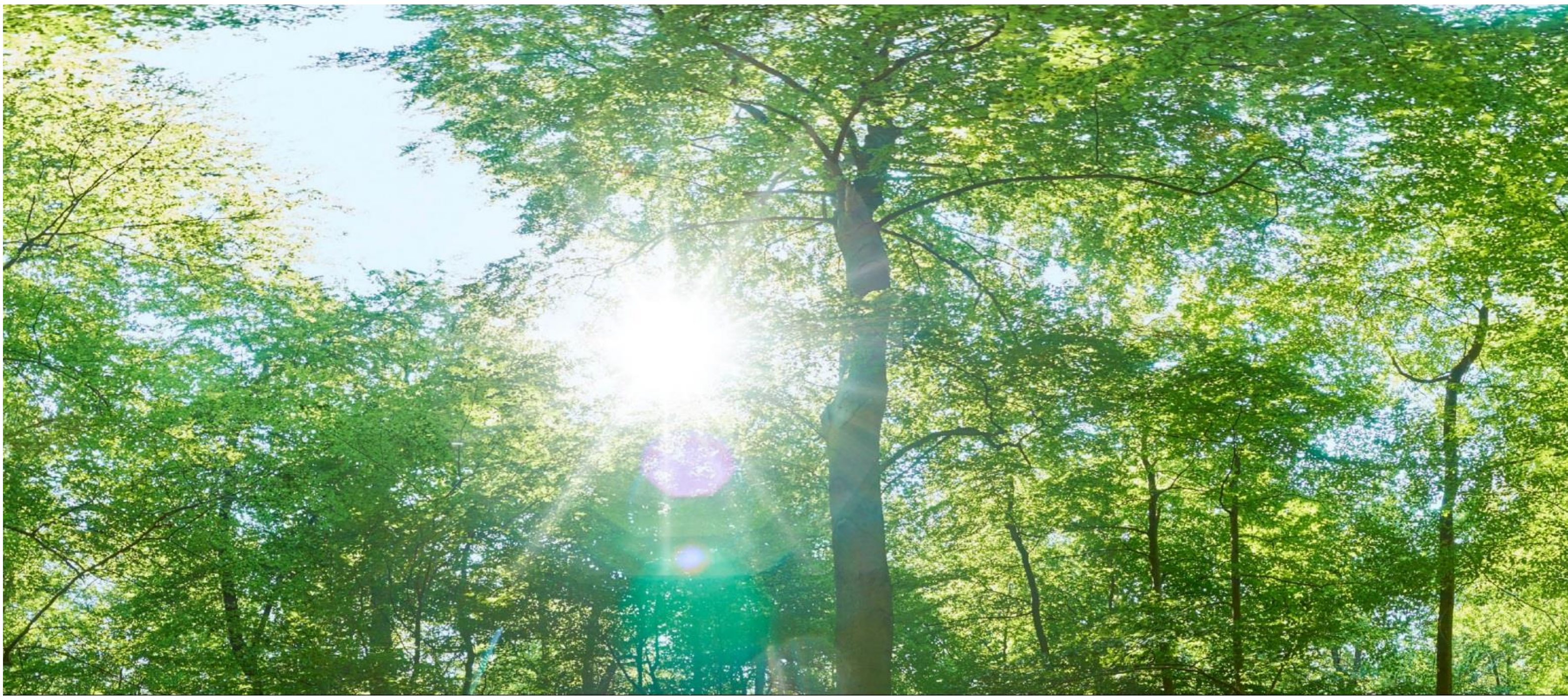

Annual Report 2022

Delignit
AKTIENGESELLSCHAFT

Annual Report 2022

Delignit AG

Contents

Brief portrait of the Delignit Group

The Delignit Group develops, manufactures and sells ecological, usually hardwood-based, materials and system solutions based on the natural, renewable and carbon-neutral raw material wood.

As a development, project and serial supplier for technology industries, such as the automotive industry, aviation industry and railway industry, business activity today is focused on creating and implementing technological and customised applications and systems.

These applications and systems are used in the form of specific – predominantly ready-to-install – parts, components, system solutions and module solutions. The foundation for this is provided by the Delignit material, which is essentially based on beech wood. The use of Delignit materials as a substitute for applications made of non-renewable raw materials improves the environmental balance of our customers' products and meets their increasing ecological requirements.

The Delignit Group's operating business is divided into two target markets:

Automotive target market:

The Automotive target market is divided into the product groups light commercial vehicles (LCV), motor caravans and passenger cars. The business activity focuses on the manufacture and sale of cargo bay protection systems and security systems (interior) for the light commercial vehicle (LCV) class. For example, these systems are used extensively by leading manufacturers of light commercial vehicles as original equipment (OEM) and retrofit equipment (after-sales) as cargo bay floors, walls and partition walls. Interior furnishings, such as cabinet systems, are supplied for the motor caravan sector. In the passenger car sector, for example, trunk covers are used by well-known OEMs.

Technological Applications target market:

The products of the Technological Applications target market are divided into the product groups Building Equipment, Compressed Wood, Railfloor and Special Applications. In the Building Equipment business, for example, flooring solutions for automotive manufacturing plants, and for goods distribution centres and beech multiplex assortments are supplied by the timber trade. The Compressed Wood business consists of highly-compressed and medium-compressed materials that are used for plant construction, machine construction and transformer construction applications. The Railfloor business provides manufacturers of rail vehicles with floor system solutions for fulfilment of international fire protection and sound insulation concepts. The Special business includes various special products for applications, such as model making, musical instruments and sports equipment.

Fiscal year (01/01 to 31/12)	2022 IFRS	2021 IFRS	Δ 2022 vs. 2021
Earnings figures	€ thousand		%
Revenue	**75,358**	**68,328**	**10.3 %**
Total operating revenue	74,917	70,728	5.9 %
Cost of materials	-45,467	-40,639	11.9 %
Staff costs	-17,121	-17,744	-3.5 %
Other operating expenses	-5,781	-6,704	-13.8 %
EBITDA	6,550	5,641	16.1 %
EBITDA margin	*8.7 %*	*8.0 %*	*0.8 %**
EBIT	4,136	3,315	24.8 %
EBIT margin	*5.5 %*	*4.7 %*	*0.8 %**
EBT	3,927	3,167	24.0 %
EBT margin	*5.2 %*	*4.5 %*	*0.8 %**
Consolidated net income	**2,772**	**2,337**	**18.6 %**
Number of shares	8,193,900	8,193,900	0.0 %
EPS in €	0.34	0.29	18.6 %

Statement of financial position figures	€ thousand		%
Non-current assets	17,553	17,426	0.7 %
Current assets	24,220	22,140	9.4 %
Cash and cash equivalents contained therein	2,363	241	878.8 %
Issued capital (share capital)	8,194	8,194	0.0 %
Other equity	18,490	15,609	18.5 %
Total equity	**26,684**	**23,803**	**12.1 %**
Equity ratio	*63.9 %*	*60.2 %*	*3.7 %**
Non-current liabilities and provisions	5,770	4,927	17.2 %
Current liabilities and provisions	9,318	10,836	-14.0 %
Total assets	**41,773**	**39,566**	**5.6 %**
Net financial debt (net debt (-)/net cash (+))	5,078	6,430	-21.0 %

Employees (as at 31/12)			
Germany	457	391	16.9 %

*Change in percentage points, differences due to commercial rounding

Greetings from the Management Board

Dear shareholders,
Dear employees,

We find ourselves looking back on another challenging yet extremely successful year for the Delignit Group. After more than two years of the COVID-19 pandemic, hopes of a swift economic recovery were abruptly upended by Russia's unexpected invasion of Ukraine. We are deeply moved by the humanitarian disaster resulting from this violation of international law and the devastating consequences for the civilian population. The war led to massive economic uncertainty and further disruption to supply chains that were already fragile. This was accompanied by dramatic price spirals and supply concerns on the global energy markets, historically high levels of inflation, and a rapid deterioration in the consumer and investment climate.

Despite these complex circumstances, the Delignit Group maintained its ground extraordinarily well. Although performance in the first six months failed to meet our expectations due to the direct and indirect impact of the war, the improved stability of global supply chains and high call-off numbers on the part of our company's major OEM customers resulted in dynamic revenue growth in the second half of the year. On a full-year basis, consolidated revenue increased by 10 % year-on-year to € 75.4 million. Given the prevailing conditions in the 2022 fiscal year, this is an impressive achievement that we can be proud of as a team.

Our profitability also improved significantly over the course of the year. EBITDA totalled € 6.5 million, corresponding to an EBITDA margin of 8.7 %. This meant our earnings exceeded the guidance published in 2022, in which we expected profitability to be slightly lower than in the previous year. The main drivers of this development were our ability to pass on the cost increases on the market, as well as continued strict cost discipline and a high degree of flexibility on the part of our employees.

We are optimistic with regard to the 2023 fiscal year. The success we enjoyed in 2022 and the best order book in the company's history serve to confirm the resilience of the Delignit Group's business model, which is based on intact trends. To this end, we aim to achieve significant revenue growth to € 88 million accompanied by EBITDA at the prior-year level. In light of our planned growth over the coming years, we will systematically press ahead with the intensification of our investment activity that began in 2022 with a focus on capacity expansion and efficiency improvements.

This optimism with regard to the future and our strong start to the current fiscal year serve to confirm the strategy we have adopted. None of this would be possible without our hard work as a team and our high degree of dedication. With this in mind, we would like to conclude by expressing our gratitude to our employees, our customers, our suppliers and our partners, all of whom made an important contribution to our company's continued success story once again. We would also like to thank you, our shareholders, for your support and the confidence you have placed in Delignit AG. We would be delighted if you would continue to accompany us on our journey.

Blomberg, April 2023

Kind regards,

Markus Büscher
CEO

Thorsten Duray
CSO

The Management Board

Markus Büscher

Markus Büscher is Chairman of the Management Board. His responsibilities include the areas of Strategic Development, Controlling, Human Resources, Legal, Purchasing, IT, Production, R&D and Investor Relations. Mr Büscher is an economist. Until 2003, Mr Büscher was the commercial director and an authorised signatory at klr-mediapartner GmbH & Co. KG. In 2003, Mr Büscher joined Freund Victoria Gartengeräte GmbH as a managing director, where he was responsible for the main areas of the company as the chairman of management. He became a Managing Director of the Delignit Group in 2007.

Thorsten Duray

Thorsten Duray is a member of the company's Management Board. He is responsible for Marketing and Sales. Mr Duray is a qualified industrial manager and business administrator in the field of marketing. He has held various positions at Blomberger Holzindustrie GmbH since 1991, initially in sales promotion and marketing. From 2001 onward, he was largely responsible for building up the Commercial Vehicle Equipment unit as the Team Leader for Sales. He became the Director of Sales and Marketing in 2006. He has been a member of the Management Board of Blomberger Holzindustrie GmbH since 1 January 2007.

The Management Board team
Markus Büscher (CEO) and Thorsten Duray (CSO)

Report of the Supervisory Board

1. Reporting

In accordance with the duties and responsibilities required of it by law and the Articles of Association, the Supervisory Board was continuously informed of the business and strategic development of the company, current events and all material business transactions in the fiscal year. This meant the Supervisory Board was informed about the business policy, planning, risk situation and the financial position and financial performance of Delignit AG and the Delignit Group at all times.

This was achieved through regular personal discussions between the members of the Supervisory Board and with the members of the Management Board, as well as at the meetings of the Supervisory Board that were held in person on 29 March 2022, 2 June 2022, 27 September 2022 and 22 November 2022. These meetings were attended by all members of the Supervisory Board and the Management Board in person. The Management Board also kept the Chairman of the Supervisory Board extensively informed between Supervisory Board meetings, meaning that the Chairman of the Supervisory Board was aware of the important issues affecting the Delignit Group at all times.

At its individual meetings, the Supervisory Board analysed ongoing business developments and discussed strategy with the Management Board. The discussions extended to the economic situation of Delignit AG and that of the individual subsidiaries. Particular focal points in the 2022 fiscal year included the impact of rising energy and material prices, the status of negotiations with OEMs on the oncharging of increased material prices and the COVID-19 pandemic, which diminished over the course of the fiscal year. The Supervisory Board and the Management Board also extensively discussed the impact of Russia’s war on Ukraine for the Delignit Group and advised on potential hedging measures. The Executive Board and Supervisory Board also discussed the challenging situation on the labor market in detail. As a result, the working direction of intensified investment activities was confirmed, among other things. Where specific transactions required the approval of the Supervisory Board in accordance with the Articles of Association or legal provisions, the Supervisory Board reviewed these transactions and decided whether to approve them. There were no indications of conflicts of interest on the part of members of the Management Board and Supervisory Board, which must be disclosed to the Supervisory Board without delay.

2. Organisation

The Supervisory Board of Delignit AG has three members. This ensures efficient work. In the opinion of the Supervisory Board, this number of Supervisory Board members is appropriate for the size of the company.

The Audit Committee dealt with the auditing of accounting, the non-financial statement, the monitoring of the accounting process, the effectiveness of the internal control system, the risk management system, the auditing of financial statements and the report of the Supervisory Board. The material risks are described in the management report in this annual report and an opinion is expressed on the implementation of corresponding measures. The Audit Committee also engaged in discussions with the independent auditor as part of the audit of the financial statements, including in the absence of the Management Board.

The term of office of all elected members of the Supervisory Board of Delignit AG ended at the end of the 2022 Annual General Meeting, meaning that a new election was required. Potential Supervisory Board members were proposed in item 6 of the agenda for the Annual General Meeting on 2 June 2022. The targets adopted by the Supervisory Board for its composition and the profile of skills and expertise developed by the Supervisory Board for the body as a whole were taken into account. The following individuals were elected to the Supervisory Board at the Annual General Meeting on 2 June 2022 with the required majority of the votes cast:

1. Mr Anton Breitkopf, business economist, born on 31 March 1962, Cologne,
2. Mr Gert-Maria Freimuth, businessman, born on 10 August 1965, Münster,
3. Ms Bettina Hausmann, Magister Artium, strategy and communications consultant, born on 9 March 1967, Brussels.

Furthermore, the following individual was elected as a substitute member for all of the members of the Supervisory Board:

Dr Constantin Mang, economist, born on 6 November 1986, Berlin.

Dr Constantin Mang will supersede the Supervisory Board member who steps down from the body first.

In the course of their induction, new Supervisory Board members receive comprehensive information and clarifications regarding the Articles of Association and the rules of procedure for the Supervisory Board and Management Board, as well as information on the provisions of capital market law relating to Supervisory Board members and on liability insurance (D&O insurance).

The Annual General Meeting on 2 June 2022 was followed by the constituent meeting of the Supervisory Board, which elected Mr Freimuth as the Chairman of the Supervisory Board and Mr Breitkopf as the Deputy Chairman of the Supervisory Board. Mr. Breitkopf was also elected Chairman of the Audit Committee.

3. Annual financial statements

The Supervisory Board duly engaged the auditor elected by the Annual General Meeting, RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, to audit the annual and consolidated financial statements for the 2022 fiscal year. The auditor has submitted a declaration of independence to the Supervisory Board.

The annual financial statements of Delignit AG as at 31 December 2022 were prepared in accordance with the principles of the Handelsgesetzbuch (HGB – German Commercial Code), while the consolidated financial statements and the Group management report for Delignit AG as at 31 December 2022 were prepared in accordance with International Financial Reporting Standards (IFRS) and audited by RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, which was elected by the Annual General Meeting and engaged by the Chairman of the Supervisory Board, and issued with an unqualified audit opinion on 23 March 2023 for Delignit AG and for the Delignit Group. Moreover, the dependent company report of the Management Board of Delignit AG in accordance with Section 312 of the Aktiengesetz (AktG – German Stock Corporation Act) was audited by RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, and issued with an unqualified audit opinion on 23 March 2023.

The Supervisory Board and the newly formed Audit Committee examined the annual financial statements prepared by the Management Board, the Group management report, the consolidated financial statements, the proposal for the appropriation of net retained profits and the dependent company report, discussed them in detail with the auditor at the meeting of the Supervisory Board on 23 March 2023 and received the auditor’s report on the key results of its audit, including the audit of the internal control system and the risk management system. The Supervisory Board also discussed the Corporate Sustainability Reporting Directive (CSRD) adopted by the European Parliament on 10 November 2022 and approved by the European Council on 28 November 2022, the associated objectives for uniform sustainability reporting by companies and the resulting consequences for the Delignit Group’s reporting.

