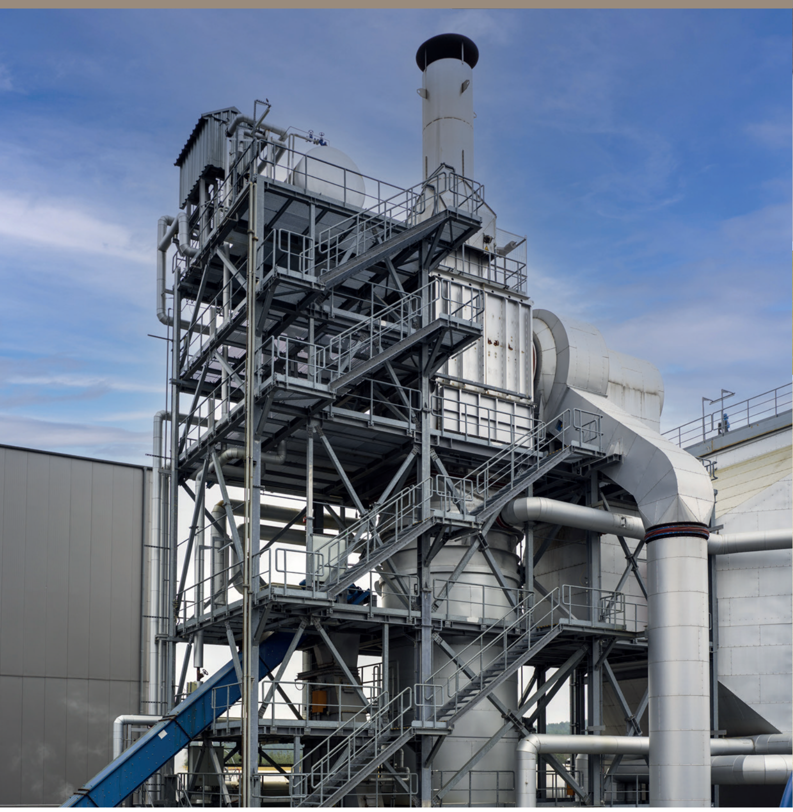
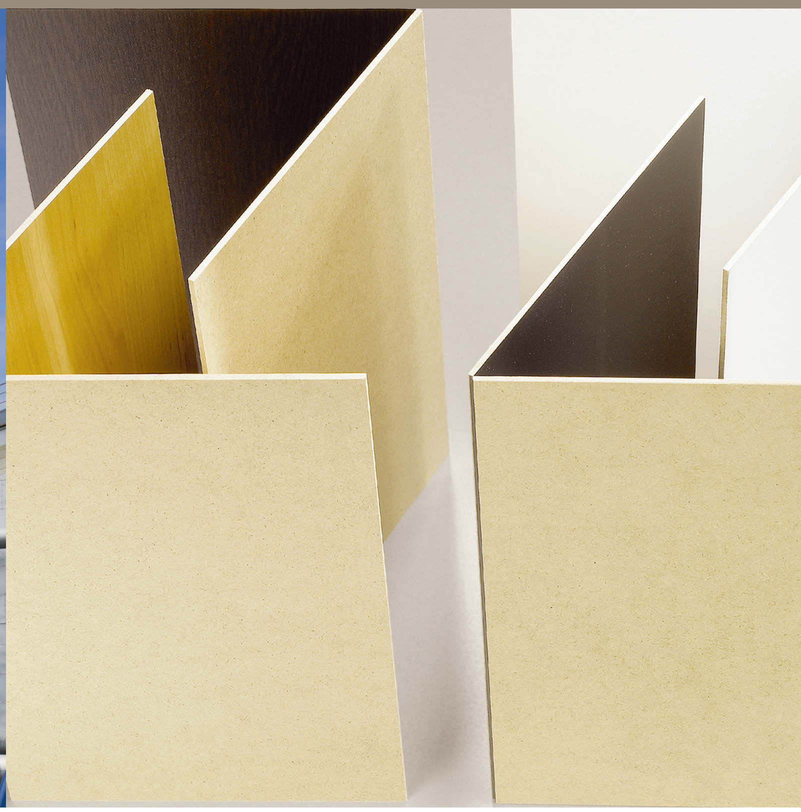
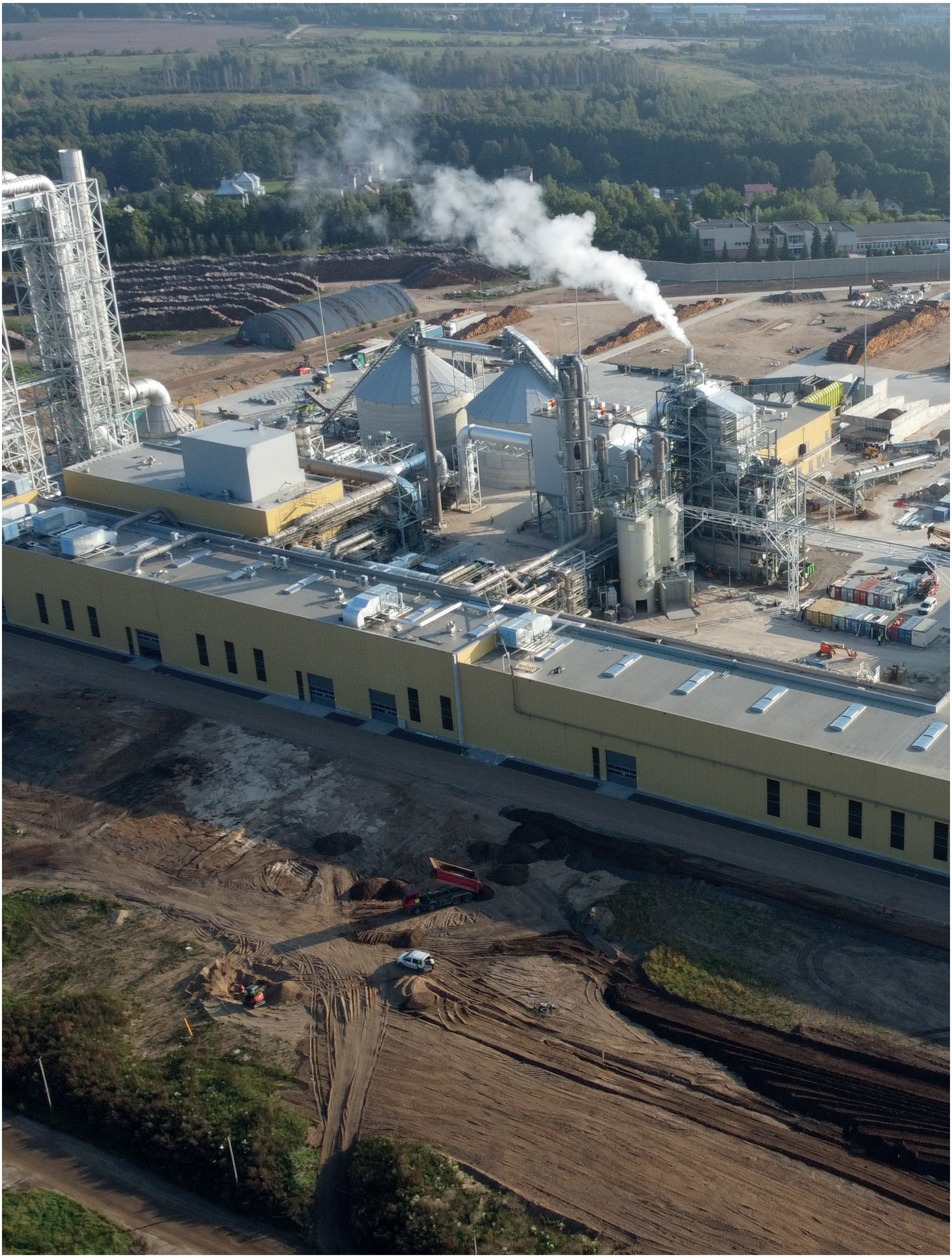
Interim Group Report June 30, 2023
Homann Holzwerkstoffe GmbH



The fourth Homann Holzwerkstoffe plant in Lithuania, near the capital Vilnius.

Interim Group Report Homann Holzwerkstoffe GmbH

for the period from January 1, 2023 to June 30, 2023

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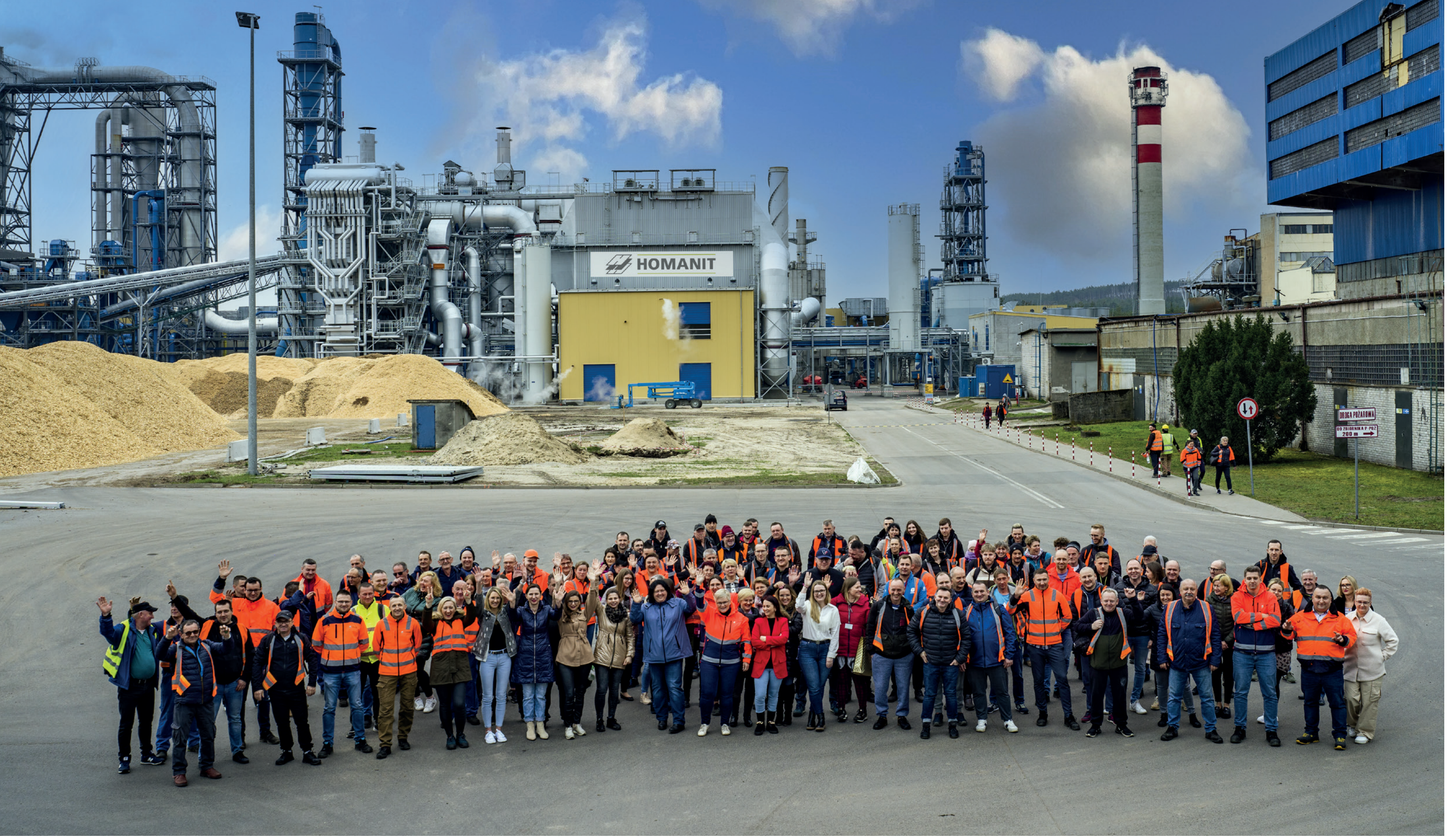


