MUTARES

MUTARES INTERIM FINANCIAL REPORT 2021

MUTARES IN FIGURES

		H1 2021	H1 2020
Mutares Group			
Revenues	in EUR million	**1,093.9**	620.5
EBITDA	in EUR million	**411.5**	41.5
Adjusted EBITDA	in EUR million	**-4.6**	-16.7
Employees worldwide[1]	Amount	**15,515**	9,650
Mutares Holding			
Consulting Revenues	in EUR million	**22.8**	14.4
Employees	Amount	**106**	82
Portfolio Companies	Amount	**21**	15

[1] average

CONTENT

MUTARES SE & CO. KGaA
Founded in 2008, Mutares acquires mid-sized companies that are headquartered in Europe to develop them long-term-oriented and sustainably.

MUTARES GROUP
As of 30 June 2021, the Mutares Group comprised 21 operating companies.

THE PORTFOLIO COMPANIES
The portfolio companies operate independently and are managed on their own reporting responsibility. They are integrated into the Mutares Group reporting.

→ www.mutares.com

LEGEND

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MISSION STATEMENT

Special situations are our specialty. When companies get into difficulties or are facing a challenge, we are there. We are there when special situations require rethinking and the drive to put the company back on a stable and sustainable growth course. For more than 10 years, we have seen ourselves as a partner who analyzes, challenges but also tackles and implements. We expect our portfolio companies to full commitment – just as we are fully committed to our investments. Because only together we can develop the full potential and bring our portfolio companies back on a profitable and sustainable path of growth.

COMPANY PROFILE

Mutares focuses on the acquisition of small and medium-sized companies or parts of groups. We aim at leading these companies to stable and profitable growth through intensive operational improvement. Our transaction teams at eight European locations identify suitable companies. After the acquisition, our dedicated operational team, together with the management of the portfolio companies, develops a comprehensive improvement program spanning the entire value chain and its implementation. Our objective is to return the company to sustainable and long-term success and to subsequently support its value, including through strategic add-on acquisitions.

Extensive industry and turnaround experience, combined with transaction-side and operational support, build the foundation for mastering the challenges involved in developing our portfolio companies.

REVENUES BY SEGMENT

Segment structure

EUR million	H1 2021
Automotive & Mobility	353.0
Engineering & Technology	413.1
Goods & Services	327.9
Total	**1,093.9**

FIRST HALF YEAR 2021
AT A GLANCE

JANUARY

Mutares **compensates CO_2 of all flights of the** holding employees for the year 2020. The climate protection contribution goes to the organization atmosfair, which thereby promotes the expansion of renewable energies.

The **sale of the 80% stake in Nexive Group to Poste Italiane** with a double-digit Return On Invested Capital (ROIC) is completed and marks the **fastest exit** in Mutares corporate history.

The portfolio company Balcke-Dürr **successfully sold Balcke-Dürr Rothemühle to the Howden Group with a ROIC >10.**

FEBRUARY

Mutares successfully places an **additional increase of the bond issued in February 2020 with a volume of EUR 10.0 million,** which will be listed on the stock exchanges in Frankfurt and Oslo and creates the financial prerequisites for value-enhancing add-on investments, among others.

MARCH

Mutares **signs the UN Global Compact** to successively expand the company's sustainability strategy. In the future, **ESG sustainability criteria** will be incorporated even more clearly into the decision-making process for all activities.

Mutares acquires **Ericsson Services Italia S.p.A. from Ericsson Telecomunicazioni S.p.A.** The company strengthens the Goods & Services segment and now operates under the name EXI.

Mutares successfully completes **the acquisition of Primetals Technologies France S.A.S. from Primetals Technologies, Ltd.** The company will operate under the name Clecim and strengthens the Engineering & Technology segment.

APRIL

Mutares **publishes management report 2020 – new record** consolidated **revenue** and **highest holding result in the company history** despite COVID-19 pandemic.

Mutares successfully completes **the acquisition of the majority stake in the Carglass® Maison Group from Belron S.A.S.** The specialist for home repairs and domestic emergencies strengthens the Goods & Services segment and now operates under the name Repartim (Maisoning Group).

Mutares successfully completes **the acquisition of La Rochette Cartonboard S.A.S. from RDM Group.** The company strengthens the Engineering & Technology segment.

Mutares SE & Co. KGaA was **nominated** for the **"Großer Preis des Mittelstandes 2020"**, the award is considered a symbol for innovative and outstandingly managed companies in Germany.

MAY

As an **add-on investment for Terranor Group**, Mutares acquires the provider of road operation and maintenance services **NCC Road Service A/S in Denmark from NCC.**

Mutares signs an agreement to acquire three Exteriors plants from Magna in Germany. The transaction was completed at the beginning of July 2021 and the company has since been operating as **Light Mobility Solutions.**

The Annual General Meeting of Mutares **resolves a dividend of EUR 1.50 per share.**

Mutares acquires Alan Dick Communications Limited from Panasonic Europe BV. The provider of critical communications systems for the UK infrastructure sector strengthens the Engineering & Technology segment.

JUNE

Mutares successfully completes the **acquisition of Lapeyre S.A.S. from Saint-Gobain.** The **largest transaction in the history of Mutares** in terms of revenues strengthens the Goods & Services segment.

Mutares signs an agreement to acquire Permasteelisa España from Permasteelisa Group, a leading provider of facade cladding solutions as an **add-on to Donges Group.**

Mutares has **successfully completed** the sale **of all shares in STS Group AG to Adler Pelzer Group with a ROIC >8.**

MESSAGE FROM THE MANAGEMENT BOARD

Dear Shareholders,
Ladies and Gentlemen,

The year to date has been characterized by high momentum for Mutares SE & Co. KGaA. We can look back on successful months, both in terms of the operational development of significant parts of our portfolio as well as our transaction activity. The development in the course of the year so far shows a high growth rate on all levels, so that we see Mutares on track for another record year.

Result of the first half of 2021

Our portfolio companies generated consolidated revenues of EUR 1,093.9 million in the first six months of financial year 2021 (previous year: EUR 620.5 million). The revenue growth is particularly attributable to the high transaction activity in financial year 2020 with eleven acquisitions as well as the significant operational recovery from the revenue losses in the context of the COVID-19 pandemic in the prior-year period. In line with the growth of the Group portfolio, we were able to increase the revenues of Mutares Holding by 58% to EUR 22.8 million in the first half of 2021 (previous year: EUR 14.4 million).

At EUR 411.5 million (previous year: EUR 41.5 million), Group EBITDA in the first half of 2021 was 892% higher than in the previous year, which is mainly a consequence of the high level of acquisition activity. Adjusted EBITDA adjusted for special effects amounted to EUR –4.6 million (previous year: EUR –16.7 million) and improved significantly thanks to the pleasing development at our portfolio companies, in particular at STS Group, Donges Group, KICO Group and BEXity.

Transactions in the first half of 2021

Our momentum is reflected in particular in the continuing high transaction frequency. In this context, we were very successful not only on the acquisition side but also on the exit side. In addition to the two exits of Balcke-Dürr Rothemühle Germany to Howden Group and of Nexive to Poste Italiane already announced in December 2020 and successfully completed in January 2021, Mutares also completed the sale of the shares in STS Group AG to Adler Pelzer Group in the first half of the year. This transaction was one of the most successful exits in Mutares history with a return on investment (ROIC) of over 8. After the reporting date, in the third quarter of 2021, Mutares already completed the sale of Cenpa, TréfilUnion, EUPEC and La Meusienne. In addition, the exit of Norsilk has already been initiated. Furthermore, we are intensively reviewing further exit options.

In the first six months, we were even more active in exploiting opportunities on the acquisition side to accelerate our growth and successfully completed a total of seven acquisitions. Specifically, we completed six platform investments with EXI, Clecim, Repartim (Maisoning Group), Lapeyre, La Rochette Cartonboard and ADComms, as well as an add-on investment for NCC Road Services in Denmark for Terranor Group. In addition, we were able to sign two further transactions in the second quarter, which were already completed after the reporting date. These include an add-on investment, Permasteelisa España for the Donges Group, and a platform investment, three exterior plants of Magna, which now operate under the new name Light Mobility Solutions (LMS). In addition, three further acquisitions were signed after the reporting date: Rasche Umformtechnik GmbH & Co. KG as an add-on for PrimoTECS, Ganter Construction & Interior GmbH as a platform for the Goods & Services segment and Innovative Systems Hainichen GmbH as platform for the Automotive & Mobility segment. The closing of these transactions is still expected for the third and fourth quarter of 2021. The high transaction frequency and the increasing size of the transactions on the buy side underpin Mutares' leading market position in European private equity deals focused on turnaround and special situations.

To maintain our growth momentum at a high level, we have further expanded our regional teams in Munich, Paris, Milan, London, Frankfurt, Vienna, Madrid and Stockholm with international transaction and restructuring experts. Compared to year-end 2020, the number of our consultants has increased from 70 to over 80. In addition, in view of the opportunities arising on the buy side, we have also further increased our financial flexibility with the increase of our bond placed at the beginning of 2020 by a further EUR 10.0 million to a total volume of now EUR 80.0 million.

Annual General Meeting and share

On 20 May 2021, we once again held our Annual General Meeting in virtual form. We would like to thank our shareholders for their participation and, above all, their clear approval of the proposed resolutions. The successful business development in the financial year 2020 has now enabled us to distribute a basic dividend of EUR 1.00 per share for the fourth time in succession. In addition, we paid a performance dividend of EUR 0.50 per share due to the outstanding financial year 2020, so that the total dividend payment for the financial year 2020 amounted to EUR 1.50 per share. Taking into account treasury shares, we thus distributed ca. EUR 23.1 million (previous year: EUR 15.2 million) of the unappropriated profit. Based on the Xetra closing price for the financial year 2020 of EUR 15.70, this corresponds to a dividend yield of 9.6%. This confirms our stable business model and the associated success of the company, even in challenging times, in which our shareholders also participate significantly and sustainably.

Sustainability in focus

In all our activities, we do not only focus on growth and success, but also pay special attention to the compliance with and implementation of ecological, social and corporate values and standards. Sustainability plays a fundamental role at Mutares. In the first half of 2021, we signed the UN Global Compact, through which we have committed ourselves to respecting and implementing the ten sustainable principles set out therein and to promoting sustainable development worldwide.

Strategy

We will continue to accelerate our shareholder value-oriented buy-and-build approach with a focus on special situations in 2021. Mutares has established itself as a leading European private equity firm focused on carve-outs and special situations with a global footprint. With our local investment teams in Europe and an experienced management team, we have the necessary clout to significantly expand our portfolio. The fact that the management holds a significant stake of around 40% in the company and thus literally has “skin in the game” speaks for the entrepreneurial approach and integrity at Mutares. The growth targets are thus also a self-imposed commitment.

Outlook

The year to date makes us confident that the financial year 2021 will be another record year for Mutares. In the area of M&A, we continue to expect immense opportunities on the buy side, so that we also anticipate a high level of transaction activity in the further course of the financial year. Overall, we expect an extraordinary increase in Group revenues to at least EUR 2.4 billion in the current financial year. This development will be driven by all three segments – Automotive & Mobility, Engineering & Technology and Goods & Services. This forecast is subject to certain uncertainties in connection with the further development of the COVID-19 pandemic and, as a result, in particular the supply situation for raw materials and precursors. Given limited capacities, the high demand means that the supply situation within the supply chains could tighten further in the second half of the year. Although we have taken precautionary measures, there is consequently a risk of supply bottlenecks for our portfolio companies in the event of a further tightening.

Based on current planning, the Management Board nevertheless assumes that the ability of Mutares SE & Co. KGaA to pay dividends is also ensured for the financial year 2021 at least at the level of market expectations.

Mutares SE & Co. KGaA is also increasing the previously communicated medium-term Group Revenue for the financial year 2023. Due to the opportunities arising, the Management Board is increasing the revenue target from previously EUR 3.0 billion to over EUR 5.0 billion. The expectations for the revenue and net income of Mutares Holding are also derived from this. The stated aim is to achieve a net result at Holding Company level of 1.8% to 2.2% of Group revenues in the medium to long term.

Our successful track record provides the basis for this confident outlook. We have succeeded in steadily increasing our return on invested capital (ROIC) over the past ten years. In recent months we have recorded above-average success at the upper end of our target range, with ROIC averaging more than 10. The ROIC across all internal development cycles – starting with "Realignment" immediately after acquisition and continuing through "Optimization" to "Harvesting" – is set at a target of 7 to 10.

As the past four years of stable basic dividends of EUR 1.00 per share underline, our ability to pay dividends is based on a solid foundation. We will continue this sustainability in our dividend policy. A significant shareholder participation in the success of the company is and remains our declared goal.

We would like to thank our employees throughout the Group for their extraordinary commitment and you, our shareholders, for the trust you have placed in us.

Sincerely,
The Management Board of Mutares Management SE,
General Partner of Mutares SE & Co. KGaA

Munich, 6 September 2021

Robin Laik, CEO

Mark Friedrich, CFO

Dr. Kristian Schleede, CRO

Johannes Laumann, CIO

F.l.: Mark Friedrich, Dr. Kristian Schleede, Robin Laik, Johannes Laumann

OUR MANAGEMENT

The Management Board comprises four members, all of whom possess years of international experience in various industries. Each member of the Management Board has successfully occupied leadership roles in the past.

ROBIN LAIK

CEO

Robin Laik, born in 1972, is the co-founder and CEO of Mutares since 1 February 2008.

Robin Laik began his professional career at ELA Medical GmbH and Porges GmbH (formerly L'Oreal Group). In 2004, he entered the Bavaria Industries Group AG where he became a member of the Executive Board in July 2006. He held the position of CFO until July 2007. Before, he had several management positions in finance within ESCADA AG, including head of M&A of the ESCADA. From 2018 until 2020, Robin Laik held the position of Chairman of the Supervisory Board of the STS Group.

Robin Laik studied Business Administration at the University of Augsburg, from which he graduated in 1995 with a diploma.

MARK FRIEDRICH

CFO

Mark Friedrich, born in 1978, has been with Mutares since 2012. He entered as Head of Finance and was appointed CFO of the Mutares in April 2015.

Mark Friedrich was certified as tax advisor in 2009 and as a public accountant in 2011. Prior to leaving Ernst & Young GmbH, he worked as an authorized officer.

Mark Friedrich studied Business Economics at the University of Tuebingen from which he graduated in 2005 with a diploma. Prior to this he studied Business Administration at the Europe University in Frankfurt/Oder and the Free University in Berlin.

DR. KRISTIAN SCHLEEDE

CRO

Dr. Kristian Schleede, born in 1958, joined Mutares in 2010 as member of the Executive Board. After serving as CFO until 2015 he took over the position as CRO (Chief Restructuring Officer). His focus lies on the optimization and strategic development of portfolio companies.

Prior to his current position, he held several top line management functions in industrial and service companies such as Danzas, Dussmann KGaA, Swisslog Management AG and Kienle + Spiess Group. Before, he had worked several years in consulting at McKinsey & Company. From 2018 until 2020, Dr. Kristian Schleede was a member of the Supervisory Board of the STS Group. Since 2020, Dr. Kristian Schleede is a member of the Supervisory Board of BEXity.

Following his studies of mechanical engineering at the renowned RWTH Aachen University, Dr. Kristian Schleede received his PhD in the field of plastics processing. Additionally, he graduated with a diploma as IFRS/IAS Accountant at the Controller Academy/Ernst & Young in Zurich.

JOHANNES LAUMANN

CIO

Johannes Laumann, born in 1983, joined Mutares in 2016. In May 2019, he was appointed a member of the Executive Board at Mutares. As Chief Investment Officer (CIO) he is responsible for M&A and Investor Relations.

Prior to joining Mutares, he held various management positions at Ernst & Young GmbH, Porsche Consulting GmbH and Atlas Copco's Oil & Gas Division.

Johannes Laumann studied business law and international management at the University of Pforzheim and the Business School in Copenhagen.

OUR BUSINESS MODEL

EXIT

01 Acquisition

After the acquisition, Mutares initiates an extensive operational improvement program within the portfolio companies. The projects jointly defined with the company are implemented by Mutares consultants in close cooperation with the employees on site.

02 Realignment

Mutares develops its company successfully in strategic and operational terms until the long-term reorganization is achieved: Specialists support optimization projects on the ground, including investments in the development of innovative products, adapting and reorganization sales and production with a long-term perspective.

On completion of the improvement program, the company will have re-established itself as an independent, profitable company in its respective market. With the help of active investment management by Mutares, the company is continuously evaluated with a view to new business opportunities and supported in their development. In addition, Mutares then defines and implements measures to promote organic growth.

03 Optimization

Another option for the growth phase involves additional development through focused, strategic acquisitions (the buy-and-build approach). Mutares reviews the company for further business opportunities and strengthens its development during the growth phase through focused strategic add-ons to enter new markets or bring in new products or promising technologies. For these add-on acquisitions, the strategic fit is crucial, therefore no pre-defined deal criteria.

04 Harvesting

The objective of Mutares is to actively promote the realization of the company's value potential, thereby establishing the basis for a profitable sale of the company to ensure the sustainable development of the portfolio in the long term.

GROWTH

1 x ROIC[1]

7–10 x ROIC[1]

[1] Average estimate over time and may vary in deviate in individual cases

OUR BUSINESS MODEL

Mutares's business approach includes acquisition, restructuring, repositioning and development as well as the sale of medium-sized companies in situations of upheaval.

Mutares has specialized in identifying, analyzing and exploiting existing market opportunities when acquiring its portfolio companies. As part of the acquisition, the company focuses more on the existing value potential than on one specific sector. Accordingly, the Group's operating companies are active in a wide variety of industries and pursue different business models. It is characteristic of potential takeover targets that already in the transaction phase, earnings improvement potential in the company is clearly identifiable, which can be raised within one to two years through suitable strategic and operational optimizations.

Mutares has a long-term commitment to the group companies and is specialized in the acquisition of companies with development potential. Mutares has transaction experience from over 70 acquisitions and exits of companies and is therefore able to execute transactions professionally and quickly. Mutares also has the necessary long-term investment and management experience in various industries to realize the potential of its portfolio companies by actively supporting the upcoming change phases as a reliable companion. The aim is to create independent and dynamically operating medium-sized companies with a competitive, profitable business model and to develop them further through organic and inorganic growth.

Value creation approach

The Mutares team has extensive in-house operational industrial and restructuring experience. After the acquisition of a company, the range of services includes operational support and assistance with strategic acquisitions up to the sale of the company.

OUR STRATEGY

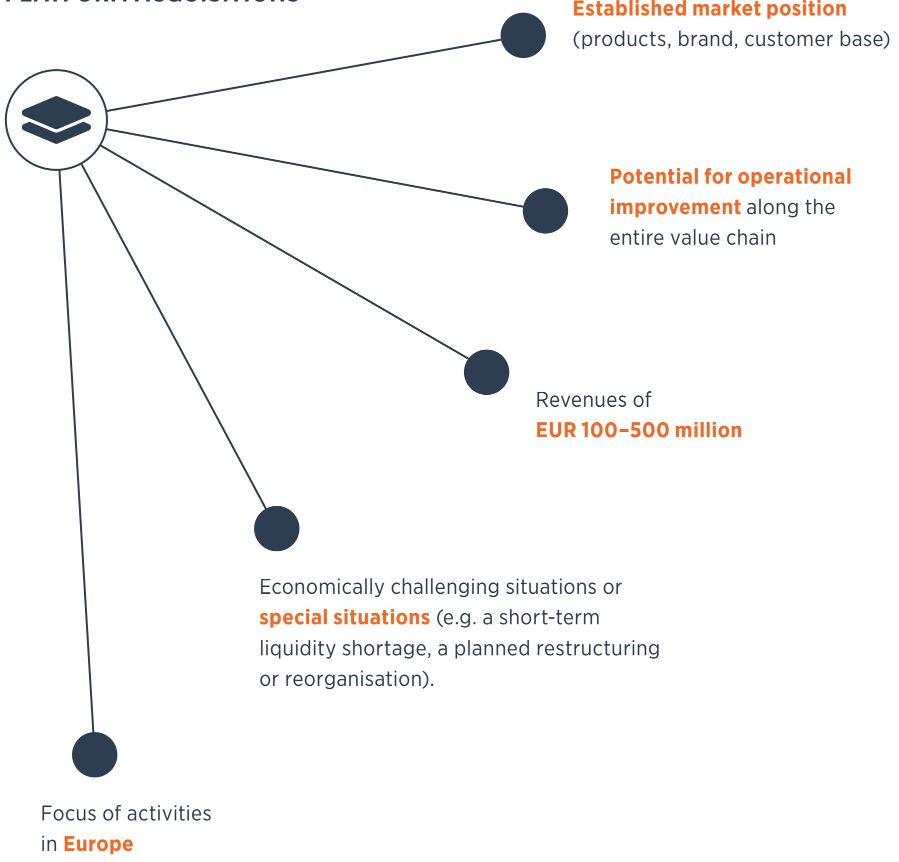
Mutares has been internationally successful on the market for corporate takeovers for many years.

In its capacity as an active investor, Mutares focuses mainly on 100% acquisitions of small and medium-sized companies in special situations with the aim of guiding these companies to profitable and sustainable growth through intensive operational cooperation as well as a buy-and-build strategy. To do this, Mutares, together with the management of the respective company, identifies potential for improvement. Consultants from Mutares then work together with the respective holding to boost profitability by providing operational support, organic growth and further expanding the business on the back of strategic add-on acquisitions. The objective is to increase the economic success of the company on a sustainable basis. Acquisitions of portfolio companies are completed and developed under the Mutares umbrella with a long-term strategic vision. With offices in Munich (HQ), Frankfurt, London, Madrid, Milan, Paris, Stockholm and Vienna as well as portfolio companies with activities in Europe, North Africa, North and South America and Asia, the Mutares Group is a truly global enterprise.

TRANSACTION FOCUS

In selecting its acquisition targets, Mutares focuses on three sectors: **Automotive & Mobility, Engineering & Technology**, as well as **Goods & Services**. Mutares invests throughout Europe in companies and corporate spin-offs meeting the following characteristics:

CRITERIA FOR PLATFORM ACQUISITIONS



OUR IDENTITY

Mutares creates value by transforming risks and opportunities into sustainable business success.

OUR VISION

Be the undisputed international leader in mid-market special situations driven by our sustainable investment principles

OUR MISSION

Transform distressed corporates and their ownership into sustainable, lasting and value accretive opportunities for shareholders

OUR VALUES

Entrepreneurship
Integrative Management
Sustainability
Personal Integrity

OUR GOAL

Sector leading risk adjusted returns and direct performance contribution for every shareholder driven by sustainable and rising dividends

ACTIVE DEVELOPMENT OF OUR PORTFOLIO

Portfolio company	Industry	Acquisition	HQ	Phase
AUTOMOTIVE & MOBILITY				
LMS	Supplier of plastic components for the automotive industry	2021		Realignment
ESF Industrial Solutions Group[1]	Automotive supplier for fluid transfer systems, sealing solutions and cable harnesses	2009 2019 2020		Optimization
PrimoTECS	Supplier of components in the engine, transmission and driveline sectors	2020		Optimization
KICO Group	System supplier of high-quality automotive technology	2019		Optimization
iinovis Group	Engineering service provider for automotive engineering	2020		Realignment
ENGINEERING & TECHNOLOGY				
Donges Group	Full-service provider for building envelopes and steel structures	2017		Harvesting
Balcke-Dürr Group	Supplier of components for increasing energy efficiency and reducing environmental impact	2016		Optimization
Lacroix + Kress	Manufacturer of oxygen free copper drawing	2020		Optimization
La Rochette Cartonboard	Producer of folding box cartons	2021		Optimization
Gemini Rail Group and ADComms	Industrial, technological, and infrastructure service provider for the UK rail industry	2018 2021		Optimization
Clecim	Supplier of high-end steel processing line solutions	2021		Realignment
Royal de Boer and Japy Tech	Manufacturer of cooling tanks and barn equipment	2020		Realignment

[1] In the interim report for the 2020 financial year, SFC Solutions, Elastomer Solutions and Plati were each presented as independent investments. In view of the ongoing integration of the entities, they are presented as a single investment group for the first time in this interim report.

