REPORT ON THE 2ND QUARTER AND 1ST HALF

2023

Key figures

ElringKlinger Group

		2nd Quarter 2023	1st Quarter 2023	4th Quarter 2022	3rd Quarter 2022	2nd Quarter 2022
Order Situation						
Order intake	EUR million	373.8	474.9	465.9	376.7	453.2
Order backlog	EUR million	1,354.1	1,449.0	1,461.9	1,465.1	1,552.5
Sales/Earnings						
Sales revenue	EUR million	468.7	487.7	469.2	464.1	430.6
Cost of sales	EUR million	368.7	376.1	377.7	372.2	366.2
Gross profit margin		21.3 %	22.9 %	19.5 %	19.8 %	15.0 %
EBITDA	EUR million	46.8	53.6	57.7	47.0	26.7
EBIT	EUR million	16.7	26.0	22.6	18.1	-97.1
EBIT adjusted[1]	EUR million	24.8	26.4	33.1	18.5	1.8
EBIT margin adjusted[1]		5.3 %	5.4 %	7.1 %	4.0 %	0.4 %
Earnings before taxes	EUR million	11.4	16.6	6.1	17.7	-90.7
Net income	EUR million	-0.5	4.4	-4.3	3.9	-94.1
Net income attributable to shareholders of ElringKlinger AG	EUR million	2.4	6.7	-2.3	3.3	-94.1
Cash flow						
Net cash from operating activities	EUR million	26.8	-3.4	69.2	12.1	22.6
Net cash from investing activities	EUR million	-25.8	-18.8	-37.3	-23.8	-17.3
Net cash from financing activities	EUR million	11.5	4.8	-39.0	6.2	11.0
Operating free cash flow[2]	EUR million	3.7	-20.3	41.0	-10.2	3.9
Balance Sheet						
Balance sheet total	EUR million	2,041.0	2,032.0	2,046.6	2,130.6	2,076.6
Equity	EUR million	886.0	902.9	896.8	910.6	914.6
Equity ratio		43.4 %	44.4 %	43.8 %	42.7 %	44.0 %
Net financial debt[3]	EUR million	380.1	372.3	364.2	411.0	389.5
Human Resources						
Employees (as at end of quarter)		9,606	9,635	9,540	9,523	9,489
Stock						
Earnings per share	EUR	0.04	0.11	-0.04	0.05	-1.49

[1] Figures of EBIT adjusted 2022 unaudited and preliminary
[2] Net cash from operating activities and net cash from investing activities (excluding acquisitions/divestments and investments in financial assets)
[3] Financial liabilities less cash and cash equivalents and less short-term securities

Summary of Q2 and H1 2023

- ElringKlinger **Group revenue**[1] up 8.8% to EUR 468.7 million in the second quarter of 2023 and up 10.5% to EUR 956.4 million in the first half of 2023; currency-adjusted and thus organic growth at 10.9% in the second quarter and at 11.5% in the first half; disproportionately large growth in the regions of Rest of Europe (excluding Germany) and North America in the period under review as well as in the Lightweighting business unit, as part of the Original Equipment segment, and in the Aftermarket segment.

- **Adjusted EBIT** improves significantly to EUR 24.8 million in the second quarter and EUR 51.2 million in the first six months of 2023; adjusted EBIT margin thus at 5.3% in the reporting quarter and 5.4% in the first half. Margins within slight positive territory in the Original Equipment segment in both the second quarter and the first half; performance underpinned by less pronounced downside factors thanks to less burden in procurement and to measures to cushion them.

- **Financial position and cash flows** remain solid within the ElringKlinger Group; Equity ratio of around 43% at the end of the reporting period; net financial liabilities of EUR 380.1 million as of June 30, 2023, below the previous year's level despite expansive business. Debt ratio improved to 1.9. Operating free cash flow at EUR -16.5 million in the first half and within positive territory at EUR 3.7 million in the second quarter.

- **Order backlog** returns to normal level at EUR 1,354.1 million at the end of the reporting period, after backlog in previous quarters had been fueled by pent-up demand; decline in orders placed by customers as part of their scheduling arrangements in the second quarter reflects projected sideways trend of vehicle market.

- **Other events** in the first half of 2023: tenure of CEO Dr. Stefan Wolf ends on June 30, 2023; CFO Thomas Jessulat takes over duties on an interim basis; major orders received within E-Mobility business unit relating to both battery technology and fuel cell technology for global vehicle manufacturers; Annual General Meeting resolves unchanged dividend payment of EUR 0.15 per share in May 2023.

"In the financial year to date, new large-scale series production orders in the field of battery and fuel cell technology represent important milestones in the transformation of ElringKlinger's product portfolio toward zero-emission mobility of the future."

Thomas Jessulat,
Spokesman of the Management Board of ElringKlinger AG

[1] Unless otherwise specified, change rates or comparisons refer to the same period of the previous year.

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Formerly a place for traders and craftspeople, now a center for the high-tech industry: this is the Chinese city of Suzhou, where EKPO Fuel Cell Technologies GmbH opened a site in 2022. Thus, the company embarked on a further exciting path of growth.

Find out more about this launch of ElringKlinger's fuel cell technology in China in the article »All roads lead to Suzhou« of the magazine »pulse« in the 2023 issue.

Macroeconomic Conditions and Business Environment

Although there were still no signs of a sustained upturn in the global economy over the course of the first half of 2023, a number of key conditions fueling last year's significant slowdown have recently improved. The emerging markets, but also the advanced economies, saw a slight upturn in economic activity. Among the contributing factors were tumbling energy prices, a gradual return to stability within the supply chains, and less pronounced inflationary pressures following the peaks seen in September 2022. In the eurozone, however, inflation in the second quarter of 2023 stood at 6.2%[1], still well above the European Central Bank's target of 2%. In the United States, meanwhile, consumer prices rose by 4.0% in the same period.

In an effort to further counteract the persistent surge in prices, monetary policy in the various economic regions around the globe remained extremely tight in the first half of 2023. This was reflected in further key interest rate hikes by major central banks over the course of the first half of 2023: the US Federal Reserve last raised its benchmark interest rate to 5.25% at the beginning of May and the European Central Bank to 4.0% in June 2023. As a result, companies were also faced with more expensive financing terms. These deteriorating monetary conditions exerted downward pressure on consumption and business investment, particularly in advanced economies. While the US economy proved to be relatively robust, economic performance in the eurozone was impacted by a perceptible reluctance to spend. Furthermore, the effects of the ongoing war in Ukraine dampened economic activity in many regions. In the emerging markets, production expanded at a more pronounced rate compared to the same prior-year periods, which was due in part to China's departure from its zero-covid policy.

GDP growth

Year-on-year change in %	4th quarter 2022	1st quarter 2023	2nd quarter 2023
Germany	0.8	-0.5	-0.3
Eurozone	1.8	1.0	0.3
USA	0.9	1.6	2.2
Brazil	1.9	4.0	1.7
China	2.9	4.5	7.5
India	4.5	6.1	7.3
Japan	0.4	1.9	0.4

Source: HSBC, July 2023

Global vehicle production recovers

Amid improvements in the procurement of materials due to more stable supply chains and easing within the energy markets, as well as the low prior-year base, the first half of 2023 saw increases in vehicle production, some of which were significant. Recovery in the key regions of Europe, North America, South America, and Japan/Korea was reflected in double-digit percentage growth rates. In China, production output picked up significantly after manufacturing activities there had been severely affected by pandemic-induced lockdowns in the previous year.

Marked upturn in international sales markets

Similarly, sales markets benefited from improved supply-side conditions compared with the prior-year period, resulting in higher vehicle availability and an upturn in new registrations in all major regions. The European passenger car market (EU, EFTA, and UK) recorded an increase of 17.6% in the first half of 2023, which corresponds to 6.6 million new vehicles. This, however, was still almost 22% below the pre-crisis level of 2019. In the United States, meanwhile, sales of new light vehicles (passenger cars and light commercial vehicles) were up by 12.9% year on year to 7.7 million units. China saw its market expand by approx. 9% in the first six months of 2023, with 11.1 million units sold, while India recorded growth of around 10%, Japan of about 20%, and Brazil of roughly 10%.

[1] Change compared to the same quarter of the previous year.
Source: HSBC, April 2023

Production Light Vehicles

Region	Vehicles millions		
	1st half 2022	1st half 2023	Year-on-year change
Europe[1]	7.6	9.0	18.5%
China	11.7	12.6	7.1%
Japan/Korea	5.2	6.3	21.0%
Middle East/Africa	1.1	1.1	-3.6%
North America	7.1	8.0	12.2%
South America	1.3	1.4	10.0%
South Asia	4.6	4.8	4.6%
World	**38.9**	**43.3**	**11.2%**

[1] excl. Russia
Source: S&P Global Mobility, July 2023

Significant Events

Dr. Stefan Wolf's tenure as CEO ends on June 30, 2023

Dr. Stefan Wolf, Chief Executive Officer (CEO), left ElringKlinger AG effective from June 30, 2023. On April 6, 2023, the Supervisory Board and Dr. Stefan Wolf had reached a mutual agreement to terminate the CEO's contract. At the same time, the Supervisory Board has begun the process of appointing a successor. Dr. Stefan Wolf's duties will be performed on an interim basis by Mr. Thomas Jessulat, Chief Financial Officer, as from July 1, 2023. Mr. Thomas Jessulat will also temporarily assume the role of Spokesman of the Management Board. He has been a member of the Management Board of ElringKlinger since 2016.

Contract of CFO Thomas Jessulat extended

At its meeting in March 2023, the Supervisory Board of ElringKlinger AG extended the contract of CFO Thomas Jessulat by a further five years until December 31, 2028.

Dividend remains unchanged following AGM approval

At the Annual General Meeting on May 16, 2023, the shareholders of ElringKlinger AG approved all items on the agenda by a large majority. The company's shareholders also approved the proposal submitted by the Management Board and the Supervisory Board for the distribution of a dividend of EUR 0.15 per share, unchanged on the previous year's payout. In addition, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, was appointed as the auditor for the current financial year.

Major contracts secured for E-Mobility business unit

In the first half of 2023, ElringKlinger received significant orders for its E-Mobility business unit, the details of which were disclosed via official announcements. These included a large-scale series production order for the Group subsidiary EKPO Fuel Cell Technologies GmbH, Dettingen/Erms, Germany, placed by a global car manufacturer. The order in the mid-triple-digit million euro range and spanning a period of five years includes the supply of metal bipolar plates for a future fuel cell system developed by the carmaker, which is scheduled to commence in 2026.

ElringKlinger also announced that it had received a high-volume order for the supply of cell contact systems for the BMW Group's "New Class." This large-scale series production order has a term of several years and is scheduled to ramp up from 2025.

ElringKlinger also received a series production order for battery housing components from a leading battery manufacturer with global operations. The contract is worth several million euros and runs until 2030. Here, too, the end customer is a global vehicle manufacturer.

These contracts illustrate ElringKlinger's outstanding technological capabilities and competitiveness, also within the area of new, alternative drive systems, as well as its expertise relating to industrial-scale production in this field. They mark a further milestone in the transformation of the product portfolio toward CO_2-neutral mobility.

Sales and Earnings Performance

Revenue up significantly on previous year

As in the opening quarter, ElringKlinger succeeded in expanding its sales revenue in the months from April to June 2023. Group revenue was up by EUR 38.1 million or 8.8% to EUR 468.7 million in the second quarter of 2023 (Q2 2022: EUR 430.6 million). In the first six months, revenue expanded by EUR 91.2 million or 10.5% to EUR 956.4 million (H1 2022: EUR 865.2 million).

