



# **HALF-YEAR REPORT**

of H&R GmbH & Co. KGaA

**AS OF  
JUNE 30  
2024**

## Our First Six Months

- Sales hit €675.6 million
- EBITDA of €41.1 million slightly higher than previous year
- Currently no adjustments to full year's guidance

### H&R GMBH & CO. KGAA IN FIGURES

IN € MILLION	1/1-6/30/2024	1/1-6/30/2023	Change (absolute)
Sales revenue	675.6	699.6	-24.0
Operating income (EBITDA)*	41.1	39.4	1.7
EBIT	11.7	11.1	0.6
EBT	5.3	5.7	-0.4
Consolidated net income	4.2	4.0	0.2
Consolidated income attributable to shareholders	2.8	3.7	-0.9
Consolidated income per share (undiluted) in €	0.07	0.10	-0.03
Cash flow from operating activities	5.5	56.8	-51.3
Cash flow from investing activities	-24.0	-32.1	8.1
Free cash flow	-18.5	24.7	-43.2
Cash flow from financing activities	24.0	-25.1	49.1
	<b>6/30/2024</b>	<b>12/31/2023</b>	<b>Change (absolute)</b>
Balance sheet total	988.5	903.2	85.3
Net working capital	223.5	209.1	14.4
Equity	457.7	457.6	0.1
Equity ratio (in %)	46.3	50.7	-4.4
No. of employees	1,658	1,704	-46

### THE SEGMENTS IN FIGURES

IN € MILLION	1/1-6/30/2024	1/1-6/30/2023	Change (absolute)
<b>Chemical Pharmaceutical Raw Materials Refining</b>			
Sales	417.0	433.2	-16.2
EBITDA	20.6	22.4	-1.8
<b>Chemical Pharmaceutical Raw Materials Sales</b>			
Sales	243.6	251.1	-7.5
EBITDA	21.1	13.8	7.3
<b>Plastics</b>			
Sales	24.2	26.3	-2.1
EBITDA	1.2	3.0	-1.8
<b>Reconciliation</b>			
Sales	-9.2	-11.0	1.8
EBITDA	-1.8	0.2	-2.0

\* EBITDA – consolidated income before income taxes, other financial income and expenses, depreciation, amortization and impairment, and appreciation of fixed assets and property, plant and equipment.

## Letter from the Executive Board

Dear Shareholders,  
Dear Business Partners,

The performance of a company is always influenced by a multitude of global economic, regulatory, and company-specific factors.

Predicting their interplay as accurately as possible at the beginning of the year and making statements about the potential performance of our company is a significant part of preparing the annual financial statements and publishing the annual report.

Given how little time there is between this and the publication of the statement of financial position for the first quarter, the half-year report provides the first opportunity to make the first proper comparison between our expectations and the company's actual performance.

In terms of our EBITDA forecast for the full year, which remains unchanged at €90 million to €110 million after the first six months of 2024, we are currently, mathematically speaking, still below our target altitude. However, we see various indicators of momentum building, which will have a positive impact on our business. This is evident in our discussions with customers about products, quantities, and prices. Positive feedstock price trends and related improvements in our related net working capital have also given us reason to be optimistic. We are also encouraged by developments in price indices, even though our business is influenced by far more complex factors than just Brent crude oil prices and individual quotes.

The results achieved so far have already slightly exceeded the first half of last year. With an operating income (EBITDA) of €41.1 million, H&R closed the first six months in a slightly stronger position than last year. We are therefore optimistic that our goals will converge more closely with our performance as the year progresses.

We must continue to tackle and overcome the ongoing challenges facing companies in the German industrial sector throughout the rest of the year. Experts are skeptical about the latest macroeconomic data coming through, with some forecasting a decline in national economic output just a few days ago. This will likely shape the outlook for some of our key customer industries. The German automotive industry recently revised its growth targets significantly downward, as reflected in the figures for GAUDLITZ. The German chemical industry association – the VCI – believes that international business currently holds the best prospects for its members. We agree. The international business of our Sales segment was once again a growth driver and stabilizing factor in this reporting period.

I am by no means diminishing the importance of our German sites or joining with those who complain about the disadvantages that certain sites face due to energy costs or regulations. If you have watched the surfing being held as part of the Olympic Games, you may have noticed that sometimes the best action you can take is to breathe deeply and dive beneath the waves.

For us, holding our breath and diving under means that, as in previous challenging years, there will be an even keener focus on sensible project and cost management in the second half of the year. Doing this will allow us to hold on to the funds we need to realize important projects in the future when they will have the greatest impact – ideally when economic and market conditions have improved. If you will indulge me one last metaphor, we are getting ready to break out of the water. In the area of sustainable feedstocks, we continue to work on incorporating recycled materials and have already secured access to our first delivery of biogenic feedstocks.

We will continue to closely monitor market conditions and developments and will refine our guidance if appropriate.

In the meantime, thank you for your continued loyalty and, above all, stay optimistic and safe!

Hamburg, August 2024

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Niels H. Hansen', written in a cursive style.

**Niels H. Hansen**  
Managing Director

# Interim Consolidated Management Report of H&R GmbH & Co. KGaA

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## Group Structure

### Sectors and Organizational Structure

The H&R Group organizes its operating activities into two business divisions: Chemical-Pharmaceutical Raw Materials and Plastics.

Our ChemPharm Refining segment includes the two German specialty production sites in Hamburg and Salzbergen. We operate these sites with the aim of achieving as high a percentage as possible of output consisting of hydrocarbon-based specialty products such as label-free plasticizers, paraffins and white oils.

During the course of our production processes, we create approximately 800 different products that are used in almost every area of life.

Our ChemPharm Sales segment is comprised of numerous plants for additional processing as well as our distribution sites worldwide.

In the Plastics segment, we manufacture our precision plastic parts at our locations in Coburg, Czech Republic and China. The customers buying our Plastics products include the automotive industry, the medical technology industry and other traditional industrial sectors.

### Group's Legal Structure

As the Group's holding company, H&R GmbH & Co. KGaA (hereinafter referred to as H&R) is in

charge of the management of our business operations. The holding company is responsible for the company's strategic focus, manages the Group's financing activities and provides various management functions and services for our subsidiaries.

At the end of the reporting period, there were 47 consolidated subsidiaries (December 31, 2023: 47). Our subsidiaries can be found in the list of shareholdings in the Notes to the Consolidated Financial Statements in the 2023 financial report under "Scope of Consolidation and Holdings".

### Employees

The number of people employed by the H&R Group as of June 30, 2024, went down compared to the reporting date to 1,658 (December 31, 2023: 1,704 employees). The employee headcount in Germany has fallen by 30 since the beginning of the year to 896. Internationally, there were 762 employees, equating to a decrease of 16.

The changes in the business segments are as follows: In the ChemPharm division, the employee headcount increased by 5 people year-over-year to 1,291 (December 31, 2023: 1,286). The Refining segment (737 employees) employed 5 fewer people than at the end of the year. The number of employees in the Sales segment went up by 10 people to 554. In the Plastics segment, H&R KGaA employed 52 fewer staff members than at year-end 2023, which reduced the headcount to 293.

The number of employees working in other activities had increased by one as of the half-year reporting date, taking the total to 74.

## Subscribed Capital and Shareholder Structure

The share capital of H&R GmbH & Co. KGaA amounted to €5,155,882.68 as of June 30, 2024. It was divided into 37,221,746 ordinary no-par bearer shares. This corresponded to a notional value of €2.56 per share. There are no distinct classes of shares; they are all ordinary shares. Each of these shares entitles the holder to one vote.