Portfolio company	Industry	Acquisition	HQ	Phase
GOODS & SERVICES				
Lapeyre	Manufacturer and distributor of home renovation products	2021		Realignment
BEXity	Provider of transport and logistics services	2019		Harvesting
Terranor Group	Provider of road operations and maintenance services	2020		Optimization
keeeper Group	Manufacturer of plastic and paper household products	2019		Harvesting
Repartim (Maisoning Group)	Provider of house repair and emergency services	2021		Realignment
EXI	Service provider for information and communication technology	2021		Realignment
SABO	Manufacturer of lawnmowers	2020		Optimization

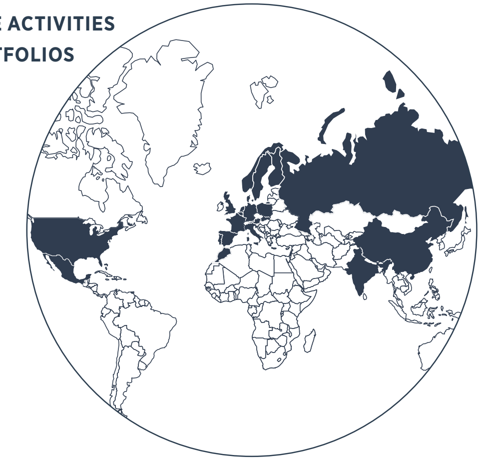
MUTARES PORTFOLIO ACROSS LIFECYCLE STAGES

Attractive exit possibilities are increasing with maturity

OUR FOOTPRINT

Since its foundation in 2008, with the first office in Munich, Mutares has become a European player with activities worldwide. Mutares has **8** offices and currently holds **19** portfolio companies.

WORLDWIDE ACTIVITIES OF THE PORTFOLIOS



PORTFOLIO COMPANIES / GROUPS

1. LMS (Obertshausen, Germany)
2. ESF Industrial Solutions Group (Częstochowa, Poland, and Porto, Portugal)
3. PrimoTECS (Villar Perosa, Italy)
4. KICO Group (Halver, Germany)
5. iinovis Group (Bad Friedrichshall, Germany)
6. Donges Group (Frankfurt/Main, Germany)
7. Balcke-Dürr Group (Düsseldorf, Germany)
8. Lacroix + Kress (Bramsche, Germany)
9. La Rochette Cartonboard (Valgelon-La Rochette, France)
10. Gemini Rail Group and ADComms (Wolverton, UK)
11. Clecim (Savigneux, France)
12. Royal de Boer und Japy Tech (Leeuwarden, the Netherlands, and Dijon, France)
13. Lapeyre (Aubervilliers, France)
14. BEXity (Vienna, Austria)
15. Terranor Group (Stockholm, Sweden)
16. keeeper Group (Stemwede, Germany)
17. Repartim (Maisoning Group) (Tours, France)
18. EXI (Rome, Italy)
19. SABO (Gummersbach, Germany)

OUR PORTFOLIO COMPANIES

Automotive & Mobility

Our Portfolio Companies in the Automotive & Mobility segment – our early-cyclic business – operate worldwide, supplying prominent international original equipment manufacturers ("OEMs") for commercial vehicles and passenger cars.

Engineering & Technology

Our Portfolio Companies in the Engineering & Technology segment – our late-cyclic business –, have a significant competitive advantage in construction expertise and experience serving customers in the energy and chemical industries, public infrastructure, sports infrastructure, and the rail sector.

Goods & Services

Our Portfolio Companies in the Goods & Services segment – our non-cyclic business – have a clearly defined positioning in their home markets and a competitive advantage resulting from specialized products and services supplying customers in various industries.

AUTOMOTIVE & MOBILITY
Supplier of plastic components for the automotive industry

part of the portfolio since
2021

approx.
1,700
employees

approx. EUR
360 million
revenues

Company profile LMS
LMS is a global supplier of plastic exteriors and systems whose products include fascias, grilles, rocker and side panels, spoilers and other exterior trim parts, modular systems, class A body panels for the leading Automotive OEMs.

LMS is part of the Mutares portfolio since July 2021. The company manufactures components mainly for automotive at the current three production sites in the western part of Germany and is counting on a state-of-the-art injection moulding technology, painting, chroming and assembly. The company has established itself as a well-known supplier in the automotive sector directly delivering to the assembly lines of the OEMs. The system supplier generated approximately EUR 360 million in revenues in 2020 with its approx. 1,700 employees.
→ www.lms-automotive.com

Strategy
With the new name LMS introduced in July, which stands for “Light Mobility Solutions”, the company focuses on the further development of its current business, the use of the know-how it has acquired and the intensification of cooperation with customers, supported by the Mutares inhouse operative consulting team.

HEADQUARTERS
OBERTSHAUSEN, GERMANY

Transactions
2021 – Acquisition from MAGNA

Injection molded parts in the fixture ready for assembly

AUTOMOTIVE & MOBILITY

Automotive supplier for fluid transfer systems, sealing solutions and cable harnesses

Company profile ESF Industrial Solutions Group

ESF Industrial Solutions Group is born from the merger between SFC Solutions Group (a leading supplier of high-performance fluid transmission systems and sealing), Elastomer Solutions Group (a manufacturer of rubber and thermoplastic components) and Plati Group (an established international supplier of wire harnesses, special cables and connectors).

The three companies begun the integration process in 2021 to capitalize on efficiencies both from a sales and operational point of view.

With headquarters in Poland and Portugal and production sites spread across Europe (Italy, Spain, Germany, France, Poland, Ukraine, Portugal and Slovakia), Africa (Morocco), Central America (Mexico) and India, the company serves a broad customer base, including major global and local OEMs and several Tier 1 suppliers in the automotive industry, manufacturers of industrial goods as well as customers in the healthcare and telecommunications industries.

All plants are up-to-date equipped, complemented by strong engineering capabilities and showcase key industry-specific certifications such as ISO 14001, ISO 9001:2015 and IATF 16949:2016.

→ www.sfc-solutions.com, www.elastomer-solutions.com, www.plati.it

Strategy

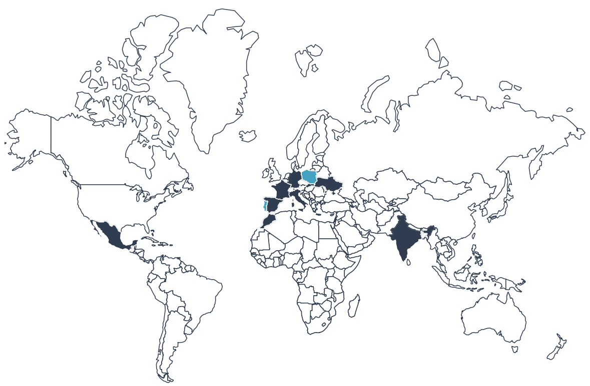
The newly established company will focus on three areas of development:

- Sustainable growth by developing its business along all key markets, taking advantage of the sales channels available to the individual companies, exploiting the market trends and development in the industry (i.e. Battery Electric Vehicles BEV and Hybrid Electric Vehicles HEV) and working closely to-gether with OEMs to develop new technologies and products.
- Delivering efficiencies by implementing a strong improvement in work organization, optimizing manufacturing footprint, increasing productivity, reducing scrap, optimizing external spend and simplifying logistics processes.
- Implementing cross company synergies such as: review of manufacturing footprint by exploiting spare capacity and common technology and knowledge, harnessing of cross sales opportunities, establishment of a common shared services team, deployment of a future common IT platform, insourcing of external supply of raw materials.

part of the portfolio since
2009
Elastomer Solutions Group

part of the portfolio since
2019
SFC Solutions Group

part of the portfolio since
2020
Plati Group



Transactions

- 2020 – Acquisition of certain sealing and fluids businesses from Cooper Standard
- 2019 – Acquisition of Plati from Deren Group
- 2009 – Acquisition of Elastomer Solutions from Diehl Group

approx.
3,000
employees

approx. EUR
230 million
revenues

HEADQUARTERS
CZĘSTOCHOWA, POLAND
PORTO, PORTUGAL

PRIMO TECS

AUTOMOTIVE & MOBILITY

Supplier of components in the engine, transmission and driveline sectors

part of the portfolio since
2020

approx.
650
employees

approx. EUR
85 million
revenues

Company profile PrimoTECS

PrimoTECS is part of the Mutares portfolio since 2020. The company manufactures components for use in electric, hybrid and conventional drives at two production sites in northern Italy. The company has established itself as a well-known, profitable supplier in the automotive sector, as well as in the truck industry and related sectors. The system supplier generated approximately EUR 85 million in revenues in 2020 with its approx. 650 employees. In July 2021, PrimoTECS signed an agreement to acquire Rasche Umformtechnik GmbH & Co. KG as an add-on investment. Rasche is a leading manufacturer of forged parts in Germany and supplies customers in the automotive, fittings, aviation, forklift, agricultural and mechanical engineering industries. With around 180 employees, the company generates revenues of approximately EUR 30 million.
→ www.primotecs.com

Strategy

With the new name PrimoTECS, which stands for mobility, transmissions, engine components and solutions, the company focuses on the further development of its current business, the use of the know-how it has acquired and the intensification of cooperation with customers, supported by the Mutares inhouse operative consulting team. The acquisition of Rasche enables the expansion into new industries as well as the extension of the product portfolio into smaller size series. This increases the diversification of PrimoTECS' offering and new growth potential can be leveraged.

Transactions

- 2021 – Add-on acquisition: PrimoTECS acquires Rasche Umformtechnik GmbH & Co. KG[1]
- 2020 – Acquisition from Tekfor Group

[1] signed transaction

HEADQUARTERS
VILLAR PEROSA, ITALY

Quality control of parts after forging

simply innovativ

AUTOMOTIVE & MOBILITY
System supplier of high-quality automotive technology

part of the portfolio since
2019

approx.
700
employees

approx. EUR
90 million
revenues

Company profile KICO Group
KICO is a leading and rich in tradition supplier for the international automotive industry. In addition to its headquarter in Germany, KICO operates two other sites in Poland and Mexico. KICO develops, industrializes and manufactures market-oriented, competitive safety components for passenger cars. The products meet the elevated requirements of the European automotive industry and range from active and passive hinges and closure systems, through mechatronic backrest adjusters to active aerodynamic systems.

As a Tier 1 supplier, KICO mainly serves automotive OEMs and, thanks to its high flexibility and in-depth know-how, can offer its customers tailor-made solutions with the expected highest product and delivery quality. KICO employs around 700 people with annual revenues of approx. EUR 90 million.
→ www.kico.de

Strategy
KICO positions itself as a preferred strategic partner with a high degree of connectivity and expertise for customers in the automotive industry. With its technical competence, KICO aims to further expand its market position in the areas of closure systems and hinges and to consolidate and strengthen the market position already achieved in the still young product area of aerodynamic systems. KICO focuses on the optimization of operational excellence to further strengthen the basis for the future growth.

Transactions
2019 – Acquisition from the owning family

HEADQUARTERS
HALVER, GERMANY

Customized solutions are produced on state-of-the-art manufacturing and assembly lines

iinovis

AUTOMOTIVE & MOBILITY

Engineering service provider for automotive engineering

part of the portfolio since
2020

approx.
400
employees

approx. EUR
30 million
revenues

Company profile iinovis Group

The company is a leading automotive engineering service provider with expertise in key growth areas such as simulation, testing, electrics/electronics and vehicle development (cars and motorcycles). In addition to engineering services for OEMs and Tier 1 suppliers, the company is also active in prototype and small series production and in the production of wiring harnesses. The company operates at five locations in Germany and additionally has access to a test track in Spain.

In 2020, the company achieved approx. EUR 30 million in revenues.
→ www.iinovis.com

Strategy

The company is excellently positioned for future growth and will continue to benefit from the expected trend towards increased outsourcing of standard engineering services by OEMs.

In addition, the platform investment with the technical know-how and excellent skills of the employees offers substantial synergy potential for Mutares' existing portfolio.

Transactions

2020 – Acquisition of the Automotive Engineering Services segment from Valmet Automotive Inc.

HEADQUARTERS
BAD FRIEDRICHSHALL, GERMANY

iinovis performs airbag tests for well-known OEMs using high-speed cameras. The highly dynamic technology can record this concise phase of the test and evaluate it for the customer

DONGES GROUP

ENGINEERING & TECHNOLOGY

Full-service provider for building envelopes and steel structures

part of the portfolio since
2017

approx.
1,200
employees

approx. EUR
500 million
revenues

Company profile Donges Group

Following six strategic acquisitions, the Donges Group is now one of Europe's leading full-range suppliers of steel bridges, steel structures and roof and facade systems. With the excellently positioned brands Donges SteelTec, FDT, Kalzip, Nordec and Permasteelisa España, the Group supplies solutions for the construction of individual and sustainably designed buildings worldwide.

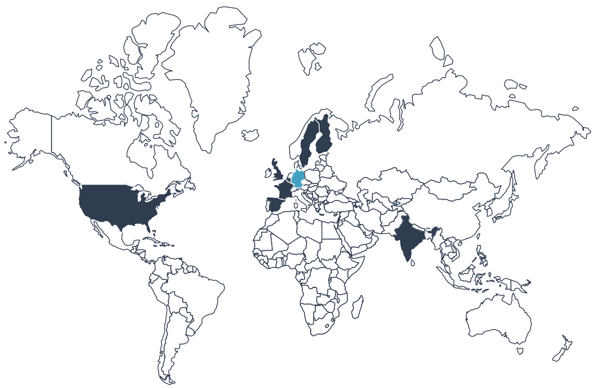
The product portfolio today includes steel structures, roof and façade solutions for a wide range of requirements, as well as wood products for interior finishing and building cladding. Donges thus serves architects, planners, building developers, general contractors and builders, the public sector as well as craftsmen and processing companies. The Donges Group employs more than 1,200 people at 13 production sites in Europe and in sales offices worldwide and generates annualized consolidated revenues of around EUR 500 million.

→ www.donges-group.com

Strategy

Following the last add-on acquisition (Permasteelisa), Donges is aiming for further growth and consolidation of its very good positioning in the European market. The cornerstones of this strategy are the realization of synergies through the joint processing of the existing customer portfolio and existing sales channels, as well as the development of Northern and Southern European markets in the areas of facade solutions and steel construction.

FDT FLACHDACH•TECHNOLOGIE
Kalzip®
Donges STEELTEC
NORDEC
PERMASTEELISA ESPAÑA DONGES GROUP S.A.



HEADQUARTERS
FRANKFURT/MAIN, GERMANY

Transactions

- 2021 – Exit Norsilk
- 2021 – Add-on acquisition: Donges Group buys Permasteelisa España from Permasteelisa Group
- 2020 – Add-on acquisition: Donges Group buys Nordec (Ruukki Building Systems) from SSAB
- 2019 – Add-on acquisition: Integration of Norsilk, which is already part of the Mutares portfolio
- 2019 – Add-on acquisition: Donges Group buys Normek from private individual and fund company
- 2019 – Add-on acquisition: Donges Group buys FDT flat roof technology from private individual
- 2018 – Add-on acquisition: Donges SteelTec becomes Donges Group: acquisition of Kalzip from Tata Steel Euro
- 2017 – Acquisition of Donges SteelTec from Mitsubishi Hitachi Power Systems Europe

„We deliver solutions for innovative and future-proof buildings and aim to be our customers' first choice in our market segments for steel structures and building envelope products.“

Manufacturing parts for a highway bridge

BALCKE DÜRR

ENGINEERING & TECHNOLOGY

Supplier of components for increasing energy efficiency and reducing environmental impact

part of the portfolio since
2016

approx.
500
employees

approx. EUR
100 million
revenues

Company profile Balcke-Dürr Group

With more than 130 years of experience, the Balcke-Dürr Group offers innovative solutions to increase energy efficiency for utilities, O&G and the chemical industry, ranging from standard modules to complete thermal systems. Balcke-Dürr's experienced engineers are specialized in solutions that meet the highest safety and sustainability requirements. The product portfolio includes heat exchangers, cooling towers, nuclear decommissioning and maintenance services. At its production sites in Germany and Italy, the Group employs around 500 people and generates approximately EUR 100 million in revenues. The two exits of Balcke-Dürr Polska and Rothemühle enabled the Balcke-Dürr Group to largely withdraw from the coal business.
→ www.balcke-duerr.com

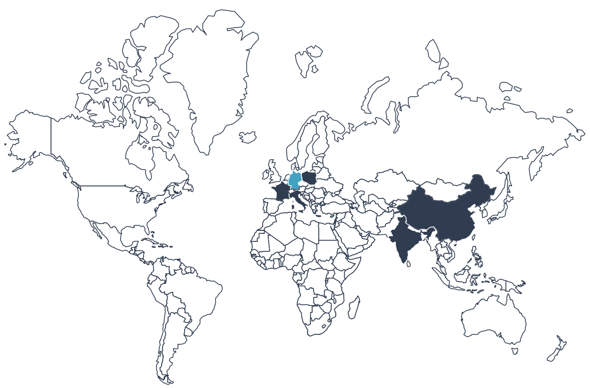
Strategy

In 2021, Balcke-Dürr Group focuses on three strategic objectives: The group intends to first strengthen its position in the nuclear energy market, second, to expand its business of decommissioning services of nuclear power plants, and third, to step up its activities for clients of the O&G and chemical industry. Extensions to the product portfolio are also being examined, as is inorganic growth through acquisitions, e.g. in the original cooling division, which will continue to be an important pillar of the Balcke-Dürr Group beyond 2021.

Transactions

- 2021 – Exit La Meusienne
- 2021 – Exit Rothemühle
- 2020 – Exit Balcke-Dürr Polska
- 2020 – Add-on acquisition of Loterios Srl.
- 2019 – Integration of La Meusienne
- 2018 – Add-on acquisition of the heat exchanger division of STF
- 2018 – Add-on acquisition of KSS Consulting
- 2016 – Acquisition of Balcke-Dürr Group by Mutares from SPX Group

„The realignment of Balcke-Dürr was consistently pursued and completed. In 2021, the company aims to broaden its relevant market, both in terms of new areas of application for our existing range of products and services and strategic acquisitions.“



HEADQUARTERS
DÜSSELDORF, GERMANY

Pipe bends as part of a replacement of boiler pressure parts

LACROIX + KRESS

ENGINEERING & TECHNOLOGY

Manufacturer of oxygen free copper drawing

part of the portfolio since
2020

approx.
250
employees

approx. EUR
160 million
revenues

HEADQUARTERS
BRAMSCHE, GERMANY

Company profile Lacroix + Kress

Lacroix + Kress is one of the leading manufacturers of oxygen-free copper drawing for industrial applications with a focus on the automotive industry. With its two production sites in Bramsche and Neunburg in Germany, the company serves customers worldwide, with the majority in revenues coming from the European market. The company has a strong market position due to the quality of its products and its high level of recognition amongst blue chip customers.
→ www.lacroixundkress.de

Strategy

Lacroix + Kress is a manufacturer of oxygen-free copper drawing. The product portfolio is complemented by copper wires for cable production, as well as for mechanical and other special applications, as well as multiple wires and braiding wires.

The company sells its products worldwide – with a focus on Europe and North America.

Transactions

2020 – Acquisition of Nexans Metallurgie Deutschland GmbH from Nexans SA/ Nexans Deutschland GmbH

Employee checking machine, which is making copper wire thinner by extending it

LA ROCHETTE CARTONBOARD
PAPETERIE TECHNIQUE EN SAVOIE

ENGINEERING & TECHNOLOGY
Producer of folding box cartons

part of the portfolio since
2021

approx.
300
employees

approx. EUR
120 million
revenues

Company profile La Rochette Cartonboard SAS
La Rochette Cartonboard was founded in 1873 and is a leading manufacturer of cartonboard packaging, mainly for the pharmaceutical and food sectors. From its production site in Valgelon-La Rochette/France, the company serves a diversified customer base (+250 customers) whose sales are mainly generated in Europe. La Rochette is recognized as the number one producer of folding carton board in Southern Europe.
→ www.larochette-cartonboard.com

Strategy
La Rochette Cartonboard is a producer of folding box cartons, a virgin fiber board for the packaging industry, mainly made of local mechanical pulp. Various coating techniques and thicknesses can be used to achieve different product properties. The high quality and food safety standard of La Rochette's products will support the company's development. A positive market trend towards the reduction of plastics in the packaging industry is an additional driving factor.

The company will strengthen the Engineering & Technology segment as a new investment platform. Mutares expertise in the paper and packaging sector as well as its entrepreneurial mindset will contribute positively to La Rochette's future performance.

Transactions
2021 – Acquisition of RDM La Rochette S.A.S. from Reno De Medici Group

HEADQUARTERS
VALGELON-LA ROCHETTE, FRANCE

Cutting machine bringing the cardboard in the right format

Gemini RAIL GROUP

ADComms

part of the portfolio since
2018
2021

approx.
300
employees

approx. EUR
70 million
revenues

ENGINEERING & TECHNOLOGY

Industrial, technological, and infrastructure service provider for the UK rail industry

Company profile Gemini Rail Group & ADComms

Gemini Rail, one of the UK's leading rail engineering businesses, specializes in the modernization and refitting of rail vehicles. With its inhouse team of specialized engineers, Gemini offers turnkey solutions for train refurbishment, modernization, and external project management. In addition, under the GemECO brand, the company has established itself as the leading technology retrofitter for hybrid rail vehicle propulsion systems. In the UK, Gemini is the second largest OEM-independent supplier and counts UK railway operating and stock owning companies as well as railway OEMs among its customers.

ADComms' core business designs, installs, and maintains communication systems for the UK rail network. This includes radio and fixed network infrastructure, third party communications (including track-to-train and tunnel connectivity) and station communications and management systems (including single person/driver only operations and core CCTV systems). Market leading development in the connected train solutions space with the launch of in-house software system "Cloudbroker" revolutionises this area of the industry. The business offers end-to-end solutions and works closely with the key rail network infrastructure managers and major TOCs.
→ www.geminirailgroup.co.uk, www.adcomms.ltd

Strategy

As part of its transformation, both ADComms and Gemini will focus on expanding relationships within the UK rail industry, focussing on network infrastructure managers and UK TOCs. With its bespoke solutions operating at the forefront of contemporary transport technology, ADComms is a key player in the expanding rail network as the UK enters a period of sustained infrastructure investment.

Gemini Rail continues to focus on implementing a redefined market strategy and further developing its product portfolio. Gemini is a pioneer for hybrid propulsion systems in the UK and through the GemECO brand and has already secured its first orders for the conversion of rail vehicles to electric, battery, and hydrogen hybrid propulsion systems.

GemECO

Gemini Rail Group has launched the product line "GemECO" with a focus on hybrid conversion for existing rolling stock.

HEADQUARTERS
WOLVERTON AND SCUNTHORPE, UK

Transactions

- 2021 – Acquisition of ADComms from Panasonic Europe BV
- 2018 – Acquisition of Gemini Rail Solutions from Knorr-Bremse

Restoration work on a train

CLECIM
FRANCE

part of the portfolio since
2021

approx.
250
employees

approx. EUR
32 million
revenues

ENGINEERING & TECHNOLOGY

Supplier of high-end steel processing line solutions

Company profile Clecim

Clecim is a renowned supplier of carbon and stainless-steel processing lines, stainless steel rolling mills as well as mechatronic products and metallurgical services, serving steelmakers around the world for more than 100 years. As a provider of plants, products and services for the iron, steel and non-ferrous industries, the company offers its customers high-end technological solutions, lifecycle services and equipment of the highest processing quality.

