



HALF-YEAR FINANCIAL REPORT 30 JUNE 2023

MBB SE, Berlin

MBB in figures

Half-year (unaudited)	2023	2022	Δ 2023 / 2022
Earnings figures (adjusted*)			
	€k	€k	%
Revenue	427,178	378,305	12.9
Operating performance	427,066	379,113	12.6
Total performance	442,870	393,803	12.5
Cost of materials	-256,276	-214,999	19.2
Personnel expenses	-122,587	-114,218	7.3
EBITDA	31,912	38,087	-16.2
<i>EBITDA margin</i>	<i>7.5%</i>	<i>10.0%</i>	
EBIT	12,020	19,871	-39.5
<i>EBIT margin</i>	<i>2.8%</i>	<i>5.2%</i>	
EBT	13,052	16,880	-22.7
<i>EBT margin</i>	<i>3.1%</i>	<i>4.5%</i>	
Consolidated net profit after non-controlling interests	2,422	5,074	-52.3
eps in €	0.42	0.87	-51.7
Average number of shares in circulation (in thousand)	5,755	5,824	
Earnings figures (IFRS)			
	€k	€k	%
EBITDA	30,856	37,427	-17.6
Consolidated net profit after non-controlling interests	1,171	3,496	-66.5
eps in €	0.20	0.60	-66.1
Figures from the statement of financial position (IFRS)			
	30-Jun	31-Dec	
	€k	€k	%
Non-current assets	398,632	359,831	10.8
Current assets	732,634	761,697	-3.8
thereof liquid funds**	445,563	512,978	-13.1
Issued capital (share capital)	5,716	5,804	-1.5
Other equity	756,874	763,723	-0.9
Total equity	762,591	769,527	-0.9
<i>Equity ratio</i>	<i>67.4%</i>	<i>68.6%</i>	
Non-current liabilities	105,446	105,454	0.0
Current liabilities	263,230	246,546	6.8
Total assets	1,131,267	1,121,527	0.9
Net cash (+) or net debt (-) **	372,772	445,204	-16.3
Employees (as of closing date)			
	3,647	3,571	2.1

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

** This figure includes the value of physical gold stocks and securities.

Percentages and figures in this report may be subject to rounding differences.

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Welcome Note from the Executive Management

Dear fellow shareholders,

the first half of 2023 has been marked by contradicting developments in some respects. On the one hand, the consequences of the energy crisis, high inflation and rising interest rates hampered the economic development. On the other hand, order backlogs were at high levels, demand proved to be relatively robust and in the labor market, employment was almost at a record level.

We also experienced a heterogeneous development within the **MBB Group** in the first half of 2023. It is pleasing that all three segments of MBB once more grew faster than inflation. Nevertheless, the profitability of the individual segments developed differently: While the Technological Applications segment more than doubled its EBITDA year-on-year, the profitability of the Service & Infrastructure and Consumer Goods segments declined noticeably. In total, the MBB Group's revenue of €427.2 million exceeded the previous year by 12.9%. Adjusted EBITDA, however, fell by 16.2% year-on-year in the first six months to €31.9 million.

Friedrich Vorwerk again contributed to strong growth in the Service & Infrastructure segment. The company was able to increase revenue by 16.0% to €165.6 million compared to the previous year, thus, continuing the strong revenue momentum of the previous year. The order situation also developed better than initially expected, underlining the company's excellent position in the market for energy infrastructure. With an EBITDA margin of 8.2%, profitability however decreased considerably compared to the previous year. In addition to the expected cost pressure related to materials and personnel, this was also due to customer-induced delays of the Brunsbüttel LNG pipeline. Despite the urgency of the project, it has not yet been possible to achieve an agreement with the customer on the assumption of the additional costs.

Our IT security specialist **DTS** could not repeat its extraordinarily strong business performance of the previous year and recorded revenue of €42.9 million for the first half of 2023. This is mainly because of a moderate reluctance of customers to invest in new IT infrastructure, which also impacts DTS's business in IT security solutions. Over the course of the first half of the year, DTS nevertheless recorded an improving revenue momentum, while the EBITDA margin remained at a very high level of 14.5%.

In the Technological Applications segment, **Aumann** was able to increase revenue by 29.0% to €119.0 million as a result of the continued excellent order situation, and more than doubled adjusted EBITDA to €8.1 million. The EBITDA margin of 6.8% underlines the gradual increase in profitability. The order backlog at the end of June increased by 25.8% year-on-year to €313.6 million. **Delignit** also made a strong contribution to the segment's growth, with an increase in revenue of 50.0% to €48.2 million. The higher volume also enabled adjusted EBITDA to double to €4.5 million. To finance further growth, Delignit successfully concluded a capital increase with a gross volume of €8.0 million on 12 July 2023.

The Consumer Goods segment is currently most affected by the difficult economic conditions. Although both **Hanke Tissue** and **CT Formpolster** were able to increase their revenue by a total of 9.6% to €52.2 million in the first six months, the segment's EBITDA of €0.0 million was significantly below the previous year's level. This was particularly due to fluctuations in energy and raw material prices.

The MBB Group closed the first half of 2023 with a strong balance sheet, which is reflected in Group liquidity of €445.6 million and net liquidity of €372.8 million. The 13.1% decline in liquidity compared to the previous year's figure is particularly attributable to an increase in working capital at Friedrich Vorwerk and growth-investment activities. Despite a significant share buyback program, the holding company MBB SE had net liquidity of €331.7 million at the end of the first half of the year, which is an excellent basis for new acquisitions.

MBB continues to expect revenue of €850-900 million for the current financial year. In light of the temporarily weaker profitability in the Service & Infrastructure and Consumer Goods segments, MBB now expects an adjusted EBITDA margin of 8-10 percent compared to its original forecast of 9-11 percent.

