KATEK

Lead the category

MEMBER OF PRIMEPULSE

Half-year Report as at 30 June 2022

At a glance

KATEK Highlights:

1) Strongest half-year in KATEK's history: sales of EUR 315.9 million (+16.6% compared to same period of last year) and EBITDA adj. of EUR 16.9 million (+26.1% compared to same period of last year). Among others, the strongest growth was achieved in the High-Value Electronics areas Renewables/Solar (+129.2% compared to same period of last year) and Tele-Care/Healthcare (+131.2% compared to same period of last year). Even eMobility/Charging grew by 13.2% year-on-year despite poor sales figures in the automotive industry, whereas the remaining automotive business being the poorest performer of all KATEK activities with a decline of 6.4%.

2) The gross profit margin is temporarily under pressure due to further increases in purchasing prices. However, KATEK is successfully countering this situation by consistently charging additional costs and implementing price increases across the board for almost all customers. The challenging situation of the entire industry with regard to persistent supply bottlenecks and logistics difficulties continues and with it the need for strategic buffer stocks, however, the increase in inventories in Q2 to EUR 215.6 million could already be slowed down significantly (+6.1% compared to Q1 2022).

3) KATEK Management Board significantly raises sales target for 2022: Due to the encouraging run rate in Q2 2022, the high order backlog as well as the high book-to-bill ratio of 1.2, KATEK raises its sales forecast for the full year 2022 to revenues of more than EUR 615.0 million (cf. forecast of March 31, 2022: EUR 583,3 million) while maintaining its earnings forecast (more than EUR 33.4 million EBITDA adj.).

4) M&A: KATEK implements the announced strategy to serve European customers in North America in the future and announces the 100% acquisition of Canadian SigmaPoint, one of the leading Canadian suppliers of high value electronics. The transaction is expected to close shortly after the publication of this Half-year Report. This would potentially add another EUR 20.0 million of upside potential from first-time consolidation from closing on top of the already increased sales guidance of more than EUR 615.0 million.

5) Smart Charging for eMobility: The announced White-label Wallbox from KATEK - the ghostONE (www.ghost-charger.com) - is fully developed and preparations for the start of production in selected KATEK plants in early Q1 2023 are in full swing. Negotiations with potential major customers are very promising and the first significant framework agreement is about to be signed. The latest generation AC wallbox targets the high-volume segment of private and semi-public stores. This will allow KATEK to participate in the very dynamic development of the most interesting market segment for charging, which is forecast to grow to 65 million charging points in Europe by 2035.

Group key figures (in kEUR)

	YTD June/2022	YTD June/2021
Revenue	315,882	271,006
Gross profit	89,083	80,857
EBITDA	11,064	17,737
EBIT	420	7,953
EBITDA adj.	16,942	13,379
Margin EBITDA (adj.)*	5.3 %	5.0 %
Net profit or loss of the Group	-2,558	7,814

	30 Jun 2022	31 Dec 2021
Total Assets	411,434	393,941
Equity	150,141	151,799
Equity ratio	36.5 %	38.5 %

* in % of total operating performance

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Report of the Management Board

Dear Shareholders,

The growth trend is continuing unbroken, with KATEK growing by around 16.6% YTD as of Q2 2022 compared to the same period last year and generating revenues of EUR 315.9 million in H1 2022.

The Solar/Renewables (+129.2% year-on-year) and TeleCare (+131.2%) segments continued to grow particularly dynamically. Due to the general weakness of the industry, the weakest growth was in the automotive projects with -6.4% (excluding eMobility/Charging, which grew by 13.2% despite weak vehicle-registrations).

Furthermore, we expect a very positive development in the Charging field. The announced White-label Wwallbox from KATEK - the ghostONE (www.ghost-charger.com) - has been fully developed and preparations for the start of production in selected KATEK plants at the beginning of Q1 2023 are in full swing. Negotiations with potential major customers are very promising and the first significant framework agreement is about to be signed. The latest generation AC wallbox targets the high-volume segment of private and semi-public stores. This will allow KATEK to participate in the very dynamic development of the most interesting market segment for charging, which is forecast to grow to 65 million charging points in Europe by 2035.

The gross profit margin is temporarily under pressure due to further increasing purchase prices, which has an impact on the earnings situation for the first half of 2022 (consolidated result as of June 30, 2022: EUR -2.6 million; previous year with special effect from bargain purchase). However, KATEK is successfully counteracting this by consistently passing on additional costs and comprehensively implementing price increases for almost all customers. The increases come into force with a time delay to agreements to be reached, but already became visible in Q2 2022 with a positive trend in gross profit (plus 1.7 percentage points increase in gross profit margin compared to Q1 2022). Further price increases will come into effect during Q3 and Q4 of 2022 and will further strengthen the initiated trend. This will have a positive impact on Group earnings.

As a result, the operating result (EBITDA adj.) YTD currently amounts to EUR 16.9 million and the operating EBITDA margin to 5.3%.

Order books remain at an all-time high and the book-to-bill ratio of currently 1.2 indicates continued double-digit organic growth.

Due to the strong first half-year, KATEK raises the sales forecast for the full year 2022 to revenues of more than EUR 615.0 million (as of March 31, 2022: EUR 583.3 million) while maintaining the earnings forecast (more than EUR 33.4 million operating EBITDA). Shortly after the publication of this forecast, the Management Board expects the closing regarding the 100% acquisition of the Canadian SigmaPoint, which could lead to a further positive revenue effect of approximately EUR 20.0 million in the financial year (depending on the business development of SigmaPoint and the development of the US dollar exchange rate).

