2024

Half-year report

Content

Management Board of 2G Energy AG (from left): Ludger Holtkamp, Christian Grotholt (Chairman), Frank Grewe and Friedrich Pehle

Foreword of the Management Board

Ladies and gentlemen,
Dear shareholders

The overall pace and dynamics at which global energy markets are transforming is breathtaking. However, depending on the region or even the country, this transformation is marked by very different priorities and progress is anything but steady. This is precisely what our order books reflect, just like a weather map: here we see a summer breeze while over there, it's dead calm. In the USA, for example, the impetus from the Inflation Reduction Act continues to resonate, leading to a well-filled order book in the first half of the year. In Eastern Europe, the withdrawal from coal-fired power stations – driven by EU subsidies – is gathering pace, and decentralized generation units are attracting investments. In Asia, the markets are showing themselves to be significantly more receptive to our CHP systems. Finally, our customers in our domestic market of Germany are also shedding their widespread uncertainty with regard to the somewhat incoherent energy policy: the order intake increased year on year by over ten percent.

Our early strategic decisions to establish a global partner concept, offer our customers high-quality, reliable service – also on a worldwide basis – and diversify our CHP products across all types of gas, are paying off. Both new product families, large-scale heat pumps and demand response engines, are proving that we are not standing still strategically in this area. In this way, we are playing our part in shaping dynamically shifting energy markets. The weather-dependent characteristics of renewables and adaptations to the supply infrastructure, which are as sluggish as they are necessary, are opening up new and attractive sales opportunities for us. Today, 2G is providing decentralized system solutions and services for the flexible supply of climate-friendly electricity and heat capable of meeting both base and peak loads. Our products are "green" team players – far removed from the "gray" CHP systems of earlier years that were designed for continuous operation. This means that our products today are targeting significantly larger application areas. We are therefore optimistic that we will be able to derive disproportionately high rewards from this structurally growing market. This is good news for our shareholders as well as our staff and business partners.

Under these circumstances, we can live with the temporary three percent year-on-year dip in revenue in the first half of 2024 – and especially as it is primarily due to customer delays and therefore longer project terms. From 2G's perspective, this means that production will start up later, but delivery dates will still be met. In our estimation, the revenue of EUR 131 million taken in conjunction with the full order book form a very sound foundation for achieving our forecast for the year of EUR 360 to 390 million. The service business is also growing and its profitability will increase consistently and successively through the expansion of our my.2-g.com platform and efficiency measures such as FieldService. We perceive the same situation for the consolidated half-year result: EBIT stands at EUR 4.1 million, equating to an EBIT margin of 3.1% and therefore approximately on a par with the previous year in spite of the drop in revenue. Consequently, we are optimistic that we will achieve an EBIT margin between 8.5% and 10% in the current fiscal year as forecast.

Contrary to what media reports might have us believe, we have not registered any weakness in demand in the market for heat pumps. Quite the opposite: we are inundated with interest and demand. This is underlined by an interesting statistic. We organized two webinars on heat supply with the 2G Green Cube / 2G large-scale heat pumps. These webinars were attended by over 1,000 individuals from planning offices, contractors, municipalities and major utilities. All of them are desperately looking for large heat pumps in order to supply districts, building complexes and district heat networks with renewable heat. In the last few quarters, we have not only invested in refining heat pump technology and production capabilities, but also built up powerful sales and distribution operations. This has created a unique tool in the industry for the sale of heat pumps and Green Cubes. This tool calculates a business plan for potential customers, taking account of their specific needs and local environmental and infrastructure conditions, including any available subsidies, and providing a reliable net heat generation price.

We are firmly convinced that in addition to our CHP systems, we are quickly establishing a second pillar with our large heat pumps holding high sales potential across regions. And the combination of a CHP system and a large heat pump – our Green Cube – is preeminently suited to the ever more volatile market conditions with high-price and low-price phases on the electricity market and decarbonization targets for the supply of heat. After all, with further base load capacity being shut down, think coal withdrawal, the need for flexible electricity generation capacity and heat volumes to be replaced will increase significantly – and not only in Germany. The government has not yet clarified how this capacity exiting the market is to be compensated for. The question must therefore be raised: where will reliable electricity and heat come from when renewables are barely able to supply any power on the calm, misty autumn and winter days?

2G's Green Cube will form part of the answer as a turnkey energy control center and natural partner for renewables. Although the Green Cube requires a higher investment on the part of customers, they acquire a type of profit center in addition to the generation units for electricity and heat. Whenever electricity on the market is expensive, the CHP will power up and sell the electricity on the market, while the exhaust heat is stored in large buffer storage tanks. In this way, 2G's sophisticated system design effectively minimizes costs of heat generation. By comparison with other supply solutions, the flexible interplay between the CHP system and the heat pump based on the electricity price cuts heat prices by up to 40% – a convincing sales argument.

We have the same arguments on our side for our new product family of demand response engines. The engine – without including heat extraction – meets peak loads for a few hundred hours a year and is positioned between a traditional CHP system and an emergency generator. We will initially target this product at the US market. The problem of peaks in load and prices in the supply of electricity is particularly pronounced there. In our assessment, the US market is very receptive to high-quality gensets. Thanks to our engine expertise and many years of development know-how, we have brought a 12-cylinder engine with 650 kW to market maturity. It reliably meets the particularly high technical requirements for the components – high load activation and deactivation – as well as the strict emission limits. For 2G, this is a uniform, high-volume product business in which we can leverage our technical expertise in gas engine configuration by comparison with the competition. The demand response genset has market potential in many countries which are restructuring their electricity markets. At the same time, this will enable us to disproportionately boost the number of raw engines procured from central manufacturers – for the benefit of both sides.

2G continues to work on pooling its existing products and new developments to form efficient system solutions. In doing so, we are making the necessary expertise available to our customers as well as turnkey plug-and-play solutions installed in containers. In this way, we are mitigating the complexity of the energy turnaround for customers and accelerating implementation at the same time. Fielding our extended product portfolio, we perceive ourselves as well positioned for the future both strategically and product-wise. Sales of the new products will be generated from the already established combination of our own sales experts on the ground and partner companies with excellent knowledge of their region and customer groups. In this way, we will achieve speedy market penetration with our large heat pumps, the Green Cube and demand response engines. The Management Board is therefore confident of its ability to play an appreciable role in the market drivers of the worldwide energy turnaround. The prospects for further growth are positive and energy policy is finally paying greater attention to the heat transition. Operationally, we are expecting increasingly dynamic revenue and profitability both at home and abroad; there is sufficient production and sales capacity available at hand, and the Group is well financed. Ideal conditions for further good news of high value added generated by 2G.

Heek, September 2024

2G Energy AG
With best regards,

Christian Grotholt
Management Board Chairman (CEO)

Ludger Holtkamp
Management Board member

Friedrich Pehle
Management Board member

Frank Grewe
Management Board member

2G share falls slightly by 2.6% in the first half of the year

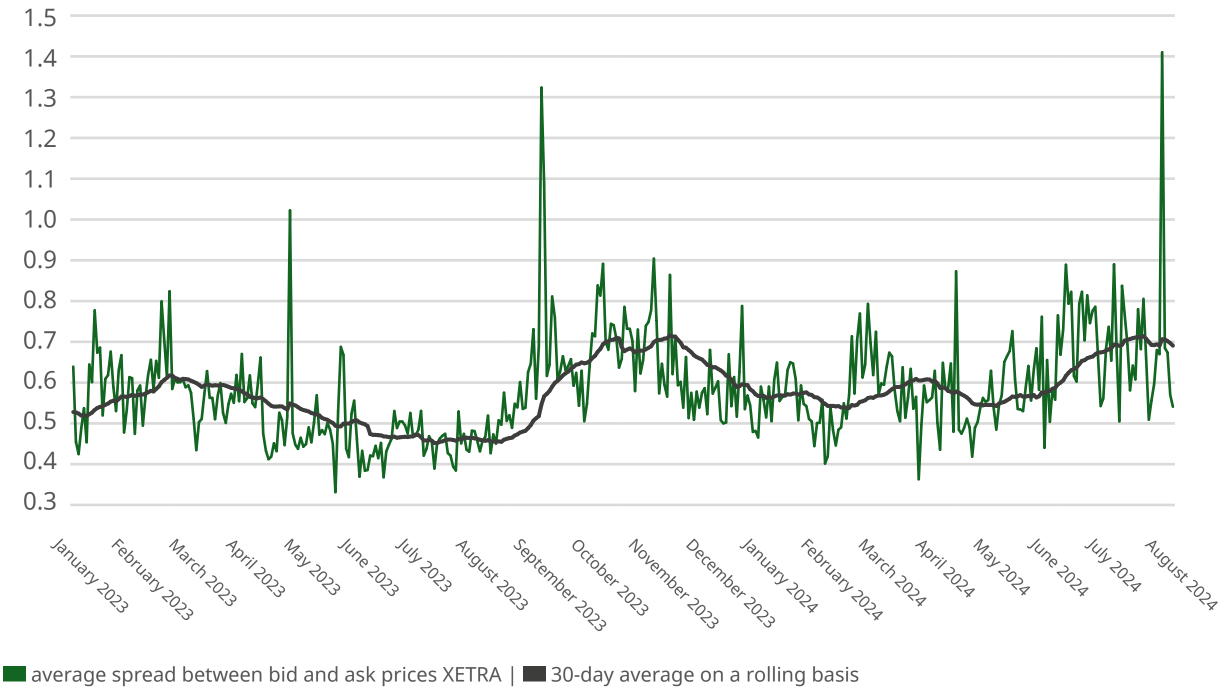
The 2G Energy AG share was off to the reporting year at a price of EUR 22.90. Right at the outset of the year, the share dropped to its low for the first half of the year of EUR 19.92. Supported by positive company news on the annual figures for 2023, in addition to the pleasing development of incoming orders and the associated growth expectations, the share price rose in two waves over the course of the first and second quarters to reach a high of EUR 27.20 at the beginning of May. The share, however, subsequently fell again – probably impacted by general external uncertainties in connection with the unresolved power plant strategy and the upcoming amendment to the CHP Act – and closed at EUR 22.10 on June 28. This corresponds to a slight decline of -2.6% (previous year: +19.0%), based on the closing price for the 2023 trading year.

As of the reporting date, the market capitalization of 2G Energy AG stood at around EUR 396.5 million (as of June 30, 2023: EUR 500.5 million). In the course of the second half of the year to date, the share initially remained at this level until mid-July. With the publication of the preliminary figures for incoming orders in the first half of the year, the Management Board expressed confidence in the further development of business. Nevertheless, the 2G share was unable to escape the price declines across the board on the markets and gradually fell. The share price stood at around EUR 20 in mid-August.

In the first half of the year, the 2G share failed to match the key selection indices. In the first 6 months of the year, the NASDAQ 100 rose by 17.0% (previous year: 38.8%), while the MSCI World gained 10.8% (previous year: 14.0%). In Germany, the DAX40 was up by 8.9% (previous year: 16.0%), while the SDAX only appreciated by 2.6% (previous year: 12.4%). The Scale 30 selection index, of which 2G is a member, had gained 4.9% by the end of June (previous year: -3.6%), as did the DAXsector All Industrial, which was up by 6.8% (previous year: 17.6%). The DAXsubsector All Renewable Energies put in a marked slump of -24.4% (previous year: -8.8%).

Turnover in the 2G share on XETRA, tradegate, gettex and regional stock exchanges averaged around 36,000 shares per day during the first half of the year (H1 2023: 31.500), which is about 14% higher than the prior-year period. Around 59% (H1 2023: 61%) of the turnover in 2G shares was traded through XETRA, 29% (28%) via tradegate, and 5% (5.5%) through the German regional stock exchanges and approximately 6,5% (5%) via the gettex exchange. The liquidity in stock exchange trading in the 2G share during the period under review was accompanied by an average spread between the bid and ask price (buy and sell offer price) in a range of between 0.4 and 0.8%. Compared to the first half of the previous year, the average value edged up slightly from 0.53% to 0.58%. These positive trading fundamentals continue to position the 2G share attractively for both institutional and private investors.

