outlook, the management of Gämmerler GmbH made the decision, together with the Blue Cap management team, to focus on the profitable service and spare parts business. This step will make Gämmerler less reliant on the structurally weak and cyclical customer sector in the printing industry and on a small number of large-scale orders for new machinery. The service and spare parts business has long been a firmly established pillar in which the company has built up significant technical competence, sound expertise and, due to the high degree of networking, an extremely broad customer base. The latter is reflected in the world's largest installed base of print finishing systems, with active machinery worth around EUR 300 million. As part of the operational restructuring process, the minority stake of 49% in Gammerler Tech Corporation in the US was also sold to the majority shareholder.

----- NEW SALES DIRECTORS FOR NESCHEN AND PLANATOL

Neschen Coating GmbH expanded its management team as of March 2021 by recruiting Andreas Mertens, who was previously employed as an investment manager at Blue Cap's holding company. Mertens' main remit will include further developing the company's sales and marketing structures in order to further accelerate the growth momentum that has been intact since 2019. In addition to the optimisation of the Filmolux Group, this includes establishing Neschen Coating GmbH's international presence even more firmly and stepping up activities in the highly profitable Industrial Applications business area. One major focal point will be the digitalisation of sales processes. **Planatol GmbH** also hired a new sales director as of July 2021. Dr Valentino Di Candido holds a doctorate in business management and has extensive knowledge of national and international direct and commercial sales. His activities will focus mainly on ongoing internationalisation, as well as digitalisation within sales.

----- FURTHER DISPOSAL OF REAL ESTATE NOT NEEDED FOR OPERATIONS

Having already started to sell properties that are not used by the company itself at the end of 2020, Blue Cap is continuing with this strategy this year. In April, it sold the former em-tec GmbH building and premises in Finning to a private investor. The building was leased to em-tec in the long term as part of the sale of the company in 2020. This was the third property sale within the space of a few months. A former company site in Bavaria and a property not required for operations in Saxony had already been sold in November of last year.



BLUE CAP ON THE CAPITAL MARKET



BLUE CAP SHARES SHOW SIGNIFICANT OUTPERFORMANCE IN THE FIRST HALF OF THE YEAR

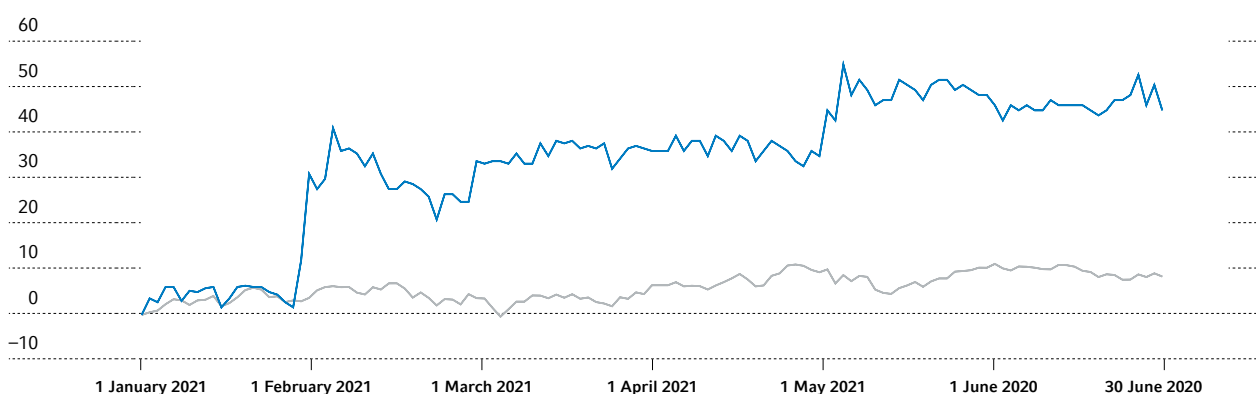
In the first half of 2021, shares in Blue Cap outperformed the benchmark index SDAX. As of 30 June 2021, the stock was trading at EUR 25.80, up by 40% on the opening price on 4 January 2021.

The most significant increase in the share price came at the end of January, when news of the acquisition of Hero GmbH was published and the company announced that the revenue and earnings forecast for the 2020 financial year would be exceeded. The share price was given a further boost with the publication of the key financial figures for the first quarter of 2021. The share reached its half-year high to date of EUR 27.60 on 5 May 2021.

Blue Cap's market capitalisation as of 30 June 2020 came to EUR 103 million. The average daily trading volume was almost unchanged as against the prior-year period and amounts to 3,831 shares across all exchanges (H1 2020: 3,984). The daily average XETRA trading volume was 1,880 shares (H1 2020: 1,942). The remaining shares were largely traded on the Tradegate securities exchange.

SHARE PRICE PERFORMANCE OF BLUE CAP'S SHARES | 1 JANUARY TO 30 JUNE 2021

in %



■ Blue Cap
■ SDAX

CAPITAL INCREASE

Blue Cap AG implemented a capital increase corresponding to just under 10% of its share capital on 12 August 2021. The 399,662 new shares (which carry a dividend entitlement as of 1 January 2021) were placed exclusively with institutional investors with an issue price of EUR 27.02. The subscription rights of existing shareholders were excluded. This brings the company's share capital to EUR 4,396,290.00 (previously EUR 3,996,628.00) with 4,396,290 shares (previously 3,996,628).

The gross issue proceeds before costs and commission amount to EUR 10.8 million. The inflow of funds is to be used partly to refinance the acquisition of HY-LINE Verwaltungs GmbH and otherwise to finance the further growth of the Blue Cap Group.

KEY DATA ON BLUE CAP'S SHARES

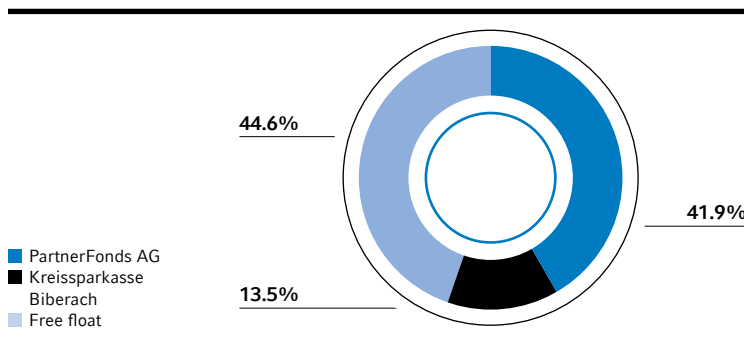
WKN	A0JM2M
ISIN	DE000A0JM2M1
Stock exchange symbol	B7E
Share capital	EUR 4,396,290.00 (until 12 Aug. 2021: EUR 3,996,628.00)
Number of shares	4,396,290 (until 12 Aug. 2021: 3,996,628)
Trading venues	XETRA, Frankfurt, Munich, Stuttgart, Düsseldorf, Berlin, Tradegate
Stock exchange segments	Scale, m:access
Designated sponsor	BankM AG
Capital market partner	mwb fairtrade Wertpapier-handelsbank AG



SHAREHOLDER STRUCTURE AFTER THE CAPITAL INCREASE ON 12 AUGUST 2021

The capital increase carried out in August 2021 led to a change in the structure of Blue Cap shareholders. The stake attributable to our largest shareholder, PartnerFonds AG, decreased from 46% to 42% on 12 August 2021. Kreissparkasse Biberach increased its participating interest to 13.5% (previously 10.9%) as part of the capital increase. With its long-term investment strategy, Kreissparkasse is a key anchor shareholder for Blue Cap. The remaining shares are in free float.

At an extraordinary meeting of PartnerFonds AG held in May 2020, the decision was made to liquidate the company. As part of this process, the shares that PartnerFonds AG holds in Blue Cap are to be sold in the long term. There is currently no deadline by which this process has to be completed.



EQUITY ANALYSES ON BLUE CAP AG

SMC Research started its coverage of Blue Cap's shares in the first quarter of 2021. In the initial study dated 2 March 2021, the share was given a "buy" recommendation with a price target of EUR 44.50. Warburg Research and Edison Investment Research also produce regular analyses of Blue Cap's shares.

INSTITUTE	DATE	INVESTMENT RECOMMENDATION	PRICE TARGET
M.M. WARBURG	9 AUGUST 2021	BUY	EUR 42.00
SMC RESEARCH	7 MAY 2021	BUY	EUR 46.00
EDISON RESEARCH ¹	17 MAY 2021		

¹ For regulatory reasons, Edison's research report, which is mandatory for share issuers in the Scale segment for small and medium-sized companies (SMEs), does not contain any investment recommendation



INVESTOR RELATIONS ACTIVITIES

Active and transparent dialogue with existing and potential shareholders is a top priority for Blue Cap AG. After already expanding its investor relations work last year, the company continued its constructive and open communication with the capital market in the first half of 2021. The management was regularly available as a point of contact for investors, media representatives and analysts at both personal meetings and capital market conferences. All meetings were organised online or by telephone. Key topics included the most recent acquisitions, as well as the strategic and operational development of the individual portfolio companies.

Since the beginning of 2021, Blue Cap has been a member of the German Investor Relations Association (DIRK), allowing it to contribute to the goal of transparent and ongoing capital market communication.

Various conferences are planned for the second half of 2021. Dates for these events can be found in the financial calendar on the Investor Relations website.

CAPITAL MARKET EVENTS 1 JANUARY–31 JULY 2021

- **31st Munich Capital Market Conference: 4 May 2021**
- **2021 Equity Forum Spring Conference: 17–19 May 2021**
- **m:access Specialist Investment Companies Conference: 14 July 2021**

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ANNUAL GENERAL MEETING

On 25 June 2021, Blue Cap held its Annual General Meeting as a virtual event for the second time in light of the ongoing Covid-19 pandemic. The meeting was chaired by Prof. Bräutigam, Chairman of the Supervisory Board of Blue Cap. Together with the three members of the Management Board, he addressed Blue Cap's shareholders from the company's headquarters in Munich. The Annual General Meeting was broadcast via live stream on the investor portal on the Investor Relations website.

All proposed resolutions were approved by a large majority. The dividend of EUR 1.00 per share proposed by the Management Board and the Supervisory Board met with broad approval among the company's shareholders. The dividend consists of a base dividend of EUR 0.75 and a bonus dividend of EUR 0.25 per share resulting from the successful sale of em-tec in May 2020 (previous year: EUR 0.75). This corresponds to a year-on-year increase in the dividend of 33% and a dividend yield of 5.6% based on the XETRA closing price on 30 December 2020 of EUR 17.75. The distribution marks the continuation of Blue Cap AG's stable and sustainable dividend policy.



NET ASSET VALUE

Blue Cap AG's NAV as of 30 June 2021 came to EUR 155.2 million, up by EUR 1.3 million on the value as of 31 December 2020 (FY 2020: EUR 153.9 million). The NAV corresponds to the fair value of the portfolio companies included in the business areas, less net financial liabilities. The value is calculated using a discounted cash flow procedure. The calculation is based on the approved budget planning of the individual portfolio companies for the years from 2021 to 2023, or their extrapolation for 2024 and 2025. The projections were adjusted as against the previous period to reflect any major changes in expected business development (e.g. at con-pearl due to the acquisition of Recyplast and at Carl Schaefer based on the lower volume of deliveries). The majority of the growth rates after the 5-year period have been put at 1.5% (FY 2020: 1.5%). The weighted average cost of capital (WACC) was calculated for each business area on the basis of individual peer groups and comes to 6.5% (FY 2020: 6.6%). The peer group data required for the purposes of the calculation is taken from the annual reports of the companies concerned.

Furthermore, the indicative NAV includes the net debt of the holding company, which is calculated as the net amount of loans and credit balances with banks. Properties that are either used by the company itself or leased to third parties are recognised at their carrying amount less debt for the NAV calculation. The minority interest in INHECO is included in the calculation at fair value.

The **NAV of the business areas** has increased by 12% as against the NAV as of 31 December 2020 (increase of 35% compared to 30 June 2020). This change is due primarily to the acquisition and inclusion of the Hero Group in the Plastics Technology segment at acquisition cost as of 1 March 2021. The advantageous business development of the con-pearl Group and the acquisition of Recyplast also have a positive effect on the NAV trend, while the reorganisation at Gämmerler GmbH and the adjustment of the business plan at Carl Schaefer Gold- und Silberscheideanstalt GmbH put pressure on the net asset value at the end of the half-year period.

The **NAV of the minority interest** in INHECO Industrial Heating & Cooling GmbH was increased to reflect the continued profitable growth trajectory.

Net financial debt is up due to the acquisitions and the dividend payment. Proceeds from property sales had the opposite effect.

INDICATIVE NET ASSET VALUE OF THE GROUP

EUR million

	30 June 2021	31 Dec. 2020	30 June 2020
NAV of the business areas	118.8	106.0	88.1
Plastics Technology	56.9	42.3	28.0
Coating Technology	42.8	42.9	39.5
Adhesive Technology	12.5	11.9	14.2
Metal Technology	4.0	5.6	3.6
Production Technology	2.6	3.2	2.8
NAV of the minority interest¹	29.1	26.1	26.0
Net debt (-)/cash-in-hand (+) Blue Cap AG	-1.9	9.9	12.3
Carrying amount of properties less liabilities of asset holding company	9.2	11.9	12.1
Indicative NAV of the Group	155.2	153.9	138.5

¹ The minority stake in INHECO Industrial Heating & Cooling GmbH has been recognised at fair value since the 2020 half-year report, as with the majority shareholdings, to reflect the company's positive business development

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INTERIM GROUP MANAGE MENT REPORT



H1 2021



INTE RIM GROUP MANAGE MENT REPORT



- 16_ Economic report**
- 28_ Opportunities and risks**
- 29_ Forecast report**



INTERIM GROUP MANAGEMENT REPORT

1. ECONOMIC REPORT

1.1 Business development in the first half of 2021

ECONOMY AS A WHOLE AND INDUSTRY ENVIRONMENT

Significant global economic upswing has begun¹

Developments in the global economy in the first half of 2021 were once again dominated by the Covid-19 pandemic. Overall, global GDP continued to recover from the dramatic slump seen in the spring of 2020. There were, however, considerable differences from country to country due to the virus breaking out (again) at different times and also due to the infection protection measures imposed, as well as the vaccination progress made, in the individual countries.

