



Interim financial report  
for the first half of

**2021**

The **Muehlhan Group** is one of a few full-service providers that offer their customers a broad spectrum of industrial services with professional industrial quality standards. Our customers benefit from our exceptional organizational skills, on-time delivery, the technical expertise that differentiates us from our competitors, and our more than 135 years of experience.

Our **Ship, Oil & Gas, Renewables** and **Construction/Infrastructure** business segments offer first-class solutions for surface protection, insulation, passive fire protection, access technology, scaffolding and steel construction. With **more than 2,750 employees at over 30 locations** worldwide, we generated €260 million of revenues in 2020.

We will continue to focus our efforts on steadily improving our technologies and services while actively developing new markets in order to continue expanding our business going forward.

#### Group key figures

in kEUR		1 <sup>st</sup> half of 2021	1 <sup>st</sup> half of 2020
<b>Results</b>			
Revenues		143,482	131,116
Earnings from operations before depreciation and amortization (EBITDA)		9,041	5,907
Earnings from operations (EBIT)		3,859	198
Earnings before income taxes (EBT)		3,099	-626
Consolidated income attributable to shareholders of Muehlhan AG		1,088	-790
Earnings per share from continuing operations	in EUR	0.06	-0.04
Cash inflow/outflow from operating activities		4,699	16,874
Investments in property, plant and equipment (not incl. leases)		2,636	1,360
<b>Balance sheet</b>			
Total assets		172,387	161,596
Fixed assets <sup>1</sup>		61,632	63,490
Equity		69,911	69,164
Equity ratio	in %	40,6	42,8
<b>Employees</b>			
Employees (annual average)	number	2,842	2,857

<sup>1</sup> Fixed assets: total of non-current assets less deferred tax assets

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Surface protection work on a ship

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# Letter from the Executive Board

*Dear shareholders,  
business partners and employees!*

The Muehlhan Group was able to report a return to normality to a large extent in the first half of 2021.

After the first quarter of 2021 was influenced by the persistent pandemic conditions, the second quarter saw a gradual return to normal business operations. Revenues increased by 9.4% to €143.5 million. EBIT rose by €3.7 million to €3.9 million. The consolidated income attributable to Muehlhan AG's investors after the first six months increased by €2.5 million to €2.0 million year-over-year. As expected, cash flow from operating activities fell by €12.2 million to €4.7 million year-over-year due to the need to finance an associated increase in receivables following the high revenue gained over the summer months of the reporting year.

In the **Ship** segment, revenues fell from €33.8 million to €29.2 million. EBIT decreased by €1.0 million to €2.4 million. In the **Oil & Gas** segment, business picked up again after the restrictions of the COVID-19 pandemic were eased. Revenues increased by €1.9 million to €34.8 million. EBIT also increased by €0.5 million to €1.5 million. In the **Renewables** segment, revenues increased again significantly by €17.3 million to €45.0 million. EBIT jumped from €0.9 million to €4.8 million. In the **Construction/Infrastructure** business, revenues of €34.4 million were achieved, compared to €36.5 million in the same period of the previous year. EBIT improved by €0.5 million despite the decrease in revenues, but remains negative at €-0.4 million.

In the **Marine & Construction** segment, revenues decreased by €6.0 million to €70.3 million due to pandemic-related project postponements and the continued selective choice of new projects in the Middle East. In contrast, EBIT increased from €1.8 million to €2.7 million. The **Energy** segment continues to grow. Compared to the prior-year period, revenues increased significantly from €56.3 million to €75.5 million. EBIT more than doubled to €5.4 million (previous year: €2.2 million).

The Muehlhan Group's financial position remains stable, even after 15 months of pandemic. Its financing is solid. It has a healthy ratio of equity to borrowing, and its liquidity is safeguarded.

On July 30, 2021, Muehlhan AG sold its subsidiary Gerüstbau Muehlhan GmbH. The sale forms part of the Muehlhan Group's efforts to more closely focus on core markets such as the wind power segment.

