MUTARES

INTERIM FINANCIAL REPORT 2022

MUTARES IN FIGURES H1 2022

4 acquisitions
completed in H1 2022,
additional four signed

Realized ROIC
>10x

Leading Private Equity
Special Situations Investor

WE SUPPORT
UN GLOBAL COMPACT

United Nations
Global Compact

Guidance
min. EUR 7 billion
Group Revenues by 2025

HOLDING

Revenues
EUR 28.7 million

Net Income
EUR 14.2 million

Invested Capital
EUR 190.5 million

GROUP

Revenues
EUR 1,754.6 million

EBITDA
EUR 66.0 million

Adjusted EBITDA
EUR –32.9 million

Dividend
EUR 1.50
for 2021

2 Exits
in H1 2022

Employees
>170
Mutares Holding incl. subsidiaries

(per 30 June 2022)

Employees
>16,700

Portfolio Companies
(per 30 June 2022)
25

OUR IDENTITY

Mutares creates value by transforming risks and opportunities into sustainable business success.

OUR VISION

To be the undisputed international leader for mid-market special situations, driven by our sustainable investment principles.

OUR MISSION

Transform distressed companies and their ownership into sustainable, lasting and value-enhancing opportunities for shareholders.

OUR VALUES

Entrepreneurship
Integrative Management
Sustainability
Personal Integrity

OUR GOAL

Industry-leading risk-optimized returns and direct performance contribution for each shareholder through sustainable and increasing dividends.

CONTENT

LEGEND

Content

Start of chapter

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COMPANY PROFILE

Mutares is specialized on the acquisition of medium-sized companies in special situations. Mutares pursues the aim of leading the acquired companies onto a stable path of profitable growth through intensive operational cooperation. Our transaction teams at nine European locations identify suitable companies. After the acquisition, our own operational team, together with the management of the portfolio companies, develops a comprehensive improvement program along the entire value chain and supports its implementation. Our objective is to return the company to sustainable and long-term success and to subsequently support its value. This can also be done through add-on acquisitions.

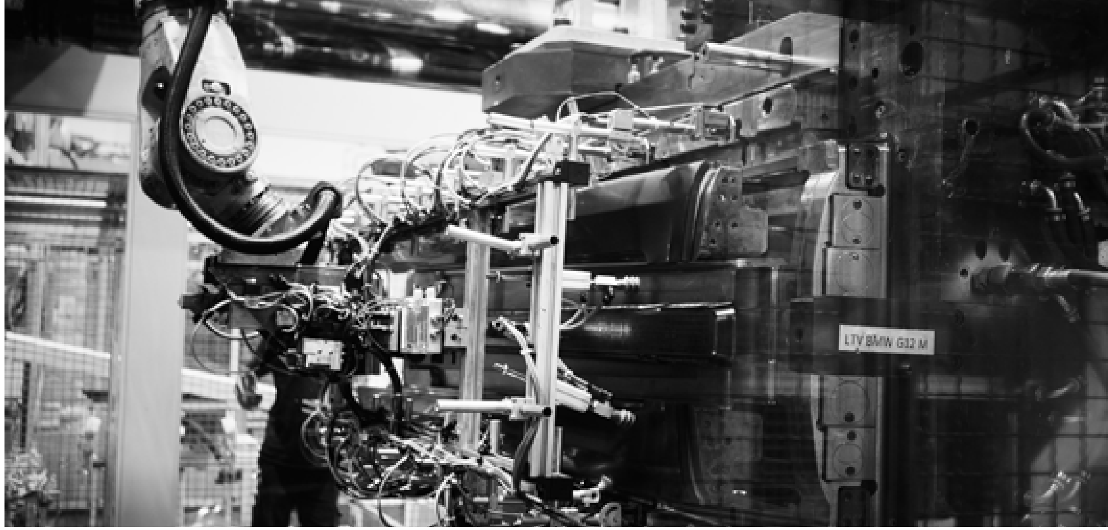
Extensive operational industry and turnaround experience, combined with transactional and operational support, build the foundation for mastering the challenges involved in developing our portfolio companies.

MUTARES SE & CO. KGaA
Founded in 2008, Mutares acquires mid-sized companies that are headquartered in Europe to develop them long-term-oriented and sustainably.

MUTARES GROUP
As of 30 June 2022, the Mutares Group comprised 25 operating companies.

PORTFOLIO COMPANIES
The portfolio companies operate independently and are managed on their own reporting responsibility. They are integrated into the Mutares Group reporting.

www.mutares.com



FIRST HALF YEAR 2022
AT A GLANCE

JANUARY
Mutares **compensates CO_2 of all flights** of the past financial year. The climate protection contribution benefits the organization atmosfair, which thereby promotes the expansion of renewable energies.

Mutares is awarded the label "Company of the Year 2022" by Focus Money in the category holding companies.

FEBRUARY
Mutares completes the **acquisition of Toshiba Transmission & Distribution Europe S.p.A.** from Toshiba Group. The add-on investment **strengthens the Balcke-Dürr Group** in the Engineering & Technology segment and from now on operates under the new name **Balcke-Dürr Energy Solutions.**

Mutares **sells its subsidiary BEXity to Raben Group.**

APRIL
Mutares publishes Annual Report 2022: **Net Income of Mutares Holding rises to record level of EUR 50.7 million – further increase to at least EUR 72.0 million expected for 2022.** In addition, Mutares publishes a non-financial Group report for the first time.

Mutares completes the **acquisition of Polar Frakt AS from private owners** as an add-on investment to Frigoscandia in the Goods & Services segment. The company specializes in the transport of goods from Oslo to northern Norway.

Mutares signs an agreement to **acquire Siemens Energy Engines S.A.U. and the related assets of Siemens Energy S.A.** as a platform investment in the Engineering & Technology segment.

MAY
Mutares **completes the acquisition of the Sheffield business of Allegheny Technologies Incorporated.** The company is a manufacturer of robust quality products made of low-alloy steels, stainless steels and nickel-based superalloys and strengthens the Engineering & Technology segment as a new platform investment. It will operate under the new name **Special Melted Products.**

The Annual General Meeting of Mutares SE & Co. KGaA resolves a **dividend of EUR 1.50 per share.** This consists of a **basic dividend of EUR 1.00 per share and a performance dividend of EUR 0.50 per share** and **confirms the attractive and long-term dividend policy.**

Mutares **announces changes in the Supervisory Board:** Prof. Dr. Micha Bloching has resigned from his mandates with effect from the end of the Annual General Meeting 2022. **Ms. Raffaela Rein is elected as a new member of the Supervisory Board**. She brings expertise in the area of sustainability and innovation.

Mutares signs an agreement to **acquire Cimos d.d. and its subsidiary from TCH S.r.L.** The company represents an important Eastern European platform investment for the Automotive & Mobility segment.

Mutares signs an agreement to **acquire MANN+HUMMEL's high-performance plastic parts business.** The company develops intelligent filtration and separation solutions and has **synergy effects with LMS and the SFC Solutions Group in the Automotive & Mobility segment.**

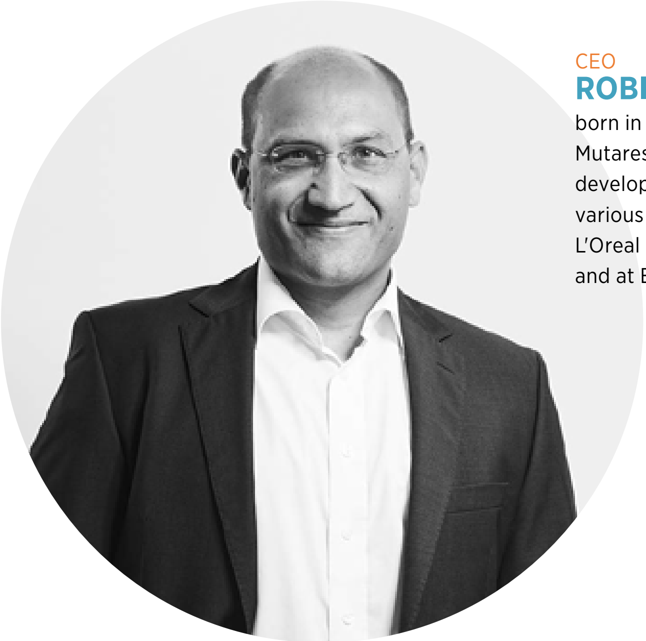
Mutares completes the **acquisition of Vallourec Bearing Tubes from Vallourec.** The company is a manufacturer of seamless precision steel tubes and strengthens the Engineering & Technology segment as a new platform investment under the new name **VALTI.**

JUNE
The portfolio company Frigoscandia AB **has sold its French subsidiary Frigoscandia SAS** to the French logistics company Olano Services SAS.

Mutares signs an agreement to **acquire the Heat Transfer Technology business of Siemens Energy B.V.** as a new platform investment in the Engineering & Technology segment.

OUR MANAGEMENT

The Mutares Management Board consists of three members, all of whom have years of international experience in various industries.



CEO
ROBIN LAIK
born in 1972, is founder, CEO and main shareholder of Mutares. He is responsible for strategy and business development. Before founding Mutares, he held various management positions, among others at L'Oreal Group, at Bavaria Industries Group AG as CFO and at ESCADA AG as Head of M&A.

CIO
JOHANNES LAUMANN
born in 1983, joined Mutares in 2016. In 2019, he was appointed CIO. He is responsible for M&A and Investor Relations. In the past, he held various management positions at EY, Porsche Consulting GmbH and in the Oil & Gas Division of Atlas Copco.

CFO
MARK FRIEDRICH
born in 1978, has been with Mutares since 2012. In 2015, he took over the CFO position. He is responsible for the finance and reporting of the Mutares Group. Previously, he worked as a tax consultant and auditor at EY.

More information on the careers can be found at:
www.mutares.de/en/team/#executive-board

MESSAGE FROM THE MANAGEMENT BOARD

Dear Shareholders,
Ladies and Gentlemen,

for Mutares SE & Co. KGaA, the first half of 2022 was again characterized by high transaction dynamics: With a total of eight signed or completed acquisitions and two completed exits we are on track to achieve our targets for the financial year 2022 in terms of transaction volume.

At the same time, the aftermath of the COVID-19 crisis, the abnormal situation on the commodity markets and the war in Ukraine have a negative impact on the earnings as well as the cash flows of the portfolio companies in the Mutares Group. The war in Ukraine with all its indirect effects such as disruptions in supply chains, significant price increases for raw materials, intermediate products and energy, as well as the overall resulting weakening of the economy negatively affects the business performance in the Mutares Group.

Mutares has taken numerous measures with the entire management team and the management and staff of the portfolio companies to mitigate the direct and indirect effects on liquidity and profitability. Nevertheless, the Management Board believes that the future development of the portfolio companies and the Group as a whole in terms of financial position, net assets and earnings will be significantly influenced by the further course of the war in Ukraine and the aforementioned indirect effects on supply chains, procurement prices and the overall economic situation.

Result of the first half of 2022

The revenues of the **Mutares Holding** company, i.e. Mutares SE & Co. KGaA, result from consulting services to affiliated companies and management fees and increased by more than 25% to EUR 28.7 million in the first half of 2022 (H1 2021: EUR 22.8 million). The increase is a consequence of the high transaction activity in the past and a resulting enlarged portfolio. Revenues and dividends from the portfolio result in the so-called “Portfolio Income”, which amounts to EUR 32.6 million for the first half of 2022 (H1 2021: EUR 23.0 million). As a result, the net income for the first half of 2022 amounts to EUR 14.2 million, compared to EUR 19.9 million in the same period of the previous year. The decrease is mainly attributable to the positive effect from the sale of shares in STS Group AG in the prior-year period.

The **Mutares Group** generated revenues of EUR 1,754.6 million in the first half of 2022 (H1 2021: EUR 1,093.9 million). The increase is mainly due to the high acquisition activity in the second half of 2021 as well as in the reporting period itself. Bargain purchases were again a key driver of the Group's EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization), which amounted to EUR 66.0 million in the first half of 2022. Group EBITDA of EUR 411.5 million in the first half of 2021 was mainly driven by the profit on the acquisition of Lapeyre. Adjusted EBITDA, adjusted in particular for the effects of business model-immanent regular changes in the composition of the portfolio, amounted to EUR –32.9 million for the first half of 2022 (H1 2021: EUR –4.6 million) and was heavily impacted by external conditions, first and foremost declining revenue volumes and significant price increases in the area of energy and raw materials, particularly in the Automotive & Mobility segment. In the second quarter of the financial year 2022, however, profitability improved substantially compared to the beginning of the year, particularly in the Goods & Services segment.

The Management Board is very satisfied with the progress of restructuring and development at some of the investments, particularly in view of the negative external conditions; the Management Board is particularly positive about the development at Frigoscandia, Terranor, La Rochette, Clecim and SABO. The development of the Group's largest shareholdings in terms of revenues (Lapeyre Group, LMS and Donges Group) is also satisfactory overall, despite the clearly visible negative impact of the indirect effects of the war in Ukraine.

Eight signed or completed acquisitions, and two completed exits in the first half of 2022

On the transaction side, Mutares continues to show high momentum as announced: Thus, four acquisitions were successfully completed in the first half of 2022 and the portfolio was expanded accordingly. Toshiba Transmission & Distribution Europe, which now operates under the name Balcke-Dürr Energy Solutions, has strengthened the Balcke-Dürr Group as an add-on acquisition since February 2022. Frigoscandia completed the acquisition of Polar Frakt, a provider of logistics services in Norway, in April 2022. Mutares acquired a supplier of robust quality products in low-alloy steels, stainless steels and nickel-based superalloys as a new platform investment in the Engineering & Technology segment with the acquisition of the

Sheffield business of Allegheny Technologies Incorporated, now operating as Special Melted Products. Another platform was added with the acquisition of Vallourec Bearing Tubes under the future name VALTI.

In addition, Mutares signed agreements for four further platform acquisitions in the first half of 2022, which are expected to be completed in the second half of 2022. After the end of the first half of 2022, the acquisition of Sealynx International as an add-on acquisition for the SFC Solutions Group was completed and another add-on acquisition was signed with Sirti Energia, which is strengthening EXI in the Goods & Services segment.

With the opportunities presented by the external environment, in particular the weakening economic situation, and in combination with a well-filled pipeline for acquisitions, the Management Board, as announced, continues to expect to achieve a transaction volume for the full year 2022 at least at the level of the financial year 2021.

On the exit side, two successful sales were already reported in the first half of 2022: The sale of the BEXity shares to the Dutch logistics company the Raben Group was completed at the end of February 2022. In June 2022, Frigoscandia also completed the sale of its French subsidiary to the French logistics company Olano Services.

A large number of investments have reached the last of the three phases of Mutares' value creation cycle, the so-called Harvesting phase. Thus, it can be assumed that the contributions of exit proceeds from the sale of investments will increase in the coming years. However, by their nature, these represent the most volatile part of the earnings sources with a usually significantly positive contribution to the Net Income of a financial year.

Full transparency in sustainable corporate governance

The topic of sustainability has a special priority at Mutares. Following its admission to the Regulated Market, Mutares has published the first non-financial Group report in accordance with the CSR Directive Implementation Act for the financial year 2021. On the way to a more sustainable business Mutares wants to play an active role. All ESG fields of action (environmental, social and governance) are covered and published transparently within the Group. Operational implementation is continuously and increasingly embedded in the restructuring approach. As an international investor that actively supports its portfolio companies in defining comprehensive turnaround and optimization programs, we focus on environmental, social and corporate values and standards.

Annual General Meeting and share

On 17 May 2022, Mutares SE & Co. KGaA held its Annual General Meeting in virtual form. The participating shareholders again approved a dividend of EUR 1.50 per share. As in the previous year, this consists of a basic dividend of EUR 1.00 per share and a performance dividend of EUR 0.50 per share. This confirms what the Management Board considers to be an attractive, long-term dividend policy. Measured in terms of the total amount distributed, the higher number of shares due to the capital increase in the financial year 2021 resulted in an increase to EUR 30.9 million. Based on the year-end share price 2021, the Mutares share thus offered an attractive dividend yield of 6.6%.

Extended medium-term targets

We can proudly point out that we are one of the top players in Europe for carve-outs, restructuring and turnarounds. With our local investment teams in Europe and an experienced management team, we have the necessary clout to further expand our portfolio in the coming years. We are now working on further expansion from ten European locations. After Munich, Paris, Milan, London, Frankfurt, Madrid, Stockholm, Vienna and Amsterdam, Mutares has opened its tenth location in Helsinki in 2022. An eleventh European location is also planned later this year to accelerate expansion into Eastern Europe. With the growing local presence, in combination with the build-up trust and the track record to date, there are extensive growth opportunities. These are also reflected in our ambitious growth targets, of which we have extended the horizon: By the financial year 2025, this envisages an increase in Group revenues to at least EUR 7.0 billion. We are convinced that particularly in the coming years we will reap the rewards of the very successful acquisition phase starting in 2020, not least with two of our largest investments Lapeyre Group and LMS.

We would like to thank our employees throughout the Group for their extraordinary commitment and you, dear shareholders, for the trust you have placed in us. The development of Mutares and the entire portfolio gives us great pleasure and at the same time is an incentive for the successful continuation of the growth path we have embarked upon.

Sincerely,

The Management Board of Mutares Management SE,
General Partner of Mutares SE & Co. KGaA

Robin Laik, CEO

Mark Friedrich, CFO

Johannes Laumann, CIO

F.l.: Mark Friedrich, Johannes Laumann and Robin Laik

OUR BUSINESS MODEL

01 Acquisition

After the acquisition, Mutares initiates an extensive operational improvement program within the portfolio companies. The projects jointly defined with the company are implemented by Mutares consultants in close cooperation with the employees on site.

02 Realignment

Mutares develops its company successfully in strategic and operational terms until the long-term reorganization is achieved: Specialists support optimization projects on the ground, including investments in the development of innovative products, adapting and reorganization sales and production with a long-term perspective.

On completion of the improvement program, the company will have re-established itself as an independent, profitable company in its respective market. With the help of active investment management by Mutares, the company is continuously evaluated with a view to new business opportunities and supported in their development. In addition, Mutares then defines and implements measures to promote organic growth.

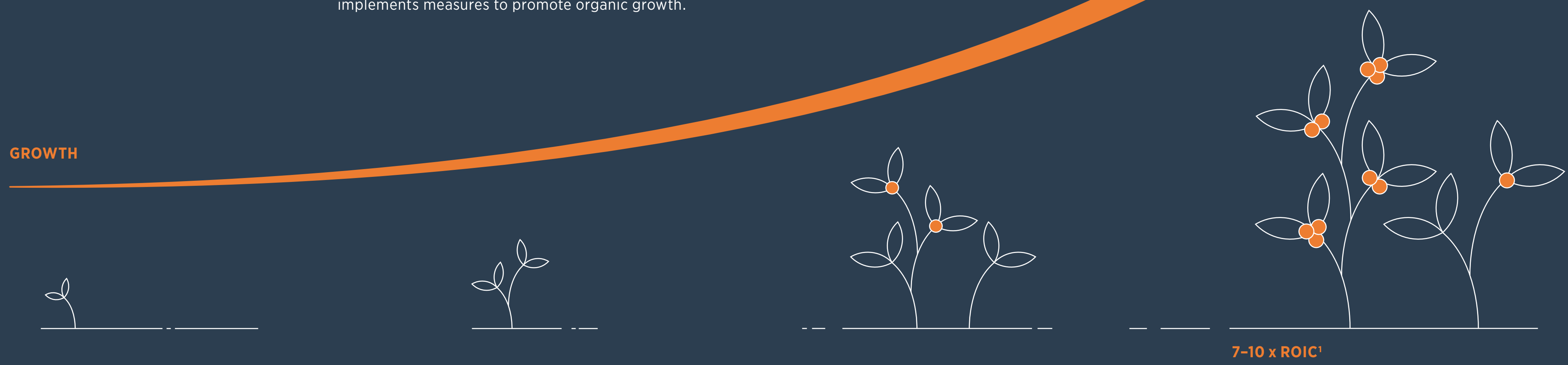
03 Optimization

Another option for the growth phase involves additional development through focused, strategic acquisitions (the buy-and-build approach). Mutares reviews the company for further business opportunities and strengthens its development during the growth phase through focused strategic add-ons to enter new markets or bring in new products or promising technologies. For these add-on acquisitions, the strategic fit is crucial, therefore no pre-defined deal criteria.

04 Harvesting

The objective of Mutares is to actively promote the realization of the company's value potential, thereby establishing the basis for a profitable sale of the company to ensure the sustainable development of the portfolio in the long term.

EXIT



[1] Average estimate over time and may vary and deviate in individual cases

OUR BUSINESS MODEL

Mutares' business approach includes the acquisition, transformation (restructuring, optimization, and repositioning) and/or development of companies in special situations as well as their subsequent sale. When selecting target companies, Mutares focuses on the identification of existing value creation potential, which can be realized after an acquisition through extensive operational and strategic optimization and transformation measures.

Within the framework of its business model, Mutares actively and systematically searches for target companies in special situations in order to leverage existing value potential with innovative and individually tailored solutions.

Mutares thus acts like a typical private equity investor for special situations; however, through Mutares SE & Co. KGaA, which is now listed in the Prime Standard, it is possible for a broad range of investors to participate directly in the success of a private equity-oriented business model under these regulatory conditions.

Mutares is committed to its portfolio companies during the entire time they are part of the Mutares Group and acts as a responsible and entrepreneurial shareholder who reliably and actively supports the upcoming change phases – based on extensive, long-term industry and restructuring experience. The aim is to transform companies that were unprofitable into independent and dynamic medium-sized enterprises with a competitive and profitable business model, to develop them through organic and inorganic growth and finally to sell them at a profit. Against the background of these core elements of the business model, Mutares refers to itself as an "investment entrepreneur".

Value creation approach

Mutares' business success depends to a large extent on experienced key personnel who must have outstanding cross-industry expertise in corporate transactions, financing, and corporate law as well as operational restructuring, while at the same time being highly resilient. Mutares competes globally with private equity firms in recruiting and retaining these key personnel, who are also in high demand for this profile. Mutares faces this competition and ensures through a bundle of measures that the company has sufficient highly qualified personnel to operate its business model. This does not only include variable, high performance-related compensation structures commensurate with the high level of expertise required; through careful personnel selection, a high degree of autonomy for the restructuring managers deployed, and the most variable, highly performance-related compensation possible, Mutares offers an attractive working environment for entrepreneurial personalities.

Mutares currently has a team of more than 100 consultants, which is targeted to be doubled to 200 by 2023 in line with the communicated growth strategy.

OUR STRATEGY

Mutares pursues the typical private equity strategy of allowing shareholders to participate directly and continuously in the Company's success. Against this background, a sustainable and attractive dividend policy is one of the essential elements of the Mutares business model. The annual result of Mutares SE & Co. KGaA is derived from various sources, namely on the one hand from revenues from the consulting business and on the other hand from dividends from portfolio companies as well as exit proceeds from the sale of investments. Due to this diversified revenue structure, Mutares believes that even in an operationally difficult year for various portfolio companies, it is generally in a position to generate a sufficiently high net income to continue its long-term sustainable dividend policy.

In addition to its home market Germany, Mutares is present in other strategic core markets in Europe through its own offices. This makes it possible to compensate for regional fluctuations in the transaction markets and ensure a constant deal flow.

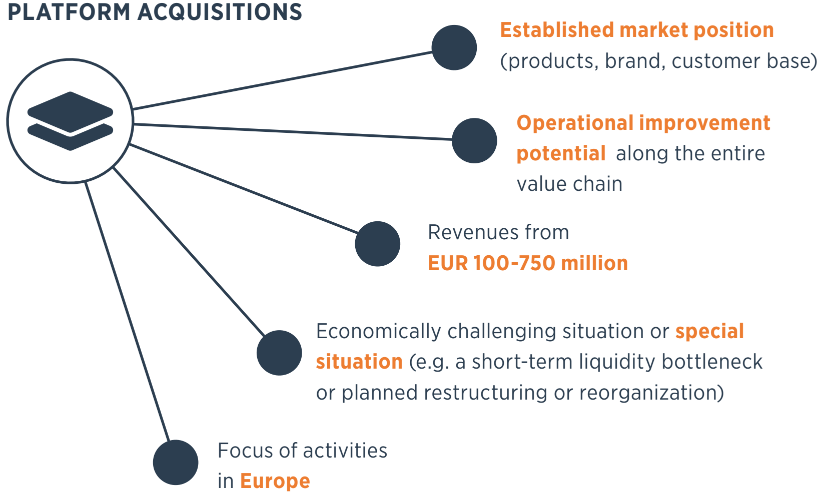
TRANSACTION FOCUS

In selecting its acquisition targets, Mutares focuses on three segments:

- **Automotive & Mobility**
- **Engineering & Technology**
- **Goods & Services**

Mutares invests throughout Europe in companies and corporate spin-offs meeting the following characteristics:

CRITERIA FOR PLATFORM ACQUISITIONS



ACTIVE DEVELOPMENT OF OUR PORTFOLIO

AUTOMOTIVE & MOBILITY

Portfolio company	Industry	Acquisition	approx. EURm annualized revenues	Phase
LMS	Supplier of plastic components for the automotive industry	2021	320	Realignment
ESF Industrial Solutions Group	Automotive supplier for fluid transfer systems and sealing solutions	2009, 2020	210	Optimization
KICO and ISH Group	System supplier of high-quality automotive technology	2019, 2021	180	Optimization
PrimoTECS Group	Supplier of forges in the engine, transmission and driveline sectors	2020	110	Realignment
iinovis Group	Engineering service provider for automotive engineering	2020	35	Realignment
Plati Group[1]	Manufacturer of wiring harnesses and cabling	2019	20	Optimization
			875	

[1] In the Annual Report 2021, SFC Solutions, Elastomer Solutions and Plati were listed as an investment group under "ESF Industrial Solutions Group". In view of Plati's independence, which has been retained in significant parts, it is now presented as a separate investment.