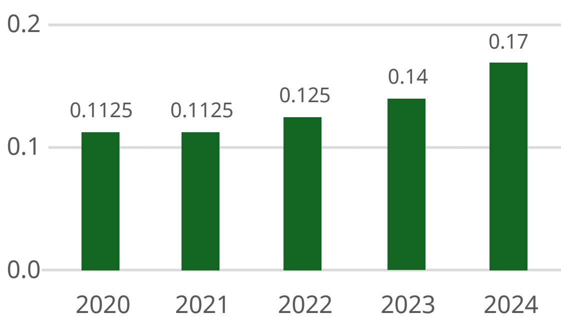
Trend in average spreads between bid and ask prices, January 2023 to August 2024 in %



Trend in average spreads between bid and ask prices, January 2023 to August 2024, in %
Source: M.M.Warburg & CO, 2G calculations, August 2024

At the Annual General Meeting on June 04, 2024, the shareholders in attendance approved the agenda items put to the vote by a large majority in each case. This included approval of the management's proposal to pay a dividend of EUR 0.17 per share (previous year EUR 0.14). Compared to the year elapsed, this corresponds to a 21% rise in the dividend. 2G is thereby continuing its dividend policy of increasing the payout if the earnings potential advances sustainably. Around 56% (previous year: 58%) of the share capital was represented at the Annual General Meeting.

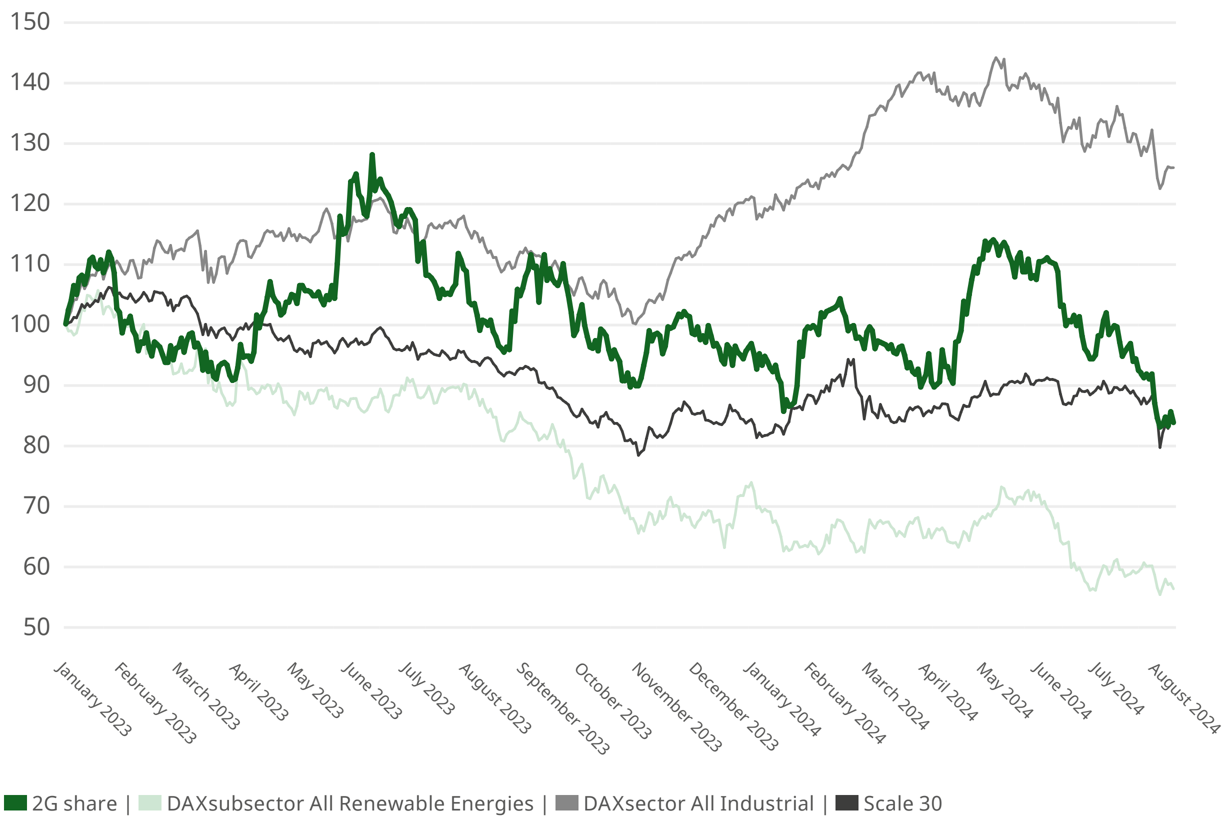
Dividend distribution, 2020 to 2024 in Euros



Dividend distribution for the respective financial year as approved by the Annual General Meeting

2G share price performance and comparative indexes (indexed), January 2023 to August 2024

in %



2G share price performance and comparative indexes (indexed), January 2023 to August 2024, in %
Source: M.M.Warburg & CO, 2G calculations, August 2024

Group management report

Group management report

Reservation with regard to forward-looking statements

This Group management report includes forward-looking statements that are based on management estimations that are current as of the time of preparing this management report. Such statements relate to future periods, or are characterized by terms such as “expect”, “forecast”, “predict”, “intend”, “plan”, “estimate” and “anticipate”. Forward-looking statements are connected with risks and uncertainties. Many of these risks and uncertainties are determined by factors that are not subject to the 2G Group’s influence. As a consequence, actual results can differ significantly from those described below.

A. The 2G Group

Operating activities and corporate structure

The 2G Energy AG Group is an internationally leading manufacturer and provider of decentralized energy supply systems. The company develops, produces and installs comprehensive solutions in the growing market for highly efficient combined heat and power (CHP) systems and large heat pumps. The digital grid integration and system control of both energy generation types are further decisive performance criteria, as well as the service and maintenance offerings. The product range includes CHP systems from 20 to 4,500 kW electrical output suitable for operation with hydrogen, natural gas, biogas, as well as other lean gases, in addition to large heat pumps in the range from 200 to 2,600 kW. All these systems operate highly efficiently, conserve resources, and reduce or neutralize emissions of climate-damaging CO_2 or NO_x thanks to combined power generation, a variety of digital and mechanical innovations in the power generation process, as well as advanced, state-of-the-art exhaust gas purification systems. 2G is constantly expanding its technologies through continuous research and development work – both in power plant and pump technologies, as well as in specific software development for service and maintenance activities and complex digital control.

Across the globe, more than 8,500 installed 2G systems are active in a wide range of application scenarios, serving a wide range of customers with electrical and thermal energy. The customer roster comprises companies in the housing sector, the agricultural sector, as well as industrial and commercial enterprises, energy suppliers, utilities and municipalities.

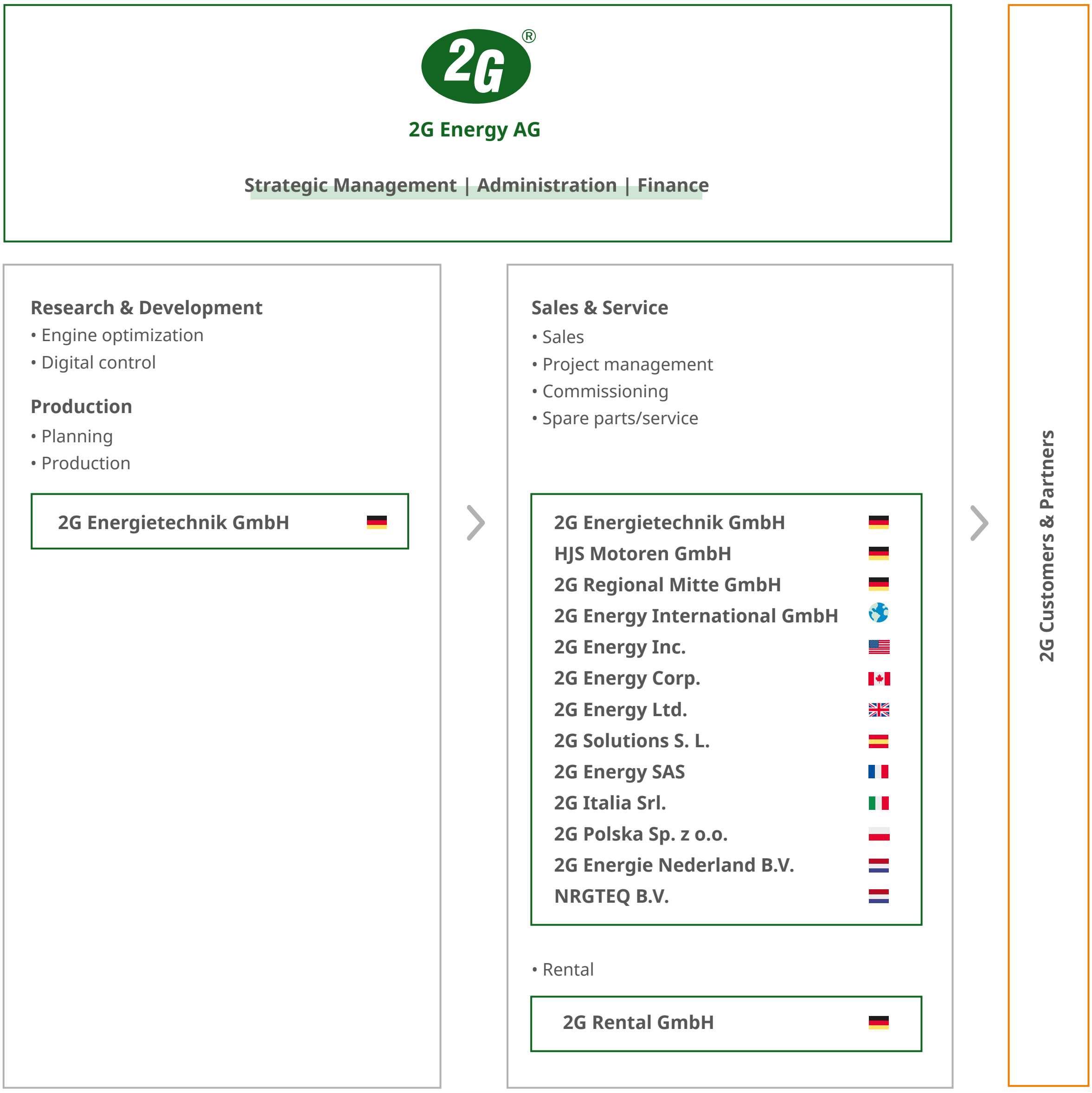


Diagram 1: 2G Energy AG corporate structure, subsidiaries' business purposes and value chain (as of June 30, 2024)

2G Energy AG is structured as a holding company combining fourteen operating subsidiaries under its management. 2G Energietechnik GmbH (2GE), based at the Group headquarters in Heek, in Germany's western Münster region, represents the main operating entity. The company combines the planning, production, commissioning and ongoing maintenance and service of 2G systems. Moreover, 2GE operates dependent branches in Griesstätt near Munich, in Hamburg, and in Kabelsketal near Halle/Saale. Currently there are no other branches.

Outside of Germany, 2G is represented by independent sales and service companies in the USA, Canada, France, the UK, Italy, Poland and the Netherlands. 2G Energy International GmbH, based in Heek, is responsible for international sales in all other countries. By way of sales cooperations, significant conurbations and industrial markets are tapped and developed in Eastern Europe, Japan, Southeast Asia and Australia.

B. Economic and business environment

Global economy showing moderate recovery trends

According to the economic report published by the Kiel Institute for the World Economy (IfW) in mid-June 2024, the global economy expanded at a moderate pace, in connection with narrowing differences in economic momentum between the advanced economies. While the strong economy in the United States lost momentum, following a period of stagnation, the economy in Europe picked up noticeably. Production also advanced in China, although private domestic demand remained subdued.

