

REPORT ON THE 2nd QUARTER AND 1ST HALF

20

22

Key figures

ElringKlinger Group

		2 nd quarter 2022	1 st quarter 2022	4 th quarter 2021	3 rd quarter 2021	2 nd quarter 2021
Order Situation						
Order intake	EUR million	453.2	578.3	485.1	486.3	429.5
Order backlog	EUR million	1,553	1,529.9	1,386.2	1,307.3	1,221.6
Sales/Earnings						
Sales revenue	EUR million	430.6	434.6	406.1	400.6	393.6
Cost of sales	EUR million	366.2	343.8	349.4	306.3	302.8
Gross profit margin		15.0%	20.9%	14.0%	23.5%	23.1%
EBITDA	EUR million	26.7	42.8	33.5	55.0	50.4
EBIT/Operating result	EUR million	-97.1	14.1	3.6	27.0	23.0
EBIT margin		-22.5%	3.3%	0.9%	6.7%	5.9%
Earnings before taxes	EUR million	-90.7	10.9	9.0	23.8	18.5
Net income	EUR million	-94.1	3.8	0.1	9.4	6.5
Net income attributable to shareholders of ElringKlinger AG	EUR million	-94.1	4.0	0.9	9.0	7.9
Cash flow						
Net cash from operating activities	EUR million	22.6	-2.7	37.1	26.5	50.5
Net cash from investing activities	EUR million	-17.3	-17.1	-39.3	-17.5	-15.4
Net cash from financing activities	EUR million	11.0	26.9	-15.6	-46.6	-37.1
Operating free cash flow ¹	EUR million	3.9	-19.8	-1.7	8.1	37.0
Balance Sheet						
Balance sheet total	EUR million	2,076.6	2,141.1	2,090.0	2,071.5	2,092.3
Equity	EUR million	914.6	991.8	982.3	968.0	963.4
Equity ratio		44.0%	46.3%	47.0%	46.7%	46.0%
Net debt ²	EUR million	389.5	387.4	369.2	360.8	363.3
Human Resources						
Employees (as at end of quarter)		9,492	9,400	9,466	9,554	9,608
Stock						
Earnings per share	EUR	-1.49	0.06	0.01	0.14	0.13

¹ Net cash from operating activities and net cash from investing activities (excluding acquisitions/divestments and investments in financial assets)

² Financial liabilities less cash and cash equivalents and less short-term securities

Summary of H1 2022

- Exceedingly difficult **economic and geopolitical conditions** in the first half of 2022; soaring commodity and energy prices, material-related shortages, and rising inflation rates around the globe exacerbated by Russian-Ukrainian conflict and temporary lockdowns in China amid unresolved coronavirus pandemic;
- **Group revenue** up by 9.4%¹ to EUR 430.6 million in second quarter of 2022 and by 5.8% to EUR 865.2 million in first half of 2022; at 5.6% in second quarter and 2.6% in first six months, organic growth (FX-adjusted) also outpaces global vehicle production yet again (0.0% and -1.8%, respectively); expansion in almost all regions and business lines;
- **Group EBIT** in the second quarter impacted by impairments in the Original Equipment segment, primarily triggered by higher interest rates; EBIT before impairments at EUR -1.6 million in the second quarter of 2022 and margin of -0.4%; reported EBIT amounts to EUR -97.1 million in the second quarter and EUR -82.9 million in the first half of the year;
- **Financial position and cash flows** continue to provide strong foundation for business development; high equity ratio of 44.0% at the end of the first half; net debt of EUR 389.5 million below long-term average and debt ratio at 2.5; material-related shortages prompt temporary expansion of inventories and higher funds tied up in working capital; despite these factors, ElringKlinger records positive operating free cash flow of EUR 3.9 million in the second quarter and EUR -16.0 million in the first half;
- **Order backlog** of EUR 1,552.5 million, up by around 27% on previous year and thus at record level;
- **Other events** in the first half of 2022: Early extension of contract of CEO Dr. Stefan Wolf until January 2027 and termination of Management Board mandate of Chief Technology Officer Theo Becker as of March 31, 2022; Annual General Meeting approves dividend of EUR 0.15 per share and elects Ingeborg Guggolz to the Supervisory Board; ElringKlinger signs Climate Protection Agreement and commits to target of global CO₂-neutral production in net terms from 2030;

“The macroeconomic environment is dominated by significant challenges; the external strains and uncertainties are immense. ElringKlinger is on a sound footing – both in terms of its portfolio and its financial structure.”

Dr. Stefan Wolf, CEO of ElringKlinger AG

¹ Unless otherwise stated, comparative figures refer to the same period of the previous year.

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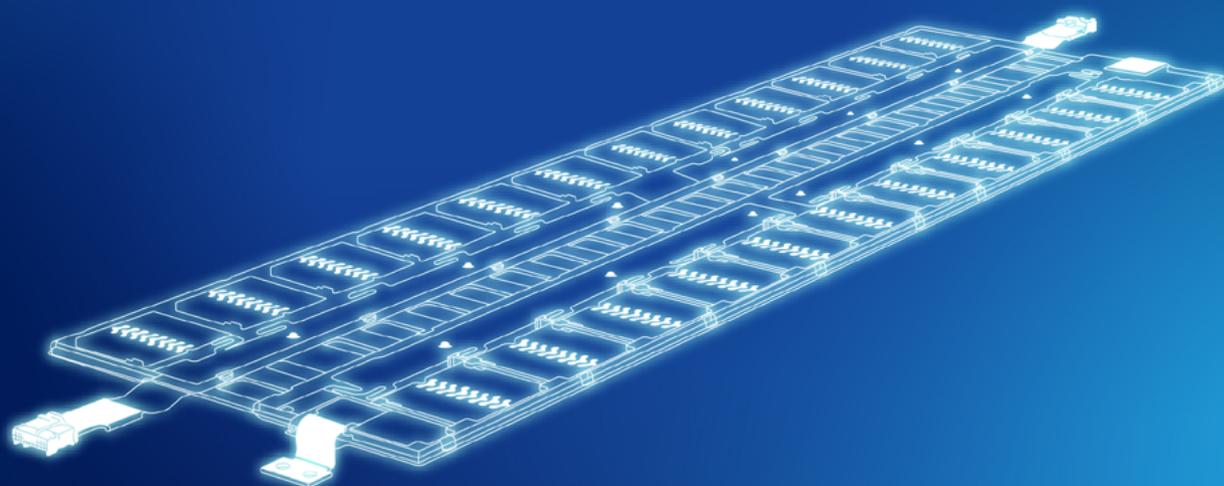
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In the area of battery technology for the automotive industry, ElringKlinger has become a firmly established provider of individual battery components as well as innovative complete solutions. Its portfolio of lithium-ion batteries includes the innovative cell cover design shown here, which forms a small yet vital part of the overall system. Discover what battery technology means for ElringKlinger and how the Group has positioned itself to embrace it in »The whole package«, an article in the 2022 issue of our »pulse« magazine.

Macroeconomic Conditions and Business Environment

Exposed to a precarious mix of detrimental factors, the global economy saw its recovery stall over the course of the first half of 2022. Supply-side bottlenecks and soaring prices spread rapidly from raw material markets and industrial primary products to other sectors such as the energy and food industries. In the second quarter, in particular, the shortage of materials and inflationary trends around the globe were exacerbated not only by the fallout from the armed conflict in Ukraine, which has been ongoing since February 24, 2022, but also by China's strict zero-covid policy. As well as exerting further pressure on markets with regard to essential transformation processes in the energy sector, the sanctions imposed by Western countries on Russia in response to the war in Ukraine also ushered in a new era of economic and geopolitical conflict.

In the second quarter of 2022, inflation rates in the advanced economies reached long-standing highs of over 8%, including in the United States, the euro area, and the United Kingdom. The core rate of inflation, which excludes energy and food prices, also increased significantly. In an effort to counteract the surge in prices central banks tightened their monetary stance, thus bringing about a sea change after years of loose monetary policy. After the Bank of England had already raised its interest rates at the end of 2021, the US Federal Reserve (FED) followed suit in March 2022 with an initial increase of 0.25 percentage points. On July 1, the European Central Bank (ECB) also swung into action with an initial rate hike of 0.5 basis points – with the prospect of a further upward trajectory in interest rates.

In March, the Chinese government imposed temporary lockdowns in major economic centers in response to the recent emergence of new coronavirus infections. This, in turn, triggered more far-reaching bottlenecks in global supply chains.

Having already acted as a decelerating force on global economic performance in the first quarter of 2022, these circumstances prompted an even more pronounced slowdown in growth in the period from April to June.

GDP growth projections

Year-on-year change in %	4th quarter 2021	1st quarter 2022	2nd quarter 2022
Germany	1.8	3.8	1.7
Eurozone	4.7	5.4	3.2
USA	5.5	3.5	2.3
Brazil	1.6	1.7	2.2
China	4.0	4.8	1.0
India	5.4	4.1	14.2
Japan	0.4	0.4	1.1

Source: HSBC (June 2022)

Disruptions also impact on automotive sector

The disruptive influences seen within the macroeconomic environment, as outlined above, took a toll on the automotive sector in particular. Despite price dynamics and general uncertainty among consumers, demand for new vehicles is strong in many regions. However, it cannot be fully met by vehicle manufacturers due to the lack of primary and intermediate products. Compared to the same period last year, global production of light vehicles (passenger cars and light commercial vehicles) fell by around 0.7 million vehicles or 1.8% in the first half of 2022. In the second quarter, vehicle production stagnated compared to the same period last year. Overall, the markets showed a mixed picture in regional terms.

The high-volume markets of Europe and Japan were hit the hardest. The Chinese car market slumped during the second quarter, impacted to some extent by regional lockdowns, but still ended up just within positive territory at the end of the first half thanks to a good start to the year. Light vehicle production in North America, meanwhile, closed the first half with solid growth of 4.7%.

Production Light Vehicles

Vehicles millions

Region	2 nd quarter 2022		1 st half 2022	
		Year-on-year change		Year-on-year change
Europe ¹	3.9	-4.9%	7.8	-11.8%
China	5.5	-5.9%	11.7	0.6%
Japan/Korea	2.5	-8.9%	5.2	-10.2%
Middle East/Africa	0.5	4.9%	1.1	7.8%
North America	3.6	11.7%	7.1	4.7%
South America	0.7	12.9%	1.3	-0.5%
South Asia	2.1	18.1%	4.4	12.3%
World	18.8	0.0%	38.7	-1.8%

Source: IHS (July 2022)

¹ incl. Russia

Heterogeneous sales markets

As the situation within the various sales markets was also influenced by impediments along the automotive value chains, the actual buoyancy in demand is not necessarily reflected in the number of new vehicle registrations. Western Europe (EU14, EFTA & UK) recorded a decline of 14.3%

year on year and the new EU member states (Eastern Europe) a contraction of 8.2%. The number of new light vehicles registered was also significantly lower in the United States (-18.3%) and Brazil (-15.4%). With growth of 3.7% in China and 15.9% in India, the sales markets in these countries painted a more positive picture.

Significant Events

Operating activities impacted by underlying economic conditions

The underlying economic conditions outlined earlier had a noticeable impact on operating activities in the first half of the year. Alongside the indirect effects on the markets in general, direct drivers such as safeguarding the availability of materials, the higher cost base, and the challenges associated with business dealings and judgments within an environment characterized by considerable uncertainty played a more pronounced role in the period under review.

Further contract extension for CEO Dr. Stefan Wolf

Based on a resolution of March 24, 2022, the contract of CEO Dr. Stefan Wolf was extended ahead of schedule by an

additional four years until January 31, 2027. The previous contract was scheduled to expire on January 31, 2023. Dr. Wolf has been CEO of ElringKlinger AG since 2006. In taking this decision, the Supervisory Board has ensured continuity at the helm of the Group.