ACTIVE DEVELOPMENT OF OUR PORTFOLIO

ENGINEERING & TECHNOLOGY

Portfolio company	Industry	Acquisition	approx. EURm annualized revenues	Phase
Donges Group	Full-range provider for building envelopes and steel structures	2017	410	Harvesting
Lacroix + Kress	Manufacturer of oxygen free copper	2020	165	Optimization
La Rochette Cartonboard	Producer of folding boxboard	2021	130	Harvesting
Balcke-Dürr Group	Supplier and service provider for heat exchangers and reactors	2016	110	Optimization
Special Melted Products	Supplier of forged and machined specialist steel products	2022	80	Realignment
Gemini Rail and ADComms Group	Industrial, technological, and infrastructure service provider for the rail industry	2018, 2021	40	Realignment
Clecim	Supplier of high-end steel processing line solutions	2021	30	Harvesting
Royal de Boer and Japy Tech Group	Manufacturer of cooling tanks and barn equipment	2020	45	Harvesting
VALTI	Manufacturer of seamless high-precision steel tubes	2022	50	Realignment
			980	

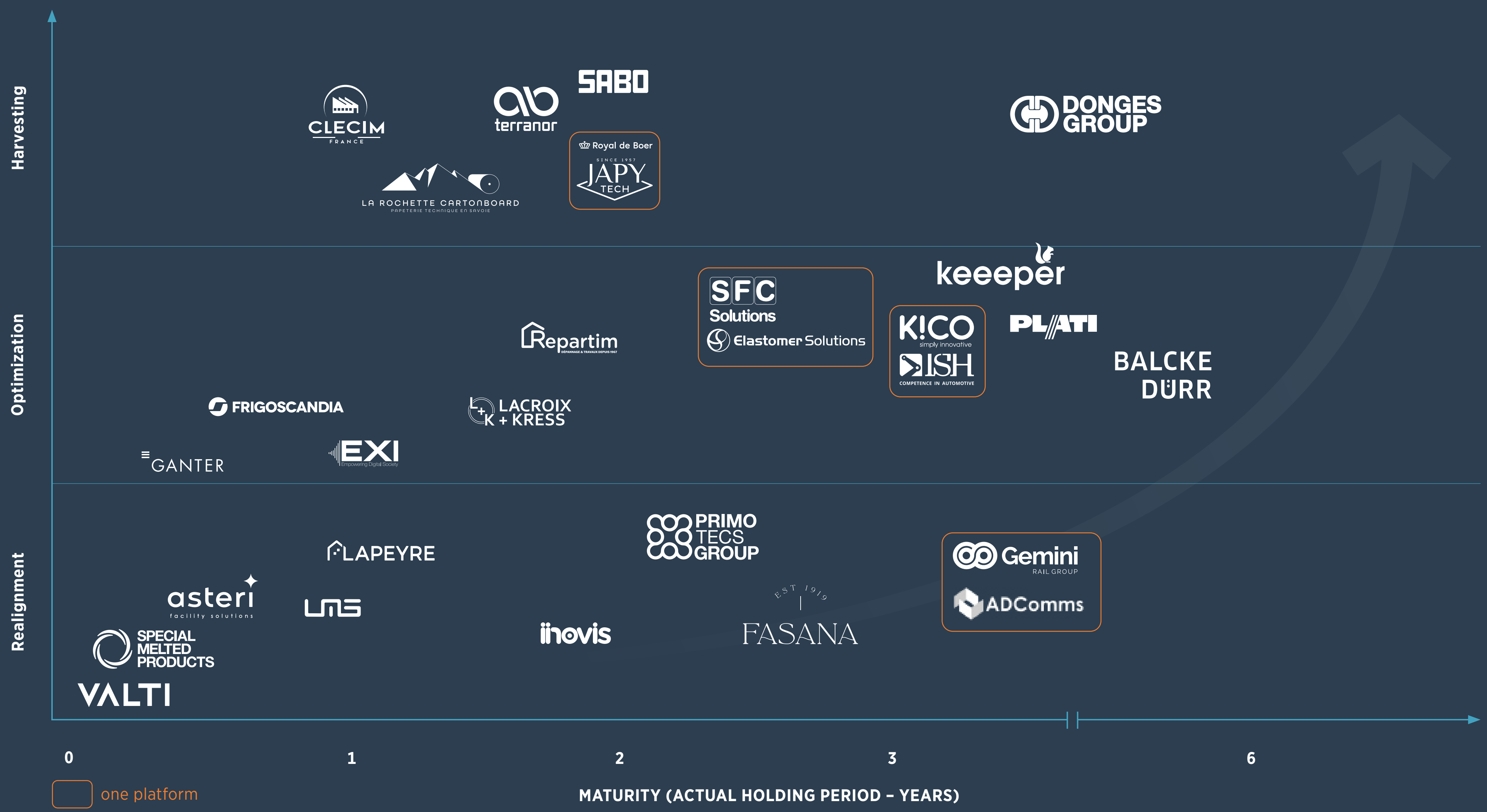
ACTIVE DEVELOPMENT OF OUR PORTFOLIO

GOODS & SERVICES

Portfolio company	Industry	Acquisition	approx. EURm annualized revenues	Phase
Lapeyre Group	Manufacturer and distributor of home equipment products	2021	680	Realignment
Frigoscandia Group	Provider of temperature-controlled logistic services	2021	255	Optimization
Terranor Group	Provider of road operations and maintenance services	2020	145	Harvesting
keeeper Group	Manufacturer of plastic and paper household products	2019	70	Optimization
Ganter Group	General contractor in interior construction and shop fitting	2021	80	Optimization
FASANA	Manufacturer of innovative and high-quality paper napkins	2020	35	Realignment
Repartim Group	Provider of house repair and emergency services	2021	35	Optimization
SABO	Manufacturer of lawnmowers	2020	25	Harvesting
Asteri Facility Solutions	Service provider in the Soft Facility Management industry	2021	20	Realignment
EXI	Service provider of information and communication technology	2021	20	Optimization
			1,365	

MUTARES PORTFOLIO ACROSS LIFECYCLE STAGES

Attractive exit possibilities are increasing with maturity



OUR FOOTPRINT

Since its foundation in 2008, with the first office in Munich, Mutares has become a European investor with activities worldwide. Mutares has **10** offices and currently holds **25** portfolio companies.

WORLDWIDE ACTIVITIES OF THE PORTFOLIOS

PORTFOLIO COMPANIES / GROUPS

1. LMS (Obertshausen, Germany)
2. ESF Industrial Solutions Group (Częstochowa, Poland, and Porto, Portugal)
3. KICO and ISH Group (Halver, Germany)
4. PrimoTECS Group (Villar Perosa, Italy)
5. iinovis Group (Bad Friedrichshall, Germany)
6. Plati Group (Madone, Italy)
7. Donges Group (Frankfurt am Main, Germany)
8. Lacroix + Kress (Bramsche, Germany)
9. La Rochette Cartonboard (Valgelon-La Rochette, France)
10. Balcke-Dürr Group (Dusseldorf, Germany)
11. Special Melted Products (Sheffield, UK)
12. Gemini Rail und ADComms Group (Wolverton, UK)
13. Clecim (Savigneux, France)
14. Royal de Boer and Japy Tech Group (Leeuwarden, Netherlands, and Dijon, France)
15. VALTI (Montbard, France)
16. Lapeyre Group (Aubervilliers, France)
17. Frigoscandia Group (Helsingborg, Sweden)
18. Terranor Group (Stockholm, Sweden)
19. keeeper Group (Stemwede, Germany)
20. Ganter Group (Waldkirch, Germany)
21. FASANA (Euskirchen, Germany)
22. Repartim Group (Tours, France)
23. SABO (Gummersbach, Germany)
24. Asteri Facility Solutions (Stockholm, Sweden)
25. EXI (Rom, Italy)

OUR PORTFOLIO COMPANIES

Automotive & Mobility

Our Portfolio Companies in the Automotive & Mobility segment – our **early-cyclic business** – operate worldwide, supplying prominent international original equipment manufacturers ("OEMs") for commercial vehicles and passenger cars.

Engineering & Technology

Our portfolio companies in the Engineering & Technology segment – our **late-cyclic business** – serve customers from various sectors, including the energy and chemical industries, public infrastructure and the rail sector, in particular in the area of plant and mechanical engineering.

Goods & Services

Our portfolio companies in the Goods & Services segment – our **non-cyclic business** – offer specialized products and services for customers in various sectors.

AUTOMOTIVE & MOBILITY
Supplier of plastic components for the automotive industry

part of the portfolio since
2021

approx.
1,500
employees

approx. EUR
320 million
annualized revenues

Company profile LMS
LMS is a global supplier of plastic exteriors solutions for the Automotive Industry and addresses all leading European OEMs through comprehensive product portfolio ranging from complete fascias, grilles, rocker and side panels to spoilers and other exterior trim parts.

The company manufactures components and systems mainly for the automotive industry at the three production sites and is counting on a state-of-the-art injection moulding technology, painting, chroming and assembly. The company has established itself as a well-known supplier in the automotive sector directly delivering to the assembly lines of the OEMs.

LMS' mission is to shape innovative solutions for the customers through know-how and technologies. LMS commits to excellence and takes responsibility towards sustainability.
www.lms-automotive.com/en

Strategy
With the new name LMS which stands for Light Mobility Solutions, the company focuses on the further development of its current business, the use of the know-how it has acquired and the intensification of the cooperation with customers, supported by the Mutares inhouse consulting team.

HEADQUARTERS
OBERTSHAUSEN, GERMANY

Transactions
- **2021** – Acquisition of LMS from MAGNA Exteriors

Injection molded parts in the fixture ready for assembly

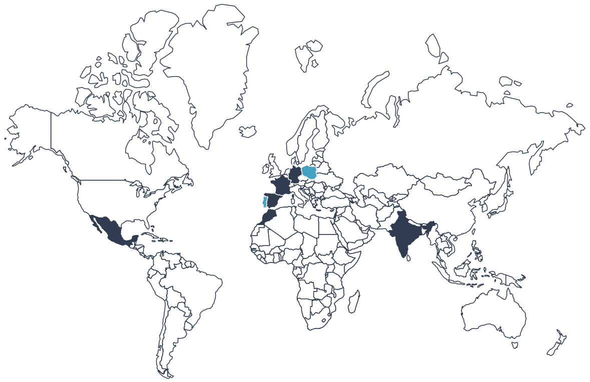
Elastomer Solutions

SFC Solutions

part of the portfolio since
2009
2020

approx.
2,600
employees

approx. EUR
210 million
annualized revenues



HEADQUARTERS
CZESTOCHOWA, POLAND
PORTO, PORTUGAL

AUTOMOTIVE & MOBILITY
Automotive supplier for fluid transfer systems and sealing solutions

Company profile ESF Industrial Solutions Group
ESF Industrial Solutions Group was formed by the merger of SFC Solutions Group (leading supplier of high-performance fluid transmission systems and seals) and Elastomer Solutions Group (manufacturer of rubber and thermoplastic components).

The two companies continued to drive the integration process in 2021 in order to achieve efficiencies from both a sales and operational perspective.

With manufacturing facilities in Europe (Spain, Portugal and Slovakia), Africa (Morocco), Central America (Mexico) and Asia (India), the company serves a broad customer base, including major global and local OEMs and several Tier-1 suppliers for the automotive industry and manufacturers of industrial goods.

All plants are state-of-the-art, complemented by strong engineering capabilities, and feature key industry-specific certifications such as ISO 14001, ISO 9001:2015, and IATF 16949:2016.
www.sfc-solutions.com, www.elastomer-solutions.com

Strategy
The Group will focus on three development areas:

- Sustain growth by developing business along all key markets, leveraging the distribution channels available to each company, taking advantage of market trends and development in the industry (i.e., battery electric vehicles and hybrid electric vehicles), and working closely with OEMs to develop new technologies and products.
- Efficiency gains through the implementation of a lean management approach in both, direct and indirect areas, the optimization of make-or-buy decisions in the context of existing production sites, the reduction of scrap as well as the simplification of logistics processes are operational focal points within the Group.
- Synergies such as the mutual use of free manufacturing capacities, the establishment of a joint shared services team and the harmonization of the IT platform are to be realized.

Transactions

- **2022** – Add-on acquisition of Sealynx International from GMD Group
- **2020** – Acquisition of selected sealing and liquid transfer businesses from Cooper Standard
- **2009** – Acquisition of Elastomer Solutions from Diehl Group

Compound mixing in the Italian SFC Solutions plant

K!CO simply innovative

ISH COMPETENCE IN AUTOMOTIVE

part of the portfolio since
2019
2021

approx.
1,060
employees

approx. EUR
180 million
annualized revenues

AUTOMOTIVE & MOBILITY
System supplier of high-quality automotive technology

Company profile KICO and ISH Group
KICO is a leading and rich in tradition supplier for the international automotive industry. In addition to its headquarter in Germany, KICO operates two other sites in Poland and Mexico. KICO develops, industrializes and manufactures market-oriented, competitive safety components for passenger cars. The products meet the elevated requirements of the European automotive industry and range from active and passive hinges and closure systems, through mechatronic backrest adjusters to active aero dynamic systems. As a Tier-1 supplier KICO mainly serves automotive OEMs and, thanks to its high flexibility and in-depth know-how, can offer its customers tailor-made solutions with the expected highest product and delivery quality.

Innomotive Systems Hainichen (ISH) is a leading manufacturer of high-precision machined door hinges made of steel or aluminium, as well as complex hinges for hoods, tailgates, and lids. The company is the world's number one supplier of aluminium hinges for automotive applications with headquarter in Hainichen, Germany and subsidiary in Nanjing, China. Since its foundation in 1992, ISH established itself as a leading Tier-1 supplier serving automotive OEMs products for passenger as well as commercial vehicles. ISH offers to its customers a one-stop-shop covering the entire value chain from customer-specific development of products, CNC machining, broaching, welding, hardening to semi and fully automated assembly lines with integrated quality checks.
www.kico.de/en/, www.ish-automotive.de

Strategy
ISH is deeply involved in the co-development of customer components taking advantage of its highly skilled engineers and R&D team. ISH focuses on strengthening its relationship with major OEMs to keep delivering customized products as well as on continuous development of complex aluminium parts. To support its international reach, ISH plans to further leverage its subsidiary in China and further develop its growth.

KICO positions itself as a preferred strategic partner with a high degree of connectivity and expertise for customers in the automotive industry. With its technical competence, KICO aims to further expand its market position in the areas of closure systems and hinges and to consolidate and strengthen the market position already achieved in the still young product area of aerodynamic systems. KICO focuses on the optimization of operational excellence to further strengthen the basis for the future growth.

Transactions
- **2021** – Acquisition of Innomotive Systems Hainichen from a Chinese state-controlled enterprise
- **2019** – Acquisition of KICO Group from the owner family

HEADQUARTERS
HALVER AND HAINICHEN, GERMANY

Customized solutions are produced on state-of-the-art manufacturing and assembly lines

AUTOMOTIVE & MOBILITY

Supplier of forges in the engine, transmission and driveline sectors

part of the portfolio since
2020

approx.
800
employees

ca. EUR
110 million
annualized revenues

Company profile PrimoTECS Group

The company manufactures components for use in electric, hybrid and conventional drives at two production sites in northern Italy. The company has established itself as a well-known, supplier in the automotive sector, as well as in the truck industry and related sectors.

In the fall of 2021, PrimoTECS acquired Rasche Umformtechnik GmbH & Co. KG as an add-on investment. Rasche is a leading manufacturer of forged parts in Germany and supplies customers in the automotive, fittings, aviation, forklift, agricultural and mechanical engineering industries.

The add-on investment provides access to new customers and customer segments as well as the expansion of the product portfolio into smaller series sizes with manual forging presses. The acquisition underlines the growth strategy and the vision to become the number 1 in the industry for forging and machining. Together, the two companies will benefit from various synergies such as supply chain optimization or production capacities.

www.primotecs.com, www.rasche.de/en/

Strategy

With the name PrimoTECS, which stands for mobility, transmissions, engine components and solutions, the company focuses on the further development of its current business, the use of the know-how it has acquired and the intensification of the cooperation with customers, supported by the Mutares inhouse consulting team. The acquisition of Rasche enables the expansion into new industries as well as the extension of the product portfolio into smaller size series. This increases the diversification of PrimoTECS Group offering and new growth potential can be leveraged.

HEADQUARTERS
VILLAR PEROSA, ITALY

Transactions

- **2021** – Add-on acquisition: PrimoTECS acquires Rasche Umformtechnik
- **2020** – Acquisition of PrimoTECS from Tekfor Group

Quality control of parts after forging

iinovis

AUTOMOTIVE & MOBILITY
Engineering service provider for automotive engineering

part of the portfolio since
2020

approx.
380
employees

approx. EUR
35 million
annualized revenues

Company profile iinovis Group
iinovis is a leading automotive engineering service provider with expertise in key growth areas such as simulation, testing, electrical/electronics and vehicle development (cars & motorcycles). In addition to engineering services for OEMs and Tier-1 suppliers, the company is also active in prototyping as well as small series production and in the production of wire harnesses. The company operates at four locations in Germany and also has a test track access in Spain.
www.iinovis.com

Transactions
- **2020** – Acquisition of the Automotive Engineering Services segment of Valmet Automotive Inc.

HEADQUARTERS
BAD FRIEDRICHSHALL, GERMANY

Strategy
iinovis is well positioned for a future growth course and will benefit from the increasing demand of OEMs in the development area in the field of e-mobility.

iinovis performs airbag tests for well-known OEMs using high-speed cameras. The highly dynamic technology can record this concise phase of the test and evaluate it for the customer

AUTOMOTIVE & MOBILITY
Manufacturer of wiring harnesses and cabling

part of the portfolio since
2019

approx.
660
employees

approx. EUR
20 million
annualized revenues

Company profile Plati Group
Plati Group is an established international supplier of cable harnesses, special cables, and connectors with headquarters in Italy and two production sites in Poland and Ukraine. The company serves a broad customer base including producers of household and consumer electronics as well as customers from the automotive, healthcare and telecommunications industries. With the most important industry-specific certifications, such as ISO 9001:2015 and IATF 16949:2016, Plati manufactures customer-specific and often safety-relevant products for electronic applications.
www.plati.it

Strategy
Following the successful completion in 2019 of the simplification of logistics processes, the reduction of loss-making products and a strong improvement in work organization and productivity, the focus since then has been on growth. Plati Group develops its business along the six sales markets automotive, consumer goods, industry, electronic devices, healthcare, and telecommunications. Against the background of a technological upheaval in the automotive industry and the increasing electrification of mobility, Plati is excellently positioned and considers the markets for vehicle wiring harnesses and for medical electronics, to be very attractive and promising for its own product range.

Transactions
- **2019** – Acquisition of Plati from Deren Group

HEADQUARTERS
MADONE, ITALY

Assembly of cable harnesses and various cables

DONGES GROUP

ENGINEERING & TECHNOLOGY

Full-range provider for building envelopes and steel structures

part of the portfolio since
2017

approx.
1,120
employees

approx. EUR
410 million
annualized revenues

Company profile Donges Group

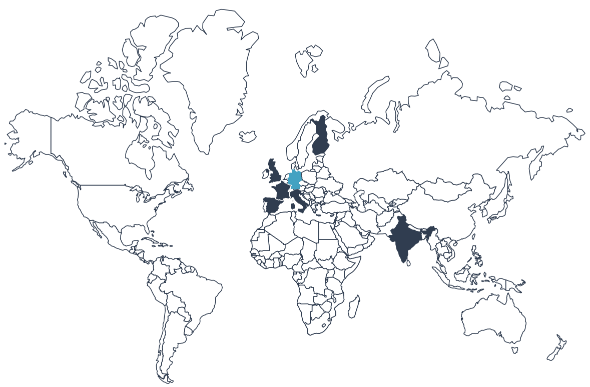
After five strategic acquisitions, the Donges Group is one of the leading full-range suppliers of steel bridges, steel structures as well as roof and facade systems in Europe. With the excellently positioned five brands Donges SteelTec, FDT, Kalzip, Nordec and Permasteelisa España, the Group delivers solutions for the construction of individual and sustainably designed buildings worldwide.

The product portfolio today includes steel structures, roof and facade solutions for a wide range of requirements. With its products, Donges serves architects, planners, building developers, general contractors and builders, the public sector as well as craftsmen and processing companies. The Donges Group employs over 1,100 people at ten production sites in Europe and international sales offices in 35 countries.
www.donges-group.com/?lang=en

Strategy

Following the recent add-on acquisition (Permasteelisa España), Donges is aiming for further growth and consolidation of its very good positioning in the European market. The cornerstones of this strategy are the realization of synergies through the joint processing of the existing customer portfolio and existing sales channels, as well as the development of Northern and Southern European markets in the areas of facade solutions and steel construction.

FDT FLACHDACH • TECHNOLOGIE | Kalzip | Donges STEELTEC | NORDEC | PERMASTEELISA ESPAÑA DONGES GROUP S. A.



Transactions

- **2021** – Exit Norsilk
- **2021** – Add-on acquisition: Donges Group buys Permasteelisa España from Permasteelisa Group
- **2020** – Add-on acquisition: Donges Group buys Nordec (Ruukki Building Systems) from SSAB
- **2019** – Add-on acquisition: integration of Norsilk, which is already part of the Mutares portfolio
- **2019** – Add-on acquisition: Donges Group buys FDT flat roof technology from private individual
- **2018** – Add-on acquisition: Donges SteelTec becomes Donges Group: acquisition of Kalzip from Tata Steel Europe
- **2017** – Acquisition of Donges SteelTec from Mitsubishi Hitachi Power Systems Europe

"We deliver solutions for innovative and future-oriented buildings and aim to be our customers' first choice in our market segments for steel structures and building envelope products."

HEADQUARTERS
FRANKFURT AM MAIN, GERMANY

Manufacturing parts for a highway bridge

LACROIX + KRESS

ENGINEERING & TECHNOLOGY

Manufacturer of oxygen free copper

part of the portfolio since
2020

approx.
250
employees

approx. EUR
165 million
annualized revenues

HEADQUARTERS
BRAMSCHE, GERMANY

Company profile Lacroix + Kress

Lacroix + Kress is one of the leading manufacturers of oxygen-free copper wire products in bare, tinned, silver-plated and nickel-plated finishes for industrial applications. The company serves customers worldwide from its two German production sites in Bramsche and Neunburg, with the majority of revenues coming from the European market. Thanks to the quality of its products and its high level of recognition among blue-chip customers, among others, the company has a strong market position.
www.lacroixundkress.de/en

Transactions

- **2020** – Acquisition of Lacroix + Kress from Nexans

Strategy

The market for oxygen-free copper is growing and will continue to grow significantly in the coming years. Due to its optimal surface quality in combination with high electrical conductivity and thermal properties, oxygen-free copper will be increasingly used in the electrical and electronic industry. The trend towards e-mobility will drive the automotive market. With its world-renowned wire rod process, Lacroix + Kress has a unique selling point in this market and will thus participate decisively in this market growth.

Employee checking machine, which is making copper wire thinner by extending it

LA ROCHETTE CARTONBOARD
PAPETERIE TECHNIQUE EN SAVOIE

ENGINEERING & TECHNOLOGY

Producer of folding boxboard

part of the portfolio since
2021

approx.
320
employees

approx. EUR
130 million
annualized revenues

Company profile La Rochette Cartonboard

La Rochette Cartonboard was founded in 1873 and is a leading manufacturer of cartonboard packaging, mainly for the pharmaceutical and food sectors. From its production site in Valgelon-La Rochette (France), the company serves a diversified customer base mainly in Europe.

www.larochette-cartonboard.com

Strategy

La Rochette Cartonboard uses mainly domestic wood pulp for its folding boxboard, a virgin fiber board for the packaging industry. Various coating techniques and thicknesses can be used to achieve different product properties. The flexibility of its assets, the reinforcement of its strengths and the positive market trend towards the reduction of plastics in the packaging industry, are the key elements for the successful development of La Rochette Cartonboard.

Transactions

- **2021** – Acquisition of La Rochette Cartonboard from Reno De Medici Group

HEADQUARTERS
VALGELON-LA ROCHETTE, FRANCE

Cutting machine bringing the cardboard in the right format

BALCKE DÜRR

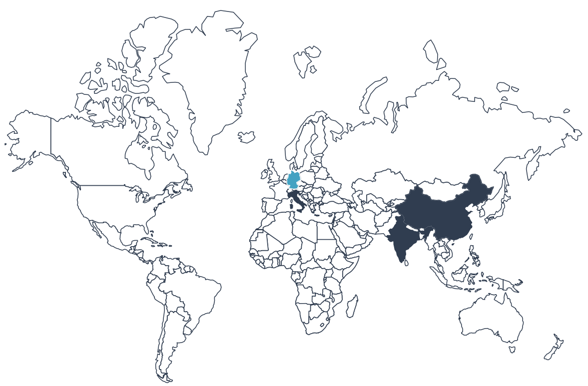
ENGINEERING & TECHNOLOGY

Supplier and service provider for heat exchangers and reactors

part of the portfolio since
2016

approx.
470
employees

approx. EUR
110 million
annualized revenues



HEADQUARTERS
DUSSELDORF, GERMANY

Company profile Balcke-Dürr Group

With more than 130 years of experience, the Balcke-Dürr Group offers innovative energy efficiency solutions for utilities, companies of the oil- and gas- as well as the chemical industry. The product portfolio ranges from standard modules to complete thermal systems. Balcke-Dürr's experienced engineers specialize in solutions that meet the highest safety and sustainability requirements. The product portfolio includes heat exchangers, cooling towers, nuclear decommissioning and maintenance services. The two partial exits of the activities in Poland and the Rothemühle business enabled the Balcke-Dürr Group to withdraw from the coal business.

www.balcke-duerr.com/en/

Strategy

The Balcke-Dürr Group focuses on three strategic goals: First, the Group wants to strengthen its position in the nuclear energy market; second, it wants to significantly expand its business with dismantling services for nuclear power plants; and third, it wants to strengthen its activities for customers in the oil- and gas- as well as the chemical industries. Extensions to the product portfolio are being examined, as is inorganic growth through acquisitions. The recent add-on acquisition of Balcke-Dürr Energy Solutions, formerly Toshiba Transmission & Distribution Europe, expands the product range to include battery storage systems, smart grid solutions and renewable energy installations.

Transactions

- **2022** – Add-on acquisition of Balcke-Dürr Energy Solutions (formerly Toshiba Transmission & Distribution Europe)
- **2021** – Exit La Meusienne
- **2021** – Exit Rothemühle business
- **2020** – Exit Balcke-Dürr Polska
- **2020** – Add-on acquisition of Loterios
- **2018** – Add-on acquisition of STF's heat exchanger division
- **2016** – Acquisition of the Balcke-Dürr Group from SPX

"The realignment of Balcke-Dürr Group was consistently pursued and completed. In 2022, the company aims to expand the relevant market, both in terms of new areas of application for the existing range of products and services and through strategic acquisitions."

Pipe bends as part of a replacement of boiler pressure parts

ENGINEERING & TECHNOLOGY

Supplier of forged and machined specialist steel products

part of the portfolio since
2022

approx.
200
employees

approx. EUR
80 million
annualized revenues

Company profile Special Melted Products

Special Melted Products uses Vacuum Induction Melting (VIM), secondary remelting and rotary precision forging to produce a range of high integrity products in low alloy steels, stainless steels and nickel-based super alloys. Steel has been made on SMP's site since the 17th century, (with the business inventing stainless steel in 1913). Today, the business has leveraged its industrial revolution heritage to become one of only a handful of highly-specialized suppliers into Oil & Gas, Aerospace and Nuclear end-markets.

