FINANCIAL YEAR 2022

HALF-YEARLY FINANCIAL REPORT 2022

CONTENT

SUMMARY OF THE FIRST HALF OF THE 2022 FINANCIAL YEAR

SMART CITIES: ELIMINATING DATA SILOS WITH OPEN SOURCE TECHNOLOGY

A freely accessible digital twin for smart cities enables functions and services for cities in real time – EDAG PS implements pilot project in Paderborn

EDAG Production Solutions GmbH & Co. KG (EDAG PS) is a "gold member" of the FIWARE Foundation. This groundbreaking, global open source initiative enhances the design of sustainable digital platforms for the smart city ecosystem. Cities and municipalities benefit from standardized data models and interfaces (APIs) based on transparent and standard open source technologies. EDAG PS has already used these to implement successful smart city concepts.

FIWARE is a non-profit-making association which was founded in 2016 with the aim of promoting smart solutions in a faster, simpler and interoperable way. The members of the initiative are committed to "building an open, sustainable ecosystem based on public, free of charge, implementation-oriented software platform standards. These should facilitate the development of new smart applications in various fields."

Working on this basis, EDAG PS brings the city, its citizens and the mobility of the future closer together. With the EDAG CityBot and its integration into the complete ecosystem of tomorrow's urban structures, the largest independent technology developer in the field of mobility is one of the pacemakers of the smart city. The particular focus here is on software and digitalization. As a "gold member" of the FIWARE Foundation, EDAG PS is now applying these skills to its global ecosystem.

"With our CityBot and Smart City projects, our aim is to work together with municipalities and civic institutions to further improve the quality of urban life," explains EDAG PS CEO Dirk Keller. A crucial point here is the use of information and communication technologies (ICT), which nowadays make it easier than ever for cities to build data platforms.

"This means that the digital foundations have been laid to enable people to obtain real-time information about what is going on in their city. What is more, in smart

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government, decisions can also be made and optimizations carried out on the basis of concrete datasets. This is a win-win situation for everyone and takes the quality of the relationship between citizens, government and service providers to a new level."

Paderborn uses dashboard for smart cities

One of the greatest challenges in implementation is that many data providers and IoT devices only have proprietary interfaces. This means that connection to a central data platform, if feasible at all, is a very complex and expensive undertaking. "This problem was detected some time ago, and gave rise to FIWARE, the open source platform technology for our smart digital future," explains FIWARE CEO Ulrich Ahle. "Our solution involves freely usable software components for processing context data, which facilitate communication between different subsystems in and on the data platform. As this is an open source initiative, the strengths and special skills of our more than 500 members from 77 nations - now including EDAG PS - are put to effect here for the benefit of everyone."

In Paderborn, for example, where in cooperation with the city, EDAG PS has helped to get the open-source project "Dashboards for Smart Cities" off the ground. The dashboard displays city functions and services in real-time, so involving interested members of the public in the improvement of everyday city life. Using a simple ticket system in the citizens portal, the dashboard can be used to report cases of garbage or damage (such as trash cans that have fallen over, broken sidewalk slabs) in the city.

"The digital twin provides digital support for different areas of urban life and a complete reference architecture for smart cities," emphasize Dirk Keller. "This enables us to make it as easy as possible for municipalities to host a data platform and connect up to a dashboard. This, in turn, can be easily adapted to the CI of the municipality concerned."

For the CEO of EDAG PS, this marks an important milestone: "The smart city and its digital twin are successful because they follow the principle 'from practical experience for practical application'." The data was collected and processed on an open source basis in accordance with the FIWARE concept. As a result, it is just as easy for other cities and municipalities to use the dashboard as it is for additional new services to be connected.

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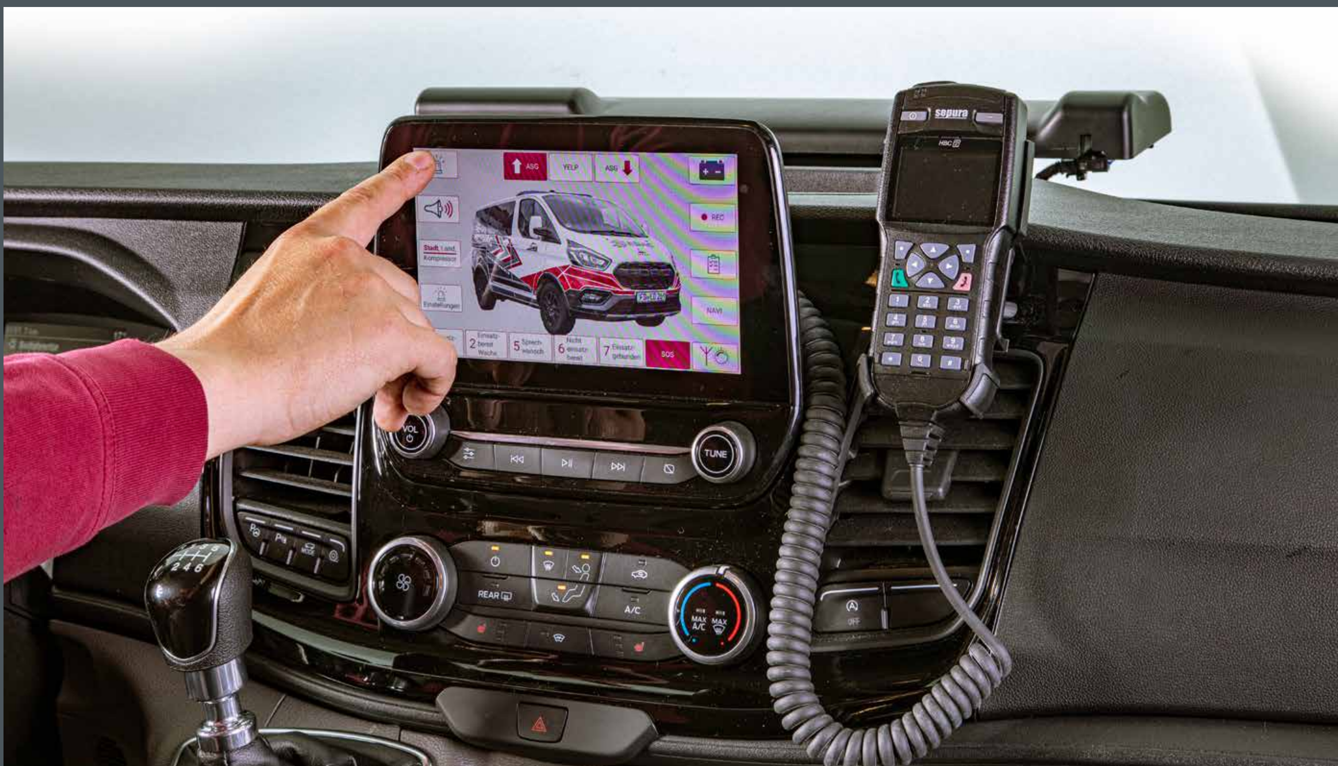
IPU NEXT GENERATION:

Displaying and operating additional content on the vehicle display – EDAG's new solution enables flashing blue lights, siren, etc. to be controlled via the standard display



Since 2012, the EDAG Group, the world's largest independent engineering service provider in the mobility industry, has been developing its own image processing systems – also known as image processing units (IPUs) – in the electrics/electronics division. With these products, the company offers a platform for integrating individual HMI (human-machine interface) designs from external sources into existing vehicles and visualizing real time image and video signals in the vehicle displays. The EDAG Group is today presenting the IPU-NG, the latest

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generation of its image processing systems. Connected between the main unit and the display, the IPU-NG projects either the usual vehicle functions or the data for the additional equipment installed in special and emergency vehicles, for instance the flashing blue lights and stop signal unit, onto the integrated display. With the greatly increased computing power of the IPU-NG, customers can from now on also create their own user interface, which can easily be controlled via the touchscreen display installed as standard.

Variety of possible applications of the IPU Next Generation

EDAG's next generation IPU is a technical platform that can be used for a wide variety of application scenarios and customer groups. For complex prototype vehicles, the IPU-NG is a quick and easy solution by means of which the measuring equipment installed can be switched and operated on the existing display surfaces. Another application from the exhibition sector is the integration of individual designs and contents with existing controls and indicators for show cars. In addition, the IPU-NG can be used in special-purpose and emergency vehicles.

IPU Next Generation in special-purpose and emergency vehicles

For almost 30 years, the EDAG Group's competence center for special-purpose and emergency vehicles has been accompanying customers through the complete development process from the production to the conversion of vehicles. In close coordination, the Electrics/Electronics division developed the new generation IPU for use in special-purpose and emergency vehicles.

Currently, it is usual for several external devices to be used to operate both radio and signal systems, and navigation and control center communications. This will now no be longer necessary because in terms of size, brightness and sharpness, the existing screen is on a par with the displays that have so far been installed. Often, emergency vehicles are leased for just a few years and regularly replaced by newer models. Vehicles that have been withdrawn are converted back to their original state, so they can continue to be used as "normal" automobiles. Any additional display or other controls in the cockpit must be removed, drill holes sealed, and the dashboard completely replaced. Not only does this push up costs, it also extends conversion time – both when the vehicle is purchased, but also when it is returned.

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On top of this, people driving special-purpose and emergency vehicles are often exposed to extremely stressful situations. The system must be up and running in a matter of seconds. Two displays in the center console area complicate procedures and make operation more difficult for drivers. The reduction to the existing display helps to ensure that the field of vision is no longer restricted, and that further controls can be found more quickly. In addition, EDAG has developed a graphical user interface specially tailored to the needs of the emergency services. The user interface is fully customizable. In addition to customization of the individual CI, the underlying operating concept can also be adjusted to meet customer requirements. In this field, the development team works with psychologists and HMI specialists to continuously optimize the user experience.

Customer-specific requirements for intuitive handling

Currently, the IPU-NG presents a high-performance platform from the field of vehicle development, which, with its modular structure, can be adapted to different displays. Even with the same standards - FDP-Link, GMSL and APIX for instance - sometimes different protocols or even physical interfaces need to be operated.
Every IPU-NG variant that can be approved for a vehicle is an OEM-specific derivative of the technology platform. As a result, the functions available and the modules required for these are individually tailored to meet the requirements defined in the project concerned. This makes the overall solution less complex, leaving it less open to attack, by hackers for example. The high functional safety and cybersecurity requirements, which carry a great deal of weight in the approval process, are met in full by each of the IPU-NG derivatives.

In many cases, there is no longer any need to add expensive, complex displays – production vehicles are often already fitted with equipment that meets the requirements for controlling the additional functions of special-purpose and emergency vehicles. The innovative, modular platform provides the flexibility necessary to adapt it to the technical conditions. In the future, this will enable police and rescue vehicles, company fire service or municipal utility emergency vehicles to be equipped at lower cost and in less time, and then reconverted back again at the end of their lifecycles.

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"We are proud that our IPU has reached the next stage of its development," says Stefan Fuchs, Product Manager at EDAG Engineering GmbH. "The new generation of our innovative product brings simplicity to the complex world of special-purpose and emergency vehicles. Throughout, we work in close cooperation with users, vehicle manufacturers and equipment suppliers, to be sure of always delivering optimum performance and user-friendliness. We have already successfully implemented one derivative of the special-purpose vehicle IPU for a well-known customer."

