# RINGMETALL SE
INTERIM REPORT 2022

**RINGMETALL SE**

INTERIM FINANCIAL REPORT 2022

## TO THE SHAREHOLDER

KEY FIGURES OF THE GROUP

| **P&L KEY FIGURES**<br>EUR '000 | **H1 2022** | **H1 2021** | **Δ** | **Δ %** |
|---|---|---|---|---|
| Group Revenues | **115,251** | 78,289 | 36,962 | 47.2% |
| Total Output | **117,528** | 79,070 | 38,458 | 48.6% |
| Gross Profit | **49,548** | 37,369 | 12,179 | 32.6% |
| EBITDA | **17,341** | 11,302 | 6,039 | 53.4% |
| EBIT | **13,862** | 8,212 | 5,650 | 68.8% |
| Consolidated Net Profit | **10,508** | 6,000 | 4,508 | 75.1% |

| **BALANCE SHEET KEY FIGURES**<br>EUR '000 | **30.06.2022** | **31.12.2021** | **Δ** | **Δ %** |
|---|---|---|---|---|
| Non-current assets | **72,819** | 70,195 | 2,624 | 3.7% |
| Current assets | **68,865** | 52,130 | 16,735 | 32.1% |
| Equity | **72,461** | 63,749 | 8,712 | 13.7% |
| Equity ratio | **50.7 %** | 51.5 % | | |
| Liabilities | **59,890** | 51,060 | 8,830 | 17.3% |
| Balance sheet total | **142,872** | 123,896 | 18,976 | 15.3% |

| **OTHER KEY FIGURES** | **H1 2022** | **H1 2021** | **Δ** | **Δ %** |
|---|---|---|---|---|
| Employees (average of period) | **812** | 726 | 86 | 11.8% |

Gross profit: Temporary staff are reported under personnel expenses and not under cost of materials, as this is more in line with the Group's economic approach.

LETTER FROM THE MANAGEMENT BOARD

Dear Shareholders,

Dear Customers and Business Partners,

Whenever we may think at the current time that the economic and political environment already holds maximum challenges for us today, we can be almost certain that we will be confronted with a new escalation level of imponderables as early as tomorrow. Russia's war of aggression on Ukraine has now been going on for more than half a year, and signs of a longer-term conflict are mounting. Inflation is rampant across Europe, close to or already above double digits in numerous countries. And the supply chain issue has also become established at a level where every sector of the economy is now feeling its effects. Added to this, since the second quarter there has also been a serious energy crisis in Europe and worldwide, which is having a significant impact on the consumption behavior of many households.

We are all the more pleased, of course, that Ringmetall has nevertheless once again developed so extremely successfully in the first half of 2022. Compared to the previous year, Group revenues increased by a whopping 47.2 percent to EUR 115.3 million. This significant increase is mainly the result of a rise in raw material prices - especially steel and plastic granules. On the other hand, our acquisitions HOSTO and Rhein-Plast also performed significantly better than expected, resulting in acquisition-related revenue growth of a good 17 percent. At 2 percent, organic growth was at a healthy but customarily low level. This relates in each case to our core segment Industrial Packaging. Earnings before interest, taxes, depreciation and amortization (EBITDA) increased by a slightly disproportionate 53.4 percent to EUR 17.3 million. In addition to the fact that our new pricing model, which has now been in use for several quarters, allows us to achieve a much more consistent and profitable margin development, we were able to record a one-time positive special effect of EUR 1.2 million as a result of a so-called bargain purchase in the case of Rhein-Plast. In addition, the inliner product area showed a noticeable recovery in the second quarter following the pandemic-related lean period and was able to achieve strong revenue growth. The same applies to the Industrial Handling Segment, which is increasingly emerging as a winner from the trend towards deglobalization due to its long-standing customer relationships and high product quality. The EBITDA margin rose accordingly from 14.3 percent in the previous year to 14.8 percent, marking a new historic high in the company's development to date.

Overall, it can therefore be said that we are coping very well with the challenges of the current market environment. Price fluctuations in the raw materials area can be passed on to our customers very promptly on the basis of our new pricing model, which gives us constant margins and maximum transparency for our customers. The same applies to rising energy prices, although in our case these are of secondary importance compared with raw material prices. And the impact of the Ukraine conflict is also limited to the general economic effects for us, as the regions directly affected by the war are not economically significant for our company. Thanks to a significant increase in inventory levels and sufficient material availability from our global network of suppliers, we are coping comparatively well with the general supply problems in the steel sector. The availability of plastic granules is now much more difficult, depending on the type of plastic required. All in all, however, we are still coping well with the situation, given the circumstances.

Certainly, we as the Management Board of the Ringmetall Group are fundamentally convinced of the performance of our company. However, that we would come through this crisis environment so well seemed possible to us at the time of the publication of our forecast for the full year, but not very likely. Against the background of increased visibility into large parts of the third quarter, however, we must now state: also in 2022 things are going significantly better than was expected at the beginning of the year. For this reason, we raised our forecast on 14 September. For the full year, we now expect Group revenues between EUR 205 and 225 million (previously: EUR 180 to 200 million) with EBITDA between EUR 26 and 32 million (previously: EUR 22 to 27 million).

The forecast is based on unchanged raw material prices and exchange rates in the fourth quarter compared to the end of August 2022. It also does not include effects from possible acquisitions in the fourth quarter of 2022, including transaction costs.

In conclusion, it remains to be hoped that today's conflicts and crises can be overcome in the near future and that the world can thus once again turn to the important issues for the future of us all. We would be pleased if we could continue to have you at our side. We thank you for your interest in Ringmetall and wish you all the best for the future.

Yours sincerely

The Management Board of Ringmetall SE

Christoph Petri    Konstantin Winterstein

## BUSINESS MODEL AND STRUCTURE

Ringmetall is a leading global specialist supplier in the packaging industry. The majority of the product portfolio is focused on high-security packaging solutions for industrial drums. While the focus is on the market for drum clamping rings, the Group is consistently expanding its influence into adjacent business areas. The aim is to hold a clear market-leading position in all areas of the core business.

Ringmetall emerged from its predecessor company, H.P.I. Holding AG, in 2015 by changing its name and adapting its business model. This in turn was founded in 1997 as a holding company. The change of legal form from Ringmetall AG to a European Company (Societas Europaea - SE) with the name Ringmetall SE was completed in 2021.

Since renaming the company and adapting the business model, Ringmetall has been operating as a specialized industrial holding company in the two business areas Industrial Packaging and Industrial Handling. Ringmetall develops, produces and markets packaging solutions for use in the chemical, petrochemical and pharmaceutical industries, the food industry, as well as products for warehouse logistics and the agricultural sector. In addition, Ringmetall has used its many years of expertise to develop optimized clamping rings as new efficient pipe connections that will find future use in plant construction, among other areas. The related product developments are currently in the market launch phase.

In the Industrial Packaging division, the Ringmetall Group manufactures packaging elements for industrial drums and multi-component systems. The product range in the Industrial Packaging division primarily includes closure clamping rings as well as inner sleeves - so-called inliners - and bag-in-box systems. In addition, the company also produces drum lids, seals, handles, complex closure units and special components to customer specifications with a wide range of dimensions, quality levels and usage profiles. The product group of clamping rings represents the proportionally largest sales driver of the Ringmetall Group, followed by inliners and bag-in-box systems. In total, Ringmetall produces over 2,500 different variants of clamping rings and over 4,000 different variants of inliners.

In the market for industrial drums, the company focuses primarily on the special requirements of so-called open top drums, and here specifically steel drums, plastic drums, fiber drums, and pails. In 2019, the company also entered the market for inner liners for industrial drums and multi-component systems. Since then, the Group has also offered product solutions in the field of Closed Top Drums (closed barrels) and for Bag-in-Box systems, a special packaging for liquids.

In the Industrial Handling business unit, the Ringmetall Group manufactures vehicle attachments for special vehicles in freight and warehouse logistics as well as in the agricultural sector. In addition to attachments for tractors, agricultural machinery and trucks, these primarily include restraint systems and trailer couplings for industrial trucks. However, lift mast parts, clutch and brake pedals with special requirement profiles, hydraulic components and complex welding assemblies are also part of the product range.