FOREWORD

Dear Reader,

The first half of 2023 was marked by economic challenges and major uncertainties arising from the ongoing Russia-Ukraine war and financial market turbulence. So far this year, most countries have focused on achieving sustainable disinflation and ensuring financial stability. In Germany, persistent inflation since last year, among other factors, led to a recession. The market for HD/MD fibreboard also declined in the first half of 2023.

Nevertheless, Homann Holzwerkstoffe Group has successfully held its ground in this challenging market environment and almost achieved its revenue targets. In particular due to the price pressure caused by the general decline in demand, revenues amounted to EUR 193.8 million in the first half of 2023 (prior year period: EUR 213.0 million). Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) totalled EUR 34.8 million (prior year period: EUR 45.7 million), exceeding the company's plans and demonstrating the high resilience of the business model in a challenging market environment. This corresponds to an EBITDA margin of 17.8% (prior year period: 20.8%). Consolidated net income was clearly positive at EUR 18.4 million (prior year period: EUR 30.3 million) and, together with the reduction of the negative difference in equity resulting from currency translation, resulted in an improved equity ratio of 31.2% as of June 30, 2023.

An important project in the first half of 2023 was the continued construction of the Homann Holzwerkstoffe plant in Lithuania, near the capital Vilnius. The commissioning phase was completed on schedule in September and production started at the end of September.

Despite the current difficult economic situation in Germany, we have decided to invest in the future of our Losheim site. The double-digit million investment will include, among other things, the fundamental modernization of our raw fibreboard plant and the installation of new additional finishing plants. The construction of new halls and an administration building is also planned. In the coming years, we will invest not only in infrastructure and buildings, but also in the competitiveness and productivity of the Losheim site and thus in secure jobs. In this way, we are making a clear commitment to Germany as a business location, despite the challenging general conditions.

Looking ahead to the second half of the year 2023, we do not expect to see a turnaround in the MD/HD fibreboard market, and we expect Group revenues to be lower than in the first half of the year. The new plant in Lithuania started production in September, but will not make a significant revenue contribution in the last quarter yet. As a result, we no longer expect to be able to reach the previous year's revenue level for the full year. Earnings in the first half of the year exceeded expectations due to lower raw material costs. If this trend continues in the second half of the year, we expect to meet or even exceed our full-year EBITDA target, despite the still challenging environment.

We would like to thank our employees for their dedication and flexibility, our customers, suppliers and investors for their confidence in us, and hope that you will continue to be loyal to our company as we continue on our successful path.

Munich, 28 September 2023

Fritz Homann Gunnar Halbig

INTERIM GROUP MANAGEMENT REPORT FOR THE PERIOD ENDED 30 JUNE 2023

A. Fundamentals of the Group

Group structure and business model

Homann Holzwerkstoffe Group specializes in the production and sale of thin, refined wooden fibreboards (HDF/MDF). The Group is one of the leading European suppliers and primarily serves the furniture and door industries. In organizational terms, the Group consists mainly of Homann Holzwerkstoffe GmbH as the parent company and three operating companies held by HOMANIT Holding GmbH. HOMANIT GmbH & Co. KG produces in Germany at the Losheim am See site, while the two Polish subsidiaries, "Homanit Polska Sp. z o.o. i Spolka" sp.k. and Homanit Krosno Odrzanskie Sp. z o. o., produce at the Karlino and Krosno Odrzanskie sites, respectively.

The Group covers all relevant production steps from the manufacture of the raw board to the refined end product. This provides direct control over all process steps and thus guarantees high product quality. Continuous product development is driven forward in the context of the company's research and development activities. The clear focus on thin, refined HDF and MDF boards and their constant further development are the main success factors for the Group's market leadership in Western and Eastern Europe.

The commissioning phase of the fourth Homann Holzwerkstoffe plant in Lithuania, near the capital Vilnius, was completed as planned. Consequently, production started at the end of September. Construction work at our joint venture holding in Egypt is also progressing steadily. Commissioning is planned for the first quarter of 2024.

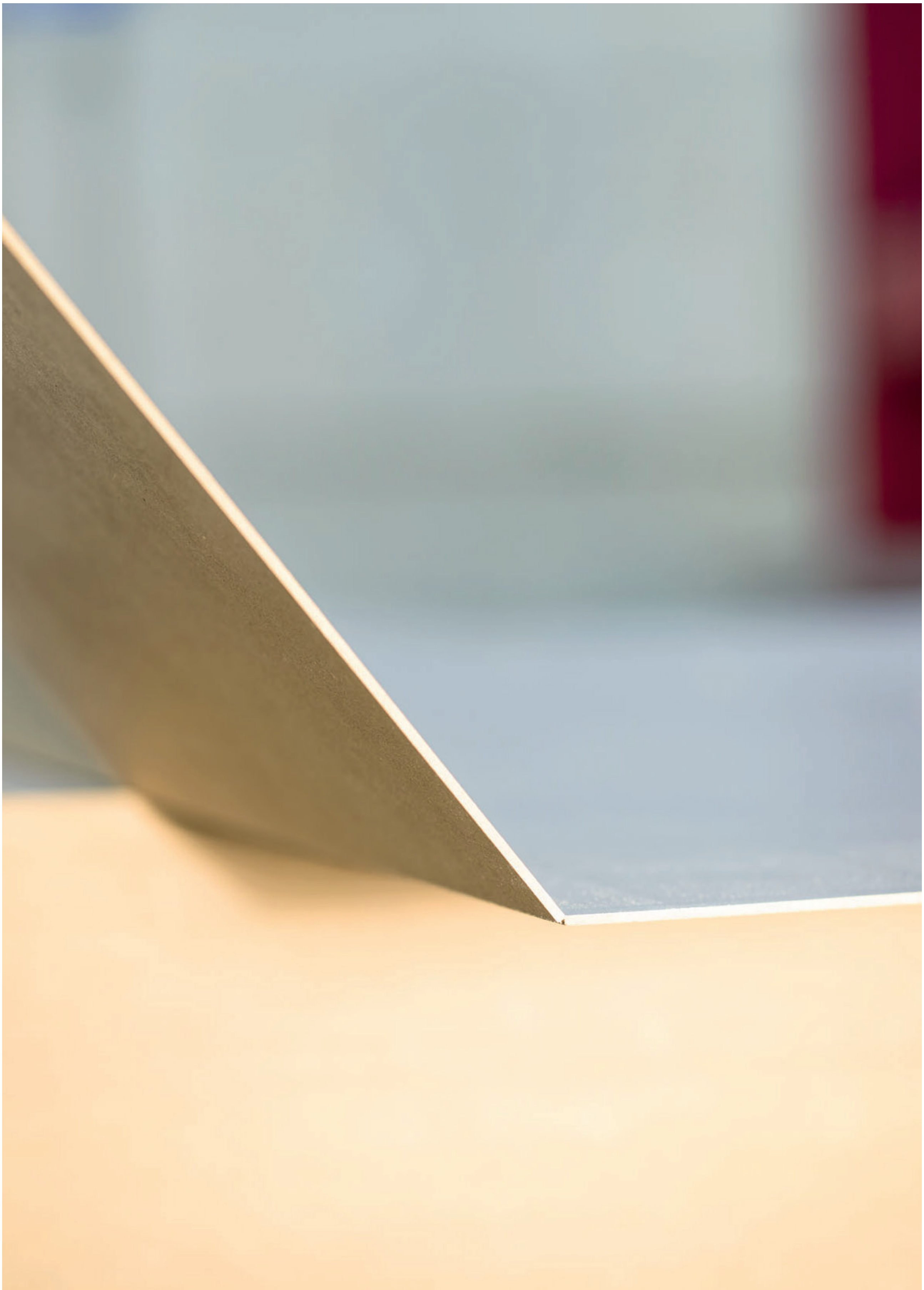
B. Economic report

1. Economic environment

Macroeconomic situation

In the first half of 2023, the war between Russia and Ukraine war continued to affect the global economy, leading to price increases and trade disruptions, among other things. In addition, there was turbulence in the financial sector, although this was mitigated by the recent resolution of the U.S. debt ceiling debate and the measures taken by the authorities to stabilize the U.S. and Swiss banking sectors. Otherwise, most countries focused on sustaining disinflation and ensuring financial stability. All in all, the International Monetary Fund (IMF) has slightly upgraded its economic forecast for the full year according to its latest update of July 2023, but overall it remains at a weak level by historical standards. While growth rates of 2.9% and 2.8% were projected in January and April, respectively, the IMF now expects the global gross domestic product (GDP) to grow by 3.0% in 2023 (2022: 3.5%). For the eurozone, the IMF expects economic growth of 0.9% (2022: 3.5%) *(IMF World Economic Outlook Update July 2023).*

For the industrialized countries as a whole, the IMF forecasts growth of 1.5% (2022: 2.7%). By contrast, the experts expect Germany's gross domestic product to decline by -0.3% (2022: 1.8%). In addition to the weak manufacturing sector, this is due to the recession observed in Germany in the first quarter of 2023 *(IMF World Economic Outlook Update July 2023).* While Lithuania, where the company's fourth production plant started production at the end of September, proved to be extremely resilient to the economic consequences of, among other things, the Russia-Ukraine war last year, the effects of high inflation and rising interest rates combined with weaker external demand



were felt in the first half of 2023. Here, too, the IMF expects the economy to contract by -0.3% in 2023 (2022: 1.9%) *(IMF – Republic of Lithuania: Staff Concluding Statement of the 2023 Article IV Mission, IMF World Economic Outlook Update April 2023)*.