Based in Sheffield (UK) the business benefits from extensive in-house metallurgical, forging and machining competencies, enabling it to supply a wide range of products thereby reducing supply chain complexity for its customers by serving as a "one-stop-shop". Key products include billet & forged bars, rolled bars, drill collars, engine shafts and fuel cell components.

www.smp.ltd

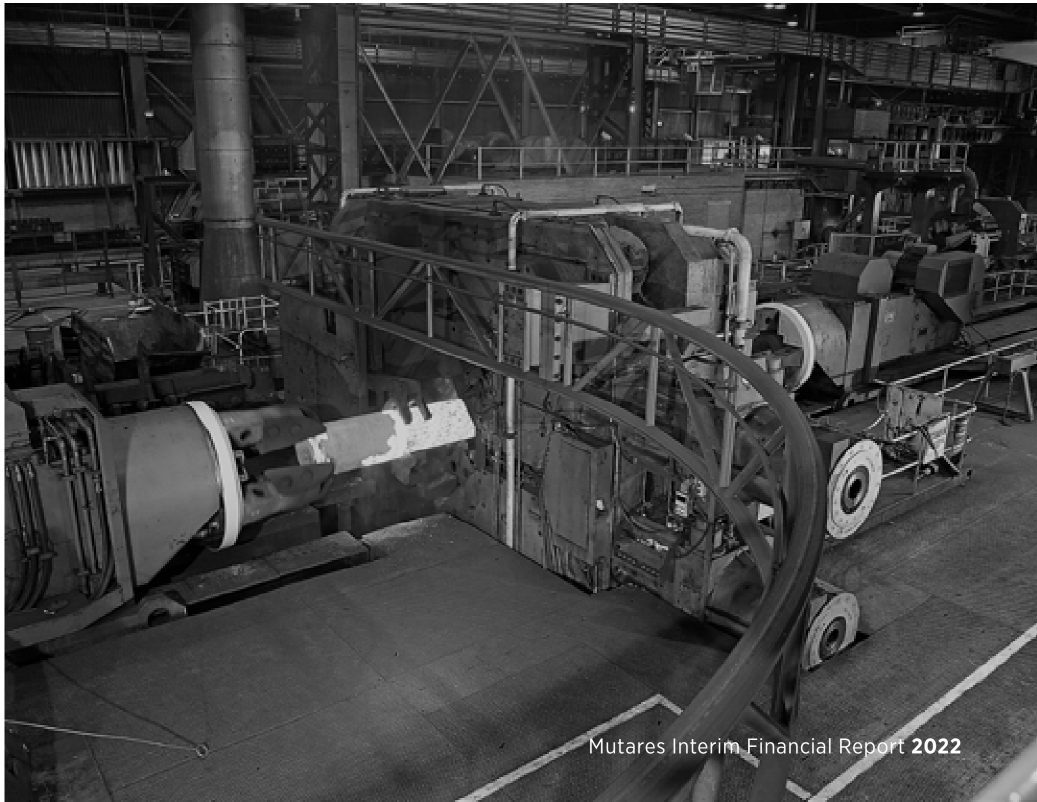
Strategy

Special Melted Products benefits from a strong reputation and a high level of expertise in rotary precision forging. The company is intensifying commercial efforts to gain further market share in its growing end-markets, both organically and inorganically. The business will also focus on operational excellence and lean manufacturing to drive more profitable production.

Transactions

- **2022** – Acquisition of Special Melted Products from Allegheny Technologies Incorporated

HEADQUARTERS
SHEFFIELD, UK



Special Melted Products GFM rotary forge is one of the largest in the world

ENGINEERING & TECHNOLOGY

Industrial, technological, and infrastructure service provider for the rail industry

Gemini RAIL GROUP

ADComms

part of the portfolio since
2018
2021

approx.
300
employees

approx. EUR
40 million
annualized revenues

Company profile Gemini Rail Group & ADComms

Gemini Rail, one of UK's leading rail engineering businesses, specializes in the modernization and refitting of rail vehicles. With its inhouse team of specialized engineers, Gemini Rail offers turnkey solutions for train refurbishment, modernization, and external project management. In addition, under the GemECO brand, the company has established itself as the leading technology retrofitter for hybrid rail vehicle propulsion systems. In the UK, Gemini is the second largest OEM-independent supplier and counts UK railway operating and stock owning companies as well as railroad manufacturer among its customers.

With extensive experience in the telecommunications and networks markets, ADComms works with clients to develop intelligent connected solutions that solve operational challenges. Predominantly working in the UK rail network, this includes radio and fixed network infrastructure, third party communications (including track-to-train and tunnel connectivity) and station communications and management systems (including single person/driver only operations and core CCTV systems). In particular, a new piece of in house developed software "CCTV Cloud Broker Solution" is leading the modernization of reliable retrieval of CCTV footage from on board systems in live time. The business offers end-to-end solutions and works closely with the key rail network infrastructure managers and major railway infrastructure operators and large transport companies.

www.geminirailgroup.co.uk, www.adcomms.ltd

Strategy

As a core part of the joint realignment, both ADComms and Gemini Rail will focus on expanding customer relationships within the UK rail industry, with an emphasis on network infrastructure operators and individual transport operators. With its bespoke solutions operating at the forefront of contemporary transport technology, ADComms is a key player in the expanding rail network as the UK enters a period of sustained infrastructure investment.

Gemini Rail continues to focus on implementing a redefined market strategy and further developing its product portfolio. Gemini is a pioneer for hybrid propulsion systems in the UK and through the GemECO brand and realizes orders for the conversion of rail vehicles to electric, battery, and hydrogen hybrid propulsion systems.

HEADQUARTERS
WOLVERTON AND SCUNTHORPE, UK

Transactions

- **2021** – Acquisition of ADComms from Panasonic Europe
- **2018** – Acquisition of Gemini Rail Group from Knorr-Bremse

Restoration work on a train

CLECIM FRANCE

part of the portfolio since
2021

approx.
200
employees

approx. EUR
30 million
annualized revenues

HEADQUARTERS
SAVIGNEUX, FRANCE

ENGINEERING & TECHNOLOGY
Supplier of high-end steel processing line solutions

Company profile Clecim
Clecim is a renowned supplier of carbon and stainless-steel processing lines, stainless steel rolling mills as well as mechatronic products and metallurgical services, serving steelmakers around the world for more than 100 years. As a provider of plants, products and services for the iron, steel and non-ferrous industries, the company offers its customers high-end technological solutions, lifecycle services and equipment of the highest processing quality.

Based in Savigneux (France), the company can design and manufacture complete mechatronics, new spare parts and maintenance or modernization solutions. Its production includes qualified specialists in mechanical welding, machining, assembly, piping, painting and testing, whose skills are also recognized in the tires, forging and marine industries, amongst others.
www.clecim.com

Strategy
Clecim benefits from a very high level of expertise in high-end solutions for steel processing lines with leading-edge products in its market. The company is intensifying commercial efforts to further expand the new project business and the spare parts business. Furthermore, Clecim will focus on operational excellence in project planning and execution, more profitable projects and recurring services.

Transactions

- **2021** – Acquisition of Clecim from Primetals Technologies Group

Adjustment of piston in a roll force cylinder for Rolling Mill in Clecim's workshop

Royal de Boer

SINCE 1957 JAPY TECH

ENGINEERING & TECHNOLOGY

Manufacturer of cooling tanks and barn equipment

part of the portfolio since
2020

approx.
200
employees

approx. EUR
45 million
annualized revenues

HEADQUARTERS
LEEUWARDEN, NETHERLANDS
DIJON, FRANCE

Company profile Royal de Boer & Japy Tech Group

Royal de Boer is a leading manufacturer of barn equipment such as feed fences, cubicles, ventilation and manure systems. The company operates one production plant in Leeuwarden (Netherlands), with a large international installed base.

Japy Tech is a manufacturer of high-quality cooling tanks in various sizes and designs and for different applications. Based in Dijon (France) the company supplies products to the European and global dairy cooling industry.
www.royaldeboer.com, www.japy-tech.com/en

Strategy

The key steps for future growth for both companies are the establishment of direct contact with the end-customers leading to optimization of the product mix, exploitation of cross-selling opportunities, increase in overall efficiency and cost reduction among the supply chain.

Royal De Boer and Japy Tech can further build upon their well-known brands that are recognized in the international market for their high-quality products to deepen and widen the relationships with their customers. After a successful realignment, the companies will explore additional add-on opportunities in order to ensure growth supported by a comprehensive product portfolio for the farming market.

Transactions

- **2020** – Acquisition of Royal De Boer and Japy Tech from GEA Farm Technologies

Design of a future-oriented livestock housing system that contributes to sustainable livestock production

VALTI

ENGINEERING & TECHNOLOGY

Manufacturer of seamless high-precision steel tubes

Company profile VALTI

VALTI (former Vallourec Bearing Tubes) is one of the few European manufacturers of seamless high-precision steel tubes serving a solid base of blue-chip customers such as SNR, Schaeffler, ThyssenKrupp, Manitou and Benteler. Active for more than 50 years, the company has become the 2nd European player in the bearing tubes market with approx. 25% market share.

Based in Montbard (France), the Company, which has over 200 employees, supplies tubes to the Bearing, Mechanical and Oil and Gas industries with clients across the globe.

www.valtitubes.com

Strategy

VALTI aims at enhancing its geographical coverage across Europe by taking advantage of the steel tube market upturn. With the support of Mutares' operational consultants, the company's Management intends to strengthen its positions in the bearing industry focusing on contributive products, further develop its sales force and customer relationships on the Mechanical and the Oil and Gas markets and focus on operational and manufacturing excellence in order to return to profitability.

part of the portfolio since
2022

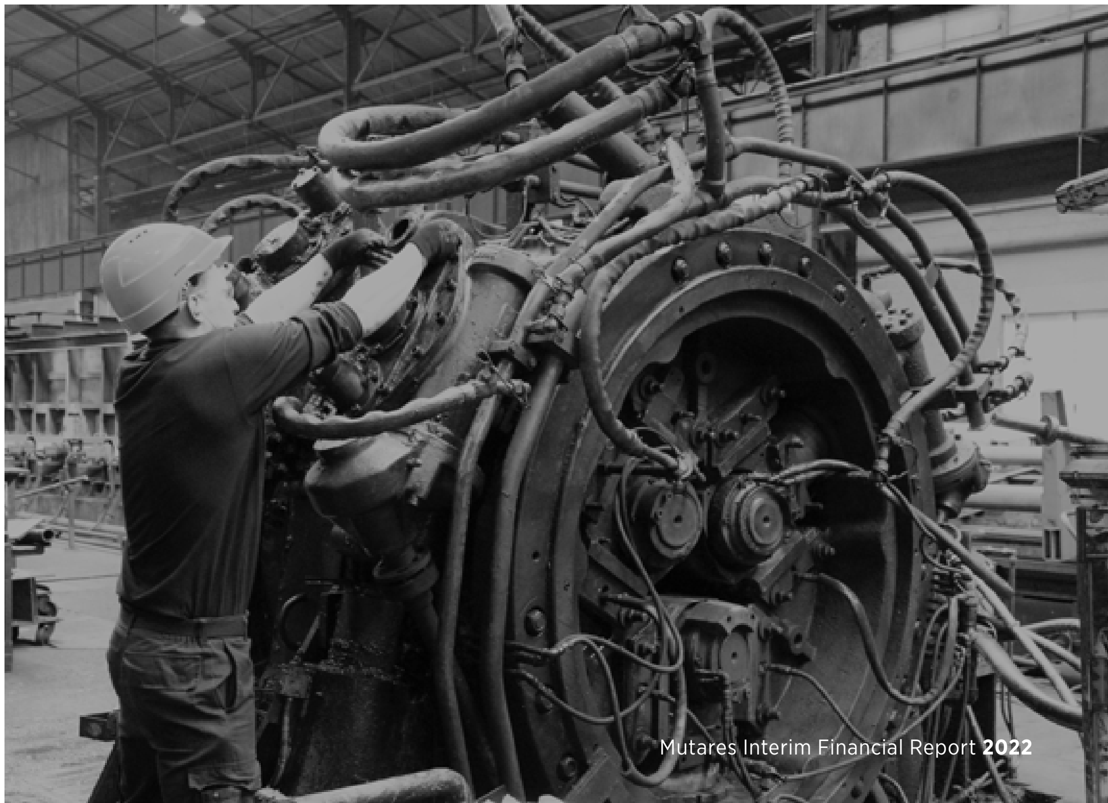
approx.
200
employees

approx. EUR
50 million
annualized revenues

HEADQUARTERS
MONTBARD, FRANCE

Transactions

- **2022** – Acquisition of VALTI from Vallourec Group



Preparation of a hot-rolling mill

LAPEYRE

GOODS & SERVICES
Manufacturer and distributor of home equipment products

part of the portfolio since
2021

approx.
3,000
employees

approx. EUR
680 million
annualized revenues

HEADQUARTERS
AUBERVILLIERS, FRANCE

Company profile Lapeyre Group
Lapeyre is a leading manufacturer and distributor of home equipment products and furniture for indoor and outdoor use including windows, interior and exterior doors, stairs, kitchen and bathroom furniture. The company operates nine production sites, supplying an extensive network of 132 shops in France. This brand "Lapeyre" is well known in the French market.

A strong competitive position results from the company's vertically integrated model from production to distribution with innovation capability and fast time-to-market for new products.
www.lapeyre.fr

Strategy
Lapeyre capitalizes on its fundamental strengths and develop its product offering and network profitably. Thanks to strategic investments in its industrial tools, distribution network and support systems, the company is expected to return to profitability and growth within the next two years.

Transactions
- **2021** – Acquisition of Lapeyre from Saint-Gobain

Individual kitchen equipment with Lapeyre products

FRIGOSCANDIA

GOODS & SERVICES

Provider of temperature-controlled logistic services

part of the portfolio since
2021

approx.
750
employees

approx. EUR
255 million
annualized revenues

Company profile Frigoscandia Group

Frigoscandia is a Nordic market leading provider of temperature-controlled logistic services. The company is headquartered in Helsingborg (Sweden) with a large network and distinct presence in Europe with focus on the Nordics. Business areas include domestic transport, international transport and warehousing with a dynamic network of vehicles, terminals and warehouses.

www.frigoscandia.com/en

Strategy

Frigoscandia's strategic initiatives include strengthening its presence in the Nordics, developing its European network through external partners, optimizing the current infrastructure, enhancing and developing the existing service portfolio, capturing the digitalization potential, developing the operating model and growth through targeted acquisitions.

Transactions

- **2022** – Exit Frigoscandia France
- **2021** – Acquisition of Frigoscandia from Posten Norge

HEADQUARTERS
HELSINGBORG, SWEDEN

Packing of products for transport

terranor

GOODS & SERVICES

Provider of road operations and maintenance services

part of the portfolio since
2020

approx.
450
employees

approx. EUR
145 million
annualized revenues

Company profile Terranor Group

Terranor Group is the leading provider of operations and maintenance services to ensure safe traffic on and around roads in the Nordic countries. Services include snow removal, road maintenance, road markings and street cleaning. Customers are predominantly government and municipal entities, partly also private customers.

Operations are managed from Terranor Group's headquarter in Stockholm (Sweden) and offices in Helsinki (Finland) and Silkeborg (Denmark). Terranor Group has risen to become the largest cross-national player in road operation and maintenance services in the Nordic countries and continues to strive to expand market share through an expanded service offering and new customer contracts.

terranor.dk/en/, terranor.fi/en/, terranor.se/en/

Strategy

Terranor Group stands for timely and high-quality execution of contracted services. These characteristics are key factors for success and on the way to further increasing profitability and expanding regional coverage to neighbouring areas. Terranor Group will also expand its range of services in the future to capture additional market share in all three countries.

Transactions

- **2021** – Add-on acquisition: Terranor Group acquires Terranor Denmark from NCC
- **2020** – Acquisition of Terranor Sweden and Terranor Finland from NCC

HEADQUARTERS
STOCKHOLM, SWEDEN HELSINKI, FINLAND
SILKEBORG, DENMARK

Asphalt infrastructure project in an urban area executed by a multi-skilled Terranor project team in Sweden keeeper

GOODS & SERVICES

Manufacturer of plastic household products

part of the portfolio since
2019

approx.
470
employees

approx. EUR
70 million
annualized revenues

Company profile keeeper Group

The keeeper Group, a company with over 60 years of tradition, is one of the leading European suppliers of innovative and high-quality plastic household products and paper. With four product lines for kitchen, household, storage and children, the group serves well-known customers from the DIY, food retail, wholesale and furniture retail sectors in around 50 countries. As trade partner, keeper fulfils not only product but also global delivery and service requirements in reliable quality.

www.keeeper.com/en

Strategy

keeeper Group is a brand and quality provider of durable and functional household products that are made of environmentally friendly materials, affordable for everyone and necessary for a sustainably organized household. The group sells its products through consumer channels under its customers' own brands and under the German Brand Award-winning keeeper brand.

The operational focus is on the development of new products, like the EcoLine produced from 100% recycled plastic, the opening up of new markets, such as the kids segment as well as the expansion of online channels. Each product stands for at least one of the brand promises: ecological, efficient, essential – enjoy living!

Transactions

- **2019** – Acquisition of keeeper Group from Wrede Industrieholding

HEADQUARTERS
STEMWEDE, GERMANY

keeeper is a leading company for day-to-day convenience products in and around the home

GANTER

GOODS & SERVICES

General contractor in interior design and store fitting

part of the portfolio since
2021

approx.
170
employees

approx. EUR
80 million
annualized revenues

Company profile Ganter Group

Ganter Group, headquartered in Waldkirch, is a formerly family-run company that realizes projects for internationally renowned customers as a general contractor and expert in high-quality interior design. The company has successfully completed more than 1,000 projects worldwide.

Ganter Group operates as a general contractor and expert in high-quality interior design for customers in the commercial, public and private sectors. The customer spectrum includes retailers, globally positioned brands and companies, as well as private and public building owners, whose creative designs and wishes are turned into reality by Ganter in cooperation with architects and designers. In addition to classic shopfitting in the luxury segment, Ganter has developed the strategic growth in the commercial area. The sectors are as diverse as the countries in which projects are realized – from fashion and lifestyle to gastronomy and hospitality to modern office space in France, Switzerland or Italy.

Ganter is a valued partner for architects and designers, (luxury) brands and retailers, operators of hotels, restaurants or offices, shipyards, commercial real estate owners and investors.
www.ganter-group.com/en/

Strategy

The Group adapts its know-how and latest techniques to each individual project in order to meet customers' specific project requirements in terms of cost and schedule.

Transactions

- **2021** – Acquisition of Ganter Construction & Interiors from MIGATI Beteiligungsgesellschaft

HEADQUARTERS
WALDKIRCH, GERMANY

Interior construction and design of a Breuninger department store

EST 1919

FASANA

GOODS & SERVICES

Manufacturer of innovative and high-quality paper napkins

part of the portfolio since
2020

approx.
210
employees

approx. EUR
35 million
annualized revenues

Company profile FASANA

FASANA is a leading European brand and quality supplier of paper napkins and has been a reliable partner for food retailers, drugstores, discounters and AFH (away from home, for example hotels or catering) wholesale markets worldwide for over 100 years.

FASANA's services range from production on its own paper machine to the finished product for the trade. In addition to product requirements, also delivery and service requirements are met in compliance with global quality standards. The company sells its products through consumer channels under customers' own brands and under the FASANA Est 1919 brand.

www.fasana.com

Transactions

- **2020** – Acquisition of FASANA from Metsä Tissue

HEADQUARTERS
EUSKIRCHEN, GERMANY

Strategy

The operational focus of FASANA GmbH is on the development of new sustainable products and the development of new markets and distribution channels, such as in the FASANA Bioline range.

Final product after packaging

GOODS & SERVICES
Provider of house repair and emergency services

part of the portfolio since
2021

approx.
350
employees

approx. EUR
35 million
annualized revenues

Company profile Repartim Group

Repartim is a renowned French home repair and emergency specialist with two main activities. On the one hand, Repartim handles emergencies that require quick intervention on site to fix everyday problems in the home, such as locksmith, glass repair or plumbing work. On the other hand, Repartim provides renovation services, such as painting, laying tiles or changing windows. The company is headquartered in Tours (France) and works for insurance companies, real estate asset managers, as well as smaller businesses and private individuals. These customers are served through a network of 20 agencies, over 300 in-house technicians and 500 subcontractors throughout France.

www.repartim.fr

Strategy

To enhance the business performance, Mutares has entered into a strategic partnership with HomeServe, a leading home repair and maintenance specialist. The new management started with the redesign of all core processes, such as order-to-cash and purchase-to-pay processes including important IT and ERP improvements. The company also simplified the organization of its different call centers to better satisfy its customers. Another priority was to develop revenues with insurers thanks to improved quality, as well as with real estate asset managers thanks to an increased commercial presence on this market, and through commercial synergies with HomeServe and Lapeyre.

Transactions

- **2021** – Acquisition of Repartim by Mutares (80%) and HomeServe (20%) from Belron

HEADQUARTERS
TOURS, FRANCE

Repartim employee
during an on-site operation

GOODS & SERVICES
Manufacturer of lawnmowers

part of the portfolio since
2020

approx.
85
employees

approx. EUR
25 million
annualized revenues

Company profile SABO
SABO is one of the leading European manufacturers of innovative and high-quality lawn mowers. SABO serves customers in 25 countries with gasoline and electric mowers as well as battery-powered garden tools. The quality of the products and the high brand awareness make SABO a company with a strong market position.
www.sabo-online.com/en

Strategy
SABO Maschinenfabrik is a brand and quality supplier of electric, battery and gasoline-powered lawn mowers for private and professional use. The extensive product portfolio is complemented by hand tools such as leaf blowers, hedge trimmers and chainsaws as well as various accessories.

SABO works with over 1.400 specialized dealers and distributes its products nationwide to companies and private customers. SABO's operational focus is on expanding into new markets and developing the growth market for battery-powered lawn mowers and garden equipment.

Transactions
- **2020** – Acquisition of SABO Maschinenfabrik from John Deere

HEADQUARTERS
GUMMERSBACH, GERMANY

Ensuring the highest quality through German craftsmanship in Gummersbach

asteri
facility solutions

GOODS & SERVICES
Service provider in the Soft Facility Management industry

part of the portfolio since
2021

approx.
640
employees

approx. EUR
20 million
annualized revenues

Company profile Asteri Facility Solutions

In December 2021, Mutares successfully completed the acquisition of Alliance+ AB in Sweden. The company now called Asteri Facility Solutions AB (Asteri), is a provider of soft facility management services in Sweden. The company is headquartered in Stockholm (Sweden) and operates in the country's largest metropolitan areas. Services are structured in four areas: facility management, office services, conference services, and hotel services. This includes for example regular cleaning in hotels, offices or factories, special and intensive cleaning services, window cleaning, receptionist service, maintenance of coffee machines as well as gardening. Asteri serves both public and private customers across a wide range of industries.

www.asteri-fs.se/en

Strategy

Immediately after the takeover, a Mutares team together with the company's management initiated a transformation plan aimed on stabilizing the company and realizing the carve-out from the former group structures, thus establishing it as an independent company. Strong focus from day one is on growing the topline by actively seeking for new tender opportunities in strategic geographical areas and focusing on segments in which Asteri has a competitive advantage (e.g. industrial customers). Revenue and profitability expectations in the first six months of 2022 have been succeeded. The revival of the hotel segment to pre-Covid occupancy levels is further supporting the promising development of Asteri. Focus until year end is to continue strengthening the brand of Asteri in the market and to win additional tenders in the FM / Cleaning segment.

Transactions

- **2021** – Acquisition of Asteri from Polaris

HEADQUARTERS
STOCKHOLM, SWEDEN

Office cleaning

GOODS & SERVICES
Service provider of information and communication technology

part of the portfolio since
2021

approx.
240
employees

approx. EUR
20 million
annualized revenues

Company profile EXI
EXI is a market leader in the design, construction and maintenance of telecommunication networks and services, actively serving all major telecom operators in Italy. The focus of activities is currently on the expansion and maintenance of 4G networks and will shift accordingly in the future with the imminent nationwide rollout of 5G networks in Italy.

The company's capabilities and competencies range from network operations and design to network roll-out, project management and governance. EXI also plays a significant role in the Italian market as a systems integrator of large technology companies.

Many of the leading telecommunications companies and service providers have chosen to entrust EXI with the implementation of their innovative projects and the construction of telecommunications networks and infrastructures throughout the country.

Currently EXI employs around 240 people, including technicians, project managers, engineers and administrative staff in numerous offices and warehouses in every region of Italy. This allows the company to respond quickly to situations and carry out its activities efficiently.
www.exispa.com/en

Strategy
EXI SpA was acquired from Ericsson in the second quarter 2021. A Mutares team worked with local management to achieve an optimized organizational structure with a new CEO and leadership team and significantly reduced external costs. The new Sales structure generated solid leads for 2022, most of which are being converted to revenues for the year.

Market-driven set-backs caused the cancellation and delay of certain new projects which caused business challenges for EXI. The team are, however, leveraging EXI's core competencies into new markets (Fiber Optics design and implementation as an example) as well as consolidating their presence in the radio frequency design arena where they maintain their current share of the market, to build a solid pipeline for 2023.