Theo Becker's appointment to Management Board ends

Similarly, Theo Becker's appointment as a member of the Management Board was revoked prematurely effective from March 31, 2022. Mr. Becker thus left the company after many years of service at ElringKlinger and as a member of the Management Board, a position he held from 2006 onward. Mr. Becker's contract would have regularly expired on January 31, 2023.

Following the departure of Chief Technology Officer Theo Becker, the Group Management Board returned to its previous size of three members. The current board members have assumed responsibility for the duties previously performed by Mr. Becker. The corporate unit Purchasing & Supply Chain Management as well as the business units Battery Technology and Drivetrain Components now report to Thomas Jessulat. The corporate units Real Estate & Facility Management, Product Risk Management, and Tooling Technology have now been assigned to Reiner Drews' Management Board portfolio.

Annual General Meeting approves dividend, Ingeborg Guggolz new Supervisory Board member

The 117th Annual General Meeting of ElringKlinger AG was held as a virtual event on May 19, 2022. In total 63.5% of the voting share capital was represented. The proposed resolutions were each adopted with a large majority. The Annual General Meeting approved a dividend of EUR 0.15 per share in respect of the previous financial year. Ingeborg Guggolz was newly elected to the Supervisory Board as a shareholder representative after Rita Forst had resigned from the board as of May 19, 2022.

ElringKlinger signs Climate Protection Agreement and opts for global CO₂-neutral production as from 2030

In signing the Climate Protection Agreement of the German state of Baden-Württemberg, ElringKlinger committed itself to its goal of global CO₂-neutral production in net terms from 2030 onward. The climate alliance established by the federal state and local companies sets out specific measures on how to achieve its corporate climate protection goals. ElringKlinger has committed itself to reducing greenhouse gas emissions and further improving efficiency levels in respect of energy consumption. ElringKlinger's manufacturing operations at all its German sites have been CO₂-neutral in net terms (Scope 1 and 2) since as early as 2021. The plan is for all sites around the globe to be added to this list by 2030. In addition, the company is committed to scaling back emissions generated throughout the entire value chain (Scope 3).

Subsidiary of EKPO Fuel Cell Technologies founded in China

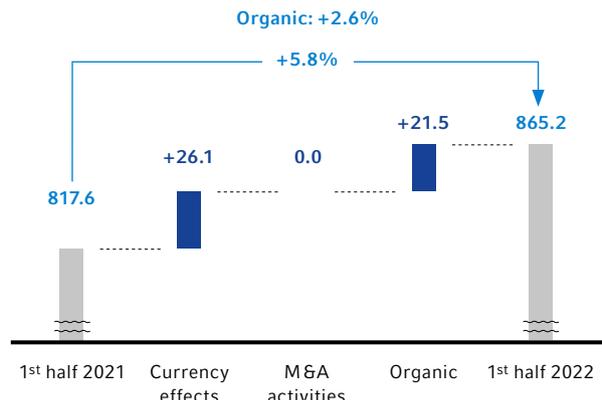
Effective from June 29, 2022, ElringKlinger established the new subsidiary EKPO Fuel Cell (Suzhou) Co., Ltd., based in Suzhou, China. As a wholly owned subsidiary of Group company EKPO Fuel Cell Technologies GmbH based in Dettingen/Erms, Germany, the entity will also operate in the field of fuel cell technology.

Sales and Earnings Performance

Further growth in revenue

ElringKlinger again succeeded in increasing its revenue in the second quarter of the 2022 financial year. Group revenue expanded by 9.4% to EUR 430.6 million (Q2 2021: EUR 393.6 million) compared to the same quarter last year, despite continued strains on supply chains as well as the adverse effects of the war in Ukraine and the coronavirus pandemic. In cumulative terms, revenue improved by EUR 47.6 million or 5.8% to EUR 865.2 million in the first half of 2022 (H1 2021: EUR 817.6 million).

Factors influencing Group revenue 1st half 2022
in EUR million



In this context, the direction taken by exchange rates had a favorable effect on revenue. In particular, changes relating to the Chinese yuan, the US dollar, and the Mexican peso provided a slight boost to sales revenue, while the Turkish lira had an opposite effect. Adjusted for exchange rate effects, revenue increased by EUR 21.5 million or 2.6% in the first half and by EUR 21.9 million or 5.6% in the second quarter. As a result, ElringKlinger's organic revenue growth outperformed the market as a whole on the basis of global vehicle production, which declined by 1.8% compared to the first half of 2021 and showed no growth whatsoever in the second quarter. There were no effects from changes in the scope of consolidation (M&A activities) in either the quarter under review or in the first half of 2022 as a whole.

Strong growth in North and South America

In the second quarter, sales revenue expanded across the board in regional terms, with North America and South America/Rest of the World recording the most buoyant growth. At 79.5% (Q2 2021: 77.8%), the share of non-domestic revenue in total Group revenue was slightly higher than in the same quarter of the previous year. In the first half of 2022, 79.3% (H1 2021: 77.8%) of revenue was generated abroad, or 78.8% (H1 2021: 77.8%) after currency adjustments.

ElringKlinger generated revenue of EUR 129.4 million (Q2 2021: EUR 124.2 million) in the Rest of Europe, the region with the highest sales. This corresponds to 30.1% of the Group's total revenue. Revenue in the second quarter grew by EUR 5.2 million or 4.2% compared to the same quarter last year. In the first half of 2022, the Group recorded revenue growth of EUR 8.6 million or 3.4% in this region, taking the figure to EUR 263.9 million (H1 2021: EUR 255.4 million). In currency-adjusted terms, revenue increased by as much as EUR 13.1 million or 5.1% in this period, driven by strong organic revenue growth in the second quarter of 2022. Revenue from sales in Germany also increased slightly

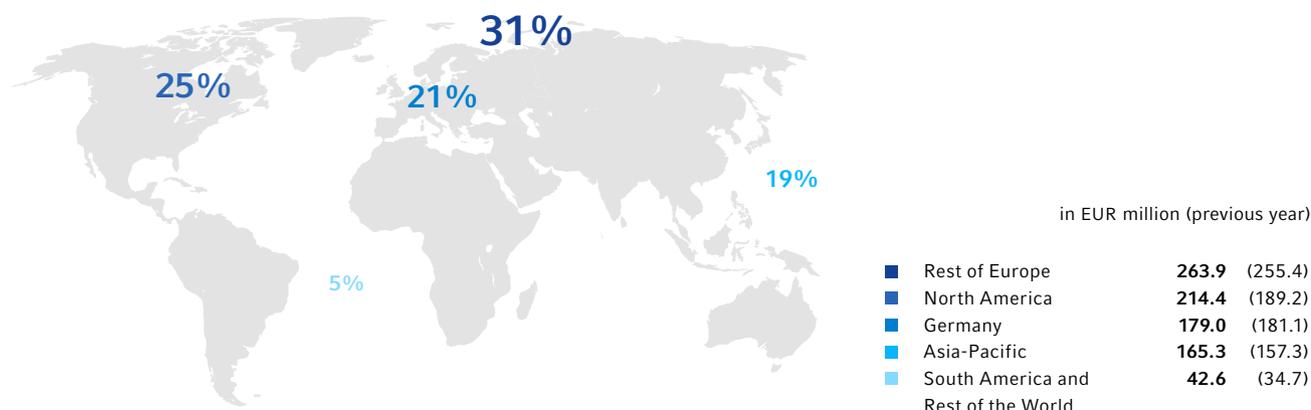
by 0.9% to EUR 88.4 million (Q2 2021: EUR 87.6 million) in the quarter under review.

The region encompassing North America accounted for about a quarter (25.7%) of Group revenue in the second quarter with revenue of EUR 110.7 million (Q2 2021: EUR 89.0 million), making it the Group's second strongest region. Revenue expanded by EUR 21.7 million or 24.4% compared to the same quarter of the previous year. Thus, business expansion in North America was above the Group's average growth rate of 9.4%. In the first half of 2022, revenue grew by EUR 25.2 million or 13.3% to EUR 214.4 million (H1 2021: EUR 189.2 million). The direction taken by exchange rates also contributed significantly to this performance. Excluding exchange rate effects, revenue increased by EUR 8.2 million or 4.3% in the first half of the year.

In the Asia-Pacific region, ElringKlinger generated revenue of EUR 79.4 million between April and June 2022 (Q2 2021: EUR 75.5 million), which corresponds to 18.4% of Group revenue. Revenue expanded by EUR 4.0 million or 5.3%. In the first half of 2022, revenue rose by EUR 8.0 million or 5.1% to EUR 165.3 million (H1 2021: EUR 157.3 million). This was underpinned by exchange rate developments. Assuming constant exchange rates, the Group emulated its prior-year performance with a change of EUR 0.2 million or 0.1%.

Revenue in South America and Rest of the World totaled EUR 22.6 million in the second quarter of 2022, i. e., 5.3% of Group revenue (Q2 2021: EUR 17.3 million or 4.4%). In the second quarter, revenue grew by EUR 5.4 million or 31.1% – well in excess of average growth generated within the Group. In the first half of 2022, ElringKlinger recorded revenue growth of EUR 7.9 million or 22.8% in this region, taking the figure to EUR 42.6 million (H1 2021: EUR 34.7 million). Here, too, the direction taken by exchange rates had a positive effect. Adjusted for currencies, revenue grew by EUR 3.3 million or 9.6%.

Group sales by region 1st half 2022



Original Equipment records revenue growth

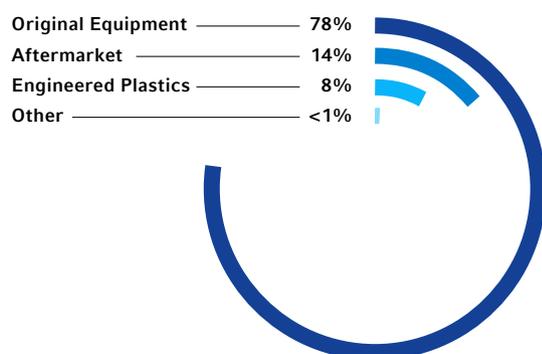
The Original Equipment segment saw its revenue increase by 9.9% to EUR 338.0 million from April to June 2022 (Q2 2021: EUR 307.5 million). Accounting for 78.5% of Group revenue in the second quarter, Original Equipment is the Group's largest segment. In the first half of 2022, ElringKlinger recorded revenue of EUR 673.1 million (H1 2021: EUR 641.9 million) in this segment.

Within the segment, almost all business units saw an increase in revenue. With revenue totaling EUR 133.4 million (Q2 2021: EUR 117.6 million), the Lightweighting/Elastomer Technology business unit increased its share of Group revenue to 31.0% in the reporting quarter. The Metal Sealing Systems & Drivetrain Components and Shielding Technology business units also succeeded in expanding their revenue by EUR 5.2 million and EUR 11.9 million respectively. The E-Mobility business unit increased its revenue to EUR 14.1 million in the quarter under review compared to the first three months (EUR 5.3 million), but recorded a slight decline in revenue compared to the same quarter of the previous year (Q2 2021: EUR 16.5 million).

Earnings before interest and taxes (EBIT) in the Original Equipment segment amounted to EUR -112.7 million in the quarter under review (Q1 2021: EUR 7.3 million). This was attributable primarily to impairment losses of EUR 86.1 million relating to goodwill as disclosed in the consolidated statement of financial position. Other significant factors influencing Group EBIT included impairment losses of EUR 9.3 million in respect of property, plant, and equipment, and a persistently high level of material costs. Excluding the impairments described above, EBIT for the Original Equipment segment came to EUR -17.3 million in the quarter under review, reflecting more difficult economic conditions such as increased costs for raw materials, energy, and transport.