According to the IMF, economic output in the emerging and developing countries is expected to improve by 4.0%, which corresponds to the value of the previous year. In Poland, where Homann Holzwerkstoffe has two production sites, the economy will probably grow by 1.2% (2022: 4.9%) *(IMF – Republic of Poland: Country Details)*.

Sector developments

The German furniture industry recorded a slight decline in business in the first half of 2023. However, according to the Association of the German Furniture Industry (Verband der Deutschen Möbelindustrie - VDM), this development did not adequately reflect the actual situation, as despite a weak order situation, the moderate decline in revenues was influenced by necessary price adjustments, backlogs from the previous year and statistical effects such as late notifications due to project delays. In contrast to the previous years, which were marked by the pandemic, the supply situation in the industry eased. Lead times returned to a normal level of four to eight weeks. On the other hand, material prices remained at a high level – although they declined in some cases - and high energy prices continued to place a heavy burden on companies *(VDM: Press release dated August 21, 2023)*.

According to the Association of the German Furniture Industry, revenues in the German furniture sector totalled EUR 9.5 billion in the first six months of 2023, a decrease of 0.2% compared to the same period of the previous year. While domestic revenues fell by 1.2%, the German furniture industry recorded a slight increase of 2.0% in foreign revenues. Despite a moderate decline of 3.1%, France remains the most important export market for the German furniture industry. So far this year, the European markets have been particularly affected by the war between Russia and Ukraine, rising energy prices and a stronger euro. According to the VDM, the 7.0% increase in exports to Switzerland is particularly gratifying. Outside Europe, furniture exports to the USA fell by 11.5% due to the appreciation of the euro, while the United Arab Emirates stood out as a growth destination with an impressive increase of 86.0% *(VDM: Press release dated August 21, 2023).*

The individual segments of the German furniture industry showed different trends in the first half of 2023. While the kitchen furniture industry recorded a 6.7% increase in revenues, revenues in the upholstered furniture industry declined slightly by 0.1%. Revenues in the largest segment of the furniture industry – other furniture and furniture parts – contracted by 9.6%, showing a more negative trend than the industry average *(VDM: Press release dated August 21, 2023).*

According to EUWID, the situation on the market for MD/HD fibreboard in Central Europe is tense and characterized by a decline in demand that has been ongoing for some time. Nearly all customer industries are affected by significant double-digit volume declines. Demand for MD/HD fibreboard from the furniture and furniture supplier industries has also fallen accordingly, resulting in an average drop in produc-tion levels of 20-30%. While export opportunities to other markets remained limited, Turkish MDF/HDF producers in particular tried to sell larger volumes to European markets. The volume pressure, in turn, has resulted in falling MDF/HDF prices: While the average selling price for standard MDF (16-19 mm), for instance, was still EUR 460-490 per cubic metre in July 2022, it had dropped to EUR 270-300 per cubic metre by mid-July 2023, a 40% lower price level compared to the previous year *(EUWID issue 28/2023)*.

2. Financial and non-financial performance indicators

The Group's key financial performance indicators are revenues and earnings before interest, taxes, depreciation and amortization (EBITDA). They reflect the success of the Group's business activities. In the first half of 2023, Homann Holzwerkstoffe Group generated revenues of EUR 193.8 million (prior year period: EUR 213.0 million). The Group reported EBITDA of EUR 36.9 million (prior year period: EUR 46.1 million), while EBITDA adjusted for one-time effects from exchange rate fluctuations amounted to EUR 34.8 million (prior year period: EUR 45.7 million). This corresponds to an EBITDA margin of 17.8% (prior year period: 20.8%).

The facts presented below are important for understanding the business trend and the situation of the Group as a whole. Non-financial performance indicators are not presented in the present report. Various non-financial performance indicators are addressed in detail in the Group's Sustainability Report, which was prepared according to the standards of the Global Reporting Initiative (GRI) and recently published for the financial year 2022. The Sustainability Report for the financial year 2023 will again be prepared at about the same time as the Annual Report for 2023.

3. Business trend and situation

Earnings position

While the first half of 2022 was still characterized by exceptionally high demand for MD/HD fibreboard, the slowdown that was already discernible in the second half of the previous year continued in the reporting period. Accordingly, revenues in the first half of 2023 decrease by EUR 19.2 million to EUR 193.8 million compared to the same period of the previous year. In addition to slightly lower sales volumes, the decline in revenues was mainly due to price pressure as a result of lower demand.

While domestic revenues decreased by -6.0% from EUR 47.0 million to EUR 44.3 million, foreign revenues declined by around -9.9% from EUR 166.0 million in the previous year to EUR 149.5 million in the reporting period.

Other operating income in the amount of EUR 9.8 million (prior year period: EUR 5.0 million) mainly includes exchange gains of EUR 6.3 million (prior year period: EUR 3.4 million).

The cost of materials ratio increased from 56.2% in the same period of the previous year to 58.4% in the first half of 2023. Negative price effects reduced revenues more than the cost of materials. This means that higher costs could only be partially passed on to customers in the form of price increases. The personnel expense ratio increased from 12.0% in the same period of the previous year to 14.0% in the first half of 2023. Despite only moderate wage and salary increases, the reduced degression of fixed costs due to lower revenues is noticeable here. The average number of employees decreased from 1,578 in the same period of the previous year to 1,573 in the reporting period. The increase in the workforce in Lithuania is slightly overcompensated by the headcount reduction resulting from automation projects at the Polish sites.

Other operating expenses fell from EUR 28.9 million to EUR 26.9 million. This includes expenses from changes in exchange rates of EUR 4.2 million (prior year period: EUR 3.1 million). The overall decrease in other operating expenses is mainly due to lower repair and maintenance costs (EUR 5.7 million; prior year period: EUR 9.1 million).

At the bottom line, despite the decline in revenues, the company achieved a good operating result before depreciation and amortization due to disciplined cost management. Reported EBITDA amounted to EUR 36.9 million, compared to EUR 46.1 million in the same period of the previous year. The decline is primarily attributable to reduced profit contributions as a result of lower revenues, with a slightly lower margin.

Adjusted for one-time effects from exchange rate fluctuations in the first half of 2023 and the corresponding prior year period, EBITDA amounted to EUR 34.8 million, compared to EUR 45.7 million in the same period of the previous year. The Group's plans were thus exceeded.

The "interest and similar expenditure" item essentially includes interest expenses for the bond and bank loans. Compared to the previous year, interest expenses rose by EUR 2.3 million. This increase is mainly due to higher financial liabilities related to the construction progress of the plant in Lithuania.

In contrast to the same period of the previous year, no write-downs on securities were necessary. Expenses from investments in associated companies reduced the financial result by EUR -1.3 million (previous year: EUR -0.1 million).

The total burden from the financial result was EUR 2.8 million higher than in the same period of the previous year.

Consolidated net income for the first half of 2023 totalled EUR 18.4 million (adjusted: EUR 16.3 million). Net income in the first half of 2022 amounted to EUR 30.3 million (adjusted: EUR 30.0 million). The result achieved demonstrates the high resilience of the business model in a challenging market environment.

Assets position

As at the interim balance sheet date of June 30, 2023, total assets of Homann Holzwerkstoffe GmbH stood at EUR 562.6 million, which corresponds to an increase by EUR 69.4 million or 14.1% compared to the end of 2022, most of which is attributable to investments in fixed assets.

In the first half of 2023, such investments in fixed assets amounted to EUR 62.2 million (prior year period: EUR 64.3 million). The largest part of these investments is related to the construction of the new plant in Lithuania. Taking into account depreciation, asset disposals and exchange rate differences, fixed assets increased by a total of EUR 59.9 million from EUR 347.1 million as of December 31, 2022 to EUR 407.0 million as at the interim balance sheet date.

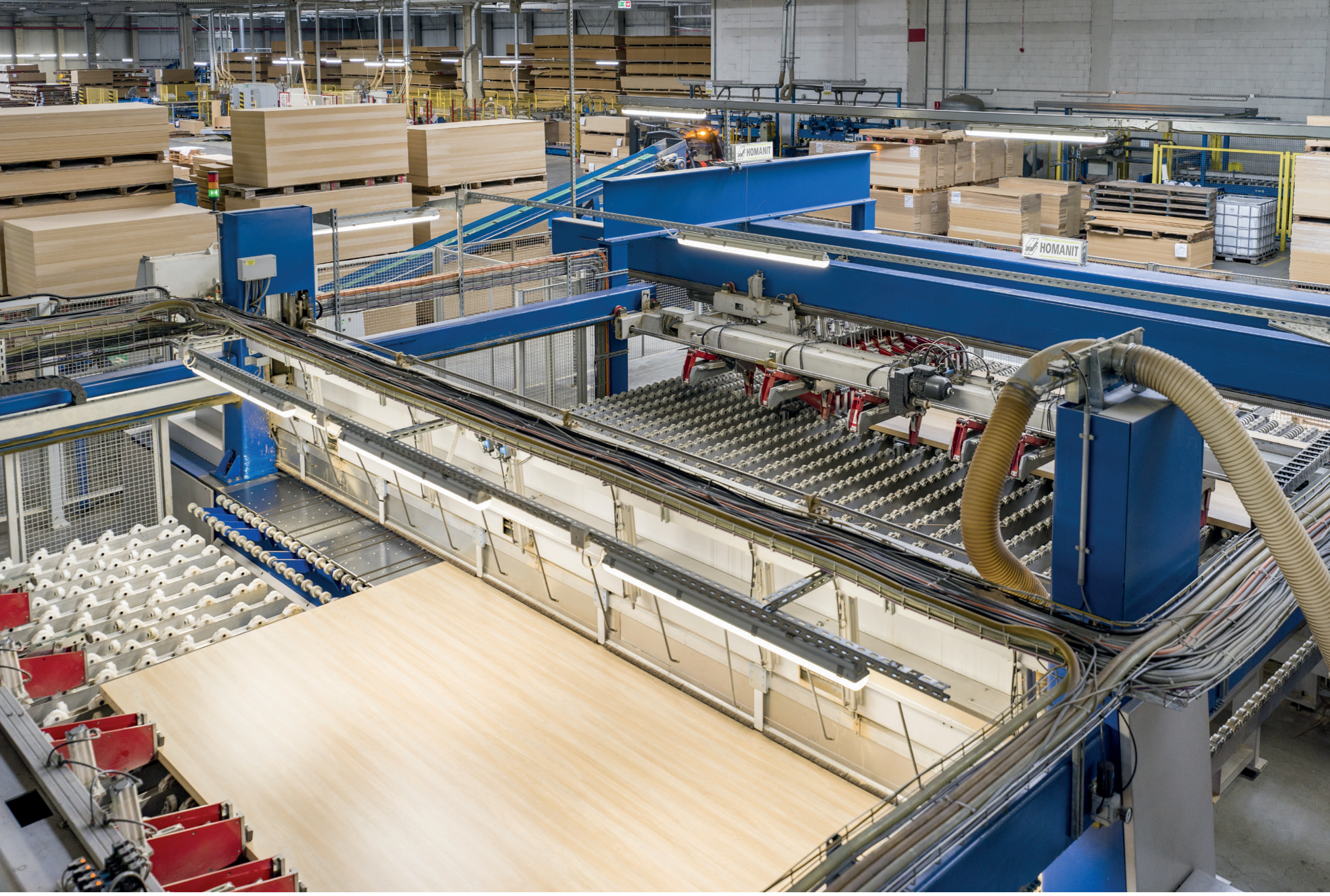
At EUR 65.8 million, inventories remained almost unchanged compared to December 31, 2022 (EUR 65.9 million). A significant increase in unfinished goods of EUR 8.1 million in preparation for the annual summer shutdown was offset by a EUR 6.5 million decrease in inventories of finished goods.