The material crisis and the need for strategic buffer stocks still persist, yet there was a much slower increase in inventories in Q2 2022 to EUR 215.6 million (+6.1% vs. Q1 2022). Overall, the market is characterized by a continued tense material situation, which was caused less by capacity bottlenecks than by the zero-covid policy of the Chinese government, which repeatedly leads to incalculable lockdowns and thus the loss of actually available production and transport capacities. In the multiple crises of the last more than two years, KATEK has shown that it acts quickly and consistently and knows how to use the generally problematic environment for interesting acquisitions and targeted market share gains - among other things through superior delivery capabilities. This course will be continued in the coming quarters and is reflected in the improved forecast.

The first stage of the strategic expansion of the Eastern European lead factory in Bulgaria (almost tripling of the production area to around 6000 m2) has been completed, and the inauguration ceremony took place at the beginning of July 2022. The focus in Bulgaria will be on power electronics in the solar sector as well as complex industrial electronics and cabling.

In the TeleCare segment, for which KATEK's subsidiary TeleAlarm is responsible, the course has been set for continued strong growth (revenue growth 2022 YTD +131.2% to EUR 10.8 million) and, in particular, the following innovations have been introduced that will further support the strong business development:

In the area of home emergency call systems (Care Phone), a new device (TA74 4G) was successfully launched on the market. The device combines communication via 2G, 3G and 4G networks, via IP lines and, if required, also via conventional telephone lines. The market launch was extremely successful, with customers appreciating the simple operation, excellent voice quality and numerous connection options. Furthermore, a new nurse call system was established on the market. The new and innovative Nurse Call NC8 family brings many advantages, e.g. a new frequency, lower energy consumption or new and interesting features.

The Management Board has focused ongoing M&A activities - as it did with SigmaPoint - on those projects that enable maximum value to be added with below-average cash out. For the following three quarters, two such projects are already at a very high level of maturity. Strategic outsourcing projects are particularly interesting: Tight supply chains have made it clear to industrial companies that strategically important electronics - the heart of many products in all industries - is best kept in the hands of specialists like KATEK. This will further strengthen the trend toward strategic outsourcing of electronics development and production. In addition, further acquisitions with a sense of proportion will focus on expanding our geographical presence for local-for-local coverage of our European customers in all major continents. Following the acquisition of Sigmapoint/Canada and the opening of our production and purchasing sites in Malaysia and Singapore, these include in particular the USA and the interesting Scandinavian market in Europe. Targeted strengthening of our growth areas Solar/Renewables, TeleCare and Charging through acquisitions, strategic cooperations or joint ventures is also currently being analyzed.

The medium- and long-term market outlook is extremely positive. The trend of European industry to focus significantly more on cooperation with European electronics suppliers in order to achieve greater resilience in the event of geopolitical upheavals and supply chain disruptions is crystallizing as a growth driver for well-positioned suppliers such as KATEK. Inquiries across all industries have increased significantly and the trend is becoming more consistent. It can also be observed that customers clearly differentiate between suppliers who have demonstrated above-average delivery capabilities even in the materials crisis and those whose lack of purchasing power and insufficiently powerful crisis teams were unable to achieve the required results.

A clear focus of KATEK in the coming quarters will be an accelerated implementation of the margin improvement programs, which will include not only the topic of purchasing (as soon as the supply situation opens up price margins again in individual material groups) but also the realization of the agreed price increases vis-à-vis customers as well as efficiency improvements and automation in the production network.

Munich, August 2022

KATEK SE

Rainer Koppitz	Dr. Johannes Fues
CEO	CFO

Interim Group Management Report

for the period January 1, 2022, to June 30, 2022

A. Economic Report

1 Business activity and business performance

After six months of the current fiscal year, the consolidated sales of the KATEK Group reached approximately EUR 315.9 million and were thus EUR 44.9 million or 16.6% above the previous year's value. This continuous growth can be seen as positive, especially against the background of the current situation and the still acute supply bottlenecks in the semiconductor market.

At EUR 11.1 million, Group EBITDA was EUR 6.7 million below the previous year's figure of EUR 17.7 million. By contrast, EBITDA adj. increased by EUR 3.5 million from EUR 13.4 million to EUR 16.9 million in the first half of 2022, so that business performance can be regarded as satisfactory.

2 Earnings

In the first half of the year, consolidated sales of the KATEK Group increased by EUR 44.9 million or 16.6% from EUR 271.0 million to EUR 315.9 million. Organic growth accounted for around EUR 42.9 million of this increase in sales, with the remaining portion attributable to the share of companies acquired in the previous year.

Sales by region developed as follows:

in kEUR	**30 Jun 2022**	**30 Jun 2021**
Germany	227,628	186,929
Europe	78,788	71,120
Rest of world	9,466	12,957
	315,882	**271,006**

The total operating performance of the KATEK Group increased by EUR 54.1 million to EUR 321.7 million in the current reporting period (previous year: EUR 267.6 million).

The cost of materials amounted to EUR 232.6 million, compared with EUR 186.8 million in the previous year. The absolute increase in the cost of materials is largely attributable to the growth of the Group. To a lesser extent, the additional costs in connection with the materials crisis also made themselves felt. The ratio of the cost of materials to total operating performance was 72.3% in the current reporting period, 2.5 percentage points higher than in the same period of the previous year (69.8%).

Absolute gross profit increased from EUR 80.9 million in the previous year to EUR 89.1 million in the current year. The gross profit ratio in relation to the Group's total operating performance was 27.7% in the reporting period, 2.5 percentage points below the previous year's figure of 30.2%. This is the result of price increases in connection with the materials crisis.

Other operating income amounted to EUR 5.3 million in the reporting period (previous year: EUR 14.7 million). Foreign currency gains of EUR 3.9 million (previous year: EUR 2.5 million) are the main component in the current year. Personnel expenses in the first half of 2022 amount to EUR 56.3 million (previous year: EUR 56.0 million). The ratio of personnel expenses to total operating performance decreased by 3.4 percentage points year-on-year from 20.9% to 17.5%.