With best regards,



Dr Constantin Mang
Chief Executive Officer



Torben Teichler
Chief Investment Officer



Dr Jakob Ammer
Chief Operating Officer



Dr Christof Nesemeier
Executive Chairman

Interim Group management report

MBB SE is a medium-sized, family-owned company that forms the MBB Group together with its subsidiaries.

Business and economic conditions

Macroeconomic environment

The global economy continued to remain in rough waters in the first half of 2023. In particular, persistently high inflation, rising interest rates and economic uncertainty placed a burden on the consumer and investment sentiment. Nevertheless, the OECD expects the global economy to grow by 2.7% in the current year, mainly driven by countries such as China and India. Growth of only 1.4% is expected for the OECD economic area, and 0.9% for the euro zone.

In Germany, GDP stagnated in the second quarter of 2023 compared with the previous quarter, after declining by -0.1% in the first quarter of 2023 and -0.4% in the fourth quarter of 2022. In the manufacturing sector, a noticeable increase in production at the beginning of the year was followed by a decline and subsequent stagnation. The positive effects from the easing of supply bottlenecks and high order backlogs were offset by impediments from weaker demand and inflation. According to the Federal Statistical Office, the inflation rate in Germany was 6.4% in June 2023. German electricity and natural gas prices fell by 45% and 55% respectively in the first half of 2023 compared with the same period of the previous year, but the prices are still above the level of 2021. The Deutsche Bundesbank expects an annual average inflation rate of 6.0% for 2023. The ifo Institute expects price-adjusted GDP to fall by 0.4% in 2023, partly due to the deteriorated economic outlook in the construction sector and subdued exports.

Automotive industry

According to the German Association of the Automotive Industry (VDA), improved availability of preliminary and intermediate products in production and a high order backlog led to an increase in new registrations of passenger cars and light commercial vehicles in the first half of 2023. Compared with the first half of 2022, sales did increase in the majority of the national and international passenger car markets. Sales increased by 18% in the EU, 13% in the USA, 9% in China and around 13% in Germany. The share of e-vehicles in new registrations in Germany decreased by 3.3 percentage points to 21.4% compared to the first half of 2022, particularly due to the reduction in subsidy programs for e-vehicles at the start of the year.

Information Technology

According to the digital association Bitkom, the German digital industry continues to grow, with companies in the German IT and telecommunications sector assessing the business situation as positive. For the year 2023, the association expects sales in the information technology sector to increase by 3.0%, whereas the development in IT hardware sector is forecasted to decline slightly by 3.6%. Growth in the software and hardware segments will be driven, among other things, by security software (+18.3%), infrastructure-as-a-service (+26.3%), and security technologies in the hardware segment (+6.6%).

Energy industry

According to the German government's plans, at least 80% of Germany's gross electricity consumption is to be covered by renewable energies by 2030 in order to achieve climate protection targets and become independent of fossil energy imports. In the first half of 2023, legislative amendments to accelerate certain approval procedures and a draft law on the preparation of municipal heating plans were presented. On 12 July 2023, the transmission system operators also published the planning status for a hydrogen core network with a pipeline length of 11,200 km. The hydrogen core network is intended to connect large consumption and production regions in Germany and, thus, to connect central hydrogen locations such as industrial centers, storage facilities or power plants. Due to the ambitious climate targets and the changed geopolitical security situation as a result of the Russia-Ukraine war, demand for energy infrastructure services is expected to continue to grow strongly.

Business development, result of operations, financial position and net assets

Business development

MBB increased its revenue by 12.9% from €378.3 million to €427.2 million in the first six months of the year. In the same period, adjusted EBITDA decreased by -16.2% from €38.1 million to €31.9 million. The adjusted EBITDA margin of 7.5% was below the level of the previous year, when it was at 10.0%. Adjusted earnings per share in the first half of the year were €0.42, and thus below the previous year's level of €0.87.

The **Service & Infrastructure** segment, which comprises Friedrich Vorwerk and DTS, increased its revenue by 7.5% to €208.2 million compared with the same period of the previous year. This growth was driven by Friedrich Vorwerk, which increased its revenue by 16.0% to €165.6 million due to strong market demand. DTS, on the other hand, saw its revenue decline to €42.9 million, this is mostly due to the exceptionally high revenue in the first half of the previous year. EBITDA for the segment fell by 35.0% to €19.8 million. This decline is primarily attributable to the lower EBITDA at Friedrich Vorwerk, which, at €13.6 million, is 39.1% below the previous year's level. The reasons for the decline in profitability are, next to the anticipated cost pressure related to materials and personnel affecting particularly mature projects, the follow-up works on the Wilhelmshaven LNG pipeline and delays in the Brunsbüttel LNG pipeline. EBITDA at DTS was also down 23.4% year-on-year at €6.2 million, due to the lower revenue level. However, the EBITDA margin at DTS remains at a high level of 14.5%. The order backlog of €467.1 million recorded by Friedrich Vorwerk as of 30 June 2023 and the order intake of €317.7 million in the first six months again represent historic highs in the company's history. Two major orders in the fast-growing Electricity segment are notable. Friedrich Vorwerk was awarded the contract for the onshore underground connection in the BorWin6 offshore connection project, which is scheduled for commissioning starting in 2025 and completion in 2027. In addition, a framework agreement was concluded with the transmission system operator TenneT for drilling operations using the innovative horizontal directional drilling method (HDD drilling) for offshore connection lines. Particularly noteworthy is the major A-North project, where the decision on entering the next phase, which includes the provision of all agreed design and construction services, is imminent. It is already becoming apparent that the project volume is likely to exceed the previously communicated range of €850 million to €1,100 million, of which around 40% is attributable to Bohlen & Doyen, a subsidiary of Friedrich Vorwerk.