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KEY FIGURES OF AND EXPLANATIONS BY THE EDAG GROUP AS PER JUNE 30, 2022

(in € million or %)	1/1/2022 – 6/30/2022	1/1/2021 – 6/30/2021	4/1/2022 – 6/30/2022	4/1/2021 – 6/30/2021
Vehicle Engineering	227.6	213.1	112.0	112.7
Electrics/Electronics	107.8	92.1	53.1	46.6
Production Solutions	54.1	47.4	27.6	27.3
Consolidation	- 7.3	- 19.5	- 4.0	- 10.3
Total revenues[1]	**382.2**	**333.1**	**188.6**	**176.4**
Growth:				
Vehicle Engineering	*6.8%*	*1.9%*	*- 0.6%*	*32.2%*
Electrics/Electronics	*17.1%*	*7.0%*	*13.9%*	*18.6%*
Production Solutions	*14.2%*	*- 5.2%*	*0.8%*	*28.3%*
Change of revenues[1]	***14.7%***	***0.2%***	***6.9%***	***26.6%***
Vehicle Engineering	16.6	9.5	7.0	6.6
Electrics/Electronics	6.8	4.6	2.3	2.4
Production Solutions	0.6	- 3.5	0.1	0.2
Adjusted EBIT	**24.1**	**10.7**	**9.3**	**9.2**
Vehicle Engineering	*7.3%*	*4.5%*	*6.2%*	*5.9%*
Electrics/Electronics	*6.3%*	*5.0%*	*4.3%*	*5.1%*
Production Solutions	*1.1%*	*- 7.3%*	*0.3%*	*0.7%*
Adjusted EBIT margin	***6.3%***	***3.2%***	***4.9%***	***5.2%***
Profit or loss	***13.9***	***1.4***	***5.5***	***3.5***
Earnings per share (€)	0.56	0.06	0.22	0.14

[1] The performance figure "revenues" is used in the sense of gross performance (sales revenues and changes in inventories) in the following.

(in € million or %)	6/30/2022	12/31/2021
Fixed assets	304.6	304.8
Net working capital	45.5	12.4
Net financial debt (incl. lease liabilities)	- 167.2	- 134.7
Provisions	- 47.1	- 66.9
Held for sale	-	- 0.2
Equity	**135.8**	**115.4**
Balance sheet total	**658.0**	**694.2**

Net financial debt/credit [-/+] wo lease liabilities	- 24.0	12.0
Equity / BS total	*20.6%*	*16.6%*
Net Gearing [%] incl. lease liabilities	*123.2%*	*116.7%*

(in € million or %)	1/1/2022 – 6/30/2022	1/1/2021 – 6/30/2021	4/1/2022 – 6/30/2022	4/1/2021 – 6/30/2021
Operating cash flow	- 7.0	- 23.5	- 17.9	- 4.6
Investing cash flow	- 11.4	- 7.8	- 6.5	- 4.2
Free cash flow	- 18.4	- 31.3	- 24.4	- 8.8
Adjusted cash conversion rate[1]	72.5%	73.1%	64.4%	77.1%
CapEx	11.5	7.8	6.5	4.3
CapEx/Revenues	*3.0%*	*2.3%*	*3.4%*	*2.4%*

[1] The key figure "adjusted cash conversion rate" is defined as the adjusted EBIT before depreciation, amortization and impairment less gross investments divided by the adjusted EBIT before depreciation, amortization and impairment. The adjusted EBIT before depreciation, amortization and impairment is calculated from the adjusted EBIT plus depreciation, amortization and impairment less expenses from the purchase price allocation.

	6/30/2022	12/31/2021
Headcount end of period incl. apprentices	7,997	7,880
Trainees as %	2.9%	3.5%

At € 382.2 million, the revenue in the first half of the year was a significant € 49.0 million or 14.7 percent above the previous year's level (first half of 2021: € 333.1 million). In comparison with the same period in the previous year, revenue in all segments increased in the half year just ended.

Compared to the previous year, the EBIT in the reporting period increased by a substantial € 18.0 million to € 25.0 million (first half of 2021: € 7.1 million). This means that an EBIT margin of 6.6 percent was achieved (first half of 2021: 2.1 percent).

Primarily adjusted for the depreciation, amortization and impairments from the purchase price allocations that were recorded in the reporting period in 2022 (€ 1.3 million) and income from the reversal of provisions for restructuring (€ 1.8 million), the adjusted EBIT figure was € 24.1 million (first half of 2021: € 10.7 million), which is equivalent to an adjusted EBIT margin of 6.3 percent (first half of 2021: 3.2 percent).

The headcount, including trainees, on June 30, 2022 was 7,997 employees (12/31/2021: 7,880 employees). 5,714 of these employees were employed in Germany, and 2,283 in the rest of the world (RoW) (12/31/2021: [Germany: 5,635; RoW: 2,245]).

Gross investments in fixed assets amounted to € 11.5 million in the reporting period, which was above the level of the same period in the previous year (first half of 2021: € 7.8 million). The equity ratio on the reporting date was 20.6 percent (12/31/2021: 16.6 percent).

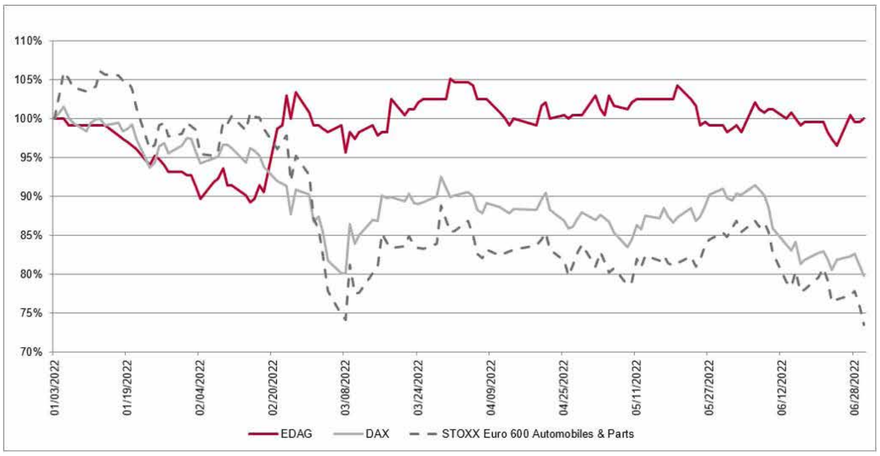
At € 167.2 million, the net financial debt (including lease liabilities) increased compared to the level recorded on December 31, 2021 (€ 134.7 million). Without taking lease liabilities into account, the net financial assets on June 30, 2022 amount to € 24.0 million (12/31/2021: net financial assets € 12.0 million).

THE EDAG SHARE

On January 3, 2022, the DAX started the new trading year with 15,947.44 points. With a closing value of 16,271.75 points, the index reached a new record closing level on January 5. Later on, and especially with the outbreak of war in Ukraine, the DAX weakened. On June 30, the DAX closed trading at 12,783.77 points, which was also the lowest closing level in the reporting period. During the first half of 2022, the STOXX Automobiles & Parts Index reached its highest closing level of 716.41 points on January 13 and its lowest closing level of 496.36 points on June 30.

1 Price Development

On January 3, 2022, the opening price of the EDAG share in XETRA trading was € 11.85. Following this, the share price initially fell to its lowest closing price in the reporting period of € 10.45 on February 15. In the wake of the ad hoc announcement on February 21, the share price successively rose until a closing price of € 12.30 was reached on March 31. This was also the highest closing price in the reporting period. At the Annual General Meeting on June 23, the decision was taken to pay a dividend of € 0.20 per share. The ex dividend price of the EDAG share was negotiated on June 24. On June 30, the share closed the reporting period with a closing price of € 11.70. During the first half of 2022, the average XETRA trade volume was 5,275 shares a day.



Source: Comdirect

2 Key Share Data

	1/1/2022 – 6/30/2022
Prices and trading volume:	
Share price on June 30 (€)[1]	11.70
Share price, high (€)[1]	12.30
Share price, low (€)[1]	10.45
Average daily trading volume (number of shares)[2]	5.275
Market capitalisation on June 30 (€ million)	292.50

[1] Closing price on Xetra
[2] On Xetra

A current summary of the analysts' recommendations and target prices for the EDAG share, the current share price and financial calendar is available on our homepage, on www.edag.com.

INTERIM MANAGEMENT REPORT

1 Basic Information on the Group

1.1 Business Model

Three Segments

With the parent company, EDAG Engineering Group AG, Arbon (Switzerland) ("EDAG Group AG"), the EDAG Group is one of the largest independent engineering partners to the automotive industry, and specializes in the development of vehicles, derivatives, modules and production facilities. The entire group of companies will hereinafter be referred to as EDAG Group or EDAG.

The business is organized in the following segments: Vehicle Engineering, Electrics/ Electronics and Production Solutions. The principle we work on is that of production-optimized solutions. This means that we always ensure that development results are in line with current production requirements.

Our main focus is on the automotive and commercial vehicle industries. Further potential is also seen in the industrial and smart city environments. Our global network ensures our local presence for our customers.

Presentation of the Vehicle Engineering Segment

The Vehicle Engineering segment ("VE") consists of services along the vehicle development process as well as responsibility for modules, derivatives and complete vehicles. We serve our customers from the initial idea through to the finished prototype. The segment is divided into the following divisions:

Our **Body Engineering** department brings together all of our services such as package & ergonomics, body assembly, surface design and interior & exterior. This also includes the development of door, cover and lid systems. Further, the Body Engineering department is involved with new technologies and lightweight design, as well as commercial vehicle development and the development of car lights such as headlamps, rear and small lamps. In addition to dealing with computation and simulation, the Dimensional Management team works on the reproducibility and geometrical quality of the products. Interface management and the management of complex module developments are taking on an increasingly significant role in the projects. Our **Vehicle Integration** department is responsible for the complete functional integration and for vehicle validation. This department employs computer-aided engineering (CAE) to carry out the early validation of products and their properties. Functionality is validated and durability analyzed on the test equipment and facilities at our test laboratories, in readiness for start of production. This includes testing individual components, modules, engines, motors, transmissions, and even complete vehicles. The new profit center, **Energy Systems and Drivetrain**, was created on January 1, 2022. Here, we have bundled in-house competencies in the design, development and integration of future-oriented powertrains (e.g. electric motors) and energy storage systems (e.g. battery, hydrogen) in both the mobility and the energy sectors. In the **Models & Vehicle Solutions** department, we offer a full range of styling, ideation and design services, and in our design studios we are able to implement the virtual design validation process and construct physical models for all phases of vehicle engineering. In the associated Prototype and Vehicle Construction department, we create complete test vehicles as well as sub-assemblies and vehicle bodies for the physical validation of these modules and systems. The development and production of individual vehicle conversions round off the portfolio of this department. This also includes the construction of classic cars, including custom-made spare parts. Complete vehicle development and interdisciplinary module packages, some of them calling for the involvement of our international subsidiaries, are managed by the **Project Management** department. The **Product Quality & Care** department provides assistance with consulting and support for quality-related matters, as well as services which explain a product and enable it to be used effectively.

