20240522122926

ÅRSREDOVISNING

för

KRAHN Nordics AB

Org nr 559234-8915

Styrelsen och verkställande direktör får härmed avlämna årsredovisning för räkenskapsåret 2023-01-01 - 2023-12-31

Innehåll **Sida**

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Undertecknad styrelseledamot i KRAHN Nordics AB
intygar härmed, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkning fastställts på årsstämma den 16 maj 2024.
Stämman beslöt tillika godkänna styrelsens förslag till vinstdisposition.

Hisings Backa 2024-05-17

.....

Chatarina Schneider

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20240522212927

ÅRSREDOVISNING

för

KRAHN Nordics AB

Org nr 559234-8915

Styrelsen och verkställande direktör får härmed avlämna årsredovisning för räkenskapsåret 2023-01-01 - 2023-12-31

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KRAHN Nordics AB
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FÖRVALTNINGSBERÄTTELSE

20240522122028

Verksamheten
Företaget bedriver import, export och distribution av kemikalier.

Företagets säte är Göteborg.

Flerårsjämförelse

	2023	2022	2021	2020
Nettoomsättning (tkr)	359 882	478 703	0	0
Resultat efter finans poster (tkr)	20 715	38 838	85	0
Balansomslutning (tkr)	323 280	320 257	220 678	25
Soliditet (%)	86%	86%	100%	100%
Medelantalet anställda	21	18	0	0

Koncernförhållanden
Företaget ägs till 85,89 % av KRAHN Chemie GmbH, HRB 15084.
Övergripande koncernredovisning upprättas av:
OTTO KRAHN (GmbH & Co.) KG, HRA46692.

Viktiga händelser
Företaget har som aktör inom distribution av kemikalier påverkats av den generella nedgången i ekonomin, framförallt under andra halvan av 2023. Detta har visat sig i form av lägre volymer, framförallt på lågmarginalsidan som ett resultat av ökad konkurrens. Företaget är väl rustat för att möta denna temporära ekonomiska nedgång och har under året investerat i resurser för att på ett bättre sätt anpassa varuflödet till den förändrade efterfrågan och för att vara väl förberedda inför framtida konjunkturåterhämtning.

Förväntad framtida utveckling och väsentliga risker och osäkerhetsfaktorer
Första halvåret 2024 kommer att vara fortsatt svag, framförallt inom smörjmedel och byggsektorn, men under andra halvåret kommer sannolikt efterfrågan att öka. Konjunkturen är fortsatt företagets största osäkerhetsfaktor.

Miljöpåverkan
Företaget bedriver verksamhet under anmälningsnivå, U-verksamhet, men omfattas ändå av Miljöbalkens bestämmelser.

Verksamheten bedrivs på så sätt att de allmänna hänsynsreglerna samt bestämmelser om egenkontroll, förvaring och hantering av kemikalier, farligt avfall, tömning av oljeavskiljare, buller, lukt etc uppfylls. Företaget har i sin hantering exporttillstånd för speciella kemikalier, prekursorer och tillstånd för ykesmässig överlåtele av särskilt farliga kemiska produkter samt tillstånd för hantering av vissa hälsofarliga varor.

Lagerhållningen av produkterna medför, vid normal hantering, ingen påverkan på yttre miljö och människors hälsa. Buller alstras vid transporter till och från lager. Bullernivåerna överstiger inte omgivande verksamheter. Avfall som uppkommer på kontor och vid lagerhållning källsorteras och omhändertas av godkänd mottagare. Farligt avfall uppstår normal inte vid transport eller lagerhållning.

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KRAHN Nordics AB
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Hållbarhetsupplysning
Koncernen bedriver ett omfattande hållbarhetsarbete och det finns tydliga riktlinjer för jämställdhet, miljö- och arbetsmiljö, kvalitet och kompetensutveckling.

Eget kapital
Antal aktier 25 000, kvotvärde 1 kr

	Aktiekapital	Fritt eget kapital
Belopp vid årets ingång	25 000	248 611 413
Resultatdisposition enligt beslut av årsstämman:		
Utdelning		-13 000 000
Årets vinst		11 547 404
Belopp vid årets utgång	25 000	247 158 817

Resultatdisposition
Förslag till disposition av bolagets vinst

Till årsstämmans förfogande står	
balanserad vinst	235 611 413
årets vinst	11 547 404
	247 158 817

Styrelsen föreslår att:	
till aktieägarna utdelas	7 000 000
i ny räkning överföres	240 158 817
	247 158 817

Yttrande från styrelsen

Styrelsen anser att den föreslagna vinstutdelningen är försvarlig med hänsyn till de krav som verksamhetens art, omfattning och risker ställer på storleken av det egna kapitalet samt bolagets konsolideringsbehov, likviditet och ställning i övrigt.

Beträffande bolagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkningar med tillhörande tilläggsupplysningar och bokslutskommentarer.

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KRAHN Nordics AB

Org nr 559234-8915

RESULTATRÄKNING

	Not	2023-01-01 2023-12-31	2022-01-01 2022-12-31
	1, 2, 5		
Rörelsens intäkter			
Nettoomsättning	3	359 881 635	478 702 644
Övriga rörelseintäkter	4	6 193 265	8 667 247
	5	366 074 900	487 369 891
Rörelsens kostnader			
Handelsvaror		-312 016 230	-417 106 495
Övriga externa kostnader	5 - 7	-6 775 967	-6 211 836
Personalkostnader	8	-22 283 054	-20 702 836
Av- och nedskrivningar av materiella och immateriella anläggningstillgångar	11, 12	-14 805 494	-9 849 263
		-355 880 745	-453 870 430
Rörelseresultat		**10 194 155**	**33 499 461**
Resultat från finansiella investeringar			
Resultat från andelar i koncernföretag	9	10 000 000	5 342 000
Ränteintäkter från koncernföretag		0	1 447
Ränteintäkter och liknande resultatposter		539 852	1 224
Räntekostnader och liknande resultatposter		-18 954	-5 758
		10 520 898	5 338 913
Resultat efter finansiella poster		**20 715 053**	**38 838 374**
Bokslutsdispositioner			
Avsättning till periodiseringsfond		-7 100 000	-10 500 000
Återföring från periodiseringsfond		2 400 000	0
		-4 700 000	-10 500 000
Resultat före skatt		**16 015 053**	**28 338 374**
Skatt på årets resultat	10	-4 467 649	-6 817 843
Årets resultat		**11 547 404**	**21 520 531**

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20240522122931

KRAHN Nordics AB
Org nr 559234-8915

BALANSRÄKNING

	Not	2023-12-31	2022-12-31
TILLGÅNGAR	1, 2		
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Goodwill	11	123 081 673	137 851 473
		123 081 673	137 851 473
Materiella anläggningstillgångar			
Inventarier	12	171 750	202 542
		171 750	202 542
Finansiella anläggningstillgångar			
Andelar i koncernföretag	13	17 878 170	17 878 170
		17 878 170	17 878 170
Summa anläggningstillgångar		**141 131 593**	**155 932 185**
Omsättningstillgångar			
Varulager m m			
Färdiga varor och handelsvaror		48 562 596	51 160 923
		48 562 596	51 160 923
Kortfristiga fordringar			
Kundfordringar		35 286 463	29 374 425
Övriga fordringar		608 012	315 772
Förutbetalda kostnader och upplupna intäkter	14	1 065 356	767 711
		36 959 831	30 457 908
Kassa och bank		96 626 122	82 705 957
Summa omsättningstillgångar		**182 148 549**	**164 324 788**
SUMMA TILLGÅNGAR		**323 280 142**	**320 256 973**

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KRAHN Nordics AB
Org nr 559234-8915

BALANSRÄKNING

	Not	2023-12-31	2022-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital (25 000 aktier)		25 000	25 000
		25 000	25 000
Fritt eget kapital			
Balanserat resultat		235 611 413	220 585 135
Erhållna aktieägartillskott		0	6 505 747
Årets resultat		11 547 404	21 520 531
		247 158 817	248 611 413
Summa eget kapital		**247 183 817**	**248 636 413**
Obeskattade reserver			
Periodiseringsfond		38 100 000	33 400 000
Summa obeskattade reserver		**38 100 000**	**33 400 000**
Kortfristiga skulder			
Förskott från kunder		190 521	305 062
Leverantörsskulder		29 487 695	25 394 788
Skulder till koncernföretag		333 539	415 886
Aktuell skatteskuld		410 916	4 119 949
Övriga skulder		2 383 125	3 276 725
Upplupna kostnader och förutbetalda intäkter	15	5 190 529	4 708 150
Summa kortfristiga skulder		**37 996 325**	**38 220 560**
SUMMA EGET KAPITAL OCH SKULDER		**323 280 142**	**320 256 973**

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KRAHN Nordics AB
Org nr 559234-8915

KASSAFLÖDESANALYS

20240522212933

	Not	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Den löpande verksamheten			
Rörelseresultat	3	10 194 155	33 499 461
Ränteintäkter och liknande resultatposter		539 852	2 671
Räntekostnader och liknande resultatposter		-18 954	-5 758
Erhållna utdelningar från koncernföretag		10 000 000	5 342 000
Justeringar för poster som inte ingår i kassaflödet		14 805 494	-9 052 030
Betald inkomstskatt		-8 176 682	-2 715 428
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		**27 343 865**	**27 070 916**
Kassaflöde från förändringar av rörelsekapital			
Minskning(+)/ökning(-) av varulager		2 598 327	-16 700 115
Minskning(+)/ökning(-) av fordringar		-6 501 923	44 365 834
Minskning(-)/ökning(+) av kortfristiga skulder		3 484 798	-29 720 990
Kassaflöde från den löpande verksamheten		**26 925 067**	**25 015 645**
Investeringsverksamheten			
Förvärv av inventarier, verktyg och installationer	12	-296 266	-173 567
Försäljning av inventarier, verktyg och installationer		291 364	0
Kassaflöde från investeringsverksamheten		**-4 902**	**-173 567**
Finansieringsverksamheten			
Utbetald utdelning		-13 000 000	0
Kassaflöde från finansieringsverksamheten		**-13 000 000**	**0**
Årets kassaflöde		13 920 165	24 842 078
Likvida medel vid årets början		82 705 957	18 198
Likvida medel övertagna vid fusion		0	57 845 681
Likvida medel vid årets slut		**96 626 122**	**82 705 957**

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KRAHN Nordics AB
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TILLÄGGSUPPLYSNINGAR

Allmänna upplysningar
Not 1

Redovisningsprinciper
Årsredovisningen upprättas med tillämpning av årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning (K3). Företaget har tillämpat Bokföringsnämndens allmänna råd BFNAR 2020:5 vid redovisning av fusion.

Värderingsprinciper m m
Tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Leasingavtal
Samtliga leasingavtal, oavsett om de är finansiella eller operationella, redovisas som hyresavtal (operationella leasingavtal). Leasingavgiften kostnadsförs linjärt över leasingperioden.

Ersättningar till anställda
Ersättningar utgörs av lön, sociala avgifter, betald semester, betald sjukfrånvaro, sjukvård och bonus. Kortfristiga ersättningar redovisas som en kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning.
I företaget finns endast avgiftsbestämda pensionplaner. I avgiftsbestämda planer betalar företaget fastställda avgifter till ett annat företa och har inte någon legal eller informell förpliktelse att betala något ytterligare även om det andra företaget inte kan uppfylla sitt åtagande.
Inkomstskatt

Aktuella skatter värderas utifrån de skattesatser och skatteregler som gäller på balansdagen. Uppskjutna skatter värderas utifrån de skattesatser och skatteregler som är beslutade före balansdagen.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den utsträckning det är sannolikt att avdraget kan avräknas mot överskott vid framtida beskattning.

Skattefordringar och skatteskulder nettoredovisas endast när det finns en legal rätt till kvittning.
Aktuell skatt, liksom förändring i uppskjuten skatt, redovisas i resultaträkningen om inte skatten är hänförlig till en händelse eller transaktion som redovisas direkt i eget kapital. I sådana fall redovisas även skatteeffekten i eget kapital.

Materiella och immateriella anläggningstillgångar
Materiella och immateriella anläggningstillgångar redovisas till anskaffningsvärde minskat med avskrivningar. Avskrivningar görs systematiskt över den bedömda nyttjandetiden. När en materiell anläggningstillgångs avskrivningsbara belopp fastställs, beaktas tillgångens restvärde.
Har en materiell eller immateriell anläggningstillgång på balansdagen ett lägre värde än det bokförda värdet skrivs tillgången ned till detta lägre värde om det kan antas att värdenedgången är bestående.
Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med avskrivningar. I anskaffningsvärdet ingår utgifter som direkt kan hänföras till förvärvet av tillgången.
Tillkommande utgifter som avser tillgångar som inte delas upp i komponenter läggs till anskaffningsvärdet till den del tillgångens prestanda ökar i förhållande till tillgångens värde vid anskaffningstidpunkten.

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TILLÄGGSUPPLYSNINGAR

20240522122935

Utgifter för löpande reparation och underhåll redovisas som kostnader.
Realisationsvinst respektive realisationsförlust vid avyttring av en anläggningstillgång redovisas som Övrig rörelseintäkt respektive Övrig rörelsekostnad.
Följande avskrivningstider tillämpas:

Goodwill, 10 år
Inventarier, 5 år
Ingen avskrivning på konst.

Finansiella instrument
Finansiella instrument redovisas i enlighet med K3 kapitel 11, vilket innebär att värdering sker utifrån anskaffningsvärde. Finansiella instrument som redovisas i balansräkningen inkluderar värdepapper, kundfordringar och övriga fordringar, leverantörsskulder och låneskulder. Instrumenten redovisas i balansräkningen när företaget blir part i instrumentets avtalsmässiga villkor.
Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och företaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten.

Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Kundfordringar och övriga fordringar
Fordringar redovisas som omsättningstillgångar med undantag för poster med förfallodag mer än 12 månader efter balansdagen, vilka klassificeras som anläggningstillgångar. Fordringar tas upp till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar. Fordringar som är räntefria eller som löper med ränta som avviker från marknadsräntan och har en löptid överstigande 12 månader, redovisas till ett diskonterat nuvärde och tidsvärdeförändringen redovisas som ränteintäkt i resultaträkningen.

Andra långfristiga värdepappersinnehav
Posten består huvudsakligen av aktier samt ett mindre innehav av räntebärande tillgångar. Innehaven innehas på lång sikt. Tillgångar ingående i posten redovisas inledningsvis till anskaffningsvärde. I efterföljande redovisning värderas aktierna till anskaffningsvärde med bedömning av om nedskrivningsbehov föreligger. De räntebärande tillgångarna redovisas i efterföljande redovisning till upplupet anskaffningsvärde med tillämpning av effektivräntemetoden, minskat med eventuell reservering för värdeminskning.

Låneskulder och leverantörsskulder
Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Kvittning av finansiell fordran och finansiell skuld
En finansiell tillgång och en finansiell skuld kvittas och redovisas med ett nettobelopp i balansräkningen endast då legal kvittningsrätt föreligger samt då en reglering med ett nettobelopp avses ske eller då en samtida avyttring av tillgången och reglering av skulden avses ske.

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TILLÄGGSUPPLYSNINGAR

20240522122936

Nedskrivningsprövning av finansiella anläggningstillgångar
Vid varje balansdag bedömer företaget om det finns någon indikation på nedskrivningsbehov i någon av de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående. Nedskrivning redovisas i resultaträkningsposten Resultat från övriga värdepapper och fordringar som är anläggningstillgångar. Nedskrivningsbehovet prövas individuellt för aktier och andelar och övriga enskilda finansiella anläggningstillgångar som är väsentliga.

Varulager
Varulagret är värderat till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet. Nettoförsäljningsvärdet har beräknats till försäljningsvärdet efter avdrag för beräknad försäljnings-kostnad. Inkuransavdrag har gjorts enligt individuell bedömning.
Kassaflödesanalys
Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- eller utbetalningar.
Som likvida medel klassificerar företaget, förutom kassamedel, disponibla tillgodohavanden hos banker och andra kreditinstitut samt kortfristiga likvida placeringar som är noterade på en marknadsplats och har en kortare löptid än tre månader från anskaffningstidpunkten. Spärrade medel klassificeras inte som likvida medel. Förändringar i spärrade medel redovisas i investeringsverksamheten.

Aktier och andelar i dotterföretag
Aktier och andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de lämnas. Utdelning från dotterföretag redovisas som intäkt.

Fordringar och skulder i utländsk valuta
Fordringar och skulder har omräknats till balansdagens kurs. Valutakursvinster och valutakursförluster på fordringar och skulder av rörelsekaraktär redovisas under övriga rörelseintäkter och övriga rörelsekostnader.
Intäktsredovisning
Intäkter från försäljning av varor redovisas vid leverans till kund, i enlighet med försäljningsvillkoren.

Koncernförhållanden
Bolaget är moderbolag, men med stöd av ÅRL 7 kap 2 § upprättas inte någon koncernredovisning.
Företaget ägs till 85,89 % av KRAHN Chemie GmbH, HRB 15084.
Övergripande koncernredovisning upprättas av:
OTTO KRAHN (GmbH & Co.) KG, HRA46692.

Definition av nyckeltal
Soliditet - Eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt) i förhållande till balansomslutningen.

20240522212937

KRAHN Nordics AB
Org nr 559234-8915

TILLÄGGSUPPLYSNINGAR

UPPLYSNINGAR TILL ENSKILDA POSTER

Not 2 Uppskattningar och bedömningar

Det finns inga väsentliga uppskattningar eller bedömningar.

Not 3 Nettoomsättning

	2023	2022
Försäljning Sverige	191 966 250	215 529 589
Försäljning EU	141 065 617	234 226 855
Försäljning övriga länder	26 399 470	28 261 272
Provisionsintäkter	450 298	684 928
	359 881 635	**478 702 644**

Not 4 Övriga rörelseintäkter

	2023	2022
Övriga rörelseintäkter uppdelade på intäktsslag		
Valutadifferenser, netto	1 299 236	4 126 820
Vinst vid avyttring av anläggningstillgång	0	166 203
Koncernintern vidarefakturering av kostnader	4 748 510	4 349 421
Övrigt	145 519	24 803
	6 193 265	**8 667 247**

Not 5 Inköp och försäljning inom koncernen

	2023	2022
Andel av försäljningen som avser koncernföretag	4,48%	3,77%
Andel av inköpen som avser koncernföretag	2,34%	1,83%

Not 6 Leasingavtal

	2023	2022
Under året har företagets leasingavgifter uppgått till	1 121 739	1 270 535

Framtida leasingavgifter för icke uppsägningsbara leasingavtal, förfaller till betalning enligt följande:

Inom 1 år	1 221 265	844 753
Inom 2 till 5 år	1 128 052	1 179 921
	2 349 317	**2 024 674**

20240522212938

KRAHN Nordics AB
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TILLÄGGSUPPLYSNINGAR

Not 7 **Arvode och kostnadsersättning**	**2023**	**2022**
Baker Tilly		
Revisionsuppdrag	75 000	69 000
Andra uppdrag	0	0
BDO		
Revisionsuppdrag	0	57 500
	75 000	**126 500**

Not 8 **Personal**	**2023**	**2022**
Medelantalet anställda, Sverige	20	16
varav kvinnor	15	12
Medelantalet anställda, Finland	1	1
varav kvinnor	0	0
Medelantalet anställda, Danmark	0	1
varav kvinnor	0	0

Löner, ersättningar m m
Löner, ersättningar, sociala kostnader och pensionskostnader har utgått med följande belopp:

Löner och ersättning:				
Styrelse och VD		2 005 211		1 560 354
Övriga anställda		12 770 848		12 820 017
		14 776 059		14 380 371
Sociala kostnader		6 988 703		5 924 040
varav pensionskostnader:				
Styrelse och VD	567 096		237 002	
Öviga anställda	1 437 306		1 204 782	
Övriga personalkostnader		518 292		398 425
		22 283 054		**20 702 836**

Bonus till styrelse/Vd har under året utbetalats med 500 500 kr.