The **Technological Applications** segment, which comprises the listed companies Aumann and Delgnit, reported revenue growth of 21.8% to €167.2 million in the first half of the year (previous year: €137.2 million). In the same period, profitability increased significantly and adjusted EBITDA of €12.6 million was achieved (previous year: €5.3 million). Both companies performed very well compared with the previous year. Aumann was able to significantly increase its revenue by 29.0% to €119.0 million due to the continued excellent order situation and more than doubled its adjusted EBITDA to €8.1 million (previous year: €3.0 million). Aumann achieved an EBITDA margin of 6.8%. Aumann's order intake for the first six months amounted to €173.2 million and the order backlog increased by 25.8% to €313.6 million. Delgnit also performed very well, continuing its strong performance from the previous year and increasing its revenue by 50.0% to €48.2 million on the back of significantly eased supply chains. Profitability is also at a high level due to price increases in the current series supply contracts with OEM customers and, at €4.5 million and a margin of 9.1%, reached the highest half-year figure in the company's history.

The **Consumer Goods** segment, which comprises the mattress manufacturer CT Formpolster and Hanke, which specializes in tissue products, recorded revenue growth of 9.6% to €52.2 million (previous year: €47.7 million). Both companies contributed equally to the increase in revenue. At €-0.05 million, however, the segment's EBITDA was significantly below the previous year's level (previous year: €2.5 million). While Hanke recorded negative profitability due to energy price supply agreements concluded at a higher levels in the previous year, CT Formpolster was affected by a significant decline in market-demand in the second quarter.

MBB resolved on 9 February 2023 to make use of the authorization granted by the Annual General Meeting on 28 May 2019 to acquire treasury shares in accordance with section 71 (1) no. 8 AktG and to buy back treasury shares with a maximum volume of €12.0 million at a price of up to €96.00 per share via the stock exchange between 14 February and 26 April 2023. During the term of the program, 87,805 shares with a total value of €7.0 million were acquired.

On 27 April 2023, the MBB Board resolved, at the proposal of the Executive Management, to withdraw all 224,359 treasury shares for the purpose of a capital reduction. The number of no-par value shares was thus reduced from 5,940,751 to 5,716,392.

Furthermore, Aumann AG itself acquired 378,573 treasury shares in the first half of the year as part of a share buyback program with a total value of €6.0 million and holds treasury shares of 2.5% as of 30 June 2023.

MBB SE acquired 497,099 shares in Aumann AG in the first half of the year, increasing its shareholding in Aumann AG to 48.00% as of the reporting date (31 December 2022: 44.74%). MBB SE also acquired 110,000 shares in Friedrich Vorwerk Group SE by 30 June 2023, consequently its shareholding in the company now amounts to 36.55%, compared to the previous shareholding of 36.00%.

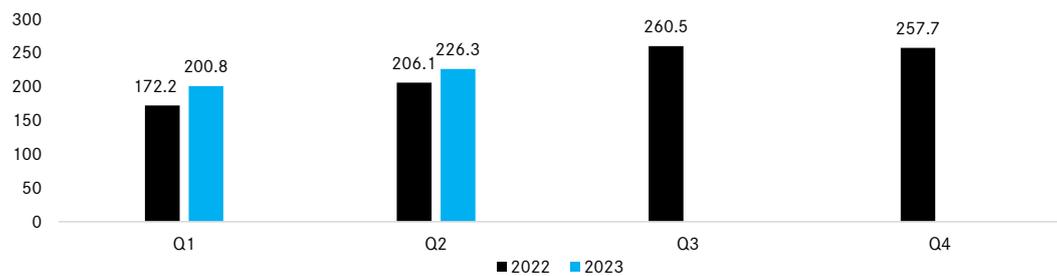
The Board and the Executive Management of MBB have proposed to the Annual General Meeting held in presence on 12 June 2023 a dividend payment of €1.00 per dividend-bearing share. The Annual General Meeting approved the company's proposal with a large majority. The dividend was paid on 15 June 2023.

After the end of the reporting period, Delignit AG carried out a capital increase with €8.0 million gross proceeds on 12 July 2023 to strengthen its investment and growth capacity. MBB SE did not participate in the capital increase and waived its subscription rights in order to attract new investors, strengthen the liquidity of the share and hence increase the attractiveness of the Delignit share by means of a higher free float. As a result of these measures, MBB SE's shareholding was reduced from 75.47% to 60.37% after the end of the reporting period.

Results of operations, financial position and net assets

Against the backdrop of the current economic environment, the results of operations, financial position and net assets of the MBB Group remain positive. At €427.2 million, consolidated revenue after six months of the financial year 2023 is 12.9% above last year's level (previous year: €378.3 million).

Revenue by quarter
in millions of €



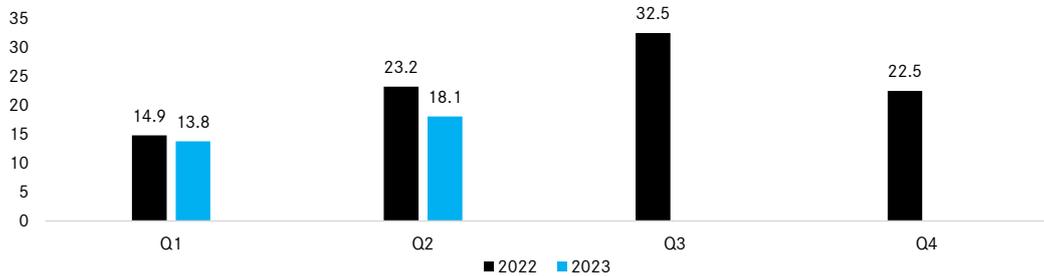
Income from joint ventures and associates amounts to €6.8 million (previous year: €6.2 million) and relate to joint ventures of Friedrich Vorwerk. Other operating income of €9.0 million (previous year: €8.5 million) includes income from capitalized own work of €1.9 million, income from securities of €1.8 million, income from the offsetting of remuneration in kind of €1.4 million, income from the reversal of provisions of €0.3 million and other income of €3.6 million. Own work capitalized mainly relates to the capitalization of development costs at Aumann.