Presentation of the Electrics/Electronics Segment

The structures in the Electrics/Electronics (E/E) segment consist of six programs that represent a complete E/E portfolio from the customer's point of view, and externally reflect the most important customer trends. These six programs are: Vehicle Electrics & Electronics, e-Drive & Energy Systems, Comfort & Body Systems, Autonomous Drive & Safety, Connectivity & User Experience (UX) and Mobility & Cloud Services. Systematic innovation management, adherence to new agile development processes and rapid customer-oriented development are the values that are also applied in customer projects in the digital transformation process.

Thanks to the competence organization in the growth domains, the range of services offered by the EDAG E/E segment provides all development services required for a complete vehicle. PMBO (Project Management Office & Business Operation) consolidates the cross-segment project management processes and provides the E/E project leaders with an explicit project management framework for small to large-scale projects.

Increasingly, international work results are being provided in cooperations across various segments and sites. This includes in particular the growth domains eMobility, autonomous driving, digital networking both inside and outside of the car, and solutions for mobility services. Also included in the range of services are developments relating to comfort and safety systems.

To accommodate the constantly increasing number of functions and the internal and external networking of vehicles, the **Architecture & Networks Development** division develops innovative domain or service-oriented architectures on the basis of a fully integrated tool-based EDAG E/E architecture development process. Starting with the initial feature list, through topology and the vehicle electrical system, to integration in the corresponding vehicle, EDAG provides support and development services for all development phases through to series production, using the company's own benchmark, feature and component databases.

The **Systems Engineering** division develops electrical and electronic systems and functions. The systems are divided into their individual elements: sensor technology, actuator technology and controls. The core competency centers on the management of the development process throughout the entire development, following either the OEM's or EDAG's process model. Whereas there is a tendency to perform specifying activities at the beginning, the focus of tasks shifts towards controlling system integration and system validation as the project progresses, concluding with support during the approval phase of the market-ready systems.

E/E Software & Digitalization develops hardware and software components. EDAG provides support along the entire development cycle from the concept phase to series production, and assumes responsibility for all development activities. Development in line with the ASPICE model in highly automated tool chains and agile development teams is one of the daily challenges faced in the endeavor to ensure efficient processing with high-quality engineering in the projects. Information technology is another key aspect of Software & Digitalization. Here, EDAG E/E develops innovative services on behalf of customers. EDAG E/E's service portfolio includes order-related UX, agile development processes and distinctive technological expertise in classic software development in the front-end and back-end and in special applications in the field of AI and data science.

The **Integration & Validation** division combines validation and testing skills. Apart from specific test stand construction, this also calls for knowledge of test strategies, test specifications and test performance. The tests are carried out in the laboratory, at the test site, on the road, or in virtual test environments in a variety of ways ranging from manual to highly automated. All E/E aspects relating to prototype and test vehicle construction are also included in this division.

In its cross-company interdisciplinary function, competence in the field of **functional safety & cybersecurity** in particular is gaining in significance. In society's endeavors to minimize risks (Vision Zero), comprehensive security concepts that also cover the infrastructure and monitoring elements such as vehicle guidance systems are being developed. Through standards such as ISO/SAE 21434 and planned standardized requirements for the type approval of vehicles, cybersecurity continues to gain in importance. Here too, EDAG intends to take a leading position

A further addition to the service portfolio is **Process & Product Data Management** ("PPDM"), which attends to the cross-divisional management of all processes aimed at achieving milestones in the product creation process. The services range from process management, through certification, homologation and release management, to commissioning and digital mock-up.

Presentation of the Production Solutions Segment

The Production Solutions (PS) segment - operating through the independent company EDAG Production Solutions GmbH & Co. KG, Fulda, its international subsidiaries and profit centers - is an all-round engineering partner which accepts responsibility for the development and implementation of production processes at 11 sites in Germany and at international sites particularly in the USA, India, Hungary and China. In addition to handling the individual stages in the product creation process and all factory and production systems-related services, EDAG PS is also able to optimally plan complete factories over all fields, including cross processes, and to provide realization support. The Industry 4.0 methods and tools serve as the basis for the networked engineering between the product development and plant construction processes.

EDAG PS is organized in the following business segments: Automotive Solutions, Industrial Solutions and Smart City Solutions.

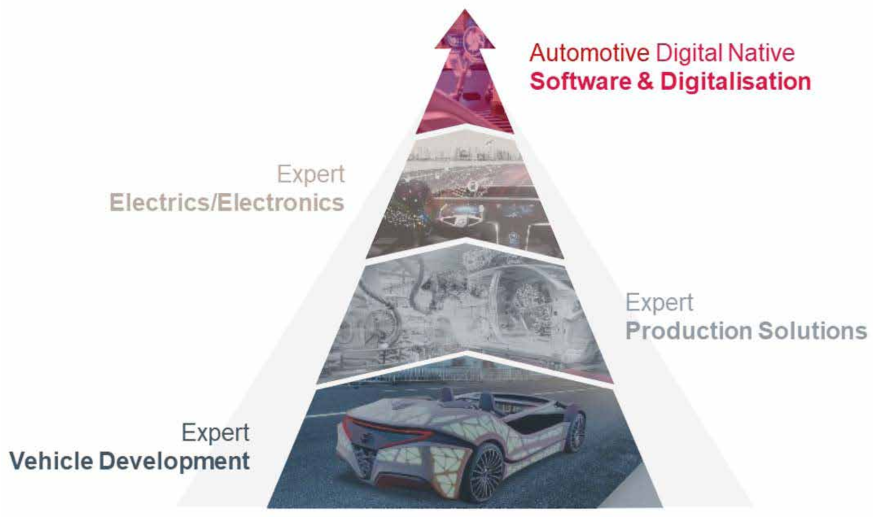
The **Automotive Solutions** division comprises the long-standing business segment of EDAG PS. EDAG PS offers customers in the automotive industry an extensive portfolio which ranges from planning to virtual commissioning. It has the comprehensive production development competence needed to master all the interfaces between product development, production engineering and plant engineering and construction. In this business field, the focus is on product manufacturing and feasibility, and also on the new technologies within the automotive industry. The new automotive technology innovations encompass everything to do with the battery, alternative drive systems and sustainability environment. Another area on which the division focuses is mechatronic engineering in body manufacturing, final assembly and the component. The aim is to reduce the number of hours in the engineering process for each factory, production line and production cell by means of standardization and automation. Digital factory methods are used in all production lines (digital, virtual and real-life) to guarantee that functional requirements are met and implemented. To meet customers' requirements, the engineering teams develop realistic 3D simulation cells in which the planning, design and technological concepts are implemented and validated, both mechanically and electrically, in line with process requirements. Early involvement during the engineering process makes it possible to systematically improve production processes and ensure an optimized start of production (ramp-up).

In the **Industrial Solutions** division, holistic and independent production solutions are developed, digitally validated and implemented. Starting with analysis and consulting, then the planning and development of production plants through to their realization, support along the entire product and production development process is provided for customers in the automotive sector, and particularly in industry in general. The key services in this division are the six elements of the smart factory: product design for manufacturability, coordinated technical building equipment and plant layout, individual production solutions, networking through smart logistics, digitalization and networking in production, and virtual reality and augmented reality in production. In this way, EDAG PS aims to achieve improved process reliability for its customers, along with a sustainable factory infrastructure, increased productivity, supply chain excellence, complexity control, and improved decision-making and process validation. The portfolio is also complemented by Feynsinn, a process consulting and CAx development department. IT-assisted sequences and methods are developed here, as is software for product design, development, production and marketing. Feynsinn also offers consulting, conceptual and realization services in the field of visualization technologies. A range of training opportunities completes the EDAG PS industrial solutions portfolio.

Alongside these two core business fields, the **Smart City Solutions** division is also being developed to advance digitalization and networking in the public arena. The focus of this division is on intelligent networking solutions: smart mobility, smart infrastructure, smart people and smart government. With these connectivity solutions, EDAG PS helps cities and municipalities to network the transport of passengers and goods, gather and consolidate city-related information, make digitalization accessible to people, and digitize processes and link data interfaces.

1.2 Targets and Strategies

In the course of its 50-year history, the EDAG Group has continually developed. Building on our strong roots in vehicle and production plant development, the company has, with our entry into the field of electrics/electronics and our expertise in the development of complete vehicles, established a leading international position as an innovative partner to the global mobility industry. Change is a constant companion and what drives the development of our company. By combining and expanding our cross-segment competencies and capacities in the field of software and digitalization, we are taking the next logical evolutionary step on the road to the mobility of the future.



With some 8,000 employees at almost 60 international sites, the EDAG Group now stands firmly alongside its customers as an innovative partner.

Corporate Purpose

The focus of our activities is always on people and their need for mobility. From this, our corporate purpose **"reinvent mobility - reinvent yourself"** is also derived.

With this, we emphasize our motivation to reinvent ourselves every day and so be in a position to reinvent mobility for our customers, our cooperation partners and society as a whole, and, through technological solutions, to pave the way for change. For our employees, "reinvent yourself" creates a balance between stability and change.

Company Vision and Mission

Our corporate purpose is the basis from which the vision for the EDAG Group is derived:
"Working together to shape the mobility of the future. Efficiently. Safely. Sustainably."

This gives us a clear guiding principle for the future, the compass of our company, our mission.

EDAG therefore pursues the following goals:

- A talent factory for all employees
- A competence center for new technologies and solutions
- An agile market and future-shaping company
- A source of inspiration and vision based on clear values
- An economically, ecologically and socially sustainable engineering service provider

2 Financial Report

2.1 Macroeconomic and Industry-Specific Conditions

According to the International Monetary Fund's (IMF) latest outlook on July 26, 2022, the world economy exhibited 6.1 percent growth in 2021 (2020: a decline of 3.1 percent). For the current year, the IMF anticipates a growth rate of 3.2 percent.

Compared to the same period in the previous year, the European automotive market (EU-27 + EFTA & UK) recorded a further downturn in the number of new registrations in the first half of 2022 (-14 percent). The decline of the five largest individual markets varied widely: new registrations in the first half of 2022 fell by 11 percent in both Spain and Germany. There were sharper declines in the number of new vehicles registered in Great Britain (-12 percent), France (-16 percent) and Italy (-23 percent).

In Germany, a slight decline in new registrations of electric passenger cars was recorded in the first 6 months in 2022 (-2.0 percent compared to the same period in the previous year). Overall, sales of electric passenger cars, which amounted to 306,143, accounted for a market share of 24.7 percent (same period in the previous year: 22.5 percent). At 35.8 percent, the proportion of gasoline-fueled passenger cars was below the previous year's level (38.6 percent). Likewise, at 19.9 percent, the proportion of diesel-fueled passenger cars was also below the level in the previous year (22.6 percent) in the first half of 2022.