Receivables and other assets increased slightly from EUR 20.3 million to EUR 20.9 million. Lower trade receivables (EUR -4.8 million) were offset by higher receivables from factoring companies (EUR +4.0 million), which are included in other assets.

Equity increased further to EUR 175.6 million (December 31, 2022: EUR 150.0 million) due to the clearly positive consolidated result for the first half of the year as well as the reduction of the negative difference in equity resulting from currency translation. As a result, the equity ratio improved further to 31.2% (December 31, 2022: 30.4%) despite the significant increase in total assets. The difference in equity resulting from currency translation results from conversion differences to the Polish zloty for the Polish production sites. As the plants generate sustainable positive results in euros, we consider this difference recognized in equity as a currently irrelevant valuation result. For the analysis of the change in the equity ratio, equity is therefore adjusted for this item. This adjusted equity ratio stood at 32.7% as at the reporting date (December 31, 2022: 33.6%).

The special item increased by EUR 9.5 million compared to December 31, 2022 and amounted to EUR 13.1 million as at the interim balance sheet date. In the first half of 2023, the Group received further grants to promote investments and the creation of permanent jobs.

Provisions increased to EUR 19.3 million, compared to EUR 14.5 million as at the end of 2022. The increase mainly relates to tax provisions of EUR 0.9



million as well as provisions for deferred maintenance of EUR 2.1 million and customer bonuses of EUR 1.0 million.

Trade payables were up from EUR 56.6 million to EUR 58.1 million and also include liabilities to machine suppliers for the plant in Lithuania.

As part of the Group's investments were debt-financed, liabilities to banks rose from EUR 183.6 million to EUR 207.1 million. Overall, liabilities increased from EUR 324.1 million as of December 31, 2022 to EUR 352.4 million as of June 30, 2023.

Financial position

Cash flow from operating activities amounted to EUR 40.7 million in the first half of 2023 (prior year period: EUR 34.7 million). This was offset by cash outflows from investing activities in the amount of EUR 51.9 million (prior year period: EUR 77.7 million) and net cash inflows from financing activities of EUR 19.0 million (prior year period: EUR 12.0 million). As a result, cash and cash equivalents increased by EUR 7.8 million compared to the same period of the previous year.

As of June 30, 2023, the company had cash, cash equivalents and free securities in the amount of EUR 65.7 million (June 30, 2022: EUR 62.9 million) as well as free credit lines of EUR 41.3 million (June 30, 2022: EUR 40.0 million). In accordance with DRS 21, short-term liabilities to banks amounting to EUR 14.5 million (June 30, 2022: EUR 19.2 million) were included in cash and cash equivalents. This results in cash and cash equivalents of EUR 51.1 million as at the interim balance sheet date (June 30, 2022: EUR 43.6 million).

On balance, management considers the assets, financial and earnings position to be good.

C. Forecast, opportunity and risk report

1. Future developments

Macroeconomic developments

The outlook for the remaining months of 2023 and the year 2024 is characterized by continued uncertainty about inflation, a potential escalation of the Russia-Ukraine war, extreme weather events, a tighter monetary policy, and a potential slowdown in China's economic recovery. As a result, experts' expectations are subject to a high degree of uncertainty. The IMF's latest forecast of July 2023 assumes a 3.0% increase in the global gross domestic product for 2024. While global inflation is expected to decline from 6.8% in 2023 to 5.2% in 2024, core inflation, i.e. the rate of price increases for goods and services in an economy excluding volatile elements such as energy or food prices, will decline at a much slower pace, according to IMF experts *(IMF World Economic Outlook Update July 2023).*

The IMF expects the industrialized countries to grow by 1.4% next year. Economic growth of 1.5% is forecast for the eurozone. According to the IMF, Germany's gross domestic product is expected to increase by 1.3%. Lithuania is forecast to grow by 2.7%. The emerging and developing countries are expected to grow by 4.1% in 2024, with economic output in Poland growing by 2.4% in 2024 *(IMF World Economic Outlook Update July 2023, IMF – Republic of Lithuania: Country Details, IMF – Republic of Poland: Country Details).*

Sector developments

According to Statista Market Insights, the global furniture market is forecast to generate revenues of around EUR 685 billion in 2023 and an annual growth rate of around 5.68% until 2028. By 2028, the market is expected to be worth around EUR 903 billion. Living room furniture is the largest market segment *(Statista Market Insights 2023).*

After the first seven months of the year, the Association of the German Furniture Industry has lowered its forecast for the full year 2023. While revenues at the previous year's level were assumed at the beginning of the year, the experts are now projecting a decline in revenues of 5% to 7% for the German furniture industry. The downward adjustment of the revenue forecast results from a significant decline in demand due to consumers' uncertainty caused by inflation and political debates as well as a difficult market environment and high cost pressure, with a lack of political impulses to stimulate consumer spending, according to the VDM. *(VDM: Press release dated August 21, 2023).*

Demand and incoming orders for MD/HD fibreboards continued to decline steadily in 2023 so far. According to EUWID, there are no signs of a turnaround in the continuing weak demand. Some companies in the industry are already resorting to regularly recurring production shutdowns; in the summer months of July and August, some plants are shut down for several weeks. The tense situation in the Central European MDF/HDF markets is a result of a combination of factors, including declining demand in various sectors, prevailing price pressure with significant price reductions as well as export restrictions and continued purchasing restraint on the part of wholesalers/retailers *(EUWID issues 22/2023 and 28/2023).*

2. Future opportunities and risks

Opportunities arise from the trend towards lightweight construction in the furniture industry and the resulting demand for the Group's products. As a result of the constant replacement and rationalization investments, the production facilities are state-of-the-art.

Sales and revenue risks exist above all in connection with a possible worsening in general economic performance, resulting in a decrease in demand, and from competition with other manufacturers, which could result in price drops or market share losses in the future. Risks also exist in connection with the loss of key accounts. Risks to the Group's earnings also arise from possible cost increases.

At the beginning of 2023, there were slight signs of recovery on the energy markets, and the gas supply situation, in particular, has eased – the Bundesnetzagentur currently considers the latter to be stable. According to the Bundesnetzagentur, wholesale prices for gas have recently risen slightly (as of August 10, 2023), and companies must continue to expect price fluctuations and a higher price level, which could also lead to cost increases for the Homann Holzwerkstoffe Group.

The ongoing Russia-Ukraine war, potential negative energy price developments and high inflation rates remain factors of uncertainty for the economy. In addition, material shortages may persist. Continued volatility in the price of wood and other raw materials, such as glue, could result in higher costs for the Group. The ability to enforce price increases to offset potential cost increases is influenced by demand and the competitive situation and cannot be estimated with sufficient certainty at this point in time.

With regard to personnel, the Group has long-term relationships with qualified employees. Risks may arise if the Group is unable to find qualified employees to replace departing specialists or to fill newly created jobs, or if costs increase due to the shortage of skilled workers.

Financing risks exist in the event that the Group is unable to meet financial covenants in the future, or that it is unable to renew its credit lines upon expiration.

Moreover, the Polish sites as well as the participation in Egypt are exposed to market risk due to possible changes in exchange rates.

To the extent possible, the Group has taken essential precautions and preparations to reduce the probability of the risks occurring and/or their negative economic consequences.

Management currently believes that the risks outlined above – individually and collectively – are not of significant relevance.

3. Outlook and strategic plans

The market for MD/HD fibreboard was characterized by a steady decline in demand during the first half of the year. The Group was able to largely escape this trend and almost reached the revenue targets set for the first half of 2023. For the second half of the year, we do not expect a reversal of the trend in demand for MD/HD fibreboards, and we expect Group sales to be slightly lower than in the first half of the year. The new plant in Lithuania started production in September, but will not make a significant revenue contribution in the last quarter yet. As a result, we no longer expect to be able to reach the previous year's revenue level for the full year. Earnings in the first half of the year exceeded expectations due to lower raw material costs. If this trend continues in the second half of the year, we expect to meet or even exceed our full-year EBITDA target, despite the still challenging environment.

Munich, September 28, 2023

Fritz Homann Gunnar Halbig

CONSOLIDATED BALANCE SHEET

Homann Holzwerkstoffe GmbH, Munich
as of June 30, 2023

ASSETS

	Notes item	Jun. 30, 2023 EUR	Dec. 31, 2022 EUR
A. Fixed assets			
I. Intangible assets	6.a.		
1. Concessions acquired against payment, commercial trademark rights and similar rights and assets as well as licenses to such rights and assets		576,489.30	642,122.31
2. Advance payments made		98,566.40	89,343.40
		675,055.70	**731,465.71**
II. Tangible assets	6.a.		
1. Properties, rights equivalent to real property and structures including structures on third-party properties		56,146,799.27	54,809,825.78
2. Technical equipment and machinery		109,805,459.15	99,362,780.27
3. Other property, plant and equipment		17,122,862.63	17,044,225.13
4. Advance payments made and work in progress		212,353,207.94	162,779,791.03
		395,428,328.99	**333,996,622.21**
III. Financial assets	6.a.		
Investments in associates		10,923,284.00	12,407,417.00
B. Current assets			
I. Inventories			
1. Raw materials and supplies		40,658,407.70	42,925,036.43
2. Unfinished goods		15,003,901.90	6,878,367.71
3. Finished goods and merchandise		9,374,394.53	15,921,052.83
4. Advance payments made		728,894.82	147,232.96
		65,765,598.95	**65,871,689.93**
II. Receivables and other assets	6.b.		
1. Trade receivables		1,098,737.34	5,891,063.88
2. Other assets		19,837,822.74	14,442,252.36
		20,936,560.08	**20,333,316.24**
III. Investments classified as current assets	6.c.	5,965,645.72	5,928,363.81
IV. Cash holdings, bank deposits and cheques		59,720,021.64	50,533,438.92
		152,387,826.39	**142,666,808.90**
C. Accrued and deferred items	6.b.	3,173,387.93	3,400,174.26
		562,587,883.01	**493,202,488.08**

