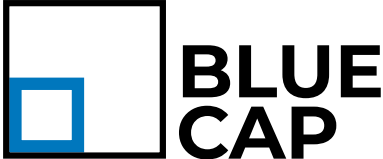


**DEVELOPING PORTFOLIO COMPANIES.
CREATING VALUE.**



2022 half-year report

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**GOOD
TO KNOW**
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**GOOD
TO KNOW**
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details about the
NAV starting on
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GROUP KEY FIGURES

EUR thousand

	H1 2022	H1 2021	Change in %
Revenue	173,321	120,778	43.5
Adjusted EBITDA*	17,668	10,466	68.8
Adjusted EBITDA margin in %*	9.9	8.4	17.4
Adjusted EBIT*	11,132	5,261	>100
Adjusted EBIT margin in %*	6.2	4.2	47.4
Consolidated net income	14,770	1,453	>100
Cash flow from operating activities	-4,619	4,651	>100
Cash flow from investing activities	-3,669	3,199	>100
Earnings per share in EUR	3.36	0.36	>100

	30 June 2022	31 December 2021	Change in %
Total assets	311,150	268,035	16.1
Net asset value in EUR million	168.5	172.8	2.5
Equity	111,609	98,243	13.6
Equity ratio in %	35.9	36.7	2.1
Working capital (net)**	76,665	60,937	25.8
Net debt ratio in years***	2.5	2.6	3.8
Average no. of employees in the Group	1,300	1,122	15.9
Average no. of employees in the holding company	13	13	0.0

* Adjustments: Adjusted to reflect extraordinary, prior-period and other effects resulting from reorganisation measures and one-off effects, as well as effects arising from the purchase price allocations

** incl. contract assets and contract liabilities

*** The reported net debt ratio (in years) represents debt less cash in relation to adjusted EBITDA over the last twelve months.

LETTER TO OUR SHAREHOLDERS



Dear Shareholders,

Blue Cap AG performed well in the first half of 2022 – despite the economic burdens and uncertainties from which our group of companies is not unaffected. However, current events are affecting the business development of our portfolio companies to varying degrees.

The fact that we have further optimised and diversified our portfolio over the past two years is paying off today. Despite the burdens, we can look back on a good first half of 2022 and have again grown strongly and profitably. Consolidated revenue increased to EUR 173.3 million (previous year: EUR 120.8 million), and the adjusted EBITDA grew significantly as well to EUR 17.7 million (previous year: EUR 10.5 million). The Plastics segment contributed particularly to the organic development. An acquisition-driven, very pleasing effect comes from the newly created Business Services segment which we have built up over the last twelve months.

This improvement across the entire Group was only possible thanks to the great commitment of all our employees in the Group. They deserve our special thanks at this point.

The Blue Cap portfolio continued to grow in the first half-year 2022: In March, we announced the acquisition of the Transline Group, which is backed by a clear buy-and-build strategy. We took a step closer to our goal of developing the company into one of the largest translation service providers in the German-speaking world in June with the acquisition of Micado as an add-on.

Even though the year so far has been strongly influenced by the current geopolitical events and their economic consequences, which occupy us operationally every day, we have not lost sight of one topic: Sustainability. The protection of our environment has a high priority for us and is a central component of the Blue Cap sustainability strategy. We explain these goals and our ESG work in detail in our first sustainability report, which was prepared in accordance with the German Sustainability Code and published in May 2022. The focus of our ESG work this year is on starting to develop a CO₂ reduction strategy together with our portfolio companies.

Contrary to the predominantly positive news we have reported in recent months, our share cannot escape the general downward trend on the stock markets. Compared to the German share indices and looking back at the last few years, our share performance is certainly respectable. However, we are aware that the latest development does not satisfy you, dear shareholders. And we also see considerable upside potential here. We will therefore continue to consistently pursue our goal of significantly increasing our net asset value and market

capitalisation, while continuing the intensive capital market communication we have built up over the past two years.

All in all, we look forward to the coming months with confidence. This confidence is fuelled by a portfolio that we have made more sustainable and heterogeneous over the past two years. Nevertheless, developments that are difficult to predict in the medium term require us to focus even more on portfolio work. We will keep an eye on current events and risks and actively manage them together with the management teams of our portfolio companies. Transformation is the keyword, and profitable growth the objective. The focus of the next few months will therefore be on our portfolio companies in order to make them even more crisis-resistant. Our M&A team will focus on smaller add-on acquisitions.

Just over four weeks ago, we announced changes in the Management Board team. In addition to creating a CEO position, which Tobias Hoffmann-Becking will hold in the future, Henning Eschweiler will take over the role of COO for Ulrich Blessing from 1 September 2022. Mr Eschweiler has many years of experience in the German SME sector and in the private equity sector. With his outstanding expertise in the area of growth and value enhancement programmes, he has precisely the skills that are necessary and valuable for the further operational development of our portfolio companies. We are excited about his first impulses and look forward to working with him. Matthias Kosch remains CFO of our group of companies. With this new Management Board structure, we feel that we are ideally positioned to meet the current challenges.

Let us conclude by expressing our gratitude to you, dear shareholders. Living up to your trust is our daily incentive. We are confident that Blue Cap AG is strongly positioned for the coming years and would be very pleased if you would accompany us on our further journey.

Munich, August 2022

Your Management Board

OUR BUSINESS MODEL

BUY, TRANSFORM & SELL

As an investment company, Blue Cap AG acquires and supports SMEs from the B2B sector that have clear potential for improving their earnings and growth prospects.

“BUY”: STRUCTURED M&A PROCESS

Our acquisition activities are characterised by the systematic identification and selection of target companies and a structured M&A process. The initial situations are as diverse as the companies we acquire. However, we always apply one general principle: We adapt to individual circumstances and put the well-being of the company in the foreground. In doing so, we pay attention to the corporate culture and the employees.

“TRANSFORM”: FURTHER DEVELOPMENT DRIVEN BY OUR PORTFOLIO COMPANIES

The portfolio companies are managed independently by the management teams and keep their established SME identity. In principle, each company pursues its own strategy. At the same time, the portfolio companies receive close support from Blue Cap with their strategic and operational

Our focus: Medium-sized enterprises in the B2B sector

- _ Fundamentally intact core business
- _ Attractive positioning in a market niche
- _ Registered office in Germany, Austria or Switzerland
- _ Annual revenue: EUR 30 million to EUR 80 million
- _ Majority stake
- _ Potential for commercial improvement
- _ Growth opportunities (organic and inorganic)
- _ Compatibility with sustainability objectives

development. The transformation can include optimising cost structures and margins as well as securing and expanding the company's financial capacity to act (liquidity). Growth through innovation and the strengthening of sales activities are also the focus of our activities. Strategically, digitalisation and sustainability often play a prominent role because they are an important prerequisite for competitiveness for almost all companies.

“SELL”: SALE AS PROOF OF CONCEPT

Blue Cap generally only steps in as a temporary owner and follows a best-owner approach. When it appears to make more sense to allow the company to continue on its path with a new ownership structure, Blue Cap can also sell its shares in the portfolio companies. With the sale, we realise an increase in value – as a proof of concept, so to speak. It proves that our investment theses for this enterprise have worked out. The company has become more valuable and its business model holds further potential for a new owner.

HIGHLIGHTS



Start of the year with new platform investment

At the beginning of March, Blue Cap announced the acquisition of the Transline Group. The company is one of the largest German language service providers and benefits from megatrends such as digitalisation and artificial intelligence. Workflow software developed in-house enables higher and faster processing of customer requests and leads to efficiency gains in the entire service process.

Already in June, the first add-on acquisition followed under the umbrella of Blue Cap: The acquisition of Micado GmbH is a first step towards the goal of developing Transline into one of the largest translation service providers in German-speaking world through selective acquisitions. Transline strengthens both its service offering and client base through the acquisition.

_ Transline took advantage of the strong consolidation pressure in the industry with the acquisition of Micado. With Micado, we are broadening our service portfolio and winning interesting new customers. _

_ Tobias Hoffmann-Becking, CIO

First sustainability report according to the German Sustainability Code

Blue Cap faces up to its ecological and social responsibility by firmly anchoring sustainability in its business model. The further development of our portfolio companies in the area of sustainability is an integral part of the transformation. We have backed this up with key figures and put it into words. This is how our first sustainability report according to the German Sustainability Code, which we published in Mai 2022, came into being under the guiding principle "Make Things Better".

With the Sustainability Report, the Management Board announced the goal of reducing CO₂ emission equivalents in each portfolio company by 58% by 2035 compared to 2021. In the current business year, we are therefore placing a special focus on the topic of climate protection and are starting to develop a CO₂ reduction strategy. To this end, we work closely with our portfolio companies and exchange information at regular intervals.

News on the topic of sustainability from our portfolio companies

A high proportion of emissions in the Blue Cap group is due to the consumption of electric power by our portfolio companies. A significant reduction can be achieved by generating one's own electricity or switching to renewable energy. The first photovoltaic plant was installed in the first half-year 2022 at Planatol at their Rohrdorf site. We are also examining the use of PV systems in our other portfolio companies. In the context of the current energy

con-pearl cargo space covering and packaging solutions are

100%

recyclable.

crisis, an independent energy supply is gaining additional importance and is therefore also in focus economically and in terms of risk management.

con-pearl is currently implementing the first circular economy project with one of its clients from the logistics sector. The client returns old and damaged transport boxes originally produced by con-pearl to the company. In this way, con-pearl takes advantage of the 100% recyclability of its products. According to the motto “plastic waste = resource” the old products are recycled in the company’s own factories and turned into new products. The associated use of as few raw materials as possible is not only ecologically significant, but also economically advantageous against the background of raw material scarcity and price increases.

Changes in the top management

Changes in the Management Board of Blue Cap AG come into effect on 1 September 2022. Mr Tobias Hoffmann-Becking, CIO since April 2020 and responsible for Mergers & Acquisitions and Capital Markets, takes over the newly created position of CEO. There is also a change in the COO position: Mr Henning Eschweiler takes over from Ulrich Blessing who terminates his mandate prematurely.

GOOD TO KNOW

For more information on sustainability, please read our DNK report which was published in May 2022.



Henning Eschweiler will be responsible for portfolio management and sustainability at Blue Cap. He has many years of experience in the German SME sector and in the private equity industry. In the past, he has advised companies on the development of programmes to enhance growth and earnings or been responsible for their implementation. Most recently, Mr Eschweiler worked at the Dutch-German private equity house Nimbus, where he was responsible for both M&A transactions and portfolio management. With his proven expertise, Mr Eschweiler will have a strong focus on the portfolio and operational performance improvement of the portfolio companies.

There are also innovations in the controlling body of the company. Kirsten Lange and Freya Oehle were elected to the board at the annual general meeting in June 2022. Ms Lange, who was elected by

the Supervisory Board as its new Chairperson, has over 30 years of experience in the industrial goods industry, during which time she held positions in the management, executive and supervisory boards of various companies. Ms Oehle in particular brings many years of digitalisation expertise to her office. With their individual experience and wide-ranging competences, the two new members can ideally accompany the further development of Blue Cap.

BLUE CAP ON THE CAPITAL MARKET

CAPITAL MARKET AND SHARE

Change of direction on capital markets and for the Blue Cap share

Inflation, interest rate turnaround, persistent supply chain problems and fears of recession are burdening factors on the stock markets. In particular, the Ukraine war, the related uncertainty and the economic consequences, which include the energy crisis, led to massive losses on the stock markets in the first half of the year 2022 and triggered a downward spiral.

Although the Blue Cap share was unable to withstand this trend, the losses were much milder compared to the SDAX and other share indices. While the SDAX fell by 30.4% in the period from January to June, the Blue Cap share lost 18.4%. This development can be attributed to the positive reports in connection with the operational business development and M&A activities. The news in January 2022 that the group would exceed its annual forecast

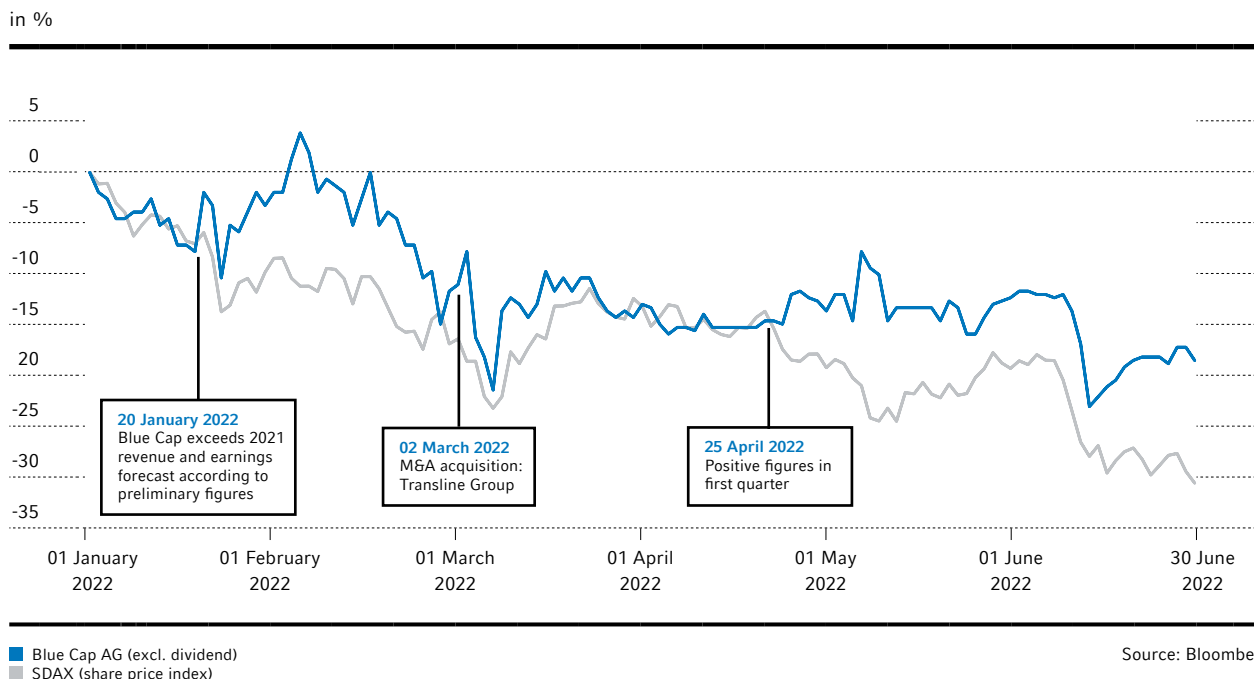
for 2021 led to a marked increase in the share price. The overall good development in the first quarter 2022 was also positively received. The acquisition of the Transline Group at the beginning of March lost its effect in the course of the general stock market turbulence on the following days.

The market capitalisation of Blue Cap as of 30 June 2022 was EUR 111.2 million. The average daily trading volume fell sharply compared to the same period of the previous year and amounted to 1,189 shares across all stock exchanges. (H1 2021: 3,831). The daily average XETRA trading volume was 601 shares (H1 2021: 1,880). The remaining part was essentially traded on the Tradegate stock exchange.

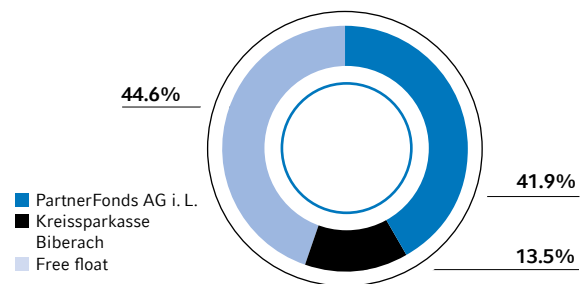
Unchanged shareholder structure

As far as we know, the largest shareholder with a share of 42% is still PartnerFond AG i.L., whose liquidation was decided at an extraordinary general meeting of the company in May 2020. In the course of the liquidation, the shares of PartnerFonds AG i.L. shall be disposed to Blue Cap AG. There is currently no deadline by which this process should be completed. However, PartnerFonds AG i.L. announced on 23 February 2022 that it would examine steps to realise the Blue Cap shares. The realisation is to be performed in a way that is as gentle as possible on the price of the Blue Cap share. Despite the decided

Share price performance of Blue Cap's shares | 1 January to 30 June 2022



liquidation, PartnerFonds will continue not to sell shares of Blue Cap via stock exchange trading. Kreissparkasse Biberach currently holds 13.5% of the Blue Cap shares. With its long-term investment strategy, it represents an important anchor shareholder for Blue Cap. The remaining shares are in free float.