The auditor comprehensively answered all of the Supervisory Board’s questions. The Supervisory Board received the auditor’s reports in good time and acknowledged and approved the results of the audit. Following the completion of its examination, the Supervisory Board did not raise any objections to the annual financial statements, the proposal for appropriation of earnings, the Group management report, the dependent company report, the declaration by the Management Board concerning relations with affiliated companies or the consolidated financial statements. The annual financial statements and the consolidated financial statements were approved by the Supervisory Board on 23 March 2023. The annual financial statements of Delignit AG are thus adopted. The Supervisory Board and the Audit Committee concur with the opinion of the Management Board as expressed in the Group management report and approve the proposal by the Management Board on the appropriation of net retained profits.

The Supervisory Board would like to thank the Management Board, the management teams of the Group's subsidiaries and all employees of the Delignit Group for their great commitment in these challenging times and for the growth achieved.

Blomberg, 23 March 2023

Gert-Maria Freimuth
Chairman of the Supervisory Board

The Supervisory Board

Gert-Maria Freimuth
Chairman of the Supervisory Board

Mr Gert-Maria Freimuth is the Chairman of the Supervisory Board of Delignit AG and the Deputy Chairman of the Board of MBB SE, Berlin. He is also the Chairman of the Supervisory Board of DTS IT AG, Herford, and Aumann AG, Beelen. Mr Freimuth studied economics and Christian social ethics at the University of Münster and is a founding shareholder of MBB SE.

Anton Breitkopf
Deputy Chairman of the Supervisory Board

Mr Anton Breitkopf is the Deputy Chairman of the Supervisory Board of Delignit AG. He studied business administration at the Cologne University of Applied Sciences and worked in Finance and Controlling at Daimler Benz until 1998. He is a member of the Board of MBB SE, Berlin, and the Deputy Chairman of the Supervisory Board of DTS IT AG, Herford.

Bettina Hausmann
Member of the Supervisory Board

Ms Bettina Hausmann is a member of the Supervisory Board. She studied Romance languages and political science at the University of Freiburg and the University of Cologne and works in Brussels as an independent strategy and communications consultant.

Gert-Maria Freimuth
Chairman of the
Supervisory Board

Anton Breitkopf
Deputy Chairman of the
Supervisory Board

Bettina Hausmann
Member of the
Supervisory Board

Group management report of Delignit AG, Blomberg, for the 2022 fiscal year

1. General description of the company

The Delignit Group develops, produces and sells ecological materials and system solutions made of renewable raw materials under the brand name Delignit. As a recognised development, project and serial supplier of leading automotive groups, the Delignit Group is, among other things, the European market leader for supplying the automotive industry with cargo bay protection and cargo securing systems for light commercial vehicles. With a variety of applications and a vertical integration that are unique in its industry, the Delignit Group serves numerous other technology sectors, for example as a worldwide system supplier of reputable rail vehicle manufacturers. Delignit solutions have exceptional technical properties and are also used, among other things, as trunk floors in passenger cars, interior equipment for motor caravans and special floors for factory and logistics buildings and to improve building security standards. Delignit material is predominantly based on European hardwood, is carbon-neutral in its life cycle and therefore ecologically superior to non-regenerative materials. The use of the Delignit material therefore improves the environmental performance of customer products and meets their increasing ecological requirements. The company was founded over 200 years ago. Delignit AG is listed in the Scale Segment of the Frankfurt Stock Exchange (WKN: A0MZ4B).

2. Business and general conditions

Hopes for strong global economic growth at the start of 2022 on the back of the widespread relaxation of COVID-19 restrictions and extensive government aid programs were abruptly shattered by Russia's unexpected invasion of Ukraine. The Russian hostilities and the resulting trade restrictions and sanctions imposed at a political level triggered significant disruption to global logistics and supply chains as well as some dramatic price rises on the international commodity and energy markets. At the same time, the strict zero-COVID policy in China led to substantial restrictions affecting all areas of the economy, thereby further disrupting world trade. As a result, almost all regions of the world saw a pronounced slowdown in economic growth and a rapid rise in inflation as the year progressed. Despite these strong economic headwinds, the International Monetary Fund expects global gross domestic product (GDP) to have increased by 3.4 % across 2022 as a whole. However, there were considerable variations in economic performance over the course of the year and from region to region. Global GDP rose by 6.0 % in the previous year (source: IMF). Average inflation is estimated at 8.8 % globally, well in excess of the already high prior-year figure of 4.7 % (source: IMF).

On account of its geographical proximity and high degree of dependence on energy imports from Russia, the European Union has been particularly hard hit by the outbreak of war in Ukraine. Across the year as a whole, the

European Commission expects GDP in the European Union (EU-27) to have increased by 3.6 %, thereby slowing considerably compared with the prior-year figure of 5.4 % (source: German Federal Statistical Office). The fact that growth remained positive was due in particular to the first half of the year, which saw a substantial upturn in household spending, especially on services, as COVID-19 restrictions were lifted. Growing uncertainty, the intensification of the energy crisis and a tangible reluctance to spend among private households meant that the second half of the year was considerably weaker, with GDP stagnating in the fourth quarter (source: German Federal Statistical Office). One particularly adverse factor was the sustained high level of inflation, especially in the area of energy, which caused companies and households to refrain from investing and prompted the European Central Bank to raise its key interest rate on several occasions. The European Commission reports average inflation of 8.8 % for 2022 as a whole compared with 2.9 % in the previous year. However, it believes that inflation has now peaked for the time being (source: Eurostat). Meanwhile, the labour market proved to be remarkably robust, with sustained high levels of employment and participation and a comparatively low unemployment rate of 6.8 % at the end of the year.

Gross domestic product in Germany rose by 1.9 % in 2022 compared with 2.6 % in the previous year (source: German Federal Statistical Office). The domestic economy was also impacted by rising energy prices, the growing skills shortage and sustained supply chain issues, leading to a sharp downturn in production in the industry-intensive sectors in particular. At the same time, inflation reached new record highs, with the average for the year of 7.9 % representing the highest level since the 1980s (source: German Federal Statistical Office). Signs of a gradual improvement in the economic situation only emerged in the final quarter of the year. Although economic output declined by 0.2 % compared with the previous quarter, the ifo Business Climate Index rose steadily from September onwards, reaching a level of 88.6 in December compared with its low for the year of 84.3 in September (source: ifo Institute). One reason for this renewed confidence was the German federal government’s decisions concerning a gas and electricity price brake, which effectively protects companies and households against excessive energy cost rises. Furthermore, companies are still seeing strong demand for their products and services and have high order backlogs that they are increasingly processing as restrictions on production recede. Inflation also showed initial signs of gradual stabilisation as the year came to a close. Although year-on-year consumer price inflation remained extremely high in December at 8.6 %, prices declined slightly compared with the previous month thanks to the stabilisation of energy prices in particular (source: German Federal Statistical Office). This gave rise to hopes that the recession could prove to be less severe than previously anticipated.

The development of the Delignit Group’s target markets, i.e. the markets in the automotive sector and the engineered wood industry, was also impacted by the various challenges affecting the world economy.

The automotive sector was also hard hit by the macroeconomic situation in 2022, which itself was dominated by the geopolitical conditions. Almost all automotive manufacturers were significantly impacted by the outbreak of the Russia/Ukraine war and the resulting disruption to supply chains and logistics in the first half of the year. Shortages of international freight capacity and the zero-COVID policy in China also had a corresponding impact. These effects only began to gradually ease in the second half of the year. This enabled a substantial upturn in production and new registrations, although numbers in Europe still remained well below the previous year (source: CARPIXX).

All in all, the market for light commercial vehicles declined considerably in 2022. The number of vehicle registrations in the European Union fell by 18.1 % to 1.3 million on a full-year basis (source: ACEA). 1.6 million vehicles were registered in the previous year. Some of the major sales markets enjoyed a pronounced recovery towards the end of the year as the strain on international supply chains abated. For example, registrations in Germany and Spain increased by 19.0 % and 12.4 % respectively in December. However, this was not enough to make up for the downturns in the previous months, some of which were significant in their extent. The German market for commercial vehicles also declined considerably across the year as a whole. 231,000 vehicles were registered in 2022 compared with 266,000 in the previous year, representing a downturn of 13 %.

The number of passenger cars registered also decreased, with registrations in the European Union falling by 4.6 % even though the prior-year figure was impacted by COVID-19. In contrast to the wider development in Europe, passenger car registrations in Germany increased slightly by 1.1 % to around 2.6 million (source: ACEA).

For the first time in recent years, the European caravanning market also saw a fall in registration numbers. There was a decline of around 16 % compared with the industry record year of 2021, with around 218,000 units being registered (source: Caravanning Industry Association). With a downturn of 14.3 %, performance in the main geographical market of Germany was only slightly better than the Europe-wide average. Although registrations in the caravan segment declined by just 1 % year-on-year, the motor caravan segment contracted significantly despite the sustained high level of orders, with substantial supply bottlenecks and a severe shortage of vehicle chassis leading to an 18.3 % reduction in the number of vehicles registered (source: Caravanning Industry Association).

The German wood industry was also confronted by various challenges in 2022 but increased its total revenue by 10.5 % thanks to the necessary price adjustments, among other things (source: Association of the German Wood Industry). The wood-based materials segment that is relevant for Delignit also enjoyed year-on-year revenue growth of 8.4 % in the year under review. In particular, this reflected the dynamic revenue development in the first half of 2022, which was not repeated in the second half of the year. Having already seen a year-on-year decline in the first five months of 2022, industrial production slumped by more than 20 % from July onwards on the back of rising inflation. As a result, production declined by around 14 % on a full-year basis (source: Association of the German Wood-Based Panel Industry). The wood-based materials industry therefore contracted compared with the previous year in terms of volumes, with growth instead being achieved through corresponding price rises.

3. Market environment of the Delignit Group

The business performance of the Delignit Group varied considerably over the course of the year under review. While many of its business areas saw a substantial downturn in revenue in the first half of the year, the sales and revenue situation improved considerably in the second half of the year even as the macroeconomic environment remained strained. The supply chain stabilisation among major OEM customers that emerged midway through the year ultimately led to year-on-year revenue growth of 35.1 % in the second half of the year compared with the downturn of 11.5 % in the first six months. In addition to high capacity utilisation at all of the Group's plants, this growth was driven by necessary price adjustments in response to the significant rise in production and material costs. Consolidated revenue for the year as a whole increased by 10.3 % to € 75,358 thousand, the highest level in the company's history.

The renewed strong revenue growth in 2022 means the Delignit Group's revenue has risen by an average of 9.4 % per year since the 2010 fiscal year:

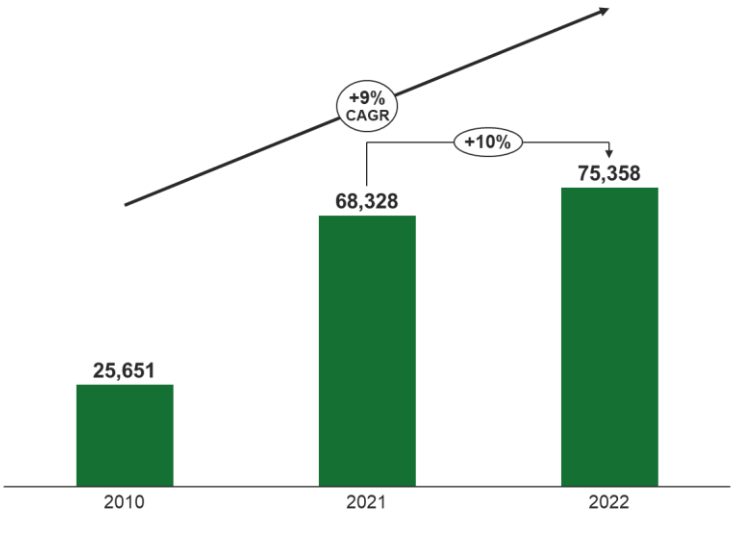

Figure I: Revenue development of the Delignit Group since 2010 in € thousand

On the Automotive target market, the revenue of the Delignit Group saw above-average growth of 15.0 % in 2022 compared with the prior-year figure of € 60,227 thousand. This substantial increase was due in particular to a very strong second half of the year in which the strain affecting supply chains continued to ease, having begun doing so midway through the year.

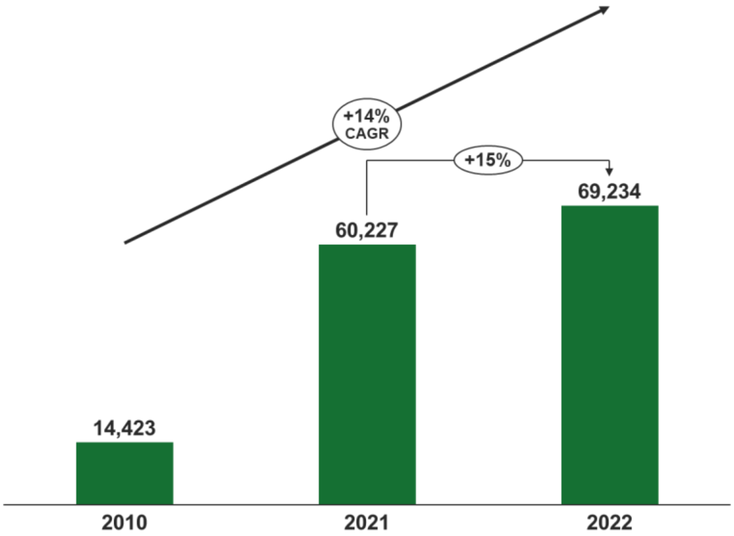

Figure II: Revenue development of the automotive business

On the Technological Applications target market, moderate revenue growth in the previous year was followed by a decline of 24.4 % to € 6,124 thousand in the year under review, which was well below expectations.

Although the highly project-dependent Railfloor product group generated revenue growth of 10.3 %, revenue in all of the other product segments was down on the previous year. In addition to restrained demand and investment activity on the back of inflation and the various crises, this development was attributable to the strong business performance of the Automotive target market, which required the clear allocation of operating resources in the second half of the year in particular.

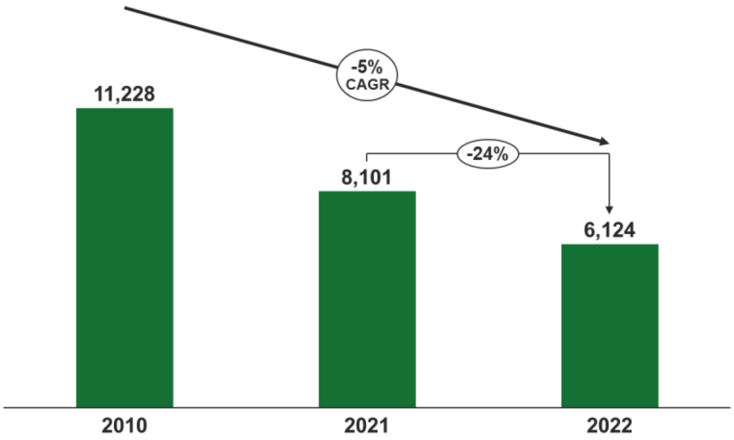

Figure III: Revenue on the Technological Applications target market since 2010 in € thousand

Export revenue increased by 20.7 % to € 45,803 thousand in the 2022 fiscal year (previous year: € 37,933 thousand).

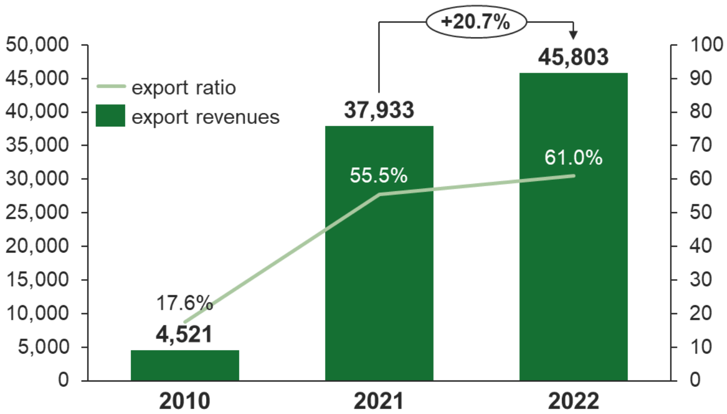

Figure IV: Export development in € thousand

All in all, the Delignit Group has enjoyed relatively positive revenue development in light of the global economic turmoil resulting from the various crisis situations over the past three years.