While China had already clearly exceeded its pre-crisis level in the third quarter of 2020, the US economy is expected to surpass its pre-crisis level in the second quarter of 2021. Most other countries will follow a quarter later, although the euro area as a whole is not set to achieve this until early 2022.

The increase in the rate of inflation has picked up speed, especially in the world's advanced economies, due to the uptick in the price of crude oil. Further pressure on consumer prices in the first six months of 2021 came in particular from raw materials prices, which rose significantly in some cases. In the emerging markets, on the other hand, inflation was lower overall than in the previous year. Particularly in China, price increases were much more subdued as companies are being deterred from passing their higher prices on to consumers.

In the first half of 2021, the German economy was caught between two poles: increasing measures to open up the economy and supply bottlenecks. Whereas macroeconomic activity declined in the first three months due to the pandemic, the pace of infection started to slow again at the end of April, meaning that infection control measures have been eased with a positive knock-on effect on economic growth. The German labour market has also benefited from the recovery. Higher energy and commodity prices, however, fuelled a marked increase in prices in the first half of the year.

¹ Cf. ifo Economic Forecast Summer 2021 of the ifo Institute, published in June 2021



Significantly brighter sentiment in the private equity market

Following the sluggish recovery of business in the German private equity market in the wake of the coronavirus outbreak, it has gained momentum in recent months. At the end of Q2 2021, the business climate indicator for the later-stage segment rose by 44.3 points to 13.4 balance points compared to the end of 2020, and is thus above the long-term average again for the first time after the Covid-19 shock. The assessment of business expectations (21.5 balance points; previous year: -26.9 balance points) is picking up much more strongly than that of the current business situation (5.3 balance points; previous year: -35.0 balance points).

The individual climate components of the KfW Research Private Equity Barometer are consistently positive at the end of the second quarter of 2021. Only the valuation climate shows negative values and thus a certain dissatisfaction with current entry prices. Significant double-digit improvements can be seen in the assessment of fundraising, investment readiness and the impairment requirement. Assessments of exit opportunities, deal flow and innovation also show double-digit growth compared to the end of 2020. The assessment of funding, the tax framework and entry prices, on the other hand, has developed negatively compared to the previous year.

DEVELOPMENT OF THE BLUE CAP GROUP

Group companies perform in line with expectations overall

The first half of 2021 was dominated by economic catch-up effects within the Group. All in all, consolidated revenue at the end of the first half of the year was up by around 6% year-on-year to EUR 120.8 million. Adjusted EBITDA came to EUR 10.5 million (previous year: EUR 6.0 million) and the adjusted EBITDA margin stood at 8.4% (previous year: 5.0%).

In particular, further growth in the Plastics Technology segment due to the acquisition of the Hero Group and the expansion of the packaging business at con-pearl contributed to the positive trend in the Group's key figures. The Adhesive Technology segment has also shown positive development over the last six months. The Planatol Group, for example, took a forward-looking approach by increasing its warehouse inventory levels at the end of 2020, and was able to meet all customer requests in an adhesives market that is currently marred by supply bottlenecks.

Challenges resulting from Covid-19 continue to leave their mark

The development at Neschen, which operates in the Coating Technology segment, tells the opposite story. The ongoing lower order volume for products for trade fairs and other graphics applications as a result of the Covid-19 pandemic, as well as the loss of a major customer in the area of industrial applications, continued to make themselves felt. Uniplast, which is part of the Plastics Technology segment, developed better than planned in terms of revenue, but was only able to pass on some of the significant increases in raw materials prices to its customers.

At Carl Schaefer, the volume of scrap gold delivered lagged behind the level seen prior to the Covid-19 crisis. Gämmerler GmbH and nokra operate in the Production Technology segment, which is the smallest segment in terms of revenue. Business development at both portfolio companies was also impacted by postponed projects and delays in the completion of system projects in the first half of 2021. In order to make Gämmerler less reliant on the small number of major orders for the printing industry, the company will focus on the profitable service and spare parts business in the future.



FURTHER INFORMATION
You can find out more about current changes in our scope of consolidation at www.blue-cap.de/aktuelles

Acquisitions of Hero and Recyplast strengthen the Plastics Technology segment

By way of a purchase agreement dated 29 January 2021, Blue Cap AG acquired 71% of the shares in Hero GmbH and its subsidiaries through its subsidiary Blue Cap 11 GmbH. The Hero Group develops and manufactures high-quality plastic parts and assemblies for vehicle interiors and the household appliance industry. With more than 200 employees at four locations in Baden-Württemberg, Hero generates annual revenue of around EUR 40 million. Since the acquisition, the group of companies has complemented Blue Cap’s portfolio in the Plastics Technology segment. The transaction was closed successfully on 26 February 2021 and the group of companies was fully consolidated for the first time as of 1 March 2021.

Also in the Plastics Technology segment, con-pearl GmbH acquired all of the material assets and employees of Recyplast GmbH from the insolvency estate of Fischer GmbH, Achern, under an agreement dated 7 April 2021. Recyplast, based in Hillscheid, Rhineland-Palatinate, specialises in the production of regranulate from various plastics. The acquisition will further strengthen the Plastics Technology segment and will allow con-pearl to establish another recycling site for polypropylene and polyethylene regranulate. This will see the company expand its raw material base for plastics. Stepping up its recycling activities is part of Blue Cap’s aim to strengthen the role played by sustainability in its investment portfolio.

Overall, the Management Board is satisfied with the company’s business development to date as of 30 June 2021, also given the special circumstances and the ensuing consequences that dominated the past financial year.



GOOD TO KNOW
The consolidated income statement can be found on page 34 of the interim consolidated financial statements.

1.2 Earnings development

REVENUE INCREASED SLIGHTLY IN THE FIRST SIX MONTHS

In the first half of 2021, the consolidated revenue of the Blue Cap Group increased by 6.0% or EUR 6,848 thousand year-on-year to total EUR 120,778 thousand (previous year: EUR 113,930 thousand). The increase can be traced back in particular to the first-time inclusion of the Hero Group as of 1 March 2021. The deconsolidation of em-tec GmbH as of 30 April 2020 and SMB-David as of 30 June 2020, as well as lower revenue due to the Covid-19 pandemic, had the opposite effect.

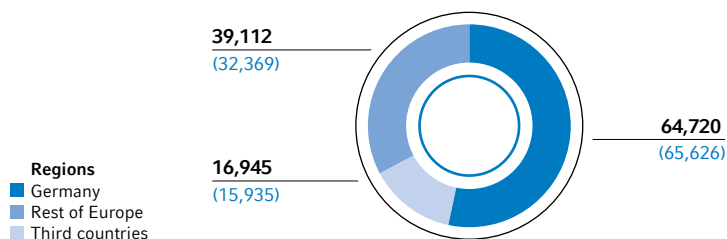
REVENUE DEVELOPMENT WITHIN THE GROUP | H1 2021 (2020)

EUR thousand

Revenue by year



Revenue by region



Looking at the breakdown of consolidated revenue, the German market accounted for 53.6% or EUR 64,720 thousand (previous year: 57.6% or EUR 65,626 thousand), the rest of the EU for 32.4% or EUR 39,112 thousand (previous year: 28.4% or EUR 32,369 thousand) and the rest of the world for 14.0% or EUR 16,945 thousand (previous year: 14.0% or EUR 15,935 thousand).

Other operating income amounts to EUR 3,854 thousand at the end of the first half (previous year: EUR 22,640 thousand) and mainly includes income from the disposal of fixed assets of EUR 1,936 thousand (previous year: EUR 80 thousand), income from the reversal of provisions in the amount of EUR 627 thousand (previous year: EUR 759 thousand), income from bargain



purchases of EUR 226 thousand (previous year: EUR 0 thousand), as well as income from benefits in kind of EUR 171 thousand (previous year: EUR 158 thousand) and income relating to previous periods of EUR 164 thousand (previous year: EUR 283 thousand). In the previous year, the figure also included income from the deconsolidation of the sold subsidiary em-tec GmbH in the amount of EUR 20,808 thousand.

The Group's total output came to EUR 127,888 thousand in the first half of the year, down on the previous year (EUR 141,300 thousand) in particular due to the deconsolidation income in connection with the sale of em-tec GmbH included in the previous year.

At 50.3% of total output, the ratio of the cost of materials to total output was higher than in the previous year (45.4%), mainly due to the inclusion of deconsolidation income in connection with the sale of em-tec in the prior-year total output. As a result, the gross profit ratio came to 49.7% (previous year: 54.6%) while gross profit, which represents the difference between total output and the cost of materials, came to EUR 63,564 thousand (previous year: EUR 77,098 thousand).

In the half year under review, personnel expenses in the Group amounted to EUR 33,455 thousand (previous year: EUR 32,555 thousand), which corresponds to 26.2% (previous year: 23.0%) of total output. Depreciation and amortisation amounted to EUR 8,697 thousand (previous year: EUR 6,533 thousand) or 6.8% (previous year: 4.6%) of total output. Other expenses fell slightly by EUR 324 thousand to EUR 19,548 thousand and equated to 15.3% of total output (previous year: 14.1%). The inclusion of the Hero Group in the Blue Cap Group was the main factor behind the increase in personnel expenses, depreciation and amortisation, and other expenses. The effects resulting from the deconsolidation of em-tec and SMB-David in the course of the previous year, as well as cost savings at Uniplast, had the opposite effect.

At the halfway point of 2021, EBIT came to EUR 2,765 thousand (previous year: EUR 18,689 thousand), which corresponds to 2.2% (previous year: 13.2%) of total output. The negative interest result of EUR 994 thousand (previous year: EUR 1,285 thousand) was reduced, among other things, by lowering bank debt levels overall.

Consolidated earnings before taxes (EBT) amounted to EUR 1,805 thousand (previous year: EUR 16,586 thousand). The drop in EBIT and consolidated earnings before taxes is due primarily to the deconsolidation income from the sale of em-tec included in the figures for the previous year.



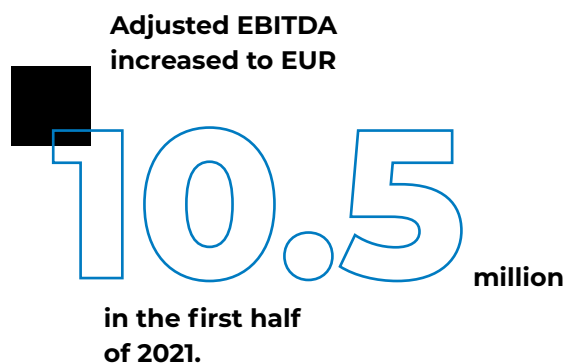
GOOD TO KNOW

You can find the adjusted consolidated income statement on page 66.

ADJUSTED EBITDA AND ADJUSTED EBIT

The portfolio companies and, as a result, also the Group are managed on the basis of the adjusted EBITDA margin, among other things. EBITDA, calculated in accordance with IFRS, is adjusted to reflect extraordinary, prior-period and other effects resulting from reorganisation measures, as well as one-off effects (adjustments). In order to ensure consistency with the control parameters used for the portfolio companies, the effects resulting from purchase price allocations (in particular income from "bargain purchases" and amortisation of disclosed hidden reserves) are also corrected.

In the first half of the year, adjustments in operating profit (EBIT) of EUR 3,491 thousand (previous year: EUR 22,276 thousand) and expenses of EUR 5,986 thousand (previous year: EUR 4,919 thousand) were identified that are not included in adjusted EBITDA/adjusted EBIT. This brought the total cumulative adjustments to EUR -2,496 thousand (previous year: EUR 17,357 thousand).



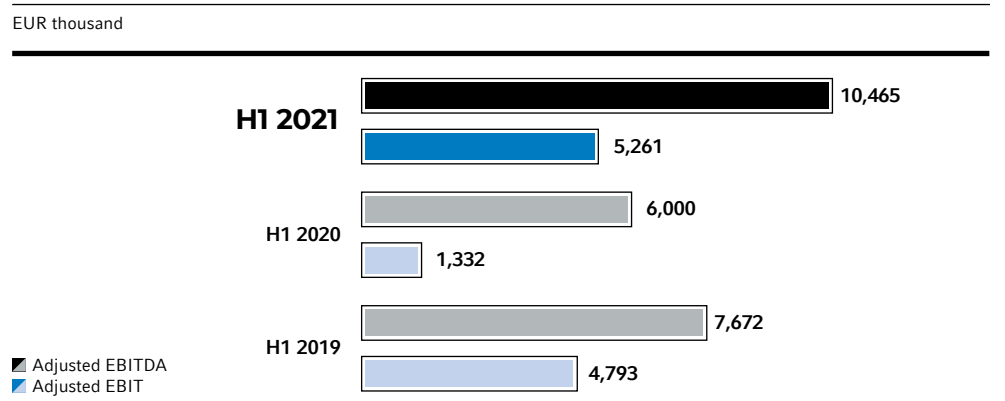


The reconciliation of the EBITDA presented in the IFRS statement of comprehensive income to adjusted EBITDA and adjusted EBIT is shown below:

EUR thousand	H1 2021	H1 2020
EBITDA (IFRS)	10,561	24,670
Adjustments		
Income from asset disposals	-1,936	-80
Income from the reversal of provisions	-927	-759
Other non-operating income	-402	-629
Income from bargain purchase	-226	0
Income from deconsolidation	0	-20,808
Losses on disposal of fixed assets	1,213	6
Expenses from restructuring and reorganisation	606	252
Personnel costs in connection with personnel measures	595	538
Legal and consultancy costs in connection with acquisitions and personnel measures	530	300
Other non-operating expenses	432	588
Utilisation of disclosed hidden reserves	19	0
Expenses from deconsolidation measures	0	1,922
Adjusted EBITDA	10,465	6,000
Adjusted EBITDA margin as % of total output, adjusted	8.4%	5.1%
Depreciation and amortisation	-8,697	-6,533
Impairment losses and reversals	-201	0
Share of profit/loss in associates	1,102	551
Adjustments		
Amortisation of disclosed hidden reserves	2,390	1,275
Impairment losses and reversals	201	38
Adjusted EBIT	5,261	1,332
Adjusted EBIT margin as % of total output, adjusted	4.2%	1.1%

The adjusted EBITDA margin in the first six months of the year came to 8.4% (previous year: 5.1%) of total output. The adjusted EBIT margin in the reporting period came to 4.2% (previous year: 1.1%) of total output. The increase in the adjusted EBITDA margin and the adjusted EBIT margin is due, in particular, to the first-time consolidation of the Hero Group and the positive business developments witnessed in the Plastics Technology and Adhesive Technology segments. Further earnings growth at the medical technology manufacturer INHECO also had a positive impact on the Group's adjusted EBIT margin.