Key data on Blue Cap’s shares

WKN	A0JM2M
ISIN	DE000A0JM2M1
Stock exchange symbol	B7E
Share capital	EUR 4,396,290
Number of shares	4,396,290
Trading venues	XETRA, Frankfurt, Munich, Stuttgart, Düsseldorf, Berlin, Tradegate
Stock exchange segments	Scale, m:access
Designated Sponsor	BankM AG
Capital market partner	mwb fairtrade Wertpapierhandelsbank AG

INVESTOR RELATIONS

Share analysis for Blue Cap AG

The Blue Cap share is regularly monitored by M.M.Warburg and SMC Research. Both recently issued a “buy” investment rating.

Institute	State	Investment recommendation	Target price
M.M.Warburg	26 August 2022	Buy	EUR 42.00
SMC Research	29 July 2022	Buy	EUR 44.30

Intensive investor relations activities

Blue Cap AG attaches great importance to an active, transparent and continuous exchange with already invested and potential shareholders as well as other capital market participants. These are regularly informed about current developments in the company through press releases. In addition, the management was available to investors, media representatives and analysts for discussions in the form of telephone calls, e-mails, personal meetings and at capital market events. The discussions focused on the business development and profitability of the individual portfolio companies against the background of the current economic environment, M&A

activities and the liquidation of major shareholder PartnerFonds AG i.L. announced in May 2020. For the first time, the Management Board presented and explained the preliminary annual and half-year figures in conference calls. We also reported more on our sustainability strategy and Blue Cap’s related objective. In May 2022, Blue Cap published its first sustainability report according to the German Sustainability Code.

CAPITAL MARKET EVENTS 1 JANUARY – 30 JULY 2022

15 FEBRUARY 2022	04 MAY 2022	24 MAY 2022
M.M.Warburg Investor's Conference	33 Munich Capital Market Conference	Equity Forum Spring Conference
01 JUNE 2022	13 JULY 2022	
Quirin Champions Conference	m:access Specialist Investment Companies Conference	

_ Two more conferences are currently planned for the remainder of 2022. All relevant dates can be found in the financial calendar on the Investor Relations website.

IR CONTACT

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Communications Manager

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NEW SUPERVISORY BOARD ELECTED AT ANNUAL GENERAL MEETING

Our AGM took place on 29 June 2022 in virtual form and was livestreamed on the investor portal on the investor relations website. We have ensured that shareholders receive comprehensive information about the Group despite the virtual format. All questions submitted by shareholders in advance were answered during the meeting.

In line with the Articles of Association, all five posts on the Supervisory Board were up for election. Kirsten Lange and Freya Oehle were newly elected to the Supervisory Board, replacing Prof. Dr Peter Bräutigam and Dr Stephan Werhahn, who are no longer standing for election. Existing Supervisory Board members Dr Henning von Kottwitz, Dr Michael Schieble and Michel Galeazzi were re-elected to the Supervisory Board.

All other proposed resolutions were approved by a large majority. The dividend of EUR 0.85 per share proposed by the Management Board and the Supervisory Board met with broad approval among the shareholders (previous year: EUR 1.00). This corresponds to a dividend yield of 3.3% based on the XETRA closing price of 29 June 2022. With this distribution, Blue Cap AG continues its stable and sustainable dividend policy.

NET ASSET VALUE

Blue Cap AG calculates the net asset value (NAV), which is a strategic performance indicator, every six months. The aim is to present the value of the portfolio according to what Blue Cap AG considers to be objective market criteria and to increase transparency with regard to the value of the company. The corresponding procedure is based on the International Private Equity and Venture Capital (IPEV) Guidelines.

The NAV is based on currently valid plans, estimates and expectations, some of which are difficult to assess or beyond the control of Blue Cap AG. The NAV is therefore subject to risks and uncertainty factors. For these reasons, as the NAV is determined on the reporting date, it does not represent a forecast of the future development of the share price of Blue Cap. The calculation of the NAV is presented in detail in the combined management report in the section Development of the Blue Cap Group (starting on page 14.).

EUR 0.85

Dividend per share. Blue Cap attaches great importance to a stable and sustainable dividend policy.

The NAV of the Group is composed of the NAV of the segments, the net debt of the holding company, the real estate assets and the value of the minority interests.

The NAV of Blue Cap as of 30 June 2022 is EUR 168.5 million, EUR 4.3 million below the value as of 31 December 2021 (EUR 172.8 million). The decline is mainly due to the lower performance of Neschen, Planatol and H+E as well as Uniplast as a result of lower expectations regarding the future business development. This was counteracted by the increase due to the current good business development in particular of con-pearl and the sustained and profitably growing medical technology company INHECO. The NAV of the Business Services segment increased as a result of the integration of the Transline Group acquired in March 2022. Both Transline and HY-LINE were valued at the purchase price due to the affiliation of less than one year as of the reporting date. The net asset value of the properties has decreased significantly as a result of the completion of the sale of the property in Geretsried-Gelting (purchase agreement on 29 November 2021; transfer of beneficial ownership in January 2022).

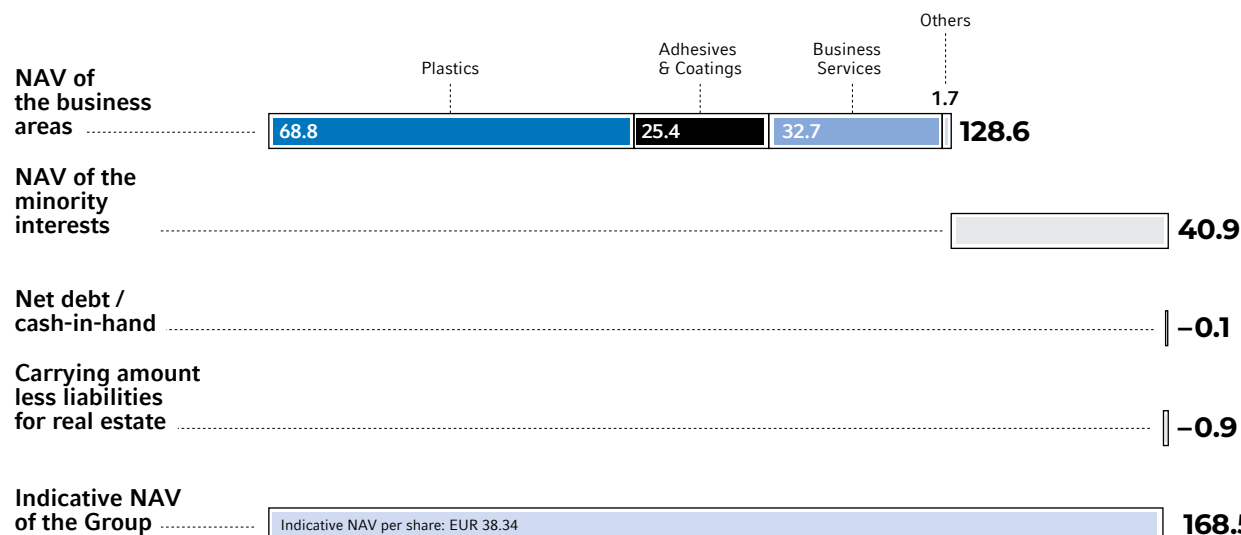
Indicative net asset value of the Group

EUR million

	30 June 2022	31 December 2021	30 June 2021
NAV of the segments	128.6	119.3	118.8
Plastics	68.8	68.5	56.9
Adhesives & Coatings	25.4	34.5	55.3
Business Services	32.7	14.0	0.0
Other	1.7	2.3	6.6
NAV of the minority interest	40.9	33.4	29.1
Net debt (-)/cash-in-hand (+) Blue Cap AG	-0.1	-1.9	-1.9
Carrying amount of properties less liabilities of asset holding company	-0.9	22.0	9.2
Indicative NAV of the Group	168.5	172.8	155.2

Indicative net asset value of the Group (as of 30 June 2022)

EUR million





INTERIM GROUP MANAGEMENT REPORT

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COMBINED MANAGEMENT REPORT

1 ECONOMIC REPORT

1.1 Business development in the first half of 2022

ECONOMY AS A WHOLE AND INDUSTRY ENVIRONMENT

Inflation, war and supply bottlenecks slow economic recovery in the first half of 2022¹

The global economy suffered greatly in the first half of 2022 from the knock-on effects of a series of destabilising shocks. After a pandemic that has lasted for more than two years and has already triggered the sharpest global GDP decline since World War II, the Russia-Ukraine war that started in February 2022 clearly counteracted the recovery trends of the global economy that have been visible since 2021 and led to a significant increase in uncertainty regarding further economic development.

For example, an acceleration of industrial production and global trade was initially observed over the winter of 2021/2022, emanating from China. Triggered by pandemic-related restrictions as well as supply-side production constraints and the resulting cost increases, however, the economy quickly slowed down again, so that the global economy hardly grew at all in the first quarter of 2022. In the euro area, economic activity was again affected by Covid-19 measures in the winter with the result that private consumption declined in the first quarter of 2022. In the USA, by contrast, private consumer spending and business investment continued to rise. In China, industrial production grew strongly between October 2021 and February 2022. However, the strict lockdowns weakened this dynamic significantly.

Commodity prices remain at a high level. Crude oil and unprocessed food were almost twice as expensive in May 2022 as in 2019. As a result of the Russia-Ukraine war in particular, the price of natural gas in May 2022 was about two and a half times higher than at the end of 2018, the last high-price period. As a result of the sharp rise in commodity prices, there was a considerable increase in consumer prices in the first half of 2022. According to initial estimates, inflation in the euro area was 8.1% in May 2022, and 8.5% in the USA. Inflation is also high in emerging markets, although the country average has so far been below that of advanced economies. The tightening of monetary policy in many countries, which has already been realised as a reaction and which is still expected, led to an increase in the general interest rate level as well as interest rates on government bonds in the first half of 2022.

Since the beginning of the year, the German economy has initially recovered from the restrictions of the past Covid-19 waves. The accompanying normalisation of spending in the consumer-related service sectors had a very positive effect on the economy. However, high inflation, the Ukraine war and persistent supply bottlenecks significantly slowed the economic recovery in almost all sectors during the first half of the year.

Sentiment in the private equity market cools down significantly²

The business climate in the German private equity market has cooled significantly as a result of the sharp increase in economic uncertainty due to the Russia-Ukraine war. At the end of the first quarter of 2022, the business climate indicator for the late-stage segment has fallen by 27.5 points to -7.2 balance points compared with the fourth quarter of 2021. The indicator for the current business situation lost 24.4 points to 2.2 balance points and is thus only just above its long-term average. The indicator for business expectations falls by 30.6 points to -16.5 balance points compared to the previous quarter.

¹ Cf. ifo Economic Forecast Summer 2022 of the ifo Institute, published in June 2022: <https://www.ifo.de/en/facts/2022-06-15/ifo-economic-forecast-summer-2022-inflation-supply-bottlenecks-and-war-slow>

² Cf. German Private Equity Barometer first quarter 2022, published in May 2022: https://www.kfw.de/PDF/Download-Center/Konzernthemen/Research/KfW-Research/Economic-Research/Wirtschaftsindikatoren/German-Private-Equity-Barometer/PDF-Dateien-EN/GPEB-Q1-2022_EN.pdf

The individual climate components of KfW Research's Private Equity Barometer mostly declined at the end of the first quarter of 2022. The announcement of rising interest rates results in falling company valuations and more difficult fundraising, which is why these indicators also drop significantly. In turn, the indicator for entry valuations for new investments climbs back above zero for the first time since early summer 2020 and thus just above its long-term average. With regard to deal flow, a higher quantity is confirmed, although the indicator on the quality of deal flow has fallen just below its long-term average. Both are probably related to the worsened economic outlook in the German SME sector due to the war. From the investors' point of view, the economic climate is cooling massively – even more so than during first coronavirus outbreak.

DEVELOPMENT OF THE BLUE CAP GROUP

Net asset value of the segments and the Group

Blue Cap AG calculates the net asset value (NAV) of the segments and the Group every six months. The calculation of the NAV is based on the International Private Equity and Venture Capital (IPEV) Guidelines and also takes into account the comments of the auditor in the context of the audit of the consolidated financial statements.

The valuation methodology was further improved in the 2021 financial year in order to increase transparency with regard to the enterprise value of the portfolio companies and the Group. The objective was to value the portfolio companies at the valuation date at the market price achievable in a transaction. In order to determine a fair value that is as representative as possible, the IPEV guidelines recommend using several valuation techniques and comparing the results. The NAV is therefore determined for the associated companies on the basis of the discounted cash flow method and the relative valuation using valuation multiples (enterprise value/EBITDA, enterprise value/EBIT). The resulting value range is then used to determine the value that is judged to be representative of the price that can currently be achieved on the market. Based on this methodology, the enterprise value

determined on the basis of the multiple method was applied to the majority of the companies in the portfolio as at the reporting date.

The basis for the discounted cash flow method are the forecasts of the respective portfolio companies updated as at 30 June 2022 for the years 2022 to 2024 and their extrapolation for the years 2025 and 2026. The growth rates after the five-year period for calculating the terminal value were generally assumed to be 1.0% (31 December 2021: 1.0%). The weighted average cost of capital (WACC) was calculated for each portfolio company on the basis of individual peer groups and averaged 7.2% (31 December 2021: 7.4%).

For the relative valuation on the basis of multiples, valuation multiples (enterprise value/EBITDA, enterprise value/EBIT) were determined based on the latest available financial figures for the last twelve months (LTM) and the forecast financial figures for 2023 of the peer group companies. A size discount of 20% was applied to the median of the valuation multiples calculated in order to account for the size difference between our portfolio companies and the companies in the peer groups. To determine the relevant enterprise value, an average value was calculated from the results of the relative valuation using the EV/EBITDA multiple for the past twelve months (H1/2022) and for the following planning year (2023). An average multiple of 9.7 (31 December 2021: 10.8) was applied in relation to EBITDA.

Companies for which a market price is available from a recently (up to twelve months) completed Blue Cap acquisition are taken into account with this purchase price in accordance with the IPEV guidelines, provided there are no indications of a significant change in value.

The NAV of the Group is composed of the NAV of the segments, the net debt of the holding company, the real estate assets and the value of the minority interests.

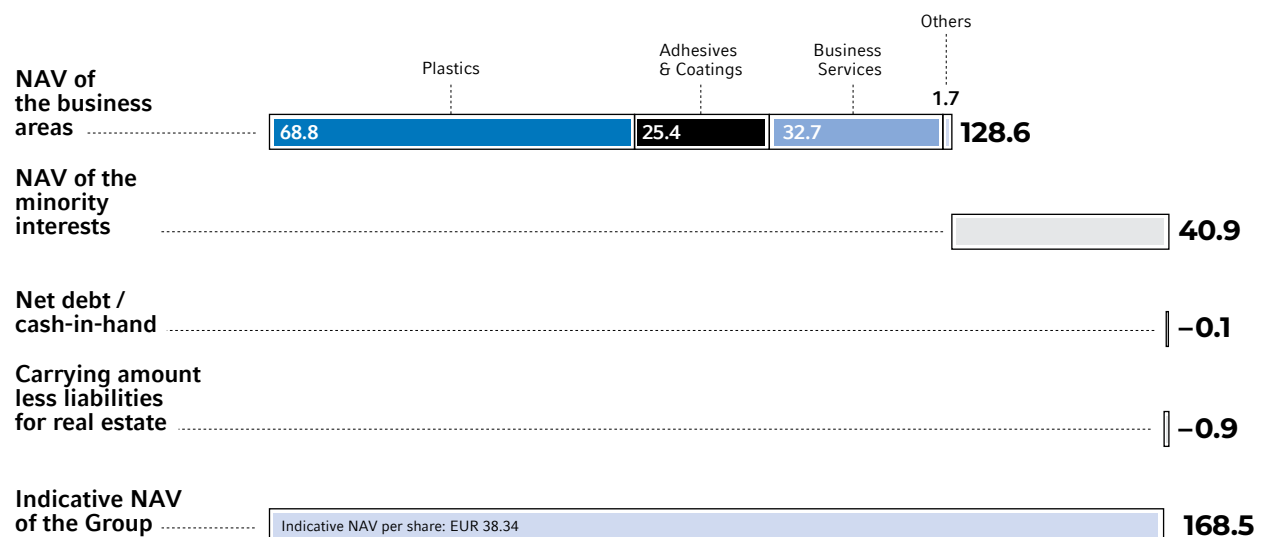
The NAV of the segments corresponds to the proportionate fair value of the portfolio companies included in the segments, depending on the shareholding ratio. The net debt of the holding company corresponds to the balance of loans and cash on hand as well as credit balances at banks. Real estate assets are generally recognised at book value less debt.