The strong revenue growth achieved over several years relative to the performance of the target markets is proof of the Delignit Group's excellent market positioning.

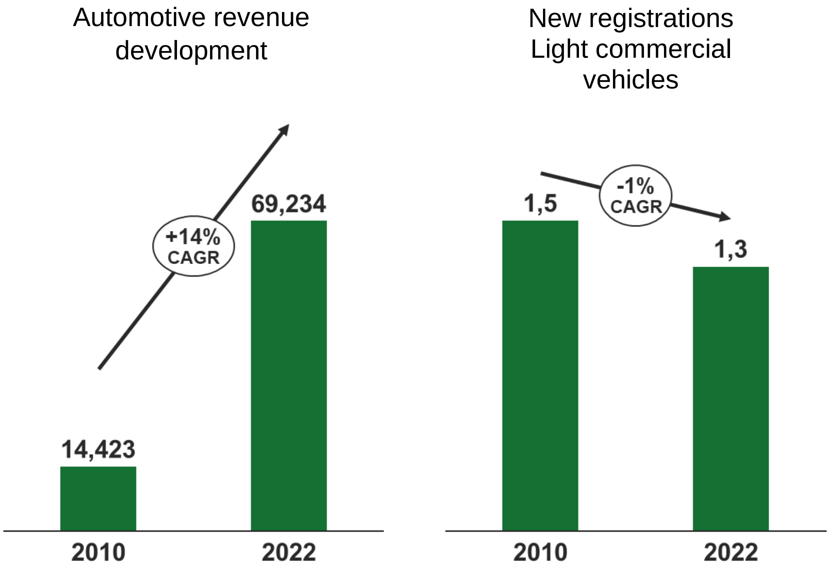

Figure V: Automotive revenue development in € thousand / development of new LCV registrations in EU excl. UK in million

Its innovative wood-based products are characterised by special technical and mechanical properties (e.g. abrasion and wear resistance, dimensional stability and breaking load), but also by particular ecological aspects. Wood products are long-term repositories for climate-damaging CO_2: One cubic metre of wood absorbs almost one tonne of carbon dioxide. The growing trend towards renewable raw materials, coupled with the Delignit Group's outstanding application and system expertise, is creating an ideal framework for the Group to continue its successful trajectory.

4. Organisation

a. Supervisory Board

The Supervisory Board of Delignit AG consists of Mr Gert-Maria Freimuth, Mr Anton Breitkopf and Ms Bettina Hausmann. The Supervisory Board in its current composition was elected by the General Meeting on 2 June 2022. The Supervisory Board elected Mr Gert-Maria Freimuth as its Chairman and Mr Anton Breitkopf as the Deputy Chairman. Their term in office ends after the Annual General Meeting that votes on formal approval of the actions of the members of the Supervisory Board for the 2026 fiscal year. The General Meeting on 2 June 2022 appointed Dr. Constantin Mang as a substitute member.

b. The Management Board

The responsibilities of the Management Board are allocated as follows:

CEO Markus Büscher is responsible for the areas of Strategic Development, Controlling, Human Resources, Legal, Purchasing, IT, Production, R&D and Investor Relations. As the CSO, Thorsten Duray is responsible for Sales and Marketing.

An update to the Rules of Procedure for the Management Board dated 13 July 2007 was adopted by way of resolution of the Supervisory Board on 25 August 2020. The Rules of Procedure define which transactions (e.g. planned investments above a set amount and acquisitions and sales of companies and land above a set amount) require the approval of the Supervisory Board. The Management Board has been appointed for a term that will expire on 30 September 2023.

According to the Articles of Association, the company is legally represented by two members of the Management Board together or by one member of the Management Board in conjunction with an authorised signatory. The members of the Management Board are also responsible for the management of all Group companies together with the local management personnel of these companies.

c. Shareholdings

As at the end of the reporting period, Delignit AG held direct or indirect interests in the following companies:

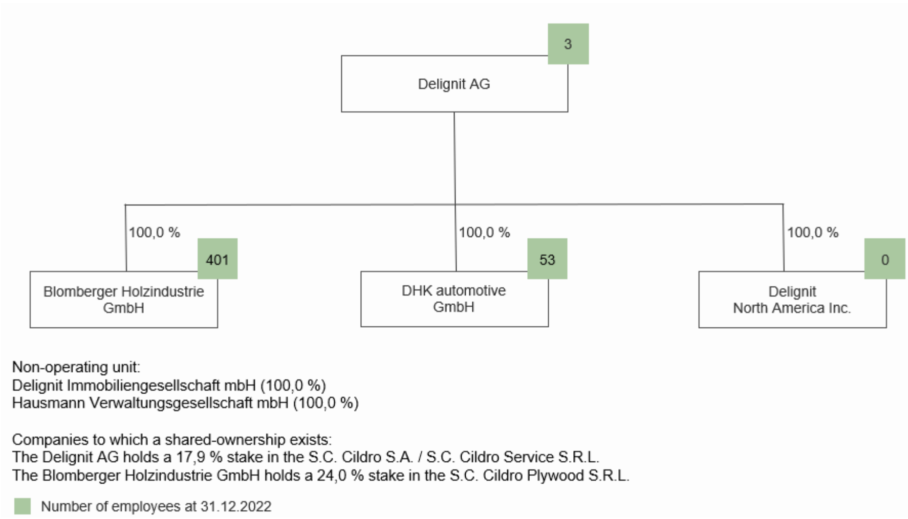

Figure VI: Organisation chart of the Delignit Group

d. Employees

The temporary plant closures for OEM customers caused by the shortage of supplied components led to fluctuations in production capacity utilisation and, in the first half of the fiscal year in particular, the implementation of reduced working hours at times. Reflecting the rise in revenue and the operating revenue, the headcount was increased from 391 employees at the start of the year to 457. In the year under review, up to 63 temporary staff (previous year: 60) were hired to allow a flexible response to production bottlenecks depending on delivery dates. Other peak order periods were covered by outsourcing contract manufacturing orders to external companies.

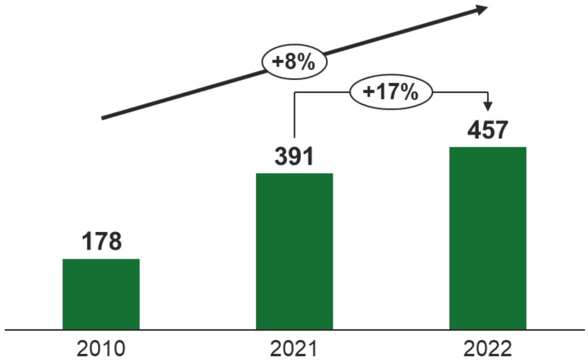

Figure VII: Development of headcount since 2010

The companies of the Delignit Group are well-known as training companies that systematically build up their employees' qualifications, including on the basis of a professional quality management system, and integrate them into the continuous improvement process of operational workflows. Training continued at the companies of the Delignit Group in the 2022 fiscal year, and this key tool for attracting qualified employees will continue to be used and systematically expanded.

5. Net assets, financial position and results of operation

The Delignit Group had a challenging but successful 2022 fiscal year. In light of the volatile utilisation situation in the first half of the year, the high level of demand in the second half of the year and the strained supply and price situation, the overriding priority was to ensure that the company was able to maintain its delivery capability while also remaining profitable. All in all, the Group closed the fiscal year successfully even if it was unable to fully achieve its original targets due to the volatile and challenging economic environment. One positive development is the fact that the Delignit Group's order situation is at a historically high level. As long as this results in corresponding call-off volumes on the part of OEM customers, this gives the company a high degree of planning certainty for the future.

Results of operations

The Delignit Group generated revenue of € 75,358 thousand in 2022 (previous year: € 68,328 thousand), an increase of 10.3 % as at the end of the reporting period. With the utilisation situation stabilising during the fiscal year and ultimately reaching an extremely high level in the second half of the year, inventories of finished goods and work in progress declined slightly and total operating income amounted to € 74,917 thousand.

The cost of materials accounted for 60.7 % of total operating income, an increase on the prior-year level of 57.5 %. This was due to a combination of substantial price rises for raw materials, consumables and supplies as well as other expense items, such as freight and energy. In addition, temporary staff were increasingly used to ensure the required capacity, especially in the second half of the year. This was offset by necessary sales-side price adjustments, which partially compensated for inflationary effects.

Staff costs amounted to € 17,121 thousand after € 17,744 thousand in the previous year. This absolute reduction of € 624 thousand meant that the staff costs ratio improved from 25.1 % in the previous year to 22.8 %. The main drivers of this development were the reduced working hours implemented in the first half of the year and the reduction in provisions for the management's stock option programme.

Other operating expenses declined by € 923 thousand year-on-year to € 5,781 thousand in the year under review. This was primarily achieved through strict cost discipline, especially in the first half of the year. As a result, the ratio of other operating expenses fell from 9.5 % in the previous year to 7.7 %.

The Delignit Group's strong positioning as a development partner to the automotive industry required the capitalisation of staff costs and non-staff operating expenses of around € 189 thousand in accordance with IAS 38 in the year under review. This was attributable to product development work aimed at making lightweight construction solutions for e-mobility applications series-ready. These product solutions successfully transitioned to series production following the completion of qualification tests conducted in external laboratories, meaning that the corresponding expenses were required to be capitalised.

EBITDA amounted to € 6,550 thousand in the period under review, an increase of around 16.1 % on the prior-year figure of € 5,641 thousand. This corresponds to an EBITDA margin of 8.7 % of total operating revenue, after 8.0 % in the previous year.

Depreciation and amortisation increased slightly from € 2,326 thousand in the previous year to € 2,413 thousand in the 2022 fiscal year. This was because investment activity returned to full speed again following the reluctance to invest in the two previous years as a result of the COVID-19 pandemic.

EBIT thus rose to € 4,136 thousand in the reporting period after € 3,315 thousand in the previous year. The tax rate increased to 29.4 % in the year under review due to changes in the earnings structure and the effects of deferred taxes (previous year: 26.2 %). Consolidated net income therefore amounted to € 2,772 thousand after € 2,337 thousand in the previous year.

Net assets

Non-current assets, including goodwill, amounted to € 16,761 thousand (previous year: € 16,435 thousand) as at the end of the reporting period. This mainly includes the values of land and machinery. Inventories declined to € 14,326 thousand after € 15,933 thousand in the previous year. The € 1,236 thousand increase in trade accounts receivable to € 6,424 thousand is attributable to the strong revenue development in the second half of the year. Other receivables and other assets rose by € 330 thousand year-on-year to € 1,108 thousand, largely as a result of the increase in the factoring balance.

Current provisions were essentially recognised for uncertain obligations and staff costs. Current liabilities primarily include liabilities from taxes and from wages and salaries. The equity of the Delignit Group amounted to € 26,684 thousand at the reporting date (previous year: € 23,803 thousand), resulting in an equity ratio of 63.9 % (previous year: 60.2 %). The figure below shows the changes in equity:

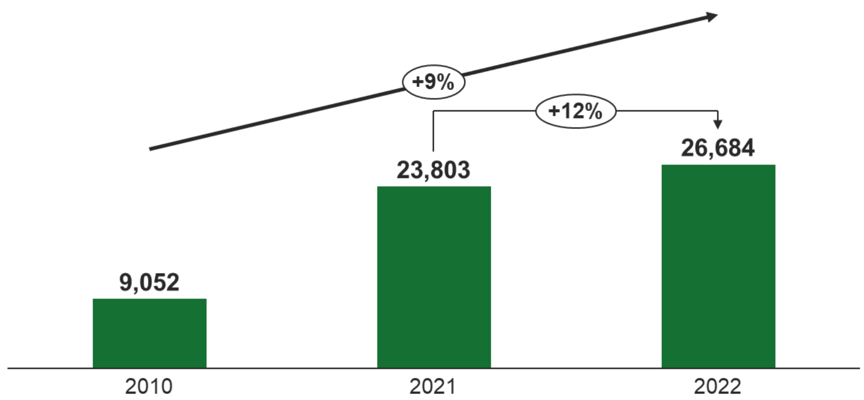

Figure VIII: Changes in equity since 2010 in € thousand

Financial position

The Delignit Group's cash and cash equivalents amounted to € 2,363 thousand as at the end of the reporting period (previous year: € 241 thousand). Total liabilities to banks amounted to € 4,633 thousand (previous year: € 4,056 thousand), € 2,753 thousand of which are current. Net debt decreased to € 5,078 thousand at the reporting date (previous year: € 6,430 thousand) on the back of the solid results of operations and the reduction in inventories.

Whereas investing activities were scaled back considerably in the 2020 fiscal year and only picked up again in the 2021, the investment volume began to return towards the long-term pre-crisis level in the year under review. Net cash used in investing activities amounted to € 2,824 thousand in 2022 after € 1,663 thousand in the previous year.

Thanks to the positive results of operations combined with strict working capital management, the cash flow from operating activities amounted to € 4,282 thousand in the year under review (previous year: € -1,073 thousand).

The Delignit Group has sufficient lines of credit to finance its business activities. The company was able to meet its financial obligations in full at all times.

6. Hedging transactions

Transactions within the Group are carried out exclusively on a euro basis. This also applies to Delignit North America Inc., which only settles in a foreign currency for services obtained in the United States. As the net amount of non-hedged foreign currency positions in the Group due to transactions with foreign companies outside the euro area has only been minimal to date, the Delignit Group has not pursued any active exchange rate hedging for other currencies.

7. Remuneration report

The remuneration of the Management Board consists of fixed and variable components. The Management Board also receives reimbursement of expenses against receipt. Furthermore, the Management Board is insured by a Group D&O insurance policy with a deductible and an accident insurance policy, and its members receive a subsidy for private health insurance and long-term care insurance. Moreover, each member of the Management Board uses a company car. The members of the Management Board also receive continued pay for up to six weeks in the event of illness. No other benefits (e.g. pension entitlements, direct commitments or severance payments) have been agreed.

The Supervisory Board is remunerated on a fixed basis. The members of the Supervisory Board each receive a fixed basic amount per year. The Chairman of the Supervisory Board receives double this basic amount while the Deputy Chairman receives one and a half times this basic amount. The Supervisory Board also receives reimbursement of expenses against receipt.

The breakdown of the remuneration of the Management Board and Supervisory Board and a description of the virtual stock option programme can be found in the notes to the consolidated financial statements.

8. Risk report

Our risk policy is to optimally leverage the opportunities that exist and to only enter into the risks associated with our business activities when corresponding income can be generated. Accordingly, risk management is an integral element of all business processes and decisions. The following section describes the risks that could potentially have a negative effect on the net assets, financial position and results of operations of the Delignit Group in the planning period. The risks are divided into general economic, strategic and operating risks.

General economic risks

The risks described below are among the key general economic risks facing the Delignit Group.

- Inflation
  The expansive global monetary and fiscal policy of the past decade is now experiencing a paradigm shift in terms of the central banks' interest rate policy. The sustained high level of inflation is leading to general demand-side uncertainty. Independently of this, inflation expectations may increase and intensify further as a result of the stable employment market and the collective bargaining rounds that have been initiated in countries including Germany. Price increases can lead to a further rise in production costs while rising prices may continue to stifle purchasing power and thus demand for business products, leading to a wage-price spiral. Overall, persistently high inflation can slow the general economic development and impact business success in the form of rising costs for materials sourcing and personnel, as well as weaker demand in the medium term.

- Russia/Ukraine war
  The war between Russia and Ukraine, which has been in progress for a year now, gravely altered the economic framework for the 2022 fiscal year. Although the consequences for the economy are varied and continuously changing, it is not possible to fully assess the ultimate impact of the war. The severity of future disruption will depend on how the war progresses and how the international community responds to potential escalation scenarios. As such, there remains a real risk that future business will be negatively affected by the repercussions of the conflict, e.g. in the form of disrupted supply chains or recurring energy price hikes.

- COVID-19 pandemic
  With infection rates declining and variants of the virus becoming less severe, extensive restrictions aimed at combating the COVID-19 pandemic have now been lifted in almost all countries worldwide. At the same time, the last few years have demonstrated just how susceptible the world economy is to pandemic scenarios. As such, there remains a

risk of a renewed threat from COVID-19 or another pathogen. If public containment measures were to become necessary again at a national and international level, this could have a significant negative impact on the overall economic situation that could even lead to a recession. Accordingly, the potential emergence of a pandemic continues to constitute a risk to the business success of the Delignit Group.