EARNINGS DEVELOPMENT WITHIN THE GROUP

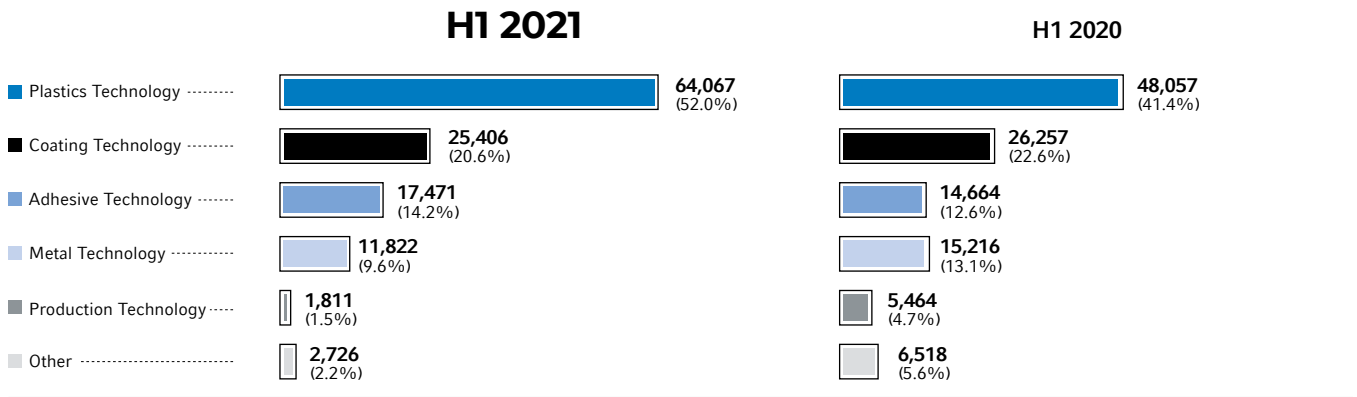




SEGMENT DEVELOPMENT

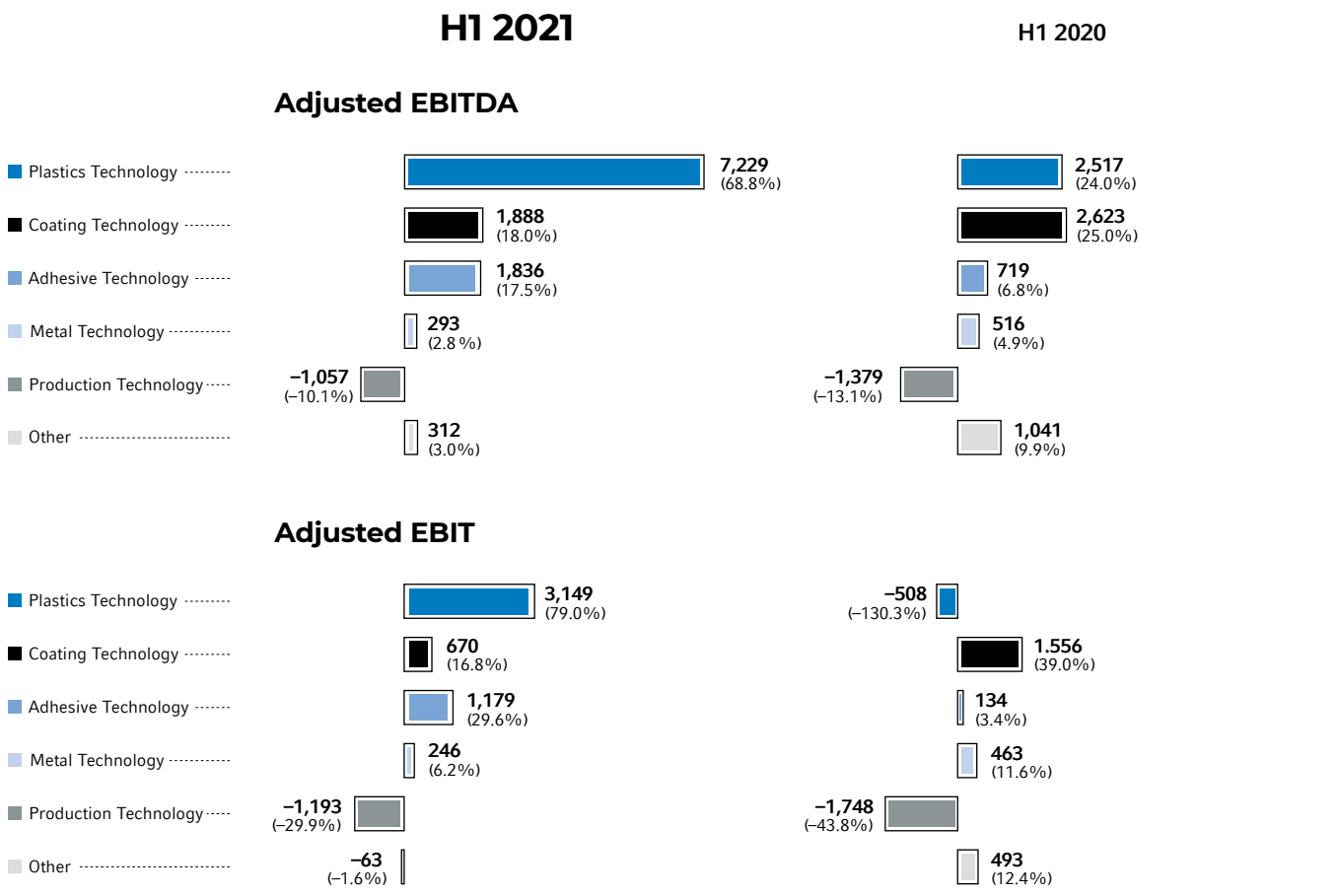
REVENUE DEVELOPMENT BY SEGMENT

EUR thousand



EARNINGS DEVELOPMENT BY SEGMENT

EUR thousand



Revenue in the **Plastics Technology** segment increased by 33.3% from EUR 48,057 thousand to EUR 64,067 thousand in a half-year comparison. As in the previous year, Plastics Technology is the segment with the highest revenue, contributing 52.0% to total revenue (previous year: 41.4%).



Adjusted EBITDA made a marked improvement from EUR 2,517 thousand to EUR 7,229 thousand. The improved earnings figures can be traced back to the first-time inclusion of the Hero Group, the successful reorganisation measures at con-pearl and an overall positive order trend.

KEY FIGURES FOR THE PLASTICS TECHNOLOGY SEGMENT

EUR thousand

	H1 2021	H1 2020	Change in %
Revenue	64,067	48,057	33.3
Adjusted EBITDA	7,229	2,517	>100
Adjusted EBITDA margin as % of total output, adjusted	11.0	5.1	>100

In the first six months of the year, the **Coating Technology** segment was hit hard by the extensive lockdown measures in Germany and, as a result, by reduced order volumes for products for trade fairs and other graphics applications, as well as by the loss of a major customer in the area of industrial applications. Revenue in the segment fell by 3.2% from EUR 26,257 thousand to EUR 25,406 thousand in a half-year comparison. This was only partially offset by a higher gross profit margin on the cost side, meaning that adjusted EBITDA dropped by 28.0% from EUR 2,623 thousand to EUR 1,888 thousand. With a contribution to revenue of 20.6% (previous year: 22.6%), this segment continues to deliver the second-largest share of total revenue.

KEY FIGURES FOR THE COATING TECHNOLOGY SEGMENT

EUR thousand

	H1 2021	H1 2020	Change in %
Revenue	25,406	26,257	3.2
Adjusted EBITDA	1,888	2,623	28.0
Adjusted EBITDA margin as % of total output, adjusted	7.1	9.1	22.5

Revenue in the **Adhesive Technology** segment was also still below the prior-year level at the beginning of the year due to the Covid-19 pandemic. While there were bottlenecks in the supply of raw materials in the adhesives market, Planatol was able to safeguard its good supply capability thanks to forward-looking measures to build up inventory levels. As a result, revenue increased significantly from April onwards, coming to EUR 17,464 thousand by the end of the first half, up by approx. 19.0% year-on-year (previous year: EUR 14,671 thousand). Adjusted EBITDA also made a marked improvement from EUR 719 thousand to EUR 1,836 thousand. **Adhesive Technology** accounted for 14.2% of total revenue in the first half of the year (previous year: 12.6%).

KEY FIGURES FOR THE ADHESIVE TECHNOLOGY SEGMENT

EUR thousand

	H1 2021	H1 2020	Change in %
Revenue	17,464	14,671	19.0
Adjusted EBITDA	1,836	719	>100
Adjusted EBITDA margin as % of total output, adjusted	10.2	4.8	>100



The **Metal Technology** segment was unable to maintain last year's positive development in delivery volume. Revenue fell by 22.3% from EUR 15,216 thousand to EUR 11,822 thousand in a half-year comparison. As a result, adjusted EBITDA also fell by 43.1% from EUR 516 thousand to EUR 293 thousand. The segment's contribution to total revenue fell from 13.1% to 9.6%, making it the fourth strongest segment in the Group in terms of revenue.

KEY FIGURES FOR THE METAL TECHNOLOGY SEGMENT

EUR thousand

	H1 2021	H1 2020	Change in %
Revenue	11,822	15,216	22.3
Adjusted EBITDA	293	516	43.1
Adjusted EBITDA margin as % of total output, adjusted	2.5	3.4	26.8

Revenue development in the **Production Technology** segment was impacted in particular by the declining project business at Gämmerler and nokra amid the Covid-19 pandemic. The deconsolidation of SMB-David as of 30 June 2020 also contributed to the drop in revenue as against the previous year. Revenue fell by 66.8% from EUR 5,464 thousand to EUR 1,811 thousand in a half-year comparison. Adjusted EBITDA, on the other hand, improved by 23.4% from EUR -1,379 thousand to EUR -1,057 thousand. This was due to the deconsolidation of the loss-making SMB-David, as well as to initial effects resulting from the reorganisation measures at Gämmerler GmbH. The company has significantly reduced its cost structure and will now focus on the profitable service and spare parts business. With a contribution to revenue of 1.5% (previous year: 4.7%), Production Technology is the smallest segment in the Group with regard to revenue.

KEY FIGURES FOR THE PRODUCTION TECHNOLOGY SEGMENT

EUR thousand

	H1 2021	H1 2020	Change in %
Revenue	1,811	5,464	66.8
Adjusted EBITDA	-1,057	-1,379	23.4
Adjusted EBITDA margin as % of total output, adjusted	-55.3	-23.3	100

The **Other** segment includes the holding and real estate companies of the Blue Cap Group. In addition, the Medical Technology segment was dissolved in April 2020 with the sale of em-tec GmbH, and the key figures of em-tec were allocated to the Other segment until its deconsolidation with effect from 30 April 2020. As a result, the segment's key figures in the current financial year are not comparable with the previous year. The segment achieved revenue with external third parties of EUR 236 thousand in the first half of the current financial year (previous year: EUR 4,404 thousand). Adjusted EBITDA for the segment amounted to EUR 312 thousand (previous year: EUR 1,041 thousand). The contribution to revenue in the first six months was 2.2% (previous year: 5.6%) of total revenue.

KEY FIGURES FOR THE OTHER SEGMENT

EUR thousand

	H1 2021	H1 2020	Change in %
Revenue (with external third parties)	236	4,404	94.6
Adjusted EBITDA	312	1,041	70.0
Adjusted EBITDA margin as % of total output, adjusted	11.4	15.3	25.5



GOOD TO KNOW
You can find out more in the consolidated financial statements starting on page 32.

1.3 Cash flows and financial position

FINANCING ANALYSIS

In the first half of the year, Blue Cap Group met its capital requirements largely using its cash flow from operations and through the sale of property held for sale. The main financial resources included long-term and revolving loans, as well as financing based on leasing and factoring.

The right-of-use assets resulting from leasing/rental on the balance sheet amounted to EUR 19,079 thousand as of 30 June 2021 (previous year: EUR 11,501 thousand). They are offset by financial liabilities from lease liabilities of EUR 19,092 thousand (previous year: EUR 11,452 thousand). The increase in right-of-use assets resulting from leasing/rental and financial liabilities from lease liabilities is particularly attributable to the inclusion of the Hero Group in the Blue Cap Group as of 1 March 2021.

Liabilities to banks came to EUR 65,935 thousand as of the half-year reporting date (previous year: EUR 64,579 thousand), most of which are denominated in euros. There was a small volume of foreign currency loans denominated in US dollars in the amount of EUR 1,563 thousand (previous year: EUR 913 thousand) and in Czech koruna in the amount of EUR 6 thousand (previous year: EUR 8 thousand). There were also credit lines of EUR 13,715 thousand that had not been utilised (previous year: EUR 16,634 thousand).