Könsfördelning i företagsledning

Antal styrelseledamöter,	3	3
varav kvinnor	1	1
Antal övriga befattningshavare inkl. VD,	1	1
varav kvinnor	0	1

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KRAHN Nordics AB

Org nr 559234-8915

TILLÄGGSUPPLYSNINGAR

Not 9 Resultat från andelar i koncernföretag	2023	2022
Utdelning	10 000 000	5 342 000
	10 000 000	**5 342 000**

Not 10 Skatt på årets resultat	2023	2022
Aktuell skatt	4 467 649	6 817 843
Skatt på årets resultat	**4 467 649**	**6 817 843**
Redovisat resultat före skatt	16 015 053	28 338 374
Skatt beräknad enligt gällande skattesats	3 299 100	5 837 704
Skatteeffekt av ej avdragsgilla kostnader	3 066 956	2 057 167
Skatteeffekt av ej skattepliktiga intäkter	-2 061 550	-1 100 615
Skatteeffekt av schablonränta på periodiseringsfond	163 143	23 587
Redovisad skattekostnad	**4 467 649**	**6 817 843**

Not 11 Goodwill	2023-12-31	2022-12-31
Ingående anskaffningsvärde	147 698 001	0
Övertag till koncernmässiga anskaffningsvärden	0	147 698 001
Utgående ackumulerade anskaffningsvärden	147 698 001	147 698 001
Ingående avskrivningar	-9 846 528	0
Årets avskrivningar	-14 769 800	-9 846 528
Utgående ackumulerade avskrivningar	-24 616 328	-9 846 528
Utgående planenligt restvärde	**123 081 673**	**137 851 473**

Goodwill avser den fusionsdifferens som uppkom vid fusionen av dotterföretagen 2022.

Not 12 Inventarier	2023-12-31	2022-12-31
Ingående anskaffningsvärde	205 277	31 710
Inköp	296 266	173 567
Försäljningar/utrangeringar	-291 364	0
Utgående ackumulerade anskaffningsvärden	210 179	205 277
Ingående avskrivningar	-2 735	0
Årets avskrivningar	-35 694	-2 735
Utgående ackumulerade avskrivningar	-38 429	-2 735
Utgående planenligt restvärde	**171 750**	**202 542**

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TILLÄGGSUPPLYSNINGAR

Not 13 Andelar i koncernföretag

Företag		Andel	2023-12-31	2022-12-31
Organisationsnummer	Säte	Antal		
BGM Logistics AB		100%	100 000	100 000
556728-5670	Göteborg	1 000		
Krahn Specialty Fluids AB		100%	17 778 170	17 778 170
556557-7839	Göteborg	1 000		
			17 878 170	**17 878 170**

Uppgifter om eget kapital och resultat	Eget kapital	Resultat
BGM Logistics AB	4 280 120	114 001
Krahn Specialty Fluids AB	31 069 803	13 319 022

Ingående anskaffningsvärde	17 878 170	206 231 044
Inköp	0	0
Fusionerade dotterföretag:		
Amphochem AB	0	-111 872 820
Pemco Additives AB	0	-94 358 224
Övertag i samband med fusion:		
BGM Logistics AB	0	100 000
Krahn Specialty Fluids AB	0	17 778 170
Utgående redovisat värde	**17 878 170**	**17 878 170**

Not 14 Förutbetalda kostnader och upplupna intäkter

	2023-12-31	2022-12-31
Förutbetalda försäkringar	51 232	138 255
Övriga förutbetalda kostnader	601 656	281 140
Upplupna ränteintäkter	92 658	0
Upplupna provisionsintäkter	319 810	348 316
	1 065 356	**767 711**

Not 15 Upplupna kostnader och förutbetalda intäkter

	2023-12-31	2022-12-31
Upplupna lönerelaterade poster inkl sociala avgifter	3 711 605	4 220 640
Förutbetalda intäkter	1 042 791	0
Övriga upplupna kostnader	436 133	487 510
	5 190 529	**4 708 150**

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KRAHN Nordics AB

Org nr 559234-8915

TILLÄGGSUPPLYSNINGAR

Not 16 Förslag till vinstdisposition

Till årsstämmans förfogande står

balanserad vinst	235 611 413
årets vinst	11 547 404
	247 158 817

Styrelsen föreslår att:

till aktieägarna utdelas	7 000 000
i ny räkning överföres	240 158 817
	247 158 817

Datum som framgår i elektroniska signaturer

Rolf Kuropka
Ordförande

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Chatarina Schneider

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Karlheinz Schuster

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Johan Ekeroth
VD

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Baker Tilly SEK AB

Thomas Olofsson
Auktoriserad revisor

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Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	**Status**	**Timestamps**
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Completed	Security Checked	5/13/2024 10:09:14 AM
Payment Events	**Status**	**Timestamps**

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Revisionsberättelse

Till bolagsstämman i KRAHN Nordics AB
Org.nr 559234-8915

Rapport om årsredovisningen

Uttalanden
Vi har utfört en revision av årsredovisningen för KRAHN Nordics AB för år 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av KRAHN Nordics ABs finansiella ställning per den 2023-12-31 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden
Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till KRAHN Nordics AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar
Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar
Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och

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inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.

- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.

- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.

- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden
Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för KRAHN Nordics AB för räkenskapsåret 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Grund för uttalanden
Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till KRAHN Nordics AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar
Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är

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utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller

- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Uddevalla den 13 maj 2024

Baker Tilly SEK AB

Thomas Olofsson
Auktoriserad revisor

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OTTO KRAHN (GmbH & Co.) KG
Hamburg

Long-form report on the audit of the Consolidated Financial Statements per December 31st 2023
and the Group Management Report for fiscal year 2023

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Appendix 2 Consolidated Profit and Loss Account for the fiscal year 2023

Appendix 3 Notes to the Consolidated Financial Statements for the fiscal year 2023

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Appendix 5 Consolidated Statement of Changes in Equity for the fiscal year 2023

Appendix 6 Group Management Report for the fiscal year 2023

Appendix 7 Independent Auditor's Report

Appendix 8 General Engagement Terms for German Public Auditors and Public Audit Firms

List of Abbreviations

AG	Stock Corporation
AktG	Stock Corporations Act
AO	German Fiscal Code
EEA	European Economic Area
EGHGB	Introductory Act to the HGB (see below)]
EnWG	Electricity and Gas Supply Act
EStG	Income Tax Act
EU	European Union
GAS	German Accounting Standard
GET	General Engagement Terms for German Public Auditors and Public Audit Firms
GmbH	Limited liability company
Group P&L	Consolidated Profit and Loss Account
HGB	Commercial Code
ICS	Internal Control System
IDW	Institute of Public Auditors in Germany Incorporated Association, Düsseldorf
IDWPS	IDW Auditing Standard

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List of Abbreviations

OTTO KRAHN or Company	OTTO KRAHN (GmbH & Co.) KG, Hamburg
ALBIS Austria	ALBIS Plastic Vertriebsgesellschaft m.b.H., Vienna, Austria
ALBIS Benelux	Albis Benelux B.V., Breda, Netherlands
ALBIS Distribution	ALBIS Distribution GmbH & Co. KG, Hamburg
ALBIS Dis. Verwaltung	ALBIS Distribution Verwaltung GmbH, Hamburg
ALBIS France	ALBIS PLASTIQUE FRANCE S.A.R.L., Gif sur Yvette Cédex, France
ALBIS Guangzhou	Albis Plastic Distribution (Guangzhou) Co. Ltd., Guangzhou, China
ALBIS Hong Kong	Albis Plastic (Far East) Ltd., Hong Kong, China
ALBIS Hungary	Albis Plastic Kft., Tiszaújváros, Hungary
ALBIS Iberia	Albis Iberia S.A., Barcelona, Spain
ALBIS Italy	ALBIS PLASTIC Italia s.r.l., Mailand, Italy
ALBIS Morocco	ALBIS MOROCCO SARLAU, Tanger, Morocco
ALBIS Nordics	Albis Nordics & Baltics AB, Göteborg, Sweden
ALBIS Polska	Albis Polska Sp. z o.o., Poznań, Poland
ALBIS Romania	Albis Plastic SRL., Sibiu, Romania
ALBIS Russia	Albis Plastic, OOO, Moscow, Russia
ALBIS Shanghai	Albis Plastic (Shanghai) Co. Ltd., Shanghai, China
ALBIS Switzerland	Albis Impex AG, Meilen, Switzerland

List of Abbreviations

ALBIS Czech Republic	Albis Plastic CR s.r.o., České Budějovice, Czech Republic
ALBIS Tunisia	Albis Plastic Tunisia S.A.R.L, Tunis, Tunisia
ALBIS Turkey	Albis Plastik TR Sanayi ve Ticaret Limited Sirketi, Istanbul, Turkey
ALBIS UK	Albis (U.K.) Ltd., Knutsford, UK
ADRE	Albis Duncan Real Estate LLC, Duncan/South Carolina, USA
BGM Logistics AB	BGM Logistics AB, Hisings Backa, Sweden
FibreCoat Inc.	FibreCoat, Inc., Dover, USA
Krahn Chemie	Krahn Chemie Gesellschaft mit beschränkter Haftung, Hamburg
KRAHN CHEMIE Benelux	KRAHN CHEMIE Benelux B.V., Zaandam, Netherlands
KRAHN Chemie Germany	KRAHN Chemie Deutschland GmbH, Hamburg
KRAHN CHEMIE Polska	KRAHN CHEMIE Polska Sp. z o. o. Poznań, Poland
KRAHN Austria	KRAHN Central & Eastern Europe GmbH, Vienna, Austria
KRAHN Ceramics	KRAHN Ceramics GmbH, Hamburg
KRAHN France	KRAHN France SAS, Avon, France
KRAHN Hellas	Krahn Hellas S.A., Athen, Greece
KRAHN Iberia	KRAHN Iberia S.L., Aspe, Spain
KRAHN Italia	KRAHN Italia S.p.A., Milan, Italy

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List of Abbreviations

KRAHN Nordics AB	KRAHN Nordics AB, Hisings Backa, Sweden
KRAHN Speciality	KRAHN Speciality Fluids AB, Hisings Backa, Sweden
KRAHN UK	KRAHN UK Ltd, Sandbach, UK
KVG	Krahn Verwaltungs-Gesellschaft mit beschränkter Haftung, Hamburg
MOCOM	MOCOM Compounds GmbH & Co. KG, Hamburg
MOCOM Changshu	Mocom Compounds (Changshu) Co. Ltd., Changshu, China
MOCOM Mexico	MOCOM Compounds México, S. de R. L. de C.V., San Pedro Garza García, Mexico
MOCOM USA	MOCOM Compounds Corp., Duncan/South Carolina, USA
MOCOM Verwaltung	MOCOM Compounds Verwaltung GmbH, Hamburg
NCA	NEXT COMMERCE ACCELERATOR GmbH, Hamburg
OK CorFu	OTTO KRAHN Corporate Functions GmbH & Co. KG, Hamburg
OK CorFu Verwaltung	OTTO KRAHN Corporate Functions Verwaltung GmbH, Hamburg
OK Group	Otto Krahn Group GmbH, Hamburg
OK Kranich	OK Kranich GmbH, Hamburg

List of Abbreviations

OK New Business	Otto Krahn New Business GmbH & Co. KG, Hamburg
OK New Business Verwaltung	Otto Krahn New Business Verwaltung GmbH, Hamburg
OK Real Estate	OTTO KRAHN Real Estate GmbH & Co. KG, Hamburg
Specialities S.r.l.	Specialities S.r.l., Berbenno, Italy
WIPAG	WIPAG GmbH, Hamburg (formerly: ALBIS PLASTIC Beteiligungs GmbH, Hamburg)
WIPAG Nord	WIPAG Nord GmbH & Co. KG, Gardelegen
WIPAG Süd	WIPAG Süd GmbH & Co. KG, Neuburg a. d. Donau

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1. Audit engagement

We were engaged on November 2nd 2023 by the management board of the personally liable partner of

OTTO KRAHN (GmbH & Co.) KG,
Hamburg
(also referred to hereinafter as "the Company")

to audit the Company's consolidated financial statements per December 31st 2023 and the group management report for the fiscal year 2023 in commensurate application of Sections 317 et seq. HGB.

The non-statutory audit was carried out on the basis of the partners' resolution dated May 9th 2023 observing Section 318 (2) HGB.

We were also engaged to audit the annual financial statements of OTTO KRAHN (GmbH & Co.) KG per December 31st 2023 in commensurate application of Sections 317 et seq. HGB. We refer in this regard to our separate audit report.

We confirm pursuant to Section 321 (4a) HGB that we have observed the applicable regulations on independence in our audit of the consolidated financial statements.

We have prepared the following report on the nature and scope and the result of our audit in accordance with the principles set out in IDW PS 450 (new version), to which the audited consolidated financial statements and the audited group management report are appended. This report is addressed to the company audited.

The performance of our engagement and our responsibilities, as well as in relation to third parties, are subject to the General Engagement Terms for German Public Auditors and Public Audit Firms as of January 1st 2017 (AAB).

Notwithstanding the wording of Art. 10 (3) of the aforementioned General Engagement Terms, we will issue exclusively an electronic copy of the long-form audit report.

2. Evaluation of management's assessment of the Company's position

The Company's group management report includes in our opinion the following significant aspects

on the development of the business and the situation:

Following consolidated net income for the year of EUR 20.6 million in the previous year, a consolidated net loss for the year of EUR 11.3 million was generated in fiscal year 2023. The following factors mainly influenced the consolidated net loss for the year in 2023:

- Compared with the original planning, the Otto Krahn Group fell considerably short of the forecasted increases in revenue in fiscal year 2023 and also remained with regard to the sales volumes below the expectations. Overall, the operating result was much lower than expected, partly due to special effects.

- The revenue of the Otto Krahn Group fell in 2023 compared with the previous year by 18.8% to EUR 1,348.3 million, due in particular to lower sales volumes, which declined in the same period by 13.7% or 63,607 mt to 401,461 mt.

- The gross profit in the calendar year fell compared with the previous year by 14.6% from EUR 316.5 million to EUR 270,3 million. The smaller decline in the gross profit in relation to revenue resulted in particular from changes in the product mix and partly from the lower price level of raw materials.

- Compared with EUR 142.8 million in 2022, the personnel expenses fell by EUR 2.4 million or 1.7% to EUR 140.4 million. The decline in the personnel expenses results mainly from lower pension expenses of EUR 6.8 million (PY: EUR 15,5 million) at the same time as a marginal increase in the number of employees (+17).

- EBIT as the main management ratio for the Group fell by altogether EUR 44.1 million or 87.6% from EUR 50.3 million in the previous year to EUR 6.2 million in 2023

- The group pre-tax earnings of EUR 2.5 million are therefore EUR 41.4 million or 94.4% lower than the earnings for 2022. The return on revenue based on EBIT of 0.5% is therefore 2.5 percentage points below the prior year figure of 3.0%.

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- Total assets and liabilities amounted per December 31st 2023 to EUR 589.8 million and therefore fell by 5,3% compared with the previous year.

- The book value of the fixed assets increased in 2023 by EUR 9.5 million to EUR 110.5 million. Thereby the increase amounted to EUR 11.3 million for financial fixed assets at the same time as a decrease of EUR 1.8 million for property, plant and equipment and intangible assets (including goodwill).

- Assets tied up in the short term in inventories and receivables fell by EUR 62.1 million or 15.3% from EUR 405.0 million in the previous year to EUR 342.9 million, whereby EUR -38.9 million resulted from the reduction in inventories and EUR 23.2 million from lower trade receivables per December 31st 2023 due to the declining volume of business in the fourth quarter of 2023.

- Liquid funds increased altogether by EUR 17.9 million.

- Cash flows from operating activities increased in 2023 by EUR 24.8 million from EUR 31.9 million to EUR 56.7 million. Cash flows from investing activities increased by EUR 27.3 million to - EUR 43.6 million. To refinance the ongoing capital expenditure, new financial loans of EUR 26.6 million (PY: EUR 41.5 million) were taken up. Existing loans were redeemed by EUR 12.8 million (PY: EUR 17.9 million). This represents a decrease of EUR 9.8 million in net borrowings taken up. All in all, inflows of EUR 3.8 million (PY: EUR 9.9 million) were generated by financing activities.

- Group equity fell in the calendar year 2023 compared with the previous year by EUR 34.1 million from EUR 279.8 million to EUR 245.7 million. On a decrease of 5.3 % in total equity and liabilities to EUR 589.8 million, the equity ratio fell from 44.9% in the previous year to 41.7%.

- Pension provisions, which account for a significant portion of the Group's external obligations, increased in 2023 by EUR 3.5 million from EUR 123.2 million to EUR 126.7 million. The pension provisions account for 21.5% of the total equity and liabilities (PY: 19.8%).

- Liabilities to banks increased compared with the previous year by EUR 15.4 million from EUR 60.1 million to EUR 75.5 million and therefore account for 12.8% of the total equity and liabilities (PY: 9.6%).

on the expected development with its main opportunities and risks:

- The Otto Krahn Group is planning of the basis of these assumptions sales of 459,000 mt and net revenue of EUR 1,474 million in 2024. On a slightly higher level of margins and as a result of only a slightly higher level of costs due to the implemented cost saving measures, an increase in earnings before interest and taxes (EBIT) to EUR 38.1 million is expected in 2024.

- The risks for the available forecast are manifold. In particular the further development of the energy prices harbours great uncertainty. A further considerable risk originates from the current economic and financial policies. The standstill and the uncertainty regarding key economic courses of action are paralyzing the economy and inhibiting long-term growth, since spending on investment and consumption is being held back. If, contrary to the available forecast, the uncertainty is not dispersed, the expected recovery will probably by postponed further.

- Good opportunities for growth also continue to exist in the distribution and compounding of plastics and in the distribution of specialty chemicals. The subgroups of the Otto Krahn Group are well positioned for this in the market segments occupied by them. On account of the orientation towards diverse customer industries, the comprehensive product offering, the strong sales expertise and the good organizational positioning, the Otto Krahn Group evaluates the future growth and development opportunities positively.

The assessment of the Group's position and, in particular, the assessment of its ability to continue as a going concern and the material risks and opportunities of future development are plausible and have been appropriately determined. Based on the results and findings of our audit, management's assessment of the position is appropriate in terms of scope and realistic in terms of content.