- China/Taiwan conflict
  The conflict concerning Taiwan is another geopolitical risk factor that could have economic ramifications. If the situation intensifies further, even to the extent of a military dispute in the region, this would have far-reaching consequences for the world economy. In particular, Germany as an economic location and the associated industries are doubly dependent on China as a procurement market and sales market alike. Because its semiconductor production is extremely important internationally, Taiwan also represents a potential Achilles' heel for the world economy. As such, the Delignit Group's future business could also be adversely affected if the situation escalates further.

Strategic risks

The risks described below are among the key strategic risks facing the Delignit Group.

- Customer risks
  The increasing volume of OEM serial supply orders is of the utmost importance in terms of market strategy. However, this unavoidably increases the Delignit Group's dependence on specific major customers and the automotive industry as a whole. Among its key (major) customers, there is always the risk of an insolvency, of a credit limit being cancelled or of production stoppages at short notice due to supply chain disruption. Moreover, the Delignit Group operates in a highly competitive environment. This gives rise to the risk that existing or potential (major) customers may seek alternative solutions if it is not possible to respond to customer requirements in good time. Associated slumps in revenue would only be compensated in the longer term. Cluster risks among customers are being countered by the constant diversification of the customer portfolio in this or related sectors. The company must therefore avoid customer churn while continuously increasing its consulting, development and application expertise.

- Internationalisation
  Risks relating to specific countries arise from the ongoing internationalisation of the Delignit Group. As a result of the interlinking of international goods flows, with OEM customers in particular but also with suppliers, regional unrest or political factors can lead to disruptions in the supply chain. Furthermore, international trends or regulations (such as the Worldwide Harmonised Light Vehicles Test Procedure) or growing international protectionism could result in market changes that cannot be

responded to immediately, and that could therefore temporarily have a negative impact on export business. This particularly includes the business activities of Delignit North America Inc. in the NAFTA region, which could give rise to regional or national risks, liability risks and currency risks.

- Drive technologies
  As European Union regulation shows, the shift to “green drive technologies” in the automotive industry is in full flow. Although the current legislation is focused on the passenger car segment, this development is expected to reach light commercial vehicles in due course. This could prompt OEM customers to strategically adjust their portfolio and launch new models on the market. For the Delignit Group, this development entails a risk that the commercial vehicle series it currently supplies will become less popular or will be withdrawn from the market. However, it also represents an opportunity for Delignit to positively harness the trend towards sustainable mobility with its ecological system solutions and to address additional sales potential in new vehicle series. Furthermore, many prominent OEMs are currently extending the lives of their current (conventional) commercial vehicle series as they need the time to develop new models with electric drive technologies. This means the corresponding serial supply contracts with the Delignit Group are also being extended.

Operating risks

The risks described below are among the key operational risks facing the Delignit Group.

- Procurement/price risks
  The Delignit Group’s procurement operations ensure that the company is supplied with the necessary intermediate products, services, energy and all other raw materials, consumables and supplies. The top priorities are quality, cost security and supplier reliability. The security of supply is continuously monitored and improved by close cooperation with key suppliers, a forward-looking procurement strategy and close logistics ties. Procurement risks continue to exist nonetheless. For example, key suppliers may unexpectedly experience a temporary or full shut-down, for instance as a result of an insolvency or supply chain disruption due to unforeseen geopolitical, climate, legal or other events. In addition, temporary shortages can lead to substantial price increases that can only be passed on to customers after a delay, and could thus severely impact the net assets, financial position and results of operations of the Delignit Group.

  As recent years have shown, the macroeconomic risks described can have a particularly negative impact on the supply of round timber, which is critical to the Group’s success. Rising costs and scarcity, at least on a temporary basis, are developments that could occur in the future. This notwithstanding, the Delignit Group believes it has a good supply of round timber thanks to its diversified procurement base and the high proportion of beech, which has been less affected by climate damage to date. Energy-intensive intermediate products and crude oil-based materials are also subject to heightened procurement risk.

- Delivery capability
  Changing environmental conditions can affect the ability of the Delignit Group to deliver or temporarily impede production. For example, storms, heavy rain or other unexpected events can cause unexpected damage to buildings and production facilities. Furthermore, epidemics or pandemics could lead to widespread illness among the workforce and thus to considerable disruptions in production processes.

- Cyber risks
  The sharp rise in the threat of cyber attacks in recent years is also becoming a success-critical factor for companies. In addition to the risk of falling victim to a cyber attack as a medium-sized enterprise, this encompasses the risk that key business partners such as suppliers and customers could be compromised. This could entail legal, material and financial risks ranging from data loss to material and supply bottlenecks, thereby constituting a substantial potential threat.

- (Management) personnel risk
  Demographic developments can result in staff shortages and the unavailability of skilled workers. Furthermore, a higher number of collective bargaining agreements could affect staff costs. It may be possible to pass these on to the markets either only in part or with a delay. The Group uses modern human resources instruments to counter personnel risks such as turnover, absenteeism, loss of expertise, demotivation, insufficient qualifications and competition for specialists and managers. The potential loss of a key position naturally also constitutes a certain risk.

The Delignit Group continuously monitors the described risks and the potential effects on its own business and counters them with various measures. Examples include the following:

- Quality management system
  The companies have functional and certified quality management systems (e.g. ISO 9001, ISO 14001).

- Contract management
  On the one hand, key supplier and customer relationships are secured by longterm delivery contracts. On the other, international supply or cooperation agreements are subject to a preliminary legal examination.

- Personnel development
  The Delignit Group responds to demographic developments with targeted and broadened vocational training and a qualifications programme to further extend its technical consulting expertise. Continuing professional development and training programmes are offered as a means of promoting employee retention. Attracting female employees and managers is another focal point.

- Operational investment
  An investment programme tailored to operational requirements is intended to secure further production capacity, leverage the potential for rationalisation and actively expand capacity.

- Supplier management
  At minimum, a second source of supply should be qualified for all relevant raw materials where possible.

9. Strategic orientation and opportunities of the Delignit Group

The corporate strategy continues to be based on various megatrends on the technological target markets. In particular, the Delignit Group is aware of two ecological trends:

- Firstly, the endeavour to use renewable raw materials, insofar as these materials are technologically competitive, as a substitute for finite products.

- Secondly, undiminished pressure to develop system solutions that are as weight-optimised as possible.

The trend in forestry in Europe and Germany, in which mixed forests and fully deciduous forests are being prioritised over coniferous forests, is also viewed as an opportunity in the medium term as it offers a means of securing the supply of round wood.

Furthermore, the Delignit Group is increasingly focused on providing technological answers to urgent user questions, partly resulting from new legislation (e.g. CO_2 fleet consumption in the automotive industry), and developing appropriate system solutions. The Delignit Group is therefore actively continuing this successful strategy of combining materials, application and system expertise.

This is being achieved using the methods presented below:

- Material development and qualification:

  The Delignit material with its special, primarily technical properties is an essential foundation for the successful development of the Delignit Group. The Delignit Group intends to further develop the Delignit material as part of its development activities and to qualify it for special applications and customer requirements. Intensive efforts will be made again in the area of product development in the 2023 fiscal year. Development is always focused on the principle of developing ecological products for technological applications. Therefore, the market opportunities and advantages that feature a renewable raw material rather than finite raw materials must also be exploited and emphasised.

- Transfer of the business model:
  - Geographical transfer
    The product innovations that have been successfully placed in the automotive markets in particular are to be used to further extend the market leadership already achieved in the sector of cargo bay securing systems for light commercial vehicles and to transfer this expertise into other markets. The successes achieved in internationalisation in recent years are to be continued accordingly.
  - Transfer from the application perspective
    The multitude of product developments over the past few years is an excellent basis for expansion to additional fields of application. Options are therefore being analysed on an ongoing basis for ways in which the special technological properties of the products and materials of the Delignit Group can be successfully transferred to other applications within and beyond the automotive markets.
- But the increasing globalisation of the companies and groups and the associated internationalisation are still also being recognised as a trend and driver. As a result, the Procurement organisation has higher standards regarding suppliers' system competence. The good market position as a system supplier in the automotive OEM business is to be exploited in order to acquire additional serial supply orders. The aim is to take advantage of the existing process expertise and the Group's good reputation on the market to achieve further market penetration, thereby increasing long-term planning security.
- Finally, the raw material advantage of the most sustainable of all materials, namely wood, is to be exploited. The Delignit Group recognises the opportunity to take advantage of the market possibilities through increased emphasis on the ecological factors of "sustainability" and "cascade".

- The growth strategy is based on diversification in niches on the basis of technological market leadership:

Figure IX: Strategic orientation of the Delignit Group

Based on the overall balance of opportunities and risks, the Group believes that it is well positioned for the challenges and goals of the future. The Delignit Group's business model is based on long-term relationships with solid, internationally positioned OEM customers. The adaptability of its organisation enabled it to successfully manage operating risks even in recent crisis-hit years. The strategic trends underlying the business model are intact. The shift to ecological materials has the potential to intensify and penetrate additional areas of industry and everyday life.

10. Sustainability and non-financial performance indicators

Sustainability is a central business issue. As its main source of raw material is renewable wood, the Delignit Group fulfils both the ecological interpretation of the term and the prospective protection of the resource base to a great extent. To additionally reinforce the future viability of the company, work is constantly being done to improve its economic, ecological and social performance:

- Innovations and new technologies are essential components of the strategic evolution of the Group. Work on this is undertaken constantly as part of an existing continuous improvement process.

- Employees are qualified through the intensive training of young people, a comprehensive programme of continuing professional development in all Group areas, high standards of occupational health and safety and the targeted promotion of future managers.

- The Management Board has stipulated environmental and climate protection as a key corporate objective. In addition to the PEFC standards already implemented, for example, there is an energy management system certified in accordance with DIN ISO 50001 and an environmental management system certified in accordance with DIN ISO 14001.

- As a forward-looking employer, the Delignit Group is aware of its social, ethical and ecological responsibility. The Code of Conduct, which can be accessed on the Delignit AG website, covers the company's key values.

Non-financial performance indicators are not used for direct operational management.

11. Financial performance indicators

The Delignit Group uses revenue and the EBITDA margin as the key financial performance indicators for controlling and measuring its performance.

12. Summary of the report concerning relationships with affiliated companies in accordance with Section 312 of the German Stock Corporation Act (AktG)

According to the circumstances known at the time at which the transactions and measures stated in the dependent company report were executed, implemented or omitted, the company received appropriate consideration for every transaction and was not disadvantaged by the implementation or omission of any measures.

13. Other information

The issued capital of € 8,193,900.00 is divided into 8,193,900 no-par value bearer shares (shares without a nominal amount), each with a notional share of € 1.00 in the share capital of the company.

The Supervisory Board determines the number of and appoints the members of the Management Board, enters into contracts with them and revokes their appointment. The Supervisory Board is also authorised to make amendments to the Articles of Association that relate to its wording only.

According to the resolution of the General Meeting of 25 August 2020, the Management Board is authorised to increase the share capital of the company with the approval of the Supervisory Board on one or several occasions until 24 August 2025 by up to a total of € 4,096,950.00 against cash deposits or contributions in kind by issuing new no-par value bearer shares (Authorised Capital 2020).

In addition, the General Meeting of 25 August 2020 authorised the Management Board, with the approval of the Supervisory Board, to issue bearer or registered convertible bonds or warrant bonds with a total amount of up to € 81,939,000.00 and a term of no longer than ten years until 24 August 2025 and to grant the creditors of these bonds conversion rights to new no-par value bearer shares of Delignit AG with a pro rata share in the share capital of up to a total of € 4,096,950.00, subject to the specific conditions of the bonds. Convertible bonds can also include conversion obligations. The bonds can be issued in one or several tranches (Contingent Capital 2020).

By way of resolution of the Annual General Meeting on 4 June 2019, the company was authorised in accordance with Section 71(1) no. 8 AktG to purchase and sell treasury shares equivalent to up to 10 % of the share capital as at the authorisation date while upholding the principle of equal treatment (Section 53a AktG) in the period until 3 June 2024. The authorisation can be exercised in full or in part, and on one or more occasions. The purchase can also be carried out by dependent Group companies or by third parties for the account of the company. The authorisation cannot be used for the purposes of trading in treasury shares.

14. Report on expected developments

- Framework conditions

  The Delignit Group again demonstrated its economic resilience in the 2022 fiscal year, generating revenue of € 75,358 thousand and an EBITDA margin of 8.7 % (relative to total operating revenue). This was higher than the revenue forecast published in the 2021 Annual Report and in line with the revised guidance issued in December 2022. At the same time, the original profitability target was not only achieved but exceeded.

  The statements in the following section of the report on expected developments are based on the operating planning adopted by the Management Board and Supervisory Board of the Delignit Group. This planning is, in turn, based on assumptions concerning the general economic conditions and the development of the target markets. The statements made below are based on the state of knowledge at the beginning of 2023.

- Economic environment

  The general economic outlook for Europe and Germany in 2023 is oscillating between continued uncertainty and cautious optimism, with fears of persistent inflation, the impact of the war in Ukraine and additional global economic uncertainties on the one hand, but a solid employment market, high order levels and energy cost normalisation on the other.

  In its Winter Economic Forecast, the European Commission expects gross domestic product in the EU to increase slightly by 0.8 % year-on-year in 2023 (source: European Commission). This is based on the recent improvement in the outlook after the gas supply was secured for the time being, as well as the low unemployment rate of 6.1 %. Although the German federal government also sees positive signs, e.g. in terms of the level of incoming orders in manufacturing, it is forecasting price-adjusted GDP growth of just 0.2 % in 2023 (source: German Federal Ministry of Economics and Technology). The ifo Institute currently expects Germany to see gross GDP growth of 1.8 % in 2023, which would represent more dynamic development than the European Commission is forecasting for the EU as a whole (source: European Commission).

The energy price situation in Europe, and Germany in particular, took significant steps towards returning to normal at the start of the year. The worst-case scenario of winter gas shortages was averted thanks to reduced consumption, the rapid filling of Germany's gas storage facilities and the expansion of the LNG infrastructure. At the same time, the outlook for inflation is also more differentiated, with energy prices having declined accordingly and inflation in Germany having moved within a range of 8.1 % to 8.7 % in the period from autumn 2022 to February 2023 (source: statista). The European Central Bank is forecasting euro area inflation of around 5.6 % in 2023, although core inflation adjusted for energy and food prices has yet to reach its peak (source: ECB). With fears of a wage-price spiral having been stoked by the current collective bargaining demands in Germany, one of the determining factors will undoubtedly be the question of whether and to what extent these fears become a reality. At the same time, the German economy continues to report an extremely high order backlog. With order books sufficient to last for eleven months, the high level of orders for capital goods has not declined significantly (source: German Federal Ministry of Economics and Technology). The improved sentiment in the German economy, the continued normalisation of energy prices and the exceptionally strong order situation are also reflected in the latest ifo Business Climate Index for manufacturing, which is at its highest level since it bottomed out in May 2022.

All in all, 2023 is expected to see a mixed risk/reward profile that is likely to contribute to market stabilisation as long as there are no global economic shocks.

- Guidance of the Delignit Group

  The outlook for the Delignit Group is positive, though it also entails a corresponding degree of uncertainty. Ecological materials and system solutions are enjoying strong demand and are expected to continue to benefit as the challenges of climate change are addressed. At the same time, the Delignit Group enjoyed a strong start to 2023 in terms of its business performance and has successfully demonstrated its adaptability and resilience in times of crisis. Against this backdrop, the Management Board believes that the Group enjoys good economic conditions for continuing its success with annual double-digit revenue growth and a solid EBITDA margin.

  However, the Delignit Group is also faced with a social and economic backdrop that contrasts general uncertainty with relatively solid performance on the part of industry and the employment market. The multiple crisis situations in the past three years resulting from the COVID-19 pandemic, the Ukraine war and the inflation shock are having an impact and could flare up again at short notice in the event of geopolitical escalations. As such, this could also unexpectedly impair the Delignit Group's business development.

  All in all, the Management Board is optimistic with regard to the 2023 fiscal year. The solid figures for 2022 and the best order book in the company's history serve to confirm the resilience of the Delignit Group's business model, which is based on intact trends. With this in mind, the Management Board aims to achieve significant revenue growth to € 88 million accompanied by EBITDA at the prior-year level.