LIABILITIES

	Notes item	Jun. 30, 2023 EUR	Dec. 31, 2022 EUR
A. Equity	6.d.		
I. Subscribed capital		25,000,000.00	25,000,000.00
II. Capital reserves		25,564.60	25,564.60
III. Other profit reserves		214,613.17	214,613.17
IV. Difference in equity resulting from currency translation		-8,590,469.47	-15,790,081.41
V. Consolidated retained earnings		158,950,850.63	140,520,929.88
		175,600,558.93	**149,971,026.24**
B. Special items	6.e.	13,135,121.48	3,589,015.52
C. Provisions	6.f.		
1. Provisions for pensions and similar obligations		4,087,085.00	3,848,114.00
2. Provisions for taxes		5,562,584.00	4,617,196.00
3. Other provisions		9,628,402.43	6,063,194.23
		19,278,071.43	**14,528,504.23**
D. Liabilities	6.g		
1. Bonds		78,000,000.00	78,000,000.00
2. Liabilities to financial institutions		207,087,003.31	183,594,385.07
3. Advance payments received		505,154.02	100,000.00
4. Trade payables		58,092,515.87	56,561,288.35
5. Other liabilities		8,723,378.44	5,833,568.59
		352,408,051.64	**324,089,242.01**
E. Accrued and deferred items		1,529,737.18	602,423.08
F. Deferred tax liabilities	6.h.	636,342.35	422,277.00
		562,587,883.01	**493,202,488.08**

CONSOLIDATED INCOME STATEMENT

Homann Holzwerkstoffe GmbH, Munich
for the period from January 1, 2023 to June 30, 2023

	Notes item	Jan. 1 - Jun. 30, 2023 EUR	Jan. 1 - Dec. 31, 2022 EUR	Jan. 1. - Jun. 30, 2022 EUR
1. Revenues	7.a.	193,816,115.80	394,866,885.55	212,995,024.05
2. Increase in inventory of finished and unfinished goods		1,088,009.71	13,843,676.05	6,390,109.91
3. Other own work capitalized		685,802.03	836,022.21	376,493.80
4. Other operating income	7.b.	9,804,734.79	10,101,342.36	5,044,397.21
		205,394,662.33	**419,647,926.17**	**224,806,024.97**
5. Cost of materials				
a) Cost of raw materials and consumables and goods for resale		-98,726,166.42	-214,830,042.69	-109,001,730.39
b) Cost of purchased services		-15,528,496.19	-28,493,330.19	-14,541,319.93
		-114,254,662.61	-243,323,372.88	-123,543,050.32
Gross profit		**91,139,999.72**	**176,324,553.29**	**101,262,974.65**
6. Expenses for personnel	7.c.			
a) Wages and salaries		-23,165,922.51	-43,149,599.18	-22,025,649.99
b) Social security, pensions and other benefits		-4,188,838.27	-8,133,484.41	-4,244,293.47
		-27,354,760.78	-51,283,083.59	-26,269,943.46
7. Depreciation and amortization of intangible and tangible fixed assets		-9,095,896.34	-16,834,220.56	-8,492,308.72
8. Other operating expenses	7.d.	-26,850,248.28	-50,147,333.75	-28,896,046.15
Operating result		**27,839,094.32**	**58,059,915.39**	**37,604,676.32**
9. Expenses from investments in associated companies		-1,263,765.00	-1,663,532.59	-139,192.00
10. Other interest and similar income		254,443.79	690,371.46	656,408.58
11. Write-down of securities held as current assets		0.00	-1,078,607.12	-1,026,028.62
12. Interest and similar expenditure		-6,629,879.79	-9,419,326.43	-4,370,867.67
Financial result	7.e.	**-7,639,201.00**	**-11,471,094.68**	**-4,879,679.71**
13. Income taxes	7.f.	-1,769,972.57	-2,022,510.41	-2,378,943.75
14. Earnings after taxes / consolidated net income		**18,429,920.75**	**44,566,310.30**	**30,346,052.86**

CONSOLIDATED CASH FLOW STATEMENT

Homann Holzwerkstoffe GmbH, Munich
for the period from January 1, 2023 to June 30, 2023

		Jan. 1 - Jun. 30, 2023 kEUR	Jan. 1 - Dec. 31, 2022 kEUR	Jan. 1. - Jun. 30, 2022 kEUR
	Consolidated net income	**18,430**	**44,566**	**30,346**
+/–	Depreciation of assets	9,096	16,834	8,631
–/+	Profit/loss from the disposal of fixed assets	1,314	302	-24
–/+	Other non-cash expenses/income	-1,033	1,514	-167
–/+	Increase/decrease in inventories	106	-29,748	-17,048
–/+	Increase/decrease in trade receivables	4,792	-2,901	187
–/+	Increase/decrease in other assets	-5,168	3,119	-9,878
+/–	Increase/decrease in special item	-53	3,589	0
+/–	Increase/decrease in provisions	3,564	-4,122	4,645
+/–	Increase/decrease in trade payables	1,532	21,044	9,902
+/–	Increase/decrease in other liabilities	4,229	-101	2,550
+/–	Income tax expenses/income	1,770	2,023	2,379
+/–	Income tax payments	-617	-1,688	-34
+/–	Interest expenses / interest income	4,100	6,394	2,362
+/–	Currency-related change in assets/liabilities	-1,335	938	874
=	**Cash flow from operating activities**	**40,727**	**61,763**	**34,725**
+	Interest received	254	690	656
+	Proceeds from the disposal of tangible assets/intangible assets	395	7,777	96
+	Proceeds from investment grants	9,599	0	0
–	Cash paid for investments in tangible assets/intangible assets	-62,162	-132,176	-64,285
–	Payments to acquire long-term financial assets	0	-14,214	-14,214
=	**Cash flow from investing activities**	**-51,914**	**-137,923**	**-77,747**
+	Cash received from raising borrowings	35,935	71,798	20,890
–	Cash paid for the redemption of borrowings	-12,629	-21,427	-5,915
–	Interest paid	-4,354	-7,084	-3,018
=	**Cash flow from financing activities**	**18,952**	**43,287**	**11,957**
	Change in cash and cash equivalents	7,765	-32,873	-31,065
+	Change in cash and cash equivalents from currency conversion	1,272	647	373
+	Cash and cash equivalents at the beginning of the period	42,113	74,339	74,339
=	**Cash and cash equivalents at the end of the period**	**51,150**	**42,113**	**43,647**

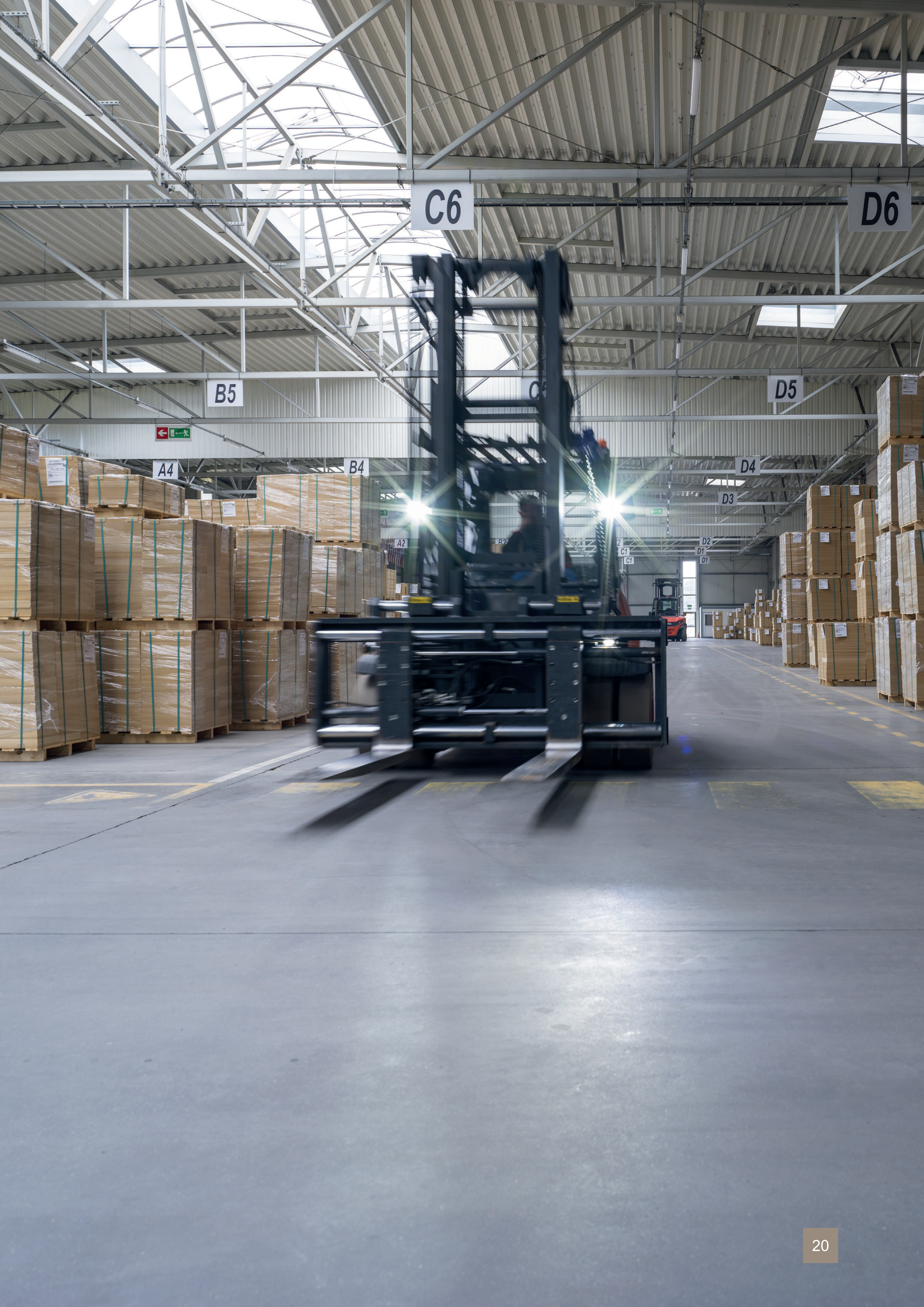
Composition of cash and cash equivalents

	Jun. 30, 2023 kEUR	Dec. 31, 2022 kEUR	Jun. 30, 2022 kEUR
Cash	59,720	50,534	57,843
Investments classified as current assets	5,966	5,928	5,016
Liabilities to financial institutions agreed at short notice	-14,536	-14,349	-19,212
	51,150	**42,113**	**43,647**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Homann Holzwerkstoffe GmbH, Munich
for the period from January 1, 2022 to June 30, 2023