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3. Reproduction of the auditor's report

We have rendered the following auditor's report on the consolidated financial statements and the group management report for fiscal year from January 1st 2023 to December 31st 2023 of OTTO KRAHN (GmbH & Co.) KG, Hamburg, attached to this report as Appendices 1 to 5 (consolidated financial statements) and Appendix 6 (group management report) signed in Hamburg and dated May 14th 2024, which is reproduced here:

"INDEPENDENT AUDITORS REPORT

To OTTO KRAHN (GmbH & Co.) KG, Hamburg

Opinions

We have audited the consolidated financial statements of OTTO KRAHN (GmbH & Co.) KG and its subsidiaries (the Group), which comprise the consolidated balance sheet per December 31st 2023, the consolidated profit and loss account, the consolidated statement of changes in equity and the consolidated cash flow statement for the fiscal year from January 1st 2023 to December 31st 2023 and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of OTTO KRAHN (GmbH & Co.) KG for the fiscal year from January 1st 2023 to December 31st 2023.

In our opinion, on the basis of the knowledge obtained in the audit:

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group per December 31st 2023 and of its financial performance for the fiscal year from January 1st 2023 to December 31st 2023 and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB *[Handelsgesetzbuch: German Commercial Code]*, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the group management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the German Generally Accepted Standards of Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer *[Institute of Public Auditors in Germany]* (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Responsibilities of Management for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with the requirements of German commercial law and that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee, that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not

detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

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

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

4. Subject, Nature and Scope of the Audit

The subject of our audit was the Company's consolidated financial statements, comprising the consolidated balance sheet per December 31st 2023, the consolidated profit and loss account, the consolidated statement of changes in equity and consolidated cash flow statement for the fiscal year from January 1st 2023 to December 31st 2023 and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report for the fiscal year from January 1st 2023 to December 31st 2023.

Management's responsibility for the consolidated financial statements and the group management report and the responsibility of the auditor for the audit of the consolidated financial statements and of the group management reports are described in detail in the auditor's report. In this connection, we wish to point out that an audit only covers compliance with those legal regulations that do not affect the accounting to the extent that those other regulations can be expected to have an impact on the audited consolidated financial statements or to the extent that the non-observation of such laws could be expected to result in risks that would have to be taken into account in the group management report. Our audit is furthermore fundamentally not intended to extend to whether the ability of the audited Group to continue as a going concern of the effectiveness and efficiency of management can be assured.

We performed our audit between October 2023 and May 2024.

The focal points of our audit were as follows:

Development of the audit strategy

- Obtaining an understanding of the Group, its environment and its accounting-related internal control system (ICS)
- Identifying significant components, taking into account their economic importance for the Group and their specific characteristics or other circumstances, as a result of which significant risks of material misstatements could arise
- Definition of audit fields and audit focuses on the basis of our assessment of the risks:

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- Existence of revenue
- Completeness and cut-off of the cost of materials and of the personnel expenses
- Valuation of the inventories
- Definition and completeness of the scope of consolidation
- Capital consolidation
- Completeness and plausibility of the disclosures in the notes to the consolidated financial statements and in the group management report

- Definition of the audit strategy and the audit timetable, also with regard to
  - the scope of consolidation,
  - the annual financial statements included in the consolidated financial statements,
  - uniform group accounting and valuation, the reconciliation of the audited annual financial statements to the consolidating financial statements (HB II or reporting packages) and
  - the consolidation measures adopted
- Selection of the audit team

Selection and implementation of control-based audit procedures

- Selection of control-based audit procedures based on risk assessments and our understanding of the business processes and systems
- Assessment of the design and effectiveness of selected accounting-related controls

Tests of detail and analytical reviews

- Performance of analytical reviews of components, which are not defined as significant components, at group level and of individual financial statement captions

Overall assessment of the audit results and reporting

- Formation of the opinion
- Reporting in the long-term audit report and in the independent auditor's report
- Verbal presentation of audit results to management

The use of significant work performed by component auditors was based on our understanding of whether the component auditors observed the professional obligations relevant for the audit of the consolidated financial statements and, in particular, are independent, possess sufficient professional competence, and operate in a regulatory environment with active supervision of auditors, and whether we have been included in the work of the component auditors to the extent necessary.

All explanations and evidence requested by us were provided by the management of the parent company, the legal representatives of the subsidiaries and the employees nominated by them. The management of the parent company furthermore provided us with the customary representation letter for the consolidated financial statements and the group management report.

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5. Findings and explanations on the consolidated financial reporting

5.1. Scope of consolidation and group reporting date

The entities included in the consolidated financial statements have been appropriately disclosed in the notes to the consolidated financial statements. The disclosures there on the scope of consolidation and the inclusion and exclusion criteria applied for the definition of the scope of consolidation are complete and comply with the relevant accounting principles.

Entities are included in consolidation in accordance with Sections 294 and 296 HGB. Definition of the scope of consolidation is applied, observing the consistency principle. The materiality criteria applied in the previous year remain unchanged.

Changes in the scope of consolidation compared with the previous year have been disclosed in the notes to the consolidated financial statements. Comparability with the previous year is affected by the change in the scope of consolidation and is restored in the notes to the consolidated financial statements by additional disclosures.

The reporting dates of the included companies correspond with the group reporting date.

5.2. Financial statements included in the consolidated financial statements

As a result of the audit of the financial information on the components, we conclude that the annual financial statements to be included in the consolidated financial statements provide an appropriate basis for consolidation.

The adjustments of the financial statements to the accounting and valuation guidelines applicable in the Group (HB II or reporting packages, Sections 300 (2) and 308 HGB) were properly performed.

5.3. Compliance of the consolidated financial statements and group management report with German Legally Required Accounting Principles

5.3.1. Consolidated financial statements

In our opinion, based on our audit findings, the consolidated financial statements per December 31st 2023 (Appendices 1 to 5) comply in all material respects with the applicable provisions under German commercial law [HGB] and the supplementary provisions of the parent company's partners' agreement.

During our audit, we identified no indications suggesting that the organizational and technical measures adopted by the parent company are not appropriate to ensure the reliability of the accounting-relevant data and IT systems.

The consolidated balance sheet, the consolidated profit and loss account, the consolidated statement of changes in equity and the consolidated cash flow statement were properly derived from the annual financial statements included in consolidation and other audited documents. The consolidation methods applied are consistent with German legal requirements. At the same time, the translation of the separate financial statements drawn up in foreign currencies was carried out properly.

The capital consolidation, the elimination of intercompany balances, the elimination of intercompany income and expenses and the elimination of intercompany gains and losses and the deferral of taxes were carried out properly. Contrary to GAS 23 "Capital consolidation (Accounting for Subsidiaries in Consolidated Financial Statements)" the capital consolidation for acquisition transactions before January 1st 2010 was carried out permissibly by the book value method (Section 301 (1) sentence 2 No. 1 HGB in the version applicable until May 28th 2009). The consolidation entries were carried forward correctly.

On the basis of our audit findings, the consolidated cash flow statement and the consolidated statement of changes in equity comply in our opinion with the applicable German provisions under German commercial law [HGB] and the substantiating German Accounting Standards (GAS).

The compensation of parent company management is not disclosed pursuant to Section 314 (3) sentence 2 in conjunction with Section 286 (4) HGB. According to our audit findings, use of the protective clause was permissible.

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5.3.2. Group management report

The group management report for the fiscal year 2023 (Appendix 6) complies, in our opinion, in all material respects with the German legal regulations.

5.4. Overall presentation of the consolidated financial statements

5.4.1. Findings on the overall presentation of the consolidated financial statements

The consolidated financial statements provide overall, i.e. from the interaction of the consolidated balance sheet, the consolidated profit and loss account, the notes to the consolidated financial statements, the consolidated statement of changes in equity and the consolidated cash flow statement, a true and fair view of the assets, liabilities, financial position and of its financial performance of the Group in accordance with German Legally Required Accounting Principles.

For a better understanding of the overall presentation of the consolidated financial statements, we are presenting below, in accordance with our professional obligation, the main valuation bases and the overall influence of discretionary financial transactions on the overall presentation of the consolidated financial statements.

5.4.2. Main valuation bases

The accounting and valuation methods and the relevant factors for the valuation of the assets and liabilities are described in the notes to the consolidated financial statements.

A useful life of 10 years has been applied to the **goodwill** of entities taken over since 2016, because this reflects the period over which the acquired advantages from the goodwill can be realized. The useful life of goodwill acquired before 2016 is between 11 and 15 years.

In the consolidated financial statements, there is a net surplus of **deferred tax assets** of KEUR 1,652, which, exercising the option provided by Section 298 (1) in conjunction with Section 274 (1) sentence 2 HGB, is not recognized as an asset.

Provisions for pension obligations are determined actuarily, taking into account biometric probabilities (Heubeck 2018 G Mortality Tables). The obligations are calculated in accordance with the projected unit credit method. The pension trend is thereby taken into account with 2.00 % p.a. (PY: 2.00 % p.a.). As in the previous year, an average market rate of interest for the past ten years matching the maturities that is published monthly by the Deutsche Bundesbank is used to calculate the pension obligations. A global residual term of 15 years is assumed without amendment for the

obligations. The discounting rate per December 31st 2023 on the average interest rate for the past ten years is 1.82% (PY: 1.78%).

Per December 31st 2023, pension provisions of KEUR 126,689 (PY: KEUR 123,169) were recognised.

There have been no changes compared with the previous year regarding the scope for the exercise of judgement, the utilization of statutory options and the amendment of valuation principles.

5.4.3. Discretionary financial measures

The following discretionary financial measures have had a material impact on the assets, liabilities, financial position and financial performance of the Company.

In accordance with the rules in GAS 22 on group equity, the consolidated net loss for the past fiscal year has been netted with the revenue reserves.

With an agreement dated April 5th 2023, the interest in KRAHN Italia was increased with effect from January 1st 2023 by 7.5% to 70%. The purchase price including transaction costs amounted to KEUR 3,166 plus the dividend of KEUR 226. The interest in KRAHN Hellas was increased with an agreement dated December 12th 2023 and with economic effect from January 1st 2023 for a purchase price of KEUR 2,594 plus the dividend of KEUR 553 by 19% to 70%. Furthermore, the interest in KRAHN Nordics was increased with agreements dated July 17th 2023 with effect from July 1st 2023 by 21.22% to 85.89%. The purchase price including transaction costs amounted to KEUR 9,484 plus the dividend of KEUR 239.

On account of the option in GAS 23, the increase in the interests associated with the acquisition of the interest is regarded as a capital transaction. Accordingly, the acquisition costs of the interests of altogether KEUR 16,262 have been netted with the related minority interests of KEUR 7,984. The remaining difference of KEUR 8,278 has been netted directly in equity with the revenue reserves.

In connection with the classification of Turkey as a hyperinflationary country, the rules in GAS 25 on currency translation for a hyperinflationary currency have been applied. Due to an option, the Company has performed an index calculation. The indexing led to an adjustment directly in equity of the equity difference from currency conversion of KEUR 6,828.

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Within the framework of the STEP project, a strategy was developed in October 2023 for MOCOM and WIPAG to amend various core points of the corporate orientation. This provides for the closure of the facilities in Obernburg and Neuburg.

On account of the decommissioning of fixed assets with the intention of disposing of them in 2024, an impairment loss of KEUR 1,136 was recorded for the Obernburg site. Similarly, an impairment loss of KEUR 316 was recorded on leasehold improvements. In connection with the decommissioning of the Neuburg site, impairment losses of KEUR 41 were recorded on the fixed assets.

On account of the closure, provisions of KEUR 3,193 were recorded in the past fiscal year for restructuring measures. These include provisions for severance payments of KEUR 2,400, site restoration obligations of KEUR 200 and rents of KEUR 593 for the period following decommissioning until expiry of the lease.

The net income for the year allocated to the limited partners pursuant to Article 7 (3) of the partners' agreement is reported under the liabilities to limited partners. By a resolution of the partners' meeting on December 22nd 2023, a procedure deviating from the rules under Article 7 (3 a) of the partners' agreement was resolved for the profit allocation for fiscal year 2023. The partners' meeting resolved that this amount be added back to the consolidated net income for the year in the consolidated financial statements drawn up in accordance with HGB in determining the "modified group earnings" pursuant to Article 7 (3 a) of the partners' agreement and that a KEUR 6,000 higher "KG-result" pursuant to Article 7 (3) of the partners' agreement be reported in the earnings.

6. Concluding remarks

We are rendering the above report on the audit of the consolidated financial statements of OTTO KRAHN (GmbH & Co.) KG, Hamburg, for the fiscal year from January 1st 2023 to December 31st 2023 and of the group management for this fiscal year in accordance with the German legal regulations and Generally Accepted Standards for the Issuance of Long-form Audit Reports for Audits of Financial Statements (IDW PS 450 (new version)).

The auditor's report issued by us in included in Section 3 under "Reproduction of the Independent Auditor's Report".

Hamburg, May 14th 2024

Baker Tilly GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft
(Hamburg)

Michael Esser
Wirtschaftsprüfer
[German Public Auditor]

Oliver Pegelow
Wirtschaftsprüfer
[German Public Auditor]

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Consolidated Financial Statements

for Fiscal Year 2023

Otto Krahn Group

OTTO KRAHN (GmbH & Co.) KG

Hamburg

Consolidated Balance Sheet per December 31st 2023	Appendix 1
Consolidated Profit and Loss Account for the fiscal year 2023	Appendix 2
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Consolidated Cash Flow Statement for the fiscal year 2023	Appendix 4
Consolidated Statement of Changes in Equity for the fiscal year 2023	Appendix 5
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Consolidated Balance Sheet for
OTTO KRAHN (GmbH & Co.) KG, Hamburg,

per December 31st 2023

A s s e t s

		31.12.2023	31.12.2022
		KEUR	KEUR
A.	**Fixed assets**		
I	Intangible assets		
1	Industrial property rights and similar rights and assets acquired for a consideration	3 233	961
2	Goodwill	16 774	20 773
3.	Advance payments	570	786
		20 578	22 519
II.	Property, plant and equipment		
1	Land, rights similar to land, and buildings, including buildings on land owned by third parties	35 622	36 092
2	Technical plant and machinery	19 772	20 932
3.	Other plant, operational and office equipment	14 157	15 008
4	Advance payments and construction in progress	8 650	5 994
		78 201	78 026
III.	Financial fixed assets		
1	Interests in associates	10 105	
2	Other participating interests	1 652	501
		11 758	501
		110 536	101 046
B.	**Current assets**		
I	Inventories		
1.	Raw materials and consumable supplies	36 673	40 975
2	Work in progress	5 919	6 344
3	Finished goods and merchandise	148 456	182 629
4	Advance payments to suppliers	868	917
		191 916	230 865
II	Receivables and other assets		
1	Trade receivables	150 975	174 147
2	Receivables from affiliated companies	2	
3	Other assets	21 282	19 538
		172 259	193 686
III	Cash in hand and at banks and cheques	110 259	92 386
		474 434	516 937
C.	**Prepaid expenses and deferred charges**	3 155	3 368
D.	**Deferred tax assets**	1 652	1 561
		589 777	622 912

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Liabilities

	31.12.2023 KEUR	31.12.2022 KEUR
A. Equity		
I. Subscribed capital	25.000	25.000
II. Revenue reserves	212.899	247.124
III. Foreign currency translation reserve	-3.618	-10.945
IV. Minority interests	11.405	18.639
	245.687	279.818
B. Provisions		
1. Provisions for pensions and similar obligations	126.689	123.169
2. Tax provisions	1.849	3.260
3. Other provisions	26.617	25.367
	155.155	151.796
C. Liabilities		
1. Liabilities to banks	75.461	60.097
2. Advance payments received on orders	2.675	2.202
3. Trade liabilities	70.474	71.342
4. Liabilities to affiliated entities	2.408	2.444
5. Liabilities to limited partners	7.584	15.396
6. Other liabilities	30.333	39.817
	188.935	191.298
	589.777	622.912

Consolidated Profit and Loss Account for
OTTO KRAHN (GmbH & Co.) KG, Hamburg

for the fiscal year 2023

	31.12.2023	31.12.2022
	KEUR	KEUR
1. Revenue	**1.348.343**	**1.659.773**
2. Increase or decrease in finished goods and work in progress	-9.154	4.136
3 Other capitalized own work	69	
4. Other operating income	17.422	19.049
	1.356.680	1.682.957
5. Cost of materials		
a) Cost of raw materials, consumable supplies and of purchased merchandise	1.054.196	1.331.152
b) Cost of purchased services	14.711	16.297
	1.068.907	1.347.449
6. Personnel expenses		
a) Wages and salaries	111.776	106.485
b) Social security and pension expenses	28.648	36.336
- *thereof for pensions:*	*6.774*	*15.494*
	140.424	142.821
7 Amortization and depreciation of intangible assets and property, plant and equipment	18.411	17.221
8. Other operating expenses	121.819	124.008
	7.120	51.458
9. Other interest and similar income	2.179	308
10. Interest and similar expenses	5.919	6.752
	-3.740	-6.445
11 Taxes on income	13.733	23.269
12. Earnings after taxes	**-10.353**	**21.744**
13. Other taxes	910	1.190
14. Consolidated net loss/income for the year	**-11.264**	**20.554**
15. Minority interests	2.184	4.237

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Notes to the Consolidated Financial Statements of OTTO KRAHN (GmbH & Co.) KG, Hamburg,

for the fiscal year 2023

1. Corporate information

OTTO KRAHN (GmbH & Co.) KG with seat at Grimm 10 in 20457 Hamburg is entered in the Commercial Register at the Municipal Court in Hamburg under the number HRA 46692.

2. General principles

The consolidated financial statements per December 31st 2023 are prepared voluntarily in accordance with the regulations in the HGB (German Commercial Code), and are not intended for publication.

The profit and loss account has been prepared in accordance with the type of expenditure format.

The amounts presented in KEUR [thousands of euros] are rounded in accordance with standard commercial practice. This can result in rounding differences in totals and subtotals of +/- KEUR 1.

3. Scope of consolidation

Pursuant to Section 294 paragraph 1 HGB, OTTO KRAHN (GmbH & Co.) KG, Hamburg, as the parent company, and 48 (PY: 50) subsidiaries, in which OTTO KRAHN (GmbH & Co.) KG holds directly or indirectly at least 20 % of the voting rights, are included in the consolidated financial statements.

KRAHN Central & Eastern Europe GmbH was established as a wholly-owned subsidiary of Krahn Chemie Gesellschaft mit beschränkter Haftung (hereinafter referred to as: KRAHN Chemie GmbH) with effect from June 27th 2023.

With effect from January 1st 2023, Krahn Chemie GmbH acquired a minority interest of 7.5 % in KRAHN Italia S.p.A. and increased its interest to 70.0 %.

With effect from January 1st 2023. KRAHN Chemie GmbH acquired a minority interest of 21.222 % in KRAHN Nordics AB and increased its interest to 85.892 %.

With effect from January 1st 2023, KRAHN Chemie GmbH acquired a minority interest of 19.0 % in KRAHN Hellas S.A. and increased its interest to 70.0 %.