In total, the Original Equipment segment reported an EBIT margin of -17.5% in the first half of the year (H1 2021: 5.7%) and -33.4% in the second quarter (Q2 2021: 2.4%). Excluding the impairments outlined above, the segment recorded an EBIT margin of -3.3% in the first half and -5.1% in the second quarter.

Group sales by segment and business unit 1st half 2022



	in EUR million (previous year)	
Original Equipment	673.1	(641.9)
– Lightweighting/Elastomer Technology	267.0	(244.7)
– Metal Sealing Systems & Drivetrain Components	238.0	(232.0)
– Shielding Technology	146.6	(139.1)
– E-Mobility	19.4	(23.8)
– Exhaust Gas Purification & Other	2.1	(2.2)
Aftermarket	122.7	(108.6)
Engineered Plastics	67.2	(64.9)
Other	2.2	(2.1)

Profitable growth in Aftermarket segment

The Aftermarket segment saw an improvement in both revenue and earnings. With revenue standing at EUR 59.7 million in the second quarter, the Aftermarket segment accounted for 13.9% of Group revenue, making it the second largest segment. Revenue increased by EUR 6.4 million or 12.0% in the reporting quarter (Q2 2021: EUR 53.3 million). In addition to Western and Eastern Europe, North and South America also contributed to revenue growth. As regards earnings, the segment benefited from a consistent approach to cost efficiency. As a result, EBIT increased by 14.5% to EUR 11.4 million between April and June (Q2 2021: EUR 10.0 million). In the first half of the year, EBIT totaled EUR 25.3 million (H1 2021: EUR 21.9 million), which corresponds to an EBIT margin of 20.6% (H1 2021: 20.2%).

Engineered Plastics segment remains robust

The Engineered Plastics segment generated revenue of EUR 31.9 million in the second quarter of 2022 (Q2 2021: EUR 31.8 million), representing 7.4% of Group revenue. Revenue remained largely unchanged year on year, with growth of EUR 0.1 million or 0.3%. In terms of earnings, higher costs for raw materials are reflected in the figures for the period under review. EBIT was down slightly from EUR 6.0 million in the same quarter of the previous year to EUR 4.7 million from April to June 2022. Despite the significant increase in material-related costs, the EBIT margin of 14.9% in the second quarter of 2022 is in line with the average of the past years; it was 15.4% in the first half of the year.

Slight growth for Other segment

The segment referred to as “Other” mainly encompasses the activities of Elring Klinger Motorteknik GmbH, Idstein, Germany, ElringKlinger Logistic Service GmbH, Rottenburg/Neckar, Germany, Kochwerk Catering GmbH, Dettingen/Erms, Germany, and the industrial park in Idstein, Germany. In the second quarter of 2022, revenue grew slightly by 5.3% to EUR 1.0 million (Q2 2021: EUR 1.0 million), and in the first half year by 2.0% to EUR 2.2 million (H1 2021: EUR 2.1 million). The segment result deteriorated slightly by EUR 0.2 million to EUR -0.5 million (Q2 2021: EUR -0.3 million).

Headcount up in Asia-Pacific as well as South America and Rest of the World

The headcount within the Group decreased by 116 employees or 1.2% over the last twelve months and stood at 9,492 at the end of the second quarter (Jun. 30, 2021: 9,608 employees). Compared to the previous year, the regions encompassing the Rest of Europe (-5.0%) and North America (-5.9%) in particular declined. The efficiency stimulus programme continued to have an effect here over the course of the year. Among other things, the Group was committed to a far-sighted approach to filling vacant positions and carefully reviewing fixed-term contracts for renewal. In contrast, the number of employees increased in the Asia-Pacific (+3.0%) and South America and Rest of the World (+9.0%) regions, which illustrates the importance of these markets. Overall, in percentage terms, the non-domestic headcount declined slightly to 57.7% (Jun. 30, 2021: 58.2%). Accordingly, the domestic share increased to 42.3% as of June 30, 2022 (Jun. 30, 2021: 41.8%).

Gross profit impacted by substantial raw material, energy, and logistics costs

In the second quarter of 2022, the cost of sales amounted to EUR 366.2 million (Q2 2021: EUR 302.8 million). Alongside the effect of impairments of property, plant, and equipment, this was attributable primarily to increases in raw material, energy, and logistics costs, which proved substantial in some cases. The situation within the commodity markets remains tense, with prices for polyamides (plastic granules), steel, and aluminum at a persistently high level. In addition, the availability of raw materials is not always guaranteed. As a result, ElringKlinger also saw a further increase in the cost of materials to EUR 204.4 million (Q2 2021: EUR 165.6 million). The purchasing department actively countered this trend with measures geared to operational requirements and the market situation, among other things. Despite these steps and the expansion in revenue, the cost-of-materials ratio (cost of materials in relation to Group revenue) of 47.5% was above the level of the corresponding quarter of the previous year (Q2 2021: 42.1%). Similarly, the cost-of-materials ratio rose from 41.6% (H1 2021) to 45.3% in the first half of 2022.

Driven by these factors, gross profit fell to EUR 64.4 million (Q2 2021: EUR 90.7 million) in the second quarter of 2022 and to EUR 155.2 million (H1 2021: EUR 200.0 million) in the first half of 2022. Correspondingly, the gross profit margin contracted to 15.0% in the second quarter of 2022 (Q2 2021: 23.1%) and to 17.9% in the first half of 2022 (H1 2021: 24.5%).

Staff costs increased by 11.2% to EUR 143.8 million in the second quarter of 2022 – among other things due to currency effects, due to additional obligations in the context of the planned discontinuation of production activities at one of the facilities in Germany as well as due to adjustments to partial retirement entitlements –, up from EUR 129.2 million in the same period of the previous year. In the first half of the year they totaled EUR 289.7 million (H1 2021: EUR 264.8 million). As a result, staff costs in relation to Group revenue increased from 32.8% in the second quarter of 2021 to 33.4% in the period from April to June 2022.

Against the backdrop of revenue growth, selling expenses also trended higher again – from EUR 29.1 million in the second quarter of 2021 to EUR 35.5 million in the period from April to June 2022, which was partly due to additional logistics costs and the further execution of ElringKlinger's growth strategy in the Aftermarket segment. In the first six

months, selling expenses amounted to EUR 69.8 million, compared to EUR 59.9 million in the first half of 2021.

General and administrative expenses rose by EUR 2.8 million to EUR 23.9 million (Q2 2021: EUR 21.1 million) in the second quarter of 2022. Up by EUR 5.8 million to EUR 49.2 million (H1 2021: EUR 43.4 million), they rose at the same rate in the first half of 2022. This increase was also attributable to higher non-personnel costs as well as an increase in staff costs.

Targeted research and development costs

In order to further shape market transformation, the Group is focusing its research and development activities primarily on the development of products and solutions for alternative drive technologies. In total, research and development (R&D) expenses amounted to EUR 15.4 million in the second quarter (Q2 2021: EUR 18.5 million), which is mainly attributable to lower non-personnel costs. In addition, a total amount of EUR 5.7 million (Q2 2021: EUR 3.4 million) was capitalized. In the first six months of 2022, R&D expenses totaled EUR 34.2 million (H1 2021: EUR 37.0 million). In addition, a sum of EUR 10.8 million (H1 2021: EUR 5.7 million) was capitalized. This results in a capitalization ratio of 27.1% in the second quarter of 2022 (Q2 2021: 15.5%) and 24.0% in the first half of 2022 (H1 2021: 13.3%).

Influenced to some extent by revenue growth, the R&D ratio (R&D expenses, incl. capitalization, in relation to Group revenue) fell to 4.9% in the second quarter (Q2 2021: 5.6%) and 5.2% in the first half (H1 2021: 5.2%).

In the second quarter of 2022, ElringKlinger again received government grants that were directed primarily at research projects in the field of battery and fuel cell technology. They amounted to EUR 1.7 million (Q2 2021: EUR 0.6 million). In the first six months of 2022, this figure totaled EUR 2.7 million (H1 2021: EUR 1.3 million).

Earnings impacted by general cost situation and impairments

In the first three months of the current year, macroeconomic strains within the world markets were further exacerbated by the Russian-Ukrainian war. This was compounded by government lockdown measures in several Chinese regions from March 2022 onward, as a result of which the disruption to global supply chains continued and intensified. ElringKlinger's two Chinese plants in Changchun and Suzhou were also affected by these measures, particularly

in April 2022. In addition, the Group recognized an impairment loss of EUR 9.3 million for property, plant, and equipment. Overall, the aforementioned factors had an impact on ElringKlinger's earnings in the period under review, as did the persistently high level of raw material, energy, and logistics costs. EBITDA (earnings before interest, taxes, depreciation, and amortization) stood at EUR 26.7 million in the second quarter of 2022, compared to EUR 50.4 million in the months from April to June 2021. In the first half of 2022, EBITDA totalled EUR 69.5 million (H1 2021: EUR 127.6 million).

Because the interest rate level picked up rapidly in the second quarter of 2022, the Group conducted an impairment test on an ad hoc basis, which led to impairment losses of goodwill totalling EUR 86.1 million, which were accounted for in other operating expenses. Thus, other operating expenses amounted to EUR 89.4 million in the second quarter of 2022, up from EUR 2.9 million in the same period a year ago. Total depreciation, amortization, and write-downs increased significantly to EUR 123.7 million in the second quarter of 2022 (Q2 2021: EUR 27.4 million) and to EUR 152.4 million in the first half of 2022 (H1 2021: EUR 56.2 million).

Thus, the Group recorded earnings before interest and taxes (EBIT) of EUR -97.1 million (Q2 2021: EUR 23.0 million). The EBIT margin for the period from April to June 2022 was -22.5% (Q2 2021: 5.9%). As a result, the EBIT margin for the first half of the year stood at -9.6% (H1 2021: 8.7%). Adjusting reported EBIT for the one-off exceptional items of impairments, operating EBIT was EUR -1.6 million in the second quarter of 2022 and EUR 12.5 million in the first half of 2022, corresponding to an EBIT margin of -0.4% for the second quarter and 1.4% for the first half under review.

Further reduction in net finance costs

Driven primarily by the movement in exchange rates, the net finance result for the quarter under review improved by EUR 10.9 million overall when compared to the same period a year ago. Higher unrealized foreign exchange losses and significantly higher unrealized foreign exchange gains translated into a net foreign exchange gain of EUR 8.8 million (Q2 2021: EUR -1.8 million). The Group's solid financial position was also reflected in the fact that the rapid increase

in interest on debt seen within the market as a whole had hardly any effect. The net interest result was EUR -3.2 million, compared to EUR -2.0 million in the second quarter of 2021. In conjunction with a share of the income of associates of EUR 0.7 million (Q2 2021: EUR -0.8 million), this translates into a net finance result of EUR 6.3 million (Q2 2021: EUR -4.6 million).

The situation was similar in the first half of the year: driven mainly by the change in exchange rates, the net finance result improved from EUR -3.5 million in the first six months of 2021 to EUR 3.1 million in the period from January to June 2022. The deterioration in the net interest result of EUR 1.0 million due to higher interest rates was more than offset by a EUR 1.2 million upturn in the share of the income of associates.

As a result, the Group recorded earnings before taxes (EBT) of EUR -90.7 million in the second quarter of 2022 (Q2 2021: EUR 18.5 million). EBT for the first half of 2022 amounted to EUR -79.9 million (H1 2021: EUR 67.9 million).

Net income impacted by second quarter

Income tax expenses amounted to EUR 3.4 million in the second quarter of 2022 (Q2 2021: EUR 12.0 million), reflecting the heterogeneous profitability of the subsidiaries. Additionally, as in the prior periods, it was not possible to recognize deferred tax assets on losses incurred by some of the foreign companies. This results in an effective tax rate of -3.7% (Q2 2021: 64.8%) in the quarter under review and -13.0% (H1 2021: 33.7%) in the first half of 2022.