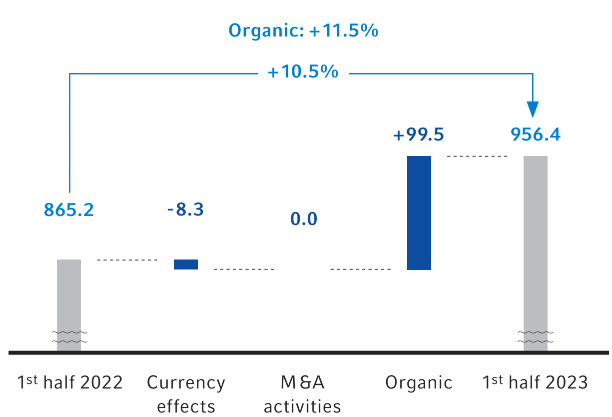
In this context, the direction taken by exchange rates had a bearing on revenue as a whole. Revenue was buoyed slightly by the trend of the Mexican peso in the second quarter, while movements in the Chinese yuan, the US and Canadian dollars, and the Turkish lira had opposite effects. Adjusted for currency effects, revenue increased by EUR 99.5 million or 11.5% in the first half of 2023 and by EUR 46.9 million or 10.9% in the second quarter of 2023. As a result, ElringKlinger's organic revenue growth in the period from April to June fell short of the performance of the vehicle industry as a whole in terms of global production output, which grew by 15.5% year on year in the second quarter. Looking at the first half of 2023, ElringKlinger's organic revenue growth of 11.5% was roughly in line with growth in global vehicle production (+11.2%). There were no effects from changes in the scope of consolidation (M&A activities) in either the quarter under review or in the first half of 2023 as a whole.

Revenue up in all regions

In the quarter under review, sales revenue expanded across the board in regional terms, with Rest of Europe recording the most buoyant growth. Revenue from foreign sales as a percentage of Group revenue was slightly higher than in the second quarter of 2022 at 79.8% (Q2 2022: 79.5%). In the first half of 2023, a total of 79.9% (H1 2022: 79.3%) of revenue was generated abroad, or 80.1% when adjusted for currency effects (H1 2022: 79.3%).

In its strongest revenue-generating region, Rest of Europe, the ElringKlinger Group recorded sales revenue of EUR 145.8 million in the second quarter of 2023 (Q2 2022: EUR 129.4 million), which corresponds to 31.1% of Group revenue. Revenue expanded by EUR 16.4 million or 12.7% compared to the same quarter of the previous year. Thus, business expansion in Rest of Europe was well in excess of the Group's average growth rate of 8.8%. In the first half of

Factors influencing Group revenue 1st half 2023
in EUR million



2023, the Group recorded revenue growth of EUR 41.0 million or 15.5% in this region, taking the figure to EUR 304.9 million (H1 2022: EUR 263.9 million). Adjusted for currency effects, revenue increased by as much as EUR 45.6 million or 17.3% in this period. Revenue from sales in Germany was also up slightly by EUR 6.5 million to EUR 94.9 million (Q2 2022: EUR 88.4 million) in the quarter under review.

The region encompassing North America accounted for around a quarter (25.6%) of Group revenue in the second quarter of 2023, with revenue of EUR 119.9 million (Q2 2022: EUR 110.7 million), making it the Group's second strongest region. Revenue expanded by EUR 9.2 million or 8.3% compared to the same quarter of the previous year. In the first half of 2023, revenue grew by as much as EUR 33.2 million or 15.5% to EUR 247.6 million (H1 2022: EUR 214.4 million). Assuming stable exchange rates, revenue increased by EUR 28.4 million or 13.2% in the first half of the year.

In the Asia-Pacific region, meanwhile, ElringKlinger generated revenue of EUR 83.9 million in the second quarter of 2023 (Q2 2022: EUR 79.4 million), which corresponds to 17.9% of Group revenue. Thus, revenue expanded by EUR 4.5 million or 5.7%. In the first half of 2023, revenue remained unchanged year on year at EUR 165.3 million (H1 2022: EUR 165.3 million), with movements in exchange rates creating a headwind. Assuming stable exchange rates, the Group exceeded its prior-year performance with a change of EUR 8.6 million or 5.2% in the first half.

Revenue in South America and Rest of World totaled EUR 24.3 million in the quarter under review, i.e., 5.2% of Group revenue (Q2 2022: EUR 22.6 million or 5.2%). In the months from April to June 2023, revenue grew by EUR 1.7 million or 7.5%. ElringKlinger also recorded positive revenue growth in this region in the first half of 2023. It amounted to EUR 4.0 million or 9.4%, taking revenue to EUR 46.6 million (H1 2022: EUR 42.6 million) in the first six months of 2023.

Original Equipment on track for growth

The Original Equipment segment saw its revenue increase by 6.4% to EUR 359.7 million in the second quarter of 2023 (Q2 2022: EUR 338.0 million). Accounting for 76.7% of Group revenue in the second quarter, Original Equipment is the Group's largest segment. In the first half of 2023, ElringKlinger recorded revenue of EUR 728.8 million (H1 2022: EUR 673.1 million) in this segment.

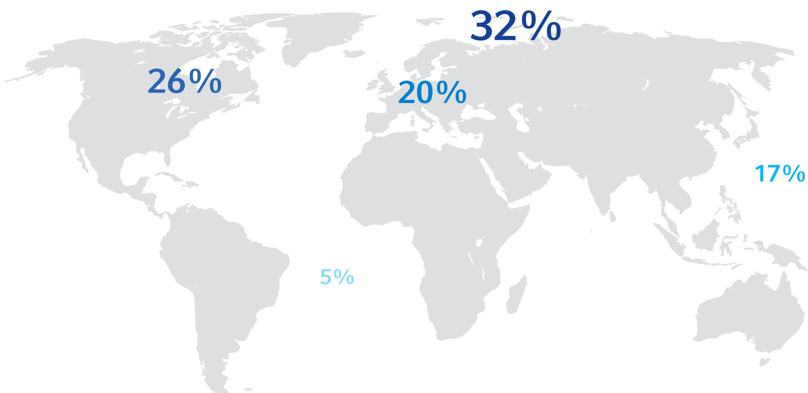
Within the segment, almost all business units saw an increase in revenue during the quarter under review. With revenue totaling EUR 149.3 million (Q2 2022: EUR 133.4 million), the Lightweighting/Elastomer Technology business unit increased its share of Group revenue to 31.9% in the months from April to June. The Metal Sealing Systems & Drivetrain Components and Metal Forming & Assembly Technology business units also succeeded in expanding their revenue by EUR 9.6 million and EUR 0.5 million respectively. The E-Mobility business unit increased its revenue to EUR 10.9 million in the quarter under review compared to the first three months (EUR 6.2 million) but recorded a decline in revenue compared to the same quarter of the previous year (Q2 2022: EUR 14.1 million).

Adjusted earnings before interest and taxes (adjusted EBIT) in the Original Equipment segment amounted to EUR 3.4 million in the quarter under review (Q2 2022: EUR -13.9 million). This mainly reflects the fact that the Group was better able to absorb negative cyclical and sectoral factors such as elevated energy and material costs in the reporting quarter, also thanks to the outcome of renegotiations in the past twelve months. In total, the Original Equipment segment recorded an adjusted EBIT margin of 0.6% in the first half of the year (H1 2022: -2.7%) and 0.9% in the second quarter (Q2 2022: -4.1%).

Continued pursuit of growth strategy in Aftermarket segment

The Aftermarket segment managed to increase its revenue in the quarter just ended compared to the period from April to June 2022. With revenue standing at EUR 75.6 million (Q2 2022: EUR 59.7 million) in the second quarter of 2023, it accounted for 16.1% of Group revenue, making it the second largest segment. Revenue increased by EUR 15.9 million or 26.6% in the quarter under review. Mirroring the performance of the first quarter of 2023, all major sales regions contributed to growth in the months from April to June. The segment's growth strategy in North America was pursued with equal consistency in the period under review. On the back of revenue growth, the segment also saw an increase in earnings. Benefiting, among other things, from continued cost discipline and a favorable product mix, the segment recorded adjusted EBIT of EUR 19.0 million (Q2 2022: EUR 11.4 million) in the quarter under review. This translates into an adjusted EBIT margin of 25.1% for the second quarter (Q2 2022: 19.1%). In the first half, the segment

Group sales by region 1st half 2023



in EUR million (previous year)

Rest of Europe	**304.9**	(263.9)
North America	**247.6**	(214.4)
Germany	**192.1**	(179.0)
Asia-Pacific	**165.3**	(165.3)
South America and Rest of World	**46.6**	(42.6)

achieved adjusted EBIT of EUR 38.9 million (H1 2022: EUR 25.5 million), corresponding to an adjusted EBIT margin of 24.7% (H1 2022: 20.8%).

Engineered Plastics segment

The Engineered Plastics segment generated revenue of EUR 32.7 million in the second quarter of 2023 (Q2 2022: EUR 31.9 million), representing 7.0% of Group revenue. Benefiting from a broad mix of sectors, Engineered Plastics managed to expand revenue slightly by 2.5% or EUR 0.8 million compared to the previous year. As regards earnings, a combination of higher staff, material, and energy costs exerted downward pressure on segment performance compared to the same period last year. Adjusted EBIT decreased from EUR 4.7 million in the same quarter of the previous year to EUR 2.5 million from April to June 2023. Despite the adverse factors outlined above, the Engineered Plastics segment produced an adjusted EBIT margin of 7.6% in the second quarter of 2023 (Q2 2022: 14.7%), which is above the Group average of 5.3%. In the first half of the year, the adjusted EBIT margin was 11.1% (H1 2022: 15.5%).

Improved earnings for Other segment

The segment referred to as "Other" primarily consists of services and rental activities relating to industrial parks. Among its logistics services, for example, are those provided for the Aftermarket business. In addition, this segment includes the catering service of a subsidiary. In the second quarter of 2023, revenue amounted to EUR 0.7 million (Q2 2022: EUR 1.0 million), while the first half produced revenue of EUR 1.7 million (H1 2022: EUR 2.2 million). Adjusted EBIT improved by EUR 0.5 million to EUR 0.0 million in the period from April to June 2023 (Q2 2022: EUR - 0.5 million).

Slight increase in Group headcount

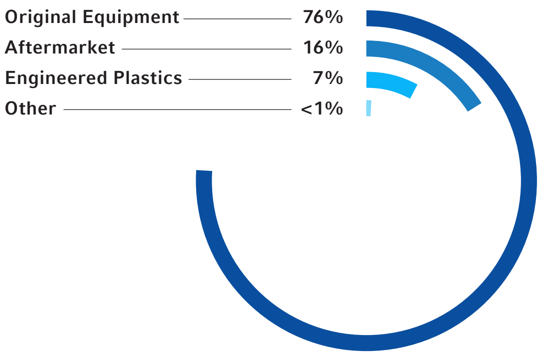
The number of employees in the Group has increased by a total of 117 or 1.2% over the last twelve months. At the end of the quarter under review, the total headcount stood at 9,606 (Jun. 30, 2022: 9,489[2] employees). Compared to the previous year, the Group expanded its workforce in the regions covering Europe (+1.3%), Asia-Pacific (+3.5%), and South America and Rest of World (+9.6%). Staffing levels were only lower in the region encompassing North America (- 3.1%). Overall, in percentage terms, the non-domestic headcount declined slightly to 57.6% (Jun. 30, 2022: 57.7%). Accordingly, the domestic share increased marginally to 42.4% as of June 30, 2023 (Jun. 30, 2022: 42.3%).

Gross profit margin improved at 21.3%

With revenue increasing by 8.8%, the cost of sales rose by a mere 0.7% or EUR 2.5 million in the second quarter of 2023 and amounted to EUR 368.7 million (Q2 2022: EUR 366.2 million). This was attributable, among other things, to the cost of materials, which grew at a slower rate in relation to Group revenue, up by 5.9% to EUR 216.5 million (Q2 2022: EUR 204.4 million), and non-recurring items that had been included in the cost of sales in the second quarter of 2022. The latter related in particular to an impairment of property, plant, and equipment recognized in profit or loss.