Cost of materials increased by 19.2% to €256.3 million, adjusted personnel expenses increased by 7.3% to €122.6 million.

Other operating expenses amounted to €32.1 million (previous year: €26.5 million) after six months. These include maintenance and repair expenses, legal and consulting fees, advertising expenses, insurance premiums, travel expenses and other third-party services.

Adjusted EBITDA decreased by 16.2% to €31.9 million corresponding to a margin of 7.5% (previous year: 10.0%). In the first six months of 2023, adjustments were made for personnel expenses in the amount of €1.1 million (previous year: €1.1 million), which related to MBB SE's and Aumann AG's stock option programs.

EBITDA (adj.) by quarter
in millions of €



Adjusted depreciation and amortization increased by 9.2% year-on-year to €19.9 million after six months of the financial year 2023. Adjustments relate to depreciation and amortization of assets amounting to €1.1 million capitalized as part of purchase price allocations (previous year: €1.9 million).

This resulted in an adjusted EBIT of €12.0 million (previous year: €19.9 million).

Taking into account the financial result of €1.0 million (previous year: €-3.0 million), adjusted EBT amounted to €13.1 million (previous year: €16.9 million).

The adjusted consolidated net income after minority interests amounted to €2.4 million in the first half-year period (previous year: €5.1 million) or €0.42 per share (previous year: €0.87).

Consolidated equity as of 30 June 2023 amounts to €762.6 million (31 December 2022: €769.5 million). In relation to the consolidated balance sheet total of €1,131.3 million (31 December 2022: €1,121.5 million), the equity ratio slightly decreased to 67.4% compared to 68.6% as of 31 December 2022. The reduction in consolidated equity in the first half-year period was mainly due to the acquisition of an additional 3.26% stake in Aumann (€-6.7 million) and 0.55% stake in Friedrich Vorwerk (€-1.2 million), the acquisition of treasury shares by MBB SE (€-7.0 million) as well as to profit distributions to shareholders of MBB SE (€-5.7 million) and to non-controlling interests (€-2.4 million). This was partly offset by the fair value measurement of securities (€13.8 million) and consolidated earnings after taxes according to IFRS of €5.4 million generated in the first half-year of 2023, of which €4.2 million is attributable to non-controlling interests and €1.2 million to shareholders of MBB SE.

As of 30 June 2023 the MBB Group had liquid funds (including securities and physical gold holdings) of €445.6 million (31 December 2022: €513.0 million), of which €332.3 million were attributable to MBB SE (31 December 2022: €337.1 million). After deducting the Group's liabilities to banks and lease liabilities of €72.8 million (31 December 2022: €67.8 million), the MBB Group's net cash position amounts to €372.8 million, compared to €445.2 million as of 31 December 2022. Of this amount, €331.7 million are attributable to MBB SE (31 December 2022: €336.3 million).

The decrease in net cash is partly attributable to a negative cash flow from operating activities of €-26.9 million. Significant effects arose at Friedrich Vorwerk (€-26.5 million). The cash flow from operating activities at Friedrich Vorwerk is characterized by the increase in net working capital. Net cash was also reduced by net investments in property, plant and equipment and intangible assets (€-22.2 million), by payments to increase the shareholding in Friedrich Vorwerk (€-1.2 million) and in Aumann (€-6.7 million), the acquisition of treasury shares by MBB SE (€-7.0 million) and by Aumann AG (€-6.0 million), as well as dividend payments to shareholders of MBB SE (€-5.7 million) and dividend payments to non-controlling interests made from equity (€-2.4 million) and to subsidiaries in the legal form of a partnership from liabilities (€-1.2 million). In addition, non-cash effects had an impact on net cash, with the commencement of new leases and the associated increase in lease liabilities (€-4.4 million) offset by the measurement of securities at fair value (€13.8 million).

In the first half-year period, MBB SE increased its investments in its stock portfolio by a net €11.6 million and in short-term bonds by €76.9 million. This was offset by proceeds of €42.1 million from short-term maturing government bonds. In the consolidated cash flow statement, these effects are presented in the cash flow from investing activities.

Segment performance

The following segments are reported:

- Service & Infrastructure
- Technological Applications
- Consumer Goods

In first half-year 2023, the Service & Infrastructure segment increased revenue to €208.2 million (previous year: €193.7 million), while adjusted EBITDA amounted to €19.8 million for the same period (previous year: €30.4 million). This corresponds to an EBITDA margin of 9.5% (previous year: 15.7%).

In the Technological Applications segment, revenue also increased to €167.2 million (previous year: €137.2 million), while adjusted EBITDA increased significantly to €12.6 million (previous year: €5.3 million).

Revenue in the Consumer Goods segment also increased compared to previous year to €52.2 million (previous year: €47.7 million). Segment EBITDA is down year-on-year at -0.05 Mio. € (previous year: €2.5 million).

Employees

The number of people employed by the MBB Group slightly increased from 3,571 as of 31 December 2022 to 3,647 as of 30 June 2023. In addition, the MBB Group is currently training 196 apprentices and employees in dual study programs.

Report on risks and opportunities

The risks and opportunities for the business development of the MBB Group are described in the Group management report for the 2022 financial year, which is available on our website at www.mbb.com. The assessment remains unchanged. MBB SE's risk management system is designed to identify risks early on and to take immediate action.