We were informed of a change in the shareholdings of our majority shareholder in the financial year under review. According to an informal notification as part of the Annual Shareholders' Meeting in 2024, the share of the company's share capital that is attributable to the Hansen family corresponds to 61.45% of the voting rights in total.

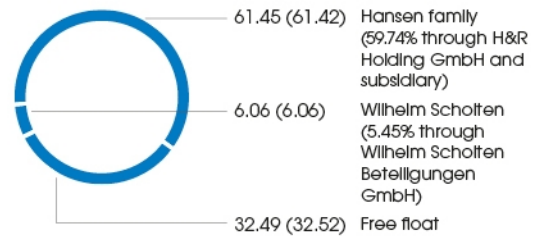
According to an informal notification in connection with the Annual Shareholders' Meeting, the stake in the share capital held by our anchor shareholder Mr. Wilhelm Scholten was likewise unchanged at 6.06%. 5.45% of this was held via Wilhelm Scholten Beteiligungen GmbH and the remaining 0.61% was

held via Ölfabrik Wilhelm Scholten GmbH and subsidiaries.

The remaining 32.49% of H&R shares were in free float as of June 30, 2024. Of these, around 1.96% were in turn held by institutional investors.

### SHAREHOLDER STRUCTURE AS OF 6/30/2024

IN % (VALUES AT THE END OF THE PREVIOUS YEAR)



### KEY H&R SHARE PERFORMANCE INDICATORS

	1/1-6/30/2024	1/1-6/30/2023	Change (absolute)
Number of shares as of reporting date	37,221,746	37,221,746	–
Earnings per share, in €	0.07	0.10	-0.03
Maximum price during reporting period, in € <sup>1)</sup>	5.12	6.42	-1.30
Lowest price during reporting period, in € <sup>1)</sup>	4.65	5.12	-0.47
Price as of reporting date, in € <sup>1)</sup>	4.84	5.20	-0.36
<b>Market capitalization as of reporting date, in € million<sup>1)</sup></b>	<b>180.2</b>	<b>193.6</b>	<b>-13.4</b>

<sup>1)</sup> XETRA closing price in each case.

## Economic Environment

### Macroeconomic Conditions

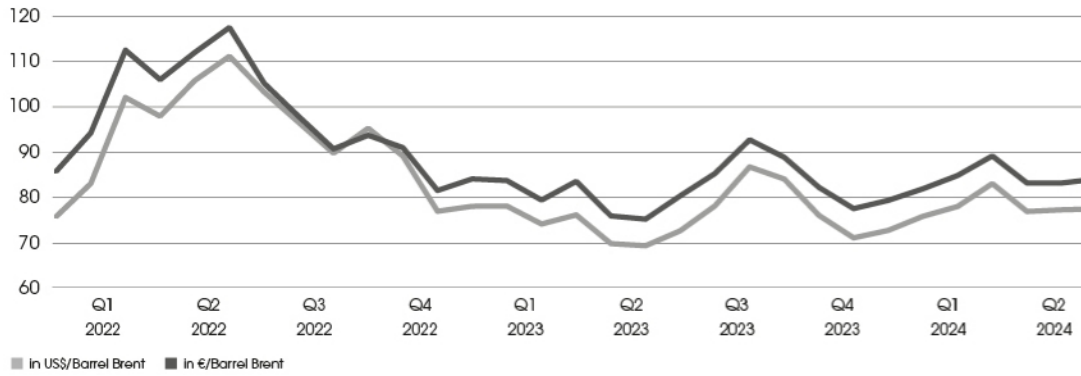
Following a -0.2% decline in gross domestic product in 2023 and only slight improvements in the latest economic indicators, the German economy is projected to enter a modest expansion phase in 2024, with experts forecasting growth rates ranging from 0.2% (IMF) to 0.4% (ifo). Hosting the European Football Championship is not expected to deliver a significant boost to the economy.

The majority of the economic momentum in the second half of the year will come from increased household purchasing power and wage growth, assuming

consumer spending continues to rebound and household saving ratios return to normal. Interest rate policies could also provide some momentum for the construction industry. The industrial sector is expected to continue its recovery while benefiting from rising global demand.

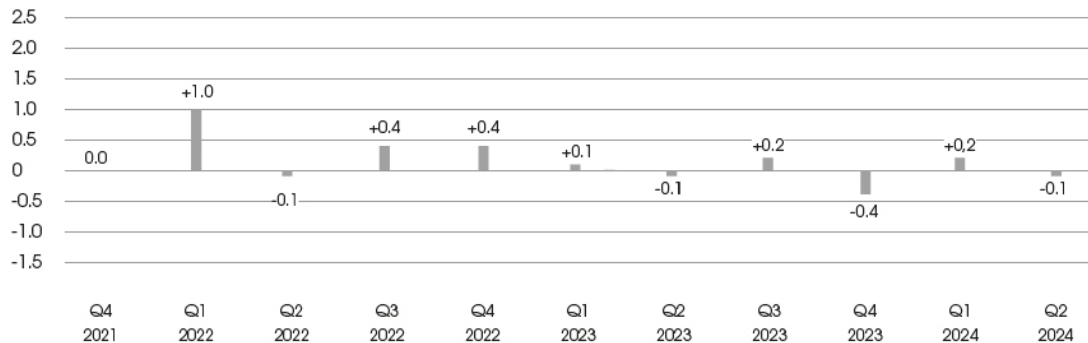
#### OIL PRICES, Q1/2022 – Q2/2024

(AVERAGE MONTHLY PRICES)



#### ECONOMIC GROWTH IN GERMANY<sup>1)</sup>

GROWTH IN PREVIOUS QUARTER IN %, SOURCE: FEDERAL STATISTICAL OFFICE (DESTATIS); DIW BERLIN



1) Gross domestic product (adjusted for season, price and calendar)



According to the ZEW – Leibniz Centre for European Economic Research, the euro area economy is expected to grow by just 0.3% in 2024. The IMF is somewhat more optimistic and recently revised its forecast upwards to 0.9%. It expects this growth to primarily be driven by increased momentum in the services sector and slightly higher-than-expected export figures in the first half of 2024. Looking ahead to 2025, growth is anticipated to rise to 1.5%, supported by higher consumption due to rising real wages and increased investment driven by an improvement in financing terms following the gradual easing of monetary policy this year.

Globally, economic activity and trade picked up around the turn of the year, with trade benefiting from strong exports from Asia, particularly in the technology sector. According to the IMF, first quarter growth rates were surprisingly high in many countries. However, the United States followed a strong period with an unexpectedly sharp slowdown in growth, weak exports and consumption on the downturn. In China, revived domestic consumption in the first quarter contributed to positive developments, along with a temporary rise in exports. The IMF projects global growth of 3.2% in 2024 and 3.3% in 2025 in its World Economic Outlook.

## Industry-Specific Climate

The first half of 2024 was not particularly successful for Germany's chemical-pharmaceutical industry, though it performed better than expected. According to the VCI, the sector saw declining sales and falling producer prices, but a slight increase in production. Despite some positive signs, the overall sentiment in the industry remains cautious. Domestic business has been particularly disappointing.

The order situation in the chemical sector is expected to improve with the economic situation as the year progresses. In light of these developments, the VCI is maintaining its forecast for the year: a 3.5% increase in production and a 1.5% rise in sales. International business remains the primary driver.

Sentiment in the industry remains subdued. According to the latest VCI member survey, only 30% of companies are enjoying an economic recovery, while around 50% are optimistic about seeing some improvement in the second half of the year, or in 2025.