[2] The headcount includes all direct and indirect employees. The previous year's figures have been adjusted in line with a standardized approach.

Group sales by segment and business unit 1st half 2023



		in EUR million	(previous year)
■	**Original Equipment**	**728.8**	(673.1)
	– Lightweighting/Elastomer Technology	305.6	(267.0)
	– Metal Sealing Systems & Drivetrain Components	257.5	(238.0)
	– Metal Forming & Assembly Technology [3]	147.6	(146.6)
	– E-Mobility	17.1	(19.4)
	– Exhaust Gas Purification & Other	1.1	(2.1)
■	**Aftermarket**	**157.3**	(122.7)
■	**Engineered Plastics**	**68.6**	(67.2)
■	**Other**	**1.7**	(2.2)

[3] Known as "Shielding Technology" up to Dec. 31, 2022

While the situation within the commodity markets had deteriorated significantly in the first half of 2022 due to the outbreak of war in Ukraine, rising energy costs, and ongoing supply chain bottlenecks, procurement prices remained at a persistently high level in the first and second quarter of 2023. The picture was mixed when it came to the various key raw materials required by the Group for its production activities. While prices for steel and aluminum trended lower in the first half of 2023 compared to the final quarter of 2022, they still remained at a consistently elevated level and were well up on those recorded in the first six months of the previous year. Plastic pellets also declined in price, but still remained at an elevated level. As in the opening quarter of 2023, the situation with regard to elastomers in the period under review was tense due to the sustained rise in prices and limited availability.

Considering the strong growth in revenue in the second quarter of 2023, the cost-of-materials ratio (cost of materials in relation to Group revenue) decreased to 46.2% (Q2 2022: 47.5%). In the first half of 2023, the cost-of-materials ratio remained almost unchanged at 45.1% (H1 2022: 45.3%). Staff costs also expanded at a slower rate in relation to revenue, as a result of which the Group managed to lift gross profit by EUR 35.6 million or 55.3% to EUR 100.0 million (Q2 2022: EUR 64.4 million). This corresponds to gross profit of 21.3% (Q2 2021: 15.0%) in the quarter under review and 22.1% (H1 2022: 17.9%) in the first half of 2023.

Staff costs within the Group, which are accounted for in various functional categories of the income statement, totaled EUR 152.4 million in the second quarter of 2023 (Q2 2022: EUR 143.8 million). Alongside a general expansion in the headcount, upstaffing in the area of research and development as well as non-recurring expenses relating to the termination of the CEO's contract also drove staff costs upward. In total, however, staff costs rose at a slower rate of 6.0% when compared to revenue growth. As a result, staff costs in relation to Group revenue fell from 33.4% in the same quarter of the previous year to 32.5% in the reporting quarter.

Due to the growth in revenue, selling expenses also increased slightly, up from EUR 35.5 million in the second quarter of 2022 to EUR 37.9 million in the months from April to June 2023, which was attributable in part to higher non-personnel costs in logistics. As a percentage of revenue, however, selling expenses in the quarter under review were slightly lower than in the first quarter of the previous year at 8.1% (Q2 2022: 8.2%). In the first half of 2023, selling expenses totaled EUR 76.3 million, up from EUR 69.8 million in the first half of 2022, representing 8.0% and 8.1% of revenue respectively.

Although general and administrative expenses increased by EUR 2.5 million to EUR 26.4 million in the second quarter of 2023 (Q2 2022: EUR 23.9 million), this increase was attributable to a one-off effect from the termination of the CEO's contract. Excluding this non-recurring item in the quarter under review, general and administrative expenses would have been down on the prior-year figure. In the first half of 2023, general and administrative expenses rose by EUR 2.8 million or 5.7% to EUR 52.0 million (H1 2022: EUR 49.2 million).

R&D ratio within target corridor

When it comes to research and development (R&D) activities, the ElringKlinger Group focuses primarily on the development of products and solutions for alternative drive technologies. In the quarter under review, R&D expenses totaled EUR 19.0 million (Q2 2022: EUR 15.4 million), which is partly due to planned upstaffing in the strategic fields of the future. In addition, a total amount of EUR 5.8 million (Q2 2022: EUR 5.7 million) was capitalized. In the first six months of 2023, R&D expenses totaled EUR 41.6 million (H1 2022: EUR 34.2 million). In addition, a sum of EUR 10.5 million (H1 2022: EUR 10.8 million) was capitalized. This translates into a capitalization ratio of 23.5% for the second quarter of 2023 (Q2 2022: 27.1%) and 20.2% in the first half of 2023 (H1 2022: 24.0%).

As a result, the R&D ratio (R&D expenses, incl. capitalization, in relation to Group revenue) increased to 5.3% in the second quarter (Q2 2022: 4.9%) and 5.4% in the first half (H1 2022: 5.2%).

Other operating income amounted to EUR 6.3 million in the months from April to June 2023, compared to EUR 2.8 million in the second quarter of the previous year. This included government grants that were directed primarily at research projects in the field of battery and fuel cell technology. They amounted to EUR 2.1 million (Q2 2022: EUR 1.7 million). In the first half of 2023, government grants amounted to EUR 2.4 million (H1 2022: EUR 2.7 million).

Marked year-on-year improvement in earnings performance

Whereas the Group's earnings situation in the second quarter of the previous year had been significantly impacted by disruptions to global supply chains as a result of government lockdown measures in several Chinese regions, the effects of the Russo-Ukrainian war, and the persistently high level of raw material, energy, and logistics costs, the adverse effects emanating from these factors were contained in the quarter under review. Against this backdrop, ElringKlinger generated earnings before interest, taxes, depreciation, and amortization (EBITDA) of EUR 46.8 million (Q2 2022: EUR 26.7 million). Thus, EBITDA for the second quarter of 2023 showed a significant improvement compared to the period from April to June 2022. The first half of 2023 also saw an expansion in EBITDA, up by EUR 30.8 million or around 44% to EUR 100.3 million (H1 2022: EUR 69.5 million).

After deducting depreciation and amortization, which amounted to EUR 30.0 million in the reporting quarter (Q2 2022: EUR 123.7 million), the Group's reported EBIT stood at EUR 16.7 million (Q2 2022: EUR -97.1 million). In the same quarter of the previous year, depreciation and amortization had included impairments of goodwill totaling EUR 86.1 million, recognized in profit or loss, as well as an impairment of property, plant, and equipment amounting to EUR 9.3 million. Without these non-recurring items in the comparable prior-year period, depreciation and amortization in the second quarter of the previous year, amounting to EUR 28.3 million, would have been similar to the figure recorded in the quarter under review, at EUR 30.0 million. At EUR 6.3 million (Q2 2022: EUR 89.4 million), other operating expenses in the second quarter of 2023 were significantly lower than in the same period last year. The high prior-year figure was mainly due to the aforementioned impairments of goodwill.

As in the case of the positive direction taken by EBITDA, adjusted EBIT also reflects the fact that several of the adverse economic and sector-specific factors outlined above have not impacted on ElringKlinger's earnings in the current year to the same extent as in the previous year. In the second quarter of 2023, ElringKlinger achieved adjusted EBIT of EUR 24.8 million (Q2 2022: EUR 1.8 million) and an adjusted EBIT margin of 5.3% (Q2 2022: 0.4%). In the first half, adjusted EBIT stood at EUR 51.2 million (H1 2022: EUR 16.8 million), while the adjusted EBIT margin amounted to 5.4% (H1 2022: 1.9%). By definition, adjusted EBIT corresponds to reported EBIT, adjusted for amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and exceptional items. In the quarter under review, these adjustments to reported EBIT included restructuring-specific charges relating to the planned discontinuation of business activities at one of the German sites as well as non-recurring expenses in connection with the termination of the CEO's contract.

Net finance result impacted by movements in exchange rates and market interest rates

As in the first quarter of 2023, the direction taken by exchange rates together with elevated market interest rates led to a lower net finance result in the quarter under review compared to the previous year. At EUR -5.3 million (Q2 2022: EUR 6.3 million), it was EUR 11.6 million down on the prior-year figure in the second quarter of 2023. A significant downturn in foreign exchange gains coincided with

Net finance cost/income H1 2023

in EUR million	1st half of 2023	1st half of 2022	Year-on-year change
Net interest result	-12.1	-5.1	-7.0
Net foreign exchange result and other net finance result	-2.6	8.2	-10.8
Net finance cost/income	**-14.7**	**3.1**	**-17.8**

lower unrealized foreign exchange losses, which led to a net foreign exchange gain of EUR 1.6 million (Q2 2022: EUR 8.8 million). Interest expense in the second quarter of 2023 was affected by spiraling market interest rates. Having said that, the overall impact was limited thanks to the Group's solid financial position. Interest expense amounted to EUR 7.9 million in the months from April to June 2023 (Q2 2022: EUR 3.6 million). Net interest expense was EUR -7.3 million, compared to EUR -3.2 million in the second quarter of 2022. Income from associates, which is included in net finance cost and relates to the interest held in hofer AG, amounted to EUR 0.4 million (Q2 2022: EUR 0.7 million).

The situation was similar in the first half of the year: driven mainly by the change in exchange rates, the net finance result, at EUR -14.7 million (H1 2022: EUR 3.1 million) for the first six months of 2023, was down on the figure posted for the period from January to June 2022. In addition to a EUR 10.8 million reduction in the net result from currency translation and the other net finance result, the net interest result also fell by EUR 7.0 million in the first half of 2023. The share of the income of associates was down on the prior-year figure at EUR -2.5 million (H1 2022: EUR -1.1 million).

Taking net finance cost into account, Group earnings before taxes for the second quarter of 2023 amounted to EUR 11.4 million (Q2 2022: EUR -90.7 million). Earnings before taxes for the first half of 2023 totaled EUR 28.0 million (H1 2022: EUR -79.9 million).

Due to the improved earnings performance, income tax expenses increased by EUR 8.5 million compared to the second quarter of 2022 and amounted to EUR 11.9 million in the period under review (Q2 2022: EUR 3.4 million). Year-on-year growth was also attributable to the non-recognition of deferred tax assets as well as the regional structure of revenue generated and profits realized. This resulted in an effective tax rate of 86.1% (H1 2022: -13.0%) in the first half and of 104.1% (Q2 2022: -3.7 %) in the second quarter.

Earnings per share at EUR 0.14 in the first half

Having deducted income tax expenses, net income for the ElringKlinger Group stood at EUR -0.5 million in the second quarter of 2023 (Q2 2022: EUR -94.1 million). Net income attributable to the shareholders of ElringKlinger AG amounted to EUR 2.4 million (Q2 2022: -94.1 million). In the first half of 2023, net income for the period amounted to EUR 3.9 million and EUR 9.0 million for ElringKlinger shareholders (H1 2022: EUR -90.3 million and EUR -90.1 million respectively). As a result, earnings per share in the first half, at EUR 0.14, and in the second quarter of 2023, at EUR 0.04, were also well in excess of the previous year's figures of EUR -1.42 and EUR -1.49 respectively. As of June 30, 2023, the number of shares outstanding that were entitled to a dividend remained unchanged at 63,359,990.

Financial Position and Cash Flows

The ElringKlinger Group's key financial indicators relating to financial position and cash flows remained solid at the end of the first half of 2023. At 43.4% (Jun. 30, 2022: 44.0%), its equity ratio was again within the target range while net financial liabilities decreased slightly year on year to EUR 380.1 million (Jun. 30, 2022: EUR 389.5 million). Furthermore, the Group saw a marked improvement in its cash flow situation in the second quarter of 2023 when compared to the previous three months. This was attributable to a reduction in the additional funds tied up in net working capital, resulting in net cash from operating activities of EUR 23.3 million (H1 2022: EUR 19.9 million) and operating free cash flow of EUR -16.5 million (H1 2022: EUR -16.0 million) for the first half of 2023.