It remains to be seen how the rest of 2021 will pan out. We expect revenues and earnings from operations to recover year-over-year – without adding the deconsolidation result from the sale of Gerüstbau Muehlhan GmbH – provided there are no pandemic-related restrictions again. However, due to the restrictions in the first four months of 2021, the revenues and earnings – without the deconsolidation result – of the pre-pandemic year 2019 will not be reached.

We would like to take this opportunity to thank our shareholders, customers and suppliers for the trust they have placed in us, and our employees for their dedication over the last six months.

Stay healthy!

Hamburg, July 2021

The Executive Board



Stefan Müller-Arends



James West



Application of surface protection on a ship's hull

### Share price following stock market trend

Following the turbulence on the stock markets in the previous year, the Muehlhan share was able to respond to the positive trend on the stock market in the first half of 2021 and has gained in value, albeit with a delay.

The share started 2021 at a price of €2.66 and then lost value despite short-term positive fluctuations. The low point was a price of €2.54 in mid-February. Until mid-March, the price then fluctuated between €2.58 and €2.66 per share, before the price of the Muehlhan share rose to €2.70 at the end of March.

With the publication of the annual report on April 1, 2021, the share lost value in the short term, before rising to between €2.60 and €2.70 per share. Following the publication of the

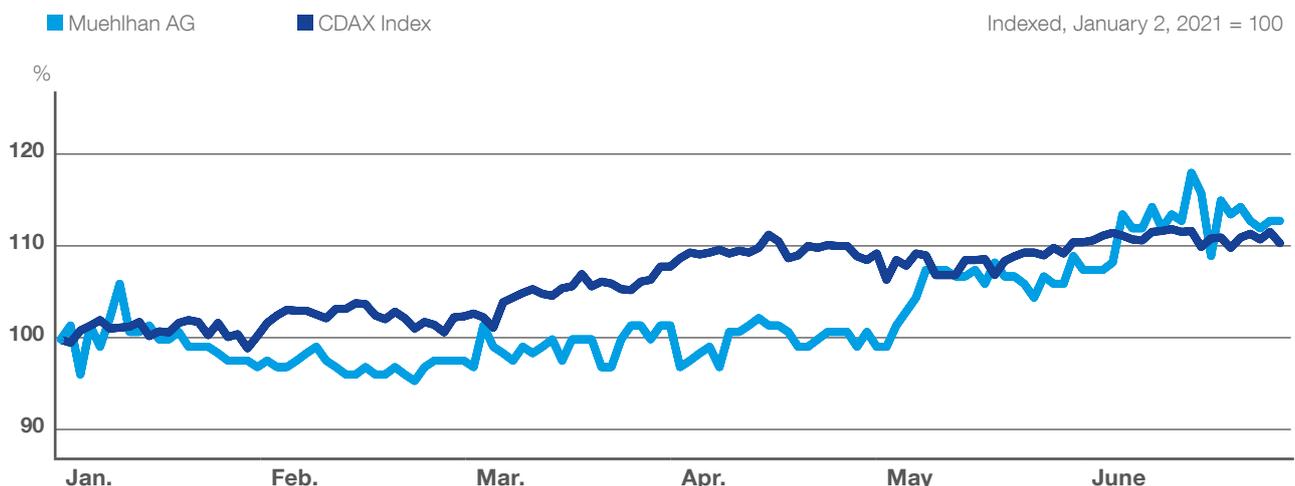
quarterly report for 2021, the share developed positively in May to up to €2.88 per share. The €2.90 mark was exceeded on June 1, and, on June 8, the €3.00 mark was exceeded. The highest price in the first half of 2021 was reached on June 18 at a price of €3.08 per share, before the Muehlhan share then exited the market on June 30, 2021, at a price of €3.00.

During the first half of 2021, the price of the Muehlhan share therefore rose by 13.6%.

### Shareholder structure as of June 30, 2021

There were no major changes to the shareholder structure as of June 30, 2021, in comparison with December 31, 2020. More than 50% of the shares remain in the possession of the family that founded the company.