The NAV of Blue Cap as of 30 June 2022 is EUR 168.5 million, EUR 4.3 million below the value as of 31 December 2021 (EUR 172.8 million). The decline is mainly due to the lower performance of Neschen, Planatol and H+E as well as Uniplast as a result of lower expectations regarding the future business development. This was counteracted by the increase due to the current good business development in particular of con-pearl and the sus-

tained and profitably growing medical technology company INHECO. Both HY-LINE and Transline are still valued at the purchase price in the year of acquisition. The net asset value of the properties has decreased significantly as a result of the completion of the sale of the property in Geretsried-Gelting (purchase agreement on 29 November 2021; transfer of beneficial ownership in January 2022).

Indicative net asset value of the Group (as of 30 June 2022)


EUR million



Blue Cap Group is developing overall in line with expectations

Despite the highly uncertain overall economic situation, the Blue Cap Group developed in line with expectations in the first half of the year 2022. At EUR 173.3 million, the Group's consolidated revenue increased significantly compared to the previous year's figure (previous year: EUR 120.8 million). Compared to the same period of the previous year, adjusted EBITDA rose by 68.6% from EUR 10.5 million to EUR 17.7 million. This corresponds to a

margin of 9.9 % (previous year: 8.4 %) of total output adjusted. The adjusted EBIT more than doubled compared to the previous period and reached a value of EUR 11.1 million (previous year: EUR 5.3 million). The corresponding margin also climbed significantly to 6.2% (previous year: 4.2%). The net debt ratio (incl. lease liabilities) of 2.5 years (31 December 2021: 2.6) was within the target corridor of below 3.5 years.


**YOU CAN FIND
FURTHER
INFORMATION**
 online at [www.
blue-cap.de/en/
portfolio](http://www.blue-cap.de/en/portfolio)

The improvements are due in particular to the new acquisitions of HY-LINE, H+E and the Transline Group, but also to the positive development of revenue and earnings in the Plastics segment. The main driver of this development is con-pearl, which continues to benefit from a good order situation in the logistics sector and from its high sustainability competence. The development of H+E and Uniplast continues to be solid, despite the difficult environment and the delay in passing on raw material and energy price increases to customers.

Planatol and Neschen from the Adhesive & Coating segment are also affected by the raw material and energy price increases as well as supply shortages of important materials. Accordingly, the development of earnings in this business segment was below the previous year despite improved revenue.

The Business Services segment includes the two newly added portfolio companies HY-LINE and Transline. The HY-LINE Group grew very dynamically in the first six months of 2022. Thanks to improved material and product availability, the company was able to significantly increase its deliveries while maintaining a good order intake. Transline developed roughly at the previous year's level, although the overall economic uncertainty made itself felt in the form of individual project postponements by customers.

The sales of Gämmerler and Carl Schaefer (Other segment) also have a reducing effect on revenue compared to the previous year, but a positive effect on the operating result. Blue Cap's smallest portfolio company, nokra, showed a good service business and developed significantly better than in the same period last year and almost according to plan. The continued stable development of orders from the pharmaceutical and diagnostics industries, even after the Covid-19 pandemic subsided, led to results at the previous year's level for the minority interest INHECO.

Acquisition of Transline strengthens the Business Services segment

Blue Cap 14 GmbH, a subsidiary of Blue Cap AG, acquired 100.00% of the shares in Transline Gruppe GmbH by way of a share deal with a purchase agreement dated 2 March 2022. Part of the purchase price claim was contributed to Blue Cap 14 GmbH by the seller WES Holding GmbH as part of a capital increase. In return, WES Holding GmbH received 26.15% of the shares in Blue Cap 14 GmbH. After completion of the transaction, Blue Cap

AG holds 73.85% of the shares in Blue Cap 14 GmbH. Blue Cap 14 GmbH, in turn, holds 100.00% of the shares in Transline Gruppe GmbH.

As a large German translation service provider, Transline operates in an attractive market environment whose structural growth is driven by increasing digitalisation and globalisation. Furthermore, the market for translation services is very fragmented and therefore characterised by strong consolidation pressure. Transline invested heavily in the digitalisation of its business model in recent years and developed a leading workflow software that automates process steps. This significantly strengthens the competitive position by enabling better and faster processing of customer requests and leading to efficiency gains in the entire service process. In addition, Transline focused on growing market segments via add-on acquisitions, especially in medtech, pharmaceuticals, eCommerce and software.

The successful completion of the transaction took place on 4 March 2022, and the group of companies around Transline Gruppe GmbH and its subsidiaries, Transline Deutschland GmbH, Transline Software Localization GmbH, medax – medizinischer Sprachdienst GmbH, Transline Europe s. a. r. l. (France) as well as Interlanguage S. R. L. (Italy) will be fully consolidated for the first time as of 1 March 2022. The Transline Group is allocated to the Business Services segment.


In addition, Blue Cap AG sold 100% of the shares in Gämmerler GmbH (Other segment) to the Merten Group with a contract dated 4 February 2022. The sale was finalised in February 2022. The company was deconsolidated as of 1 February 2022.

Overall, the Management Board is satisfied with the business development to date as of 30 June 2022, also against the background of the challenging macroeconomic environment and its consequences.

1.2 Earnings development

REVENUE INCREASED SIGNIFICANTLY IN THE FIRST SIX MONTHS

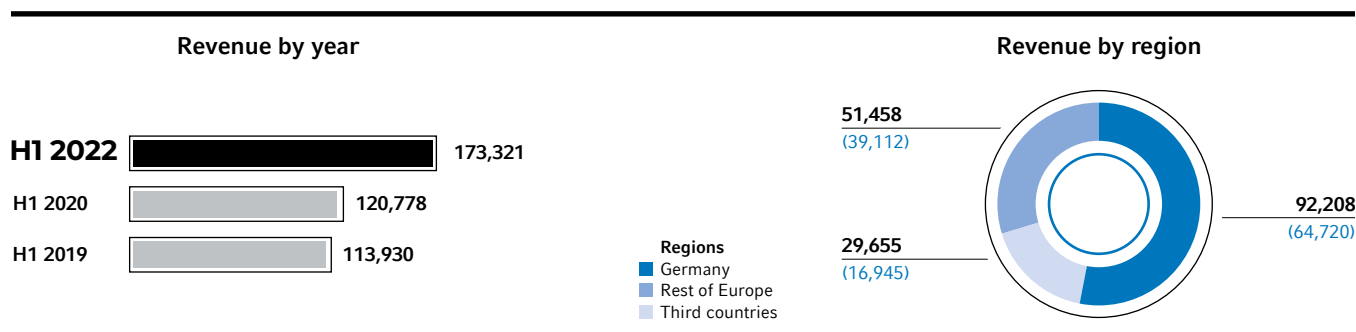
In the first half of 2022, the consolidated revenue of the Blue Cap Group increased by 43.5% or EUR 52,544 thousand to EUR 173,321 thousand compared to the same period of the previous year (previous year: EUR 120,778 thousand). The increase is due in particular to the new acquisitions of HY-LINE, H+E and the Transline Group, but also to the positive develop-


GOOD TO KNOW
 You can find the
 consolidated income
 statement on
 page 32

ment in the Plastics segment. In contrast, the sales of Gämmerler and Carl Schaefer have a reducing effect on revenue compared to the previous year.

Revenue development within the Group | H1 2022 (2021)

EUR thousand



Looking at the breakdown of consolidated revenue, the German market accounts for 53.2% or EUR 92,208 thousand (previous year: 53.6% or EUR 64,720 thousand), the rest of the EU for 29.7% or EUR 51,458 thousand (previous year: 32.4% or EUR 39,112 thousand) and the rest of the world for 17.1% or EUR 29,655 thousand (previous year: 14.0% or EUR 16,945 thousand).

Other operating income amounts to EUR 17,439 thousand at the end of the first half (previous year: EUR 3,854 thousand) and mainly includes income from the disposal of fixed assets for the Gelting property of EUR 15,098 thousand (previous year: EUR 1,936 thousand), income from currency translation of EUR 868 thousand (previous year: 17), income from reversal of provisions of EUR 217 thousand (previous year: EUR 627 thousand), income from bargain purchases of EUR 216 thousand (previous year: EUR 226 thousand) as well as income from benefits in kind from EUR 299 thousand (previous year: EUR 171 thousand) and income relating to previous periods of EUR 156 thousand (previous year: EUR 164 thousand).

The Group's total output comes to EUR 195,116 thousand in the first half of the year, significantly up on the previous year, in particular due to the new acquisitions of the HY-LINE, H+E and Transline Groups, but also due to the positive development in the Plastics segment (EUR 127,888 thousand).

At 49.8% of total output, the ratio of the cost of materials to total output was lower than in the previous year, mainly due to the proceeds from the sale of the Gelting property included in total output (50.3%). This was offset by cost increases that can only be passed on to customers in part or with a time lag. As a result, the gross profit ratio comes to 50.2% and thus above the previous year (49.7%) while gross profit, which represents the difference between total output and the cost of materials, comes to EUR 97,966 thousand (previous year: EUR 63,564 thousand).

In the half year under review, personnel expenses in the Group amounted to EUR 39,942 thousand (previous year: EUR 33,455 thousand), which corresponds to 20.5% (previous year: 26.2%) of total output. Depreciation and amortisation amount to EUR 11,436 thousand (previous year: EUR 8,697 thousand) or 5.9% (previous year: 6.8%) of total output. Other expenses

increased by EUR 6,956 thousand to EUR 26,504 thousand and represent 13.6% (previous year: 15.3%) of total output. In addition to the organic growth of the existing portfolio companies, the inclusion of the HY-LINE, H+E and Transline Groups in the Blue Cap Group in particular had an increasing effect on personnel expenses, depreciation and amortisation and other expenses. With regard to other expenses, increased energy costs also contributed to the rise. As a proportion of total output, personnel expenses fell significantly, mainly as a result of the proceeds from the sale of the Geretsried-Gelting property included in total operating performance and the high growth in companies with a below-average personnel cost ratio (con-pearl, HY-LINE). The deconsolidation of Carl Schaefer and Gämmerler had a counteracting effect in the previous year.

At the halfway point of 2022, EBIT comes to EUR 20,957 thousand (previous year: EUR 2,765 thousand), which corresponds to 10.7% (previous year: 2.2%) of total output. The negative interest result of EUR 843 thousand (previous year: EUR 994 thousand) was reduced compared to the previous year due to the positive development of the value of the swaps concluded for interest rate hedging.

Consolidated earnings before taxes (EBT) amount to EUR 20,181 thousand (previous year: EUR 1,805 thousand). The increase in EBIT and consolidated earnings before income taxes is mainly due to the sale of the Gelting property and the new acquisitions of the HY-LINE, H+E and Transline Groups, but also to the positive development in the Plastics segment.

ADJUSTED EBITDA AND ADJUSTED EBIT

The portfolio companies and, as a result, also the Group are managed on the basis of the adjusted EBITDA margin, among other things. EBITDA, calculated in accordance with IFRS, is adjusted to reflect extraordinary, prior-period and other effects resulting from reorganisation measures, as well as one-off effects (adjustments). In order to ensure consistency with the control parameters used for the portfolio companies, the effects resulting from purchase price allocations (in particular income from “bargain purchases” and amortisation of disclosed hidden reserves) are also corrected.

In the first half of the year, adjustments in operating result (EBIT) of EUR 16,095 thousand (previous year: EUR 3,491 thousand) and expenses of EUR 6,271 thousand (previous year: EUR 5,986 thousand) were identi-

fied that are not included in adjusted EBITDA/adjusted EBIT. This brought the total cumulative adjustments to EUR – 9,825 thousand (previous year: EUR – 2,496 thousand).

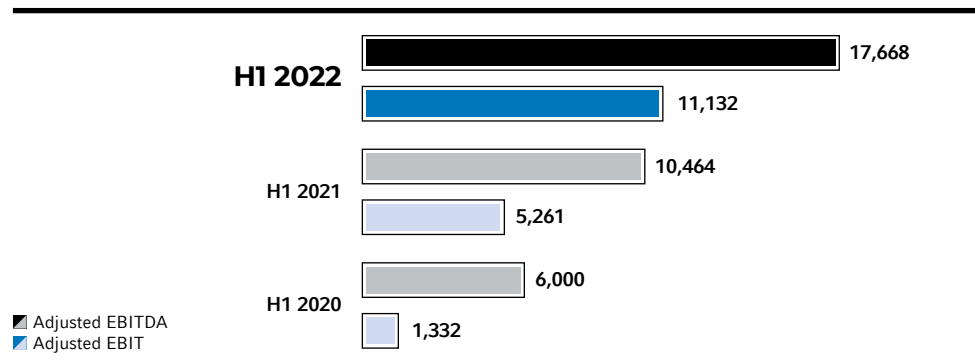
The reconciliation of the EBITDA presented in the IFRS statement of comprehensive income to adjusted EBITDA and adjusted EBIT is shown below:

EUR thousand	H1 2022	H1 2021
EBITDA (IFRS)	31,520	10,561
Adjustments		
Income from asset disposals	– 15,098	– 1,936
Income from the reversal of provisions	– 217	– 927
Other non-operating income	– 540	– 402
Income from bargain purchase	– 216	– 226
(Refund) personnel costs in connection with personnel measures	– 24	595
Losses on disposal of fixed assets	30	1,213
Expenses from restructuring and reorganisation	195	606
Legal and consultancy costs in connection with acquisitions and personnel measures	684	530
Other non-operating expenses	751	432
Utilisation of disclosed hidden reserves	264	19
Expenses from deconsolidation measures	320	0
Adjusted EBITDA	17,668	10,465
Adjusted EBITDA margin in % of total output, adjusted	9.9%	8.4%
Depreciation and amortisation	– 11,436	– 8,697
Impairment losses and reversals	– 58	– 201
Share of profit/loss in associates	931	1,102
Adjustments		
Amortisation of disclosed hidden reserves	3,969	2,390
Impairment losses and reversals	58	201
Adjusted EBIT	11,132	5,261
Adjusted EBIT margin in % of total output, adjusted	6.2%	4.2%

The adjusted EBITDA margin in the first half-year came to 9.9% (previous year: 8.4%) of the total output adjusted. The adjusted EBIT margin in the reporting period came to 6.2% (previous year: 4.2%) of the total output adjusted. The increase in the adjusted EBITDA margin and the adjusted EBIT margin resulted in particular from the new acquisitions of the HY-LINE, H+E and Transline Groups, but also from the positive development in the Plastics segment. The sales of Gämmerler and Carl Schaefer also have a reducing effect on sales compared to the previous year, but a clearly positive effect on the operating result.