Total assets of EUR 2,041 million

At EUR 2,041.0 million (Dec. 31, 2022: EUR 2,046.6 million) as of June 30, 2023, total assets were down slightly on the 2022 year-end figure. Compared to June 30, 2022, the figure was down by EUR 35.6 million, which is attributable primarily to developments relating to non-current assets.

At EUR 1,096.7 million (Dec. 31, 2022: EUR 1,130.5 million), non-current assets accounted for 53.7% (Dec. 31, 2022: 55.2%) of total assets. They decreased by EUR 33.8 million compared to the 2022 year-end figure and by EUR 72.4 million compared to the end of the first half of 2022. While intangible assets increased slightly by EUR 151.6 million (Dec. 31, 2022: EUR 146.8 million) compared to the 2022 year-end figure, mainly due to additions from capitalized development costs, the carrying amount of property, plant, and equipment fell by EUR 30.5 million to EUR 875.3 million (Dec. 31, 2022: EUR 905.8 million), as depreciation and amortization (including write-ups) exceeded additions from investments in the period under review. In total, additions from investments in property, plant, and equipment (incl. additions from lease arrangements) and intangible assets amounted to EUR 43.3 million (H1 2022: EUR 45.4 million) in the first half of 2023. Depreciation and amortization (including write-ups) for the same period amounted to EUR 54.9 million (H1 2022: EUR 56.9 million).

Key figures Financial Position and Cash Flows

in EUR million	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022	Jun. 30, 2022
Total equity and liabilities	**2,041.0**	**2,032.0**	**2,046.6**	**2,076.6**
Equity ratio	43.4%	44.4%	43.8%	44.0%
Net Working Capital[1]	**529.0**	**518.5**	**454.7**	**465.9**
Net Working Capital in relation to sales	28.0%	28.0%	25.3%	27.9%
Net financial debt[2]	**380.1**	**372.3**	**364.2**	**389.5**
Net financial debt/EBITDA	1.9	2.0	2.1	2.5
ROCE[3]	5.6%	6.6%	-2.7%	-10.3%

	2nd quarter 2023	2nd quarter 2022	1st half 2023	1st half 2022
Net cash from operating activities	26.8	22.6	23.3	19.9
Operating free cash flow[4]	**3.7**	**3.9**	**-16.5**	**-16.0**
Investments in property, plant, and equipment (payments)	**17.4**	**13.8**	**29.7**	**26.6**
Investment ratio	3.7%	3.2%	3.1%	3.1%

[1] Inventories and trade receivables less trade payables
[2] Non-current and current financial liabilities less cash and cash equivalents and securities
[3] Return on capital employed; ROCE adjusted (based on EBIT adjusted): Q2 2023: 6.7%, Q1 2023: 6.7%, 2022: 4.4%, Q2 2022: 2.1%
[4] Net cash from operating activities and net cash from investing activities (excluding acquisitions/divestments and investments in financial assets)

The carrying amounts of the other non-current assets appeared insignificantly different compared to year-end 2022. A transfer of EUR 10.0 million was made from other non-current assets to current assets in connection with a receivable from the co-owner (Plastic Omnium) of the Group subsidiary EKPO Fuel Cell Technologies GmbH ("EKPO" for short), Dettingen/Erms, Germany. Due to a scheduled payment made by the aforementioned co-owner in the first quarter of 2023, other current assets decreased by the same amount.

Slower expansion in net working capital

Net working capital, which encompasses inventories and trade receivables less trade payables, totaled EUR 529.0 million as of June 30, 2023 (Dec. 31, 2022: EUR 454.7 million). The rate of expansion has slowed down recently and is mainly attributable to an increase in the first quarter of 2023, at the end of which it amounted to EUR 518.5 million. As it contains current assets relevant to operating activities, its volume is directly related to order intake, the composition of existing orders, or even external factors such as price trends and supply chains.

Thus, the increase in net working capital at ElringKlinger is also attributable to several factors. The noticeable upturn in revenue in the first six months of 2023 (10.5% compared to the same period of the previous year) led to higher trade receivables. As of June 30, 2023, the latter amounted to EUR 294.0 million (Dec. 31, 2022: EUR 264.9 million). The expansion in inventories reflects the particularly tense situation within procurement markets at the beginning of the year, coupled with elevated prices for some materials, and factors relating to upcoming series production ramp-ups. Growth in the Aftermarket segment also necessitated increased stockpiling for particularly time-critical merchandise and own-label products in this area. At the end of the first half, inventories recognized by ElringKlinger amounted to EUR 438.9 million (Dec. 31, 2022: EUR 414.0 million). Trade payables, which have a dilutive effect on net working capital, totaled EUR 203.9 million (Dec. 31, 2022: EUR 224.1 million).

Calculated on the basis of revenue, the net working capital ratio stood at 28.0% (Dec. 31, 2022: 25.3%) as of June 30, 2023. This is comparable to the figure recorded at the end of the first quarter of 2023 (28.0%) as well as to that posted at the end of the first half of the previous year (27.9%).

As of June 30, 2023, the ElringKlinger Group had cash and cash equivalents of EUR 109.4 million (Dec. 31, 2022: 119.1 million).

The Group's current assets totaled EUR 944.4 million at the end of the first half of 2023 (Dec. 31, 2022: EUR 916.1 million) and accounted for 46.3% of total assets (Dec. 31, 2022: 44.8%).

Equity of 43 percent within target corridor

At 43.4% (Dec. 31, 2022: 43.8%), ElringKlinger AG's equity continues to represent a high proportion of total equity and liabilities. At the end of the first half of 2022, it had accounted for 44.0%. Thus, equity continued to lie within the management's target range of 40 to 50% at the end of the period under review. Overall, it amounted to EUR 886.0 million at the end of the first half of 2023 (Dec. 31, 2022: EUR 896.8 million), down from EUR 902.9 million as of March 31, 2023. In the first six months of 2023, changes to this item were attributable to the allocation of net income for the period of EUR 3.9 million and foreign exchange translation differences of EUR - 10.4 million. In addition, the dividend distribution to shareholders and non-controlling interests, payment of which was mainly transacted subsequent to the resolution passed by the Annual General Meeting in May 2023, reduced equity by EUR 10.3 million (H1 2022: EUR - 13.6 million). In addition, following a capital increase of EUR 15.0 million at the Group subsidiary EKPO, the share of EUR 6.0 million to be contributed by the co-owner was recognized in equity in the second quarter of 2023.

As no significant amounts – expressed in net terms – were recognized in provisions for pensions in the first half of 2023, their carrying amount of EUR 97.8 million as of June 30, 2023, was comparable to the 2022 year-end figure of EUR 97.4 million. The increase in other non-current provisions was also marginal in the period under review, taking the total to EUR 18.3 million (Dec. 31, 2022: EUR 17.8 million). Current provisions were up by EUR 2.3 million from EUR 66.1 million at year-end 2022 to EUR 68.4 million, mainly as a result of additions to warranty obligations. Current provisions also trended higher compared to the carrying amount at the end of the first half of the previous year (Jun. 30, 2022: EUR 64.8 million), which was attributable, among other factors, to personnel-related obligations. The latter were recognized in connection with the company's transformation as well as the discontinuation of certain production activities in Germany.

Net debt down year on year

In a multi-year comparison, ElringKlinger managed to maintain its low level of net financial liabilities[4] (also referred to as "net debt") at the end of the first half of 2023, despite more expansive business and the direction taken by working capital. As of June 30, 2023, the Group reported net debt of EUR 380.1 million (Dec. 31, 2022: EUR 364.2 million). Non-current financial liabilities amounted to EUR 385.0 million, while current items totaled EUR 125.3 million. Proportionally, the share of current financial liabilities was up in the period under review which also provides increased scope for prompt repayment options if required.

The debt ratio, or net debt-to-EBITDA[5] ratio, improved to 1.9, compared to 2.1 at year-end 2022. The improvement was even more pronounced compared to June 30, 2022, when net financial liabilities amounted to EUR 389.5 million and the debt ratio stood at 2.5.

Overall, the carrying amount of non-current liabilities as of June 30, 2023, was EUR 538.6 million, accounting for 26.4% of total equity and liabilities, while current liabilities totaled EUR 616.5 million, which represents a share of 30.2%. The latter include trade payables as the principal item, down by EUR 20.2 million in total to EUR 203.9 million in the first half of 2023 (Dec. 31, 2022: EUR 224.1 million).

At the end of the quarter under review, non-current liabilities amounted to EUR 538.6 million or 26.4% of total equity and liabilities, while current liabilities stood at EUR 616.5 million or 30.2%.

EUR 23 million in operating cash flow

In the first six months of 2023, ElringKlinger generated positive net cash from operating activities of EUR 23.3 million (H1 2022: EUR 19.9 million), driven in particular by strong operating cash flow of EUR 26.8 million (Q2 2022: EUR 22.6 million) in the second quarter of 2023.

In this context, the use of funds for net working capital, i.e., cash used for inventories and trade receivables after deducting trade payables, tends to have a strong bearing on operating cash flow. While the extensive use of funds for net working capital led to slightly negative operating cash flow in the first quarter of 2023, this influencing factor was a minor impact in the second quarter. Including other assets and liabilities not attributable to investing or financing activities, changes in inventories and trade receivables/payables diluted operating cash flow by EUR 47.7 million in the first half of 2023 (H1 2022: EUR -24.8 million).

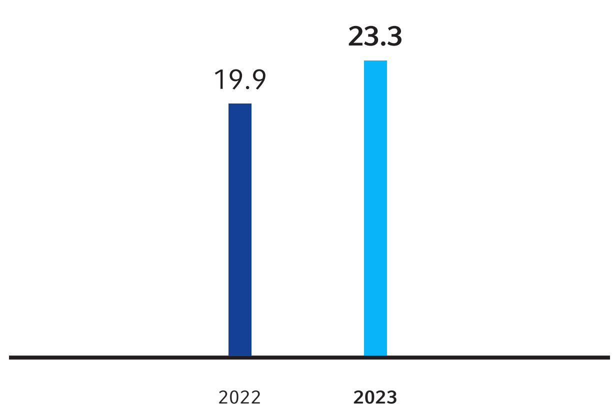
Compared to the same period last year, the Group also recorded more substantial cash outflows for income taxes, which amounted to EUR 16.9 million (H1 2022: EUR 9.3 million), and for interest payments of EUR 10.8 million (H1 2022: EUR 3.9 million).

Around EUR 30 million invested in property, plant, and equipment

Cash flow from investing activities amounted to EUR -44.7 million in the first half of 2023 (H1 2022: EUR -34.4 million). Of this total, EUR 25.8 million (Q2 2022: EUR 17.3 million) was disbursed in the second quarter.

The largest item relates to payments for investments in property, plant, and equipment of EUR 29.7 million (H1 2022: EUR 26.6 million) in the first half of the year and EUR 17.4 million (Q2 2022: EUR 13.8 million) in the second quarter of 2023. The funds were directed at manufacturing equipment for new series production ramp-ups planned within the global production network and at projects aimed at aligning the product portfolio with e-mobility trends. In Germany, the focus of investments was on equipment for series production orders in the area of lightweighting and for battery technology systems.

Cash flow from operating activities in the 1st half
in EUR million



[4] Current and non-current financial liabilities less cash and cash equivalents and short-term securities
[5] Earnings before interest, taxes, depreciation, and amortization

Capital expenditure on intangible assets amounted to EUR 10.8 million in the first half of 2023 (H1 2022: EUR 11.2 million). The second quarter of 2023 accounted for payments of EUR 5.9 million (Q2 2022: EUR 5.9 million). They mainly include capitalized development costs for fuel cell technology.

The investment ratio (payments for investments in property, plant, and equipment in relation to Group revenue) for the first half of 2023 was unchanged year on year at 3.1% (H1 2022: 3.1%). In the second quarter of 2023, the ratio stood at 3.7% (Q2 2022: 3.2%).