### Share performance in the first half of 2021



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# Group Interim Management Report

for the first half of 2021



Scaffolding

## Economic Report

### Business performance and results of operations

#### Positive development in the first half of the year following a decline in the impact of the COVID-19 pandemic in the second quarter of 2021

After the first quarter of 2021 was still significantly impacted by the COVID-19 pandemic, the second quarter saw a return of business operations to almost normality. As the second quarter at Muehlhan is always seasonally stronger than the first quarter of a year, the withdrawal of the pandemic restrictions together with the measures taken by management had a significantly positive impact compared to the previous year's figures. However, it is not yet possible to speak of a return to pre-pandemic profitability levels.

**Revenues** of €143.5 million were generated between January and the end of June 2021. This represents an increase of 9.4% or €12.4 million compared to the same period in 2020. **EBITDA** (earnings from operations before interest, taxes, depreciation and amortization) amounted to €9.0 million as of June 30, 2021 (previous year: €5.9 million). **EBIT** (earnings from operations) amounted to €3.9 million and was thus €3.7 million higher than in the previous year; the EBIT margin improved accordingly from 0.2% to 2.7%. The **consolidated income after taxes** for the first half of the year increased by €2.5 million to €2.0 million. The consolidated net income for the first half of the year attributable to Muehlhan AG's investors increased by €1.9 million to €1.1 million. Cash flow from operating activities amounted to €4.7 million compared with €16.9 million in the comparison period. The significant decrease in cash flow is due to the financing of the profitable summer months and the associated increase in receivables. Due to the pandemic, the previous summer did not see strong revenues and so there was no increase in receivables and the cash flow was strongly positive.

#### Renewables driving revenue recovery, combined with high training and travel expenses

The **cost of materials and purchased services** rose disproportionately by €5.0 million to €50.6 million due to project-related factors.

With a constant headcount of 2,842 employees (first half of 2020: 2,857), the Group's **personnel expenses** increased by €1.7 million to €64.0 million due to higher wages in connection with the increased business activity. **Other operating expenses** increased by €22.3 million in the first half of the year compared to the prior-year period (€20.0 million). The

increase was mainly due to higher travel expenses and training costs in the Renewables segment.

At €5.2 million, **depreciation and amortization** was €0.5 million below the prior-year level. Depreciation and amortization in the previous year includes an impairment attributable to the Middle East business segment (PRA CGU).

The **income tax result** was €-1.1 million, after the previous year's tax result was positive at € 0.1 million due to capitalized tax loss carryforwards.

#### Breakdown by business segment and geographic segment

Muehlhan reports internally according to business segments and geographic segments. When reporting by business segment, each company's activities are subdivided into the individual segments. When reporting by geographic segment, each Muehlhan company is assigned to a geographic segment. There is no longer any reporting by region. This has been merged into the geographic segments. An overview of which Muehlhan company is assigned to which geographic segment and in which business segments the companies operate can be found in Muehlhan AG's 2020 consolidated financial statements.

#### Breakdown by business segment

In the **Ship** segment, revenues fell from €33.8 million to €29.2 million. EBIT declined by €1.0 million to €2.4 million.

In the **Oil & Gas** segment, business picked up after the restrictions of the COVID-19 pandemic were eased. Revenues increased by €1.9 million to €34.8 million. EBIT also increased from €0.5 million to €1.5 million.

Revenues in the **Renewables** segment increased again significantly by €17.3 million to €45.0 million. EBIT jumped from €0.9 million to €4.8 million.

In the **Construction/Infrastructure** business, the pandemic left deep scars, which are also reflected in the results of the first half of 2021. Revenues of €34.4 million were generated between January and the end of June, compared with €36.5 million in the same period last year. EBIT improved by €0.5 million despite the further decrease in revenues, but remains negative at €-0.4 million.

#### Breakdown by geographic segment

In the **Marine & Construction** segment, revenues decreased by €6.0 million to €70.3 million due to pandemic-related

project postponements and the continued selective choice of new projects in the Middle East. In contrast, EBIT increased from €1.8 million to €2.7 million.

The **Energy** segment continues to grow. Compared to the prior-year period, revenues increased significantly from €56.3 million to €75.5 million. EBIT more than doubled to €5.4 million (previous year: €2.2 million).