According to the IfW, the European economy picked up noticeably in the first six months of 2024 after a period of stagnation. Exports and a rise in private consumption in the face of rising real wages made a significant contribution to these developments. Investments declined slightly due to high financing costs. However, the ECB began to ease its restrictive monetary policy at the beginning of June with an initial interest rate cut.

The German economy started the year somewhat more dynamically than the IfW had assumed in the previous quarter. The main impetus for expansion emanated from international business. Construction activity, however, remains in the doldrums. Corporate investment was also weak and has now fallen significantly for two quarters in a row. They continue to be burdened by increased political uncertainty.

According to the VDMA, the reporting period was characterized by a disappointing order intake. This reflects the still pronounced investment weakness of domestic customers, while the decline abroad is more attributable to the usual fluctuations on a monthly basis, according to the association. With regard to the first half of 2024, the German mechanical and plant engineering sector reported a year-on-year decline in order intake of 12% in real terms. Domestic orders fell by 18%, while orders from abroad were down by 9% (euro countries: -14%, non-euro countries: -7%).

Sector developments remain regionally heterogeneous

In the first half of 2024, the order intake for gas-powered CHP systems varied greatly from region to region. In many regions, the economic downturn and widespread uncertainty about the shape and design of the energy transition and the reduction of greenhouse gases were tangible for 2G. In Germany, too, the uncertainty that had recently put a significant damper on investment due to the unresolved power plant strategy, the upcoming amendment to the CHP Act and other energy policy legislation was slow to dissipate. Thanks to extensive sales activities, however, incoming orders in the domestic market were up by 10.2% year-on-year to EUR 42.4 million. 2G was able to convince many decision-makers with its portfolio of flexible and efficient power plant technologies, low GHG emissions and system and service offerings. We have also gained the impression that decision-makers are beginning to realize that investments in decentralized generation capacities will help to preventively bridge the emerging electricity shortage gap, at least for their own area of responsibility.

In France, incoming orders came to a virtual standstill. The country has overcome its electricity supply bottlenecks by renewing and extending the service lifecycles of its nuclear power plants, which has led above all to a significant decline in electricity prices and consequently to a reluctance to invest in alternative types of generation. In the UK, incoming orders dropped by around 20% to EUR 5.7 million, in particular due to delays in network approvals. In Italy, on the other hand, 2G recorded a significant increase in incoming orders of EUR 1.9 million to EUR 3.1 million, as the regulatory environment in the bioenergy sector continued to improve. In Eastern Europe, the move away from coal-fired power plants is gaining momentum – with the aid of substantial EU subsidies – and investments are being committed to energy efficiency measures and new, decentralized generation units. This is establishing an attractive order intake for 2G matched by continuous growth rates.

In America, the markets are showing increasing dynamics. The US market overcame the restraint that prevailed in the previous year and put in noticeable growth. The improved framework conditions for investments in climate-friendly energy generation and hydrogen technology brought about by the Inflation Reduction Act (IRA) are now taking full effect and – in conjunction with an even stronger 2G sales team – have resulted in a quadrupling of incoming orders to EUR 22.0 million in the reporting period.

Business in Asia was characterized by restraint in the first half of the year. In many cases, weak economic developments and long project lead times led to a very subdued order intake overall. In Japan, order intake contracted by almost 65% to EUR 1.5 million and in the rest of Asia and Australia by around 60% to also EUR 1.5 million.

Weathering a challenging global environment, 2G Energy performed well in the first half of 2024. The company benefited from the diversity of its product and customer portfolio as well as from its international positioning involving the partner concept, which is reflected in the rising share of abroad. In the reporting period, the share was 54.6%, compared to 50.5% in the previous year. This underlines once again: with the help of our partner concept, we have not only emancipated ourselves from our home market of Germany, but we are also now expanding our sales territory beyond the markets of the G7. In the first half of 2024 incoming orders overall were up by 20.3% to EUR 93.3 million (H1 2023: EUR 77.6 million). The order backlog remains high, the service business is expanding, and the project pipeline is very well filled.

Economic efficiency of CHP systems convincing – also in volatile environments

Ensuring secure energy supplies while decarbonizing energy generation at the same time is not an easy task – neither for nations nor for companies. Extremely volatile energy prices, dependencies on individual primary energy supplying countries and complex legislative processes leading to new energy market structures have made this more than evident in recent years. Against this backdrop, the interest in efficient, decentralized 2G energy generation systems has increased significantly. Supply security, cost-efficiency and sustainability are the focus of many consumers. To date, only fuel-variable CHP systems meet this target triangle. They can also be manufactured rapidly, and – thanks to 2G's containerized plug-and-play design – are likewise quick to install. Already technologically geared towards zero emissions, they work symbiotically with PV systems and heat pumps in the annual cycle when equipped with the appropriate system control from 2G, while integrating conveniently into the existing grid infrastructures and working in a grid-friendly manner in controlled and/or residual operation.

By opting for gas-fired CHP systems, our customers are investing in greater supply independence, a sounder calculation basis, highly efficient generation technology, lower CO_2 emissions and, ultimately, lower energy costs.

The difference between the price of natural gas and electricity, the so-called spark spread, and the price level represent the decisive factors for the profitability of natural gas-fired CHP systems – and they had a positive impact on the profitability of the systems in the reporting period.

The price of natural gas, as measured by the Dutch TTF Natural Gas Forward, trended up slightly by 6% to EUR 34/MWh in the first half of 2024. At an average price of EUR 29.67/MWh, however, the price of natural gas was recorded at around a third lower than in the same prior year period (EUR 43.98/MWh). This continued price decline is due to the mild weather, high storage levels at the beginning of the year, increased natural gas production, particularly in the USA, and weaker demand resulting from the subdued economy.

Dutch TTF Natural Gas Forward, January 2023 to August 2024 in Euros/ MWh

Diagram 2: Dutch TTF Natural Gas Forward, January 2023 to August 2024, in Euros/MWh
Source: M.M.Warburg & CO, 2G calculations, August 2024

The price of electricity also decreased significantly in the 2024 period under review. According to the BDEW, the average electricity price for small to medium-sized industrial companies (including electricity tax) stood at 16.65 ct/kWh. This corresponds to a decrease of 7.81 ct/kWh or 31.9% compared to the average value of 24.46 ct/kWh for the previous full year.

In connection with the slightly disproportionate decline in natural gas prices, the spark spread remained at a stable level and the economic viability of natural gas CHP systems remained attractive.

First orders gained for large heat pumps and Green Cubes

With the takeover of the Dutch company NRGTEQ and the further development of large heat pumps to a thermal output of 100 kW and up to 2,600 kW, 2G expanded its business model last year to include system solutions for the heating transition. The efficient large heat pumps are particularly suitable for application scenarios within the context of municipal heating planning, for industrial space and process heat and for the supply of heat to residential buildings. The first orders for heat pumps were already gained during the reporting period. At the beginning of April, 2G also received its first order for the delivery of a combination of a 2G CHP system and a 2G heat pump. The combination of systems commissioned will supply an existing local heating network serving around 250 rural customers. The CHP system's electrical output of 1,560 kW significantly exceeds the heat pump's total electrical power consumption of 312 kW, meaning that operators can always reliably and economically meet their heating supply obligations. At the same time, it opens up attractive potential for supplying base and peak loads at times of high prices on the electricity exchange.

The first half of 2024 in overview

Overall, 2G generated sales revenues of EUR 131.2 million as of 30/06/2024 (H1 2023: EUR 135.5 million). The following table provides an overview of the distribution of revenues:

Breakdown of sales revenues*

	1st half year 2024				1st half year 2023			
	CHP systems	Service	Total	Share	CHP systems	Service	Total	Share
Net sales, in EUR millions	**53.2**	**77.9**	**131.2**	**100.0%**	**58.7**	**76.9**	**135.5**	**100.0%**
Germany	24.5	53.8	78.3	59.7%	32.0	51.8	83.8	61.8%
Rest of Europe	10.4	16.6	27.0	20.6%	16.3	16.4	32.8	24.2%
North/Central America	7.1	4.5	11.6	8.9%	6.1	4.7	10.8	8.0%
Asia/Australia	1.4	1.4	2.7	2.1%	1.4	1.0	2.4	1.7%
Rest of the world	9.8	1.6	11.5	8.7%	2.8	3.0	5.8	4.3%

* Rounding differences can arise

Changes versus the previous year*

	Absolute (in million EUR)			in %		
	CHP systems	Service	Total	CHP systems	Service	Total
Net sales, in EUR millions	**-5.5**	**1.1**	**-4.4**	**-9.3**	**1.4**	**-3.2**
Germany	-7.5	2.1	-5.4	-23.4	4.0	-6.5
Rest of Europe	-5.9	0.1	-5.8	-36.1	0.8	-17.6
North/Central America	1.0	-0.2	0.8	16.1	-4.5	7.2
Asia/Australia	0.0	0.4	0.4	-2.5	43.1	16.0
Rest of the world	7.0	-1.3	5.7	248.5	-44.5	98.0

* Rounding differences can arise

C. Results of operations

At the end of the first half year, consolidated revenue still stands around 3.2% below the figure for the previous year. While the service business grew slightly (EUR +1.1 million or +1.4%), factory output in the second quarter was temporarily marked by lower utilization of production capacity.

As of the half-year reporting date, revenues from new systems business (EUR 53.2 million, -9.3%) and total operating revenue (EUR 150.3 million, -9.6%) were recorded correspondingly below the figures for the previous year. Finished goods and work in progress increased by EUR 19.1 million in the reporting period (H1 2023: increase of EUR 30.7 million).

In line with the decrease in total operating revenue, the cost of materials fell from

EUR 112.4 million to EUR 93.1 million. In the process, the cost of materials ratio improved significantly from 67.6 to 62.0%. The expected normalization of the ratio of input prices to list prices thus made an impact in the first half of the year. Added to this is the fact that in response to a temporary reduction in capacity utilization, the employment of temporary workers and contract staff was disproportionately reduced, thereby cutting the cost of purchased services. This was offset by a significant increase in the personnel expenses ratio (23.9%; previous year: 19.4%). The general inflation-related rise in wages and salaries made its presence felt, as did the further expansion of company structures for the intended growth in the coming years. The personnel expenses ratio also rises naturally due to the reduced employment of temporary staff and contract workers.

Depreciation and amortization increased year on year by a significant EUR 0.8 million, rising to EUR 3.3 million. This increase results in full from the amortization of goodwill associated with the acquisition of NRGTEQ B.V. as of 09/01/2023.

Other operating expenses were down by 2.0% to EUR 16.0 million. In particular, expenses from currency translation, bad debts and transfers to the provision for warranties fell by comparison with the previous year.

As of the half-year reporting date, 2G reported EBIT of EUR 4.1 million (H1 2023: EUR 4.1 million) corresponding to an EBIT margin of 3.1% (H1 2023: 3.0%). Following the financial result of EUR -0.2 million (H1 2023: EUR -0.2 million) and income tax expenses of EUR 1.2 million (H1 2023: EUR 1.3 million), this results in consolidated half-year net income of EUR 2.7 million (H1 2023: EUR 2.7 million).