	Subscribed capital	Capital reserves	Other profit reserves	Equity difference from currency conversion	Consolidated retained earnings	Equity
	EUR	EUR	EUR	EUR	EUR	EUR
January 1, 2022	25,000,000.00	25,564.60	214,613.17	-13,931,513.73	95,954,619.58	107,263,283.62
Differences from currency translation	0.00	0.00	0.00	-1,858,567.68	0.00	-1,858,567.68
Consolidated net income	0.00	0.00	0.00	0.00	44,566,310.30	44,566,310.30
December 31, 2022 / January 1, 2023	25,000,000.00	25,564.60	214,613.17	-15,790,081.41	140,520,929.88	149,971,026.24
Differences from currency translation	0.00	0.00	0.00	7,199,611.94	0.00	7,199,611.94
Consolidated net income	0.00	0.00	0.00	0.00	18,429,920.75	18,429,920.75
June 30, 2023	25,000,000.00	25,564.60	214,613.17	-8,590,469.47	158,950,850.63	175,600,558.93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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Homann Holzwerkstoffe GmbH, Munich
for the period ended June 30, 2023

1. Preparation of the consolidated financial statements

The consolidated financial statements of Homann Holzwerkstoffe GmbH (HHW) as of June 30, 2023 have been prepared in accordance with the requirements of the German Commercial Code (HGB) applicable to consolidated financial statements. The financial statements of consolidated companies were generally prepared in accordance with the requirements of the respective countries. For the purposes of the consolidated financial statements, the separate financial statements were converted pursuant to sections 300 para. 2 and 308 HGB to uniform accounting in accordance with the principles applicable to the parent company. The consolidated income statement is organized according to the total cost accounting method (Gesamtkostenverfahren; section 275 para. 2 HGB), other taxes are shown under other operating expenses. The prior-year figures relate to the balance sheet for the period ended December 31, 2022 and to the income statement for the period from January 1, 2022 to June 30, 2022. The consolidated financial statements were prepared based on the assumption that the company will continue as a going concern.

HHW is registered with the Commercial Register of the Munich local court under HRB 240650.

2. Consolidated companies

a. Fully consolidated entities

Aside from Homann Holzwerkstoffe GmbH, the following eleven subsidiaries were included in the consolidated financial statements as of June 30, 2023 as fully consolidated companies:

No.	Company	Equity share	held by	Equity June 30, 2023	Result for the period
		%	No.	kEUR	kEUR
1	Homann Holzwerkstoffe GmbH, Munich			52,340	-4,847
2	HOMANIT Holding GmbH, Munich	100.00	1	135,321	26,899
3	HOMANIT GmbH & Co. KG, Losheim	100.00	2	25,838	6,286
4	HOMANIT Verwaltungsgesellschaft mbH Losheim	100.00	3	39	-4
5	Homanit France SARL, Schiltigheim	100.00	3	71	41
6	"Homanit Polska Sp. z o.o. i Spolka" sp.k., Karlino	99.99 0.01	2 7	84,118	15,195
7	Homanit Polska Sp. z o.o., Karlino	100.00	2	1,956	589
8	Homatrans Sp. z o.o., Karlino	100.00	6	1,231	-161
9	Homanit Krosno Odrzanskie Sp. z o.o., Krosno	100.00	2	56,686	7,555
10	Homatech Polska Sp. z o.o., Karlino	100.00	6	480	78
11	UAB Homanit Lietuva, Pagiriu	100.00	2	49,473	-5,089
12	HOPE Investment Sp. z o.o., Poznan	100.00	6	30	-6

The results for the period for nos. 2 and 7 also include corresponding investment income.

b. Associated companies

Global MDF Industries B.V., Amsterdam, and its subsidiaries are included in the consolidated financial statements of Homann Holzwerkstoffe GmbH as an associated company on the basis of consolidated financial statements in accordance with section 311 HGB. On May 10, 2022, HHW initially acquired a 16.2% interest in Global MDF Industries B.V. Another 10.8% of the shares are to be acquired by HHW in the future. First-time consolidation resulted in a difference on the assets side of kEUR 8,095, which is reported as goodwill in the carrying amount of the shares in associated companies and is amortized over a period of five years using the straight-line method. The expansion of the site, the start of production and the continued successive expansion of capacity and value creation will take place over the next five years. Goodwill was incurred for the successive full entry into this new market. We therefore consider the amortization of goodwill over five years for appropriate. For the period from January 1, 2023 to June 30, 2023, the amortization was made on a pro rata temporis basis at kEUR 791.

3. Consolidation principles

Capital consolidation is performed by offsetting the carrying amount of investments in Group companies against the proportionate balance sheet equity at the time of initial inclusion (book value method). The consolidated financial statements do not show any goodwill from capital consolidation. Badwill is recognized in Group reserves. The purchase method (Neubewertungsmethode) was used for Group companies that were included in the consolidated financial statements for the first time after December 31, 2009.

Payables and receivables between consolidated companies are offset.

Revenues, income and expenses between consolidated companies are offset.

Interim results with respect to raw materials and supplies as well as finished and unfinished goods from intra-Group deliveries and services as well as gains and losses from intra-Group sales of fixed assets are eliminated unless they are of minor importance.

4. Currency translation

The balance sheets of consolidated companies prepared in a foreign currency are translated at the rate in effect as of June 30, while income statements are generally translated at the monthly average rate for the period from January 1 to June 30. The equity included in capital consolidation is translated at historical rates. Exchange rate differences from the translation of subscribed capital and of the profit/loss carried forward in subsequent consolidations are recognized at average rates as differences in equity resulting from currency translation as are differences from the translation of the half-year results. Rate differences arise from the translation of payables and receivables denominated in a foreign currency where the translation rate has changed between the time the payable or receivable arose and the balance sheet date. These rate differences are also recognized as differences in equity resulting from currency translation with no effect on profit or loss.

5. Accounting policies

HHW's accounting policies also apply to the consolidated financial statements. Annual financial statements prepared in accordance with Polish and Lithuanian law were generally adjusted to conform with the consolidated accounting guidelines under HGB. In accordance with DRS 26.87e, the investment in the associated company is included without adjusting the different accounting policies of the financial statements prepared to IFRS. The basis for reporting the change in the equity value in the consolidated income statement is the result after income taxes of the associated company, before taking into account other comprehensive income (OCI).

Intangible assets are measured at cost of purchase, less scheduled straight-line depreciation. Intangible assets are typically depreciated based on a useful life of 2-8 years.

Tangible fixed assets are measured at cost of purchase or manufacture less systematic depreciation. They include the expenses incurred until the plants are ready for operation. This also includes interest on debt capital incurred during the construction period. Amortization and depreciation are carried out using the straight-line method based on the expected useful life of the asset and in accordance with tax provisions. The useful life of land, leasehold rights and buildings, including buildings on unowned land, is 10-75 years, the useful life of technical equipment and machinery and the useful life of fixtures, fittings and equipment is 2-15 years.

Financial assets are measured at cost of purchase. Required valuation adjustments are applied.

Inventories are measured at cost of purchase and cost of manufacture according to the strict lower of cost or market principle. **Finished** and **unfinished goods** are measured at cost of manufacture according to the strict lower of cost or market principle. Cost of manufacture consists in part of direct material and production unit costs as well as the necessary material and production overhead costs. Administrative costs and cost of sales are not included in the cost of manufacture.

Receivables and other assets are recognized at nominal values. Individual impairments are undertaken for individual risks. Most of the receivables from third parties are subject to a factoring agreement with del credere arrangements. Foreign-currency receivables are recognized at the time of acquisition using the exchange rate in effect on the transaction date. On the balance sheet date, foreign-currency receivables are measured using the spot exchange rate on that date, with due regard for the realization and acquisition cost principle. Losses from exchange rate changes are always taken into account, gains from exchange rate changes only for remaining terms of one year or less.

Investments classified as current assets are recognized at cost. They are written down to the lower fair value if the market value is below the cost of acquisition on the effective date. A write-up is performed when the market value increases again. The cost of acquisition is the upper limit for the valuation.

Cash and cash equivalents are stated at the nominal value. Funds in foreign currencies are translated as at the reporting date in accordance with section 256a HGB.

Prepaid expenses include expenses that are attributable to later periods.

The right to elect to capitalize **deferred taxes** for the total tax relief is exercised. Deferred tax assets and liabilities are offset in the balance sheet. For details, please see the remarks in the notes to the balance sheet.

With regard to the recognition of **provisions for pensions**, please see the remarks in the notes to the balance sheet.

Other provisions take into account all discernible risks and contingent liabilities pursuant to section 253 para. 1 sentence 2 HGB and are recognized in the amount necessary for settlement based on reasonable commercial assessment, with due regard for the expected future changes in prices and costs. Provisions with residual terms of more than one year are discounted using the average market interest rate specified by Deutsche Bundesbank for the same maturity. **Anniversary provisions** and **early retirement provisions** are calculated using actuarial methods based on the “2018 G” tables of Prof. Dr. Klaus Heubeck, applying an actuarial interest rate of 1.44%.

Liabilities are recognized at the repayment amount. Liabilities in foreign currency are translated at the time of acquisition using the exchange rate applicable on that date. As at the balance sheet date, foreign currency liabilities are measured at the mean spot exchange rate, taking into account the realization, imparity and cost principles if the remaining term exceeds one year.

Deferred income is recognized at nominal value. This is income attributable to the period after June 30.