#### Accident rate

Muehlhan uses the number and severity of accidents as a non-financial performance indicator. In April 2021, an accident occurred in Greece during work on cooling towers that resulted in the deaths of two Muehlhan employees. The investigation currently assumes human error as the cause of the accident. Muehlhan is not under investigation. Regardless of the cause of the accident, Muehlhan assumes responsibility and supports the families of the deceased.

#### Net assets and financial position

##### Cautious investing activities

**Capital expenditure** amounted to €2.7 million in the first half of 2021 and consisted of (replacement) investments for scaffolding and for surface protection equipment. The capital expenditure of the prior-year period amounted to €1.4 million.

##### Slight seasonal increase in debt

The Muehlhan Group's **net debt** increased slightly from €18.6 million to €19.9 million compared to December 31, 2020. In the previous year, part of the high sales volume in the summer months was lost due to COVID-19. In addition, liquidity-preserving measures were taken, such as the suspension of dividend payments. In the 2021 reporting period, the sales volume in the summer months is increasing significantly again, which must be partially pre-financed by Muehlhan. In addition, the dividend payment was resumed.

The conditions of the syndicated loan agreement have so far been complied with in spite of the impact of the COVID-19 pandemic.

**Equity** increased by €0.7 million to €69.9 million despite a dividend payment due to the positive results, foreign currency effects and increased non-controlling interests.

## Forecast and Report on Opportunities and Risks

### Outlook

The **forecast** for the operating business in 2021 still depends to a large extent on the further course of the pandemic. Without the deconsolidation result from the sale of Gerüstbau Muehlhan GmbH, the Executive Board and Supervisory Board of Muehlhan AG expect year-over-year revenues and earnings to recover in 2021, unless the restrictions that have currently been largely lifted become necessary again in the short term. The revenues (€295.3 million) and results (EBIT of €12.4 million) of 2019 will not be achieved. The deconsolidation result from the sale of Gerüstbau Muehlhan GmbH of approximately €15 million to €20 million will be added to the operating result. The deconsolidation result is expected to be realized in the second half of 2021.

### Opportunities and risks

From the company's perspective, there are no risks that could threaten its existence as a going concern.

The COVID-19 pandemic continues to place a significant burden on the Muehlhan Group in the short term. The restrictions on public and business life over the past 15 months have caused revenues to slump considerably. Not all of the revenues lost can be offset by making savings. There are still liquidity risks in the short to medium term due to the increased risk of defaults on the payment of receivables. When business picks up again, there will be a greater need for liquidity to finance working capital. In the medium and long term, however, the pandemic will also create opportunities for the Muehlhan Group. A significant sales volume has merely been postponed and is likely to be made up for. There may also be market shakeouts in some segments, from which Muehlhan can benefit as a financially stable company.

Project losses can generally not be excluded. However, there is currently nothing to indicate that such losses could occur to any major extent over the rest of the year.

As in the past, the regions and markets of relevance to the Muehlhan Group continue to vary greatly. The Oil & Gas segment, for example, is dependent on developments in the price of crude oil; experience shows that a significant drop also leads to restrictions in maintenance work in the short term, especially in the North Sea. Regional variations in the development of the COVID-19 pandemic can have both a negative and positive impact on business.

Competition for qualified executives and quality-conscious technical employees remains high in the industries in which Muehlhan is active. Muehlhan's future success therefore depends in part on the extent to which we are successful over the long term in recruiting the required professionals, integrating them into existing work processes and retaining them over the long term.

There are no other material changes to the Group's opportunities and risks in comparison with the 2020 financial year. We therefore refer you to the detailed notes published in the 2020 Annual Report.