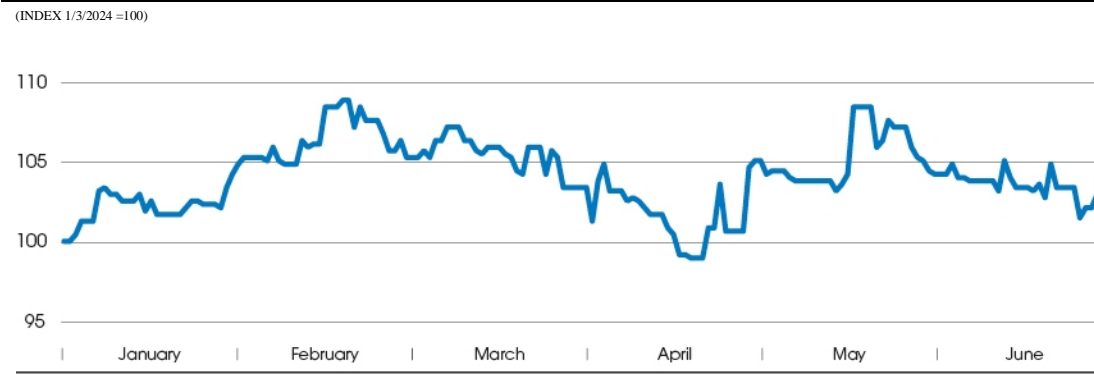
## Share and Share Price Trend

The German DAX ended June at 18,235.45 points, which is -1.42% (-262.49 points) lower than the previous month. Positive and negative trading days balanced each other out overall. After starting the year with a generally steady upward trend, the share price stabilized and plateaued halfway through the year.

The DAX reached a new record high 30 times in the first half of 2024, although none of these occurred in June. The index has gained 8.86% (1,483.81 points) since the beginning of the year.

The H&R share started the stock market year at €4.70 and hit its highs for the year so far of €5.12 and €5.10 in February and May respectively. The H&R share remained generally stable for much of the first half of the year and closed the reporting period at €4.84, approximately 3.0% higher than at the start of the year. Despite an improved EBITDA compared to the first half of 2023, the stock came under significant pressure in mid-July as the full impact of the weakness in global stock markets came to bear.

### PERFORMANCE OF THE H&R SHARE



## Net Assets, Financial Position and Results of Operations

### Results of Operations

#### Stronger Development Anticipated

In the first half of the 2024 financial year, H&R generated consolidated sales of €75.6 million. This was down by €24.0 million compared to the same period in 2023. Our Chemical-Pharmaceutical business, which is composed of the ChemPharm Refining (60.3%) and ChemPharm Sales (36.1%) segments, contributed 96.4% or €51.4 million to sales. The Plastics division contributed €24.2 million to sales, which corresponds to a share of 3.6%.

The regional focus of our business activities remains on Germany, where 57.2% of our sales were generated. Of the remaining sales, other European countries accounted for 10.3%, while sales from outside of Europe contributed 32.5%. Sales development was primarily impacted by lower demand and a slight increase in the price of our feedstocks towards the end of the reporting period.

After a generally stable start to the year, the second quarter did not provide the swift and sustainable recovery that was expected. The H&R Group's operating income (EBITDA) totaled €1.1 million in the first six months of the current year (first half of 2023: €9.4 million). The second quarter contributed €19.8 million to EBITDA, a lower amount compared to the start of the year.

Despite slightly higher depreciation and amortization compared to the previous year, other results for the six-month period remained approximately at the prior-year level. EBIT improved to €1.7 million (first half of 2023: €1.1 million). Income before taxes (EBT) were slightly weaker at €5.3 million (first half of 2023: €5.7 million).

Consolidated income attributable to shareholders came to €2.8 million, down from €3.7 million. Earnings per share were €0.07, compared to €0.10 in the first six months of 2023.

#### CHANGES IN SALES AND INCOME

IN € MILLION	1/1-6/30/2024	1/1-6/30/2023	Change (absolute)
Sales revenue	675.6	699.6	-24.0
EBITDA	41.1	39.4	1.7
EBIT	11.7	11.1	0.6
EBT	5.3	5.7	-0.4
Consolidated income attributable to shareholders	2.8	3.7	-0.9
Consolidated income per share (undiluted), €	0.07	0.10	-0.03

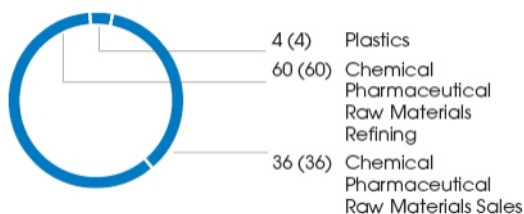
#### Importance of ChemPharm Sales Segment Proven Once Again

**ChemPharm Refining.** Brent crude oil, the price indicator for the feedstocks processed at our specialty production sites, averaged a price of US\$ 83.42 over the past six months, approximately US\$ 5 higher than the average for the first half of 2023.

All in all, sales in the Group's biggest segment, Refining, came to €17.0 million in the first six months of 2024 (first half of 2023: €433.2 million).

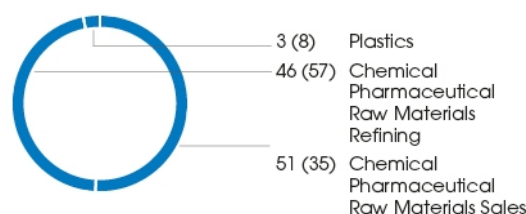
### SALES BY SEGMENT IN THE FIRST HALF OF 2024

IN % (FIRST HALF OF 2023)



### OPERATING INCOME BY SEGMENT IN THE FIRST HALF OF 2024

IN % (FIRST HALF OF 2023)



The activities of our two specialty production sites recorded lower operating results this year, with €10.1 million in the second quarter and €20.6 million in the first half of 2024 (second quarter of 2023: €16.7 million; first half of 2023: €22.4 million). Various factors contributed to this decline: H&R did not benefit from the one-time effects it saw in the previous year, such as the energy price cap. Price adjustments for clients in our customer industries were limited due to the economic situation.

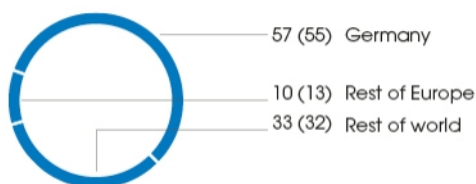
**ChemPharm Sales.** The main contribution to both the quarterly and half-year results once again came from international business. The Sales segment's operating income improved to an EBITDA of €10.1 million in the second quarter of 2024 (second quarter of 2023: €7.4 million). The segment also posted the strongest income figure for the first half of the year at €11.1 million (first half of 2023: €13.8 million), representing a significant improvement. Sales in the segment reached €43.6 million for the first half of 2023, down on the prior year (first half of 2023: €51.1 million).

**Plastics.** 2.1 million passenger cars have been manufactured in Germany since January, a 6% decrease compared to the same period last year. Due to demand for electric vehicles being weaker than expected, the VDA recently adjusted its forecast for domestic electric vehicle production. It now expects that only 5% more electric vehicles will be produced in 2024 compared to the previous year (forecast at the beginning of the year: 16% more).

This has had an impact on the business of H&R subsidiary GAUDLITZ. The operating income of the Plastics segment came to €1.2 million, a lower amount than in the previous year (first half of 2023: €3.0 million). An operating income of €0.8 million was achieved in the second quarter, corresponding to a €0.9 million downturn compared to the second quarter of 2023. At €1.9 million and €4.2 million, sales were also down compared to the prior-year figures (second quarter of 2023: €3.1 million; first half of 2023: €6.3 million).