D. Financial position

Cash flow statement*

		30/06/2024	30/06/2023
		TEUR	TEUR
	EBIT	**4,075**	**4,128**
+	Depreciation, amortization and extraordinary write-downs on fixed assets	3,283	2,440
=	**EBITDA**	**7,358**	**6,569**
±	Cash flow from change in net working capital	4,689	1,184
±	Change in other provisions	2,171	-692
±	Change in other assets as well as miscellaneous assets that cannot be allocated to investing or financing activities	-1,225	-2,450
±	Change in other liabilities as well as miscellaneous liabilities that are not allocable to investing or financing activities	-4,045	-3,417
±	Loss/gain from fixed asset disposals	-60	69
±	Result from associated companies	36	30
-	Income tax payments	-4,086	-1,158
=	**Cash flow from operating activities**	**4,837**	**136**
	Cash flow from investing activities	**-4,437**	**-3,692**
	Cash flow from financing activities	**-3,740**	**-3,725**
	Cash and cash equivalents as of June 30	**9,091**	**5,893**

* Rounding differences can arise

Operating cash flow stood at EUR 4.8 million in the first half of the year, significantly above the figure for the previous year of EUR 0.1 million. This development is essentially due to the significant reduction in net working capital (EUR -4.7 million; previous year: EUR -1.2 million). The primary reason for this was an appreciable rise in advance payments received (EUR +25.2 million) which compensated the rise in raw materials and supplies as well as work in progress (EUR +24.0 million). In addition, we succeeded in reducing trade receivables by EUR 8.5 million in the first half of the year.

An amount of around EUR 4.2 million (H1 2023: EUR 3.7 million) was invested in tangible fixed assets and intangible assets as part of investing activities. In this context, 2G Energietechnik GmbH spent around EUR 1.2 million on new vehicles, EUR 0.3 million on general fixtures, furniture and office equipment and EUR 0.1 million on tools and IT equipment. 2G Energy Ltd.

also invested around EUR 0.2 million in new vehicles. In the first half of the year, 2G Energy AG invested around EUR 0.5 million in the new multi-purpose building at the company's facility in Heek, as well as in expanding offices and an office container unit. Moreover, a sum of EUR 1.0 million was spent in connection with the global ERP project, in addition to EUR 0.6 million on a subsequent purchase price obligation towards the former owner of HJS Motoren GmbH.

An amount of EUR 1.3 million was spent on the repayment of financial liabilities as part of financing activities. In addition, a dividend totaling EUR 3.0 million was distributed in June. These cash outflows were offset by new loans taken out to refinance fleet investments in an amount of EUR 0.9 million. After interest payments of EUR 0.3 million, the cash flow from financing activities amounted to EUR -3.7 million.

Finally, liquidity in the form of bank deposits (less short-term current account drawdowns) amounted to EUR 9.1 million as of 30/06/2024 (30/06/2023: EUR 5.9 million). Moreover, free credit lines in an amount of EUR 19.5 million were available.

E. Net assets

Overview of the net asset position of the 2G Group as of June 30, 2024:

Assets

	30/06/2024	31/12/2023
	TEUR	TEUR
A. Fixed assets	39,301	38,740
B. Current assets	189,876	185,687
C. Prepayments and accrued income	1,873	1,328
D. Deferred tax assets	1,691	1,699
Total assets	**232,741**	**227,454**

* Rounding differences can arise

Equity and liabilities

	30/06/2024	31/12/2023
	TEUR	TEUR
A. Equity	123,817	123,991
B. Provisions	24,685	24,414
C. Liabilities		
I. Bank borrowings	9,631	8,306
II. Other liabilities	74,608	70,744
Total equity and liabilities	**232,741**	**227,454**

* Rounding differences can arise

Total assets increased slightly by 2.3% or EUR 5.3 million over 31/12/2023, rising to EUR 232.7 million. This balance sheet extension is mainly due to the increase in work in progress (EUR 92.1 million; EUR +19.8 million), for which advance payments of EUR 41.7 million (EUR +13.3 million) were collected with a corresponding order reference. Receivables and other assets were reduced by EUR 6.6 million or 10.4% compared with 31/12/2023.

As of 30/06/2024, equity stood at EUR 123.8 million. The slight decline in equity is due to the dividend distribution in an amount of

EUR 3.0 million; the consolidated half-year net income (EUR 2.7 million) had a corresponding offsetting impact.

Overall statement on the business situation

Business performance in the current financial year is satisfactory overall, while interest in our CHP systems continues to remain at very high levels worldwide. The first 2G large heat pumps were already sold in the first quarter. We are experiencing lively demand in connection with the heating transition, which also extends to the 2G Green Cube, the turnkey energy center consisting of a heat pump and CHP system. On the domestic market, the sales department had carried out intensive preliminary work in the first half of the year, meaning that numerous projects are very far advanced and should materialize in the near future. Outside of Germany, there was a significant increase in incoming orders, particularly in the USA, following a period of wait-and-see, and preparations. The Eastern European markets are also recording a dynamic order intake. On the sales side, the second quarter was characterized by a temporarily slightly lower level of production capacity utilization due to delayed production releases on the part of customers. Consequently, at the half-year reporting date both sales and total operating performance were below the previous year's figures. In view of the high order backlog and the continued growth in the service business, however, the Management Board expects to achieve the communicated sales target of EUR 360 to 390 million for the year as a whole, generating an EBIT margin of between 8.5 and 10.0%.

F. Non-financial performance indicators

Pages 23 to 37 of the 2023 Annual Report (Sustainability Report) provide a presentation of non-financial performance indicators.

G. Corporate responsibility

Risk report

Pages 73 to 86 of the 2023 Annual Report provide a presentation of opportunities and risks. Compared with the assessments at that time, no significant changes have occurred that would impact on 2G Energy Group's position in terms of opportunities and risks.

H. Outlook

Subdued economic development anticipated

With a look to the current and the upcoming year, the economic experts at the IfW expect global economic expansion to continue at a moderate pace, with private consumption picking up in Europe in particular as real wages trend upwards again. In the coming year, the gradual easing of monetary policy is likely to become increasingly tangible. The regional economic gap is also likely to narrow: while the economy in the United States is losing momentum, production in Europe and Japan is expected to expand at an accelerated rate in the forecast period, according to the IfW. All in all, economic experts expect global production to rise by 3.1% in the current year and in 2025. With a look to the eurozone, however, the increase in gross domestic product (GDP) is expected to be quite weak again at an average of 0.9% in the current year and will only increase to 1.5% in 2025, which is close to potential growth. The IfW perceives risks for the global economy primarily due to the uncertainties associated with the US presidential elections, an escalation of trade conflicts and the ongoing conflicts in the Middle East.

The IfW expects the recession of the German economy to end as early as this year. Over the course of the year, rising real disposable income and the upturn in foreign business is expected to stimulate economic activity. In addition, the effects of tighter monetary policy on expansionary forces will gradually subside. There are, however, no signs of strong economic momentum. In spite of an upward trend, the business and consumer climate continues to hover at a low level. All in all, according to the IfW, GDP is likely to increase by 0.2% in the current year and by 1.1% in 2025.

In early summer 2024, the VDMA identified the first green shoots of a tentative recovery outside Europe, while early indicators in the EU are pointing downwards. Hopes are pinned on the year 2025, heralded by a possible slowdown in the decline in production and sales in the second half of 2024.

2G expects positive sales and earnings trends

We at 2G are confident that we will be able to accelerate our growth trajectory and strengthen our earnings power for at least two decisive reasons.

Fielding our product portfolio, we are addressing essential, structurally growing markets of decentralized energy generation in a dynamically changing energy market transitioning towards a largely decarbonized supply of electricity and heat. Our aim is to help shape and design this major shift and set standards ourselves. The hydrogen CHP system and the recent expansion of our product portfolio to include large heat pumps and the demand response unit are good examples of this, as outlined below.

Secondly, many countries such as Germany are under pressure to decommission coal-fired power plants in order to achieve their climate targets without jeopardizing security of supply in the face of the rising demand for electricity. In addition to the further expansion of solar and wind power, this calls for the construction of new (gas) power plant capacities. The latter are intended to flexibly compensate for any bottlenecks in electricity production from renewables that may occur, depending on the weather and daily fluctuations. The Federal Network Agency has calculated that Germany alone will need new capacity of 25 GW by the year 2030. These remaining five years, however, are too short to plan, approve and ultimately build and commission conventional, large-scale natural gas-fired power plants. In view of this fact, we assume that in future, the large utilities will also increasingly rely on medium-sized, engine-driven, hydrogen-capable power plants in order to be able to submit concrete plans for the first 10 GW to be put out to tender by the Federal Network Agency. We will be able to participate in this market, given that 2G has the right CHP portfolio in place, as well as our ability to deliver large quantities quickly, i.e. within a few months.

Green Cube supplying highly flexible electricity and heat

It is not only the much-discussed shutdowns and the rebuilding of electrical base load capacities that provide additional growth opportunities for 2G, given that heat supplies must also be decarbonized. We are convinced that decentralized structures will also prevail here as well. In order to strengthen our position in the market for decentralized system solutions for energy supply, we have combined our large heat pumps with our CHP systems and launched them as an independent product.

With the Green Cube, 2G has further developed the task scope of secure, climate-friendly energy supplies as an efficient combination of both technologies. The Green Cube is a modularly configurable standard product that can be tailored to individual customer needs, often local authorities, and integrates existing environmental heat sources, existing wind and solar parks, bioenergy and optional storage. In this way, we are offering our customers a complete turnkey solution that matches decarbonization targets with a secure and cost-efficient supply of heat and electricity. As a standardized container solution, we are able to create complete energy centers within a few months and install them at the customer's premises: large heat pump, CHP system, heat storage and control systems – all from a single source. These are the best prerequisites for accelerating the energy transition by way of an intelligent standard product and the potentials on site with the plug-and-play solution from 2G as part of municipal heating planning.

Market launch of the demand response unit – initially for the American market

With the demand-response genset, 2G will launch another new product type – initially on the American market. This natural gas-powered genset for covering peak loads in electricity generation is positioned between a classic CHP system and an emergency power generator. On the one hand, demand response aggregates cover grid replacement functions. Given the increasing unreliability of the general power supply in the USA, demand is high. On the other hand, independent energy service providers provide generation capacity to the grid at times of peak demand and generate additional income through this system service. We want to and will serve these two market segments with the demand response aggregate. In our opinion, the American market is very receptive to high-quality units that can reliably meet the especially high technical requirements.

Essentially, this relates to the requirements to guarantee load activation within less than 10 seconds, at 100% of the power demanded: the control technology, turbocharging and cylinder heads must be designed to withstand the corresponding loads and operate smoothly and free of malfunctioning. Thanks to our engine expertise and many years of development know-how, we have brought a 12-cylinder engine with 650 kW to market maturity, which we will be offering on the American market. Market surveys assume that an additional 38 GW of electrical output will be installed in the USA alone by 2028 to cover peak loads, primarily in data centers and industrial operations. As far as 2G is concerned, this is a standardized, high-volume product business in which we can leverage our technical expertise in gas engine configuration against the competition. The demand response aggregate holds market potential in many countries that are restructuring their electricity markets. At the same time, this will enable us to disproportionately increase the number of raw engines purchased from central manufacturers – to the benefit of both sides.

Management Board confirms the 2024 sales and earnings forecast

Fielding its expanded product portfolio, 2G regards itself as well positioned in terms of strategy and products. We will be able to participate decidedly in the market drivers of the energy transition on an international level. The prospects for further growth are sound, and the heating transition is finally moving more into the focus of energy policy. In operational terms, we anticipate a further increase in demand emanating from Germany and abroad, while sufficient production capacity is available. The order backlog at the end of the first half of the year remained comfortably above EUR 190 million and reached the previous peak from the end of June 2022 (EUR 220.8 million) by the end of August. With our Lead to Lean, Partner Concept, Digitalization and Innovation flagship projects, we are continuing to work on division of labor-based, quality-oriented and efficient production and administrative processes, as well as the expansion of international sales and the improvement of the efficiency and integration capability of our products and service offerings. The Service division, which recently accounted for around 45% of sales, also ensures a high degree of economic independence and generates stable, high-margin income.