Funds borrowed from banks are also subject to standard market lending conditions (covenants), which require compliance with defined key financial figures in particular. Failure to comply with such covenants can result, among other things, in the lender's right to terminate or in a loan falling due for repayment early. In the past financial half year, despite the negative economic impact of the Covid-19 pandemic, all covenants were met within the Group. Looking ahead to the second half of the year, Blue Cap also expects to see compliance with the covenants thanks to the broad-based financing structure.

CASH FLOWS

CASH FLOW STATEMENT (ABRIDGED)

EUR thousand

	H1 2021	H1 2020	Change in %
Cash flow from operating activities	4,651	6,663	30.2
Cash flow from investing activities	3,199	14,804	78.4
Cash flow from financing activities	-12,491	-1,437	>100
Changes in cash funds due to exchange rate fluctuations	-26	-1	>100
Cash funds at the beginning of the period	26,542	9,002	>100
Cash funds at the end of the period	21,876	29,031	24.6



WORKING CAPITAL

EUR thousand

	30 June 2021	31 December 2020	Change in %
Inventories	35,530	27,499	29.2
+ Trade receivables	21,558	16,622	29.7
– Trade payables	13,620	9,153	48.8
= Working capital (net)	43,469	34,968	24.3



GOOD TO KNOW

The Group's net debt ratio is 1.7 years and thus comfortably within the forecast range.

NET FINANCIAL DEBT

EUR thousand

	30 June 2021	31 December 2020	Change in %
Non-current financial liabilities	49,228	46,735	5.3
+ Current financial liabilities	16,732	17,844	6.2
– Cash and cash equivalents	28,674	36,251	20.9
= Net financial debt	37,286	28,328	31.6

INVESTMENTS, DEPRECIATION AND AMORTISATION

EUR thousand

	H1 2021	H1 2020	Change in %
Investments	7,782	7,653	1.7
of which in company acquisitions	5,193	0	
of which in financial assets	0	2,551	
of which in property, plant and equipment	2,589	5,102	49.3
of which in assets held for sale	0	0	
Depreciation and amortisation	8,697	6,533	33.1

As of the half-year reporting date, the Group's **total assets** came to EUR 223,215 thousand, EUR 24,713 thousand or 12.4% higher than in the previous year.

Non-current assets came to EUR 116,361 thousand as of 30 June 2021 (previous year: EUR 96,112 thousand) or 52.1% (previous year: 48.4%) of total assets and are dominated by property, plant and equipment, which increased by EUR 5,826 thousand compared to the previous year to EUR 87,945 thousand or 39.4% (previous year: 41.4%) of total assets. This was primarily due to the first-time consolidation of the Hero Group in March 2021 and to the assets of Recyplast GmbH that were acquired by con-pearl as part of an asset deal in April 2021. This was offset, in particular, by the reclassification of a property held for sale in Geretsried-Gelting to current assets. The marked increase of EUR 10,544 thousand in intangible assets to EUR 12,864 thousand or 5.8% (previous year: 1.2%) of total assets is attributable in particular to the first-time consolidation of the Hero Group.

Current assets increased from EUR 102,390 thousand or 51.6% to EUR 106,854 thousand or 47.9% of total assets, in particular due to the first-time consolidation of the Hero Group and the reclassification of the Geretsried-Gelting property previously included in non-current assets. The purchase price payment in connection with the acquisition of the Hero Group had the opposite effect. Inventories (EUR 35,530 thousand, previous year: EUR 27,499 thousand) accounted for 15.9% (previous year: 13.9%), trade receivables (EUR 21,558 thousand, previous year: EUR 16,622 thousand) for 9.7% (previous year: 8.4%), cash and cash equivalents (EUR 28,674 thousand, previous year: EUR 36,251 thousand) for 12.8% (previous year: 18.3%) and assets held for sale



37%

**Equity ratio
of the Blue Cap Group
as of 30 June 2021.**

(EUR 5,171 thousand, previous year: EUR 7,697 thousand) to 2.3% (previous year: 3.9%) of total assets.

The share of **equity** (EUR 82,481 thousand, previous year: EUR 80,301 thousand) in relation to total capital amounted to 37.0% (previous year: 40.5%) on the half-year reporting date. The slight drop in relation to total assets was due in particular to the first-time consolidation of the Hero Group and the overall increase in total assets.

Non-current liabilities increased considerably by EUR 12,511 thousand to EUR 85,263 thousand or 38.2% (previous year: 36.7%) of total capital. In particular, this increase was driven by higher bank and lease liabilities, as well as deferred tax liabilities from the first-time consolidation of the Hero Group. Non-current liabilities consist of non-current financial liabilities to banks totaling EUR 49,228 thousand (previous year: EUR 46,735 thousand) or 22.1% (previous year: 23.5%), provisions for pensions and similar commitments of EUR 9,449 thousand (previous year: EUR 9,018 thousand) or 4.2% (previous year: 4.5%), non-current lease liabilities of EUR 13,651 thousand (previous year: EUR 8,701 thousand) or 6.1% (previous year: 4.4%), deferred tax liabilities of EUR 10,902 thousand (previous year: EUR 7,425 thousand) or 4.9% (previous year: 3.7%), and other non-current liabilities and provisions in the amount of EUR 2,006 thousand (previous year: EUR 847 thousand) or 0.9% (previous year: 0.4%) of total assets.

Current liabilities also increased significantly by EUR 10,022 thousand to EUR 55,471 thousand or 24.9% (previous year: 22.9%) of total capital due in particular to the first-time consolidation of Hero and to higher trade payables overall. Current liabilities include, in particular, current liabilities to banks of EUR 16,732 thousand (previous year: EUR 17,844 thousand) or 7.5% (previous year: 9.0%), current lease liabilities of EUR 5,441 thousand (previous year: EUR 2,751 thousand) or 2.4% (previous year: 1.4%), trade payables of EUR 13,620 thousand (previous year: EUR 9,153 thousand) or 6.1% (previous year: 4.6%), other current non-financial liabilities of EUR 8,244 thousand (previous year: EUR 6,160 thousand) or 3.7% (previous year: 3.1%) and other current provisions of EUR 4,623 thousand (previous year: EUR 4,043 thousand) or 2.1% (previous year: 2.0%) of total capital.

1.4 Report on events after the reporting date

By way of a purchase agreement dated 5 August 2021, Blue Cap AG acquired approximately 93% of the shares in HY-LINE Verwaltungs GmbH and its four operating subsidiaries through its subsidiary Blue Cap 12 GmbH for a purchase price in the lower third of the double-digit millions. The management team of HY-LINE took a substantial single-digit percentage stake in the acquisition. Over the last few years, the group of companies has transformed itself from a value-added distributor to a supplier of products and systems with a special focus on technical consulting and application competence. Its customers primarily come from the electronics industry, medical technology, the energy sector and the media and communications industry. Its main sales markets are Germany, Austria and Switzerland. With around 80 employees, HY-LINE generates annual revenue of approximately EUR 40 million to EUR 50 million at its four locations. The closing of the transaction and first-time consolidation of the group of companies into the Blue Cap Group are planned for 1 September 2021.



YOU CAN FIND FURTHER
INFORMATION on the acquisition
online at www.blue-cap.de/aktuelles



On 12 August 2021, Blue Cap AG increased the company's share capital by issuing 399,662 new no-par value bearer shares, each representing EUR 1.00 of the share capital, in return for cash contributions, making partial use of the Authorised Capital 2018/I and excluding shareholders' subscription rights. The new shares carry profit-sharing rights as of 1 January 2021. The price per new share is EUR 27.02.

Only institutional investors were admitted to subscribe to the new shares as part of a private placement. The gross issue proceeds from the capital increase amount to EUR 10.8 million. The funds are to be used partly to refinance the acquisition of HY-LINE Verwaltungs GmbH, with the remainder intended to finance the further growth of the Blue Cap Group.

2. OPPORTUNITIES AND RISKS

The business activities of Blue Cap AG and its portfolio companies are associated with both opportunities and risks which could have an impact on the business activities and on the financial position, cash flows and financial performance of the Group were they to materialise. As part of its opportunity and risk management system, Blue Cap has established organisational regulations and measures that enable the company to identify opportunities and risks at an early stage and to take appropriate action to address them.

A detailed explanation of the opportunity and risk management system, as well as the relevant individual risks, can be found in the 2020 Annual Report on pages 110 to 118. The overall assessment of the risk situation also included here continues to apply unchanged. Based on the information currently available, there are no evident risks that, either individually or in combination, could pose a risk to the survival of the Blue Cap Group or have any material negative impact on its financial position, cash flows and financial performance.

The current reporting period remains dominated by the Covid-19 pandemic. As a result, and given the current developments, we have provided updated information on significant individual risks below in the interests of transparency.

ECONOMIC AND GEOPOLITICAL RISKS

In its economic forecast released in June 2021, the ifo Institute continues to assume that the global economy will recover over the next few years. The uncertainties directly associated with the Covid-19 pandemic pose the greatest risk. The forecast depends in particular on the further course that the pandemic takes, the progress made with vaccination programmes and the revival of economic activity, together with the implications of this trend.

Risks include the fact that the production and **distribution of vaccines** to combat Covid-19 will not be fast enough, allowing new and even more infectious variants of the virus to emerge. As a result, there may be a need for further infection control measures that would put a damper on consumer and investment spending. There is also a risk that **vaccination uptake** in the population will be too low, making herd immunity impossible to achieve.

Further risks relate to the significantly accelerated **inflation rate** in the reporting year. Particularly in the world's advanced economies, inflation has risen significantly during the course of the year in connection with the increase in energy prices, as well as various primary products, and the price development in container freight traffic. If these effects prove to not only be of a temporary nature, this could lead to higher input costs and subsequently to sustained higher inflation.

FINANCIAL RISKS

In the management report for the 2020 financial year, we referred to the overall increase in default risks on customer receivables as a result of the Covid-19 pandemic. The crisis is leaving a significant mark on profits and debt levels at a large number of companies. Insolvency figures have not increased, partly thanks to public-sector loans, loan guarantees, tax deferrals and the temporary suspension of the obligation to file for insolvency in many countries. As soon as many of these measures are lifted or reduced, there is a risk that the number of corporate insolvencies will



increase, which would translate into higher **default risks on customer receivables** and, as a result, **liquidity risks**.

Blue Cap's diversified investment portfolio and the independent business models of the portfolio companies, which operate in different markets and regions, limit these default risks. In order to reduce the risk of bad debts, the Group companies have an adequate accounts receivable management system in place, take out commercial credit insurance where it makes sense to do so and regularly report to the holding company on possible default risks that have been identified.

OPERATIONAL RISKS

The business activities of the operational divisions within the Group play a key role in defining the Group's opportunity and risk profile. As a result of the Covid-19 crisis, **procurement, production and unit sales risks** in particular again played more of a role in the course of spring 2021.

In recent months, numerous manufacturing companies have been confronted with rising prices as well as bottlenecks in the procurement of primary products. Freight rates for containers have also risen sharply due to high capacity utilisation levels in maritime transport.

Price fluctuations on the procurement markets can have a negative impact on manufacturing costs, among other things, making them one of the current procurement risks. The lack of availability of primary products also poses an increased production risk and can lead to disruptions in production processes, and even to production downtime, if the supply of primary products is held up. This has the potential to reduce output quantity and increase unit sales risks as a result.

Within the Blue Cap Group, the portfolio companies operating in the Plastics Technology segment in particular were faced with price increases and reduced availability of raw materials. The portfolio companies counter these risks through regular supplier monitoring and close coordination with suppliers and logistics service providers alike, by entering into strategic partnerships with key suppliers and by establishing new sources of supply for primary products.

A large graphic consisting of the numbers '8.0-9.0%' in a light blue, outlined font. A small black square icon is positioned to the left of the '8'.

is the Group's forecast adjusted EBITDA margin for the 2021 financial year.

3. FORECAST REPORT

EXPECTED DEVELOPMENT OF THE OVERALL ENVIRONMENT



The further economic recovery in the 2021 financial year will depend to a large extent on the pace of vaccination in the fight against the coronavirus and, as a result, on how new infection figures develop, whether further virus variants emerge and whether there ends up being a need for further infection control measures. In its economic forecast for the 2021 financial year updated in June 2021, the ifo Institute expects the global economy to grow by 6.6% in 2021 (previous year: -3.2%). This means that the forecast has been lifted slightly compared to the estimate that the institute published back in December.

GDP growth is expected to come to 5.4% in the world's advanced economies (previous year: -4.8%) and 8.6% in the emerging markets (previous year: -0.5%). In the United States, economic output is set to increase by 6.5% (previous year: -3.5%), with an increase of 3.1% in Japan (previous year: -4.7%), 4.6% in the euro area (previous year: -6.7%) and 6.5% in the United Kingdom (previous year: -9.8%). The Chinese economy had already surpassed the pre-crisis level in the



third quarter of 2020 and economic output there is expected to increase by 9.0% overall in the current financial year (previous year: 2.3%).

Contrary to previous estimates, global inflation is expected to pick up to 2.5% in the reporting year (previous year: 1.6%). This trend is being driven in particular by the marked increase in the price of crude oil, as well as rising prices for, and the increasing shortage of, numerous raw materials.

The German economy will grow by 3.3% in the reporting year after contracting by -5.1% in the previous year. Progress made in vaccinating against Covid-19, for example, picked up considerable pace during the first half of the year. This allowed numerous infection control measures to be lifted, paving the way for a recovery in many sectors of the economy. In the short term, however, bottlenecks and price increases for numerous raw materials and industrial primary products will have a dampening effect. The unemployment rate is expected to dip slightly to 5.8% in the reporting year (previous year: 5.9%).