The Ringmetall Group is set up as a holding structure in which the subsidiaries assigned to the two business areas are linked to the parent company. This Munich-based holding company, Ringmetall SE, which is listed in the General Standard, combines central Group functions. These include above all the areas of finance and group financing, investor relations, IT, strategy and corporate development, as well as the preparation and implementation of corporate acquisitions. In addition to the holding company, the Group consisted of a total of 23 companies as of 30 June 2022.

Of these, 16 companies are operationally active, three companies are purely intermediate holding companies and four companies operate as administrative units.

# INTERIM MANAGEMENT REPORT

## GENERAL ECONOMIC SITUATION

In its publication on the economic situation in Germany in July 2022, the Federal Ministry of Economics and Climate Protection (BMWK) describes the development of the German economy in the first half of the year as fundamentally solid, despite the war in Ukraine. At the same time, uncertainties about the continuation of Russian gas supplies caused the outlook into the second half of the year to become noticeably gloomier. In the second quarter, German industry managed a partial recovery from the external shock it had received from the Russian war of aggression against Ukraine. Production and new orders in the manufacturing sector stabilized. However, the high level of uncertainty caused by the war and the risk of a widespread supply freeze for Russian gas will present many companies with major challenges.

Retail sales would have recovered somewhat in May compared with the previous month, following a significant decline in April. However, consumer sentiment continued its downward slide against a background of strong price level increases in the retail sector. The inflation rate, which recorded a huge increase for much of the first half of the year, flattened slightly from May to June by 0.3 percentage points to 7.6 percent. Overall, there was a significant rise in prices for energy sources and foodstuffs in particular. The core rate, which excludes these two volatile price components, decreased by 0.6 percentage points to 3.2 percent.

The labor market showed clear effects of the war in Ukraine for the first time in June. Unemployment rose, but this was mainly due to Ukrainian refugees. Further increases are expected in the coming months, albeit at a slower pace, but this is not due to any weakness in the economy as a whole.

In its July World Economic Outlook Update, the International Monetary Fund concludes that the risks foreseeable in 2021 have materialized in a gloomy development in 2022. Global output contracted in the second quarter of this year, it said, due to declines in China and Russia, while consumer spending in the U.S. fell short of expectations. The global economy, already weakened by the pandemic, has been hit by several shockwaves: higher-than-expected inflation around the world - particularly in the United States and major European economies - which has led to tighter financial conditions; a sharper-than-expected slowdown in China due to COVID-19 outbreaks and closures; and further negative effects from the war in Ukraine.

The baseline forecast has been adjusted to show that global growth will slow from 6.1 percent last year to 3.2 percent in 2022. For 2023, disinflationary monetary policy is now expected to take effect, with global output growing by only 2.9 percent.

## BUSINESS DEVELOPMENT AND SITUATION OF THE RINGMETALL GROUP

### *General business development*

Despite numerous challenges, such as the Ukraine conflict, general supply chain problems in many parts of the economy, significantly increased inflation and a steadily worsening energy crisis in Europe and worldwide, the

Ringmetall Group once again developed very successfully in the past half-year. As a leading system supplier in numerous niche markets of the global packaging industry, the company's products continue to be indispensable for a large number of its internationally active customers in the product area of clamping rings. In addition, the inliner product area showed a noticeable recovery in the second quarter after a pandemic-related lean period and was able to achieve strong revenue growth. The same applies to the Industrial Handling Segment, which is increasingly emerging as a winner in the trend towards deglobalization due to its long-standing customer relationships and high product quality.

Supported by significantly rising raw material prices and tailwind from acquisition-related sales growth, Group revenues increased significantly by 47.2 percent to EUR 115.3 million, compared to EUR 78.3 million in the previous year. The revenue contribution of the Rhein-Plast acquisition, which was consolidated for the first time as of 1 February 2022, amounted to EUR 6.6 million and was thus significantly above expectations at the time of acquisition. Earnings before interest, taxes, depreciation and amortization (EBITDA) showed an increase of 53.4 percent to EUR 17.3 million (H1 2021: EUR 11.3 million). The EBITDA margin rose accordingly from 14.3 percent in the previous year to 14.8 percent, marking a new historic high in the company's development to date. The acquisition of Rhein-Plast also had an unexpectedly positive impact. Due to a bargain purchase, there was a one-time positive special effect of EUR 1.2 million in the first half of the year.

### *Net assets, financial position and results of operations*

The Group's total assets of EUR 142.9 million as of 30 June 2022, increased significantly by EUR 19.0 million compared to year-end 2021 (31 December 2021: EUR 123.9 million). Among other things, this development is attributable to the acquisition of Rhein-Plast. Furthermore, the increase in raw material prices led to a significantly higher valuation of inventories. Inventories were also selectively built up in the 1st half due to the shortage of raw materials on the world markets and to ensure supply capability. As a result, both trade accounts receivable and trade accounts payable also increased significantly. Equity increased by EUR 8.7 million to EUR 72.5 million. At 50.7 percent, the equity ratio was slightly lower than in the previous year (31 December 2021: 51.5 percent) as a consequence of the increase in total assets.

With regard to the acquisition of Rhein-Plast, the preliminary purchase price allocation (IFRS 3) shows net assets of EUR 5.0 million. This advantageous transaction resulted in a negative difference, which was recognized in profit or loss as other income in the amount of EUR 1.2 million.

In terms of individual items, the strongest increase compared to year-end 2021 was on the assets side in trade receivables (increase of EUR 9.9 million) and inventories (increase of EUR 6.1 million). This development is more or less pronounced at almost all Group companies. Cash and cash equivalents increased slightly to EUR 5.3 million. (31 December 2021: EUR 4.6 million).

At EUR 1.0 million, cash outflows for investments in non-current assets were slightly higher than in H1 2021. Cash outflows for additions to the scope of consolidation amounting to EUR 4.1 million (of which EUR 3.8 million outflows for Rhein-Plast and EUR 0.3 million for HOSTO) are slightly higher than in the previous year (H1 2021: EUR 4.0 million). At EUR -5.0 million, cash flow from investing activities is thus almost at the level of the previous year (H1 2021: EUR -4.8 million). Cash flow from financing activities shows a higher balance of cash inflows (borrowing of financial loans) and cash outflows (repayment of financial loans) of EUR 6.1 million (H1 2021: EUR 4.7 million). Also included is a higher dividend payment than in the previous year of EUR 3.1 million

(H1 2021: EUR 2.0 million). This results in an inflow of EUR 1.5 million in H1 2022 (H1 2021: EUR 1.2 million). The cash flow from operating activities of EUR 4.3 million (H1 2021: EUR 3.7 million) results from the significantly improved net profit for the period, mitigated by the significantly higher income tax payments of EUR 2.6 million (H1 2021: EUR 1.6 million).

Within non-current and current liabilities, there were notable changes in financial liabilities, other provisions and trade payables. In the course of the Rhein-Plast acquisition, non-current financial liabilities increased to EUR 28.8 million (31 December 2021: EUR 23.6 million). Current other provisions of EUR 6.9 million showed a higher balance than at the end of the year (31 December 2021: EUR 5.6 million), as is usual at mid-year. This is due in particular to the personnel-related provisions. EUR 0.3 million of the increase is attributable to the acquisition of Rhein-Plast. In addition to Rhein-Plast, the increase of EUR 3.6 million to EUR 18.5 million in trade payables is mainly due to the above-mentioned effects of raw material price developments, the deliberate increase in inventories and the reporting date approach. Overall, Ringmetall continues to have a solid financing structure that ensures its further organic and inorganic growth.

Both Industrial Packaging and Industrial Handling were able to significantly increase revenues compared to the first half of 2021. Overall, revenues increased from EUR 78.3 million to EUR 115.3 million. Organic growth, i.e. growth excluding effects from acquisitions and raw material prices, amounted to 2.0 percent in the Industrial Packaging segment.

Other income increased by EUR 1.0 million to EUR 1.7 million (H1 2021: EUR 0.7 million). This results from the favorable purchase of Rhein-Plast GmbH (EUR 1.2 million).

The gross profit margin, i.e. total output less cost of materials in relation to total output, was below the previous year's level at 42.2 percent (H1 2021: 47.3 percent). This is also reflected in the gross profit margins in the Industrial Packaging segment and in the Industrial Handling segment.