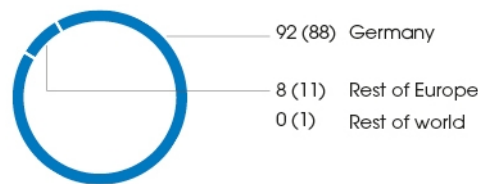
### SALES BY REGION IN THE FIRST HALF OF 2024

IN % (FIRST HALF OF 2023)



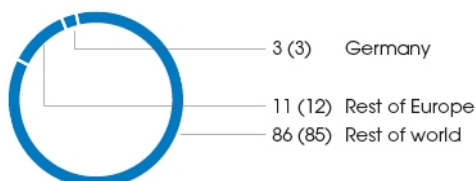
### SALES BY REGION IN THE CHEMPHARM REFINING SEGMENT IN THE FIRST HALF OF 2024

IN % (FIRST HALF OF 2023)



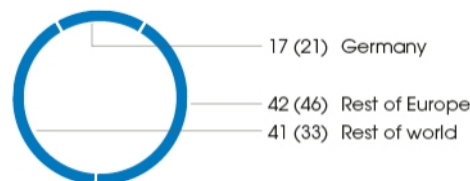
**SALES BY REGION  
IN THE CHEMPHARM SALES SEGMENT  
IN THE FIRST HALF OF 2024**

IN % (FIRST HALF OF 2023)



**SALES BY REGION  
IN THE PLASTICS SEGMENT  
IN THE FIRST HALF OF 2024**

IN % (FIRST HALF OF 2023)



**Sales Volumes and Order Situation**

In the Chemical-Pharmaceutical Raw Materials division, sales volumes for the first half of 2024 were approximately 5.7% lower than the previous year. This was primarily due to the lower demand from our customers in various industries as a result of the economic situation. While security of supply was the main focus in our discussions with customers last year, the focus has shifted to prices in 2024. Many customer industries had a markedly negative view of their own prospects.

The momentum and recovery that we expected at the beginning of the year did not materialize. Instead, the overall pessimistic sentiment in the second quarter counteracted developments that were in line with our assumptions, such as base oil price trends and changes in the capacities of refineries in Europe.

Overall, we remain optimistic that the positive trends we expected to see have simply been delayed and will materialize over the course of the year.

**Trends in the Main Items on the Income Statement**

Our cost of materials fell to €13.3 million in the first six months of the year despite a slight increase in the cost of raw materials (first half of 2023: €20.5 million). Based on the lower sales, the material expense ratio fell to 77.9%, compared with the previous year's 79.4%. Personnel expenses increased by 1.6% in the same period to €3.4 million, compared with €2.5 million in the prior-year period.

Depreciation and amortization were up 3.9% compared to the prior-year level at €9.4 million. Overall, the company posted operating income of €11.1 million and income before tax (EBT) of €5.3 million.

As of June 30, 2024, consolidated income attributable to shareholders totaled €2.8 million (first half of 2023: €3.7 million).

**Net Assets and Financial Position**

**Analysis of the Cash Flow Statement**

In the first six months of 2024, the Group's cash flow from operating activities was significantly lower at €5.5 million (first half of 2023: €6.8 million) based on a slight improvement in consolidated income in the amount of €4.2 million.

This change was first and foremost attributable to the higher feedstock costs and the use of funds related to their procurement. As of June 30, 2024, the changes in net working capital totaled €15.6 million (first half of 2023: €25.8 million).

Our investments in maintenance and modernization measures as well as in innovative projects to ensure the future viability of our sites were lower year-over-year in the first six months of 2024. Overall, cash flow from investing activities totaled €24.0 million, compared to €32.1 million in the first half of 2023. We will continue with this more cost-sensitive and generally more cautious investment policy in the second half of the year.

The free cash flow (the sum of cash flow from investing activities and operating activities) has also declined from €24.7 million in the first half of the previous year to €18.5 million in the first six months of 2024.

The cash flow from financing activities showed an overall inflow of €24.0 million (first half of 2023: €25.1 million). This includes payments in the amount of €3.7 million for the shareholders' dividends and

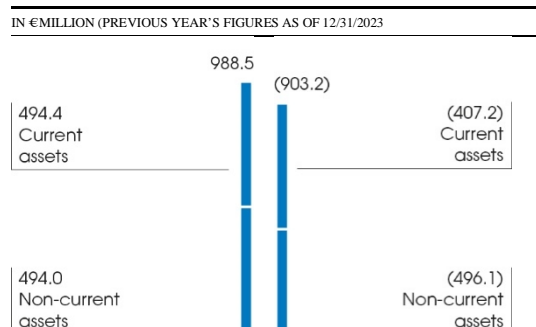
the slightly higher year-over-year redemption of financial liabilities totaling €86.9 million (first half of 2023: €82.8 million) as well as higher cash

inflows from new financial liabilities in the amount of €14.6 million (first half of 2023: €1.5 million).

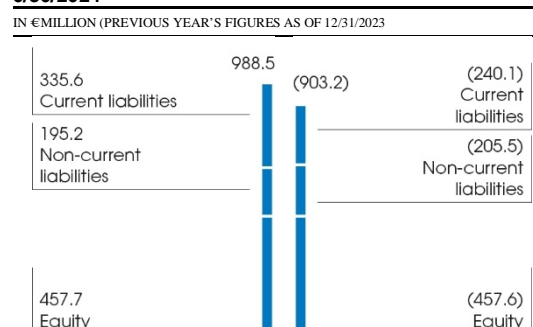
#### FINANCIAL POSITION

IN € MILLION	1/1-6/30/2024	1/1-6/30/2023	Change (absolute)
Cash flow from operating activities	5.5	56.8	-51.3
Cash flow from investing activities	-24.0	-32.1	8.1
Free cash flow	-18.5	24.7	-43.2
Cash flow from financing activities	24.0	-25.1	49.1
Cash and cash equivalents as of June 30	74.6	53.1	21.6

#### ASSETS AS OF 6/30/2024



#### LIABILITIES AND SHAREHOLDERS' EQUITY AS OF 6/30/2024



Cash and cash equivalents were up year-over-year at the beginning of the period at €69.4 million (2023: €56.0 million) and improved to €74.6 million at the end of June 2024 (June 30, 2023: €53.1 million). The H&R Group's long-term liquidity continues to be guaranteed by the available cash and cash equivalents and the credit lines granted to us.

#### Analysis of the Statement of Financial Position

The H&R Group's balance sheet total stood at €988.5 million at the end of the first half of the year, representing a moderate 9.4% change (December 31, 2023: €903.2 million).

On the assets side, cash and cash equivalents decreased by 7.5% to €74.7 million, compared to €69.4 million at the end of the prior year. Trade receivables also increased by a significant 54.5% to €63.5 million by the end of the reporting period, while inventories went up by around 3.9% compared with the year-end figure to €214.5 million (December 31, 2023: €206.4 million).

Overall, current assets went up by 21.4% to €494.4 million (December 31, 2023: €407.2 million), increasing their percentage of the balance sheet total from 45.1% to 50.0%.

Non-current assets changed by just -0.4% to €494.0 million in total as against the previous year-end figure of €496.1 million. As a percentage of the balance sheet total, they went down from 54.9% as of December 31, 2023, to 50.0% at the end of the reporting period.