The increase of KRAHN Chemie GmbH's investment in the event of an existing majority interest and following the performance already of first-time full consolidation was valued pursuant to GAS 23 as a capital transaction.

The impacts of the acquisition on the consolidated balance sheet in the acquisition year 2023 were as follows:

	Impact per 01.01.2023	Impact per 01.01.2023	Impact per 01.01.2023
	KRAHN Italia S.p.A.	KRAHN Nordics AB	KRAHN Hellas S.A.
	KEUR	KEUR	KEUR
Assets			
Liquid funds	-3,392	-9,724	-3,146
	-3,392	**-9,724**	**-3,146**
Liabilities			
Minority interests	-1,163	-5,468	-1,354
Minority interests in equity difference		512	
Equity difference from currency translation		-512	
Revenue reserves	-2,229	-4,256	-1,793
	-3,392	**-9,724**	**-3,146**

WIPAG Deutschland GmbH, WIPAG Süd GmbH & Co. KG and WIPAG Nord GmbH & Co. KG were merged with effect from January 1st 2023 into WIPAG GmbH (formerly ALBIS PLASTIC Beteiligungs GmbH).

With effect from January 1st 2023, ALBIS Distribution GmbH & Co. KG acquired a minority interest of 0.0000294 % in Albis (U.K.) Ltd. from Krahn Verwaltungsgesellschaft mbH.

On April 18th 2023, ALBIS MOROCCO SARLAU was established as a wholly-owned subsidiary of ALBIS Distribution GmbH & Co. KG.

With effect from November 30th 2023, ALBIS Distribution GmbH & Co. KG resolved to maintain Albis Plastic, OOO, whose business activities had previously been suspended, from now on as a shelf company. In connection therewith, it was resolved that the company would be deconsolidated with effect from December 31st 2023 as another interest of minor importance.

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The main impacts on the consolidated balance sheet are as follows :

	Impact per 31.12.2023 KEUR
Assets	
Other interests	1,060
Receivables and other assets	-205
Liquid funds	-2,702
	-1,847
Liabilities	
Provisions	-700
Liabilities and sundry equity and liabilities	-40
Difference on first-time consolidation	170
Equity difference from currency translation	515
	-56
Loss on deconsolidation	**-1,791**

Otherwise, the scope of consolidation was unchanged in the reporting period. The companies included in consolidation pursuant to Sections 290 and 294 HGB are listed in the schedule of investment holdings.

4. Business acquisitions and newly established entities

With effect from December 31st 2023, KRAHN Chemie GmbH acquired a minority interest of 49.0% in Specialities S.r.l., which is included in the consolidated financial statements as an associate in accordance with the equity method. On the basis of the preliminary annual financial statements for the fiscal year 2023, an equity interest of KEUR 2,810 arises. On a purchase price of KEUR 10,105, this results in a difference of KEUR 7,296, which is attributed entirely to goodwill.

Furthermore, a minority interest of 0.66 % in FibreCoat, Inc. was acquired in the past fiscal year from Otto Krahn New Business GmbH & Co. KG.

The impacts of further changes in the scope of consolidation on the balance sheet ratios are immaterial.

5. Consolidation principles and translation of foreign currencies

The consolidated financial statements are based on the separate financial statements of the consolidated entities.

The reporting date for the separate financial statements of all entities included in consolidation corresponds with the reporting date of the consolidated financial statements per December 31st 2023.

The capital consolidation of subsidiaries acquired by December 31st 2009 was carried out in accordance with the book value method by offsetting the acquisition costs of the interests against the proportionate equity of the subsidiaries at the acquisition date, or the credit balances from capital consolidation resulting from the retained profits of the subsidiaries on the respective acquisitions were allocated directly to equity in the revenue reserves.

The first-rime consolidation of subsidiaries from January 1st 2010 onwards is carried out in accordance with the revaluation method.

The non-controlling interests are based on the equity of the respective subsidiaries, taking into account uniform accounting and valuation methods.

Deferred taxes are recognized in accordance with Section 306 HGB, provided the difference between the German statutory (HGB) carrying amounts and the tax base will probably reverse again in later business years.

Deferred taxes are computed on the basis of the future tax burdens of the companies concerned. Deferred tax assets and deferred tax liabilities are reported net.

The tax rate used to calculate the deferred taxes, which mainly result from the elimination of intercompany profits, is 32%.

Assets and liabilities in balance sheets denominated in foreign currencies are translated to euros at the foreign currency mid-market spot rate as of the reporting date, apart from equity, which is translated with the historical rates. The profit and loss account is translated at the average rate for the year. Translation differences resulting from the historical translation of the capital on first-time consolidation and the group earnings of companies not maintained in euros are allocated directly to the "foreign currency translation reserve" in equity.

On the inclusion in consolidation of Albis Plastik TR Sanayi ve Ticaret Limited Sirketi, the principles of hyperinflationary accounting pursuant to GAS 25 were applied for the first time in the past fiscal year.

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Nonmonetary captions in the balance sheet were adjusted for inflation on the basis of the change in the Producer Price Index for the fiscal year for Turkey. Based on this, translation to the group currency was performed throughout at the closing rate.

Ultimately, the equity difference from currency translation for Albis Plastik TR Sanayi ve Ticaret Limited Sirketi was reduced from EUR 6.1 million to EUR 1.1 million.

Otherwise the principle of consistency of consolidation methods has been observed.

6. Accounting policies

Foreign companies are included in the consolidated financial statements on the basis of annual financial statements prepared in accordance with the local regulations. The annual financial statements of the foreign and domestic group entities have been adjusted to the extent necessary in the course of consolidation to comply with uniform group accounting policies.

Fixed assets

Items of property, plant and equipment, and intangible assets acquired for a consideration, are valued at acquisition costs less systematic amortization and depreciation. Assessment of the useful lives is based on the expected useful lives.

Fixed assets that can only be used for a limited period of time are generally amortized or depreciated straight-line. Amortization and depreciation are recorded over useful lives of between 1 and 50 years.

Amortization of goodwill is measured on the basis of the respective business model and the revenue-weighted average term of the supplier agreements. In these cases, the goodwill is amortized over 11 to 15 years. Goodwill acquired for a consideration since 2016 is being amortized over 10 years.

Current assets

Raw materials, consumable supplies and merchandise are valued at the lower of acquisition cost and net realizable value. Finished goods and work in progress are recognized at production costs observing the principle of loss-free valuation. In addition to the direct costs, the production costs also include production and material overheads, and depreciation, to the extent that it is caused by the operations.

Receivables and other assets are recognized at face value. Foreseeable risks are reflected by specific allowances and the general credit risk by a general allowance.

Other assets resulting from employer's pension liability insurance are valued with the amount of the covering capital fund per the insurance company's business plan plus credits resulting from premium refunds.

Cash in hand and at banks and cheques are valued at nominal value.

Pension provisions

The value of the pension obligations is calculated with the settlement amount in accordance with the actuarial projected unit credit method applying Prof Dr Klaus Heubeck's current 2018 G mortality tables on the basis of the following parameters:

	2023	2022	
Discounting rate per the Regulation on the Discounting of Provisions	1.82% p.a.	1.78% p.a.	
Expectancy trend (e.g. salary)	2.50% p.a.	2.00% p.a.	
Pension trend	2.00% p.a.	2.00% p.a.	
Staff fluctuation rate	4.00% p.a.	4.00% p.a.	

Pursuant to the legal regulation in Section 253 paragraph 2 sentence 1 HGB, the discounting rate is based in 2023 on the average market rate of interest for the past 10 years of 1.82% (PY: 1.78%).

When defining the discounting rate applicable for the respective term, an average term of 15 years is assumed, applying the option available under Section 253 paragraph 2 sentence 1 HGB.

If the average market rate of interest for the past 7 years had continued to be applied, the discounting rate per December 31st 2023 would have amounted to 1.74 % (PY: 1.44 %). Application of the previous average market rate of interest for the past 7 years results in a difference compared with application of the current average market rate of interest for the past 10 years of KEUR 1,474 (PY: KEUR 6,549).

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Other provisions

The other provisions take into account all foreseeable risks and uncertain obligations, and contingent losses on pending contracts, and are valued at the settlement amount deemed necessary in accordance with reasonable commercial judgement.

Provisions with a term exceeding a year are discounted to the balance sheet date.

Prof Dr Klaus Heubeck's 2018 G mortality tables are similarly applied for the valuation of the provisions for partial early retirement and staff anniversary benefits. They are recognized with the settlement amount shown by the actuarial reports.

The discounting rate amounts to 1.74 % p.a. (PY: 1.44 % p.a.).

The projected unit credit method is used for the staff anniversary provision.

Liabilities

All liabilities are recognized with the settlement amount.

Foreign currency

Receivables and liabilities in foreign currency with a remaining term of up to a year are valued with the respective foreign currency mid-market spot rate as of the reporting date or, in the event of possible valuation units with hedged items, at the forward rates that have been concluded. On a remaining term of more than a year, they are translated with the rate as of their creation date; in the event of changes in exchange rates by the balance sheet date, they are fundamentally valued with the respective foreign currency mid-market spot rate as of the reporting date, observing the principle of lower of cost and market on the assets side and the higher of cost and market on the liabilities side.

Liabilities, pending contracts and transactions from purchase contracts in foreign currency that are expected with a high degree of certainty are combined with foreign currency forward contracts to form valuation units in order to compensate contrary foreign currency changes.

Deferred taxes

Deferred taxes are set up on differences between the statutory (HGB) carrying amounts of pension provisions and sundry assets and liabilities, and their carrying amounts for German tax purposes, which will probably reverse in future years. If the netting of deferred tax assets and deferred tax liabilities results overall in a net deferred tax asset, the recognition of deferred taxes is waived in accordance with Section 274 paragraph 1 sentence 2 HGB.

7. Notes to the consolidated balance sheet

Fixed assets

The separately appended presentation of the consolidated statement of changes in fixed assets is an integral element of the notes to the consolidated financial statements.

In the course of first-time consolidation, the interests in the associate, Specialities S.r.l. are reported as an addition of KEUR 10,105 at equity.

Furthermore, the acquisition of the interests in FibreCoat, Inc. is reported as an addition of KEUR 91 to the other participating interests.

Receivables and other assets

Receivables from associated companies include trade receivables from the general partner of KEUR 2 (PY: KEUR 0).

Other assets include tax receivables for the past year of KEUR 725 (PY: KEUR 4,507) and anticipated items from electricity tax reimbursements of KEUR 411 (PY: KEUR 440). Other assets of KEUR 104 (PY: KEUR 249) have a remaining term of more than a year. As in the previous year, all remaining receivables and other assets have a remaining term of up to a year.

Deferred tax assets

Deferred tax assets take into account differences on the elimination of intercompany profits resulting from transactions between companies included in consolidation. The resultant difference is calculated applying a tax rate of 32%.

Provisions

The other provisions mainly comprise staff-related costs.

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Liabilities

	in KEUR	31.12.2023	thereof residual term			31.12.2022	thereof residual term		
			< 1 year	1-5 years	>5 years		< 1 year	1-5 years	>5 years
1.	Liabilities to banks	75,461	32,307	43,154	-	60,097	26,270	33.827	-
2.	Advance payments received on orders	2,675	2,675	-	-	2,202	2,202	-	-
3.	Trade liabilities	70,474	70,474	-	-	71,342	71,342	-	-
4.	Liabilities to affiliated entities	2,408	2,408	-	-	2,444	2,444	-	-
5.	Liabilities to limited partners	7,584	7,584	-	-	15,396	15,396	-	-
6.	Other liabilities	30,333	28,547	1,786	-	39,817	38,031	1.786	-
Liabilities		**188,935**	**143,996**	**44,939**	**-**	**191,298**	**155,686**	**35,613**	**-**

Other liabilities are made up as follows:

	in KEUR	31.12.2023	31.12.2022
1.	Tax liabilities	11,023	18.712
2.	Social security liabilities	1,149	923
3.	Sundry other liabilities	18,161	20.182
Other liabilities		**30,333**	**39,817**

Long-term liabilities to banks of KEUR 1.479 (PY: KEUR 2,506) are secured by a land charge.

Liabilities to affiliated entities include with KEUR 2,408 (PY: KEUR 2,444) liabilities to the general partner, of which KEUR 2,250 (PY: KEUR 2,250) consist of financial loans. All other liabilities to affiliated entities are based, as in the previous year, on deliveries and services of the general partner (trade liabilities).

The sundry other liabilities include amounts of KEUR 1,786 (PY: KEUR 1,786), which comprise contributions by silent partners to which a notice term of five years to the end of the year apply. They had not been terminated per December 31st 2023.

Other financial commitments

The following other financial commitments of altogether KEUR 24,068 (PY: KEUR 24,713) exist, which are made up as follows:

	due in		
in KEUR	2024	2025-2028	2029 et seq.
Rental agreements	4,060	3,591	-
Leasing agreements	2,837	5,105	-
Service agreements	4,055	4,420	-
Total	10,951	13,116	-

Furthermore, capital commitments amounted per the balance sheet date to KEUR 3,107 (PY: KEUR 4,905) and, as things stand at present, also included obligations of KEUR 163 for an expected adjustment of the purchase price on the acquisition of minority interests in Specialities S.r.l.

8. Notes to the income statement

Revenue by activities (in million EUR)

	2023	2022
Trading with plastics, chemicals, rubber and other articles	1,065	1,309
Compounding and refining of plastics and other products	283	350
Other revenue	0	1
Total	**1,348**	**1,660**

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Revenue by regions (in percent)

	2023	2022
Germany	37	37
Europe (excluding Germany)	51	53
Other regions	12	10
Total	**100**	**100**

Prior year income and expenses

Other operating income includes income of KEUR 3,558 (PY: KEUR 2,620) relating to prior periods and mainly resulting from the reversal of other provisions and value adjustments. Other operating expenses include expenses of KEUR 868 (PY: KEUR 960) relating to prior periods. Furthermore, prior period expense of KEUR 2,505 for subsequent claims by electric power networks against MOCOM Compounds GmbH & Co. KG for prior years is included in the cost of purchased services.

Extraordinary income and expenses

Other operating income includes no extraordinary income.

Amortization and depreciation include impairment losses of altogether KEUR 1,493 (PY: KEUR 0) on leasehold improvements and operational and office equipment at MOCOM Compounds GmbH & Co. KG and WIPAG GmbH.

The remaining other operating expenses include an extraordinary item of KEUR 1,791 from the deconsolidation of the business operations in the Russian Federation. In the previous year there was already a contingent loss provision of KEUR 987 in connection with the freezing of the business operations in the Russian Federation.

Gains and losses on the translation of foreign currencies

Translation losses of KEUR 15,869 (PY: KEUR 18,009) in the reporting period compared with translation gains of KEUR 10,820 (PY: KEUR 13,140).

Affiliated entities

Other operating income includes KEUR 3 (PY: KEUR 2) from the general partner, and other operating expenses include KEUR 139 (PY: KEUR 134) to the general partner.

Interest of KEUR 34 (PY: KEUR 34) was paid to affiliated entities.

Financial result

Interest expense includes inflation losses of KEUR 341 from Albis Plastik TR Sanayi ve Ticaret Limited Sirketi and KEUR 1,559 (PY: KEUR 3,941) from winding back the discounting on provisions for pensions, staff anniversaries and partial early retirement.

Taxes on income

Income taxes in Germany comprise trade tax and corporate income tax (including the solidarity surcharge), while abroad they comprise similar taxes based on income.

Taxes on income include deferred tax income of KEUR 305 (PY: KEUR 441).

There is no current tax expense or income within the meaning of Section 274 (3) HGB.

9. Other disclosures

Participating interests

The separate disclosures on participating interests are an integral element of the notes to the financial statements.

Number of employees

The average number of employees (including part-timers) in the reporting period was as follows:

	2023	2022
Salaried staff	1,291	1,274
Wage-earners	433	433
Total	**1,724**	**1,707**

Use is made with regard to the disclosure of the total compensation of the managing directors of the relief provided by the protection clause under Section 286 paragraph 4 HGB.

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Use is made with regard to the disclosure of the total compensation of former managing directors and their surviving dependants and the pension provisions for this group of persons to the protection clause under Section 286 paragraph 4 HGB.

The number of pensioners amounted on December 31st 2023 to 383 (PY: 372).

Derivative financial instruments

The Group hedges itself against exchange rate risks under procurement and sales contracts by concluding the customary commercial foreign exchange forward contracts. The following foreign exchange forward contracts that are not included in a valuation unit existed as of the balance sheet date:

per 31.12.2023	Purchase in thousand	Translation to KEUR	Sale in thousand	Translation to KEUR
CHF	5,000	5,261	-	-
CNY			5,000	678
GBP			1,723	2,000
HKD	30,000	3,537		
JPY	1,024	7		
MXN			38,701	1,871
SEK	30,000	2,631		
TRY	-	-	8,542	240
USD	280	254	15,470	14,026

Provisions for contingent losses on pending contracts of KEUR 292 (PY: KEUR 370) concluded to hedge receivables from trading transactions are recognized with the fair value of the foreign exchange forward contracts, which report a negative market value as of the balance sheet date.

The recognition of currency swaps, which are maintained in intragroup valuation units and have a positive market value as of the balance sheet date, resulted pursuant to Draft German Accounting Standard GAS 33 in an amount of KEUR 927 (PY: KEUR 372).

Supplementary information on the consolidated statement of cash flows

The consolidated statement of cash flows complies with German Accounting Standard GAS 21.

Cash funds correspond with the liquid funds netted with short-term overdrafts and money market credits in some countries, and are made up as follows:

In KEUR	2023	2022
Cash in hand and at banks and cheques	110,259	92,386
Overdrafts and money market credits	-16,296	-14,719
Cash funds at the end of the fiscal year	**93,963**	**77,667**

Cash flow from operating activities increased in 2023 by EUR 24.8 million from EUR 31.9 million to EUR 56.7 million. The main drivers are falling prices and stagnating demand, as well as better working capital management, which led to an inflow of funds from the reduction of working capital of EUR 42.8 million. In 2022, EUR 18.5 million flowed into the build-up of working capital. This compares with a reduction of EUR 31.8 million in the profitability at the same time as EUR 6.8 million lower tax payments.

Payments for cash flow from investing activities increased by EUR 27.3 million to EUR 43.6 million. While in the previous year only small amounts were invested in the acquisition of participating interests, KRAHN Chemie GmbH invested EUR 16.3 million in the past year in the acquisition of additional interests from minority shareholders of KRAHN Italia S.p.A., Krahn Hellas S.A. and KRAHN Nordics AB. A further EUR 10.1 million flowed into the acquisition of a 49.0 % interest in Specialities S.r.l.

New financial credits of EUR 26.6 million (PY: EUR 41.5 million) were taken up to refinance the ongoing investment activity. Existing loans were redeemed by EUR 12.8 million (PY: EUR 17.9 million). This represents a decrease of EUR 9.8 million in the net credits taken up. All in all, inflows of EUR 3.8 million (PY: EUR 9.9 million) were generated by the financing activities.

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Supplementary information on the consolidated statement of changes in equity

The consolidated statement of changes in equity complies with German Accounting Standard GAS 22.