In absolute terms, personnel expenses rose from EUR 18.2 million to EUR 23.5 million. In relation to total output, however, there was a substantial decrease from 23.0 percent in the previous year to 20.0 percent. In addition to the price-related increases in total output caused by raw materials, further optimization and thus efficiency improvements are responsible for the positive development. Ringmetall continues to rely to a certain extent on the use of temporary and contract workers in order to be able to respond as flexibly as possible to fluctuations in demand. Expenses for temporary workers increased from EUR 2.0 million to EUR 3.5 million compared to the same period of the previous year.

In line with personnel expenses, other expenses increased in absolute terms, but fell as a proportion of total operating performance from 10.6 percent in the previous year to 8.7 percent. There was a significant increase in expenses for goods issue due to rising energy and transport costs.

### *Summarizing overall statement*

Despite the challenging economic environment in many respects, Ringmetall again significantly increased Group revenues and earnings. Group revenues increased by 47.2 percent to EUR 115.3 million (H1 2021: EUR 78.3 million). The main drivers of the revenue growth were, on the one hand, raw material prices - mainly steel and plastic granules - and, on the other hand, the growth resulting from the acquisitions of HOSTO and Rhein-Plast. While revenues in the Industrial Packaging segment stagnated in the clamping rings product area, they increased significantly in the inliner area. The Industrial Handling Segment also achieved a noticeable increase in sales, driven by the emerging trend towards deglobalization. Accordingly, earnings before interest, taxes, depreciation and amortization (EBITDA) increased disproportionately by 53.4 percent to EUR 17.3 million (H1 2021: EUR 11.3 million). The EBITDA margin rose accordingly from 14.3 percent in the previous year to 14.8 percent, marking a new historic high in the company's development to date.

## RISK AND OPPORTUNITY REPORT

Taking into account the respective probabilities of occurrence and the potential financial impact of the risks explained in the Annual Report 2021 and against the background of the current business outlook, the Management Board does not expect any substantial threat to or impairment of the Company's ability to continue as a going concern.

Even against the backdrop of an overall worsening of the pandemic situation, the Management Board continues to consider the precautions and measures described in the 2021 Annual Report to be appropriate in terms of their nature and scope for the rest of the 2022 financial year. This also applies in view of a more severe course of the pandemic becoming apparent. Despite the currently very positive business performance and the now high vaccination coverage rates in most industrialized nations, the Management Board continues to pay increased attention to possible future risks from the pandemic. These risks are therefore still classified as "medium".

By contrast, the armed conflict between Russia and Ukraine presents the economy as a whole with a significantly higher level of previously non-existent risks. These include risks from a general economic slowdown against the background of significantly higher inflation, from the availability and price level of production-relevant energy sources - also from the viewpoint of the customer industries for ring metal products - and from worsening supply chain problems. The company rates the risks associated with the Ukraine war as "medium".

Ringmetall is active with a plant in Turkey. Due to the continuing political uncertainties within Turkey and the ongoing political tensions between Turkey and other countries, both the Turkish currency and the Turkish economic situation remain under pressure. As there is currently no sign of a sustained improvement in the political environment, the risk in relation to Turkey is still classified as "high".

Overall, the Management Board assesses the company's earning power as so solid that the group continues to have a good basis for further positive business development. Ringmetall adjusted to the changed environment at an early stage and secured the production-relevant resources to the extent necessary to remain able to supply even in the event of any short-term shortages on the market. Accordingly, the Group's risk profile remains unchanged from the assessment in the Annual Report 2021.

## OUTLOOK

In its publication of 14 September, Ringmetall SE significantly raised its forecast for the development of revenues and earnings in the full year 2022. The company's Management Board came to this decision on the basis of the preliminary half-year figures, the preliminary business figures for the months of July and August, and the foreseeable business development in the month of September.

The adjusted forecast assumes consolidated sales of between EUR 205 and 225 million (previously: EUR 180 to 200 million) and earnings before interest, taxes, depreciation and amortization (EBITDA) of between EUR 26 and 32 million (previously: EUR 22 to 27 million). In contrast to the original estimates for the development of the business area, the development of the clamping rings product area is only slightly weaker than the multi-year average. At the same time, however, the Inliner product area and the Industrial Handling business unit are developing much more dynamically than originally expected.

The forecast is based on unchanged raw material prices and exchange rates in the fourth quarter compared to the end of August 2022. It also does not include effects from possible acquisitions in the fourth quarter of 2022, including transaction costs.

## DECLARATION OF THE LEGAL REPRESENTATIVES

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

These condensed interim financial statements were authorized for issue by the Management Board on 15 September 2022.

## THE RINGMETALL GROUP

CONSOLIDATED BALANCE SHEETS ASSETS

| **ASSETS**<br>**EUR '000** | Notes | **30.06.2022** | 31.12.2021 |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | | 2,438 | 2,842 |
| Goodwill | 7 | 34,262 | 33,734 |
| Property, plant and equipment | | 35,885 | 33,395 |
| Investments accounted for using the equity method | | 83 | 57 |
| Other non-current assets | | 151 | 167 |
| Deferred tax assets | | 1,188 | 1,571 |
| **Total non-current assets** | | **74,007** | **71,766** |
| **Current assets** | | | |
| Inventories | | 27,785 | 21,734 |
| Trade receivables | | 33,431 | 23,575 |
| Contract assets | | 449 | 636 |
| Other current assets | | 1,820 | 1,182 |
| Current tax receivables | | 91 | 430 |
| Cash and cash equivalents | | 5,289 | 4,573 |
| **Total current assets** | | **68,865** | 52,130 |
| **Total assets** | | **142,872** | 123,896 |

CONSOLIDATED BALANCE SHEETS LIABILITIES

| **LIABILITIES**<br>EUR '000 | Notes | **30.6.2022** | 31.12.2021 |
|---|---|---|---|
| **Equity** | | | |
| Share capital | | 29,069 | 29,069 |
| Capital reserves | | 16,664 | 16,664 |
| Currency translation differences recognized outside profit or loss | | 783 | -507 |
| Revaluation of severance payment obligations and others | | 159 | 67 |
| Retained earnings | | 24,885 | 17,415 |
| Non-controlling interests | | 901 | 1,041 |
| **Total equity** | | **72,461** | **63,749** |
| **Non-current liabilities** | | | |
| Provisions for post-employment benefits | | 724 | 804 |
| Other provisions | | 123 | 155 |
| Financial liabilities | 8 | 28,760 | 23,600 |
| Deferred tax liabilities | | 2,743 | 2,489 |
| **Total non-current liabilities** | | **32,350** | **27,048** |
| **Current liabilities** | | | |
| Other provisions | | 6,931 | 5,639 |
| Current tax liabilities | | 2,311 | 1,993 |
| Financial liabilities | 8 | 7,869 | 7,983 |
| Trade payables | 9 | 18,484 | 14,882 |
| Other liabilities | | 2,466 | 2,602 |
| **Total current liabilities** | | **38,061** | **33,099** |
| **Total liabilities** | | **70,411** | **60,147** |
| **Total assets** | | **142,872** | **123,896** |