Insulation work in Russia

## 05

# Interim Consolidated Financial Statements

as of June 30, 2021

Assets in kEUR	06/30/2021	12/31/2020
<b>NON-CURRENT ASSETS</b>		
Intangible assets	17,365	17,285
Property, plant and equipment	40,614	42,174
Financial assets	91	33
Other non-current assets	3,563	3,998
Deferred tax assets	3,835	3,698
<b>Total non-current assets</b>	<b>65,467</b>	<b>67,188</b>
<b>CURRENT ASSETS</b>		
Inventories	8,969	6,571
Trade receivables and contract assets	77,230	63,231
Cash and cash equivalents	8,379	13,175
Other current assets	12,342	11,430
<b>Total current assets</b>	<b>106,920</b>	<b>94,407</b>
<b>TOTAL ASSETS</b>	<b>172,387</b>	<b>161,596</b>

Rounding differences may occur.

Equity and liabilities in kEUR	06/30/2021	12/31/2020
<b>EQUITY</b>		
Subscribed capital	19,500	19,500
Capital reserve	13,819	13,621
Treasury shares	-340	-340
Other reserves	763	-148
Retained earnings	31,708	32,719
Non-controlling interests	4,461	3,811
<b>Total equity</b>	<b>69,911</b>	<b>69,164</b>
<b>NON-CURRENT LIABILITIES</b>		
Pension provisions and similar obligations	853	842
Other non-current provisions	862	925
Non-current borrowings	20,095	22,459
Other non-current liabilities	6,585	7,077
Deferred tax liabilities	137	0
<b>Total non-current liabilities</b>	<b>28,531</b>	<b>31,302</b>
<b>CURRENT LIABILITIES</b>		
Current provisions	4,395	5,145
Current borrowings	8,192	9,292
Trade payables and contract liabilities	21,325	18,477
Other current liabilities	40,033	28,216
<b>Total current liabilities</b>	<b>73,945</b>	<b>61,130</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>172,387</b>	<b>161,596</b>

Rounding differences may occur.

## CONSOLIDATED INCOME STATEMENT FOR FINANCIAL HALF YEAR 2021

in kEUR	1 <sup>st</sup> half of 2021	1 <sup>st</sup> half of 2020	
Revenues	143,482	131,116	
Other operating income	2,543	2,812	
Cost of materials and purchased services	-50,644	-45,654	
Personnel expenses	-64,020	-62,344	
Other operating expenses	-22,320	-20,023	
<b>Earnings from operations before depreciation and amortization (EBITDA)</b>	<b>9,041</b>	<b>5,907</b>	
Depreciation and amortization of intangible assets and property, plant and equipment	-5,183	-5,709	
<b>Earnings from operations (EBIT)</b>	<b>3,859</b>	<b>198</b>	
Financial result	-759	-824	
Earnings before income taxes (EBT)	3,099	-626	
Income tax result	-1,106	105	
<b>Consolidated income</b>	<b>1,994</b>	<b>-521</b>	
Consolidated income attributable to non-controlling interests	906	269	
<b>Consolidated income attributable to shareholders of Muehlhan AG</b>	<b>1,088</b>	<b>-790</b>	
<b>EARNINGS PER SHARE</b> in EUR			
Shares	number	19,380,316	19,189,768
from continuing operations			
basic		0.06	-0.04
diluted		0.06	-0.04

Rounding differences may occur.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in kEUR	1 <sup>st</sup> half of 2021	1 <sup>st</sup> half of 2020
<b>Consolidated income</b>	<b>1,994</b>	<b>-521</b>
<b>Recyclable items</b>		
Currency translation differences (legally independent entities abroad)	924	-1,328
Future cash flow hedge (effective cash flow hedge)	0	3
<b>Other comprehensive income</b>	<b>924</b>	<b>-1,325</b>
Income taxes on other comprehensive income	0	-1
<b>Other comprehensive income after taxes</b>	<b>924</b>	<b>-1,326</b>
<b>Total comprehensive income</b>	<b>2,918</b>	<b>-1,847</b>
of which attributable to non-controlling interests	931	206
<b>Shareholders of Muehlhan AG</b>	<b>1,987</b>	<b>-2,053</b>

Rounding differences may occur.