Second-quarter improvement in operating free cash flow

Due to the negative cash flows recorded in the first three months of 2023, operating free cash flow (operating cash flow less cash flow from investing activities adjusted for M&A activities and cash flows for financial assets) for the first half of 2023 was also in negative territory at EUR - 16.5 million (H1 2022: EUR - 16.0 million). Also because significantly less additional funds had to be spent on net working capital in the second quarter, ElringKlinger managed to generate positive operating free cash flow of EUR 3.7 million in this period (Q2 2022: EUR 3.9 million), which was comparable to the prior-year period.

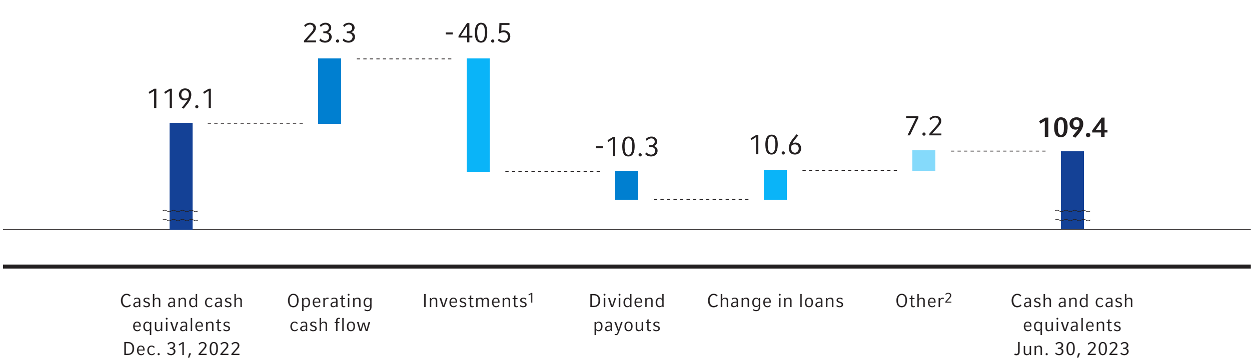
Reduction in long-term loans

Financing activities generated cash inflows of EUR 16.3 million (H1 2022: EUR 37.8 million) for the Group in the first six months of 2023. In the second quarter, net cash from financing activities amounted to EUR 11.5 million (Q2 2022: EUR 11.0 million).

The main component of financing activities is loan financing. While the change in long-term loans meant a cash outflow of EUR 43.0 million in the first six months (H1 2022: inflow of EUR 12.3 million), short-term loans resulted in an inflow of EUR 53.5 million (H1 2022: EUR 9.1 million). Another item of cash flow from financing activities was the distribution to shareholders and non-controlling interests, which was mainly transacted in the second quarter and totaled EUR 10.3 million (H1 2022: EUR 13.6 million). Furthermore, a total payment of EUR 16.0 million from the co-owner in the Group company EKPO was recognized during the period under review. Of this, EUR 6.0 million was attributable to the second quarter of 2023 in connection with the aforementioned capital increase.

At the end of the first half of 2023, the ElringKlinger Group had cash and cash equivalents of EUR 109.4 million (Jun. 30, 2022: EUR 135.2 million) and open, unused credit lines of EUR 213.0 million (Jun. 30, 2022: EUR 244.0 million).

Changes in cash in the 1st half of 2023
in EUR million



[1] Payments for investments in property, plant, and equipment and intangible assets
[2] Including inflow of EUR 16.0 million from Plastic Omnium for investment in EKPO

Opportunities and Risks

Despite the fact that disruptions relating to material shortages and supply chains have eased slightly overall since the beginning of 2023, there were no significant changes in respect of opportunities and risks for the ElringKlinger Group in the first half of the year and the second quarter of 2023 compared with the disclosures made in the 2022 annual report of the ElringKlinger Group.

There are currently no discernible risks that might jeopardize the future existence of the Group as a going concern, either in isolation or in conjunction with other risk factors.

The report on opportunities and risks from the 2022 annual report can also be accessed on ElringKlinger's website at www.elringklinger.de/ar2022/report-on-opportunities-and-risks.

Report on Expected Developments

Outlook – Market and Sector

Projections for the global economy indicate no more than moderate growth in 2023. After an expansion of 3.4% in GDP in 2022, the global economy is expected to see weaker growth of 3.0% in the current year, according to the latest estimates of the International Monetary Fund (IMF). While the slowdown is particularly evident in the advanced economies, the performance of emerging and developing countries is forecast to be stable overall.

Stubborn inflation and the resulting need for a restrictive monetary policy are seen as the most prominent downside factors, dampening both private consumption and investment activity in the industrial sector. In its updated World Economic Outlook of July 2023, the IMF sees global inflation at 6.8% in the current year and does not expect a return to target before 2025. While inflation rates in the United States and the euro area have been retreating for several months, the core rate excluding energy and food, which is considered an important gauge, declined more slowly. Economic performance as a whole continues to be subject to a considerable degree of uncertainty, driven not only by fiscal policy but also by the effects of the ongoing

GDP growth projections

Year-on-year change in %	2022	Projections 2023	Projections 2024
World	**3.5**	**3.0**	**3.0**
Advanced economies	2.7	1.5	1.4
Emerging and developing countries	4.0	4.0	4.1
Germany	1.8	-0.3	1.3
Eurozone	3.5	0.9	1.5
USA	2.1	1.8	1.0
Brazil	2.9	2.1	1.2
China	3.0	5.2	4.5
India	7.2	6.1	6.3
Japan	1.1	1.4	1.0

Source: IWF, July 2023

Projections Light vehicle production

Region	Vehicles millions 2022	Projections 2023	Year-on-year change
Europe[1]	15.3	16.9	10.7%
China	26.4	26.6	0.6%
Japan/Korea	11.1	12.4	11.1%
Middle East/Africa	2.2	2.2	-0.7%
North America	14.3	15.5	8.2%
South America	2.8	2.8	0.3%
South Asia	9.6	9.8	2.0%
World	**82.3**	**86.7**	**5.3%**

[1] excl. Russia
Source: S&P Global Mobility, July 2023

war in Ukraine and greater stability within the commodity and energy markets. The ifo Business Climate Index, an important leading indicator of company sentiment in Germany, recently fell for the third time in succession. It mainly reflects the slowdown in order intake within the industrial sector and, in this context, especially weaker foreign demand.

As regards Germany, the outlook points to a very sluggish performance, while the IMF suggests that economic output will dip slightly by 0.1%. By contrast, all other regions are expected to at least see modest economic growth. According to the economists' forecasts, China and India will be the driving forces of the global economy in 2023.

Slowdown in global vehicle production

The performance of global markets in terms of vehicle production and sales will continue to depend largely on underlying macroeconomic developments in 2023. Despite an improvement in the first half of the year, strict borrowing terms, inflation, and supply-side conditions that are not yet considered entirely stable, together with geopolitical uncertainties, continue to pose considerable risks for the automotive sector. Based on current forecasts, most regions are expected to achieve tangible gains in 2023 compared to prior-year levels, which were insubstantial in some cases. However, the most significant increase in production is likely to have occurred in the first half just ended, while the second half of the year is expected to trend sideways on a global scale. According to the industry institute S&P Global Mobility, the rate of expansion in production output of light vehicles (passenger cars and light commercial vehicles) in Europe (excluding Russia) and in Japan/Korea is expected to be in the low double digits at around 11% for the year as a whole, followed by North America with around 8%. As regards China, the outlook for the annual period remains cautious on the back of a sluggish first quarter. Against this backdrop, local production output may be close to stagnant.

Sales markets on the rise worldwide

Due to an improvement in the supply of materials, the outlook for international sales markets also brightened in the second quarter. The German industry association VDA raised its forecast in July 2023 and expects the European car market to grow by around 9% to 12.3 million newly registered passenger cars in 2023 as a whole. In Germany, growth is projected to be around 6%, taking the figure to 2.8 million passenger cars. The United States is expected to see an increase of around 7% to 14.7 million light vehicles, while forecasts for China point to growth of around 3% compared with 2022, or 23.9 million passenger cars. According to the VDA, this positive trend is attributable primarily to order backlog, while order intake is likely to wane amid economic uncertainty and consumer restraint.

Outlook – Company

Although economic and geopolitical conditions have essentially stabilized recently, they continue to present challenges for both the overall economic climate and the situation in the sector as a whole. Material, energy, and logistics costs remain at an elevated level. At the same time, after a buoyant first six months, light vehicle production is expected to stagnate in the second half of the year compared to the same period last year. Growth in the coming year is also expected to be modest.

Order situation returns to normal levels

Having been underpinned in particular by the effects of pent-up demand in the wake of the coronavirus pandemic during the preceding quarters and having been buoyed by substantial order intake and backlog, the Group's order situation has recently returned to more normal levels. Orders placed by ElringKlinger's customers as part of their scheduling arrangements amounted to EUR 848.7 million (H1 2022: EUR 1,031.5 million) in the first half of 2023, which was roughly on par with pre-covid levels (H1 2019: EUR 918.1 million), with the first quarter of 2023 proving more buoyant at EUR 474.9 million compared to the second quarter of 2023 at EUR 373.8 million (Q2 2022: EUR 453.2 million). Currency effects only had a slight impact on order intake in the second quarter of 2023. Assuming stable exchange rates, order intake amounted to EUR 380.8 million.

In the context of two major customer nominations in the field of battery and fuel cell technology in particular, it should be noted that ElringKlinger only uses the order book recording customers' short-term orders placed as part of their scheduling arrangements to determine its key order indicators (order intake and order backlog). These orders placed by customers as part of their scheduling arrangements refer to the period immediately thereafter, but not to the – yet to be executed – nomination volume over the respective remaining contract periods.

Against the backdrop of comparatively high revenue and lower order intake, order backlog also changed. At the end of the reporting quarter, order backlog stood at EUR 1,354.1 million, which was below the high level of the previous year (Jun. 30, 2022: EUR 1,552.5 million) but above the average of the past years (Q3 2020 to Q2 2023: EUR 1,326.5 million) and also significantly above the pre-covid figure (Dec. 31, 2019: EUR 1,030.3 million). This includes a slight headwind of EUR 26.2 million or 1.9% due to global exchange rate trends. Assuming stable exchange rates, order backlog at the end of the first half of 2023 amounted to EUR 1,380.3 million.

Guidance confirmed

Against the backdrop of the general uncertainty and volatility still evident within the economic arena, ElringKlinger can confirm its guidance for the current financial year on the basis of its first-half results and current market assessments. Accordingly, the Group continues to expect its organic revenue growth in 2023 as a whole to be significantly above the rate of change in global light vehicle production. Annual vehicle production output is projected to expand by 5.3% according to the latest estimates by industry service provider S&P Global Mobility issued in July 2023, with the second half of the year expected to be largely flat.

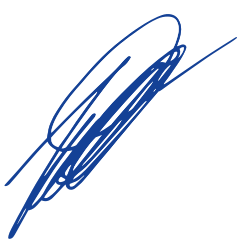
At the same time, ElringKlinger continues to anticipate an adjusted EBIT margin, i.e., adjusted earnings before interest and taxes (based on the definition presented in the 2022 annual report) in relation to Group revenue, of around 5% for 2023. The Group also expects operating free cash flow to improve slightly in 2023 compared to the previous year and ROCE to be in the range of around 7 to 8%.

Mid-term outlook

Despite the challenging factors currently driving the business environment in which ElringKlinger operates, the company considers itself to be well positioned in the medium to long term. ElringKlinger was quick off the mark in its efforts to embrace the transition towards e-mobility with components engineered specifically for battery and fuel cell systems. In addition, the Group has a strong market position in what were originally considered its traditional business units of Lightweighting / Elastomer Technology, Metal Forming & Assembly Technology, and Metal Sealing Systems & Drivetrain Components. Provided markets do not experience abrupt developments amid the prevailing uncertainties, ElringKlinger essentially continues to take the view that it will outpace growth in global light vehicle production at an organic level. With regard to the earnings situation, the Group has again set itself the goal of gradually improving its adjusted EBIT margin in the medium term. The Group has also confirmed its other medium-term targets.