On the liabilities side, current liabilities rose by a significant 39.7%, amounting to €335.6 million (December 31, 2023: €240.2 million). In addition to liabilities to banks, which were up €9.2 million at €16.3 million, the key items here are in particular trade payables, which increased by €5.4 million to €54.4 million (December 31, 2023: €103.1 million) and other provisions, which rose by €7.1 million to €25.1 million (December 31, 2023: €17.9 million). As a percentage of the balance sheet total, current liabilities increased from 26.6% at the end of 2023 to 34.0% at the end of the first half of the year.

At €195.2 million, non-current liabilities were approximately 5.0% down on the year-end figure (December 31, 2023: €205.5 million) as a result of lower liabilities to banks (€7.7 million) and reduced lease liabilities of €30.4 million. Their percentage of the balance sheet total (19.7%) as of June 30, 2024, was down compared to the previous year (December 31, 2023: 22.8%).

Equity came to €457.7 million as of June 30, 2024, largely unchanged from the year-end figure of €457.6 million. Taking into account the higher

balance sheet total, this corresponds to an equity ratio of 46.3% (December 31, 2023: 50.7%).

There have been no material changes in unrecognized assets since year-end 2023, nor have any unrecognized financing instruments been used. No companies were acquired or sold in the reporting period.

## Report on Opportunities and Risks

Please refer to the section starting on page 67 of our 2023 financial report for a discussion of the potential opportunities of the H&R Group. On the same page, you will also find a description of our opportunity management system.

For a description of existing risks and the risk management system, please consult pages 57 to 66

of the 2023 financial report. In the Executive Board’s view, there continue to be no risks of a magnitude that could pose an existential threat to the company as a going concern.

## Key Events Following the Reporting Date

Between June 30, 2024, and the editorial deadline for this report, there were no events with a material

impact on the net assets, financial position or results of operations.

## Outlook

The company started the financial year facing several challenges. At the beginning of the year and after the conclusion of the first quarter, the Management Board expected to see a significant recovery in key indicators in the second quarter of 2024. However, this expectation has yet to materialize. Despite this, we remain committed to our EBITDA forecast of between €90.0 million and €10.0 million.

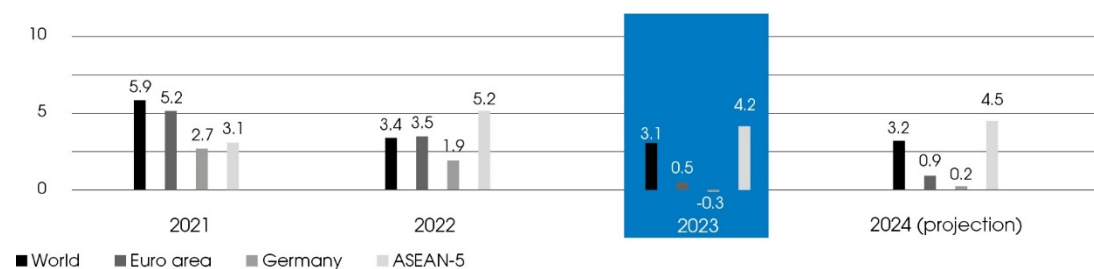
At the same time, the current market situation – affected by economic developments, stock market conditions, the availability and quality of feedstocks, price trends, customer demand, and competitive landscape – is making it extremely difficult to provide an accurate forecast in this regard.

Should visibility increase over the next few months, we will refine our expectations.

The first two quarters of 2024 suggest a figure at the lower end of this guidance.

### GLOBAL ECONOMIC GROWTH FORECAST

IN %, SOURCE: IWF





# Condensed Consolidated Financial Statements of H&R GmbH & Co. KGaA

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## Consolidated Statement of Financial Position of H&R GmbH & Co. KGaA

as of June 30, 2024

<b>ASSETS</b>		
IN € THOUSAND	6/30/2024	12/31/2023
<b>Current assets</b>		
Cash and cash equivalents	74,628	69,443
Trade receivables	163,480	105,805
Income tax refund claims	6,490	4,772
Inventories	214,487	206,387
Other financial assets	13,307	9,282
Other assets	22,038	11,493
<b>Current assets</b>	<b>494,430</b>	<b>407,182</b>
<b>Non-current assets</b>		
Property, plant and equipment	439,358	444,576
Goodwill	17,020	17,020
Other intangible assets	15,416	15,533
Shares in holdings valued at equity	3,472	3,550
Other financial assets	8,769	10,045
Other assets	2,033	1,866
Deferred tax assets	7,970	3,466
<b>Non-current assets</b>	<b>494,038</b>	<b>496,056</b>
<b>Total assets</b>	<b>988,468</b>	<b>903,238</b>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

IN € THOUSAND	6/30/2024	12/31/2023
<b>Current liabilities</b>		
Liabilities to banks	116,318	77,090
Trade payables	154,426	103,065
Income tax liabilities	5,410	8,511
Contract liabilities	2,828	4,004
Other provisions	25,077	17,934
Other financial liabilities	14,981	12,848
Other liabilities	16,551	16,715
<b>Current liabilities</b>	<b>335,591</b>	<b>240,167</b>
<b>Non-current liabilities</b>		
Liabilities to banks	72,676	80,472
Pension provisions	57,003	56,085
Other provisions	2,884	2,786
Other financial liabilities	30,774	33,956
Other liabilities	20,456	20,303
Deferred tax liabilities	11,425	11,852
<b>Non-current liabilities</b>	<b>195,218</b>	<b>205,454</b>
<b>Equity</b>		
Subscribed capital	95,156	95,156
Capital reserve	46,427	46,427
Retained earnings	278,617	278,819
Other reserves	-9,120	-7,385
<b>Equity of H&amp;R GmbH &amp; Co. KGaA shareholders</b>	<b>411,080</b>	<b>413,017</b>
Non-controlling interests	46,579	44,600
<b>Equity</b>	<b>457,659</b>	<b>457,617</b>
<b>Total liabilities and shareholders' equity</b>	<b>988,468</b>	<b>903,238</b>

## Consolidated Income Statement of H&R GmbH & Co. KGaA

January 1 to June 30, 2024

IN € THOUSAND	1/1-6/30/2024	1/1-6/30/2023	4/1-6/30/2024	4/1-6/30/2023
Sales revenue	675,550	699,552	338,589	350,542
Changes in inventories of finished and unfinished goods	-13,054	-35,115	-3,967	-13,587
Other operating income	15,647	14,678	8,862	7,555
Cost of materials	-513,265	-520,531	-259,388	-258,496
Personnel expenses	-53,385	-52,523	-26,712	-26,258
Depreciation, impairments and amortization of intangible assets and property, plant and equipment	-29,372	-28,260	-14,912	-14,415
Other operating expenses	-70,365	-66,495	-37,568	-34,532
<b>Operating result</b>	<b>11,756</b>	<b>11,306</b>	<b>4,904</b>	<b>10,809</b>
Income from holdings valued at equity	-78	-216	-40	-177
Financing income	297	458	116	228
Financing expenses	-6,656	-5,888	-3,303	-2,956
<b>Income before tax (EBT)</b>	<b>5,319</b>	<b>5,660</b>	<b>1,677</b>	<b>7,904</b>
Income taxes	-1,081	-1,653	478	-3,061
<b>Consolidated income</b>	<b>4,238</b>	<b>4,007</b>	<b>2,155</b>	<b>4,843</b>
of which attributable to non-controlling interests	1,474	260	860	149
of which attributable to shareholders of H&R GmbH & Co. KGaA	2,764	3,747	1,295	4,694
Earnings per share (undiluted), €	0,07	0,10	0,03	0,13
Earnings per share (diluted), €	0,07	0,10	0,03	0,13