Other operating expenses (sbA) amounted to EUR 27.0 million in the reporting period (previous year: EUR 21.8 million). The sbA ratio (other operating expenses in relation to total operating performance) changed only insignificantly from 8.2% to 8.4% in the first half of 2022. The increase in other operating expenses is largely due to the growth of the Group, apart from foreign currency effects amounting to EUR 4.9 million (previous year: EUR 2.4 million).

EBITDA amounts to EUR 11.1 million in the first half of 2022 (previous year: EUR 17.7 million). The EBITDA margin in relation to total operating performance is therefore 3.4%, compared with 6.6% in the previous year. In the prior-year period, EBITDA included a bargain purchase of the Leesys Group in the amount of EUR 11.3 million.

EBITDA adj. increased by EUR 3.5 million from EUR 13.4 million to EUR 16.9 million in the financial year 2022. The EBITDA adj. margin thus amounts to 5.3% after 5.0% in the previous year. EBITDA adj. eliminates all non-operating factors and non-recurring effects.

The reconciliation between the earnings figures is shown in the following table:

in mEUR	**30 Jun 2022**	**30 Jun 2021**
EBITDA	**11.06**	**17.74**
IPO-related expenses	0.02	1.00
M&A, integration and other non-recurring expenses	5.84	-6.91
Restructuring expenses	0.02	1.55
Total adjustments to EBITDA	5.88	-4.36
Adjusted EBITDA	**16.94**	**13.38**

In the M&A, integration and other non-recurring expenses, the majority in the amount of EUR 5.4 million is attributable to non-recurring and special effects in connection with the materials crisis.

Depreciation of property, plant and equipment and amortization of intangible assets amounted to EUR 10.6 million, EUR 0.9 million higher than in the same period of the previous year.

EBITA defined as EBITDA less depreciation of property, plant and equipment amounted to EUR 1.7 million in the reporting period (previous year: EUR 8.9 million).

The EBIT of the KATEK Group for the first six months of fiscal year 2022 amounts to EUR 0.4 million and is thus EUR 7.5 million below the previous year.

The financial result decreased from EUR -0.9 million in the previous year to EUR -4.0 million in the current year. The change is almost exclusively due to foreign currency effects.

The consolidated net result adjusted for the result from non-controlling interests amounted to EUR -2.3 million (previous year: EUR 7.8 million).

3 Net assets and financial position

At the end of the first half of 2022, the Group's total assets amount to EUR 411.4 million, which is EUR 17.5 million higher than the figure as of December 31, 2021 (EUR 393.9 million). This change is based on several effects, which are described below, but in particular on the growth of the Group.

Non-current assets amounted to EUR 127.4 million (previous year: EUR 125.1 million) and thus increased by EUR 2.2 million. This development is mainly due to the increase in other intangible assets by EUR 1.9 million.

Current assets increased significantly by EUR 15.2 million to EUR 284.0 million in the current reporting period (December 31, 2021: EUR 268.8 million). Inventories increased by EUR 26.8 million from EUR 188.8 million at the end of fiscal year 2021 to EUR 215.6 million, which was almost completely offset by the simultaneous decrease in cash and cash equivalents by EUR 23.9 million. The main reason for this continues to be the controlled increase in inventory ranges to improve production and delivery performance in view of the ongoing materials crisis.

Non-current liabilities amounted to EUR 83.2 million at the end of the first half of 2022, compared to EUR 92.8 million as of December 31, 2021, with non-current loans decreasing by EUR 3.2 million to EUR 29.4 million (December 31, 2021: EUR 32.6 million) in line with the agreed repayment schedules. Furthermore, other financial liabilities also decreased by EUR 5.5 million to EUR 48.8 million. The main driver was a decrease in liabilities from finance leases and other financing agreements.

Current liabilities increased by EUR 28.7 million to EUR 178.1 million (December 31, 2021: EUR 149.4 million). This was mainly due to an increase in trade payables by EUR 14.8 million to EUR 95.4 million (December 31, 2021: EUR 80.6 million). This is mainly due to the increase in inventories described above. Furthermore, short-term loans increased by EUR 5.5 million to EUR 27.3 million (December 31, 2021: EUR 21.8 million). These were short-term current account lines used to build up inventories as described above. The increase in current contract liabilities by EUR 6.5 million to EUR 12.6 million is entirely attributable to advance payments received on orders.

Total liabilities as of the reporting date thus amount to EUR 261.3 million (December 31: EUR 242.2 million). This is offset by equity of EUR 150.1 million (December 31, 2021: EUR 151.8 million). The equity ratio was 36.5% as of the reporting date (December 31, 2021: 38.5%).

The cash flow from operating activities shows a value of EUR -7.8 million for the first half of 2022 (previous year: EUR -9.7 million). The cash outflow from operating activities continues to be significantly influenced by the increase in inventories, which could only be partially offset by the increase in trade payables. The Group mainly wants to secure its ability to deliver with the increased inventories.

The cash flow from investing activities shows a value of EUR -11.2 million for the first half of 2022 (previous year: EUR -5.9 million). The negative cash flow from investing activities was characterized by payments for intangible assets of EUR -3.2 million (previous year: EUR -0.3 million) and for property, plant and equipment of EUR -8.0 million (previous year: EUR -8.2 million). However, this was offset by proceeds from the disposal of property, plant and equipment of EUR 11.0 million in the first half of last year.

Cash flow from financing activities amounted to EUR -8.2 million and showed a decrease of EUR -67.2 million compared to the previous year's figure. However, the previous year's period was characterized by the increase in payments into equity from the successful IPO of KATEK SE in May 2021 in the amount of EUR 74.9 million. Proceeds from the issuance of debt in the amount of EUR 3.0 million (previous year: EUR 6.7 million) are offset by payments for the repayment of debt and lease liabilities in the amount of EUR -9.8 million (previous year: EUR -12.5 million) in the current reporting period.