Based in Savigneux, France, the company can design and manufacture complete mechatronics, new spare parts and maintenance or modernization solutions. Its production includes qualified specialists in mechanical welding, machining, assembly, piping, painting and testing, whose skills are also recognized in the tires, forging and marine industries, amongst others.
→ www.clecim.com

Strategy

Clecim benefits from a very high level of expertise in high-end solutions for steel processing lines with leading-edge products in its market. The company is supported by Mutares in defining a new strategy and is committed to resume commercial efforts for both greenfield projects and spare parts through its significant installed base worldwide. Clecim will also focus on operational excellence in project planning and execution, more profitable projects and recurring services.

Transactions

2021 – Acquisition from Primetals Technologies Group

HEADQUARTERS
SAVIGNEUX, FRANCE

Adjustment of piston in a roll force cylinder for Rolling Mill in Clecim's workshop

Royal de Boer

SINCE 1957 JAPY TECH

part of the portfolio since
2020

approx.
200
employees

approx. EUR
50 million
revenues

ENGINEERING & TECHNOLOGY
Manufacturer of cooling tanks and barn equipment

Company profile Royal de Boer und Japy Tech

Royal de Boer is a leading manufacturer of barn equipment such as feed fences, cubicles, ventilation and manure systems. The company operates one production plant in Leeuwarden, the Netherlands, with a large international installed base.

Japy Tech is a high-quality producer of cooling tanks with varying sizes, designs and applications. With its base in Dijon, France, the company provides products for the European as well as world-wide milk cooling industry.

→ www.royaldeboer.com
→ www.japy-tech.com

Strategy

The companies will endure a short-term realignment process followed by focus on future growth. The key steps are establishment of direct contact with the end-customers leading to optimization of the product mix, exploitation of cross-selling opportunities, increase in overall efficiency and cost reduction among the supply chain.

Royal De Boer and Japy Tech can further build upon their well-known brands that are recognized in the international market for their high-quality products to deepen and widen the relationships with their customers. After a successful realignment, the companies will explore additional add-on opportunities in order to ensure growth supported by a comprehensive product portfolio for the farming market

Transactions

2020 – Acquisition of Royal De Boer and Japy Tech from GEA Farm Technologies

HEADQUARTERS
ROYAL DE BOER **LEEUWARDEN, NETHERLANDS**
JAPY TECH **DIJON, FRANCE**

Design of a future-oriented livestock housing system that contributes to sustainable livestock production

LAPEYRE

GOODS & SERVICES
Manufacturer and distributor of home renovation products

part of the portfolio since
2021

approx.
3,400
employees

approx. EUR
605 million
revenues

Company profile Lapeyre
Lapeyre is a leading manufacturer and distributor of home renovation products and furniture for indoor and outdoor use including windows, interior and exterior doors, stairs, kitchen and bathroom furniture. The company operates ten production sites, supplying an extensive network of 130 shops in France. This historic brand is well known in the French market and is still promoted daily by its ca. 3,400 employees. The company's vertically integrated model from production to distribution enables innovation, competitiveness, and a faster go-to-market for new products. In 2020, the company generated approx. EUR 605 million in revenues.
→ www.lapeyre.fr

Strategy
After closing in Q2 2021, Lapeyre will capitalize on its fundamental strengths and develop its product range and network profitably. Thanks to significant investments in its industrial tools, distribution network and support systems, the company is expected to return to profitability and growth within the next three years.

Transactions
- 2021 – Acquisition of Compagnie de Saint-Gobain

HEADQUARTERS
AUBERVILLIER, FRANCE

Individual kitchen equipment
with Lapeyre products

BEXITY

GOODS & SERVICES
Provider of transport and logistics services

part of the portfolio since
2019

approx.
500
employees

approx. EUR
180 million
revenues

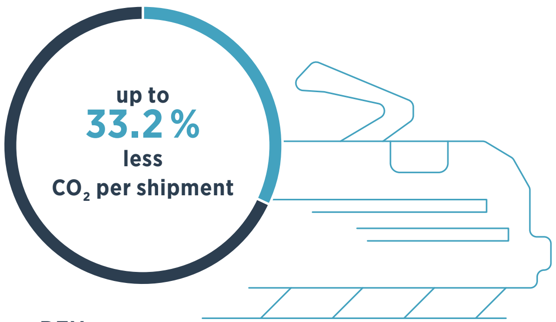
Company profile BEXity
BEXity is the market leader for cross-border transport and logistics services in the Austrian market and has been a 100% holding of the Mutares Group since the end of 2019. The company is characterized by its nationwide network in Austria and is primarily active in the general cargo, charter and warehousing sectors. BEXity serves a diversified portfolio of well-known customers from the automotive and food industry and the fast-moving consumer goods sector.

Thanks to decades of experience and highly qualified employees, BEXity can guarantee reliable and high-quality transport services. BEXity was the first logistics provider in Austria to establish next-day delivery (delivery time of 24 hours from collection) in general cargo logistics and still sets the industry benchmark in terms of delivery quality. By connecting its transport logistics locations to the rail network, BEXity enables ecological and sustainable transport. BEXity employs approx. 500 people and achieved approx. EUR 180 million in revenues in 2020.
→ www.bexity.com

Strategy
BEXity is the logistics partner for business customers and provides customized solutions as well as standard solutions in transport logistics and warehousing. The logistics specialist plans to strengthen its transport logistics network through partnerships in Europe. Based on the unique selling propositions of high delivery quality and ecological transport, BEXity is implementing a market offensive and wants to push individual customer and specific industries, such as white goods, building materials, food and fast-moving consumer goods (FMCG).

Transaction
- 2020 – Exit of the Czech activities
- 2019 – Acquisition from Österreichische Bundesbahnen Holding

HEADQUARTERS
VIENNA, AUSTRIA



BEXgreen
The green line for sustainable solutions made possible by e-mobility and rail enables less polluting transports.

„BEXity is aware of its origins and sees Austria as the starting point for its activities. Our position as a leading provider in our home market is an ideal starting point for us to implement a successful future strategy."

Warehousing of goods

terranor

part of the portfolio since
2020

approx.
380
employees

approx. EUR
145 million
revenues

GOODS & SERVICES

Provider of road operations and maintenance services

Company profile Terranor Group

Terranor Group is a leading provider of operations and maintenance services to secure safe traffic on and around roads in the Nordics. Their services include, for example, snow handling, road maintenance, road markings and road cleaning. Most customers are state and municipal entities complemented by private customers.

Most of the business is managed from the headquarter in Stockholm and the established presence in Helsinki and Trige (DK). Terranor has risen to become the largest player in the Nordic countries and is continuously striving to expand the business in both countries by a broadened range of services and high-quality contracts.

With approx. 380 employees in Denmark, Sweden and Finland, Terranor generates annual revenues of approx. EUR 145 million.
→ terranor.dk, terranor.fi, terranor.se

Strategy

With its existing reputation in the market, Terranor is built on timely and high-quality execution of contracted road services. Efficiency and productivity are key success factors to further increase profitability and widen regional coverage mainly from adjacent areas.

Terranor will also expand the range of services in the future to develop additional revenue streams in all three countries.

HEADQUARTERS
STOCKHOLM, SWEDEN HELSINIKI, FINLAND
TRIGE, DENMARK

Transactions

- 2021 – Add-on acquisition of Nordic Road Services A/S Denmark from NCC
- 2020 – Acquisition of Nordic Road Services AB Sweden and Nordic Road Services Oy Finland from NCC

Leading operating contractors of state and municipal road networks keeeper

GOODS & SERVICES

Manufacturer of plastic and paper household products

part of the portfolio since
2019

approx.
650
employees

approx. EUR
100 million
revenues

Company profile keeeper Group

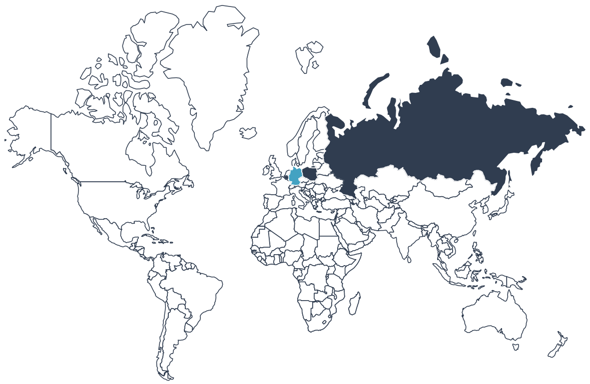
The keeeper Group, a former family-run company with a tradition of over 30 years, is one of the leading European suppliers of innovative and high-quality household products made of plastic and paper. With four product lines for kitchen, household, storage and children, the Group serves renowned customers from the DIY, food retail, wholesale and furniture retail sectors in approx. 35 countries. keeeper caters for specific customer requirements and always meets global standards. At the end of 2019, keeeper Group signed an agreement for taking over Metsä Tissue's German business, which produces and sells high-quality paper napkins, and thus, strategically extended its portfolio of household products. With more than 650 employees, keeeper Group generates annual revenues of approx. EUR 100 million.
→ www.keeeper.com

Strategy

keeeper Group is a brand and quality supplier of plastic and paper household products. The Group sells its products via consumer channels under its customers' own brands and under the keeeper brand, which has been awarded with the German Brand Award. keeeper's operational focus is on the development of new products and the opening up of new markets and distribution channels, such as e-commerce. With the acquisition of Metsä Tissue's napkin business in Germany, keeeper Group diversifies its offering and continues its buy and build approach consequently.

Transactions

- 2020 – Add-on acquisition: keeeper Group acquires Metsä Tissue's German napkin business
- 2019 – Acquisition of the keeeper Group by Mutares from Wrede Industrieholding



HEADQUARTERS
STEMWEDE, GERMANY

keeeper is a leading company for day-to-day convenience products in and around the home

GOODS & SERVICES

Provider of house repair and emergency services

part of the portfolio since
2021

approx.
500
employees

approx. EUR
50 million
revenues

Company profile Repartim (Maisoning Group)

Repartim (Maisoning Group) is a renowned French home repair and emergency specialist with two main activities.

Emergencies: for rapid on-site intervention to fix everyday problems, including locksmithing, plumbing, electricity, leak detection, etc.

Planned works and renovation: planned works to beautify or renovate the house, including painting, floor coating, masonry, drainage, general renovation, etc.

Based in Tours, France, Repartim (Maisoning Group) targets insurers, assistors, asset managers and individuals through a network of 26 agencies, over 300 in-house technicians and 1,200 subcontractors throughout France.
→ www.repartim.fr

Strategy

To support the business with new transformation projects, Mutares has entered into a strategic partnership with HomeServe, a leading home repair and maintenance specialist. Repartim (Maisoning Group) will benefit from the scope of its service offerings, the current favorable market dynamics, the significant commercial synergies with the HomeServe network and the investment in new IT tools to improve customer service and order execution.

Transactions

- 2021 – Acquisition by Mutares (80%) and HomeServe (20%) from Belron Extension SAS

HEADQUARTERS
TOURS, FRANCE

Repartim employee
during an on-site operation

GOODS & SERVICES
Service provider for information and communication technology

part of the portfolio since
2021

approx.
240
employees

approx. EUR
25 million
revenues

Company profile EXI S.p.A.

EXI was founded in 2018 as a wholly owned subsidiary of Ericsson Telecomunicazioni S.p.A. and was acquired by Mutares in early 2021.

EXI is a market leader in mobile telecommunication services, actively serving all major telecom operators in Italy. Its focus is on the roll-out and maintenance of 4G networks and the growing business prospects with the upcoming roll-out of 5G networks in Italy.

The company's capabilities and competencies range from network operations and design to network roll-out, project management and governance. EXI also plays a significant role in the Italian market as a systems integrator of multi-vendor technologies.

Many of the leading telecommunications companies and service providers have chosen to entrust EXI with the implementation of their innovative projects and the construction of telecommunications networks and infrastructures throughout the country. For example, projects with W3 (deployment of Ericsson Spectrum Sharing over 7,100 sites, early and rapid deployment of 5G over 4G technology, alongside the swap and upgrade of 7,400 sites) or TIM (5G deployment, swapping Huawei wireless technology in Southern Italy with Ericsson products).

Currently, EXI employs around 240 people, including technicians, project managers, engineers, and administrative staff, spread across the country, in numerous offices and warehouses in each region. This enables the company to respond quickly to situations and carry out its activities more efficiently.
→ www.exispa.com

Strategy

EXI’s vision is to become a main player in Italy's digital transformation by continuing to grow its customer base in the mobile business (by providing excellent and profitable services), the geographic expansion by actively exploiting opportunities in emerging markets and by expanding into other areas such as broadband and fiber design. In addition, it aims to create a sustainable strategy for a healthy and safe employee environment.

HEADQUARTERS
ROME, ITALY

Transactions

- 2021 – Acquisition from Ericsson Telecomunicazioni S.p.A.

Employees during maintenance on site

GOODS & SERVICES
Manufacturer of lawnmowers

part of the portfolio since
2020

approx.
80
employees

approx. EUR
25 million
revenues

Company profile SABO

SABO Maschinenfabrik is one of the leading European manufacturers of innovative and high-quality lawnmowers. SABO serves its customers in over 20 countries with gasoline, electric mowers as well as battery-powered garden tools. The quality of the products and the high brand awareness make SABO a company with a strong market position.

With approx. 80 employees, SABO generates annual revenues of approx. EUR 25 million.
→ www.sabo-online.com

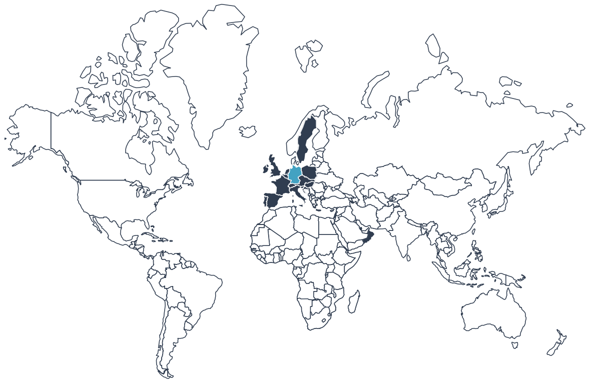
Strategy

SABO Maschinenfabrik is a brand and quality supplier of electric, battery and gasoline-powered lawnmowers. The extensive product portfolio is complemented by hand-held equipment such as leaf blowers, hedge trimmers and chainsaws.

SABO works with more than 1,100 specialized dealers and sells its products nationwide to companies and private customers. SABO's operational focus is on expanding into new markets and tapping into the growth market of battery-powered lawnmowers and garden tools. In addition, SABO has been focusing on the direct sale of its products via the company's own website as a supplement to stationary retail since March 2020.

Transactions

- 2020 – Acquisition of SABO Maschinenfabrik from John Deere GmbH & Co. KG



HEADQUARTERS
GUMMERSBACH, GERMANY

Ensuring the highest quality through German craftsmanship in Gummersbach

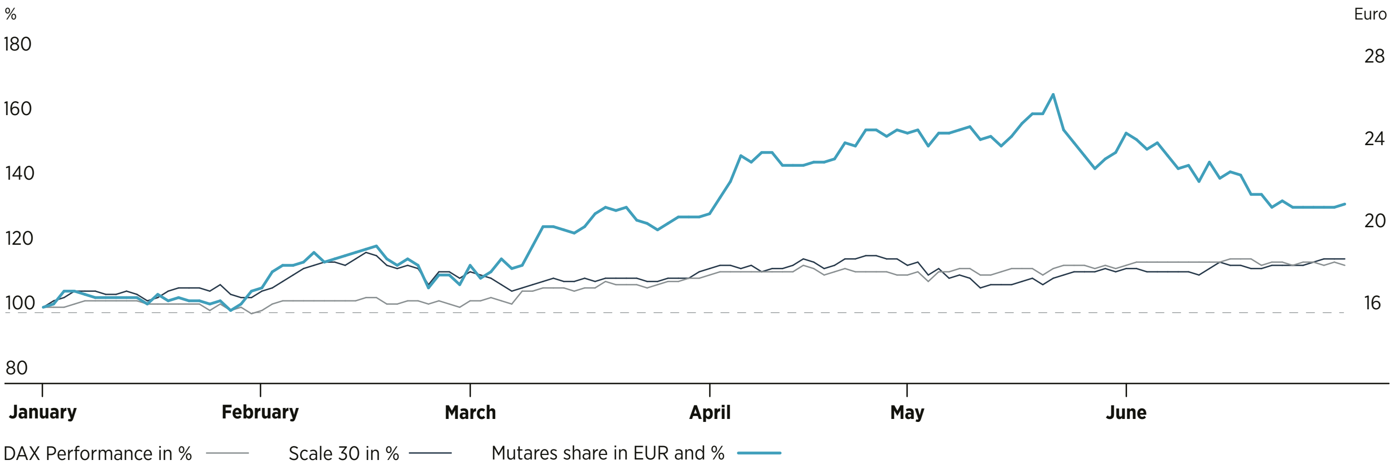
MUTARES ON THE CAPITAL MARKET

- Dividend of EUR 1.50 per share distributed for the financial year 2020 (dividend yield of 9.6% at year-end closing price)
- Increase of the bond by EUR 10.0 million
- Sustainable recovery of the share after price slump due to COVID-19 in 2020

Recovery of stock markets from COVID-19 pandemic

The prospects of normalization following the COVID-19 pandemic in the wake of the approval of various vaccines and the associated end to the lockdown measures determined the development of the international stock markets in the first half of 2021. The pandemic also continues to have a significant impact on the development of the global economy. Overall, global GDP in the winter half of 2020/21 is almost at pre-crisis levels. Despite renewed lockdowns in the spring and various mutation variants of the virus, the European economic situation improved significantly as a result of the increasing pace of vaccination and the restarting of the economy. The expectations of the economic research institutes regarding economic development therefore remain positive. GDP for the euro zone is expected to reach pre-crisis levels in the fourth quarter of the current financial year. GDP is expected to grow by 5.3% in 2021 and by 4.4% in the following year. The United States is expected to achieve GDP growth of 6.7% in the current year and 4.9% in 2022.

Price development including benchmark indices



In a market environment characterized by economic recovery, the German DAX share index recorded a strong increase in the reporting period. The index ended the first half of 2021 up 13% on the closing price in 2020.

Mutares share with above-average return in the first half of 2021

The Mutares share closed the first half of 2021 at EUR 20.70, an increase of 31.9% compared to the closing price of the previous year (EUR 15.70). This significantly outperformed both the DAX 30 (+13.2%) and the index for growth stocks, Scale 30, in which the Mutares share is included (+15.3%). For Mutares shareholders, taking into account the dividend of EUR 1.50 per share paid in May 2021, this resulted in an above-average pre-tax return of +41.4%. As a listed private equity company, Mutares strives to provide international investors with a liquid form of investment through the listed Holding Company for investment opportunities otherwise only accessible to private equity investors and to allow investors to participate in the long-term success.

The acceleration of Mutares' growth in the first half of 2021 with already seven completed acquisitions and the continued intensive capital market communication despite the restrictions due to lockdowns and contact restrictions are cornerstones for the strengthening of investor confidence, as well as the attractive and sustainability-oriented dividend policy with the increased distribution to EUR 1.50 per share for the financial year 2020.

[1] https://www.metzler.com/de/metzler/asset-management/artikel-am/news/Metzler/MAM/markt-aktuell/2021-Q3
[2] https://www.ifw-kiel.de/de/themendossiers/konjunktur/#m-tab-0-welt
[3] https://www.boerse-frankfurt.de/index/dax

Mutares share one of the most liquid stocks in the Scale segment

The shares of Mutares are part of the selection index Scale 30 of Deutsche Börse, which tracks the price performance of the 30 most liquid shares of the Scale segment. Based on the Xetra trading volume of the segment, the Mutares share was among the top 10 most liquid stocks of the segment in the first half of 2021 with a total trading volume of approx. EUR 70.5 million (H1 2020: approx. EUR 61.5 million). Based on the Scale 30 selection index, Mutares is among the top 5 in terms of liquidity. 27,807 shares were traded per day on average (H1 2020: 46,295).

Sustainable dividend policy plus distribution of a performance dividend

Mutares continues to adhere to its dividend policy based on continuity and sustainability. It remains the objective to allow shareholders to participate appropriately in the company's success with a sustainable and attractive distribution. Due to the pleasing business development in 2020, Mutares was able to distribute a dividend of EUR 1.50 per share in 2021, following a resolution by the Annual General Meeting on 20 May 2021. The dividend of EUR 1.50 per share from the retained earnings 2020 consists of the basic dividend in the amount of EUR 1.00 plus a performance dividend from the successful sale of investments in the amount of EUR 0.50. Taking into account the treasury shares not entitled to dividends, this corresponds to a total distribution of EUR 23.1 million (previous year: EUR 15.2 million). Based on the year-end share price 2020, the Mutares share thus records an attractive dividend yield of 9.6% (previous year: 7.9%).

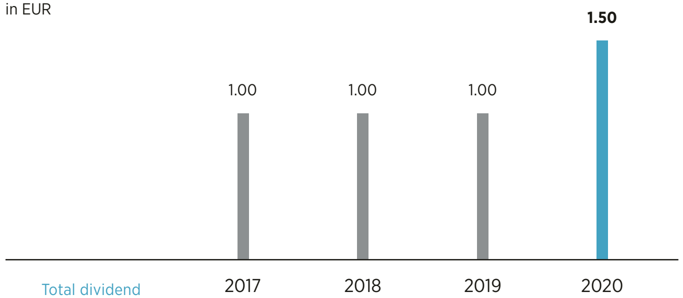
Key figures of the Mutares share

		2018	2019	2020	H1 2021
Number of shares	Million shares	15.5	15.5	15.5	**15.5**
Thereof treasury shares	Million shares	0.3	0.3	0.5	**0.5**
Market capitalization	Million shares	140.1	197.1	243.3	**320.8**
Closing price[1]	EUR	9.04	12.72	15.70	**20.70**
Highest price[1]	EUR	21.00	13.06	16.86	**26.05**
Lowest price[1]	EUR	8.58	8.15	6.07	**15.04**
Trading volume (daily average)	shares	61,710	33,897	44,600	**27,807**

[1] All figures correspond to Xetra prices. Xetra trading volume.

Development of dividend per share

in EUR



	2017	2018	2019	2020
Total dividend payment for the financial year in EUR million	5.4	15.2	15.2	**23.1**
Dividend yield at the closing price of the financial year	6.3%	11.1%	7.9%	**9.6%**

Director's Dealings

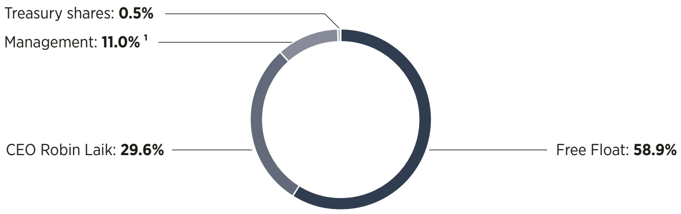
In the reporting period, members of the Executive Board and the Supervisory Board acquired further shares in the amount of approximately EUR 1.9 million, thus confirming their confidence in the strategy and outlook of Mutares' growth stock.

Broad shareholder structure

The number of Mutares shareholders continued to increase in the first half of 2021. At the end of the reporting period, around 11,000 shareholders were entered in the share register (H1 2020: 8,000 shareholders).

The main shareholder with approximately 29.6% is still Robin Laik, CEO and founder of Mutares. Members of the Executive Board and Supervisory Board hold a further 11.0% of the shares in total. Around 58.9% of the shares are in free float (as defined by Deutsche Börse), including those held by institutional investors, family offices, major individual shareholders and asset managers, as well as private investors. Mutares itself holds around 0.5% of the share capital as treasury shares.