Blomberg, 23 March 2023

Markus Büscher
CEO

Thorsten Duray
CSO

IFRS consolidated statement of financial position of Delignit AG as at 31 December 2022

ASSETS	Note	31.12.22 € thousand	31.12.21 € thousand
A. Current assets			
1. Inventories	III.1.	14,326	15,933
2. Trade receivables	III.2.	6,423	5,187
3. Receivables from affiliated companies	III.3.	0	1
4. Other current receivables/assets	III.4.	1,108	778
5. Cash and cash equivalents	III.5.	2,363	241
Current assets		**24,220**	**22,140**
B. Non-current assets			
1. Goodwill	III.6.	2,178	2,178
2. Other intangible assets	III.7.	966	922
3. Property, plant and equipment	III.8.	13,616	13,335
4. Other non-current financial assets	III.10.	558	702
5. Deferred tax assets	III.11.	235	289
Non-current assets		**17,553**	**17,426**
Total		**41,773**	**39,566**

EQUITY AND LIABILITIES	Note	31.12.22 € thousand	31.12.21 € thousand
A. Current liabilities			
1. Other current provisions	III.12./14	1,583	2,445
2. Current financial liabilities	III.13.	2,754	2,973
3. Trade payables	III.13.	2,800	3,651
4. Other current liabilities	III.15.	2,182	1,767
Current liabilities and provisions		**9,318**	**10,836**
B. Non-current liabilities			
1. Provisions for pensions	III.16.	835	1,013
2. Other non-current provisions	III.12.	99	80
3. Deferred tax liabilities	III.11.	738	669
4. Non-current financial liabilities	III.13.	1,879	1,083
5. Other non-current liabilities	III.15.	2,220	2,082
Non-current provisions and liabilities		**5,770**	**4,927**
C. Equity			
1. Issued capital	III.17.	8,194	8,194
2. Capital reserves	III.18.	1,063	1,063
3. Retained earnings	III.19.	6,318	4,000
4. Amounts recognised directly in equity		-561	-609
5. Currency translation reserve		94	33
6. Profit carryforward		11,576	11,122
Equity		**26,684**	**23,803**
Total		**41,773**	**39,566**

IFRS consolidated statement of comprehensive income of Delignit AG for fiscal year 2022

		Note	2022 € thousand	2021 € thousand
1.	Revenue	IV.1.	75,358	68,328
2.	Other operating income	IV.2.	802	641
3.	Changes in inventories		-1,243	1,759
4.	Cost of materials	IV.3.	-45,467	-40,639
5.	Staff costs	IV.4.	-17,121	-17,744
6.	Amortisation and depreciation on intangible assets and property, plant and equipment	IV.5.	-2,413	-2,326
7.	Other operating expenses	IV.6.	-5,781	-6,704
8.	**Earnings before interest and taxes (EBIT)**		**4,136**	**3,315**
9.	Interest expenses	IV.7.	-209	-148
10.	Financial result		-209	-148
11.	**Earnings before tax (EBT)**		**3,927**	**3,167**
12.	Income taxes	IV.8.	-1,090	-764
13.	Other taxes	IV.8.	-65	-66
14.	**Consolidated net income**		**2,772**	**2,337**
15.	**Earnings per share in €**	IV.9.	**0.34**	**0.29**
16.	Consolidated net income		2,772	2,337
17.	Actuarial gains/ losses from pension obligations		49	-15
18.	Currency translation gains/losses		60	53
19.	**Other consolidated net income**		**109**	**38**
20.	**Consolidated net income including OCI**		**2,881**	**2,375**
21.	Actuarial gains/losses from pension obligations		-49	15
22.	Currency translation gains/losses		-60	-53
23.	**Total net income excluding OCI**		**2,772**	**2,337**
24.	Profit carryforward		11,122	10,028
25.	Transfer to retained earnings		-2,318	-1,000
26.	Dividend payment		0	-246
27.	Amounts recognised directly in equity		0	3
28.	**Consolidated net income including carryforward**		**11,576**	**11,122**

IFRS consolidated statement of changes in equity of Delignit AG as at 31 December 2022

	Issued capital	Capital reserves	Retained earnings	Reserve for pensions (OCI)	Currency translation	Profit carryforward	Total equity
	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
As at 31 December 2020	**8,194**	**1,063**	**3,000**	**-594**	**-20**	**10,028**	**21,671**
Dividend payment	0	0	0	0	0	-246	-246
Amounts recognised directly in equity (after tax) [OCI]	0	0	0	-15	53	3	41
Consolidated net income	0	0	0	0	0	2,337	2,337
Transfer to retained earnings	0	0	1,000	0	0	-1,000	0
Total comprehensive income	**0**	**0**	**1,000**	**-15**	**53**	**1,094**	**2,132**
As at 31 December 2021	**8,194**	**1,063**	**4,000**	**-609**	**33**	**11,122**	**23,803**
Amounts recognised directly in equity (after tax) [OCI]	0	0	0	49	60	0	109
Consolidated net income	0	0	0	0	0	2,772	2,772
Transfer to retained earnings	0	0	2,318	0	0	-2,318	0
Total comprehensive income	**0**	**0**	**2,318**	**49**	**60**	**454**	**2,881**
As at 31 December 2022	**8,194**	**1,063**	**6,318**	**-561**	**94**	**11,576**	**26,684**

IFRS consolidated statement of cash lows of Delignit AG as at 31 December 2022

	2022 € thousand	2021 € thousand
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	4,136	3,315
Depreciation and amortisation on non-current assets	2,413	2,326
Loss/gain on the disposal of fixed assets	1	0
Decrease (-)/increase (+) in provisions	-1,283	736
Other non-cash income and expenses	43	-82
Subtotal	**5,311**	**6,295**
Change in working capital:		
Decrease (+)/increase (-) in inventories, trade receivables and other assets	244	-7,194
Decrease (-)/increase (+) in trade payables and other liabilities	-125	1,159
Subtotal	**119**	**-6,035**
Income tax payments	-1,148	-1,333
Cash flow from operating activities	**4,282**	**-1,073**
2. Cash flow from investing activities		
Investments (-) in intangible assets	-223	-2
Investments (-) in property, plant and equipment	-2,601	-1,661
Cash flow from investing activities	**-2,824**	**-1,663**
3. Cash flow from financing activities		
Payments for dividends	0	-246
Receipts from financial loans entered into	4,548	0
Receipts from lease liabilities entered into	982	0
Payments for the repayment of financial loans	-3,971	-1,285
Payments for the principal portion of lease liabilities	-691	-243
Interest payments	-209	-148
Cash flow from financing activities	**659**	**-1,922**
Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents (total of individual cash flows)	2,117	-4,658
Cash and cash equivalents at the beginning of the reporting period	241	4,898
Change in cash and cash equivalents due to changes in exchange rates	5	0
Cash and cash equivalents at the end of the reporting period	**2,363**	**241**
Composition of cash and cash equivalents		
Cash and bank balances	2,363	241
Cash and cash equivalents at the end of the period	**2,363**	**241**

Delignit AG, Blomberg
Notes to the consolidated financial statements for 2022

I. Methods and principles

Basic accounting information

1. Corporate information

Delignit AG, Blomberg, with its registered office at Königswinkel 2-6, 32825 Blomberg, Germany, is the parent company of the Delignit Group. It is registered in the commercial register of the Lemgo District Court under the number HRB 5952. Delignit AG is listed in the Scale Segment of the Frankfurt Stock Exchange under the securities number WKN A0MZ4B. The business activities of Delignit AG and its subsidiaries comprise the production and sale of wood-based materials.

The IFRS consolidated financial statements (smallest consolidated group) as at 31 December 2022 are expected to be approved by the Supervisory Board of Delignit AG on 23 March 2023 and subsequently cleared for publication. The financial statements of Delignit AG will be included in the financial statements of the parent company (largest consolidated group), MBB SE, Berlin, HRB 165458, Berlin-Charlottenburg District Court.

2. Accounting policies

Basis of preparation

The consolidated financial statements as at 31 December 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU and effective at the end of the reporting period. The term IFRS includes the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC) which are still applicable. The consolidated financial statements are consistent with the IFRS issued by the IASB.

Delignit AG has applied all standards and interpretations that were effective as at 31 December 2022. As the amounts in the tables in the notes have been rounded, there may be rounding differences in individual cases.

Application of new and amended standards

There were no material changes to the accounting provisions in the 2022 fiscal year with an impact on these consolidated financial statements.

The following new or amended standards were effective for the first time in the 2022 fiscal year but had no material effect on the consolidated financial statements:

Standard	Name
IAS 16	Property, Plant and Equipment
IFRS 3	Business Combinations
IFRS 16	Leases – Covid-19-Related Rent Concessions
IAS 37	Provisions, Contingent Liabilities and Contingent Assets

Standards not listed in the following overview are of minor significance to the Delignit Group.

Standard	Name	Date of application	Effects
IAS 1	Presentation of Financial Statements	01/01/2023	No material effects
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	01/01/2023	No material effects
IAS 12	Income taxes	01/01/2023	No material effects
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	01/01/2023	No material effects
IFRS 17	Insurance Contracts	01/01/2023	No material effects
IFRS 16	Leases – Sale and Leaseback Transactions	01/01/2024	No material effects

3. Consolidation

Consolidated group

The consolidated financial statements include Delignit AG and the following subsidiaries and second-tier subsidiaries:

Blomberger Holzindustrie GmbH, Blomberg (100.0 %)

Hausmann Verwaltungsgesellschaft mbH, Blomberg (100.0 %)

Delignit Immobiliengesellschaft mbH, Blomberg (100.0 %)

DHK automotive GmbH, Oberlungwitz (100.0 %)

Delignit North America Inc., Atlanta, Georgia, USA (100.0 %)

Utilising the option provided by Section 264(3) HGB, Blomberger Holzindustrie GmbH did not apply the provisions of Title VI of Part I of Section 2 of Book III of the HGB (Sections 289-289a HGB) or Part IV of Section 2 of Book III of the HGB (Sections 325 to 329 HGB) in the 2022 fiscal year.

Moreover, there are still direct investments in the Romanian companies deconsolidated in 2010 which are recognised at amortised cost.

- S.C. Cildro Plywood S.R.L., Drobeta Turnu Severin, Romania (24.0 %)
- S.C. Cildro S.A., Drobeta Turnu Severin, Romania (17.9 %)

Furthermore, Delignit AG indirectly holds 17.9 % of the shares in S.C. Cildro Service S.R.L., Drobeta Turnu Severin, Romania, which was also deconsolidated in 2010, through S.C. Cildro S.A.

Consolidated group

The following subsidiaries were included in the consolidated financial statements:

Name	Registered office	Share in %
Blomberger Holzindustrie GmbH	Blomberg	100
with its subsidiary Hausmann Verwaltungsgesellschaft mbH	Blomberg	100
Delignit Immobiliengesellschaft mbH	Blomberg	100
DHK automotive GmbH	Oberlungwitz	100
Delignit North America Inc.	Atlanta, Georgia, USA	100

The investments in the following companies over which the Group does not exercise significant influence were included in the consolidated financial statements at amortised cost due to immateriality:

Name	Registered office	Share in %	Equity* RON	Net income* RON
S.C. Cildro Plywood S.R.L	Drobeta Turnu Severin, Romania	24	14,206,539	2,475,986
S.C. Cildro S.A.	Drobeta Turnu Severin, Romania	18	23,740,020	638,718
with its subsidiary S.C. Cildro Services S.R.L.	Drobeta Turnu Severin, Romania	100	2,897,049	504,623

*Provisional, unaudited figures for the 2022 fiscal year

Consolidation principles

The financial statements of the subsidiaries are prepared using the same uniform accounting policies as the financial statements of the parent company.

The reporting date for all subsidiaries included in the consolidated financial statements is 31 December of the relevant calendar year.

Subsidiaries are consolidated from the date on which the parent can control the subsidiary and ends when this is no longer possible.

Acquisition accounting is performed using the purchase method in accordance with IFRS 3, under which the acquisition cost of the acquired shares is offset against the proportion of the acquired subsidiary's equity attributable to the parent company at the acquisition date. All identifiable assets, liabilities and contingent liabilities are recognised at fair value and included in the consolidated statement of financial position. If the cost exceeds the fair value of the net assets attributable to the Group, the difference is capitalised as goodwill.

If the fair value of the net assets attributable to Delignit AG is higher than the acquisition cost of the shares, this results in a bargain purchase. If this bargain purchase remains after another review of the purchase price allocation/determination of the fair value of the acquired assets, liabilities and contingent liabilities, it must be recognised in profit or loss immediately.

Expenses, income, receivables and liabilities between consolidated companies and intragroup profits from goods and services are eliminated. Deferred taxes are recognised in profit or loss on consolidation adjustments.

II. Presentation of accounting policies

1. General

The statement of financial position is structured according to current and non-current assets and liabilities. The statement of comprehensive income is prepared in line with the nature of expense method for calculating the consolidated net profit for the period.

Current assets are assets that are sold, consumed or realised in the ordinary course of business, typically within twelve months. This system of classification based on maturity also applies to current liabilities.

2. Reporting currency

The consolidated financial statements are prepared in euro, as the majority of Group transactions are conducted in this currency. Unless stated otherwise, all figures are rounded up or down to thousands of euro in line with standard commercial practice. For mathematical reasons, rounding differences can occur in the figures and percentages shown. The amounts are stated in euro (€) and thousands of euro (€ thousand).

3. Foreign currency translation

Delignit North America Inc. calculates its supply business in euro, but to a minor extent services are bought locally in USD. The exchange rate as at the end of the reporting period was USD 1.0666. The average exchange rate was USD 1.0538. At the reporting date, total equity included a translation difference of € 94 thousand.

The investments at amortised cost in the companies deconsolidated in 2010 are not translated into euro. The exchange rate as at the end of the reporting period was RON 4.9495. The average exchange rate was RON 4.9317.

4. Intangible assets

In accordance with IAS 38, intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will be received by the enterprise and the cost of the asset can be measured reliably.

Intangible assets acquired separately are initially carried at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any cumulative amortisation and cumulative impairment losses (reported under amortisation). Intangible assets (not including goodwill) are amortised on a straight-line basis over their estimated useful life. The suitability of the amortisation period and the amortisation method is reviewed at the end of each fiscal year.

Apart from goodwill, the Group does not have any intangible assets with indefinite useful lives.

Amounts paid for the purchase of industrial property rights and license rights are capitalised and subsequently depreciated on a straight-line basis over their anticipated useful lives.

The cost of new software is capitalised and treated as an intangible asset unless it forms an integral part of the associated hardware. Software is amortised on a straight-line basis over a period of up to ten years. This is the expected useful life.

Costs incurred in order to restore or maintain the future economic benefits that the company had originally expected are recognised as an expense.

Costs for research are charged as expenses in the period in which they are incurred.

Costs for development activities for projects are capitalised as internally generated intangible assets if all the following criteria are met: The completion of the project must be technically feasible. The company must intend and be able to complete and sell the intangible asset and the benefit must be demonstrable. An intangible asset is capitalised if it is assumed that the intangible asset is likely to generate a future economic benefit. Moreover, Delignit AG must have the technical, financial and other resources to complete the development work and it must be able to reliably determine the expenses directly attributable to the project.

If these criteria are not met, the development costs are expensed in the period in which they are incurred.

5. Goodwill

Goodwill from business combinations is the residual amount of the excess of the cost of the business combination over the Group’s interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill is not amortised but instead is tested for impairment at least once a year in accordance with IAS 36 and written down if necessary.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group’s cash-generating units (CGUs) starting from the acquisition date (IAS 36). A CGU is the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

6. Property, plant and equipment

Property, plant and equipment is recognised at cost less cumulative depreciation and cumulative impairment losses. If items of property, plant and equipment are disposed of or scrapped, the corresponding cost and the cumulative depreciation are derecognised. Any realised gain or loss from the disposal is reported in the statement of comprehensive income.

The cost of an item of property, plant and equipment consists of the purchase price and other non-refundable purchase taxes incurred in connection with the purchase, demolition costs and all directly attributable costs incurred to bring the asset to its location and to bring it to working condition for its intended use. Subsequent expenditure, such as servicing and maintenance costs, that is incurred after the non-current asset is put into operation is expensed in the period in which it is incurred. If it is likely that expenditure will lead to additional future economic benefits to the company in excess of the originally assessed standard of performance of the existing asset, the expenditure is capitalised as the subsequent cost of the property, plant and equipment.