In the reporting period, there was therefore an overall decrease in cash and cash equivalents compared with cash and cash equivalents at the beginning of the financial year. The value as of June 30, 2022 was EUR 6.8 million (December 31, 2021: EUR 33.9 million).

As a result, the KATEK Group has a positive balance of cash and cash equivalents as of the reporting date and can draw on unused credit lines with financial institutions as of the reporting date. KATEK is thus in a position to meet its payment obligations at all times.

4 Employees

In total, the Group employed 2,723 people at the end of the first half of the year (previous year: 2,669).

In addition, as of June 30, 2022, a total of 67 persons (previous year as of June 30: 67 persons) are in a training contract with companies of the KATEK Group.

KATEK SE had 5 employees at the end of the first half-year (previous year as of June 30, 2021: 4).

B. Anticipated development with its significant opportunities and risks

In addition to describing the main opportunities and risks, we also described in detail the structure of the KATEK Group's risk management system in the Annual Report 2021.

In the current reporting period, we identify the economic risks due to the war in Ukraine as a major challenge for us, even though KATEK SE and its subsidiaries are not directly active in the market of the Russian Federation and Ukraine. Indirect effects from this war may result for the KATEK Group in increased energy prices or interruptions in energy supply, continued strained supply chains or bottlenecks in raw materials and components. Furthermore, the war may lead to a further increase in inflation rates, including prices for energy supply and procurement of raw materials and components. Depending, among other things, on the actions of the central banks, unfavorable constellations may arise that could also have an indirect negative impact on the business, net assets, financial position and results of operations of the KATEK Group.

With the exception of the war in Ukraine, there were no significant changes in the reporting period compared with the statements already published on March 31, 2022, in the 2021 Annual Report.

C. Forecast for the KATEK Group

Fundamentally speaking, it should be noted that no changes have occurred with regard to the structural business requirements for the KATEK Group. Thus, there are also no changes with regard to the medium-term objectives.

However, all statements regarding a forecast for the financial year 2022 are only possible taking into account the uncertainties mentioned, i.e. in particular the direct and indirect consequences of the global corona pandemic, the further development of supply and material bottlenecks, and the war in Ukraine. Overall, market researchers expect average growth of around 6.9% year-on-year in 2022, with an overall increase in volatility (in4Ma 2022).

Based on the current information on the aforementioned factors, the management of KATEK currently assumes the following development for fiscal year 2022 in updating the forecast communicated in the context of the consolidated financial statements 2021:

- Sales revenue development: KATEK will continue to grow faster than the market and realize sales revenues of more than EUR 615.0 million in fiscal year 2022.
- Development of EBITDA adj. : KATEK expects to be able to increase EBITDA adj. by at least 10% compared to the previous year.

In summary, the picture is as follows:

in mEUR	Forecast (as of 31 Mar 2022)	Forecast (updated 30 Jun 2022)
Revenue 2022	> 583.3	> 615.0
(Adj.) EBITDA 2022	> 33.4	> 33.4

Review Note

This document has not been audited in accordance with Section 317 of the German Commercial Code (HGB) or reviewed by an auditor.

Disclaimer regarding forward-looking statements

This document contains forward-looking statements about our current views with respect to future events. Words such as "anticipate," "assume," "believe," "assume," "estimate," "expect," "intend," "may/might," "plan," "project," "should" and similar expressions identify such forward-looking statements. These statements are subject to a number of risks and uncertainties. Some examples are an unfavorable development of the global economic situation, unavoidable events of force majeure such as natural disasters, pandemics, acts of terrorism, political unrest, armed conflicts, industrial accidents and their consequential effects on our sales, purchasing, production or financing activities, changes in exchange rates, customs and foreign trade regulations, interruptions in production due to material shortages, some of which are described in this interim report under the heading "Risk and opportunities report". If any of these uncertainties or contingencies materialize, or if the assumptions underlying any forward-looking statements prove incorrect, actual results may be materially different from those expressed or implied by such statements. We neither intend nor assume any obligation to update forward-looking statements on an ongoing basis, as they are based solely on circumstances on the day of publication.

Consolidated Half-year Financial Statements

Consolidated Statement of Profit and Loss

in kEUR	1 Apr 2022 - 30 Jun 2022	1 Apr 2021 - 30 Jun 2021	1 Jan 2022 - 30 Jun 2022	1 Jan 2021 - 30 Jun 2021
Revenue	**157,455**	**133,470**	**315,882**	**271,006**
Change in finished goods/WIP	-163	-1,616	3,275	-3,437
Own work capitalized	1,421	26	2,569	65
Total operating performance	**158,713**	**131,880**	**321,725**	**267,633**
Cost of materials	-113,403	-92,849	-232,642	-186,777
Gross profit	**45,310**	**39,031**	**89,083**	**80,857**
Other operating income	2,649	2,543	5,304	14,693
Personnel expenses	-27,733	-28,981	-56,334	-55,976
Other operating expenses	-14,668	-11,292	-26,990	-21,836
EBITDA	**5,558**	**1,302**	**11,064**	**17,737**
Depreciation and amortisation	-5,275	-5,562	-10,644	-9,784
Earnings before interest and taxes (EBIT)	**283**	**-4,260**	**420**	**7,953**
Financial income	32	10	44	19
Finance costs	-837	-806	-1,573	-1,520
Exchange differences	-2,027	-648	-2,482	586
Earnings before income taxes	**-2,550**	**-5,704**	**-3,590**	**7,037**
Income taxes	733	1,272	1,032	777
Net profit or loss of the Group	**-1,817**	**-4,432**	**-2,558**	**7,814**
thereof attributable to non-controlling interests	158	18	-295	18
thereof attributable to shareholders of KATEK SE	**-1,659**	**-4,414**	**-2,263**	**7,832**
Number of shares (weighted average)	13,241,880	11,986,775	13,241,880	10,897,788
Earnings per share (EUR), basic and diluted	-0.14	-0.37	-0.17	0.72
Comparable number of shares (assumption)	13,241,880	13,241,880	13,241,880	13,241,880
Earnings per share (unchanged), basic and diluted	-0.14	-0.33	-0.17	0.59

Due to rounding, sums may differ from the exact result of adding the individual figures.