Shareholdings by investor



[1] including ELBER GmbH, Management and Supervisory Board

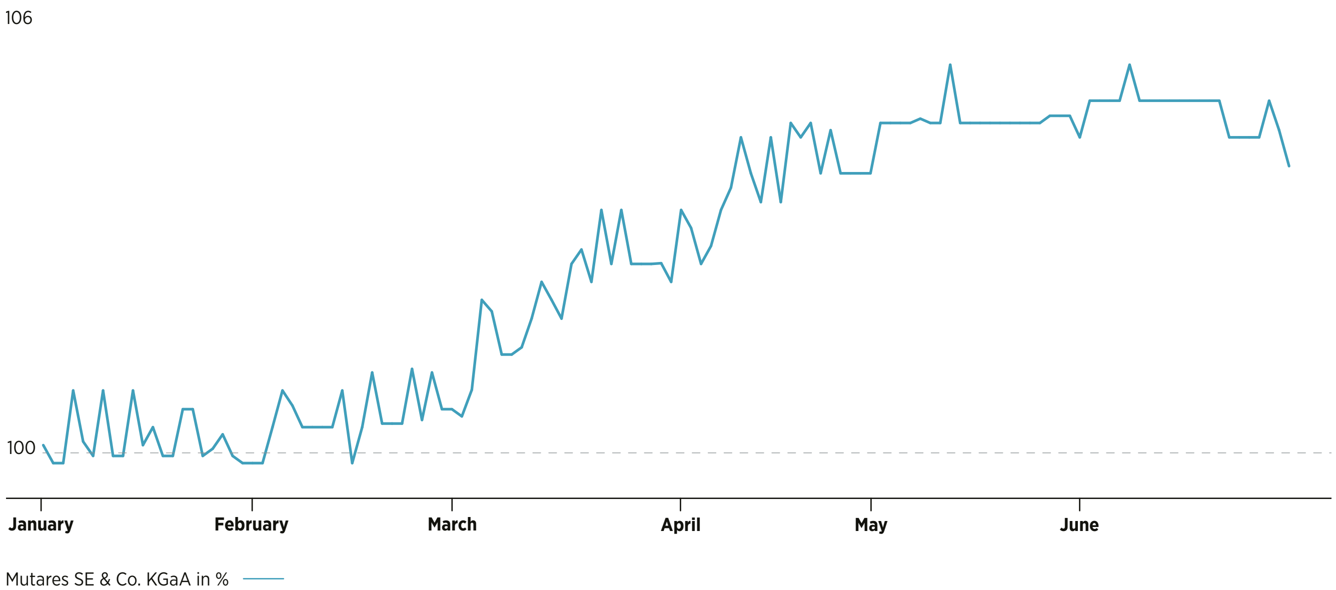
At around 87%, the largest proportion of shares outstanding in free float is held by German investors, followed by investors from Switzerland with around 4%. Investors from Luxembourg account for 2.5% of the shareholding, and investors from Ireland for 2.0%. The shareholder structure is to be further internationalized in the current financial year, reflecting Mutares' global orientation.

Successful second increase of the Mutares bond

In February 2021, Mutares increased the bond issued in financial year 2020 by a volume of EUR 10.0 million under the existing increase option. Thus, the maximum nominal volume of EUR 80.0 million was reached. The amount of the increase was successfully placed with investors.

The funds from the bond issue serve the general corporate financing and support the further growth of the Mutares Group, for example through value-creating add-on acquisitions. The bond has a maturity of four years and bears interest at the 3-month EURIBOR plus a margin of 6.00%.

Mutares SE & Co. KGaA 6% 20/24 – Development January 2021 – June 2021 [1]



[1] The chart shows the development of the bond on the German Stock Exchange.

Master data of the Mutares share

Symbol	MUX
WKN	A2NB65
ISIN	DE000A2NB650
Index membership	Scale 30
Transparency level	Scale
Market segment	Open market
Stock exchanges	Xetra, Frankfurt, Berlin, Düsseldorf, Munich, Stuttgart, Tradegate
Sector	Corporate investments
Number of shares	15,496,292 (thereof 74,975 treasury shares)
Share class	Registered shares
Designated Sponsor	Hauck & Aufhäuser Privatbankiers Aktiengesellschaft, Pareto Bank, Stifel Europe Bank, M.M.Warburg

Master data of the Mutares bond

WKN	A254QY
ISIN	NO0010872864
Market segment	Open Market
Stock exchanges	Frankfurt, Oslo
Denomination	1,000
Nominal volume	80,000,000
Nominal volume outstanding (12/31/2020)	70,000,000
Issue date	14 Februar 2020
Maturity	14 Februar 2024
Interest rate	3-month EURIBOR plus 600 basis points
Interest dates	Quarterly

Investor Relations

Mutares maintained a regular, constructive and transparent dialog with all stakeholders such as institutional investors, private investors, financial analysts and media representatives in the first half of 2021. Mutares further expanded its financial communication activities, such as participation in conferences, holding roadshows, and its own formats.

Further relevant information on the share and the bond is available to interested investors at www.mutares.de/investor-relations.

Investor relations in the first half of 2021

April 2021	Publication of the management report 2020 & Conference Call
May 2021	Publication of results for Q1 2021
May 2021	Annual General Meeting 2021
June 2021	Investor Weeks DACH

Financial analysts recommend buying the Mutares share

The Mutares share was analyzed and rated by four investment banks and one specialist for second-line stocks in the first half of 2021. The buy ratings of the analyst houses reflect the confidence in the business model, the development and the management of Mutares. The price targets for the Mutares share range up to EUR 33.00 (average: EUR 27.75). This corresponds to a potential of up to 50% based on the closing price on 30 June 2021.

Further information is available in the financial analysis section at www.mutares.de/investor-relations.

Financial calendar 2021

September 2021	Investor Weeks Europe
7 September 2021	Publication of the half-year report 2021
8 to 9 September 2021	IPEM 2021 Paris
15 September 2021	3rd Mutares Capital Markets Day, Frankfurt/Main
24 September 2021	Baader Conference
9 November 2021	Publication of results for Q3 2021
22 to 24 November 2021	German Equity Forum
December 2021	Investor Weeks UK/USA

5 REASONS TO INVEST IN THE MUTARES SHARE

1. LISTED PRIVATE EQUITY WITH FOCUS ON GROWTH AND HIGH VALUE CREATION

The Mutares share offers the opportunity to participate directly and without maturity commitment in an investment approach focused on high growth and value creation in the otherwise inaccessible private equity business. As a “listed private equity”-security, the share is one of the most liquid securities in the Scale Segment of the Frankfurt Stock Exchange. In contrast to conventional private equity investments, a share investment offers fungibility via the capital market at any time.

2. SUCCESSFUL TRACK RECORD IN TURNAROUND PROCESSES AND CARVE-OUTS

Mutares’ business model is based on the acquisition, usually 100% of the shares, of medium-sized companies in turnaround situations as a so-called “platform investment”. The investments are part of turnaround or succession processes as well as carve-out transactions of large corporations that have an established business model, combined with a strong brand, and above-average development potential. Mutares’ success is ensured by an experienced team of more than 80 consultants with a high level of industry expertise and an extensive track record for successful turnaround processes. Mutares’ goal is to sustainably realize the value and growth potential of its portfolio companies.

3. FOCUS ON SUSTAINABLE GROWTH

Mutares is clearly focused on growth. The growth ambitions will be met, among other things, with the expansion of the operational consulting team from 80 to 200 employees by 2023. The impact of the COVID-19 crisis and Mutares’ strong reputation in Europe as a reliable partner and entrepreneurial investor in the industry creates a variety of opportunities. On this basis, the Management has communicated the target to grow in revenues to over EUR 5.0 billion by 2023. By focusing on the segments Automotive & Mobility, Engineering & Technology and Goods & Services with different economic cycles, the achievement of this target is largely independent of economic fluctuations.

5 REASONS TO INVEST IN THE MUTARES SHARE

4. FOCUS ON SHAREHOLDER VALUE WITH ATTRACTIVE DIVIDEND

Mutares is strictly oriented towards shareholder value and pursues a sustainable dividend policy geared to high returns. The aim is to allow shareholders to participate directly and continuously in the company's success. The multinational M&A approach with deal sourcing via eight offices in Munich (HQ), Frankfurt, London, Madrid, Milan, Paris, Stockholm and Vienna ensures a constant deal flow. Through its own advisory teams, Mutares generates predictable income for the holding company in the newly acquired portfolio companies, which grows in line with the Group's revenues and enables the distribution of a sustainable basis dividend. Proceeds from the successful disposal of portfolio companies and the resulting performance dividends provide an additional incentive.

5. TAKING RESPONSIBILITY – SUSTAINABILITY AS A CORNERSTONE OF CORPORATE CULTURE

Mutares sees sustainable action and management as an integral part of its corporate philosophy. Both the Management Board and the employees recognize their responsibility and the relevance of the topics of sustainability – also for the company's success. The three sustainability-related areas of responsibility, Environmental, Social, and Governance (ESG), provide the guidelines. Environmental concerns, human rights, employee protection and safety are considered. Mutares condemns all forms of corruption and, as an investment company and for each portfolio company, sets targets and regulations under ESG aspects. In this way, the company sends a strong signal – also to its employees, who take their personal responsibility towards the environment and society seriously.

INTERIM GROUP MANAGEMENT REPORT

1. ECONOMIC REPORT

1.1 General economic and industry-specific conditions

According to the ifo Institute, the pandemic continues to have a significant impact on the development of the global economy. Overall, the **world**'s gross domestic product in the winter half-year 2020/21 (fourth quarter of 2020 and first quarter of 2021) is almost at pre-crisis levels. However, countries recorded mixed developments in terms of (renewed) pandemic outbreaks, infection control measures and the pace of vaccination progress. While China is already well above pre-crisis levels, the other economies, such as in Europe, are still distinctly below.

In the first quarter of 2021, initial supply bottlenecks also became apparent with regard to the procurement of raw materials, with the result that some companies in the developed economies saw their production activities impaired. In addition, raw material and consumer prices have partly risen distinctly. The price of crude oil has fully recovered from its slump in spring 2020. The central banks' monetary policy remains expansionary.

In **Germany**, overall economic activity declined by 1.8% in the first quarter of 2021, causing a temporary setback in the strong recovery from the first wave of the pandemic. Value added in the construction and trade sectors were the reason for the decline. Private consumer spending also declined because of the restrictions, the expired temporary reduction in VAT rates and higher energy prices

1.2 Business performance

The business performance of Mutares SE & Co. KGaA, Munich (hereinafter referred to as "the company" or also "Mutares"), was characterized by the following significant events in the first half of 2021:

- **Completion of a total of seven acquisitions**
  In the reporting period, the portfolio of the Mutares Group was strengthened and further developed by a total of seven completed acquisitions:

Mutares signed an agreement on 29 January 2021 to acquire the Italian communications services provider of Ericsson Services Italia S.p.A. (now operating as **EXI** S.p.A.). The company specializes in network expansion and maintenance services and is allocated to the Goods & Services segment. The closing of the transaction took place on 31 March 2021 and resulted in a bargain purchase gain in the amount of EUR 8.8 million, which is recognized in other income.

Also, effective 31 March 2021, Mutares completed the acquisition of Primetals Technologies France S.A.S. a provider of solutions for steel processing lines with a production site in France. The company now operates under the name **Clecim** and strengthens the Engineering & Technology segment. The transaction resulted in a bargain purchase gain of EUR 28.9 million, which is recognized in other income.

At the beginning of April 2021 Mutares completed the acquisition of a majority stake of 80% in Carglass® Maison Group, a French service provider for home repairs and emergencies, strengthening the Goods & Services segment. The remaining 20% stake is held by HomeServe France, a specialist in home repairs and maintenance. The company now operates on the market under the **Repartim** brand. The transaction resulted in a bargain purchase gain of EUR 12.2 million, which is recognized in other income.

At the end of April 2021, Mutares completed the acquisition of RDM La Rochette from the Italian Reno De Medici Group. **La Rochette Cartonboard** is based in France and produces folding cartonboard based on virgin fibers mainly for the pharmaceutical and food packaging industries. The acquisition strengthens the Engineering & Technology segment and resulted in a bargain purchase gain of EUR 24.2 million, which is recognized in other income.

Mutares acquired Alan Dick Communications Limited ("ADComms") from Panasonic Europe at the end of May 2021. **ADComms** supplies communications and safety systems to the UK rail sector. The company is highly complementary to the portfolio company Gemini Rail Group from the Engineering & Technology segment. Significant operational synergies are expected as part of the future cooperation. The transaction resulted in a bargain purchase gain of EUR 1.8 million, which is recognized in other income.

Terranor Group, a platform investment in the Goods & Services segment, has successfully completed the acquisition of **NCC Road Service** AS (now operating under Terranor AS) from NCC effective 31 May 2021. The acquisition of NCC's danish road operation and maintenance services business further expands Terranor Group's presence in the Nordic countries. The transaction resulted in a bargain purchase gain of EUR 0.2 million, which is recognized in other income.

The acquisition of **Lapeyre** S.A.S. and its subsidiaries in France from Saint-Gobain on 1 June 2021 marks the largest acquisition in Mutares history in terms of revenues and number of employees. The company produces windows, doors, kitchens, bathroom furniture and staircases at ten french sites and distributes them together with merchandise through an extensive network of stores in France. As a new platform investment, Lapeyre strengthens the Goods & Services segment. The bargain purchase gain on the transaction amounts to EUR 380.2 million and is recognized in other income.

- **Completion of three exits**
Three exits were successfully completed in the reporting period:

Following the sale of its Polish company in April 2020, Balcke-Dürr also signed an agreement to sell its German Rothemühle business in December 2020. Accordingly, Balcke-Dürr Rothemühle GmbH, an integrated service, engineering and original equipment supplier for heat exchangers in air and flue gas passages of power plants and industrial facilities, was sold to the strategic investor Howden Group. The transaction was successfully completed in January 2021.

In November 2020, Mutares initially signed a letter of intent to sell its shares in Nexive to Italian market leader Poste Italiane. The transaction was then completed in January 2021. The quick resale takes advantage of a limited window in Italian legislation to allow acquisitions for consolidation in the Italian postal and parcel services market under certain conditions.

On 11 March 2021, Mutares SE & Co. KGaA signed a share purchase agreement with Adler Pelzer Holding GmbH, a company of the Adler Pelzer Group, for the complete sale of its majority stake of approximately 73.25% in the share capital of STS Group AG at a purchase price of EUR 7.00 per share sold. The transaction was subject to the approval of the financing partners on the part of the Adler Pelzer Group and the approval of the antitrust authorities. The closing of the transaction took place on 30 June 2021.

The deconsolidation result from these exits amounts to a total of EUR 3.4 million and is shown under other income or other expenses.

- **Increase of the placed bond to a nominal volume of EUR 80.0 million**
On 12 February 2021, Mutares increased the bond listed on the Open Market of the Frankfurt Stock Exchange and on the Nordic ABM of the Oslo Stock Exchange by a nominal volume of EUR 10.0 million to the maximum nominal volume of EUR 80.0 million under the terms and conditions of the bond valid at that time by exercising the existing increase option.

- **Attractive, long-term dividend policy confirmed**
On 20 May 2021, the company's Annual General Meeting, which was again held on a purely virtual basis, approved a **dividend of EUR 1.50** per share for the 2020 financial year. This consists of a basic dividend of EUR 1.00 per share and a performance dividend of EUR 0.50 per share. This confirmed what the Management Board considers to be an attractive and long-term dividend policy.

1.3 Reports from the portfolio companies

As of 30 June 2021, the Group comprises 21 operating investments, which are classified into three segments:

(1) Automotive & Mobility
(2) Engineering & Technology
(3) Goods & Services

Automotive & Mobility segment

No.	Participation	Industry	Headquarters	Acquisition
1	**ESF Industrial Solutions** Group[1]	Automotive supplier for fluid transfer systems, sealing solutions as well as cabling	various	08/2009, 06/2019, 07/2020
2	**PrimoTECS**	Supplier of forged parts in the fields of engine, transmission and drivetrain	Avigliana/IT	01/2020
3	**KICO** Group	System supplier for automotive technology	Halver/DE	07/2019
4	**iinovis** Group	Engineering service provider for Automotive Engineering	Munich/DE	11/2020

[1] In the management report for the 2020 financial year, SFC Solutions, Elastomer Solutions and Plati were each presented as independent investments. In view of the ongoing integration of the entities, they are presented as a single investment group for the first time in this interim group management report.

The recovery of the global economy was reflected with rising production figures in the global automotive markets, although starting from the low level of the previous-year period with significantly declining production volumes in the context of the COVID-19 pandemic, particularly due to the lockdown measures in spring 2020 with the resulting drop in revenues.

According to the German Association of the Automotive Industry ("VDA"), there was strong year-on-year growth of 27% in the passenger car market in Europe. Nevertheless, the European market is around 25% below the comparable period in 2019 as a pre-crisis level. The reasons for this were ongoing lockdowns with closed car dealerships and incentive programs expiring at the turn of the year. In addition, a supply bottleneck for semiconductors is currently preventing a faster market recovery.

Revenues in the Automotive & Mobility segment amounted to EUR 353.0 million (H1 2020: EUR 216.4 million). This includes STS Group for the last time with revenues of EUR 134.8 million (H1 2020: EUR 136.0 million), the closing of the sale took place on 30 June 2021. In addition to the revenue contributions of SFC Solutions Group and iinovis acquired in the second half of 2020, a recovery from the negative impact of the COVID-19 pandemic, which mainly burdened revenues in the comparative period, also contributed to an increase in segment revenues. The EBITDA of the segment in the reporting period does not include gains from bargain purchases (H1 2020: EUR 18.6 million) and amounts to EUR –2.6 million (H1 2020: EUR 2.4 million). Adjusted EBITDA, on the other hand, showed a substantial recovery from the negative impact of the COVID-19 pandemic in the comparative period and increased to EUR 4.7 million (H1 2020: EUR –13.8 million). STS Group also contributed to this for the last time, whose Adjusted EBITDA improved extraordinarily – also due to the sale of the Acoustics division in the second half of 2020.

ESF INDUSTRIAL SOLUTIONS GROUP

The newly created ESF Industrial Solutions combines the SFC Solutions Group, Elastomer Solutions Group and Plati, which were previously managed as independent holdings.

Immediately after the acquisition of the SFC Solutions Group, an automotive supplier in the field of fluid transfer systems and sealing solutions with sites in Europe and India, in the financial year 2020 a Mutares team worked together with the management to develop a restructuring plan aimed primarily at increasing efficiency in production processes and reducing personnel costs. The measures initiated produced positive effects in the reporting period despite the challenging market environment. Revenues and operating profit thus exceeded the planned level. The massive increase in raw material prices and the reduced demand on the customer side in the context of a lack of availability of semiconductors counteracted the positive development, especially in the second quarter of the financial year. For the further course of the year, management expects noticeably higher revenues compared to the original plan, which, however, may not have a positive impact on gross profit and operating result due to the increased raw material prices. Overall, SFC Solutions Group will therefore achieve a still discernibly negative operating result for the full year 2021 as planned.

The Elastomer Solutions Group with production sites in Portugal, Slovakia, Morocco and Mexico manufactures rubber and thermoplastic components. In its original planning for the financial year 2021, the Elastomer Solutions Group assumed a significant increase in revenues due to the start of series production. After a good first quarter, a shortage and a sharp rise in raw material prices had a negative impact in the second quarter of financial year 2021. Nevertheless, Elastomer Solutions Group was able to achieve a clearly positive operating result despite revenues visibly below the planned level. For the second half of financial year 2021, management expects revenues at the level of the reporting period and a burden from increased raw material prices. However, Elastomer Solutions Group is currently negotiating with customers to pass on parts of the increased procurement prices and thus partially cushion the negative impact. Overall, local management continues to expect a visibly positive operating result for the full year 2021, albeit below the planned level.

Plati Group is a manufacturer of wire harnesses, special cables and connectors with two production sites in Poland and Ukraine. The lack of availability of semiconductors on the automotive and household appliance markets has led to significant delays, so that the planned revenue level was materially missed, with negative effects on the operating result, which, contrary to planning, thus reached a significantly negative level. For the remainder of the year, management expects a recovery in revenues compared to the reporting period, but not to the level of the original planning for the financial year 2021. Despite an expected break-even operating result in the second half of 2021, this will amount to a discernibly negative level for the year.

PRIMOTECS

PrimoTECS, which was acquired at the beginning of 2020, produces forgings for use in electric, hybrid and conventional powertrains at two sites in northern Italy. The negative impact of the COVID-19 pandemic had delayed the implementation of the restructuring program in the financial year 2020. The measures, which are primarily aimed at reducing direct and indirect costs and stabilizing as well as further developing revenues, were fully launched in the second half of the financial year 2020. After a first quarter at the level of planning, there was a slump in demand from automotive manufacturers in the second quarter of the financial year in the context of a lack of availability of semiconductors. Local management countered this with further flexibility measures, including short time working. Management does not expect an increase in demand compared to the current level until the fourth quarter, so that overall revenues in the financial year 2021 will fall significantly short of the originally planned level and the company will achieve an improved but materially negative operating result compared to the financial year 2020. To secure liquidity, PrimoTECS was able to conclude financing with government protection in the reporting period.

KICO GROUP

KICO develops, industrializes and manufactures safety components for passenger cars as a supplier to the automotive industry. In the reporting period, KICO's revenues recovered materially compared with the previous year. However, they continued to fall noticeably short of the original planning due to the temporary plant closures or line stoppages at automotive manufacturers as well as material bottlenecks at suppliers. However, because of the improvement measures initiated, in particular the implementation of measures to increase operational excellence in the processing of customer orders, operating profit increased extraordinarily compared with the same period of the previous year and more than doubled compared with the planning for the reporting period. For the remainder of the year, management expects revenues to be noticeably below the level of the original planning. Due to price increases for raw materials, in particular steel, a slightly negative operating profit is predicted for the second half of the year. The level of this will depend, among other things, on the extent to which the material price increases can be passed on to customers.

IINOVIS GROUP

iinovis provides engineering services with a focus on the automotive industry, in particular for German premium car manufacturers. In addition to the service areas of vehicle development, testing and simulation, the portfolio also includes manufacturing areas, prototype construction and cable harness production. Following the acquisition in November 2020, a Mutares team worked with management of iinovis to develop a restructuring plan, mainly aimed at stabilizing revenue and reducing costs. Following the closure of a site in November 2020, it was also possible to implement a comprehensive reduction in the workforce by means of a social plan in the reporting period. As a result, positive effects in the form of reduced personnel costs are expected for the further course of the year. At the same time, the management assumes that a sustainable market recovery and an increase in demand will not occur until the third quarter of the financial year 2021 at the earliest. It will be crucial for the successful development of iinovis to participate in this through sales measures to the extent necessary to ensure adequate capacity utilization. As a result of the developments described above, iinovis will generate revenues that are significantly lower than originally planned and a materially negative operating result in the financial year 2021.