EXPECTED DEVELOPMENT OF THE COMPANY

BLUE CAP GROUP FORECAST

	Forecast for 2021 (H1 report)	Forecast for 2021 (annual report 2020)	Actual 2020
Revenue (EUR million)	265–275	255–265	233.0
Adjusted EBITDA margin as % of total output, adjusted	8.0–9.0	8.0–9.0	7.6
Net debt ratio in years	≤ 2.75	≤ 2.75	1.6

Based on business developments in the first half of 2021 and the first-time consolidation of HY-LINE, the Management Board expects the Group’s revenue for 2021 as a whole to be in the range of EUR 265 million to EUR 275 million (previous year: EUR 233.0 million) with an adjusted EBITDA margin of between 8.0% and 9.0% (previous year: 7.6%). The updated forecast for the existing portfolio is based on the lower end of the revenue range forecast in the 2020 Annual Report and takes into account the inclusion of the acquired HY-LINE Group in the Blue Cap Group on 1 September 2021 in terms of revenue and earnings.

Blue Cap’s financial strength plays an important role for both financing banks and investors. As a result, the debt repayment period is an important control parameter for the Group. The Management Board still expects the Blue Cap Group’s net debt ratio, based on adjusted EBITDA, not to exceed 2.75 years in the forecast year.

In addition to further developing its existing business areas with a view to increasing their net asset value, Blue Cap is constantly looking into further opportunities to expand and dispose of investments. The target figures shown do not take into account effects from planned further acquisitions or disposals of portfolio companies and real estate assets. In addition, possible company acquisitions and sales can lead to a change in the scope of consolidation of the Blue Cap Group between the balance sheet dates, with a corresponding effect on the control parameters. Based on the growth path that the Group has embarked upon, the Management Board still expects to see positive development in deal flow and acquisition activities, as well as further sales of property assets rented to third parties.



SEGMENT DEVELOPMENT

In the Plastics Technology segment, the Management Board expects to see a year-on-year increase in revenue and the adjusted EBITDA margin in 2021 as a whole, in particular due to the first-time consolidation of the Hero Group as of 1 March 2021 and the positive business development overall. Possible negative effects on the Group's plans could result in a further increase in raw materials prices, the uncertain availability of primary products, production interruptions at automotive customers due to the current chip shortage, and more.

Revenue and the adjusted EBITDA margin in the Coating Technology segment will likely be down slightly in a year-on-year comparison based on the current forecast. In particular, the loss of a major customer in the area of industrial applications and reduced advertising budgets for customers had a negative impact on revenue and the adjusted EBITDA margin. Potential revenue from current sales activities and the substitution of merchandise with higher-margin Neschen products are having the opposite effect.

Looking ahead to the rest of the current financial year, the Adhesive Technology segment is planning continued positive revenue development above the level of the previous year. The sustained good delivery capacity and the expansion of sales activities under the expanded management team in particular should contribute to this. The adjusted EBITDA margin should be roughly on par with the previous year in the reporting year. Possible revenue and earnings risks could arise from the further development of raw materials prices and the availability of primary products, as well as from a continued sluggish revenue trend in the area of adhesive application systems.

This year, the Metal Technology segment is expected to record revenue and an adjusted EBITDA margin significantly below the previous year's levels. In particular, the fact that delivery quantities are low due to the pandemic is contributing to this development.

In the Production Technology segment, revenue will be down significantly in a year-on-year comparison this year. The drop in project business at nokra as a result of the pandemic is having a negative impact on segment development. The move by Gämmerler to focus on the profitable service and spare parts business, which was initiated in the first quarter of 2021, coupled with the loss of SMB-David will also result in lower revenue compared to the previous year, with a positive effect on the adjusted EBITDA margin.

Due to the uncertainty arising from the Covid-19 pandemic with regard to further macroeconomic development, as well as possible further negative effects, it is possible that future results could take a very different path to that currently expected by the Management Board. The results reported by the Group and the individual segments are also influenced by other effects that are impossible to plan. These include, among other things, effects on results from the acquisition or restructuring of portfolio companies, as well as the sale and deconsolidation of subsidiaries.

Blue Cap sees the company's positive development to date and its tried-and-tested business model as confirmation of its strategy and is well positioned with its existing organisational structure in both the short and long term. As a result, the company expects to grow and strengthen its operating profitability over the next few financial years.

Munich, 30 August 2021

The Management Board

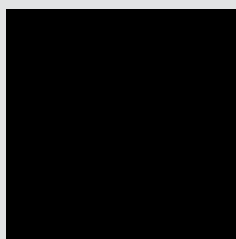
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INTERIM CONSOLI DATED FINANCIAL STATE MENTS

H1 2021



INTERIM CONSOLI DATED FINANCIAL STATE MENTS



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INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF BLUE CAP AG

as of 30 June 2021

Consolidated income statement

EUR thousand

	Reference	H1 2021	H1 2020
Revenue	D.1	120,778	113,930
Change in inventories		3,205	4,725
Other services provided by the company and capitalised		52	5
Other income	D.2	3,854	22,640
Total output		127,888	141,300
Cost of materials	D.3	-64,324	-64,203
Personnel expenses	D.4	-33,455	-32,555
Other expenses	D.5	-19,548	-19,872
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		10,561	24,670
Depreciation and amortisation	D.6	-8,697	-6,533
Impairment losses and reversals	D.6	-201	0
Share of profit/loss in associates		1,102	551
Earnings before interest and taxes (EBIT)		2,765	18,689
Impairment losses and reversals of impairment losses pursuant to IFRS 9		34	-817
Financing income		198	14
Financing expenses		-1,191	-1,300
Earnings before taxes (EBT)		1,805	16,586
Income tax expense		-158	-986
Consolidated net income		1,647	15,600
of which attributable to			
Owners of the parent company		1,453	15,647
Non-controlling interests		194	-47
Earnings per share in EUR (basic)	D.7	0.36	3.92
Earnings per share in EUR (diluted)	D.7	0.36	3.92



Consolidated statement of comprehensive income

EUR thousand

	Reference	H1 2021	H1 2020
Consolidated net income		1,647	15,600
Remeasurements of defined benefit plans, before tax		-14	0
Remeasurement of financial assets measured under other comprehensive income and gains (losses) from the disposal of these, before tax		0	15
Items that are not subsequently reclassified to profit or loss		-14	15
Currency translation differences, before tax		122	18
Items that are subsequently reclassified to profit or loss subject to certain conditions		122	18
Other comprehensive income before tax		107	33
Income taxes related to remeasurements of defined benefit plans		5	0
Income taxes related to the remeasurement of financial assets through profit or loss		0	0
Total income taxes on other comprehensive income that are not reclassified to income or expense		5	0
Other comprehensive income		112	33
Total comprehensive income		1,759	15,633
of which attributable to			
Owners of the parent company		1,565	15,680
Non-controlling interests		194	-47



Consolidated statement of financial position

EUR thousand

	Reference	30 June 2021	31 Dec. 2020
ASSETS			
Intangible assets	E.1	12,864	2,321
Property, plant and equipment	E.2	87,945	82,118
Investment property	E.3	1,566	1,988
Financial investments accounted for using the equity method	E.4	4,859	3,757
Participating interests		134	176
Other financial assets	E.5	3,803	250
Other non-financial assets	E.6	1,166	1,372
Deferred tax assets		4,024	4,130
Non-current assets		116,361	96,112
Inventories	E.7	35,530	27,499
Current contract assets	E.8	7,132	2,617
Trade receivables		21,558	16,622
Other financial assets	E.9	3,547	6,569
Income tax receivables		2,043	3,187
Other non-financial assets	E.10	3,197	1,949
Cash and cash equivalents		28,674	36,251
Assets held for sale	E.11	5,171	7,697
Current assets		106,854	102,390
Total assets		223,215	198,502



EUR thousand

	Reference	30 June 2021	31 Dec. 2020
LIABILITIES AND SHAREHOLDERS' EQUITY			
Subscribed capital	E.12	3,997	3,997
Capital reserve		5,266	5,266
Other equity components		-1,007	-1,119
Retained earnings		69,590	72,044
Equity attributable to the owners of the parent company		77,845	80,187
Non-controlling interests		4,635	114
Total shareholders' equity		82,481	80,301
Provisions for pensions and similar commitments		9,449	9,018
Other provisions	E.13	1,717	748
Deferred tax liabilities		10,902	7,425
Non-current financial liabilities		63,196	55,561
Total non-current liabilities		85,263	72,752
Other provisions	E.13	4,623	4,043
Income tax liabilities		2,715	3,019
Current contract liabilities		630	604
Trade payables		13,620	9,153
Other current financial liabilities		25,639	22,469
Other current non-financial liabilities		8,244	6,160
Total current liabilities		55,471	45,449
Total equity and liabilities		223,215	198,502



Consolidated statement of changes in equity

EUR thousand

	Equity attributable to shareholders of the parent company			Other equity components	
	Subscribed capital	Capital reserve	Reserve for remeasurements of defined benefit plans	Currency translation reserve	
As of 1 Jan. 2020	3,980	5,082	38	29	
Capital increase/reduction	17	183	0	0	
Dividend payments	0	0	0	0	
Total before total comprehensive income for the period	3,997	5,266	38	29	
Consolidated income	0	0	0	0	
Other comprehensive income after tax	0	0	-124	-190	
As of 31 Dec. 2020	3,997	5,266	-86	-162	
As of 1 Jan. 2021	3,997	5,266	-86	-162	
Acquisition of shares of minority shareholders	0	0	0	0	
Dividend payments	0	0	0	0	
Change in scope of consolidation	0	0	0	0	
Total before total comprehensive income for the period	3,997	5,266	-86	-162	
Consolidated income	0	0	0	0	
Other comprehensive income after tax	0	0	-10	122	
As of 30 Jun. 2021	3,997	5,266	-96	-40	



Reserve for changes in the fair value of financial assets	Reserve from accounting using the equity method	Retained earnings	Total majority shareholders	Non-controlling interests	Total
-779	0	58,456	66,806	180	66,986
0	0	0	200	18	218
0	0	-2,985	-2,985	-3	-2,988
-779	0	55,471	64,021	195	64,216
0	0	16,573	16,573	-81	16,492
-93	0	0	-407	0	-407
-872	0	72,044	80,187	114	80,301
-872	0	72,044	80,187	114	80,301
0	0	90	90	-90	0
0	0	-3,997	-3,997	-2	-3,998
0	0	0	0	4,418	4,418
-872	0	68,137	76,280	4,441	80,721
0	0	1,453	1,453	194	1,647
0	0	0	112	0	112
-872	0	69,590	77,845	4,635	82,481



Consolidated cash flow statement

EUR thousand

	H1 2021	H1 2020
Consolidated income	1,647	15,600
Increase (-)/decrease (+) in inventories	-5,999	-10,180
Increase (-)/decrease (+) in trade receivables	-963	3,266
Increase (-)/decrease (+) in contract assets	53	-259
Increase (-)/decrease (+) in other receivables and assets	-795	3,012
Increase (+)/decrease (-) in provisions	103	2,239
Increase (+)/decrease (-) in trade payables	2,749	1,064
Increase (+)/decrease (-) in contract liabilities	25	-24
Increase (+)/decrease (-) in other liabilities	1,075	6,459
Depreciation, amortisation and impairment losses on intangible assets and property, plant and equipment	8,898	6,533
Profit (-)/loss (+) from the disposal of intangible assets and property, plant and equipment	-723	5
Profit (-) from company acquisitions (bargain purchase)	-235	0
Profit (-) from deconsolidation measures	0	-21,823
Other non-cash expenses (+)/income (-)	-1,311	-393
Contribution to earnings from currency effects	94	14
Interest expenses (+)/interest income (-)	1,077	1,288
Income tax expense (+)/income tax income (-)	158	986
Income taxes paid (-)/income tax refunds (+)	-1,203	-1,125
Cash flow from operating activities	4,651	6,663



EUR thousand

	H1 2021	H1 2020
Proceeds (+) from disposals of property, plant and equipment	118	0
Payments (-) for investments in property, plant and equipment	-2,589	-5,102
Payments (-) for investments in intangible assets	-27	-60
Proceeds (+) from disposals of assets held for sale	10,842	0
Payments (-) from additions to assets held for sale	0	-2,551
Payments (-) for additions to the scope of consolidation	-5,193	0
Proceeds (+) from disposals from the scope of consolidation	0	22,464
Proceeds (+) from disposals of investments accounted for using the equity method	1	42
Proceeds (+) from disposals of participating interests	42	0
Interest received (+)	6	11
Cash flow from investing activities	3,199	14,804
Proceeds (+) from equity contributions from non-controlling interests	0	18
Proceeds (+) from equity contributions from shareholders of Blue Cap AG	0	200
Dividends paid (-) to shareholders of the parent company	-3,997	0
Proceeds (+) from (financial) loans taken out	6,750	6,480
Payments (-) for the repayment of (financial) loans	-8,982	-5,040
Payments (-) for the repayment of lease liabilities	-2,240	-1,418
Payments (-) for collateral to credit institutions	-3,200	0
Interest paid (-)	-821	-1,676
Dividends paid (-) to other shareholders	-2	-2
Cash flow from financing activities	-12,491	-1,437
Cash-effective change in cash funds	-4,640	20,029
Changes in cash funds due to exchange rate fluctuations	-26	-1
Cash funds at the beginning of the period	26,542	9,002
Cash funds at the end of the period	21,876	29,031



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF BLUE CAP AG

as of 30 June 2021

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A. GENERAL INFORMATION AND ACCOUNTING POLICIES

A.1 General information on the company

Blue Cap AG is registered in the commercial register of the Local Court (Amtsgericht) of Munich, Germany, under the number HR B 162 137. The company's address is Ludwigstrasse 11, 80539 Munich.