CONSOLIDATED PROFIT AND LOSS STATEMENT

| EUR '000 | Note | **H1 2022** | H1 2021 |
|---|---|---|---|
| Revenue | 11 | 115,251 | 78,289 |
| Other income | | 1,655 | 657 |
| Change in inventories of finished goods and work in progress | | 2,277 | 781 |
| | | **119,183** | **79,727** |
| Cost of materials | 13 | -67,980 | -41,701 |
| Cost of personnel | 13 | -23,471 | -18,191 |
| Other expenses | 13 | -10,166 | -8,390 |
| Other taxes | | -252 | -126 |
| Result from investments accounted for using the equity method | 14 | 27 | -17 |
| **Earnings before interest, taxes, depreciation and amortization (EBITDA)** | | **17,341** | **11,302** |
| Depreciation | | -3,479 | -3,090 |
| **Earnings before interest and taxes (EBIT)** | | **13,862** | **8,212** |
| Finance income | | 24 | 14 |
| Finance costs | | -337 | -427 |
| **Net income for the period from 01.01. to 30.06. from continuing operations before taxes** | | **13,549** | **7,799** |
| Income tax expense | 16 | -3,041 | -1,799 |
| **Consolidated net income for the period from 01.01. to 30.06.** | | **10,508** | **6,000** |
| **Of the consolidated net income for the period, the following are attributable to:** | | | |
| Shareholders of Ringmetall SE | | 10,086 | 5,738 |
| Non-controlling interests | | 422 | 262 |
| | | | |
| **Earnings per share** | 17 | | |
| Basic earnings per share (EUR) | | 0.35 | 0.20 |
| Diluted earnings per share (EUR) | | 0.35 | 0.20 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| EUR '000 | | **H1 2022** | H1 2021 |
|---|---|---|---|
| Consolidated result for the period from 01.01. to 30.06. | | **10,508** | **6,000** |
| | | | |
| **Items in other comprehensive income that could affect expenses or income in the future:** | | | |
| Foreign business currency translation differences | | 1,272 | 457 |
| | | | |
| **Items of other comprehensive income that will not be recognized as expenses or income in the future:** | | | |
| Result from the revaluation of the severance payment obligation | | 126 | 31 |
| | | -34 | -7 |
| | | | |
| **Other comprehensive income** | | **1,364** | **481** |
| | | | |
| **Total comprehensive income from 01.01. bis 30.06.** | | **11,872** | **6,481** |
| **Total comprehensive income attributable to:** | | | |
| Shareholders of Ringmetall SE | | 11,468 | 6,212 |
| Non-controlling interests | | 404 | 269 |

## CONSOLIDATED STATEMENT OF CASH FLOWS (SHORT)

| EUR '000 | **H1 2022** | H1 2021 |
|---|---|---|
| **1. Cash flow from operating activities** | | |
| Cash flow before interest, taxes and refinancing | 17,316 | 11,211 |
| Cash flow before interest and taxes | 6,867 | 5,275 |
| Cash flow from income taxes | -2,613 | -1,607 |
| **Cash flow from operating activities** | **4,254** | **3,668** |
| **2. Cash flow from investment activities** | | |
| Inflows from the disposal of property, plant and equipment | 85 | 92 |
| Outflows for investments in property, plant and equipment | -876 | -668 |
| Outflows for investments in intangible asset | -112 | -183 |
| Outflows for additions to the scope of consolidation in the current financial year | -301 | - |
| Other Inflow/ Outflow for investments | -3,840 | -4,049 |
| **Cash flow from investment activities** | **-5,044** | **-4,808** |
| **3. Cash flow from financing activities** | | |
| Inflows from taking out financial loans | 9,106 | 6,124 |
| Outflows from the repayment of financial loans | -3,042 | -1,471 |
| Outflows from the repayment of financial leasing | -1,206 | -1,103 |
| Outflows to shareholders (dividend payment) | -3,098 | -2,026 |
| Interest paid (*) | -291 | -372 |
| Interest received (*) | 24 | 14 |
| **Cash flow from financing activities (**)** | **1,493** | **1,166** |
| **4. Cash at the end of the period** | | |
| Cash-effective change in cash and cash equivalents | 703 | 26 |
| Influence of exchange rate effects on the means of Cash and cash equivalents | -12 | 65 |
| Changes in cash and cash equivalents due to changes in the scope of consolidation | 25 | 0 |
| Cash and cash equivalents at the beginning of the period | 4,573 | 6,225 |
| **Cash and cash equivalents at the end of the period** | **5,289** | **6,316** |
| **5. Composition of Cash** | | |
| Cash and cash equivalents | 5,289 | 6,316 |
| Current liabilities to banks | 0 | 0 |
| **Cash and cash equivalents at the end of the period** | **5,289** | **6,316** |

(*) Due to a better presentation, interest paid and received has been reported under cash flow from financing activities and not under cash flow from operating activities.

(**) Of the cash and cash equivalents, an amount of EUR 344 k (30.06.2021: EUR 419 thousand) relates to non-controlling interests.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| EUR '000 | Notes | Share capital | Capital reserves | Currency translation reserve | Revaluation of severance obligation | Effect of first-time adoption of IFRS 15 | Consolidated result carryforward | **Total** | Non-controlling interests | **Total equity** |
|---|---|---|---|---|---|---|---|---|---|---|
| **As of 1.1.2021 (IFRS)** | | **29,069** | **16,664** | **-1,765** | **17** | **22** | **4,713** | **48,720** | **869** | **49,589** |
| Consolidated result for the period from 01.01. to 30.06. | 17 | | | | | | 5,738 | 5,738 | 262 | 6,000 |
| Capital increase | | | | | | | -1,744 | -1,744 | -310 | -2,054 |
| Other comprehensive income | | | | 450 | 24 | | | 474 | 7 | 481 |
| Change in scope of consolidation | | | | | | | | 0 | | 0 |
| Total transactions with owners of the company | | 0 | 0 | 450 | 24 | 0 | 3,994 | 4,468 | -41 | 4,427 |
| **As of 30.06.2021 (IFRS)** | | **29,069** | **16,664** | **-1,315** | **41** | **22** | **8,707** | **53,188** | **828** | **54,016** |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| EUR '000 | Notes | Share capital | Capital reserves | Currency translation reserve | Revaluation of severance obligation | Effect of first-time adoption of IFRS 15 | Consolidated result carryforward | **Total** | Non-controlling interests | **Total equity** |
|---|---|---|---|---|---|---|---|---|---|---|
| **As of 1.1.2022 (IFRS)** | | **29,069** | **16,664** | **-507** | **45** | **22** | **17,415** | **62,708** | **1,041** | **63,749** |
| Consolidated result for the period from 01.01. to 30.06. | 17 | | | | | | 10,086 | 10,086 | 422 | 10,508 |
| Capital increase | | | | | | | -2,616 | -2,616 | -544 | -3,160 |
| Other comprehensive income | | | | 1,290 | 92 | | | 1,382 | -18 | 1,364 |
| Change in scope of consolidation | | | | | | | | 0 | | 0 |
| Total transactions with owners of the company | | 0 | 0 | 1,290 | 92 | 0 | 7,470 | 8,852 | -140 | 8,712 |
| **As of 30.06.2022 (IFRS)** | | **29,069** | **16,664** | **783** | **137** | **22** | **24,885** | **71,560** | **901** | **72,461** |

## SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**1. General information**

Ringmetall SE (hereinafter: "Ringmetall") is a leading specialist supplier in the packaging industry with production and sales locations worldwide. The main activities of Ringmetall and its subsidiaries are assigned to the business areas Industrial Packaging and Industrial Handling. Ringmetall assumes a superordinate function in the organizational structure as the managing holding company. It combines central Group functions within itself.

It was entered in the Munich Commercial Register (HRB 118683) of the Munich Local Court as H.P.I. Holding Aktiengesellschaft on 2 December 1997. Following the change of legal form to a European stock corporation (Societas Europaea, or SE for short), Ringmetall SE is now registered under the number HRB 268321 of the Munich Local Court. The registered office of the company is Munich. The address is Innere Wiener Straße 9, 81667 Munich.

The interim consolidated financial statements of Ringmetall are prepared in euros. Unless otherwise stated, all figures are in thousands of euros. Amounts are rounded in accordance with standard commercial practice.

**2. Accounting principles and standards applied**

These unaudited interim report of the Ringmetall Group comprise the condensed interim consolidated financial statements and the interim group management report. The condensed interim consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), taking into account IAS 34 Interim Financial Reporting, which were effective as of the reporting date 30 June 2022, and as adopted by the European Union. The interim financial statements also comply with German Accounting Standards (GASs) in compliance with GAS 16 Interim Financial Reporting, which were effective and applicable at the reporting date of 30 June 2022.

The standards and interpretations required to be applied for the first time from 1 January 2022 had no impact on the Group's net assets, financial position and results of operations and therefore there was no need for retrospective adjustments. Further information on the amendments is presented in the notes to the consolidated financial statements of the annual report as of 31 December 2021, under 7.1. "International Financial Reporting Standards (IFRS) and Interpretations (IFRIC) issued but not yet effective, and amendments to standards and interpretations" p. 82 f.

The interim consolidated financial statements are based on the reporting period from 1 January 2022 to 30 June 2022.