After deducting tax expenses, net income generated by the ElringKlinger Group in the second quarter of 2022 fell short of the prior-year figure at EUR -94.1 million (Q2 2021: EUR 6.5 million). Net income attributable to the shareholders of ElringKlinger AG also stood at EUR -94.1 million (Q2 2021: 7.9 million). In the first half of 2022, the net result for the period amounted to EUR -90.3 million and EUR -90.1 million for ElringKlinger shareholders (H1 2021: EUR 45.0 million and EUR 45.8 million respectively). As a result, earnings per share in the first half of 2022, at EUR -1.42, and in the second quarter of 2022, at EUR -1.49, were also well down on the previous year's figures of EUR 0.72 and EUR 0.13 respectively.

Financial Position and Cash Flows

The ElringKlinger Group's financial position and cash flows continue to provide a strong foundation for the company's further advancement – even against the challenging backdrop seen at present. On the back of a consistent improvement in the Group's financial situation in recent years, supported among other things by the successful completion of a stimulus program aimed at raising efficiency levels, ElringKlinger was able to cushion effectively the impact from difficult general conditions seen over the course of the first half of 2022. The downward pressure mentioned above was reflected, for example, in inventory adjustments or impairment losses as a result of impairment tests. Having said this, the higher interest rate level also had a positive effect, which was reflected in the remeasurement of pension provisions and the resulting addition to equity.

The equity ratio of 44.0% at the end of the first half of 2022 and the reduction in net debt to EUR 389.5 million, which was significantly lower compared to previous years, are indicative of the Group's consistently solid financial position.

At 27.9% of Group revenue, net working capital (inventories and trade receivables less trade payables), was below the average of the past five years (28.6%). In the first half of 2022, ElringKlinger generated a cash inflow of EUR 19.9 million from operating activities. The Group's operating free cash flow, which also encompasses investments, stood at EUR -16.0 million.

Total assets stable

At EUR 2,076.6 million (Dec. 31, 2021: EUR 2,090.0 million), total assets at the end of the first half were at a similar level to that reported at the end of the 2021 financial year. The asset structure underwent marginal changes. Non-current assets decreased slightly to EUR 1,169.1 million and accounted for 56.3% of total assets (Dec. 31, 2021: EUR 1,267.1 million, share of 60.6%). Current assets increased accordingly to EUR 906.1 million (Dec. 31, 2021: EUR 822.9 million, share of 39.4%), which corresponds to 43.6% of total assets. In addition, the Group recorded EUR 1.4 million in non-current assets held for sale.

Key figures Financial Position and Cash Flows

in EUR million	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021	Jun. 30, 2021
Total equity and liabilities	2,076.6	2,141.1	2,090.0	2,092.3
Equity ratio	44.0%	46.3%	47.0%	46.0%
Net Working Capital ¹	465.9	449.2	402.2	413.0
Net Working Capital in relation to sales	27.9%	27.5%	24.8%	25.0%
Net Debt ²	389.5	387.4	369.2	363.3
Net Debt/EBITDA	2.5	2.1	1.7	1.4
ROCE ³	-10.3%	3.4%	6.4%	8.5%
	2nd quarter 2022	1st quarter 2022	1st half 2022	1st half 2021
Net cash from operating activities	22.6	-2.7	19.9	92.5
Operating free cash flow ⁴	3.9	-19.8	-16.0	65.6
Investments in property, plant, and equipment (payments)	13.8	12.8	26.6	22.5
Investment ratio	3.2%	3.0%	3.1%	2.8%

¹ Inventories and trade receivables less trade payables

² Non-current and current financial liabilities less cash and cash equivalents and securities

³ Return on capital employed

⁴ Net cash from operating activities and net cash from investing activities (excluding acquisitions/divestments and investments in financial assets)

Foreign exchange factors relating to the translation of the separate financial statements into the Group currency, the euro, had a slightly accretive effect on total assets in the first half of the year.

Impact from external underlying conditions

The impairment tests carried out as of the end of the first half resulted in an impairment loss of EUR 86.1 million relating to goodwill within the Original Equipment segment. This was attributable largely to an increase in the post-tax cost of capital rate used to discount goodwill, which rose to 7.40% as of June 30, 2022 (Dec. 31, 2021: 6.99%). The considerable uncertainties and influencing factors seen within the economic environment at present, such as the unforeseeable consequences of the Russian-Ukrainian conflict, the tense situation within the commodity markets, the general economic trajectory or the direction taken by the automotive sector, and the possibility of further waves of the pandemic were also included in the judgments in respect of recoverability. Primarily as a result of these factors, intangible assets decreased to EUR 139.7 million as of June 30, 2022 (Dec. 31, 2021: EUR 215.6 million).

The carrying amount of property, plant, and equipment as of June 30, 2022, was EUR 935.3 million (Dec. 31, 2021: EUR 938.6 million), which was comparable to the figure reported at the end of the 2021 financial year. Systematic depreciation (EUR 53.8 million) and impairments (EUR 9.3 million) contrasted – in roughly the same amount – with additions from investments and exchange rate factors with an accretive effective overall.

In total, additions from investments in property, plant, and equipment and intangible assets (including additions from leases) amounted to EUR 45.4 million in the first half of 2022 (H1 2021: EUR 41.4 million). Systematic depreciation, amortization, and write-downs (less reversals of write-downs) amounted to EUR 56.9 million in the same period (H1 2021: EUR 56.2 million).

Other non-current and current assets decreased by EUR 34.1 million compared to December 31, 2021, to EUR 31.6 million (Dec. 31, 2021: EUR 42.3 million) and EUR 76.5 million (Dec. 31, 2021: EUR 100.9 million) respectively. The change is attributable primarily to scheduled payments by the co-owner of the Group subsidiary EKPO Fuel Cell Technologies GmbH amounting to around EUR 30.0 million.

Stockpiling adapted to current circumstances

Due to the tense situation within the procurement markets, as evidenced by higher prices for materials and bottlenecks in supply, for example, inventories were adjusted for the purpose of safeguarding availability of essential materials in production. This, too, prompted an increase in inventories in the consolidated statement of financial position. Irrespective of this, inventories also expanded in response to solid incoming orders at ElringKlinger – up by EUR 59.0 million compared to the level at the end of 2021 (EUR 49.3 million adjusted for exchange rate effects) to EUR 413.3 million. Adjusted for exchange rate effects, inventories rose by 13.9%. In this context, it should be noted that the overall increase in raw material prices had an additional dilutive effect.

Receivables amounted to EUR 264.7 million at the end of the reporting period (Dec. 31, 2021: EUR 233.5 million). The increase of EUR 31.2 million (adjusted for exchange rate effects: EUR 21.8 million) compared to the figure recorded at the end of 2021 is mainly due to growth in Group revenue.

Inventories and trade receivables, which together represent working capital, amounted to EUR 678.0 million as of June 30, 2022 (Dec. 31, 2021: EUR 587.8 million).

Cash and cash equivalents held by the ElringKlinger Group amounted to EUR 135.2 million at the end of the first half of 2022 (Dec. 31, 2021: EUR 109.9 million).

Equity ratio remains high at 44%

With equity standing at EUR 914.6 million (Dec. 31, 2021: EUR 982.3 million), ElringKlinger again reported a substantial equity ratio of 44.0% (Dec. 31, 2021: 47.0%) at the end of the first half of 2022. It thus continues to lie within the management's target range of 40 to 50%.

Equity for the first half of 2022 was reduced by the negative half-year result after tax (net loss for the period) of EUR -90.3 million (Jun. 30, 2021: net income of EUR 45.0 million) and the dividend payment of EUR 13.6 million (H1 2021: EUR 1.6 million). In contrast, the remeasurement of pension provisions and, to a lesser extent, differences from foreign exchange translation resulted in an increase of EUR 36.2 million (H1 2021: EUR 7.9 million).

Pension provisions saw a significant contraction to EUR 95.0 million as of the half-year reporting date, compared to EUR 140.7 million at the end of 2021, mainly due to the increase in interest rates in the second quarter of 2022 and the resulting increase in the discount factor. This actuarial effect was largely recognized directly in equity.

Overall, the change in non-current provisions of EUR 17.8 million (Dec. 31, 2021: EUR 16.5 million) was insignificant.

Current provisions increased from EUR 60.1 million to EUR 64.9 million compared to December 31, 2021. In the first half of 2022, provisions for contingent losses were accounted for in response to rising material and energy costs, among other things. The change compared to the previous year's reporting date (Jun. 30, 2021: EUR 28.2 million) also reflects the planned discontinuation of production at a site in Germany and warranty obligations.

Net debt low in multi-year comparison

Non-current and current financial liabilities amounted to EUR 536.1 million as of June 30, 2022 (Dec. 31, 2021: EUR 492.6 million). While long-term contracts were extended in the second quarter of 2022, short-term financial liabilities were reduced. Taking into account cash and cash equivalents and securities of EUR 135.2 million (Dec. 31, 2021: EUR 109.9 million), net debt at the end of the first half of the year was EUR 389.5 million (Dec. 31, 2021: EUR 369.2 million). Although it increased by EUR 20.3 million compared to year-end 2021, it stood at a significantly lower level at the end of the first half of 2022 in a multi-year comparison.

The ratio of net debt to EBITDA results in a debt ratio of 2.5 as of June 30, 2022, compared to 1.7 at year-end 2021 and 1.4 as of June 30, 2021. In addition to the persistently high raw material, energy and logistics costs, this was also due to exceptional effects in the fuel cell business, which were still included in the denominator when calculating earnings in the same quarter of the previous year.

Slight increase in net working capital

Driven by business growth and higher inventories, trade payables increased by EUR 26.5 million to EUR 212.1 million compared to December 31, 2021 (EUR 185.6 million).

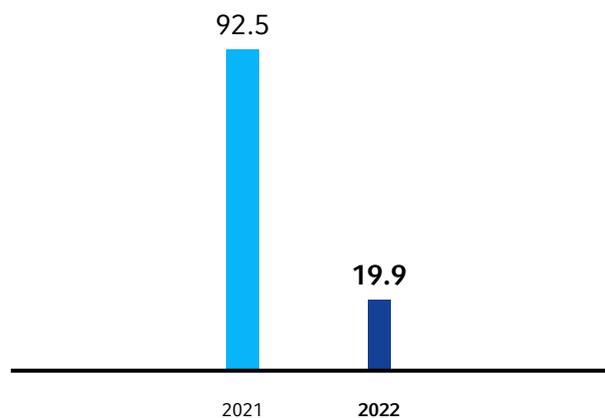
Compared to June 30 of the previous year (Jun 30, 2021: EUR 156.1 million), this item was up by EUR 56.0 million.

Net working capital, which encompasses inventories and trade receivables less trade payables, totaled EUR 465.9 million at the end of the first half of 2022 (Dec. 31, 2021: EUR 402.2 million). Its share expressed as a percentage of revenue for the twelve-month period was 27.9%, up from 24.8% at the end of 2021 and from 25.0% a year earlier.