Blue Cap AG (hereinafter referred to as "Blue Cap" for short, ISIN: DE000A0JM2M1, listed in the "Scale" segment of the Frankfurt Stock Exchange and the "m:access" segment of the Munich Stock Exchange) is a listed investment holding company established in 2006 that has its registered office in Munich. Blue Cap invests in manufacturing companies in the SME segment offering clear potential for improvement and growth. Blue Cap focuses on target companies with revenue of between EUR 30 million and EUR 80 million and stable core business. Its potential investment targets also include companies with unresolved succession arrangements and group spin-offs. The focus of our target companies' activities tends to be in Germany, Austria and Switzerland. Blue Cap makes a long-term commitment to its portfolio companies, contributing its own operational expertise and liquidity. The management has long-standing M&A, industrial and restructuring experience. All Blue Cap subsidiaries are managed independently and pursue independent strategies. The Blue Cap portfolio currently includes companies from the fields of plastics technology, coating and adhesive technology, metal technology and production technology. It also included a company in the field of medical technology until April 2020.



The business activities of the Blue Cap AG Group and its subsidiaries (hereinafter also referred to as the “Blue Cap Group” or “Blue Cap”) are presented in detail in the segment reporting section.

A.2 Basis for preparing the annual financial statements

These unaudited interim consolidated financial statements, prepared as of the reporting date of 30 June 2021, are to be read in conjunction with the consolidated financial statements for 2020. The disclosures contained in the consolidated financial statements for 2020 also apply to these interim consolidated financial statements, unless changes are explicitly addressed in these interim consolidated financial statements.

NEW STANDARDS AND INTERPRETATIONS NOT YET APPLIED

All mandatory pronouncements issued by the International Accounting Standards Board (IASB) which have been adopted by the EU as part of the endorsement process were taken into account when preparing these interim consolidated financial statements.

The effects of the amendments/new provisions not yet adopted into EU law on the Blue Cap Group are currently still being examined. No significant impact is expected at present.

B. SCOPE OF CONSOLIDATION AND CONSOLIDATION METHODS

B.1 Scope of consolidation

The scope of consolidation of the Blue Cap Group is derived from the application of IFRS 10 (Consolidated Financial Statements) and IFRS 11 (Joint Arrangements).

In addition to the parent company, the scope of consolidation as of 30 June 2021 comprises 32 (31 December 2020: 29) companies that are fully consolidated. Of these companies, 20 (31 December 2020: 17) are based in Germany and 12 (31 December 2020: 12) have their registered offices in other countries.

As of 30 June 2021, seven subsidiaries (31 December 2020: six) were not included in the interim consolidated financial statements because they are of minor importance for the presentation of a true and fair view of the Group’s financial position, cash flows and financial performance. The total revenue of these companies corresponds to less than one per cent of the Group’s revenue.



B.2 Changes in the consolidated group

The Hero Group (as subsidiaries of the holding company Blue Cap 11 GmbH) was included in the consolidated financial statements of Blue Cap AG for the first time as of 1 March 2021. As a result, comparison with the previous year's income statement is only possible to a limited extent. The key figures from the income statement of the Hero Group, which is part of the Plastics Technology segment, were as follows in the first half of 2021:

KEY FIGURES FROM THE INCOME STATEMENT OF THE HERO GROUP FOR THE PERIOD FROM 1 MARCH TO 30 JUNE 2021

EUR thousand

	H1 2021
Revenue	13,591
Total output	13,889
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	2,864
Earnings before interest and taxes (EBIT)	605

B.2.1 Changes to the scope of consolidation in H1 2021

ACQUISITIONS OF SUBSIDIARIES IN H1 2021

Blue Cap 11 GmbH acquired 71% of the shares in Hero GmbH as part of a share deal under a purchase agreement dated 29 January 2021.

The full consolidation of the acquired shares requires a purchase price allocation (PPA) in accordance with IFRS 3. The PPA is used to reflect the assets and liabilities of Hero GmbH and its subsidiaries. The acquisition was completed successfully when the transaction was closed on 26 February 2021. For materiality reasons, Hero GmbH and its subsidiaries, Engel Formenbau- und Spritzguss GmbH and H+E Automotive GmbH, were fully consolidated for the first time as of 28 February 2021. This means that the acquisition date and measurement date for the PPA is 28 February 2021.

The Hero Group develops and manufactures high-quality plastic parts and assemblies for vehicle interiors and the household appliance industry in four locations in Baden-Württemberg. The Hero Group is allocated to the Plastics Technology segment as of its inclusion in the Group.

The consideration for the acquisition amounted to EUR 10,629 thousand, paid in cash. Incidental costs of EUR 302 thousand were incurred in connection with the acquisition.



The amounts of the identifiable assets and liabilities acquired are as follows based on a preliminary assessment conducted at the time of acquisition. Deferred tax assets and liabilities have not been netted (since the purchase price allocation is still provisional, the values shown remain subject to change):

EUR thousand	Fair value
Intangible assets	11,749
Property, plant and equipment	12,531
Other financial assets	198
Deferred tax assets	6
Other non-financial assets	11
Non-current assets	24,496
Inventories	2,012
Contract assets	4,569
Actual tax refund claims	45
Trade receivables	3,974
Other non-financial assets	383
Cash	6,305
Current assets	17,287
Provisions for employee benefits	241
Other provisions	1,372
Deferred tax liabilities	4,379
Other financial liabilities	8,687
Non-current liabilities	14,678
Other provisions	265
Actual tax liabilities	2,080
Trade payables	1,718
Other financial liabilities	6,506
Other non-financial liabilities	1,282
Current liabilities	11,851
Net assets	15,254

Consideration in cash	10,629
Non-controlling interests	4,424
Subtotal	15,052
Bargain purchase	-202

con-pearl GmbH, a portfolio company of Blue Cap AG, acquired all material assets and employees of Recyplast GmbH from the insolvency estate of Fischer GmbH for an amount running into the low single-digit millions under an agreement dated 7 April 2021. Recyplast, based in Hillscheid, Rhineland-Palatinate, specialises in the production of regranulate from various plastics. A bargain purchase of EUR 24 thousand was achieved as part of the acquisition.

Due to the acquisition's minor significance for the Group as a whole, no further information is provided.



Neschen Coating GmbH has taken over the remaining 40% of the shares in Filmolux Scandinavia AB from the latter's previous co-shareholder effective 31 March 2021. This means that Neschen Coating GmbH holds 100% of the shares in Filmolux Scandinavia AB as of this date.

Due to the acquisition's minor significance for the Group as a whole, no further information is provided.

No further company acquisitions were made in the first half of 2021.

SALE OF SUBSIDIARIES IN H1 2021

No subsidiaries were sold in the first half of 2021.

B.2.2 Changes to the scope of consolidation in H1 2020

For information on changes in the scope of consolidation in the first half of 2020, please refer to the notes to the consolidated financial statements that form part of the consolidated financial statements as of 31 December 2020.

C. ACCOUNTING POLICIES

The accounting policies applied in the past business year generally continued to apply unchanged to these interim consolidated financial statements.

In general, the main assumptions, estimates and judgements used in the preparation of the interim consolidated financial statements match those used in the consolidated financial statements as of 31 December 2020.

D. NOTES TO THE CONSOLIDATED INCOME STATEMENT

D.1 Revenue

The Blue Cap Group's revenue consists primarily of revenue from contracts with customers. These primarily consist of sales of goods, services rendered and revenue from contract manufacturing. The Blue Cap Group also generates a small amount of other revenue (primarily from the rental of real estate).

In accordance with IFRS 15, revenue is recognised at a point in time or over time and comprises the following for the reporting year and the comparative period:

EUR thousand	H1 2021	H1 2020
Revenue recognised over time	48,854	49,561
Revenue recognised at a point in time	71,923	64,369
Revenue	120,778	113,930



The geographical revenue breakdown is based on the customer's registered office as follows:

GEOGRAPHICAL REVENUE BREAKDOWN

EUR thousand

	H1 2021	%	H1 2020	%
Germany	64,720	53.6	65,626	57.6
Rest of Europe	39,112	32.4	32,369	28.4
Third countries	16,945	14.0	15,935	14.0
Revenue	120,778		113,930	

D.2 Other income

Other income includes the following:

EUR thousand

	H1 2021	H1 2020
Profit from deconsolidation	0	20,808
Bargain purchase income	226	0
Foreign currency translation	17	24
Income relating to previous periods	164	283
Income from the disposal of fixed assets	1,936	80
Income from the reversal of provisions	627	759
Miscellaneous other income	884	685
Other income	3,854	22,640

The bargain purchase income results from the acquisition of the Hero Group, as well as from the acquisition of the assets of Recyclast GmbH.

The income from the disposal of fixed assets mainly results from the sale of production and administrative properties in Hofolding that are not required for operations and are rented out to third parties.

D.3 Cost of materials

The cost of materials includes the direct costs incurred in connection with the generation of revenue and comprises the following:

EUR thousand

	H1 2021	H1 2020
Cost of raw materials, consumables and supplies, and purchased merchandise	-62,998	-63,596
Cost of purchased services	-1,326	-606
Cost of materials	-64,324	-64,203

D.4 Personnel expenses

EUR thousand

	H1 2021	H1 2020
Wages and salaries	-27,772	-26,963
Social security costs and expenses for pension plans	-5,683	-5,593
Personnel expenses	-33,455	-32,555



The amount of wages, salaries, social security costs and expenses for pension plans increased due to the first-time inclusion of the Hero Group. The fact that the subsidiaries SMB-David finishing lines GmbH i.l. and em-tec GmbH are no longer included, unlike in the comparative period, had the opposite effect.

D.5 Other expenses

EUR thousand	H1 2021	H1 2020
Outgoing freight, commission and distribution costs	-3,840	-3,106
Advertising costs	-305	-667
Vehicle and travel expenses	-651	-839
Legal and consultancy costs	-1,920	-1,914
Training and temporary employment costs	-301	-307
Rent, leasing and storage costs	-700	-551
Operating costs and maintenance costs for operating resources	-7,069	-7,138
Contributions, fees and insurance costs	-1,296	-1,295
Losses from the disposal of assets	-1,307	-100
Extraordinary and prior-period expenses	-720	-2,411
Miscellaneous other expenses	-1,440	-1,544
Other expenses	-19,548	-19,872

Miscellaneous other expenses mainly relate to expenses for IT, communications, office supplies and other taxes.

D.6 Depreciation and amortisation, as well as impairment losses and reversals of impairment losses

Depreciation and amortisation mainly relates to intangible assets, property, plant and equipment and right-of-use assets under leases.

In the first half of 2021, impairment losses were recognised primarily on a property held for sale and on property, plant and equipment that is not currently in use. In the comparative period, no impairment losses were recognised on intangible assets or on property, plant and equipment.

No reversals of impairment losses were recognised in the reporting period or in the same period of the previous year.

D.7 Earnings per share

Earnings per share are as follows:

		H1 2021	H1 2020
Consolidated net income after tax attributable to the owners of the parent company	EUR thousand	1,453	15,647
Weighted average number of shares to calculate earnings per share			
Basic	No.	3,992,766	3,988,862
Diluted	No.	3,992,766	3,988,862
Earnings per share			
Basic	EUR	0.36	3.92
Diluted	EUR	0.36	3.92



E. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

E.1 Intangible assets

EUR thousand	Internally generated intangible assets	Purchased concessions, industrial property rights and similar rights and assets	Rights to use intangible assets	Total
Cost				
As of 1 Jan. 2021	1,306	11,632	297	13,235
Changes in the consolidated group	758	12,162	0	12,920
Reclassification	0	0	0	0
Additions	0	27	4	32
Disposals	0	-11	0	-11
Exchange rate effects	0	0	0	0
As of 30 June 2021	2,064	23,810	302	26,175
Accumulated amortisation and impairment losses				
As of 1 Jan. 2021	-1,082	-9,681	-151	-10,914
Changes in the consolidated group	0	-1,151	0	-1,151
Reclassification	0	0	0	0
Disposals	0	11	0	11
Amortisation	-49	-1,172	-35	-1,257
Impairment losses/reversal of impairment losses	0	0	0	0
Exchange rate effects	0	0	0	0
As of 30 June 2021	-1,131	-11,994	-187	-13,311
Carrying amounts				
31 Dec. 2020	224	1,951	146	2,321
30 June 2021	933	11,816	115	12,864

The additions resulting from changes in the consolidated group are attributable to the first-time consolidation of the Hero Group and particularly relate to an acquired patent, an order backlog existing on the acquisition date and the acquired customer base of the Hero Group.

Amortisation in the amount of EUR 1,257 thousand (H1 2020: EUR 541 thousand) is shown in the consolidated income statement under the item "Amortisation". Impairment losses on intangible assets in the amount of EUR 0 thousand (H1 2020: EUR 0 thousand) were recognised in the current financial year. No reversals of impairment losses were recognised in the periods presented.

The rights to use intangible assets relate primarily to the software required for the operations of the Group companies.



E.2 Property, plant and equipment

EUR thousand	Land and buildings	Technical equipment and machinery	Operating and office equipment	Prepayments and assets under construction	Rights of use for land and buildings	Rights of use for technical equipment and machinery	Rights of use for operating and office equipment	Total
Cost								
As of 1 Jan. 2021	70,787	125,824	29,593	0	10,477	1,275	5,099	243,055
Changes in the consolidated group	1,782	10,582	3,593	0	4,741	7,002	273	27,973
Reclassification	-6,329	41	-14	0	0	0	0	-6,302
Additions	116	1,932	346	0	1,038	1,458	154	5,043
Disposals	193	230	-90	0	-288	0	-1,000	-955
Exchange rate effects	3	56	8	0	51	0	1	119
As of 30 June 2021	66,552	138,665	33,435	0	16,019	9,736	4,526	268,933
Accumulated depreciation and impairment losses								
As of 1 Jan. 2021	-34,670	-95,972	-24,799	0	-2,768	-366	-2,363	-160,937
Changes in the consolidated group	-519	-7,093	-2,547	0	-1,417	-2,882	-132	-14,591
Reclassification	1,263	0	8	0	0	0	0	1,272
Disposals	7	-422	76	0	288	0	1,000	950
Depreciation	-714	-3,300	-779	0	-1,133	-809	-693	-7,429
Impairment losses/reversal of impairment losses	0	-157	0	0	-31	0	0	-188
Exchange rate effects	-3	-45	-6	0	-11	0	0	-65
As of 30 June 2021	-34,637	-106,989	-28,046	0	-5,072	-4,057	-2,187	-180,988
Carrying amounts								
31 Dec. 2020	36,117	29,852	4,794	0	7,710	909	2,736	82,118
30 June 2021	31,915	31,677	5,389	0	10,947	5,679	2,339	87,945

The additions to property, plant and equipment due to the change in the consolidated group result from the first-time consolidation of the Hero Group companies and the assets acquired by con-pearl GmbH from the insolvency of Recyplast GmbH.