In the USA, the volume on the light vehicle market (passenger cars and light trucks) in the period January to June 2022 decreased by 18 percent compared to the same period in the previous year. Sales in the passenger car segment fell by 25 percent, and by 16 percent in the light truck segment. Similarly, the markets in Brazil (-15 percent) and Japan (-16 percent) performed worse compared to the same period in the previous year, to some extent significantly so. In India (+16 percent) and China (+4 percent), on the other hand, the number of new vehicles sold up to June 2022 increased compared to the same period in the previous year.

2.2 Financial Performance, Cash Flows and Financial Position of the EDAG Group in accordance with IFRS

Financial Performance

Development of the EDAG Group

As of June 30, 2022, orders on hand increased to € 405.4 million compared to € 333.8 million as of December 31, 2021 (6/30/2021: € 392.0 million). Neither potential call-offs relating to general agreements nor call-offs relating to production orders are included in the orders on hand. In the first half year just ended, the EDAG Group generated incoming orders amounting to € 432.8 million, which, compared to the same period in the previous year (€ 390.2 million), represents an increase of € 42.6 million.

At € 382.2 million, the revenue in the first half of the year was a significant € 49.0 million or 14.7 percent above the previous year's level (first half of 2021: € 333.1 million). This development is mainly due to the fact that the same period in the previous year was adversely affected by the continuing challenges in connection with the COVID-19 pandemic, but also the cyber attack and the impact this had on operations. In comparison with the same period in the previous year, revenue in all segments increased in the reporting period just ended.

Materials and services expenses increased by € 10.4 million to € 44.5 million (first half of 2021: € 34.1 million). This development is reflected in the materials and services expenses ratio which, at 11.6 percent, was above the level of the same period in the previous year (first half of 2021: 10.2 percent). Compared to the same period in the previous year, the materials expenses ratio fell by 0.2 percentage points to 3.6 percent. On the other hand, at 8.0 percent, the ratio of service expenses in relation to the revenues was above the level of the same period in the previous year (first half of 2021: 6.4 percent).

The EDAG Group's personnel expenses in the reporting period increased by 8.4 percent to € 261.8 million compared to the same period in the previous year. On the other hand, there was an appreciable decrease in the ratio of personnel expenses down to 68.5 percent, compared with the same period in the previous year (first half of 2021: 72.5 percent). In the half year just ended, the company had a workforce of 7,956 employees on average, including apprentices (first half of 2021: 7,844 employees).

Depreciation, amortization and impairments totaled € 19.0 million (first half of 2021: € 19.5 million). The net result from the impairment or impairment loss reversal of financial assets amounted to € 0.3 million (first half of 2021: € -0.4 million). The other operating expenses increased by € 4.2 million to € 45.6 million. By contrast, the ratio of operating expenses in relation to revenues fell to 11.9 percent (first half of 2021: 12.4 percent).

Compared to the previous year, the EBIT in the reporting period increased by a substantial € 18.0 million to € 25.0 million (first half of 2021: € 7.1 million). This means that an EBIT margin of 6.6 percent was achieved (first half of 2021: 2.1 percent).

Primarily adjusted for the depreciation, amortization and impairments from the purchase price allocations that were recorded in the reporting period in 2022 (€ 1.3 million) and income from the reversal of provisions for restructuring (€ 1.8 million), the adjusted EBIT figure was € 24.1 million (first half of 2021: € 10.7 million), which is equivalent to an adjusted EBIT margin of 6.3 percent (first half of 2021: 3.2 percent).

The financial result for the first half of 2022 was € -4.2 million, (first half of 2021: € -4.9 million), an improvement of € 0.7 million compared to the same period in the previous year. This is primarily due to an improvement in the results of investments accounted for using the equity method (€ 0.5 million) compared with the previous year (first half of 2021: € 0.2 million), but also to lower interest expenses as a result of a reduction in the financing framework.

To sum up, with a result of € 13.9 million (first half of 2021: a profit of € 1.4 million), business development of the EDAG Group was all in all satisfactory in the reporting period.

Development of the Vehicle Engineering Segment

Incoming orders in the first half of 2022 amounted to € 243.5 million, which was well above the level of the same period in the previous year (first half of 2021: € 231.1 million). At € 227.6 million, revenues were also above the previous year's level (first half of 2021: € 213.1 million). All in all, an EBIT of € 17.7 million was reported for the Vehicle Engineering segment in the half year (first half of 2021: € 6.8 million). The EBIT margin amounted to 7.8 percent and was thus well above the level of the same period in the previous year (first half of 2021: 3.2 percent). Compared to the same period in the previous year, there was a marked improvement in the adjusted EBIT margin, which increased to 7.3 percent (first half of 2021: 4.5 percent).

Development of the Electrics/Electronics Segment

Incoming orders increased by a significant € 29.2 million to € 136.6 million compared to the same period in the previous year (first half of 2021: € 107.4 million). At € 107.8 million, revenue was also well above the level of the same period in the previous year (€ 92.1 million). The EBIT stood at € 6.8 million (first half of 2021: € 4.4 million). This meant that the EBIT margin amounted to 6.3 percent (first half of 2021: 4.8 percent). The adjusted EBIT margin was also 6.3 percent, which was an improvement on the previous year's level (first half of 2021: 5.0 percent).

Development of the Production Solutions Segment

In this segment, incoming orders amounted to € 60.5 million, which was also above the level of the same period in the previous year (first half of 2021: € 56.1 million). At € 54.1 million, the revenue in the first half of the year was a significant € 6.7 million above the previous year's level (first half of 2021: € 47.4 million). Overall, the EBIT for the Production Solutions segment stood at € 0.5 million in the first half year just ended (first half of 2021: € -4.1 million). At 1.1 percent, the adjusted EBIT margin in the first half of the year was considerably above the level of the same period in the previous year (first half of 2021: -7.3 percent).

Cash Flows and Financial Position

The EDAG Group's statement of financial position total decreased by € 36.2 million to € 658.0 million, and was therefore below the level of December 31, 2021 (€ 694.2 million). The non-current assets decreased slightly by € 6.8 million to € 318.0 million (12/31/2021: € 324.8 million). Investments and depreciation on the non-current assets balanced each other out during the reporting period. In the current assets, there was an increase of € 54.9 million in the contract assets. By way of contrast, the accounts receivable fell by € 54.0 million. Through decreasing from € 151.1 million to € 116.6 million, cash and cash-equivalents still remain at a very high level.

On the equity, liabilities and provisions side, equity increased from € 115.4 million to € 135.8 million, mainly as a result of the current profits (€ 13.9 million) and effects from the subsequent measurement of pension provisions (€ 9.9 million). The opposite effect was had by the dividend payout (€ -5.0 million). The equity ratio on the reporting date was 20.6 percent (12/31/2021: 16.6 percent).

Non-current liabilities and provisions decreased to € 274.8 million, primarily due to the increase in the actuarial interest rate applied to pension provisions (12/31/2021: € 291.3 million). Current liabilities and provisions decreased by € 40.0 million to € 247.5 million, mainly as a result of a decline in contractual liabilities.

In the first half of 2022, the operating cash flow was € -7.0 million (first half of 2021: € -23.5 million). The reduction was due to improvements in financial performance, but primarily due to effects from the trade working capital.

At € 11.5 million, gross investments in the reporting period were higher than in the previous year (first half of 2021: € 7.8 million). The ratio of gross investments in relation to revenues was therefore 3.0 percent (first half of 2021: 2.3 percent).

On the reporting date, unused lines of credit in the amount of € 105.3 million exist in the EDAG Group (12/31/2021: € 106.4 million). The Executive Management regards the overall economic situation of the EDAG Group as good. The company has a sound financial basis, and was able to fulfil its payment obligations at all times throughout the reporting period.

2.3 HR Management and Development

The success of the EDAG Group as one of the leading engineering service providers in the automotive sector is inextricably linked to the skills and motivation of its employees. Behind the company's comprehensive service portfolio are people with widely differing occupations and qualifications. In addition, the EDAG Group is also characterized by the special commitment and mentality of its employees. Throughout more than 50 years of history, EDAG has always ensured that both young and experienced employees are offered interesting and challenging activities and projects, and are provided with the prospect of and the necessary space for personal responsibility and decision-making. And this is the primary focus of both our human resources management and development. For a more detailed representation of personnel management and development, please see the Group Management Report in the Annual Report for 2021.

On June 30, 2022, the EDAG Group employed a workforce of 7,997 people (12/31/2021: 7,880 people). Personnel expenses amounted to € 261.8 million in the reporting period (first half of 2021: € 241.4 million).

3 Forecast, Risk and Reward Report

3.1 Risk and Reward Report

The following significant change to the risks and rewards described in the Group Management Report in the Annual Report for 2021 occurred during the reporting period.

Operative risks in the second quarter remain in risk category C, with an unchanged high probability of occurrence, compared with the first quarter (2021: medium). As regards the other risks and rewards, there were no significant changes during the reporting period to the risks and rewards described in the Group Management Report for 2021. Although from a macroeconomic point of view, the projected development of the global economy could create opportunities for EDAG, the effects of the Covid-19 pandemic nevertheless continue to represent a risk to the global economy and to EDAG. The war initiated by Russia's attack on Ukraine February 24, 2022 brings additional uncertainties. Recovery of the global economy from the pandemic has been demonstrably slowed down, and could also be derailed with long-term effect.

Considering the measures taken, our position on the market, and our strategic and financial strength, we remain confident of our ability to contain the existing risks and deal successfully with the resulting challenges. For a more detailed representation of the Risk and Reward Report, please see the Group Management Report in the Annual Report for 2021.

3.2 Forecast

Russia's war of aggression and its impact on supply chains, energy prices and other uncertainties are having a definite impact on global economic expectations for 2022 and 2023. According to the latest IMF estimate announced on July 26, 2022, an increase of 1.2 percent in economic performance is expected for Germany in 2022, and a growth rate of 0.8 percent in 2023. Within the euro area, the IMF expects a growth rate of 2.6 percent in 2022 and of 1.2 percent in 2023. Growth of the US economy is expected to reach 2.3 percent in 2022, while a growth rate of 1.0 percent is anticipated in 2023. According to latest estimates, China, with forecasts for a 3.3 percent increase in economic output in 2022 and 4.6 percent in 2023, remains the fastest growing economy in the global economy, and is therefore one of the states with the fastest growing economic performance in both 2022 and 2023.

According to VDA estimates, the number of new vehicles registered within Europe (EU-27 + EFTA & UK) will stagnate at a level of 11.8 million passenger cars in 2022. For Germany, on the other hand, the VDA forecasts an increase of 3 percent to 2.7 million passenger cars. Similarly, the VDA anticipates a growth rate of 3 percent to 21.7 million units for China in 2022. In the USA, the VDA anticipates a decline of -1 percent to 14.7 million units in 2022.

In its forecast of August 17, 2022, Morgan Stanley anticipates that global sales of vehicles will slightly decrease to 68.4 million in 2022, which is 0.7 percent less than in 2021. This puts the number of passenger cars sold slightly below the 2021 figure of 68.8 million units, and still considerably below the pre-crisis year of 2019, when more than 78.1 million units were sold.