Earnings development within the Group

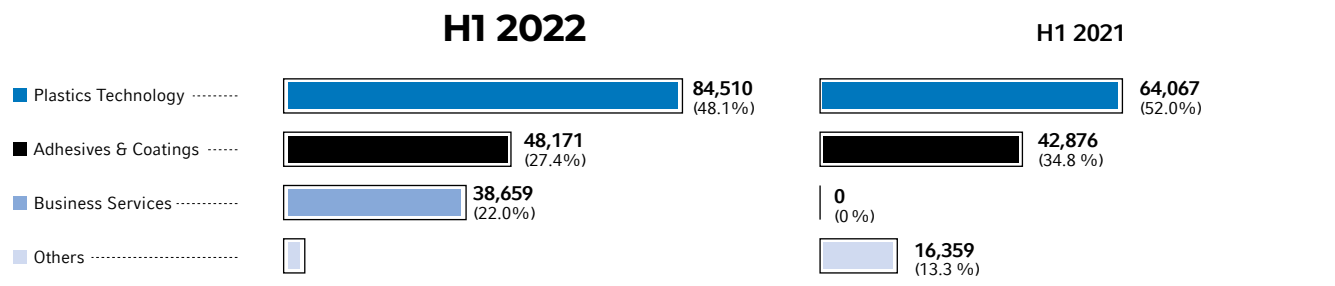
EUR thousand



SEGMENT DEVELOPMENT

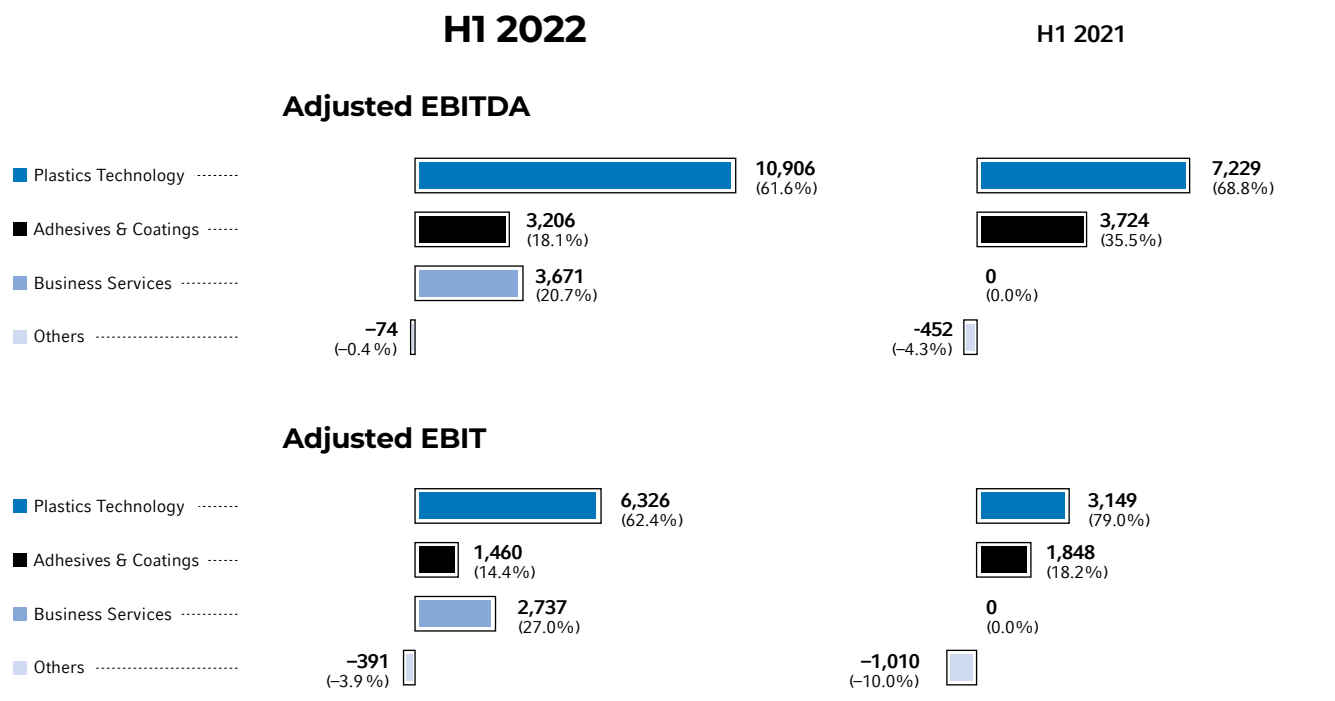
Revenue development by segment (before consolidation)

EUR thousand



Earnings development by segment (before consolidation)

EUR thousand



Revenue in the **Plastics** segment increased by 31.9% from EUR 64,067 thousand to EUR 84,510 thousand in a half-year comparison. As in the previous year, Plastics is the segment with the highest revenue, contributing 48.1% (previous year: 52.0%) to the total revenue. Adjusted EBITDA made a marked improvement from EUR 7,229 thousand to EUR 10,906 thousand. The main driver for the increase is portfolio company con-pearl, which continues to benefit from a good order situation in the logistics sector and from its high sustainability competence. The development of H+E and Uniplast is solid, despite the difficult environment and the delay in passing on raw material and energy price increases to customers.

Key figures for the Plastics segment

EUR thousand

	H1 2022	H1 2021	Change in %
Revenue	84,510	64,067	31.9
Adjusted EBITDA	10,906	7,229	50.9
Adjusted EBITDA margin in % of total output, adjusted	12.5	11.0	14.1

The **Adhesives & Coatings** segment was affected by the raw material and energy price increases as well as supply shortages of important materials in the first half of the year. Accordingly, the development of earnings in this business segment was below the previous year despite improved revenue. Revenue in this segment increased from EUR 42,876 thousand by 12.3% to EUR 48,171 thousand in a half-year comparison. Due to the fact that cost increases could only be partially passed on, adjusted EBITDA fell from EUR 3,724 thousand by 13.9% to EUR 3,206 thousand. With a contribution to revenue of 27.4% (previous year: 34.8%), the segment continues to deliver the second-largest share of total revenue.

Key figures for the Adhesives & Coatings segment

EUR thousand

	H1 2022	H1 2021	Change in %
Revenue	48,171	42,876	12.3
Adjusted EBITDA	3,206	3,724	13.9
Adjusted EBITDA margin in % of total output, adjusted	6.3	8.3	23.8

The **Business Services** segment includes the two newly added portfolio companies HY-LINE and Transline. The HY-LINE Group grew very dynamically in the first six months of 2022. Thanks to improved material and product availability, the company was able to significantly increase its deliveries while maintaining a good order intake. Transline developed roughly at the previous year's level, although the overall economic uncertainty made itself felt in the form of individual project postponements by customers. As a result, sales at the end of the half-year were at EUR 38,659 thousand (previous year: EUR 0 thousand) and the adjusted EBITDA at EUR 3,671 thousand. Business Services accounted for 22.0% of total revenue in the first half of the year (previous year: 0.0%).

Key figures for the Business Services segment

EUR thousand

	H1 2022	H1 2021	Change in %
Revenue	38,659	0	100
Adjusted EBITDA	3,671	0	100
Adjusted EBITDA margin in % of total output, adjusted	9.3	0	100

The year-on-year development of the **Other** segment was significantly influenced by the sales and deconsolidation of Gämmerler and Carl Schaefer. As a result, the segment's key figures in the current financial year are not comparable with the previous year. In the first half of the current business year, the segment achieved a revenue of EUR 4,480 thousand (previous year: 16,359) and thus accounted for 2.5% (previous year: 13.3%) of total revenue. Revenue with external third parties amounted to EUR 1,983 thousand (previous year: EUR 13,837 thousand). The adjusted EBITDA of the segment amounted to EUR -74 thousand (previous year: EUR -450 thousand). Blue Cap's smallest portfolio company, nokra, showed a good service business and developed significantly better than in the same period last year and almost according to plan.

Key figures for the Other segment

EUR thousand

	H1 2022	H1 2021	Change in %
Revenue (including external third parties)	1,983	13,837	85.7
Adjusted EBITDA	-74	-450	83.4
Adjusted EBITDA margin in % of total output, adjusted	-1.6	-2.7	39.7

1.3 Cash flows and financial position

FINANCING ANALYSIS

In the first half of the year, Blue Cap Group met its capital requirements largely using its cash flow from operations and through the sale of property held for sale. For the acquisition of the Transline Group (including Micado), an acquisition loan was taken out in addition to the equity capital employed. The main financial resources included long-term and revolving loans, as well as financing based on leasing and factoring.

The right-of-use assets resulting from leasing/rental on the balance sheet amounted to EUR 19,859 thousand as of 30 June 2022 (previous year: EUR 20,652 thousand). This is offset by financial liabilities from lease liabilities amounting to EUR 20,104 thousand (previous year: EUR 21,053 thousand).

Liabilities to banks were EUR 90,925 thousand (previous year: EUR 84,229 thousand) as of the half-year reporting date, most of which are denominated in euros. Furthermore, the unutilised credit lines were at EUR 15,612 thousand (previous year: EUR 13,160 thousand).

Funds borrowed from banks are also subject to standard market lending conditions (covenants), which require compliance with defined key financial figures in particular. Failure to comply with such covenants can result, among other things, in the lender's right to terminate or in a loan falling due for repayment early. In the past financial half year, despite the difficult overall economic situation, all covenants were met within the Group. Looking ahead to the second half of the year, Blue Cap also expects to see compliance with the covenants thanks to the broad-based financing structure.

CASH FLOWS

Cash flow statement (abridged)

EUR thousand

	H1 2022	H1 2021	Change in %
Cash flow from operating activities	-4,619	4,651	>100
Cash flow from investing activities	-3,669	3,199	>100
Cash flow from financing activities	-4,662	-12,491	62.7
Changes in cash funds due to exchange rate fluctuations	-27	-26	4.9
Cash funds at the beginning of the period	27,324	26,542	2.9
Cash funds at the end of the period	14,347	21,876	34.4

CALCULATION OF FREE CASH FLOW

In the first half of 2022, free cash flow from operating activities amounted to EUR -4,619 thousand (previous year: EUR 4,651 thousand), cash flow from investing activities to EUR -3,669 thousand (previous year: EUR 3,199 thousand), and cash flow from financing activities EUR -4,662 thousand (previous year: EUR -12,491 thousand).

The negative cash flow from operating activities of EUR -4,619 thousand (previous year: EUR 4,651 thousand) was mainly influenced by the increase in working capital (net) of EUR 15,396 thousand (previous year: EUR 4,213 thousand) and the reduction remaining other liabilities by EUR 3,602 thousand (previous year: increase by EUR 1,075 thousand). This is offset by the positive consolidated net income for the first half of the year 2022 of EUR 14,387 thousand (previous year: EUR 1,647 thousand).

The negative cash flow from investing activities of EUR -3,669 thousand (previous year: EUR 3,199 thousand) was determined in particular by the payments for additions to the scope of consolidation (essentially acquisition of the Transline Group (incl. Micado)) totalling EUR 21,206 thousand (previous year: EUR 5,193 thousand) and investments in property, plant and equipment totalling EUR 3,575 thousand (previous year: EUR 2,589 thousand) and intangible assets totalling EUR 722 thousand (previous year: 27).

This was counteracted in particular by the proceeds from the sale of properties held for sale in Gelting and Dettingen of EUR 21,056 thousand (previous year: EUR 10,842 thousand) and the payments for disposals from the scope of consolidation (Gämmerler) of EUR 697 thousand (previous year: EUR 0 thousand).

Cash outflows from financing activities amounted to EUR 4,662 thousand in the first half of 2022 (previous year: EUR 12,491 thousand) and resulted mainly from the inflow of EUR 17,462 thousand from taking out loans (previous year: EUR 6,750 thousand) and from the outflows for the repayment of financial loans of EUR 17,899 thousand (previous year: EUR 8,982 thousand), the repayment of lease liabilities of EUR 3,285 thousand (previous year: EUR 2,240 thousand), the release of security deposits with banks of EUR 200 thousand (previous year: provision of security deposits of EUR 3,200 thou-

sand) and for interest paid of EUR 1,140 thousand (previous year: 821). Dividend payments to shareholders of the parent company amount to EUR 0 thousand (previous year: EUR 3,997 thousand), as these were not executed until the beginning of July after the Annual General Meeting.

Overall, this led to a cash-effective decrease in the cash fund of EUR 12,950 thousand (previous year: reduction of EUR 4,640 thousand). Taking into account the changes in cash funds due to exchange rate fluctuations of EUR –27 thousand (previous year: EUR –26 thousand), the cash fund was positive at EUR 14,347 thousand (previous year: EUR 21,876 thousand). As of 30 June 2022 there are free credit lines amounting to EUR 15,612 thousand. Together with cash on hand and bank balances of EUR 30,370 thousand, this results in cash funds including free credit lines of EUR 45,982 thousand (of which EUR 3,000 thousand restricted) as of 30 June 2022.

FINANCIAL POSITION

KEY DATA FROM THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand

Equity		ASSETS			
+13.6% year-on-year	30 June 2022	173,977 (+29.2%)	137,174 (+2.8%)	311,150 (+16.1%)	
	31 Dec. 2021	134,607	133,428	268,035	
		LIABILITIES AND SHAREHOLDERS' EQUITY			
<ul style="list-style-type: none"> ■ Equity ■ Non-current debt capital ■ Current debt capital 	30 June 2022	111,609 (+13.6%)	109,065 (+7.7%)	90,476 (+32.0%)	311,150 (+16.1%)
	31 Dec. 2021	98,243	101,249	68,543	268,035

Net working capital (incl. contract assets and contract liabilities)

EUR thousand

	30 June 2022	31 Decem- ber 2021	Change in %
Inventories	48,163	40,402	19.2
+ Trade receivables	38,988	25,698	51.7
+ Contract assets	12,186	13,238	7.9
– Contract liabilities	-865	-1,446	40.2
– Trade payables	-21,807	-16,954	28.6
= Working capital (net)	76,665	60,937	25.8

Net financial debt

EUR thousand

	30 June 2022	21 Decem- ber 2021	Change in %
Non-current financial liabilities	65,286	60,798	7.4
+ Current financial liabilities	25,639	23,431	9.4
– Cash and cash equivalents	-30,370	-41,370	26.6
= Net financial debt (not including leasing)	60,555	42,859	41.3
+ Lease liabilities	20,104	21,053	4.5
= Net financial debt (including leasing)	80,659	63,912	26.2

Investments, depreciation and amortisation

EUR thousand

	H1 2022	H1 2021	Change in %
Investments	25,521	7,809	>100
of which in company acquisitions	21,206	5,193	>100
of which in financial assets	722	27	>100
of which in property, plant and equipment	3,575	2,589	38.1
of which in assets held for sale	18	0	>100
Depreciation and amortisation	11,436	8,697	31.5
of which in intangible assets	3,393	1,257	>100
of which in property, plant and equipment (not including leasing)	4,596	4,793	4.1
of which in leasing usage rights	3,434	2,635	30.3
of which in other	13	12	8.3

As of the half-year reporting date, the Group's **total assets** came to EUR 311,150 thousand, EUR 43,115 thousand or 16.1% higher than in the previous year (31 December 2021). The increase results from the first-time consolidation of Transline and the significant increase in working capital (net).

Non-current assets came to EUR 173,977 thousand as of 30 June 2022 (previous year: EUR 134,607 thousand) or 55.9% (previous year: 50.2%) of total assets and are dominated by property, plant and equipment, which decreased by EUR 2,446 thousand compared to the previous year to EUR 82,553 thousand or 26.5% (previous year: 31.7%) of total assets. This is due in particular to depreciation and amortisation, and is counteracted by the acquisition of the Transline Group. The significant increase in intangible assets by EUR 16,725 thousand to EUR 40,351 thousand or 13.0% (previous year: 8.8%) of total assets and in goodwill by EUR 23,312 thousand to EUR 33,714 thousand or 10.8% (previous year: 3.9%) of total assets resulted in particular from the first-time consolidation of the Transline Group.

Current assets increased from EUR 133,428 thousand or 49.8% to EUR 137,174 thousand or 44.1% of total assets, mainly due to the first-time consolidation of the Transline Group as well as significantly higher receivables and inventories at HY-LINE, H+E, con-pearl, Uniplast, Planatol and

Neschen. This was counteracted in particular by the purchase price payment as part of the acquisition of the Transline Group as well as the sale of the Gelting property (assets held for sale). Essentially, inventories (EUR 48,163 thousand, previous year: EUR 40,402 thousand) for 15.5% (previous year: 15.1%), trade receivables (EUR 38,988 thousand, previous year: EUR 25,698 thousand) for 12.5% (previous year: 9.6%), cash and cash equivalents (EUR 30,370 thousand, previous year: EUR 41,370 thousand) for 9.8% (previous year: 15.4%) and assets held for sale (EUR 0 thousand, previous year: EUR 6,221 thousand) for 0% (previous year: 2.3%) of total assets.

The share of **equity** (EUR 111,609 thousand, previous year: EUR 98,243 thousand) in total capital as at the half-year reporting date was 35.9% (previous year: 36.7%). The slight drop in relation to total assets was due in particular to the first-time consolidation of the Transline Group and an increase in working capital (net).

Non-current liabilities increased by EUR 7,816 thousand to EUR 109,065 thousand or 35.1% (previous year: 37.8%) of total capital. This is due in particular to the debt financing concluded for the acquisition of the Transline Group; it is counteracted by the repayment of the loan to finance the Gelting property and the ongoing repayments of loans. Non-current liabilities consist of non-current financial liabilities to banks amounting to EUR 65,286 thousand (previous year: EUR 60,798 thousand) or 21.0% (previous year: 22.7%), provisions for pensions and similar obligations in the amount of EUR 9,200 thousand (previous year: EUR 8,999 thousand) or 3.0% (previous year: 3.4%), long-term lease liabilities amounting to EUR 13,688 thousand (previous year: EUR 14,800 thousand) or 4.4% (previous year: 5.5%), deferred tax liabilities in the amount of EUR 17,720 thousand (previous year: EUR 13,583 thousand) or 5.7% (previous year: 5.1%) as well as from other non-current liabilities and provisions in the amount of EUR 3,171 thousand (previous year: EUR 3,070 thousand) or 1.0% (previous year: 1.1%) of total assets.

Current liabilities also increased significantly by EUR 21,933 thousand to EUR 90,476 thousand or 29.1% (previous year: 25.6%) of total capital due in particular to the first-time consolidation of the Transline Group and an overall increase in trade payables for the remaining portfolio companies. Current liabilities include in particular current liabilities to banks of EUR 25,639 thousand (previous year: EUR 23,431 thousand) or 8.2% (pre-

vious year: 8.7%), current lease liabilities of EUR 6,416 thousand (previous year: EUR 6,254 thousand) or 2.1% (previous year: 2.3%), trade liabilities of EUR 21,807 thousand (previous year: EUR 16,954 thousand) or 7.0% (previous year: 6.3%), other current non-financial liabilities of EUR 11,003 thousand (previous year: EUR 10,254 thousand) or 3.5% (previous year: 3.8%) and other current provisions of EUR 4,836 (previous year: EUR 3,865 thousand) or 1.6% (previous year: 1.4%) of total capital.

