Financial statements of the Uzin Utz Group for the 2023 financial year

Uzin Utz Societas Europaea, Ulm

Financial Statement

Comprehensive Income Statement

Statement of profit and loss of the Group 2023 (in KEUR)	Annex	2023	2022
Sales revenues	**1**	**479,337**	**487,134**
Changes in inventory of finished goods and work in process		-4,493	12,817
Total output		**474,844**	**499,951**
Other operating income	2	5,492	7,774
Income from investment properties	2	0	284
Cost of materials	3	212,622	241,791
Personnel expenses	4	125,009	121,420
Depreciation	10, 11, 12, 14	18,732	17,164
Other operating expenses	5	89,468	91,292
Operating income (EBIT)		**34,505**	**36,341**
Revenues from investments in associates (equity method)	6	25	-43
Financial earnings	7	237	90
Financial expenses	7	3,519	935
Financial result	**7**	**-3,258**	**-888**
Earnings before taxes (EBT)		**31,247**	**35,453**
Taxes on income	8	8,650	9,321
Net income after taxes		**22,598**	**26,132**
Thereof			
Shareholders of the parent company		22,584	25,307
Non-controlling interests	9	13	825

Uzin Utz SE, Ulm

Other comprehensive income (in KEUR)	Annex	2023	2022
Positions, which are changed to the Statement of profit or loss in the future under certain conditions		**2,436**	**2,527**
Currency translation differences	20	2,452	2,480
Income from financial instruments	23	-23	65
Thereof deferred taxes		7	-18
Positions, which are not changed to the profit or loss in the future		**-1,769**	**1,305**
Actuarial profit/loss	22	-2,035	1,503
Thereof deferred taxes		266	-199
Other result - after taxes		**667**	**3,832**
Thereof:			
Shareholders of the parent company		665	3,834
Non-controlling interests	9	2	-2
Total result - after taxes		**23,264**	**29,964**
Thereof:			
Shareholders of the parent company		23,250	29,142
Non-controlling interests	9	15	822
Earnings per share basic and diluted, based on for the reporting period attributable to ordinary equity holders of the parent company result after taxes		**4.48**	**5.02**

Uzin Utz Societas Europaea, Ulm

Balance sheet

Assets (in KEUR)	Annex	31.12.2023	31.12.2022
Assets			
Intangible assets	10	36,644	35,354
Property, plant and equipment	11	200,631	198,477
Rights of use	12	9,599	7,475
Subsidiaries measured at equity	6	1,367	1,368
Non-current financial assets	13	688	1,288
Investment properties	14	5,949	3,273
Deferred tax assets	15	8,731	5,029
Other non-current assets	16	70	103
Non-current assets		**263,679**	**252,368**
Inventories	17	69,920	89,695
Trade receivables	16	36,586	35,074
Income tax receivables	16	5,971	2,804
Other current assets	16	5,687	6,492
Cash and cash equivalents	18	38,159	26,138
Assets held for sale	19	0	0
Current assets		**156,322**	**160,203**
Balance sheet total		**420,001**	**412,571**

Uzin Utz Societas Europaea, Ulm

Equity and liabilities (in KEUR)	Anhang	31.12.2023	31.12.2022
Subscribed capital	20	15,133	15,133
Capital reserve	20	26,962	26,962
Retained earnings	20	215,029	199,075
Total equity attributable to the parent company	**20**	**257,124**	**241,170**
Non-controlling interests	20	166	2,845
Equity	**20**	**257,290**	**244,014**
Non-current provisions	21, 22	7,074	5,215
Non-current financial liabilities	23	39,618	46,669
Non-current leasing liabilities	23	6,126	4,380
Deferred tax liabilities	15	11,565	9,366
Non-current liabilities		**64,383**	**65,630**
Current provisions	21	16,474	18,595
Current financial liabilities	23	45,817	42,426
Current leasing liabilities	23	4,098	3,604
Advances received	23	125	10
Trade payables	24	15,970	18,704
Income tax liabilities	23	1,430	4,364
Other current liabilities	23	14,414	15,224
Current liabilities		**98,328**	**102,926**
External capital		**162,711**	**168,557**
Balance sheet total		**420,001**	**412,571**