Engineering & Technology segment

No.	Participation	Industry	Headquarters	Acquisition
1	**Donges** Group	Full-service provider for building envelopes and steel structures	Darmstadt/DE	11/2017
2	**Balcke-Dürr** Group	Manufacturer of components to increase energy efficiency and reduce emissions	Düsseldorf/DE	12/2016
3	**Lacroix + Kress**	Oxygen free copper wire manufacturer	Bramsche/DE	11/2020
4	**La Rochette Cartonboard**	Manufacturer of folding cartons	La Rochette/FR	04/2021
5	**Gemini Rail** Group	Service provider for engineering, maintenance and modernization work for rail vehicles	Wolverton/UK	11/2018
6	**Clecim**	Provider of solutions for Steel processing lines	Savigneux/FR	03/2021
7	**Royal de Boer** and **Japy Tech** Group	Cooling tank and barn equipment manufacturer	Leeuwarden/NL; Dijon/FR	12/2020
8	**EUPEC**	Coatings supplier for oil and gas pipelines	Gravelines/FR	01/2012

The investments of the Engineering & Technology segment generated revenues of EUR 413.1 million in the first half of 2021 (H1 2020: EUR 241.6 million). The platform acquisitions from the second half of the financial year 2021 (Lacroix + Kress, Royal de Boer and Japy Tech Group) and the acquisitions in the reporting period (Clecim and La Rochette Cartonboard) contributed in particular to the increase in revenues. The latter resulted in gains from favorable acquisitions ("bargain purchases") of EUR 53.8 million (H1 2020: EUR 22.2 million), which contributed to another clearly positive EBITDA of EUR 35.3 million (H1 2020: EUR 23.1 million). Adjusted EBITDA of EUR –7.1 million (H1 2020: EUR 0.7 million) was mainly impacted by the development at Gemini Rail Group and EUPEC as well as the still negative earnings contributions from Royal de Boer and Japy Tech Group and Clecim.

DONGES GROUP

The expanded product portfolio resulting from the add-on acquisitions strengthens the market position of the Donges Group as a full-range supplier of building envelopes and steel structures. By integrating the operating divisions, both product and operational synergies can be realized without relinquishing the independence of the individual units. Overall, including the acquisition of NORDEC in financial year 2020, the Donges Group achieved significantly higher revenues in the reporting period compared with the same period of the previous year. However, despite strong demand for steel structure solutions in Scandinavia, delays in bidding for and starting construction of projects, particularly on the German market, meant that revenues in the reporting period fell significantly short of the planned level. The shortage of raw materials in the roofing and cladding solutions business was largely offset by the stable supplier network, and production continued without major restrictions. The price increases for raw materials could be passed on to customers, so that the operating result of the Donges Group was not significantly affected. However, the lack of revenue contribution and one-time expenses in connection with the disposal of a loss-making plant in Finland meant that operating profit, while visibly positive, did not reach the planned level.

For the further course of the year, management expects the situation to ease and continues to see the Donges Group on track to achieve or even exceed the planned revenue level for the financial year 2021. The joint market development of the individual units and the use of existing production capacities are expected to generate further cost and earnings synergies, which will substantially improve the operating result in the second half of the year compared to the reporting period. On the acquisition side, the Donges Group's geographic growth path also continued after the end of the reporting period with the acquisition of Permasteelisa España, a supplier of glass structures for cladding of building facades with a strong presence on the Iberian Peninsula.

BALCKE-DÜRR GROUP

Following the transactions in financial year 2020, namely the acquisition of the Italian Loterios and the disposal of its Polish subsidiary after its successful realignment, the Balcke-Dürr Group made further structural changes in the reporting period: The disposal of the German Rothemühle business was completed in the first quarter of 2021, so that the Balcke-Dürr Group has now completely withdrawn from all activities related to coal-fired power generation and at the same time is increasingly focusing on product developments for chemical processes as well as on dismantling in the nuclear plant sector.

In the first half of 2021, revenues planning fell significantly short of management's projections, so that contrary to the original expectation, it was not possible to achieve a balanced operating result. Although the situation regarding the award of major international projects has improved compared with financial year 2020, negative effects due to the COVID-19 pandemic are still noticeable in the market. To reduce structural costs and leverage synergies, further optimization measures were initiated in the reporting period, in particular the relocation of all manufacturing activities from Germany to Italy. On this basis, the management of the Balcke-Dürr Group expects the market to recover in the second half of the financial year 2021 with a strong order intake, which should mainly be reflected in revenues above all in the financial year 2022 and thus have a positive impact on operating profit. In the further course of the year, in addition to higher revenues, the cost-cutting measures introduced are expected to have a positive impact on the profitability of the Balcke-Dürr Group, so that after a clearly negative operating result in the first half of the year, the management expects a clearly positive operating result in the second half of the financial year 2021.

After the end of the reporting period, the disposal of La Meusienne, a French subsidiary of the Balcke-Dürr Group, was completed.

LACROIX + KRESS

Lacroix + Kress is a manufacturer of oxygen-free copper wire and copper drawing service provider with two sites in Germany and customers within Tier 1 and Tier 2 suppliers from the automotive industry as well as white goods and general industrial applications. The transformation plan initiated after the acquisition in November 2020 was largely implemented in the first half of 2021 and positive effects were achieved in the areas of productivity improvement, working capital optimization and capacity increase. To finance value-creating investments in machinery, in particular the dip rolling mill, the company raised external financing in the reporting period. Benefiting from higher-than-expected revenues, a visibly positive operating profit adjusted for negative one-time effects in connection with the transformation was already achieved in the first half of the year. Regarding the further course of the year, the management expects the positive development to continue and thus the original revenues and earnings target for the financial year 2021 to be exceeded.

LA ROCHETTE CARTONBOARD

In April 2021, Mutares successfully completed the acquisition of RDM La Rochette S.A.S. in France from the Italian Reno De Medici Group. The company now operates under the name La Rochette Cartonboard and produces folding cartons based on virgin fibers mainly for the pharmaceutical and food packaging industries.

Immediately after the takeover, a Mutares team worked with management of the company to create a transformation plan, which essentially aims to break away from the group structures of the former owner and thus establish the company as an independent entity. Furthermore, the focus is on further increasing efficiency, among other things through strategic investments such as those in a new biomass plant. As a result of the measures initiated, management expects the first positive effects on revenues and profitability in the second half of the financial year 2021. The current economic momentum and the trend towards avoiding plastic packaging are expected to continue to support market demand, while the increase in raw material prices will impact operating profit. Overall, however, the management already expects a recognizably positive operating result for financial year 2021.

GEMINI RAIL GROUP

Due to the COVID-19 pandemic and government interference with operators of the UK rail network, the award of new tenders for rail vehicle engineering and maintenance services in the UK rail market was delayed. At the same time, access to Gemini Rail Group customers' production sites remained restricted due to infection control measures, preventing the company from making the planned progress on regular projects. On a positive note, the execution of the new GemEco projects remains on track. Overall, however, both revenues and operating profit in the reporting period fell extraordinarily short of the original plans.

At the end of May 2021, ADComms, a company offering on- and off-board solutions for the British rail industry, was acquired. Extensive synergies are expected from intensive cooperation between the two units. This could result in a significant improvement in profitability in the second half of the financial year 2021. For the full year, management expects only a slightly negative operating result overall.

CLECIM

At the end of March, Mutares acquired Clecim, a supplier of steel processing lines, stainless steel rolling mills and mechatronic products and services in France. Together with the management, a Mutares team initiated the restructuring of Clecim immediately after the acquisition, which aims in particular at intensifying revenues activities in order to increase revenues, adjusting cost structures, among other things with the help of extensive staff reductions with a social plan, as well as measures to increase efficiency. Management assumes that the measures introduced will produce positive effects in the form of increases in revenues and profitability in the further course of the financial year. Nevertheless, the overall operating result will still be clearly negative in the financial year 2021.

ROYAL DE BOER UND JAPY TECH GROUP

The acquisition of Royal de Boer and Japy Tech Group, with production sites for the manufacture of milk cooling tanks and barn equipment for dairy farms in France and the Netherlands, was completed at the end of financial year 2020. During the reporting period, two Mutares teams worked with the management teams of the companies to develop a restructuring plan, mainly aimed at streamlining the product portfolio and adjusting the pricing strategy, reducing indirect costs and establishing new revenue structures to establish a direct relationship with distributors and end customers. Management expects to be able to fully complete the implementation of the measures in the second half of 2021. At the same time, the planned level of revenues for the financial year 2021 is expected to be achieved, with an operating result, which is still clearly negative, after adjusting for positive one-off effects.

EUPEC

The recovery in demand in the oil and gas market relevant to EUPEC Pipecoatings France fell short of expectations in the reporting period. Furthermore, the increase in the price of raw material for pipe coatings put additional pressure on the company's profitability. As a result, revenues in the reporting period were materially below plan and EUPEC's operating result was at a significantly negative level.

After the end of the reporting period, the sale of EUPEC was completed.

Segment Goods & Services

No.	Participation	Industry	Headquarters	Acquisition
1	**Lapeyre** Group	Manufacturer and distributor of DIY products	Nanterre/FR	05/2021
2	**BEXity**	Provider of transport and logistics services	Vienna/AT	12/2019
3	**Terranor** Group	Provider of road operation and maintenance services	Solina/SE	11/2020
4	**keeeper** Group	Manufacturer of plastic and paper household products	Stemwede/DE	06/2019
5	**Repartim** Group (Maisoning Group)	Home repair and emergency services provider	Tours/FR	04/2021
6	**EXI**	Information and communication technology service provider	Rome/IT	04/2021
7	**TréfilUnion**	Iron wire and prestressing steel manufacturer	Commercy/FR	05/2019
8	**Cenpa**	Sleeve carton manufacturer	Schweighouse/FR	05/2016
9	**SABO**	Lawn mower manufacturer	Gummersbach/DE	08/2020

Revenues of the Goods & Services segment amounted to EUR 327.9 million in the first half of 2021 (H1 2020: EUR 162.5 million). The doubling compared to the first half of 2020 is mainly acquisition-related and results primarily from the acquisition of Lapeyre, the largest acquisition in the history of Mutares in terms of revenues and number of employees. As the acquisition was not completed until 1 June 2021, Lapeyre only contributed one month to the segment's revenue in the reporting period. EBITDA amounts to EUR 404.0 million (H1 2020: EUR 23.2 million), benefiting from gains on bargain purchases, in particular of Lapeyre. Adjusted EBITDA in the first half of the financial year 2021 was impacted by the negative earnings contribution of the new investments and amounts to EUR –3.8 million (H1 2020: EUR –1.5 million).

LAPEYRE

Lapeyre manufactures products for the exterior and interior of homes, such as windows, doors, kitchens, bathroom furniture and stairs at ten French sites. The company distributes and installs these along with merchandise through an extensive network of stores in France under the well-known corporate brand.

Immediately after the takeover at the end of May 2021, a Mutares team, together with the new and industry-experienced managing director and with the involvement of external consultants, started working on strategic topics such as a new concept for the product range, the improvement of purchasing conditions and the optimization of the supply chain as well as the production sites. The current focus is initially on spinning off all activities from the former owner's group structures. The first measures are currently being implemented. These include the reduction of inventories and the renewal of logistics contracts. Part of the takeover agreement is a commitment not to close any sites, relocate any activities or conclude any social plans until the end of 2022. For the full year 2021, local management expects a slightly negative operating result.

BEXITY

BEXity is a provider of cross-border transport logistics and warehousing services with a nationwide network in Austria. In the reporting period, catch-up effects from the financial year 2020, which was burdened by the COVID-19 pandemic, led to higher shipment volumes. Due to the slower start-up of new customer business and the discontinuation of bulk business, total revenues in the reporting period were significantly lower than planned. However, the measures initiated in the previous year showed their positive effects. By optimizing the use of transport resources, the company succeeded in making more efficient use of the capacities of its long-distance and local transport fleets, increasing their capacity utilization and reducing stop costs, partly through centralized freight purchasing management. Optimization in transport logistics also led to a sustained improvement in delivery quality. The further adjustment of the workforce helped to increase profitability. At the same time, however, the initiatives described resulted in BEXity achieving an extraordinarily increased operating result at a clearly positive level compared with the original planning.

For the second half of the year, BEXity expects revenues to be materially behind the original plans, also because the aforementioned catch-up effects will slow down and cannot be compensated to a sufficient extent with new customer business. The positive effects from the newly created revenues structures, which flank the structural cost reduction measures already implemented, are not expected to materialize until the financial year 2022. The management of BEXity therefore assumes that the operating result in the financial year 2021 will fall significantly short of the original expectations, but that it can be increased extraordinarily and to a clearly positive level, especially compared to the previous year.

TERRANOR GROUP

In the reporting period, the Mutares team together with local management was able to implement key aspects of the restructuring plan for the road service business in Sweden and Finland acquired in November 2020. Due to optimized tender management, revenue was realized in line with planning in the first half of 2021. By contrast, the adjustment of cost structures could not be fully implemented, with the result that operating profit only reached a slightly positive level in the reporting period. For the full year, the management expects revenues at the companies in Sweden and Finland to be at the level of the original planning and a recognizably positive operating result.

During the reporting period, the Danish operations and maintenance business of NCC was also acquired, mainly with government and municipal contracts, as well as other specialized services (e.g. sweeping, drainage). As a result, the local management expects that the Terranor Group is well positioned to achieve stable results even in a challenging competitive environment. Overall, management expects a recognizably positive operating result for the financial year 2021.

KEEEPER GROUP

In the reporting period, keeeper Group, a manufacturer of plastic and paper household products, continued to be affected by the restrictions related to the COVID-19 pandemic, with the result that revenues suffered from the closures of DIY stores and furniture retailers and, in particular, the restrictions on hotels, restaurants, cafés and canteens ("Horeca"), falling significantly short of the originally planned level. In addition, prices on the raw material markets (especially for plastic granules and pulp) had a negative impact on keeeper's profitability, resulting in a clearly negative operating result in the reporting period. This could only be partially offset even by the measures already initiated in the previous year to reduce the cost base, in particular the relocation of production activities relating to the manufacture of plastic products to the Polish site, and the conclusion of an agreement with employee representatives and the trade union to reduce personnel costs.

For the second half of the financial year 2021, the management expects for the keeeper Group that only parts of the lost revenues can be recovered and that the operating result will amount to a visibly negative level also due to the continued high prices for the procurement of raw materials in the full year 2021.

REPARTIM (MAISONING GROUP)

Mutares has completed the acquisition of a majority stake of 80% of the Carglass® Maison Group, a French home repair and emergency service provider, in early April 2021. The remaining 20% stake is held by HomeServe France, a specialist in home repairs and maintenance. Meanwhile, the company operates under the Repartim brand. Immediately after the acquisition, a Mutares team worked with management to develop a restructuring plan, which essentially aims to redesign all core processes, further develop revenue structures including commercial synergies with HomeServe, and achieve significant savings in procurement and personnel costs. On this basis, the local management expects an improvement in profitability in the further course of the year, in particular the fourth quarter of the financial year, but anticipates a still significantly negative operating result for Repartim (Maisoning Group) for the full year 2021.

TRÉFILUNION

Although the relevant market for TréfilUnion, a French producer of iron wire and prestressing steel, recovered from the negative effects of the COVID-19 pandemic in the reporting period, revenues and operating earnings were negatively impacted by significantly higher raw material prices and delays in the supply of raw materials. However, significantly increased raw material prices as well as delays in the supply of raw materials weighed on the company's revenues and operating profit, which amounted to a substantially negative level.

After the end of the reporting period, the sale of TréfilUnion was completed.

CENPA

Cenpa, a manufacturer of coreboard from Alsace, implemented price increases at customers in the first half of the financial year 2021 in response to increased procurement prices. Nevertheless, demand on the customer side was high; at the same time, the generally high price level for transport services prevents the market entry of additional competitors outside the Central European market.

In the reporting period, Cenpa achieved revenues significantly above plan and due to cost increases on the procurement side, a break-even operating result.

Cenpa was sold to Accursia Capital after the end of the reporting period.

SABO

The restructuring plan developed following the acquisition of the manufacturer of lawn mowers and other outdoor power tools in the financial year 2020 was implemented in the reporting period. The measures to reduce personnel and overhead costs have been completed, while at the same time management is continuously analyzing further potential for cost reductions. The development of incoming orders is above the original planning, and at the same time additional geographical markets have been opened up since the takeover. The availability of individual components is proving to be a challenge, but management is taking countermeasures. Management expects demand to remain high in the second half of the year, with the expansion of the product portfolio having an additional positive effect. For the financial year, SABO expects a slightly positive operating result adjusted for special effects, primarily in connection with the carve-out of the IT systems.

EXI

Immediately after the acquisition of the Italian communications service provider EXI at the beginning of the second quarter of 2021, a Mutares team has developed a restructuring plan together with the local management, which essentially aims to participate in market growth and reduce costs. The savings measures on the cost side are to be achieved through measures to reduce material and personnel costs, the latter also through temporary reductions in working hours. The growth targets in terms of EXI's revenues are to be achieved by opening up new business areas, such as fiber optic expansion. EXI has already signed the first contracts for this. In the course of the realignment, an adapted organization will also be implemented and, in this context, a new sales team will be installed and project responsibilities will be reorganized.

Management expects that the measures initiated will already be reflected in EXI's profitability in the further course of the year. Nevertheless, a still significantly negative operating result is expected for the full year 2021.

2. SITUATION OF THE GROUP INCLUDING NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

Mutares' business model is associated with regular changes in the scope of consolidation, which have a significant impact on Mutares' consolidated financial statements. In the reporting period, the first-time consolidations and deconsolidations presented above had a significant impact on the items of the condensed consolidated statement of comprehensive income and statement of financial position. The operating result of the Mutares Group develops depending on the business performance in the individual investments or portfolio companies and is also influenced by the timing of the acquisition of new investments and the resulting gains from bargain purchases.

The benchmark for success in the Mutares Group is mainly the restructuring and development progress of the investments as well as completed M&A transactions, which contribute to an increase in value in the Group after a successful turnaround and a further development of the investments depending on the situation.

The Management Board is very satisfied with the **progress made in restructuring and development** at some of the portfolio companies – particularly in view of the negative impact of the price increases for raw materials, some of which were dramatic in the reporting period – but still sees significant potential for improvement at other portfolio companies. The Management Board is particularly positive about the performance of Lacroix + Kress, KICO Group and BEXity. The Management Board considers the start to the restructuring process, particularly at Lapeyre, to be promising.

Regarding the **transaction activities** in the first half of the financial year 2021, the Management Board is extremely satisfied due to the large number of acquisitions and exits; the high frequency of transactions from financial year 2020 was successfully continued.

The Management Board is satisfied with the performance in the first half of 2021 against the background of the special charges resulting from the development of raw material prices at some of the investments. The ambitious growth strategy pursued by the Management Board is on track thanks to the acquisitions made.

2.1 Earnings

Mutares generated consolidated **revenues** of EUR 1,093.9 million in the first half of 2021 (H1 2020: EUR 620.5 million). The development is mainly due to changes in the scope of consolidation, at the same time showing a recovery from the negative impact of the COVID-19 pandemic, which mainly burdened the revenues of the comparative period. For the breakdown of revenues by segment, please refer to the above comments on the individual portfolio companies.

As in the same period of the previous year, **other income** of EUR 493.9 million (H1 2020: EUR 78.5 million) is mainly attributable to consolidation effects from new acquisitions. These resulted in gains from bargain purchases of EUR 455.3 million (H1 2020: EUR 65.8 million). Furthermore, deconsolidation gains of EUR 22.4 million (H1 2020: EUR 2.9 million) are included. A further breakdown of other income can be found in the selected notes to the condensed consolidated interim financial statements.

The **cost of materials** for the first half of 2021 amounts to EUR 702.7 million (H1 2020: EUR 390.2 million). The cost of materials ratio (in relation to revenues) thus amounts to 64% in the reporting period (H1 2020: 63%).

Personnel expenses amount to EUR 285.6 million for the first six months of financial year 2021 (H1 2020: EUR 174.4 million). The increase is partly due to the increase in the number of employees resulting from the increased transaction activity over the past 18 months. Furthermore, costs for severance payments and social plans also burden personnel expenses. By contrast, personnel expenses were reduced in the reporting period through the use of short time working.

Other expenses amounted to EUR 197.9 million (H1 2020: EUR 91.3 million). A breakdown is provided in the selected notes to the condensed consolidated interim financial statements.

As a result, the **EBITDA** of the Mutares Group for the first half of 2021 amounted to EUR 411.5 million (H1 2020: EUR 41.5 million).

Adjusted EBITDA amounted to EUR –4.6 million (H1 2020: EUR –16.7 million). Adjusted EBITDA is burdened in particular by the still negative contributions of the companies acquired in the past twelve months.

The reconciliation from reported EBITDA to the performance indicator of adjusted EBITDA is as follows:

Mio. EUR	H1 2021	H1 2020
EBITDA	**411.5**	**41.5**
Income from bargain purchases	–455.3	–65.8
Restructuring and other non-recurring expenses	35.9	9.2
Deconsolidation effects	3.4	1.6
Adjusted EBITDA	**–4.6**	–16.7

For information on bargain purchases and deconsolidation effects (deconsolidation gains/losses), please refer to the comments above on business performance and in the reports on the portfolio companies.

Restructuring and other non-recurring expenses in the reporting period include expenses for severance payments and social plans totaling EUR 8.1 million (H1 2020: EUR 2.9 million), expenses for carve-outs (especially in the IT area) totaling EUR 5.7 million (H1 2020: EUR 1.0 million), and consulting expenses in connection with restructuring (EUR 0.6 million; H1 2020: EUR 0.7 million) or M&A activities (EUR 4.0 million; H1 2020: EUR 1.1 million). Due to the COVID-19 pandemic, a major customer project at a company of the Gemini Rail Group was discontinued, assets (inventories, current contract assets and receivables) were written down in this context and the corresponding expenses (EUR 10.3 million) were recognized as other non-recurring expenses. Finally, as of 30 June 2021, the assets and liabilities of EUPEC, TréfilUnion and La Meusienne were classified as held for sale and in this context an impairment loss of EUR 3.6 million was recognized in the reporting period, which was also recognized as other non-recurring expenses.

Depreciation of EUR 51.1 million (H1 2020: EUR 59.2 million) includes impairment losses of EUR 2.0 million (H1 2020: EUR 22.8 million).

The **financial result** of EUR –11.5 million (H1 2020: EUR –10.1 million) is composed of financial income of EUR 0.8 million (H1 2020: EUR 0.7 million) and financial expenses of EUR 12.3 million (H1 2020: EUR 10.8 million).

Income taxes of EUR –4.0 million (H1 2020: EUR –2.4 million) include current (EUR –8.2 million; H1 2020: EUR –1.1 million) and deferred taxes (EUR 4.2 million; H1 2020: EUR –1.3 million).

Net profit in H1 2021 amounts to EUR 344.9 million (H1 2020: EUR –30.2 million).

Other comprehensive income includes effects from the change in fair value of the bond of EUR –3.1 million (H1 2020: EUR 0.0 million), actuarial gains of EUR –0.3 million (H1 2020: gains of EUR 0.4 million) in connection with the measurement of provisions for pensions at portfolio companies. Furthermore, other comprehensive income includes exchange rate differences of EUR 2.6 million (H1 2020: EUR –2.8 million).

2.2 Net assets and financial position

Total assets in the Mutares Group amounted to EUR 2.026 as of 30 June 2021 (31 December 2020: EUR 1,327.2 million). The increase is mainly due to the inclusion of the newly acquired investments, especially Lapyere.

Non-current assets increased from EUR 498.3 million as of 31 December 2020, to EUR 854.2 million as of 30 June 2021. This was mainly due to increases in higher property, plant and equipment (EUR 172.5 million), rights of use (EUR +76.5 million), other financial assets (EUR +67.3 million) and intangible assets (EUR +41.0 million).

The increase in **current assets** to EUR 1,171.9 million as of 30 June 2021 (31 December 2020: EUR 828.9 million) is largely due to the increase in other financial assets (EUR +135.8 million) and cash and cash equivalents (EUR +100.8 million), particularly in connection with the acquisition of Lapeyre. Inventories (EUR +116.0 million) and other assets (EUR +55.5 million) also increased, contributing to the rise in current assets.

Cash and cash equivalents amounted to EUR 246.1 million as of 30 June 2021 (31 December 2020: EUR 145.3 million). This is offset by current liabilities to banks and loans as part of the balance sheet item current financial liabilities of EUR 63.1 million (31 December 2020: EUR 63.4 million), resulting from current account and loan liabilities, respectively, and from the recognition of “unreal” factoring. The **net cash position** amounts to EUR 182.9 million as of 30 June 2021 (31 December 2020: EUR 81.9 million).