1.4 Report on events after the reporting date

With effect from 1 September 2022, changes in the Management Board come into force. The Supervisory Board decided to appoint Mr Tobias Hoffmann-Becking, who has been Chief Investment Officer (CIO) responsible for Mergers & Acquisitions and Capital Markets since April 2020, as Chairman of the Management Board/CEO. His contract was extended until 31 December 2027.

In addition, Mr Henning Eschweiler will be appointed to the Management Board with effect from 1 September 2022 and will take over the position of Chief Operating Officer (COO) of Blue Cap AG from Ulrich Blessing, who will prematurely terminate his Management Board mandate, which runs until the end of 2022, by mutual agreement. Henning Eschweiler will be responsible for portfolio management and sustainability at Blue Cap.

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news](http://www.blue-cap.de/en/news)

2 OPPORTUNITIES AND RISKS

The business activities of Blue Cap AG and its portfolio companies are associated with both opportunities and risks which could have an impact on the business activities and on the financial position, cash flows and financial performance of the Group were they to materialise. As part of its opportunity and risk management system, Blue Cap has established organisational regulations and measures that enable the company to identify opportunities and risks at an early stage and to take appropriate action to address them.

A detailed explanation of the opportunity and risk management system, as well as the relevant individual risks, can be found in the 2021 Annual Report on pages 93 to 101. The overall assessment of the risk situation also included here continues to apply unchanged. Based on the information currently available, there are no evident risks that, either individually or in combination, could pose a risk to the survival of the Blue Cap Group or have any material negative impact on its financial position, cash flows and financial performance.

Against the backdrop of dynamic macroeconomic developments, however, the risks in the categories “Financial risks” and “Operational risks (production/quality)” have increased compared to year-end 2021 (see table). The backgrounds are outlined in the following.

FINANCIAL RISKS

In response to high inflation, there have been significant increases in key interest rates in the USA and also in the EU in recent months. This causes **increasing financing costs**. Blue Cap, including its portfolio companies, is fundamentally affected by this, whereby financing with a fixed interest rate or hedging was predominantly concluded in order to counteract the interest rate risk. Against this background, however, the possibilities for hedging existing variable-interest loans and current account lines by concluding fixed-interest loans, interest rate caps or interest rate swaps are also being reviewed.

The increased financing costs result in the risk of higher default risks on customer receivables. It can be seen that the difficult macroeconomic situation (Covid-19 crisis, Ukraine war, etc.) has a clearly negative effect

on the profits and debt levels of many companies. So far, this has not been reflected in a corresponding increase in insolvencies due to a variety of government support measures (e.g. short-time work, tax deferrals, etc.). However, as soon as these measures are lifted or reduced, a larger number of corporate insolvencies could be imminent and the **default risks on customer receivables** and, as a consequence, **liquidity risks** could increase. Blue Cap’s diversified investment portfolio and the independent business models of the portfolio companies, which operate in different markets and regions, limit these default risks. In order to reduce the risk of bad debts, the Group companies have an adequate accounts receivable management system in place, take out commercial credit insurance where it makes sense to do so and regularly report to the holding company on possible default risks that have been identified.

Risk categories and their classification

Section	Individual risk	Risk class (annual report 2021)	Change of risk class (H1 report 2022)
Economic and geopolitical risks	Economy	high	No change
	Geopolitics	high	No change
Sector risks	Sector	medium	No change
Financial risks	Finance	medium	high
	Sales	high	No change
	Procurement	high	No change
	Production/quality	low	high
Operational risks	Transformation	medium	No change
Personnel risks	Personnel risks	low	No change
IT risks	IT risks	medium	No change
	Tax/legal	low	No change
Legal risks	Compliance	low	No change
Environmental risks	Environment	low	No change

In addition, in the coming planning round (2023–2025), the combination of rising capital costs and macroeconomic uncertainties, e.g. due to price volatility, supply bottlenecks and additional negative effects from the Russia-Ukraine war, could lead to reduced corporate planning with simultaneously

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rising discount rates. In this respect, there is a risk that cash-effective **impairment losses** on intangible assets and goodwill could arise at the end of the year as part of the annual impairment tests.

It should also be noted that the diverging central bank policies in the USA and the EU have led to a significant depreciation of the euro against the US dollar. As a result, the purchase of raw materials in US dollars (e.g. oil) tends to become more expensive for German companies, while this, on the contrary, usually promotes the export of German goods to non-European countries. The portfolio companies of Blue Cap AG are also affected by this, at least indirectly via customers and suppliers. The direct foreign currency risk, on the other hand, is low from the Group's point of view, as both the purchase of goods and the invoicing to customers are predominantly in euros. A direct foreign currency risk arises in particular to a small extent with HY-LINE in the purchase of goods and with con-pearl in the context of the sale of products in the USA. From the Group's point of view, the latter is not essential and, moreover, foreign currency fluctuations level out over time due to the use of foreign currency accounts (in US dollars). In addition, price escalator clauses are also used with customers, where appropriate. The indirect consequences of **exchange rate fluctuations** cannot be reliably quantified due to the diverse customer and supplier structure of Blue Cap's portfolio companies.

Against the background of these developments, Blue Cap believes that the financial risks will increase from "medium" to "high" by the end of 2021, although appropriate countermeasures have been taken.

OPERATIONAL RISKS (PRODUCTION/QUALITY)

The operational risks resulting from the complex macroeconomic situation (inflation, Russia-Ukraine war, Covid-19 pandemic, supply chain problems) were already presented in the management report as at 31 December 2021. In addition to the risk of persistently higher energy prices already described, **supply bottlenecks for gas** have become more concrete and increased as a possible further risk in recent months, also as a result of the Russia-Ukraine war. This risk directly affects the Adhesives & Coatings segment in particular, as natural gas is used in the production process. Against this background, an

alternative operation of the affected plant with oil is currently being worked out at Planatol. At Neschen, on the other hand, necessary conversions would be associated with high investments. However, since Neschen has critical infrastructure customers, it would likely be able to at least partially supply them even in the event of a general gas shortage, thus ensuring production. In the Plastics segment, gas is used exclusively for heating the production and administration buildings. In the event of a restriction of the gas supply, it would be possible to react with home office arrangements in the administration and heat recovery through other machines, so that production could probably be ensured. There is no significant direct dependence on gas in the Business Services and Other segment.

In addition to the direct effects of a restriction in gas supply, there are a variety of indirect consequences that could affect all companies in the Group. A restriction of the gas supply can have an indirect negative impact on the development of sales and earnings, production and the supply of raw materials and logistics of the portfolio companies, for example as a result of the availability of raw materials or significant price increases for intermediate products that cannot be passed on to customers. Additional financial risks due to payment defaults by customers or suppliers are also possible.

Internally, the directly affected portfolio companies have prepared countermeasures in the event of an interruption of gas deliveries. In the short term, however, these could only lead to a mitigation of possible negative effects. In our opinion, the possible macroeconomic consequences of a gas supply stop and their effects on our portfolio companies are currently elevated, but cannot be reliably estimated. Therefore, the risk in the area of operational risks (production/quality) is considered high overall, although countermeasures have been taken as far as possible.

3 FORECAST REPORT

EXPECTED DEVELOPMENT OF THE OVERALL ENVIRONMENT³

According to current estimates, further economic development in the second half of 2022 will continue to be heavily burdened by inflation, supply bottlenecks and the war in Ukraine. In its economic forecast updated in June 2022, the ifo Institute expects the global economy to grow by 2.9% in the 2022 financial year (previous year: 6.3%). The forecast was thus corrected significantly downwards compared to the ifo Institute's estimate published in March (3.8%). It should be noted here that the forecasts are subject to a high degree of uncertainty in view of the highly dynamic nature of current political developments. Further developments and feedback effects from the Russia-Ukraine war on both the German and the global economy are difficult to assess. Besides this, an additional risk factor will be the further development of the Covid-19 pandemic.

In the advanced economies, GDP growth is expected to be 2.8% (previous year: 5.1%) and in the emerging markets at 3.3% (previous year: 7.9%). In the United States, economic output is expected to increase by 2.4% (previous year: 5.7%), in Japan by 2.2% (previous year: 1.7%), in the euro area by 3.3% (previous year: 5.3%) and in the United Kingdom by 3.6% (previous year: 7.4%). The Chinese economy is expected to grow by 3.8% (previous year: 8.5%).

In addition, the global inflation rate is expected to increase more strongly in the reporting year than anticipated in the ifo estimate from March 2022 to 6.4% (previous year: 3.2%). In particular, the strong increase in price for crude oil, natural gas and other raw material, as well as successive increases in personnel costs, are contributing to this development.

After the German economy was able to record a clear economic recovery at the beginning of the year, since the beginning of the second quarter at the latest, high inflation, the war in Ukraine and the continuing supply bottlenecks have been counteracting this economic recovery. The German economy is expected to grow by 2.5% in the reporting year, which would be slightly below the previous year (2.9%). This means that the forecast is below the growth of 3.1% for 2022 assumed in the base scenario by the ifo

Institute in spring. The inflation rate is expected to reach 6.8% this year, the highest level since 1974. The unemployment rate is expected to decrease slightly to 5.0% in the reporting year compared to the previous year (5.7%) due to the recovery from the Covid-19 crisis.

EXPECTED DEVELOPMENT OF THE COMPANY

Blue Cap Group Forecast

EUR thousand

	Adjusted forecast 2022 (25 Aug. 2022)	Forecast for 2022 (based on annual report 2021)	Actual 2021
Revenue (EUR million)	335–350	305–325	267.3
Adjusted EBITDA margin in % of total output, adjusted	8.0 – 9.0	9.0–10.0	9.1
Net debt ratio in years (including lease liabilities)	≤ 3.5	≤ 3.5	2.6

Based on business developments in the first half of 2022, the Management Board has prepared a forecast for the year 2022 due to the high uncertainty of the overall economic situation as at 30 June 2022. This is based on the assumption that effective measures are taken at the portfolio companies to optimise working capital and that the cost increases can be passed on to the customer at least proportionally. In addition, the current order development, updated investment and personnel planning as well as the planned organisational measures and assumptions on the ability to deliver are also taken into account. Based on the forecast for the second half of 2022, the Management Board now assumes that Group revenue for the full year 2022 will be in a range of EUR 335 – 350 million (before: EUR 305 – 325 million). As a result of passing on price increases and an overall better development in the Plastics and Business Services segments, higher revenue is forecasted than was expected in the 2021 Annual Report. The adjusted EBITDA margin is expected to be between 8 – 9% (2021 annual report: 9 – 10%), as in some cases only a proportional pass-through of cost increases to customers is expected. Even in an environment characterised by cost increases,

³ Cf. ifo Economic Forecast Summer 2022 of the ifo Institute, published in June 2022: <https://www.ifo.de/en/facts/2022-06-15/ifo-economic-forecast-summer-2022-inflation-supply-bottlenecks-and-war-slow>

the absolute operating result is expected to be within the original guidance range of EUR 27 – 32 million and thus above the previous year (previous year: EUR 24.6 million).

The financial strength of Blue Cap plays an important role for both financing banks and investors. Therefore, the debt repayment period is an important control parameter in the Group. The Management Board continues to expect the Blue Cap Group's net debt ratio (incl. lease liabilities) based on adjusted EBITDA to be no more than 3.5 years in the forecast year.

In addition to further developing the existing business areas with a view to increasing their substance, Blue Cap is constantly examining further opportunities for expansion and sales. The target figures do not take into account the effects of planned further acquisitions or disposals of portfolio companies or real estate assets. Furthermore, possible company acquisitions and sales can lead to changes in the Blue Cap's consolidated group between the reporting dates with a corresponding effect on the control parameters.

Against the backdrop of the complex macroeconomic situation, passing on cost increases to customers, liquidity and risk management as well as the optimisation of net working capital represent the central challenges of the portfolio companies in the second half of the year 2022. Therefore, in the current uncertain environment, Blue Cap focusses on portfolio measures to secure profitability and liquidity and the acquisition of smaller add-ons for existing platforms as well as selective sales.

EXPECTED DEVELOPMENT OF THE SEGMENTS

Based on the business development in the first half of 2022 and the forecasts carried out by the portfolio companies for the second half of the year, the Management Board expects higher sales in the Plastics segment in the entire year 2022 than planned. Revenue is thus expected to be significantly above the previous year's figure. This expectation is supported by a positive order situation in the logistics sector at con-pearl and a better development of call-offs from the automotive sector at H+E. In addition, sales above plan are also expected for Uniplast due to the passing on of cost increases to customers. With regard to the adjusted EBITDA margin, a value significantly below plan and the previous year is expected, in particular due to the increased costs

for raw materials and freight, which are only passed on to customers on a proportional basis. With regard to the net debt ratio for the Plastics segment, a significant decrease is still assumed in the financial year 2022 as lower net debt with a simultaneous absolute increase in adjusted EBITDA is expected.

Based on the current forecast, sales in the Adhesives & Coatings segment are expected to be slightly above the previous year, as predicted in the 2021 Annual Report. This is due in particular to the passing on of cost increases for intermediate products to customers. The Neschen Group is also expected to see a further recovery in orders compared to 2021. In particular, the increased material, energy and personnel costs, which are likely to be passed on to the customers only proportionally, should lead to an adjusted EBITDA margin at segment level significantly below plan and the previous year. Against this backdrop, the net gearing ratio is expected to increase in the 2022 financial year for the Adhesives & Coatings segment. Possible consequences of the conflict in Ukraine on the already tense supply chain problems as well as the price development of raw materials, energy and transport costs were taken into account in the forecast as far as foreseeable. A scenario of a failure or restriction of the gas supply that goes beyond cost increases was not included in the forecast, as the further development in this regard and its effects cannot be estimated. This could have a negative impact on revenue and earnings, as described in the risk report.

For the newly created Business Services segment, a significant increase in revenue as well as in the adjusted EBITDA margin compared to the previous year is still expected. This is due to the first-time full-year inclusion of the HY-LINE Group as well as the first-time consolidation of the newly acquired Transline Group as of 1 March 2022. At HY-LINE, revenues and adjusted EBITDA margin are expected to be above the previous plan due to high order backlog and foreseeable delivery capability. At Transline, revenue and adjusted EBITDA margin are expected to be below the previous plan, in particular due to order intake below expectations and further start-up costs for the self-developed workflow software TBlue. A slight (2021 annual report: significant) reduction in the net debt ratio is expected for the Business Services segment in the 2022 financial year.

In the Other segment, a further significant decline in revenue and a slight improvement in the adjusted EBITDA margin are expected in 2022. This is mainly due to the deconsolidations of the Gämmerler GmbH in February 2022 and the Carl Schaefer Gold- und Silberscheideanstalt GmbH in October 2021, which together will have a reducing effect on revenue compared to the previous year, but a clearly positive effect on the adjusted EBITDA margin. For nokra, an increase in revenue and adjusted EBITDA margin compared to the previous year is still expected as a result of planned new projects and the resulting improved capacity utilisation. Various property sales in the 2021 financial year will lead to a decline in revenue and adjusted EBITDA margin of the real estate company Blue Cap Asset Management included in the segment. For the Other segment, a significant reduction in net debt is still expected in the 2022 financial year compared to the previous year.

Due to the continued impact of supply chain issues as well as rising raw material and energy costs, possible supply shortages of energy (especially gas) and possible further consequences of the Ukraine conflict, it is conceivable that future results may differ significantly from the Management Board's current expectations. The result of the Group and the individual segments is also influenced by other effects that cannot be planned. This includes, among other things, effects on results from the acquisition or restructuring of portfolio companies as well as the sale and deconsolidation of subsidiaries.

Based on the positive corporate development to date and the proven business model, Blue Cap sees its strategy confirmed and is well positioned with the existing organisational structure both in the short and long term. Therefore, the company expects to grow and strengthen its operating profitability in the following financial years.