Transaktionen
- **2022** – Add-on acquisition from Sirti Energia (Transaction not yet closed)
- **2021** – Acquisition of EXI from Ericsson Telecomunicazioni

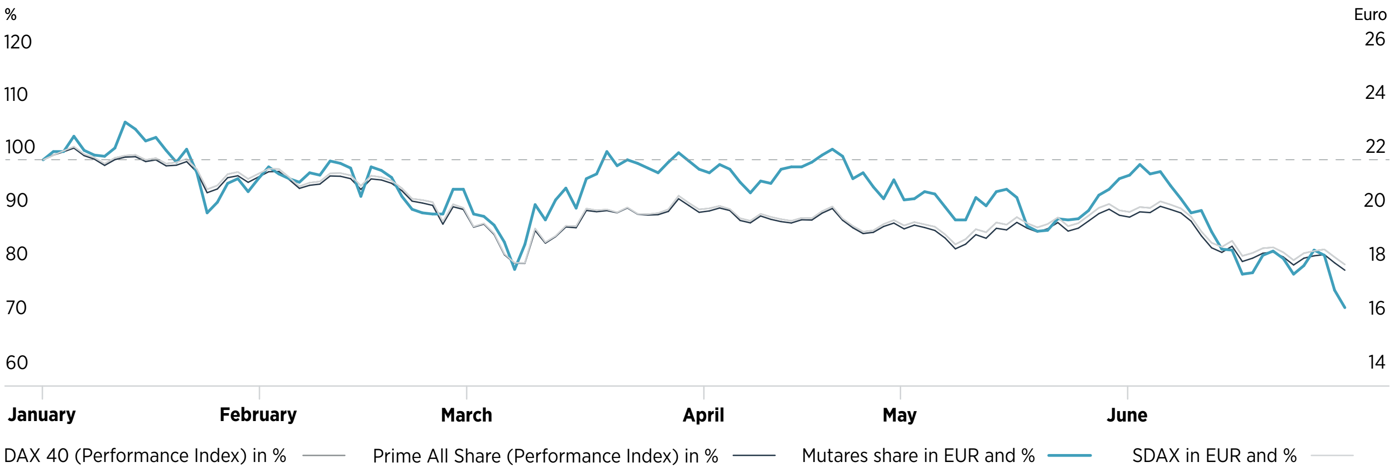
HEADQUARTERS
ROM, ITALY

Employees during maintenance on site

MUTARES ON THE CAPITAL MARKET

- Dividend of EUR 1.50 per share distributed for financial year 2021
- Dividend yield of 6.6% at year-end price 2021
- Management Board reinforces long-term strategy and confidence in the Company

Price development including benchmark indices



Weak first half-year on the stock markets

The international stock markets were under pressure in the first half of the year due to various negative factors. Central banks moved to significantly increase key interest rates due to the sharp rise in inflation worldwide, thereby reducing liquidity in the market, which ultimately led to a significant valuation correction in the stock and bond markets. From an economic perspective, the transition of the COVID-19 pandemic into endemicity at the beginning of the year, followed by a global opening perspective, initially gave rise to confidence with regard to economic developments. However, as the year progressed, renewed lockdowns in China due to the strict Zero-Covid policy of the government in Beijing again significantly exacerbated the existing global problems in the supply chains. Finally, the tense economic situation was exacerbated by Russia's war of aggression on Ukraine, which represents a humanitarian crisis for millions of Ukrainians and poses major challenges for Europe, especially Germany, in terms of energy raw material supplies. Due to these developments, expectations regarding economic development have been revised downward. For example, the Organization for Economic Cooperation and Development (OECD) has adjusted its forecast for global economic growth significantly downward due to the war in Ukraine. Instead of the previous 4.5%, global growth of only 3.0% is now expected for the current year. For 2023, growth is expected to be 2.8% instead of 3.2% as previously forecasted. For Germany, the OECD predicts economic growth of 1.9% in 2022 and 1.7% in 2023. In the euro zone, economists expect gross domestic product to grow by 2.6% in 2022 and by 1.6% in the following year. The United States is expected to achieve GDP growth of 2.5% in the current year and 1.2% in 2023.[1]

In a market environment characterized by declining economic momentum, the German stock index DAX recorded a significant correction in the reporting period. The index ended the first half of 2022 down around 20% on its closing price in 2021.[2] This was the weakest start to the year since 2008.

Mutares share in the wake of the overall market in the first half of 2022

The Mutares shares closed the first half of 2022 at EUR 16.48 and thus with a minus of 27.6% compared to the closing price of the previous year (EUR 22.75). Taking into account the dividend of EUR 1.50 per share paid in May 2022, this resulted in a minus of 21%. The correction on the stock market had a particularly strong impact on the Small- and Mid-Cap-segment. Accordingly, the MDAX and SDAX were under greater pressure than the DAX. The Small-Cap selection index SDAX lost 27.6% in value compared with its year-end level in 2021. For the MDAX, the minus adds up to 26.6% at the end of the first half of 2022. The Mutares share was unable to withdraw this development.

[1] OECD Economic Outlook, Volume 2022 Issue 1
[2] https://www.boerse-frankfurt.de/indices/dax

Mutares established in Prime Standard

Mutares shares have been listed on the Regulated Market (Prime Standard) of Deutsche Börse since fall 2021. This is associated with the highest transparency standards, which qualify the share for a broader, international group of investors. The average daily trading volume of the Mutares shares in the first half of 2022 was 42,413.

Key figures of the Mutares share

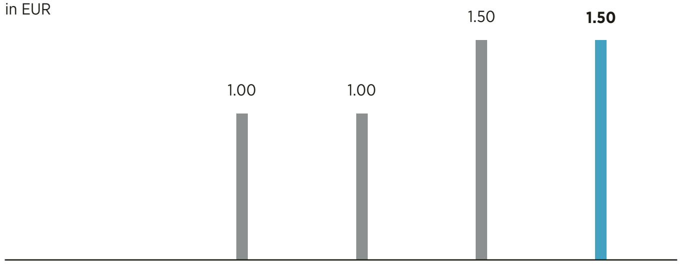
		2019	2020	2021	H1 2022
Number of shares	Million pieces	15.5	15.5	20.6	**20.6**
Thereof treasury shares	Million pieces	0.3	0.5	0.01	**0.01**
Market capitalization	EUR m	197.1	243.3	469.5	**346.3**
Closing price [1]	EUR	12.72	15.70	22.75	**16.48**
Highest price [1]	EUR	13.06	16.86	30.00	**24.60**
Lowest price [1]	EUR	8.15	6.07	15.04	**15.92**
Trading volume (daily average) [1]	Piece	33,897	44,600	57,498	**42,413**

[1] All figures correspond to XETRA prices. XETRA trading volume.

Distribution of a dividend of EUR 1.50 per share

The positive business development in 2021 in combination with successful exit transactions made it possible to once again distribute a dividend of EUR 1.50 per share to shareholders as resolved by the Annual General Meeting on 17 May2022. As in the previous year, the total dividend consisted of the base dividend of EUR 1.00 plus a performance dividend of EUR 0.50 from the successful sale of investments. With the renewed distribution of EUR 1.50 per share, Mutares underlines the continuity and sustainability of the communicated dividend policy. Due to the increased number of shares in the course of the capital increase in October 2021, the total distribution amount has increased to EUR 30.9 million (previous year: EUR 23.1 million). Based on the year-end share price 2021, the Mutares share thus offered an attractive dividend yield of 6.6% (previous year: 9.6%).

Development of dividend per share



	2018	2019	2020	2021
Total dividends paid out in EUR million	15.2	15.2	23.1	**30.9**
Dividend yield at the closing price of the financial year	11.1%	7.9%	9.6%	**6.6%**

Director’s Dealings

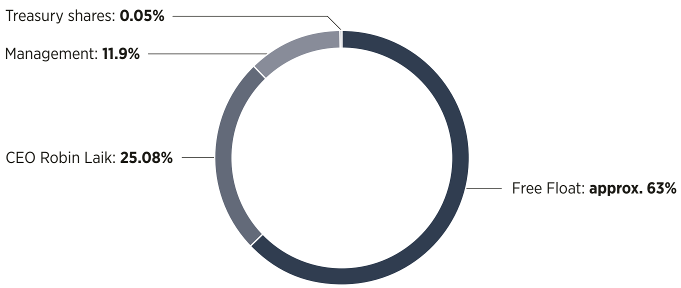
During the reporting period, members of the Management Board acquired shares in the amount of approximately EUR 112,649, confirming their confidence in Mutares’ strategy and growth potential. Robin Laik, founder and CEO of Mutares, reinforces long-term strategy and confidence in the company and transfers 300,000 shares each to his four children. This sends a strong signal of confidence in the goals set and the resulting guidance and in the cooperation with the existing management.

Broad shareholder structure

The number of Mutares shareholders continued to increase in the first half of 2022. At the end of the reporting period, more than 15,500 shareholders were entered in the share register (previous year: 11,000).

Through a pooling agreement in the Laik family, Robin Laik, CEO and founder of Mutares, is still the main shareholder with over 25%. Members of the Management Board and Supervisory Board hold further around 12% of the shares. Around 63% of the shares are in free float (as defined by Deutsche Börse), including those held by institutional investors, family offices, major individual shareholders and asset managers, as well as private investors. Mutares itself holds around 0.05% of the share capital through treasury shares.

Shareholdings by investor



At around 87%, the largest proportion of shares outstanding in free float is held by German investors, followed by investors from Switzerland with around 4.5%. Investors from Luxembourg account for 3% of the shareholding, and investors from Ireland for around 1.2%.

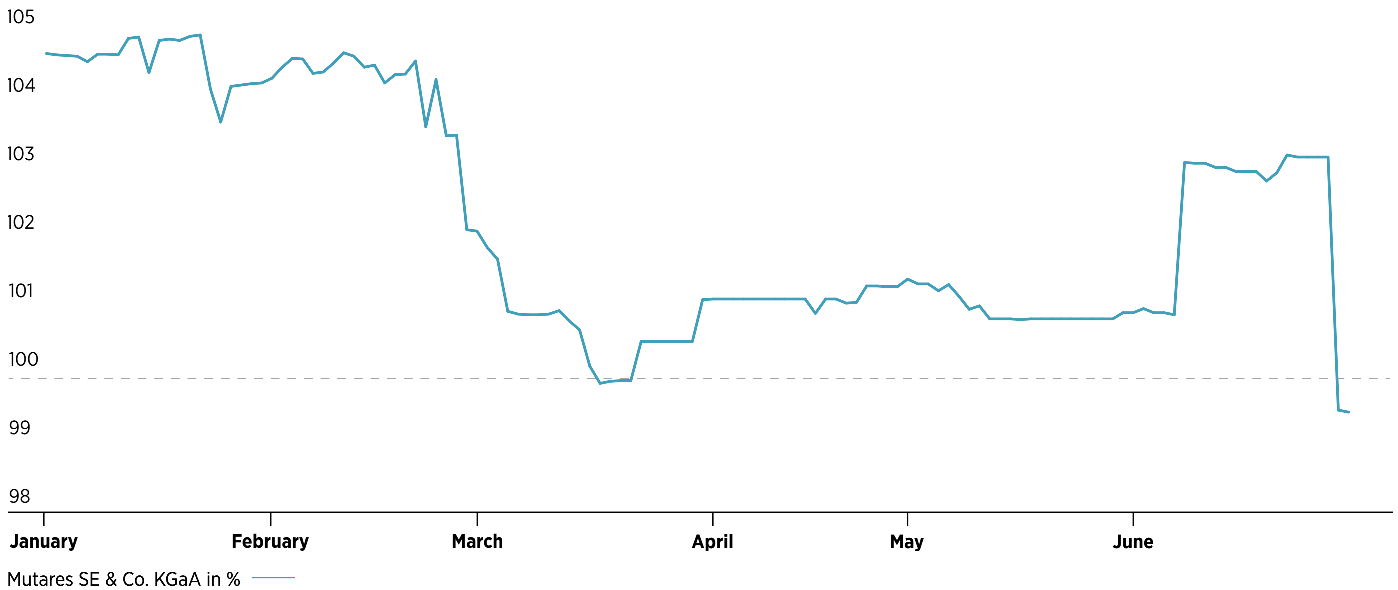
Master data of the Mutares shares

Symbol	MUX
WKN	A2NB65
ISIN	DE000A2NB650
Index membership	Prime All Share
Transparency level	Prime Standard
Market segment	Regulated Market
Stock exchanges	Xetra, Frankfurt, Berlin, Düsseldorf, Munich, Stuttgart, Tradegate
Sector	Corporate investments
Number of shares	20,636,731 (thereof 10,475 treasury shares)
Share class	Registered shares
Designated Sponsor	Hauck & Aufhäuser Lampe Privatbankiers Aktiengesellschaft

Master data of the Mutares bond

WKN	A254QY
ISIN	NO0010872864
Market segment	Open Market
Stock exchanges	Frankfurt, Oslo
Denomination	1,000
Nominal volume	80,000,000
Nominal volume outstanding (12/31/2021)	80,000,000
Issue date	14 February 2020
Maturity	14 February 2024
Interest rate	3-month EURIBOR plus 600 basis points
Interest dates	Quarterly

Mutares SE & Co. KGaA 6% 20/24 – Development January 2022 – June 2022[1]



[1] The chart shows the development of the bond on the German Stock Exchange.

Investor Relations

Mutares maintained a regular, constructive and transparent dialog with all stakeholders such as institutional investors, private investors, financial analysts and media representatives in the first half of 2022. Mutares further expanded its financial communication activities, such as participation in conferences, roadshows, and its own formats.

Further relevant information on the share and the bond is available to interested investors at https://ir.mutares.de/en/.

Investor Relations in the first half of 2022

March 2022	Jefferies Conference
April 2022	Publication of the 2021 Annual Report & Conference Call
May 2022	Press release & Conference Call for Q1 2022
May 2022	Annual General Meeting 2022
May 2022	5th German SMID Cap Forum
May 2022	Spring Conference

Financial analysts recommend buying the Mutares share

The Mutares share was analyzed and rated by four investment banks and one specialist for second-line stocks in the first half of 2022. The buy ratings of the analyst houses reflect the confidence in the business model, the development and the management of Mutares. The price targets for the Mutares share range up to EUR 34.00 (average: EUR 31.75). This corresponds to a potential of up to 93% based on the closing price on 30 June 2022.

Further information is available in the financial analysis section at https://ir.mutares.de/en/share/#analysis.

5 REASONS TO INVEST IN THE MUTARES SHARE

1. EXPERIENCED MANAGEMENT WITH SUCCESSFUL TRACK RECORD

Mutares is an owner-managed private equity company that stands for entrepreneurship, integrative management, sustainability and personal integrity. The business model is based on the acquisition, usually 100% of the shares, of medium-sized companies in special situations and the subsequent organic and inorganic growth of the company. The investments are part of turnaround or succession processes as well as carve-out transactions of large corporations that have an established business model, combined with a strong brand, and above-average development potential. **The management and the team of more than 100 consultants have a high expertise in carve-outs, restructurings and turnarounds and can point to a successful track record.** The planned expansion of the operational consulting team to 200 employees by 2023 and the opening of further offices in Eastern Europe are an expression of the growth ambitions.

2. FOCUSED ON GROWTH

Mutares is pursuing correspondingly ambitious growth targets. The capital increase of gross proceeds of approximately EUR 100.0 million placed in financial year 2021 creates the financial flexibility to accelerate the expansion of the portfolio. The international M&A approach with deal sourcing via ten offices in Munich (HQ), Amsterdam, Frankfurt, Helsinki London, Madrid, Milan, Paris, Stockholm and Vienna ensures a constant deal flow. This is supported by an extensive M&A pipeline with a revenue volume of more than EUR 10 billion. **The fixed and communicated goal is to grow Group revenues to at least EUR 7.0 billion by 2025** and to generate an annual result of approximately 1.8% to 2.2% of Group revenues at Holding level.

5 REASONS TO INVEST IN THE MUTARES SHARE

3. BALANCED PORTFOLIO WITH ATTRACTIVE DIVIDEND PROSPECTS

Mutares has an ideally diversified portfolio consisting of the three segments Automotive & Mobility, Engineering & Technology as well as Goods & Services with different economic cycles, so that the achievement of growth targets is largely independent of economic fluctuations. Thanks to a high level of deal activity, Mutares is able to draw continuous returns from the portfolio companies, which are in different stages of maturity. These returns form the basis for a solid and sustainable dividend policy with attractive returns. The increasing maturity level also enables significant additional proceeds from successful exit transactions. **The strict orientation towards shareholder value is a self-commitment. Mutares pursues a sustainable dividend policy oriented towards a high return.** The aim is to allow shareholders to participate directly and continuously in the Company's success via a stable base dividend and an additional performance dividend from the successful disposal of portfolio companies.

4. HIGH TRANSPARENCY

The Mutares share is listed in the Prime Standard of the German Stock Exchange and is therefore subject to strict disclosure requirements and transparency standards. This ensures a high level of information security for investors and partners. **The increased regulatory transparency requirements are also associated with a broadening of the investor base and better access to institutional and international investors.** Active, personal and transparent capital market communication creates additional trust.

5 REASONS TO INVEST IN THE MUTARES SHARE

5. SUSTAINABILITY ORIENTED

Mutares sees sustainable action and management as an integral part of its corporate philosophy. Both the Management Board and the employees take responsibility for the Company's success and for a better and sustainable future. **In 2021, Mutares signed the UN Global Compact and is thus aligned with the UN Sustainable Development Goals (UNSDG) in the areas of human rights, labor standards, environment and anti-corruption.** As an operating active investor, Mutares resolutely pays attention to the compliance and implementation of environmental, social and corporate values and standards. The three sustainability-related areas of responsibility Environmental, Social, Governance (ESG) provide the guidelines.

For more information on sustainability, please refer to: https://mutares.de/en/sustainability/

E

With the aim of minimizing our environmental impact, we implement continuous measures to consolidate the reduction of our CO_2 footprint. For this purpose, Mutares has participated in climate protection projects of atmosfair since 2019 and compensates all unavoidable flights of the Holding employees. In 2021, 335,000 kg of CO_2 were offset. We focus our portfolio companies on sustainability and take appropriate measures to actively protect the environment. Approx. 74% of our portfolio companies are certified according to ISO 14001:2015 (environmental management system) (as of 31 December 2021).

S

As an international player, we are aware of our social responsibility and pay attention to the impact of our business activities. We therefore consider the demonstration and initiation of participation in humanity to be essential fixed points of our social value framework. For Mutares, a positive “social impact” means both creating a healthy and safe working environment and supporting communities. We take responsibility and promote initiatives and partnerships. In total, we have supported and promoted four different foundations/initiatives in 2021.

G

Mutares is committed to acting in compliance with the law and with integrity according to nationally and internationally recognized standards. Responsible, ethical correct and integrity behavior is expected from all employees and business partners. We do not tolerate any form of corruption or bribery. Accordingly, we introduced a compliance management system with a complaints office in 2021 and adopted a Code of Conduct.

INTERIM GROUP MANAGEMENT REPORT

As of 30 June 2022

1. ECONOMIC REPORT

1.1 Macroeconomic and industry-specific conditions

According to the ifo Institute ("ifo Economic Forecast Summer 2022," published in June 2022)[1], industrial production and **global trade** initially accelerated over the winter of 2021/2022 but have since slowed again. In both advanced and emerging economies, pandemic-related constraints, supply-side production constraints, and the resulting price increases led to a slowdown in economic activity. Volatility in crude oil prices has increased since the start of the Ukraine conflict, which led to a high crude oil price. These have had a direct impact on consumer prices, which have risen just as sharply.

Also in the **euro area,** the development of the economy continued to be influenced by the Corona virus measures in the winter half-year. Due to the price increase, inflation was estimated at 8.1% in May 2022, The very high price level resulted from various sources. Energy prices in the European Union have risen sharply since the second half of 2021, Above all, the sharp rise in demand for crude oil, not least due to underinvestment in production capacities in the last two years, and a significant increase in raw material prices, which was decisive for a considerable rise in consumer prices, were key drivers of the increase in prices. The conflict in Ukraine, which has been at war since February 2022, also led to further disruptions on the energy markets as prices, particularly for gas and oil, came under further pressure.[2]

Economic output in **Germany** increased in the first half of 2022 and is now still just under 1% below the pre-crisis level. Both the contact-intensive services sector and the construction industry made a major contribution to the positive development right at the start of the year. In the manufacturing sector, performance was impacted by the outbreak of the Ukraine war, with a reduction in exports due to the sanctions against Russia, and at the same time supply bottlenecks for raw materials and intermediate products worsened. In Germany, too, price increases had an impact on the inflation rate and thus on consumer spending.

According to the latest report from Pitchbook, a global financial data provider, the level of transactions in the **European private equity market** in the first half of 2022 is above the level of the previous year – despite an uncertain macroeconomic environment. The increase is mainly due to the increase in transaction sizes. However, due to slowing growth, rising interest rates and the threat of recession, transaction activity is expected to decline.[3]

1.2 Business performance

In the first half of 2022, the **Mutares Group** generated revenues of EUR 1,754.6 million (H1 2021: EUR 1,093.9 million) and EBITDA of EUR 66.0 million (H1 2021: EUR 411.5 million). Adjusted EBITDA amounts to EUR –32.9 million (H1 2021: EUR –4.6 million).

The revenues of the **Mutares holding company,** i.e. Mutares SE & Co. KGaA, Munich (hereinafter referred to as "the company" or also "Mutares"), result from consulting services to affiliated companies and management fees. The increase to EUR 28.7 million (H1 2021: EUR 22.8 million) is a consequence of the high transaction activity in the past and a resulting enlarged portfolio. Revenues and dividends from the portfolio (mainly income from investments received in the same period) result in the so-called **"portfolio income",** which amounts to EUR 32.6 million for the first half of 2022 (H1 2021: EUR 23.0 million). As a result, net income according to HGB amounted to EUR 14.2 million in the reporting period, compared to EUR 19.9 million in the same period of the previous year.

Mutares' business performance in the first half of 2022 was characterized by the following significant events:

- **Attractive, long-term dividend policy confirmed by the Annual General Meeting**
  On 17 May 2022, the Company's Annual General Meeting again approved a **dividend of EUR 1.50** per share for financial year 2021. This consists of a basic dividend of EUR 1.00 per share and a performance dividend of EUR 0.50 per share. This confirms what the Management Board considers to be an attractive, long-term dividend policy.

- **Effects of the Ukraine war**
  The war in Ukraine, which started with the military invasion of Russian forces on 24 February 2022, has direct and indirect effects on the business development, risks, results of operations as well as cash flows of the portfolio companies in the Mutares Group.

  Direct effects can be expressed in the form of lost sales with customers in Ukraine, Russia, or Belarus as well as possible production stoppages or delivery problems at the Plati plant in Ukraine. The loss of sales with companies in the aforementioned countries only affects a small portion of sales in the Mutares Group and could be partially mitigated by new business in other areas or countries. Indirect effects, on the other hand, can be seen in increasingly occurring supply chain disruptions, significant price increases for raw materials, intermediate products, and energy, as well as the overall resulting weakening of the economy. The indirect effects are clearly visible and are having a noticeably negative impact on both the earnings situation and the financial position of individual portfolio companies.

[1] https://www.ifo.de/fakten/2022-06-15/ifo-konjunkturprognose-sommer-2022-inflation-lieferengpaesse-und-krieg-bremsen#:~:text=The%20gross%20domestic%20product%20will%20in%20year,%2C3%25%20%C3%BCincrease%20strongly%20on average.
[2] https://www.consilium.europa.eu/de/policies/energy-prices/.
[3] https://pitchbook.com/news/reports/q2-2022-european-pe-breakdown

Mutares has taken numerous measures with the entire management team and the management and staff of the portfolio companies to mitigate the direct and indirect impact on liquidity and profitability.

- **Completion of a total of four acquisitions**
  In the reporting period, the portfolio of the Mutares Group was strengthened and further developed through the following completed acquisitions:

  Mutares signed an agreement to acquire Toshiba Transmission & Distribution Europe (now operating under the name **Balcke-Dürr Energy Solutions**) in October 2021. The acquisition was completed in February 2022. The company is a provider of power transmission and distribution projects, e.g., for high-and medium-voltage switchgear, battery storage systems, smart grid solutions and renewable energy plants. As an add-on acquisition for the Balcke-Dürr Group, it will strengthen the Engineering & Technology segment.

  Frigoscandia, a platform investment in the Goods & Services segment, completed the acquisition of **Polar Frakt**, a provider of logistics services in Norway, from private owners in April 2022. The company is headquartered in Oslo, Norway, and specializes in transporting goods to northern Norway.

  In March 2022 Mutares signed an agreement to acquire the Sheffield business of Allegheny Technologies Incorporated (now trading as **Special Melted Products**). The acquisition was completed in May 2022 and the company acts as a supplier of a range of robust quality products made of low-alloy steels, stainless steels and nickel-based superalloys. The acquisition strengthens the Engineering & Technology segment as a new platform investment.

  Also in March 2022, Mutares signed an irrevocable offer to acquire Vallourec Bearing Tubes from Vallourec Tubes SAS. The company is a European leader in the production of seamless precision steel tubes manufactured to the most demanding standards and will operate under the name **VALTI** in the future. The closing of the transaction took place in May 2022.

  All acquisitions resulted in gains from bargain purchases totaling EUR 107.3 million, which are recognized in other income.

  In addition, agreements were signed for four further acquisitions in the reporting period; the transactions are expected to be completed in the second half of financial 2022.

- **Completion of two exits**
  Two exits were successfully completed in the reporting period:

  In December 2021, Mutares signed an agreement with Raben Group, a Dutch logistics company, for the **sale of all shares in BEXity**. The sale was subject to the approval of the Austrian and German antitrust authorities and the former owner, the Austrian Federal Railways (ÖBB), and was completed at the end of February 2022. BEXity is a provider of cross-border transport logistics and warehousing services with a nationwide network in Austria, which was acquired by Mutares at the end of 2019.

  In June 2022, **Frigoscandia** successfully completed the **sale of its French subsidiary**, Frigoscandia, to the French logistics company Olano Services. The company, based in Boulogne-Sur-Mer, focuses primarily on the domestic transport of temperature-controlled goods. With the exit, Mutares now focuses Frigoscandia on the domestic market, with the aim to consolidate and further expand Frigoscandia's position as the leading temperature-controlled logistics platform in Northern Europe.

  The deconsolidation result from these exits amounts to a total of EUR 18.8 million and is shown under other income.

1.3 Reports from the portfolio companies

As of 30 June 2022, the portfolio of Mutares SE & Co. KGaA contains a total of 25 operating investments or investment groups (31 December 2021: 23), which are divided into three segments:

(1) Automotive & Mobility
The portfolio companies in the Automotive & Mobility segment operate worldwide and supply renowned international original equipment manufacturers ("OEMs") of passenger cars and commercial vehicles.

(2) Engineering & Technology
The portfolio companies in the Engineering & Technology segment serve customers from various sectors, including the energy and chemical industries, public infrastructure and the rail sector, in particular in the area of plant and mechanical engineering.

(3) Goods & Services
The portfolio companies in the Goods & Services segment offer specialized products and services for customers from various sectors.

Segment Automotive & Mobility

No.	Participation	Industry	Headquarters	Acquisition
1	**Light Mobility Solutions**	Supplier of plastic components for the automotive industry	Oberts-hausen/DE	07/2021
2	**ESF Industrial Solutions** Group	Automotive supplier for fluid transfer systems and sealing solutions	various	08/2009 07/2020
3	**KICO** and **ISH** Group	System supplier for automotive technology	Halver/DE Hainichen/DE	07/2019 09/2021
4	**PrimoTECS** Group	Supplier of forged parts in the fields of engine, transmission and drivetrain.	Avigliana /IT	01/2020
5	**iinovis** Group	Engineering service provider for Automotive Engineering	Munich /DE	11/2020
6	**Plati** Group[4]	Wire harness and cabling manufacturer	Madone/ IT	01/2019

[4] In the management report for the financial year 2021, SFC Solutions, Elastomer Solutions and Plati were listed as an investment group under "ESF Industrial Solutions Group". In view of the fact that Plati remains largely independent, it is presented as a separate investment in this interim group management report.