Besides the sales figures, however, technological and digital trends are having an enormous influence not just on our own business model, but also on those of the OEMs. In particular, a large number of new automotive startup companies can see an opportunity to redesign the mobility of the future. The current emission standards are

[1] Battery electric vehicle (BEV) / plug-in hybrid electric vehicle (PHEV)

making the further development of classic powertrain types essential, and promoting the integration of alternative powertrains. The BEV/PHEV technologies are also becoming increasingly important. In addition, however, e-fuels and the hydrogen-based fuel cell are providing high-tech engineering service providers with diverse opportunities. Additional challenges for all market participants are being created by the future-oriented fields of software, sensors, and autonomous and connected driving. The development of new digital business fields and mobility services necessitates additional development and capacity requirements, which could lead to new growth opportunities for the engineering service market. The continuing consolidation of the engineering service providers and changed responsibility models in the drafting of work contracts will also bring about lasting changes within the sector.

The market for engineering services remains highly dynamic. With a growing focus on CO2 reduction, the development of alternative drive concepts is being massively accelerated. Trend topics such as highly automated driving and data-based business models call for completely new vehicle architectures, and are increasingly leading to a separation of hardware and software in development and thus to additional integration performance. The large number of powertrain variants will make flexible and networked smart factories indispensable. All these developments are driving the demand for development services, and will, in the medium to long term, lead to considerable opportunities. The VDA anticipates an investment volume of € 220 billion in research and development in the automotive industry by 2026; to this must be added the expenditure on the conversion of existing and the construction of new plants.

As before, we do not at present see any risk to the continued existence of the company in the Covid-19 pandemic and the geopolitical conflicts, but do see a risk that its development might be impaired. The dynamic situation in connection with Russia's war of aggression harbors uncertainties on the development of which cannot be foreseen. It is difficult to make a reliable outlook with regard to possible consequences for supply chains and the availability of pre-products and raw materials in the automotive industry. On the reporting date, unused lines of credit with credit institutions in the amount of € 105.3 million exist in the EDAG Group. As a result, we see ourselves as being very well positioned to meet the challenges of the 2022 financial year.

Delays in the awarding of contracts, project cancellations, heterogeneous capacity utilization in different areas and locations, and continuing price pressure still pose additional risks for engineering service providers.

As a globally operating company, the EDAG Group is keeping a very keen eye on all forms of economic and geopolitical developments, and has made preparations to ensure that any additional countermeasures that prove necessary can be taken as quickly as possible.

With the current dynamically changing situation and the exceptional uncertainties arising as a result, companies across all sectors find themselves facing considerable challenges when it comes to forecasting economic development and deriving a reliable and dependable quantitative outlook.

For the 2022 financial year, EDAG continues to expect accelerated dynamic growth and a positive development in key performance indicators, and on the basis of this forecasts an increase in revenues at the upper end of a range of about 6 to 9 percent.

What is more, our expectation of a marked and positive improvement in results in the adjusted EBIT remains unchanged, and current projections indicate an adjusted EBIT margin in the 6 to 8 percent range.

On account of the sustained growth, we expect investments in the 2022 financial year to be above the level of the previous year, and anticipate an investment rate that will probably be in the region of 4 to 5 percent.

To a large extent, however, these estimates remain dependent on the impact of the war in Ukraine, the possibility of further geopolitical conflicts, ongoing disruptions in global supply chains, and further pandemic developments.

A summary of the outlook for 2021 is included in the following table:

in € million	2021	Forecast 2022
Group		
Revenues	687.6	Increase at the upper end of around 6 to 9 percent
Adjusted EBIT-margin	4.5%	Range of around 6 to 8 percent
Investment rate	2.7%	Range of 4 to 5 percent

4 Disclaimer

The Interim Management Report contains future-based statements related to anticipated developments. These statements are based on current projections, which by their nature include risks and uncertainties. Actual results may differ from the statements provided here.

ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

1 Consolidated Statement of Comprehensive Income

in € thousand	1/1/2022 – 6/30/2022	1/1/2021 – 6/30/2021	4/1/2022 – 6/30/2022	4/1/2021 – 6/30/2021
Profit or loss				
Sales revenues and changes in inventories[1]	382,150	333,130	188,631	176,381
Sales revenues	381,247	332,675	189,122	176,592
Changes in inventories	903	455	- 491	- 211
Other income	13,483	10,642	8,760	4,804
Material expenses	- 44,494	- 34,098	- 26,346	- 19,240
Gross Profit	**351,139**	**309,674**	**171,045**	**161,945**
Personnel expenses	- 261,798	- 241,401	- 127,914	- 121,543
Depreciation, amortization and impairment	- 19,004	- 19,483	- 9,563	- 10,035
Net result from impairment losses or impairment loss reversals of financial assets	264	- 374	12	- 352
Other expenses	- 45,563	- 41,347	- 22,825	- 22,158
Earnings before interest and taxes (EBIT)	**25,038**	**7,069**	**10,755**	**7,857**
Result from investments accounted for using the equity method	514	214	200	186
Financial income	176	74	94	38
Financing expenses	- 4,890	- 5,206	- 2,731	- 2,846
Financial result	**- 4,200**	**- 4,918**	**- 2,437**	**- 2,622**
Earnings before taxes	**20,838**	**2,151**	**8,318**	**5,235**
Income taxes	- 6,939	- 717	- 2,770	- 1,744
Profit or loss	**13,899**	**1,434**	**5,548**	**3,491**

[1] For the sake of simplicity, described as revenue in the following.

in € thousand	1/1/2022 – 6/30/2022	1/1/2021 – 6/30/2021	4/1/2022 – 6/30/2022	4/1/2021 – 6/30/2021
Profit or loss	**13,899**	**1,434**	**5,548**	**3,491**
Other Comprehensive Income				
Under certain conditions reclassifiable profits/losses				
Currency conversion difference				
Profits/losses included in equity from currency conversion difference	1,335	522	546	336
Total under certain conditions reclassifiable profits/ losses	**1,335**	**522**	**546**	**336**
Not reclassifiable profits/losses				
Revaluation of net obligation from defined benefit plans				
Revaluation of net obligation from defined benefit plans before taxes	14,198	1,262	8,867	137
Deferred taxes on defined benefit plans and obligations	- 4,258	- 378	- 2,658	- 40
Share of other comprehensive income of at-equity accounted investments, net of tax	162	20	89	2
Total not reclassifiable profits/losses	**10,102**	**904**	**6,298**	**99**
Total other comprehensive income before taxes	15,695	1,804	9,502	475
Total deferred taxes on the other comprehensive income	- 4,258	- 378	- 2,658	- 40
Total other comprehensive income	**11,437**	**1,426**	**6,844**	**435**
Total comprehensive income	**25,336**	**2,860**	**12,392**	**3,926**
Earnings per share of shareholders of EDAG Group AG [diluted and basic in €]				
Earnings per share	0.56	0.06	0.22	0.14

2 Consolidated Statement of Financial Position

in € thousand	6/30/2022	12/31/2021
Assets		
Goodwill	74,754	74,566
Other intangible assets	12,796	13,151
Property, plant and equipment	69,768	67,799
Rights of use from leasing	128,341	130,996
Financial assets	141	134
Investments accounted for using the equity method	18,795	18,119
Non-current other financial assets	465	524
Non-current other non-financial assets	157	148
Deferred tax assets	12,768	19,387
Non-current assets	**317,985**	**324,824**
Inventories	3,958	2,588
Current contract assets	119,670	64,732
Current accounts receivables	75,703	129,688
Current other financial assets	4,688	1,565
Current securities, loans and financial instruments	149	141
Current other non-financial assets	18,537	17,722
Income tax assets	684	711
Cash and cash-equivalents	116,639	151,091
Assets held for sale/Disposal group	-	1,162
Current assets	**340,028**	**369,400**
Assets	**658,013**	**694,224**

in € thousand	6/30/2022	12/31/2021
Equity, liabilities and provisions		
Subscribed capital	920	920
Capital reserves	40,000	40,000
Retained earnings	100,419	91,520
Reserves from profits and losses recognized directly in equity	- 2,368	- 12,470
Currency conversion differences	- 3,213	- 4,548
Equity	**135,758**	**115,422**
Provisions for pensions and similar obligations	24,152	37,489
Other non-current provisions	3,944	3,905
Non-current financial liabilities	120,035	120,041
Non-current lease liabilities	126,649	129,866
Deferred tax liabilities	5	20
Non-current liabilities and provisions	**274,785**	**291,321**
Current provisions	19,019	25,471
Current financial liabilities	20,787	19,144
Current lease liabilities	16,540	16,914
Current contract liabilities	98,888	147,276
Current accounts payable	23,621	19,994
Current other financial liabilities	4,441	5,011
Current other non-financial liabilities	57,100	47,862
Income tax liabilities	7,074	4,493
Provisions and liabilities in connection with assets held for sale/Disposal group	-	1,316
Current liabilities and provisions	**247,470**	**287,481**
Equity, liabilities and provisions	**658,013**	**694,224**

3 Consolidated Cash Flow Statement

in € thousand		1/1/2022 – 6/30/2022	1/1/2021 – 6/30/2021
	Profit or loss	**13,899**	**1,434**
+/-	Income tax expenses/income	6,939	717
-	Income taxes paid	- 1,169	- 2,456
+	Financial result	4,200	4,918
+	Interest and dividend received	176	63
+/-	Depreciation and amortization/write-ups on tangible and intangible assets	19,004	19,483
+/-	Other non-cash item expenses/income	12,960	- 880
+/-	Increase/decrease in non-current provisions	- 13,499	- 328
-/+	Profit/loss on the disposal of fixed assets	- 37	- 2
-/+	Increase/decrease in inventories	- 1,773	- 613
-/+	Increase/decrease in contract assets, receivables and other assets that are not attributable to investing or financing activities	- 3,250	- 56,247
+/-	Increase/decrease in current provisions	- 7,732	2,083
+/-	Increase/decrease in accounts payables and other liabilities and provisions that are not attributable to investing or financing activities	- 36,741	8,298
=	**Cash inflow/outflow from operating activities/operating cash flow**	**- 7,023**	**- 23,530**
+	Deposits from disposals of tangible fixed assets	119	32
-	Payments for investments in tangible fixed assets	- 8,410	- 5,602
-	Payments for investments in intangible fixed assets	- 3,070	- 2,174
+	Deposits from disposals of financial assets	3	3
-	Payments for investments in financial assets	- 10	- 22
=	**Cash inflow/outflow from investing activities/investing cash flow**	**- 11,368**	**- 7,763**

	in € thousand	1/1/2022 – 6/30/2022	1/1/2021 – 6/30/2021
-	Payments to shareholders/partners (dividend for prior years, capital repayments, other distributions)	- 5,000	-
-	Interest paid	- 3,538	- 4,368
+	Borrowing of financial liabilities	1,406	1,403
-	Repayment of financial liabilities	- 751	- 109
-	Repayment of lease liabilities	- 8,911	- 9,151
=	**Cash inflow/outflow from financing activities/financing cash flow**	**- 16,794**	**- 12,225**
	Net Cash changes in financial funds	**- 35,185**	**- 43,518**
-/+	Effect of changes in currency exchange rate and other effects from changes of financial funds	733	328
+	Financial funds at the start of the period	151,091	156,292
=	**Financial funds at the end of the period [cash & cash equivalents]**	**116,639**	**113,102**
=	**Free cash flow (FCF) – equity approach**	**- 18,391**	**- 31,293**