At the end of August, the Management Board most recently confirmed the sales and earnings forecast for fiscal 2024. The company is expected to generate sales of EUR 360 to 390 million and an EBIT margin of 8.5% to 10%. The intact structural growth drivers for the national and international CHP business and decentralized system solutions give rise to optimism for the coming years, so that the Executive Board specified the range for 2025 at the end of August to between EUR 410 million and EUR 450 million, thereby raising the lower end of the sales forecast (previously: sales between EUR 390 million and EUR 450 million). Based on efficiency gains from the lead projects, margin contributions from the service business, and cost degression in the production area, we expect to increase the Group's EBIT margin to a level of 8.5% to 10%.

Heek, September 2024
2G Energy AG

Christian Grotholt
Management Board Chairman
(CEO)

Ludger Holtkamp
Management Board
member

Friedrich Pehle
Management Board
member

Frank Grewe
Management Board
member

Foreword of the Management Board

2G Energy AG share

1st half year 2024

Group management report

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Consolidated balance sheet

Assets

	30/06/2024 EUR	31/12/2023 EUR
A. Fixed assets		
I. Intangible fixed assets		
Purchased concessions, industrial property rights and similar rights and assets, and licenses to such rights and assets	867,808.71	990,737.62
Goodwill	5,815,474.40	6,863,319.50
Prepayments rendered on intangible assets	3,617,417.22	2,409,897.55
	10,300,700.33	**10,263,954.67**
II. Tangible fixed assets		
Land, land rights and buildings, including buildings on third-party land	14,816,701.95	14,777,579.10
Plants and machinery	859,836.77	924,951.31
Other factory and office equipments	12,204,538.77	11,904,370.54
Prepayments rendered and plants under construction	1,042,097.23	755,369.59
	28,923,174.72	**28,362,270.54**
III. Financial fixed assets		
Shares or participating interests in associated companies	67,254.98	103,346.15
Participating interests	10,000.00	10,000.00
	77,254.98	**113,346.15**
	39,301,130.03	**38,739,571.36**
B. Current assets		
I. Inventories		
Raw materials and supplies	66,406,261.80	62,155,789.89
Work in progress	92,080,463.06	72,293,300.80
Prepayments rendered on inventories	5,231,916.31	3,713,649.15
Prepayments received for orders	-41,658,775.42	-28,370,749.64
	122,059,865.75	**109,791,990.20**
II. Receivables and other assets		
Trade receivables	50,091,667.11	58,548,850.76
Receiveables from companies in which participations are held	670,000.13	822,796.54
Other assets	5,975,156.49	3,958,484.82
	56,736,823.73	**63,330,132.12**

Assets

	30/06/2024	31/12/2023
	EUR	EUR
III. Cash in hand, Federal Bank balances, bank balances and checks	11,079,249.46	12,565,221.34
	189,875,938.94	**185,687,343.66**
C. Deferred prepayments and accrued income	**1,873,417.48**	**1,328,216.97**
D. Deferred tax assets	**1,690,709.21**	**1,698,864.47**
Total	**232,741,195.66**	**227,453,996.46**

Equity and liabilities

	30/06/2024	31/12/2023
	EUR	EUR
A. Equity		
I. Subscribed share capital (or called-up capital)	17,940,000.00	17,940,000.00
II. Capital reserve	2,983,300.00	2,983,300.00
III. Other retained earnings	89,873,825.07	79,342,183.05
IV. Accumulated profit/loss	13,679,353.79	24,564,950.07
V. Minority interests	-6,177.68	2,078.81
VI. Equity difference from currency translation	-652,892.85	-841,980.60
	123,817,408.33	**123,990,531.33**
B. Provisions		
Tax provisions	4,120,882.57	6,020,627.91
Other provisions	20,563,772.71	18,392,964.03
	24,684,655.28	**24,413,591.94**
C. Liabilities		
Bank borrowings	9,631,367.35	8,306,085.97
Prepayments received for orders	52,326,768.66	40,387,364.39
Trade payables	13,461,215.09	17,089,287.41
Liabilities to companies in which participations are held	23,282.32	24,059.77
Other liabilities	8,796,498.63	13,243,075.65
	84,239,132.05	**79,049,873.19**
Total	**232,741,195.66**	**227,453,996.46**

Consolidated profit and loss account

	01/01/ to 30/06/2024	01/01/ to 30/06/2023	01/01/ to 31/12/2023
	EUR	EUR	EUR
Net sales	**131,167,963.75**	**135,543,522.54**	**365,064,718.49**
Decrease in work in progress and finished goods	19,126,670.79	30,722,771.79	5,753,654.33
Other own work capitalized	0.00	0.00	209,616.36
	150,294,634.54	**166,266,294.33**	**371,027,989.18**
Other operating income	2,137,782.62	1,449,264.96	3,084,721.35
	152,432,417.16	**167,715,559.29**	**374,112,710.53**
Costs of materials			
a) Costs of raw materials and supplies, and for purchased merchandise	-71,741,289.87	-88,377,025.98	-191,846,934.08
b) Costs of purchased services	-21,359,791.31	-24,050,874.17	-46,454,425.91
	-93,101,081.18	**-112,427,900.15**	**-238,301,359.99**
Personnel costs			
a) Wages and salaries	-29,988,530.96	-27,087,054.17	-53,889,252.27
b) Social security, pensions and other benefits	-5,857,582.68	-5,185,120.51	-10,450,408.72
	-35,846,113.64	**-32,272,174.68**	**-64,339,660.99**
Depreciation and amortization	-3,283,043.43	-2,440,488.48	-6,657,857.79
Other operating expenses	-15,988,563.61	-16,319,512.56	-36,902,965.43
Income from associated companies	-36,091.17	-30,120.48	-72,348.71
Income from participating interests	1,500.00	2,000.00	2,000.00
Other interest and similar income	110,058.55	57,901.91	54,958.49
Interest and similar expenses	-310,343.44	-234,702.37	-620,675.06
Taxes on income	-1,186,686.00	-1,274,199.79	-9,086,439.89
Profit after tax	**2,792,053.24**	**2,776,362.69**	**18,188,361.16**
Other taxes	-104,463.99	-99,092.46	-199,999.84
Consolidated profit for the year	**2,687,589.25**	**2,677,270.23**	**17,988,361.32**
Profit/loss attributable to non-controlling interests	8,256.49	-53,298.30	-38,576.96
Consolidated net profit	**2,695,845.74**	**2,623,971.93**	**17,949,784.36**
Profit/loss carryforward from the previous year	10,983,508.05	6,615,165.71	6,615,165.71
Consolidated net income	**13,679,353.79**	**9,239,137.64**	**24,564,950.07**

Derivation of EBIT

		01/01/ to 30/06/2024	01/01/ to 30/06/2023	01/01/ to 31/12/2023
		EUR	EUR	EUR
	Consolidated profit for the year	**2,687,589.25**	**2,677,270.23**	**17,988,361.32**
+	Extraordinary result	1,186,686.00	1,274,199.79	9,086,439.89
+	Interest and similar expenses	310,343.44	234,702.37	620,675.06
-	Other interest and similar income	-110,058.55	-57,901.91	-54,958.49
=	**Earnings before interest and tax (EBIT)**	**4,074,560.14**	**4,128,270.48**	**27,640,517.78**

Notes to the consolidated financial statements

A. General information about the consolidated statements

1. Basic information

2G Energy AG is a public limited company under German law. The company's shares are listed on the trading segment Scale, a part of the Open Market (Regulated Unofficial Market) of the Frankfurt Stock Exchange (FWB), as operated by Deutsche Börse AG, which is consequently not an organized market.

The company is entered in the commercial register of the Coesfeld District Court (commercial register sheet number B 11081), and has its headquarters at Benzstrasse 3, 48619 Heek, Germany.

2G Energy AG prepares the consolidated financial statements for the largest as well as the smallest group of companies.

These consolidated financial statements of 2G Energy AG represent the reporting period from January 1 to June 30, 2024. Last years' figures relate to the balance sheet at the end of the previous year (December 31, 2023) as well as the profit and loss account of the corresponding prior fiscal year period (January 1 to June 30, 2023).

The interim financial statements and the interim management report as at June 30, 2024 have not been audited in accordance with Section 317 of the German Commercial Code (HGB) and have not been reviewed by an external auditor. The consolidated financial statements and the management report of the company as at December 31, 2023 were audited by an auditor in accordance with Section 317 of the German Commercial Code (HGB) and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW) and have been issued an unqualified opinion.

2. Line of business

The purpose of the group is the planning, sale, production, installation, servicing and maintenance of systems for the generation, efficient use and storage of electrical and thermal energy from gas, hydrogen and other energy sources.

3. Accounting policies

The consolidated financial statements of 2G Energy AG were prepared in accordance with Section 290 et seq. of the German Commercial Code (HGB) and the supplementary regulations of the German Stock Corporation Act (AktG).

The regulations for public limited companies in the meaning of Section 264 et seq. of the German Commercial Code (HGB), the relevant provisions of the German Stock Corporation Act (AktG), and the provisions pursuant to Section 290 et seq. of the German Commercial Code (HGB) in relation to consolidated financial statements apply to the Group's accounting procedures.

The Group's functional currency is the euro. All amounts are consequently presented in euros or thousands of euros (TEUR). Foreign companies' balance sheet items as well as foreign currency transactions in the trade balance II are translated at the respective exchange rate on the balance sheet date (closing rate). Equity items are translated at historical rates. Cost and income items are translated at average rates for the year related to the financial year (annual average rate).

	Closing rate		Annual average rate	
	30/06/2024	31/12/2023	01/01/ to 30/06/2024	01/01/ to 30/06/2023
Country/Currency per currency unit				
Great Britain/Pound (GBP)	0.84638	0.86905	0.85455	0.87640
USA/Dollar (USD)	1.07050	1.10500	1.08118	1.08070
Poland / Złoty (PLN)	4.30900	4.33950	4.31674	4.62440
Canada/Dollar (CAD)	1.46700	1.46420	1.46853	1.45650

Currency translation differences arising from the translation of financial statements denominated in foreign currencies and from foreign exchange transactions in the commercial balance sheet II are recognized directly in equity under equity difference from currency translation.

B. Consolidation methods

1. Consolidation scope and shareholdings

The financial statements of the following subsidiary companies are included in the consolidated financial statements of 2G Energy AG (parent company):

Subsidiary

	Share	Subscribed capital in TEUR	Equity in TEUR*	Profit/loss for year in TEUR*	Initial consolidation
2G Energietechnik GmbH Heek, Germany***	100%	1,000	7,528	0	30/06/2007
2G Rental GmbH, Heek, Germany	100%	50	1,358	139	31/12/2014
2G Energy International GmbH, Heek, Germany	100%	25	802	389	01/04/2021
HJS Motoren GmbH, Amtzell, Germany	100%	25	3,991	665	01/06/2021
2G Regional Mitte GmbH, Schweinfurt, Germany	100%	25	35	-44	01/01/2022
2G Solutions of Cogeneration S.L., Vic Barcelona, Spain	90%	3	-62	-83	31/01/2008
2G Energie SAS, Sainte-Luce-sur-Loire (Nantes), France	100%	200	6,651	629	24/08/2016
2G Italia Srl, Vago di Lavagno (Verona), Italy	100%	10	284	-407	15/03/2011
2G Energie Nederland B.V., Oldenzaal, Netherlands	100%	25	4	-5	01/01/2023
NRGTEQ B.V., Rosmalen, Netherlands	100%	18	510	58	01/09/2023
2G Energy Ltd., Cheshire, United Kingdom**	100%	1	8,714	1,509	19/09/2011
2G Polska Sp. z o.o., Bielsko-Biała, Poland**	100%	1	-312	-138	07/11/2011
2G Energy Inc., St. Augustine (FL), USA**	100%	1	-1,478	-1,810	27/02/2012
2G Energy Corp., Fergus (ON), Canada**	100%	205	643	-358	01/01/2019

* Equity and profit/loss for the year are taken from the annual financial statements prepared for consolidation purposes (so-called HB-II)
** Converted at reporting date's exchange rate
*** Annual result after profit and loss transfer

The following associated companies are accounted using the at-equity method:

Subsidiary

	Share	Subscribed Capital in TEUR	Equity in TEUR*	Profit/loss for year in TEUR*
KWK-tec GmbH, Mendig, Germany	40%	25	311	12

* Equity and profit/loss for the year are taken from the annual financial statements prepared for consolidation purposes (so-called HB-II)

The purpose of the subsidiaries 2G Energietechnik GmbH, 2G Solutions of Cogeneration S.L., 2G Energie SAS, 2G Italia Srl, 2G Energie Nederland B.V., 2G Energy Ltd., 2G Polska Sp. z o.o., 2G Energy Inc. and 2G Energy Corp. is the planning and construction of plants for the generation, use and storage of electrical and thermal energy from gas, hydrogen and other energy sources, the trading of components for these plants and the associated services.