Depreciation is calculated on a straight-line basis over the expected useful economic life, assuming a residual value of € 0.00.

The following estimated useful economic lives are used for the individual asset groups:

Buildings and exterior installations:	10 to 50 years
Technical equipment and machinery:	3 to 16 years
Computer hardware:	3 years
Office furniture and equipment:	3 to 20 years
Other office equipment:	5 to 14 years

The useful life, the depreciation method for the respective asset groups and the residual values are reviewed periodically. No subsequent corrections were made in the year under review.

The recoverability of property, plant and equipment items is regularly reviewed on the basis of CGUs. If necessary, appropriate impairment losses are recognised in accordance with IAS 36.

7. Accounting for leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the contractual arrangement depends on the use of a specific asset or assets, and whether the arrangement conveys a right to use the asset.

Delignit AG does not act as lessor.

Assets under former finance leases, most of which transfer to Delignit AG all risks and rewards of ownership of the transferred asset, are capitalised at the beginning of the lease term at the fair value of the lease asset or, if lower, at the present value of the minimum lease payments. The assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. Lease payments are broken down into finance charges and the repayment of the lease liability, so as to achieve a constant rate of interest on the residual carrying amount of the liability. The remaining lease payment obligations as at the end of the reporting period are reported separately in the statement of financial position according to their maturities.

The following useful economic lives are used for the individual asset groups:

Buildings and exterior installations:	7 years
Office furniture and equipment:	4 years

Lease payments for leases with a term of up to one year or for low-value assets (less than € 5,000) are expensed in the income statement over the term of the lease. In accordance with IFRS 16, non-current leases are capitalised as assets and written down over the term of the lease. The present value from the lease payments is recognised as a discounted liability. Interest rates of between 0.09 % and 3.99 % were used, depending on the remaining lease term. The interest rates were calculated on the basis of standard interest rates for companies with a comparable rating, increased by a leasing risk premium. In accordance with IFRS 16, the Group thus reports right-of-use assets and lease liabilities for most of these leases, i.e. these leases are reported in the statement of financial position.

The following useful economic lives are used for the individual asset groups:

Buildings and exterior installations:	7 years
Office furniture and equipment:	4 years

Additions of leases were recognised in the amount of € 76 thousand in the year under review.

8. Impairment of assets

No impairment losses or reversals of impairment losses were recognised on non-current assets in the 2022 fiscal year. Goodwill and intangible assets with indefinite useful lives are not amortised, but instead tested for impairment annually or more often if events or changes in circumstances indicate possible impairment. Other assets are tested for impairment when events or changes in circumstances indicate that the carrying amount of an asset may no longer be recoverable. An impairment loss is recognised in the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and its value in use. If it is not possible to estimate the recoverable amount of individual assets, they are combined to form CGUs. With the exception of goodwill, non-financial assets for which impairment losses have been recognised are tested at the end of each reporting period to establish whether there is a need to reverse the impairment losses recognised.

9. Borrowing costs

Borrowing costs are expensed in the period in which they are incurred, unless they are incurred for the acquisition, construction or manufacture of qualifying assets. In this case, the borrowing costs are added to the cost of these assets. Qualifying assets were neither acquired nor produced in the fiscal year.

10. Inventories

Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Raw materials, consumables, supplies and purchased goods are measured at cost using the average price method or, if lower, at their market prices at the end of the reporting period. The cost of finished goods and work in progress, in addition to the cost of materials used in construction, labour and pro rata material and production overheads, is taken into account assuming normal capacity utilisation, and in some cases is calculated retrospectively. Appropriate write-downs totalling € 596 thousand were recognised for inventory risks from storage periods and reduced usability. Intragroup profits on inventories at the US company were eliminated for the first time in the 2020 fiscal year. This did not take place in previous years due to immateriality.

11. Financial assets held as current assets

Financial assets held as current assets consist of trade receivables and other receivables. Trade receivables are stated at the invoice amount less a valuation allowance based on the credit rating. Trade receivables are written down if it is likely that the full amount of the original invoice cannot be recovered. The amount of the write-down is equal to the nominal value, less the recoverable amount, which is the present value of the forecast cash inflows. The present value of the expected future cash flows is discounted at the original effective interest rate of the financial asset. The carrying amount of the financial asset is reduced through use of an allowance account, and the impairment loss is recognised in profit or loss.

12. Other current receivables/assets

Other current assets are carried at their nominal value and, if they are subject to discernible risks, individual value adjustments are made.

13. Cash and cash equivalents

The cash and cash equivalents shown in the statement of financial position comprise cash in hand and bank balances.

Cash and cash equivalents in the consolidated statement of cash flows are defined in line with the above.

14. Provisions

Provisions are reported when the Delignit Group has a current (legal or constructive) obligation due to a past event, it is probable that fulfilment of the obligation will lead to an outflow of resources embodying economic benefits and the amount of the obligation can be reliably estimated. If the Delignit Group expects at least a partial refund of a provision recognised as a liability, the refund is recognised as a separate asset provided the receipt of the refund is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

Provisions are reviewed at the end of each reporting period, adjusted to the current best estimate and always carried at present value. If the effect of the time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation. The increase in the provision over time is recognised in borrowing costs.

15. Pensions and other post-employment benefits

Pension obligations are measured in accordance with IAS 19. These pension commitments are regarded as defined benefit plan commitments and are therefore measured in line with actuarial principles using the projected unit credit method. An interest rate of 3.3 % (previous year: 0.8 %) was applied.

Actuarial gains and losses are recognised in other comprehensive income (OCI) in each period. This has had the following effects:

€ thousand	**31.12.22**	**Change in 2022**	**31.12.21**	**Change in 2021**	**31.12.20**
Actuarial gain (+)/loss (-)	-801	69	-870	-22	-848
Tax effect	240	-21	261	7	255
Result to be recognised in OCI:	**-561**	**49**	**-609**	**-15**	**-594**

16. Financial liabilities

Loans and other non-current liabilities are initially recognised at fair value, including transaction costs directly associated with the borrowing.

After initial recognition, interest-bearing loans and non-current liabilities are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the income statement, when the liabilities are derecognised and through the amortisation process.

Lease liabilities are expensed at the present value of the minimum lease payments.

Current financial liabilities are recognised at repayment or settlement amount; non-current financial liabilities are recognised at discounted amounts.

17. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Delignit Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discounts and rebates granted, as well as VAT or other levies. The specific characteristics described below must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when control of the goods and products sold has been transferred to the buyer. This is typically when the goods are delivered.

Interest revenue

Interest revenue is recognised when the interest arises (using the effective interest rate, i.e. the computational interest rate at which estimated future cash inflows are discounted to the net carrying amount of the financial asset over the expected term of the financial instrument).

18. Taxes

Current income taxes

Current tax assets and liabilities for the current period and earlier periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The calculation is based on tax rates and tax laws applicable as at the end of the reporting period.

Deferred taxes

Deferred taxes are recognised using the liability method for temporary differences as at the end of the reporting period between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax liabilities are recognised for all taxable temporary differences with the exception of when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. This does not apply to the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is tested at the end of each reporting period and reduced to the extent that it is no longer probable that a sufficient taxable result will be available against which the deferred tax asset can be at least partly utilised. Unrecognised deferred tax assets are tested at the end of each reporting period and recognised to the extent that it has become probable that taxable result in future will allow the realisation of deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. Future changes in the tax rates must be taken into account at the end of the reporting period if the material conditions for validity in a legislative process are fulfilled.

Deferred taxes are reported as tax income or tax expense in the statement of comprehensive income unless they relate to items reported directly in equity, in which case the deferred taxes are also reported in equity.

19. Contingent liabilities and contingent assets

Contingent liabilities are either potential obligations that could lead to an outflow of resources or current obligations that do not fulfil the criteria for recognition as a liability. They are disclosed separately in the notes unless the probability of an outflow of resources embodying economic benefits is low. There are no contingent liabilities apart from guarantees and other commitments.

In the context of business combinations, contingent liabilities are recognised in accordance with IFRS 3.23 if their fair value can be reliably determined.

Contingent assets are not recognised in the financial statements. However, they are disclosed in the notes if an associated inflow of economic benefits is considered likely.

20. Material judgements, estimates and assumptions

Estimates and assumptions must sometimes be made in preparing the consolidated financial statements in accordance with IFRS. These influence the amounts of assets, liabilities and financial obligations calculated as at the end of the reporting period and the reporting of expenses and income. The actual amounts can differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are described below.

Impairment of non-financial assets

The Group determines whether there are indications of impairment of non-financial assets at the end of each reporting period. Goodwill is tested for impairment at least once a year and whenever there are indications of impairment. Other non-financial assets are tested for impairment when there are indications that the carrying amount is higher than the recoverable amount. To determine value in use, management estimates the expected future cash flows from the asset or cash-generating unit and selects an appropriate discount rate to determine the present value of these cash flows.

Deferred tax assets

Deferred tax assets are recognised for all unused tax loss carryforwards and for positive temporary differences to the extent that it is probable that taxable income will be available for this, meaning that the loss carryforwards can actually be used. The calculation of the amount of deferred tax assets requires significant management discretion based on the expected timing and amount of future taxable income together with future tax planning strategies.

Pensions and other post-employment benefits

The expense from defined benefit plans post-employment is determined using actuarial calculations. The actuarial calculation is based on assumptions regarding discount rates, expected earnings on plan assets, future increases in wages and salaries, mortality and future pension increases. Given the longterm nature of these plans, such estimates are subject to material uncertainty.

Provisions

Other provisions are recognised and measured on the basis of an assessment of the probability of a future outflow of benefits, using values based on experience and circumstances known at the end of the reporting period. The actual obligation can differ from the amounts recognised as provisions.

Inventories

As a matter of principle, inventories are carried at the lower of cost and net realisable value (IAS 2). However, write-downs for reduced saleability and/or marketability were recognised for certain inventory items on the basis of past experience and estimates.

III. Notes to the consolidated statement of financial position

Current assets

1. Inventories

Inventories break down as follows:

	31.12.22	31.12.21
	€ thousand	€ thousand
Raw materials, consumables and supplies	7.562	7.911
Work in progress	2.900	4.812
Finished goods	3.864	3.210
	14.326	**15.933**

In the fiscal year, as in the previous year, appropriate write-downs were recognised for inventories. There were no reversals of impairment losses in the reporting period or in the previous period.

2. Trade receivables

Trade receivables are all due within one year. Trade receivables are written down for impairment as necessary.

Trade receivables developed as follows:

	31.12.22	31.12.21
	€ thousand	€ thousand
Trade receivables	6.486	5.296
less specific valuation allowances	-58	-100
less adjustment in accordance with IFRS 9	-6	-9
	6.423	**5.187**

In line with the principle of prudence, specific valuation allowances were recognised for receivables not yet realised using the expected credit loss method. Trade receivables were combined and measured on the basis of joint credit risk characteristics in order to calculate expected credit losses. As such, the expected loss rates constitute a reasonable approximation.

There was no significant concentration of credit risk as at the end of the reporting period.

3. Receivables from affiliated companies

There were no receivables from affiliated companies at the reporting date following the removal of OBO Werke, Stadthagen, from the top-level consolidated group (previous year: € 1 thousand).

4. Other current receivables/assets

Other current receivables/assets break down as follows:

	31.12.22	**31.12.21**
	€ thousand	€ thousand
Receivables from factoring	575	263
Income tax receivables	180	121
Prepaid expenses	53	68
Miscellaneous other assets	301	326
	1.108	**778**

The higher level of current receivables/assets is mainly due to the increase in the factoring balance beyond the reporting date as well as income tax prepayments.

5. Cash and cash equivalents

Cash funds of € 2,363 thousand consist of bank balances due on demand and cash in hand.

Non-current assets

The development of goodwill, other intangible assets, property, plant and equipment and other non-current financial assets are shown in the statement of changes in non-current assets.

6. Goodwill

The goodwill of € 2,178 thousand reported as at the end of the reporting period results from the consolidation of the shares acquired in Blomberger Holzindustrie GmbH.

For the purposes of impairment testing, goodwill was allocated to the Plywood cash-generating CGU.

The impairment tests to determine the recoverable amount were based on the value in use of the CGU, the calculations of which were based on forecast earnings derived from a five-year plan. The calculation of the budget figures took into account current and future probabilities, past experience, the expected economic development and other circumstances. For the standard year (perpetual annuity) the target figures of the last planning year were used. An interest rate of 11.4 % (previous year: 9.3 %) was used as the discount rate. Possible growth in the standard year was not taken into account for reasons of prudence. The discount rate was calculated using the weighted capital costs of listed companies in the automotive industry and on the basis of standard interest rates for German government bonds and European industrial bonds. A market risk premium was included in the interest rate.

The impairment test performed did not result in impairment of the cash-generating unit. In the opinion of the Management Board, reasonably feasible changes in the basic assumptions do not result in the carrying amount exceeding the recoverable amount of the CGU.

7. Other intangible assets

Intangible assets essentially consist of capitalised development costs, purchased software, industrial property rights and patents. They are measured at the lower of historical cost less amortisation or lower fair value. Purchased industrial property rights are amortised over a useful life of between three and 15 years.

8. Property, plant and equipment

Property, plant and equipment consists of purchased land and buildings, machinery, operating and office equipment, payments on account and assets under construction. Depreciable property, plant and equipment are carried at the lower of fair value and amortised cost. Depreciable non-current assets are depreciated on a straight-line basis over their estimated useful lives.

9. Lease obligations

There are leases for various vehicles for management and sales representatives. The leases have an average term of three to five years. There are no renewal or purchase options at the end of the rental period.

The obligations arising from rental agreements relate to rented production halls in Oberlungwitz. For the DHK automotive GmbH site in Oberlungwitz, a ten-year lease was signed for commercial space with a term until 31 December 2025. As a term until 30 September 2026 was recognised in the previous year, the carrying amount of the lease decreased accordingly.

In accordance with IFRS 16, a right-of-use asset and a financial liability for lease payments are recognised for all Group leases. This does not apply to short-term or low-value leases. The Group classifies all leases with a term shorter than twelve months as short-term leases. All leases with a cost of less than € 5 thousand are classified as low-value leases; each asset is measured individually even if a lease consists of multiple assets that can be used independently.

	31.12.22	**31.12.21**
	€ thousand	€ thousand
Assets from building leases	535	848
Assets from vehicle leases	152	172
	687	**1.020**
Lease liabilities (current)	243	244
Lease liabilities (non-current)	451	796
	694	**1.040**
Depreciation/amortisation in the fiscal year	249	247
Interest expense in fiscal year	13	15
	261	**262**

Amortisation in the 2022 fiscal year amounted to € 18 thousand for assets from vehicle leases and € 231 thousand for other assets.

Lease liabilities were composed as follows:

	Up to one year	Between one and five years	More than five years	31.12.22 Total
	€ thousand	€ thousand	€ thousand	€ thousand
Lease liabilities	243	451	0	694
As at 31/12/2022	**243**	**451**	**0**	**694**

10. Other non-current financial assets

Other non-current assets in the amount of € 558 thousand relate to payments to two OEM customers for non-current supply contracts. The financial assets are expensed over the term of the contracts based on the agreed supply volumes. Expenses of € 144 thousand were incurred in the 2022 fiscal year.

11. Deferred taxes

The deferred tax assets and liabilities by line item as at 31 December 2022 are shown in the table below:

	31.12.22 Asset	**31.12.22 Liability**
	€ thousand	€ thousand
Deferred taxes due to temporary differences		
- Provisions for pensions/partial early re	190	0
- Other provisions	0	103
- Impairment losses	2	19
- Inventories	31	0
- Receivables	9	9
- Non-current assets	2	606
	235	**738**

A net deferred tax expense of € 102 thousand is recognised in profit or loss for the 2022 fiscal year.