Munich, August 2022

The Management Board



INTERIM CONSOLIDATED FINANCIAL STATEMENT

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H1 2022

INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF BLUE CAP AG

AS OF 30 JUNE 2022

Consolidated income statement

EUR thousand

	Reference	2022 ^{H1}	H1 2021
Revenue	D.1	173,321	120,778
Change in inventories		4,192	3,205
Other services provided by the company and capitalised		164	52
Other income	D.2	17,439	3,854
Total output		195,116	127,888
Cost of materials	D.3	-97,149	-64,324
Personnel expenses	D.4	-39,942	-33,455
Other expenses	D.5	-26,504	-19,548
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		31,520	10,561
Depreciation and amortisation	D.6	-11,436	-8,697
Impairment losses and reversals	D.6	-58	-201
Share of profit/loss in associates		931	1,102
Earnings before interest and taxes (EBIT)		20,957	2,765
Impairment losses and reversals of impairment losses pursuant to IFRS 9		66	34
Financing income		41	198
Financing expenses		-884	-1,191
Earnings before taxes (EBT)		20,181	1,805
Income tax expense		-5,794	-158
Consolidated net income		14,387	1,647
of which attributable to			
Owners of the parent company		14,770	1,453
Non-controlling interests		-383	194
Earnings per share in EUR (basic)	D.7	3.36	0.36
Earnings per share in EUR (diluted)	D.7	3.36	0.36

Consolidated statement of comprehensive income

EUR thousand

	2022 ^{H1}	H1 2021
Consolidated net income	14,387	1,647
Remeasurements of defined benefit plans, before tax	-14	-14
Remeasurement of financial assets measured under other comprehensive income and gains (losses) from the disposal of these, before tax	0	0
Items that are not subsequently reclassified to profit or loss	-14	-14
Currency translation differences, before tax	559	122
Items that are subsequently reclassified to profit or loss subject to certain conditions	559	122
Other comprehensive income before tax	545	107
Income taxes related to remeasurements of defined benefit plans	0	5
Income taxes related to the remeasurement of financial assets through profit or loss	0	0
Total income taxes on other comprehensive income that are not reclassified to income or expense	545	5
Other comprehensive income	112	112
Total comprehensive income	14,932	1,759
of which attributable to		
Owners of the parent company	15,315	1,565
Non-controlling interests	-383	194

Consolidated statement of financial position

EUR thousand

	Refer- ence	30 June 2022	31 December 2021
ASSETS			
Goodwill	E.1	33,714	10,403
Intangible assets	E.2	40,351	23,626
Property, plant and equipment	E.3	82,553	84,999
Investment property		2,251	2,246
Financial investments accounted for using the equity method		6,532	5,601
Participating interests		164	133
Other financial assets	E.5	1,066	531
Other non-financial assets	E.6	2,655	2,185
Deferred tax assets		4,691	4,883
Non-current assets		173,977	134,607
Inventories	E.7	48,163	40,402
Current contract assets		12,186	13,238
Trade receivables		38,988	25,698
Other financial assets		1,779	1,962
Income tax receivables		752	781
Other non-financial assets		4,935	3,756
Cash and cash equivalents	E.8	30,370	41,370
Assets held for sale	E.9	0	6,221
Current assets		137,174	133,428
Total assets		311,150	268,035

EUR thousand

	Refer- ence	30.06 2022	31 December 2021
LIABILITIES AND SHAREHOLDERS' EQUITY			
Subscribed capital	E.10	4,396	4,396
Capital reserve		15,665	15,665
Other equity components		-51	-187
Retained earnings		84,233	73,200
Equity attributable to the owners of the parent company		104,243	93,075
Non-controlling interests	E.11	7,366	5,169
Total shareholders' equity		111,609	98,243
Provisions for pensions and similar obligations		9,200	8,999
Other provisions		2,833	2,223
Deferred tax liabilities		17,720	13,583
Non-current financial liabilities	E.12	79,313	76,444
Total non-current liabilities		109,065	101,249
Other provisions		4,836	3,865
Income tax liabilities		7,826	3,786
Current contract liabilities		865	1,446
Trade payables		21,807	16,954
Other current financial liabilities	E.12	44,139	32,237
Other current non-financial liabilities		11,003	10,254
Total current liabilities		90,476	68,543
Total assets		311,150	268,035

Consolidated statement of changes in equity

EUR thousand

Equity attributable to shareholders of the parent company

	Other equity components						Retained earnings	Total majority shareholders	Non-controlling interests	Total
	Subscribed capital	Capital reserve	Reserve for remeasurements of defined benefit plans	Currency translation reserve	Reserve for changes in the fair value of financial assets	Other equity components				
As of 1 January 2021	3,997	5,266	-86	-162	-872	0	72,044	80,187	114	80,301
Capital increase/reduction	400	10,399	0	0	0	0	0	10,799	0	10,799
Dividend payments	0	0	0	0	0	0	-3,997	-3,997	-3	-4,000
Changes in the consolidated group	0	0	0	0	0	0	0	0	5,495	5,495
Total before total comprehensive income for the period	4,396	15,665	-86	-162	-872	0	68,048	86,989	5,606	92,596
Consolidated income	0	0	0	0	0	0	5,153	5,153	-438	4,715
Other comprehensive income after tax	0	0	423	509	0	0	0	933	0	933
As of 31 December 2021	4,396	15,665	337	348	-872	0	73,200	93,075	5,169	98,243
As of 1 January 2022	4,396	15,665	338	347	-872	0	73,200	93,075	5,169	98,243
Capital increase/reduction	0	0	0	0	0	0	0	0	0	0
Dividend payments	0	0	0	0	0	0	-3,737	-3,737	-2	-3,738
Changes in the consolidated group	0	0	0	0	0	0	0	0	2,622	2,622
Option share purchase	0	0	0	0	0	-409	0	-409	-41	-450
Total before total comprehensive income for the period	4,396	15,665	338	347	-872	-409	69,463	88,928	7,749	96,677
Consolidated income	0	0	0	0	0	0	14,770	14,770	-383	14,387
Other comprehensive income after tax	0	0	-14	559	0	0	0	545	0	545
As of 30 June 2022	4,396	15,665	324	907	-872	-409	84,233	104,243	7,366	111,609

Consolidated cash flow statement

EUR thousand

	HI 2022	H1 2021
Consolidated income	14,387	1,647
Increase (-)/decrease (+) in inventories	-7,978	-5,999
Increase (-)/decrease (+) in trade receivables	-10,927	-963
Increase (-)/decrease (+) in contract assets	1,052	53
Increase (-)/decrease (+) in other receivables and assets	-2,232	-795
Increase (+)/decrease (-) in provisions	2,290	103
Increase (+)/decrease (-) in trade payables	2,931	2,749
Increase (+)/decrease (-) in contract liabilities	-474	25
Increase (+)/decrease (-) in other liabilities	-3,602	1,075
Depreciation, amortisation and impairment losses on intangible assets and property, plant and equipment	11,494	8,898
Profit (-)/loss (+) from the disposal of intangible assets and property, plant and equipment	-15,067	-723
Profit (-) from company acquisitions (bargain purchase)	-216	-235
Profit (-) from deconsolidation measures	340	0
Other non-cash expenses (+)/income (-)	-1,528	-1,311
Contribution to earnings from currency effects	402	94
Interest expenses (+)/interest income (-)	1,240	1,077
Income tax expense (+)/income tax income (-)	5,794	158
Income taxes paid (-) /income tax refunds (+)	-2,525	-1,203
Cash flow from operating activities	-4,619	4,651

EUR thousand

	HI 2022	H1 2021
Proceeds (+) from disposals of property, plant and equipment	93	118
Payments (-) for investments in property, plant and equipment	-3,575	-2,589
Payments (-) for investments in intangible assets	-722	-27
Proceeds (+) from disposals of assets held for sale	21,056	10,842
Payments (-) from additions of investment property	-18	0
Payments (-) for additions to the scope of consolidation	-21,206	-5,193
Proceeds (+) from disposals from the scope of consolidation	697	0
Proceeds (+) from disposals of investments accounted for using the equity method	0	1
Proceeds (+) from disposals of participating interests	0	42
Interest received (+)	5	6
Cash flow from investing activities	-3,669	3,199
Dividends paid (-) to shareholders of the parent company	0	-3,997
Proceeds (+) from (financial) loans taken out	17,462	6,750
Payments (-) for the repayment of (financial) loans	-17,899	-8,982
Payments (-) for the repayment of lease liabilities	-3,285	-2,240
Payments (-)/proceeds (+) for collateral to credit institutions	200	-3,200
Interest paid (-)	-1,140	-821
Dividends paid (-) to other shareholders	-1	-2
Cash flow from financing activities	-4,662	-12,491
Cash-effective change in cash funds	-12,950	-4,640
Changes in cash funds due to exchange rate fluctuations	-27	-26
Cash funds at the beginning of the period	27,324	26,542
Cash funds at the end of the period	14,347	21,876

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF BLUE CAP AG

AS OF 30 JUNE 2022

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A. GENERAL INFORMATION AND ACCOUNTING POLICIES

A.1 General information on the company

Blue Cap AG is a listed investment company established in 2006 with its registered office in Munich. The company invests in companies in the SME segment of the B2B sector and supports them in their business development. The companies are headquartered in Germany, Austria and Switzerland, normally generate revenue of between EUR 30 and EUR 80 million, and have an intact core business. As of the reporting date, the company holds majority interests in eight companies and has one minority interest. The subsidiaries are allocated to four segments: Plastics, Adhesives & Coatings, Business Services and Other. The group had an average of 1,300 employees in the reporting period and operates in Germany, Europe and the USA.

Blue Cap AG is listed at the Frankfurt Stock Exchange in Segment "Scale" at the Munich Stock Exchange in "m:access" (Blue Cap, ISIN: DE000A0JM2M1). The capital market listing obliges the company to provide corresponding transparency, which it fulfils through active investor communication and investor relations work. The Blue Cap team has extensive M&A, industry and transformation experience in the German SME sector.

Blue Cap acquires companies with clear operational improvement potential as well as growth prospects. The portfolio companies are actively supported by Blue Cap in their strategic and operational development without losing their established SME identity. Blue Cap is involved in the portfolio companies without a fixed holding period, but is basically only a temporary owner. The portfolio companies are sold when a successful further development with a new ownership structure makes more sense. Alternatively, the

companies remain in the group and contribute to the further growth of Blue Cap with strong earnings.

Blue Cap acquires new portfolio companies through a structured M&A process. The process involves the systematic identification and selection of target companies based on fixed investment criteria. We invest in companies where succession arrangements are unresolved and in group spin-offs. Our potential acquisitions also, however, include companies facing crisis situations or growth challenges.

The business activities of the Blue Cap AG and its subsidiaries (hereinafter also referred to as the “Blue Cap Group” or “Blue Cap”) are presented in detail in the segment reporting section.

A.2 Basis for preparing the annual financial statements

These unaudited interim consolidated financial statements, prepared as of the reporting date of 30 June 2022, are to be read in conjunction with the consolidated financial statements for 2021. The disclosures contained also apply to these interim consolidated financial statements, unless changes are explicitly addressed in these interim consolidated financial statements.

New standards and interpretations not yet applied

All mandatory pronouncements issued by the International Accounting Standards Board (IASB) which have been adopted by the EU as part of the endorsement process were taken into account when preparing these interim consolidated financial statements.

The effects of the amendments/new provisions not yet adopted into EU law on the Blue Cap Group are currently still being examined. No significant impact is expected at present.

B. SCOPE OF CONSOLIDATION AND CONSOLIDATION METHODS

B.1 Scope of consolidation

The scope of consolidation of the Blue Cap Group is derived from the application of IFRS 10 (Consolidated Financial Statements) and IFRS 11 (Joint Arrangements).

In addition to the parent company, the scope of consolidation as of 30 June 2022 comprises 44 companies (31 December 2021: 39) that are fully consolidated. Of these companies, 29 (31 December 2021: 26) are based in Germany and 15 (31 December 2021: 13) have their registered offices in other countries.

As of 30 June 2022, nine subsidiaries were not included in the interim consolidated financial statements because they are of minor importance for the presentation of a true and fair view of the Group’s financial position, cash flows and financial performance. The total revenue of these companies corresponds to less than one per cent of the Group’s revenue.

B.2 Changes in the consolidated group

B.2.1 Changes to the scope of consolidation in H1 2022

In addition to the acquisitions and disposals presented below, the following changes in the scope of consolidation occurred in the first half of 2022.

PLANAX GmbH, a subsidiary of Planatol GmbH, was merged into Planatol System GmbH in April 2022 with retroactive effect from 1 January 2022. The latter is also a subsidiary of Planatol GmbH.

With the registration of 18 March 2022, Blue Cap 12 GmbH was renamed HY-LINE Management GmbH. The registered office of the company was transferred from Munich to Unterhaching.

With the registration of 18 March 2022, HY-LINE Verwaltungs GmbH was merged into HY-LINE Holding GmbH with retroactive effect from 1 January 2022.

ACQUISITIONS OF SUBSIDIARIES IN H1 2022

Blue Cap 14 GmbH acquired 100.00% of the shares in Transline Gruppe GmbH by way of a share deal with a purchase agreement dated 2 March 2022. Part of the purchase price claim was contributed to Blue Cap 14 GmbH by the seller WES Holding GmbH as part of a capital increase. In return, WES Holding GmbH received 26.15% of the shares in Blue Cap 14 GmbH. After completion of the transaction, Blue Cap AG holds 73.85 % of the shares in Blue Cap 14 GmbH. Blue Cap 14 GmbH, in turn, holds 100.00 % of the shares in Transline Gruppe GmbH.

The full consolidation of the acquired shares requires a purchase price allocation (PPA) in accordance with IFRS 3. The PPA is used to reflect the assets and liabilities of Transline Gruppe GmbH and its subsidiaries. The acquisition was completed successfully when the transaction was closed on 04 March 2022. Transline Gruppe GmbH and its subsidiaries, Transline Deutschland GmbH, Transline Software Localization GmbH, medax – medizinischer Sprachendienst GmbH, Transline Europe s. a. r. l. (France) as well as Interlanguage S. R. L. (Italy) will be fully consolidated for the first time as of 1 March 2022. The acquisition date and valuation date for the PPA is therefore 1 March 2022.

As a large German translation service provider, Transline operates in an attractive market environment whose structural growth is driven by increasing digitalisation and globalisation. Furthermore, the market for translation services is very fragmented and therefore characterised by strong consolidation pressure. Transline invested heavily in the digitalisation of its business model in recent years and developed a leading workflow software that automates process steps. This significantly strengthens the competitive position by enabling better and faster processing of customer requests and leading to efficiency gains in the entire service process. In addition, Transline has recently placed a strategic focus on growing market segments via add-on acquisitions, particularly in medtech, pharmaceuticals, eCommerce and software. Long-standing and trusting relationships with around 500 customers confirm the business model.

The Transline Group is allocated to the Business Services segment.

The consideration for the acquisition amounted to EUR 22,397 thousand. Incidental costs of EUR 624 thousand were incurred in connection with the acquisition.

EUR thousand	Fair value
Intangible assets	16,846
Property, plant and equipment	1,325
Other financial assets	50
Deferred tax assets	348
Non-current assets	18,569
Inventories	428
Actual tax refund claims	219
Trade receivables	2,276
Other non-financial assets	222
Cash	746
Current assets	3,891
Other provisions	31
Deferred tax liabilities	4,429
Other financial liabilities	5,590
Non-current liabilities	10,051
Actual tax liabilities	288
Trade payables	1,311
Other financial liabilities	10,733
Other non-financial liabilities	992
Current liabilities	13,324
Net assets	-915
Consideration	22,397
of which consideration in cash	19,768
of which purchase price claim contributed against shares	2,629
Goodwill	23,312

The key figures from the income statement of the Transline Group, which is part of the Business Services segment, were as follows in the first half of 2022:

Key figures from the income statement of the Transline Group in the period of 1 March to 30 June 2022

EUR thousand	1 March 2022 – 30 June 2022
Revenue	6,778
Total output	7,179
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	191
Earnings before interest and taxes (EBIT)	-986

Transline Gruppe GmbH, a subsidiary of Blue Cap 14 GmbH, acquired 100% of the shares in Micado Innovation GmbH by way of a share deal with a purchase agreement dated 20 June 2022. The acquisition was completed successfully when the transaction was closed on 23 June 2022.

The full consolidation of the acquired shares requires a purchase price allocation (PPA) in accordance with IFRS 3. The PPA is used to reflect the assets and liabilities of Micado Innovation GmbH. The company will be fully consolidated for the first time as of 30 June 2022. The acquisition date and valuation date for the PPA is therefore 30 June 2022.

Micado is a medium-sized translation service provider headquartered in Cologne. The company specialises in language services with a focus on project management and technical translations. The add-on acquisition contributes to the further growth of the Transline Group.

The consideration for the acquisition amounted to EUR 2,436 thousand, paid in cash. Incidental costs of EUR 65 thousand were incurred in connection with the acquisition.