Improvement in operating cash flow in the second quarter

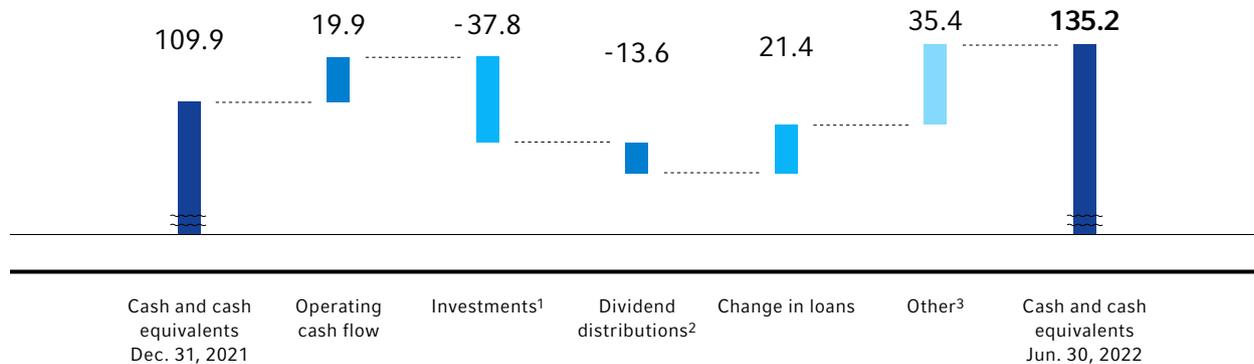
Net cash from operating activities in the second quarter of 2022 totaled EUR 22.6 million (Q2 2021: EUR 50.5 million), which represents a significant improvement on the figure posted in the first quarter (EUR -2.7 million). In contrast to EBIT, the impairment losses incurred in the reporting period were of no relevance to cash flow. The year-on-year reduction nevertheless reflects the overall hike in costs and – in comparative terms – the more substantial funds tied up in net working capital, especially in inventories. Including other assets and liabilities not attributable to financing activities, changes in net working capital resulted in a cash inflow of EUR 10.9 million in the second quarter of 2022, compared to an inflow of EUR 24.6 million in the same quarter of the previous year.

Cash flow from operating activities 1st half
in EUR million



Changes in cash and cash equivalents 1st half 2022

in EUR million



¹ Payments for investments in property, plant, and equipment and intangible assets

² To shareholders and non-controlling interests

³ Including contribution of EUR 30 million from Plastic Omnium for investment in EKPO

In the first half of 2022, ElringKlinger generated net cash from operating activities of EUR 19.9 million (H1 2021: EUR 92.5 million). The decline compared to the same period last year clearly illustrates the impact of the aforementioned underlying economic factors on the Group's operating cash flow in the form of more substantial outflows as a result of a higher cost base, especially in respect of cost of sales, but also in distribution and administration. In addition to this downward pressure, the adjusted inventory levels also prompted an increase in funds tied up in net working capital. The change in net working capital (including other assets and liabilities not attributable to financing activities) resulted in a cash outflow of EUR 24.8 million in the first half of 2022, compared to a cash inflow of EUR 6.7 million in the same period of the previous year.

Investment in property, plant, and equipment remains disciplined

ElringKlinger made payments of EUR 13.8 million (Q2 2021: EUR 10.9 million) for investments in property, plant, and equipment in the second quarter. In the first half of the year this figure totaled EUR 26.9 million (H1 2021: EUR 22.5 million). In addition to necessary new purchases for ramp-ups at various plants worldwide, expenditure was mainly directed at strategic future technologies. The latter also includes a number of individual measures, such as the establishment

of infrastructure for battery testing, 3D printers for cell housing development, and equipment required in the area of prototyping. In the second quarter of 2022, expenses were also incurred for a solar power system installed on the roof of one of the Chinese production facilities. ElringKlinger had already implemented environmentally friendly energy generation at another site in the form of a large solar power installation for its production facility in Ranjangaon, India.

The investment ratio (payments for investments in property, plant, and equipment in relation to Group revenue) for the second quarter of 2022 was 3.2% (Q2 2021: 2.8%). In the first half, the ratio rose to 3.1% (H1 2021: 2.8%).

ElringKlinger spent EUR 5.9 million on intangible assets in the second quarter of 2022 (Q2 2021: EUR 3.7 million) and EUR 11.2 million in the first half of the year (H1 2021: EUR 6.0 million). Capitalized development costs accounted for the majority of this item.

In total, ElringKlinger spent EUR 17.3 million on investing activities in the second quarter of 2022 (Q2 2021: EUR 15.4 million) and EUR 34.4 million in the first half (H1 2021: EUR 16.2 million). In the first half of the previous year, the Group had recorded proceeds of EUR 14.5 million from the sale of its Austrian subsidiary.

Operating free cash flow in negative territory

At EUR 3.9 million (Q2 2021: EUR 37.0 million), operating free cash flow (operating cash flow as well as cash flow from investing activities adjusted for M&A activities and cash flows for financial assets) recorded in the second quarter of 2022 was well below that reported in the same period a year ago, but still in positive territory. In the first half of the year, operating cash inflows failed to cover capital expenditure in full, as a result of which operating free cash flow for the first six months of 2022 was negative at EUR -16.0 million (H1 2021: EUR 65.6 million).

Financing activities and dividend payment

ElringKlinger's dividend payout was due in the second quarter of 2022. It had been approved at this year's Annual General Meeting in respect of the previous financial year. Including distributions to non-controlling shareholders, EUR 13.6 million (Q2 2021: EUR 1.5 million) was paid out for this purpose. The planned contribution of EUR 20.0 million from the partner in the Group subsidiary EKPO Fuel Cell Technologies GmbH had a contrary effect. Thus,

together with proceeds received in the first quarter, EUR 30.0 million was recognized with regard to this transaction in the first half of 2022.

Cash inflows and outflows for long-term loans and changes in short-term loans amounted to EUR 4.6 million in the second quarter of 2022 (Q2 2021: outflow of EUR 35.6 million) and EUR 21.4 million in the first half (H1 2021: outflow of EUR 73.1 million).

Overall, this resulted in net cash from financing activities of EUR 11.0 million in the second quarter of 2022 (Q2 2021: EUR -37.1 million) and EUR 37.8 million in the first half (H1 2021: EUR -44.6 million).

As of June 30, 2022, the ElringKlinger Group had cash and cash equivalents of EUR 135.2 million (Jun. 31, 2021: EUR 109.9 million) and open, unused credit lines of EUR 244.0 million (Jun. 30, 2021: EUR 228.5 million). As a result, ElringKlinger's liquidity continues to provide a good basis for future business.

Opportunities and Risks

Economic uncertainty intensifies due to various factors

The first half of 2022 saw a more pronounced exposure to economic risk amid growing uncertainties driven by multiple factors. Since February 2022, the Russian-Ukrainian conflict has exacerbated pre-existing tensions within global commodity and energy markets, while also amplifying the associated surge in prices. The geopolitical uncertainties were significant at the time of compiling this report. Furthermore, the covid-19 pandemic has not yet been overcome. In China, which continues to pursue a strict zero-covid policy, further lockdowns in urban conglomerations that are of economic importance – similar to the situation in March and April 2022 – may have severe repercussions for the global economy as a whole. In other regions, too, renewed waves of infection may once again cause disruptions

to industrial production and supply chains. In the event of further inflationary spikes, followed by a tightening of monetary policy, there is a risk of advanced economies slipping into recession and emerging markets being impacted by deteriorating financial conditions.

Against the backdrop of the Russian-Ukrainian war and the prevailing geopolitical situation, individual economies may suffer shortages in energy supply. In the case of Germany, the supply of gas may be jeopardized. Based on general projections, cushioning the impact of a Russian supply stop would be difficult. This, in turn, may have adverse effects on Germany's economy. ElringKlinger also uses gas as a source of energy and would potentially have to operate under restrictions in this case.

This precarious situation may determine the direction taken by the carmaking industry as a whole in terms of production output, which in turn would effect ElringKlinger as a supplier. The further impact on the value chain and sales markets served by the automotive sector is difficult to foresee. Additional revenue and earnings effects at ElringKlinger cannot be ruled out for the remainder of the year.

As regards other opportunities and risks for the ElringKlinger Group, there were no significant changes compared to the 2021 annual report of the ElringKlinger Group.

The report on opportunities and risks from the 2021 annual report can also be accessed on the website of ElringKlinger at www.elringklinger.de/ar2020/report-on-opportunities-and-risks.

Report on Expected Developments

Outlook – Market and Sector

Based on prevailing macroeconomic and geopolitical conditions, the prospects for 2022 as a whole are not particularly encouraging after the end of the first half of the year. Inflation, surging to levels above 8 per cent in many economies, is well above defined targets, while supply-demand imbalances and logistical disruptions have thrown up considerable challenges with regard to economic and monetary policy. The further course of the Russian-Ukrainian war and its repercussions are difficult to predict; at the same time, many industrialized countries are faced with uncertainty as to the security of energy supply. What is more, the battle

against the coronavirus pandemic is far from over and is creating further imponderables.

Rising consumer prices may intensify income inequalities both between advanced economies and emerging economies on the one hand and within individual countries on the other. This, in turn, may lead to a stronger focus on policy-driven redistributive measures. In an effort to counter inflation, central banks have been forced to pursue more restrictive measures, despite the fact that such action is likely to result in a further slowdown and possibly heighten the risk of the economy sliding into recession.

GDP growth projections

Year-on-year change in %

	2021	Projections 2022	Projections 2023
World	6.1	3.2	2.9
Advanced economies	5.2	2.5	1.4
Emerging and developing countries	6.8	3.6	3.9
Germany	2.9	1.2	0.8
Eurozone	5.4	2.6	1.2
USA	5.7	2.3	1.0
Brazil	4.6	1.7	1.1
China	8.1	3.3	4.6
India	8.7	7.4	6.1
Japan	1.7	1.7	1.7

Source: IWF (July 2022)

In its latest World Economic Outlook, issued in July 2022, the International Monetary Fund (IMF) again revised downward its growth forecast for gross domestic product (GDP) for 2022 as a whole to 3.2%.

Severe headwinds for global vehicle production

The economic backdrop described above poses considerable challenges for the vehicle industry as a whole. Dynamic price trajectories are causing uncertainty among car buyers. At the same time, pent-up demand would suggest that order intake may remain solid. The future route taken by automotive markets and especially vehicle production is likely to depend to a large extent on the availability and prices of energy and materials.

In its current forecasts, industry service provider IHS expects vehicle production (light vehicles) to reach 80.8 million units in 2022 as a whole, although regional differences remain significant.

Outlook – Company

The difficult economic conditions that come with significant imponderables and considerable uncertainty intensified further over the course of the first half of 2022. After the coronavirus pandemic and semiconductor shortages had already thrown supply chains and material availability into disarray around the globe, the general malaise stemming from these adversities was exacerbated by the Russian-Ukrainian war as from February 2022 and the government lockdown in key economic regions of China.

Very solid order book

Despite these underlying conditions, the situation at ElringKlinger with regard to orders proved favorable in the period under review. Order backlog increased by a further EUR 22.6 million in the second quarter of 2022 to a new record level of EUR 1,552.5 million (Mar. 31, 2022: EUR 1,529.9 million). Compared to the end of the second quarter of the previous year (Jun. 30, 2021: EUR 1,221.6 million), order backlog expanded by as much as EUR 330.9 million or 27.1%. This includes exchange rate effects of EUR 58.9 million; adjusted for these currency effects, order backlog amounted to EUR 1,493.6 million.

Order intake increased to EUR 453.2 million in the period from April to June 2022 (Q2 2021: EUR 429.5 million), a year-on-year expansion of 5.5%. Here, too, movements in

Projections Light vehicle production

Vehicles millions	2022	Change in %
Region		
Europe ¹	16.3	2.8
China	24.9	0.3
Japan/Korea	11.2	3.0
Middle East/Africa	2.2	8.5
North America	14.7	12.7
South America	2.8	7.3
South Asia	8.6	9.7
World	80.8	4.7

Source: IHS (July 2022)
¹ Incl. Russia

exchange rates provided a tailwind. After adjusting for currency effects, order intake fell slightly by EUR 6.9 million or 1.6%.

In the first half of 2022, ElringKlinger thus managed to exceed the buoyant level of order intake recorded last year. In the first six months, the Group achieved new orders of EUR 1,031.5 million (H1 2021: EUR 1,006.1 million), which represents an increase of EUR 25.4 million or 2.5%.