Depreciation of property, plant and equipment and rights of use for property, plant and equipment amounting to EUR 7,429 thousand (H1 2020: EUR 5,902 thousand) are shown in the consolidated income statement under the item "Depreciation". Impairment losses on unused property, plant and equipment and rights of use totalling EUR 188 thousand (H1 2020: EUR 0 thousand) were recognised. No reversals of impairment losses were recognised, as in the comparative period.

A property in Geretsried-Gelting previously included in property, plant and equipment was reclassified as held for sale in accordance with IFRS 5 due to a specific intention to sell it on the reporting date.



E.3 Investment property

EUR thousand	Investment property
Cost	
As of 1 Jan. 2021	2,122
Changes in the consolidated group	0
Reclassification	-496
Additions	0
Disposals	0
Exchange rate effects	0
As of 30 June 2021	1,625
Accumulated depreciation and impairment losses	
As of 1 Jan. 2021	-134
Changes in the consolidated group	0
Reclassification	86
Disposals	0
Depreciation	-11
Impairment losses/reversal of impairment losses	0
Exchange rate effects	0
As of 30 June 2021	-59
Carrying amounts	
31 Dec. 2020	1,988
30 June 2021	1,566

As of the reporting date, there is one investment property in Pforzheim and one undeveloped property in Finning that is held as an investment property.

Investment property includes land, buildings and parts of buildings with a fair value of EUR 2,265 thousand (31 December 2020: EUR 3,149 thousand) on the reporting date. The fair value was calculated based on external valuation reports and internal calculations (Level 3). The calculation assumes that the current use of the building represents the highest-value and best use.

For information on security rights over real property, please refer to the notes on other financial commitments in the notes to the consolidated financial statements in the consolidated financial statements as of 31 December 2020.

Investment property generated rental income of EUR 0 thousand (H1 2020: EUR 332 thousand) in the reporting period. Expenses of EUR 31 thousand (H1 2020: EUR 75 thousand) were incurred in the current year for the maintenance of the investment property used.



E.4 Financial investments accounted for using the equity method

As of 30 June 2021, one associate (31 December 2020: two) over which the Blue Cap Group can exert significant influence, but not control, through involvement in its financial and corporate policies, is included in the consolidated financial statements using the equity method.

The stake in GämmerlerTech Corporation (Palmetto/USA) was sold in the first half of 2021 to the co-shareholder who had held the remaining shares in this company up until that time. This disposal is part of the strategic realignment of the Production Technology segment within the Blue Cap Group.

Company name	Registered office	Shareholding in %	
		30 June 2021	31 Dec. 2020
GammerlerTech Corporation	Palmetto/USA	0.0	49.0
INHECO Industrial Heating and Cooling GmbH	Planegg	42.0	42.0

As the individual associates are not material for the Blue Cap Group in their own right, no detailed financial information has been provided.

EUR thousand	H1 2021	H1 2020
Profit	1,102	551
Other comprehensive income	0	-5
Total comprehensive income	1,102	546

The positive development in profit and total comprehensive income in a year-on-year comparison is due to the increased demand for the products of INHECO Industrial Heating and Cooling GmbH in connection with the Covid-19 pandemic.

The profit stated in the comparative period also includes the expense from the sale of Gämmerler Ltd. in the amount of EUR 110 thousand.

E.5 Other non-current financial assets

In the context of the sale of the company property in Finning, which had been rented out to third parties up until it was sold, EUR 3,200 thousand was furnished as collateral for a financing loan. EUR 3,000 thousand of this is included in other non-current financial assets.

Other non-current financial assets also mainly relate to deposits paid for properties rented in Germany and abroad (office, warehouse and production properties).

E.6 Other non-current non-financial assets

As of the reporting date, this item mainly consists of prepayments made on various items of property, plant and equipment and, to a lesser extent, prepayments made on intangible assets.



E.7 Inventories

EUR thousand	30 June 2021	31 Dec. 2020
Raw materials, consumables and supplies	14,129	9,864
Unfinished goods, services in progress	6,656	5,342
Finished goods and merchandise	14,745	12,292
Inventories	35,530	27,499

The impairment losses recognised on inventories in the current financial year amount to EUR 3,572 thousand (31 December 2020: EUR 3,541 thousand). The impairment takes marketability, age and all apparent storage and inventory risks into account.

The increase in inventories of raw materials, consumables and supplies, unfinished goods, services in progress and finished goods and merchandise in the reporting period is due primarily to the first-time inclusion of the Hero Group in the Blue Cap Group and, in part, to increased inventory levels at some Group subsidiaries.

E.8 Contract assets and contract liabilities

The increase in current contract assets is due primarily to the first-time inclusion of the Hero Group in the Blue Cap Group.

E.9 Other current financial assets

The other current financial assets include EUR 0 thousand (31 December 2020: EUR 602 thousand) in receivables from associates and EUR 409 thousand (31 December 2020: EUR 372 thousand) in receivables from companies in which the Group does not hold any significant participating interest. They also include security retained for factoring services, an amount deposited in an escrow account in connection with the sale of em-tec GmbH in the amount of EUR 1,500 thousand, as well as current collateral in the amount of EUR 200 thousand for a financing loan.

E.10 Other current non-financial assets

EUR thousand	30 June 2021	31 Dec. 2020
Prepayments on inventories	685	259
VAT receivables	606	435
Receivables from social benefits, levies and other statutory claims	102	68
Other receivables from employees (advances)	57	26
Miscellaneous other non-financial assets	1,748	1,162
Other non-financial assets	3,197	1,949

E.11 Assets held for sale

Two properties held for sale in Finning and Hofolding, which are rented out to third parties, were sold in the first half of 2021. The positive effect on earnings achieved amounts to a total of around EUR 1,000 thousand.

A production and administrative property (part of the Other segment) in Geretsried-Gelting, which is rented out partly within the Group and partly to third parties, is to be sold and was therefore reclassified as held for sale in accordance with IFRS 5 as of the reporting date. Further long-term rental is not consistent with the Blue Cap Group's strategic orientation. The plan is to carry out the disposal process in the second half of 2021.



E.12 Subscribed capital

In addition to the already existing Authorised Capital (see also Annual Report 2020), the Annual General Meeting of 25 June 2021 passed a resolution cancelling the Authorised Capital 2016/I, creating new authorised capital and amending Article 4 (Authorised Capital) of the Articles of Association.

By way of a resolution passed by the Annual General Meeting on 25 June 2021, the Management Board is authorised, with the consent of the Supervisory Board, to increase the company's share capital by a total of up to EUR 500 thousand on one or more occasions in the period leading up to 31 May 2026 in return for cash contributions and/or contributions in kind, with the option of excluding shareholders' subscription rights (Authorised Capital 2021/I).

E.13 Other provisions

Other provisions changed as follows:

EUR thousand	Other person- nel-related provisions	Onerous contracts	Miscellaneous other provisions	Total
As of 1 Jan. 2021	167	1,374	3,250	4,791
of which current	0	1,374	2,669	4,043
of which non-current	167	0	581	748
Exchange rate effects	0	0	0	0
Changes in the consolidated group	0	0	1,793	1,793
Additions	7	378	2,714	3,099
Utilisation	-27	-473	-2,446	-2,945
Compounding	0	0	0	0
Reversal	0	-279	-120	-399
As of 30 June 2021	148	1,001	5,191	6,340
of which current	0	1,001	3,622	4,623
of which non-current	148	0	1,569	1,717

In addition to provisions for warranty claims and provisions for retention obligations, miscellaneous other provisions in the reporting period and in the comparative period consist primarily of provisions for outstanding invoices, restructuring, customer bonuses and third-party sales premiums.



F. SEGMENT REPORTING

The information provided to the Management Board of the Blue Cap Group (the “chief operating decision maker”) for the purposes of resource allocation and the assessment of segment performance focuses on the industrial sectors of the individual equity investments. The presentation of segment reporting is consistent with the management approach, and is based on the internal organisational and reporting structures.

The individual segments represent different industries with different products and services and are managed separately. The legal entities can all be clearly assigned to a segment.

The companies belonging to the con-pearl Group, the newly added Hero Group and the Knauer-Uniplast Group are allocated to the Plastics Technology segment. Neschen GmbH and its sales subsidiaries make up the Coating Technology segment. The Adhesive Technology segment comprises the companies in the Planatol Group. Carl Schaefer Gold- und Silberscheideanstalt GmbH is included in the Metal Technology segment and the companies nokra Optische Prüftechnik und Automation GmbH and Gämmerler GmbH make up the Production Technology segment. Blue Cap AG and other holding and shelf companies are allocated to the Other segment. em-tec GmbH was allocated to the Other segment in the reporting period up until the time at which the company was deconsolidated. Further information on the segments and the associated companies can be found in the combined interim group management report.



As a result, the Group's reportable segments in accordance with IFRS 8 are as follows for the reporting and comparative periods:

H1 2021	Plastics Technol- ogy	Coating Technol- ogy	Adhesive Technol- ogy	Metal Technol- ogy	Production Technol- ogy	"Other" segment	Total segments	Consolida- tion	Group
EUR thousand									
Revenue with external third parties	64,067	25,406	17,469	11,819	1,782	236	120,778	0	120,778
Revenue with Group companies	0	0	2	3	29	2,490	2,525	-2,525	0
Total revenue	64,067	25,406	17,471	11,822	1,811	2,726	123,303	-2,525	120,778
Total output	66,527	26,983	18,166	11,853	2,159	4,554	130,242	-2,355	127,888
EBITDA	7,369	1,802	1,784	295	-1,350	480	10,380	181	10,561
Depreciation, amortisation and impairment	-6,627	-1,219	-688	-47	-136	-388	-9,105	208	-8,898
of which impairment losses/reversals	-157	0	-31	0	0	-13	-201	0	-201
Result from valuation based on the equity method	0	0	0	0	0	0	0	1,102	1,102
EBIT	742	583	1,096	248	-1,486	92	1,275	1,490	2,765
Adjusted total output	65,908	26,763	18,027	11,845	1,912	2,746	127,200	-2,571	124,629
Adjusted EBITDA	7,229	1,888	1,836	293	-1,057	312	10,501	-36	10,465
Adjusted EBITDA margin	11.0%	7.1%	10.2%	2.5%	-55.3%	11.4%	8.3%	1.4%	8.4%
Net debt ratio* (in years)	1.3	1.5	0.5	0.6		18.2	1.7		1.7
Investments/divestments**	-4,994	-370	-47	0	2,350	6,254	3,193	0	3,193
of which company acquisitions/disposals	-5,193	0	0	0	0	0	-5,193	0	-5,193

30 June 2021

Working capital (net)***	15,038	15,943	8,816	1,541	2,076	53	43,469	0	43,469
Segment assets	115,846	42,546	17,398	3,039	5,501	118,494	302,824	-79,610	223,215
Segment liabilities	89,275	27,066	10,103	1,632	3,395	56,999	188,471	-47,737	140,734

* The reported net debt ratio (in years) represents the segment's debt less cash in relation to adjusted EBITDA over the last twelve months.

** The investments/divestments shown relate to proceeds from (+) / payments for (-) property, plant and equipment, intangible assets, investment property and acquisitions of companies and participating interests.

*** The reported working capital (net) corresponds to the segments' inventories plus trade receivables, less trade payables.



H1 2020	Plastics Technol- ogy	Coating Technol- ogy	Adhesive Technol- ogy	Metal Technol- ogy	Production Technol- ogy	"Other" segment	Total segments	Consolida- tion	Group
EUR thousand									
Revenue with external third parties	48,057	26,257	14,576	15,216	5,429	4,394	113,930	0	113,930
Revenue with Group companies	0	0	88	0	34	2,125	2,248	-2,248	0
Total revenue	48,057	26,257	14,664	15,216	5,464	6,518	116,178	-2,248	113,930
Total output	50,294	29,053	14,960	15,273	6,350	27,688	143,618	-2,318	141,300
EBITDA	2,325	2,740	338	547	-946	21,625	26,628	-1,958	24,670
Depreciation, amortisation and impairment	-4,173	-1,067	-623	-53	-177	-676	-6,770	237	-6,533
of which impairment losses/reversals	0	0	0	0	0	0	0	0	0
Result from valuation based on the equity method	0	0	0	0	-191	0	-191	742	551
EBIT	-1,848	1,673	-285	494	-1,315	20,949	19,668	-979	18,689
Adjusted total output	49,719	28,796	14,943	15,242	5,927	6,805	121,430	-2,318	119,113
Adjusted EBITDA	2,517	2,623	719	516	-1,379	1,040	6,036	-36	6,000
Adjusted EBITDA margin	5.1%	9.1%	4.8%	3.4%	-23.3%	15.3%	5.0%	1.5%	5.0%
Net debt ratio* (in years)	4.5	1.9	1.1	0.6		0.0	2.4		2.3
Investments/divestments**	-1,915	-722	-59	-2	11	17,480	14,792	0	14,792
of which company acquisitions/disposals	0	0	0	0	0	22,464	22,464	0	22,464

31 Dec. 2020

Working capital (net)***	9,141	15,181	7,006	1,343	2,189	107	34,968	0	34,968
Segment assets	75,743	39,548	15,425	2,853	9,889	121,242	264,700	-66,198	198,502
Segment liabilities	58,750	24,732	10,343	1,569	6,232	54,702	156,328	-38,127	118,201

* The reported net debt ratio (in years) represents the segment's debt less cash in relation to adjusted EBITDA over the last twelve months.