Dettingen/Erms, August 3, 2023

The Management Board




Thomas Jessulat
Spokesman

Reiner Drews

ElringKlinger and the Capital Markets

Share prices remain stable worldwide

The direction taken by capital markets during the second quarter was determined not only by key economic and inflation metrics but also by negotiations aimed at expanding the US debt ceiling. At the same time, there was less apprehension surrounding the US banking sector in particular, which had been a primary concern at the start of the quarter.

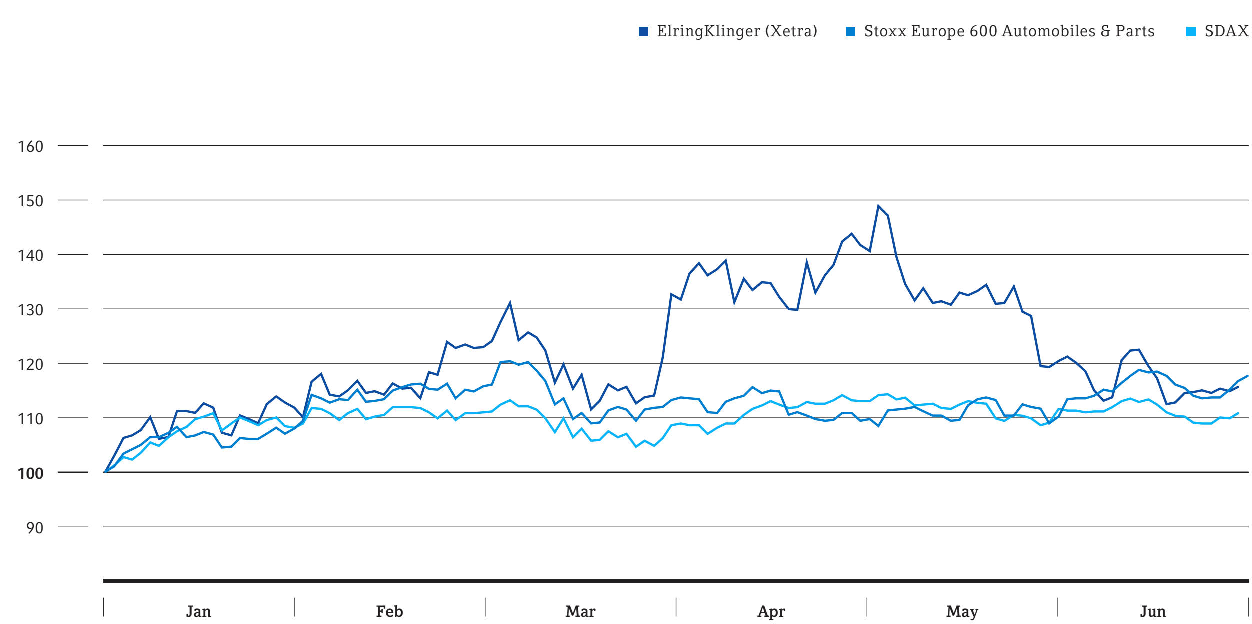
Equity markets benefited from decreasing uncertainty for investors with regard to the macroeconomic environment. Looking at the economy as a whole, many financial market players no longer anticipate a deep and prolonged recession as in the previous quarter. Furthermore, in multiple sectors, fundamental company indicators exceeded the earlier forecasts made by equity analysts. Following the first-quarter reporting season, a significant number of analysts' estimates were subsequently revised upwards to reflect positive developments. This underpinned share prices in almost all industrialized countries. By contrast, the regional benchmark indices varied considerably. Japan's Nikkei emerged as the top performer overall in both the quarter just ended and the first half of the year as a whole. This performance can be attributed to the initially low valuation of the domestic stock market and the expansive monetary stance taken by Japanese policymakers.

In addition to the Japanese stock market, the focus of the past quarter was on artificial intelligence and its potential. The US stock market in particular benefited from these developments, with the S&P 500 posting a gain of 8.7% in the second quarter. The Nasdaq technology index expanded by as much as 15.4% (in USD). By contrast, the European index STOXX Europe 600 and the DAX 40 rose by only 2.7% and 3.3% respectively.

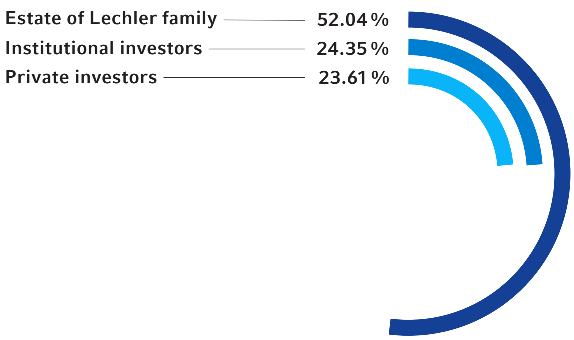
ElringKlinger share price buoyed by major order

At the beginning of May, ElringKlinger's share price reached its quarterly and year-to-date high of EUR 10.64 following the announcement of a major order placed by BMW in the field of battery technology. As the second quarter progressed, ElringKlinger's stock suffered losses in the wake of unfavorable economic projections for Europe and China, posting a quarterly low of EUR 8.02 on June 20. At the end of the second quarter of 2023, the

ElringKlinger's share price performance from January 1 to June 30, 2023 (indexed)
in %



Shareholder structure as of June 30, 2023



company's share price stood at EUR 8.25. In line with the market as a whole, the stock's price trajectory in June was characterized by a sideways movement with comparatively low trading volumes.

Trading volume lower than in the previous year

In the second quarter of 2023, the volume traded was lower than in the same period last year (Q2 2022: 108,675 shares), with 72,325 shares traded on average per stock exchange day. ElringKlinger's stock also saw a reduction in the daily value on German stock exchanges, reaching an average of EUR 0.6 million per day in the second quarter, a lower figure than in the previous year (Q2 2022: EUR 0.9 million). At the same time, however, the stock's liquidity was sufficiently high at all times during the quarter under review, thus providing the basis for large share transactions to be concluded during this period.

Engaged in dialogue with the capital markets

ElringKlinger maintained its close dialogue with international investors, analysts, and other capital market players over the course of the second quarter of 2023. The financial results for the first quarter of 2023 were published on May 9. The Management Board presented the figures for the quarter under review to the numerous analysts and journalists in attendance. The Annual General Meeting of ElringKlinger AG was held on May 16. The shareholders approved all proposed resolutions with a clear majority. In total, 73.2% of the voting share capital was represented at the Annual General Meeting. The proposed dividend payout of EUR 0.15 per share, unchanged year on year, was approved by a large majority of 99.7%. In addition, the Annual General Meeting approved the actions of the Management Board and the Supervisory Board with 99.6% and 96.9% of the votes, in addition to approving the compensation report.

ElringKlinger Stock (WKN 785 602)

	2nd quarter 2023	2nd quarter 2022
Number of shares outstanding	63,359,990	63,359,990
Share price (daily price in EUR)[1]		
High	10.64	9.05
Low	8.02	6.96
Closing price[2]	8.25	7.20
Average daily trading volume (German stock exchanges; volume of shares traded)	72,325	108,675
Average daily trading value (German stock exchanges; in EUR)	677,143	854,325
Market capitalization (EUR million)[1,2]	522.7	456.2

[1] Xetra trading
[2] as of June 30

Group Income Statement

of ElringKlinger AG, January 1 to June 30, 2023

EUR k	2nd quarter 2023	2nd quarter 2022	1st half 2023	1st half 2022
Sales revenue	**468,722**	**430,574**	**956,437**	**865,220**
Cost of sales	-368,718	-366,177	-744,854	-709,984
Gross profit	**100,004**	**64,397**	**211,583**	**155,236**
Selling expenses	-37,870	-35,505	-76,255	-69,806
General and administrative expenses	-26,363	-23,934	-51,969	-49,197
Research and development costs	-19,029	-15,399	-41,552	-34,190
Other operating income	6,262	2,785	9,775	7,591
Other operating expenses	-6,269	-89,409	-8,825	-92,554
Earnings before interest and taxes (EBIT)	**16,735**	**-97,065**	**42,757**	**-82,920**
Finance income	9,117	21,465	9,611	30,151
Finance costs	-14,815	-15,864	-21,832	-25,946
Share of result of associates	403	727	-2,523	-1,139
Net finance costs	**-5,295**	**6,328**	**-14,744**	**3,066**
Earnings before taxes	**11,440**	**-90,737**	**28,013**	**-79,854**
Income tax expense	-11,909	-3,366	-24,125	-10,412
Net income	**-469**	**-94,103**	**3,888**	**-90,266**
of which: attributable to non-controlling interests	-2,838	26	-5,150	-143
of which: attributable to shareholders of ElringKlinger AG	**2,369**	**-94,129**	**9,038**	**-90,123**
Basic and diluted earnings per share in EUR	0.04	-1.49	0.14	-1.42

Group Statement of Comprehensive Income

of ElringKlinger AG, January 1 to June 30, 2023

EUR k	2nd quarter 2023	2nd quarter 2022	1st half 2023	1st half 2022
Net income	**-469**	**-94,103**	**3,888**	**-90,266**
Currency translation difference	-11,968	-2,362	-10,327	3,358
Share of other comprehensive income of associates	-128	-232	-83	-250
Gains and losses that can be reclassified to the income statement in future periods	**-12,096**	**-2,594**	**-10,410**	**3,108**
Remeasurement of defined benefit plans, net	0	33,070	0	33,070
Gains and losses that cannot be reclassified to the income statement in future periods	**0**	**33,070**	**0**	**33,070**
Other comprehensive income after taxes	**-12,096**	**30,476**	**-10,410**	**36,178**
Total comprehensive income	**-12,565**	**-63,627**	**-6,522**	**-54,088**
of which: attributable to non-controlling interests	-3,678	1,357	-6,275	1,386
of which: attributable to shareholders of ElringKlinger AG	**-8,887**	**-64,984**	**-247**	**-55,474**

Group Statement of Financial Position

of ElringKlinger AG, as at June 30, 2023

EUR k	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
ASSETS			
Intangible assets	151,552	146,818	139,684
Property, plant and equipment	875,267	905,777	935,258
Financial assets	13,696	13,533	15,106
Shares in associates	14,063	14,869	12,301
Non-current income tax assets	2,629	1,363	903
Other non-current assets	11,814	21,884	31,568
Deferred tax assets	21,323	19,524	26,502
Contract performance costs	5,973	6,137	7,155
Non-current contract assets	357	613	616
Non-current assets	**1,096,674**	**1,130,518**	**1,169,093**
Inventories	438,927	413,952	413,272
Current contract assets	6,757	8,299	7,030
Trade receivables	293,979	264,854	264,712
Current income tax assets	4,063	4,791	9,349
Other current assets	91,288	105,063	76,528
Cash and cash equivalents	109,351	119,103	135,221
Current assets	**944,365**	**916,062**	**906,112**
	2,041,039	**2,046,580**	**2,076,634**

EUR k	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
LIABILITIES AND EQUITY			
Share capital	63,360	63,360	63,360
Capital reserves	118,238	118,238	118,238
Revenue reserves	640,974	641,440	640,427
Other reserves	-8,362	923	16,861
Equity attributable to the shareholders of ElringKlinger AG	**814,210**	**823,961**	**838,886**
Non-controlling interest in equity	71,788	72,872	75,732
Equity	**885,998**	**896,833**	**914,618**
Provisions for pensions	97,800	97,356	95,032
Non-current provisions	18,349	17,758	17,802
Non-current financial liabilities	384,968	429,233	383,438
Non-current contract liabilities	1,653	1,700	1,371
Deferred tax liabilities	25,905	23,782	28,504
Other non-current liabilities	9,900	10,046	7,230
Non-current liabilities	**538,575**	**579,875**	**533,377**
Current provisions	68,381	66,072	64,813
Trade payables	203,912	224,102	212,082
Current financial liabilities	125,283	73,423	152,683
Current contract liabilities	14,530	13,238	18,135
Tax payable	36,401	22,492	22,590
Other current liabilities	167,959	170,545	158,336
Current liabilities	**616,466**	**569,872**	**628,639**
	2,041,039	**2,046,580**	**2,076,634**