This interim report should be read in conjunction with the annual report for fiscal year 2021, which contains a detailed presentation of the Group's business activities and explanatory information on the Group's accounting policies applied in the reporting period. The accounting policies have remained fundamentally unchanged from the previous year.

### 3. List of subsidiaries

All subsidiaries of Ringmetall SE are listed below.

The consolidated financial statements as of 30 June 2022 include all entities over which Ringmetall SE can exercise direct or indirect control over the financial and operating policies. Subsidiaries are fully consolidated in the consolidated financial statements from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

The following subsidiaries are held by Ringmetall SE (directly / indirectly) and included in the interim consolidated financial statements as of 30 June 2022 by way of full consolidation:

| NAME OF THE COMPANY | Office | Country | Share in capital (%) |
|---|---|---|---|
| August Berger Metallwarenfabrik GmbH | Berg | Germany | 100.00 |
| Berger Closing Rings (Changshu) Co., Ltd. | Changshu | China | 100.00 |
| Berger Group Europe Iberica, S.L. | Reus | Spain | 100.00 |
| Berger Group US Inc. (vormals Berger US Inc.) | Birmingham | USA | 100.00 |
| Berger Italia S.r.l. | Valmadrera | Italy | 100.00 |
| Berger US Inc. (formerly Self Industries Inc.) | Birmingham | USA | 100.00 |
| Cemsan Metal Parts Manufacturing Industry Trade Ltd. Company | Gebze-Kocaeli | Turkey | 100.00 |
| Fidum Verwaltungs GmbH | Munich | Germany | 100.00 |
| Fieder Verwaltungs GmbH | Munich | Germany | 100.00 |
| Hollandring B.V. | Vaassen | Netherlands | 100.00 |
| HOSTO Stolz GmbH & Co. KG | Neunkirchen | Germany | 100.00 |
| HOSTO Stolz Verwaltungs GmbH | Neunkirchen | Germany | 100.00 |
| HSM GmbH & Co. KG | Ernsgaden | Germany | 100.00 |
| Latza GmbH | Attendorn | Germany | 100.00 |
| Nittel Halle GmbH | Halle (Saale) | Germany | 100.00 |
| Rhein-Plast GmbH | Bad Dürkheim | Germany | 100.00 |
| Tesseraux Spezialverpackungen GmbH | Bürstadt | Germany | 100.00 |
| Berger Hong Kong Limited | Hong Kong | China | 80.00 |
| Nittel B.V. | Moerdijk | Netherlands | 80.00 |
| Nittel France SARL | Merignac | France | 80.00 |
| S.G.T. S.r.l. | Albavilla | Italien | 80.00 |
| Berger Closures Limited | Peterlee | UK | 75.57 |

If non-controlling interests are held in one of the subsidiaries listed above, Ringmetall refers to the disclosures in the consolidated income statement with regard to the share of profit or loss and the consolidated statement of comprehensive income. Further financial data are not disclosed as they are of minor importance for the Group as a whole.

As of 30 June 2022, the following company is accounted for using the equity method due to significant influence:

| NAME AND REGISTERED OFFICE OF THE COMPANY | Office | Country | Share in capital (%) |
|---|---|---|---|
| Nittel UK Ltd. | Southport | UK | 50.00 |

The following subsidiaries are not included by Ringmetall SE in the interim consolidated financial statements as of 30 June 2022 due to their minor significance (individually and in total) for the net assets, financial position and results of operations:

| NAME OF THE COMPANY | Office | Country | Share in capital (%) |
|---|---|---|---|
| Berger Verwaltung GmbH i.L.* | Berg | Germany | 100.00 |
| HSM Verwaltungs GmbH | Ernsgaden | Germany | 100.00 |

* The company was liquidated on 18.01.2022.

**4. Expansion of the scope of consolidation / Acquisition of assets**

**Acquisition Rhein-Plast**

The Ringmetall Group concluded negotiations in January 2022 and took over the business operations, operating land and buildings, as well as selected assets and minor liabilities of RP Abwicklungsgesellschaft mbH i. L. (formerly Rhein-Plast GmbH) as of 1 February 2022. This business operation as well as the operating land, buildings, assets and liabilities were transferred to Rhein-Plast GmbH (formerly Blitz 21-966 GmbH).

In connection with the acquisition and assumption of these assets and liabilities of Rhein-Plast GmbH (hereinafter referred to as "Rhein-Plast"), the employees and the existing production know-how were also acquired. Due to the acquired substantial processes of the existing production units, the acquisition of Rhein-Plast represents a business combination according to IFRS 3.

A total purchase price of EUR 3,840 thousand was agreed, which was paid in full.

Rhein-Plast produces mono films from polyethylene granules (PE) at its plants in Bad Dürkheim, Germany, and in addition to extrusion and printing also offers film converting in a low-germ and low-particle cleanroom environment. The company also offers a wide product portfolio of polyethylene bags and sacks. Rhein-Plast's customers are primarily companies from the pharmaceutical and biotech industries. About one third of the customers are also in the chemical and food industries, the automotive and electronics sectors, and other industries. With Rhein-Plast, Ringmetall is for the first time expanding its production vertically into the area of production-relevant preliminary products. In this way, it should be possible in the future to control and ensure the quality of the required mono films made of polyethylene already in the manufacturing process. With a production capacity at Rhein-Plast of currently around 6,000 metric tons of PE per year at a current utilization rate of 50 percent, Ringmetall also ensures maximum supply capability in times of looming raw material shortages on all sides. The company is assigned to the Group's Industrial Packaging segment.

Ringmetall gained dominance and thus control over Rhein-Plast as of 1 February 2022. The initial consolidation took place on this date. As part of the purchase price allocation, the acquisition costs of all assets and liabilities were compared with their fair values. The difference between the identifiable assets acquired and the liabilities assumed results in the total identifiable net assets acquired. After a critical review, the difference between the purchase price and the total identifiable net assets acquired resulted in a negative difference, which was fully recognized in profit or loss as other income in the amount of EUR 1,153 thousand. As Rhein-Plast had been in insolvency proceedings in self-administration since 1 September 2021, this advantageous purchase could be realized.

| **Acquisition Rhein-Plast**<br>EUR '000 | **Carrying amount before purchase price allocation** | **Fair value according to purchase price allocation** |
|---|---|---|
| Properties and buildings | 1,590 | 2,610 |
| Technical plant and machinery | 1,572 | 1,686 |
| Inventory | 1,312 | 1,385 |
| Receivables and other assets | 1 | 1 |
| Financial liabilities | -23 | -159 |
| Deferred taxes | | -530 |
| **Total identifiable net assets** | **4,452** | **4,993** |
| **Goodwill** | | |
| Purchase price | | 3,840 |
| Total identifiable net assets | | 4,993 |
| **Negative difference** | | -1,153 |
| **Net paid cash** | | 3,840 |

In connection with the transaction, preliminary transaction costs of EUR 128 thousand were incurred and expensed.

Since the acquisition date, Rhein-Plast has generated sales of EUR 6,639 thousand and a profit of EUR 366 thousand, which are included in the consolidated statement of comprehensive income. Rhein-Plast had 84 employees in the first half of 2022.

Deferred taxes relate to temporary differences between the tax base and the carrying amounts of the identified assets and liabilities acquired for financial reporting purposes.

The purchase price allocation is preliminary in accordance with IFRS 3.45.

**5. Foreign currency**

Ringmetall translates the assets and liabilities of foreign subsidiaries whose functional currency is not the euro at the average spot exchange rate as of 30 June 2022. According to the IMF, Turkey has been a hyperinflationary country since April 2022. This has been taken into account in the currency translation. The exchange rates used for the translation of the main currencies in the Group are shown in the following table:

| | | Balance sheet closing rate | | P&L average rate | |
|---|---|---|---|---|---|
| **1 EURO** | | **30.6.2022** | 31.12.2021 | **H1 2022** | H1 2021 |
| Great Britain | GBP | 0.8627 | 0.8395 | 0.8422 | 0.8684 |
| China | CNY | 7.0289 | 7.2161 | 7.0827 | 7.7979 |
| Turkey | TRY | 17.4611 | 12.7877 | 16.2338 | 9.5129 |
| USA | USD | 1.0490 | 1.1325 | 1.0940 | 1.2057 |

**6. Business segments**

The Management Board is the chief operating decision maker in accordance with IFRS 8. For management purposes, the Group is divided into the Industrial Packaging and Industrial Handling operating segments, based on the products offered by the segments. Both segments also represent the reportable segments.