Uzin Utz SE, Ulm

Development of equity

Statement of changes in equity (in KEUR)	Subscribed capital	Capital reserve	Retained earnings: Generated equity	Retained earnings: Foreign currency translation adjustment	Retained earnings: Other reserves	Discharge amount on own shares	Total equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
Status as of 01.01.2022	**15,133**	**26,962**	**175,212**	**7,759**	**-3,987**	**0**	**221,078**	**2,407**	**223,485**
Net income after taxes	0	0	25,307	0	0	0	25,307	825	26,132
Other comprehensive income	0	0	0	2,482	1,352	0	3,834	-2	3,832
Total result	**0**	**0**	**25,307**	**2,482**	**1,352**	**0**	**29,142**	**822**	**29,964**
Increase of capital	0	0	0	0	0	0	0	0	0
Treasury shares	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	-9,080	0	0	0	-9,080	-385	-9,465
Change in non-controlling interests	0	0	0	0	0	0	0	0	0
Other changes	0	0	30	0	0	0	30	0	30
Status as of 31.12.2022	**15,133**	**26,962**	**191,470**	**10,241**	**-2,636**	**0**	**241,170**	**2,845**	**244,014**
Change in accounting methods	0	0	125	0	0	0	125	0	125
Status as of 01.01.2023	**15,133**	**26,962**	**191,595**	**10,241**	**-2,636**	**0**	**241,295**	**2,845**	**244,139**
Net income after taxes	0	0	22,584	0	0	0	22,584	13	22,598
Other comprehensive income	0	0	0	2,451	-1,786	0	665	2	667
Total result	**0**	**0**	**22,584**	**2,451**	**-1,786**	**0**	**23,250**	**15**	**23,264**
Increase of capital	0	0	0	0	0	0	0	0	0
Treasury shares	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	-8,071	0	0	0	-8,071	0	-8,071
Non-controlling interests from the acquisition of of subsidiaries	0	0	-548	0	0	0	-548	-2,693	-3,241
Other changes*	0	0	1,198	0	0	0	1,198	0	1,198
Status as of 31.12.2023	**15,133**	**26,962**	**206,758**	**12,692**	**-4,421**	**0**	**257,124**	**166**	**257,290**

* The majority of the other changes result from a postponement due to a tax refund.

Detailed information on the equity items can be found in Note 20 Equity/own shares/non-controlling interests.

Uzin Utz Societas Europaea, Ulm

Cash flow statement

Property statement of cashflows (in KEUR)	Annex	2023	2022
Net income after taxes		**22,598**	**26,132**
+/- Depreciation and amortisation of property, plant and equipment	10, 11, 12	18,732	16,880
+/- Change in provisions	21	-2,411	-51
+/- Other non-cash expenses / income		-6	79
+/- Cash inflows and outflows not affecting net income		1,172	0
+ Loss from deconsolidation of consolidated companies and other business units		0	0
-/+ Profit / loss from the disposal of property, plant and equipment		-144	-37
+/- Change in current assets (inventories, receivables) of other assets not attributable to investing or financing activities	17-18	16,261	-27,352
+/- Change in trade payables and other liabilities not attributable to investing or financing activities	23-24	-7,488	-8,458
Cashflow from operating activities		**48,712**	**7,193**
+ Proceeds from disposals of property, plant and equipment	11	624	901
- Payments made for investments in property, plant and equipment	11	-18,158	-39,585
+ Proceeds from disposals of intangible assets	10	0	2
- Payments for investments in intangible assets	10	-2,031	-1,311
+ Proceeds from disposals of financial assets	13	806	1,259
- Cash outflows for investments in financial assets	13	-205	-181
+ Proceeds from the sale of consolidated companies and other business units		0	0
- Cash outflows from the acquisition of consolidated companies and other business units		-3,250	0
+ Proceeds from the sale of investment properties	14	0	0
- Cash outflows for investments in investment properties	14	0	0
Cashflow from investing activities		**-22,215**	**-38,914**
- Payments to company owners and and non-controlling shareholders		-8,071	-9,465
+ Proceeds from the issue of bonds and the raising of (financial) loans	23	6,550	19,376
- Outflows from the redemption of bonds, leasing liabilities and (financial) loans	23	-15,491	-21,803
Cashflow from financing activities		**-17,012**	**-11,892**
Payment-related changes in cash and cash equivalents		9,485	-43,613
+/- Changes in cash and cash equivalents due to exchange rate movements, changes in the scope of consolidation and changes in valuation		1,193	334
+ Cash and cash equivalents at the beginning of the period		-4,939	38,339
Cash and cash equivalents at the end of the period		**5,739**	**-4,939**

Uzin Utz Societas Europaea, Ulm

Cash inflows and outflows, included in the cash flow from operating activities	Annex	2023	2022
Income taxes paid	8	9,796	11,272
Interest paid	7	3,519	935
Interest received	7	237	90

Composition of cash and cash equivalents	Annex	2023	2022
Cash on hand, bank balances	18	38,159	26,138
Short-term liabilities due to credit institutions	23	-32,419	-31,077
Cash and cash equivalents		5,739	-4,939

Explanatory notes to the consolidated statement of cash flows can be found under "Other disclosures" > "Notes to the consolidated statement of cash flows".