Consolidated Statement of Comprehensive Income

in kEUR	1 Apr 2022 30 Jun 2022	1 Apr 2021 30 Jun 2021	1 Jan 2022 - 30 Jun 2022	1 Jan 2021 - 30 Jun 2021
Net profit or loss of the Group	-1,817	-4,432	-2,558	7,814
Other comprehensive income				
Items that may be subsequently recycled through profit or loss				
Exchange differences arising from currency translation during the financial year	-52	129	77	128
	-52	**129**	**77**	**128**
Items that may not subsequently recycled through profit or loss				
Changes in actuarial gains/losses from pensions	738	134	1,130	134
Deferred taxes from changes in actuarial gains/losses from pensions provisions	-201	-40	-307	-40
	537	**94**	**823**	**94**
Other comprehensive income after tax	**485**	**223**	**900**	**222**
Total comprehensive income	**-1,332**	**-4,209**	**-1,658**	**8,035**
thereof attributable to non-controlling interests	-159	-18	-296	-18
thereof attributable to shareholders of KATEK SE	-1,173	-4,191	-1,362	8,054

Due to rounding, sums may differ from the exact result of adding the individual figures.

Consolidated Balance Sheet

ASSETS

in kEUR	30 Jun 2022	31 Dec 2021
Non-current assets		
Property, plant and equipment	90,982	90,722
Goodwill	8,893	8,964
Other intangible assets	14,601	12,671
Financial assets	1,824	1,824
Employee benefits	210	206
Other financial assets	72	72
Deferred tax assets	10,814	10,691
Total non-current assets	**127,395**	**125,150**
Current assets		
Inventories	215,614	188,799
Trade receivables	37,929	24,573
Other financial assets	7,782	10,144
Income tax receivables	159	91
Other assets and prepaid expenses	4,294	2,980
Cash and cash equivalents	18,261	42,203
Total current assets	**284,039**	**268,791**
Total Assets	**411,434**	**393,941**

Due to rounding, sums may differ from the exact result of adding the individual figures.

Consolidated Balance Sheet

EQUITY AND LIABILITES

in kEUR	**30 Jun 2022**	**31 Dec 2021**
Capital and reserves		
Issued capital	13,242	13,242
Capital reserve	111,784	111,784
Revenue reserves	23,635	24,997
Equity of the owners of the parent company	148,660	150,023
Non-controlling interests	1,481	1,777
Total equity	**150,141**	**151,799**
Non-current liabilities		
Non-current loans	29,398	32,565
Employee benefit liability	1,836	2,730
Other provisions	634	565
Other financial liabilities	48,808	54,281
Other liabilities	557	560
Deferred tax liabilities	2,009	2,080
Total non-current liabilities	**83,242**	**92,782**
Current liabilities		
Current loans	27,281	21,832
Other provisions	5,399	4,843
Trade payables	95,428	80,737
Contract liabilites	12,633	6,098
Other financial liabilities	13,679	12,273
Income tax liabilities	644	2,359
Other liabilities and deferred income	22,988	21,217
Total current liabilities	**178,051**	**149,359**
Total liabilities	**261,293**	**242,141**
Total equity and liabilities	**411,434**	**393,941**

Due to rounding, sums may differ from the exact result of adding the individual figures.

Consolidated Statement of Cash Flow

in kEUR	1 Jan 2022 - 30 Jun 2022	1 Jan 2021 - 30 Jun 2021
Cash flows from operating activities		
Earnings after tax	-2,558	7,814
Income tax expense/(income tax)	-1,032	-776
Interest expense/(income)	1,432	1,501
Amortization of intangible assets and financial assets, depreciation of property, plant and equipment	10,644	9,784
Other non-cash expenses/(income)	-427	-11,538
(Gain)/loss on disposal of non-current assets	63	36
Increase/(decrease) of provisions	1,223	-1,910
(Increase)/decrease in inventories, trade receivables and other assets	-38,202	-39,366
(Increase)/decrease in trade payables and other liabilities	22,287	24,955
Cash outflow/inflow from operating activities	**-6,571**	**-9,501**
Interest received	24	19
Income tax reimbursements (payments)	-1,271	-256
Net cash outflow/inflow from operating activities	**-7,818**	**-9,739**

in kEUR	1 Jan 2022 - 30 Jun 2022	1 Jan 2021 - 30 Jun 2021
Cash flows from investing activities		
Cash received from the disposal of intangible assets	0	84
Cash paid for intangible assets	-3,175	-298
Cash received from the disposal of property, plant and equipment	19	11,026
Cash paid for property, plant and equipment	-7,999	-8,249
Cash paid for additions to the consolidated group less cash and cash equivalents acquired	0	-8,440
Net cash outflow from investing activities	**-11,155**	**-5,876**

Due to rounding, sums may differ from the exact result of adding the individual figures.