** The investments/divestments shown relate to proceeds from (+) / payments for (-) property, plant and equipment, intangible assets, investment property and acquisitions of companies and participating interests.

*** The reported working capital (net) corresponds to the segments' inventories plus trade receivables, less trade payables.

The Hero Group, which was acquired in the first half of 2021, will be allocated to the Plastics Technology segment.

In the comparative period, the Production Technology segment included SMB-David finishing lines GmbH i.L., which has since been deconsolidated.

In the comparative period, the "Other" segment included em-tec GmbH, which was sold in April 2020. The gains from the deconsolidation of this company are also shown in the "Other" segment in the comparative period.



The segment results for the reported segments can be reconciled to earnings before tax as follows:

RECONCILIATION TO EARNINGS BEFORE TAX

EUR thousand

	H1 2021	Group H1 2020
EBIT of the reportable segments	1,183	-1,281
Other segments	92	20,949
Consolidation	1,490	-979
Impairment losses according to IFRS 9	34	-817
Financing income	198	14
Financing expenses	-1,191	-1,300
Earnings before taxes (EBT)	1,805	16,586

G. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

CASH FUNDS

The cash funds included in the cash flow statement include all cash and cash equivalents reported in the statement of financial position (cash-in-hand, bank balances, time deposits and available-for-sale financial instruments with a maturity of less than three months) less overdrafts that can be terminated at any time.

The cash funds developed as follows:

COMPOSITION OF CASH FUNDS

EUR thousand

	30 June 2021	30 June 2020
Cash and cash equivalents	28,674	44,427
Liabilities to banks under current account agreements	-6,798	-15,397
Cash funds	21,876	29,031

INFLOW/OUTFLOW FROM INVESTING ACTIVITIES

In addition to investments of EUR 2,589 thousand in various property, plant and equipment, the main payments from investing activities in the first half of 2021 result from the acquisition of the Hero Group in the amount of EUR 5,193 thousand and the acquisition of the main assets of Recyclast GmbH.

The main proceeds in the first half of 2021 result from the sale of three properties not required for operations, which had been held for sale, amounting to EUR 10,842 thousand.

In connection with the sale of a property in Finning, a security deposit was made with a bank in the amount of EUR 3,200 thousand. As this represents new collateral for the original financing of the sold property, this payment is reported under cash flow from financing activities.

In the first half of 2021, no proceeds were generated from the sale of fully consolidated subsidiaries.



The proceeds from disposals of fully consolidated subsidiaries are broken down as follows:

EUR thousand	H1 2021	H1 2020
Cash inflow from buyer	0	22,474
Cash outflow/inflow from the sale/deconsolidation of cash and cash equivalents/current account liabilities	0	-10
Net cash inflow from the disposal	0	22,464

The payments from acquisitions of fully consolidated subsidiaries are broken down as follows:

EUR thousand	H1 2021	H1 2020
Cash outflow for acquisitions	-11,496	0
Cash inflow/outflow from the acquisition of cash and cash equivalents/current account liabilities	6,303	0
Net cash outflow from acquisitions	-5,193	0

DEVELOPMENT IN CASH FUNDS

In the reporting period, there was a total cash outflow for the Blue Cap Group – excluding changes in value due to exchange rates – of EUR 4,640 thousand (H1 2020: cash inflow of EUR 20,029 thousand).



H. OTHER DISCLOSURES

H.1 Financial instruments

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include any fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value.

BALANCE SHEET VALUE PURSUANT TO IFRS 9

EUR thousand

Financial assets by category		Carrying amount 30 June 2021	Amortised cost	Fair value through OCI	Fair value through profit or loss	Fair value 30 June 2021	Hierarchy
Non-current assets							
Participating interests	FVOCI	134		134		134	Level 1
Miscellaneous other financial assets		3,803					
of which free-standing derivatives	FVPL	5			5	5	Level 2
of which miscellaneous other financial assets	FVPL	30			30	30	Level 2
of which miscellaneous other financial assets	AC	3,768	3,768			3,768	
Current assets							
Trade receivables		21,558					
of which recognised at amortised cost	AC	21,558	21,558			21,558	
Other financial assets		3,547					
of which miscellaneous other financial assets	AC	3,547	3,547			3,547	
Cash and cash equivalents	AC	28,674	28,674			28,674	
Financial liabilities by category							
Non-current liabilities							
Non-current financial liabilities		63,196					
of which liabilities to banks	FLAC	49,257	49,257			50,407	Level 2
of which lease liabilities	n/a	13,651					
of which miscellaneous other financial liabilities	FLAC	288	288			288	
Current liabilities							
Trade payables	FLAC	13,620	13,620			13,620	
Other financial liabilities		25,639					
of which liabilities to banks	FLAC	16,732	16,732			16,732	Level 2
of which lease liabilities	n/a	5,441					
of which miscellaneous other financial liabilities	FLAC	3,466	3,466			3,466	
Summary per category							
Financial assets at fair value through profit or loss	FVPL	34					
Financial assets at fair value through other comprehensive income	FVOCI	134					
Financial assets measured at amortised cost	AC	57,548					
Financial liabilities measured at amortised cost	FLAC	83,363					



The net gains or losses in the individual categories according to IFRS 9 for the first half of 2021 and the comparative period are shown below:

EUR thousand		H1 2021	H1 2020
Financial assets at fair value through profit or loss	FVPL	-3	0
Financial assets at fair value through other comprehensive income	FVOCI	0	15
Financial assets measured at amortised cost	AC	163	-717
Financial liabilities at fair value through profit or loss	FLFVPL	87	3
Financial liabilities measured at amortised cost	FLAC	-1,130	-1,250
Total		-884	-1,949

There are no significant default risks on the reporting date.

H.2 Financial risk management

LIQUIDITY RISK

The risk from contractually agreed cash flows for financial liabilities is presented below:

30 June 2021	Contractually agreed cash flows	Up to one year	2–5 years	More than 5 years
EUR thousand				
Liabilities to banks	65,988	16,732	38,999	10,257
Trade payables	13,620	13,620	0	0
Other financial liabilities	3,755	3,466	288	0

The cash flows from other financial liabilities with a maturity of more than one year are primarily deposits received for rented properties.

The Blue Cap Group also receives a small volume of insignificant cash flows from the derivatives used.



CAPITAL MANAGEMENT

EUR thousand	30 June 2021	31 December 2020
Total assets	223,215	198,502
Equity (excl. non-controlling interests)	77,845	80,187
Equity ratio	34.87%	40.40%

H.3 Contingent liabilities and other financial commitments

Contingent liabilities

There are no material contingent liabilities as of the reporting date.

Other financial commitments

As of the reporting date, the Group has commitments from outstanding orders amounting to EUR 7,741 thousand (31 December 2020: EUR 4,912 thousand), of which EUR 7,087 thousand are current commitments (31 December 2020: EUR 3,800 thousand).

As of the reporting date, there are also obligations (in accordance with IFRS 16.59b (iv)) from leases that have already been entered into but have not yet commenced. The rights of use from these leases have a value of around EUR 265 thousand.

H.4 Events after the reporting date

By way of a purchase agreement dated 5 August 2021, Blue Cap AG acquired approximately 93% of the shares in HY-LINE Verwaltungs GmbH (hereafter "HY-LINE") and its four operating subsidiaries through its subsidiary Blue Cap 12 GmbH for a purchase price in the lower third of the double-digit millions. The management team of HY-LINE took a substantial single-digit percentage stake in the acquisition. The acquisition of the shares in HY-LINE is expected to be completed on 1 September 2021.

Over the last few years, the HY-LINE Group has transformed itself from a value-added distributor to a supplier of products and systems with a special focus on technical consulting and application competence. Its customers primarily come from the electronics industry, medical technology, the energy sector and the media and communications industry. Its main sales markets are Germany, Austria and Switzerland. With around 80 employees at four locations, HY-LINE generates revenue of EUR 40 million to EUR 50 million every year.

On 12 August 2021, Blue Cap AG increased the company's share capital by issuing 399,662 new no-par value bearer shares, each representing EUR 1.00 of the share capital, in return for cash contributions, making partial use of the Authorised Capital 2018/I and excluding shareholders' subscription rights. The new shares carry profit-sharing rights as of 1 January 2021. The price per new share is EUR 27.02.

Only institutional investors were admitted to subscribe to the new shares as part of a private placement. The gross issue proceeds from the capital increase amount to EUR 10.8 million. The funds are to be used partly to refinance the acquisition of HY-LINE Verwaltungs GmbH, with the remainder intended to finance the further growth of the Blue Cap Group.

After the end of the first half of 2021, no further events of particular importance occurred that need to be taken into account in the income statement or in the statement of financial position.



H.5 Approval of the consolidated interim financial statements in accordance with IAS 10.17

These interim consolidated financial statements of Blue Cap AG for the first half of 2021 were approved for publication by the Management Board on 30 August 2021.

Munich, 30 August 2021

Blue Cap AG
The Management Board

Ulrich Blessing

Tobias Hoffmann-Becking

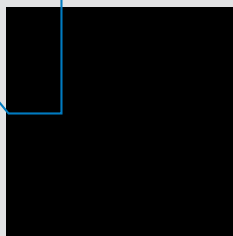
Matthias Kosch

A large graphic element consisting of a black rectangular border. Inside the border, the words "FURTHER INFORMATION" are written in a large, bold, black, sans-serif font, stacked vertically. A small blue square icon is located in the top right corner of the frame.

**FURTHER
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**66_ Adjusted consolidated
income statement**

**68_ Contact, financial calendar
and legal notice**



ADJUSTED CONSOLIDATED INCOME STATEMENT

for the period from 1 January to 30 June 2021

EUR thousand					
	H1 2021	%	H1 2020	%	Change in %
Revenue	120,832	97.0	113,937	95.7	6.1
Change in inventories	3,154	2.5	4,725	4.0	33.3
Other own work capitalised	52	0.0	5	0.0	>100
Other operating income	591	0.5	446	0.4	32.6
Adjusted total output	124,629	100.0	119,113	100.0	4.6
Cost of materials	-64,318	51.6	-64,203	53.9	0.2
Personnel expenses	-32,860	26.4	-32,018	26.9	2.6
Other operating expenses	-16,985	13.6	-16,893	14.2	0.5
Adjusted EBITDA	10,465	8.4	6,000	5.0	74.4
Depreciation and amortisation	-6,307	5.1	-5,219	4.4	20.8
Share of profit/loss in associates	1,102	0.9	551	0.5	100.0
Adjusted EBIT	5,261	4.2	1,332	1.1	>100
Financial income	12	0.0	11	0.0	4.0
Financial expenses	-1,122	0.9	-1,300	1.1	13.6
Financial result	-1,111	0.9	-1,288	1.1	13.8
Income from adjustments	4,974	4.0	22,323	18.7	77.7
Expenses from adjustments	-6,863	5.5	-5,781	4.9	18.7
Adjustments	-1,889	1.5	16,542	13.9	>100
Earnings before taxes	2,261	1.8	16,586	13.9	86.4
Income tax expense	-613	0.5	-986	0.8	37.8
Minority interests	-194	0.2	47	0.0	>100
Consolidated net income	1,453	1.2	15,647	13.1	90.7



RECONCILIATION FROM REPORTED EBITDA (IFRS) TO ADJUSTED EBITDA AND ADJUSTED EBIT FOR THE GROUP

EUR thousand

	H1 2021	H1 2020
EBITDA (IFRS)	10,561	24,670
Adjustments		
Income from asset disposals	-1,936	-80
Income from the reversal of provisions	-927	-759
Other non-operating income	-402	-629
Income from bargain purchase	-226	0
Income from deconsolidation	0	-20,808
Losses on disposal of fixed assets	1,213	6
Expenses from restructuring and reorganisation	606	252
Personnel costs in connection with personnel measures	595	538
Legal and consultancy costs in connection with acquisitions and personnel measures	530	300
Other non-operating expenses	432	588
Utilisation of disclosed hidden reserves	19	0
Expenses from deconsolidation measures	0	1,922
Adjusted EBITDA	10,465	6,000
Adjusted EBITDA margin as % of total output, adjusted	8.4%	5.1%
Depreciation and amortisation	-8,697	-6,533
Impairment losses and reversals	-201	0
Share of profit/loss in associates	1,102	551
Adjustments		
Amortisation of disclosed hidden reserves	2,390	1,275
Impairment losses and reversals	201	38
Adjusted EBIT	5,261	1,332
Adjusted EBIT margin as % of total output, adjusted	4.2%	1.1%



CONTACT, FINANCIAL CALENDAR AND LEGAL NOTICE

Contact

Please do not hesitate to contact us if you have any questions:

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Financial calendar

Date	Event
6-7 September 2021	2021 Equity Forum Autumn Conference Location: online
22-24 November 2021	German Equity Forum Location: online

Legal notice

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NOTE



The half-year report is published in German and English. The German version is always the authoritative version. You can also find the half-year report on our website at www.blue-cap.de/investor-relations

Disclaimer

This report contains forward-looking statements. These statements are based on the current experience, assumptions and forecasts of the Management Board, and on the information currently available to it. The forward-looking statements are not to be understood as guarantees of future developments and results referred to therein. Rather, future developments and results depend on a variety of factors. They involve various risks and uncertainties and are based on assumptions that may not prove to be accurate. These risk factors include, in particular, the factors mentioned in the risk report of the 2020 Annual Report and the H1 2020 interim financial report. We assume no obligation to update the forward-looking statements included in this report. This half-year report does not constitute an offer to sell, nor an invitation to submit an offer to buy, securities of Blue Cap AG.



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