4 Consolidated Statement of Changes in Equity

in € thousand	Subscribed capital	Capital reserves	Retained earnings	Currency conversion	Revaluation from pension plans	Shares in investments accounted for using the equity method	Total equity
As per 1/1/2022	**920**	**40,000**	**91,521**	**- 4,548**	**- 12,359**	**- 112**	**115,422**
Profit or loss	-	-	13,899	-	-	-	13,899
Other comprehensive income	-	-	-	1,335	9,940	162	11,437
Total comprehensive income	**-**	**-**	**13,899**	**1,335**	**9,940**	**162**	**25,336**
Dividends	-	-	- 5,000	-	-	-	- 5,000
As per 6/30/2022	**920**	**40,000**	**100,420**	**- 3,213**	**- 2,419**	**50**	**135,758**

in € thousand	Subscribed capital	Capital reserves	Retained earnings	Currency conversion	Revaluation from pension plans	Shares in investments accounted for using the equity method	Total equity
As per 1/1/2021	**920**	**40,000**	**80,097**	**- 5,581**	**- 13,474**	**- 121**	**101,841**
Profit or loss	-	-	- 1,434	-	-	-	1,434
Other comprehensive income	-	-	-	522	884	20	1,426
Total comprehensive income	**-**	**-**	**1,434**	**522**	**884**	**20**	**2,860**
As per 6/30/2021	**920**	**40,000**	**81,531**	**- 5,059**	**- 12,590**	**- 101**	**104,701**

5 Selected Explanatory Notes

5.1 General Information

The EDAG Group are experts in the development of vehicles, derivatives, modules and production facilities, specializing in complete vehicle development. As one of the largest independent engineering partners for the automotive industry, we regard mobility not simply as a product characteristic, but rather as a fully integrated purpose.

The parent company of the EDAG Group is EDAG Engineering Group AG ("EDAG Group AG"). EDAG Group AG was founded on November 2, 2015, and entered in the commercial register of the Swiss canton Thurgau on November 3, 2015. The registered office of the company is: Schlossgasse 2, 9320 Arbon, Switzerland.

Since December 2, 2015, the company has been listed for trading on the regulated market of the Frankfurt Stock Exchange with concurrent admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard):

International Securities Identification Number (ISIN):	CH0303692047
Securities identification number (WKN):	A143NB
Trading symbol:	ED4

The shares are denominated in Swiss francs. The functional currency is the euro, and shares are traded in euros. The company's shares are briefed in a global certificate and deposited with Clearstream. Each company share entitles its holder to a vote at the company's annual shareholders' meeting.

The financial statements of the subsidiaries included in the consolidated interim financial statements were prepared using uniform accounting and valuation principles as of EDAG Group AG's financial reporting date (June 30).

The unaudited consolidated half-year financial report has been prepared using the euro as the reporting currency. Unless otherwise stated, all amounts are given in thousands of euros. Where percentage values and figures are given, differences may occur due to rounding.

In accordance with IAS 1, the statement of financial position is divided into non-current and current assets, liabilities and provisions. Assets and liabilities are classified as current if they are expected to be sold or settled respectively within a year or within the company's or group's normal operating cycle. In compliance with IAS 12, deferred taxes are posted as non-current assets and liabilities. Likewise, pension provisions are also posted as non-current items.

The statement of comprehensive income is structured according to the nature of expense method.

5.2 Basic Principles and Methods

Basic Accounting Principles

The consolidated half-year financial report of the EDAG Group AG for the period ending June 30, 2022 has been prepared in accordance with IAS 34 "Interim financial reporting". As the scope of the consolidated half-year financial report has been reduced, making it shorter than the consolidated financial statement, it should be read in conjunction with the consolidated financial statement for December 31, 2021. The consolidated financial statement of EDAG Group AG and its subsidiaries for December 31, 2021 has been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as they are to be applied pursuant to Directive No. 1606/2002 of the European Parliament and Council regarding the application of international accounting standards in the EU. In addition to the International Financial Reporting Standards, the term IFRS also includes the still valid International Accounting Standards (IAS), the Interpretations of the IFRS Interpretations Committee (IFRS IC) and those of the former Standing Interpretations Committee (SIC). The requirements of all accounting standards and interpretations resolved as of June 30, 2022 and adopted in national law by the European Commission have been fulfilled.

In addition to the statement of financial position and the statement of comprehensive income, the IFRS consolidated financial statement also includes additional components, namely the statement of changes in equity, the cash flow statement and the notes. The separate report on the risks of future development is included in the Interim Management Report.

All estimates and assessments required for accounting and valuation in accordance with the IFRS standards are in conformity with the respective standards, are regularly reassessed, and are based on past experience and other factors including expectations as to future events that appear reasonable under the given circumstances. Wherever large-scale estimates were necessary, the assumptions made are set out in the note relating to the relevant item in the following.

The Condensed Consolidated Financial Statements and the Interim Management Report have not been subjected to an audit review in accordance with ISRE 2410, nor have they been audited in accordance with § 317 of the German Commercial Code.

New, Changed or Revised Accounting Standards

EDAG Group AG has applied the following accounting standards adopted by the EU and legally required to be applied since January 1, 2022, although they did not have any significant effect on the assets, financial position and financial performance of the EDAG Group in the Consolidated Half-Year Financial Report:

- **Annual improvements to IFRS standards (2018 – 2020)** (IASB publication: May 14, 2020; EU endorsement: June 28, 2021)
- **FRS 3 – Reference to the Conceptual Framework (amendment to IFRS 3)** (IASB publication: May 14, 2020; EU endorsement: June 28, 2021)
- **IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use (amendment to IAS 16)** (IASB publication: May 14, 2020; EU endorsement: June 28, 2021)
- **IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract (Amendment to IAS 37)** (IASB publication: May 14, 2020; EU endorsement: June 28, 2021)

At the present time, we assume that the use of the other accounting standards and interpretations that have been published but are not yet in use will not have any material effect on the presentation of the financial position, financial performance and cash flow of the EDAG Group.

Accounting and Valuation Principles

For this consolidated half-year financial report, a discount rate of 3.25 percent has been used for pension provisions in Germany (12/31/2021: 1.13 percent). A discount rate of 2.12 percent has been used for pension provisions in Switzerland (12/31/2021: 0.20 percent).

In accordance with the objective of financial statements set out in F.12 et seq., IAS 1.9 and IAS 8.10 et seq., IAS 34.30(c) was applied when determining income tax expense for the interim reporting period. Accordingly, the weighted average expected annual tax rate in the amount of 33.33 percent (12/31/2021: 32.24 percent effective reported tax ratio) was used.

Otherwise, the same accounting and valuation methods and consolidation principles as were used in the 2021 consolidated half-year financial report for EDAG Group AG were applied when preparing the consolidated interim report and determining comparative figures. A detailed description of these methods has been published in the Notes to the Consolidated Financial Statement in the Annual Report for 2021. This consolidated half-year financial report should therefore be read in conjunction with the consolidated financial statement of EDAG Group AG for December 31, 2021.

Irregular expenses incurred during the financial year are reported in cases where reporting would also be effected at the end of the financial year.

The EDAG Group's operating activities are not subject to any significant seasonal influences.

Estimates and discretionary decisions due to the Covid-19 pandemic
PPreparation of the consolidated half-year financial report in accordance with IFRS requires management to make estimates and discretionary decisions that may affect the recognition and measurement of assets and liabilities in the balance sheet, the disclosure of contingent receivables and liabilities on the balance sheet date, and the reported income and expenses for the reporting period.

Due to the fact that it is still not possible to foresee the global consequences of the Covid-19 pandemic and the war in Ukraine, these estimates and discretionary decisions are subject to increased uncertainty. The amounts actually realized may deviate from these estimates and discretionary decisions; changes may have a material impact on the consolidated half-year financial report. Above all, there is a great deal of uncertainty surrounding the unforeseeable potential effects of further corona waves.

All available information relating to expected future economic developments and country-specific government measures was taken into account when the estimates and discretionary decisions were being updated.

5.3 Changes in the Scope of Consolidation

On June 30, 2022, the group of combined or consolidated companies is composed as follows:

	Switzerland	Germany	Other Countries	Total
Fully consolidated companies	2	5	20	27
Companies accounted for using the equity method	-	1	-	1
Companies included at acquisition cost [not included in the scope of consolidation]	-	3	-	3

The companies included at acquisition cost are for the most part non-operational companies and general partners, and are not included in the scope of consolidation. The company accounted for using the equity method that is included is an associated company.

With the signing of the contract on December 15, 2021, EDAG Production Solutions GmbH & Co. KG undertook to sell all shares in the subsidiary EDAG Production Solutions CZ S.R.O., Mladá Boleslav, to a third party. The sale became effective in the new year, at the end of January 31, 2022 (loss of control).

The wholly owned subsidiary OOO EDAG Production Solutions RU, Russia, was liquidated with effect from April 13, 2022.

5.4 Currency Conversion

Currency conversion in the consolidated half-year financial report was based on the following exchange rates:

Country	Currency 1 EUR = Nat. currency	6/30/2022 Spot rate on balance sheet date	1st half year 2022 Average exchange rate for period	12/31/2021 Spot rate on balance sheet date	1st half year 2021 Average exchange rate for period
Great Britain	GBP	0.8582	0.8422	0.8403	0.8684
Brazil	BRL	5.4229	5.5578	6.3101	6.4917
USA	USD	1.0387	1.0940	1.1326	1.2057
Malaysia	MYR	4.5781	4.6704	4.7184	4.9385
Hungary	HUF	397.0400	374.7122	369.1900	357.8540
India	INR	82.1130	83.3248	84.2292	88.4487
China	CNY	6.9624	7.0827	7.1947	7.7981
Mexico	MXN	20.9641	22.1747	23.1438	24.3207
Czech Republic	CZK	24.7390	24.6364	24.8580	25.8551
Switzerland	CHF	0.9960	1.0320	1.0331	1.0943
Poland	PLN	4.6904	4.6329	4.5969	4.5365
Sweden	SEK	10.7300	10.4753	10.2503	10.1299
Japan	JPY	141.5400	134.2987	130.3800	129.8117
Turkey	TRY	17.3220	17.3220	15.2335	9.5126

Hyperinflation

Since the second quarter of 2022, the country of Turkey has been classified as a hyper-inflationary economy in accordance with IAS 29 "Financial Reporting in Hyperinflatio-nary Economies". Accounting for the activities there is therefore not carried out on the basis of historical acquisition or production costs, but is presented adjusted for the effects of inflation. The IMF (International Monetary Fund) price index for consumer goods is used here. Gains and losses from hyperinflation are included in equity, in the reserves from currency translation differences.

After the figures have been adjusted for the effects of inflation, balance sheet items and income and expenses are translated into the reporting currency, the euro, at the closing rate on the balance sheet date, in accordance with IAS 21.42. This did not result in any material effect. The previous year's figures are not adjusted in accordance with the requirements of IAS 21 "The Effects of Changes in Foreign Exchange Rates" for financial statements in non-hyperinflationary reporting currencies.