Consolidated Statement of Cash Flow

in kEUR	1 Jan 2022 - 30 Jun 2022	1 Jan 2021 - 30 Jun 2021
Cash flows from financing activities		
Cash received from capital increases	0	75,234
Cash received from borrowing	2,950	6,716
Cash repayment of loans and lease liabilities	-9,813	-12,456
Cash received from subsidies/grants	30	14
Cash paid of liabilities to shareholders	0	-7,674
Cash paid for interest	-1,333	-2,764
Net cash inflow/outflow from financing activities	**-8,166**	**59,070**
Net increase/decrease in cash and cash equivalents	**-27,139**	**43,455**
Cash and cash equivalents at the beginning of the reporting period	33,909	3,582
Changes in cash and cash equivalents due to exchange rates and changes in valuation	-12	-392
Cash and cash equivalents at the end of the reporting period	**6,758**	**46,645**
thereof: Cash at banks and on hand	18,261	68,563
thereof: Liabilities to banks	11,503	21,919

Due to rounding, sums may differ from the exact result of adding the individual figures.

Consolidated Statement of Changes in Equity

	Issued capital	Capital reserve	Revenue reserves: Reserve for actuarial gains/losses	Revenue reserves: Foreign currency translation reserve (OCI)	Revenue reserves: Other	Thereof attributable to shareholders of the parent company	Non-controlling interests	Total
	in kEUR	in kEUR	in kEUR	in kEUR	in kEUR	in kEUR	in kEUR	in kEUR
1 Jan 2022	13,242	111,784	41	160	24,797	150,023	1,777	**151,799**
Net profit or loss of the Group	0	0	0	0	-2,263	-2,263	-295	**-2,558**
Other comprehensive income	0	0	823	78	0	901	-1	**900**
Total comprehensive income	**0**	**0**	**823**	**78**	**-2,263**	**-1,362**	**-296**	**-1,658**
30 Jun 2022	**13,242**	**111,784**	**864**	**237**	**22,534**	**148,661**	**1,481**	**150,142**

Due to rounding, sums may differ from the exact result of adding the individual figures.

Consolidated Statement of Changes in Equity

	Issued capital	Capital reserve	Revenue reserves: Reserve for actuarial gains/losses	Revenue reserves: Foreign currency translation reserve (OCI)	Revenue reserves: Other	Thereof attributable to shareholders of the parent company	Non-controlling interests	Total
	in kEUR	in kEUR	in kEUR	in kEUR	in kEUR	in kEUR	in kEUR	in kEUR
1 Jan 2021	146	48.854	-111	-139	16,343	65,093	0	**65,093**
Net profit or loss of the Group	0	0	0	0	7,832	7,832	-18	**7,814**
Other comprehensive income	0	0	94	128	0	222	0	**222**
Total comprehensive income	**0**	**0**	**94**	**128**	**7,832**	**8,054**	**-18**	**8,036**
Capital increase from shareholders	3,433	71,801	0	0	0	75,234	0	**75,234**
Capital increase from company funds	9,662	-9,662	0	0	0	0	0	**0**
Effects from changes in the scope of consolidation	0	0	0	0	0	0	822	**822**
30 Jun 2021	**13,242**	**110,992**	**-16**	**-12**	**24,175**	**148,381**	**804**	**149,185**

Due to rounding, sums may differ from the exact result of adding the individual figures.

Selected explanatory notes

1 General data

These consolidated half-year financial statements of KATEK SE, Munich, and its subsidiaries (hereinafter: "KATEK", "KATEK Group" or "Group") have been prepared in accordance with International Financial Reporting Standards (IFRS as adopted by the EU). In accordance with IAS 34, the consolidated half-year financial statements are published in a condensed form compared to the consolidated annual financial statements and should be read in the context of the IFRS consolidated financial statements published for fiscal year 2021. These are available in the internet at www.katek-group.de.

They have not been audited or reviewed by an auditor.

The consolidated financial statements are prepared in euros. Unless otherwise indicated, all amounts are stated in thousands of euros (kEUR r). In individual cases, rounding may result in values in this report not adding up exactly to the totals given and in percentages not being derived exactly from the values presented.

The reporting period covers the period from January 01, 2022 to June 30, 2022. The registered office of KATEK SE is Promenadeplatz 12, 80333 Munich, Germany. KATEK SE is registered with the Local Court of Munich under HRB 245284.

Since the IPO on May 4, 2021, the shares have been traded on the regulated market of the Frankfurt Stock Exchange under ISIN DE000A2TSQH7 and are listed in the PRIME Standard

2 Application of new accounting standards

The KATEK Group has applied the following pronouncements or amendments to pronouncements of the IASB or the IFRS IC for the first time in the reporting period (from January 01, 2022, to June 30, 2022):

Standard or interpretation	**Content and significance for the financial statements**	**Mandatory application date**
IAS 37	Onerous contracts - costs for the performance of a contract	01 January 2022
Amendments to IAS 16	Property, plant and equipment - proceeds before intended use	01 January 2022
Amendments to IFRS 3	References to the framework concept	01 January 2022
AIP 2018-2020	IFRS 1: Determination of CTA for subsidiary as first-time adopter IFRS 9: Definition of Fees in 10% Tests for the Assessment of a Disposal of Liabilities IFRS 16: IE5: Lease Incentives IAS 41: Determination of fair value on an after-tax basis	01 January 2022

However, these changes did not result in any effects on the accounting policies of the KATEK Group or the need for retrospective adjustments.

3 Scope of consolidation

There were no changes in the scope of consolidation during the reporting period compared with the consolidated financial statements as of December 31, 2021.

However, the purchase price allocation of the Aisler Group was completed during the reporting period, which was already provisionally included in the consolidated financial statements as of December 31, 2021. After completion, the final goodwill amounted to kEUR 372 .