Outlook for 2022: Organic revenue growth slightly above market level, operating EBIT margin of around 2 to 3%

The favorable order situation and the general forecasts regarding global demand for light vehicles lead us to expect sales growth in the current fiscal year. According to the latest estimates, industry service provider IHS anticipates global light vehicle production to increase by 4.7%. Against this background, ElringKlinger expects to exceed this level of expansion slightly on the basis of organic revenue growth.

Earnings continue to be influenced by a wide range of multifaceted factors, the effects and extent of which are currently difficult to ascertain. The associated risks remain significant and the uncertainties are still considerable. Based on these underlying conditions, the Group anticipates an operating EBIT margin of around 2 to 3% in relation to

Group revenue for the current financial year, excluding the exceptional effects of impairments. This corresponds to an EBIT margin for the Group of around -2 to -3%.

As a result, the Group expects its return on capital employed (ROCE) to be at a level that is significantly below that reported in the previous year (2021: 6.4%).

Prospect of slightly positive operating free cash flow

Given the challenges facing the market as a whole, a prudent approach to working capital management is considered essential in an effort to ensure the availability of raw materials and primary products at all times. With this in mind, a slight, but temporary, increase in the net working capital ratio compared to the previous year (2021: 24.8%) would appear likely for the annual period. As regards investments, the Group will continue to focus on new drive technologies and maintain its disciplined approach. Overall, capital expenditure (payments for property, plant and equipment – in relation to Group turnover) is expected to be approximately at the level of the previous year (2021: 4.3%). As a result, the Group anticipates slightly positive operating free cash flow in 2022.

Based on the projections described above, the Group expects its net debt ratio (net financial liabilities in relation to EBITDA) for the current financial year to be between

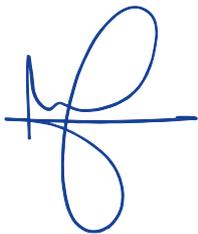
2.0 and 3.0. With regard to the equity ratio, the Group expects to remain within the long-term target range of 40% to 50% of total capital in 2022. The Group anticipates that research and development costs, including capitalization, will account for around 5 to 6% of consolidated revenue in the current financial year.

Mid-term outlook

Despite the challenging factors currently driving the business environment in which ElringKlinger operates, the company considers itself to be well positioned in the medium to long term. ElringKlinger was quick off the mark in its efforts to embrace the transition towards e-mobility with components engineered specifically for battery and fuel cell systems. Additionally, the Group has a strong market position centered around its long-standing Lightweighting/Elastomer Technology, Shielding Technology, and Metal Sealing Systems & Drivetrain Components business units. Provided that things do not develop abruptly amid the many uncertainties to which the markets are currently exposed, ElringKlinger essentially continues to take the view that it will outpace global vehicle production growth at an organic level. With regard to earnings performance, the Group has again set itself the goal of gradually improving its EBIT margin in the medium term. The Group can also confirm its other medium-term targets.

Dettingen/Erms, August 4, 2022

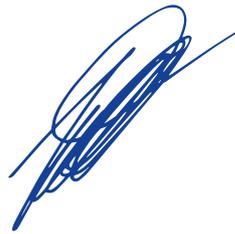
The Management Board



Dr. Stefan Wolf
Chairman/CEO



Reiner Drews



Thomas Jessulat

ElringKlinger and the Capital Markets

Overall economic and geopolitical situation exerts pressure on equity markets

The route taken by the world's stock markets in the second quarter of 2022 continued to be determined by factors that should not be looked at in isolation – war in Ukraine, zero-covid stance in China, and monetary policy. Inflation rose above 8% in the eurozone and the United States. This exerted further pressure on the US Federal Reserve, prompting stock markets to factor in more pronounced interest rate hikes. The Fed reacted by raising benchmark interest rates by 0.75% instead of 0.5% to the interest rate corridor of 1.50% to 1.75%. The Bank of England (BoE) also raised its benchmark interest rate in June by 25 basis points to 1.25 percent, thus implementing its fifth rate hike over a period of just seven months. The Swiss central bank then followed suit, raising its benchmark interest rate by 50 basis points for the first time since 2007. At -0.25%, however, it still remains in negative territory. The European Central Bank (ECB) also announced an interest rate hike. Owing to the ECB's restraint with regard to its interest rate policy, the euro fell to lows of 1.04 EUR/USD. The last time the

exchange rate had retreated to this level was during the euro crisis in 2015 and 2016.

Having already recorded a significant downturn in the first quarter of 2022, global stock markets had to contend with further pressure on prices in the second quarter. Against this unfavorable backdrop, share prices underwent a period of severe contraction over the course of the quarter. Depending on the market in question, some of the losses suffered so far are of historic dimensions: the MSCI World stock index recorded a downturn of -21% in the first half of the year (Q2 2022: -15%) and the American S&P500 -20% (-15.6%), while the technology index Nasdaq Composite suffered a particularly bitter setback of -29% (-20%). European stock markets retreated to a similar extent, with the German DAX losing -19% (-10%) and the broad-based Euro Stoxx 600 losing -16% (-13%).

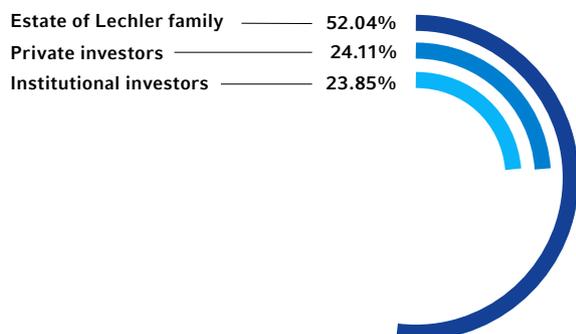
ElringKlinger stock in line with market performance

At the beginning of April, ElringKlinger's share price reached a quarterly high at EUR 9.05. Subsequently, the

ElringKlinger's share price performance from January 1 to June 30, 2022 (indexed)

in %



Shareholder structure as of Jun. 30, 2022

company saw the price of its stock trend downward, hitting a provisional low for the year of EUR 6.96 on May 9. ElringKlinger's stock recovered slightly in the further course of the quarter. At the end of the second quarter of 2022, its share price stood at EUR 7.20.

Trading volume lower than in the previous year

In the second quarter of 2022, the volume traded was significantly lower than in the same period last year (Q2 2021: 213,445 shares), with 108,675 shares traded on average per stock exchange day. ElringKlinger's stock also saw a marked reduction in the daily value on German stock exchanges,

reaching an average of EUR 0.9 million per day in the second quarter, a lower figure than in the previous year (Q2 2021: EUR 3.1 million), which was attributable in part to the lower price. The stock's liquidity was sufficiently high at all times during the quarter under review, thus providing the basis for large share transactions to be concluded during this period.

Engaged in dialogue with the capital markets

ElringKlinger maintained its dialogue with international investors, analysts, and other capital market players in the second quarter of 2022. In addition to the publication of the Group's results for the first quarter of 2022, at which the Management Board presented the figures for the past quarter to a number of analysts and journalists, the Annual General Meeting on May 19 was held in a virtual format. The Annual General Meeting of ElringKlinger AG approved all agenda items by a clear majority. In total, 63.5% of the voting share capital was represented. The proposed dividend of EUR 0.15 per share was approved by a large majority of 99.9%. In addition to the presentation of ElringKlinger's approved annual financial statements, the agenda also included a replacement election to the Supervisory Board. The proposal submitted by the Supervisory Board for the election of Ingeborg Guggolz as a shareholder representative onto the Supervisory Board of ElringKlinger AG was also approved by a clear majority.

ElringKlinger Stock (WKN 785 602)

	2 nd quarter 2022	2 nd quarter 2021
Number of shares outstanding	63,359,990	63,359,990
Share price (daily price in EUR) ¹		
High	9.05	17.72
Low	6.96	12.24
Closing price ²	7.20	15.01
Average daily trading volume (German stock exchanges; volume of shares traded)	108,675	213,445
Average daily trading value (German stock exchanges; in EUR)	854,325	3,669,187
Market capitalization (EUR millions) ^{1,2}	456.2	951.0

¹ Xetra trading

² as of June 30

Group Income Statement

of ElringKlinger AG, January 1 to June 30, 2022

EUR k	2 nd quarter 2022	2 nd quarter 2021	1 st half 2022	1 st half 2021
Sales revenue	430,574	393,558	865,220	817,623
Cost of sales	-366,177	-302,822	-709,984	-617,656
Gross profit	64,397	90,736	155,236	199,967
Selling expenses	-35,505	-29,055	-69,806	-59,925
General and administrative expenses	-23,934	-21,119	-49,197	-43,425
Research and development costs	-15,399	-18,534	-34,190	-37,045
Other operating income	2,785	3,897	7,591	17,854
Other operating expenses	-89,409	-2,882	-92,554	-5,979
Operating result/EBIT	-97,065	23,043	-82,920	71,447
Finance income	21,465	2,414	30,151	8,550
Finance costs	-15,864	-6,187	-25,946	-9,713
Share of result of associates	727	-786	-1,139	-2,358
Net finance costs	6,328	-4,559	3,066	-3,521
Earnings before taxes	-90,737	18,484	-79,854	67,926
Income tax expense	-3,366	-11,978	-10,412	-22,883
Net income	-94,103	6,506	-90,266	45,043
of which: attributable to non-controlling interests	26	-1,441	-143	-799
of which: attributable to shareholders of ElringKlinger AG	-94,129	7,947	-90,123	45,842
Basic and diluted earnings per share in EUR	-1.49	0.13	-1.42	0.72

Group Statement of Comprehensive Income

of ElringKlinger AG, January 1 to June 30, 2022

EUR k	2 nd quarter 2022	2 nd quarter 2021	1 st half 2022	1 st half 2021
Net income	-94,103	6,506	-90,266	45,043
Currency translation difference	-2,362	5,964	3,358	8,141
Share of other comprehensive income of associates	-232	34	-250	-244
Gains and losses that can be reclassified to the income statement in future periods	-2,594	5,998	3,108	7,897
Remeasurement of defined benefit plans, net	33,070	0	33,070	0
Gains and losses that cannot be reclassified to the income statement in future periods	33,070	0	33,070	0
Other comprehensive income after taxes	30,476	5,998	36,178	7,897
Total comprehensive income	-63,627	12,504	-54,088	52,940
of which: attributable to non-controlling interests	1,357	-1,441	1,386	-528
of which: attributable to shareholders of ElringKlinger AG	-64,984	13,945	-55,474	53,468

Group Statement of Financial Position

of ElringKlinger AG, as at June 30, 2022

EUR k	Jun. 30, 2022	Dec. 31, 2021	Jun. 30, 2021
ASSETS			
Intangible assets	139,684	215,584	202,083
Property, plant and equipment	935,258	938,581	930,579
Financial assets	15,106	15,532	15,049
Shares in associates	12,301	13,690	14,577
Non-current income tax assets	903	887	688
Other non-current assets	31,568	42,286	42,703
Deferred tax assets	26,502	31,750	29,382
Contract performance costs	7,155	7,944	8,696
Non-current contract assets	616	804	437
Non-current assets	1,169,093	1,267,058	1,244,194
Inventories	413,272	354,321	343,277
Current contract assets	7,030	8,591	10,486
Trade receivables	264,712	233,478	225,798
Current income tax assets	9,349	15,769	4,218
Other current assets	76,528	100,883	101,819
Cash and cash equivalents	135,221	109,900	162,535
Current assets	906,112	822,942	848,133
Assets held for sale	1,429	0	0
	2,076,634	2,090,000	2,092,327