The deferred tax assets and liabilities by line item as at 31 December 2021 were reported as follows:

	31.12.21 **Asset** € thousand	31.12.21 **Liability** € thousand
Deferred taxes due to temporary differences		
- Provisions for pensions/partial early retire	241	0
- Other provisions	0	3
- Impairment losses	3	14
- Inventories	38	0
- Receivables	0	8
- Non-current assets	7	644
	289	**669**

12. Provisions and income tax liabilities

Current and non-current provisions developed as follows:

	As at 01/01/2022 € thousand	Utilisation/Reversal € thousand	Addition € thousand	As at 31/12/2022 € thousand
Non-current provisions				
Anniversaries	23	13	0	10
Partial early retirement	57	31	63	89
	80	44	63	99
Tax provisions (current provisions)				
Trade tax	121	106	124	138
Corporation tax incl. solidarity surcharge	231	206	152	178
	352	313	276	316
	432	**357**	**338**	**415**

	As at 01/01/2021 € thousand	Utilisation/Reversal € thousand	Addition € thousand	As at 31/12/2021 € thousand
Non-current provisions				
Anniversaries	22	5	6	23
Partial early retirement	152	139	44	57
	174	144	50	80
Tax provisions (current provisions)				
Trade tax	509	403	15	121
Corporation tax incl. solidarity surcharge	374	214	71	231
	883	617	86	352
	1.057	**761**	**136**	**432**

There were no contingent liabilities as at the end of the reporting period.

13. Liabilities

The liabilities have the following maturities:

	Up to one year	Between one and five years	More than five years	31.12.2022 Total
	€ thousand	€ thousand	€ thousand	€ thousand
Liabilities to banks	2.753	1.544	336	4.633
Trade payables	2.800	0	0	2.800
Accrued liabilities	1.266	0	0	1.266
Other liabilities	2.182	1.667	553	4.402
As at 31/12/2022	**9.001**	**3.211**	**889**	**13.101**

Tax provisions of € 316 thousand and provisions with the nature of a liability are combined under “Other current provisions” in the IFRS consolidated statement of financial position.

	Up to one year	Between one and five years	More than five years	31.12.2021 Total
	€ thousand	€ thousand	€ thousand	€ thousand
Liabilities to banks	2.973	1.083	0	4.056
Trade payables	3.651	0	0	3.651
Accrued liabilities	2.093	0	0	2.093
Other liabilities	1.767	2.082	0	3.849
As at 31/12/2021	**10.484**	**3.165**	**0**	**13.649**

Liabilities to banks bear interest at between 1.0 % and 4.9 % (previous year: between 0.5 % and 3.3 %). Land and buildings, machinery, inventories and trade receivables were pledged as collateral. The carrying amount of the pledged assets is € 6,723 thousand as at the end of the reporting period (previous year: € 7,823 thousand).

14. Provisions with the nature of a liability

Current provisions with the nature of a liability consist of the following:

	31.12.22	31.12.21
	€ thousand	€ thousand
Outstanding invoices	671	381
Wages and salaries	273	243
Holiday entitlements	173	101
Costs for financial statements and audits	79	95
Uncertain obligations	70	867
Warranty provisions	0	396
Customer bonuses	0	10
	1.266	**2.093**

Provisions for uncertain obligations include provisions for the virtual stock option programme for management in accordance with IFRS 2 of € 70 thousand (previous year: € 796 thousand).

The provision for warranties recognised in 2021 was recognised in profit or loss and derecognised in 2022 after an agreement was reached with the respective customer. This means that any warranty cases are settled via the income statement for the respective fiscal year.

15. Other liabilities

The disclosure of current and non-current liabilities includes the following:

	31.12.22	31.12.21
	€ thousand	€ thousand
Short-term		
Lease liabilities	681	656
Wages and salaries	665	633
Payroll tax	387	370
Other debtors	309	73
VAT	141	34
Other	0	1
	2.182	1.767
Long-term		
Lease liabilities	2.127	1.960
Provident fund	92	122
	2.220	2.082
	4.402	**3.849**

16. Provisions for pensions and similar obligations

There is a company pension plan for former limited partners and managing directors of Blomberger Holzindustrie GmbH. The provision was calculated using the Heubeck 2018 mortality tables.

	31.12.22	**31.12.21**
	€ thousand	€ thousand
Pension provisions at the beginning of the fiscal year	1.013	1.100
- Utilisation	-117	-115
+ Addition to provisions	8	6
-/+ Actuarial gains/losses	-69	22
Pension provisions at the end of the fiscal year	**835**	**1.013**

The following actuarial assumptions were applied:

	31.12.22	**31.12.21**
	%	%
Interest rate	3,30	0,80
Pension trend	2,00	2,00
Salary trend	0,00	0,00

Sensitivity analysis

The sensitivity analysis for pension obligations shows the extent to which changes, e.g. in interest rates or pension increases, affect the pension obligation:

At an interest rate of 3.6 % and a pension increase of 2.0 percentage points, the obligation amounts to € 822 thousand, i.e. the obligation changes by € -13 thousand if the interest rate is changed by 0.3 percentage points.

At an interest rate of 3.3 % and a pension increase of 2.5 percentage points, the obligation amounts to € 855 thousand, i.e. the obligation changes by € 20 thousand if the pension rate is changed by half a percentage point.

The liabilities are equal to the obligation (DBO). The post-employment benefit plans are unfunded. The DBO had the following maturity structure at the reporting date:

	Up to one year	Between one and five years	More than five years	31.12.22 Total
	€ thousand	€ thousand	€ thousand	€ thousand
Pension provisions at the end of the fiscal year	119	579	137	835

The publication of the amendments to IAS 19 by the IASB has affected the recognition and measurement of defined benefit pension plans in the consolidated financial statements. Actuarial gains and losses are recognised in equity in other comprehensive income (OCI) (also referred to below as the pension reserve). The pension reserve for the past was carried forward at € 609 thousand, with the result that the pension reserve developed as follows:

Pension reserve as at 31/12/2021:	609 T€
Actuarial loss:	-69 T€
Deferred taxes:	21 T€
Pension reserve as at 31/12/2022:	**561 T€**

The expected pension payments from the pension plans for 2023 amount to € 119 thousand.

There is also a provident fund. The pension scheme was closed on 30 May 1994. The corresponding obligations are reported under other non-current liabilities.

Equity

17. Issued capital

The share capital of Delignit AG is reported as issued capital. The issued capital of € 8,193,900.00 is divided into 8,193,900 no-par value bearer shares, each with a notional share of € 1.00 in the share capital of the company.

In accordance with the resolution of the Annual General Meeting on 25 August 2020, the Management Board is authorised, with the approval of the Supervisory Board, to increase the share capital of the company on one or more occasions by up to € 4,096,950.00 in total in the period until 24 August 2025 by issuing new no-par value bearer shares in exchange for cash or non-cash contributions (Authorised Capital 2020).

Furthermore, the Annual General Meeting on 25 August 2020 authorised the Management Board, with the approval of the Supervisory Board, to issue bearer or registered convertible bonds or warrant bonds with a total volume of up to € 81,939,000.00 and a maximum term of ten years in the period until 24 August 2025, and to grant the holders of these bonds conversion rights for new no-par value bearer shares of Delignit AG with a proportionate interest in the share capital of up to a total of € 4,096,950.00, subject to the specific conditions of the bonds (Contingent Capital 2020).

By way of resolution of the Annual General Meeting on 04 June 2019, the company was authorised in accordance with Section 71(1) no. 8 AktG to purchase and sell treasury shares equivalent to up to 10 % of the share capital as at the authorisation date while upholding the principle of equal treatment (Section 53a AktG) in the period until 03 June 2024. The authorisation can be exercised in full or in part, and on one or more occasions. The purchase can also be carried out by dependent Group companies or by third parties for the account of the company. The authorisation cannot be used for the purposes of trading in treasury shares.

Please see the “IFRS consolidated statement of changes in consolidated equity as at 31 December 2022” for information on the development of equity.

The shares are held as follows:

MBB SE:	75.5 %
Free float:	24.5 %

18. Capital reserves

The capital reserves include the net issuing proceeds of € 5,250 thousand from the capital increase on 26 September 2007 in conjunction with the initial listing in the Entry Standard of the Frankfurt Stock Exchange. The IPO costs of € 442 thousand were offset against the capital reserves. Moreover, the capital reserves include the share premium from the acquisition of 18.3 % of the limited partner’s shares in Blomberger Holzindustrie GmbH (before transformation on 18 February 2015: Blomberger Holzindustrie B. Hausmann GmbH & Co. KG) in the amount of € 2,516 thousand. Following the capital increase resolved on 8 November 2010, issuing proceeds in excess of the share capital of € 198 thousand, less the expenses for the capital increase of € 41 thousand, were transferred to the capital reserves.

By way of resolution of the Management Board of 28 October 2011, the net accumulated loss as at 31 December 2010 was offset against the capital reserves in the financial statements as at 31 December 2011.

19. Retained earnings

By way of resolution of the Annual General Meeting of 2 June 2022, the net retained profits as at 31 December 2021 in the amount of € 2,318,272.57 were transferred to retained earnings in full.

IV. Income statement disclosures

1. Revenue

Revenue breaks down among the following regions:

	2022	2021
	€ thousand	€ thousand
Germany	29.555	30.395
EU	36.703	29.387
Other	9.100	8.546
	75.358	**68.328**

In percentage terms, this results in the following breakdown of revenue by region:

	2022	2021
	%	%
Germany	39,2%	44,5%
EU	48,7%	43,0%
Other	12,1%	12,5%
	100,0%	**100,0%**

The Delignit Group generates revenue that accounts for more than 10.0 % of total consolidated revenue with two OEM groups, with deliveries made and invoiced to different companies within these groups. The revenue results from different products and model series within the OEM groups. Revenue with these two groups amounts to 37.3 % with the largest OEM customer (previous year: 40.8 %) and 33.5 % with the second-largest OEM customer (previous year: 32.7 %).

The Group recognises revenue from the transfer of goods at a point in time. For reasons of materiality, revenue is not recognised over time.

2. Other operating income

Other operating income breaks down as follows:

	2022	2021
	€ thousand	€ thousand
Income from the reversal of provisions with the nature of a liability	413	0
Income from currency translation	139	0
Income from re-charging	56	69
Income from investment grants and allowances	4	9
Income from previous fiscal years	2	6
Income from the reversal of impairment losses	0	421
Other income	189	136
	802	**641**

3. Cost of materials

The cost of materials breaks down as follows:

	2022	2021
	€ thousand	€ thousand
Expenses for raw materials	29.749	26.005
Merchandise	4.732	4.831
Freight costs	4.481	3.358
Purchased services	2.264	2.775
Other materials and energy	4.241	3.670
	45.467	**40.639**

4. Staff costs

Staff costs break down as follows:

	2022	2021
	€ thousand	€ thousand
Wages and salaries	13.993	14.662
Social security contributions and expenses for pensions	3.128	3.082
	17.121	**17.744**

The expenses for wages and salaries include reversals of provisions and the utilisation of the virtual stock option programme for management of € 567 thousand (previous year: addition of € 756 thousand). Please refer to the information on the remuneration of the Management Board in Section VII (Other mandatory disclosures) for more details.

5. Depreciation of property, plant and equipment and amortisation of intangible assets

Depreciation and amortisation break down as follows:

	2022	2021
	€ thousand	€ thousand
Depreciation of property, plant and equipment	2.234	2.150
Amortisation of intangible assets	179	176
	2.413	**2.326**

As in the previous year, there were no value adjustments resulting from impairment or the reversal of impairment on assets in accordance with IAS 36 in 2022.

6. Other operating expenses

Other operating expenses break down as follows:

	2022 € thousand	2021 € thousand
Maintenance expenses	2.592	3.325
Purchased services	462	812
Legal and consulting	671	759
Administrative expenses	378	294
Insurance	357	352
IT costs	256	254
Research and development costs	196	243
Travel expenses/vehicle expenses	170	106
Advertising expenses	170	52
Rent, leasehold, lease	89	78
Fees and contributions	55	73
Telephone, postage, remote data transmission	45	54
Incidental transaction costs	41	33
Addition to impairment losses	10	25
Other	287	244
	5.781	**6.704**

7. Interest expenses

	2022 € thousand	2021 € thousand
Bank interest	154	122
Other interest	55	26
	209	**148**

8. Taxes

Taxes break down as follows:

	2022 € thousand	2021 € thousand
Income taxes	1.090	764
Other taxes	65	66
	1.155	**830**

Details of deferred tax assets and liabilities can be found in the previous section. Deferred taxes are calculated on the basis of a standard tax rate of 30.0 % for the Group companies.

The reconciliation of income tax expense and the accounting net profit multiplied by the Group's applicable tax rate for the 2022 and 2021 fiscal years is as follows:

	2022	2021
	€ thousand	€ thousand
Earnings before taxes	3,992	3,233
Theoretical income tax expense (30.0 %)	-1,198	-970
Tax additions/reductions	108	206
	-1,090	**-764**

Income taxes include refunds for previous years of € 8 thousand (previous year: € 37 thousand).

9. Earnings per share

Earnings per share are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are equal to basic earnings per share.

	2022	2021
Net income attributable to the holders of ordinary shares of the parent company	2,772 T€	2,337 T€
Weighted average number of ordinary shares used to calculate earnings per share	8,193,900	8,193,900
Earnings per share	**0.34 €**	**0.29 €**

10. Related party transactions

In addition to Supervisory Board remuneration, the following transactions took place in the year under review:

MBB SE received remuneration of € 260,629.85 in 2022 for services rendered in connection with the 2022 annual financial statements, the General Meeting, IT and insurance, as well as general consulting services and accounting support.

In the year under review, DTS IT AG, Herford, received € 11,029.00 via its subsidiary DTS Systeme GmbH, Herford, for IT services rendered.

V. IFRS consolidated statement of cash flows

Notes to the IFRS consolidated statement of cash flows

The IFRS consolidated statement of cash flows shows how the cash funds of the Delignit Group changed in the fiscal year as a result of cash inflows and outflows. In accordance with IAS 7, a distinction is made between cash flows from the ongoing operating, investing and financing activities.

The net financial position considered in the IFRS consolidated statement of cash flows includes all cash funds reported in the statement of financial position and bank balances if they are available within three months (counting from the date of acquisition) without significant fluctuations in value. Cash flows from investing and financing activities are calculated directly, i.e. based on payments. By contrast, the cash flow from operating activities is derived indirectly from profit or loss.

As in the previous year, the Group did not perform any non-cash investing or financing activities in the fiscal year.

VI. Objectives and methods of financial risk management

1. Financial assets and financial liabilities

The Group’s financial liabilities mainly include current and non-current liabilities to banks, current trade payables and other current and non-current liabilities. The material financial assets of the Group consist of cash, trade receivables and other receivables. The carrying amount of the financial assets less impairment losses represents the maximum exposure to credit risk; this totalled € 8,089 thousand in the year under review (previous year: € 6,668 thousand). Business relationships are only entered into with partners of good credit standing. The financial information available and trading records are used to assess credit, especially for major customers. Trade receivables relate to a number of customers in various industries and regions. Credit assessments are carried out continuously regarding the financial status of receivables. Payment terms of 30 days without deduction are usually granted.

Impairment was recognised for trade receivables that were past due at the end of the reporting period if material changes in the customer's creditworthiness had been observed, outstanding items had been contested by customers or, based on an internal assessment, it was no longer assumed that the outstanding amounts would be paid, e.g. following unsuccessful dunning proceedings.

Please see II.13. "Liabilities" for details of the maturities of financial liabilities.

The measurement of the financial assets and liabilities of the Delignit Group is shown under II. 11 "Financial assets held as current assets" and II. 16. "Financial liabilities" in the notes on the general accounting policies.

The Group does not exercise the fair value option. The Group does not have any financial assets held for trading or financial assets or liabilities at fair value through profit or loss at the end of either the current reporting period or the previous reporting period. Derivatives and hedging transactions were not entered into.

There were no reclassifications in either 2022 or 2021.

2. Capital risk management

The Group manages its capital (equity plus liabilities less cash and cash equivalents) with the aim of achieving its financial goals while simultaneously optimising its finance costs by way of financial flexibility. In this respect, the overall strategy is the same as in the previous year. Management reviews the capital structure at least once every half-year. The cost of capital, the collateral provided, open lines of credit and available credit facilities are reviewed. The Group is not subject to any externally regulated capital requirements.

3. Financial risk management

Financial risk is monitored centrally by management. The individual financial risks are reviewed at least four times per year.

The material Group risks arising from financial instruments include market, liquidity and credit risks. Credit risk is managed by the fact that business relationships are only entered into with partners of good credit standing. Moreover, assessments from independent rating agencies, other financial information and trading records are used to assess credit, especially for major customers. Credit risks are managed using limits per contractual partner, which are reviewed and approved annually. In addition, the amounts of receivables are monitored on an ongoing basis, hence the Delignit Group is not exposed to any significant credit risk. The maximum default risk is limited to the respective carrying amounts of the assets reported in the statement of financial position.