6. Notes to the consolidated balance sheet

a) Fixed assets

	Cost of purchase/manufacture						Depreciation/impairments					Book value	
	Date January 1, 2023	Reclassi-fications	Additions	Disposals	Currency exchange differences	Date June 30, 2023	Date January 1, 2023	Additions	Disposals	Currency exchange differences	Date June 30, 2023	Date June 30, 2023	Date January 1, 2023
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets													
1. Concessions acquired against payment, commercial trademark rights and similar rights and assets as well as licenses to such rights and assets	8,130,519.24	27,424.42	15,229.93	0.00	116,386.11	8,289,559.70	7,488,396.93	119,392.47	0.00	105,281.00	7,713,070.40	576,489.30	642,122.31
2. Advance payments made	89,343.40	0.00	9,223.00	0.00	0.00	98,566.40	0.00	0.00	0.00	0.00	0.00	98,566.40	89,343.40
	8,219,862.64	27,424.42	24,452.93	0.00	116,386.11	8,388,126.10	7,488,396.93	119,392.47	0.00	105,281.00	7,713,070.40	675,055.70	731,465.71
II. Tangible assets													
1. Properties, rights equivalent to real property and structures including structures on third-party properties	93,919,737.39	143,887.53	336,132.02	-94,514.52	3,114,516.48	97,419,758.90	39,109,911.61	1,167,317.14	-64,967.24	1,060,698.12	41,272,959.63	56,146,799.27	54,809,825.78
2. Technical equipment and machinery	225,771,972.83	65,541.91	12,974,220.06	-1,047,257.15	9,453,021.79	247,217,499.44	126,409,192.56	6,562,526.65	-1,031,906.66	5,472,227.74	137,412,040.29	109,805,459.15	99,362,780.27
3. Other property, plant and equipment	32,796,247.43	645,152.03	663,234.61	-637,966.02	613,674.13	34,080,342.18	15,752,022.30	1,246,660.08	-458,435.35	417,232.52	16,957,479.55	17,122,862.63	17,044,225.13
4. Advance payments made and work in progress	162,779,791.03	-882,005.89	48,163,424.73	0.00	2,291,998.07	212,353,207.94	0.00	0.00	0.00	0.00	0.00	212,353,207.94	162,779,791.03
	515,267,748.68	-27,424.42	62,137,011.42	-1,779,737.69	15,473,210.47	591,070,808.46	181,271,126.47	8,976,503.87	-1,555,309.25	6,950,158.38	195,642,479.47	395,428,328.99	333,996,622.21
III. Financial assets													
Shares in associated companies	12,407,417.00	0.00	0.00	-1,484,133.00	0.00	10,923,284.00	0.00	0.00	0.00	0.00	0.00	10,923,284.00	12,407,417.00
	535,895,028.32	0.00	62,161,464.35	-3,263,870.69	15,589,596.58	610,382,218.56	188,759,523.40	9,095,896.34	-1,555,309.25	7,055,439.38	203,355,549.87	407,026,668.69	347,135,504.92

The shares in associated companies comprise the goodwill resulting from first-time consolidation taking into account the depreciation from first-time consolidation of Global MDF Industries B.V., Amsterdam. The item also includes the pro-rated equity capital. Please refer to the comments under 2.b. and 7.e. in these notes.

b) Receivables, other assets, accrued and deferred items

As of June 30, 2023, receivables and other assets had no remaining terms of more than one year.

Material items recognized in **other assets** include tax refund claims amounting to kEUR 5,919 (previous year: kEUR 6,777), receivables from factoring companies amounting to kEUR 8,228 (previous year: kEUR 4,189) as well as a plant intended for resale amounting to kEUR 2,264 (previous year: kEUR 2,264).

Accrued and deferred items primarily include the costs for processing loan agreements, prepaid expenses from rental and leasing payments as well as insurance contributions for the time after June 30, 2023.

c) Other securities

Various securities (shares, fund shares as well as fixed-interest securities), which are valued at the lower of cost or market price, are reported as investments classified as current assets.

d) Equity

Subscribed capital, reserves and consolidated retained earnings are recognized as **equity**. Pursuant to commercial register entries, the following shareholder relationships existed as of June 30, 2023:

	kEUR	%
Fritz Homann GmbH	20,000	80.00
VVS GmbH	5,000	20.00
	25,000	100.00

The **capital reserve** arose from the contribution of shares in a GmbH by the shareholders at book values without consideration in the context of the change in legal form.

Other profit reserves resulted from the change of accounting rules implemented as a result of the German Accounting Modernization Act (BilMoG) in the amount of kEUR 22 and from badwill in the amount of kEUR 193.

Badwill relates to HOPE Investment Sp. z o.o. (kEUR 111), Homatrans Sp.z o.o. (kEUR 80) and HOMANIT Verwaltungs GmbH (kEUR 2). It arose exclusively from retained earnings from the period prior to initial consolidation and is therefore recognized in equity. If the shares in these companies are sold, the badwill is reversed to increase profits.

The **difference in equity resulting from currency translation** changed from kEUR -15,790 to kEUR -8,590, mainly due to the changes in the PLN/EUR exchange rate.

Consolidated retained earnings developed as follows:

	EUR
Consolidated retained earnings – January 1, 2023	140,520,929.88
Consolidated net income – January 1 to June 30, 2023	18,429,920.75
Consolidated retained earnings – June 30, 2023	158,950,850.63

Amounts totalling kEUR 179 (previous year: kEUR 206) may not be distributed pursuant to section 253 para. 6 sentence 1 HGB and due to first-time application of the German Accounting Modernization Act (BilMoG).

e) Special item

In the financial year, the Group received grants for sustainability-related research projects as well as for the promotion of investments and the creation of permanent jobs. Based on the funding conditions, they are released using the straight-line method over the term of four and five years, respectively. The major part is intended for the promotion of investments.

f) Provisions

The projected unit credit method for the **pension provisions** was applied as the actuarial calculation method for the subsidiaries, while the modified entry age normal method was used for the parent company based on the “2018 G” tables of Prof. Dr. Klaus Heubeck.

For financial reporting purposes for the first half of 2023, the pension provisions were adjusted on the basis of the following parameters: interest rate as of January 1, 2022: 1.87%; interest rate as of December 31, 2022: 1.78%; salary increases in 2022: 0.0%; pension increases in 2022: 2.2%; fluctuation in 2022: 3.3%). Expenses and income were calculated at 50% of the previous year’s values.

As of June 30, 2023, an amount of kEUR 9 from the first-time adoption of the German BilMoG Act had not yet been recognized in pension provisions.

The **tax provisions** include settlement arrears from trade and corporate income tax payment obligations for the first half of 2023 as well as for previous years.

Other provisions primarily involve obligations to employees (e.g. vacations, profit shares, overtime, contributions to professional associations), warranty and bonus obligations to customers and imminent losses from pending transactions and contingent liabilities. Provisions were also established for maintenance work on technical equipment and machinery that was not carried out in the first half of 2023.

The liabilities resulting from domestic **early retirement arrangements** are backed by securities. These securities are offset against the underlying liabilities in accordance with section 246 para. 2 sentence 2 HGB.

For recognition in the balance sheet, the liabilities in connection with early retirement arrangements in the amount of kEUR 123 were netted out with plan assets at fair value in the amount of kEUR 86. Consequently, a shortfall of kEUR 37 is shown under other provisions.

Securities are measured based on the strict lower of cost or market principle; securities which are not netted out (kEUR 870; previous year: kEUR 862) are freely marketable and no longer serve as hedges against claims in connection with early retirement liabilities. Correspondingly, interest earned on securities serving to hedge early retirement claims was offset against interest expenses from the compounding of early retirement provisions.

g) Liabilities

Liabilities have the following maturity structure:

June 30, 2023	up to 1 year EUR	1 to 5 years EUR	more than 5 years EUR	total EUR
1. Bonds	0.00	78,000,000.00	0.00	78,000,000.00
2. Liabilities to financial institutions	46,201,121.19	156,934,762.12	3,951,120.00	207,087,003.31
3. Advance payments received	505,154.02	0.00	0.00	505,154.02
4. Trade payables	58,092,515.87	0.00	0.00	58,092,515.87
5. Other	8,723,378.44	0.00	0.00	8,723,378.44
	113,522,169.52	234,934,762.12	3,951,120.00	352,408,051.64

December 31, 2022	up to 1 year EUR	1 to 5 years EUR	more than 5 years EUR	total EUR
1. Bonds	0.00	78,000,000.00	0.00	78,000,000.00
2. Liabilities to financial institutions	45,156,218.09	134,240,121.98	4,198,045.00	183,594,385.07
3. Advance payments received	100,000.00	0.00	0.00	100,000.00
4. Trade payables	56,561,288.35	0.00	0.00	56,561,288.35
5. Other	5,833,568.59	0.00	0.00	5,833,568.59
	107,651,075.03	212,240,121.98	4,198,045.00	324,089,242.01

The **bond** consists of 78,000 notes of EUR 1,000.00 each. The interest rate is 4.5% p.a. Interest is payable on 12 September of each year. The bond was placed on the Frankfurt/Main stock exchange with a 5.5-year term, maturing on September 12, 2026. It is unsecured and unsubordinated. Interest was recognized on an accrual basis at kEUR 2,808 as of June 30, 2023.

Liabilities to financial institutions are secured by land charges (Grundschulden) on corporate properties and by security assignments relating to purchased machinery and inventories. In addition, there are liens on tangible fixed assets and bank balances. Insurance claims arising from losses in connection with the relevant assets will be assigned.

The remaining liabilities are unsecured.

Other liabilities essentially comprise wages outstanding in the amount of kEUR 1,971 (previous year: kEUR 1,864) as well as accrued interest under the bond issue in the amount of kEUR 2,808 (previous year: kEUR 1,067). Taxes accounted for kEUR 708 (previous year: kEUR 697) and social insurance contributions for kEUR 1,404 (previous year: kEUR 1,438).

h) Deferred tax liabilities

Deferred tax assets result from differences between the amounts recognized in the commercial balance sheet and the amounts recognized in the tax balance sheet in the amount of kEUR 130 (previous year: kEUR 106) and from the elimination of intercompany profits (sale of fixed assets and inventories) in the amount of kEUR 21 (previous year: kEUR 31). Deferred tax liabilities of kEUR 788 (previous year: kEUR 558) result from differences between the amounts recognized in the commercial balance sheet and the amounts recognized in the tax balance sheet. Deferred tax assets were offset against deferred tax liabilities. In calculating deferred tax assets, tax loss carry-forwards are only taken into account to the extent that estimated future income would allow the deduction of those losses. For the calculation of deferred taxes, a tax rate consistent with the entity's legal form was applied to the differences between the commercial balance sheet and the tax balance sheet. Tax rates of between 14% and 25% were used.

7. Notes to the income statement

a) Revenues

Revenues break down into domestic revenues of kEUR 44,322 (previous year: kEUR 47,009) and foreign revenues of kEUR 149,494 (previous year: kEUR 165,986). In the first half of 2023, the European Union accounted for kEUR 136,602 (previous year: kEUR 154,892) of the foreign revenues.

b) Other operating income

The main item recognized in **other operating income** was income from changes in exchange rates of kEUR 6,278 (previous year: kEUR 3,411). In the first half of 2023, kEUR 800 of this income was realized; in the same period of the previous year, income from changes in exchange rates of kEUR 2,838 was realized. Income unrelated to the reporting period amounted to kEUR 848 (previous year: kEUR 55). Further significant income of kEUR 376 resulted from the release of provisions.

c) Expenses for personnel

Expenses for personnel in the amount of kEUR 27,355 (previous year: kEUR 26,270) include expenses for old-age provisions in the amount of kEUR 154 (previous year: kEUR 154).

The table below shows the year-on-year changes in the number of employees (excluding trainees and managing directors):

	June 30, 2023	June 30, 2022
White-collar employees	449	368
Blue-collar employees	1,124	1,210
Total	1,573	1,578

d) Other operating expenses

Other operating expenses primarily include freight and sales costs in the amount of kEUR 9,831 (previous year: kEUR 10,166), repair and maintenance costs as well as costs of performance in the amount of kEUR 5,678 (previous year: kEUR 9,087), administrative costs of kEUR 4,744 (previous year: kEUR 4,681) and expenses from changes in exchange rates of kEUR 4,170 (previous year: kEUR 3,061). As in the same period of the previous year, expenses from changes in exchange rates were fully realized in the first six months of 2023. Besides this, other tax expenses in the amount of kEUR 772 (previous year: kEUR 673) are also reported. Expenses unrelated to the reporting period amounted to kEUR 5 (previous year: kEUR 43).

e) Financial result

Interest and similar income resulted from the investment in securities and deposits in the amount of kEUR 254 (previous year: kEUR 59); negative interest (custodian fee for bank balances) in the amount of kEUR 55 was offset against it in the previous year. In addition, the profit share from a limited partnership investment of kEUR 652 was reported in the same period of the previous year.