EUR k	Jun. 30, 2022	Dec. 31, 2021	Jun. 30, 2021
LIABILITIES AND EQUITY			
Share capital	63,360	63,360	63,360
Capital reserves	118,238	118,238	118,238
Revenue reserves	640,427	740,054	730,167
Other reserves	16,861	-17,919	-32,313
Equity attributable to the shareholders of ElringKlinger AG	838,886	903,733	879,452
Non-controlling interest in equity	75,732	78,564	83,986
Equity	914,618	982,297	963,438
Provisions for pensions	95,032	140,696	156,428
Non-current provisions	17,802	16,502	20,709
Non-current financial liabilities	383,438	357,109	380,878
Non-current contract liabilities	1,371	712	6,687
Deferred tax liabilities	28,504	23,952	14,447
Other non-current liabilities	7,230	7,262	7,401
Non-current liabilities	533,377	546,233	586,550
Current provisions	64,813	60,050	28,159
Trade payables	212,082	185,599	156,115
Current financial liabilities	152,683	135,521	159,067
Current contract liabilities	18,135	16,024	30,857
Tax payable	22,590	19,297	31,918
Other current liabilities	158,336	144,979	136,223
Current liabilities	628,639	561,470	542,339
Liabilities relating to assets held for sale	0	0	0
	2,076,634	2,090,000	2,092,327

Group Statement of Changes in Equity

of ElringKlinger AG, January 1 to June 30, 2022

EUR k	Share capital	Capital reserves	Revenue reserves
Balance as of Dec. 31, 2020	63,360	118,238	684,325
Dividend distribution			
Shares of non-controlling interests ¹			
Total comprehensive income			45,842
Net income			45,842
Other comprehensive income			
Balance as of Jun. 30, 2021	63,360	118,238	730,167
Balance as of Dec. 31, 2021	63,360	118,238	740,054
Dividend distribution			-9,504
Purchase of shares of non-controlling interests ²			
Total comprehensive income			-90,123
Net income			-90,123
Other comprehensive income			
Balance as of Jun. 30, 2022	63,360	118,238	640,427

¹ Share of Plastic Omnium in EKPO Fuel Cell Technologies GmbH

² Increase of shares in Elring Klinger Motortechnik GmbH to 100%

Other reserves					
Remeasurement of defined benefit plans, net	Equity impact of controlling interests	Currency translation differences	Equity attributable to the shareholders of ElringKlinger AG	Non-controlling interests in equity	Group equity
-60,132	-422	-28,099	777,270	35,617	812,887
			0	-1,552	-1,552
	48,714		48,714	50,449	99,163
		7,626	53,468	-528	52,940
			45,842	-799	45,043
		7,626	7,626	271	7,897
-60,132	48,292	-20,473	879,452	83,986	963,438
-48,731	48,186	-17,374	903,733	78,564	982,297
			-9,504	-4,087	-13,591
	131		131	-131	0
31,867		2,782	-55,474	1,386	-54,088
			-90,123	-143	-90,266
31,867		2,782	34,649	1,529	36,178
-16,864	48,317	-14,592	838,886	75,732	914,618

Group Statement of Cash Flows

of ElringKlinger AG, January 1 to June 30, 2022

EUR k	2 nd quarter 2022	2 nd quarter 2021	1 st half 2022	1 st half 2021
Earnings before taxes	-90,737	18,484	-79,854	67,926
Depreciation/amortization (less write-ups) of non-current assets	123,733	27,374	152,382	56,165
Net interest	3,244	1,983	5,053	4,073
Change in provisions	860	-567	3,385	1,237
Gains/losses on disposal of non-current assets	-57	81	144	180
Share of result of associates	-727	786	1,139	2,358
Change in inventories, trade receivables and other assets not resulting from financing and investing activities	-17,255	9,380	-66,127	-25,690
Change in trade payables and other liabilities not resulting from financing and investing activities	28,153	15,264	41,343	32,347
Income taxes paid	-6,723	-21,211	-9,335	-28,894
Interest paid	-2,302	-1,790	-3,947	-3,920
Interest received	292	283	560	565
Other non-cash expenses and income	-15,877	403	-24,797	-13,832
Net cash from operating activities	22,604	50,470	19,946	92,515
Proceeds from disposals of property, plant and equipment and intangible assets	950	1,006	1,894	1,622
Proceeds from disposals of financial assets	1,595	1,789	4,564	2,726
Proceeds from the disposal of subsidiaries less cash	0	0	0	14,450
Payments for investments in intangible assets	-5,908	-3,660	-11,172	-6,039
Payments for investments in property, plant and equipment	-13,781	-10,852	-26,618	-22,496
Payments for investments in financial assets	-161	-3,643	-3,036	-6,464
Net cash from investing activities	-17,305	-15,360	-34,368	-16,201
Payments received from non-controlling interests	20,000	0	30,000	30,040
Dividends paid to shareholders and to non-controlling interests	-13,572	-1,532	-13,591	-1,552
Proceeds from the addition of long-term loans	71,394	29,415	96,454	29,513
Payments for the repayment of long-term loans	-19,314	-63,337	-84,115	-121,094
Change in current loans	-47,511	-1,665	9,100	18,481
Net cash from financing activities	10,997	-37,119	37,848	-44,612
Changes in cash	16,296	-2,009	23,426	31,702
Effects of currency exchange rates on cash	1,108	-282	1,894	2,981
Cash at beginning of period	117,816	164,826	109,901	127,852
Cash at end of period	135,220	162,535	135,221	162,535

Group Sales Revenue

of ElringKlinger AG, January 1 to June 30, 2022

Sales revenue by regions

EUR k	2 nd quarter 2022	2 nd quarter 2021	1 st half 2022	1 st half 2021
Germany	88,379	87,593	179,007	181,085
Rest of Europe	129,396	124,192	263,926	255,355
North America	110,722	89,034	214,377	189,207
Asia-Pacific	79,429	75,463	165,297	157,261
South America and rest of the world	22,648	17,276	42,613	34,715
Group	430,574	393,558	865,220	817,623

Sales revenue by segments

EUR k	2 nd quarter 2022	2 nd quarter 2021	1 st half 2022	1 st half 2021
Lightweighting/Elastomer Technology	133,369	117,642	267,020	244,740
Metal Sealing Systems & Drivetrain Components	116,777	111,539	238,021	231,996
Shielding Technology	72,537	60,604	146,570	139,127
E-Mobility	14,118	16,547	19,435	23,831
Exhaust Gas Purification	1,185	1,195	2,070	2,211
Others	0	-1	18	22
Segment Original Equipment	338,004	307,526	673,134	641,927
Segment Original Equipment	338,004	307,526	673,134	641,927
Segment Aftermarket	59,673	53,286	122,718	108,649
Segment Engineered Plastics	31,895	31,794	67,190	64,912
Sale of goods	429,572	392,606	863,042	815,488
Proceeds from the rendering of services	997	947	2,169	2,126
Revenue from contracts with customers	430,569	393,553	865,211	817,614
Income from rental and leasehold	5	5	9	9
Group	430,574	393,558	865,220	817,623

Segment Reporting

of ElringKlinger AG, April 1 to June 30, 2022

Segment	Original Equipment		Aftermarket		Engineered Plastics	
	2 nd quarter 2022	2 nd quarter 2021	2 nd quarter 2022	2 nd quarter 2021	2 nd quarter 2022	2 nd quarter 2021
EUR k						
External revenue	338,004	307,526	59,673	53,286	31,895	31,794
Intersegment revenue	6,338	6,121	0	0	154	26
Segment revenue	344,342	313,647	59,673	53,286	32,049	31,820
EBIT¹/Operating result	-112,739	7,266	11,448	9,997	4,738	6,047
Depreciation and amortization	-25,580	-24,461	-539	-779	-1,618	-1,659
Capital expenditures ²	19,847	12,948	459	803	1,303	1,430

January 1 to June 30, 2022

Segment	Original Equipment		Aftermarket		Engineered Plastics	
	1 st half 2022	1 st half 2021	1 st half 2022	1 st half 2021	1 st half 2022	1 st half 2021
EUR k						
External revenue	673,134	641,927	122,718	108,649	67,190	64,912
Intersegment revenue	13,424	14,080	0	0	208	64
Segment revenue	686,558	656,007	122,718	108,649	67,398	64,976
EBIT¹/Operating result	-117,749	36,607	25,286	21,901	10,380	13,262
Depreciation and amortization	-50,829	-49,983	-1,396	-1,669	-3,530	-3,320
Capital expenditures ²	39,498	35,645	1,939	2,014	3,158	3,431

¹ Earnings before interest and taxes

² Investments in intangible assets and property, plant and equipment

	Other		Consolidation		Group	
	2 nd quarter 2022	2 nd quarter 2021	2 nd quarter 2022	2 nd quarter 2021	2 nd quarter 2022	2 nd quarter 2021
	1,002	952	0	0	430,574	393,558
	2,619	2,386	-9,111	-8,533	0	0
	3,621	3,338	-9,111	-8,533	430,574	393,558
	-512	-267			-97,065	23,043
	-592	-475			-28,329	-27,374
	465	141			22,074	15,322

	Other		Consolidation		Group	
	1 st half 2022	1 st half 2021	1 st half 2022	1 st half 2021	1 st half 2022	1 st half 2021
	2,178	2,135	0	0	865,220	817,623
	5,120	4,898	-18,752	-19,042	0	0
	7,298	7,033	-18,752	-19,042	865,220	817,623
	-837	-323			-82,920	71,447
	-1,182	-1,193			-56,937	-56,165
	813	336			45,408	41,426

Notes to the First Half of 2022

General information

ElringKlinger AG is an exchange-listed stock corporation headquartered in Dettingen/Erms, Germany.

The accompanying condensed consolidated interim financial statements of ElringKlinger AG and its subsidiaries as of June 30, 2022, have been prepared on the basis of IAS 34 (Interim Financial Reporting). The interim financial statements conform with the International Financial Reporting Standards (IFRS), including the Interpretations issued by the IFRS Interpretations Committee (IFRS IC), as adopted by the European Union.

As the consolidated interim financial statements are presented in a condensed format, the financial statements as of June 30, 2022, do not include all information and disclosures required under IFRS for annual consolidated financial statements.

The consolidated interim financial statements as of June 30, 2022, have been neither audited nor reviewed in any way by an independent auditor.

They were authorized for issue based on a resolution passed by the Management Board on August 4, 2022.

Accounting policies

The accounting policies applied in this interim report are fundamentally based on the same as those applied in the preparation of the 2021 consolidated financial statements, where they are also explained in detail.

The interim report incorporates estimates and judgments. These may have a direct impact on the amount of assets and liabilities recognized. Due to external factors, such as further unforeseeable consequences regarding the impact of the Russia-Ukraine conflict, the tense situation within the commodity markets, the general macroeconomic trajectory within the automotive sector, or further waves of the pandemic, these are subject to heightened uncertainty. When updating the estimates and judgments, information available in respect of expected economic trends and country-specific measures were taken into account.

As of June 30, 2022, hyperinflationary accounting IFRS rules were applied for the first time in respect of the Turkish subsidiary.

Scope of consolidated financial statements

Alongside the financial statements of ElringKlinger AG, the interim financial statements as of June 30, 2022, include the financial statements of seven domestic and 32 foreign entities in which ElringKlinger AG holds more than 50% of the interests, either directly or indirectly, or over which, for other reasons, it has the power to govern the financial and operating policies. Inclusion in the consolidated group commences on the date on which control is obtained; it ceases as soon as control no longer exists.

The interests held in hofer AG, Nürtingen, Germany, totaling 24.71% have been accounted for as an associate in non-current Group assets, as ElringKlinger has significant influence over the entity's operating and financial policies. A significant influence over an associate is presumed to exist if an entity holds 20% to 50% of the voting power of the investee.

The interests in Elring Klinger Motortechnik GmbH, based in Idstein, Germany, increased from 92.86% to 100% as a result of the acquisition of interests held by third parties.

Compared to the consolidated financial statements as of December 31, 2021, there were no other changes in the scope of consolidation with the exception of the formation of EKPO Fuel Cell (Suzhou) Co., Ltd., based in Suzhou, China.