## CONSOLIDATED CASH FLOW STATEMENT

in kEUR	1st half of 2021	1st half of 2020
Consolidated income attributable to shareholders of Muehlhan AG	1,088	-790
Depreciation of fixed assets	5,183	5,709
Gain/loss from the disposal of fixed assets	-79	45
Non-cash expenses from the allocation of gains to non-controlling interests	-906	-320
Other non-cash expenses/income	2,838	-2,450
Decrease/increase in provisions	-784	259
<b>Cash flow</b>	<b>7,339</b>	<b>2,452</b>
Increase/decrease in inventories, trade receivables, contract assets and other assets	-17,153	13,872
Increase in trade payables, contract liabilities and other liabilities	14,969	1,773
Income taxes paid	-456	-1,223
<b>Cash flow from operating activities</b>	<b>4,699</b>	<b>16,874</b>
from discontinued operations	0	1
Proceeds from disposals of fixed assets		
in property, plant and equipment	185	66
Capital expenditures		
in intangible assets	-29	-17
in property, plant and equipment	-2,636	-1,343
for financial assets	-58	0
Interest received	0	8
<b>Cash used in investment activities</b>	<b>-2,538</b>	<b>-1,286</b>
from discontinued operations	0	0
Payments to shareholders and non-controlling shareholders (dividends)	-3,194	0
Cash flow from repayment of/taking up current borrowings	-1,100	370
Cash flow from repayment of non-current borrowings	-2,364	-1,961
Interest paid	-534	-624
<b>Cash used in financing activities</b>	<b>-7,192</b>	<b>-2,215</b>
from discontinued operations	0	0
Currency, scope of consolidation and valuation-related changes in cash and cash equivalents	234	-76
Total changes in cash and cash equivalents	-4,796	13,298
Cash and cash equivalents at the beginning of the period	13,175	9,999
<b>Cash and cash equivalents at the end of the period</b>	<b>8,379</b>	<b>23,297</b>

Cash and cash equivalents correspond to the balance sheet item "Cash and cash equivalents".

Rounding differences may occur.

## CONSOLIDATED STATEMENT OF CHANGES IN GROUP EQUITY

in kEUR	Equity applicable to equity holders of the parent company					
	Subscribed capital	Capital reserve	Other reserves			
			Profit reserves	Conversion reserve	Cash flow hedge reserve	Adjustment from currency translation
<b>As of 01/01/2020</b>	<b>19,500</b>	<b>14,178</b>	<b>5,036</b>	<b>-91</b>	<b>-2</b>	<b>-1,196</b>
Changes in treasury shares	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	2	-1,265
<b>As of 6/30/2020</b>	<b>19,500</b>	<b>14,178</b>	<b>5,036</b>	<b>-91</b>	<b>-</b>	<b>-2,461</b>
<b>As of 1/1/2021</b>	<b>19,500</b>	<b>13,621</b>	<b>4,598</b>	<b>-91</b>	<b>-</b>	<b>-4,653</b>
Change in non-controlling interests	-	-	-	-	-	-
Contribution to share-based payment	-	198	-	-	-	-
Withdrawal from retained earnings	-	-	11	-	-	-
Dividends paid	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	899
<b>As of 6/30/2021</b>	<b>19,500</b>	<b>13,819</b>	<b>4,609</b>	<b>-91</b>	<b>-</b>	<b>-3,754</b>

Rounding differences may occur.



Access technology on offshore oil platform

			Non-controlling interests	Equity
Retained earnings	Treasury shares	Equity		
32,260	-679	69,006	2,755	71,761
-	-280	-280	-	-280
-12	-	-12	-	-12
-789	-	-2,052	206	-1,846
31,459	-959	66,662	2,961	69,623
32,719	-340	65,353	3,811	69,164
-	-	-	587	587
-	-	198	-	198
-11	-	-	-	-
-2,326	-	-2,326	-868	-3,194
238	-	238	-	238
1,088	-	1,987	931	2,918
31,708	-340	65,450	4,461	69,911

## Notes

### Company

Muehlhan AG is headquartered at Schlinckstrasse 3, Hamburg, Germany, and registered in the Commercial Register of the Municipal Court of Hamburg under HRB 97812. Muehlhan AG and its subsidiaries ("Muehlhan Group") provide surface protection, passive fire protection, scaffolding and access technology, steel construction and insulation services.