Group annex

Segment reporting of the Group

Segment reporting (in KEUR)	Germany					
	Laying systems		Machinery and tools		Surface care and refinement	
	2023	2022	2023	2022	2023	2022
External sales	156,524	157,570	19,652	21,663	24,105	23,564
Share in consolidated sales	33%	32%	4%	4%	5%	5%
Internal sales	53,681	56,204	12,880	14,572	11,050	11,611
Total sales	**210,205**	**213,774**	**32,531**	**36,235**	**35,156**	**35,175**
Other operating income	6,118	6,653	327	594	845	1,248
Financial earnings	569	316	0	1	162	85
Financial expenses	1,419	583	106	36	13	11
Depreciation	7,019	6,774	983	887	1,391	1,212
Extraordinary depreciation	0	0	0	0	0	0
Segment result EBIT	**7,393**	**4,599**	**1,206**	**4,762**	**6,804**	**7,896**
Segment net assets	147,580	138,696	9,142	9,297	21,922	20,628
Segment liabilities	68,127	77,815	18,659	19,491	4,728	6,533
Segment investments without financial assets	5,321	4,480	1,174	1,748	2,297	2,635

Segment reporting	Netherlands				USA		Western Europe		Southern/Eastern Europe		Other	
(in KEUR)	Laying systems		Wholesale									
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
External sales	53,305	52,294	35,637	40,790	73,334	74,616	74,967	74,570	21,349	20,779	20,464	21,288
Share in consolidated sales	11%	11%	7%	8%	15%	15%	16%	15%	4%	4%	4%	4%
Internal sales	29,564	28,753	677	526	0	6	8,859	8,655	4,628	6,287	8,008	8,367
Total sales	**82,869**	**81,047**	**36,314**	**41,316**	**73,334**	**74,622**	**83,826**	**83,225**	**25,977**	**27,067**	**28,472**	**29,656**
Other operating income	1,306	1,197	606	420	134	124	1,525	2,197	977	968	5,950	6,000
Financial earnings	23	29	0	1	2	0	120	28	32	22	115	42
Financial expenses	238	112	77	28	2,270	421	37	35	20	12	45	207
Depreciation	2,002	1,758	1,098	1,426	2,053	1,117	1,780	1,680	451	357	1,956	1,953
Extraordinary depreciation	0	0	0	0	0	0	0	0	0	0	0	0
Segment result EBIT	**9,770**	**5,965**	**880**	**1,807**	**318**	**1,819**	**5,468**	**6,501**	**1,650**	**2,999**	**2,698**	**2,717**
Segment net assets	36,107	30,908	5,904	5,757	19,288	19,301	25,434	24,948	14,090	11,326	49,165	36,891
Segment liabilities	22,368	20,403	7,351	7,026	62,525	59,287	18,732	17,390	3,847	4,216	9,272	19,524
Segment investments without financial assets	3,506	4,960	1,244	2,711	7,520	25,091	2,594	2,195	2,231	1,452	1,502	1,861

Segment reporting of the Uzin Utz Group	Sum of all segments		Adjustments		Group	
(in KEUR)	2023	2022	2023	2022	2023	2022
External sales	479,337	487,134	0	0	479,337	487,134
Share in consolidated sales	100%	100%	0%	0%	100%	100%
Internal sales	129,347	134,982	-129,347	-134,982	0	0
Total sales	**608,684**	**622,116**	**-129,347**	**-134,982**	**479,337**	**487,134**
Other operating income	17,787	19,401	-12,295	-11,627	5,492	7,774
Financial earnings	1,024	524	-788	-434	237	90
Financial expenses	4,226	1,446	-707	-511	3,519	935
Depreciation	18,732	17,164	0	0	18,732	17,164
Extraordinary depreciation	0	0	0	0	0	0
Segment result EBIT	**36,188**	**39,065**	**-1,683**	**-2,724**	**34,505**	**36,341**
Segment net assets	328,631	297,752	-71,341	-53,738	257,290	244,014
Segment liabilities	215,611	231,685	-52,900	-63,128	162,711	168,557
Segment investments without financial assets	27,388	47,134	0	0	27,388	47,134

The previous year's figures are no longer comparable with the 2022 Annual Report due to the newly added segments USA and Germany in the "Machines and Tools" segment.