The Industrial Packaging business segment specializes in the development, production, and marketing of packaging elements for the drum industry. The product range, which focuses exclusively on industrial drums, includes not only the clamping ring, the lid, and the gasket, but also handles, closure units, and requirement-specific special components. Since 2019, the product portfolio has also included the manufacture and sale of drum inner liners.

The second business segment, Industrial Handling, produces and markets application-oriented vehicle attachments for special vehicles in freight and warehouse logistics. This segment develops and produces restraint systems, lift mast parts, and clutch and brake pedals for tractors, trucks, and above all industrial trucks. However, complex welding assemblies and trailer coupling systems as well as hydraulic components are also part of the product range.

The Management Board assesses the operating segments on the basis of EBITDA. EBITDA represents earnings before interest, taxes, depreciation and amortization.

### 6.1 Revenues

Sales between the segments are carried out at market prices. Sales to external customers, which are reported to the Management Board, are measured using the same principles as in the income statement.

| | **H1 2022** | | | H1 2021 | | |
|---|---|---|---|---|---|---|
| EUR '000 | Segment revenues | Intersegmental revenues | Revenues from external clients | Segment revenues | Intersegmental revenues | Revenues from external clients |
| Industrial Packaging | 116,174 | 8,742 | 107,432 | 78,153 | 5,882 | 72,271 |
| Industrial Handling | 7,839 | 20 | 7,819 | 6,018 | - | 6,018 |
| Other | 422 | 422 | 0 | 421 | 421 | - |
| **Total** | **124,435** | **9,184** | **115,251** | 84,592 | 6,303 | 78,289 |

For further information on revenues, please refer to Note 11.

### 6.2 Segment results

| EUR '000 | **H1 2022** | H1 2021 |
|---|---|---|
| Industrial Packaging | 17,616 | 12,572 |
| Industrial Handling | 666 | 693 |
| Other | -940 | -1,963 |
| **EBITDA before consolidation** | **17,342** | **11,302** |
| Consolidation effects on EBITDA | -1 | - |
| **EBITDA** | **17,341** | **11,302** |
| Depreciation of Property, plant and equipment and intangible assets | -3,479 | -3,090 |
| **EBIT** | **13,862** | **8,212** |
| Financing result | -313 | -413 |
| **EBT** | **13,549** | **7,799** |
| Income tax expense | -3,041 | -1,799 |
| **Net results** | **10,508** | **6,000** |

The assets and liabilities of the segments have developed in line with the business performance of the segments. Compared to 31 December 2021, the main changes resulted from the acquisition of Rhein-Plast.

### 6.3 Group-wide information

The regional breakdown of sales to non-Group customers is as follows:

| | H1 2022 | | | | H1 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| EUR '000 | Germany | USA | Italy / UK | Rest | Germany | USA | Italy / UK | Rest |
| Industrial Packaging | 27,699 | 33,004 | 14,659 | 32,070 | 17,945 | 21,283 | 10,490 | 22,553 |
| Industrial Handling | 7,617 | 0 | 0 | 202 | 5,685 | 0 | 0 | 333 |
| **Total** | **35,316** | **33,004** | **14,659** | **32,272** | **23,630** | **21,283** | **10,490** | **22,886** |

In the Industrial Packaging segment, revenues of EUR 18,743 thousand (H1 2021: EUR 14,274 thousand) and EUR 19,275 thousand (H1 2021: EUR 13,936 thousand), respectively, are based on business with two customers.

In the Industrial Handling segment, revenues of EUR 4,797 thousand (H1 2021: EUR 3,428 thousand) were generated with one customer.

## 7. Goodwill

### 7.1 Reconciliation of the book value

| EUR '000 | 30.06.2022 | 31.12.2021 |
|---|---|---|
| Acquisition cost | 36,552 | 35,530 |
| Accumulated impairment losses | -2,290 | -1,796 |
| | **34,262** | **33,734** |
| **Acquisition cost** | | |
| Balance at beginning of year | 35,530 | 33,613 |
| Additional amounts recognized from business combinations | - | 916 |
| Effects of exchange rate differences | 1,022 | 1,001 |
| Balance at end of year | **36,552** | **35,530** |
| **Accumulated impairment losses** | | |
| Balance at beginning of year | 1,796 | 1,313 |
| Impairment losses recognized during the year | - | - |
| Effects of exchange rate differences | 494 | 483 |
| Balance at end of year | **2,290** | **1,796** |

### 7.2 Allocation of goodwill to cash-generating units

Goodwill resulting from a business combination is recognized at the value resulting from the purchase price allocation less any necessary impairment losses and is presented separately in the consolidated statement of financial position. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the synergies of the combination.

At the respective measurement date (= reporting date), the recoverable amount of each cash-generating unit carrying goodwill is determined on the basis of a value-in-use calculation using cash flow forecasts based on financial budgets determined and approved by management, and compared with its carrying amount. This was based on a detailed plan for the first year, which was extrapolated in a simplified extrapolation using an average growth potential of up to 10.0 percent for two further years. The growth factor applied depends on the extent to which a country or business area was or is affected by the COVID-19 pandemic and the corresponding effects for the near future, which are, however, no longer expected in the medium term. Growth rates of up to 10 percent result from the fact that the detailed planning period takes into account COVID-19-related effects that are no longer expected in subsequent years. Periods not included in the planning calculations are represented by recognizing the residual value (terminal value). Cash flows after the three-year period are assumed to be subject to a growth rate of 0.0 percent (31 December 2021: 0.0 percent). The cash flows are discounted using the risk-adjusted pre-tax interest rate of the respective cash-generating units of 6.0 percent to 8.0 percent (31 December 2021: 6.0 percent to 8.0 percent), which is based on the weighted average cost of capital (WACC). The weighted average cost of capital takes into account a cost of capital of 8.5 percent (31 December 2021: 8.5 percent) and a cost of debt of 1.5 percent (31 December 2021: 1.5 percent). The calculation is based on the capital asset pricing model (CAPM), taking into account current market expectations. Specific peer group information for beta factors, capital structure data and borrowing cost rates were used to determine the risk-adjusted interest rates for impairment testing purposes.

Goodwill is composed as follows as of 30 June 2022:

| EUR '000 | **30.06.2022** | 31.12.2021 |
|---|---:|---:|
| August Berger Metallwarenfabrik GmbH | 834 | 834 |
| Berger Closures Limited | 176 | 176 |
| Berger Italia S.r.l. | 2,658 | 2,658 |
| Berger US Inc. | 13,250 | 12,722 |
| HOSTO Stolz GmbH & Co. KG | 916 | 916 |
| HSM GmbH & Co. KG | 3,973 | 3,973 |
| Packaging Inliner | 9,332 | 9,332 |
| Latza GmbH | 1,261 | 1,261 |
| S.G.T. S.r.l. | 1,862 | 1,862 |
| **Total** | **34,262** | **33,734** |

The cash-generating unit Packaging Inliner comprises the legal entities of the Nittel companies and Tesseraux. Operational management of the companies is carried out by a common group of people. The overriding objective is to bring the companies closer together in order to leverage synergies in all relevant areas of the business.

The strategic management and alignment of the companies as well as the creation and pursuit of a business area strategy is carried out at the Packaging Inliner level, and reports are made to management and the Supervisory Board at this level. This business unit is part of the Industrial Packaging segment and is therefore smaller than the segment.

All goodwill recognized results primarily from synergies in market development. This may result, for example, from the development of new regions or new products. There is also earnings potential from acquired production sites.

**8. Financial liabilities**

**8.1 Terms and liabilities**

| EUR '000 | **30.06.2022** | **31.12.2021** |
|---|---|---|
| **Non-current liabilities** | | |
| Bank loans | 19,614 | 13,281 |
| Other loans | 12 | 349 |
| Liabilities from leasing agreements | 9,134 | 9,970 |
| **Total** | **28,760** | **23,600** |
| **Current liabilities** | | |
| Bank loans | 5,151 | 5,351 |
| Other loans | 354 | 349 |
| Liabilities from leasing agreements | 2,364 | 2,283 |
| **Total** | **7,869** | **7,983** |

The breakdown of debt into current and non-current is made in accordance with the redemption schedules deposited.