## Consolidated Statement of Comprehensive Income of H&R GmbH & Co. KGaA

January 1 to June 30, 2024

IN € THOUSAND	1/1-6/30/2024	1/1-6/30/2023	4/1-6/30/2024	4/1-6/30/2023
<b>Consolidated income</b>	<b>4,238</b>	<b>4,007</b>	<b>2,155</b>	<b>4,843</b>
of which attributable to non-controlling interests	1,474	260	860	149
of which attributable to shareholders of H&R GmbH & Co. KGaA	2,764	3,747	1,295	4,694
<b>Positions that will not be reclassified into profit or loss</b>				
Remeasurement of defined-benefit pension plans	1,027	823	1,287	-375
Deferred taxes	-271	-246	-349	-359
<b>Total remeasurement of defined-benefit pension plans</b>	<b>756</b>	<b>577</b>	<b>938</b>	<b>-734</b>
<b>Total positions that will not be reclassified into profit or loss</b>	<b>756</b>	<b>577</b>	<b>938</b>	<b>-734</b>
<b>Positions that may subsequently be reclassified into profit or loss</b>				
Changes in the fair value of derivatives held for hedging purposes	-2,747	-7,020	-872	-4,493
Deferred taxes	887	2,100	282	1,343
<b>Change in the amount included in equity</b>	<b>-1,860</b>	<b>-4,920</b>	<b>-590</b>	<b>-3,150</b>
Changes in the currency translation adjustment item	630	-14,133	2,537	-9,785
<b>Total positions that may subsequently be reclassified into profit or loss</b>	<b>-1,230</b>	<b>-19,053</b>	<b>1,947</b>	<b>-12,935</b>
<b>Other comprehensive income</b>	<b>-474</b>	<b>-18,476</b>	<b>2,885</b>	<b>-13,669</b>
of which attributable to non-controlling interests	505	-3,157	254	-2,380
of which attributable to shareholders of H&R GmbH & Co. KGaA	-979	-15,319	2,631	-11,289
<b>Total comprehensive income</b>	<b>3,764</b>	<b>-14,469</b>	<b>5,040</b>	<b>-8,826</b>
of which attributable to non-controlling interests	1,979	-2,897	1,114	-2,231
of which attributable to shareholders of H&R GmbH & Co. KGaA	1,785	-11,572	3,926	-6,595

## Consolidated Statement of Changes in Group Equity of H&R GmbH & Co. KGaA

as of June 30, 2024

2024									
IN € THOUSAND	Sub- scribed capital	Capital reserve	Retained earnings	Other reserves/ cumulative other comprehensive in- come			Equity share attributable to sharehol- ders of H&R GmbH & Co. KGaA	Non-con- trolling interests	Total
				Equity instru- ments	Derivative financial instruments	Currency translation adjustment			
<b>1/1/2024</b>	<b>95,156</b>	<b>46,427</b>	<b>278,819</b>	<b>767</b>	<b>299</b>	<b>-8,451</b>	<b>413,017</b>	<b>44,600</b>	<b>457,617</b>
Dividends	–	–	-3,722	–	–	–	-3,722	–	-3,722
Consolidated income	–	–	2,764	–	–	–	2,764	1,474	4,238
Other comprehensive income	–	–	756	–	-1,860	125	-979	505	-474
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>3,520</b>	<b>–</b>	<b>-1,860</b>	<b>125</b>	<b>1,785</b>	<b>1,979</b>	<b>3,764</b>
<b>6/30/2024</b>	<b>95,156</b>	<b>46,427</b>	<b>278,617</b>	<b>767</b>	<b>-1,561</b>	<b>-8,326</b>	<b>411,080</b>	<b>46,579</b>	<b>457,659</b>

2023									
IN € THOUSAND	Sub- scribed capital	Capital reserve	Retained earnings	Other reserves/ cumulative other comprehensive in- come			Equity share attributable to sharehol- ders of H&R GmbH & Co. KGaA	Non-con- trolling interests	Total
				Equity instru- ments	Derivative financial instruments	Currency translation adjustment			
<b>1/1/2023</b>	<b>95,156</b>	<b>46,427</b>	<b>272,789</b>	<b>3,172</b>	<b>4,344</b>	<b>1,753</b>	<b>423,641</b>	<b>47,523</b>	<b>471,164</b>
Dividends	–	–	-3,722	–	–	–	-3,722	–	-3,722
Consolidated income	–	–	3,747	–	–	–	3,747	260	4,007
Other comprehensive income	–	–	577	–	-4,920	-10,976	-15,319	-3,157	-18,476
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>4,324</b>	<b>–</b>	<b>-4,920</b>	<b>-10,976</b>	<b>-11,572</b>	<b>-2,897</b>	<b>-14,469</b>
<b>6/30/2023</b>	<b>95,156</b>	<b>46,427</b>	<b>273,391</b>	<b>3,172</b>	<b>-576</b>	<b>-9,223</b>	<b>408,347</b>	<b>44,626</b>	<b>452,973</b>

## Consolidated Cash Flow Statement of H&R GmbH & Co. KGaA

January 1 to June 30, 2024

IN € THOUSAND		1/1- 6/30/2024	1/1- 6/30/2023	4/1- 6/30/2024	4/1- 6/30/2023
1.	Consolidated income	4,238	4,007	2,155	4,843
2.	Income taxes	1,081	1,653	-478	3,061
3.	Net interest income	6,359	5,787	3,187	3,085
4.	+/- Depreciation and amortization/appreciation on fixed assets and intangible assets	29,372	28,260	14,911	14,415
5.	+/- Increase/decrease in non-current provisions	1,004	-516	1,568	67
6.	+ Interest received	297	458	116	228
7.	- Interest paid	-5,082	-4,386	-2,692	-2,202
8.	+/- Income tax received/paid	-10,693	-2,907	-4,626	-2,038
9.	+/- Other non-cash expenses/income	-614	174	-1,078	161
10.	+/- Increase/decrease in current provisions	7,123	4,085	1,692	-749
11.	-/+ Gain/loss from the disposal of intangible assets	530	110	565	110
12.	-/+ Changes in net working capital	-15,644	25,818	-19,301	-9,230
13.	+/- Changes in remaining net assets/other non-cash items	-12,490	-5,779	-1,945	-3,441
14.	= <b>Cash flow from operating activities (sum of items 1 to 13)</b>	<b>5,481</b>	<b>56,764</b>	<b>-5,926</b>	<b>8,310</b>
15.	+ Proceeds from disposals of property, plant and equipment	57	566	43	560
16.	- Payments for investments in property, plant and equipment	-22,451	-30,669	-11,641	-15,039
17.	- Payments for investments in intangible assets	-1,610	-1,999	-751	-974
18.	= <b>Cash flow from investing activities (sum of items 15 to 17)</b>	<b>-24,004</b>	<b>-32,102</b>	<b>-12,349</b>	<b>-15,453</b>
19.	= <b>Free cash flow (sum of items 14 and 18)</b>	<b>-18,523</b>	<b>24,662</b>	<b>-18,275</b>	<b>-7,143</b>
20.	+ Dividend paid by H&R KGaA	-3,722	-3,722	-3,722	-3,722
21.	- Payments for settling financial liabilities	-86,869	-82,846	-36,146	-12,913
22.	+ Proceeds from taking up financial liabilities	114,559	61,463	49,511	21,237
23.	= <b>Cash flow from financing activities (sum of items 20 to 22)</b>	<b>23,968</b>	<b>-25,105</b>	<b>9,643</b>	<b>4,602</b>
24.	+ <b>Changes in cash and cash equivalents (sum of items 14, 18 and 23)</b>	<b>5,445</b>	<b>-443</b>	<b>-8,632</b>	<b>-2,541</b>
25.	+ Cash and cash equivalents at the beginning of the period	69,443	55,997	82,725	57,368
26.	+/- Change in cash and cash equivalents due to changes in exchange rates	-260	-2,486	535	-1,759
27.	= <b>Cash and cash equivalents at the end of the period</b>	<b>74,628</b>	<b>53,068</b>	<b>74,628</b>	<b>53,068</b>

## Selected Explanatory Notes

as of June 30, 2024

### General information

These condensed interim consolidated financial statements of H&R GmbH & Co. KGaA (shortened form: H&R KGaA) as of June 30, 2024, were prepared, as were the annual consolidated financial statements as of December 31, 2023 in accordance with International Financial Reporting Standards (IFRS) that were applicable and mandatory on the reporting date; in particular, the provisions governing interim reporting set out in IAS 34 were applied. This quarterly report and the accompanying interim consolidated management report have not been subjected to any review or check and have not been audited in accordance with Section 317 of the German Commercial Code (HGB).