The following balance sheet items were thus taken over with the business combination:

in kEUR	Fair value
Purchase price for 50.01% of the shares	
Cash and cash equivalents	2,500
Purchase price adjustments	-71
Total consideration transferred	**2,429**
Fair value of acquired assets and liabilities	
Intangible assets	3,339
Fixed assets	9
Trade receivables	10
Other financial and non-financial assets	106
Cash and cash equivalents	1,594
Provisions	16
Trade payables	61
Other financial and non-financial liabilities	33
Deferred tax liabilities	835
Fair value of acquired net assets100%)	**4,113**
Fair value of acquired net assets (50.01%)	**2,057**
Goodwill	**372**

The reduction in goodwill compared to December 31, 2021, results from purchase price adjustments relating to the measurement of a contractually agreed earn-out clause and various call and put options on the acquisition of the remaining shares, which were recognized at fair value in other current financial assets and other current financial liabilities. Their change as of June 30, 2022, was recognized in profit or loss in the financial result. For further information, please refer to Note 6 Financial instruments in the notes to the consolidated financial statements.

All other disclosures regarding the acquisition of the Aisler Group from the Annual Report 2021 remain unaffected by these adjustments.

4 Accounting and valuation methods

The main accounting and valuation methods, as well as the consolidation principles and the use of assumptions and estimates, have been applied in this interim report in line with the methods described in the Annual Report 2021. These can be found in the Annual Report 2021 in Section 4. accounting policies.

The tax expense in the interim reporting periods is determined in accordance with IAS 34 on the basis of the currently expected tax rate for the full year. Future developments for the determination of deferred tax assets have been taken into account.

5 Significant events and transactions

No events or transactions occurred in the reporting period that could have had a material impact on the net assets, financial position and results of operations of the KATEK Group.

6 Financial instruments

Classification and fair value

The following table reconciles the balance sheet items as of June 30, 2022, of financial instruments to classes and measurement categories of IFRS 9. In addition, the aggregated carrying amounts per measurement category and the fair values for each class are presented.

Financial instruments

in kEUR	Category pursuant to IFRS 9	Carrying amount as at 30 Jun 2022	Measurement pursuant to IFRS 9			Measurement pursuant to IFRS 9	thereof assets and liabilities falling under IFRS 16	Fair value as at 30 Jun 2022
			Amortized costs	Fair value through OCI	Fair value through profit or loss			
Assets								
Other financial assets	FVTOCI	1,824	0	1,824	0	**1,824**	**0**	**1,824**
Current trade receivables	AC	37,929	37,929	0	0	**37,929**	**0**	**37,929**
Other non-current financial assets	AC	72	72	0	0	**72**	**0**	**72**
Other current financial assets		7,782	7,303	0	479	**7,782**	**0**	**7,782**
(thereof other current financial assets)	*AC*	*70*	*70*	*0*	*0*	***70***	***0***	***70***
(thereof receivables from factoring arrangements)	*AC*	*7,233*	*7,233*	*0*	*0*	***7,233***	***0***	***7,233***
(thereof current receivables from derivative financial instruments)	*FVTPL*	*479*	*0*	*0*	*479*	***479***	***0***	***479***
Cash and cash equivalents	AC	18,261	18,261	0	0	**18,261**	**0**	**18,261**

Financial instruments

in kEUR	Category pursuant IFRS 9	Carrying amount as at 30 Jun 2022	Measurement pursuant to IFRS 9			Measurement pursuant to IFRS 9	thereof assets and liabilities falling under IFRS 16	Fair value as at 30 Jun 2022
			Amortized costs	Fair value through OCI	Fair value through profit or loss			
Equity and Liabilities								
Non-current loans	AC	29,398	29,398	0	0	**29,398**	**0**	**29,398**
Current loans	AC	27,281	27,281	0	0	**27,281**	**0**	**27,281**
Current trade payables	AC	95,428	95,428	0	0	**95,428**	**0**	**95,483**
Other non-current financial liabilities		48,808	13,698	0	322	**14,020**	**34,787**	**48,808**
(thereof other non-current financial liabilities)	*AC*	*13,698*	*13,698*	*0*	*0*	***13,698***	***0***	***13,698***
(thereof other non-current financial liabilities)	*FVTPL*	*322*	*0*	*0*	*322*	***322***	***0***	
(thereof non-current liabilities from leases)	*n.a.*	*34,787*	*0*	*0*	*0*	***0***	***34,787***	***34,787***
Other current financial liabilities		13,679	5,936	0	196	**6,132**	**7,547**	**13,679**
(thereof other current financial liabilities)	*AC*	*5,936*	*5,936*	*0*	*0*	***5,936***	***0***	***5,936***
(thereof current liabilities from derivative financial instruments)	*FVTPL*	*196*	*0*	*0*	*196*	***196***	***0***	***196***
(thereof current liabilities from leases)	*n.a.*	*7,547*	*0*	*0*	*0*	***0***	***7,547***	***7,547***

The following table reconciles the balance sheet items as of December 31, 2021, of financial instruments to classes and measurement categories of IFRS 9. In addition, the aggregated carrying amounts per measurement category and the fair values for each class are presented.

Financial instruments			**Measurement pursuant to IFRS 9**					
in kEUR	**Category pursuant to IFRS 9**	**Carrying amount as at 31 Dec 2021**	**Amortized costs**	**Fair value through other OCI**	**Fair value through profit or loss**	**Measurement pursuant to IFRS 9**	**thereof assets and liabilities falling under IFRS 16**	**Fair value as at 31 Dec 2021**
Assets								
Financial assets	FVTOCI	1,824	0	1,824	0	**1,824**	**0**	**1,824**
Current trade receivables	AC	24,573	24,573	0	0	**24,573**	**0**	**24,573**
Other non-current financial assets	AC	72	72	0	0	**72**	**0**	**72**
Other current financial assets		10,144	10,144	0	0	**10,144**	**0**	**10,144**
(thereof other current financial assets)	*AC*	*2,612*	*2,612*	*0*	*0*	***2,612***	***0***	***2,612***
(thereof receivables from factoring arrangements)	*AC*	*7,532*	*7,532*	*0*	*0*	***7,532***	***0***	***7,532***
Cash and cash equivalents	AC	42,203	42,203	0	0	**42,203**	**0**	**42,203**