Explanatory notes on segment reporting can be found under "Other disclosures" > "Notes on segment reporting".

Transitions

The reconciliations of the total of the segment figures to the respective figures included in the financial statements are as follows:

Transition of the segment result (in KEUR)	2023	2022
Segment result EBIT	**36,188**	**39,065**
Segment result of non-operating segments	119	135
Consolidations	-1,802	-2,859
Group result EBIT	**34,505**	**36,341**

Transition of segment net assets (in KEUR)	2023	2022
Segment net assets	**328,631**	**297,752**
Segment net assets of non-operating segments	28,808	26,444
Consolidations	-100,149	-80,182
Group net assets	**257,290**	**244,014**

Transition of segment liabilities (in TEUR)	2023	2022
Segment liabilities	**215,611**	**231,685**
Segment liabilities of non-operating segments	7,826	8,165
Consolidations	-60,726	-71,294
Group liabilities	**162,711**	**168,557**

The previous year's figures are no longer comparable with the 2022 Annual Report due to the newly added segments USA and Germany in the "Machines and Tools" segment.

Information about important customers

In the financial year 2023 and in the previous year, no customer accounted for more than 10 % of the Uzin Utz Group's revenue.

Sales revenues with external customers by products/services (in KEUR)	2023	2022
Floor	361,261	364,919
Parquet	34,370	35,070
Tiles and natural stone	54,347	53,915
Other	29,359	33,230
	479,337	**487,134**

Sales revenues with external customers by geographical region (in KEUR)	2023	2022
Germany	166,737	169,117
Netherlands	91,015	92,677
America	74,821	74,902
Rest	146,765	150,437
	479,337	**487,134**

Non-current assets by geographical region (in KEUR)	2023	2022
Germany	102,676	104,008
Netherlands	43,287	41,700
America	52,981	49,446
Switzerland	39,055	37,263
Rest	14,893	12,266
	252,893	**244,682**

General information

Uzin Utz SE is listed on the Frankfurt Stock Exchange in the General Standard segment. The parent company of the Group is Uzin Utz Societas Europaea, European Company, (hereinafter also referred to as Uzin Utz SE) with its registered office in Ulm, Dieselstr. 3, Germany. The company is entered in the Commercial Register of the Ulm Local Court under the number HRB 745224. The financial year of the Uzin Utz Group corresponds to the calendar year.

As a full-service provider to the trade, the Uzin Utz Group is personally and reliably dedicated to meeting the local and international requirements and needs of its customers. The company offers its customers what it considers to be a unique range of products for floor treatment, from construction chemical product systems and surface finishes to machinery. Almost all of the products offered are developed by the Group companies themselves and reflect the high premium standards, from production to distribution to the customer.

The Uzin Utz Group is represented in 53 countries, of which 20 have production and/or sales companies (as of March 2024).

The main areas of business are in Germany, the Netherlands and Switzerland. These countries form the core markets of the Uzin Utz Group. Growth markets are located in the USA, Great Britain and France. Emerging markets, which may gradually develop into growth or core markets, are located in Europe, for example in Belgium and Poland.

The reporting currency is EUR thousand. Due to the fact that the consolidated financial statements are prepared in EUR thousand, rounding differences may occur in the addition of figures, as the calculations of the individual items are based on figures in EUR. All previous year's figures are in brackets.

The Management Board of Uzin Utz SE has released the consolidated financial statements for forwarding to the Supervisory Board. The Supervisory Board has the task to review the consolidated financial statements and to declare whether it approves the consolidated financial statements. The approval will take place on March 27, 2024.

Application of the International Financial Reporting Standards

The consolidated financial statements for 2023 were prepared in accordance with the International Financial Reporting Standards (IFRS), Inter-national Accounting Standards (IAS) and the interpretations of the Standing Interpretations Committee (SIC), the International Financial Reporting Interpretations Committee (IFRIC), as well as the supplementary provisions of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB), which were mandatory in the European Union on the reporting date.