According to the German Association of the Automotive Industry ("VDA")[5] , the general conditions for the automotive industry have deteriorated significantly since the beginning of the year. Difficult availability of intermediate products and raw materials, in particular the semiconductor shortage, continue to dominate the markets. In addition, rising prices and the turnaround in interest rates in the USA and Europe are worsening financing conditions for consumers. Regionally specific challenges are having an additional negative impact on the automotive industry. In Europe, the Russian war of aggression in Ukraine has led to additional shortages along the value chains. Renewed measures to contain the COVID-19 pandemic in China – primarily by closing the port in Shanghai and the resulting impact on international supply chains – brought the market to a temporary standstill in some regions.

The Automotive & Mobility segment's portfolio companies showed a similar picture, which was characterized by negative influences on the development of the portfolio companies in the first half of 2022: On the sales side, short-term cancellations or postponements of call-offs and the delayed start-up of product series led to missed budgets in terms of sales revenue. On the procurement side, significant price increases for energy and raw materials, as well as for other expenses related to the operating business, led to missed targets in terms of operating results. Even a wide range of countermeasures introduced – including price increases and cost increases, the use of short-time working allowances, and additional cost savings – only partially mitigated the negative business performance of the portfolio companies in the Automotive & Mobility segment.

Revenues in the Automotive & Mobility segment for the reporting period amount to EUR 457.5 million (H1 2021: EUR 353.0 million). The revenue contribution of Light Mobility Solutions, which was acquired in the second half of 2021, was the main factor contributing to an increase in the segment's revenue. EBITDA for the segment amounts to EUR –40.3 million (H1 2021: EUR –2.6 million), while Adjusted EBITDA amounted to EUR–36.5 million (H1 2021: EUR 4.7 million). Both key figures were negatively impacted by the external conditions described above, above all the decline in sales volumes and significant price increases in the area of energy and raw materials.

LIGHT MOBILITY SOLUTIONS

Light Mobility Solutions is a supplier of exterior elements and systems for the automotive industry, supplying all leading European OEMs with a comprehensive product portfolio that includes fascias, radiator grilles, sill, side and roof panels as well as spoilers and other exterior trim parts. The company manufactures at three production sites in Germany with technology focus on injection molding, surface treatment (painting and chrome plating) and assembly.

[5] https://www.vda.de/en/press/press-releases/220620_PM_International-automotive-markets_VDA-adjusts-forecasts

[6] In view of the fact that Plati remains largely independent, it is now again presented as a separate investment in this interim Group management report.

Together with the local management, a transformation program was initiated directly after the acquisition of LMS in July 2021. The aim is to improve the product and customer portfolio, the use of expertise and cooperation with customers and other partners, and to create competitive cost structures. As a major milestone, a comprehensive reduction in the workforce was agreed with the trade union in the reporting period by means of a social plan. In a difficult market environment with significantly declining sales volumes, LMS achieved an improved, but still clearly negative, operating result in the first half of 2022 compared with the previous year. Due to the measures initiated and now partially implemented as part of the transformation program, management expects LMS to break even in the second half of financial year 2022, despite the continuing difficult external environment.

ESF INDUSTRIAL SOLUTIONS GROUP

ESF Industrial Solutions combines SFC Solutions Group, a provider of fluid transfer systems and sealing solutions, and Elastomer Solutions Group, a manufacturer of rubber and thermoplastic components.[6]

SFC Solutions, an automotive supplier in the field of fluid transfer systems and sealing solutions with sites in Europe and India, was able to increase productivity through the restructuring program, which has already been implemented in large parts. The market recovery in India combined with a focused transformation plan for the Indian sites led to an operating result that is exceptionally above plan for this part of SFC Solutions. For the remainder of the year, local management expects that a market recovery and the start-up of new programs will lead to a significant increase in sales and a break-even operating result.

Elastomer Solutions has production sites in Portugal, Slovakia, Morocco and Mexico. The consistent implementation of cost-cutting measures counteracted the negative effects of volatile markets and higher raw material prices in the reporting period, resulting in a visibly positive operating result in the first half of 2022. For the full year 2022, management expects a significant increase in revenues compared to financial 2021 with a visibly positive operating result, albeit below the operating result of the previous year.

KICO AND ISH GROUP

As a supplier to the automotive industry, KICO develops, industrializes and manufactures safety components for passenger cars at production and assembly plants in Germany, Poland and Mexico. Despite the consistent implementation of improvement measures, which mainly relate to the optimization of operational excellence, the expansion of the product and customer portfolio and the passing on of material price increases to customers, operating profit declined compared with the previous year period. Apart from the continuing volatility of the sales markets, the management expects an increase in sales revenues in the second half of the year compared to the reporting period and a recognizably positive result for the full year 2022, benefiting from the optimization measures initiated.

Innomotive Systems Hainichen GmbH (“ISH”) is a manufacturer of sophisticated, high-precision door hinges made of steel or aluminum as well as complex hinges for engine hoods, tailgates and lids. The company operates two manufacturing facilities in Germany and China and offers its customers products and services along the entire value chain from customized product development, CNC machining, broaching, welding, hardening to semi- and fully automated assembly lines with integrated quality control from a single source. The transformation program initiated immediately after completion of the acquisition of ISH at the end of the third quarter of 2021 led to an increase in efficiency in production processes in the reporting period, while at the same time reducing direct material and other costs. In the first half of financial 2022, ISH focused on strengthening relationships with OEMs, positioning itself for attractive business opportunities, and further developing its plant in China. For the second half of financial 2022, management expects a material increase in sales revenue compared to the reporting period and an exceptionally improved operating result to a slightly positive level in financial year 2022 as a whole, assuming a recovery on the market side.

In the first half of 2022, together with the local management teams, a start was made on bringing the companies together organizationally; among other things, considerable synergies are to be leveraged through cooperation in the purchasing of raw materials, the exchange of knowledge in the context of production, and the insourcing of manufacturing steps previously outsourced.

PRIMOTECS GROUP

PrimoTECS manufactures forged parts used in electric, hybrid and conventional powertrains in the automotive industry at two sites in northern Italy. The first half of financial 2022 was strongly impacted by the high volatility of steel and energy prices. Thanks to its good positioning in the market, PrimoTECS was able to visibly increase sales year-on-year despite the drop in demand from automotive manufacturers due to the crisis. The local management countered the price increases with further flexibility measures, including the use of short-time work, but also with agreements with customers regarding raw material and energy compensation. The operating result in the first half of 2022 deteriorated extraordinarily compared to the same period of the previous year. The financing of PrimoTECS was secured through additional financing by means of government support. For the further course of the year, management expects higher sales revenues. Through the use of price escalation clauses with customers, the operating result is expected to rise to a visibly positive level in the second half of the year, provided that the increase in procurement prices does not continue.

Rasche Umformtechnik GmbH & Co. KG (“Rasche”), a producer of forged parts, was acquired as an add-on acquisition for PrimoTECS in the fourth quarter of financial year 2021. During the reporting period, the focus was on further diversifying the product portfolio and ramping up production of new products. As part of a synergy program between Rasche and PrimoTECS, an extensive program of measures was initiated. Among other things, this program is aimed at expanding the product range vis-à-vis customers, optimizing the supply chain, and negotiating better price conditions vis-à-vis suppliers. For the financial year 2022 as a whole, the management expects a clearly positive operating result with a slight decrease in sales revenues compared to the original planning.

IINOVIS GROUP

iinovis provides engineering services with a focus on the automotive industry, in particular for German premium car manufacturers. In addition to the service areas of vehicle development, testing and simulation, the portfolio also includes manufacturing areas, prototype construction and cable harness production. In the first half of financial 2022, the transformation plan showed its effect with the stabilization of sales and the reduction of the cost structure. In a generally difficult market environment, a pleasing order intake was recorded. In addition, management has increased its focus on new technologies such as e-mobility and will make a significant contribution to the innovation projects of the other investments from the segment in the future. For the financial year 2022, based on the promising development of order intake, management expected a significant increase in sales overall compared to the previous year and, due to the adjusted cost structures, an improvement in operating profit to a still materially negative level.

PLATI GROUP

Plati is a manufacturer of cable harnesses, special cables and connectors with production sites in Poland and Ukraine, whose cooperation was also reorganized in financial year 2021 using a modern ERP system. Despite the war in Ukraine, production at both sites was maintained throughout the reporting period. In the first half of financial 2022, Plati achieved a significant increase in sales revenue compared to the same period of the previous year due to new projects in the areas of e-mobility and electrical engineering. However, delivery problems with components led to a considerable backlog in deliveries to customers. The reduction in the second half of the year is expected to have a positive effect on sales revenue and operating profit. The latter amounted to a visibly negative level in the first half of 2022, driven by price increases for raw materials. However, the optimization measures introduced are expected to materialize further in the further course of the year so that, in combination with a recovery of the sales markets, a slightly positive operating result will be achieved overall in financial 2022.

Engineering & Technology segment

No.	Participation	Industry	Headquarters	Acquisition
7	**Donges** Group	Full-range supplier of steel structures, roof and facade systems	Darmstadt/ DE	11/2017
8	**Lacroix + Kress**	Oxygen free copper wire manufacturer	Bramsche/ DE	11/2020
9	**La Rochette Carton-board**	Folding carton manufacturer	Valgelon-La Rochette/ FR	04/2021
10	**Balcke-Dürr** Group	Manufacturer of heat exchangers and reactors	Düsseldorf/ DE	12/2016
11	**Special Melted Products**	Supplier of forged and machined special steel products	Sheffield/ UK	05/2022
12	**Gemini Rail** and **ADComms**	Industrial, technological and infrastructure service provider for the British railroad industry	Wolverton/ UK Scun-thorpe/UK	11/2018 05/2021
13	**Clecim**	Supplier of high-end solutions for steel processing lines	Savigneux/ FR	03/2021
14	**Royal De Boer** and **Japy Tech** Group	Cooling tank and barn equipment manufacturer	Leuuwar-den/NL; Dijon/FR	12/2020
15	**VALTI**	High precision seamless tube manufacturer	Montbard/ FR	06/2022

In the first half of 2022, the investments of the Engineering & Technology segment generated revenues of EUR 551.2 million (H1 2021: EUR 413.1 million). The full inclusion of the investments acquired in the course of the first half of 2021 (La Rochette Cartonboard and Clecim) and the acquisitions in the reporting period (Balcke-Dürr Energy Solutions, Special Melted Products and VALTI) contributed in particular to the increase in sales. The latter resulted in gains from bargain purchases totaling EUR 104.8 million (H1 2021: EUR 53.8 million), which again led to a clearly positive EBITDA of EUR 99.6 million (H1 2021: EUR 35.3 million). The Adjusted EBITDA of EUR 0.9 million (H1 2021: EUR –7.1 million) increased encouragingly, in particular due to the positive development at La Rochette, Royal de Boer and Clecim, despite a development at Gemini Rail and ADComms as well as Balcke-Dürr Group still falling short of expectations and the still negative earnings contributions from Special Melted Products and VALTI.

DONGES GROUP

The Donges Group offers comprehensive solutions for steel structures, roof and facade systems. Since the initial acquisition of Donges SteelTec in financial year 2017, numerous add-on acquisitions have created a European full-service provider.

By dovetailing the operating units, both product-side and operating synergies can be realized without sacrificing the independence of the individual units. The partly challenging situation with regard to the supply of raw materials was largely compensated for by the stable supplier network. Production was thus continued without any major restrictions and, as in the case of FDT, capacity was even increased. After a subdued start to the financial year 2022, Kalzip was able to slightly exceed its revenue target thanks to a strong second quarter. However, the operating result was visibly below the budgeted result. The picture was similar at Donges SteelTec, with exceptionally good order intake and the prospect of further strengthening the building construction business. As in financial 2021, Nordec's performance is at a consistently positive level, with the result that sales and operating profit in the first half of 2022 were once again significantly higher than in the previous year period. Overall, the Donges Group showed a strong sales development and a clearly positive operating result in the first half of financial 2022, driven in particular by the positive contribution of the activities in Scandinavia. For the rest of the year, management expects a significant increase in revenues compared to the reporting period and an exceptionally improved operating result due to the implemented measures, especially in the area of sales and pricing.

LACROIX + KRESS

Lacroix + Kress is a manufacturer of oxygen-free copper wire with two sites in Germany and customers within Tier 1 and Tier 2 representatives from the automotive industry as well as white goods and general industrial applications. The transformation plan was fully implemented in financial year 2021 and positive effects were achieved in the areas of productivity improvement, working capital optimization and capacity increase. The performance in the first half of 2022 shows a material increase in sales revenue, while operating profit only breaks even due to the sharp increase in raw material and energy prices. On the sales side, price increases were initiated in the second quarter of the financial year and are expected to take full effect by the end of financial year 2022. Management expects a recovery in the market environment and a catch-up effect in the demand for oxygen-free copper wire and in this respect anticipates a significant year-on-year increase in revenues for financial year 2022 as a whole. Benefiting from this and the implemented price increases, operating profit will be slightly positive.

LA ROCHETTE CARTONBOARD

La Rochette Cartonboard produces folding cartons based on virgin fibers mainly for the pharmaceutical and food packaging industries.

The measures initiated after the acquisition and further optimization activities remained the focus of management in the first half of 2022. It was possible to compensate for the extraordinary increase in energy prices by passing them on to customers. Revenues are materially above budget expectations, resulting in a significantly improved operating result in the reporting period compared to budget. The local management expects the successful development to continue in the further course of the year and the overall operating result in financial year 2022 to materially exceed the originally planned level.

BALCKE-DÜRR GROUP
In financial year 2021, the Balcke-Dürr Group completely withdrew from activities related to coal-fired power generation and implemented the relocation of all manufacturing activities from Germany to Italy in order to reduce structural costs and exploit synergies.

The situation on the sales markets remained tense in the reporting period and the negative effects on profitability of several project postponements could not be fully offset. As a result, revenues fell materially short of the budgeted figure, and the operating result was at a clearly negative level. For the remainder of the year, management expects an extraordinary improvement in the operating result compared to the first half of financial year 2022 to a slightly negative level for the year as a whole, however.

In the reporting period, the acquisition of Toshiba Transmission & Distribution (since then operating as Balcke-Dürr Energy Solutions), a provider of power transmission and distribution projects, e.g. for high- and medium-voltage switchgear, battery storage systems, smart grids solutions and renewable energy plants, was also completed. Furthermore, in the reporting period Mutares signed an agreement to acquire Siemens Energy Heat Transfer Technology B.V. which will operate under the name NEM Energy in the future and shows considerable synergy potential with the power plant business of the Balcke-Dürr Group. The transaction is expected to be completed by the end of the third quarter of 2022.

SPECIAL MELTED PRODUCTS
In May 2022, Mutares completed the acquisition of Special Melted Products (“SMP”), a specialized steel forging and rolling mill business with applications in the oil and gas industry. Immediately after the acquisition, Mutares’ team, in cooperation with the local management of the company, started to develop and implement a restructuring plan with extensive optimization measures. The management expects further impulses from the market situation, which is currently favored by the high demand from the oil and gas industry, and therefore anticipates a significant improvement in the operating result for the rest of the year and the financial year 2023.

GEMINI RAIL UND ADCOMMS
The company is an industrial, technology and infrastructure service provider to the UK rail industry: Gemini Rail provides rolling stock engineering and maintenance services; Alan Dick Communications Limited (“ADComms”) works with its customers to develop intelligent, networked solutions in the areas of radio and fixed network infrastructure, third-party communications and station communications.

Due to delays in awarding contracts and delays in the execution of ongoing (major) projects, the operating result for the reporting period was impacted and fell extraordinarily short of the originally planned level. For the further course of the year, however, the management expects a more positive development due to positive signals in the tendering of projects, with an extraordinary increase in sales compared to the reporting period and a visibly positive operating result in the full year 2022.

CLECIM
Clecim is a supplier of steel processing lines, stainless steel rolling mills and mechatronic products and services in France. The action plan of the restructuring program was aimed in particular at intensifying sales activities to increase revenues on the basis of a concrete product and service strategy, adjusting cost structures, among other things with the help of extensive staff reductions, and further measures to increase efficiency, and was already largely implemented in financial year 2021.

On this basis, and benefiting from the reactivation of major projects that had been suspended in the meantime, Clecim exceeded its sales and operating profit targets in the reporting period. Management also expects a positive development for the further course of financial year 2022 and accordingly anticipates an extraordinarily improved positive operating result for the full year 2022 compared to financial year 2021.

ROYAL DE BOER AND JAPY TECH GROUP
Royal de Boer and Japy Tech have production sites for the manufacture of milk cooling tanks and barn equipment for dairy farms in France and the Netherlands. The identified transformation measures were essentially completed in financial year 2021. In essence, these were aimed at streamlining the product portfolio and adjusting the pricing strategy, reducing indirect costs, and establishing new sales structures to establish a direct relationship with distributors and end customers. In particular, the streamlining of the product portfolio showed the expected positive effects. Royal de Boer also managed to open up further markets and drive growth, particularly in the USA.

The successful implementation of the measures resulted in a visibly positive operating result in the reporting period, after profitability was still materially negative in the previous year period period. In a positive market environment, the management expects to continue developing the business successfully in the future and to achieve a recognizably positive operating result overall in the full year 2022.

VALTI
As Vallourec Bearing Tubes, the French business for the production of seamless precision steel tubes, now operating as VALTI, was acquired during the reporting period. Immediately after the acquisition, the Mutares team, in cooperation with the local management of the company, started to develop and implement a restructuring plan with extensive optimization measures. On this basis, the management expects an extraordinary improvement from a currently and in the current financial year overall still clearly negative result to a balanced operating result already in financial year 2023.

Goods & Services segment

No.	Participation	Industry	Headquarters	Acquisition
16	**Lapeyre** Group	Manufacturer and distributor of products for home furnishing	Aubervilliers/FR	06/2021
17	**Frigoscandia** Group	Supplier for temperature-controlled logistics services	Helsingborg/SE	12/2021
18	**Terranor** Group	Provider of road operation and maintenance services	Solina/SE; Helsinki/FI; Silkeborg/DK	11/2020
19	**keeeper** Group	Plastic household products manufacturer	Stemwede/DE	06/2019
20	**Ganter** Group	General contractor in interior design and store fitting	Waldkirch/DE	10/2021
21	**FASANA**	Paper napkins manufacturer	Euskirchen/DE	02/2020
22	**Repartim** Group	Home repair and emergency services provider	Tours/FR	04/2021
23	**SABO**	Lawn mower manufacturer	Gummersbach/DE	08/2020
24	**Asteri Facility Solutions**	Service provider in the field of facility management	Solna/SE	12/2021
25	**EXI**	Information and communication technology service provider	Rome/IT	03/2021

Revenues of the Goods & Services segment in the first half of 2022 amount to EUR 746.8 million (H1 2021: EUR 327.9 million). The doubling compared to the first half of 2021 is mainly acquisition-related and results, among other things, from the acquisition of Lapeyre as of 1 June 2021, the largest acquisition in Mutares history in terms of sales and number of employees. Furthermore, the acquisition of Frigoscandia at the end of financial year 2021 also contributed to the increase in revenues in the reporting period. This more than offset the effect from the sale of BEXity in the first quarter of financial year 2022 in particular. EBITDA in the reporting period amounts to EUR 6.1 million (H1 2021: EUR 404.0 million), Adjusted EBITDA amounts to EUR –0.2 million (H1 2021: EUR –3.8 million). In the first half of financial year 2021, gains from favorable acquisitions of EUR 401.5 million, primarily for the acquisition of Lapeyre, had a positive impact on the segment's EBITDA. The improvement in Adjusted EBITDA is a consequence of the positive development, especially at Frigoscandia, SABO and Terranor.

LAPEYRE GROUP

Lapeyre manufactures products for the exterior and interior of homes, such as windows, doors, kitchens, bathroom furniture and stairs at ten French sites. The company distributes and installs these, along with merchandise, through an extensive network of stores in France under the well-known corporate brand.

Lapeyre is successfully working to strengthen its positioning in the market by focusing on strategic issues such as redesigning its product offering, developing additional services for its business customers, optimizing its digital and physical presence, developing IT solutions that enable better customer service, and optimizing its branch network. In addition to the development of these strategic initiatives, numerous other measures have already been implemented to reduce the fixed cost base. These include improving purchasing conditions to mitigate higher procurement prices, optimizing supply chains, and implementing a comprehensive productivity improvement plan.

Lapeyre's operating profit continues to be impacted by non-recurring expenses, in particular for the spin-off of all activities from the former owner's group structures, and was still clearly negative in the first half of financial year 2022 as planned. For the remainder of the year, with sales at the level of the reporting period, management expects an extraordinarily improved operating result, which should already be at a slightly positive level for the full year 2022.

FRIGOSCANDIA GROUP

The acquisition of Frigoscandia, a leading player in logistics solutions for fresh, chilled and frozen food mainly in Northern Europe, was completed by the end of financial year 2021. The company has 25 warehouses and terminals in Sweden and Norway and operates in three areas: domestic transport, international transport and warehousing.

The transformation plan for Frigoscandia provides for a realignment of the warehouse and logistics concepts as well as sales initiatives and cost-cutting measures. Major milestones of this plan were initiated or already implemented in the reporting period. Despite challenges in the context of high energy and fuel prices, Frigoscandia already achieved a recognizably positive operating result in the first half of financial year 2022.

Frigoscandia aims to become the leading temperature-controlled logistics platform in Northern Europe. This strategic development was also driven by two transactions: The acquisition of Polar Frakt, a provider of logistics services, significantly strengthens the company's presence in Norway. At the same time, the sale of the French subsidiary enables Frigoscandia's strategic focus on the countries of Northern Europe.

Based on the development to date, the management expects to achieve a recognizable positive operating result also in the full year 2022.

TERRANOR GROUP

Terranor Group is a provider of operations and maintenance services to ensure safe traffic on and around roads in the Nordic countries.

The units in Sweden and Finland acquired in the fourth quarter of the 2020 financial year have fully completed the carve-out from their former owner's structures. Both companies now have a fully independent and established presence in the Nordic countries. The realignment phase has been successfully completed. The same applies to significant optimization measures, which made their positive contribution to a clearly positive operating result in the first half of financial year 2022. For the remainder of the year, Terranor expects the positive development to continue for the companies in Sweden and Finland and a clearly positive operating result for the full year 2022 as well.

In the previous year, the Danish operations and maintenance business with mainly government and municipal orders as well as further specialized services (e.g. sweeping, drainage) was also acquired as an add-on acquisition. Based on the government contracts won, management expects the Danish company to make a strong contribution to sales in financial year 2022. The main focus will be on keeping the quality and performance promise to customers, first and foremost the Danish Transport Authority, and thus increasing profitability in project execution. On this basis, Terranor's management also expects a clearly positive operating result for the business in Denmark for the full year 2022.

KEEEPER GROUP

The keeeper Group, a manufacturer of household products, continued to be significantly impacted by the extraordinarily increased prices on the raw material markets for plastic granulates in the first half of the financial year 2022. Associated cost increases could not be fully or directly passed on to customers, which affected keeeper's profitability in the reporting period. Sales revenues showed a pleasing increase compared to the same period of the previous year, but fell short of the planned level due to weak demand, particularly in the Eastern European countries. Measures introduced to increase efficiency and reduce costs only partially compensated for the decline in sales and cost pressure. As a result, the keeeper Group posted a clearly negative operating result in the reporting period. Currently, declining prices can be observed on the raw material market for plastic granules. On this basis and due to the implemented price increases, the management expects an improvement in profitability and a slightly positive operating result for the further course of the year.

GANTER GROUP

Ganter acts as a general contractor in interior design and store fitting and realizes interior design projects for an international customer base. Immediately after the acquisition in the fourth quarter of financial year 2021, a Mutares team together with the local management initiated the transformation aimed at restructuring the project and market portfolio, adjusting cost structures, and increasing capacity utilization. The measures of the optimization plan, which are currently being implemented, already started to have an impact in the first half of financial year 2022 and increased the operating result to a balanced level. In addition to the cost reduction measures, the initiatives on the sales side also led to an improvement in order intake. On this basis, the management expects substantially higher sales revenues and an improvement in operating profit to a slightly positive level in the further course of the year compared with the first half.

FASANA

Since the beginning of the financial year 2022, the manufacturer of innovative and high-quality paper napkins for the consumer and bulk consumer market, formerly integrated into the keeeper Group, has been operating under the "FASANA" brand.

At the beginning of the reporting period, FASANA continued to be affected by the COVID-19 pandemic restrictions such as closures of or contact restrictions in hotels, restaurants, cafés and canteens. Following the easing of the measures, a significant recovery in demand in the reporting period overall resulted in sales revenues above budget. At the same time, high raw material prices for pulp and cost increases for energy and logistics had a negative impact on profitability, despite being partially passed on to customers. As a result, this led to a clearly negative operating result – excluding the positive effect from the refund of the EEG surcharge. For the further course of the year, FASANA expects profitability to increase to an only slightly negative operating result in the second half of the financial year 2022, assuming stabilizing pulp prices and after adjusting sales prices.

REPARTIM

Repartim is a service provider for repairs and emergencies in private households in France, in which Mutares holds a majority stake of 80%.

The restructuring plan for Repartim is essentially aimed at completely redesigning all core processes, including adapting the IT landscape. Repartim already simplified the organization of its various call centers with the aim of improving service quality for customers. It also aimed to generate additional business with insurance companies and property managers, as well as significant savings in procurement and personnel costs. Despite some success in implementing the restructuring plan, profitability remained well below plan in the reporting period, partly due to bottlenecks in staff availability. For the further course of the year, however, Repartim's management expects a further improvement in operating profit to a break-even level in the fourth quarter of financial year 2022 based on the measures initiated under the restructuring plan.

SABO

The manufacturer of lawn mowers and other outdoor power tools continued its successful development from financial year 2021 in the reporting period as well: Sales revenues were at the level of the ambitious planning and substantially above those of the previous year period – benefiting from the geographic expansion that has taken place. At the same time, gross margin developed positively despite challenges in the availability of individual components and the increased prices for raw materials and components. The restructuring successfully completed in financial year 2021 led to a reduction in personnel and overhead costs, so that SABO now has a significantly lower and competitive cost base. Accordingly, SABO achieved a materially positive operating result in the reporting period. For the second half of financial year 2022, management also expects a slight year-on-year increase in sales revenue, boosted by a higher order backlog compared to the previous year and continued high demand. This will be countered by investments in the construction of a second production line. For the full year 2022, SABO is thus expected to achieve a clearly positive operating result.

ASTERI FACILITY SOLUTIONS

The acquisition of Asteri Facility Solutions ("Asteri") was completed at the end of financial 2021. The company provides facility management services throughout Sweden from its headquarters near Stockholm.