Outlook

The Executive Management of MBB continues to expect consolidated revenue of €850 million to €900 million for 2023. In light of the temporarily weaker profitability in the Service & Infrastructure and Consumer Goods segments, MBB now expects an adjusted EBITDA margin of 8-10 percent compared to its original forecast of 9-11 percent.

Berlin, 15 August 2023

The Executive Management of MBB SE

IFRS interim consolidated financial statements

Percentages and figures in this report may be subject to rounding differences.

Half-year			
IFRS consolidated statement of profit or loss		1 Jan - 30 Jun	1 Jan - 30 Jun
(unaudited)		2023	2022
		€k	€k
Revenue		427,178	378,305
Increase (+) or decrease (-) in finished goods and work in progress		-112	808
Operating performance		427,066	379,113
Income from joint ventures and associates		6,810	6,188
Other operating income		8,994	8,940
Total performance		442,870	394,241
Cost of raw materials and supplies		-151,074	-135,221
Cost of purchased services		-105,201	-79,779
Cost of materials		-256,276	-214,999
Wages and salaries		-97,460	-90,896
Social security and pension costs		-26,182	-24,419
Personnel expenses		-123,642	-115,316
Other operating expenses		-32,095	-26,499
Earnings before interest, taxes, depreciation and amortization (EBITDA)		30,856	37,427
Depreciation and amortization expense		-21,020	-20,158
Earnings before interest and taxes (EBIT)		9,837	17,269
Finance income		2,671	99
Finance costs		-1,441	-1,862
Earnings attributable to non-controlling interests		-175	-1,140
Net finance costs		1,055	-2,903
Earnings before taxes (EBT)		10,892	14,366
Income tax expense		-5,185	-4,661
Other taxes		-341	-468
Earnings after taxes		5,366	9,236
thereof attributable to:			
- Shareholders of MBB SE		1,171	3,496
- Non-controlling interests		4,195	5,741
Basic earnings per share (in €)		0.20	0.60
Diluted earnings per share (in €)		0.31	0.76

Half-year	1 Jan - 30 Jun 2023	1 Jan - 30 Jun 2022
(unaudited)	€k	€k
Earnings after taxes	5,366	9,236
Items that may be subsequently reclassified to profit and loss		
Fair value changes bonds and gold	155	574
Currency translation differences	920	-177
Reclassifications to profit or loss (debt instruments)	1,347	0
Items that may not be subsequently reclassified to profit and loss		
Fair value changes shares	13,694	-30,808
Other comprehensive income after taxes	16,116	-30,411
Comprehensive income for the reporting period	21,482	-21,175
thereof attributable to:		
- Shareholders of the parent company	17,199	-24,125
- Non-controlling interests	4,283	2,950

2nd Quarter		
IFRS consolidated statement of profit or loss (unaudited)	1 Apr - 30 Jun 2023 €k	1 Apr - 30 Jun 2022 €k
Revenue	226,345	206,102
Increase (+) or decrease (-) in finished goods and work in progress	-1,100	975
Operating performance	225,245	207,077
Income from joint ventures and associates	2,399	1,268
Other operating income	5,965	5,904
Total performance	233,609	214,249
Cost of raw materials and supplies	-82,615	-72,502
Cost of purchased services	-53,176	-45,069
Cost of materials	-135,791	-117,572
Wages and salaries	-50,613	-47,366
Social security and pension costs	-13,282	-12,778
Personnel expenses	-63,896	-60,144
Other operating expenses	-16,353	-13,411
Earnings before interest, taxes, depreciation and amortization (EBITDA)	17,569	23,122
Depreciation and amortization expense	-10,628	-10,316
Earnings before interest and taxes (EBIT)	6,942	12,806
Finance income	1,562	22
Finance costs	-735	-963
Earnings attributable to non-controlling interests	-149	-695
Net finance costs	679	-1,635
Earnings before taxes (EBT)	7,620	11,171
Income tax expense	-2,837	-3,263
Other taxes	-189	-226
Earnings after taxes	4,595	7,682
thereof attributable to:		
- Shareholders of MBB SE	1,766	3,622
- Non-controlling interests	2,829	4,060
Basic earnings per share (in €)	0.31	0.62
Diluted earnings per share (in €)	0.35	0.69

2nd Quarter		
IFRS consolidated statement of comprehensive income (unaudited)	1 Apr - 30 Jun 2023 €k	1 Apr - 30 Jun 2022 €k
Earnings after taxes	4,595	7,682
Items that may be subsequently reclassified to profit and loss		
Fair value changes bonds and gold	-286	46
Currency translation differences	985	-35
Reclassifications to profit or loss (debt instruments)	262	0
Items that may not be subsequently reclassified to profit and loss		
Fair value changes shares	6,995	-19,396
Other comprehensive income after taxes	7,955	-19,385
Comprehensive income for the reporting period	12,550	-11,702
thereof attributable to:		
- Shareholders of the parent company	9,701	-13,879
- Non-controlling interests	2,850	2,176