5.5 Reconciliation of the Adjusted Operating Profit (Adjusted EBIT)

In addition to the data required according to the IFRS, the segment reporting also includes a reconciliation to the adjusted earnings before interest and taxes (adjusted EBIT). Adjustments include income from initial consolidations and deconsolidations, expenses and earnings relating to restructuring, all effects of purchase price allocations on EBIT and directly attributable special effects in conjunction with the cyber attack.

in € thousand	**1/1/2022 – 6/30/2022**	**1/1/2021 – 6/30/2021**	**4/1/2022 – 6/30/2022**	**4/1/2021 – 6/30/2021**
Earnings before interest and taxes (EBIT)	**25,038**	**7,069**	**10,755**	**7,857**
Adjustments:				
Expenses from purchase price allocation	1,278	1,266	639	633
Other adjustmens	- 2,264	2,326	- 2,064	739
Total adjustments	**- 986**	**3,592**	**- 1,425**	**1,372**
Adjusted earnings before interest and taxes (adjusted EBIT)	**24,052**	**10,661**	**9,330**	**9,229**

5.6 Segment Reporting

The segment reporting is prepared in accordance with IFRS 8 "Operating segments". Individual consolidated results are reported by company divisions in conformity with the internal reporting and organizational structure of the group. The key performance indicator for the Group Executive Management at segment level is the EBIT/adjusted EBIT. The segment presentation is designed to show the profitability as well as the assets and financial situation of the individual business activities.

Intercompany sales are accounted for at customary market prices and are equivalent to sales towards third parties (arm's length principle).

As at June 30, 2022, the non-current assets amounted to € 318.0 million (12/31/2021: € 324.8 million). Of these, € 2.6 million are domestic, € 266.1 million are German, and € 49.3 million are non-domestic (12/31/2021: [domestic: € 2.5 million; Germany: € 274.4 million; non-domestic: € 47.9 million]).

The assets, liabilities and provisions are not reported by segments, as this information is not part of the internal reporting.

The **Vehicle Engineering** segment ("VE") consists of services along the vehicle development process as well as responsibility for derivative and complete vehicles. For descriptions of the individual departments in this segment, please see the chapter "Business Model" in the Interim Management Report.

The range of services offered by the **Electrics/Electronics** segment ("E/E") includes the development of electrical and electronic systems, components, functions and services for everything from show cars and prototypes to the complete vehicle. These services are performed in competencies which are described in greater detail in the chapter "Business Model" in the Interim Management Report.

As an all-round engineering partner, the **Production Solutions** segment ("PS") is responsible for the development and implementation of production processes. In addition to handling the individual stages in the product creation process and all factory and production systems-related services, Production Solutions are also able to optimally plan complete factories over all fields, including cross processes, and to provide the realization from a single source. For more detailed descriptions of the individual departments in this segment, please see the chapter "Business Model" in the Interim Management Report.

Income and expenses as well as results between the segments are eliminated in the consolidation.

in € thousand	1/1/2022 – 6/30/2022					
	Vehicle Engineering	Electrics/ Electronics	Production Solutions	Total segments	Consolidation	Total Group
Sales revenues with third parties	223,996	105,249	52,002	381,247	-	381,247
Sales revenues with other segments	3,088	2,373	1,886	7,347	- 7,347	-
Changes in inventories	504	222	177	903	-	903
Total revenues[1]	**227,588**	**107,844**	**54,065**	**389,497**	**- 7,347**	**382,150**
EBIT	**17,696**	**6,813**	**529**	**25,038**	**-**	**25,038**
EBIT margin [%]	7.8%	6.3%	1.0%	6.4%	n/a	6.6%
Purchase price allocation (PPA)	1,169	99	109	1,278	-	1,278
Other adjustments	- 2,245	-	- 19	- 2,264	-	- 2,264
Adjusted EBIT	**16,620**	**6,813**	**619**	**24,052**	**-**	**24,052**
Adjusted EBIT margin [%]	7.3%	6.3%	1.1%	6.2%	n/a	6.3%
Depreciation, amortization and impairment	- 14,540	- 2,718	- 1,746	- 19,004	-	- 19,004
Ø Employees per segment	4,488	2,361	1,107	7,956		7,956

in € thousand	1/1/2021 – 6/30/2021					
	Vehicle Engineering	Electrics/ Electronics	Production Solutions	Total segments	Consolidation	Total Group
Sales revenues with third parties	209,950	79,736	42,989	332,675	-	332,675
Sales revenues with other segments	2,851	12,273	4,355	19,479	- 19,479	-
Changes in inventories	323	119	13	455	-	455
Total revenues[1]	**213,124**	**92,128**	**47,357**	**352,609**	**- 19,479**	**333,130**
EBIT	**6,766**	**4,387**	**- 4,084**	**7,069**	**-**	**7,069**
EBIT margin [%]	3.2%	4.8%	-8.6%	2.0%	n/a	2.1%
Purchase price allocation (PPA)	1,167	-	99	1,266	-	1,266
Other adjustments	1,565	250	511	2,326	-	2,326
Adjusted EBIT	**9,498**	**4,637**	**- 3474**	**10,661**	**-**	**10,661**
Adjusted EBIT margin [%]	4.5%	5.0%	- 7.3%	3.0%	n/a	3.2%
Depreciation, amortization and impairment	-14,823	- 2,767	- 1,893	- 19,483	-	- 19,483
Ø Employees per segment	4,399	2,178	1,267	7,844		7,844

[1] The performance figure "revenues" is used in the sense of gross performance (sales revenues and changes in inventories).

The following table reflects the concentration risk of the EDAG Group, divided according to the customer sales divisions and segments. Compared to the previous year, the reporting structure has been modified with a view to clearly separating customers and sectors. The previous year has been adjusted accordingly, to facilitate comparison.

in € thousand	1/1/2022 – 6/30/2022							
	Vehicle Engineering		Electrics/ Electronics		Production Solutions		Total	
Customer sales division A	34,389	15%	36,778	35%	6,725	13%	77,892	20%
Customer sales division B	26,887	12%	30,889	29%	1,439	3%	59,215	16%
Customer sales division C	26,932	12%	10,780	10%	5,122	10%	42,834	11%
Customer sales division D	14,020	6%	1,652	2%	2,774	5%	18,446	5%
Customer sales division E	38,027	17%	8,940	8%	5,315	10%	52,282	14%
Customer sales division F	47,523	21%	2,036	2%	11,548	22%	61,107	16%
Customer sales division G	36,218	16%	14,174	13%	19,079	37%	69,471	18%
Sales revenue with third parties	**223,996**	**100%**	**105,249**	**100%**	**52,002**	**100%**	**381,247**	**100%**

in € thousand	1/1/2021– 6/30/2021							
	Vehicle Engineering		Electrics/ Electronics		Production Solutions		Total	
Customer sales division A	30,256	14%	29,327	37%	7,246	17%	66,829	20%
Customer sales division B	14,844	7%	23,541	30%	1,906	4%	40,291	12%
Customer sales division C	25,467	12%	10,498	13%	3,437	8%	39,402	12%
Customer sales division D	10,582	5%	1,668	2%	2,919	7%	15,169	5%
Customer sales division E	32,797	16%	6,029	8%	5,363	12%	44,189	13%
Customer sales division F	65,286	31%	-	0%	3,878	9%	69,164	21%
Customer sales division G	30,718	15%	8,673	11%	18,240	42%	57,631	17%
Sales revenue with third parties	**209,950**	**100%**	**79,736**	**100%**	**42,989**	**100%**	**332,675**	**100%**

In the Electrics/Electronics segment, the EDAG Group generates over 50 percent of its sales revenues with one corporate group.

The following table reflects the revenue recognition of the EDAG Group, divided according to segments:

in € thousand	1/1/2022 – 6/30/2022					
	Vehicle Engineering	Electrics/ Electronics	Production Solutions	Total Segments	Consolidation	Total Group
Period-related revenue recognition	217,160	107,343	53,319	377,822	-	377,822
Point in time revenue recognition	9,924	279	569	10,772	-	10,772
Sales revenue with other segments	- 3,088	- 2,373	- 1,886	- 7,347	-	- 7,347
Sales revenue with third parties	**223,996**	**105,249**	**52,002**	**381,247**	**-**	**381,247**
Sales revenue with other segments	3,088	2,373	1,886	7,347	- 7,347	-
Changes in inventories	504	222	177	903	-	903
Total revenues	**227,588**	**107,844**	**54,065**	**389,497**	**- 7,347**	**382,150**

in € thousand	1/1/2021 – 6/30/2021					
	Vehicle Engineering	Electrics/ Electronics	Production Solutions	Total Segments	Consolidation	Total Group
Period-related revenue recognition	205,421	91,870	45,964	343,255	-	343,255
Point in time revenue recognition	7,380	139	1,380	8,899	-	8,899
Sales revenue with other segments	- 2,851	- 12,273	- 4,355	- 19,479	-	- 19,479
Sales revenue with third parties	**209,950**	**79,736**	**42,989**	**332,675**	**-**	**332,675**
Sales revenue with other segments	2,851	12,273	4,355	19,479	- 19,479	-
Changes in inventories	323	119	13	455	-	455
Total revenues	**213,124**	**92,128**	**47,357**	**352,609**	**- 19,479**	**333,130**

5.7 Contingent Liabilities/Receivables and Other Financial Obligations

Contingent Liabilities

As at the end of the 2021 financial year, there were no material contingent liabilities on the reporting date.

Other Financial Obligations

In addition to the provisions and liabilities, there are also other financial obligations, and these are composed as follows:

in € thousand	6/30/2022	12/31/2021
Total renting and leasing contracts	5,287	6,191
Open purchase orders	18,419	5,664
Other miscellaneous financial obligations	61	107
Total	**23,767**	**11,962**

The obligations from rental and leasing contracts are composed primarily of leasing agreements for low-value assets in the form of IT equipment, of short-term rental agreements and software leasing.

Contingent Receivables

As at the end of the 2021 financial year, there were no material contingent receivables on the reporting date.

5.8 Financial Instruments

Net Financial Debt/Credit

The Group Executive Management's aim is to keep the net financial debt as low as possible in relation to equity (net gearing).

in € thousand	6/30/2022	12/31/2021
Non-current financial liabilities	- 120,035	- 120,041
Non-current lease liabilities	- 126,649	- 129,866
Current financial liabilities	-20,787	- 19,144
Current lease liabilities	- 16,540	- 16,914
Current securities, loans and financial instruments	149	141
Cash and cash equivalents	116,639	151,091
Net financial debt/-credit [-/+]	**- 167,223**	**- 134,733**
Net financial debt/-credit wo lease liabilities [-/+]	**- 24,034**	**12,047**
Equity	135,758	115,422
Net Gearing [%] incl. Lease liabilities	**123.2%**	**116.7%**

At € 167.2 million, the net financial debt on June 30, 2022 is € 32.5 million above the value on December 31, 2021 (€ 134.7 million). Without taking lease liabilities into account, the net financial debt on June 30, 2022 amounts to € 24.0 million (12/31/2021: net financial assets € 12.0 million), which is equivalent to a € 36.1 million reduction in the assets.