All interim financial statements of the companies included in the interim consolidated financial statements were prepared in accordance with uniform accounting and valuation methods, which were also

taken as the basis for the annual consolidated financial statements as of December 31, 2023.

Please refer to the notes to the annual consolidated financial statements for more information on the accounting, valuation and consolidation methods used, as well as a detailed explanation of the exercise of the options under IFRS, keeping in mind that interim reporting is an informative tool that builds on the consolidated financial statements. These methods apply accordingly, with the exception of those accounting regulations that are applied for the first time in the current financial year.

### Standards and Interpretations to Be Applied for the First Time in the Current Financial Year

Application of changes to the following standards as published by the International Accounting Standards Board (IASB) became mandatory for the first time in the current financial year:

#### STANDARDS AND INTERPRETATIONS TO BE APPLIED FOR THE FIRST TIME

Standard / Interpretation	Title	IASB effective date	Date of EU endorsement	EU effective date	Material impact on H&R KGaA
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1/1/2024	11/20/2023	1/1/2024	none
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current	1/1/2024	12/19/2023	1/1/2024	none
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current - Deferral of Effective Date	1/1/2024	12/19/2023	1/1/2024	none
Amendments to IAS 1	Non-current Liabilities with Covenants	1/1/2024	12/19/2023	1/1/2024	none
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	1/1/2024	5/15/2024	1/1/2024	See note

### Supplier Finance Arrangements

The amendments to IAS 7 and IFRS 7 concern in particular additional disclosures regarding reverse factoring arrangements to enhance the transparency of such arrangements and their effects on company's liabilities, cash flows and exposure to liquidity risk. H&R KGaA has made such arrangements for 2024

and will subsequently comply with required disclosures in the consolidated financial statements as of December 31, 2024.

The application of the other new accounting standards had no material impact on the presentation of the net assets, financial position and results of operations or on earnings per share.



## Changes in Core Parameters

Changes in the underlying core parameters primarily involve exchange rates and the interest rates used to

calculate pension commitments. The exchange rates used for currency translation have changed as follows:

### EXCHANGE RATES FOR THE MAIN CURRENCIES

1€	Closing rate 6/30/2024	Closing rate 6/30/2023	Closing rate 12/31/2023	Average rate 2024	Average rate 2023
US dollar	1.0705	1.0866	1.1050	1.0812	1.0816
British pound	0.84640	0.85830	0.8691	0.85455	0.87627
Australian dollar	1.6079	1.6398	1.6263	1.6422	1.5990
South African rand	19.4970	20.5785	20.3477	20.2467	19.6795
Thai baht	39.319	38.482	37.9730	39.124	36.968
Chinese renminbi	7.7748	7.8983	7.8509	7.8011	7.4902

The discount rate used to calculate the present value of pension commitments as of June 30, 2024, is 3.86% (December 31, 2023: 3.70%).

remained the case that 47 companies were consolidated and four joint ventures were included in the scope of consolidation using the equity method.

## Seasonal and Business Cycle Factors

Business cycle and seasonal factors are described in detail in the interim consolidated management report sections entitled “Economic Environment” and “Net Assets, Financial Position and Results of Operations”.

## Earnings per share

Earnings per share are calculated according to IAS 33 by dividing consolidated income by the average number of outstanding ordinary shares during the reporting period. The average number of ordinary shares in circulation across all reporting periods is 37,221,746, resulting in earnings per share as follows:

## Scope of Consolidation

There were no changes in the scope of consolidation of H&R KGaA in the first half of 2024. As such, it

	1/1-6/30/2024	1/1-6/30/2023	4/1-6/30/2024	4/1-6/30/2023
Consolidated income attributable to shareholders in € thousand	2,764	3,747	1,295	4,694
Average number of shares in circulation	37,221,746	37,221,746	37,221,746	37,221,746
Earnings per ordinary share (undiluted) in €	0.07	0.10	0.03	0.13
Earnings per ordinary share (diluted) in €	0.07	0.10	0.03	0.13

The diluted earnings per share ratio is equal to the basic earnings per share ratio, because H&R KGaA

has not issued any potentially dilutive equity instruments.

## Segment Reporting

January 1 to June 30, 2024

IN € THOUSAND	Chemical-Pharmaceutical Raw Materials			
	ChemPharm Refining		ChemPharm Sales	
	2024	2023	2024	2023
External sales	407,784	422,173	243,560	251,117
Consolidated sales	9,223	11,010	–	–
Sales revenue by segment	417,007	433,183	243,560	251,117
Earnings before income tax	-7,356	-4,495	13,476	6,446
EBIT	-1,110	2,036	15,684	8,465
EBITDA	20,562	22,370	21,062	13,837
Capital expenditure	18,977	24,207	3,200	3,793

The following table shows external sales broken down by region, products and services:

IN € THOUSAND	ChemPharm Refining		ChemPharm Sales	
	2024	2023	2024	2023
Germany	375,920	371,064	6,598	8,913
Rest of Europe	31,864	48,541	27,307	29,065
Rest of world	–	2,568	209,655	213,139
<b>Total</b>	<b>407,784</b>	<b>422,173</b>	<b>243,560</b>	<b>251,117</b>
Chemical-Pharmaceutical products - core products	222,952	238,444	242,549	250,713
Chemical-Pharmaceutical products - by-products	130,044	124,627	1,011	404
Precision plastics	–	–	–	–
Provision of services	54,788	59,102	–	–
<b>Total</b>	<b>407,784</b>	<b>422,173</b>	<b>243,560</b>	<b>251,117</b>

The table below shows the reconciliation of operating income to consolidated income:

### RECONCILIATION OF OPERATING INCOME TO CONSOLIDATED INCOME

IN € THOUSAND	2024	2023
Operating income of segments (EBITDA)	42,824	39,158
Reconciliation	-1,774	192
<b>Operating income (EBITDA) of H&amp;R KGaA</b>	<b>41,050</b>	<b>39,350</b>
Depreciation, impairments and amortization of intangible assets and property, plant and equipment	-29,372	-28,260
Financing income	297	458
Financing expenses	-6,656	-5,888
Income taxes	-1,081	-1,653
<b>Consolidated income</b>	<b>4,238</b>	<b>4,007</b>

	Plastics				Reconciliation			Total
	Plastics		Other activities		Consolidation/ Reconciliation			
	2024	2023	2024	2023	2024	2023	2024	
	24,206	26,262	—	—	—	—	675,550	699,552
	—	—	—	—	-9,223	-11,010	—	—
	24,206	26,262	—	—	-9,223	-11,010	675,550	699,552
	-713	1,097	64	1,806	-152	806	5,319	5,660
	-154	1,422	-2,594	-1,641	-148	808	11,678	11,090
	1,200	2,951	-1,626	-616	-148	808	41,050	39,350
	1,766	2,897	709	260	—	—	24,652	31,157

	Plastics		Other		Total	
	2024	2023	2024	2023	2024	2023
	4,036	5,402	—	—	386,554	385,379
	10,276	12,056	—	—	69,446	89,662
	9,894	8,804	—	—	219,550	224,511
	24,206	26,262	—	—	675,550	699,552
	—	—	—	—	465,501	489,157
	—	—	—	—	131,055	125,031
	24,206	26,259	—	—	24,206	26,259
	—	3	—	—	54,788	59,105
	24,206	26,262	—	—	675,550	699,552

## Financial instruments

The table below shows the carrying amounts of the separate financial assets and liabilities for each category of financial instrument.