Statement of financial position	30 Jun 2023	31 Dec 2022
Assets (IFRS)	unaudited	audited
	€k	€k
Non-current assets		
Concessions, industrial property rights and similar rights	22,001	21,577
Goodwill	48,726	48,726
Advance payments	4	41
Intangible assets	70,731	70,344
Land and buildings including buildings on third-party land	88,881	86,728
Technical equipment and machinery	63,531	62,297
Other equipment, operating and office equipment	34,297	33,072
Advance payments and assets under development	12,396	8,794
Property, plant and equipment	199,105	190,890
Joint ventures and associates	20,914	17,059
Other participations	1	1
Long-term securities	91,363	66,039
Other loans	1,121	1,184
Financial assets	113,398	84,283
Deferred tax assets	15,399	14,314
	398,632	359,831
Current assets		
Raw materials and supplies	28,200	26,867
Work in progress	11,039	9,851
Finished goods and commodities	9,557	10,241
Advance payments	20,320	18,068
Inventories	69,115	65,027
Trade receivables	81,871	65,469
Contract assets	201,464	161,830
Income tax receivables	11,638	12,326
Other current assets	14,060	9,785
Trade receivables and other current assets	309,033	249,410
Gold	4,542	4,394
Securities	114,623	79,839
Derivative financial instruments	286	321
Financial assets	119,452	84,554
Cash on hand	41	63
Bank balances	234,993	362,644
Cash on hand and bank balances	235,035	362,706
	732,634	761,697
Total assets	1,131,267	1,121,527

Statement of financial position	30 Jun 2023	31 Dec 2022
Equity and liabilities (IFRS)	unaudited	audited
	€k	€k
Equity		
Issued capital	5,716	5,804
Capital reserve	468,769	475,240
Legal reserve	61	61
Retained earnings and other comprehensive income	73,860	61,436
Non-controlling interests	214,184	226,987
	762,591	769,527
Non-current liabilities		
Liabilities to banks	26,784	30,396
Lease liabilities	11,066	10,484
Liabilities from participation rights	10,213	10,213
Liabilities to non-controlling interests	2,406	2,231
Other liabilities	4,345	2,970
Pension provisions	18,615	18,615
Other provisions	3,803	3,709
Deferred tax liabilities	28,214	26,835
	105,446	105,454
Current liabilities		
Liabilities to banks	26,747	18,759
Lease liabilities	8,195	8,136
Trade payables	78,420	66,571
Contract liabilities	56,583	48,783
Liabilities to non-controlling interests	1,343	2,534
Other liabilities	35,639	38,422
Accruals	34,207	35,673
Income tax liabilities	7,596	13,816
Other provisions	14,500	13,851
	263,230	246,546
Total equity and liabilities	1,131,267	1,121,527

Consolidated statement of cash flows (unaudited)	1 Jan - 30 Jun 2023 €k	1 Jan - 30 Jun 2022 €k
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	9,837	17,269
Depreciation and amortization expense	21,020	20,158
Increase (+), decrease (-) in provisions	743	-9,186
Gains (-), Losses (+) from disposal of non-current assets	-36	-184
Income from joint ventures and associates	-6,810	-6,188
Other non-cash expenses and income	533	585
Adjustments for non-cash transactions	15,451	5,184
Reclassification	595	0
Increase (-), decrease (+) in inventories, trade receivables and other assets	-62,629	-63,353
Decrease (-), increase (+) in trade payables and other liabilities	15,711	6,561
Change in working capital	-46,918	-56,791
Income taxes paid	-10,369	-5,717
Interest received	3,187	99
Dividend proceeds from joint ventures and associates	1,325	770
Cash flow from operating activities	-26,892	-39,186
2. Cash flow from investing activities		
Investments (-), divestments (+) of intangible assets	-4,052	-2,953
Investments (-), divestments (+) of property, plant and equipment	-18,144	-15,876
Investments (-), divestments (+) of long-term financial assets and securities	-46,436	44,599
Business combination (less cash received)	0	-181
Cash flow from investing activities	-68,632	25,588
3. Cash flow from financing activities		
Profit distribution to shareholders	-5,716	0
Payments to non-controlling interests	-3,590	-3,762
Purchase of own shares	-7,002	-5,207
Acquisition of treasury shares in subsidiaries	-5,980	0
Payments for (-), proceeds from disposal of (+) shares without change of control	-7,905	-11,561
Proceeds from borrowings	12,936	8,065
Repayments of loans	-8,928	-15,768
Payments for lease liabilities	-4,420	-4,835
Interest payments	-1,416	-1,843
Cash flow from financing activities	-32,022	-34,911
Cash and cash equivalents at end of period		
Change in cash and cash equivalents (Subtotal 1-3)	-127,547	-48,509
Effects of changes in foreign exchange rates (non-cash)	-125	39
Cash and cash equivalents at beginning of period	362,706	416,775
Cash and cash equivalents at end of period	235,035	368,305
Composition of cash and cash equivalents		
Cash on hand	41	123
Bank balances	234,993	368,182
Reconciliation to liquid funds as of 30 June		
	2023	2022
Cash and cash equivalents at end of period	235,035	368,305
Gold	4,542	4,476
Securities	205,986	125,646
Liquid funds as of 30 June	445,563	498,427