In the 2023 financial year, the following standards and interpretations relevant for the business activities of the Group, which were mandatory for the first time in the financial year, were applied in the consolidated financial statements of Uzin Utz SE:

IFRS standard	Date of application
IFRS 17 "Insurance Contracts"	as of 01.01.2023
Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	as of 01.01.2023
Amendments to IAS 8 - Definition of Accounting Estimates	as of 01.01.2023
Amendments to IAS 12 - Deferred Taxes Relating to Assets and Liabilities Arising from a Single Transaction	as of 01.01.2023

As at January 1, 2023, the Group applied deferred taxes relating to assets and liabilities arising from a single transaction for the first time as a result of the amendments to IAS 12. As a result of the adjustment, deferred tax assets are recognized in relation to lease liabilities and deferred tax liabilities in relation to right-of-use assets. The amendment to the initial recognition exemption and the first-time application of the revised standard did not result in any material changes to the income statement. Further information from the first-time application of the amendments (IAS 12) can be found in section 15 Deferred taxes.

The application of the standards and their interpretations has no material impact on the Uzin Utz Group.

The following standards and interpretations have been published as of December 31, 2023, but their application is not yet mandatory in the consolidated financial statements of Uzin Utz AG:

IFRS standard	Date of application
Amendments to IFRS 16 - Lease Liabilities in a Sale and Leaseback Transaction	as of 01.01.2024
Amendments to IAS 1 - Classification of liabilities as current or non-current	as of 01.01.2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments	as of 01.01.2024
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	as of 01.01.2025

The option of early adoption has not been used to date and is not expected to be used in the future.

The impact of the standards and their interpretations published as of December 31, 2023 and not yet applied in the Group in the financial year 2023 is not considered to be material at the time of preparing the consolidated financial statements.

The consolidated financial statements have been prepared in euros using the functional currency principle in accordance with IAS 21. The statement of comprehensive income follows the nature of expense method.

Consolidation Methods

Consolidation Group

The consolidated financial statements include the financial statements of the parent company Uzin Utz SE and those entities in which the parent company controls the investee. It controls an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. These controlled entities are fully consolidated from the date of acquisition, i.e. from the date on which the Group obtains control. If control by the parent company ceases, the subsidiary concerned is deconsolidated.

The following overview shows the number of companies included depending on the type of consolidation.

Type of consolidation (Quantity)	31.12.2023	31.12.2022
Full consolidation	**30**	**30**
National	7	7
Abroad	23	23
Investments accounted for using the equity method	**2**	**2**
National	1	1
Abroad	1	1

Changes in the Group of consolidated companies

In the financial year 2023 an intragroup restructuring measure and a liquidation took place, which impacted the number of fully consolidated companies (indication of the percentage of interest in parentheses):

- COFOBO Holding B.V. (100 %).

In the 2022 financial year, Uzin Utz Nederland B.V. held 70% of COFOBO Holding B.V.. With effect from January 20, 2023, the remaining 30% of COFOBO Holding B.V. was acquired by Uzin Utz Nederland B.V., making Uzin Utz Nederland B.V. the sole shareholder since then. As COFOBO Holding B.V. holds 100% of INTR. B.V., the shareholding of Uzin Utz Nederland B.V. in INTR. B.V. has thus risen to 100%. The purchase price of the shares, including incidental acquisition costs, amounted to EUR 3,250 thousand, of which the buyer made a payment of EUR 2,539 thousand to the seller by bank transfer. The remaining amount of EUR 711 thousand results from a loan agreement dated December 5, 2017 between the seller, HEK Holding B.V., and the buyer, Uzin Utz Nederland B.V., which has now been offset against the purchase price. This is an intragroup transaction for which no significant transaction costs were incurred and which has no impact on the Group's net assets, financial position and results of operations.

COFOBO Holding B.V. was founded on February 7, 2018 as a holding company for the acquisition of the former companies Bosgoed Groothandel B.V. and Forinn B.V.. These were two wholesalers that made the logistics of the Uzin Utz Group more efficient with their wide range of products and their two pick-up warehouses. On April 1, 2019, the two wholesalers Bosgoed Groothandel B.V. and Forinn B.V. were merged and the new company INTR. B.V. was founded. COFOBO Holding B.V. has been fully consolidated since its first-time inclusion in the consolidated financial statements in 2018. The acquisition of the remaining 30% of the shares did not result in any change to the inclusion in the consolidated financial statements in the form of full consolidation.