In addition, the purpose of the subsidiary company 2G Energietechnik GmbH is the optimization of core engines for the use as gas engines, and to manufacture and market Otto spark-ignition gas engines.

The purpose of the subsidiary company 2G Rental GmbH is to trade in, and rent, combined heat and power systems as well as large heat pumps.

The purpose of the subsidiary 2G Energy International GmbH is the international market development and support as well as the distribution of combined heat and power plants as well as large heat pumps.

The purpose of HJS Motoren GmbH is the development, sales and service of combined heat and power systems.

The purpose of 2G Regional Mitte GmbH (formerly: SenerTec-Center GmbH) and KWK-tec GmbH is primarily the sale of all types of energy technology systems.

The purpose of NRGTEQ B.V. is the development, manufacture and sale of large heat pumps.

All of the companies are included as subsidiaries in the consolidated financial statements due to the parent company owning the majority of their voting rights. Associated companies are accounted for using the equity method, in line with the option for joint ventures under Section 312 of the German Commercial Code (HGB).

2G-SPE-1, LLC, San Juan, Puerto Rico, was not included in the consolidated financial statements due to its minor significance for the presentation of a true image of the Group's net assets, financial position, and results of operations.

2. Consolidation methods applied

Closing date for consolidated financial statements and companies included in the consolidation scope

The consolidated financial statements are based on the separate financial statements of 2G Energy AG and the financial statements of the subsidiaries included in the consolidation scope. The financial statements are prepared as of the June 30, 2024, closing date.

Capital consolidation

Capital is consolidated according to the revaluation method pursuant to Section 301 (1) of the German Commercial Code (HGB). All balance sheet items at subsidiary level are recognized at fair value on the first-time consolidation date. Share acquisition costs are offset subsequently against revalued proportionate equity. The remaining difference from capital consolidation (goodwill) is capitalized and amortized on a straight-line basis over the expected useful life of 8 years in accordance with Section 309 (1) of the German Commercial Code (HGB). The amortization period is based on the life cycle of the products.

In deviation, the goodwill on the shares in 2G Energietechnik GmbH is amortized on a straight-line basis over the expected useful life of 20 years, as it relates to the sustainable core business activities of 2G Energy AG.

In deviation from this, the goodwill on the shares in NRGTEQ B.V. is amortized on a straight-line basis over the expected useful life of 3 years, as it relates in particular to the know-how of the management and employees as well as existing contractual relationships with them. Interests in subsidiaries which are included in the consolidated financial statements, but which are not held by 2G, are reported as minority interests.

Consolidation of liabilities

Liabilities are consolidated pursuant to Section 303 (1) of the German Commercial Code (HGB). Accordingly, prepayments rendered and other receivables, provisions and liabilities between the companies included in the consolidated financial statements are to be eliminated. Offsetting differences in connection with the consolidation of liabilities are recognized through profit or loss if they comprise year-on-year changes. Otherwise, they are recognized directly in equity. Minor offsetting differences were recognized in the reporting year.

Currency translation differences as part of the consolidation of liabilities are recognized without impact on the profit and loss accounts directly in equity as equity differences from currency translation.

Treatment of unrealized results of intragroup transactions

Unrealized results of intragroup transactions are eliminated pursuant to Section 304 (1) of the German Commercial Code (HGB). Accordingly, assets that are based fully or partly on deliveries or services between the companies included in the consolidated financial statements must be recognized at the amount at which they could be recognized in the annual balance sheet for the respective company prepared on the closing date of the consolidated financial statements, if the companies included in the consolidated financial statement were also to form a single entity in legal terms.

The consolidated profit and loss account is adjusted to reflect profit or loss contributions from intragroup transactions as part of consolidating income and expenses in accordance with Section 305 of the German Commercial Code (HGB).

Currency translation differences in the context of the elimination of interim profits are recognized in profit or loss under other operating income or expenses.

Consolidation of income and expenses

Income and expenses are consolidated in accordance with Section 305 (1) of the German Commercial Code (HGB). The purpose of this is to present only income and expenses in the consolidated profit and loss account according to type and amount that result from business relationships with third parties outside the Group. Consolidation measures exclusively comprise eliminations.

Currency translation differences arising from the consolidation of income and expenses are recognized in profit or loss under other operating income or expenses.

Equity valuation

The valuation using the equity method must be carried out if a company is to be regarded as an associated company. This means that the parent company can exercise a significant influence on the business and financial policy of the subsidiary. According with Section 311 of the German Commercial Code (HGB), such significant influence is to be assumed in the case of participations in companies and thus a valuation must be carried out "at equity".

Shares in associated companies are valued at the level of their proportioned equity plus a goodwill acquired for a consideration pursuant to Section 312 of the German Commercial Code (HGB). The equity valuation was carried out using the book value method at the time of acquisition in the consolidated financial statements.

The remaining difference (goodwill) is capitalized in the participating interest in associated companies and amortized over the expected useful life of 3 years using the straight-line method, as it represents the acquired know-how of the associated company.

C. Information about accounting policies

The individual financial statements of 2G Energy AG and its subsidiaries are prepared in accordance with standard accounting policies.

The annual financial statements of the companies included in the consolidation scope are prepared in accordance with the regulations set out in the German Commercial Code (HGB) and the respective legal form-specific regulations.

Valuation methods were applied unchanged compared with the previous year.

Valuation details are as follows:

1. Intangible fixed assets

Acquired intangible fixed assets are recognized at acquisition cost and, if they comprise depreciating assets, subject to systematic, straight-line amortization:

Intangible fixed assets

	Useful life
Software	3–5 years
Licenses	3 years
Other intangible fixed assets	3–6 years

Prepayments rendered are recognized at normal value.

2. Tangible fixed assets

Tangible fixed assets are recognized at acquisition cost and, if they are subject to wear and tear, less scheduled depreciation. Depreciation is applied straight-line according to the assets' prospective useful lives:

Tangible fixed assets

	Useful life
Buildings, indoor and outdoor facilities on own land	5–33 years
Buildings on third-party land	9–19 years
Fixtures and fittings	6–21 years
Vehicles and conveyor vehicles	6–8 years
Tools	5–13 years
Computer equipment	3–9 years
Facilities on third-party land	5–21 years
Other operating and office equipment	5–21 years

Prepayments rendered are recognized at normal value.

3. Financial fixed assets

Other participating interests are recognized at the lower of their cost or fair value on the balance sheet date in the event of permanent impairment. If the value of financial assets calculated in accordance with the principles referred to above is higher than the fair value on the balance sheet date, an extraordinary write-down is applied. If the grounds for a lower valuation no longer exist, a write-up is applied pursuant to Section 253 (5) Clause 1 of the German Commercial Code (HGB).

4. Inventories

Raw materials and supplies are recognized at the lower of cost or fair value. The lower fair value, if any, is determined using reference prices as market prices on the balance sheet date. The lower market prices are obtained from the daily rates of the procurement market. In addition, further value reductions were made for inventories of lower quality or limited marketability.

Work in progress and finished goods are recognized at the lower of cost or fair value. In addition to directly attributable specific costs of materials and production, production costs also include materials and production overheads, as well as administrative overheads to the extent that they can be allocated to production. Borrowing costs are not included in production costs.

Prepayments rendered are recognized at nominal value.

If prepayments received do not exceed the value of the work in progress, they are offset with work in progress to the level of the satisfaction amount on a project basis.

5. Receivables and other assets

Receivables and other assets are recognized at the nominal value. Appropriate specific valuation allowances are applied to risky items. General default and credit risk is reflected through general valuation allowance.

In principle, revenues are realized with the customer accepts of the work or in the event of a delay in acceptance. If acceptance is with reservations, the transfer of risk and thus the realization of revenue will be assessed on a case-by-case basis in an overall assessment of the circumstances. A reservation of acceptance of a work ready for acceptance, in which the essential opportunities and risks are transferred to the buyer, does not fundamentally change the fact of acceptance and the associated consequences. Under the mentioned premises, acceptance subject to reservation is thus also considered to be realized in individual cases.

6. Cash in hand and bank balances

Cash in hand and bank balances are measured at nominal value.

7. Prepayments and accrued income

Prepayments and accrued income relate to expenditures prior to the balance sheet date to the extent that they represent expenses for a specific period after that date.

8. Deferred tax

Deferred tax assets and deferred tax liabilities have not been offset against each other. An average consolidated tax rate of 30% has been applied to measure deferred tax assets.

Offsetting applied as part of consolidation generates a differential amount that is to be reported as goodwill. Deferred taxes are not charged on this differential amount (German Accounting Standard (DRS) 18 Section 25).

9. Equity

Equity is measured at nominal value.

10. Tax provisions

Tax provisions are recognized at the settlement amount.

11. Other provisions

Other provisions are recognized at the settlement amounts and are created for contingent liabilities at their settlement value in accordance with reasonable commercial judgment, and taking into account all identifiable risks and contingent liabilities.

12. Liabilities

Liabilities are recognized at the settlement amount.

13. Prepayments received

Prepayments received include advance payments for new plants, and advance payments from full maintenance contracts. If prepayments received for new plants, that are recognized at the normal value, do not exceed the value of the work in progress, prepayments received are offset on a project basis with work in progress to the level of the satisfaction amount. Any surplus is reported as a prepayment received on the liabilities side of the balance sheet. Prepayments received for full maintenance contracts are accrued on a percentage of completion basis according to the specific contract. Prepayments received for full maintenance contracts are recognized in sales revenues according to percentage of completion. Any surplus prepaid amount is accrued as a prepayment received.

14. Currency translation

Items in the annual financial statements that are based on amounts denominated in foreign currencies are translated at the cash exchange rate in compliance with Section 256a of the German Commercial Code (HGB). At the time of initial recognition, transactions in foreign currencies are generally recorded at the European Central Bank's reference rate recorded on the Friday of the week preceding the booking date.

D. Notes to the consolidated balance sheet

1. Fixed assets

For information about changes in fixed assets during the financial year under review, please refer to the corresponding presentation in the statement of changes in fixed assets. This statement also presents depreciation, amortization and extraordinary write-downs applied for each balance sheet item during the financial year.

Fixed assets include TEUR 777 (previous year: TEUR 1,110) of rental plants from the operating activities of 2G Rental GmbH.

The investments in associated companies include a difference (goodwill) of TEUR 41 (previous year: TEUR 81).

2. Receivables and other assets

Specific and general valuation allowances of TEUR 3,226 (previous year: TEUR 3,519) were applied to trade receivables.

TEUR 150 of the receivables from associated companies result from loan receivables, the rest result from trade receivables.

As in the previous year, all receivables and other assets have a residual term of less than one year.

3. Deferred tax assets

Deferred tax receivables of TEUR 1,690 (previous year: TEUR 1,699) arise from tax loss carryforwards (TEUR 50) at 2G Nederland B.V. and 2G Polska Sp. z o.o. No deferred tax assets were formed in relation to the loss carryforwards of 2G Energy Inc. due to their having generated net losses in previous years. In this context, a cautious approach was adopted that does not consider positive expectations arising from current structural changes. In addition, deferred taxes were formed in relation to eliminated intragroup gains on fixed assets (TEUR 120) and inventories (TEUR 931) deriving from intragroup deliveries and services as of the balance sheet date, and on temporary differences (TEUR 589). These temporary differences arise mainly from adjustments to consistent group accounting policies as well as from differing valuations for inventories and provisions in the financial statements and in the tax accounts.