Financial instruments

in kEUR	Category under IFRS 9	Carrying amount 31 Dec 2021	Measurement in pursuant to IFRS 9			Measurement pursuant to IFRS 9	thereof assets and liabilities falling under IFRS 16	Fair value as at 31 Dec 2021
			Amortized costs	Fair value through OCI	Fair value through profit or loss			
Equity and Liabilities								
Non-current loans	AC	32,565	32,565	0	0	**32,565**	**0**	**32,565**
Current loans	AC	21,832	21,832	0	0	**21,832**	**0**	**21,832**
Current trade payables	AC	80,737	80,737	0	0	**80,737**	**0**	**80,737**
Other non-current financial liabilities		54,281	16,543	0	0	**16,543**	**37,738**	**54,281**
(thereof other non-current financial liabilities)	*AC*	*16,543*	*16,543*	*0*	*0*	***16,543***	***0***	***16,543***
(thereof non-current liabilities from leases)	*n.a.*	*37,738*	*0*	*0*	*0*	***0***	***37,738***	***37,738***
Other current financial liabilities		12,273	5,228	0	63	**5,291**	**6,983**	**12,273**
(thereof other current financial liabilities)	*AC*	*5,228*	*5,228*	*0*	*0*	***5,228***	***0***	***5,228***
(thereof current liabilities from derivative financial instruments)	*FVTPL*	*63*	*0*	*0*	*63*	***63***	***0***	***63***
(thereof current liabilities from leases)	*n.a.*	*6,983*	*0*	*0*	*0*	***0***	***6,983***	***6,983***

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In view of varying influencing factors, the fair values presented can only be regarded as indicators of values that can actually be realized on the market.

The fair values of the financial instruments were determined on the basis of the market information available at the balance sheet date, using the following methods and assumptions:

For loans, trade receivables, other receivables, other financial assets, and cash and cash equivalents (cash and cash equivalents), it is assumed that the fair values correspond to the carrying amounts recognized at the respective reporting dates due to the short maturities and the generally low credit risk.

Due to the short maturities of the trade payables, it is assumed that the carrying amounts correspond to the fair values of these financial instruments.

Financial liabilities at fair value through profit or loss relate to derivative financial instruments. The nominal amounts of these derivative financial instruments are reported gross on the basis of the absolute purchase and sale amounts. The fair values of the corresponding liabilities are determined on the basis of available market information and remeasured at each balance sheet date.

Miscellaneous other financial liabilities are measured at amortized cost. Due to the predominantly short maturities of these financial instruments, it is assumed that the fair values correspond to the carrying amounts.

The following table shows the fair value hierarchies of assets and liabilities measured at fair value:

Fair value hierarchy	**30 Jun 2022**			**31 Dec 2021**		
in kEUR	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Assets						
Other current financial assets	0	479	0	0	0	0
Equity and Liabilities						
Other non-current financial liabilities	0	0	322	0	0	0
Other current financial liabilities	0	196	0	0	63	0

The valuation of financial derivatives is carried out by external experts and is based on current market data using standard market valuation methods.

The amounts included in other financial liabilities relate to financing liabilities in connection with the acquisition or manufacture of technical equipment and machinery.

7 Relationships with related companies and persons

Related parties are shareholders with significant influence over the KATEK Group, associates, joint ventures, unconsolidated subsidiaries and persons who have significant influence over KATEK and the financial and operating policies of the Group. Persons with significant influence over the financial and operating policies of the Group include all key management personnel and their close family members. Within the Group, this applies to the members of the management of the parent company.

Disclosures on affiliated companies

In the ordinary course of business, KATEK SE and its subsidiaries have business relationships with numerous companies. Companies that are attributable to the PRIMEPULSE Group are also related parties, as is the Empaios Real Estate Group. Relationships with other related companies, management boards, supervisory boards or other persons are reported in aggregated form under a separate item.

All business relationships have been concluded at arm's length and do not differ from the supply and service relationships with other companies. In the reporting period and the previous period, no expenses were recognized for bad or doubtful debts owed by related parties.

PRIMPULSE SE provides services, while Empaios Real Estate Group leases real estate to KATEK Group. PRIMEPULSE Group comprises various operating business units with which KATEK has an operating performance relationship.

The following table shows the goods and services received from or provided to related parties:

in kEUR	Expenses		Revenue	
	1 Jan 2022 - 30 Jun 2022	**1 Jan 2021 - 30 Jun 2021**	**1 Jan 2022 - 30 Jun 2022**	**1 Jan 2021 - 30 Jun 2021**
PRIMEPULSE Group	64	177	1,423	1,540
PRIMEPULSE SE	449	457	1	0
Empaios Real Estate Group *)	1,621	1,150	0	0
Other	54	54	0	0
	2,189	**1,837**	**1,423**	**1,540**

*) Rental or purchase price payments are indicated, but not recognized expenses or income

The following table shows receivables from and payables to related parties:

in kEUR	Liabilities		Receivables	
	30 Jun 2022	**31 Dec 2021**	**30 Jun 2022**	**31 Dec 2021**
PRIMEPULSE Group	4	69	222	8
PRIMEPULSE SE	0	83	0	0
Empaios Real Estate Group	0	0	0	0
Other	10	113	0	0
	14	**265**	**222**	**8**

8 Financial Commitments, Contingent liabilities and other financial commitments

There have been no significant changes in contingent liabilities or other financial obligations compared to December 31, 2021.

9 Events after the balance sheet date

Since the balance sheet date of June 30, 2022, there have been no reportable events that have had a material impact on the net assets, financial position and results of operations of the KATEK Group.

Warranty by the legal representatives

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

Munich, August 2022

KATEK SE

Management Board

Rainer Koppitz	Dr. Johannes Fues
CEO	CFO

Imprint

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KATEK

Lead the category

MEMBER OF PRIMEPULSE