Associated companies and jointly controlled companies

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity in which the investment is held. This possibility generally exists for an ownership interest of 20.0% or more, unless this can be clearly demonstrated not to be the case. In this case, there is neither control nor joint management of the decision-making processes.

Due to the significant influence, artiso solutions GmbH, Germany, in which the parent company directly holds 50.0% of the shares, is included as an associate using the equity method.

A joint venture is defined as a joint arrangement whereby the parties that have joint control have rights to the net assets of the entity in which they have an interest. Joint control is the contractually agreed, jointly exercised management of an entity. This is only the case when decisions about the relevant activities require the unanimous consent of the parties involved in joint control.

P.T. Uzin Utz Indonesia, Indonesia, which is attributable to the parent company with 49.0% of the shares, is included as a joint venture using the equity method.

Under the equity method, investments in associates or joint ventures are included in the consolidated balance sheet at cost, adjusted for changes in the Group's share of profit or loss and other comprehensive income and any distributions from the associate or joint venture after the acquisition date. Losses of an associated company or joint venture that exceed the Group's share in this associated company or joint venture are not recognized. They are only recognized if the Group has entered into legal or constructive obligations to assume losses or makes payments in place of the associated company or joint venture.

Non-consolidated companies

Companies that individually or collectively are not material for the presentation of a true and fair view of the net assets, financial position and results of operations of the Group and whose inclusion is not justified under the cost-benefit constraint are not consolidated. They are generally recognized in the consolidated financial statements at the lower of cost or fair value. The sales revenue per non-included company is less than 1.0% of consolidated sales. Total assets per non-included company are less than 1.0% of the consolidated balance sheet total. The companies not included in the consolidated financial statements are as follows:

- Artiso AG (shareholding 50%)
- Uzin Utz Tools Verwaltungs GmbH shareholding 100%)
- codex Verwaltungs GmbH (shareholding 100%)
- Servo 360° GmbH (shareholding 100%)
- Netzwerk Boden GmbH (shareholding 50%)

A list of the shareholdings of the Group companies can be found in the section "Other information" under the sub-heading "Group companies".

Consolidation Principles

The consolidated financial statements are based on the financial statements of Uzin Utz SE and the consolidated subsidiaries, which were prepared in accordance with uniform Group accounting policies. Where necessary, the annual financial statements of the subsidiaries were adjusted to the uniform group accounting and valuation methods. The basis for the adjustments were the IFRS accounting guidelines prepared by the parent company.

Capital consolidation is performed using the purchase method in accordance with IFRS 3.4 ff. for all business combinations after the transition to IFRS as of January 01, 2004. Under this method, the cost of a business combination is allocated to the identifiable assets acquired and identifiable liabilities and contingent liabilities assumed, based on their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of the investment over the Group's share of the net fair values of the identifiable assets, liabilities and contingent liabilities is recognized as goodwill. Non-controlling interests are measured at the proportionate fair value of the assets acquired and liabilities assumed (partial goodwill method).

Negative goodwill is recognized in the statement of comprehensive income after reassessment and measurement of the identifiable assets, liabilities and contingent liabilities in accordance with IFRS 3.34.

The shares in the equity of subsidiaries not attributable to the parent company are presented within consolidated equity as "non-controlling interests.

Expenses and income, liabilities and assets, equity, intercompany profits and losses, and cash flows between consolidated Group companies are eliminated in consolidation.

Deferred taxes are recognized on consolidation adjustments in accordance with IAS 12.

Currency translation

The financial statements of consolidated foreign companies prepared in foreign currencies are translated in accordance with the functional currency concept (IAS 21). The functional currency is the currency in which a foreign company predominantly generates its funds and makes payments. In the Uzin Utz Group, this is the respective local currency for almost all foreign companies. Since the companies conduct their business independently, the items in the balance sheet, including goodwill, are translated at the mean rate of exchange on the balance sheet date, equity is translated at historical rates, and expenses and income in the statement of comprehensive income are translated at weighted average rates for the year. In accordance with IAS 21.27 ff., translation differences are recognized in other comprehensive income or in profit or loss, depending on the circumstances. Comprehensive income is transferred to the statement of financial position at the values determined in the statement of comprehensive income. It was not necessary to adjust the accounting in accordance with the rules of IAS 29 in conjunction with IFRIC 7, as the Uzin Utz Group does not have any subsidiaries based in hyperinflationary economies.

The consolidated financial statements are prepared and presented in euros, the functional currency of the parent company.