As of 31 December 2020, **assets held for sale** and liabilities associated with non-current assets held for sale included the assets and liabilities of Balcke-Dürr Rothemühle GmbH and the Nexive Group, which were classified as disposal groups in the context of IFRS 5 and disposed of at the beginning of the financial year in the context of the completion of the transactions. On the other hand, as of 30 June 2021, the assets and liabilities of EUPEC, TréfilUnion and La Meusienne were recognized as assets held for sale and liabilities associated with non-current assets held for sale and an impairment loss of EUR 3.6 million was recognized in this context. The sale of the three companies was completed after the end of the reporting period.

Equity amounts to EUR 536.0 million as of 30 June 2021 (31 December 2020: EUR 207.2 million). The consolidated net income of EUR 344.9 million (H1 2020: EUR –30.2 million) increased equity in the reporting period, while mainly the dividend distribution to the shareholders of the parent company, the shareholders of Mutares SE & Co. KGaA, of EUR 23.1 million (H1 2020: EUR 15.2 million) had an opposite effect. The equity ratio as of 30 June 2021 amounts 26% (31 December 2020: 16%).

Non-current liabilities amounted to EUR 579.0 million as of 30 June 2021 (31 December 2020: EUR 405.4 million) mainly include non-current lease liabilities of EUR 171.2 million (31 December 2020: EUR 115.1 million), provisions for pensions and similar obligations of EUR 140.7 million (31 December 2020: EUR 116.1 million) and other financial liabilities of EUR 139.1 million (31 December 2020: EUR 115.8 million).

Current liabilities amounted to EUR 911.1 million as of 30 June 2021 (31 December 2020: EUR 714.6 million) and relate to trade payables of EUR 344.3 million (31 December 2020: EUR 250.0 million). Other liabilities (EUR 169.2 million; 31 December 2020: EUR 91.6 million) and current contract liabilities (EUR 141.5 million; 31 December 2020: EUR 68.6 million) also contributed to the increase in current liabilities.

Cash flow from operating activities in the first half of 2021 amounts to EUR –28.7 million (H1 2020: EUR –38.0 million). Based on a consolidated net profit of EUR 344.9 million (H1 2020: EUR –30.2 million), non-cash expenses and income included therein will have an effect of EUR –385.6 million (H1 2020: EUR 8.1 million), changes in the balance sheet items of working capital (trade working capital and other working capital) of EUR 1.1 million (H1 2020: EUR –10.9 million) as well as effects from interest and taxes of EUR 10.8 million (H1 2020: EUR 9.3 million).

The **cash flow from investing activities in the** amount of EUR 149.2 million (H1 2020: EUR 28.9 million) mainly results from (net) cash inflows from changes in the scope of consolidation of EUR 167.6 million (H1 2020: EUR 35.5 million), partly offset by (net) cash outflows for investments of EUR –18.6 million (H1 2020: EUR –6.6 million).

Cash flow from financing activities amounts to EUR –19.7 million (H1 2020: EUR 38.7 million) and mainly comprises proceeds from the issuance of bonds and (financial) loans (EUR 36.5 million; H1 2020: EUR 77.8 million), a large part of which is attributable to the proceeds from the bond with a nominal volume of EUR 10.0 million (H1 2020: EUR 50.0 million). This was offset by the dividend to shareholders of EUR 23.1 million (H1 2020: EUR 15.2 million) as well as payments for the repayment of lease liabilities (EUR 19.7 million; H1 2020: EUR 9.6 million) and (financial) loans (EUR 9.4 million; H1 2020: EUR 6.4 million), as well as incoming and outgoing payments from factoring (EUR 2.4 million; H1 2020: EUR –2.2 million). Interest paid amounts to EUR 6.4 million (H1 2020: EUR 5.8 million).

As a result, **cash and cash equivalents** as of 30 June 2021 amounted t to 246.1 million (31 December 2020: EUR 145.3 million).

At the reporting date of 30 June 2021, unused credit lines amount to a mid-single-digit million figure, as in the previous year, and are largely attributable to available factoring lines.

2.3 Supplementary report

Regarding the supplementary report, we refer to the explanations within the selected notes to the condensed consolidated interim financial statements.

3. FORECAST, OPPORTUNITIES AND RISK REPORT

3.1 Opportunities and risks of future development

The main changes compared with the opportunities and risks presented in the Group management report for the 2020 financial year are explained below. For a detailed presentation, please refer to the combined management and Group management report for the 2020 financial year.

FUTURE ECONOMIC CONDITIONS

The ifo Institute traces the following picture in its latest economic forecast (“ifo Economic Forecast Summer 2021: German Economy Caught between Openings and Bottlenecks”, published on 16 June 2021):

The forecast for the **world**’s economic development depends heavily on the pace of vaccination progress, the associated new infections, and the measures taken to combat them. As a result of the different developments in the individual countries, the restrictions on mobility and economic activity are likely to remain in place to some extent in the coming months. In contrast, shortages of a wide range of raw materials and intermediate goods are expected to ease over the summer, making the impact on the real economy and prices only temporary. Economic activity in the developed economies will be quite strong in the summer half of 2021, while in the emerging economies it will be rather subdued. Overall, global GDP is expected to rise by 6.6% this year and by 4.2% next year.

As a result of the progress in vaccination and the slowdown in the incidence of infection in **Germany** since the end of April 2021, some infection control measures have been relaxed. These developments mean that there may no longer be any economic restrictions by the end of the third quarter of 2021. As a result, gross domestic product is expected to reach pre-crisis levels as early as the third quarter of 2021 and economic output is expected to grow by an annual average of 3.3% overall. In fact, the final recovery from the COVID-19 crisis is forecast for the upcoming year 2022.

OBLIGATIONS FROM BUSINESS COMBINATIONS

Mutares SE & Co. KGaA and one of its direct subsidiaries had committed to the seller of **PrimoTECS S.p.A.** to provide up to EUR 5.0 million in funding for a limited period of twelve months from 31 January 2020, should this be necessary to avoid insolvency. The guarantee has expired without being called.

Mutares SE & Co. KGaA has declared on 1 July 2020, in connection with the acquisition of the majority stake of 80% in the mail and parcel business of **Nexive** in Italy, to guarantee obligations from the purchase agreement in the amount of up to EUR 5.0 million as of closing of the transaction. In addition, Mutares undertakes to provide the company with cash and cash equivalents of up to EUR 5.0 million for a period of twelve months to the extent necessary to avert insolvency. In January 2021, the sale of the shares in Nexive to Poste Italiane took place. The guarantee expired without being called.

In connection with the acquisition of **Royal de Boer Stalinrichtingen B.V.** (“Royal de Boer”), Mutares SE & Co. KGaA has committed to the seller to provide the company with financial resources to avoid insolvency in the amount of EUR 1.0 million until 31 December 2022. This guarantee has increased to EUR 1.8 million due to payments made by Royal de Boer to Mutares until 30 June 2021. In addition, Mutares provided a guarantee for general financing in the amount of EUR 1.0 million until 30 April 2021. This guarantee has expired without being called.

On 30 April 2021, Mutares SE & Co. KGaA, in connection with the acquisition of the folding cartonboard producer **La Rochette Cartonboard S.A.S.** (“La Rochette”), agreed to indemnify the seller against claims arising from the loan relationship between Intesa Sanpaolo and La Rochette until 30 November 2023. The indemnification is limited to EUR 5.0 million. Furthermore, Mutares has guaranteed to the seller to assume La Rochette’s obligations from the loan relationship with the former shareholder in the amount of EUR 6.5 million until 30 April 2024.

In connection with the acquisition of three Exterior plants, Mutares SE & Co. KGaA has undertaken vis-à-vis the seller Magna to provide the acquiring company **Light Mobility Solutions GmbH** (“LMS”) with financial resources in the amount of EUR 15.0 million until 30 June 2024, if this should be necessary to avoid a possible insolvency. The guarantee increases by all payments made by LMS to Mutares and decreases accordingly by payments made by Mutares to LMS.

In principle, the Management Board does not expect any obligations arising from business combinations to be utilized. However, in connection with the negative impact of economic developments due to the COVID-19 pandemic, which may not yet be fully assessable, the probability of utilization is generally increasing and it cannot be ruled out that the obligations entered into may be utilized.

LITIGATION

Mutares is being sued by some of the former employees of the Artmadis Group in France. One claim is based on alleged employee liability, another on alleged corporate liability. Mutares is defending itself in full against all claims, which it considers to be without merit.

Another lawsuit is being pursued by the liquidator of the former investment Grosbill, based on an alleged responsibility under company law. At the same time, the former seller of this investment is being sued on similar grounds. Mutares is defending itself in full against this action, which it considers to be without merit.

The maximum risk from these lawsuits amounts to approximately EUR 34 million. However, the Management Board continues to assume that no claims will be asserted; accordingly, only defense costs in the mid six-digit range have been accrued.

Other obligations

An indirect subsidiary in the Engineering & Technology segment is jointly and severally liable as a participant in partnerships under civil law within the scope of joint ventures and consortium agreements with a maximum term until 2031. As of the balance sheet date, this liability relates to projects with a total order value equivalent to approximately EUR 293 million (H1 2020: EUR 342 million). The subsidiary’s own share of the liability amounts to EUR 116.8 million (H1 2020: EUR 126.4 million). Based on the ongoing credit assessments of the ARGE and consortium partners, we do not assume that the shares of other companies will be utilized. Except for the amounts recognized as provisions for onerous contracts or as part of the loss-free valuation, we also do not expect any utilization for our own share.

Supply chain risks

In the area of procurement, the Group companies are exposed to risks such as supplier default, late or poor-quality delivery, and price fluctuations, especially of raw materials. Mutares counters these risks by establishing a procurement management system and strictly monitoring the respective suppliers. At various investments of Mutares, partly dramatic price increases of raw materials (e.g. steel, plastic granules and pulp) up to restrictions in availability due to a shortage of raw materials in the procurement markets were observed in the reporting period. Depending on further developments in the second half of the financial year 2021 and beyond, this may have potentially negative and, in some cases, negative effects on profitability in the Group, particularly if it is not possible to pass on these price increases to customers to an appropriate extent.

3.2 Forecast report

The forecast for the financial year 2021 in the combined management and group management report for the financial year 2020 continued to be influenced by the COVID-19 pandemic and was consequently subject to greater uncertainty than usual due to the high degree of uncertainty surrounding future economic developments.

For 2021, the Management Board aims to achieve a transaction volume at least at the high level of the financial year 2020. So far, it is not foreseeable that the high level of transaction activity in the first half of the year and at present will decline, and the Management Board is confident that it will achieve this target.

Against the background of the acquisitions of the current financial year 2021 completed and signed by the date of preparation and the plans of the individual segments, the Management Board continues to expect a significant increase in **revenue** for the Mutares Group to at least EUR 2.4 billion in the financial year 2021. All three segments are again expected to contribute to this.

Taking into account the acquisitions completed, signed and intended by the preparation date for the current financial year 2021, (reported) **EBITDA** is again expected to reach a clearly positive level, in particular due to the gains from bargain purchases arising in this context.

Adjusted EBITDA and **cash flow from operating activities** are expected to be impacted by the negative earnings contributions of the newly acquired investments. Accordingly, the Management Board still expects both performance indicators to decline compared with the 2020 financial year.

Furthermore, adjusted EBITDA and cash flow from operating activities are expected to continue to be negatively impacted by the in part dramatic price increases of raw materials (e.g. steel, plastic granules and pulp) at Group companies. Depending on further developments in the second half of 2021 and beyond, this may have a potentially negative and in some cases also very negative impact on profitability within the Group, especially if it is not possible to pass on these price increases to customers to an appropriate extent.

The Management Board continues to expect the **net cash position** to increase compared to the closing date 2020 due to the completed, signed and intended acquisitions.

The **net result** of Mutares SE & Co. KGaA is expected to be in a range of 1.8% to 2.2% of consolidated revenues. Based on expected revenues for the Mutares Group of at least EUR 2.4 billion, the Executive Board therefore expects an annual result of EUR 43 million to EUR 53 million in the financial year 2021. The ability of Mutares SE & Co. KGaA to pay **dividends** is fed by revenues from the consulting business, dividends from portfolio companies and exit proceeds from the sale of investments. Based on the current planning and taking into account the risk factors, the Management Board assumes that the ability of Mutares SE & Co. KGaA to pay dividends is also ensured for the financial year 2021 at least at the level of the market expectation.

Beyond this, the Management Board has no new information to suggest that the most recent forecasts and other statements – despite some changes in the underlying conditions – regarding the expected development of the Group for the financial year 2021 have changed significantly.

Munich, 6 September 2021

Mutares Management SE,
General Partner of Mutares SE & Co. KGaA

The Board

Robin Laik	Mark Friedrich
Dr. Kristian Schleede	Johannes Laumann

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

From 1 January to 30 June 2021

EUR million	Note	H1 2021	H1 2020
Revenues	3	1,093.9	620.5
Change in inventories		9.7	-1.6
Other income	4	493.9	78.5
Cost of material		-702.7	-390.2
Personnel expenses		-285.6	-174.4
Other expenses	5	-197.9	-91.3
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**411.5**	**41.5**
Depreciation and amortization expenses	7, 8, 9	-51.1	-59.2
Earnings before interest and taxes (EBIT)		**360.4**	**-17.7**
Financial income		0.8	0.7
Financial expenses		-12.3	-10.8
Profit before tax		**348.9**	**-27.8**
Income tax expense/income		-4.0	-2.4
Net income for the year		**344.9**	**-30.2**
Of which attributable to:			
Shareholders of the parent company		347.8	-20.5
Non-controlling interest		-2.9	-9.7
Earnings per share in EUR (basic)		**22.91**	**-1.35**
Earnings per share in EUR (diluted)		**22.91**	**-1.35**

EUR million	Note	H1 2021	H1 2020
Other comprehensive income			
Net income		**344.9**	**-30.2**
Other comprehensive income		**-0.2**	**-2.4**
Items reclassified to profit or loss in future if certain conditions are met			
Currency translation differences		2.6	-2.8
Items not subsequently reclassified to profit or loss			
Actuarial gains/losses		0.3	0.4
Change in fair value of financial assets/liabilities		-3.1	
Total comprehensive income		**344.7**	**-32.6**
Of which attributable to:			
Shareholders of the parent company		347.0	-22.6
Non-controlling interest		-2.3	-10.0

2. CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2021

ASSETS

EUR million	Note	30.06.2021	31.12.2020
Intangible assets	7	117.0	76.0
Property, plant and equipment	8	415.1	242.6
Right of use assets (RoU assets)	9	223.9	147.4
Trade and other receivables		1.9	1.9
Other financial assets		76.0	8.7
Income tax receivables		1.0	0.9
Other non-financial assets		0.7	1.8
Deferred tax assets		18.7	18.9
Non-current contract assets		0.0	0.0
Non-current assets		**854.2**	**498.3**
Inventories	10	319.5	203.5
Current contract assets		52.2	36.7
Trade and other receivables		254.1	256.6
Other financial assets		165.1	29.3
Income tax receivables		3.2	2.7
Other non-financial assets		92.7	37.2
Cash and cash equivalents		246.1	145.3
Assets held for sale	11	39.0	117.6
Current assets		**1,171.9**	**828.9**
Total assets		**2,026.1**	**1,327.2**

EQUITY AND LIABILITIES

EUR million	Note	30.06.2021	31.12.2020
Share capital		15.4	15.0
Capital reserves		37.2	37.9
Retained earnings		471.6	144.0
Other components of equity		-6.1	-6.6
Share of equity attributable to shareholders of the parent company		**518.1**	**190.3**
Non-controlling interests		17.9	16.9
Total equity	12	**536.0**	**207.2**
Trade payables and other liabilities		0.3	0.4
Other financial liabilities		139.1	115.8
Lease liabilities		171.2	115.1
Provisions for pensions and other post-employment benefits		140.7	116.1
Other provisions		45.0	40.4
Other non-financial liabilities		2.3	2.3
Deferred tax liabilities		80.4	15.1
Non-current contract liabilities		0.0	0.1
Non-current liabilities		**579.0**	**405.4**
Trade payables and other liabilities		344.3	250.0
Other financial liabilities		102.2	109.7
Lease liabilities		50.3	33.4
Provisions		59.8	50.2
Income tax liabilities		3.7	3.5
Other non-financial liabilities		169.2	91.6
Current contract liabilities		141.5	68.6
Liabilities related to assets held for sale	11	40.1	107.6
Current liabilities		**911.1**	**714.6**
Total equity and liabilities		**2,026.1**	**1,327.2**

3. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

From 1 January 2020 to 30 June 2021

	Equity attributable to shareholders of the parent company and non-controlling interests						
EUR million	Share capital	Capital reserve	Retained earnings	Other equity components	Total	Non-controlling interests	Total equity
As at 01.01.2020	15.2	37.3	134.9	–2.1	185.3	22.9	208.2
Net income for the year	0.0	0.0	–20.5	0.0	–20.5	–9.7	–30.2
Other comprehensive income after income taxes	0.0	0.0	0.0	–2.1	–2.1	–0.3	–2.4
Total comprehensive income for the financial year	**0.0**	**0.0**	**–20.5**	**–2.1**	**–22.6**	**–10.0**	**–32.6**
Dividends paid	0.0	0.0	–15.2	0.0	–15.2	0.0	–15.2
Equity-settled share-based payment	0.0	0.2	0.0	0.0	0.2	0.0	0.2
Non-controlling interest transactions	0.0	0.0	11.0	0.0	11.0	–11.0	0.0
As at 30.06.2020	**15.2**	**37.5**	**110.2**	**–4.2**	**158.7**	**1.9**	**160.6**
As at 01.01.2021	**15.0**	**37.9**	**144.0**	**–6.6**	**190.3**	**16.9**	**207.2**
Net income for the year	0.0	0.0	347.8	0.0	347.8	–2.9	344.9
Other comprehensive income after income taxes	0.0	0.0	0.0	–0.8	–0.8	0.6	–0.2
Total comprehensive income for the financial year	**0.0**	**0.0**	**347.8**	**–0.8**	**347.0**	**–2.3**	**344.7**
Dividends paid	0.0	0.0	–23.1	0.0	–23.1	0.0	–23.1
Shares buyback	0.4	–1.0	4.2	0.0	3.6	0.0	3.6
Equity-settled share-based payment	0.0	0.3	0.0	0.0	0.3	0.0	0.3
Non-controlling interest transactions	0.0	0.0	0.0	0.0	0.0	3.3	3.3
Reclassification due to consolidation	0.0	0.0	–1.3	1.3	0.0	0.0	0.0
As at 30.06.2021	**15.4**	**37.2**	**471.6**	**–6.1**	**518.1**	**17.9**	**536.0**

4. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

From 1 January to 30 June 2021

EUR million	Note	H1 2021	H1 2020
Net income for the year		344.9	–30.2
Bargain purchase gains (–) from business combinations	1	–455.3	–65.8
Gain (+)/loss (–) from deconsolidations	2	3.4	–1.6
Depreciation and amortisation of intangbles and fixed assets		51.1	59.2
Gain (–)/loss (+) from the disposal of non-current assets	7, 8	–0.1	–0.6
Other non-cash expenses (+)/income (–)	7, 8	15.3	0.7
Interest expenses (+)/interest income (–)		11.5	8.9
Income tax expense (+)/income (–)		4.0	2.4
Income tax payments (–)		–4.7	–2.0
Increase (–)/decrease (+) in inventories	9	–23.6	4.1
Increase (–)/decrease (+) in trade receivables		–7.3	–3.7
Increase (+)/decrease (–) in trade payables		15.9	–32.3
Change in trade working capital		**–14.9**	**–31.9**
Increase (–)/decrease (+) in contract assets		0.3	1.7
Increase (–)/decrease (+) in other receivables		–17.1	–15.0
Increase (–)/decrease (+) in provisions		–9.4	–7.8
Increase (–)/decrease (+) in contract liabilities		7.6	12.5
Increase (–)/decrease (+) in other liabilities		34.5	29.6
Change in other working capital		**16.0**	**21.0**
Currency translation effects		0.0	2.0
Cash flow from operation activities		**–28.7**	**–38.0**

EUR million	Note	H1 2021	H1 2020
Proceeds (+) from the disposal of property, plant and equipment	8	**3.0**	2.1
Disbursements (–) for investments in property, plant and equipment	8	**–14.6**	–6.4
Proceeds (+) disposal of intangible assets		**0.1**	0.0
Disbursements (–) for investments in intangible assets	7	**–7.1**	–2.7
Proceeds (+) from disposal of assets held for sale	10	**0.0**	0.4
Payments (–) for additions to the consolidation group	1	**–11.9**	–10.5
Proceeds (+) from additions to the consolidation group	1	**145.1**	42.7
Proceeds (+) from disposals to the consolidation group	2	**56.3**	6.4
Payments (–) for disposals from the consolidation group	2	**–21.8**	–3.1
Interest received (+)		**0.2**	0.0
Cash flow from investing activities		**149.2**	**28.9**
Dividends paid (–) to shareholders of the parent company	11	**–23.1**	–15.2
Proceeds (+) from (financial) loans	12	**36.5**	77.8
Repayments (–) of (financial) loans		**–9.4**	–6.4
Payments (–) for the redemption of lease liabilities		**–19.7**	–9.6
Proceeds (+)/payments(–) from factoring		**2.4**	–2.2
Interest paid (–)		**–6.4**	–5.8
Cash flow from financing activities		**–19.7**	**38.7**
Change in cash and cash equivalents		**100.8**	**29.6**
Effect of currency translation on cash and cash equivalents		**0.0**	0.0
Cash and cash eqiuivalents at the beginning of the period		**145.3**	79.7
Cash and cash equivalents at the end of the period		**246.1**	**109.3**

5. SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2021

A. BASICS/GENERAL INFORMATION

Mutares SE & Co. KGaA, Munich (hereinafter referred to as “the company” or also “Mutares”) has its registered office in Munich and is registered there with the local court in the commercial register section B under number 250347. The registered office and at the same time the head office of the company is Arnulfstraße 19, 80335 Munich.

These condensed consolidated interim financial statements have been prepared in accordance with the requirements of IAS 34 “Interim Financial Reporting”. They do not include all the information required for complete consolidated financial statements; rather, the consolidated financial statements for the financial year 2020 must be used as a supplement. The accounting policies applied in the past financial year 2020 remains consistent for these condensed consolidated interim financial statements for the reporting period of the first half of 2021.

Mutares’ business approach comprises the acquisition, restructuring and further development of companies in transitional situations. Mutares is committed to its investments in the long term and sees itself as a responsible shareholder who actively supports the upcoming phases of change – based on its extensive, long-standing experience – as a reliable companion. The goal is to transform companies that were unprofitable at the time of acquisition into independent and dynamically operating medium-sized enterprises with a competitive, profitable and growing business model.

In addition to its home market Germany, Mutares is present in other strategic core markets in Europe through its own offices.

As of 30 June 2021, the portfolio of Mutares SE & Co. KGaA contains 21 operating investments or investment groups, which are classified into the three segments (1) Automotive & Mobility, (2) Engineering & Technology and (3) Goods & Services.

B. CHANGES IN THE SCOPE OF CONSOLIDATION

1. First-time consolidations

In the period from 1 January to 30 June 2021, the following subsidiaries were acquired and consolidated for the first time:

ACQUISITION OF ERICSSON SERVICES ITALIA S.P.A. (NOW OPERATING AS EXI S.P.A.)
Mutares signed an agreement on 29 January 2021 to acquire the Italian communications services provider of Ericsson Services Italia S.p.A. (now operating as EXI S.p.A.). The company specializes in network expansion and maintenance services and is allocated to the Goods & Services segment. The closing of the transaction took place on 31 March 2021.