Immediately after the acquisition, a Mutares team together with the management of Asteri designed a transformation plan and started its implementation. This is aimed at stabilizing the business activities and realizing the spin-off from the group structures of the former owner. The focus is on increasing revenues by increasing market share and concentrating on areas with a competitive advantage. The recovery of the hotel industry has contributed to Asteri's revenues significantly exceeding the planned level in the reporting period, with a corresponding positive impact on operating profit. However, this is still negative according to plan, but will improve substantially in the further course of the year depending on the successful outcome of further tenders.

EXI

The restructuring plan for EXI, an Italian communications service provider in the field of planning, construction and maintenance of telecommunications networks and services, is essentially aimed at optimizing the organizational structure, significantly reducing costs and establishing a new sales structure. The transformation of the organization with adjusted cost structures due to reduced material and personnel costs has largely been implemented. The growth targets in terms of EXI's revenue are to be achieved by opening up new business areas, such as fiber-optic expansion. The first new projects were already initiated in financial year 2021 by signing customer contracts. However, market developments in the reporting period led to new projects being cancelled in some cases and postponed in others. As a result, revenues in the reporting period did not reach the planned level, with a corresponding negative impact on the resulting materially negative operating result. EXI is already working on the development of further new business. On this basis, management expects a material increase in revenues for the second half of financial year 2022 compared to the reporting period as well as an extraordinarily improved, but still negative operating result.

2. SITUATION OF THE GROUP INCLUDING NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

The success of the Mutares Group mainly depends on the restructuring and development progress of the investments as well as completed M&A transactions, which contribute to an increase in value after a successful turnaround and a further development of the investments depending on the situation.

In view of the numerous M&A transactions, Mutares' business model thus involves regular changes in the scope of consolidation that have a significant impact on the consolidated financial statements. This again applies to the reporting period, in which the first-time consolidations and deconsolidations presented above had a significant impact on the items of the consolidated statement of comprehensive income and statement of financial position.

With regard to the **transaction activities** in the first half of 2022, the Management Board is extremely satisfied due to the large number and quality of acquisitions and exits; the high frequency from the transaction-rich financial year 2021 was successfully continued.

The operating result of the Mutares Group depends on the business development of the individual investments – in particular on the respective restructuring and development progress – and is also influenced by the timing of the acquisition of new investments and the resulting regular bargain purchase gains.

The Management Board is very satisfied with the **progress of restructuring and development** at some shareholdings – particularly against the background of the burdens caused by the indirect effects of the war in Ukraine – but still sees clear potential for improvement at others. The Management Board is particularly positive about the performance of Frigoscandia, Terranor, La Rochette, Clecim and SABO. The development of the Group's largest shareholdings in terms of revenues (Lapeyre Group, LMS and Donges Group) is also satisfactory overall, despite the clearly visible negative impact of the indirect effects of the war in Ukraine.

The Management Board is satisfied overall with the performance in the first half of 2022 against the background of the special charges resulting from the indirect effects of the war in Ukraine, in particular disruptions to the supply chains, significant price increases for raw materials, intermediate products and energy, and an overall weakening of the economy. The Management Board believes that the ambitious growth course is on a successful path thanks to the acquisitions made.

2.1 Earnings

In the first half of 2022, the Mutares Group generated **revenues** of EUR 1,754.6 million. (H1 2021: EUR 1,093.9 million). The development is mainly due to changes in the scope of consolidation. With regard to the allocation of revenues to the individual segments as well as the developments in the investments of the segments, we refer to the above explanations in the reports from the portfolio companies (Note 1.3).

The **other income** of EUR 150.7 million (H1 2021: EUR 493.9 million) is attributable in particular to consolidation effects, as in the previous year period. These and the other components of other income can be seen in the following table:

EUR million	H1 2022	H1 2021
Bargain Purchase Income	107.3	455.3
Gains from deconsolidation	18.8	22.4
Income from raw material and waste recycling	5.8	4.0
Income from the disposal of fixed assets	1.9	0.4
Income from risk allowance	1.8	1.1
Income from renting and leasing	1.5	1.3
Income from other services	1.2	1.2
Currency translation	0.7	1.4
Other capitalized self-produced assets	0.7	1.7
Miscellaneous other income	11.0	5.0
Other operating income	**150.7**	**493.9**

The **cost of materials** for the first half of 2022 amounts to EUR 1,128.7 million (H1 2021: EUR 702.7 million). The cost of materials ratio (in relation to revenues) in the reporting period thus amounts to 64% (H1 2021: 64%).

Personnel expenses for the first six months of the financial year 2022 amount to EUR 437.2 million (H1 2021: EUR 285.6 million). The increase is partly due to the increase in the number of employees resulting from the increased transaction activity in the last 18 months. Furthermore, costs for severance payments and social plans also burden personnel expenses. The use of short-time working, on the other hand, relieved some of the burden on personnel expenses in the reporting period.

The **other expenses** of EUR 281.5 million (H1 2021: EUR 197.9 million) can be broken down into the individual components as follows:

EUR million	H1 2022	H1 2021
Selling expenses	84.8	39.7
Legal and consulting expenses	34.3	23.2
Administration	32.8	23.3
Rent, leases and licence fees	29.1	15.0
Maintenance and servicing	22.6	16.5
Advertising and travel expenses	17.5	9.5
Basic taxes and other taxes	10.8	3.6
Fleet	6.5	3.3
Damage claims, guarantee and warranty	4.4	5.4
Expenses from risk provisions	1.3	4.5
Expenses for general partners	1.1	4.3
Losses from deconsolidation	0.0	25.8
Miscellaneous expenses	36.2	23.7
Other expenses	**281.5**	**197.9**

As a result, the **EBITDA** of the Mutares Group in the reporting period amounts to EUR 66.0 million (H1 2021: EUR 411.5 million).

The reconciliation from reported EBITDA to the performance indicator of **Adjusted EBITDA** is as follows:

EUR million	H1 2022	H1 2021
EBITDA	**66.0**	**411.5**
Income from bargain purchases	–107.3	–455.3
Restructuring and other non-recurring expenses	27.3	35.9
Deconsolidation effects	–18.8	3.4
Adjusted EBITDA	**–32.9**	**–4.6**

With regard to gains from bargain purchases and deconsolidation effects (deconsolidation gains/losses), please refer to the comments above on business performance (Note 1.2) and in the reports on the portfolio companies (Note 1.3).

Restructuring and other non-recurring expenses in the reporting period include expenses for carve-out (especially in IT) of EUR 13.4 million (H1 2021: EUR 5.7 million), most of which relate to Lapeyre in the reporting period. For consulting expenses in connection with restructuring, M&A activities and legal advice of a non-recurring nature, EUR 4.1 million (H1 2021: EUR 5.2 million), for severance payments and social plans EUR 3.2 million (H1 2021: EUR 8.1 million). Restructuring and other non-recurring expenses in the previous year period included expenses of EUR 10.3 million for a Gemini Rail Group company in connection with a customer project discontinued due to the COVID-19 pandemic as other non-recurring expenses and expenses of EUR 3.6 million in connection with the valuation of the assets and liabilities of EUPEC, TréfilUnion and La Meusienne as held for sale as of 30 June 2021.

Depreciation and amortization amounting to EUR 91.2 million (H1 2021: EUR 51.1 million) includes impairment losses of EUR 19.3 million (H1 2021: EUR 2.0 million) for three units of the Group from the segments Engineering & Technology and Goods & Services.

The **financial result** of EUR –13.4 million (H1 2021: EUR –11.5 million) consists of financial income of EUR 4.3 million (H1 2021: EUR 0.8 million) and financial expenses of EUR 17.7 million (H1 2021: EUR 12.3 million).

Income taxes of EUR 11.9 million (H1 2021: EUR –4.0 million) include current taxes (EUR –2.8 million; H1 2021: EUR –8.2 million) and deferred taxes (EUR 14.7 million; H1 2021: EUR 4.2 million).

Consolidated net income in the first half of 2022 amounts to EUR –26.8 million (H1 2021: EUR 344.9 million).

The **other comprehensive income** of EUR 25.9 million (H1 2021: EUR –0.2 million) mainly includes actuarial gains of EUR 23.6 million (H1 2021: EUR 0.3 million) in connection with the measurement of provisions for pensions at portfolio companies in the context of significantly increased interest rates. Furthermore, this item includes effects from the change in the fair value of the bond of EUR 3.2 million (H1 2021: EUR –3.1 million) and exchange rate differences of EUR –0.9 million (H1 2021: EUR +2.6 million).

2.2 Net assets and financial position

Total assets of the Mutares Group as of 30 June 2022, amount to EUR 2,655.7 million (31 December 2021: EUR 2,560.4 million). The increase is mainly due to the inclusion of the newly acquired investments.

Non-current assets increased from EUR 1,120.6 million as of 31 December 2021 to EUR 1,134.1 million as of 30 June 2022, mainly due to higher property, plant and equipment (EUR +17.8 million) and higher other assets (EUR +18.9 million), the latter being attributable in particular to prepayments made and surplus plan assets in the context of pension obligations. In contrast, there was a decrease in other financial assets (EUR –11.6 million) and intangible assets (EUR –9.7 million), the latter partly due to the impairment loss recognized.

The increase in **current assets** to EUR 1,521.6 million as of 30 June 2022, (31 December 2021: EUR 1,439.8 million) is largely due to the increase in inventories (EUR +113.0 million) and trade and other receivables (EUR +84.2 million). This was offset by a decrease in assets held for sale (EUR –117.2 million) due to the sale of BEXity. As an agreement for the sale of all shares in the company was signed in December 2021 and the sale was actually completed in the first quarter of 2022, the assets of the company were reported here as of 31 December 2021. Assets held for sale as of 30 June 2021, primarily relate to Lapeyre retail stores for which dispositions are planned in sale-and-leaseback transactions.

As of 30 June 2022, **cash and cash equivalents** amount to EUR 198.8 million (31 December 2021: EUR 255.1 million). This is offset by current liabilities to banks and loans as part of the balance sheet item current financial liabilities amounting to EUR 88.8 million (31 December 2021: EUR 64.6 million), which result from current account and loan liabilities and from the recognition of “unreal” factoring. As of 30 June 2022, the net cash position amounts to EUR 110.0 million (31 December 2021: EUR 190.5 million). As of the reporting date 30 June 2022, unused credit lines amount to a mid-single-digit million amount, as in the previous year, and are largely attributable to available factoring lines.

Cash flow from operating activities in the first half of 2022 amounts to EUR –118.9 million (H1 2021: EUR –28.7 million). Based on a consolidated net profit of EUR –26.8 million (H1 2021: EUR 344.9 million), non-cash expenses and income included therein will have an effect of EUR 35.3 million (H1 2021: EUR 385.6 million), changes in the balance sheet items of working capital (trade working capital and other working capital) of EUR –57.4 million (H1 2021: EUR +1.1 million) and effects from interest and taxes of EUR 1.5 million (H1 2021: EUR 10.8 million).

The **cash flow from investing activities** in the amount of EUR 82.3 million (H1 2021: EUR 149.2 million) mainly results from (net) cash inflows from changes in the scope of consolidation of EUR 68.3 million (H1 2021: EUR 167.6 million) and proceeds from disposals of assets held for sale of EUR 38.4 million (H1 2021: EUR 0.0 million), partly offset by (net) cash outflows for capital expenditures of EUR 24.7 million (H1 2021: EUR 18.6 million).

Cash flow from financing activities amounts to EUR –19.1 million (H1 2021: EUR –19.7 million) and mainly comprises proceeds from the issuance of bonds and (financial) loans (EUR 45.1 million; H1 2021: EUR 36.5 million) and (net) cash inflows from (unreal) factoring (EUR 21.8 million; H1 2021: EUR 2.4 million). This was offset by the dividend to the shareholders of the parent company of EUR 30.9 million (H1 2021: EUR 23.1 million) and payments for the repayment of lease liabilities (EUR 30.4 million; H1 2021: EUR 19.7 million) and (financial) loans (EUR 16.7 million; H1 2021: EUR 9.4 million). Interest paid amounts to EUR 8.0 million (H1 2021: EUR 6.4 million).

As of 30 June 2022, **equity** amounts to EUR 703.7 million (31 December 2021: EUR 736.4 million). Above all, the dividend distribution to the shareholders of the parent company, the shareholders of Mutares SE & Co. KGaA, of EUR 30.9 million (H1 2021: EUR 23.1 million) reduced equity. In contrast, the other comprehensive income of EUR 25.9 million, especially in connection with the valuation of provisions for pensions at portfolio companies in the context of significantly increased interest rates, had an opposite effect. The equity ratio as of 30 June 2022, amounts to 26% (31 December 2021: 29%).

Non-current liabilities as of 30 June 2022 of EUR 774.8 million (31 December 2021: EUR 799.3 million) mainly include non-current lease liabilities of EUR 266.0 million (31 December 2021: EUR 262.7 million), other financial liabilities of EUR 165.5 million (31 December 2021: EUR 145.9 million), deferred tax liabilities of EUR 133.3 million (31 December 2021: EUR 137.8 million) and provisions for pensions and similar obligations of EUR 107.9 million (31 December 2021: EUR 153.0 million).

Current liabilities as of 30 June 2022 amount to EUR 1,177.2 million (31 December 2021: EUR 1,024.8 million) and relate to current liabilities of EUR 448.3 million (31 December 2021: EUR 372.2 million) and relate to trade payables. Current contract liabilities (EUR 202.1 million; 31 December 2021: EUR 144.8 million) and other financial liabilities (EUR 184.8 million; 31 December 2021: EUR 141.2 million) also contributed to the increase in current liabilities. The decrease in liabilities associated with non-current assets held for sale (EUR –73.7 million) is accompanied by the decrease in assets held for sale due to the sale of BEXity.

2.3 Supplementary report

For information on significant events after the balance sheet date, please refer to the selected notes to the interim consolidated financial statements.

3. FORECAST, OPPORTUNITIES AND RISK REPORT

3.1 Opportunities and risks of future development

The main changes compared with the risks[7], as presented in the Group management report for financial year 2021, are explained below. For a detailed presentation, please refer to the combined management and Group management report for the financial year 2021.

FUTURE ECONOMIC CONDITIONS

The ifo Institute paints the following picture in its current economic forecast ("ifo Economic Forecast Summer 2022: Inflation, Supply Bottlenecks and War Slow Economic Recovery in Germany," published on 15 June 2022):

The world's economic development in the services sector is being supported by the recovery effects following the COVID-19 pandemic. Meanwhile, as a result of the Ukraine war, both consumer confidence in the euro zone and production expectations have fallen significantly. This was further reinforced by inflation and ongoing supply chain constraints. Overall, euro area GDP is expected to grow by 3.3% in financial year 2022 (world: 2.9%). The ECB is expected to counter accelerating inflation by tightening monetary policy.

Production in Germany is being weakened by supply-side disruptions and the associated price increases. Supply bottlenecks are also expected to continue, slowing industrial and construction activity. As an end to the Ukraine war is unlikely in the near future, high raw material prices will also only fall slowly. However, it is assumed that the supply bottlenecks will gradually ease and inflation will decrease, so that the German economy will recover overall in the second half of 2022.

OBLIGATIONS FROM BUSINESS COMBINATIONS

In connection with contracts for the purchase or sale of companies, Mutares gives guarantees under which it may be held liable or which may lead to legal disputes. In the notes to the consolidated financial statements as part of the consolidated financial statements as of 31 December 2021, there is a comprehensive presentation of the obligations from company acquisitions. This is supplemented by explanations in the condensed notes to the consolidated financial statements for the period from 1 January to 30 June 2022, with regard to changed circumstances or a change in our assessment with regard to obligations already existing as of 31 December 2021.

The issuance of guarantees can be a differentiating factor in the competition for potential takeover targets if competitors cannot issue guarantees due to their own articles of association. In individual cases, a possible claim under the guarantees given may have significant negative effects on the net assets, financial position and results of operations of the Mutares Group.

In principle, the Management Board does not anticipate any utilization of the obligations arising from the acquisition and sale of companies. However, depending on further economic developments, the probability of utilization may increase and it cannot be ruled out that the obligations entered into may be utilized.

In addition, unforeseen events may lead to an abrupt change in probability.

LITIGATION

A lawsuit has been filed in the Court of Michigan against SFC Solutions Group by the former owner Cooper-Standard Automotive, Inc. ("CSA") on the basis of alleged default in payment of royalties, although it has not yet been finally served. The lawsuit is based on a license agreement under which the companies of the SFC Solutions Group must pay royalties for intellectual property claimed from CSA. Despite corresponding provisions in the license agreement, there is essentially disagreement about the calculation of the royalties. SFC Solutions Group considers the claim to be without merit and will defend itself accordingly.

Other obligations

Indirect subsidiaries of Mutares SE & Co. KGaA from the Engineering & Technology segment are involved as partners in joint arrangements under joint ventures or consortium agreements. These have been entered into with the aim of implementing customer projects. The majority of the joint ventures are based in Germany. The share of ownership ranges from 27% to 77%.

Taking into account the structure and legal form of the arrangements and all other relevant facts and circumstances, the joint arrangements are classified as joint operations that are not individually material to the Group.

As of the reporting date, the joint and several liability from the investment in the civil law companies relates to projects with a total contract value equivalent to approximately EUR 330 million (31 December 2021: approximately EUR 368 million). The subsidiaries' own share of this amounts to EUR 147 million (31 December 2021: approximately EUR 162 million). Based on the ongoing credit assessments of the ARGE and consortium partners, we do not expect the shares of other companies to be utilized. With the exception of the amounts recognized as provisions for onerous contracts or as part of the loss-free valuation, we also do not expect any utilization for our own share.

[7] In view of the fact that the identification and exploitation of (investment) opportunities is the core of Mutares' business, the comments at this point focus quite predominantly on the risks of our business activities.

Supply chain risks

In the area of procurement, the Group companies are exposed to risks such as supplier default, delayed or poor-quality deliveries, and price fluctuations, particularly of raw materials. In the first half of financial 2022, various portfolio companies continued to experience price increases for raw materials (e.g. steel, plastic granules and pulp), in some cases dramatic, and tightening restrictions on availability due to a shortage of raw materials on the procurement markets. This was due to general supply bottlenecks, also as a result of the COVID-19 pandemic, which is still not fully overcome, the indirect effects from the war in Ukraine, and generally accelerated inflation in the prices of goods and services. There is a risk for the portfolio companies that the significant increase in procurement prices will have a negative impact on earnings as well as the financial position Mutares is countering these risks by establishing a procurement management system and strict monitoring of the respective suppliers. In addition, various Group companies have initiated measures to pass on price increases to customers. However, depending on the further development in the second half of 2022 and beyond, this may have potentially negative and in some cases also very negative effects on the profitability of individual portfolio companies and the Mutares Group as a whole, especially if it is not possible to pass on these price increases to customers to an appropriate extent.

Financing risks

Management considers the further development of the Group to be dependent to a not inconsiderable extent on financing risks, which can have an important influence on the net assets, financial position and results of operations.

Increasing regulatory requirements for banks and insurance companies as well as a change in the credit rating of individual investments may lead to more difficult or less favourable financing conditions or to more difficult and more expensive procurement of sureties and guarantees. In addition to the terms and conditions of the bonds, the agreements in connection with financing lines for the equity investments generally contain covenants and other obligations, the breach of which gives the financing partner the right to terminate the agreement. If portfolio companies do not perform as planned, covenants may be breached or the repayment of (loan) liabilities may be delayed or not possible in full, which could have a negative impact on the financial position.

The yield curve in the euro area has risen noticeably across all maturities in response to the current inflation trend and the expectation of rising reference interest rates. If the current inflationary trend continues, it must be assumed that, in addition to the increase in reference interest rates, financing partners will also demand higher margins, which may have an impact in particular on short-term financing without fixed interest rates and on the floating-rate bond. The possible risk of interest rate changes in the reference interest rates can be hedged by means of suitable instruments (e.g. interest rate swaps, options) after examining the individual case. However, even hedging in such constellations does not fully protect against the effects of rising interest rates. In addition, hedging transactions involving the use of financial instruments may give rise to valuation and liquidity effects that have a negative impact on the net assets, financial position and results of operations.

Portfolio companies need access to external financing, for example if they are to pursue a growth strategy following a successful repositioning. The overall economic situation is leading to a noticeable reluctance on the part of financiers to raise new finance. Despite a comprehensive information policy and close cooperation with financing partners, as well as forward-looking planning and implementation, it may not always be possible to secure access to external financing for individual portfolio companies, with corresponding negative effects on the financial position.

Overall statement on the risk situation

The changed external conditions also have an impact on the assessment of individual risks and the overall risk situation. Furthermore, based on the information currently available from the systematic, multi-level risk management system, the Management Board assumes that the positive going concern forecast for the Mutares Group as a whole will not be negatively affected. However, it is generally possible that further developments with regard to the external environment, the respective effects of which cannot be fully reliably estimated at the time of preparation of this interim group management report, may deviate from the Management Board's current expectations.

3.2 Forecast report

The forecast for the financial year 2022 in the combined management and group management report of the financial year 2021 continued to be influenced by the COVID-19 pandemic, which has already been ongoing since the beginning of 2020, and its impact on the stability of supply chains as well as the price development for essential primary products and raw materials. In addition, the manifold effects of the armed conflict between Russia and Ukraine, which began with the military invasion of Russian forces on 24 February 2022, on the business performance, risks and earnings situation of Mutares could not be validly estimated at the time of preparation of the combined management and group management report for the financial year 2021. As a result, the Management Board's forecast was not only subject to greater uncertainty than usual due to the high degree of uncertainty regarding future economic developments, but also explicitly assumed that risks from the armed conflict between Russia and Ukraine would not materialize to an extent significant for the financial position, financial performance and cash flows of Mutares.

The war in Ukraine has direct and indirect effects on the business development, risks, results of operations as well as cash flows of the portfolio companies in the Mutares Group: Direct effects can be expressed in the form of lost sales with customers in Ukraine, Russia or Belarus as well as possible production stoppages or delivery problems of the Plati plant in Ukraine. The loss of sales with companies in the aforementioned countries only affects a small portion of sales in the Mutares Group and could be partially mitigated by new business in other areas or countries. Indirect effects, on the other hand, are reflected in increasingly occurring disruptions in supply chains, significant price increases for raw materials, intermediate products and energy, as well as an overall resulting weakening of the economy. The indirect effects are clearly visible and have a noticeable negative impact on both the results of operations and the financial position of individual portfolio companies. Mutares has taken numerous measures with the entire management team and the management and staff of the portfolio companies to mitigate the direct and indirect effects on liquidity and profitability. Nevertheless, the Management Board believes that the future development of the portfolio companies and the Group as a whole in terms of financial position, net assets and results of operations will be significantly influenced by the further course of the war in Ukraine and the associated disruptions of supply chains as indirect effects, significant price increases for raw materials, intermediate products and energy, as well as an overall weakening of the economy.

There is a risk for individual portfolio companies in the Mutares Group that the significant increase in procurement prices and the loss of sales will have a negative impact on the earnings and financial position of the companies and slow down the restructuring processes. At the same time, the weakening economy also offers opportunities on the buy side in M&A.

The Management Board continued to target a **transaction volume** for financial year 2022 at least at the level of financial year 2021. Based on the four acquisitions completed in the reporting period and the additional agreements signed for four further acquisitions and the well-filled pipeline for purchase transactions, it is not currently foreseeable that the current high level of transaction activity will decline; the Management Board is therefore confident of achieving this target.

A large number of investments have reached the last of the three phases of the value creation cycle of Mutares, the so-called harvesting phase. Thus, the Management Board assumes that the contributions of the exit income from the sale of investments will increase in the coming years. However, these naturally represent the most volatile part, with generally significantly positive contribution to the net income of a financial year.

Based on the completed and signed acquisitions of the current financial year 2022 as of the date of preparation of this interim group management report, the assumptions regarding further intended transactions in the course of the year, and the planning of the individual portfolio companies updated for the second half of the financial year 2022, the Management Board continues to expect an extraordinary increase in **revenues** for the Mutares Group to at least EUR 4.0 billion in the financial year 2022. Once again, all three Mutares segments are expected to contribute to this.

Taking into account the acquisitions completed, signed and intended by the preparation date for the current financial year 2022, (reported) **EBITDA** is again expected to reach a clearly positive level, in particular due to the gains from bargain purchases arising in this context.

With regard to **Adjusted EBITDA,** the Management Board expected, on balance of opposing effects, an extraordinary improvement for the financial year 2022 compared to the financial year 2021 in the combined management and group management report of the previous year. This forecast is also maintained on the basis of the updated plans of the portfolio companies for the Mutares Group for the second half of the financial year 2022. Although Adjusted EBITDA will be impacted on the one hand by supply chain disruptions, significant price increases for raw materials, intermediate products and energy, as well as an overall weakening economy, in addition to the negative earnings contributions of the newly acquired investments. On the other hand, the Management Board expected a significantly positive contribution from the acquisitions in fiscal years 2020 and 2021 as a result of the initiated restructuring measures and the resulting increase in profitability. Overall, the Management Board sees Adjusted EBITDA as being significantly influenced by the further development of the sales and procurement markets, with potentially negative and in some cases also very negative effects on the profitability of individual portfolio companies and the Group.

The net profit for the year of Mutares SE & Co. KGaA should regularly be in the range of 1.8% to 2.2% of the consolidated revenues of the Mutares Group. Taking into account sales revenues for the Mutares Group of EUR 4.0 billion, the Management Board therefore expects a net profit in the amount of EUR 72 million to EUR 88 million in the financial year 2022. All main sources of net income of Mutares SE & Co. KGaA – on the one hand, revenues from the consulting business and, on the other hand, dividends from portfolio companies and exit proceeds from the sale of investments – should contribute to this. Based on current planning, the Management Board assumes that a sufficiently high net profit can also be generated for the financial year 2022 in order to maintain the dividend-paying ability of Mutares SE & Co. KGaA at least at the level of the market expectation.

Beyond this, the Management Board has no new information to suggest that the most recent forecasts and other statements - despite some changes in the underlying conditions - regarding the expected development of the Group for the financial year 2022 have changed significantly.