In the individual financial statements included, foreign currency transactions are recorded at the exchange rates prevailing at the time of the transaction. Resulting foreign currency receivables and payables are valued at the mean rate of exchange on the balance sheet date. Exchange gains or losses resulting from the valuation or settlement of foreign currency items are recognized in the statement of comprehensive income. Exchange rate differences arising from the translation of Group companies not reporting in euros are recognized in other comprehensive income.

The main exchange rates for the Uzin Utz Group developed as follows:

Exchange rates		**Closing rates**	
(Exchange rates in foreign currency per unit EUR)		**31.12.2023**	**31.12.2022**
England	GBP	0.8691	0.8869
Switzerland	CHF	0.9260	0.9847
New Zealand	NZD	1.7504	1.6798
Poland	PLN	4.3480	4.6899
Czech Republic	CZK	24.7250	24.1150
China	CNY	7.8592	7.4229
Hungary	HUF	382.8000	400.8700
USA	USD	1.1050	1.0666
Denmark	DKK	7.4529	7.4365
Serbia	RSD	117.1737	117.3224
Sweden	SEK	11.0960	11.1218
Singapore	SGD	1.4591	1.4300

Exchange rates		Average rates	
(Exchange rates in foreign currency per unit EUR)		2023	2022
England	GBP	0.8684	0.8547
Switzerland	CHF	0.9723	1.0018
New Zealand	NZD	1.7666	1.6639
Poland	PLN	4.5260	4.6839
Czech Republic	CZK	23.9810	24.5371
China	CNY	7.6889	7.0677
Indonesien	HUF	380.6244	391.4148
USA	USD	1.0826	1.0456
Denmark	DKK	7.4513	7.4396
Serbia	RSD	117.2457	117.4543
Sweden	SEK	11.4839	10.6571
Singapore	SGD	1.4537	1.4312

The total currency impact on Group sales was -0.4% (2.3).

General accounting and valuation principles

Assumptions and estimates

In preparing the consolidated financial statements, judgments, estimates and assumptions are made that affect the reported amounts of assets and liabilities, income and expenses, and contingent assets and liabilities. The assumptions and estimates mainly relate to the determination of uniform useful lives of non-current assets throughout the Group, the recognition and measurement of provisions, including for pensions, discount rates and the realizability of future tax benefits. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years are discussed in the relevant sections.

The Group's assumptions and estimates are based on parameters that existed at the time the consolidated financial statements were prepared. However, assumptions about future developments may change due to market movements and conditions beyond the Group's control. Such changes are only reflected in the assumptions when they occur. Among other things, the war in Ukraine had a significant impact on the energy market and raw material supplies and prices. This led to major challenges. More detailed information on the impact of the war on the fiscal year can be found in the management report.

Actual figures may differ from estimates. If actual developments differ from those expected, the assumptions and - where necessary - the carrying amounts of the relevant assets and liabilities are adjusted accordingly. The assumptions and estimates made at the time of preparing the consolidated financial statements are subject to certain risks arising primarily from general macroeconomic developments.

The fair value is not always available as a market price. It often has to be determined on the basis of various valuation parameters. Depending on the availability of observable parameters and the significance of these parameters for the determination of the fair value as a whole, the fair value is assigned to levels 1, 2 or 3.

The subdivision shall be made in accordance with the following:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are either directly observable for the asset or liability or can be indirectly derived from other prices.
- Level 3 inputs are unobservable inputs for the asset or liability.
- The Group recognizes reclassifications between levels of the fair value hierarchy at the end of the reporting period in which the change occurs.
-

If the Group is affected by climate-related impacts, these are explained in the relevant sections of the notes.

Sales revenues

Sales revenues from contracts with customers

Revenues in the Uzin Utz Group are generated by the sale of goods to wholesalers, craftsmen and contractors and by the provision of services. Across all types of revenue, no financing component is recognized. In no case is there a significant financing component, as there are no payment terms that exceed a term of one year. For this reason, the option under IFRS 15.63 was used, which means that a financing component need not be recognized.

The payment terms underlying the types of revenue are explained in the following three sections. Since the customer does not have a legal claim to consideration until the net payment target has expired, no cash discount periods were taken into account when determining the payment targets.

Sale of goods to wholesalers, craftsmen and contractors

The Group manufactures and distributes products and machinery for the new installation, renovation and maintenance of value of all types of floor coverings. The products are mainly produced for the anonymous market and subsequently sold on this market. The customers of the products are wholesalers, craftsmen and contractors.