The **amortization of investments classified as current assets** relates to write-downs on investments classified as current assets. In contrast to the same period of the previous year, no write-downs had to be made.

Expenses from shares in associated companies relate to Global MDF B.V. They are composed of the amortization of the difference from first-time consolidation of kEUR 791 and subsequent consolidation of kEUR 473. The exchange differences resulting from subsequent consolidation in the amount of kEUR 220 were recognized in the difference in equity resulting from currency translation.

Interest expenses essentially include interest paid on the bond in the amount of kEUR 1,741 (previous year: kEUR 1,741) as well as interest on loans granted by the lending banks in the amount of kEUR 3,516 (previous year: kEUR 1,345). The discounting of non-current provisions resulted in expenses of kEUR 136 (previous year: kEUR 118). Further interest expenses resulted from leasing and factoring agreements in the amount of kEUR 1,043 (previous year: kEUR 442).

f) Income taxes

This item contains corporation and trade tax expenses and income for the first half of 2023 in the amount of kEUR 1,545 (previous year: kEUR 2,291) as well as expenses from deferred taxes of kEUR 225 (previous year: kEUR 88).

8. Contingent liabilities, other financial obligations and factoring-based financing

The parent company has assumed a directly enforceable maximum amount guarantee of EUR 85 million for all claims of IKB Deutsche Industriebank AG against HOMANIT Holding GmbH. Homann Holzwerkstoffe GmbH has issued a counter-guarantee in the amount of EGP 238,599,000 (equivalent to kEUR 9,213 as of June 30, 2023) to its joint venture partner, EKH S.A.E., Egypt, as collateral for financial liabilities. Based on the current economic situation, claims under the counter-guarantee are not expected.

As of the balance sheet date, **other financial obligations** amounted to kEUR 11,937 (previous year: kEUR 12,724). These obligations involve rental, leasing and leasehold agreements. In addition, there is a liability from plant orders amounting to kEUR 27,993 (previous year: kEUR 79,363); of this amount, kEUR 4,360 is secured by a counter-guarantee.

There are loan agreements with three financial institutions and three related agreements for financial instruments to hedge against interest rate risks. These are micro-hedges. As of June 30, 2023, all micro hedges had positive market values in a total amount of kEUR 1,865. The changes in value in the hedged items and the hedging instruments for the interest rate risk cancel each other out completely or to 50% over the term of the hedging transactions (August 17, 2024 and September 28, 2026, respectively), since they are exposed to the same risk and are affected by identical factors in the same way. Accordingly, the transactions are classified as an effective hedges.

Factoring agreements with del credere arrangements (true factoring) for trade receivables exist for financing purposes as well as to improve receivables management and to limit bad debt risks. As of June 30, 2023, the factoring company had accepted receivables in the amount of kEUR 33,676 and paid out kEUR 25,448 in return.

9. Post-balance sheet events

No events of particular importance occurred after the end of the first half of the year.

10. Other information

Group relationships

The parent company of Homann Holzwerkstoffe GmbH is Fritz Homann GmbH, Munich.

Fritz Homann GmbH is registered in the Commercial Register of the Munich local court under HRB 240718.

Management

Managing Directors of Homann Holzwerkstoffe GmbH are:

- **Mr Fritz Homann**,
  Managing Partner, Munich,

- **Mr Gunnar Halbig,**
  Technical Managing Director, Paderborn

No direct advance payments or loans were granted to members of the management. In addition, no contingent liabilities were assumed. The non-disclosure clause pursuant to section 286 para. 4 HGB is applied.

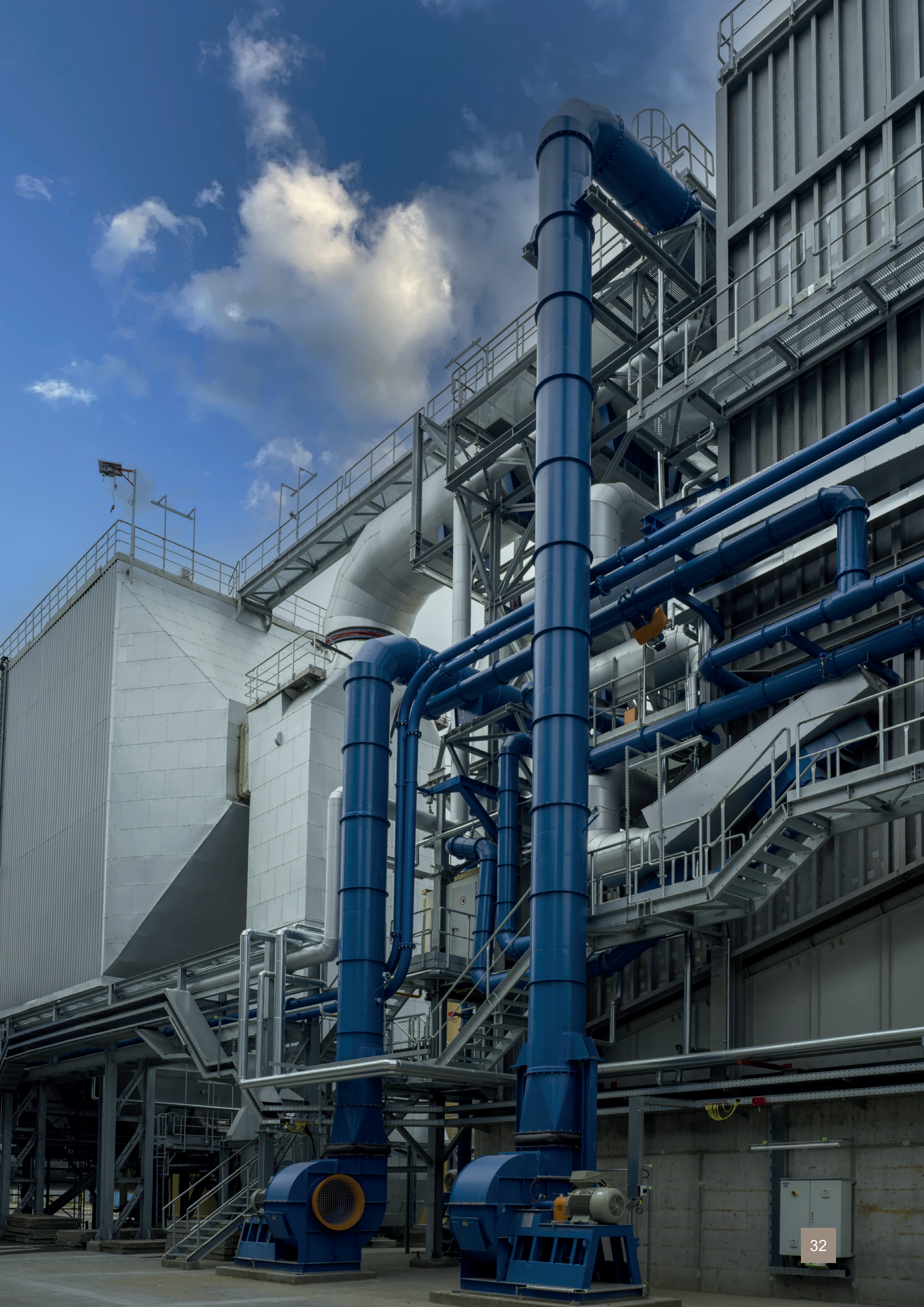
Fees

The fee recognized as expense in the first half of 2023 pursuant to section 314 para. 1 No. 9 HGB relates to auditing services (kEUR 84).

Munich, September 28, 2023

Fritz Homann

Gunnar Halbig



REVIEW REPORT

To Homann Holzwerkstoffe GmbH

We have reviewed the consolidated interim financial statements, comprising the consolidated balance sheet, the consolidated profit and loss account, the consolidated statement of changes in equity, the consolidated cash flow statement, the notes to the consolidated interim financial statements and the interim group management report of Homann Holzwerkstoffe GmbH, Munich, the financial year for the period of 1 January 2023 to 30 June 2023.

The preparation of the consolidated interim financial statements in accordance with the requirements of German commercial law applicable to consolidated financial statements and of the interim group management report in accordance with the principles of the German accounting standard No. 16 "half-yearly financial reporting" (DRS 16) applicable to the interim management reports is the responsibility of the company's management. Our responsibility is to issue a review report on the consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the consolidated interim financial statements and 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 so that we can preclude through critical evaluation, with a certain level of assurance, that the consolidated interim financial statements have not been prepared, in material aspects, in accordance with the requirements of German commercial law or do not give a true and fair view of the net assets, financial position and results of operation in accordance with the German principles of proper accounting or that the interim group management report does not comply with the principles of DRS 16 to be applied to the interim 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 consolidated interim financial statements have not been prepared in material respects in accordance with the requirements of German commercial law or, do not give a true and fair view of the net assets, financial position and results of operation in accordance with the German principles of proper accounting, nor that the interim group management report does not comply with the principles of DRS 16 to be applied to the interim management reports.

In accordance with section 9 (2) of these General Engagement Terms for Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as of 1 January 2017, our liability for an individual case of damages caused by negligence, with the exception of damages resulting from injury to life, body or health, as well as for damages that constitute a duty of replacement by a producer pursuant to section 1 German Product Liability Act [Produkthaftungsgesetz - ProdHaftG] is limited to EUR 4 million. This limitation of liability shall apply to all addressees respectively third parties (hereinafter: "recipients"), which receive our report as intended by us. These recipients are joint and several creditors within the meaning of section 428 German Civil Code [Bürgerliches Gesetzbuch - BGB] and the amount of liability of EUR 4 million for each case of damage is only available once to all recipients together.

By taking note of the information contained in our review report, each recipient entitled hereto confirms to have taken note of the aforementioned restriction on (its) disclosure / (our) limitation of liability and acknowledges its validity in relation to us.

In all other respects we do not assume any responsibility towards third parties not mentioned herein. These third parties are responsible for deciding whether and in what form they consider this information to be useful and suitable for their own purposes and for expanding, verifying or updating it through their own procedures. Only the third party is responsible for the use of the information. We do not accept any liability arising from the transfer of the information to these third parties. Section 334 BGB, according to which objections arising from a contract may also be raised against third parties, shall not be waived also in this respect.

Viersen, 28 September 2023

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Thorsten Bruckhaus	Anke Hahn
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

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