IN € THOUSAND	Valuation category according to IFRS 9	6/30/2024		31/12/2023	
		Carrying amount	Fair value (for information)	Carrying amount	Fair value (for information)
<b>Financial assets</b>					
Cash and cash equivalents	Measured at amortized cost	74,628	74,628	69,443	69,443
Trade receivables	Measured at amortized cost	163,480	163,480	105,805	105,805
Trade receivables	Measured at fair value through profit or loss				
Other financial assets					
Investments in equity instruments	Measured at fair value through other comprehensive income	1,827	1,827	1,827	1,827
Derivatives with hedge accounting item	Measured at fair value through profit or loss	2,314	2,314	1,303	1,303
Derivatives without hedge accounting item	Measured at fair value through profit or loss	452	452	232	232
Other current securities	Measured at fair value through profit or loss	31	31	31	31
Other financial assets	Measured at amortized cost	17,452	17,452	15,934	15,934
<b>Financial liabilities</b>					
Trade payables	Measured at amortized cost	154,426	154,426	103,065	103,065
Liabilities to banks	Measured at amortized cost	188,994	187,635	157,562	156,333
Other financial liabilities					
Lease liabilities	Measured at amortized cost	40,908	40,908	45,050	45,050
Derivatives with hedge accounting item	Measured at fair value through profit or loss	4,188	4,188	1,274	1,274
Derivatives without hedge accounting item	Measured at fair value through profit or loss	363	363	66	66
Miscellaneous financial liabilities	Measured at amortized cost	296	296	414	414

At the first level, fair value measurement is based on quoted prices in active markets for identical assets or liabilities. If this is not possible, second-level measurement is based on observable market transactions for comparable assets or liabilities. At the third and last level, fair values are measured by models that use parameters that are based on non-observable market data to value assets and liabilities.

The financial instruments of H&R KGaA measured at fair value are allocated to the levels described above by category as follows:

IN € THOUSAND	6/30/2024			12/31/2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets</b>						
Financial assets measured at fair value through other comprehensive income	–	–	1,827	–	–	1,827
Financial assets measured at fair value through profit or loss	31	–	–	621	–	–
Derivatives with hedge accounting item	–	2,314	–	–	1,303	–
Derivatives without hedge accounting item	–	452	–	–	232	–
<b>Total</b>	<b>31</b>	<b>2,766</b>	<b>1,827</b>	<b>621</b>	<b>1,535</b>	<b>1,827</b>
<b>Liabilities and shareholders' equity</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Derivatives with hedge accounting item	–	4,188	–	–	1,274	–
Derivatives without hedge accounting item	–	362	–	–	80	–
<b>Total</b>	<b>–</b>	<b>4,551</b>	<b>–</b>	<b>–</b>	<b>1,354</b>	<b>–</b>

Derivatives with hedge accounting item include financial instruments for hedging raw materials price risks. The fair value of these Level 2 commodity derivatives is determined as the present value of the expected cash flows from these contracts. The calculation of the expected cash flows of the commodity derivatives takes place on the basis of the forward price curves for liquid oil futures/forwards, which are adjusted by markups for deviating delivery locations/qualities. The discounting takes place using market-driven interest rates.

The Level 2 derivatives without hedge accounting item relate to currency forward contracts, which are recognized at fair value. The fair values are determined using observable market interest rate curves.

The Level 3 financial asset relates to an equity instrument measured at fair value through other comprehensive income. There were no reclassifications among the individual levels in the 2024 financial year.

## Other Financial Liabilities

The other financial liabilities for order commitments for investments came to €21,549 thousand as of June 30, 2024 (December 31, 2023: €10,683 thousand).

## Disclosures of Relationships With Related Parties

Related party transactions were carried out at arm's length. There were no transactions of material significance with unconsolidated subsidiaries.

Most transactions with related parties involve the companies of the Hansen family (hereinafter referred to as Hansen & Rosenthal) and with joint ventures.

There is a mutual business relationship with Hansen & Rosenthal. The supply of goods for chemical-pharmaceutical products from the Salzbergen site takes place under a long-term distribution and supply contract, by which the relevant Hansen & Rosenthal company purchases the products and then resells them to its end customers in its own name and for its own account. Furthermore, deliveries are made on the basis of a long-term commission contract for the marketing of certain products from the Hamburg site, for which Hansen & Rosenthal receives a commission. Moreover, H&R KGaA subsidiaries provide production, IT and staffing services to the Hansen & Rosenthal Group.

Sales revenue from goods and services to Hansen & Rosenthal totaled €13,783 thousand in the first six months of 2024 (previous year: €30,758 thousand). Most of this amount was for supplies of chemical-pharmaceutical products (€258,592 thousand; previous year: €273,911 thousand) and for contract manufacturing services (€1,260 thousand; previous year: €2,700 thousand). Goods and services purchased from Hansen & Rosenthal in the first half of 2024 amounted to €60,978 thousand (previous year: €64,577 thousand). The bulk of this amount was for purchases of chemical-pharmaceutical products (€57,636 thousand; previous year: €60,927 thousand).

As of June 30, 2024, receivables due from Hansen & Rosenthal amounted to €71,419 thousand (December 31, 2023: €25,466 thousand); liabilities owed to

Hansen & Rosenthal came to €14,701 thousand (December 31, 2023: €12,251 thousand).

Goods and services provided to joint ventures generated €65 thousand in sales revenue in the first six months of 2024 (previous year: €69 thousand). Goods and services purchased from joint ventures in the first half of 2024 amounted to €1,223 thousand (previous year: €1,696 thousand). These relate primarily to the purchase of energy.

As of June 30, 2024, receivables due from joint ventures amounted to €67 thousand (December 31, 2023: receivables of €47 thousand); as in previous year, there were no liabilities owed to joint ventures.

## Events After the Reporting Date

Between June 30, 2024, and the editorial deadline for this report, there were no events with a material impact on the net assets, financial position or results of operations of H&R KGaA.

## Attestation by the Legal Representatives

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group. Furthermore, the interim consolidated management report provides a true and fair view of the Group's business development and performance, including the business income and situation of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the rest of the financial year.

Salzbergen, August 2024

The Executive Board

## Forward-Looking Statements

This document contains forward-looking statements that reflect management's current views with respect to future events. These statements are subject to risks and uncertainties that are beyond H&R KGaA's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies, and the actions of government reg-

ulators. If any of these or other risks and uncertainties occur or if the assumptions underlying any of these statements prove incorrect, the actual results may be materially different from those expressed or implied by such statements. H&R KGaA does not intend to or assume any separate obligation to update forward-looking statements to reflect events or developments occurring after the publication of this interim report.

## Financial Calendar

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November 14, 2024

Q3/2024 Interim Report

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## Contact

If you have questions or would like further information, please contact:

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