The major creditor is a well-known credit institution in the form of a promissory note loan (Schuldscheindarlehen) with a total volume of € 120 million. The promissory note loan is composed of several tranches with various interest rates and terms to maturity of one to six years. As of June 30, 2022, there is a current loan, including interest, in the amount of € 17.8 million from VKE-Versorgungskasse EDAG-Firmengruppe e.V., the other major creditor, (12/31/2021: € 18.4 million).

A further component of the net financial debt are liabilities from leases. The liabilities from leases primarily include future leasing payments for office buildings, warehouses, production facilities and cars measured using the effective interest method.

The EDAG Group has unused lines of credit in the amount of € 105.3 million on the reporting date (12/31/2021: € 106.4 million).

One of the major factors influencing the net financial debt is the working capital, which developed as follows:

	in € thousand	6/30/2022	12/31/2021
	Inventories	3,958	2,588
+	Current contract assets	119,670	64,732
+	Current accounts receivable	75,703	129,688
-	Current contract liabilities	- 98,888	- 147,276
-	Current accounts payable	- 23,624	- 19,994
=	**Trade Working Capital (TWC)**	**76,822**	**29,738**
+	Non-current other financial assets	465	524
+	Non-current other non-financial assets	157	148
+	Deferred tax assets	12,767	19,387
+	Current other financial assets excl. Interest-bearing receivables	4,688	1,565
+	Current other non-financial assets	18,539	17,722
+	Income tax assets	684	711
-	Deferred tax liabilities	- 5	- 20
-	Current other financial liabilities	- 4,441	- 5,011
-	Current other non-financial liabilities	- 57,101	- 47,862
-	Income tax liabilities	- 7,074	- 4,493
=	**Other working capital (OWC)**	**- 31,321**	**- 17,329**
	Net working capital (NWC)	**45,501**	**12,409**

The trade working capital increased by € 47,084 thousand to € 76,822 thousand, compared to December 31, 2021. The increase mainly results from a higher capital commitment in contract assets and contractual liabilities. By way of contrast, accounts receivable decreased.

The other working capital decreased by € 13,992 thousand to € -31,321 thousand, compared to € -17,329 thousand on December 31, 2021. This decrease was influenced mainly by an increase in current other non-financial liabilities from employee benefits.

Book Values, Valuation Rates and Fair Values of the Financial Instruments as per Measurement Category

The principles and methods for assessing at fair value have not changed compared to last year. Detailed explanations of the valuation principles and methods can be found in the Notes to the Consolidated Financial Statement in the Annual Report of EDAG Group AG for 2021.

For the most part, cash and cash-equivalents, accounts receivable and other receivables have only a short time to maturity. For this reason, their book values on the reporting date are close approximations of the fair values.

The fair values of other receivables with a remaining term of more than a year correspond to the net present values of the payments associated with the assets, taking into account the relevant interest parameters, which reflect the market and counterparty-related changes in conditions and expectations.

The investments and securities are valued at fair value. In the case of equity interests for which no market price is available, the acquisition costs are applied as a reasonable estimate of the fair value. In the financial assets, shares in non-consolidated subsidiaries and other investments are recognized at acquisition cost, taking impairments into account, as no observable fair values are available and other admissible methods of evaluation do not produce reliable results. There are currently no plans to sell these financial instruments.

Accounts payable and other financial liabilities regularly have short terms to maturity, and the values posted are close approximations of the fair values.

The book values or fair values of all financial instruments recorded in the abridged Consolidated Financial Statements are shown in the following table.

in € thousand	Measured at Fair Value through Profit and Loss [FVtPL]	Measured at Amortized Cost [AC]		Not allocated to a measurement category [n.a.]	Balance sheet item as per 6/30/2022
		Carrying Amount	Fair Value		
Financial Assets					
Financial assets[1]	80	61	61	-	141
Non-current other financial assets	-	465	465	-	465
Current contract assets	-	-	-	119,670	119,670
Current accounts receivables	-	75,703	75,703	-	75,703
Current other financial assets	-	4,511	4,511	177	4,688
Current securities, loans and financial instruments	149	-	-	-	149
Cash and cash-equivalents	-	116,639	116,639	-	116,639
Financial Assets	**229**	**197,379**	**197,379**	**119,847**	**317,455**
Financial liabilitites					
Non-current financial liabilities	-	120,035	117,863	-	120,035
Non-current lease liabilities	-	-	-	126,649	126,649
Current financial liabilities	269	20,518	20,518	-	20,787
Current lease liabilities	-	-	-	16,540	16,540
Current contract liabilities	-	-		98,888	98,888
Current accounts payable	-	23,621	23,621	-	23,621
Current other financial liabilities	-	4,441	4,441	-	4,441
Financial liabilititesa	**269**	**168,615**	**166,443**	**242,077**	**410,961**

[1] IFor financial assets classified as at fair value through profit or loss [FVtPL], use is made of the exemption in accordance with IFRS 9.B5.2.3 for shares in non-consolidated subsidiaries.

in € thousand	Measured at Fair Value through Profit and Loss [FVtPL]	Measured at Amortized Cost [AC]		Not allocated to a measurement category [n.a.]	Balance sheet item as per 12/31/2021
		Carrying Amount	Fair Value		
Financial Assets					
Financial assets[1]	80	54	54	-	134
Non-current other financial assets	-	464	464	60	524
Current contract assets	-	-	-	64,732	64,732
Current accounts receivables	-	129,688	129,688	-	129,688
Current other financial assets	-	1,335	1,335	231	1,566
Current securities, loans and financial instruments	141	-	-	-	141
Cash and cash-equivalents	-	151,091	151,091	-	151,091
Financial Assets	**221**	**282,632**	**282,632**	**65,023**	**347,876**
Financial liabilitites					
Non-current financial liabilities	-	120,041	120,524	-	120,041
Non-current lease liabilities	-	-	-	129,866	129,866
Current financial liabilities	-	19,144	19,144	-	19,144
Current lease liabilities	-	-	-	16,914	16,914
Current contract liabilities	-	-	-	147,276	147,276
Current accounts payable	-	19,994	19,994	-	19,994
Current other financial liabilities	-	5,011	5,011	-	5,011
Financial liabilitites	**-**	**164,190**	**164,673**	**294,056**	**458,246**

The fair values of securities correspond to the nominal value multiplied by the exchange quotation on the reporting date.

The attributable fair values of liabilities due to credit institutions, loans, other financial liabilities and other interest-bearing liabilities are calculated as present values of the debt-related payments, based on the EDAG current yield curve valid at the time. The valuation of the fair value took place according to the "Level 2" measurement category on the basis of a discounted cash flow model. In this context, the current market rates of interest and the contractually agreed parameters were taken as the basis.

The information for the determination of attributable fair value is given in tabular form, based on a three-level fair value hierarchy for each class of financial instrument. There are three measurement categories:

Level 1: At level 1 of the fair value hierarchy, the attributable fair values are measured using listed market prices, as the best possible fair values for financial assets or liabilities can be observed in active markets.

Level 2: If there is no active market for a financial instrument, a company uses valuation models to determine the attributable fair value. Valuation models include the use of current business transactions between competent, independent business partners willing to enter into a contract; comparison with the current attributable fair value of another, essentially identical financial instrument; use of the discounted cash flow method; or of option pricing models. The attributable fair value is estimated on the basis of the results achieved using one of the valuation methods, making the greatest possible use of market data and relying as little as possible on company-specific data.

Level 3: The valuation models used at this level are not based on observable market data.

in € thousand	Assessed at fair value 6/30/2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Current securities, loans and financial instruments	149	-	-	149
Financial liabilities				
Derivative financial liabilities	-	269	-	269

in € thousand	Assessed at fair value 12/31/2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Current securities, loans and financial instruments	139	2	-	141

5.9 Related Parties

In the course of its regular business activities, the EDAG Group correlates either directly or indirectly not only with the subsidiaries included in the abridged Consolidated Financial Statements, but also with EDAG subsidiaries which are affiliated but not consolidated, with affiliated companies of the ATON Group, and with other related companies and persons.

For a more detailed account of the type and extent of the business relations, please see the Notes to the Consolidated Financial Statement in the annual report of EDAG Group AG for 2021.

The following table gives an overview of ongoing business transactions with related parties:

in € thousand	1/1/2022 – 6/30/2021	1/1/2021 – 6/30/2021
EDAG Group with boards of directors[1] (EDAG Group AG)		
Work-related expenses	482	482
Travel and other expenses	12	2
Consulting expenses	11	6
EDAG Group with supervisory boards[1] (EDAG Engineering GmbH & EDAG Engineering Holding GmbH)		
Work-related expenses	28	27
Compensation costs	368	318
EDAG Group with ATON companies (parent company and its affiliated companies)		
Goods and services rendered	108	55
Other operating expenses	1	-
EDAG Group with unconsolidated subsidiaries		
Other operating expenses	2	4
EDAG Group with associated companies		
Goods and services rendered	66	302
Goods and services received	200	82
Other operating income	227	233
Other operating expenses	31	25
Income from investments	514	214
EDAG Group with other related companies and persons		
Goods and services rendered	3	12
Interest expense	135	6
Other operating income	-	2
Paid leases for rights of use	3,031	2,362

[1] Overall, these are all payments due at short notice.

5.10 Subsequent Events

No important events took place after the reporting period.

AFFIRMATION OF THE LEGAL REPRESENTATIVE

We hereby certify, to the best of our knowledge, that in accordance with the applicable accounting principles for the consolidated interim financial report, the abridged consolidated financial statements convey a proper picture of the assets, financial position and financial performance of the Group, and that the interim management report represents the company's business trends, including the financial results and the position of the Group, such that the actual conditions and the essential opportunities and risks pertaining to the anticipated development of the Group are accurately delineated.

Arbon, August 24, 2022
EDAG Engineering Group AG

Cosimo De Carlo, Chairman of the Group Executive Management, CEO

Holger Merz, Member of the Group Executive Management, CFO

Georg Denoke, Chairman of the Board of Directors

Sylvia Schorr, Member of the Board of Directors

Dr. Philippe Weber, Member of the Board of Directors

Manfred Hahl, Member of the Board of Directors

Clemens Prändl, Member of the Board of Directors

LEGAL NOTICE

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The English version of the Interim Report is a translation of the German version.
The German version is legally binding.

Legal Notice
The consolidated half-year financial report includes statements about future developments. Like any form of entrepreneurial activity in a global environment, these statements are always associated with a degree of uncertainty. Our descriptions are based on the convictions and assumptions of the management, which in turn are based on currently available information. The following factors may, however, affect the success of our strategic and operative measures: geopolitical risks, changes in general economic conditions, in particular a prolonged economic recession, changes to exchange rates and interest rates, the launch of products by competitors, including increasing competitive pressure. Should any of these factors or other uncertainties materialize, or the assumptions on which the statements are based prove to be inaccurate, the actual results may differ from the forecast results. EDAG does not intend to continuously update predictive statements and information items, as they relate to the circumstances that existed on the date of their publication.

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