The amounts of the identifiable assets and liabilities acquired are as follows at the time of acquisition, with deferred tax assets and liabilities not having been netted:

EUR thousand	Fair value
Intangible assets	2,612
Property, plant and equipment	2
Non-current assets	2,614
Trade receivables	245
Other non-financial assets	9
Cash	908
Current assets	1,161
Deferred tax liabilities	834
Non-current liabilities	834
Other provisions	5
Actual tax liabilities	47
Trade payables	189
Other financial liabilities	10
Other non-financial liabilities	37
Current liabilities	289
Net assets	2,652
Consideration in cash	2,436
Bargain purchase	-216

For reasons of materiality, the income statement of Micado Innovation GmbH will be included in the Blue Cap Group from 1 July 2022.

No further company acquisitions were completed in the first half of 2022.

SALE OF SUBSIDIARIES IN H1 2022

Blue Cap AG sold 100% of the shares in Gämmerler GmbH (Other segment) to the Merten Group with a contract dated 4 Feb. 2022. The sale was finalised in February 2022. The company was deconsolidated as of 1 February 2022.

The assets disposed of break down as follows:

EUR thousand	Carrying amount
Intangible assets	26
Property, plant and equipment	86
Other non-financial assets	36
Non-current assets	148
Inventories	645
Actual tax refund claims	3
Trade receivables	158
Other financial assets	920
Other non-financial assets	83
Cash	96
Current assets	1,905
Other provisions	114
Deferred tax liabilities	10
Other financial liabilities	23
Non-current liabilities	147
Other provisions	432
Contract liabilities	108
Trade payables	79
Other financial liabilities	113
Other non-financial liabilities	41
Current liabilities	773
Net assets	1,133

EUR thousand	Carrying amount
Consideration in cash received	793
Net assets disposed of	-1,133
Loss from the disposal before tax	-340
Income tax on loss on disposal	0
Loss from the disposal after tax	-340
Cash inflow from buyer	793
Cash outflow due to disposal of cash and cash equivalents	-96
Incidental transaction costs	-16
Net cash inflow from the disposal	681

The sale of the shares in the Gämmerler GmbH serves the strategic orientation of the Blue Cap portfolio.

Gämmerler GmbH was deconsolidated as of 1 February 2022. As a result, the previous year's comparison in the income statement is only possible to a very limited extent. The key figures of Gämmerler for the period 1 January – 31 January 2022 are as follows:

Key figures from the income statement of the Gämmerler GmbH in the period of 1 January to 31 January 2022

EUR thousand	1 January 2022 – 31 Jan- uary 2022	1 January 2021 – 30 June 2021
Revenue	163	1,201
Total output	166	1,302
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	5	-1,141
Earnings before interest and taxes (EBIT)	-1	-1,188
Annual result	10	-1,320

No further subsidiary sales were completed in the first half of 2022.

B.2.2 Changes to the scope of consolidation in H1 2021

For information on changes in the scope of consolidation in the comparative period, please refer to the notes to the consolidated financial statements that form part of the consolidated financial statements as of 31 December 2021.

C. ACCOUNTING POLICIES

The accounting policies applied in the past business year generally continued to apply unchanged to these interim consolidated financial statements.

In general, the main assumptions, estimates and judgements used in the preparation of the interim consolidated financial statements match those used in the consolidated financial statements as of 31 December 2021.

D. NOTES TO THE CONSOLIDATED INCOME STATEMENT

D.1 Revenue

The Blue Cap Group's revenue consists primarily of revenue from contracts with customers. These primarily consist of sales of goods, services rendered and revenue from contract manufacturing. The Blue Cap Group also generates a small amount of other revenue (primarily from the rental of real estate).

In accordance with IFRS 15, revenue is recognised at a point in time or over time and comprises the following for the reporting year and the comparative period:

EUR thousand	H1 2022	H1 2021
Revenue recognised over time	88,129	48,854
Revenue recognised at point in time	85,192	71,923
Revenue	173,321	120,778

The geographical revenue breakdown is based on the customer's registered office as follows:

Geographical revenue breakdown

EUR thousand	H1 2022		H1 2021	
		%		%
Germany	92,208	53.2	64,720	53.6
Rest of Europe	51,458	29.7	39,112	32.4
Third countries	29,655	17.1	16,945	14.0
Revenue	173,321		120,778	

D.2 Other income

Other income includes the following:

EUR thousand	H1 2022	H1 2021
Income from bargain purchases	216	226
Foreign currency translation	868	17
Income relating to previous periods	156	164
Income from the disposal of fixed assets	15,098	1,936
Income from the reversal of provisions	217	627
Miscellaneous other income	885	884
Other income	17,439	3,854

The bargain purchase income results from the acquisition of Micado Innovation GmbH.

The income from the disposal of fixed assets mainly results from the sale of a property in Geretsried-Gelting formerly used by Gämmerler GmbH.

D.3 Cost of materials

The cost of materials includes the direct costs incurred in connection with the generation of revenue and comprises the following:

EUR thousand	H1 2022	H1 2021
Cost of raw materials, consumables and supplies, and purchased merchandise	-92,179	-62,998
Cost of purchased services	-4,970	-1,326
Cost of materials	-97,149	-64,324

The increase in the cost of materials compared to the same period of the previous year is mainly due to the full inclusion of the H+E Group, the HY-LINE Group and the inclusion of the Transline Group in the Blue Cap Group from 1 March 2022. This is counteracted by the deconsolidations of the Gämmerler GmbH and the Carl Schaefer Gold- und Silberscheideanstalt GmbH.

D.4 Personnel expenses

EUR thousand	H1 2022	H1 2021
Wages and salaries	-33,239	-27,772
Social security costs and expenses for pension plans	-6,704	-5,683
Personnel expenses	-39,942	-33,455

In relation to the comparative period, the increase in wages, salaries, social security contributions and expenses for pensions mainly results from the full inclusion of the H+E Group, the HY-LINE Group and the inclusion of the Transline Group from 1 March 2022 in the reporting year. This is counteracted by the deconsolidations of the Gämmerler GmbH and the Carl Schaefer Gold- und Silberscheideanstalt GmbH.

D.5 Other expenses

EUR thousand	H1 2022	H1 2021
Outgoing freight, commission and distribution costs	-4,190	-3,840
Advertising costs	-1,093	-305
Vehicle and travel expenses	-1,050	-651
Legal and consultancy costs	-3,020	-1,920
Training and temporary employment costs	-1,114	-301
Rent, leasing and storage costs	-716	-700
Operating costs and maintenance costs for operating resources	-10,523	-7,069
Contributions, fees and insurance costs	-2,015	-1,296
Losses from the disposal of assets	-58	-1,307
Extraordinary and prior-period expenses	-610	-720
Miscellaneous other expenses	-2,115	-1,440
Other expenses	-26,504	-19,548

Miscellaneous other expenses mainly relate to expenses for IT, communications, office supplies and other taxes.

D.6 Depreciation and amortisation, as well as impairment losses and reversals of impairment losses

Depreciation and amortisation mainly relates to intangible assets, property, plant and equipment and right-of-use assets under leases.

In the first half of 2022, impairment losses were recognised primarily on property, plant and equipment that is not currently in use. In the comparative period, no impairment losses were recognised on intangible assets or on property, plant and equipment.

No reversals of impairment losses were recognised in the reporting period or in the same period of the previous year.

D.7 Earnings per share

Earnings per share are as follows:

		H1 2022	H1 2021
Consolidated net income for the year after tax attributable to owners of the parent company	EUR thousand	14,770	1,453
Weighted average number of shares to calculate earnings per share			
Basic	No.	4,396,290	3,992,766
Diluted	No.	4,396,290	3,992,766
Earnings per share			
Basic	EUR	3.36	0.36
Diluted	EUR	3.36	0.36

E. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

E.1 Goodwill

In the first half of 2022, goodwill arose from the acquisition of the shares in the Transline Group.

Accordingly, the acquisition costs of goodwill developed in the first half of 2022 as follows:

EUR thousand	
As of 1 January 2022	10,403
Addition from company mergers	23,312
of which acquisition of the Transline Group	23,312
As of 30 June 2022	33,714

None of the goodwill is expected to be deductible for income tax purposes.

No impairment losses on goodwill were recognised in the first half of 2022.

E.2 Intangible assets

EUR thousand	Internally gener- ated intangible assets	Purchased conces- sions, industrial property rights and similar rights and assets	Rights to use intangible assets	Total
Acquisition or production costs				
As of 1 January 2022	1,719	37,303	237	39,259
Changes in the consolidated group	9,658	11,563	-85	21,136
Reclassification	0	0	0	0
Additions	182	503	0	685
Disposals	0	-14	0	-14
Exchange rate effects	0	1	0	1
As of 30 June 2022	11,559	49,356	152	61,068
Accumulated amortisation and impairment losses				
As of 1 January 2022	-1,129	-14,352	-152	-15,633
Changes in the consolidated group	346	-2,110	59	-1,704
Reclassification	0	0	0	0
Disposals	0	15	0	15
Amortisation	-606	-2,767	-21	-3,393
Impairment losses/reversal of impairment losses	0	0	0	0
Exchange rate effects	0	-1	0	-1
As of 30 June 2022	-1,390	-19,214	-113	-20,717
Carrying amounts				
31 December 2021	589	22,951	86	23,626
30 June 2022	10,170	30,142	39	40,351

The additions resulting from changes in the consolidated group are attributable to the first-time consolidation of the Transline Group, the Micado Innovation GmbH, and are counteracted to a minor extent by the deconsolidation of Gämmerler GmbH.

Depreciation and amortisation in the amount of EUR 3,393 thousand (H1 2021: EUR 1,257 thousand) is shown in the consolidated income statement under item "Depreciation and amortisation". Impairment losses on intangible assets in the amount of EUR 0 thousand (H1 2021: EUR 0 thousand)

were recognised in the current financial year. No reversals of impairment losses were recognised in the periods presented.

The rights to use intangible assets relate primarily to the software required for the operations of the Group companies.

E.3 Property, plant and equipment

EUR thousand	Land and buildings	Technical equipment and machinery	Operating and office equipment	Prepayments and assets under construction	Rights of use for land and buildings	Rights of use for technical equipment and machinery	Rights of use for operating and office equipment	Total
Acquisition or production costs								
As of 1 January 2022	65,425	138,408	34,707	0	18,850	10,657	5,760	273,809
Changes in the consolidated group								
Reclassification	0	-37	1,023	0	1,816	0	103	2,905
Additions	0	-1,025	0	0	0	1,025	0	0
Disposals	235	2,588	585	25	289	206	288	4,216
Exchange rate effects	-1,497	-457	-187	0	-52	-343	-337	-2,874
As of 30 June 2022	64,176	139,669	36,163	25	21,078	11,575	5,823	278,508
Accumulated amortisation and impairment losses								
As of 1 January 2022	-35,309	-109,251	-29,548	0	-7,030	-4,757	-2,915	-188,810
Changes in the consolidated group								
Reclassification	0	37	-682	0	-952	0	-67	-1,663
Disposals	0	0	0	0	0	0	0	0
Amortisation	1,573	563	158	0	64	214	302	2,873
Impairment losses/reversal of impairment losses	-626	-3,124	-846	0	-1,634	-987	-813	-8,030
Exchange rate effects	0	-58	0	0	0	0	0	-58
As of 30 June 2022	-34,372	-111,980	-30,948	0	-9,626	-5,531	-3,498	-195,955
Carrying amounts								
31 December 2021	30,116	29,157	5,159	0	11,820	5,901	2,846	84,999
30 June 2022	29,803	27,689	5,215	25	11,451	6,044	2,325	82,553

The additions to property, plant and equipment due to the change in the consolidated group result from the first-time consolidation of the Transline Group companies (including Micado). This is counteracted to a minor extent by the deconsolidation of Gämmerler GmbH.

Depreciation and amortisation of property, plant and equipment and rights of use for property, plant and equipment amounting to EUR 8,030 thousand (H1 2021: EUR 7,429 thousand) are shown in the consolidated income statement under the item "Depreciation and amortisation". Impairment losses on unused property, plant and equipment and rights of use totalling EUR 58 thousand (H1 2020: EUR 188 thousand) were recognised. No reversals of impairment losses were recognised, as in the comparative period.

E.4 Other non-current financial assets

Several interest rate swaps were concluded as part of the financing for the acquisition of the HY-LINE Group and the acquisition of the Transline Group. These derivatives are shown in other non-current financial assets with a total value of EUR 474 thousand as at the reporting date. Other non-current financial liabilities include a derivative of EUR 79 thousand as at the reporting date.

Other non-current financial assets also mainly relate to deposits paid for properties rented in Germany and abroad (office, warehouse and production properties).

E.5 Other non-current non-financial assets

As of the reporting date, this item mainly consists of prepayments made on various items of property, plant and equipment and, to a lesser extent, prepayments made on intangible assets.

E.6 Inventories

EUR thousand	30 June 2022	31 December 2021
Raw materials, consumables and supplies	17,614	14,474
Unfinished goods, services in progress	8,582	6,520
Finished goods and merchandise	21,967	19,409
Inventories	48,163	40,402

The impairment losses recognised on inventories in the current financial year amount to EUR 2,302 thousand (31 December 2021: EUR 3,518 thousand). The impairment takes marketability, age and all apparent storage and inventory risks into account.

E.7 Cash and cash equivalents

As at the reporting date, the cash and cash equivalents shown include a current account in the amount of EUR 3,000 thousand (31 December 2021: EUR 3,200 thousand) which was deposited with a bank as security for a loan. The security amount is reduced pro rata by EUR 200 thousand per calendar year. These means of payment can only be used to a limited extent until the loan has been repaid.

E.8 Assets held for sale

As of 31 December 2021, a production and administrative property (part of Other segment) in Geretsried-Gelting, which is rented out partly within the Group and partly to third parties, was reported as held for sale due to the conclusion of a purchase agreement of 29. November 2021. The transfer of beneficial ownership of the property in Geretsried-Gelting was completed in January 2022 and the transaction closed.

In addition, a former owner-occupied business property in Dettingen an der Erms (allocated to the Plastics segment) that was no longer needed was reported as held for sale as at 31 December 2021. A purchase agreement for the property in Dettingen was concluded on 13 December 2021. The sale was also completed in January 2022 and the transaction closed.

E.9 Subscribed capital

The Annual General Meeting of 29 June 2022 passed a resolution cancelling the Authorised Capital 2018/I, creating new authorised capital and amending Article 4 (Authorised Capital) of the Articles of Association.

By resolution of the Annual General Meeting on 29 June 2022, the Management Board is authorised, with the consent of the Supervisory Board, to increase the company's share capital by a total of up to EUR 440 thousand on one or more occasions in the period leading up to 28 June 2027 in return for cash contributions and/or contributions in kind, with the option of excluding shareholders' subscription rights (Authorised Capital 2022).

By resolution of the Annual General Meeting on 29 June 2022, the Management Board is authorised in the period leading up to 28 June 2027 to acquire treasury shares up to 10% of the share capital existing at the time of the resolution of the Annual General Meeting – or if this value is lower – at the time of the exercise of the authorisation.

By resolution of the Annual General Meeting of 29 June 2022, the Management Board is authorised in the period leading up to 28 June 2027, with the consent of the Supervisory Board, to establish a share option programme for the issue of share options with subscription rights to shares in the Blue Cap AG for members of the Management Board as well as for selected executives and other top performers of the Blue Cap AG.

E.10 Non-controlling interests

The development of non-controlling interests can be seen in the statement of changes in equity.

By notarised agreement dated 21 December 2021, the Blue Cap AG concluded an option agreement that obliges it to acquire shares in a subsidiary for a fixed purchase price of EUR 450 thousand if the option is exercised. The option can be exercised by 31 December 2025 at the latest. The option is accounted for using the anticipatory acquisition method and is presented with the other current financial liabilities without current financial liabilities.

E.11 Other financial liabilities

The other financial liabilities are broken down by maturity as follows:

EUR thousand	30 June 2022			31 December 2021		
	Current	Non-current	Total	Current	Non-current	Total
Liabilities to banks	25,639	65,286	90,925	23,431	60,798	84,229
of which from loan agreements	12,616	65,286	77,901	12,585	60,798	73,383
of which from current account agreements	13,023	0	13,023	10,846	0	10,846
Lease liabilities	6,416	13,688	20,104	6,254	14,800	21,053
Other loan liabilities	128	0	128	29	0	29
Remaining other financial liabilities without borrowings	11,956	339	12,295	2,523	846	3,370
Other financial liabilities	44,139	79,313	123,452	32,237	76,444	108,681

F. SEGMENT REPORTING

The information provided to the Management Board of the Blue Cap Group (the “chief operating decision maker”) for the purposes of resource allocation and the assessment of segment performance focuses on the industrial sectors of the individual equity investments. The presentation of segment reporting is consistent with the management approach, and is based on the internal organisational and reporting structures.