Group Statement of Changes in Equity

of ElringKlinger AG, January 1 to June 30, 2023

EUR k	Share capital	Capital reserves	Revenue reserves
Balance as of Dec. 31, 2021	**63,360**	**118,238**	**740,054**
Dividend distribution			-9,504
Purchase of shares of non-controlling interests[1]			
Total comprehensive income			**-90,123**
Net income			-90,123
Other comprehensive income			
Balance as of Jun. 30, 2022	**63,360**	**118,238**	**640,427**
Balance as of Dec. 31, 2022	**63,360**	**118,238**	**641,440**
Dividend distribution			-9,504
Capital increase[2]			
Total comprehensive income			**9,038**
Net income			9,038
Other comprehensive income			
Balance as of Jun. 30, 2023	**63,360**	**118,238**	**640,974**

[1] Increase of shares in Elring Klinger Motortechnik GmbH from 92.86 % to 100.0 %
[2] Capital increase concerning EKPO Fuel Cell Technologies GmbH

Other reserves					
Remeasurement of defined benefit plans, net	Equity impact of controlling interests	Currency translation differences	Equity attributable to the shareholders of ElringKlinger AG	Non-controlling interests in equity	Group equity
-48,731	**48,186**	**-17,374**	**903,733**	**78,564**	**982,297**
			-9,504	-4,087	-13,591
	131		131	-131	0
31,867		**2,782**	**-55,474**	**1,386**	**-54,088**
			-90,123	-143	-90,266
31,867		2,782	34,649	1,529	36,178
-16,864	**48,317**	**-14,592**	**838,886**	**75,732**	**914,618**
-18,760	**48,317**	**-28,634**	**823,961**	**72,872**	**896,833**
			-9,504	-809	-10,313
			0	6,000	6,000
		-9,285	**-247**	**-6,275**	**-6,522**
			9,038	-5,150	3,888
		-9,285	-9,285	-1,125	-10,410
-18,760	**48,317**	**-37,919**	**814,210**	**71,788**	**885,998**

Group Statement of Cash Flows

of ElringKlinger AG, January 1 to June 30, 2023

EUR k	2nd quarter 2023	2nd quarter 2022	1st half 2023	1st half 2022
Earnings before taxes	11,440	-90,737	28,013	-79,854
Depreciation/amortization (less write-ups) of non-current assets	29,889	123,733	57,436	152,382
Net interest	7,269	3,244	12,095	5,053
Change in provisions	-2,586	860	2,039	3,385
Gains/losses on disposal of non-current assets	179	-57	161	144
Share of result of associates	-403	-727	2,523	1,139
Change in inventories, trade receivables and other assets not resulting from financing and investing activities	-8,403	-17,255	-39,455	-66,127
Change in trade payables and other liabilities not resulting from financing and investing activities	10,386	28,153	-8,293	41,343
Income taxes paid	-10,200	-6,723	-16,885	-9,335
Interest paid	-6,252	-2,302	-10,756	-3,947
Interest received	621	292	1,005	560
Other non-cash expenses and income	-5,187	-15,877	-4,537	-24,797
Net cash from operating activities	**26,753**	**22,604**	**23,346**	**19,946**
Proceeds from disposals of property, plant and equipment and intangible assets	293	950	594	1,894
Proceeds from disposals of financial assets	8	1,595	3,880	4,564
Payments for investments in intangible assets	-5,924	-5,908	-10,764	-11,172
Payments for investments in property, plant and equipment	-17,386	-13,781	-29,707	-26,618
Payments for investments in financial assets	-1,000	-161	-6,854	-3,036
Payments for shares in associates	-1,800	0	-1,800	0
Net cash from investing activities	**-25,809**	**-17,305**	**-44,651**	**-34,368**
Payments received from non-controlling interests	6,000	20,000	16,000	30,000
Dividends paid to shareholders and to non-controlling interests	-10,295	-13,572	-10,313	-13,591
Proceeds from the addition of long-term loans	30,234	71,394	47,494	96,454
Payments for the repayment of long-term loans	-59,927	-19,314	-90,469	-84,115
Change in current loans	45,476	-47,511	53,546	9,100
Net cash from financing activities	**11,488**	**10,997**	**16,258**	**37,848**
Changes in cash	12,432	16,296	-5,047	23,426
Effects of currency exchange rates on cash	-3,222	1,108	-4,705	1,894
Cash at beginning of period	100,141	117,817	119,103	109,901
Cash at end of period	**109,351**	**135,221**	**109,351**	**135,221**

Group Sales Revenue

of ElringKlinger AG, January 1 to June 30, 2023

Sales revenue by regions

EUR k	2nd quarter 2023	2nd quarter 2022	1st half 2023	1st half 2022
Germany	94,904	88,379	192,083	179,007
Rest of Europe	145,760	129,396	304,854	263,926
North America	119,857	110,722	247,568	214,377
Asia-Pacific	83,867	79,429	165,310	165,297
South America and Rest of World	24,334	22,648	46,622	42,613
Group	**468,722**	**430,574**	**956,437**	**865,220**

Sales revenue by segments

EUR k	2nd quarter 2023	2nd quarter 2022	1st half 2023	1st half 2022
Lightweighting/Elastomer Technology		133,369	305,577	267,020
Metal Sealing Systems & Drivetrain Components		116,777	257,464	238,021
Metal Forming & Assembly Technology		72,537	147,596	146,570
E-Mobility		14,118	17,120	19,435
Exhaust Gas Purification		1,185	1,065	2,070
Others		18	2	18
Segment Original Equipment		**338,004**	**728,824**	**673,134**
Segment Original Equipment		338,004	728,824	673,134
Segment Aftermarket		59,673	157,270	122,718
Segment Engineered Plastics		31,895	68,607	67,190
Sale of goods		**429,572**	**954,701**	**863,042**
Proceeds from the rendering of services		997	1,736	2,169
Revenue from contracts with customers		**430,569**	**956,437**	**865,211**
Income from rental and leasehold		5		9
Group		**430,574**	**956,437**	**865,220**

Segment Reporting

of ElringKlinger AG, April 1 to June 30, 2023

Segment	Original Equipment		Aftermarket		Engineered Plastics	
EUR k	2nd quarter 2023	2nd quarter 2022	2nd quarter 2023	2nd quarter 2022	2nd quarter 2023	2nd quarter 2022
External revenue	**359,715**	**338,004**	**75,607**	**59,673**	**32,662**	**31,895**
Intersegment revenue	7,161	6,338	0	0	18	154
Segment revenue	**366,876**	**344,342**	**75,607**	**59,673**	**32,680**	**32,049**
EBIT[1]	**-976**	**-112,739**	**18,423**	**11,448**	**2,054**	**4,738**
Adjustments	4,331	98,818	591	0	470	0
EBIT adjusted	**3,355**	**-13,921**	**19,014**	**11,448**	**2,524**	**4,738**
Depreciation and amortization	-24,370	-25,580	-803	-539	-1,678	-1,618
Capital expenditures[2]	21,993	19,847	800	459	1,425	1,303

January 1 to June 30, 2023

Segment	Original Equipment		Aftermarket		Engineered Plastics	
EUR k	1st half 2023	1st half 2022	1st half 2023	1st half 2022	1st half 2023	1st half 2022
External revenue	**728,824**	**673,134**	**157,270**	**122,718**	**68,607**	**67,190**
Intersegment revenue	17,784	13,424	0	0	34	208
Segment revenue	**746,608**	**686,558**	**157,270**	**122,718**	**68,641**	**67,398**
EBIT[1]	**-157**	**-117,749**	**38,266**	**25,286**	**7,173**	**10,380**
Adjustments	4,660	99,470	591	222	470	0
EBIT adjusted	**4,503**	**-18,279**	**38,857**	**25,508**	**7,643**	**10,380**
Depreciation and amortization	-48,925	-50,829	-1,571	-1,396	-3,351	-3,530
Capital expenditures[2]	39,065	39,498	1,437	1,939	2,669	3,158

[1] Earnings before interest and taxes
[2] Investments in intangible assets and property, plant and equipment

	Other		Consolidation		Group	
	2nd quarter 2023	2nd quarter 2022	2nd quarter 2023	2nd quarter 2022	2nd quarter 2023	2nd quarter 2022
	738	**1,002**	**0**	**0**	**468,722**	**430,574**
	3,192	2,619	-10,371	-9,111	0	0
	3,930	**3,621**	**-10,371**	**-9,111**	**468,722**	**430,574**
	-2,766	**-512**			**16,735**	**-97,065**
	2,720	0			8,112	98,818
	-46	**-512**			**24,847**	**1,753**
	-502	-592			-27,353	-28,329
	101	465			24,319	22,074

	Other		Consolidation		Group	
	1st half 2023	1st half 2022	1st half 2023	1st half 2022	1st half 2023	1st half 2022
	1,736	**2,178**	**0**	**0**	**956,437**	**865,220**
	6,306	5,120	-24,124	-18,752	0	0
	8,042	**7,298**	**-24,124**	**-18,752**	**956,437**	**865,220**
	-2,525	**-837**			**42,757**	**-82,920**
	2,720	0			8,441	99,692
	195	**-837**			**51,198**	**16,772**
	-1,053	-1,182			-54,900	-56,937
	168	813			43,339	45,408

Notes to the First Half of 2023

General information

ElringKlinger AG is an exchange-listed stock corporation headquartered in Dettingen/Erms, Germany.

The accompanying condensed consolidated interim financial statements of ElringKlinger AG and its subsidiaries as of June 30, 2023, have been prepared on the basis of IAS 34 (Interim Financial Reporting). The interim financial statements conform with the International Financial Reporting Standards (IFRS), including the Interpretations issued by the IFRS Interpretations Committee (IFRS IC), as adopted by the European Union.

As the consolidated interim financial statements are presented in a condensed format, the financial statements as of June 30, 2023, do not include all information and disclosures required under IFRS for annual consolidated financial statements.

The consolidated interim financial statements as of June 30, 2023, have been neither audited nor reviewed in any way by an independent auditor.

They were authorized for issue based on a resolution passed by the Management Board on August 3, 2023.

Accounting policies

The accounting policies applied in this interim report are fundamentally based on the same as those applied in the preparation of the 2022 consolidated financial statements, where they are also explained in detail.

The interim report incorporates estimates and judgments. These may have a direct impact on the amount of assets and liabilities recognized. Due to external factors, such as further unforeseeable consequences regarding the impact of the Russia-Ukraine conflict, the tense situation within the commodity markets, the general macroeconomic trajectory within the automotive sector, these are subject to heightened uncertainty. When updating the estimates and judgments, information available in respect of expected economic trends and country-specific measures were taken into account.

Scope of consolidated financial statements

Alongside the financial statements of ElringKlinger AG, the interim financial statements as of June 30, 2023, include the financial statements of seven domestic and 34 foreign entities in which ElringKlinger AG holds more than 50% of the interests, either directly or indirectly, or over which, for other reasons, it has the power to govern the financial and operating policies. Inclusion in the consolidated group commences on the date on which control is obtained; it ceases as soon as control no longer exists.

The interests held in hofer AG, Nürtingen, Germany, totaling 24.71% have been accounted for as an associate in non-current Group assets, as ElringKlinger has significant influence over the entity's operating and financial policies. A significant influence over an associate is presumed to exist if an entity holds 20% to 50% of the voting power of the investee.

Compared to the consolidated financial statements as of December 31, 2022, there were no other changes in the scope of consolidation with the exception of the formation of EKPO Fuel Cell Technologies US, Inc., based in Fort Wayne, USA.