It is assumed that the tax benefits associated with the capitalized loss carryforwards can be realized with sufficient probability in the next five financial years. Deferred taxes on unutilized tax loss carryforwards were not recognized in the amount of TEUR 1,313.

No deferred tax liabilities required reporting as of the balance sheet date.

4. Consolidated equity

The share capital amounts to TEUR 17,940 (previous year: 17,940) and is divided into 17,940,000 (previous year: 17,940,000) ordinary bearer shares, each with a nominal value of EUR 1.

Capital reserves of TEUR 2,983 (previous year: TEUR 2,983) arise almost exclusively from share premiums from capital increases at 2G Energy AG.

In a resolution of the Annual General Meeting of 23 June 2020, the Management Board was authorized to issue convertible and/or option bonds in a total nominal amount of up to TEUR 100,000 with a maximum term of 20 years with the approval of the Supervisory Board during the period up to 22 June 2025. The holders of the convertible and/or option bonds may be granted conversion or option rights to up to 2,215,000 bearer shares of 2G Energy AG corresponding to a pro rata amount of EUR 2,215 in the share capital (Conditional Capital 2020).

In a resolution passed at the Annual General Meeting on June 3, 2022, the Management Board was authorized to increase the company's subscribed share capital during the period until June 22, 2025, with Supervisory Board approval, once or on several occasions, by up to a total of TEUR 8,970 by issuing new shares against cash or non-cash capital contributions (Approved Capital 2022).

Notional dividend payout restrictions exist in relation to deferred taxes of TEUR 1,690.

As of the closing date, an amount of TEUR 92,522, determined from the annual financial statements of the parent company, is available to shareholders for distribution in the year under review. No restricted amounts that cannot be distributed exist in the separate financial statements of 2G Energy AG.

The consolidated net income breaks down as follows:

Consolidated net income, in TEUR

	30/06/2024	31/12/2023
Consolidated net income (previous year)	24,565	19,050
Dividend payment for previous year	-3,050	-2,512
Allocation to other retained earnings (resolution of AGM)	-10,532	- 9,923
Profit carried forward (subtotal)	**10,984**	**6,615**
Consolidated net profit attributable to parent company	2,696	17,950
Consolidated net income	**13,679**	**24,565**

For more information about changes in consolidated equity during the financial year under review, please refer to the corresponding presentation in the consolidated statement of changes in equity.

5. Other provisions

The composition of the changes in other provisions on the balance sheet day are shown in the following statement of changes in provisions:

Other provisions, in TEUR

	30/06/2024	31/12/2023
Residual work on completed plants/ outstanding invoices	9,373	7,509
Warranty commitments	3,951	3,975
Amounts owed to staff	4,506	4,158
Contingent purchase price obligations	1,500	1,500
Professional cooperative contributions	335	393
Costs of preparing and auditing financial statements	205	218
AGM and annual report	111	111
Litigation costs	50	50
Archiving of business documents	38	38
Misc. other provisions	494	441
Total	**20,564**	**18,393**

6. Liabilities

Liabilities consist of the following:

Residual terms, in TEUR (previous year's amounts in brackets)

	< 1 year	1–5 years	> 5 years	Total
Bank borrowings	4,882 (2,708)	4,750 (5,599)	0 (0)	9,632 (8,306)
Prepayments received for orders	52,327 (40,387)	0 (0)	0 (0)	52,327 (40,387)
Trade payables	13,461 (17,089)	0 (0)	0 (0)	13,461 (17,089)
Payables due to participating interests	23 (24)	0 (0)	0 (0)	23 (24)
Other liabilities	8,796 (13,243)	0 (0)	0 (0)	8,796 (13,243)
Total	**79,489** **(73,451)**	**4,750** **(5,599)**	**0** **(0)**	**84,239** **(79,050)**

The following collateral instruments relate to bank borrowings:

- EUR 2.2 million land charge, Siemensstraße 20, Heek
- EUR 2.0 million land charge, Benzstrasse 3, Heek
- EUR 1.5 million land charge, Siemenstrasse 9, Heek
- EUR 1.0 million land charge, Röntgenstrasse 2, Heek
- Collateral assignment of rented plants in the amount of EUR 0.8 million and assignment of corresponding rental claims

Liabilities to associated companies arise in full from supplies and services.

Other liabilities comprise tax liabilities of TEUR 2,437 (previous year: TEUR 6,572), and social security liabilities of TEUR 271 (previous year: TEUR 330).

E. Notes to the consolidated profit and loss account

The profit and loss account is prepared applying the nature of expense method and structured according to Section 275 (2) of the German Commercial Code (HGB).

1. Net sales

Net sales are divided geographically and by operating activities as follows:

Net sales, in TEUR
(previous year's amounts in brackets)

	Germany	Abroad	Total
CHP systems/ Heat pumps/ After Sales	24,501 (32,004)	28,732 (26,686)	53,233 (58,691)
Service	53,846 (51,776)	24,089 (25,077)	77,935 (76,853)
Total	**78,347 (83,781)**	**52,820 (51,763)**	**131,168 (135,544)**

2. Other operating income

Other operating income comprises TEUR 905 (previous year: TEUR 601) of income related to other accounting periods that mainly results from the decrease of bad debt allowances (TEUR 326), insurance reimbursements and compensation payments and loss compensation payments (TEUR 152), the disposal of fixed assets (TEUR 135), and of the release of provisions (TEUR 143).

Other operating income includes income of TEUR 784 (previous year: TEUR 406) from currency translation.

3. Personnel costs

Social security contributions and pension and benefit expenses include TEUR 394 (previous year: TEUR 321) of pension expenses.

4. Depreciation and amortization

Depreciation and amortization applied to tangible and intangible assets includes amortization of goodwill in the amount of TEUR 1,048 (previous year: TEUR 285).

5. Other operating expenses

Other operating expenses consist of the following:

Other operating expenses, in TEUR

	01/01/2024 to 30/06/2024	01/01/2023 to 30/06/2023
Operating expenses	6,892	6,411
Administration expenses	2,316	2,192
Sales and marketing expenses	5,740	5,692
Miscellaneous	1,040	2,025
Total	**15,989**	**16,320**

Other operating expenses comprises TEUR 154 (previous year: TEUR 482) of expenses related to other accounting periods that mainly results from credit notes and losses on receivables relating to other periods, expenses from the allocation to specific and general bad debt allowances as well as losses from the disposal of fixed assets.

Other operating expenses include expenses of TEUR 106 (previous year: TEUR 611) from currency translation.

6. Other interest and similar income

Other interest and similar income include income from the discounting of provisions in the amount of TEUR 18 (previous year: TEUR 9).

7. Taxes on income

The following items are recognized in the profit and loss account under taxes on income:

Result from deferred taxes, in TEUR

	01/01/2024 to 30/06/2024	01/01/2023 to 30/06/2023
Deferred tax income	12	223
Deferred tax expenses	-21	-143
of which attributable to loss carryforwards (net balance)	0	-45
Result from deferred taxes	**-9**	**80**

F. Additional information

1. Events of key significance after the reporting date

No events occurred after the balance sheet date that are of material significance for the assessment of the net assets, financial position and results of operations of the company.

2. Consolidated cash flow statement

The cash flow statement is prepared in compliance with German Accounting Standard/ DRS 21.

Additional subtotals have been voluntarily included within cash flows from operating activities.

Cash and cash equivalents shown in the cash flow statement include cash at banks and in hand, less current liabilities to banks. Current liabilities consist of current account drawings and borrowings in the form of short-term money market loans.

3. Notifications pursuant to Section 20 of the German Stock Corporation Act (AktG)

Christian Grotholt notified the company in accordance with Section 20 of the German Stock Corporation Act (AktG) that he owns more than one quarter of the shares in 2G Energy AG as of the balance sheet date. Both notifications were submitted to the electronic Federal Gazette (Bundesanzeiger) on July 30, 2007.

4. Derivative financial instruments

Derivative financial instruments serve exclusively to hedge currency risks. On the balance sheet date, the following derivative financial instruments existed:

Derivative financial instruments, in TEUR

	Scope	Maturity	Fair value
Forward Exchange Transaction USD – EUR	669	30/08/2024	-14
Forward Exchange Transaction USD – EUR	118	30/09/2024	-2
Forward Exchange Transaction USD – EUR	519	30/09/2024	-7
Forward Exchange Transaction GBP – EUR	339	13/10/2024	-9
Forward Exchange Transaction USD – EUR	188	15/10/2024	-4
Forward Exchange Transaction USD – EUR	664	15/10/2024	-18
Forward Exchange Transaction USD – EUR	274	15/10/2024	-5
Forward Exchange Transaction GBP – EUR	731	15/10/2024	-16
Forward Exchange Transaction USD – EUR	1,314	31/10/2024	-31
Forward Exchange Transaction USD – EUR	661	31/10/2024	-14
Forward Exchange Transaction USD – EUR	436	28/02/2025	-10
	5,913		**-130**

As the conditions for these hedging transactions are met, valuation units are formed in accordance with Section 254 of the German commercial Code (HGB) (micro hedge). This ensures that the value-determining factors (nominal value, maturity) for the hedged item and hedging instrument match. The individual hedging relationships are therefore classified as effective (critical terms match) for the entire hedging period. As of the balance sheet date, the market value of the hedging transactions is negative at TEUR -130. In the event of a negative fair value of the hedging transactions, no provision for onerous contracts is recognized accordingly. The offsetting cash flows are settled completely upon maturity of the underlying transactions, which correspond to the maturity of the hedging transactions. The effectiveness of the valuation unit is based on the matching of the terms and parameters of the hedged item and the hedging instrument. The so-called freezing method is used to reflect the effective portions of the valuation units formed in the balance sheet.

5. Contingent liabilities

No contingent liabilities in the meaning of Section 251 of the German Commercial Code (HGB) existed for third-party liabilities as of the balance sheet date.

6. Other financial obligations

Other financial obligations existed in relation to contracts as follows:

Other financial obligations, in TEUR (previous year's figures in brackets)

	< 1 year	1 – 5 years	> 5 years	Total
Permanent rental contracts*	988 (862)	0 (0)	0 (0)	988 (862)
Fixed-term rental contracts	374 (448)	562 (654)	206 (241)	1,142 (1,343)
Lease contracts	425 (474)	1,123 (1,114)	2,007 (276)	3,555 (1,864)
Consulting	336 (336)	504 (672)	0 (0)	840 (1,008)
Total	**2,123 (2,120)**	**2,189 (2,440)**	**2,213 (517)**	**6,525 (5,077)**

* The stated value for the continuing obligations relates to the Company's obligation under these contracts for a period of 12 months

The use of rental and lease agreements serves to improve the balance sheet structure and to spread the outflow of liquidity over several periods. The outflow of liquid funds in future periods represents both a risk and an advantage.

The order commitment for investments amounts to EUR 2.0 million as of the balance sheet date.

7. Average number of employees during the financial year

The average number of employees pursuant to Section 267 of the German Commercial Code (HGB) is composed as follows:

Number of employees

	2024	2023
Industrial workers	437	430
Commercial employees	518	491
Total	**955**	**921**
of whom part-time employees	120	116

8. Management Board

The Management Board is currently composed as follows:

Management Board

	Since	Appointed until
Mr. Dipl.-Ing. Christian Grotholt (Vorsitzender) Ahaus-Alstätte CEO of 2G Energy AG Strategy, IT and Sales	17/07/2007	31/07/2025
Mr. Ludger Holtkamp Gronau COO of 2G Energy AG Procurement, Production and Project Management	17/07/2007	31/07/2025
Mr. Dipl.-Betriebsw. (BA) Friedrich Pehle Soest CFO of 2G Energy AG Finance, Investor Relations, Controlling and Human Resources	01/12/2017	31/12/2027
Mr. Dipl.-Ing. Frank Grewe Vreden CTO of 2G Energy AG Service and Research and Development	01/07/2020	30/06/2026

More information about the Management Board members of 2G Energy AG is provided on 2G's website in the section entitled "Company".