Newly established entity

EKPO Fuel Cell (Suzhou) Co., Ltd., based in Suzhou, China, a wholly owned subsidiary of EKPO Fuel Cell Technologies GmbH, based in Dettingen/Erms, Germany, was established with effect from June 29, 2022.

Name change

Effective from June 22, 2022, ElringKlinger Abschirmtechnik (Schweiz) AG, based in Sevelen, Switzerland, was renamed ElringKlinger Switzerland AG, based in Sevelen, Switzerland.

Exchange rates

Exchange rates developed as follows:

Currency	Abbr.	Closing rate		Average rate	
		Jun. 30, 2022	Dec. 31, 2021	Jan.–Jun. 2022	Jan.–Dec. 2021
US dollar (USA)	USD	1.03870	1.13260	1.08493	1.18156
Pound (United Kingdom)	GBP	0.85820	0.84028	0.84361	0.85840
Swiss franc (Switzerland)	CHF	0.99600	1.03310	1.02462	1.07988
Canadian dollar (Canada)	CAD	1.34250	1.43930	1.38028	1.48039
Real (Brazil)	BRL	5.42290	6.31010	5.46115	6.37858
Mexican peso (Mexico)	MXN	20.96410	23.14380	21.92437	24.05156
RMB (China)	CNY	6.96240	7.19470	7.04172	7.60685
WON (South Korea)	KRW	1,351.60000	1,346.38000	1,341.95000	1,354.65833
Rand (South Africa)	ZAR	17.01430	18.06250	16.87317	17.59221
Yen (Japan)	JPY	141.54000	130.38000	134.86333	130.32000
Forint (Hungary)	HUF	397.04000	369.19000	378.10500	358.60833
Turkish lira (Turkey)	TRY	17.32200	15.23350	16.20145	10.81043
Leu (Romania)	RON	4.94640	4.94900	4.94622	4.92511
Indian rupee (India)	INR	82.11300	84.22920	83.00592	87.31348
Indonesian rupiah (Indonesia)	IDR	15,552.00000	16,100.42000	15,753.02500	16,921.34667
Bath (Thailand)	THB	36.75400	37.65300	36.69650	37.89117
Swedish krona (Sweden)	SEK	10.73000	10.25030	10.49377	10.15623

Significant events and business transactions

A significant rise in interest rates in the second quarter of 2022 prompted an impairment test relating to goodwill. Higher interest rates led to an increase in the post-tax cost of capital rate used to discount goodwill to 7.40% as of June 30, 2022 (December 31, 2021: 6.99%). In addition, factors prompting an expansion in total assets as well as the direction taken by exchange rates led to an increase in working capital within the segments. On testing the recoverability of the individual segments by comparing the carrying amount of their cash-generating units with their recoverable amount, it was determined that, based on the assumptions made, the recoverable amount of the Original Equipment segment was below its carrying amount. This resulted in an impairment loss of EUR 86,100k in the Original Equipment segment, which was recognized in other operating expenses in the reporting period.

For information relating to factors influencing business performance and our estimates in the context of our guidance, please refer to our comments in the interim management report.

Disclosures relating to financial instruments

This section provides a comprehensive overview of the significance of financial instruments and offers additional information on line items of the statement of financial position containing financial instruments. There was no offsetting of financial instruments recognized by the company.

The following table shows the carrying amounts (CA) and fair values (FV) of financial assets:

EUR k	Cash	Trade receivables	Other current assets	Derivatives	Non-current securities		Other financial investments		Total
	CA	CA	CA	CA	CA	FV	CA	FV	CA
as of Jun. 30, 2022									
Financial assets measured at amortized cost	135,221	264,712	15,593	0	1,438	1,348	2,008	2,008	418,972
Financial assets measured at fair value through profit or loss	0	0	9,949	0	0	0	11,571	11,571	21,520
Financial assets measured at fair value through other comprehensive income	0	0	0	0	81	81	8	8	89
Total	135,221	264,712	25,542	0	1,519	1,429	13,587	13,587	440,581
as of Dec. 31, 2021									
Financial assets measured at amortized cost	109,900	233,478	17,297	0	1,438	1,447	2,008	2,008	364,121
Financial assets measured at fair value through profit or loss	0	0	29,962	79	0	0	11,992	11,992	42,033
Financial assets measured at fair value through other comprehensive income	0	0	0	0	86	86	8	8	94
Total	109,900	233,478	47,259	79	1,524	1,533	14,008	14,008	406,248

The following table shows the carrying amounts (CA) and fair values (FV) of financial liabilities:

EUR k	Other current liabilities	Current financial liabilities	Current lease liabilities IFRS 16	Trade payables
	CA	CA	CA	CA
as of Jun. 30, 2022				
Financial liabilities measured at amortized cost	66,941	127,355	25,328	212,082
Financial liabilities measured at fair value through profit or loss	0	0	0	0
as of Dec. 31, 2021				
Financial liabilities measured at amortized cost	57,387	119,190	16,331	185,599
Financial liabilities measured at fair value through profit or loss	0	0	0	0

EUR k	Derivatives		Non-current financial liabilities		Non-current lease liabilities IFRS 16	Total
	CA	FV	CA	FV	CA	CA
as of Jun. 30, 2022						
Financial liabilities measured at amortized cost	0	0	343,250	279,352	40,188	815,144
Financial liabilities measured at fair value through profit or loss	11,272	11,272	0	0	0	11,272
as of Dec. 31, 2021						
Financial liabilities measured at amortized cost	0	0	309,764	271,462	47,345	735,616
Financial liabilities measured at fair value through profit or loss	121	121	0	0	0	121

The management has ascertained that the carrying amounts of cash, trade receivables, other current assets, trade payables, other current financial liabilities, and other current liabilities largely correspond to their fair values, primarily as a result of the short maturities of these instruments.

Other current assets also include time deposits and securities of EUR 11,387k (Dec. 31, 2021: EUR 13,494k) and the current portion of Plastic Omnium's outstanding contribution of EUR 9,949k (Dec. 31, 2021: EUR 29,962k) measured at present value.

ElringKlinger determines the market value of non-current fixed-interest liabilities to banks and derivatives by discounting expected future cash flows with the current prevailing interest rates for similar financial liabilities with comparable residual terms and the company-specific interest rate.

Other current liabilities include a liability of EUR 38,465 k (Dec. 31, 2021: EUR 38,465 k) that is attributable to a written put option with the non-controlling shareholders of ElringKlinger Marusan Corporation, a company with its registered office in Tokyo, Japan. The obligation arising from this agreement is measured at cost in the amount of the fair value. The fair value is determined on the basis of internal estimates relating to the forecast of the company's performance and the choice of the interest rate used with regard to the liability recognized. A change in the enterprise value by 10% would result in an increase/decrease in the put option by approx. EUR 3,846 k (Dec. 31, 2021: EUR 3,846 k).

Financial assets and liabilities measured at fair value are classified into the following three-level fair value hierarchy as of the end of the reporting period of June 30, 2022:

EUR k	Level 1	Level 2	Level 3
Jun. 30, 2022			
Financial assets			
Non-current securities	81	0	0
Other financial investments	8	0	11,571
Derivatives*	0	0	0
Total	89	0	11,571
Financial liabilities			
Derivatives*	0	11,272	0
Total	0	11,272	0
Dec. 31, 2021			
Financial assets			
Non-current securities	86	0	0
Other financial investments	8	0	11,992
Derivatives*	0	79	0
Total	94	79	11,992
Financial liabilities			
Derivatives*	0	121	0
Total	0	121	0

*These are derivatives that do not qualify for hedge accounting.

The following table provides details of the classification of financial assets and liabilities that are not measured at fair value but for which a fair value has been presented, according to the three-level fair value hierarchy as of the end of the reporting period of June 30, 2022:

EUR k	Level 1	Level 2	Level 3
Jun. 30, 2022			
Financial assets			
Non-current securities	1,348	0	0
Other financial investments	0	0	2,008
Total	1,348	0	2,008
Financial liabilities			
Non-current financial liabilities	0	279,352	0
Purchase price liability from written put option	0	0	38,465
Total	0	279,352	38,465
Dec. 31, 2021			
Financial assets			
Non-current securities	1,447	0	0
Other financial investments	0	0	2,008
Total	1,447	0	2,008
Financial liabilities			
Non-current financial liabilities	0	271,462	0
Purchase price liability from written put option	0	0	38,465
Total	0	271,462	38,465

The levels of the fair value hierarchy are defined as follows:

Level 1: Measurement based on quoted prices

Level 2: Measurement based on inputs for the asset or liability that are observable in active markets either directly or indirectly

Level 3: Measurement based on inputs for assets and liabilities not representing observable market data

The assessment as to whether a transfer has occurred between the levels of the fair-value hierarchy with regard to the assets and liabilities carried at fair value is conducted in each case at the end of the reporting period. No transfers occurred in the reporting period under review.

Contingencies and related-party disclosures

The contingencies and related-party relationships disclosed in the consolidated financial statements for 2021 were not subject to significant changes in the first half of 2022.

Government grants

Other operating income in the first half of 2022 includes government grants totaling EUR 2,660 k (Jun. 30, 2021: EUR 1,250 k). These grants were attributable primarily to development projects. In addition, grants under the European funding initiative IPCEI ("Important Project of Common European Interest") were deducted from the carrying amount of capitalized development costs in the amount of EUR 746 k (net method).

Events after the reporting period

Elring Italia Srl, based in Settimo Torinese, Italy, a wholly owned subsidiary of ElringKlinger AG, based in Dettingen/Erms, Germany, was established with effect from July 1, 2022.

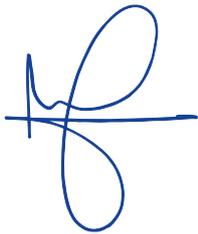
There were no significant events after the end of the interim reporting period that would necessitate additional explanatory disclosure.

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 assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Dettingen/Erms, August 4, 2022

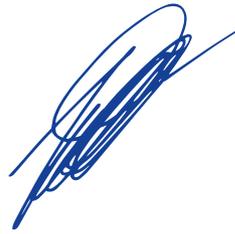
The Management Board



Dr. Stefan Wolf
Chairman/CEO



Reiner Drews



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ElringKlinger AG assumes no responsibility for data and statistics originating from third-party publications.

Further information is available at www.elringklinger.com

Disclaimer – Forward-looking Statements and Forecasts

This report contains forward-looking statements. These statements are based on expectations, market evaluations and forecasts by the Management Board and on information currently available to them. In particular, the forward-looking statements shall not be interpreted as a guarantee that the future events and results to which they refer will actually materialize. Whilst the Management Board is confident that the statements as well as the opinions and expectations on which they are based are realistic, the aforementioned statements rely on assumptions that may conceivably prove to be incorrect. Future results and circumstances depend on a multitude of factors, risks and imponderables that can alter the expectations and judgments that have been expressed. These factors include, for example, changes to the general economic and business situation, variations of exchange rates and interest rates, poor acceptance of new products and services, and changes to business strategy.

Supplementary Notes

Due to rounding, some of the numbers and percentage figures specified in this document may differ from the actual values, particularly in the case of summation and percentage calculations. For the purpose of readability, we have not used gender specific forms of grammar when referring to general designations of people. Specific terms relate to all people irrespective of gender.

This report was published on August 4, 2022, and is available in German and English. Only the German version shall be legally binding.

Financial Calendar

NOVEMBER

03

Financial Results
on the 3rd Quarter and
1st Nine Months of 2022

MAY 2023

16

118th Annual General
Shareholders' Meeting

Changes to the above dates cannot be ruled out.

We therefore recommend visiting our website to check specific financial dates at www.elringklinger.de/en/investor-relations/financial-calendar.

For trade fairs please visit our websites:

www.elringklinger.de/en/press/dates-events

<http://www.elring.com/dates-events>



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