### Consolidated group

The consolidated group changed as follows against December 31, 2020:

Muehlhan completed a business combination between its subsidiary Marine Service International AS (MSI), Drobak, Norway, and TPO Group ApS (TPO), Gentofte, Denmark, as of January 1, 2021. The TPO Group has very similar offshore activities to MSI, but with a somewhat different technical focus and different customers. The transaction was completed without the use of cash. The TPO Group contributed its activities, and Muehlhan transferred some 40% of the shares to the existing TPO shareholders. Muehlhan now holds approximately 60% of the shares in MSI.

### Principles for the preparation of the interim consolidated financial statements

The interim consolidated financial statements for the period from January 1 to June 30, 2021, were prepared in accordance with IAS 34 Interim Financial Reporting and were not subject to any audit or review by an auditor. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the period ending December 31, 2020.

### Significant accounting and valuation principles

The figures for this interim report were determined in accordance with International Financial Reporting Standards (IFRS). The financial statements were prepared based on the going-concern premise. The same accounting and valuation methods were applied as for the 2020 consolidated financial statements.

The following issues are worth mentioning in relation to the COVID-19 pandemic:

In the first half of the year, Muehlhan received COVID-19 state aid, such as funds for short-time work. In the USA, loans of US\$ 2.0 million were drawn down at an interest rate of 1.0%.

The loans were issued by the state to mitigate the effects of COVID-19. The loans can be converted into a grant if certain criteria are met. Whether these criteria are met or can be met is not clear as of the reporting date. This is partly due to changes in the criteria by the state authorities. As of June 30, 2021, the loans are recognized as a current financial liability. Other state aid has not been used to a relevant extent.

### Discretionary decisions and estimates

To fulfill our duties when preparing the interim consolidated financial statements, we sometimes have to make discretionary decisions, assumptions and estimates that affect the amounts of assets and liabilities, income, expenses and contingent liabilities reported, as well as how these are classified. Estimates and discretionary decisions are reassessed continually and are based on historical experience and other factors, including expectations about future events that appear reasonable given the circumstances. The Group makes assumptions and estimates about the future. Actual values may differ from the assumptions and estimates in particular instances. Adjustments are recognized in profit or loss on the date that more information becomes available. On the reporting date, management mainly made the following future-oriented assumptions and identified discretionary decisions and major sources of uncertainty relating to estimates which may give rise to a significant risk that a substantial adjustment will have to be made within the next financial year to the assets and liabilities shown:

#### Testing goodwill for impairment

The impairment test for goodwill is based on forward-looking assumptions. The Group conducts these tests annually and more often if there is evidence that a goodwill impairment might have occurred. It entails measuring the recoverable amount for the cash-generating unit, which is the higher of fair value less costs of disposal and the value in use. Calculating the value in use involves making adjustments and estimates relating to the projection and discounting of future cash flows. Although management believes the assumptions used to calculate the recoverable amount are appropriate, any unforeseeable changes in these assumptions could result in impairment losses that could adversely affect the net assets, financial position and results of operations.

**Impairment of non-current assets**

The Group tests its non-current assets for impairment. Above all, such a test involves making estimates of future cash flows. A future change in economic and financial circumstances may lead to lower cash flows and thus to an impairment.

**Impairment of current assets**

The Group recognizes impairments for credit-impaired receivables to reflect expected losses due to customer insolvency. The Group bases its assessment of the appropriateness of impairments for credit-impaired receivables on the maturity structure of receivable balances and past empirical data on the derecognition of receivables, customers' creditworthiness and changes in payment terms. If the customers' financial situation deteriorates, the actual amounts that have to be derecognized could exceed expectations.

**Income taxes**

The Group has a duty to pay income taxes in various countries. Key assumptions are therefore required to calculate the worldwide provision for income taxes. For some business transactions and calculations, the ultimate level of taxation cannot be determined conclusively during the normal course of business and in particular in the course of the year. If the ultimate level of taxation of these business transactions differs from the initial assumptions, this will affect actual and deferred taxes in the period in which the level of taxation is determined conclusively. Estimates are required in order to set up tax receivables and provisions and to assess the recoverability of deferred tax assets resulting from loss carryforwards. In particular, when judging the recoverability of deferred tax assets, there is uncertainty regarding the amount and probability of future taxable income. It is assumed that the tax losses incurred in the short term due to the COVID-19 pandemic can be offset by future taxable income and thus that deferred tax assets are recoverable from tax loss carryforwards.