9. Supervisory Board

The following individuals were appointed as members of the Supervisory Board during the year under review:

Supervisory Board

	Since
Mr. Dr. Lukas Lenz (Chairman) Hamburg Lawyer	17/07/2007
Mr. Dr. Jürgen Vutz (Deputy Chairman) Greven Graduated mechanical engineer, Graduated industrial engineer	01/01/2021
Mr. Prof. Dr. Christof Wetter Steinfurt Professor at the Department of Energy, Building, Environment at Münster University of Applied Sciences	01/01/2021

The Supervisory Board members are appointed until the end of the AGM that passes a resolution concerning the discharge of the directors for the 2026 financial year.

More information about the Supervisory Board members of 2G Energy AG is provided on 2G's website in the section entitled "Company".

10. Directors' compensation

Compensation of TEUR 943 (previous year: TEUR 967) was paid to the Management Board in the financial year under review, and compensation of TEUR 90 (previous year: TEUR 65) to the Supervisory Board.

Heek, September 5, 2024

Christian Grotholt Management Board Chairman (CEO)	Ludger Holtkamp Management Board member	Friedrich Pehle Management Board member	Frank Grewe Management Board member

Consolidated statement of changes in fixed assets

	Cost				
	01/01/2024	Additions	Disposals	Currency translation	30/06/2024
Intangible fixed assets					
Purchased concessions, industrial property rights and similar rights and assets, and licenses to such rights and assets	4,408,277.08	67,000.00	0.00	645.97	4,475,923.05
Goodwill	15,257,668.17	0.00	0.00	0.00	15,257,668.17
Prepayments rendered on intangible assets	2,409,897.55	1,207,519.67	0.00	0.00	3,617,417.22
	22,075,842.80	**1,274,519.67**	**0.00**	**645.97**	**23,351,008.44**
Tangible fixed assets					
Land, land rights and buildings, including buildings on third-party land	20,107,043.00	313,143.55	0.00	-368.48	20,419,818.07
Plants and machinery	2,785,375.06	6,735.42	0.00	14,839.86	2,806,950.34
Other factory and office equipments	32,211,295.96	2,175,237.86	-1,309,292.02	104,966.07	33,182,207.87
Prepayments rendered and plants under construction	755,369.59	286,727.64	0.00	0.00	1,042,097.23
	55,859,083.61	**2,781,844.47**	**-1,309,292.02**	**119,437.45**	**57,451,073.51**
Financial fixed assets					
Participating interests in associated companies	103,346.15	0.00	-36,091.17	0.00	67,254.98
Participating interests	10,000.00	0.00	0.00	0.00	10,000.00
	113,346.15	**0.00**	**-36,091.17**	**0.00**	**77,254.98**
Total	**78,048,272.56**	**4,056,364.14**	**-1,345,383.19**	**120,083.42**	**80,879,336.93**

Depreciation and amortization					Book value	
01/01/2024	Additions	Disposals	Currency translation	30/06/2024	30/06/2024	31/12/2023
-3,417,539.46	-189,929.03	0.00	-645.85	-3,608,114.34	867,808.71	990,737.62
-8,394,348.67	-1,047,845.10	0.00	0.00	-9,442,193.77	5,815,474.40	6,863,319.50
0.00	0.00	0.00	0.00	0.00	3,617,417.22	2,409,897.55
-11,811,888.13	**-1,237,774.13**	**0.00**	**-645.85**	**-13,050,308.11**	**10,300,700.33**	**10,263,954.67**
-5,329,463.90	-273,599.05	0.00	-53.17	-5,603,116.12	14,816,701.95	14,777,579.10
-1,860,423.75	-73,002.30	0.00	-13,687.52	-1,947,113.57	859,836.77	924,951.31
-20,306,925.42	-1,698,667.95	1,093,423.01	-65,498.74	-20,977,669.10	12,204,538.77	11,904,370.54
0.00	0.00	0.00	0.00	0.00	1,042,097.23	755,369.59
-27,496,813.07	**-2,045,269.30**	**1,093,423.01**	**-79,239.43**	**-28,527,898.79**	**28,923,174.72**	**28,362,270.54**
0.00	0.00	0.00	0.00	0.00	67,254.98	103,346.15
0.00	0.00	0.00	0.00	0.00	10,000.00	10,000.00
0.00	**0.00**	**0.00**	**0.00**	**0.00**	**77,254.98**	**113,346.15**
-39,308,701.20	**-3,283,043.43**	**1,093,423.01**	**-79,885.28**	**-41,578,206.90**	**39,301,130.03**	**38,739,571.36**

Consolidated cash flow statement

		01/01/ to 30/06/2024	01/07/ to 31/12/2023	01/01/ to 30/06/2023
		EUR	EUR	EUR
	Consolidated profit for the year	**2,687,589.25**	**15,311,091.09**	**2,677,270.23**
+	Taxes on income	1,186,686.00	7,812,240.10	1,274,199.79
+	Interest and similar expenses	310,343.44	385,972.69	234,702.37
-	Other interest and similar income	-110,058.55	2,943.42	-57,901.91
=	**Earnings before interest and tax (EBIT)**	**4,074,560.14**	**23,512,247.30**	**4,128,270.48**
+	Depreciation and amortization applied to tangible and intangible fixed assets	3,283,043.43	4,217,369.31	2,440,488.48
=	**Earnings before interest, tax, depreciation and amortization (EBITDA)**	**7,357,603.57**	**27,729,616.61**	**6,568,758.96**
±	Change in raw materials and supplies	-4,250,471.91	9,542,585.35	-6,189,432.73
±	Change in work in progress	-19,787,162.26	25,326,629.15	-30,574,211.17
±	Change in prepayments rendered on inventory	-1,518,267.16	6,203,844.91	-2,286,306.96
±	Change in prepayments received for orders	25,227,430.05	-43,700,817.95	30,528,720.02
±	Change in trade receivables	8,457,183.65	-14,823,471.46	13,630,664.04
±	Change in trade payables	-3,440,094.92	-12,138.42	-3,925,115.03
±	**Cash flow from change in operative net working capital**	**4,688,617.45**	**-17,463,368.42**	**1,184,318.17**
±	Change in other provisions	2,170,808.68	-809,021.06	-691,696.71
±	Change in other assets that are not allocable to investing or financing activities	-1,224,987.01	1.139.836,44	-2,449,665.98
±	Change in other liabilities that are not allocable to investing or financing activities	-4,044,614.09	5,977,967.90	-3,416,611.69
±	Gain from fixed asset disposals	-60,424.34	-72,603.53	68,549.51
±	Income from associated companies	36,091.17	42,228.23	30,120.48
-	Income tax payments	-4,086,179.00	-4.956.853,33	-1,157,567.90
=	**Cash flow from operating activities**	**4,836,916.43**	**11,587,802.84**	**136,204.84**

		01/01/ to 30/06/2024	01/07/ to 31/12/2023	01/01/ to 30/06/2023
		EUR	EUR	EUR
+	Proceeds from fixed asset disposals	276,293.35	159,669.51	76,059.51
-	Payments for investments in intangible fixed assets	-1,448,485.56	-515,569.84	-914,528.12
-	Payments for investments in tangible fixed assets	-2,795,855.98	-3,907,587.40	-2,821,220.14
-	Payments for investments in financial fixed assets	-28,125.00	62,300.94	-90,425.94
-	Payments for acquisition of consolidated companies	-550,801.22	-3,484,830.75	0.00
+	Interest received	110,058.55	-2,943.42	57,901.91
=	**Cash flow from investing activities**	**-4,436,915.86**	**-7,688,960.96**	**-3,692,212.78**
+	Proceeds from raising of loans	873,965.80	4,022,048.15	398,242.04
-	Outgoing payments for redemption of loans	-1,254,105.80	-1,123,461.05	-1,377,002.40
-	Interest paid	-310,343.44	-385,972.69	-234,702.37
-	Dividends paid to parent company shareholders	-3,049,800.00	0.00	-2,511,600.00
=	**Cash flow from financing activities**	**-3,740,283.44**	**2,512,614.41**	**-3,725,062.73**
=	**Net change in cash and cash equivalents**	**-3,340,282.87**	**6,411,456.29**	**-7,281,070.67**
±	Currency-related change in cash and cash equivalents	148,889.61	-21,521.86	-78,323.63
+	**Cash and cash equivalents at start of period**	**12,282,567.08**	**5,892,632.65**	**13,252,026.95**
=	**Cash and cash equivalents at end of period**	**9,091,173.82**	**12,282,567.08**	**5,892,632.65**

	30/06/2024	31/12/2023	30/06/2023
	EUR	EUR	EUR
Composition of cash and cash equivalents			
Cash in hand, bank balances	11,079,249.46	12,565,221.34	11,402,668.44
Short-term bank borrowings	-1,988,075.64	-282,654.26	-5,510,035.79
	9,091,173.82	**12,282,567.08**	**5,892,632.65**

Consolidated statement of changes in equity

Consolidated statement of changes in equity, in EUR

	Parent company				
	Subscribed share capital	Capital reserves	Other retained earnings	Equity difference from currency translation	Consolidated net income attributable to the parent company
Balance on 01/01/2023	**17,940,000.00**	**2,983,300.00**	**69,418,947.28**	**-740,728.87**	**19,050,001.48**
Allocation of retained earnings	0.00	0.00	9,923,235.77	0.00	-9,923,235.77
Currency translation	0.00	0.00	0.00	-101,251.73	0.00
Dividends	0.00	0.00	0.00	0.00	-2,511,600.00
Consolidated profit for the year	0.00	0.00	0.00	0.00	17,949,784.36
Balance on 31/12/2023	**17,940,000.00**	**2,983,300.00**	**79,342,183.05**	**-841,980.60**	**24,564,950.07**
Balance on 01/01/2024	**17,940,000.00**	**2,983,300.00**	**79,342,183.05**	**-841,980.60**	**24,564,950.07**
Allocation of retained earnings	0.00	0.00	10,531,642.02	0.00	-10,531,642.02
Currency translation	0.00	0.00	0.00	189,087.75	0.00
Dividends	0.00	0.00	0.00	0.00	-3,049,800.00
Consolidated profit for the year	0.00	0.00	0.00	0.00	2,695,845.74
Balance on 30/06/2024	**17,940,000.00**	**2,983,300.00**	**89,873,825.07**	**-652,892.85**	**13,679,353.79**

	Minority interests			Consolidated equity
Total	Minority interests before equity differences from currency translation and profit	Profit/loss attributable to other shareholders	Total	
108,651,519.89	**300.60**	**-36,798.75**	**-36,498.15**	**108,615,021.74**
0.00	0.00	0.00	0.00	0.00
-101,251.73	0.00	0.00	0.00	-101,251.73
-2,511,600.00	0.00	0.00	0.00	-2,511,600.00
17,949,784.36	0.00	38,576.96	38,576.96	17,988,361.32
123,988,452.52	**300.60**	**1,778.21**	**2,078.81**	**123,990,531.33**
123,988,452.52	**300.60**	**1,778.21**	**2,078.81**	**123,990,531.33**
0.00	0.00	0.00	0.00	0.00
189,087.75	0.00	0.00	0.00	189,087.75
-3,049,800.00	0.00	0.00	0.00	-3,049,800.00
2,695,845.74	0.00	-8,256.49	-8,256.49	2,687,589.25
123,823,586.01	**300.60**	**-6,478.28**	**-6,177.68**	**123,817,408.33**

Colophon

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