In accordance with the rules in GAS 22 on group equity, the amount by which consolidated net income for the year exceeds the net income for the year reported in the annual financial statements is reported in the revenue reserves. A corresponding adjustment to the prior year presentation and the consolidated statement of changes in equity was also made.

The other changes in the presentation of the non-controlling interests relate to the disclosure of non-controlling interests on first-time consolidations.

Reserves of KEUR 753 (PY: KEUR 602) were blocked for distribution by law per December 31st 2022.

No other bans on distribution existed per the balance sheet date in 2023.

Partners and executive organs of the parent company

The general partner is Krahn Verwaltungs-Gesellschaft mit beschränkter Haftung, Hamburg, with share capital of EUR 350,000.00.

OTTO KRAHN (GmbH & Co.) KG is managed by its general partner. The general partner's managing directors during the reporting period were:

- Philip O. Krahn (Managing Director), Business Graduate, resident in Hamburg
- Dr Jan Lösch (Managing Director), Doctor of Business Administration, resident in Wentorf by Hamburg
- Axel Sebbesse (Managing Director), Lawyer, resident in Hamburg (until February 28th 2023)

In accordance with its statutes, the Company has an advisory board, the members of which are:

- Nils Erichsen (Chairperson), Business Economist, resident in Hamburg
- Prof Dr Jens Poll, (Deputy Chairperson), Lawyer, Tax Advisor and German Public Auditor, resident in Berlin
- Thorsten W. Albrecht, Lawyer, resident in Hamburg
- Stefan Sommer, Business Economist, resident in Frankfurt am Main (until December 31st 2023)

The compensation of the advisory board amounted in the reporting period to KEUR 500 (PY: KEUR 535).

Fees and services of the group auditor

The fees expensed in the financial year 2023 for audit services amounted to KEUR 272 (PY: KEUR 275) and for other assurance services to KEUR 12 (PY: KEUR 10).

Consolidated financial statements

The general partner in OTTO KRAHN (GmbH & Co.) KG, Krahn Verwaltungs-Gesellschaft mbH, Hamburg, as the ultimate group parent company, prepares exempting consolidated financial statements in accordance with Section 264 HGB in conjunction with Section 290 HGB that include OTTO KRAHN (GmbH & Co.) KG, and publishes them in the German Corporate Register.

Hamburg, May 14th 2024

Philip O. Krahn

Dr Jan Lösch

202409180385B

Consolidated statement of changes in fixed assets of
OTTO KRAHN (GmbH & Co.) KG, Hamburg,
in fiscal year 2023

Acquisition costs

	01.01.2023 KEUR	Translation differences KEUR	Additions KEUR	Reclassifications KEUR	Disposals KEUR	Additions/Disposals in consolidation scope KEUR	Other KEUR	31.12 2023 KEUR
I. Intangible Assets								
1. Industrial property rights and similar rights and assets acquired for a consideration	27.369	39	2.473	508	8		153	30.534
2. Goodwill	75.763	-518						75.245
3. Advance payments	786		292	-508				570
	103.918	-479	2.766		8		153	106 349
II. Property, plant and equipment								
1. Land, rights similar to land, and buildings including buildings on land owned by third parties	62.346	-506	1.511	469				63.820
2. Technical plant and machinery	88.181	-845	4.391	2.585	2.331			91.981
3. Other plant, operational and office equipment	59.569	-544	3.113	785	1.695		205	61.433
4. Advance payments and construction in progress	5.994	-111	6.606	-3.839				8.650
	216.090	-2.006	15.620		4.026		205	225.884
III. Financial fixed assets								
1. Participations in associates			10.105					10.105
2. Bonds and securities								
3. Loans								
4. Other participating interests	501		91			1.060		1.652
	501		10.196			1.060		11.758
	320.509	-2.485	28.582		4.034	1.060	358	343.990

Accumulated amortization, depreciation and write-downs								Book values	
01 01 2023 KEUR	Translation differences KEUR	Additions KEUR	Reclassi-fications KEUR	Disposals KEUR	Additions/Disposals in consolidation scope KEUR	Other KEUR	31 12 2023 KEUR	31 12 2023 KEUR	31 12 2022 KEUR
26 408	40	707	1	8		153	27 301	3 233	961
54 990	-498	3 979					58 471	16 774	20 773
								570	786
81 399	-459	4 686	1	8		153	85 771	20 578	22 519
26 254	-142	2 087	-1				28 198	35 622	36 092
67 248	-605	7 031		1 466			72 209	19 772	20 932
44 561	-410	4 607		1 654		172	47 276	14 157	15 008
								8 650	5 994
138 064	-1 157	13 725	-1	3 120		172	147 683	78 201	78 026
								10 105	
								1 652	501
								11 758	501
219 463	-1 616	18 411		3 128		324	233 454	110 536	101 046

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Investment Holdings of
OTTO KRAHN (GmbH & Co.) KG, Hamburg
for financial year from 01.01. - 31.12.2023

The Company held direct and indirect participations in the following companies as of the balance sheet date.
Minority interests in individual companies are held by the utlimate parent company, Krahn Verwaltungs-Gesellschaft mit beschränkter Haftung, Hamburg (KVG)

Company	Currency	Participation in %	Participation of KVG in %	Most recent financial statements: Equity as of 31.12.2023 in currency in thousands	Most recent financial statements: Earnings for 2023 in currency in thousands
Krahn Chemie Gesellschaft mit beschränkter Haftung, Hamburg, Germany	**EUR**	**100,0**		**38.878**	**11.023**
KRAHN Chemie Deutschland GmbH, Hamburg, Germany¹)	EUR	100,0		22.368	
KRAHN CHEMIE Benelux B.V., Zaandam, Netherlands	EUR	100,0		4.331	1.275
KRAHN CHEMIE Polska Sp. z o.o., Poznań, Poland	PLN	99,0	1	32.454	4.817
KRAHN France SAS, Avon, France	EUR	100,0		1.711	176
KRAHN Italia S.p.A., Milan, Italy	EUR	70,0		16.538	4.048
KRAHN Hellas S.A., Athens, Greece	EUR	70,0		6.034	1.804
KRAHN Nordics AB , Hisings Backa, Sweden	SEK	85,9		266.234	11.547
BGM Logistics AB, Hisings Backa, Sweden	SEK	100,0		5.068	114
KRAHN Specialty Fluids AB, Hisings Backa, Sweden	SEK	100,0		40.720	12.021
KRAHN Iberia S.L., Aspe, Spain	EUR	60,0		641	116
Krahn U.K. Limited , Sandbach, United Kingdom	GBP	100,0		1.254	458
KRAHN Central & Eastern Europe GmbH, Vienna, Austria	EUR	100,0		-148	-183
Specialities S.r.l., Berbenno, Italy²)	EUR	49,0		5.734	1.446
OK Kranich GmbH, Hamburg, Germany	**EUR**	**100,0**		**1.078**	**160**
Albis Duncan Real Estate LLC, Duncan/S.C., USA	USD	100,0		9.754	239
Otto Krahn Group GmbH, Hamburg, Germany	**EUR**	**100,0**		**159.728**	**28.761**
ALBIS Distribution GmbH & Co. KG, Hamburg, Germany	EUR	100,0		151.617	36.220
Albis (U.K.) Ltd., Knutsford, United Kingdom	GBP	100,0		13.089	1.559
Albis Benelux B.V., Breda, Netherlands	EUR	100,0		8.421	612
Albis Iberia S. A., Barcelona, Spain	EUR	100,0		13.015	1.412
Albis Impex AG, Meilen, Switzerland	CHF	100,0		12.782	1.834
Albis Plastic Kft., Tiszaújváros, Hungary	HUF	100,0		2.503.110	341.998
Albis Plastic, OOO, Moscow, Russia	RUB	100,0		264.073	-44.282
Albis Plastic SRL., Sibiu, Romania	RON	100,0		55.739	8.743

Company	Currency	Participation in %	Participation of KVG in %	Most recent financial statements: Equity as of 31.12.2023 in currency in thousands	Most recent financial statements: Earnings for 2023 in currency in thousands
ALBIS PLASTIC (FAR EAST) LTD., Hunghom, Kowloon, Hong Kong	HKD	100.0		100.447	*7.255
Albis Plastic Distribution (Guangzhou) Co. Ltd., Guangzhou, China	CNY	100.0		8.037	1.937
Albis Plastic (Shanghai) Co. Ltd., Shanghai, China	CNY	100.0		19.213	*1.204
Albis Plastic CR s.r.o., České Budějovice, Czech Republic	CZK	100.0		377.923	58.554
ALBIS PLASTIC Italia s.r.l., Milan, Italy	EUR	100.0		139	751
ALBIS NORDICS & BALTICS AB, Goteborg, Sweden	SEK	100.0		131.770	18.112
ALBIS Plastic Vertriebsgesellschaft m.b.H., Vienna, Austria	EUR	100.0		6.631	745
Albis Plastik TR Sanayi ve Ticaret Limited Sirketi, Istanbul, Turkey	TRY	100.0		126.089	37.028
ALBIS PLASTIQUE FRANCE S.A.R.L., Gif sur Yvette Cedex, France	EUR	100.0		22.137	1.328
Albis Plastic Tunisia S.A.R.L., Tunis, Tunisia	TND	100.0	0,01	280	17
ALBIS MOROCCO SARLAU, Tangier, Morocco	MAD	100.0		-196	-456
Albis Polska Sp. z o.o., Poznań, Poland	PLN	100.0		95.958	5.076
ALBIS Distribution Verwaltung GmbH, Hamburg, Germany	EUR	100.0		104	1
MOCOM Compounds GmbH & Co. KG, Hamburg, Germany	EUR	100.0		44.291	-23.853
MOCOM Compounds Mexico S. de R.L. de C.V., San Pedro Garza Garcia, Mexico	MXN	100.0		13.109	400
Mocom Compounds (Changshu) Co. Ltd., Changshu, China	CNY	100.0		113.054	9.951
Mocom Compounds Corp., Duncan/S.C., USA	USD	100.0		-5.664	-7.441
MOCOM Compounds Verwaltung GmbH, Hamburg, Germany	EUR	100.0		103	1
OTTO KRAHN Corporate Functions GmbH & Co. KG, Hamburg, Germany	EUR	100.0		3.357	466
OTTO KRAHN Corporate Functions Verwaltung GmbH, Hamburg, Germany	EUR	100.0		103	5
Otto Krahn New Business GmbH & Co. KG, Hamburg, Germany	EUR	100.0		1.253	468
KRAHN Ceramics GmbH, Hamburg, Germany	EUR	100.0		1.761	623
FibreCoat, Inc., Dover, USA²)	USD	0,7		4.111	211
Otto Krahn New Business Verwaltung GmbH, Hamburg, Germany	EUR	100.0		28	2
OTTO KRAHN Real Estate GmbH & Co. KG, Hamburg, Germany	EUR	100.0		16.871	368
NEXT COMMERCE ACCELERATOR GmbH, Hamburg, Germany²)	EUR	4,7		7.249	951
WIPAG GmbH, Hamburg, Germany	EUR	100.0		-18.876	-19.319

*) Profit and loss pooling agreement

²) Prior year data, current financial data unavailable as of reporting date

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Consolidated Cash Flow Statement of
OTTO KRAHN (GmbH & Co.) KG, Hamburg,
for the fiscal year 2023

		2023	2022
		KEUR	KEUR
-/+	Result for the period (consolidated net income for the year including minority interests)	-11.264	20.554
+	Amortization and depreciation of fixed assets	18.411	17.221
+	Increase in provisions	3.359	11.011
+	Other non-cash income	8.327	2.665
+	Decrease in inventories	38.949	1.877
+	Decrease in trade receivables and other assets	21.549	7.373
-	Decrease in liabilities and other liability items	-17.727	-27.750
+	Gain on disposal of fixed assets	770	34
+	Interest expense/income	3.740	6.445
+	Extraordinary income/expenses	1.791	987
+	Income tax expense	13.733	23.269
-	Income tax payments	-24.976	-31.813
=	**Cash flow from operating activities**	**56.662**	**31.873**
-	Payments for investments in intangible assets	-2.766	-1.732
+	Proceeds from disposals of property, plant and equipment	136	550
-	Payments for investments in property, plant and equipment	-15.620	-14.688
-/+	Payments for investments in financial fixed assets	-91	0
-	Payments for additions to scope of consolidation	-26.368	-636
+	**Interest received**	**1.079**	**162**
=	**Cash flow from investing activities**	**-43.630**	**-16.345**
+	Proceeds from borrowings of financial loans	26.600	41.483
-	Payments for the redemption of financial loans	-12.813	-17.932
+	**Proceeds from grants and subsidies received**	**59**	**12**
-	Interest paid	-2.419	-1.551
-	Dividends paid to shareholders of the parent company	-5.625	-10.555
-	Dividends paid to other shareholders	-1.973	-1.535
=	**Cash flow from financing activities**	**3.829**	**9.922**
+	**Cash-effective changes in cash funds**	**16.861**	**25.451**
+/-	methods	2.137	-4.456
-/+	Changes in cash funds due to changes in the scope in consolidation	-2.702	176
+	Cash funds at beginning of the period	77.667	56.497
=	**Cash funds at end of the period**	**93.963**	**77.667**
+	Overdrafts and money market loans from banks	16.296	14.719
=	**Cheques, cash in hand and at banks**	**110.259**	**92.386**

Consolidated Statement of Changes in Equity
OTTO KRAHN (GmbH & Co.) KG
for the fiscal year 2023

KEUR	Equity Of The Parent Company			
	Capital	Retained Earnings	Equity Difference From Currency Conversion	Total
Balance as of January 1st 2022	**25.000**	**241.363**	**-7.071**	**259.291**
Distribution of earnings to partners		-10.555		-10.555
Increase/decrease in capital shares				
Allocation to/withdrawal from reserves				
Foreign currency translation			-3.874	-3.874
Other changes				
Changes in scope of consolidation				
Changes in accounting				
Changes in the consolidation method				
Consolidated net income/loss for the year		16.317		16.317
Balance as of December 31st 2022	**25.000**	**247.124**	**-10.945**	**261.179**
Distribution of earnings to partners		-5.625		-5.625
Increase/decrease in capital shares				
Allocation to/withdrawal from reserves				
Foreign currency translation			40	40
Other changes				
Changes in scope of consolidation		-9.558	460	-9.097
Changes in the consolidation method		-5.595	6.828	1.233
Consolidated net income/loss for the year		-13.448		-13.448
Balance as of December 31st 2023	**25.000**	**212.899**	**-3.618**	**234.281**

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				Group Equity
Non-Controlling Interests				
Non-controlling interests before equity difference from currency translation and profit for the year	Equity Difference from Currency Translation Attributable to Non-Controlling Interests	Gains/ Losses Attributable to Non-Controlling Interests	Sum Non-Controlling Interests	**Total**
1.096	**-105**	**15.619**	**16.610**	**275.902**
		-1.535	-1.535	-12.090
11		-11		
	-753		-753	-4.627
10.822		-10.822		
128		-48	79	79
		4.237	4.237	20.554
12.057	**-858**	**7.440**	**18.639**	**279.818**
0		-1.973	-1.973	-7.598
	29		29	68
-7.985	512		-7.473	-16.571
				1.233
		2.184	2.184	-11.264
4.072	**-317**	**7.650**	**11.405**	**245.687**

Group Management Report

of OTTO KRAHN (GmbH & Co.) KG, Hamburg,

for the fiscal year 2023

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1 Bases of the Group

1.1 Organisation structure

Founded in 1909, Otto Krahn (GmbH & Co.) KG is the holding company of the Otto Krahn Group, which is engaged nationally and internationally in the distribution and compounding (i.e. the refinement) of plastics and the distribution of specialty chemicals and ceramic compounds. Thereby the plastics activities are taken over by ALBIS Distribution GmbH & Co. KG (ALBIS), MOCOM Compounds GmbH & Co. KG (MOCOM) and, with the main focus on recycling, by WIPAG GmbH (WIPAG). The distribution of specialty chemicals is combined in KRAHN Chemie GmbH (KRAHN), and the production and distribution of ceramics in KRAHN Ceramics GmbH (KRAHN Ceramics).

Overall the Otto Krahn Group is represented in more than 20 countries by own operative branches, and offers customers from the plastics processing, coatings, rubber processing and lubricants industries, and further sectors, a broad and deep product portfolio, including applications-related technical support and other services.

ALBIS, KRAHN and KRAHN Ceramics have had distribution partnerships for many years with well-known producers in the chemical industry. In MOCOM and WIPAG, in addition to own products, technical plastics are also made by polymer producers on a licence and tolling basis. KRAHN Ceramics also makes its own products.

Compounding facilities for the refinement of thermoplastics are located in Hamburg (D), Zülpich (D), Erlenbach (D), Neuburg (D), Gardelegen (D), Changshu (CN) and Duncan/South Carolina (USA).

The following changes in the organisation structure took place in the past fiscal year:

- With an entry in the register dated April 18th 2023, ALBIS MOROCCO S.A.R.L.A.U. was established as a wholly-owned subsidiary of ALBIS Distribution GmbH & Co. KG in Morocco.
- ALBIS PLASTIC Mexico, S. de R.L. de C.V. changed its name at the Partners' Meeting in Mexico on June 15th 2023 to MOCOM Compounds Mexico, S. de R.L. de C.V.
- On December 29th 2023, ALBIS Vietnam Ltd. was established in Vietnam as a wholly-owned subsidiary of ALBIS Distribution GmbH & Co. KG.
- With effect from December 31st 2023, ALBIS Plastic OOO in Russia became dormant.
- Following the purchase (with effect from January 1st 2023) of an additional 7,5%, KRAHN now holds 70% of the interests in KRAHN Italia S.p.A.
- With effect from June 27th 2023, KRAHN Central & Eastern Europe GmbH, Austria was established as a wholly-owned subsidiary of KRAHN.
- Since January 1st 2023, KRAHN has held 85.89% of the interests in KRAHN Nordics AB, after acquiring a further 21.22% interest.

- Following the acquisition of a further 19% of the interests, KRAHN held with effect from January 1st 2023 70% of KRAHN Hellas S.A.
- On December 31st 2023, KRAHN acquired 49% of the interests in Specialities S.r.l. in Italy.
- With a resolution dated January 10th 2023, KRAHN Ceramics GmbH moved to Mühlenhagen 35, 20539 Hamburg.
- With effect under civil law from July 3rd 2023 (entry in the Commercial Register) and retrospective effect under German commercial law from January 1st 2023, WIPAG Deutschland GmbH was merged into its sole shareholder, ALBIS PLASTIC Beteiligungs GmbH. With this step, WIPAG Süd GmbH & Co. KG and WIPAG Nord GmbH & Co. KG were accreted at the same time with ALBIS PLASTIC Beteiligungs GmbH, because the general partner and the limited partner in each case had merged with one another. ALBIS PLASTIC Beteiligungs GmbH changed its name to WIPAG GmbH with the entry in the Commercial Register on June 1st 2023.

1.2 Structure of the sector and competitive environment

The subsidiaries of Otto Krahn (GmbH & Co.) KG differ from one another with regard to their customer industries, suppliers and product portfolios.