The Group manages liquidity risks by maintaining appropriate reserves, credit lines with banks and monitoring and maintaining loan agreements. Cash flows are carefully planned and actual and forecast cash inflows and outflows are reconciled. Management expects the Group to be able to meet its other financial obligations from operating cash flows and from the inflow of maturing financial assets.

4. Market risks

Market risks can result from changes in exchange rates (exchange rate risks) or interest rates (interest rate risks). Given the minimal relevance of exchange rate risks within the Group, exchange rate risks were not hedged using derivative financial instruments. These risks are managed through continuous monitoring. The Group’s invoices are essentially issued in euro or the respective local currency, thereby largely avoiding exchange rate risks.

The Group is exposed to interest rate risks as a result of borrowing at floating interest rates. The Delignit Group manages these risks by maintaining an appropriate ratio between fixed and floating interest rate agreements. There is no hedging involving derivatives (e.g. interest rate swaps or interest rate futures). The Group had liabilities with floating interest rates in the amount of € 78 thousand (previous year: € 1,363 thousand) as at the end of the reporting period. If, all else being equal and assuming corresponding average indebtedness, interest rates had been two percentage points higher (lower), pre-tax earnings would have been € 2 thousand lower (higher).

5. Fair value risk

The financial instruments of the Delignit Group that are not carried at fair value are primarily cash, trade receivables, other current assets, liabilities to banks, trade payables and other liabilities.

The carrying amount of cash is extremely close to fair value on account of the short terms of these financial instruments. For receivables and liabilities with normal credit conditions, the carrying amount based on historical cost is also extremely close to fair value.

VII. Other mandatory disclosures

1. Other mandatory disclosures

Management Board

The following persons were members of the Management Board of Delignit AG in the 2022 fiscal year:

- Markus Büscher, business economist, CEO
  (Strategic Development, Controlling, Human Resources, Legal, Purchasing, IT, Production, R&D and Investor Relations)

- Thorsten Duray, industrial manager, CSO (Marketing and Sales)

Supervisory Board

The following persons were members of the Supervisory Board of Delignit AG in the 2022 fiscal year:

- Gert-Maria Freimuth, Chairman of the Supervisory Board (held the same position prior to his re-election on 2 June 2022)
  (also: Deputy Chairman of the Board of MBB SE, Berlin, Chairman of the Supervisory Board of DTS IT AG, Herford, Chairman of the Supervisory Board of Aumann AG, Beelen)

- Dr Christof Nesemeier, member of the Supervisory Board (until 2 June 2022)
  (also: Chairman of the Board of MBB SE, Berlin, Chairman of the Supervisory Board of Friedrich Vorwerk Group SE, Tostedt and Friedrich Vorwerk Management SE, Tostedt)

- Anton Breitkopf, Deputy Chairman of the Supervisory Board (held the same position prior to his re-election on 2 June 2022) (also: member of the Board of MBB SE, Berlin, and Deputy Chairman of the Supervisory Board of DTS IT AG, Herford)

- Bettina Hausmann, member of the Supervisory Board (since 2 June 2022)

2. Remuneration of the Management Board

The remuneration of the Management Board consists of fixed and variable components. The Management Board also receives reimbursement of expenses against receipt. Furthermore, the Management Board is insured by a Group D&O insurance policy with a deductible and an accident insurance policy, and its members receive a subsidy for private health insurance and long-term care insurance. Moreover, each member of the Management Board uses a company car. The members of the Management Board also receive continued pay for up to six weeks in the event of illness. No other benefits (e.g. pension entitlements, direct commitments or severance payments) have been agreed.

Virtual stock option programme

There are currently two virtual stock option programmes for members of the Management Board:

- Stock Option Programme I (2013 Management Board contracts)
- Stock Option Programme II (2017 Management Board contracts)

Stock Option Programme I (2013 Management Board contracts)

All the 300,000 virtual stock options originally granted under the virtual Stock Option Programme I (2013 Management Board contracts) were allocated and exercisable as at the end of the 2018 fiscal year. By 31 December 2022, the Management Board members had exercised 290,000 stock options in total, hence there is a remaining entitlement of 10,000 shares under Stock Option Programme I. Based on a starting price of € 1.30 and a relevant exercise price of € 5.9430 as at 31 December 2022, the stock option programme has a remaining value of € 46,429.51.

	Total	**Allocated**	**Exercisable**	**Exercised**	**Remaining**
Number of virtual shares granted	300,000	300,000	300,000	290,000	10,000
Starting price					1.3000 €
Exercise price as at 31 December 2022					5.9430 €
and exercise price as at 31 December 2022					4.6430 €
Value of Stock Option Programme I as at 31 December 2022					**46,429.51 €**

Stock Option Programme II (2017 Management Board contracts)

An additional 60,000 shares were granted under the virtual Stock Option Programme II (2017 Management Board contracts) in the 2022 fiscal year, meaning that 300,000 of the 300,000 virtual stock options granted had been allocated and 255,000 stock options were exercisable (pro rata) as at 31 December 2022. The Management Board members had exercised 60,000 stock options by 31 December 2022, meaning there is a remaining entitlement of 195,000 shares under Stock Option Programme II. Based on a starting price of € 5.82 and a relevant exercise price of € 5.9430 as at 31 December 2022, the stock option programme is currently valued at € 23,975.41.

	Total	Allocated	Exercisable (pro rata)	Exercised	Remaining
Number of virtual shares granted	300,000	300,000	255,000	60,000	195,000
Starting price					5.8200 €
Exercise price as at 31 December 2022					5.9430 €
Difference between starting price and exercise price as at 31 December 2022					0.1230 €
Value of Stock Option Programme II as at 31 December 2022					**23,975.41 €**

The fair value of the two virtual stock option programmes in accordance with IFRS 2 was therefore € 70,405.00 in total as at 31 December 2022. After deducting the provisions calculated and recognised in the previous year as at 31 December 2021 in the amount of € 795,759.00 and taking into account the 60,000 stock options realised and exercised in the 2022 fiscal year (at an exercise price of € 8.453 and a distribution amount of € 157,955.00), the cumulative reduction in provisions for Stock Option Programmes I and II in the 2022 fiscal year amounted to € 725,354.00. The provisions for the remaining options of the two Management Board members are recognised under provisions for uncertain obligations. The reduction in the provision for claims under the stock option programmes recognised in profit or loss is recognised in the income statement in the amount of € 567,399.00 (previous year: expense of € 752,010.95).

	2022	**2021**
	€ thousand	€ thousand
Fixed salary	480	430
Fiscal year bonus	241	193
Virtual stock option programme	-567	752
Total remuneration of the Management Board	**154**	**1,375**

3. Related party transactions

a) Related parties

Delignit AG is a dependent company as defined by Section 17 AktG. The controlling company is MBB SE, Berlin (HRB 165458, Berlin-Charlottenburg District Court). A controlling agreement does not exist.

Subsidiaries are considered to be related companies irrespective of whether they are included in the consolidated financial statements or not. Transactions between the company and its subsidiaries are eliminated in consolidation and are not shown in this note, or are of subordinate significance and typical for the industry.

b) Management Board

Reference is made to the comments concerning the remuneration of the Management Board. Other than the remuneration cited above, no business was transacted with the Delignit Group.

c) Members of the Supervisory Board of Delignit AG

The members of the Supervisory Board received fixed remuneration of € 45 thousand in the 2022 fiscal year. The fixed remuneration is distributed among the members as follows:

The members of the Supervisory Board received the following remuneration for 2022:

- Chairman, Gert-Maria Freimuth, € 20 thousand
- Deputy Chairman, Anton Breitkopf, € 15 thousand
- Member, Dr Christof Nesemeier, € 5 thousand (member until 2 June 2022)
- Member, Bettina Hausmann, € 5 thousand (member since 2 June 2022)

4. Number of employees

The average number of employees in the 2022 fiscal year and the number of employees at the reporting date were as follows:

	2022	2021
Employees [average]	433	386
Employees [reporting date]	457	391

5. Auditor's fees

The auditor's fees recognised in the 2022 fiscal year break down as follows:

	2022 € thousand	2021 € thousand
a) Audit of financial statements	59	56
b) Tax advisory services	0	24
	59	**80**

6. Events after the end of the reporting period

There are currently no significant events that are expected to have a substantial unexpected financial impact on the course of business. Please refer to the comments in the management report.

7. Appropriation of profits

The Management Board and the Supervisory Board will discuss the appropriation of the net retained profits of Delignit AG for 2022 in the amount of € 1,446,218.64 at the meeting of the Supervisory Board on 23 March 2023. On 13 March 2023, the Management Board resolved to propose to the General Meeting and the Supervisory Board that the available net retained profits of € 1,446,218.64 be distributed to shareholders in the amount of € 409,695.00 and carried forward to new account in the amount of € 1,036,523.64. This corresponds to a dividend of five cents per dividend-bearing share.

Blomberg, 23 March 2023

Markus Büscher
CEO

Thorsten Duray
CSO

Statement of changes in IFRS consolidated non-current assets as at 31 December 2022 of Delignit AG, Blomberg

	Total cost	Additions in the fiscal year	Transfer	Disposals in the fiscal year	Total depreciation/amortisation	Carrying amount at the end of the fiscal year	Carrying amount at the end of the previous year	Depreciation/amortisation in the fiscal year
	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
I. Intangible assets								
1. Concessions, industrial and similar rights and assets and licenses in such rights and assets	1,951	34	0	0	1,209	776	922	179
2. Capitalised development costs	761	189	0	0	761	189	0	0
3. Goodwill	1,000	0	0	0	1,000	0	0	0
4. Consolidated goodwill	2,178	0	0	0	0	2,178	2,178	0
5. Advance payments	0	0	0	0	0	0	0	0
	5,890	**223**	**0**	**0**	**2,970**	**3,144**	**3,100**	**179**
II. Property, plant and equipment								
1. Land, land rights and buildings, including buildings on third-party land	15,938	119	0	0	10,703	5,354	5,471	237
2. Technical equipment and machinery	24,595	1,735	884	85	19,928	7,201	5,865	1,198
3. Other equipment, operating and office equipment	6,856	739	280	1	6,820	1,053	835	799
4. Advance payments and assets under construction	1,164	9	-1,164	0	0	9	1,164	0
	48,551	**2,601**	**0**	**86**	**37,451**	**13,617**	**13,335**	**2,234**
Financial assets	0	0	0	0	0	0	0	0
	54,442	**2,824**	**0**	**86**	**40,421**	**16,760**	**16,435**	**2,413**

Independent auditor’s report

To Delignit AG, Blomberg

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

Audit opinions

We have audited the consolidated financial statements of Delignit AG and its subsidiaries (the Group), consisting of the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year from 1 January 2022 to 31 December 2022 and the notes to the consolidated financial statements including a summary of the significant accounting policies. Furthermore, we have audited the Group management report of Delignit AG for the fiscal year from 1 January 2022 to 31 December 2022. In accordance with the provisions of German law, we have not audited the content of the elements set out in the “Other information” section of our auditor’s report.

In our opinion, based on the findings of our audit

- the attached consolidated financial statements, in all material respects, comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law in accordance with Section 315e(1) HGB, and give a true and fair view of the net assets and financial position of the Group in accordance with these requirements as at 31 December 2022 and its results of operations for the fiscal year from 1 January 2022 to 31 December 2022 in accordance with these provisions; and

- as a whole, the attached Group management report provides a suitable view of the Group’s position. In all material respects, this Group management report is consistent with the consolidated financial statements and with German legal requirements, and accurately presents the risks and opportunities of future development. Our audit opinion on the Group management report does not extend to the content of the elements of the Group management report set out in the “Other information” section.

In accordance with Section 322(3) sentence 1 HGB, we declare that our audit has not led to any objections to the regularity of the consolidated financial statements or the Group management report.

Basis for audit opinions

We conducted our audit in accordance with Section 317 of the Handelsgesetzbuch (HGB – German Commercial Code) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW – German Institute of Public Auditors). Our responsibility under these provisions and policies is described further in the section of our audit report entitled "Auditor's responsibility for the audit of the consolidated financial statements and the Group management report". We are independent from the Group companies in accordance with the commercial and professional regulations of German law and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinions on the consolidated financial statements and the Group management report.

Other information

The company's management is responsible for the other information. The other information comprises:

- the statement in accordance with section 297(2) sentence 4 HGB on the consolidated financial statements and the statement in accordance with section 315(1) sentence 5 HGB on the Group management report
- other parts of the annual report, with the exception of the audited consolidated financial statements, the Group management report and our auditor's report
- the comments in the management report in section 10 "Sustainability and non-financial performance indicators"

Our audit opinions on the consolidated financial statements and the Group management report do not extend to the other information, and accordingly we do not offer any audit opinion or any other form of audit conclusion on it.

In connection with our audit, we have the responsibility to read the other information and to assess whether the other information

- contains material inconsistencies with the consolidated financial statements, the Group management report or our findings from the audit; or
- is otherwise materially misrepresented.

If, on the basis of our work, we conclude that this other information is materially misrepresented, we are obliged to report on this fact. We have nothing to report in this respect.

Responsibilities of management and the Supervisory Board for the consolidated financial statements and the Group management report

Management is responsible for the preparation of the consolidated financial statements that, in all material respects, comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law in accordance with Section 315e(1) HGB, and that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group. In addition, management is responsible for such internal control as it has determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (e.g. manipulation of accounts, misappropriation of assets) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. Furthermore, they are responsible for the accounting on the basis of the going concern principle, unless there is the intention to liquidate or discontinue the Group, or there is no realistic alternative.

Furthermore, management is responsible for the preparation of the Group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a Group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the Group management report.

The Supervisory Board is responsible for monitoring the Group's accounting process for the preparation of the consolidated financial statements and the Group management report.

Auditor's responsibility for the audit of the consolidated financial statements and the Group management report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the Group management report as a whole provides a suitable view of the Group's position and, in all material respects, is consistent with the consolidated financial statements, audit findings and German legal requirements, and accurately presents the risks and opportunities of future development, and to issue an audit report containing our audit opinions on the consolidated financial statements and the Group management report.

Reasonable assurance is a high degree of assurance, but not a guarantee that an audit performed in accordance with Section 317 HGB and the German generally accepted standards for the audit of financial statements promulgated by the IDW will always reveal a material misstatement. Misstatements can result from fraud or error and are considered material if they could reasonably be expected, individually or collectively, to influence the economic decisions that users make on the basis of these consolidated financial statements and the Group management report.

We exercise due discretion and maintain a critical approach. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the Group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting material misstatements resulting from fraud is greater than the risk of not detecting material misstatements resulting from error, as fraud may involve collusion, falsification, intentional omissions, misrepresentation or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the Group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the consolidated financial statements and in the Group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e(1) HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the Group management report. We are responsible for designing, monitoring and performing the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions;

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with the law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by management in the Group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Düsseldorf, 23 March 2023

RSM GmbH

Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Grote	Elpel
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Condensed annual financial statements of Delignit AG for the 2022 fiscal year

Statement of financial position

Assets	31.12.22 € thousand	31.12.21 € thousand
Financial assets	6.062	6.062
Non-current assets	**6.062**	**6.062**
Receivables and other assets	12.060	11.134
Cash and bank balances	382	232
Current assets	**12.442**	**11.365**
Total assets	**18.504**	**17.427**
Liabilities		
Equity	16.947	15.501
Provisions	987	1.104
Other liabilities	569	823
Total assets	**18.504**	**17.427**

Income statement

Income statement

	2022	2021
	€ thousand	€ thousand
Revenue	1.194	1.400
Other operating income	19	26
Staff costs	-586	-1.465
Other operating expenses	-502	-502
Income from profit and loss transfer agreements	1.840	2.249
Interest and similar income	168	143
Interest and similar expenses	-9	-10
Taxes on income and earnings	-678	-464
Earnings after taxes/net income for the year	**1.446**	**1.376**
Profit carried forward from the previous year	2.318	1.188
Transfer to retained earnings	0	0
Distribution to shareholders	0	-246
Net retained profits	**3.764**	**2.318**

Financial calendar

2022 Annual Report:

April 2023

2023 Annual General Meeting:

22 June 2023

2023 half-year financial report:

August 2023

End of the 2023 fiscal year

31 December 2023

Contact

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