The individual segments represent different business areas with different products and services and are managed separately. The legal entities can all be clearly assigned to a segment.

The companies belonging to the con-pearl Group, the Knauer-Uniplast Group and the H+E Group are allocated to the Plastics segment. Neschen Coating GmbH and its subsidiaries as well as the companies of the Planatol Group make up the Adhesives & Coatings segment. The HY-LINE Group and the Transline Group acquired in the reporting period make up the Business Services segment. Carl Schaefer Gold- und Silberscheideanstalt GmbH, which was still included in the comparative period, was allocated to the Other segment until its deconsolidation. The companies nokra Optische Prüftechnik und Automation GmbH as well as the Gämmerler GmbH, until its deconsolidation, are allocated to the Others segment. Blue Cap AG and other holding and shelf companies are allocated to the Other segment as well. Further information on the segments and the associated companies can be found in the combined interim group management report.

As a result, the Group's reportable segments in accordance with IFRS 8 are as follows for the reporting and comparative periods:

HI 2022	Plastics	Adhesives & Coatings	Business Services	Other	Total segments	Consolidation	Group
EUR thousand							
Revenue with external third parties	84,510	48,171	38,657	1,983	173,321	0	173,321
Revenue with Group companies	0	0	2	2,497	2,499	-2,499	0
Total revenue	84,510	48,171	38,659	4,480	175,820	-2,499	173,321
Total output	87,560	50,709	39,824	19,590	197,683	-2,567	195,116
EBITDA	10,999	3,106	3,050	14,745	31,900	-380	31,520
Depreciation, amortisation and impairment	-7,015	-1,746	-2,526	-316	-11,603	109	-11,494
of which impairment losses/reversals	-58	0	0	0	-58	0	-58
Result from valuation based on the equity method	0	0	0	0	0	931	931
EBIT	3,984	1,360	524	14,429	20,297	660	20,957
Adjusted total output	87,154	50,593	39,398	4,531	181,676	-2,560	179,116
Adjusted EBITDA	10,906	3,206	3,671	-74	17,708	-40	17,668
Adjusted EBITDA margin	12.5 %	6.3 %	9.3 %	-1.6 %	9.7 %	1.6 %	9.9 %
Net debt ratio* (in years)	1.4	3.7	5.0	neg.	2.5	0.0	2.5
Investments/divestments**	-1,348	-1,062	-739	19,984	16,835	0	16,835
of which company acquisitions/disposals	0	0	-21,171	662	-20,509	0	-20,509

30 June 2022	Plastics	Adhesives & Coatings	Business Services	Other	Total segments	Consolidation	Group
EUR thousand							
Working Capital (net)***	31,393	30,151	13,433	1,688	76,665	0	76,665
Segment assets	117,696	68,241	91,736	167,884	445,557	-134,407	311,150
Segment liabilities	84,944	44,065	68,469	86,656	284,134	-84,593	199,541

* The reported net debt ratio (in years) represents the segment's debt (including lease liabilities) less cash in relation to adjusted EBITDA over the last twelve months.

** The investments/divestments shown relate to proceeds from (+) / payments for (-) property, plant and equipment, intangible assets, investment property and acquisitions of companies and participating interests.

*** The reported working capital (net) corresponds to the segments' inventories plus trade receivables and contract assets, less trade payables and contract liabilities.

H1 2021

	Plastics	Adhesives & Coatings	Business Services	Other	Total segments	Consolidation	Group
EUR thousand							
Revenue with external third parties	64,067	42,874	0	13,837	120,778	0	120,778
Revenue with Group companies	0	2	0	2,523	2,525	-2,525	0
Total revenue	64,067	42,876	0	16,359	123,303	-2,525	120,778
Total output	66,527	45,149	0	18,567	130,242	-2,355	127,888
EBITDA	7,368	3,586	0	-573	10,381	181	10,561
Depreciation, amortisation and impairment	-6,626	-1,907	0	-573	-9,106	208	-8,898
of which impairment losses/reversals	-157	-31	0	-13	-201	0	-201
Result from valuation based on the equity method	0	0	0	0	0	1,102	1,102
EBIT	742	1,679	0	-1,146	1,275	1,490	2,765
Adjusted total output	65,908	44,790	0	16,502	127,200	-2,571	124,629
Adjusted EBITDA	7,229	3,724	0	-450	10,502	-36	10,465
Adjusted EBITDA margin	11.0 %	8.3 %	0.0 %	-2.7 %	8.3 %	1.4 %	8.4 %
Net debt ratio* (in years)	2.1	1.8	0.0	neg.	2.6	0.0	2.6
Investments/divestments**	-4,994	-417	0	8,604	3,193	0	3,193
of which company acquisitions/disposals	-5,193	0	0	0	-5,193	0	-5,193

31 December 2021

	Plastics	Adhesives & Coatings	Business Services	Other	Total segments	Consolidation	Group
EUR thousand							
Working Capital (net)***	26,644	25,476	7,311	1,506	60,937	0	60,937
Segment assets	115,374	63,640	43,745	139,238	361,997	-93,962	268,035
Segment liabilities	85,303	40,391	30,598	63,319	219,611	-49,819	169,792

* The reported net debt ratio (in years) represents the segment's debt (including lease liabilities) less cash in relation to adjusted EBITDA over the last twelve months.

** The investments/divestments shown relate to proceeds from (+) / payments for (-) property, plant and equipment, intangible assets, investment property and acquisitions of companies and participating interests.

*** The reported working capital (net) corresponds to the segments' inventories plus trade receivables and contract assets, less trade payables and contract liabilities.

The segment results for the reported segments can be reconciled to earnings before tax as follows:

Reconciliation to earnings before tax

EUR thousand

	H1 2022	Group H1 2021
EBIT of the reportable segments	5,868	2,421
Other segment	14,429	-1,146
Consolidation	660	1,490
Impairment losses according to IFRS 9	66	34
Financing income	41	198
Financing expenses	-884	-1,191
Earnings before taxes (EBT)	20,181	1,805

G. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

CASH FUNDS

The cash funds included in the cash flow statement include all cash and cash equivalents reported in the statement of financial position (cash-in-hand, bank balances, time deposits and available-for-sale financial instruments with a maturity of less than three months) less overdrafts that can be terminated at any time.

The cash funds developed as follows:

Composition of cash funds

EUR thousand

	30 June 2022	30 June 2021
Cash and cash equivalents	30,370	28,674
Pledged cash and cash equivalents	-3,000	0
Liabilities to banks under current account agreements	-13,023	-6,798
Cash funds	14,347	21,876

INFLOW/OUTFLOW FROM INVESTING ACTIVITIES

In addition to investments of EUR 4,297 thousand in various property, plant and equipment, the main payments from investing activities in the first half of 2022 result from the acquisition of the shares in the Transline Group and the shares in the Micado Innovation GmbH in the amount of EUR 21,206 thousand.

The main proceeds in the first half of 2022 result from the sale of two properties not required for operations, which had been held for sale, amounting to EUR 21,056 thousand.

The proceeds from disposals of fully consolidated subsidiaries relate to the disposal of shares in the Gämmerler GmbH and break down as follows:

EUR thousand	H1 2022	H1 2021
Cash inflow from buyer	793	0
Cash outflow/inflow from the sale/deconsolidation of cash and cash equivalents/current account liabilities	-96	0
Net cash inflow from the disposal	697	0

In the first half of 2021, no proceeds were generated from the sale of fully consolidated subsidiaries.

The payments from acquisitions of fully consolidated subsidiaries are broken down as follows:

EUR thousand	H1 2022	H1 2021
Cash outflow for acquisitions	-22,265	-11,496
Cash inflow/outflow from the acquisition of cash and cash equivalents/current account liabilities	1,058	6,303
Net cash outflow from acquisitions	-21,206	-5,193

DEVELOPMENT IN CASH FUNDS

In the reporting period, there was a total cash outflow for the Blue Cap Group – excluding changes in value due to exchange rates – of EUR 12,950 thousand (H1 2021: cash outflow of EUR 4,640 thousand).

H. OTHER DISCLOSURES

H.1 Financial instruments

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include any fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value.

Balance sheet value pursuant to IFRS 9

EUR thousand

Financial assets by category		Carrying amount 30 June 2022	Amortised cost	Fair value through OCI	Fair value through profit or loss	Fair value 30 June 2022	Hierarchy
Non-current assets							
Participating interests	FVOCI	164		164		164	Level 1
Miscellaneous other financial assets		1,066					
of which derivatives	FVPL	474			474	474	Level 2
of which miscellaneous other financial assets	FVPL	39			39	39	Level 2
of which miscellaneous other financial assets	AC	553	553			553	
Current assets							
Trade receivables		38,988					
of which recognised at amortised cost	AC	38,988	38,988			38,988	
Other financial assets		1,779					
of which derivatives	FVPL	1			1	1	Level 2
of which miscellaneous other financial assets	AC	1,778	1,778			1,778	
Cash and cash equivalents	AC	30,370	30,370			30,370	
Financial liabilities by category							
Financial assets by category		Carrying amount 30 June 2022	Amortised cost	Fair value through OCI	Fair value through profit or loss	Fair value 30 June 2022	Hierarchy
Non-current liabilities							
Non-current financial liabilities		79,313					
of which liabilities to banks	FLAC	65,286	65,286			62,940	Level 2
of which derivatives	FLFVPL	79			79	79	Level 2
of which lease liabilities	n/a	13,688					
of which miscellaneous other financial liabilities	FLAC	259	259			259	
Current liabilities							
Trade payables	FLAC	21,807	21,807			21,807	
Other financial liabilities		44,139					
of which liabilities to banks	FLAC	25,639	25,639			25,639	Level 2
of which lease liabilities	n/a	6,416					
of which miscellaneous other financial liabilities	FLAC	12,084	12,084			12,084	
Summary per category							
Financial assets at fair value through profit or loss	FVPL	514					
Financial assets at fair value through other comprehensive income	FVOCI	164					
Financial assets measured at amortised cost	AC	71,689					
Financial liabilities at fair value through profit or loss	FLFVPL	79					
Financial liabilities measured at amortised cost	FLAC	125,076					

The net gains or losses in the individual categories according to IFRS 9 for the first half of 2022 and the comparative period are shown below:

EUR thousand		H1 2022	H1 2021
Financial assets at fair value through profit or loss	FVPL	392	-3
Financial assets at fair value through other comprehensive income	FVOCI	0	0
Financial assets measured at amortised cost	AC	972	163
Financial liabilities at fair value through profit or loss	FLFVPL	4	87
Financial liabilities measured at amortised cost	FLAC	-1,499	-1,130
Total		-131	-884

There are no significant default risks on the reporting date.

H.2 Contingent liabilities and other financial commitments

CONTINGENT LIABILITIES

There are no material contingent liabilities as of the reporting date.

OTHER FINANCIAL COMMITMENTS

As of the reporting date, the Group has commitments from outstanding orders amounting to EUR 7,675 thousand (31 December 2021: EUR 4,594 thousand), of which EUR 7,253 thousand are current commitments (31 December 2021 EUR 4,398 thousand).

H.3 Events after the reporting date

With effect from 1 September 2022, changes in the Management Board come into force. The Supervisory Board decided to appoint Mr Tobias Hoffmann-Becking, who has been Chief Investment Officer (CIO) responsible for Mergers & Acquisitions and Capital Markets since April 2020, as Chairman of the Management Board/CEO. His contract was extended until 31 December 2027.

In addition, Mr Henning Eschweiler will be appointed to the Management Board with effect from 1 September 2022 and will take over the position of Chief Operating Officer (COO) of Blue Cap AG from Ulrich Blessing, who will prematurely terminate his Management Board mandate, which runs until the end of 2022, by mutual agreement. Henning Eschweiler will be responsible for portfolio management and sustainability at Blue Cap.

After the end of the first half of 2022, no further events of particular importance occurred that need to be taken into account in the income statement or in the statement of financial position.

H.4 Approval of the consolidated interim financial statements in accordance with IAS 10.17

These interim consolidated financial statements of Blue Cap AG for the first half of 2022 were approved for publication by the Management Board on 29 August 2022.

Munich, 29 August 2022

Blue Cap AG
The Management Board



Ulrich
Blessing

Tobias
Hoffmann-Becking

Matthias
Kosch



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ADJUSTED CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD OF 1 JANUARY TO 30 JUNE 2022

	H1 2022		H1 2021		Change	
	EUR thousand	%	EUR thousand	%	EUR thousand	%
Revenue	173,321	96.8	120,832	97.0	52,489	43.4
Change in inventories	4,192	2.3	3,154	2.5	1,038	32.9
Other own work capitalised	164	0.1	52	0.0	112	100
Other operating income	1,440	0.8	591	0.5	849	>100
Adjusted total output	179,116	100.0	124,629	100.0	54,488	43.7
Cost of materials	-96,858	-54.1	-64,318	-51.6	-32,540	50.6
Personnel expenses	-39,967	-22.3	-32,860	-26.4	-7,107	21.6
Other operating expenses	-24,624	-13.7	-16,985	-13.6	-7,639	45.0
Adjusted EBITDA	17,668	9.9	10,465	8.4	7,202	68.8
Depreciation and amortisation	-7,467	-4.2	-6,307	-5.1	-1,160	18.4
Share of profit/loss in associates	931	0.5	1,102	0.9	-171	-15.5
Adjusted EBIT	11,132	6.2	5,261	4.2	5,872	>100
Financing income	-107	-0.1	12	0.0	-118	<-100
Financing expenses	-763	-0.4	-1,122	-0.9	360	-32.1
Financial result	-869	-0.5	-1,111	-0.9	241	-21.7
Income from adjustments	16,138	9.0	4,974	4.0	11,164	>100
Expenses from adjustments	-6,220	-3.5	-6,863	-5.5	643	-9.4
Adjustments	9,918	5.5	-1,889	-1.5	11,807	<-100
Earnings before taxes	20,181	11.3	2,261	1.8	17,920	>100
Income tax expense	-5,794	-3.2	-613	-0.5	-5,180	>100
Minority interests	383	0.2	-194	-0.2	577	<-100
Consolidated net income	14,770	8.2	1,453	1.2	13,317	>100

Reconciliation from reported EBITDA (IFRS) to adjusted EBITDA and adjusted EBIT for the Group

EUR thousand

	H1 2022	H1 2021
EBITDA (IFRS)	31,520	10,561
Adjustments		
Income from asset disposals	-15,098	-1,936
Income from the reversal of provisions	-217	-927
Other non-operating income	-540	-402
Income from bargain purchase	-216	-226
Losses on disposal of fixed assets	30	1,213
Expenses from restructuring and reorganisation	195	606
Personnel costs in connection with personnel measures	-24	595
Legal and consultancy costs in connection with acquisitions and personnel measures	684	530
Other non-operating expenses	751	432
Utilisation of disclosed hidden reserves	264	19
Expenses from deconsolidation measures	320	0
Adjusted EBITDA	17,668	10,465
Adjusted EBITDA margin in % of total output, adjusted	9.9 %	8.4 %
Depreciation and amortisation	-11,436	-8,697
Impairment losses and reversals	-58	-201
Share of profit/loss in associates	931	1,102
Adjustments		
Amortisation of disclosed hidden reserves	3,969	2,390
Impairment losses and reversals	58	201
Adjusted EBIT	11,132	5,261
Adjusted EBIT margin in % of total output, adjusted	6.2 %	4.2 %

CONTACT, FINANCIAL CALENDAR AND LEGAL NOTICE

CONTACT

Please do not hesitate to contact us if you have any questions:

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NOTE



The half-year report is published in German and English. The German version is always the authoritative version. You can also find our reports on our website at www.blue-cap.de/investor-relations

FINANCIAL CALENDAR

Date	Event	Location
17 October 2022	22nd European Large & MidCap Event	Paris
28–30 November 2022	German Equity Forum	Frankfurt/Main

LEGAL NOTICE

Management Board contact

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Disclaimer

This report contains forward-looking statements. These statements are based on the current experience, assumptions and forecasts of the Management Board, and on the information currently available to it. The forward-looking statements are not to be understood as guarantees of future developments and results referred to therein. Rather, future developments and results depend on a variety of factors. They involve various risks and uncertainties and are based on assumptions that may not prove to be accurate. These risk factors include, in particular, the factors mentioned in the risk report of the 2021 Annual Report. We assume no obligation to update the forward-looking statements included in this report. half-year report does not constitute an offer to sell, nor an invitation to submit an offer to buy, securities of Blue Cap AG.

We generally follow a non-discriminatory approach and therefore want to use gender-neutral language. However, for reasons of better readability, we continue to use the generic masculine. Corresponding terms apply in principle to all genders in the sense of equal treatment and do not imply any valuation.