Munich, 10 August 2022

Mutares Management SE,
General Partner of Mutares SE & Co. KGaA

The Board

Robin Laik Mark Friedrich

Johannes Laumann

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at 30 June 2022

1. CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

From 1 January to 30 June 2022

EUR million	Note	H1 2022	H1 2021
Revenues	3	1,754.6	1,093.9
Change in inventories		8.0	9.7
Other income	4	150.7	493.9
Cost of material		–1,128.7	-702.7
Personnel expenses		–437.2	-285.6
Other expenses	5	–281.5	-197.9
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**66.0**	**411.5**
Depreciation and amortization expenses	7, 8, 9	–91.2	-51.1
Earnings before interest and taxes (EBIT)		**–25.3**	**360.4**
Financial income		4.3	0.8
Financial expenses		–17.7	-12.3
Profit before tax		**–38.7**	**348.9**
Income tax expense/income		11.9	-4.0
Net income for the year		**–26.8**	**344.9**
Of which attributable to:			
Shareholders of the parent company		–19.0	347.8
Non-controlling interest		–7.7	-2.9
Earnings per share in EUR (basic)		**–0.92**	**22.91**
Earnings per share in EUR (diluted)		**–0.92**	**22.91**

EUR million	Note	H1 2022	H1 2021
Other comprehensive income			
Net income		**–26.8**	**344.9**
Other comprehensive income		**25.9**	**–0.2**
Items reclassified to profit or loss in future if certain conditiones are met			
Currency translation differences		–0.9	2.6
Items not subsequently reclassified to profit or loss			
Actuarial gains/losses		23.6	0.3
Change in fair value of financial assets/ liabilities		3.2	–3.1
Other		0.0	0.0
Total comprehensive income		**–0.8**	**344.7**
Of which attributable to:			
Shareholders of the parent company		5.4	347.0
Non-controlling interest		–6.2	–2.3

2. CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2022

ASSETS

EUR million	Note	30.6.2022	31.12.2021
Intangible assets	7	124.3	134.0
Property, plant and equipment	8	574.4	556.7
Right of use assets (RoU assets)	9	319.3	318.6
Trade and other receivables		2.6	5.1
Other financial assets		62.0	73.6
Income tax receivables		0.7	0.9
Other non-financial assets		19.4	0.5
Deferred tax assets		25.9	27.4
Contract costs		0.2	0.0
Non-current contract assets		5.2	3.7
Non-current assets		**1,134.1**	**1,120.6**
Inventories	10	536.2	423.2
Current contract assets		68.0	50.6
Trade and other receivables		370.0	285.9
Other financial assets		177.7	179.4
Income tax receivables		3.7	2.8
Other non-financial assets		107.3	65.7
Cash and cash equivalents		198.8	255.1
Assets held for sale	11	59.9	177.1
Current assets		**1,521.6**	**1,439.8**
Total assets		**2,655.7**	**2,560.4**

EQUITY AND LIABILITIES

EUR million	Note	30.6.2022	31.12.2021
Share capital		20.6	20.6
Capital reserves		134.7	134.0
Retained earnings		514.2	565.8
Other components of equity		24.4	0.8
Share of equity attributable to shareholders of the parent company		**693.9**	**721.2**
Non-controlling interests		9.8	15.2
Total equity	12	**703.7**	**736.4**
Trade payables and other liabilities		0.4	0.6
Other financial liabilities		165.5	145.9
Lease liabilities		266.0	262.7
Provisions for pensions and other post-employment benefits		107.9	153.0
Other provisions		90.0	88.9
Other non-financial liabilities		2.7	2.9
Deferred tax liabilities		133.3	137.8
Non-current contract liabilities		8.9	7.6
Non-current liabilities		**774.8**	**799.3**
Trade payables and other liabilities		448.3	372.2
Other financial liabilities		184.8	141.2
Lease liabilities		64.1	60.1
Provisions		85.2	80.5
Income tax liabilities		7.0	3.4
Other non-financial liabilities		184.9	148.0
Current contract liabilities		202.1	144.8
Liabilities related to assets held for sale	11	0.8	74.5
Current liabilities		**1,177.2**	**1,024.8**
Total equity and liabilities		**2,655.7**	**2,560.4**

3. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

From 1 January 2021 to 30 June 2022

	Equity attributable to shareholders of the parent company						
EUR million	Share capital	Capital reserve	Retained earnings	Other equity components	Total	Non-controlling interests	Total equity
As at 01.01.2021	15.0	37.9	144.0	–6.6	190.3	16.9	207.2
Net income for the year	0.0	0.0	347.8	0.0	347.8	–2.9	344.9
Other comprehensive income after income taxes	0.0	0.0	0.0	–0.8	–0.8	0.6	–0.2
Total comprehensive income for the financial year	**0.0**	**0.0**	**347.8**	**–0.8**	**347.0**	**–2.3**	**344.7**
Dividends paid	0.0	0.0	–23.1	0.0	–23.1	0.0	–23.1
Transactions with treasury shares	0.4	–1.0	4.2	0.0	3.6	0.0	3.6
Equity-settled share-based payment	0.0	0.3	0.0	0.0	0.3	0.0	0.3
Minority interest transactions	0.0	0.0	0.0	0.0	0.0	3.3	3.3
Reclassification due to consolidation	0.0	0.0	–1.3	1.3	0.0	0.0	0.0
As at 30.06.2021	**15.4**	**37.2**	**471.6**	**–6.1**	**518.1**	**17.9**	**536.0**
As at 01.01.2022	**20.6**	**134.0**	**565.8**	**0.8**	**721.2**	**15.2**	**736.4**
Net income for the year	0.0	0.0	–19.0	0.0	–19.0	–7.7	–26.8
Other comprehensive income after income taxes	0.0	0.0	0.0	24.4	24.4	1.5	25.9
Total comprehensive income for the financial year	**0.0**	**0.0**	**–19.0**	**24.4**	**5.4**	**–6.2**	**–0.8**
Dividends paid	0.0	0.0	–30.9	0.0	–30.9	–1.6	–32.5
Equity-settled share-based payment	0.0	0.7	0.0	0.0	0.7	0.0	0.7
Reclassification due to consolidation	0.0	0.0	–1.6	–0.8	–2.4	2.4	0.0
As at 30.06.2022	**20.6**	**134.7**	**514.2**	**24.4**	**693.9**	**9.8**	**703.7**

4. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

From 1 January to 30 June 2022

EUR million	Note	H1 2022	H1 2021
Consolidated net income		–26.8	344.9
Gains (-) from business combinations (bargain purchases)	1	–107.3	–455.3
Gains (-)/losses (+) on deconsolidations	2	–18.8	3.4
Amortization (+) of intangible assets and depreciation (-) of property, plant and equipment	7, 8, 9	91.2	51.1
Gain (-)/loss (+) on disposal of intangible assets and property, plant and equipment	7, 8, 9	0.6	–0.1
Other non-cash expenses (+)/income (-)		–1.1	15.3
Interest expense (+)/interest income (-)		13.5	11.5
Income tax expense (+)/income (-)		–11.9	4.0
Income tax payments (-)		–0.1	–4.7
Increase (-)/decrease (+) in inventories	10	–63.1	–23.6
Increase (-)/decrease (+) in trade accounts receivable		–46.0	–7.3
Increase (+)/decrease (-) in trade accounts payable		47.2	15.9
Changes in trade working capital		**–62.0**	**–14.9**
Increase (-)/decrease (+) in contract assets		–18.8	0.3
Increase (-)/decrease (+) in other assets		–34.3	–17.1
Increase (+)/decrease (-) in provisions		–22.2	–9.4
Increase (+)/decrease (-) in contract liabilities		44.3	7.6
Increase (+)/decrease (-) in other liabilities		35.5	34.5
Changes in other working capital		**4.6**	**16.0**
Earnings contribution from currency effects		–1.0	0.0
Cash flow from operating activities		**–118.9**	**–28.7**

EUR million	Note	H1 2022	H1 2021
Proceeds (+) from disposals of property, plant and equipment	8	1.8	3.0
Payments (-) for investments in property, plant and equipment	8	–23.1	–14.6
Proceeds (+) from disposals of intangible assets	7	0.0	0.1
Payments (-) for investments in intangible assets	7	–3.4	–7.1
Proceeds (+) from disposals of assets held for sale	11	38.4	0.0
Payments (-) for additions to the scope of consolidation	1	–7.8	–11.9
Proceeds (+) from additions to the scope of consolidation	1	55.2	145.1
Proceeds (+) from disposals from the scope of consolidation	2, 11	21.2	56.3
Payments (-) from disposals from the scope of consolidation	2	–0.3	–21.8
Interest received (+)		0.3	0.2
Cash flow from investing activities		**82.3**	**149.2**
Dividends paid (-) to shareholders of the parent company	12	–30.9	–23.1
Proceeds (+) from issuance of bonds and (financial) loans	13	45.1	36.5
Payments (-) for the repayment of (financial) loans	13	–16.7	–9.4
Payments (-) for the repayment of lease liabilities		–30.4	–19.7
Proceeds (+)/payments (-) from (unreal) factoring		21.8	2.4
Interest paid (-)		–8.0	–6.4
Cash flow from financing activities		**–19.1**	**–19.7**
Cash-effective change in cash and cash equivalents		**–55.7**	**100.8**
Changes in cash and cash equivalents due to exchange rate movements		–0.6	0.0
Cash and cash equivalents at the beginning of the period		255.1	145.3
Cash and cash equivalents at the end of the period		**198.8**	**246.1**

5. SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2022

A. BASICS / GENERAL INFORMATION

Mutares SE & Co. KGaA, Munich (hereinafter referred to as "the Company" or also "Mutares") has its registered office in Munich and is registered there with the local court in the commercial register section B under number 250347. The registered office and at the same time the head office of the Company is Arnulfstraße 19, 80335 Munich.

Mutares' business approach comprises the acquisition, transformation (restructuring, optimization and repositioning) and development as well as the sale of companies in special situations. When selecting targets, Mutares focuses on identifying existing value creation potential that can be realized within one to two years through extensive operational and strategic optimization or transformation measures.

In addition to its home market Germany, Mutares is present in other strategic core markets in Europe through its own offices.

As of 30 June 2022, the portfolio of Mutares SE & Co. KGaA contains 25 operating investments or investment groups (31 December 2021: 23), which are classified into the three segments (1) Automotive & Mobility, (2) Engineering & Technology and (3) Goods & Services.

These condensed consolidated interim financial statements have been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting". They do not include all the information required for complete consolidated financial statements; rather, the consolidated financial statements for the financial year 2021 must be used as a supplement. The accounting policies applied in the past financial year 2021 have been applied unchanged to these condensed consolidated interim financial statements for the reporting period of the first half of 2022.

The war in Ukraine, which started with the military invasion of Russian forces on 24 February 2022, has direct and indirect effects on the business development, risks, results of operations and cash flows of the portfolio companies in the Mutares Group. Direct effects may be expressed in the form of lost sales with customers in the Ukraine, Russia or Belarus as well as possible production stoppages or delivery problems of the Plati plant in Ukraine. The loss of sales with companies in the aforementioned countries only affects a small portion of sales in the Mutares Group and could be partially mitigated by new business in other areas or countries. Indirect effects, on the other hand, are reflected in increasingly occurring disruptions in supply chains, significant price increases for raw materials, intermediate products and energy, as well as the resulting overall weakening of the economy. The indirect effects are clearly visible and have a noticeable negative impact on both the results of operations and the financial position of individual portfolio companies. Mutares has taken numerous measures with the entire management team and the management and staff of the portfolio companies to mitigate the direct and indirect effects on liquidity and profitability.

In these condensed consolidated interim financial statements for the six months ended 30 June 2022, the Company based estimates and judgments relevant to the financial statements on current knowledge and the best information available. The indirect effects described may impact the financial statements in various ways: Individual portfolio companies or the Group may experience a deterioration in creditworthiness, defaults or delays in payments, delays in order intake or order processing and contract performance and contract cancellations, changes in revenue and cost structures, curtailment of asset consumption, increased volatility in financial and commodity markets, or difficulties in making projections due to uncertainties in the amount and timing of cash flows. All of these factors can affect fair values and carrying amounts of assets and liabilities, the amount and timing of revenue and cost recognition, and cash flows. Accounting and valuation are subject to complex and subjective judgments and assumptions, some of which relate to matters that are inherently uncertain and subject to change.

Due to the changed external environment, in particular supply chain disruptions, significant price increases for raw materials, intermediate products and energy, as well as an overall weakening of the economy, the Management Board has assessed the Group's cash-generating units ("CGUs") for indications of impairment. For some of the CGUs, an impairment test was performed to determine whether the recoverable amount (higher of fair value less costs to sell and value in use) exceeds the carrying amount of the CGU. This resulted in the recognition of an impairment loss in profit or loss for three CGUs (see Note 7 "Intangible assets" and Note 8 "Property, plant and equipment").

In addition, in determining the net realizable value of inventories, estimates must be made that include volume, technical and price risks. Mutares believes that the assumptions (judgments and estimates) underlying these condensed consolidated interim financial statements reasonably reflect the current situation. Nevertheless, under the influence of the war in Ukraine and due to the high level of uncertainty regarding future developments, these are subject to uncertainty to a greater extent than usual.

B. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Acquisitions of subsidiaries

In the period from 1 January to 30 June 2022, the following subsidiaries were acquired and consolidated for the first time:

ACQUISITION OF TOSHIBA TRANSMISSION & DISTRIBUTION EUROPE S.P. A. (NOW OPERATING AS BALCKE-DÜRR ENERGY SOLUTIONS S.P. A.)

Mutares signed an agreement to acquire Toshiba Transmission & Distribution Europe S.p. A. now operating as Balcke-Dürr Energy Solutions S.p. A.) in October 2021. The company is a provider of power transmission and distribution projects, such as high- and medium-voltage switchgear, battery storage systems, smart grid solutions and renewable energy systems. As an add-on-acquisition for the Balcke-Dürr Group, it will strengthen the Engineering & Technology segment. The closing of the transaction took place on 22 February 2022.

The consideration for the acquisition of the Company amounted to EUR 1. Acquisition-related incidental costs for the transaction of EUR 0.7 million were incurred. These are recognized in the condensed consolidated statement of profit and loss and other comprehensive income under other expenses. Furthermore, it was agreed on the one hand that Mutares undertakes towards the seller to indemnify the seller against damages arising from the buyer's failure to fully and timely fulfill certain obligations defined in the guarantee. On the other hand, Mutares has agreed vis-à-vis the seller and a group company of the seller to be liable for all obligations of the buyer under a customer relationship defined in the purchase agreement. In return, Mutares received a payment from the seller, which was deposited in an escrow account together with its own financial resources. The acquired net assets were measured at a fair value of EUR 14.1 million, resulting in a bargain purchase gain of EUR 14.1 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	0.1
Property, plant and equipment	0.1
Right of use assets	0.5
Other non-current assets	0.1
Non-current assets	**0.7**
Inventories	0.0
Receivables and other current assets	7.3
Other current assets	32.3
Current assets	**39.6**
Deferred tax liabilities	0.0
Other non-current liabilities	6.3
Non-current liabilities	**6.3**
Current liabilities	**19.9**
Net assets	**14.1**
Bargain Purchase	**14.1**
Consideration	**0.0**

The fair value of the acquired receivables based on the gross receivable amount of EUR 7.9 million amounts to EUR 7.3 million at the acquisition date. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.6 million.

The condensed consolidated interim financial statements include revenues from the acquired company for the reporting period of EUR 1.9 million and earnings after tax of EUR –2.3 million. If the company had already been acquired as of 1 January 2022, this would have resulted in revenues of EUR 1.9 million and earnings after income taxes of EUR 1.4 million to the Group's earnings in the reporting period.

The purchase price allocation for the acquisition described above has not yet been finalized. Mutares does not yet have all relevant information – namely the information on the assets and liabilities of the company to be valued – in a final version. The disclosure of hidden reserves and liabilities is therefore currently still preliminary. In addition, the assessment of the obligations of Mutares, to the consideration for the acquisition of the company, could not yet be finalized.

ACQUISITION OF POLAR FRAKT AS

Effective 19 April 2022, Mutares has successfully completed the acquisition of Polar Frakt AS from private owners. The company is headquartered in Oslo, Norway, and specializes in the transport of goods to northern Norway.

The consideration for the acquisition of the company amounted to NOK 7.5 million (approx. EUR 0.8 million). Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are included in other expenses in the condensed consolidated statement of profit and loss and other comprehensive income. The net assets acquired were measured at fair value of EUR 0.8 million, resulting in a bargain purchase gain of EUR 0.0 million.

The following table shows the results of the purchase price allocation:

EUR million	Fair value
Intangible assets	1.3
Property, plant and equipment	0.0
Right of use assets	0.0
Other non-current assets	0.0
Non-current assets	**1.3**
Inventories	0.0
Receivables and other current assets	0.6
Other current assets	0.0
Current assets	**0.6**
Deferred tax liabilities	0.0
Other non-current liabilities	0.0
Non-current liabilities	**0.0**
Current liabilities	**1.1**
Net assets	**0.8**
Bargain Purchase	**0.0**
Consideration	**0.8**

The fair value of the acquired receivables based on the gross receivable amount of EUR 0.7 million amounts to EUR 0.7 million at the acquisition date. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.0 million.

The condensed consolidated interim financial statements include revenues from the acquired company for the reporting period of EUR 2.0 million and earnings after tax of EUR 0.0 million. If the company had already been acquired as of 1 January 2022, this would have resulted in revenues of EUR 3.6 million and earnings after income taxes of EUR –0.1 million to the Group's earnings in the reporting period.

ACQUISITION OF ALLEGHENY TECHNOLOGIES INCORPORATED (NOW TRADING AS SPECIAL MELTED PRODUCTS LTD.)

In March 2022 Mutares signed an agreement to acquire the Sheffield business of Allegheny Technologies Incorporated (now trading as Special Melted Products Ltd.). The company acts as a supplier of a range of quality low-alloy steel, stainless steel and nickel-based superalloy products. The acquisition was completed in May 2022.

The consideration for the acquisition of the company amounted to GBP 2.5 million (approx. EUR 3.0 million). Acquisition-related incidental costs for the transaction were incurred only to an immaterial extent. These are included in other expenses in the condensed consolidated statement of profit and loss and other comprehensive income. The net assets acquired were measured at a fair value of EUR 63.8 million, resulting in a bargain purchase gain of EUR 60.8 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	0.5
Property, plant and equipment	39.0
Right of use assets	0.5
Other non-current assets	0.0
Non-current assets	**40.0**
Inventories	29.8
Receivables and other current assets	20.1
Other current assets	3.1
Current assets	**53.0**
Deferred tax liabilities	3.9
Other non-current liabilities	–3.8
Non-current liabilities	**0.1**
Current liabilities	**29.1**
Net assets	**63.8**
Bargain Purchase	**63.8**
Consideration	**3.0**

The fair value of the acquired receivables based on the gross receivable amount of EUR 20.1 million amounts to EUR 20.1 million at the acquisition date. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.0 million.

The condensed consolidated interim financial statements include revenues from the acquired company for the reporting period of EUR 14.6 million and earnings after tax of EUR –3.9 million. If the company had already been acquired as of 1 January 2022, this would have resulted in revenues of EUR 52.8 million and earnings after income taxes of EUR –13.1 million to the Group's earnings in the reporting period.

The purchase price allocation for the acquisition described above has not yet been finalized. Mutares does not yet have all relevant information – namely the information on the assets and liabilities of the company to be valued – in a final version. The disclosure of hidden reserves and liabilities is therefore currently still preliminary.

ACQUISITION OF VALLOUREC BEARING TUBES SAS (NOW TRADING AS VALTI SAS)

Mutares has signed an irrevocable offer to acquire Vallourec Bearing Tubes SAS from Vallourec Tubes SAS in March 2021. The company is a European leader in the production of seamless precision steel tubes manufactured to the most demanding standards and will operate under the name VALTI in the future. The closing of the transaction took place on 31 May 2022.

The consideration for the acquisition of the company amounted to EUR 0.5 million. Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are included in other expenses in the condensed consolidated statement of profit and loss and other comprehensive income. The net assets acquired were measured at a fair value of EUR 33.9 million, resulting in a bargain purchase gain of EUR 33.4 million.

The following table presents the results of the purchase price allocation and the derivation of the bargain purchase gain recognized in other income:

EUR million	Fair value
Intangible assets	2.1
Property, plant and equipment	12.7
Right of use assets	0.6
Other non-current assets	0.9
Non-current assets	**16.3**
Inventories	20.1
Receivables and other current assets	12.1
Other current assets	3.9
Current assets	**36.1**
Deferred tax liabilities	0.5
Other non-current liabilities	2.3
Non-current liabilities	**2.8**
Current liabilities	**15.7**
Net assets	**33.9**
Bargain Purchase	**33.4**
Consideration	**0.5**

The fair value of the acquired receivables based on the gross receivable amount of EUR 12.1 million amounts to EUR 12.1 million at the acquisition date. Accordingly, the best estimate made at the acquisition date for contractual cash flows that are not expected to be collected is EUR 0.0 million.

The condensed consolidated interim financial statements include revenues from the acquired company for the reporting period of EUR 5.6 million and earnings after tax of EUR –1.2 million. If the company had already been acquired as of 1 January 2022, this would have resulted in revenues of EUR 33.1 million and earnings after income taxes of EUR –4.3 million to the Group's earnings in the reporting period.

The purchase price allocation for the acquisition described above has not yet been finalized. Mutares does not yet have all relevant information – namely the information on the assets and liabilities of the company to be valued – in a final version. The disclosure of hidden reserves and liabilities is therefore currently still preliminary.

In all of the acquisitions described above, the comparison of the acquisition costs of the acquired companies and the revalued net assets resulted in a bargain purchase gain, which is recognized in the condensed consolidated statement of profit and loss and other comprehensive income under other income. The acquisition price favorable to Mutares and the resulting gain on bargain purchase is due to the seller's efforts to realign its business activities. While the acquired market segments appear unattractive for other investors, the acquisition is lucrative for Mutares, as companies in transition situations fit into the strategic orientation of the Group. Mutares Group sees its opportunities in its extensive operational industry and turnaround experience, which will be used to lead the acquired companies on a stable path of profitable growth.

For the acquisitions made in the previous year period 1 January 2021 to 30 June 2021, please refer to the 2021 consolidated financial statements (Note 5.1 "Acquisitions of subsidiaries").

Within the one-year period of IFRS 3, there was an adjustment in the first half of 2022 at Innomotive Systems Hainichen, a portfolio company acquired in 2021, to the original valuation of the net assets acquired of EUR –1.1 million, so that the gain on bargain purchase was reduced by an amount of EUR 1.1 million; a corresponding amount is included as a reduction of other income in the condensed consolidated statement of profit and loss and other comprehensive income for the first half of 2022.

2. Deconsolidations of subsidiaries

In the period from 1 January to 30 June 2022, the following subsidiaries were sold and deconsolidated:

DISPOSAL OF BEXITY GMBH

In December 2021 Mutares signed an agreement with Raben Group N.V., a Dutch logistics company, for the sale of all shares in BEXity. Already as of 31 December 2021, the assets and liabilities of BEXity were classified in accordance with IFRS 5. The sale was subject to the approval of the Austrian and German antitrust authorities and the former owner, the Austrian Federal Railways (ÖBB), and was completed in February 2022. BEXity is a provider of cross-border transport logistics and warehousing services with a nationwide network in Austria, which was acquired by Mutares at the end of 2019. The deconsolidation result amounts to EUR 13.8 million and is recognized in other income.

DISPOSAL OF FRIGOSCANDIA SAS

In June 2022, Frigoscandia successfully completed the sale of all shares in its French subsidiary, Frigoscandia SAS, to the French logistics company Olano Services SAS. The company, based in Boulogne-Sur-Mer, focuses primarily on the domestic transport of temperature-controlled goods. With the exit, Mutares now focuses Frigoscandia on the domestic market with the aim to consolidate and further expand Frigoscandia's position as the leading temperature-controlled logistics platform in Northern Europe. The deconsolidation result amounts to EUR 5.0 million and is recognized in other income.

The disposal of net assets, the consideration less costs to sell and the gains on deconsolidation are presented below:

EUR million	Fair value
Intangible assets	0.0
Property, plant and equipment	0.1
Right of use assets	0.0
Other non-current assets	0.0
Non-current assets	**0.1**
Inventories	0.0
Receivables and other current assets	2.4
Other current assets	76.1
Current assets	**78.5**
Deferred tax liabilities	0.0
Other non-current liabilities	0.0
Non-current liabilities	**0.0**
Current liabilities	**76.2**
Disposal of net assets	**2.3**
Gains from deconsolidations	**18.8**
Consideration net of disposal costs	**21.1**

For the subsidiaries deconsolidated in the previous year period 1 January 2021 to 30 June 2021, please refer to the 2021 consolidated financial statements (Note 5.2 "Deconsolidation of subsidiaries").

C. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

3. Revenues

The development of revenues by segment is presented in the selected segment information in accordance with IFRS 8.

4. Other income

Other income breaks down as follows:

EUR million	H1 2022	H1 2021
Bargain Purchase Income	107.3	455.3
Gains from deconsolidation	18.8	22.4
Income from raw material and waste recycling	5.8	4.0
Income from the disposal of fixed assets	1.9	0.4
Income from risk allowance	1.8	1.1
Income from renting and leasing	1.5	1.3
Income from other services	1.2	1.2
Currency translation	0.7	1.4
Other capitalized self-produced assets	0.7	1.7
Miscellaneous other income	11.0	5.0
Other operating income	**150.7**	**493.9**

Gains on favorable acquisitions are presented in detail in Note 1 “Acquisitions of subsidiaries” and gains on deconsolidation are presented in detail in Note 2 “Deconsolidation of subsidiaries”.

5. Other expenses

The breakdown of other expenses is as follows:

EUR million	H1 2022	H1 2021
Selling expenses	84.8	39.7
Legal and consulting expenses	34.3	23.2
Administration	32.8	23.3
Rent, leases and licence fees	29.1	15.0
Maintenance and servicing	22.6	16.5
Advertising and travel expenses	17.5	9.5
Basic taxes and other taxes	10.8	3.6
Fleet	6.5	3.3
Damage claims, guarantee and warranty	4.4	5.4
Expenses from risk provisions	1.3	4.5
Expenses for general partners	1.1	4.3
Losses from deconsolidation	0.0	25.8
Miscellaneous expenses	36.2	23.7
Other expenses	**281.5**	**197.9**

With regard to losses from deconsolidations, we refer to the comments under Note 2 “Deconsolidation of subsidiaries”.

6. Selected segment information

In accordance with IFRS 8, operating segments are defined on the basis of internal reporting on the Group’s operations, which is regularly reviewed by the Company’s chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance. Information reported to the Management Board as the chief operating decision maker for the purpose of allocating resources to the Group’s operating segments and assessing their performance relates to the products and services that are manufactured or provided. The Management Board has decided to structure the reporting accordingly. No operating segment has been aggregated to arrive at the level of the Group’s reportable segments.

As of 30 June 2022, the portfolio of Mutares SE & Co. KGaA contains 25 operating investments or investment groups (31 December 2021: 23), which are classified into three segments:

- Automotive & Mobility:
  (1) Light Mobility Solutions
  (2) ESF Industrial Solutions Group
  (3) KICO and ISH Group
  (4) PrimoTECS Group
  (5) iinovis Group
  (6) Plati Group[1]

- Engineering & Technology:
  (7) Donges Group
  (8) Lacroix + Kress
  (9) La Rochette Cartonboard
  (10) Balcke-Dürr Group
  (11) Special Melted Products
  (12) Gemini Rail and ADComms Group
  (13) Clecim
  (14) Royal de Boer and Japy Tech Group
  (15) VALTI

- Goods & Services:
  (16) Lapeyre Group
  (17) Frigoscandia Group
  (18) Terranor Group
  (19) keeeper Group
  (20) Ganter Group
  (21) FASANA
  (22) Repartim Group
  (23) SABO
  (24) Asteri Facility Solutions
  (25) EXI

[1] In the management report for the financial year 2021, SFC Solutions, Elastomer Solutions and Plati were listed as an investment group under “ESF Industrial Solutions Group”. In view of the fact that Plati remains largely independent, it is presented as a separate investment in these interim consolidated financial statements.