Other loans include the remainder of the vendor loan from the acquisition of the limited partner's shares in HOSTO Stolz GmbH & Co. KG in the amount of EUR 78 thousand and the remaining amount from the purchase of movable assets in the amount of EUR 266 thousand. Further information on the acquisition of HOSTO can be found in the Annual Report as of 31 December 2021, under 6. "Expansion of the scope of consolidation/acquisition of assets" p. 80 f.

**8.2 Secured bank loans**

The outstanding loans have the following conditions:

| EUR '000 | | Currency | Interest rate | Maturity year | 30.6.2022 Nominal value | 30.6.2022 Book value | 31.12.2021 Nominal value | 31.12.2021 Book value |
|---|---|---|---|---|---|---|---|---|
| **Ringmetall SE** | A | EUR | EURIBOR + 1.50 - 1.725% | 2021-2025 | 11,250 | 11,250 | 13,500 | 13,500 |
| | B/C | EUR | | | 12,809 | 12,809 | 4,115 | 4,115 |
| | | EUR | 7.50% | 2021 | - | - | 0 | 0 |
| **Cemsan Metal Parts Manufacturing Industry Trade Ltd. Company** | | TRY / EUR | 40.00% | 2022 | - | - | 136 | 136 |
| **SGT s.r.l.** | | EUR | 2.50% | 2023 | 31 | 31 | 58 | 58 |
| | | EUR | 1.00% | 2022 | 382 | 382 | 460 | 460 |
| **HOSTO Stolz GmbH & Co. KG** | | EUR | 2.40% | 2026 | 154 | 154 | 175 | 175 |
| | | EUR | 1.95% | 2026 | 120 | 120 | 136 | 136 |
| **Berger Closing Rings (Changshu) Co., Ltd.** | | CNY /EUR | 5.65% | 2022 | - | - | 52 | 52 |
| **Rhein-Plast GmbH** | | EUR | 3.92% | 2023 | 12 | 12 | - | - |
| | | EUR | 3.53% | 2024 | 7 | 7 | - | - |
| **Total** | | | | | **24,765** | **24,765** | 18,632 | 18,632 |

The bank loans are secured by land and buildings in the amount of EUR 1,735 thousand (31 December 2021: EUR 1,811 thousand), as well as by other non-current assets in the amount of EUR 2,837 thousand (31 December 2021: EUR 2,981 thousand) and current assets in the amount of EUR 9,874 thousand (31 December 2021: EUR 8,994 thousand). The values stated correspond to the carrying amounts from the separate financial statements.

**9. Trade payables and other liabilities**

| CURRENT:<br>EUR '000 | 30.06.2022 | 31.12.2021 |
|---|---|---|
| Trade payables | 18,484 | 14,882 |
| Other liabilities | 2,466 | 2,602 |
| **Total** | **20,950** | **17,484** |

The increase in trade accounts payable as of 30 June 2022 is a result of the increase in inventories. Due to the shortage of raw materials, inventories were built up to ensure the ability to deliver for the whole group. The shortage of raw materials is also accompanied by increased prices for raw materials, which has also had an impact on the value of the liabilities.

**10. Other financial obligations and contingent liabilities**

The Group has the following financial obligations that are not included in the consolidated statement of financial position:

| EUR '000 | 30.06.2022 | | | 31.12.2021 | | |
|---|---|---|---|---|---|---|
| | < 1 year | 1 to 5 years | > 5 Years | < 1 year | 1 to 5 years | > 5 Years |
| Obligation from outstanding order | 24,079 | - | 0 | 26,041 | - | - |
| Service contracts, etc. | 731 | 1,461 | 21 | 680 | 1,515 | 21 |
| Short-term low value lease | 34 | 27 | 0 | 50 | 58 | - |
| **Total** | **24,844** | **1,488** | **21** | **26,771** | **1,573** | **21** |

NOTES TO THE CONSOLIDATED PROFIT AND LOSS STATEMENT AND OTHER RESULTS

**11. Revenues**

| EUR '000 | H1 2022 | H1 2021 |
|---|---|---|
| Clamping rings, lids, etc. | 88,564 | 62,845 |
| Drum inliners | 18,868 | 9,426 |
| Vehicle attachment parts, etc | 7,819 | 6,018 |
| **Total** | **115,251** | **78,289** |

The group's principal activity is the manufacture and sale of clamping rings, related closures and, since 2019, drum liners (Industrial Packaging segment) and the production and marketing of vehicle attachments for special vehicles used in logistics and warehouse logistics and agriculture (Industrial Handling segment).

The Group generated revenues of EUR 115,251 thousand (H1 2021: EUR 78,289 thousand) from contracts with customers in accordance with IFRS 15. As in the previous year, all revenues in both segments were generated and recognized on a point-in-time basis in the reporting year.

As of 30 June 2022, assets from customer contracts designated as trade receivables totaling EUR 33,431 thousand (31 December 2021: EUR 23,575 thousand) are recognized in the balance sheet, of which EUR 31,185 thousand (31 December 2021: EUR 22,541 thousand) are attributable to the Industrial Packaging segment and EUR 2,246 thousand (31 December 2021: EUR 1,034 thousand) to the Industrial Handling segment.

The contract assets recognized in the balance sheet are those assets from customer contracts that have not yet been invoiced to customers. They result from deliveries of Ringmetall products to customers' consignment stocks. The contract assets relate entirely to the Industrial Packaging segment.

**12. Other Income**

| EUR '000 | **H1 2022** | H1 2021 |
|---|---:|---:|
| Income from the release of provisions and allowance for doubtful accounts | 150 | 97 |
| Income from the private use of company vehicles | 76 | 65 |
| Profit/loss from the disposal of property, plant and equipment | 52 | 73 |
| Income from contribution | 49 | 66 |
| Other own work capitalized | 31 | 24 |
| Income from insurance policies | 25 | 36 |
| Income from rental | 10 | 7 |
| Other remaining income | 1,262 | 289 |
| **Total** | **1,655** | **657** |

Other income increased by EUR 998 thousand. This increase is mainly due to the income of EUR 1,153 thousand from the favorable acquisition of Rhein-Plast. Please refer to the comments on the acquisition of Rhein-Plast under 4. Expansion of the scope of consolidation / acquisition of assets.

**13. Operating expenses**

**13.1 Cost of materials**

| EUR '000 | **H1 2022** | **H1 2021** |
|---|---:|---:|
| Cost of raw materials and supplies | 64,518 | 39,482 |
| Cost of purchased services | 3,462 | 2,219 |
| **Total** | **67,980** | **41,701** |

The cost of purchased services includes in particular expenses for energy and external work.

**13.2 Personnel expenses**

| EUR '000 | **H1 2022** | **H1 2021** |
|---|---:|---:|
| Wages and salaries | 16,289 | 13,203 |
| Social security contributions | 3,674 | 2,958 |
| Temporary workers | 3,508 | 2,030 |
| **Total** | **23,471** | **18,191** |

Temporary workers are reported under personnel expenses. This corresponds to the economic approach from the Group's point of view.

The average number of employees in the 1st half of 2022 is 812 and has increased compared to the 1st half of 2021 with 726 average employees mainly due to the acquisition of Rhein-Plast.

In H1 2022, an average of 147 temporary workers were used, compared with 119 temporary workers in H1 2021.

#### 13.3 Other operating expenses and other tax

| EUR '000 | H1 2022 | H1 2021 |
|---|---|---|
| Expenses for the issue of goods | 3,933 | 2,682 |
| Expenses for administration and EDP | 2,130 | 2,110 |
| Expenses for machinery and tools | 1,508 | 1,124 |
| Expenses for consultancy and other external services | 1,340 | 1,578 |
| Expenses related to buildings | 1,190 | 803 |
| Other expenses | 65 | 93 |
| Other tax | 252 | 126 |
| **Total** | **10,418** | **8,516** |

### 14. Result from investments accounted for using the equity method

The result from investments accounted for using the equity method in the amount of EUR 27 thousand results from the associated company Nittel UK Ltd.

Accordingly, the carrying amount of this investment accounted for using the equity method increased to EUR 83 thousand as of 30 June 2022.