Statement of changes in consolidated equity											
	Issued capital	Capital reserve	Legal reserve	Retained earnings and other comprehensive income				Retained earnings	Attributable to MBB SE shareholders	Non-controlling interests	Consolidated equity
				Currency translation difference	Fair value reserve	Reserve for pensions	Other reserve				
	€k	€k	€k	€k	€k	€k	€k	€k	€k	€k	€k
1 Jan 2022	5,847	479,089	61	-1,970	54,517	-2,390	-937	46,903	581,120	227,357	808,479
Dividends paid	0	0	0	0	0	0	0	-11,492	-11,492	-3,403	-14,895
Subtotal	5,847	479,089	61	-1,970	54,517	-2,390	-937	35,410	569,628	223,954	793,584
Amounts recognized in other comprehensive income	0	0	0	0	-27,350	0	0	0	-27,350	-2,884	-30,234
Currency translation difference	0	0	0	-271	0	0	0	0	-271	93	-177
Consolidated net profit	0	0	0	0	0	0	0	3,496	3,496	5,741	9,236
Total comprehensive income	0	0	0	-271	-27,350	0	0	3,496	-24,125	2,950	-21,175
Capital transactions involving a change in ownership interest	0	0	0	24	413	-124	0	-3,210	-2,897	-8,664	-11,561
Purchase of own shares	-43	-5,165	0	0	0	0	0	0	-5,207	0	-5,207
Changes in the scope of consolidation	0	0	0	0	0	0	0	0	0	-476	-476
Other changes	0	853	0	-198	28	-95	-734	203	55	506	561
30 Jun 2022	5,804	474,777	61	-2,414	27,609	-2,609	-1,672	35,899	537,455	218,270	755,725
1 Jan 2023	5,804	475,240	61	-2,548	21,063	678	-1,672	43,913	542,539	226,987	769,527
Dividends	0	0	0	0	0	0	0	-5,716	-5,716	-2,356	-8,072
Subtotal	5,804	475,240	61	-2,548	21,063	678	-1,672	38,197	536,823	224,631	761,455
Amounts recognized in other comprehensive income	0	0	0	0	15,021	0	0	0	15,021	174	15,195
Currency translation difference	0	0	0	1,006	0	0	0	0	1,006	-86	920
Consolidated net profit	0	0	0	0	0	0	0	1,171	1,171	4,195	5,366
Total comprehensive income	0	0	0	1,006	15,021	0	0	1,171	17,199	4,283	21,482
Capital transactions involving a change in ownership interest	0	0	0	9	190	88	0	-1,034	-747	-7,158	-7,905
Purchase of own shares	-88	-6,914	0	0	0	0	0	0	-7,002	0	-7,002
Acquisition of treasury shares in subsidiaries	0	0	0	4	145	65	0	1,475	1,689	-7,669	-5,980
Other changes	0	443	0	0	0	0	0	0	443	98	541
30 Jun 2023	5,716	468,769	61	-1,529	36,420	832	-1,672	39,809	548,407	214,184	762,591

Notes to the interim consolidated financial statements

Information on the company

MBB SE is headquartered at Joachimsthaler Str. 34, 10719 Berlin, Germany. It is entered in the commercial register of the Berlin-Charlottenburg District Court under HRB 165458.

Accounting

The interim financial report of the MBB Group for the period 1 January to 30 June 2023 was prepared on the basis of the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted in the EU. It was prepared in accordance with IAS 34.

Accounting policies

The accounting policies adopted are the same as those applied in preparing the consolidated financial statements as of 31 December 2022. The preparation of the financial statements is influenced by accounting policies and assumptions and estimates affecting the amount and reporting of recognized assets, liabilities, contingent liabilities and income and expense items. Matters relating to revenue are deferred intra-year.

Review

The condensed interim consolidated financial statements as of 30 June 2023 and the Interim Group management report were neither audited in accordance with section 317 of the Handelsgesetzbuch (HGB – German Commercial Code) nor reviewed by an auditor.

Dividend

On 12 June 2023, the Annual General Meeting of MBB SE resolved to distribute a dividend of €5.7 million (€1.00 per dividend-bearing share) for the financial year 2022. The dividend was paid out on 15 June 2023.

Changes in contingent liabilities

There were no material changes in contingent liabilities compared to 31 December 2022.

Related party transactions

Business transactions between consolidated Group companies and unconsolidated Group companies are conducted at arm's-length conditions.

Segment reporting

The management of the MBB Group defines the segments as reported in the Interim Group management report. Segment liabilities do not include any liabilities for taxes, lease liabilities or liabilities to banks.

Segment reporting				
Half-year (unaudited)	2023 €k	2022 €k	Δ 2023 / 2022 €k in %	
Service & Infrastructure				
Revenue	208,169	193,713	14,455	7.5%
EBITDA (adjusted)	19,786	30,429	-10,643	-35.0%
Segment assets	307,260	251,946	55,314	22.0%
Segment liabilities	94,679	80,393	14,286	17.8%
Technological Applications				
Revenue	167,175	137,230	29,945	21.8%
EBITDA (adjusted)	12,596	5,283	7,313	138.4%
Segment assets	267,059	243,450	23,609	9.7%
Segment liabilities	138,796	107,572	31,224	29.0%
Consumer Goods				
Revenue	52,220	47,667	4,553	9.6%
EBITDA (adjusted)	-49	2,546	-2,594	-101.9%
Segment assets	60,050	58,889	1,161	2.0%
Segment liabilities	21,480	22,963	-1,483	-6.5%
Reconciliation - Intersegment revenue and earnings				
Service & Infrastructure	-279	-262	-17	-6.5%
Technological Applications	-40	0	-40	
Consumer Goods	-66	-43	-23	-54.1%
Revenue	-386	-306	-80	-26.3%
EBITDA (adjusted)	-423	-172	-251	-146.4%
Group				
Third party revenue Service & Infrastructure	207,889	193,451	14,438	7.5%
Third party revenue Technological Applications	167,135	137,230	29,905	21.8%
Third party revenue Consumer Goods	52,154	47,624	4,530	9.5%
Revenue	427,178	378,305	48,873	12.9%
EBITDA (adjusted)	31,912	38,087	-6,175	-16.2%

A revenue share of €299.6 million (previous year: €242.9 million) is attributable to customer contracts with revenue being recognized over time. Adjusted EBITDA for the segments is reconciled to consolidated net profit as follows:

Reconciliation of EBITDA to consolidated net profit	2023	2022
Half-year	€k	€k
Total EBITDA (adjusted) of the segments	32,334	38,258
Adjustments of EBITDA	-1,055	-660
Reconciliation to Group EBITDA	-423	-172
Group EBITDA	30,856	37,427
Depreciation and amortization expense	-21,020	-20,158
Net finance costs	1,055	-2,903
Earnings before taxes (EBT)	10,892	14,366
Income tax expense	-5,185	-4,661
Other taxes	-341	-468
Earnings after taxes	5,366	9,236
./. Non-controlling interests	4,195	5,741
Consolidated net profit	1,171	3,496

The Adjustments of EBITDA in the first half-year 2023 include personnel expenses in connection with the stock option programs of MBB SE and Aumann AG in the amount of €1.1 million (previous year: €1.1 million). In addition, other income of €0.4 million was adjusted in prior-year period, resulting from the

sale of property, plant and equipment at Aumann, which was written off and adjusted in the previous year as part of a restructuring project.