Regarding to the change in the segments due to acquisitions and disposals, we refer to the comments under Note 1 “Acquisitions of subsidiaries” and Note 2 “Deconsolidation of subsidiaries”.

The investments or groups of investments in three segments each comprise several legal entities. The allocation of the legal entities to the segments is clear; there are therefore no so-called zebra companies. All three segments generate income and expenses within the meaning of IFRS 8.5.

The individual segments are reported and managed in accordance with IFRS. The accounting policies of the reportable segments generally also apply to transactions between the reportable segments and are consistent with the consolidated accounting policies described in the consolidated financial statements for the financial year 2021. Intersegment revenues are accounted for at arm’s length prices.

As the chief operating decision maker, the Management Board also measures the performance of the segments on the basis of a performance indicator adjusted for special effects, which is referred to as Adjusted EBITDA in internal management and reporting. This alternative performance measure is calculated on the basis of reported Group EBITDA (earnings before interest, taxes, depreciation and amortization) adjusted for gains on bargain purchases, restructuring and other non-recurring charges[2] and deconsolidation effects. This alternative performance measure is intended to make the operating developments within the segments transparent and to enable the chief operating decision maker to assess the operating earnings power of the individual segments.

[2] Operating expenses, for example in the context of the negative impact of the COVID-19 pandemic or increased procurement costs for raw materials and energy, are generally not adjusted, even if they exceed the usual level due to extraordinary circumstances.

The reconciliation from reported EBITDA to the performance indicator of Adjusted EBITDA is as follows:

EUR million	H1 2022	H1 2021
EBITDA	66.0	411.5
Income from bargain purchases	-107.3	-455.3
Restructuring and other non-recurring expenses	27.3	35.9
Deconsolidation effects	-18.8	3.4
Adjusted EBITDA	**-32.9**	**-4.6**

For information on bargain purchases, please refer to the comments in Note 1 “Acquisitions of subsidiaries”. Regarding the effects of deconsolidation (deconsolidation gains/losses), please refer to the explanations in Note 2 “Deconsolidation of subsidiaries”.

The reconciliation of profit before tax to total reported segment EBITDA is as follows:

EUR million	H1 2022	H1 2021
Profit before tax	-38.7	348.9
Corporate/consolidation	-0.6	25.3
Depreciation	91.2	51.1
Financial result	13.4	11.5
Total segment EBITDA	**65.4**	**436.8**

	Segments									
EUR million	Automotive & Mobility		Engineering & Technology		Goods & Services		Corporate / Consolidation		Mutares Group	
	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021
Revenues	457.5	353.0	551.2	413.1	746.8	327.9	-0.9	0.0	1,754.6	1,093.9
Cost of Material	-306.7	-213.3	-372.0	-287.2	-449.6	-202.2	-0.4	0.0	-1,128.7	-702.7
Personnel expenses	-139.1	-109.4	-101.5	-91.4	-180.0	-74.3	-16.7	-10.5	-437.2	-285.6
Other expenses	-65.3	-51.4	-67.8	-64.2	-169.3	-70.6	20.9	-11.7	-281.5	-197.9
EBITDA	-40.3	-2.6	99.6	35.3	6.1	404.0	0.6	-25.3	66.0	411.5
Adjusted EBITDA	-36.5	4.7	0.9	-7.1	-0.2	-3.8	3.0	1.6	-32.9	-4.6
Timing of revenue recognition										
Transferred at a point in time	444.3	273.9	336.1	264.1	636.5	255.2	-0.9	0.0	1,416.1	793.2
Over period	13.1	78.9	215.0	149.0	110.3	72.7	0.0	0.0	338.5	300.6

D. NOTES TO THE CONDENSED CONSOLIDATED BALANCE SHEET

7. Intangible assets

The development of intangible assets is as follows:

EUR million	Internally generated intangible rights and assets	Software	Patents, concessions and other rights	Prepayments and intangible assets under development	Goodwill	Total
Historical cost						
As at 01.01.2022	**–4.9**	**15.7**	**126.2**	**5.5**	**5.5**	**148.1**
Additions	0.4	1.7	0.6	1.5	0.0	4.3
Disposals	0.0	0.0	0.0	–1.0	0.0	–1.0
Reclassification	0.0	0.2	0.0	–0.6	0.0	–0.3
Changes in consolidated group	0.0	2.1	1.9	0.1	0.0	4.0
Currency translation effects	0.0	–0.2	–0.8	0.0	0.0	–1.0
As at 30.06.2022	**–4.5**	**19.6**	**127.9**	**5.5**	**5.5**	**154.1**

EUR million	Internally generated intangible rights and assets	Software	Patents, concessions and other rights	Prepayments and intangible assets under development	Goodwill	Total
Accumulated depreciation and impairment						
As at 01.01.2022	**6.8**	**–5.8**	**–15.1**	**0.0**	**0.0**	**–14.1**
Amortization	–0.2	–1.9	–8.1	–0.4	0.0	–10.7
Impairment	0.0	–1.1	–4.2	0.0	0.0	–5.2
Disposals	0.0	0.0	0.1	0.0	0.0	0.1
As at 30.06.2022	**6.6**	**–8.8**	**–27.3**	**–0.4**	**0.0**	**–29.8**
Net carrying amounts						
01.01.2022	1.9	9.9	111.1	5.5	5.5	134.0
30.06.2022	**2.1**	**10.8**	**100.7**	**5.2**	**5.5**	**124.3**

For information on additions and disposals resulting from changes in the scope of consolidation, please refer to the comments in Note 1 “Acquisitions of subsidiaries” and Note 2 “Deconsolidations of subsidiaries”.

The impairment tests carried out on the basis of the indications of impairment described under “A. Basic principles / General disclosures” resulted in the recognition of an impairment loss totaling EUR 5.2 million in the income statement for a total of three CGUs, which was recognized in depreciation and amortization. This relates to two CGUs from the Engineering & Technology segment (impairment loss of EUR 4.2 million in total) and one CGU from the Goods & Services segment (impairment loss of EUR 1.0 million).

Regarding to assets held for sale, we refer to the explanations in Note 11 “Assets and liabilities held for sale”.

8. Property, plant and equipment

The development of property, plant and equipment is as follows:

EUR million	Land and buildings	Technical equipment and machinery	Operating and office equipment	Advance payments and assets under development	Total
Historical cost					
As at 01.01.2022	**354.2**	**225.1**	**33.5**	**31.8**	**644.5**
Additions	1.1	11.8	2.4	15.5	30.8
Disposals	-11.3	-4.0	-2.1	-2.8	-20.1
Reclassification	1.0	3.5	1.1	-5.3	0.3
Changes in consolidated group	36.2	13.2	0.1	2.1	51.6
Currency translation effects	-0.7	0.1	0.0	0.0	-0.6
Reclassification IFRS 5	-7.3	0.0	0.0	0.0	-7.3
As at 30.06.2022	**373.1**	**249.6**	**34.9**	**41.3**	**698.9**

EUR million	Land and buildings	Technical equipment and machinery	Operating and office equipment	Advance payments and assets under development	Total
Accumulated depreciation and impairment					
As at 01.01.2022	**-13.4**	**-62.7**	**-11.7**	**0.0**	**-87.8**
Write-ups	0.0	0.4	0.0	0.0	0.4
Amortization	-4.5	-20.4	-3.2	0.0	-28.1
Impairment	0.0	-12.8	-1.3	0.0	-14.1
Disposals	0.4	2.4	2.0	0.0	4.9
Reclassification	-0.1	-0.3	-0.2	0.6	0.0
Currency translation effects	0.0	0.1	0.0	0.0	0.1
Reclassification IFRS 5	0.1	0.0	0.0	0.0	0.1
As at 30.06.2022	**-17.5**	**-93.1**	**-14.4**	**0.5**	**-124.5**
Net carrying amounts					
01.01.2022	340.7	162.4	21.8	31.7	556.7
30.06.2022	**355.6**	**156.5**	**20.5**	**41.8**	**574.4**

For information on additions and disposals resulting from changes in the scope of consolidation, please refer to the comments in Note 1 “Acquisitions of subsidiaries” and Note 2 “Deconsolidations of subsidiaries”.

The impairment tests carried out on the basis of the indications of impairment described under “A. Basic principles/General disclosures” resulted in the recognition in profit or loss of an impairment loss for a total of three CGUs amounting to EUR 14.1 million, which was recognized in depreciation and amortization. This relates to two CGUs from the Engineering & Technology segment (impairment loss of EUR 9.0 million in total) and one CGU from the Goods & Services segment (impairment loss of EUR 4.8 million).

With regard to assets held for sale, we refer to the explanations in Note 11 “Assets and liabilities held for sale”.

9. Rights of use

Mutares has leases for buildings, office space, technical equipment and machinery as well as other equipment, furniture and fixtures, vehicles and, to an insignificant extent, software.

The development of rights of use is as follows:

EUR million	Intangible assets	Land and buildings	Vehicle fleet	Technical equipment and machinery	Total
Changes in rights of use recognised in the balance sheet					
As at 01.01.2022	**0.1**	**308.6**	**36.1**	**27.9**	**372.6**
Additions	0.0	33.2	1.5	0.9	35.6
Disposals	0.0	-3.2	-2.2	-0.7	-6.1
Changes in consolidated group	0.0	0.8	0.0	0.7	1.6
Currency translation effects	0.0	-1.3	-0.4	0.0	-1.7
Change due to revaluation or contractual adjustment	0.0	0.0	0.0	-0.1	-0.1
As at 30.06.2022	**0.1**	**338.0**	**35.2**	**28.8**	**402.0**
Accumulated depreciation and value adjustment					
As at 01.01.2022	**-0.1**	**-37.9**	**-7.6**	**-8.5**	**-54.2**
Ongoing amortization	0.0	-23.8	-6.3	-3.1	-33.2
Currency translation effects	0.0	0.1	0.1	0.0	0.3
Change due to Revaluation or contractual adjustment	0.0	1.8	1.9	0.6	4.3
As at 30.06.2022	**-0.1**	**-59.7**	**-11.9**	**-11.0**	**-82.7**
Net carrying amounts					
01.01.2022	0.1	270.6	28.5	19.4	318.6
30.06.2022	**0.0**	**278.2**	**23.3**	**17.8**	**319.3**

For information on additions and disposals resulting from changes in the scope of consolidation, please refer to the comments in Note 1 “Acquisitions of subsidiaries” and Note 2 “Deconsolidations of subsidiaries”.

The leases entered into by the Group are generally subject to restrictions. These arise from termination or sublease restrictions. Some leases also contain an option to purchase the underlying asset outright at the end of the lease or to extend the lease for a further term. In some cases, the lease includes corresponding maintenance, servicing and/or insurance obligations.

10. Inventories

The impairment of inventories to the lower net realizable value recognized in the condensed consolidated statement of profit and loss and other comprehensive income for the first half of 2022 amounted to EUR 0.0 million (H1 2021: EUR 7.7 million).

11. Assets held for sale and liabilities

As of 30 June 2022, 17 stores of Lapeyre SAS (carrying amount EUR 50.2 million) continue to be reported as held for sale. Ten stores were already sold in the reporting period, and the remaining stores are also to be sold to investors in the third quarter of 2022 as part of sale-and-leaseback transactions. In addition, the operating property already classified as IFRS 5 as of 31 December 2021 in the case of one investment from the Engineering & Technology segment is also still available.

Furthermore, a sale and leaseback transaction of a company acquired in the previous year from the Automotive & Mobility segment is highly probable as of 30 June 2022, which is why the carrying amount of the property concerned of EUR 7.3 million has also been reclassified in accordance with IFRS 5. These transactions are also expected to be completed in the third quarter of 2022.

As of 31 December 2021, the assets and liabilities held for sale mainly related to those of BEXity GmbH in addition to those mentioned above. The sale was completed in February 2022.

12. Equity

The individual components of equity and their development in the reporting period and previous year period are presented in the consolidated statement of changes in equity.

By resolution of the Annual General Meeting on 17 May 2022, a partial amount of EUR 30.9 million of the net profit of the Company as of 31 December 2021 under German commercial law was distributed in the form of a dividend of EUR 1.50 per no-par value share carrying dividend rights.

The other comprehensive income of EUR 25.9 million (H1 2021: EUR –0.2 million) mainly includes actuarial gains of EUR 23.6 million (H1 2021: EUR 0.3 million) in connection with the measurement of provisions for pensions at portfolio companies in the context of significantly increased interest rates. Furthermore, this item includes effects from the change in the fair value of the bond of EUR 3.2 million (H1 2021: EUR –3.1 million) and exchange rate differences of EUR –0.9 million (H1 2021: EUR +2,6 million).

13. Disclosures on financial instruments

A breakdown of financial assets and liabilities by IFRS 9 measurement category is as follows:

Financial assets by class

EUR million	Categories according to IFRS 9	Carrying amount	Measurement in accordance with IFRS 9			Fair value	
		30.06.2022	Amortized costs	Fair Value OCI	Fair Value PL	30.06.2022	Hierarchy
Non-current financial assets							
Trade and other receivables	AC	2.6	2.6			2.6	
Other non-current financial assets		62.0					
Security deposits	AC	28.7	28.7			28.7	Level 2
Securities	FVPL	0.6			0.6	0.6	Level 3
Other non-current financial assets	FVPL	0.0			0.0	0.0	Level 3
Other non-current financial assets	AC	32.3	32.3			32.3	
Derivatives	FVPL	0.4			0.4	0.4	Level 2
Current financial assets							
Trade accounts receivable and other receivables	AC	370.0	370.0			370.0	
Other current financial assets		177.7					
Security deposits	AC	2.7	2.7			2.7	Level 2
Loan	AC	5.7	5.7			5.7	
Other current financial assets	AC	168.7	168.7			168.7	
Other current financial assets	FVPL	0.1			0.1	0.1	Level 3
Derivatives	FVPL	0.5			0.5	0.5	Level 2
Cash and cash equivalents	AC	198.8	198.8			198.8	

Financial liabilities by class

EUR million	Categories according to IFRS 9	Carrying amount	Measurement in accordance with IFRS 9			Fair value	
		30.06.2022	Amortized costs	Fair Value OCI	Fair Value PL	30.06.2022	Hierarchy
Non-current financial liabilities							
Trade payables and other liabilities	FLAC	0.4	0.4			0.4	
Other financial liabilities		165.5					
Liabilities to banks	FLAC	37.9	37.9			38.8	Level 3
Third party loans	FLAC	28.4	28.4			28.4	Level 3
Bonds	FLFVPL	79.0			79.0	79.0	Level 1
Other financial liabilities							
Other non-current financial liabilities	FLAC	16.4	16.4			16.4	Level 3
Other non-current financial liabilities	FLFVPL	3.8			3.8	3.8	Level 3
Derivatives	FLFVPL	0.0			0.0	0.0	Level 2
Current financial liabilities							
Trade payables and other liabilities	FLAC	448.3	448.3			448.3	
Other financial liabilities		184.8					
Outstanding invoices	FLAC	72.4	72.4			72.4	
Liabilities to banks	FLAC	42.2	42.2			42.5	Level 3
Liabilities from factoring	FLAC	43.7	43.7			43.7	
Third party loans	FLAC	3.5	3.5			3.5	Level 3
Other financial liabilities						0.0	
Other current financial liabilities	FLAC	22.1	22.1			22.1	Level 3
Other current financial liabilities	FLFVPL	0.0			0.0	0.0	Level 3
Derivatives	FLFVPL	0.9			0.9	0.9	Level 2

As at 31 December 2021, the remaining other (non-current and current) financial assets are largely related to the acquisition of the Lapeyre subgroup.

Financial assets by class

EUR million	Categories according to IFRS 9	Carrying amount	Measurement in accordance with IFRS 9			Fair value	
		31.12.2021	Amortized costs	Fair Value OCI	Fair Value PL	31.12.2021	Hierarchy
Non-current financial assets							
Trade and other receivables	AC	5.1	5.1			5.1	
Other non-current financial assets		73.6					
Security deposits	AC	10.9	10.9			10.9	Level 2
Securities	FVPL	0.4			0.4	0.4	Level 3
Other non-current financial assets	FVPL	0.0			0.0	0.0	Level 3
Other non-current financial assets	AC	62.3	62.3			62.3	
Current financial assets							
Trade accounts receivable and other receivables	AC	307.9	307.9			307.9	
Other current financial assets		180.1					
Security deposits	AC	2.1	2.1			2.1	Level 2
Loans	AC	8.8	8.8			8.8	
Other current financial assets	AC	169.1	169.1			169.1	
Other current financial assets	FVPL	0.0			0.0	0.0	Level 3
Derivatives	FVPL	0.1			0.1	0.1	Level 2
Cash and cash equivalents	AC	261.7	261.7			261.7	

Financial liabilities by class

EUR million	Categories according to IFRS 9	Carrying amount	Measurement in accordance with IFRS 9			Fair value	
		31.12.2021	Amortized costs	Fair Value OCI	Fair Value PL	31.12.2021	Hierarchy
Non-current financial liabilities							
Trade payables and other liabilities	FLAC	0.6	0.6			0.6	
Other financial liabilities		145.9					
Liabilities to banks	FLAC	29.0	29.0			30.0	Level 3
Third party loans	FLAC	11.9	11.9			12.0	Level 3
Bonds	FLFVPL	83.4			83.4	83.4	Level 1
Other financial liabilities							
Other non-current financial liabilities	FLAC	17.8	17.8			17.8	Level 3
Other non-current financial liabilities	FLFVPL	3.8			3.8	3.8	Level 3
Derivatives	FLFVPL	0.0			0.0	0.0	Level 2
Current financial liabilities							
Trade payables and other liabilities	FLAC	372.2	372.2			372.2	
Other financial liabilities		145.9					
Outstanding invoices	FLAC	49.2	49.2			49.2	
Liabilities to banks	FLAC	39.5	39.5			39.9	Level 3
Liabilities from factoring	FLAC	22.1	22.1			22.1	
Third party loans	FLAC	18.2	18.2			18.2	Level 3
Other financial liabilities						0.0	
Other current financial liabilities	FLAC	16.7	16.7			16.7	Level 3
Other current financial liabilities	FLFVPL	0.0			0.0	0.0	Level 3
Derivatives	FLFVPL	0.2			0.2	0.2	Level 2

Total by category

EUR million		Carrying amounts 30.06.2022	Carrying amounts 31.12.2021
Financial assets measured at amortized cost	AC	**809.5**	827.9
Financial assets measured at fair value through profit or loss	FVPL	**1.6**	0.5
Financial liabilities measured at amortized cost	FLAC	**715.4**	597.7
Financial liabilities measured at fair value through profit or loss	FLFVPL	**83.8**	87.4

In the period from 1 January to 30 June 2022, the PrimoTECS Group took out a long-term loan in the amount of EUR 15.0 million, which is reported under liabilities from loans to third parties. The loan has a variable interest rate and will be repaid regularly starting in 2025 until maturity in the first quarter of 2030.

E. OTHER INFORMATION

14. Contingent liabilities, contingencies and litigation

For a full discussion of contingent liabilities, contingencies and litigation, please refer to the comments in the notes to the consolidated financial statements as part of the consolidated financial statements for the year ended 31 December 2021. The comments below are limited to new contingent liabilities, contingencies and litigation or changed circumstances or a change in our assessment with respect to contingent liabilities, contingencies and litigation already existing as of 31 December 2021.

CONTINGENT LIABILITIES/LIABILITIES

Obligations from business combinations

Mutares SE & Co. KGaA has given an undertaking to the seller of the paper napkin business acquired from FASANA GmbH to provide the purchaser with funding of up to EUR 10.0 million for a period of 24 months from February 2020, should this be necessary to avoid insolvency. The guarantee expired without being called in the reporting period.

In September 2020, a direct subsidiary of Mutares SE & Co. KGaA, acquired SABO Maschinenfabrik GmbH, a manufacturer of lawn mowers and outdoor power tools in Europe. The buyer has committed for a period of 24 months to provide cash and cash equivalents to SABO Maschinenfabrik GmbH to the extent necessary to avoid insolvency of the company and to the extent the buyer has received payments from SABO Maschinenfabrik GmbH during this period. The total amount of the obligation currently amounts to EUR 8.5 million.

A direct subsidiary of Mutares SE & Co. KGaA has signed an agreement to acquire the French Sealynx International S.A.S in March 2022. As part of the acquisition, Mutares SE & Co. KGaA has committed itself to the seller to repay loans of the seller to Sealynx International S.A.S in the amount of EUR 15.3 million. The obligation is reduced by each (partial) repayment made and expires on 25 January 2027 at the latest. The closing of the transaction took place in July 2022.

In April 2022, a direct subsidiary of Mutares SE & Co. KGaA signed an agreement to acquire Siemens Energy Engines S.A.U., based in Spain. In connection with the transaction, Mutares SE & Co. KGaA has undertaken to guarantee the obligations of the buyer, in particular the payment of the purchase price. The guarantee for obligations, except for the purchase price, is limited to the amount of the final purchase price and expires five years after the closing of the transaction. The closing of the transaction is scheduled for the end of the third quarter of 2022.

A direct subsidiary of Mutares SE & Co. KGaA has entered into an agreement to acquire a high-performance plastic parts business from MANN + HUMMEL in May 2022. As part of the transaction, Mutares SE & Co. KGaA has guaranteed to stand in for the buyer's obligations to pay the purchase price. The closing of the transaction is scheduled for the third quarter of 2022.

In connection with the acquisition of a Heat Transfer Technology, Mutares SE & Co. KGaA has undertaken towards the seller to provide Balcke Dürr B.V., with registered office in the Netherlands, with EUR 15 million for the payment of the purchase price before/with closing of the transaction. In addition, Mutares SE & Co. KGaA has undertaken to grant Balcke Dürr B.V. a loan in the amount of EUR 5 million on the date of closing of the transaction. In this context, Mutares SE & Co. KGaA has guaranteed, among other things, not to make any dividend distributions or loan payments during the period of three years to the extent that these could lead to the occurrence of insolvency of Balcke Dürr B.V. Furthermore, Mutares SE & Co. KGaA has undertaken vis-à-vis the seller to provide Balcke Dürr B.V. with further financial resources in the amount of EUR 10.0 million, should this be necessary to avoid insolvency. The guarantee to avoid insolvency is limited to four years and reduces to EUR 7.5 million 12 months after closing of the transaction, to EUR 5 million 24 months after closing, to EUR 2.5 million 32 months after closing and to EUR 0 48 months after closing. In addition, Mutares SE & Co. KGaA is liable for the fulfillment of two guarantees in the total amount of EUR 0.9 million. This guarantee expires late on 30 June 2025. The closing of the transaction is planned for the end of the third quarter of 2022.

An indirect subsidiary of Mutares SE & Co. KGaA acquired Valti SAS, based in France, in June 2022. As part of the acquisition, Mutares SE & Co. KGaA has committed to the seller to guarantee liabilities of the buyer from the purchase agreement in the amount of EUR 1 million until one year after the closing of the transaction. This amount will be reduced to EUR 500 thousand already one month after the closing of the transaction, on 1 July 2022.

Other obligations

Indirect subsidiaries of Mutares SE & Co. KGaA from the Engineering & Technology segment are involved as partners in joint arrangements under joint ventures or consortium agreements. These have been entered into with the aim of implementing customer projects. The majority of the joint ventures are based in Germany. The share of ownership ranges from 27 % to 77 %.

Taking into account the structure and legal form of the arrangements and all other relevant facts and circumstances, the joint arrangements are classified as joint operations that are not individually material to the Group.

As of the reporting date, the joint and several liability from the investment in the civil law companies relates to projects with a total contract value equivalent to approximately EUR 330 million (31 December 2021: approximately EUR 368 million). The subsidiaries' own share of this amounts to EUR 147 million (31 December 2021: approximately EUR 162 million). Based on the ongoing credit assessments of the ARGE and consortium partners, we do not expect the shares of other companies to be utilized. With the exception of the amounts recognized as provisions for onerous contracts or as part of the loss-free valuation, we also do not expect any utilization for our own share.

LITIGATION

A lawsuit has been filed in the Court of Michigan against SFC Solutions Group by the former owner Cooper-Standard Automotive, Inc. ("CSA") on the basis of alleged default in payment of royalties, although it has not yet been finally served. The lawsuit is based on a license agreement under which the companies of the SFC Solutions Group must pay royalties for intellectual property claimed from CSA. Essentially, there is disagreement about the basis of the claimed royalties. SFC Solutions Group considers the claim to be without merit and will defend itself accordingly.

15. Events after the balance sheet date

The following events of particular significance occurred after the end of the reporting period:

Mutares signed an exclusive agreement in November 2021 to acquire SEALYNX International SAS as an add-on-acquisition for the SFC Solutions Group in the Automotive & Mobility segment. The closing of the acquisition took place in July 2022. The company with production sites in France, Morocco, Romania and a joint venture in Algeria is a manufacturer and supplier of static and dynamic vehicle seals with business relationships to European OEMs. The final purchase price for the acquisition of the company amounts to EUR 1. The purchase price allocation for this business combination has not yet been finalized at the date of preparation of these condensed consolidated interim financial statements due to the proximity of the closing. Mutares does not yet have all relevant information – namely the information on the assets and liabilities of the company to be valued – in a final version.

F. ACCOUNTING POLICIES

The accounting policies applied in the past financial year 2021 were continued unchanged for these condensed consolidated interim financial statements for the reporting period of the first half of 2022.

Munich, 10 August 2022

Mutares Management SE,
General Partner of Mutares SE & Co. KGaA

The Board

Robin Laik   Mark Friedrich

Johannes Laumann

FINANCIAL CALENDAR 2022

Date	Event
11 August 2022	Publication of the half-year report 2022
24–25 August 2022	Hamburg Investor Days
8 September 2022	Madrid Investor Day
19–23 September 2022	Baader Conference
20–22 September 2022	IPEM 2022
October 2022	Investor Roadshow Europe
20 October 2022	4. Mutares Capital Markets Day
8 November 2022	Publication of results for Q3 2022
28–30 November 2022	German Equity Forum

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General partner: Mutares Management SE
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Management Board: Robin Laik (Chairman), Mark Friedrich, Johannes Laumann
Chairman of the Supervisory Board: Dr. Kristian Schleede

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MUTARES

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