**Deferred taxes**

Deferred tax assets and liabilities are measured on the basis of statutory tax rates for the future financial years in which the Group expects the temporary differences to reverse. If the tax rate changes, the effect of the new tax rate on deferred tax assets and liabilities is recognized in profit or loss in the reporting period in which the tax rate change is enacted.

**Fair value of derivative financial instruments and other financial instruments**

The fair value of derivative and other financial instruments not traded in an active market are determined using appropriate measurement techniques selected from a wide variety of methods. The valuation parameters required to value the instruments on the reporting date are based as far as possible on available market terms and conditions and as little as possible on company-specific data. The Group uses the cash value method to determine the fair value of financial assets available for sale that are not traded in active markets.

**Other provisions**

Other provisions are recognized on the date on which an obligation to external third parties is probable and can be reliably estimated. The Group measured provisions in accordance with IAS 37. For other provisions, estimates are made regarding the amount and likely utilization.

**Revenue recognition**

Some revenues from the provision of services are reported using the percentage of completion method. Here, the Group estimates the ratio of services already performed as of the reporting date to the total amount of services to be performed.

**Remarks**

For the purpose of preparing the interim consolidated financial statements, the Executive Board makes judgments, estimates and assumptions that affect the application of accounting principles in the company and the reporting of assets and liabilities and of income and expenses. The actual amounts may differ from the estimates. The business results for the first six months of the financial year are not necessarily indicative of the results that may be expected for the entire year, particularly in light of the fact that impairment testing, especially for goodwill, is only performed at the end of the year and takes into consideration the budgeting for the next few financial years, which is performed in the fourth quarter.

Expenses regularly incurred during the financial year are only recognized or deferred in the consolidated financial statements to the extent that the deferral would also be appropriate at the end of the year.

### Events after the reporting date

The company MSI Group Ltd (MSIGH) was founded in Accra, Ghana, on July 5, 2021. MSIGH is a subsidiary of Marine Service International AS (MSI), Drobak, Norway, and is not included in the consolidated financial statements.

On July 30, 2021, Muehlhan AG concluded a purchase agreement with Brand Energy & Infrastructure Services GmbH for the sale of all shares in Gerüstbau Muehlhan GmbH. The agreed purchase price (enterprise value) is approximately €28 million. The deconsolidation result is expected to be realized in the second half of 2021 and will come to around €15 million to €20 million.

There were no other events or new information of material significance for the business and/or for assessing the business after June 30, 2021.

Hamburg, July 30, 2021

Muehlhan AG  
The Executive Board

Stefan Müller-Arends James West

### Responsibility statement

We confirm that, to the best of our knowledge, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with the generally accepted accounting principles for interim financial reporting and that the Group interim management report includes a fair review of the business performance including the business results and position of the Group together with a description of the main opportunities and risks associated with the expected development of the Group for the remainder of the financial year.

Hamburg, July 30, 2021

Muehlhan AG  
The Executive Board

Stefan Müller-Arends James West



Surface protection work on a steel bridge in the US

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## FINANCIAL CALENDAR

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October 29, 2021

Publication of results for the third quarter of 2021

## IMPRINT

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## NOTES

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This interim financial report is published in German and English. The German version is authoritative. For further information about the company, please visit [www.muehlhan.com](http://www.muehlhan.com).

## FORWARD-LOOKING STATEMENTS

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This report contains forward-looking statements regarding the future development of Muehlhan AG. These statements reflect the management's current views and are based on the corresponding plans, estimates and expectations. We would like to point out that the statements contain certain risks and uncertainties that may lead to the actual results differing significantly from those forecast. Although we are certain that the statements we have made are realistic, we cannot guarantee that future developments will match these statements.