### 15. Financial result

Interest income of EUR 24 thousand was higher than in the comparative period (H1 2021: EUR 14 thousand). Interest expenses decreased by EUR 90 thousand to EUR 337 thousand.

### 16. Income tax expense

Ringmetall SE is subject to domestic corporate income tax and trade tax. The corporate income tax rate applicable for the first half of 2022 as well as the first half of 2021 is 15.0 percent. In addition, a solidarity surcharge of 5.5 percent is levied. Depending on the individual assessment rate, trade income tax amounts to between 10.5 percent and 17.2 percent of taxable income.

There were no significant changes in the tax environment compared with the consolidated financial statements as of 31 December 2021. Overall, income taxes of EUR 3,041 thousand (H1 2021: EUR 1,799 thousand) were recognized in the income statement in the interim financial statements. No income taxes were recognized directly in equity in the first half of the year.

## 17. Explanations to the statement of comprehensive income

### 17.1 Consolidated profit for the period from continuing operations

| EUR '000 | H1 2022 | H1 2021 |
|---|---|---|
| Shareholders of the parent company | 10,086 | 5,738 |
| Non-controlling interests | 422 | 262 |
| **Consolidated result for the period from 01.01. bis 30.06.** | **10,508** | **6,000** |

### 17.2 Earnings per share

Basic and diluted earnings per share are calculated by dividing the Group's net profit for the period (excluding minority interests) by the weighted average number of registered shares outstanding and admitted to trading during the respective reporting period. No stock options or convertible bonds were issued by the Company until 30 June 2022, which would lead to a dilution of the earnings per share, so that the basic earnings per share correspond to the diluted earnings per share.

| | H1 2022 | H1 2021 |
|---|---|---|
| Group's net profit for the period in EUR '000 | 10,086 | 5,738 |
| Weighted average number of shares | 29,069,040 | 29,069,040 |
| **Earnings per share (basic and diluted, in EUR)** | **0.35** | **0.20** |

## 18. Capital management

The Group's objective is to maintain a strong capital base in order to maintain the confidence of investors, creditors and the markets and to ensure the sustainable development of the Company. The Management Board aims to achieve a balance between increasing returns, while optimizing the ratio of equity to debt, and the benefits of a stable capital base.

The Group monitors capital using a ratio of adjusted net debt to equity. Adjusted net debt principally comprises interest-bearing liabilities to banks less cash and cash equivalents. The equity ratio is as follows:

| EUR '000 | 30.06.2022 | 31.12.2021 |
|---|---|---|
| Interest-bearing loans and bonds | 24,765 | 18,632 |
| Leasing liabilities | 11,498 | 12,253 |
| Less cash and cash equivalents | -5,289 | -4,573 |
| **Net debt** | **30,974** | **26,312** |
| Equity | 72,461 | 63,749 |
| **Balance sheet total** | **142,872** | **123,896** |
| Equity ratio | 50.7% | 51.5% |

## 19. Financial Instruments - Fair Values and Risk Management

### 19.1 Classifications and fair values

The following table shows the carrying amounts and classification of financial assets and financial liabilities in accordance with IFRS 9.

| EUR '000 | IFRS 9 Valuation category | **IFRS 9 Book value 30.06.2022** | IFRS 9 Book value 31.12.2021 |
|---|---|---|---|
| Assets | | | |
| Other non-current financial assets | AC | 151 | 167 |
| Trade receivables | AC | 33,431 | 23,575 |
| Contract assets | AC | 449 | 636 |
| Cash and cash equivalents | AC | 5,289 | 4,573 |
| **Total** | | **39,320** | **28,951** |
| Liabilities | | | |
| Non-current financial liabilities | FLAC | 28,760 | 23,600 |
| Trade payables | FLAC | 18,484 | 14,882 |
| Current financial liabilities | FLAC | 7,869 | 7,983 |
| **Total** | | **55,113** | **46,465** |

### 19.2 Derivative financial instruments

As of 30 June 2022, the Ringmetall Group does not use any derivative financial instruments, as was the case on the comparative reporting date of 31 December 2021.

### 19.3 Determination of fair value

**Valuation techniques and significant unobservable input factors**

The following tables show the valuation techniques used in determining Level 2 and Level 3 fair values and the significant unobservable inputs used:

**Financial instruments not measured at fair value**

| **Kind** | Valuation Method | Significant unobservable inputs |
|---|---|---|
| Other financial liabilities* | Discounted cash flows in a DCF method using market interest rates and term of the liability | Margin surcharge on interest |

* Other financial liabilities include secured and unsecured bank loans, unsecured bonds and finance lease liabilities. As the fair value corresponds to the carrying amount of financial instruments that are not measured at fair value, no further disclosures are made.

**20. Related companies and persons**

At Ringmetall, the shareholders are generally regarded as the ultimate controlling party.

Related parties are non-consolidated subsidiaries and persons who can exercise significant influence over the financial and operating policies of the Ringmetall Group. The latter include all persons in key positions as well as their close family members. In the Ringmetall Group, these are the members of the Management Board and the Supervisory Board.

There were no changes in the group of related parties in the first six months of the financial year 2022 compared with 31 December 2021. In the reporting period, no new contracts were concluded with key management personnel, members of the Supervisory Board or other related parties, nor were any significant changes made to existing contracts that would have a material impact on the net assets, financial position or results of operations of the group.

For further details, please refer to the comments in the Annual Report as of 31 December 2021, under 31 "Related parties" on p. 139 ff.

## 21. Employees

In H1 2022, the Group employed an average of 812 employees (H1 2021: 726 employees).

## 22. Events after the balance sheet date

There are no significant events after the balance sheet date.

## 23. Declaration by the legal representatives

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

Munich, 15 September 2022

The Management Board

Christoph Petri

Spokesperson of the Management Board

Konstantin Winterstein

Member of the Management Board

## FORWARD-LOOKING STATEMENTS

This interim report expressly or implicitly contains forward-looking statements relating to the future business performance of Ringmetall SE and its business activities. Such statements can be identified by words such as "expect", "want", "will", "plan" or similar terms.

Such statements are not historical facts. These statements are based on the current expectations and assumptions of Ringmetall's management, many of which are beyond Ringmetall's control. Therefore, they are subject to a variety of uncertainties, contingencies and risks. Ringmetall's actual results, performance or achievements may differ materially (negatively or positively) from those expressed or implied in the forward-looking statements if risks, uncertainties or contingencies materialize or underlying expectations do not occur or assumptions were incorrect.

## REVIEW REPORT

To the Ringmetall SE, Munich

We have reviewed the condensed interim consolidated financial statements of the Ringmetall SE, Munich, comprising the balance sheet, the income statement, comprehensive income statement, cash flow statement, statement of changes in equity and selected explanatory notes, together with the interim group management report of the Ringmetall SE for the period from January 1, 2022 to June 30, 2022, that are part of the semi annual financial report pursuant to § 115 WpHG [Wertpapierhandelsgesetz: German Securities Trading Act]. The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review such that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been pre-pared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Stuttgart, September 15, 2022

BDO AG

Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| Thurnbauer | Prof. Dr. Uebensee |
| Wirtschaftsprüferin (German Public Auditor) | Wirtschaftsprüferin (German Public Auditor) |

# SUPPLEMENTARY INFORMATION

## SOURCES

Federal Ministry for Economic Affairs and Climate Protection - The economic situation in Germany in July 2022
International Monetary Fund - World Economic Outlook Update July 2022

## LEGAL NOTICES

The information published in this report does not constitute a recommendation, an offer or a solicitation to buy or sell investment instruments, to effect transactions or to conclude any legal act. The published information and opinions are provided by Ringmetall SE exclusively for personal use and for information purposes; they may be changed at any time and without prior notice. Ringmetall SE does not assume any warranty (neither explicit nor implicit) for the correctness, completeness and up-to-dateness of the information and opinions published in this report. This report also contains forward-looking statements that reflect the current views of the management of Ringmetall SE with respect to future events. By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Ringmetall SE assumes no liability for this. In particular, Ringmetall SE is not obligated to remove information that is no longer current from the report or to expressly mark it as such. The information in this report does not constitute decision-making aids for economic, legal, tax or other consulting questions, nor may investment or other decisions be made solely on the basis of this information. Consultation with a qualified professional is recommended.

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