The reconciliation to the Group EBITDA includes consolidation effects between the segments and the holding company's income and expenses that are not based on transactions with subsidiaries. This includes, in particular, income and expenses from securities and the remuneration of MBB SE personnel.

Disclosures on financial instruments

The following tables show the carrying amounts and fair values of financial instruments by class and measurement category in accordance with IFRS 9:

€k	Classification according to IFRS 9*	30 Jun 2023	
		Carrying amount	Fair value
Assets			
Long-term securities	FVTOCI	91,363	91,363
Trade receivables	AC	81,871	n/a
Securities (debt instruments)	FVTOCI	114,623	114,623
Derivatives without hedge relationship	FVTPL	286	286
Cash in hand, bank balances	AC	235,035	n/a
Liabilities			
Liabilities to banks	FLaC	53,531	52,019
Liabilities from participation rights	FLaC	10,213	13,684
Trade payables	FLaC	78,420	n/a
Liabilities to non-controlling interests	FLaC	3,749	n/a
Contingent considerations from put options	FVTPL	918	918
Derivatives without hedge relationship	FVTPL	0	0
Other financial liabilities	FLaC	21,857	n/a
Aggregated according to categorie			
Assets	AC	316,906	n/a
	FVTOCI	205,986	205,986
	FVTPL	286	286
Liabilities	FLaC	167,770	n/a
	FVTPL	918	918

€k	Classification according to IFRS 9*	31 Dec 2022	
		Carrying amount	Fair value
Assets		0	
Long-term securities	FVTOCI	66,039	66,039
Trade receivables	AC	65,469	n/a
Securities (debt instruments)	FVTOCI	79,839	79,839
Derivatives without hedge relationship	FVTPL	321	321
Cash in hand, bank balances	AC	362,706	n/a
Liabilities			
Liabilities to banks	FLaC	49,155	47,265
Liabilities from participation rights	FLaC	10,213	13,607
Trade payables	FLaC	66,571	n/a
Liabilities to non-controlling interests	FLaC	4,765	n/a
Contingent considerations from put options	FVTPL	901	901
Derivatives without hedge relationship	FVTPL	0	0
Other financial liabilities	FLaC	14,879	n/a
Aggregated according to categorie			
Assets	AC	428,176	n/a
	FVTOCI	145,878	145,878
	FVTPL	321	321
Liabilities	FLaC	145,583	n/a
	FVTPL	901	901

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

The principles and methods used to determine fair value are unchanged as of 30 June 2023. More detailed explanations can be found in section VI. of the notes to the consolidated financial statements 2022.

The following overviews show the classification of financial instruments measured at fair value in the fair value hierarchy prescribed by IFRS 13. The individual levels are defined as follows:

Level 1: Fair value measurement is based on price quotations in active markets (e.g. stock market prices).

Level 2: Fair value is determined to a significant extent on the basis of observable market parameters.

Level 3: The determination of fair value is based on valuation methods that predominantly include non-market observable input factors.

€k	30 Jun 2023			Total
	Level 1	Level 2	Level 3	
Assets				
Long-term securities	91,363			91,363
Securities (debt instruments)	114,623			114,623
Total	205,986			205,986
Liabilities				
Contingent considerations from put options			918	918
Total			918	918

€k	31 Dec 2022			Total
	Level 1	Level 2	Level 3	
Assets				
Long-term securities	66,039			66,039
Securities (debt instruments)	79,839			79,839
Total	145,878			145,878
Liabilities				
Contingent considerations from put options			901	901
Total			901	901

There were no changes between levels in either the current half-year or the previous financial year.

The contingent consideration from put options represents obligations arising from the acquisition of shares in a company in the form of transferring additional assets to the seller of a business if certain events are fulfilled in the future. In the reporting period, interest expenses of €18 thousand (previous year: €17 thousand) were recognized from the accrual of interest on the contingent consideration and reported under finance costs. The following table shows the measurement methods used to determine fair values.

Financial instrument	Valuation technique	Material, unobservable input factors
Securities	The fair value is based on the market price of equity and debt instruments as of 30 June 2023.	not applicable
Contingent considerations from put options	Discounted cash flows based on contractually fixed mechanisms	Performance of the purchased entity The fair value of contingent consideration liabilities would decrease if the performance of the purchased entity would be lower.

Events after the end of the reporting period

Delignit AG resolved to increase its share capital on 20 June 2023. By 11 July 2023, 474,686 shares were allocated to existing shareholders with subscription rights. The 1,573,789 shares not subscribed in the context of this subscription offer were offered for purchase to qualified investors by way of a private placement without a prospectus (private placement). To facilitate the private placement, MBB SE waived in advance the exercise of its subscription rights from the 6,183,707 shares held in Delignit AG. The gross issue volume of around €8.0 million is to be used for the expansion and automation of production capacities.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the results of operations, financial position and net assets of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Berlin, 15 August 2023

The Executive Management of MBB SE

Financial calendar

Commerzbank & ODDO BHF Corporate Conference

5-6 September 2023

Berenberg and Goldman Sachs Twelfth German Corporate Conference

18-20 September 2023

Quarterly report Q3

14 November 2023

Deutsches Eigenkapitalforum

27-29 November 2023

End of Financial Year

31 December 2023

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