The consideration for the acquisition of the company amounted to EUR 1. Acquisition-related incidental costs for the transaction were incurred only to an immaterial extent. These are recognized in the statement of profit and loss and other comprehensive income under other expenses. The acquired net assets were measured at a fair value of EUR 8.8 million, resulting in a bargain purchase gain of EUR 8.8 million.

The following table shows the results of the purchase price allocation and the calculation of the gains from bargain purchase recognized in other income:

EUR million	Fair value
Intangible assets	0.7
Property, plant and equipment	0.1
Right of use assets (RoU assets)	1.3
Deferred tax assets	0.0
Other non-current assets	2.0
Non-current assets	**4.1**
Inventories	0.0
Contract assets	0.0
Trade and other receivables	1.3
Cash and cash equivalents	12.7
Other current assets	0.3
Current assets	**14.3**
Non-current liabilities	**3.9**
Current liabilities	**5.7**
Net assets	**8.8**
Bargain purchase	**8.8**
Consideration	**0.0**

The condensed consolidated interim financial statements include revenues of EUR 4.8 million and earnings after taxes of EUR –2.6 million from the acquired company for the reporting period. If the company had already been acquired as of 1 January 2021, it would have contributed revenues of EUR 9.5 million and earnings after taxes of EUR –2.6 million to the Group’s earnings in the reporting period.

ACQUISITION OF PRIMETALS TECHNOLOGIES FRANCE S.A.S. (NOW OPERATING AS CLECIM FRANCE S.A.S.)
Also effective 31 March 2021, Mutares completed the acquisition of Primetals Technologies France S.A.S. a provider of solutions for steel processing lines with a production site in France. The company now operates under the name Clecim and strengthens the Engineering & Technology segment.

The consideration for the acquisition of the company amounted to EUR 2.0 million. In the context of a purchase price mechanism, an adjustment of the purchase price occurred, on the basis of which an additional payment was made into the company. Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are included in other expenses in the statement of profit and loss and other comprehensive income. The net assets acquired were measured at a fair value of EUR 30.9 million, resulting in a bargain purchase gain of EUR 28.9 million.

The following table shows the results of the purchase price allocation and the calculation of the gains from bargain purchase recognized in other income:

EUR million	Fair value
Intangible assets	0.9
Property, plant and equipment	9.5
Right of use assets (RoU assets)	0.1
Deferred tax assets	1.1
Other non-current assets	0.0
Non-current assets	**11.7**
Inventories	6.6
Contract assets	10.0
Trade and other receivables	10.4
Cash and cash equivalents	11.4
Other current assets	2.6
Current assets	**41.1**
Non-current liabilities	**5.1**
Current liabilities	**16.8**
Net assets	**30.9**
Bargain purchase	**28.9**
Consideration	**2.0**

The condensed consolidated interim financial statements include sales of EUR 7.8 million and earnings after taxes of EUR –2.9 million from the acquired company for the reporting period. If the company had already been acquired on 1 January 2021, it would have contributed revenues of EUR 11.2 million and earnings after taxes of EUR –6.4 million to the Group’s earnings in the reporting period.

ACQUISITION OF THE CARGLASS® MAISON GROUP

Mutares completed the acquisition of a majority stake of 80% in Carglass® Maison Group, a French provider of home repair and emergency services, at the beginning of April 2021, strengthening the Goods & Services segment. The remaining 20% stake is held by HomeServe France, a specialist in home repairs and maintenance. The company now operates on the market under the Repartim brand.

The consideration for the acquisition of the company amounted to EUR 1. Discussions with the seller regarding the adjustment of the purchase price in the context of a purchase price mechanism are currently not yet fully concluded. Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are recognized in the statement of profit and loss and other comprehensive income under other expenses. The acquired net assets were measured at a fair value of EUR 14.3 million, resulting in a bargain purchase gain of EUR 12.2 million.

The following table shows the results of the purchase price allocation and the calculation of the gains from bargain purchase recognized in other income:

EUR million	Fair value
Intangible assets	1.2
Property, plant and equipment	1.5
Right of use assets (RoU assets)	4.6
Other non-current assets	0.5
Non-current assets	**7.8**
Inventories	0.3
Contract assets	0.0
Trade and other receivables	9.4
Cash and cash equivalents	10.3
Other current assets	2.5
Current assets	**22.5**
Non-current liabilities	**5.0**
Current liabilities	**11.0**
Net assets	**14.3**
Minority share	**2.1**
Bargain purchase	**12.2**
Consideration	**0.0**

The condensed consolidated interim financial statements include revenues of EUR 8.3 million and earnings after taxes of EUR –3.7 million from the acquired company for the reporting period. If the company had already been acquired as of 1 January 2021, it would have contributed revenues of EUR 17.5 million and earnings after taxes of EUR 5.6 million to the Group’s earnings in the reporting period.

ACQUISITION OF LA ROCHETTE S.A.S. (NOW OPERATING AS LA ROCHETTE CARTONBOARD S.A.S.)

At the end of April 2021, Mutares completed the acquisition of RDM La Rochette S.A.S. from the Italian Reno De Medici Group. The company is based in France and produces folding cartonboard based on virgin fibers mainly for the pharmaceutical and food packaging industries. The acquisition strengthens the Engineering & Technology segment.

The consideration for the acquisition of the company amounted to EUR 15.5 million, of which EUR 5.0 million was paid at the time of closing and EUR 6.5 million was or will be paid later. In addition, an earn-out obligation to the seller of EUR 3.2 million was recognized in accordance with the purchase agreement, and a liability to the seller of EUR 0.8 million was recognized on the basis of the purchase price mechanism. Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are recognized in the statement of of profit and loss and other comprehensive income under other expenses. The acquired net assets were measured at a fair value of EUR 39.7 million, resulting in a bargain purchase gain of EUR 24.2 million.

The following table shows the results of the purchase price allocation and the calculation of the gains from bargain purchase recognized in other income:

EUR million	Fair value
Intangible assets	19.3
Property, plant and equipment	13.2
Right of use assets (RoU assets)	3.7
Deferred tax assets	0.0
Other non-current assets	2.0
Non-current assets	**38.1**
Inventories	16.6
Contract assets	0.0
Trade and other receivables	22.3
Cash and cash equivalents	8.1
Other current assets	1.3
Current assets	**48.3**
Non-current liabilities	**10.5**
Current liabilities	**36.2**
Net assets	**39.7**
Bargain purchase	**24.2**
Consideration	**15.5**

The condensed consolidated interim financial statements include revenues of EUR 22.0 million and earnings after taxes of EUR 0.3 million from the acquired company for the reporting period. If the company had already been acquired as of 1 January 2021, it would have contributed revenues of EUR 64.4 million and profit after tax of EUR 4.2 million to the Group’s earnings in the reporting period.

ACQUISITION OF ALAN DICK COMMUNICATIONS LIMITED

Mutares acquired Alan Dick Communications Limited (“ADComms”) from Panasonic Europe at the end of May 2021. ADComms supplies communications and safety systems to the UK rail sector. The company is highly complementary to the portfolio company Gemini Rail Group from the Engineering & Technology segment. Significant operating synergies are expected as part of the future cooperation.

The consideration for the acquisition of the company amounted to GBP 1, acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are recognized in the statement of profit and loss and other comprehensive income under other expenses. The net assets acquired were measured at a fair value of EUR 1.8 million, resulting in a bargain purchase gain of EUR 1.8 million.

The following table shows the results of the purchase price allocation and the calculation of the gains from bargain purchase recognized in other income:

EUR million	Fair value
Intangible assets	0.1
Property, plant and equipment	0.2
Right of use assets (RoU assets)	0.1
Deferred tax assets	0.1
Other non-current assets	0.8
Non-current assets	**1.3**
Inventories	1.3
Contract assets	4.2
Trade and other receivables	0.1
Cash and cash equivalents	6.5
Other current assets	0.7
Current assets	**12.8**
Non-current liabilities	**0.1**
Current liabilities	**12.3**
Net assets	**1.8**
Bargain purchase	**1.8**
Consideration	**0.0**

The condensed consolidated interim financial statements includes revenues of EUR 6.1 million and earnings after taxes of EUR 0.4 million from the acquired company for the reporting period. If the company had already been acquired on 1 January 2021, it would have contributed revenues of EUR 15.6 million and earnings after taxes of EUR –4.6 million to the Group's earnings in the reporting period.

ACQUISITION OF NCC ROAD SERVICE A/S

Terranor Group, a platform investment in the Goods & Services segment, has successfully completed the acquisition of NCC Road Service AS (now operating as Terranor AS) from NCC as of 31 May 2021. With the acquisition of NCC's Danish road operation and maintenance services business, Terranor Group further expands its presence in the Scandinavian countries.

The consideration for the acquisition of the company amounted to EUR 4.4 million. Acquisition-related incidental costs for the transaction were incurred only to an insignificant extent. These are recognized in the statement of of profit and loss and other comprehensive income under other expenses. The acquired net assets were measured at a fair value of EUR 4.6 million, resulting in a bargain purchase gain of EUR 0.2 million.

The following table shows the results of the purchase price allocation and the calculation of the gains from bargain purchase recognized in other income:

EUR million	Fair value
Intangible assets	3.7
Property, plant and equipment	0.3
Right of use assets (RoU assets)	5.8
Deferred tax assets	0.0
Other non-current assets	0.1
Non-current assets	**10.0**
Inventories	0.0
Contract assets	1.9
Trade and other receivables	4.1
Cash and cash equivalents	0.4
Other current assets	1.4
Current assets	**7.9**
Non-current liabilities	**6.0**
Current liabilities	**7.3**
Net assets	**4.6**
Bargain purchase	**0.2**
Consideration	**4.4**

The condensed consolidated interim financial statements include revenues of EUR 3.4 million and earnings after taxes of EUR 0.2 million from the acquired company for the reporting period. If the company had already been acquired as of 1 January 2021, it would have contributed revenues of EUR 14.0 million and earnings after taxes of EUR –0.5 million to the Group's earnings in the reporting period.

ACQUISITION OF LAPEYRE S.A.S.

The acquisition of Lapeyre S.A.S. and its subsidiaries in France from Saint-Gobain on 1 June 2021 marks the largest acquisition in Mutares history in terms of sales and number of employees. The company produces windows, doors, kitchens, bathroom furniture and staircases at ten French sites and distributes them together with merchandise through an extensive network of stores in France. As a new platform investment, Lapeyre strengthens the Goods & Services segment.

The consideration for the acquisition of the company amounted to EUR 1, in addition Mutares made a payment into the equity of Lapeyre of EUR 15.0 million. Acquisition-related incidental costs for the transaction amount to EUR 2.6 million and are included in other expenses in the statement of of profit and loss and other comprehensive income. The net assets acquired were measured at a fair value of EUR 395.2 million, resulting in a bargain purchase gain of EUR 380.2 million.

The following table shows the results of the purchase price allocation and the calculation of the gains from bargain purchase recognized in other income:

EUR million	Fair value
Intangible assets	40.6
Property, plant and equipment	200.0
Right of use assets (RoU assets)	69.5
Deferred tax assets	2.3
Other non-current assets	64.9
Non-current assets	**377.2**
Inventories	131.1
Contract assets	0.0
Trade and other receivables	150.4
Cash and cash equivalents	95.7
Other current assets	48.6
Current assets	**425.8**
Non-current liabilities	**161.9**
Current liabilities	**246.0**
Net assets	**395.2**
Bargain purchase	**380.2**
Consideration	**15.0**

The condensed consolidated interim financial statements include revenues of EUR 66.3 million and earnings after taxes of EUR –4.3 million from the acquired company for the reporting period. If the company had already been acquired as of 1 January 2021, it would have contributed revenues of EUR 356.7 million and earnings after taxes of EUR –26.1 million to the Group's earnings in the reporting period.

In all of the acquisitions described above, the comparison of the acquisition costs of the acquired companies and the revalued net assets resulted in a bargain purchase gain in each case, which is recognized in the statement of profit and loss and other comprehensive income under other income. The acquisition price favorable to Mutares and the resulting bargain purchase are attributable to the seller's efforts to realign its business activities. While the acquired market segments appear unattractive to other investors, the acquisition is lucrative for Mutares as companies in transition situations fit into the Group's strategic direction. Mutares Group sees its opportunities in its extensive operational industry and turnaround experience, which will be used to lead the acquired companies on a stable path of profitable growth.

The purchase price allocations for the business combinations presented have not yet been completed at the present time. The measurement of the net assets acquired and thus the accounting recognition of the business combinations may therefore still change within the one-year period of IFRS 3.

For the acquisitions made in the previous-year period 1 January to 30 June 2020, please refer to the 2020 consolidated financial statements (Note 5.1 "Acquisitions of subsidiaries").

2. Deconsolidations

In the period from 1 January to 30 June 2021, the following subsidiaries were sold and deconsolidated:

DISPOSAL OF BALCKE-DÜRR ROTHEMÜHLE

Following the sale of its Polish company in April 2020, Balcke-Dürr also signed an agreement to sell its German Rothemühle business in December 2020. Balcke-Dürr Rothemühle GmbH, an integrated service, engineering and original equipment supplier for heat exchangers in air and flue gas passages of power plants and industrial facilities, was thus sold to the strategic investor Howden Group. The transaction was successfully completed in January 2021. The deconsolidation result amounts to EUR 9.5 million.

DISPOSAL OF NEXIVE GROUP S.R.L.

In November 2020, Mutares initially signed a letter of intent to sell its shares in Nexive to Italian market leader Poste Italiane. The closing of the transaction then took place in January 2021. The quick resale takes advantage of a limited window in Italian legislation to allow acquisitions for consolidation in the Italian postal and parcel services market under certain conditions. The deconsolidation result amounts to EUR 12.9 million.

DISPOSAL OF STS GROUP AG

On 11 March 2021, Mutares SE & Co. KGaA signed a share purchase agreement with Adler Pelzer Holding GmbH, a company of the Adler Pelzer Group, for the complete sale of its majority stake of approximately 73.25% in the share capital of STS Group AG at a purchase price of EUR 7.00 per share sold. The transaction was subject to the approval of the financing partners on the part of the Adler Pelzer Group and the approval of the antitrust authorities. The closing of the transaction took place on 30 June 2021. The deconsolidation result amounts to EUR –25.8 million.

The disposal of net assets, the consideration and the result from deconsolidations are presented below:

EUR million	Fair value
Intangible assets	18.9
Property, plant and equipment	54.0
Right of use assets (RoU assets)	24.8
Deferred tax assets	4.9
Other non-current assets	1.1
Non-current assets	**103.7**
Inventories	34.8
Contract assets	1.7
Trade and other receivables	123.1
Cash and cash equivalents	29.9
Other current assets	25.8
Current assets	**215.2**
Provisions	30.7
Leasing liabilities	16.7
Deferred tax liabilities	1.6
Other non-current liabilities	33.4
Non-current liabilities	**82.4**
Trade payables	90.0
Lease liabilities	8.3
Provisions	0.4
Contract liabilities	8.7
Other current liabilities	67.0
Current liabilities	**174.4**
Net assets	**62.1**
Profits/losses from deconsolidations	**–3.4**
Consideration	**58.7**

For the subsidiaries deconsolidated in the previous-year period 1 January to 30 June 2020, please refer to the 2020 consolidated financial statements (Note 5.2 "Deconsolidation of subsidiaries").

C. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

3. Revenues

The development of revenues by segment is presented in the segment report in accordance with IFRS 8.

4. Other income

Other income breaks down as follows:

EUR million	H1 2021	H1 2020
Bargain purchase gain	455.3	65.8
Gains from deconsolidation	22.4	2.9
Gains from selling raw material and waste recycling	4.0	0.8
Other capitalized self-produced assets	1.7	0.5
Currency translation	1.4	1.3
Income from renting and leasing	1.3	1.2
Income from other services	1.2	0.9
Income from changes in expected credit loss (“risk allowance”)	1.1	0.2
Gain from the disposal of fixed assets	0.4	1.1
Miscellaneous other income	5.0	3.8
Other operating income	**493.9**	**78.5**

Regarding the transaction-related income (bargain purchases), please refer to the comments on changes in the scope of consolidation under Note 1 “First-time consolidations”, and regarding the gains from deconsolidations to the comments there under Note 2 “Deconsolidations”.

5. Other expenses

The breakdown of other expenses is as follows:

EUR million	H1 2021	H1 2020
Selling expenses	39.7	15.2
Losses from deconsolidation	25.8	1.4
Administration	23.3	17.7
Legal and consulting expenses	23.2	12.3
Maintenance and servicing	16.5	10.7
Rent, leases and licence fees	15.0	8.1
Advertising and travel expenses	9.5	5.3
Damage claims, guarantee and warranty	5.4	2.0
Expenses from expected credit loss (“risk allowance”)	4.5	0.9
Expenses for general partners	4.3	0.4
Basic levies and other taxes	3.6	4.7
Fleet	3.3	1.7
Miscellaneous expenses	23.7	10.9
Other operating expenses	**197.9**	**91.3**

For information on losses from deconsolidations, please refer to Note 2 “Deconsolidations”.

6. Selected segment information

In accordance with IFRS 8, operating segments are defined on the basis of internal reporting on Group divisions, which is regularly reviewed by the company’s chief operating decision maker with regard to decisions on the allocation of resources to these segments and the assessment of their earnings power. Information reported to the Management Board as the chief operating decision maker for the purpose of allocating resources to the Group’s operating segments and assessing their performance relates to the products and services that are manufactured or provided. The Management Board of the company has decided to structure the reporting accordingly. No operating segments have been aggregated to arrive at the Group’s reportable segment level.

As of 30 June 2021, the portfolio of Mutares SE & Co. KGaA contains 21 operating investments or investment groups (31 December 2020: 20), which are classified into three segments:

- Automotive & Mobility:
  (1) ESF Industrial Solutions Group [1]
  (2) PrimoTECS
  (3) KICO Group
  (4) iinovis Group
- Engineering & Technology:
  (5) Donges Group
  (6) Balcke-Dürr Group
  (7) Lacroix + Kress
  (8) La Rochette
  (9) Gemini Rail Group
  (10) Clecim
  (11) Royal de Boer und Japy Tech Group
  (12) EUPEC
- Goods & Services:
  (13) Lapeyre Group
  (14) BEXity
  (15) Terranor Group
  (16) keeeper Group
  (17) Maisoning Group
  (18) EXI
  (19) TréfilUnion
  (20) Cenpa
  (21) SABO

[1] In the consolidated financial statements for the financial year 2020, SFC Solutions, Elastomer Solutions and Plati were each presented as independent investments. In view of the ongoing integration of the entities, they are presented as a single investment group for the first time in these condensed interim consolidated financial statements.

Regarding the changes in the segments due to acquisitions and disposals, please refer to the comments on acquisitions of subsidiaries under Note 1 "First-time consolidations" and the comments on deconsolidations of subsidiaries under Note 2 "Deconsolidations".

The three segments are each made up of several legal entities. The allocation of the legal entities to the segments is clear; there are no so-called zebra companies. All corporate components generate income and expenses within the meaning of IFRS 8.5.

EUR million	Segments: Automotive & Mobility		Engineering & Technology		Goods & Services		Corporate/ Consolidation		Mutares-Group	
	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
Revenues	353.0	216.4	413.1	241.6	327.9	162.5	0.0	0.0	1,093.9	620.5
Cost of material	-213.3	-129.6	-287.2	-162.4	-202.2	-96.8	0.0	-1.4	-702.7	-390.2
Personnel expenses	-109.4	-70.3	-91.4	-60.3	-74.3	-33.5	-10.5	-10.3	-285.6	-174.4
Other operating expenses	-51.4	-36.5	-64.2	-27.0	-70.6	-32.0	-11.7	4.2	-197.9	-91.3
EBITDA	-2.6	2.4	35.3	23.1	404.0	23.2	-25.3	-7.3	411.5	41.5
Adjusted EBITDA	4.7	-13.8	-7.1	0.7	-3.8	-1.5	1.6	-2.1	-4.6	-16.7
Timing of revenue recognition										
Transferred at a point in time	273.9	132.4	264.1	174.6	255.2	149.9	0.0	0.0	793.2	456.9
Over period	78.9	83.9	149.0	67.0	72.7	12.6	0.0	0.0	300.6	163.6

Accumulated segment EBITDA is reconciled to profit before tax, taking into account depreciation, amortization and the financial result.

As the chief operating decision maker, the Management Board also measures the performance of the segments on the basis of a performance indicator adjusted for special effects, which is referred to as "Adjusted EBITDA" in internal management and reporting. This alternative performance measure is calculated on the basis of reported Group EBITDA (earnings before interest, taxes, depreciation and amortization) adjusted for transaction-related income (bargain purchases), restructuring and other non-recurring expenses, and deconsolidation effects. This alternative performance measure is intended to make the operating developments within the segments transparent and to enable the chief operating decision maker to assess the operating earnings power of the individual segments.

The reconciliation from reported EBITDA to the performance indicator of Adjusted EBITDA is as follows:

EUR million	H1 2021	H1 2020
EBITDA	411.5	41.5
Income from bargain purchases	-455.3	-65.8
Restructuring and other non-recurring expenses	35.9	9.2
Deconsolidation effects	3.4	-1.6
Adjusted EBITDA	-4.6	-16.7

For transaction-related income (“bargain purchases”), please refer to the comments on acquisitions of subsidiaries in Note 1 “First-time consolidations”; regarding the deconsolidation effects (deconsolidation gains/losses), please refer to the comments on deconsolidations of subsidiaries in Note 2 “Deconsolidations”.

Restructuring and other non-recurring expenses in the reporting period include expenses for severance payments and social plans totaling EUR 8.1 million (H1 2020: EUR 2.9 million), expenses for carve-outs (especially in the IT area) totaling EUR 5.7 million (H1 2020: EUR 1.0 million), and consulting expenses in connection with restructuring (EUR 0.6 million; H1 2020: EUR 0.7 million) or M&A activities (EUR 4.0; H1 2020: EUR 1.1). Due to the COVID-19 pandemic, a major customer project at a company of the Gemini Rail Group was discontinued, assets (inventories, current contract assets and receivables) were written down in this context and the corresponding expenses (EUR 10.3 million) were recognized as other non-recurring expenses. Finally, as of 30 June 2021, the assets and liabilities of EUPEC, TréfilUnion and La Meusienne were classified as held for sale and in this context an impairment loss of EUR 3.6 million was recognized in the reporting period, which was also recognized as other non-recurring expenses.

The reconciliation of profit before tax to the total segment EBITDA is as follows:

EUR million	H1 2021	H1 2020
Profit before tax	348.9	–27.8
Corporate/consolidation	25.3	7.3
Depreciation and amortization	51.1	59.2
Financial result	11.5	10.1
Total segment EBITDA	436.8	48.8

D. NOTES TO THE CONDENSED CONSOLIDATED BALANCE SHEET

7. Intangible assets

The development of intangible assets is as follows:

EUR million	Internally generated intangible rights and assets	Software	Patents, concessions and other rights	Prepayments and intangible assets under development	Total
Historical cost					
As at 01.01.2021	1.3	14.5	85.8	6.8	108.3
Additions	0.4	0.9	0.6	5.1	7.1
Disposals	0.0	0.0	–0.1	–0.1	–0.1
Reclassification	0.0	0.4	–2.3	–1.8	–3.7
Changes in consolidated group	–8.5	–5.0	35.6	–4.1	18.0
Currency translation effects	0.0	0.1	0.3	0.1	0.4
Adjustments due to change in accounting policies	0.0	–0.7	–0.6	0.0	–1.3
As at 30.06.2021	**–6.8**	**10.2**	**119.4**	**5.9**	**128.7**

EUR million	Internally generated intangible rights and assets	Software	Patents, concessions and other rights	Prepayments and intangible assets under development	Total
Accumulated amortization and impairment					
As at 01.01.2021	–0.7	–6.2	–24.9	–0.5	–32.3
Amortization	–0.1	–1.3	–5.7	0.0	–7.1
Impairment	0.0	0.0	0.0	–1.4	–1.4
Changes in consolidated group	8.6	3.2	17.3	0.7	29.8
Currency translation effects	–0.1	–0.2	–0.3	–0.1	–0.7
As at 30.06.2021	**7.7**	**–4.5**	**–13.7**	**–1.2**	**–11.7**
Net carrying amounts					
As at 01.01.2021	0.5	8.3	60.9	6.3	76.0
As at 30.06.2021	**0.9**	**5.7**	**105.7**	**4.7**	**117.0**

For information on additions and disposals resulting from changes in the scope of consolidation, please refer to the information on acquisitions of subsidiaries in Note 1 “First-time consolidations” and the information on deconsolidations of subsidiaries in Note 2 “Deconsolidations”.