1.2.1 Distribution

The distribution business model is based on longer-term contractual agreements between producers in the chemical industry and distributors, under which the producer grants the distributor marketing and distribution rights for certain products, regions or customer segments.

Not only the distribution of plastics, but also the distribution of specialty chemicals is characterized by intensive competition between the distribution companies. In addition, the distributors compete with independent dealers and the producers themselves. The competitiveness of a distributor is dependent to a large degree on the scope and attractiveness of the product portfolio. Commensurate economies of scale also allow the distributor to provide optimum support to customers from medium-sized and smaller business entities. While oligopolistic structures generally prevail on the supplier side, the distributor normally faces polypolistic structures on the customer side. Compared with the distribution of specialty chemicals, the plastics distribution sector has a higher degree of consolidation.

1.2.2 Compounding

Compounding is the refining of polymer raw materials with additives and pigmentation in order to optimize the properties profile of the finished item that is to be manufactured from the polymer material.

The sector has considerably more members than the plastics distribution sector. Competition in individual product-customer segments is very intensive, due to overcapacities. The earning power of compounders is based either on economies of scale, i.e. savings from the size of the operations through concentration on a single or a small number of product classes, or on specialization on particular application niches.

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1.2.3 Research and development

The subsidiaries of the Otto Krahn Group do not engage in any research in the sense of acquiring the bases for new knowledge.

1.3 Definition of performance indicators

The management of the Otto Krahn Group and the evaluation of the development of the business and the Company's financial position are primarily carried out with the following defined financial and non-financial performance indicators.

The amounts presented in KEUR or million EUR are commercially rounded. This can result in rounding differences of +/- KEUR 1 or +/- EUR 0.1 million in totals and subtotals.

1.3.1 Financial performance indicators

Sales volume: the sales volume is the quantity of products sold in a period. The sensible unit of measurement can vary depending on the product or service (e.g. quantity in kilograms or quantity in pieces).

Revenue: revenue is the total sales proceeds for a period, which an enterprise has generated through the sale of its products or services.

EBIT: EBIT stands for Earnings before Interest and Taxes and is the operative profit of an enterprise before taking into account the financial result and taxes.

Debt ratio: the debt ratio is the ratio of the enterprise's debt to its equity.

Liquidity: liquidity shows how quickly an enterprise can settle its short-term liabilities through its short-term assets.

1.3.2 Non-financial performance indicators

Fluctuation rate: the fluctuation rate expresses as a percentage how many employees leave the Company during the year as a ratio of the total workforce. It provides the basis for assessing the corporate culture or employee satisfaction.

Average length of service: this is calculated by dividing the total length of service by the total number of employees. The ratio provides an indication of the stability of the workforce and can be an indicator of job satisfaction.

Female share: the female share is the ratio of female staff employed by the company compared with the total number of employees, and provides an indication of the development of the equality of the sexes in the company. The ratio however includes no information on the nature and scope of the work carried out.

2 Economic report

2.1 Macroeconomic and sector-related environment

2023 turned out overall to be a year of diverse economic challenges, and also opportunities, for innovation and sustained growth. The dynamism of the global economic growth continued to be marked by geopolitical tension, technological progress and the increasing awareness of environmental questions and sustainability.

- **Global trade**: Notwithstanding the progress in the trade talks between the USA and China and other countries, trade conflicts and protectionist trends remained, resulting in uncertainty and volatility in the global markets.
- **Technological innovations**: The technology sector continued to be a motor for global economic growth, especially in the areas of artificial intelligence and renewable energies. Entities invested increasingly in the digital transformation of their business models and in innovative technologies.
- **Environmental protection and sustainability** moved further into the focus of business entities and governments. Because the impacts of climate change are continuously becoming more apparent. Investments in environmental protection, renewable energies and environmentally friendly technologies have been encouraged.
- **Labour market**: The labour market in many regions remained challenging, despite the economic growth, because business entities continued to see themselves confronted in some cases by ongoing shortages of specialist staff. Business entities invested to a greater degree in the vocational and further training of their employees, in order to keep pace with the changing challenges.

In 2023, the global economy recorded growth of about 3.0% compared with growth of 3.5% in the previous year. Regionally, China (+5.0%) and North America (+2.1%) reported the largest economic growth, while Europe could only report growth of 1.0%.

2.1.1 Market development of customer sectors in plastics distribution and plastics compounding

ALBIS, MOCOM and WIPAG supply and produce plastic granules as a raw material to the plastics processing industry. This very largely comprises processing companies that produce plastic components in injection moulding processes for a large number of sectors, such as the automobile industry, the packaging sector, medical technology, the electrical and electronic industries, the construction and furniture industries, and the cosmetics, sport and leisure industries. Processors of plastics that purchase their raw materials via ALBIS produce on average for at least two customer sectors, reducing in turn their economic dependence on individual sectors.

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The industries of relevance for ALBIS, MOCOM and WIPAG developed in 2023 as follows:

The total revenue of the plastics processing industry in Germany fell in the past year by 6.0% to EUR 72.5 billion, of which about EUR 42.3 billion resulted from domestic revenue (9.4% lower than in the previous year) and EUR 30.2 billion from foreign revenue (0.3% lower than in the previous year).

Altogether 12.7 million mt of plastics (9.0% lower than in the previous year) were processed in Germany, of which some 3.8 million mt related to packing materials (2022: 4.2 million mt), 4.7 million mt to plastics in the construction sector (2022: 5.1 million mt), 2.9 million mt to plastics in technical components (2022: 2.9 million mt) and 1.3 million mt to plastics in consumed products (2022: 1.4 million mt). In relation to the total volume of plastics processed in Germany in 2023, recycled plastics had a share of about 18.9%, representing a volume of 2.4 million mt.

Viewed globally, an increase in vehicle sales in the weight class up to 3.5 t was recorded in 2023. Sales recovered, coming from some 76.1 million units in 2022 to some 85 million units in 2023. Global demand profited mainly from continuing increases in output and building up the inventories in the wake of the normalisation of the global supply chains.

In **Europe**, altogether some 16.0 million vehicles were sold in 2023, representing an increase of 3 million units (about 15% more than in the previous year). In the **USA**, automobile sales similarly recorded an increase to some 15.6 million units in 2023, 12.4% more than in the previous year. The recovery in **China** on the other hand also progressed in 2023. Automobile sales recorded an increase of 5.6% compared with 2022 to 25.5 million vehicles.

Global demand for conventional combustion engines has fallen continuously for several years. While the demand in 2019 was still about 94% compared with the total demand, it was already only 74% in 2023. Especially BEVs (Battery Electric Vehicles) were able to increase their share of the total global demand between 2019 and 2023 from about 2% to about 12%.

With a provisional figure of EUR 238.1 billion, the revenue of the German **electrical and electronic sector** exceeded the prior year figure of EUR 224.5 billion by 6.0%. Revenue with domestic customers accounted for about 48.3% (7.2% more than in the previous year), and revenue with foreign customers for about 51.7% (5.1% more than in the previous year). The order intake of the German electrical and electronic sector in 2023 was slightly lower than in the previous year (-2.2%).

In 2023, the **markets of the industrial health industry** recorded a decline of 1.6% at the global level to USD 531 billion. Nevertheless, following the strong growth of 8% in 2022, the first full year after the abatement of the global corona pandemic, a downturn in sales was recorded in 2023 with widely divergent dynamics regionally. The most important market in value terms for medical technology remains North America with almost 40% of the global market and forecast market growth of 9% (CAGR 2024-2028), compared with which growth of only 3% is expected in Europe.

In 2023, economic growth particularly in the European market suffered on account of a large number of effects. Thus for instance the market for diagnostic applications recorded sharp declines in sales because of an unexpectedly clear reduction in demand following the end of the pandemic. The consequences of the interruptions to the supply chains that were already perceptible in the previous year led to further delays in the market launches of new medical technical products.

Similarly in Europe, and here particularly in Germany, a continued shortage of specialist staff led to severe restrictions, according to the BV Med trade association. The shortage is particularly severe in the regulatory sector that is essential for the launch of new medical products. The sector views the shortage of specialist staff with increasing concern.

The sharply intensified regulatory framework for medical technology due to the implementation of the new Medical Device Regulation (MDR), as well as the large number of environmental requirements in recent years, remain a further impediment to growth. Increasing bureaucratic barriers tie up capacities, for instance by establishing additional administration. This reduces the innovative strength of the sector, not only in the German but also in the European market. The beneficiaries of this development are in particular medical technical companies in North America. Well established and stable regulatory and legal framework conditions are leading to an increasing degree to the decision to launch new innovative products initially in the American market and only later in Europe.

In Asia, in particular the later effects of the Chinese corona policies, which led among other things to interruptions to the supply chains in the export market, are emerging. A consequence of this is that companies in medical technology are tending to be active outside China, and here to an increasing degree in Southeast Asian countries.

2.1.2 Development of customer markets in the distribution of specialty chemicals

KRAHN supplies specialty chemicals to diverse processing industries. The coatings, construction chemicals, adhesives & sealants, technical ceramics, plastics, rubber and lubricants industries can be mentioned as direct customers. They in turn supply other processing industries, end-buyer industries or the final customers directly. The heat carrier liquids segment supplies these to production operations in which process heat and heat transfer play a decisive role.

The **chemical industry** experienced in 2023 a challenging phase with declines in revenue both at home and abroad, due to missing orders because of the weakening industrial economy in Europe and intensive competition. Compared with the previous year, production fell by 7.9%, and without the pharmaceutical industry by as much as 10.4 percent. The producer prices declined by 5.3% compared with the previous year. The total revenue of the sector fell by 11.9%.

Due to the declining demand, the production fell by 6.6% compared with the previous year. With 11.9%, the decline in production excluding pharmaceuticals is even sharper.

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The difficult market environment burdened the earnings of all sectors in the **German coatings industry** in 2023. Sales in Germany fell by 3% compared with the previous year. On account of inflation, revenue on the other hand increased by 2% to EUR 6.1 billion. In addition to the weak domestic market, the sharp decline of 11.3% in export volumes was also surprising. While the sales volume for building coatings fell by 4%, a slight increase of 1.5% was recorded for industrial coatings. The decline in sales of printing inks amounted to 13%.

The **rubber industry** faced a high cost burden in 2023, despite falling energy and raw material prices. The 10.3% increase in sector revenues, parallel to declining volume sales, was insufficient for complete compensation. The earnings situation in the sector therefore remained tense. The revenue growth of 9.4% in the automobile component supply business was only based on a base effect, because 2022 was marked by historically poor production volumes. Revenue from non-automotive technical rubber products increased by 10.8%.

The revenue of the **plastics processing industry** in 2023 of EUR 72.5 billion was 6% lower than in the previous year. In particular domestic revenue recorded a significant decline of 9.4%, and almost a tenth of the business was lost. The foreign business with a decrease of 0.3% was on the other hand stable. The volume of processed plastics amounted in 2023 to 12.7 million mt, representing a decline of 9% compared with the previous year. The main driver of the downwards trend was the poor economic situation in the chemical, automobile and consumer goods industries.

Compared with the previous year, individual product groups in the **lubricants industry** reported an 8.1% decline in sales in the first three quarters. A sharper decrease (-40.4%) was recorded for hydraulic oils. Sales of lubricating greases with -11.3% were below the prior year, and the figure for motor oils was -5.4%.

2.1.3 Development of customer markets in ceramic distribution and ceramic compounding

KRAHN Ceramics supplies ceramic powder raw materials in the technical ceramics sector and produces own binding agents, process additives and feedstocks for ceramic injection moulding processes.

The German ceramics industry is a key economic sector with a market volume of over EUR 6 billion. Following the decline in 2020 induced by the pandemic, the sector recovered significantly and achieved a record level in 2022 with a market volume of EUR 7 billion. The value of ceramic products imported into Germany amounted in 2023 to EUR 3.0 billion. This represents a decline of 17.9% compared with the previous year. Exports of ceramic products by Germany also fell in the same period by 6.8% from EUR 4.2 billion in 2022 to EUR 3.9 billion in 2023.

The technical ceramic segment, in which KRAHN Ceramics is engaged, continues to be a stable and high growth sector of the German ceramics industry. With a market share of 16.6%, it occupies third place behind the fire-proof ceramic substances and construction ceramics sectors with 25.1% and 23.9% respectively. The technical ceramic segment benefits not only from high demand from established customer sectors but also from the exploitation of new markets and application fields due to innovative production technologies such as injection moulded ceramics.

2.2 Business trends and economic situation

Compared with the original planning, the Otto Krahn Group fell considerably short of the planned revenue increases in the fiscal year 2023 and also remained in terms of sales volumes below the expectations. Overall, the operative earnings were much lower than expected, due in part to special effects.

The revenue of the Otto Krahn Group fell in 2023 compared with the previous year by 18.8% to EUR 1,348.3 million, due in particular to lower sales volumes, which declined over the same period by 13.7% or 63,607 to 401,461 mt.

Of the total group revenue, 79.0% (PY: 78.9%) resulted from distribution and trading in plastics, chemicals, rubber and other articles and 21.0% (PY: 21.1%) from the compounding and refining of plastics and other products. Not only the revenue with compounded and refined products (-19.1%) but also the trading revenue (-18.6%) fell compared with the previous year.

The breakdown of the revenue of the Otto Krahn Group by regions changed slightly compared with the previous year. In 2023, the Group generated 37% (PY: 37%) of its total revenue in Germany, 51% (PY: 53%) in Europe (excluding Germany) and 12% (PY: 10%) in the rest of the world. It can be expected for the future that revenue growth outside Germany will exceed that in the German home market, so that the revenue shares in Europe and in the rest of the world will therefore increase further.

2.1.1 ALBIS

The year 2023 was a very challenging year for ALBIS. Aftereffects of the pandemic, uncertainties about further economic developments in view of wars, geo-economic tension and structural upheavals, as well as the increasing shortage of specialist staff and the, albeit, declining but still high level of inflation, retarded the growth. Industrial activity particularly in the advanced economies progressed badly and there is still no sign of a rapid, perceptible recovery.

The willingness of ALBIS's customers to buy was at its highest in the first quarter, but the differences over the four quarters were no longer as marked as in previous years. Especially in the first three months of 2023, the loss of sales compared with the previous year amounted to 20.3%. The following quarters also recorded a reduction compared with the previous year, which however declined continuously in the course of the year (2nd quarter: 15.1%, 3rd quarter: 9.7%, 4th quarter: 4.6%).

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The development of the prices recorded a similar trend. Although the sharply higher energy prices in 2022 fell in 2023, they persisted at a high level. At the same time, restricted demand not only at production partners but also at ALBIS led to necessary price reductions. The average price level in the first quarter of 2023 that was still almost at the high level of the previous year therefore declined sharply in the further course of the year and accompanied by this also the specific margin.

The consolidated sales of the ALBIS Group in 2023 amounted altogether to 271,700 mt, representing a decline of 13.3% or 41,600 mt compared with the previous year. Of the decrease, 11.7% or 21,500 mt results from the Engineering Plastics (EP) segment and 15.1% or 19,300 mt from the Standard Polymers (SP) segment.

In 2023, all five Sales Regions (SR) recorded reduced sales. ALBIS Germany with a consolidated sales volume of 88,000 mt was the most important national company and accounted for 32.4% of the volume of the ALBIS Group (PY: 33.0%) and or 15,300 mt of the downturn in sales.

The comparatively small SR North with companies in the UK and the Nordics & Baltics recorded the largest decline in percentage terms with 23.8% or 7,800 mt. In the United Kingdom, not only the impacts of Brexit but also high inflation contributed to a recession.

The loss of sales in SR East was dominated by the subsidiary in Russia, whose revenue was recorded entirely in the first half of 2023, and consisted of the sell-off of remaining inventories in the warehouses. The company was closed down and removed from the consolidation process per December 31st 2023. The other companies in the SR, such as Hungary, Austria and Romania, also recorded double-digit decreases. ALBIS Poland, the ALBIS subsidiary with the highest revenue, lost 1,900 mt (5.9%) compared with the previous year, which is explained in particular by standard products (BOPS Distribution).

In SR South-West, the sales increases of the comparatively new subsidiary in Italy (+1,300 mt compared with the previous year) were unable to compensate declines in sales in France (-3,500 mt compared with the previous year), Turkey (-2,600 mt compared with the previous year) and Spain (-1,100 mt compared with the previous year).

China's economy grew somewhat more slowly than expected in 2023. At the same time, the population fell for the second consecutive time. The crisis in the real estate market and weak domestic consumption burdened the economy. The sales of the three ALBIS companies in China also declined accordingly by 0,300 mt (-4.1%).

Revenue fell in 2023 by 22.5% to EUR 857 million, due in particular to weaker sales in the automotive and healthcare segments and the lower price level. On an unchanged product mix compared with the previous year, the average selling prices for engineering products fell by 0.31 EUR/kg and of standard products by 0.49 EUR/kg.

The still positive extraordinary margin effect of the BOPS-Distribution of EUR 2.0 million in 2022 tended to develop in the opposite direction during the past year. On the costs side, with the exception of the deconsolidation effect in Russia (EUR 1.8 million) and higher foreign exchange impacts (+ EUR 0.6 million net), no significant increases were recorded compared with the previous year, which in view of the high inflation rates in 2023 is due to good cost discipline.

As a consequence of the lower revenue together with higher cost of materials and increased direct and indirect costs, EBIT with EUR 33.2 million (PY: EUR 63.3 million) was EUR 30.1 million lower than in 2022.

The growth forecasts of the leading institutions are currently being continuously reduced. Nevertheless, ALBIS is positive about future developments and maintaining its growth strategy. The focus on markets still not exploited by ALBIS will be able in particular to more than compensate the ailing business in Germany.

2.1.2 MOCOM

Following the decline in the sales figures already in the second half of 2022, this trend also continued in 2023. The expected recovery in demand in the second half of 2023 failed to materialise, but declined further by about a thousand mt per month. The ongoing war in Ukraine, inflation and high energy costs continue to be the reasons for the reduced demand. As a result, MOCOM with sales of 108,000 mt recorded a reduction of 19,000 mt (15%) compared with the previous year. This decline in sales however took place across all product groups, in particular in the toll compounding segment for the strategic partners of the Otto Krahn Group (-27%).

Raw material prices fell in 2023. Average cost of materials per kilogram was 10% lower than the prior year level. The average production costs increased slightly by 4% due to the general inflation and wage increases. The energy costs, which were in decline in the course of the year but still considerably higher than the level in 2021, developed positively. Falling costs of materials also led to slightly lower selling prices. The decline of 18% in revenue to EUR 295 million is however mainly due to the sharp reduction in the sales volumes.