Newly established entity

On June 15, 2023, EKPO Fuel Cell Technologies US, Inc., based in Fort Wayne, USA, a wholly-owned subsidiary of EKPO Fuel Cell Technologies GmbH, based in Dettingen/Erms, Germany, was established.

Exchange rates

Exchange rates developed as follows:

		Closing rate		Average rate	
Currency	Abbr.	Jun. 30, 2023	Dec. 31, 2022	Jan. – Jun. 2023	Jan. – Dec. 2022
US dollar (USA)	USD	1.08660	1.06660	1.08095	1.04998
Pound (United Kingdom)	GBP	0.85828	0.88693	0.87330	0.85482
Swiss franc (Switzerland)	CHF	0.97880	0.98470	0.98830	1.00170
Canadian dollar (Canada)	CAD	1.44150	1.44400	1.46160	1.37036
Real (Brazil)	BRL	5.27880	5.63860	5.46265	5.40514
Mexican peso (Mexico)	MXN	18.56140	20.85600	19.46487	21.05364
RMB (China)	CNY	7.89830	7.35820	7.54187	7.07435
WON (South Korea)	KRW	1,435.88000	1,344.09000	1,414.01000	1,354.16083
Rand (South Africa)	ZAR	20.57850	18.09860	19.94520	17.21273
Yen (Japan)	JPY	157.16000	140.66000	147.82833	138.13917
Forint (Hungary)	HUF	371.93000	400.87000	377.44167	393.11083
Turkish lira (Turkey)	TRY	28.31930	19.96490	22.18493	17.45661
Leu (Romania)	RON	4.96350	4.94950	4.94218	4.93403
Indian rupee (India)	INR	89.20650	88.17100	88.85967	82.71542
Indonesian rupiah (Indonesia)	IDR	16,384.54000	16,519.82000	16,217.16833	15,639.00667
Bath (Thailand)	THB	38.48200	36.83500	37.24433	36.80008
Swedish krona (Sweden)	SEK	11.80550	11.12180	11.41522	10.65713

Significant events and business transactions

On April 6, 2023, the Supervisory Board and the Chairman of the Management Board (CEO) of ElringKlinger AG, Dr. Stefan Wolf, agreed by mutual consent to terminate Dr. Wolf's contract as of June 30, 2023. Dr. Wolf's duties will be performed on an interim basis by Mr. Thomas Jessulat, Chief Financial Officer, as from July 1, 2023. Mr. Jessulat will also temporarily assume the role of Spokesman of the Management Board. At the same time, the Supervisory Board has begun the process of appointing a successor.

In addition, the shareholders ElringKlinger AG, based in Dettingen/Erms, Germany, and Plastic Omnium, based in Levallois, France, paid EUR 15.0 million into the capital reserves of EKPO Fuel Cell Technologies GmbH, based in Dettingen/Erms, Germany. The payment was divided according to the interests held, i.e., EUR 9.0 million was paid in by ElringKlinger AG and EUR 6.0 million by Plastic Omnium.

There were no other significant events or business transactions in the second quarter.

For information relating to factors influencing business performance and our estimates in the context of our guidance, please refer to our comments in the interim management report.

Disclosures relating to financial instruments

This section provides a comprehensive overview of the significance of financial instruments and offers additional information on line items of the statement of financial position containing financial instruments. There was no offsetting of financial instruments recognized by the company.

The following table shows the carrying amounts (CA) and fair values (FV) of financial assets:

	Cash	Trade receivables	Other current assets	Derivatives	Non-current securities		Other financial investments		Total
EUR k	CA	CA	CA	CA	CA	FV	CA	FV	CA
as of Jun. 30, 2023									
Financial assets measured at amortized cost	109,351	293,979	25,795	0	1,311	1,325	8	8	430,444
Financial assets measured at fair value through profit or loss	0	0	19,943	356	0	0	12,169	12,169	32,468
Financial assets measured at fair value through other comprehensive income	0	0	0	0	200	200	8	8	208
Total	**109,351**	**293,979**	**45,738**	**356**	**1,511**	**1,525**	**12,185**	**12,185**	**463,120**
as of Dec. 31, 2022									
Financial assets measured at amortized cost	119,103	264,854	23,538	0	1,311	1,313	8	8	408,814
Financial assets measured at fair value through profit or loss	0	0	19,943	172	0	0	11,990	11,990	32,105
Financial assets measured at fair value through other comprehensive income	0	0	0	0	216	216	8	8	224
Total	**119,103**	**264,854**	**43,481**	**172**	**1,527**	**1,529**	**12,006**	**12,006**	**441,143**

The following table shows the carrying amounts (CA) and fair values (FV) of financial liabilities:

	Other current liabilities	Current financial liabilities	Current lease liabilities IFRS 16	Trade payables
EUR k	CA	CA	CA	CA
as of Jun. 30, 2023				
Financial liabilities measured at amortized cost	65,623	109,121	16,162	203,912
Financial liabilities measured at fair value through profit or loss	0	0	0	0
as of Dec. 31, 2022				
Financial liabilities measured at amortized cost	71,750	56,517	16,905	224,102
Financial liabilities measured at fair value through profit or loss	0	0	0	0

	Derivatives		Non-current financial liabilities		Non-current lease liabilities IFRS 16	Total
EUR k	CA	FV	CA	FV	CA	CA
as of Jun. 30, 2023						
Financial liabilities measured at amortized cost	0	0	349,598	309,194	35,370	779,786
Financial liabilities measured at fair value through profit or loss	9,750	9,750	0	0	0	9,750
as of Dec. 31, 2022						
Financial liabilities measured at amortized cost	0	0	386,240	243,542	42,993	798,507
Financial liabilities measured at fair value through profit or loss	11,888	11,888	0	0	0	11,888

The management has ascertained that the carrying amounts of cash, trade receivables, other current assets, trade payables, other current financial liabilities, and other current liabilities largely correspond to their fair values, primarily as a result of the short maturities of these instruments.

Other current assets also include time deposits and securities of EUR 20,802k (Dec. 31, 2022: EUR 19,310k) and the current portion of Plastic Omnium's outstanding contribution of EUR 19,943k (Dec. 31, 2022: EUR 19,943k) measured at present value.

ElringKlinger determines the market value of non-current fixed-interest liabilities to banks and derivatives by discounting expected future cash flows with the current prevailing interest rates for similar financial liabilities with comparable residual terms and the company-specific interest rate.

Other current liabilities include a liability of EUR 38,102k (Dec. 31, 2022: EUR 38,102k) that is attributable to a written put option with the non-controlling shareholders of ElringKlinger Marusan Corporation, a company with its registered office in Tokyo, Japan. The obligation arising from this agreement is measured at cost in the amount of the fair value. The fair value is determined on the basis of internal estimates relating to the forecast of the company's performance and the choice of the interest rate used with regard to the liability recognized. A change in the enterprise value by 10% would result in an increase/decrease in the put option by approx. EUR 3,810k (Dec. 31, 2022: EUR 3,810k).

Financial assets and liabilities measured at fair value are classified into the following three-level fair value hierarchy as of the end of the reporting period of June 30, 2023:

EUR k	Level 1	Level 2	Level 3
Jun. 30, 2023			
Financial assets			
Non-current securities	200	0	0
Other financial investments	8	0	12,169
Derivatives*	0	356	0
Total	**208**	**356**	**12,169**
Financial liabilities			
Derivatives*	0	9,750	0
Total	**0**	**9,750**	**0**
Dec. 31, 2022			
Financial assets			
Non-current securities	216	0	0
Other financial investments	8	0	11,990
Derivatives*	0	172	0
Total	**224**	**172**	**11,990**
Financial liabilities			
Derivatives*	0	11,888	0
Total	**0**	**11,888**	**0**

*These are derivatives that do not qualify for hedge accounting.

The following table provides details of the classification of financial assets and liabilities that are not measured at fair value but for which a fair value has been presented, according to the three-level fair value hierarchy as of the end of the reporting period of June 30, 2023:

EUR k	Level 1	Level 2	Level 3
Jun. 30, 2023			
Financial assets			
Non-current securities	1,325	0	0
Other financial investments	0	0	8
Total	**1,325**	**0**	**8**
Financial liabilities			
Non-current financial liabilities	0	309,194	0
Purchase price liability from written put option	0	0	38,102
Total	**0**	**309,194**	**38,102**
Dec. 31, 2022			
Financial assets			
Non-current securities	1,313	0	0
Other financial investments	0	0	8
Total	**1,313**	**0**	**8**
Financial liabilities			
Non-current financial liabilities	0	243,542	0
Purchase price liability from written put option	0	0	38,102
Total	**0**	**243,542**	**38,102**

The levels of the fair value hierarchy are defined as follows:

Level 1: Measurement based on quoted prices

Level 2: Measurement based on inputs for the asset or liability that are observable in active markets either directly or indirectly

Level 3: Measurement based on inputs for assets and liabilities not representing observable market data

The assessment as to whether a transfer has occurred between the levels of the fair-value hierarchy with regard to the assets and liabilities carried at fair value is conducted in each case at the end of the reporting period. No transfers occurred in the reporting period under review.

Contingencies and related-party disclosures

The contingencies and related-party relationships disclosed in the consolidated financial statements for 2022 were not subject to significant changes in the first half of 2023.

Government grants

Other operating income in the first half of 2023 includes government grants totaling EUR 2,385k (Jun. 30, 2022: EUR 2,660k). These grants were attributable primarily to development projects. In addition, grants under the European funding initiative IPCEI ("Important Project of Common European Interest") were deducted from the carrying amount of capitalized development costs in the amount of EUR 796k (Jun. 30, 2022: EUR 746k) (net method).

Events after the reporting period

There were no significant events after the end of the interim reporting period that would necessitate additional explanatory disclosure.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Dettingen/Erms, August 3, 2023

The Management Board

Thomas Jessulat
Spokesman

Reiner Drews

Imprint

ElringKlinger AG
Max-Eyth-Straße 2
72581 Dettingen/Erms
Germany
Phone +49 (0) 71 23/724-0
Fax +49 (0) 71 23/724-90 06
www.elringklinger.com

IR Contact
Dr. Jens Winter
Phone +49 (0) 71 23/724-88 335
Fax +49 (0) 71 23/724-85 8335
jens.winter@elringklinger.com

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Further information is available at www.elringklinger.com

Disclaimer – Forward-looking Statements and Forecasts
This report contains forward-looking statements. These statements are based on expectations, market evaluations and forecasts by the Management Board and on information currently available to them. In particular, the forward-looking statements shall not be interpreted as a guarantee that the future events and results to which they refer will actually materialize. Whilst the Management Board is confident that the statements as well as the opinions and expectations on which they are based are realistic, the aforementioned statements rely on assumptions that may conceivably prove to be incorrect. Future results and circumstances depend on a multitude of factors, risks and imponderables that can alter the expectations and judgments that have been expressed. These factors include, for example, changes to the general economic and business situation, variations of exchange rates and interest rates, poor acceptance of new products and services, and changes to business strategy.

Supplementary Notes
Due to rounding, some of the numbers and percentage figures specified in this document may differ from the actual values, particularly in the case of summation and percentage calculations. For the purpose of readability, we have not used gender specific forms of grammer when referring to general designations of people. Specific terms relate to all people irrespective of gender.

This report was published on August 3, 2023, and is available in German and English. Only the German version shall be legally binding.

Financial Calendar

NOVEMBER

07

Financial Results on the 3rd Quarter and 1st Nine Months of 2023

MAY 2024

16

119th Annual General Shareholders' Meeting

Changes to the above dates cannot be ruled out.
We therefore recommend visiting our website to check specific financial dates at **www.elringklinger.de/en/investor-relations/financial-calendar**.

For trade fairs please visit our websites:
www.elringklinger.de/en/press/dates-events
https://www.elring.com/dates-events

ElringKlinger AG
Max-Eyth-Straße 2
D-72581 Dettingen / Erms