8. Property, plant and equipment

The development of property, plant and equipment is as follows:

EUR million	Land and buildings	Technical equipment and machinery	Operating and office equipment	Advance payments and assets under development	Total
Historical cost					
As at 01.01.2021	**129.6**	**196.6**	**30.9**	**16.7**	**373.8**
Additions	0.5	20.8	2.1	7.0	30.5
Disposals	−0.1	−1.8	−0.4	−0.8	−3.2
Reclassification	−0.3	3.5	1.6	−5.2	−0.4
Mergers	0.0	0.0	0.0	0.0	0.0
Changes in consolidated group	178.5	−22.7	−2.1	−7.1	146.6
Currency translation effects	0.8	0.9	0.1	0.3	2.1
Reclassification IFRS 5	−0.7	−4.8	−0.2	−1.0	−6.7
As at 30.06.2021	**308.3**	**192.6**	**31.8**	**10.0**	**542.8**

EUR million	Land and buildings	Technical equipment and machinery	Operating and office equipment	Advance payments and assets under development	Total
Accumulated depreciation and impairment					
As at 01.01.2021	**−30.3**	**−88.0**	**−12.8**	**−0.1**	**−131.2**
Depreciation	−3.4	−14.7	−2.9	0.1	−20.9
Impairment	0.0	0.0	−0.6	0.0	−0.6
Disposals	0.0	0.4	0.0	0.0	0.4
Reclassification	0.0	0.0	0.0	0.0	0.0
Changes in consolidated group	6.0	16.5	1.8	0.2	24.5
Currency translation effects	−0.1	0.5	−0.2	−0.2	0.0
Reclassification IFRS 5	0.0	0.1	0.0	0.0	0.1
As at 30.06.2021	**−27.9**	**−85.2**	**−14.7**	**0.0**	**−127.7**
Net carrying amounts					
As at 01.01.2021	99.3	108.7	18.0	16.6	242.6
As at 30.06.2021	**280.5**	**107.5**	**17.2**	**10.0**	**415.1**

For information on additions and disposals resulting from changes in the scope of consolidation, please refer to the information on acquisitions of subsidiaries in Note 1 “First-time consolidations” and the information on deconsolidations of subsidiaries in Note 2 “Deconsolidations”.

Regarding the assets held for sale, please refer to the comments under Note 11 “Assets held for sale”.

9. Rights of use

Mutares has leases for buildings, office space, technical equipment and machinery as well as other equipment, furniture and fixtures, vehicles and, to an insignificant extent, software.

The development of rights of use is as follows:

EUR million	Intangible assets	Land and buildings	Vehicle fleet	Technical equipment and machinery	Total
Changes in rights of use recognised in the balance sheet					
As at 01.01.2021	**2.0**	**154.7**	**12.5**	**22.5**	**191.7**
Additions	0.3	11.8	2.3	4.7	19.1
Reclassification	0.0	4.0	0.0	0.0	4.0
Changes in consolidated group	–1.9	59.2	8.5	–3.3	62.5
Currency translation effects	0.0	0.8	0.0	0.1	0.9
Reclassification IFRS 5	0.0	0.0	–0.6	–0.4	–1.0
Change due to revaluation or contractual adjustment	0.0	–0.1	–0.7	–1.9	–2.7
As at 30.06.2021	**0.3**	**230.4**	**22.1**	**21.8**	**274.6**
Accumulated depreciation and amortization and value adjustment					
As at 01.01.2021	**–0.6**	**–31.2**	**–4.2**	**-8.2**	**–44.1**
Amortization/depreciation	–0.3	–14.8	–2.8	–3.1	–21.0
Changes in consolidated group	0.7	6.3	0.6	3.0	10.6
Currency translation effects	0.0	–0.1	–0.2	0.0	–0.4
Reclassification IFRS 5	0.0	0.0	0.3	0.2	0.5
Change due to revaluation or contractual adjustment	0.0	1.6	0.7	1.3	3.7
As at 30.06.2021	**–0.2**	**–38.2**	**–5.6**	**–6.8**	**–50.7**
Net carrying amounts					
As at 01.01.2021	1.5	123.4	8.3	14.3	147.4
As at 30.06.2021	**0.2**	**192.2**	**16.5**	**15.0**	**223.9**

For information on additions and disposals resulting from changes in the scope of consolidation, please refer to the information on acquisitions of subsidiaries in Note 1 “First-time consolidations” and the information on deconsolidations of subsidiaries in Note 2 “Deconsolidations”.

The leases entered into by the Group are generally subject to restrictions. These arise from termination or sublease restrictions. Some leases also contain an option to purchase the underlying asset outright at the end of the lease or to extend the lease for a further term. In some cases, the lease includes corresponding maintenance, servicing and/or insurance obligations.

10. Inventories

The impairment of inventories to the lower net realizable value recognized in the statement of comprehensive income for the first half of 2021 amounted to EUR 0.3 million (H1 2020: EUR 0.3 million).

11. Assets and liabilities held for sale

As of 30 June 2021, the assets and liabilities of EUPEC, TréfilUnion and La Meusienne are reported as held for sale. The disposal of the shares in these three companies was highly probable as of the reporting date and was actually implemented in July 2021. In this context, an impairment loss of EUR 3.6 million was recognized, which is included in other expenses.

As of 31 December 2020, assets and liabilities held for sale mainly related to those of Nexive and Balcke-Dürr Rothemühle. Both transactions were actually implemented in January 2021.

12. Equity

The individual components of equity and their development in the reporting period and the prior-year period are presented in the condensed consolidated statement of changes in equity.

By resolution of the Annual General Meeting on 20 May 2021, a partial amount of EUR 23.1 million of the net retained profits of the company as of 31 December 2020 under German commercial law was distributed in the form of a dividend of EUR 1.50 per no-par value share carrying dividend rights.

In various tranches, a total of 973,200 stock options were issued under the 2016 Stock Option Plan, of which 465,000 stock options were granted to members of the Management Board, of which 90,000 stock options expired due to resignation. As of 31 December 2020, a total of 644,250 shares were outstanding from the 2016 Stock Option Plan. In the reporting period, the exercise requirements for 419,250 of the issued stock options (attributable to the tranches in September 2016 and May 2017) were met and a total of 397,500 stock options were exercised by the beneficiaries. The difference between the share price at exercise and the exercise price was offset against additional paid-in capital.

The Company used part of the 472,475 treasury shares existing as of 31 December 2020 to service the exercised stock options. This reduced the number of treasury shares to 74,975 as of 30 June 2021, representing EUR 74,975 or 0.5% of the share capital (31 December 2021: EUR 472,475 or 3.0%).

13. Disclosures on financial instruments

A breakdown of financial assets and liabilities by IFRS 9 measurement category is as follows:

Financial assets by class

EUR million	Categories according to IFRS 9	Carrying amount	Measurement in accordance with IFRS 9			Fair value	
		30.06.2021	Amortized costs	Fair value OCI	Fair value PL	30.06.2021	Hierarchy
Non-current financial assets							
Trade accounts receivable and other receivables	AC	1.9	1.9			1.9	
Other non-current financial assets		76.0					
Security deposits	AC	7.0	7.0			7.0	Level 2
Securities	FVPL	0.5			0.5	0.5	Level 3
Other non-current financial assets	FVPL	0.0			0.0	0.0	Level 3
Other non-current financial assets	AC	68.5	68.5			68.5	
Current financial assets							
Trade accounts receivable and other receivables	AC	254.1	254.1			254.1	
Other current financial assets		165.1					
Security deposits	AC	1.2	1.2			1.2	Level 2
Loans	AC	7.2	7.2			7.2	
Other current financial assets	AC	153.3	153.3			153.3	
Other current financial assets	FVPL	3.2			3.2	3.2	Level 3
Derivatives	FVPL	0.2			0.2	0.2	Level 2
Cash and cash equivalents	AC	246.1	246.1			246.1	

Financial liabilities by class

EUR million	Categories according to IFRS 9	Carrying amount	Measurement in accordance with IFRS 9			Fair value	
		30.06.2021	Amortized costs	Fair value OCI	Fair value PL	30.06.2021	Hierarchy
Non-current financial liabilities							
Trade payables and other liabilities	FLAC	0.3	0.3			0.3	
Other financial liabilities		139.1					
Liabilities to banks	FLAC	23.0	23.0			23.2	Level 3
Third party loans	FLAC	8.1	8.1			8.1	Level 3
Bonds	FLFVPL	83.1			83.1	83.1	Level 1
Miscellaneous financial liabilities							
Other non-current financial liabilities	FLAC	20.9	20.9			20.9	Level 3
Other non-current financial liabilities	FLFVPL	3.8			3.8	3.8	Level 3
Derivatives	FLFVPL	0.1			0.1	0.1	Level 2
Current financial liabilities							
Trade payables and other liabilities	FLAC	344.3	344.3			344.3	
Other current financial liabilities		102.2					
Outstanding invoices	FLAC	26.7	26.7			26.7	
Liabilities to banks	FLAC	23.5	23.5			23.6	Level 3
Liabilities from factoring	FLAC	36.6	36.6			36.6	
Third party loans	FLAC	3.0	3.0			3.0	Level 3
Other financial liabilities						0.0	
Other current financial liabilities	FLAC	10.6	10.6			10.6	Level 3
Other current financial liabilities	FLFVPL	0.4			0.4	0.4	Level 3
Derivatives	FLFVPL	1.5			1.5	1.5	Level 2

Financial assets by class

EUR million	Categories according to IFRS 9	Carrying amount	Measurement in accordance with IFRS 9			Fair value	
		31.12.2020	Amortized costs	Fair value OCI	Fair value PL	31.12.2020	Hierarchy
Non-current financial assets							
Trade accounts receivable and other receivables	AC	1.9	1.9			1.9	
Other non-current financial assets		8.7					
Security deposits	AC	2.6	2.6			2.6	Level 2
Securities	FVPL	0.1			0.1	0.1	Level 3
Other non-current financial assets	FVPL	1.3			1.3	1.3	Level 3
Other non-current financial assets	AC	4.7	4.7			4.7	
Current financial assets							
Trade accounts receivable and other receivables	AC	256.6	256.6			256.6	
Other current financial assets		29.3					
Security deposits	AC	2.1	2.1			2.1	Level 2
Securities	AC	2.5	2.5			2.5	
Other financial assets	AC	15.5	15.5			15.5	
Other financial assets	FVPL	8.7			8.7	8.7	Level 3
Derivatives	FVPL	0.5			0.5	0.5	Level 2
Cash and cash equivalents	AC	145.3	145.3			145.3	

Financial liabilities by class

EUR million	Categories according to IFRS 9	Carrying amount	Measurement in accordance with IFRS 9			Fair value	
		31.12.2020	Amortized costs	Fair value OCI	Fair value PL	31.12.2020	Hierarchy
Non-current financial liabilities							
Trade payables and other liabilities	FLAC	0.4	0.4			0.4	
Other financial liabilities		115.8					
Liabilities to banks	FLAC	27.9	27.9			27.4	Level 3
Third party loans	FLAC	2.5	2.5			2.5	Level 3
Bonds	FLFVPL	70.0			70.0	70.0	Level 1
Miscellaneous financial liabilities							
Miscellaneous financial liabilities	FLAC	14.6	14.6			14.6	Level 3
Miscellaneous financial liabilities	FLFVPL	0.6			0.6	0.6	Level 3
Derivatives	FLFVPL	0.2			0.2	0.2	Level 2
Current financial liabilities							
Trade payables and other liabilities	FLAC	250.0	250.0			250.0	
Other current financial liabilities		109.7					
Outstanding invoices	FLAC	36.3	36.3			36.3	
Liabilities to banks	FLAC	29.3	29.3			29.3	Level 3
Liabilities from factoring	FLAC	32.2	32.2			32.2	
Third party loans	FLAC	2.0	2.0			2.0	Level 3
Other financial liabilities						0.0	
Other financial liabilities	FLAC	7.4	7.4			7.4	Level 3
Other financial liabilities	FLFVPL	0.4			0.4	0.4	Level 3
Derivatives	FLFVPL	2.1			2.1	2.1	Level 2

Total by category

EUR million		Carrying amounts 30.06.2021	Carrying amounts 31.12.2020
Financial assets measured at amortized cost	AC	**739.3**	431.2
Financial assets measured at fair value through profit or loss	FVPL	**3.8**	10.6
Financial assets measured at fair value through other comprehensive income	FVOCI	**0.0**	0.0
Financial liabilities measured at amortised cost	FLAC	**497.0**	402.6
Financial liabilities measured at fair value through profit or loss	FLFVPL	**89.0**	73.3

On 12 February 2021, the company increased the existing bond by a nominal volume of EUR 10.0 million to EUR 80.0 million under an increase option at unchanged interest conditions.

The bond has been designated by the company as at fair value through profit or loss (FVTPL). From the company's perspective, there are no items in the statement of financial position or the income statement in connection with the bond that could give rise to accounting mismatches from the recognition of the default risk in other comprehensive income. As of the reporting date, there was a difference of EUR 3.1 million between the carrying amount (i.e. fair value) of the bond and the repayment amount at maturity. The cumulative change in the fair value of the bond attributable to changes in its default risk amounted to EUR 2.9 million as of the reporting date. Since the issuance of the bond and until 30 June 2021, no reclassifications of the cumulative gain or loss within equity have been made. Furthermore, no (partial) derecognition of the bond has occurred during this period.

Where necessary, derivatives are used to hedge and manage interest rate and currency risks. These include, for example, forward exchange contracts and interest rate and currency swaps. Derivatives are initially recognized at fair value when the contract is entered into and are subsequently measured at fair value at each reporting date (FVTPL). The resulting gain or loss is recognized in profit or loss.

The fair value of financial instruments is determined taking into account current parameters such as interest rates or exchange rates at the balance sheet date and recognized customary valuation models. For further details, in particular on the allocation to fair value levels, please refer to the notes to the consolidated financial statements as of 31 December 2020. In the event of reclassifications to and from the levels of the measurement hierarchy, these are recognized at the end of the respective reporting period.

For current financial instruments, the carrying amount is the best estimate of fair value.

If the fair value is determined using a valuation technique, it must be classified in one of the following three categories depending on the observable parameters available and the respective significance of the parameters for a valuation as a whole:

- Level 1: Input parameters are quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
- Level 2: Input parameters are prices other than those quoted in Level 1 that are either directly observable for the asset or liability or can be derived indirectly.
- Level 3: Input parameters are unobservable for the asset or liability.

E. OTHER INFORMATION

14. Contingent liabilities, contingencies and litigation

For a full discussion of contingent liabilities, contingencies and litigation, please refer to the comments in the notes to the consolidated financial statements as part of the consolidated financial statements for the year ended 31 December 2020. The comments below are limited to new contingent liabilities, contingencies and litigation or changed circumstances or a change in our assessment with respect to contingent liabilities, contingencies and litigation already existing as of 31 December 2020.

CONTINGENT LIABILITIES/CONTINGENCIES

Obligations from business combinations

Mutares SE & Co. KGaA as well as one of its direct subsidiaries had committed to the seller of **PrimoTECS S.p.A.** to provide up to EUR 5.0 million in funding for a limited period of twelve months from 31 January 2020, should this be necessary to avoid insolvency. The guarantee has expired without being called.

Mutares SE & Co. KGaA declared on 1 July 2020, in connection with the acquisition of the majority stake of 80% in the mail and parcel business of **Nexive** in Italy, to guarantee obligations from the purchase agreement in the amount of up to EUR 5.0 million as of the closing of the transaction. In addition, Mutares undertakes to provide the company with cash and cash equivalents of up to EUR 5.0 million for a period of twelve months to the extent necessary to avert insolvency. In January 2021, the sale of the shares in Nexive to Poste Italiane took place. The guarantee expired without being called.

Mutares SE & Co. KGaA has given an undertaking to the seller in connection with the acquisition of **Royal de Boer Stalinrichtingen B.V.** ("Royal de Boer") to provide the company with financial resources to avoid insolvency in the amount of EUR 1.0 million until 31 December 2022. This guarantee has increased to EUR 1.8 million due to payments made by Royal de Boer to Mutares until 30 June 2021. In addition, Mutares provided a guarantee for general financing in the amount of EUR 1.0 million until 30 April 2021. This guarantee has expired without being called.

Mutares SE & Co. KGaA has committed to the seller on 30 April 2021 in the context of the acquisition of the folding carton producer **La Rochette Cartonboard S.A.S.** ("La Rochette") to indemnify the seller until 30 November 2023 from claims arising from the loan relationship between Intesa Sanpaolo and La Rochette. The indemnification is limited to EUR 5.0 million. Furthermore, Mutares has guaranteed to the seller to guarantee La Rochette's obligations from the loan relationship with the former shareholder in the amount of EUR 6.5 million until 30 April 2024.

Mutares SE & Co. KGaA has given an undertaking to the seller Magna in connection with the acquisition of three Exterior plants to provide the acquiring company **Light Mobility Solutions GmbH** ("LMS") with financial resources in the amount of EUR 15.0 million until 30 June 2024, if this should be necessary to avoid a possible insolvency. The guarantee increases by all payments made by LMS to Mutares and decreases accordingly by payments made by Mutares to LMS.

In principle, the Management Board does not expect any obligations arising from business combinations to be called upon. However, in connection with the possibly not yet fully assessable burdens from the economic development due to the COVID-19 pandemic, the probability of a utilization is generally increasing and it cannot be ruled out that a utilization of the obligations entered into may occur.

Other obligations

An indirect subsidiary from the Engineering & Technology segment is jointly and severally liable as a participant in partnerships under civil law within the framework of joint ventures and consortium agreements with a maximum term until 2031. As of the balance sheet date, this liability relates to projects with a total contract value equivalent to the equivalent of approx. EUR 293 million (H1 2020: EUR 342 million). The subsidiary's own share of the liability amounts to EUR 116.8 million (H1 2020: EUR 126.4 million). Based on the ongoing credit assessments of the ARGE and consortium partners, we do not assume that the shares of other companies will be utilized. With the exception of the amounts recognized as provisions for onerous contracts or as part of the loss-free valuation, we also do not expect any utilization for our own share.

LITIGATION

Mutares is being sued by some of the former employees of the Artmadis Group in France. One claim is based on alleged employee liability, another on alleged corporate liability. Mutares is defending itself in full against all claims, which it considers to be without merit.

Another claim is being pursued by the liquidator of the former investment Grosbill, based on an alleged responsibility under company law. At the same time, the former seller of this investment is being sued on similar grounds. Mutares is defending itself in full against this action, which it considers to be without merit.

The maximum risk from these lawsuits amounts to approximately EUR 34 million. However, the Management Board continues to assume that no claims will be asserted; accordingly, only costs for the defense in the mid-six-digit range have been accrued.

15. Events after the balance sheet date

The following events of particular significance occurred after the end of the reporting period:

The geographic growth path of the Donges Group continued with the acquisition of Permasteelisa España, a supplier of glass structures for cladding building facades with a strong presence on the Iberian Peninsula, after the end of the reporting period.

Furthermore, Mutares was able to complete the acquisition of three exterior plants from Magna, operating under the name Light Mobility Solutions GmbH ("LMS"), after the end of the reporting period.

The divestment of TréfilUnion, EUPEC and La Meusienne was completed in July 2021. The assets and liabilities of the companies were classified as held for sale at 30 June 2021, as the disposal was highly probable at the reporting date. In addition, the shares in the French subsidiaries Norsilk and Cenpa were also sold after the end of the reporting period.

F. ACCOUNTING POLICIES

The accounting policies applied in the past financial year 2020 were continued unchanged for these interim consolidated financial statements for the reporting period of the first half of 2021.

Munich, 6 September 2021

Mutares Management SE,
General Partner of Mutares SE & Co. KGaA

The Board

Robin Laik	Mark Friedrich
Dr. Kristian Schleede	Johannes Laumann

The following review report (Bescheinigung nach prüferischer Durchsicht) has been issued in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) in German language on the German version on the condensed interim consolidated financial statements (verkürzter Konzernzwischenabschluss) and the interim group management report (Konzernzwischenlagebericht) of Mutares SE & Co. KGaA as of and for the six months period ended June 30, 2021. The interim group management report is neither included nor incorporated by reference in this Prospectus.

REVIEW REPORT

To Mutares SE & Co. KGaA, Munich

We have reviewed the condensed interim consolidated financial statements – comprising the condensed consolidated statement of profit and loss and other comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated cashflow statement and selected explanatory notes to the consolidated financial statements – together with the interim group management report of Mutares SE & Co. KGaA, Munich, for the period from 1 January to 30 June 2021. The executive directors are responsible for the preparation of the condensed interim consolidated financial statements that comply, in all material respects, with the International Financial Reporting Standards (IFRS) applicable to interim financial reporting, as adopted by the EU, and Article 21 (1) letter b) sentences 4 and 5 of the terms and conditions of Deutsche Börse AG on the regulated unofficial market at the Frankfurter Wertpapierbörse (as at 9 December 2019) and the interim group management report that comply, in all material respects, with Article 21 (1) letter b) sentences 4 and 5 of the terms and conditions of Deutsche Börse AG on the regulated unofficial market at the Frankfurter Wertpapierbörse (as at 9 December 2019). Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim group management report in compliance with German Generally Accepted Standards for Reviews of Financial Statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance to preclude that the condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU and Article 21 (1) letter b) sentences 4 and 5 of the terms and conditions of Deutsche Börse AG on the regulated unofficial market at the Frankfurter Wertpapierbörse (as at 9 December 2019), or that the interim group management report is not prepared, in all material respects, in accordance with Article 21 (1) letter b) sentences 4 and 5 of the terms and conditions of Deutsche Börse AG on the regulated unofficial market at the Frankfurter Wertpapierbörse (as at 9 December 2019). A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. Since, in accordance with our engagement, we have not performed an audit, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of Mutares SE & Co. KGaA, Munich, are not prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and Article 21 (1) letter b) sentences 4 and 5 of the terms and conditions of Deutsche Börse AG on the regulated unofficial market at the Frankfurter Wertpapierbörse (as at 9 December 2019) or that the interim group management report is not prepared, in all material respects, in accordance with Article 21 (1) letter b) sentences 4 and 5 of the terms and conditions of Deutsche Börse AG on the regulated unofficial market at the Frankfurter Wertpapierbörse (as at 9 December 2019).

Munich, 6 September 2021

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

(Dirk Bäßler)
Wirtschaftsprüfer
[German Public Auditor]

(Felix Mantke)
Wirtschaftsprüfer
[German Public Auditor]

FINANCIAL CALENDAR 2021

Date	Event
September 2021	Investor Weeks Europe
7 September 2021	Publication of the half-year report 2021
8 to 9 September 2021	IPEM 2021 Paris
15 September 2021	3rd Mutares Capital Markets Day, Frankfurt/Main
24 September 2021	Baader Conference
9 November 2021	Publication of results for Q3 2021
22 to 24 November 2021	German Equity Forum
December 2021	Investor Weeks UK/USA

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General partner: Mutares Management SE
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Dr. Kristian Schleede, Johannes Laumann
Chairman of the Supervisory Board: Prof. Dr. Micha Bloching

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MUTARES

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