The product margin of the MOCOM Group fell by 3% to EUR 41.8 million in 2023. MOCOM Germany's Europe region with 74,000 mt (-16%) and revenue of EUR 231 million (-18%) accounted for the largest share of the business of the MOCOM Group. MOCOM Germany was therefore in sales considerably below the expectations. Sales of own compounds with 58,000 mt were 4,000 mt lower than in the previous year. Thereby, sales of high-margin specialty compounds slumped by 15%, while the demand for advanced compounds and the strategically important recycling compounds declined by 5%. Toll compounding for the large partners of the Otto Krahn Group fell by 38% to 11,000 mt and was therefore mainly responsible for the decline in volumes in 2023. The royalty business with ALBIS recorded a decrease of 32%. On account of the poor sales, occupation of the three German production facilities fell from 64% in 2022 to only 55% in 2023. A reduction of 7.7% in the margins and poor coverage of the costs of the factories burdened the earnings. Lower overhead resulted ultimately in a slight improvement of 12.8% in EBIT compared with the previous year.

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In the Americas region with companies in the USA and Mexico, sales (-5% to 19,000 mt) and revenue (-19% to EUR 40.6 million) were in decline. A positive aspect was the fact that sales of the high-margin specialty compounds could be increased by 9%. Despite this, the decline of volumes of the remaining compounds of about 1,000 mt could not be compensated. The volume in the toll compounding segment could be increased slightly by 1.8% to 10,000 mt. Occupation of the production capacities fell slightly from 60% to 58%. Overall a better margin level (+21%) could not compensate the poor cost coverage of the production and the higher overheads, so that EBIT with -19% was worse than in the previous year.

The APAC region with the company in Changshu also achieved poorer earnings in 2023. The sales of 17,000 mt were significantly (22%) lower than in the previous year. Revenue fell by 15% to EUR 29.7 million. The collapse in demand in the toll compounding segment (-34%) was mainly responsible for the negative development of the sales. Contrary to the business with toll compounding, the sales volumes with own compounds remained stable despite a difficult market environment. Sales of the strategically important specialty compounds could even be increased by 2.8%. Occupation of the production capacities at the Changshu site fell from 73% to 58%. Despite the difficult general environment, the region reported very good results especially in the fourth quarter of 2023 and was able in this way to limit the decline in EBIT.

Because of the general framework conditions referred to, the earnings of the MOCOM Group in 2023 were much worse than expected. Overall the sharp decline in the sales volumes was almost compensated by a higher level of margins. The reduction in the overheads ultimately led to a slight improvement of 4.0% in EBIT from - EUR 22.4 million to - EUR 21.5 million. Measured in terms of the capacities of MOCOM, the market situation was too weak in 2023 to reach the profit zone. The economic situation remains uncertain and the customers are displaying a short-term purchasing behaviour.

The much worse earnings situation in 2023 and persistent weak demand from the market in the plastics compounding sector induced the Otto Krahn Group to amalgamate MOCOM and WIPAG in 2024 with a new strategic orientation. The STEP project was initiated and the conception phase and preparation of the implementation already carried out in 2023. STEP includes among other things the concentration of the production capacities in Germany from five locations to three. Thus, the MOCOM site in Obernburg will be abandoned at the end of 2024 in the wake of STEP. Negotiations were carried out with the labour council to this end in 2023 and successfully completed. A partial reconciliation of interests and a social plan were agreed. The earnings of the Group were burdened in 2023 by setting up commensurate provisions for the social plan, severance payments and site restoration obligations.

2.1.3 WIPAG

WIPAG's business stabilised in 2023 and it was able to achieve significant growth compared with the previous year. The consolidated total sales of the WIPAG Group amounted in 2023 to 11,900 mt, representing an increase of 1,900 mt or 19.1%.

This overall gratifying overall trend is however based on significantly divergent increase rates within the product portfolio. Thus the sales of compounds filled with carbon fibres fell by 135 mt or 8.8%. This was due in particular to stockpiling by individual customers at the end of 2022 and delayed ramp-ups of new products planned for 2023.

Significant growth was achieved in the Open Loop segment, in which standard products are maintained on the basis of recycled polymers. The sales increased compared with the previous year by 2,100 mt or 36.9%. The driver here was in particular the demand for parts for the automobile industry, which recovered compared with the previous year.

The business with recycling services (Closed Loop) on the other hand continued to decline. The sales here sank by 119 mt or 7.4%. Sales of the other products, especially toll processing for the affiliate, MOCOM Compounds, increased by 37 mt or 3.3%.

Contrary to the previous year, the prices of input raw materials were relatively stable in 2023, so that no massive price increases of the finished products were necessary. Net revenue therefore only increased slightly disproportionately compared with the sales and went up by 22.3% compared with 2022. They therefore achieved an all-time record level of EUR 23.9 million. The average price per kilogram went up by EUR 0.05 to EUR 2.00. Increases in the previous year here amounted to EUR 0.47.

On account of the overall sharply higher sales quantities, an increase in the absolute margin revenue at standard costs of KEUR 699 was achieved.

The WIPAG Group's two production locations together made 10,600 mt (only extrusion) in the past fiscal year. This represents an increase of 1,200 mt or 12.8% compared with the previous year. The Neuburg site produced 3,100 mt, representing a decrease of 600 mt compared with the previous year, and 7,500 mt were produced at the Gardelegen site, an increase of 1,800 mt. The average occupation of the factories amounted to 51% (PY: 50%).

Despite the described improvements on the revenue side, no improvement in the annual earnings could be achieved. This was due in particular to significant increases in the cost basis, driven by the generally high inflation, higher personnel expenses and in particular by dramatically higher electricity costs, which could only be partly passed on to the customers. The idle time costs at the production locations in addition remained high. The bottom line was annual earnings without special accounting influences (EBIT) of - EUR 5.4 million.

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In addition to the unprofitable operative business activity, the annual earnings in 2023 also include non-operative special effects. In order to rehabilitate WIPAG's business activities on a sustained basis, the Company resolved in 2024 to collaborate with the affiliate, MOCOM Compounds ("STEP project"). At the same time, consolidation of the production locations is pursued, in the course of which all of the Group's recycling activities are being concentrated at the site in Gardelegen. WIPAG's current site in Neuburg on the Danube will be abandoned at the end of 2024. The costs for the social plan and the restoration of the site were provided to the necessary degree in 2023.

Simplification took place at the corporate level within the WIPAG Group in 2023 The four former individual companies, ALBIS PLASTIC Beteiligungs GmbH (renamed WIPAG GmbH in the course of the project), WIPAG Nord GmbH & Co. KG, WIPAG Süd GmbH & Co. KG and WIPAG Deutschland GmbH were amalgamated within the framework of the Phoenix project as at July 3rd 2023 in WIPAG GmbH. The new orientation results in operative cost savings due to simplified handling of transactions between the individual locations and lower costs in the administration. In fiscal year 2023, taking up the accumulated deficits of the dissolved companies led to an accounting loss on merger in WIPAG GmbH of EUR 12.9 million, which however had no impact on the consolidated earnings of the Otto Krahn Group.

2.1.4 KRAHN Chemie

The KRAHN Chemie Group achieved a sales volume of 55,000 mt and revenue of EUR 298.0 million in fiscal year 2023. Because of the economic slowdown, demand was much weaker than in the previous year, in which KRAHN Chemie reported record earnings. The sales volume was 10,800 mt (-16.4%) and the revenue EUR 45.4 million (-13.2%) lower than in the prior year. EBIT amounted to EUR 16.7 million and was therefore EUR 19.4 million (53.7%) weaker than in the previous year, whereby EBIT in 2022 also included the profit on the disposal of KRAHN Ceramics.

As in the previous year, the first quarter recorded the highest sales. KRAHN reported a continuous decline in the following quarters, so that the sales in the fourth quarter were the lowest. Revenue also reported a parallel trend. The declining demand was reported by all customer sectors and was intensified by the reduction in inventories on the customer side. Because of the better availability in the market, pressure on prices and margins prevailed, especially in the case of high volume products. On account of a shift in the product mix, the negative variance in revenue was somewhat weaker than in the previous year.

As in the previous year, the highest revenue was achieved in the lubricants segment, that in 2023 accounted for 38% of the total revenue of the KRAHN Group. The downturn compared with the previous year amounted here to 8.7%. Revenue in the Plastics, Rubber and Adhesives and Sealants segment fell altogether by 15.0% compared with the previous year and accounted for 25 % of the total revenue. Coatings and Construction, whose revenue fell by 15,3% compared with the previous year, is the third largest segment. The segment with the smallest decline in 2023 (1.9%) was Heat Transfer Fluids, which contributed 6% to the group revenue. Detergents and Personal Care accounted for 4% of the total revenue and recorded 15.8% less revenue than in the previous year in 2023.

With a share of 44 %, KRAHN Chemie Germany is the largest subsidiary in the KRAHN Group. Revenue here declined by 10.2% compared with the previous year. The revenue of the second largest subsidiary, KRAHN Italia, fell by 11.1%. The KRAHN Nordics subgroup, to which, in addition to KRAHN Nordics, its two subsidiaries, KRAHN Specialty Fluids AB and BGM Logistics, also belong, recorded a large decrease in revenue in 2023 of 28.6%, due to strong competition both in the detergents and the lubricants segments. KRAHN Nordics' share of the total revenue therefore fell to 12%. KRAHN Polska, whose business is construction chemicals, also had to accept a significant decline in revenue, which collapsed from mid-2023 onwards due to high interest rates and the discontinuation of subsidies. The decline in revenue of the subsidiaries in Benelux (-7.1%) and the UK (-2.8%) was comparatively moderate. The subsidiaries in France (+3.9%), Greece (+6.1%) and Spain (+26.6%) recorded revenue growth. KRAHN Iberia profited especially from the fact that existing business handled by KRAHN Chemie until May 2023 via the local affiliate, Albis Plastic, was transferred to KRAHN Iberia.

2.1.5 KRAHN Ceramics

While KRAHN Ceramics enjoyed an outstanding record year in 2022, fiscal year 2023 was marked by a much weaker market environment that led to a decline in the most important performance indicators.

Contrary to the expectations, the positive demand trend of 2022 could not be repeated in 2023, due in particular to weaker demand from customers from the dental sector. The first quarter of 2023 recorded a sharp downturn compared with the prior year period. Not only the revenue but also the sales volumes fell significantly. Revenue declined by 21.4%, while the sales volume fell by 30.5%. Initially, the second quarter of 2023 was able to alleviate the downward trend of the first quarter, and revenue increased by 4.0% compared with Q2 of the previous year. The third quarter saw a renewed decrease of 11.6%, which was however smaller than that in the first quarter. Only the fourth quarter of 2023 brought the anticipated turnaround. Revenue increased by 21.6% compared with Q4 in the previous year and the sales quantity went up by 6.4%. Altogether 847 mt were sold in fiscal year 2023, 282 mt or 24.9% less than in 2022. Revenue amounted to EUR 38.17 million, a decline of EUR 1.7 million or 4.3% compared with the previous year.

KRAHN Ceramics generated a product margin of EUR 2.6 million in fiscal year, which was EUR 0.7 million below the prior year level, representing a decrease of 20.8%. In addition to the decline in sales quantities, higher transport and logistics cost also led to a deterioration in the product margin. The price increases that the company received from its suppliers especially in the distribution business could not be passed on to the customers. The largest share of the product margin (84.0%) came from the sale of ceramic powders such as aluminium oxide and zirconia. Binding agent business and the business with own process additives accounts for 13.4% of the margin, while the remaining 2,6% came from compounding. Since both segments rely considerably on the development of new ceramic products and the deployment of innovative production technologies, the reluctance of the customers due the current recession and increasing financing costs was noticed here. Despite the current challenges, compounding offers much potential. The production area that was expanded in 2022, in which KRAHN Ceramics develops and produces highly specialised ceramic feedstocks in close cooperation with customers, already transferred many products in 2023 successfully to the advanced phase of the development.

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Fiscal year 2023 was marked by a difficult market situation and declining demand. KRAHN Ceramics nevertheless succeeded in generating a positive EBIT of EUR 0.6 million (PY: EUR 1.4 million).

2.3 Financial performance of the Group

Key financial performance ratios

in KEUR; in %	2023	2022
Operating result (EBIT)	6,209	50,267
Return on revenue (on the basis of EBIT)	0.5%	3.0%
Consolidated net income for the year before taxes	2,469	43,823
Consolidated net income for the year (CNI)	-11,264	20,554
ROI of the equity and liabilities (CNI / average equity and liabilities)	-1.9%	3.3%

An 18.8% decline in revenue was recorded compared with the previous year. The gross profit in the calendar year fell compared with the previous year by 14.6% from EUR 316.5 million to EUR 270.3 million. The smaller decline in the gross profit than in revenue results in particular from the change in the product mix and the lower price level in some cases for raw materials.

Following EUR 142.8 million in 2022, the personnel expenses fell by EUR 2.4 million or 1.7% to EUR 140.4 million. The decline in the personnel expenses results mainly from lower pension expenses of EUR 6.8 million (PY: EUR 15.5 million) compared with a marginal increase in the average number of employees (+17 employees).

Amortization and depreciation in 2023 of EUR 18.4 million exceeded the prior year figure (EUR 17.2 million) by EUR 1.2 million and resulted in particular from higher amortization and depreciation due to the investment activity in recent years in land and buildings and tools and machinery.

Other operating expenses fell by 1.8% or EUR 2.2 million to EUR 121.8 million. Parallel to the decline of 13.7% in sales, the selling expenses also fell by EUR 3.3 million or 9.9%. This was however compensated by the increases in particular of advertising and travelling expenses by EUR 1.5 million or 27.9% and of EUR 1.2 million or 18.3% in legal and professional fees.

Other operating income fell compared with 2022 by EUR 1.6 million to EUR 17.4 million. This decrease is mainly due to lower exchange gains.

In the reporting period, the reduction of EUR 2.1 million or 11.9% in exchange losses compares with a similar decline of EUR 2.3 million or 17.7% in exchange gains.

EBIT, as the main control number for the Group, fell by altogether EUR 44,1 million or 87.6% from EUR 50.3 million in the previous year to EUR 6.2 million in 2023.

The net financial expense (net balance of interest income and interest expense) of - EUR 3.7 million was EUR 2.7 million lower than in the previous year. A significant effect that can be mentioned here is the decline in interest expense from winding back the discounting on the pension, staff anniversary and partial early retirement by EUR 2.4 million to EUR 1.6 million.

Consolidated pre-tax net income for the year of EUR 2.5 million is therefore EUR 41.4 million or 94.4% worse than in 2022. The return on revenue based on EBIT of 0.5% is therefore 2.5 percentage points lower than the prior year figure of 3.0%.

The adjusted tax rate of 22.7% based on the pre-tax earnings is considerably lower than in the previous year (30.5%). This is due in particular to a lower measurement basis especially in the high tax country, Germany, due to lower annual income.

After deducting all taxes, a consolidated net loss for the year of EUR 11.3 million was recorded in 2023. Following the consolidated net income for the year generated in 2022 of EUR 20.6 million, this is EUR 31.8 million worse than in the previous year.

2.4 Financial position of the Group

Key numbers on the financial position of the Group in KEUR	2023	2022
Cash flows in accordance with GAS 21:		
Cash funds at the beginning of the period	77,667	56,497
Cash flows from operating activities	56,662	31,873
Cash flows from investing activities	-43,630	-16,345
Cash flows from financing activities	3,829	9,922
Cash-effective change in cash funds	2,137	-4,456
Cash in cash funds due to change in scope of consolidation	-2,702	176
Cash funds at the end of the period	93,963	77,667

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Cash flows from operating activities increased in 2023 by EUR 24.8 million from EUR 31.9 million to EUR 56.7 million. The main driver was lower prices and stagnating demand, as well as better working capital management, which led to an inflow from the reduction of working capital of EUR 42.8 million. In 2022, EUR 18.5 million flowed in from the build-up of working capital. This compares with a reduction of EUR 31.8 million in profitability at the same time as EUR 6.8 million lower tax payments.

Cash flows from investing activities increased by EUR 27.3 million to EUR 43.6 million. While in the previous year only small amounts were invested in the acquisition of participating interests, KRAHN Chemie GmbH invested EUR 16.3 million in the past year in the acquisition of additional interests from minority shareholders of KRAHN Italia S.p.A., Krahn Hellas S.A. and KRAHN Nordics AB. A further EUR 10.1 million flowed into the acquisition of a 49.0 % interest in Specialities S.r.l., Italy.

New financial credits of EUR 26.6 million (PY: EUR 41.5 million) were taken up to refinance the ongoing investment activity. Existing loans were redeemed by EUR 12.8 million (PY: EUR 17.9 million). This represents a decrease of EUR 9.8 million in the net credits taken up. All in all, inflows of EUR 3.8 million (PY: EUR 9.9 million) were generated by the financing activities.

Liquid funds increased by altogether EUR 17.9 million. Solvency was ensured at all times in the fiscal year 2023. This continues to be the case in the current fiscal year 2024.

Credit facilities of EUR 109.9 million (including EUR 2.5 million for guarantees) were available to the Otto Krahn Group at the balance sheet date (PY: EUR 105.5 million). Utilization amounted to EUR 16.3 million (PY: EUR 15.0 million). In addition, long-term bank loans of EUR 59.2 million (PY: EUR 45.3 million) were available, which were granted in addition to the existing credit facilities. These loans were mainly used for expansion and acquisitions.

2.4.1 Capital structure of the Group

Key ratios on capital structure

	2023	2022
Equity ratio *(debt/equity ratio)*	41.7%	44.9%
Capital turnover ratio *(ratio of revenue to average total equity and liabilities)*	2.3	2.7

Group equity fell in the calendar year 2023 compared with the previous year by EUR 34.1 million from EUR 279.8 million to EUR 245.7 million. On a decrease of 5.3% in total equity and liabilities to EUR 589.8 million, the equity ratio fell from 44.9% in the previous year to 41.7%.

Pension provisions, which account for a significant portion of the Group's external obligations, increased by EUR 3.5 million in 2023 from EUR 123.2 million to EUR 126.7 million. The pension provisions account for 21.5% of the total equity and liabilities (PY: 19.8%).

Liabilities to banks went up compared with the previous year by EUR 15.4 million from EUR 60.1 million to EUR 75.5 million and therefore account for 12.8% of the total equity and liabilities (PY: 9.6%).

Trade liabilities and advance payments received fell by EUR 0.4 million or 0.5% to EUR 73.15 million.

2.4.2 Capital expenditure

Capital expenditure amounted in 2023 to EUR 28.6 million, of which EUR 18.4 million related to property, plant and equipment, whereby the main individual investments that can be mentioned were the hall and the creation of a new carbon plant in Gardelegen (EUR 4.4 million), the expansion of the capacity in Duncan (EUR 3.2 million) and the acquisition of the BASF Ultraform direct customer rights (EUR 2.3 million).

Within the financial fixed assets, the main investments were the acquisition of the minority holding in Specialties S.r.l. (EUR 10.1 million).

2.5 Net assets situation of the Group

Key ratios on the net assets situation

	2023	2022
Capitalization ratio *(property, plant and equipment and intangible assets as % of total equity and liabilities)*	18.7%	16.2%
Working capital as % of revenue *(inventories plus trade receivables less trade liabilities as % of revenue)*	20.0%	20.0%

The book value of the fixed assets increased in 2023 by EUR 9.5 million to EUR 110.5 million. Thereby the net increase comprised an increase of EUR 11.3 million for financial fixed assets and a decrease of EUR 1.8 million for property, plant and equipment and intangible assets (including goodwill).

Assets tied up in the short term in inventories and receivables fell by EUR 62.1 million or 15.3% from EUR 405.0 million in the previous year to EUR 342.9 million, whereby EUR 38.9 million resulted from the reduction in inventories and EUR 23.2 million from lower trade receivables per December 31st 2023 due to the declining volume of business in the fourth quarter of 2023.

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2.6 Non-financial performance indicators of the Group

2.6.1 Number of employees

The main personnel ratios of the Otto Krahn Group developed as follows compared with the previous year:

Personnel ratios

	2023	2022
Female share in %	33.3%	36.2%
Staff fluctuation in %	12.0%	12.3%
Average length of service	9.4	9.7

The female share in the Otto Krahn Group fell compared with the previous year by 2.9 percentage points. Staff fluctuation in percent also declined by 0.3 percentage points to 12.0%.

Further digitalization in the personnel area aimed at simplifying the handling of systems and making them more efficient was a central theme in 2023. This also includes significant changes such as the implementation and utilization of a new applicant platform, a digital learning platform with the provision of further training offerings and the next significant step in the utilization of the HR system, SuccessFactors, with the implementation of a Manager Self Service. With the Manager Self Service in SuccessFactors, the first manual or formular-based processes were digitalized. The digitalization initiatives and especially the utilization of SuccessFactors will be continuously expanded in 2024.

A further focus was the further development of People & Culture Controlling with a commensurate key ratio system and the further development of the reporting system.

To improve the employee experience, process monitoring and harmonization became a central theme in 2023. Thereby the efficiency and quality are to be enhanced sustainably with continuous improvement. The employee experience for young talents of the Otto Krahn Group was in addition the central question in the revision of the processes and offerings for trainees, apprentices and students.

Preparatory work for the defining subject in the People & Culture Area 2024 started in 2023. The conception phase for a groupwide, internationally oriented culture initiative considered the culture defining elements in the company, the influencing factors and the envisaged orientation for the future vision. Its implementation was accordingly commissioned.

3 Forecast

The planning of the Otto Krahn Group for the fiscal year 2024 is based on a dynamic economic situation assuming slight growth.

Despite this, the current early indicators for the beginning of 2024 provide no signs of a significant economic turnaround. This is reflected by a deterioration in the order situation in all economic sectors, a low order backlog and prolonged strikes.

The expectation is that economic output in Germany will probably initially continue to decline in the first quarter and will fall by 0.1% compared with the previous quarter. A perceptible recovery of the economy as a whole can only be expected in the second half of the year. GDP adjusted for inflation will probably with 0.2% only be slightly better in 2024 than in the previous year (-0.3%) and improve in the coming year by 1.3 percentage points to 1.5%. The inflation rate in Germany will probably recede further from an average of 5.9% in the past year to 2.3% this year and 1.6% next year. The core inflation rate, i.e. the increase in consumer prices excluding energy, will fall more slowly and in this and the next year with 2.8% or 2.2% respectively exceed the overall inflation rate. In particular the increase in the price of labour-intensive services will only decline slowly, because increasing wage costs will maintain the price pressure.

The economic weakness will retard the increase in occupation and probably lead to a further rise in unemployment. The average unemployment rate this year will probably be around 5.9%, or 0.2 percentage points higher than in 2023. The unemployment rate is only expected to return to 5.6% again in 2025.

The risks for the present forecast are manifold. Especially the further development of the energy prices harbours great uncertainty. It is assumed that the prices for crude oil, electricity and natural gas in the forecast period will develop in accordance with the prices in the forward markets. The further trend however depends decisively on the geopolitical circumstances, which can change at any time and could have a considerable influence on the economic development of the German economy.

A further considerable risk results from the current economic and financial policies. Agreement was reached on the budget for the current year and adhesion to the debt cap ought to be ensured. It is however not improbable due to the current budgetary situation and in particular in view of the expected renewed difficult negotiations on the federal budget for 2025 that urgently necessary reforms will only be tackled hesitantly. The standstill and uncertainty regarding important points on the economic agenda are paralyzing the economy and inhibiting long-term growth, because spending on investment and consumption are being held back. If, contrary to the available forecast, the uncertainty is not dissolved, the expected recovery will probably recede further into the future.

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On the basis of these assumptions, the Otto Krahn Group is planning for 2024 a sales volume of 459,000 mt and net revenue of EUR 1,474 million. For earnings before taxes, interest and investment income (EBIT), an increase to EUR 38.1 million is expected for 2024 on slightly higher margin levels and on account of the cost saving measures that have been implemented.

4 Opportunities and risks report

4.1 Risk report

The Otto Krahn Group enters into entrepreneurial risks, if this can be expected to contribute appropriately to the increase in corporate value. At the same time, the control instruments include strategic corporate planning and a differentiated risk management system, which identifies, evaluates and observes the opportunities and risks, so that trends and implement measures can be identified in good time. In addition, the ongoing reporting system provides current information on the development of the business for all levels of the Group, ensuring short-term control of the operational processes. The Otto Krahn Group's global behavioural codex communicates to all internal and external participants in the business the outstanding importance attached by company management to adherence to the legal and ethical regulations.

4.1.1 Macroeconomic and economic risks

Economic fluctuations are reflected relatively early in the development of the business of the Otto Krahn Group as a supplier of industrial raw materials. A further factor is the political situation at home and abroad, which is associated in some cases with country-specific risks that can affect the development of the business. The same applies to geopolitical developments, such as the war in Ukraine and the sanctions imposed on Russia in this connection. An economic downturn can lead to reduced utilization of the available production capacities in the compounding sector. The width and depth of the product portfolio and diversification in divergent customer sectors ensure greater independence from individual sectors and their cycles.

4.1.2 Market and sector risks

As a general rule, the Otto Krahn Group, tries to counter market risks by continuous observance of its markets, careful selection of its suppliers and the creation of efficient framework conditions. Our aim is therefore to ensure the availability and quality of the raw materials and products at competitive prices for the Group's customers.

Higher raw material prices and intensified cost pressure can lead to a switch in demand and an increase in the intensity of the competition. Greater price competition harbours the risk of declining margins, which the Company counters by continuous expansion of the product portfolio and the development of new thermoplastic compounds.

The economic success of a distribution company in the plastics and specialty chemicals sector is determined in the long term by the diversity and scope of the available product portfolio. Long-term contracts are accordingly concluded wherever possible with the manufacturers of the plastic raw materials sold by the distributor, which regulate the distribution in specific sales regions and/or segments.

As a consequence of significant structural changes in the market and competitive situation on the part of the manufacturers of polymers, the fundamental risk for the distributors is that the existing business models in the cooperation will change. In the past, the Otto Krahn Group succeeded in restricting such losses of business through professional supplier management and continuous further development of the existing portfolio. As a result of the cultivation of existing supplier links and the gaining of new suppliers, the Company has even tended to benefit from developments in the chemical industry.

Longer disruption of the production and the loss of producers as a result of insolvencies represent a risk to the development of the business, because not every supplier for a defined product portfolio can be replaced immediately and directly. This risk is countered by the careful selection of suppliers.

On the cost side, the main risk for the Otto Krahn Group is price increases for the products sold. These effects are countered by active inventory management, a change in the purchasing behaviour and passing on price increases to the sales market. In addition, increases in the personnel expenses and growing expenditure on energy are significant factors.

4.1.3 Financial risks

Liquidity and financing risks are countered by continuous optimization of the working capital, a broad spread of the banking relationships and central group liquidity management. The existing credit facilities at the banks have been confirmed in full. Covenants on the achievement of a specific equity ratio exist in individual cases. With the current very good ratio, the risk of falling below the covenant limit is highly improbable.

The Company is exposed to foreign currency risks on the procurement of raw materials and merchandise and the sale of finished products and goods. Most of the added value is however generated in the eurozone. Exchange rate risks are countered by the appropriate conclusion of standard foreign exchange forward contracts or by adjusting the financing structure to achieve natural hedges. Our strategy is to keep foreign currency risks as low as possible.

The risk of possible customer insolvencies is limited throughout the Group by commercial credit insurance. The Otto Krahn Group carefully monitors the development of the outstanding customer receivables and the payment behaviour, to minimize the risk of bad debts and avoid sudden defaults.

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4.1.4 IT risks

IT systems are used for the business processes, including the internal and external communications of the Otto Krahn Group, significant interruptions to or even the breakdown of which can result globally and regionally in a loss of data and a serious disruption of the business processes.

In order to minimize this risk and to safeguard the systems to the necessary degree, the systems are ranked in accordance with their relevance for the business processes. Based on the availability and security requirements agreed with the segments and the resultant Service Level Agreements (SLAs), the Group's systems are protected by numerous measures against risks such as the loss of data, interruptions and manipulation.

In addition, group-wide IT security guidelines apply to the employees. These are augmented by far-reaching measures to ensure the data protection requirements.

External IT threats and their prevention continue to be of central importance. Subjects such as encryption attacks or ransomware and or attempted attacks via so-called social engineering methods, have been increasingly observed. The relatively new "adversary in the middle" attacks in which a user only has to click on a link in a phishing mail to provide the attacker with access to company data are a special risk. Fortunately such attacks can also be successfully prevented by improved recognition techniques and the use of the security operation centre. The number of firms, authorities and institutions that suffered significant damage due to successful cyberattacks was once again very high in 2023. Our own IT security team had to fend off a large number of highly diversified attacks, especially sophisticated phishing campaigns.

So that such attacks remain unsuccessful, the Otto Krahn Group relies, in addition to comprehensive cyber-security measures, on the regular sensitization of all of its staff worldwide. For instance, comprehensive training aimed at educating and sensitizing all employees to the virtual risks caused by digital attacks, for instance through phishing and viruses, was again carried out last year.

Identification methods without passwords with smartcards were used for the first time. These login methods offer a much higher security level than the traditional login with username and password.

Permanent improvement of the IT security level will continue to have considerable importance for the Group.

4.1.5 Environmental risks

The subsidiaries, MOCOM Compounds GmbH & Co. KG and WIPAG Germany GmbH, have management systems in accordance with ISO 14001:2015 at each of their production locations. Similarly, KRAHN Chemie Deutschland GmbH, as a chemical distributor, has been certified in accordance with this system. The identification of potential opportunities and risks, as well as the derivation of measures, are part of the standard requirements and therefore integrated in the Company's processes.

No particular environmental risks result from the business activities of the other subsidiaries of the Otto Krahn Group.

4.1.6 Other risks

The Otto Krahn Group counters the risks in the personnel area resulting from demographic change and an increasingly perceived shortage of skilled staff with strategic personnel measures as already described above. These measures are addressed firstly to the Group's employees and secondly to potential employees. In addition, the Group participates regularly in HR fairs, in order to strengthen the employer brand and present the Group as an attractive employer in the market for potential employees.

Various risk aspects exist in conjunction with integration processes. Significant risk components include unexpected resignations of key personnel, the incompatibility of EDP systems, higher than expected integration costs, or also the discontinuation of business relationships. The risk aspects of acquisitions are observed and analyzed in advance with the help of detailed due diligence reviews. Integration of the acquisitions that have been carried out is progressing as planned. Similarly, significant investments are monitored intensively also following the implementation phase.

Compliance and regulatory risks result from laws and regulations that are based on penalties or sanctions, in order to regulate a company's business activities, such as corruption, fraud/infidelity, competition law, market manipulation, and export controls.

Our objective is to anchor good business conduct in the actions and thinking of all employees. The Otto Krahn Group has therefore created a compliance function organized in accordance with the 3-line model. With this, all companies and sectors are responsible for the effectiveness of the Compliance Management System.

The Compliance Management System consists of the following elements:

- Risk evaluation: identification of internal and external critical risks in the regular business operations
- Guidelines and procedures: global guidelines, especially behavioural codex, anti-corruption and anti-cartel guidelines
- Training courses and awareness: focused training sessions for employees and executives
- Internal control system (ICS): internal controls that reflect significant operative and financial corporate risks and reduce them to an acceptable level for the company
- Whistle-blower system: early-warning system to identify and combat abuses in the Group

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The Group Compliance Officer reports yearly to the Audit Committee the status, progress and developments in the Compliance area.

The mission of internal audit is to enhance and protect the value of an organisation through risk-oriented and objective audit, consulting and insights in accordance with the international standards for the professional practice of internal audit. To this end, internal audit renders independent and objective audit and consulting services, oriented towards creating added value and improving the business processes. It supports the organization in the achievement of its objectives, by evaluating with its systematic and target-oriented approach the effectiveness of the risk management, the controls and the management and monitoring processes and helps to improve these. In accordance with the Otto Krahn Group's Corporate Internal Audit Activity Charter, the audit universe comprises all activities and subsidiaries.

In accordance with the Annual Audit Plans for the audit year 2023 approved by management and the audit committee, internal audit performed audits in 2023 at ALBIS Plastique S.a.r.l. France and ALBIS Plastic (Shanghai) Co., Ltd. APAC Regional Headquarters, ALBIS Plastic (Far East) Ltd. in Hong Kong, ALBIS Plastic Distribution (Guangzhou) Co., Ltd. and MOCOM Compounds (Changshu) Co., Ltd. Where necessary, the audits were supported by auditors from EY.

The audit of the Chinese subsidiaries was supported by the audit software ("zapAudit" from zapliance), which automates the data analysis of SAP processes and analyses it on the basis of audit-relevant enquiries. Furthermore, zapAudit is used consecutively for support in the implementation of the ICS.

The Head of Corporate Governance reports to the CFO and once a year to the Audit Committee.

4.2 Assessment of the overall risk situation

The geopolitical risks especially with regard to the war in Ukraine and the tense situation in the Asian economic area are influencing the overall development of the Otto Krahn Group, both directly and indirectly. The main risks currently in particular include higher inflation and the expected reduced demand resulting from this, in addition to an increasing shortage of skilled staff. To this can be added the continued shortage of materials, disrupted supply chains and a large number of new regulations.

A forecast of the further course or the ongoing economic consequences of these developments is unpredictable. The Otto Krahn Group continues to adhere to a general prudence principle. With regard to Russia's war in Ukraine, commensurate measures to assess and minimize the risk have been initiated, the operative business in Russia was discontinued at an early stage and the Russian company was deconsolidated at the end of 2023.

Because of the capital endowment and the funds available, the continuation of the Group's activities in the coming years is ensured.

4.3 Opportunities report

Good opportunities for growth also continue to exist in the distribution and compounding of plastics and in the distribution of specialty chemicals. The subgroups of the Otto Krahn Group are well positioned for this in the market segments occupied by them.

4.3.1 ALBIS

Good opportunities for growth also continue to be available in the distribution of plastics. The ALBIS Group is well positioned for this. Growth opportunities result not only from expansion and optimization of the product portfolio, the intensive handling of the customer industries, among other things through postulated sales campaigns and the expansion of the industrial segments für healthcare applications. Further profitable growth is expected, especially from the expansion of the market shares in Asia, Morocco and Italy. Growth in the established markets in Europe is also being promoted through postulated country strategies.

Growth opportunities in the distribution of plastics are not identified alone by the general economic trends, but also by the organization of the cooperation with strategic partners (manufacturers of polymers). Consequently, markets that are less interesting for a producer can nevertheless be attractive for a distributor due to the delegation of a larger business share by the polymer manufacturer. In addition, growth potentials result from taking over further agency rights in regions not so far covered.

4.3.2 MOCOM

Growth opportunities are continuing to emerge in the plastics compounding area. Together with its foreign subsidiaries, MOCOM is well positioned for this in the market segments that it occupies. Growth opportunities arise not only from the expansion and optimization of the product portfolio but also from the intensified switch to recycled materials.

In the plastics compounding area, product innovations are resulting in the exploitation of new application areas, and regional expansion to business growth. To make optimum use of these opportunities, the Company invests in personnel and product development resources and emphasizes its global presence.

4.3.3 WIPAG

From fiscal year 2024, the business of WIPAG will be continued in an own company under the umbrella of MOCOM Compounds.

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A high growth potential is seen in the sphere of the mechanical recycling of technical plastics, since environmental protection and recycling are increasingly becoming a key competitive factor as a consequence of the climate crisis.

The subject is also driven from the regulatory point of view. The EU has identified for itself in the wake of the green deals the target that its economy will be climate-neutral by 2050. The plastics industry is thereby playing an important role. As part of the circular plastics alliance, it is intended that the recycling share in the plastics market will increase along the entire added value chain, initially to 10 million mt by 2025. In the long term, the complete circulation of plastics is aimed for. This development offers in the coming years great growth opportunities in the market for plastics recycling.

4.3.4 KRAHN

Growth opportunities result from the identification and development of new applications and customers and the support of new projects at existing customers. Further growth potential lies in the expansion and optimization of the product portfolio for the supported customer industries. With the acquisition of an investment in the Italian company, SPECIALITIES s.r.l. at the beginning of 2024, KRAHN Chemie is building up its market share in the detergents and personal care segment and expanding its laboratory capacities.

The exploitation of new foreign markets is also an important growth approach for KRAHN Chemie. In addition to the development of own structures or the acquisition of existing market participants, there is an opportunity to transfer the successful cooperation with existing producer partners to new regions or to satisfy new, reputable producers about the Group's competence. With the establishment of KRAHN Central & Eastern Europe, which from January 2024 is taking care from Vienna of the business in the Czech and Slovakian Republics, Hungary, Romania, Slovenia, Croatian and Serbia, the KRAHN Chemie Group aims to develop the business is this region by strong presence in the market.

4.3.5 KRAHN Ceramics

The commissioning of a new production line for ceramic injection moulded masses in 2022 enables KRAHN Ceramics to participate in the dynamic market for ceramic injection moulded components. In addition, utilization of the market access of the Otto Krahn Group to the plastics industry provides further growth potential.

On account of the orientation to divergent customer industries, the comprehensive product offering, marked sales competence and the good organizational structure, Otto Krahn assesses the future growth and development opportunities of the Group positively.

Hamburg, May 14th 2024

Philip O. Krahn Dr Jan Lösch

INDEPENDENT AUDITORS REPORT

To OTTO KRAHN (GmbH & Co.) KG, Hamburg

Opinions

We have audited the consolidated financial statements of OTTO KRAHN (GmbH & Co.) KG and its subsidiaries (the Group), which comprise the consolidated balance sheet per December 31st 2023, the consolidated profit and loss account, the consolidated statement of changes in equity and the consolidated cash flow statement for the fiscal year from January 1st 2023 to December 31st 2023 and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of OTTO KRAHN (GmbH & Co.) KG for the fiscal year from January 1st 2023 to December 31st 2023.

In our opinion, on the basis of the knowledge obtained in the audit:

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group per December 31st 2023 and of its financial performance for the fiscal year from January 1st 2023 to December 31st 2023 and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB *[Handelsgesetzbuch: German Commercial Code]*, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the group management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the German Generally Accepted Standards of Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer *[Institute of Public Auditors in Germany]* (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group

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Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Responsibilities of Management for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with the requirements of German commercial law and that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee, that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.

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

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

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

Hamburg, May 14th 2024

Baker Tilly GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft
(Hamburg)

Michael Esser
Wirtschaftsprüfer
[German Public Auditor]

Oliver Pegelow
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