The point in time at which control is transferred to the customer is decisive for revenue recognition. In the case of the sale of goods, control is transferred to the customer after delivery has taken place in accordance with the agreed delivery terms.

Revenue is recognized at different times depending on the national company. As soon as the revenue is recognized, a corresponding receivable is recognized. The receivable can be settled by the customer within the net payment target stated on the invoice. A net payment target of 30 days is the most common in the Group. The second most common payment term is immediate payment. The third and fourth most important payment terms are a net payment target of 14 days and 45 days. The remaining sales are distributed over a large number of payment terms, which, however, only account for a small share of the sales of the Uzin Utz Group.

For foreign shipments with longer delivery times, the delivery condition EXW (Ex Works) is mainly used. Within the countries in which the national companies are located, short delivery times of between one and three days can often be guaranteed. In addition, in a majority of the companies, last loading or shipping dates are specified. Depending on the company, the last shipment takes place between one and two weeks before the end of the fiscal year. As a result of the facts explained, only goods to which an insignificant amount is allocated in comparison to annual sales are on their way to the customer as of the balance sheet date, if at all.

For the remaining national companies, the delivery date stated on the delivery bill is decisive for revenue recognition. This is determined on the basis of the date of shipment and includes the regular delivery times to the customer. The revenue recognition method also mainly involves short delivery times.

In particular, customers with large purchase volumes receive bonuses at the end of the year based on the purchase volume of the entire fiscal year. Revenue may only be recognized if it is highly unlikely that it will be reversed at a later date. In order to recognize bonuses that are expected to be granted in the recognized revenues, bonus accruals based on experience are recognized during the year. When calculating the reported net sales, these are adjusted for the provisions. As a result, revenue is recognized to the extent that it is highly probable that no significant cancellation will occur.

License sales revenues

License revenues are generated in the form of usage-based license fees. A license has been granted for the production of contractually defined products. The agreement specifies the royalty per product for one unit produced. The amount of the royalty per quarter is derived from the amount of production of the respective products, in addition to a contractually agreed minimum amount per quarter in which licensed products are produced. In accordance with IFRS 15.B63, usage-based license fees are to be recognized at the time the license is used. This is the case when a product for which the license was granted has been produced. There are no license revenues in the Group in fiscal year 2023.

Provision of services

Services provided within the Group include maintenance and repair of machinery for floor covering removal, floor covering installation and subfloor preparation. This is a performance fulfillment at one point in time. The Group's performance has been fulfilled when the maintenance has been performed or the machine has been repaired. At this point in time, the sales revenue is recognized and a receivable is booked. Depending on the company performing the work, the receivable is settled either on the basis of a generally applicable payment term of 14 days or on the basis of the payment term defined for the respective customer. In this case, the receivables from repairs and maintenance of machines are essentially to be settled after 10 or 30 days.

In addition to the maintenance and repair of machinery, a small number of national companies provide services on construction sites in which all activities associated with the installation of a new floor covering are performed. In this case, it is necessary to check whether there is a performance of services over a period of time. This would mean that it would have to be determined at the reporting dates which part of the service obligation has already been fulfilled and thus revenue recognized. In the case of services at construction sites, the work performed to date can be used to determine the extent to which the service has already been rendered and the amount of revenue recognized as of the reporting date. If the service is recognized before a reporting date, revenue is recognized when the service has been fully rendered. The confirmation from the project manager on the customer's side serves as proof of this. Revenue is not recognized until the customer has accepted the project and confirmed that the service has been fully performed. In the same step, a receivable is recognized which, in the case of the largest project customer, must generally be settled within 14 days. For the remaining project customers, the regularly agreed payment terms apply. In the national companies that are active in the project business, the payment terms agreed are mainly cash in advance, 30 days and 60 days.

The following disclosures on contract assets and liabilities relate to all types of revenue, which have been explained.

Contract assets

A contract asset is a legal entitlement to consideration for goods or services transferred to a customer, provided that this entitlement is not linked solely to the passage of time. Contract assets exist, for example, when the fulfillment of a performance obligation is not sufficient for the existence of a legal claim, but another performance obligation must first be fulfilled.

Contract liabilities

A contract liability is defined as an obligation of a company to transfer goods or services to a customer for which it has already received consideration. Contractual liabilities exist in the Uzin Utz Group in the form of advance payments received on orders. At the end of the financial year 2023, contract liabilities amounted to EUR 125 thousand (10). Of the amount of EUR 10 thousand reported in contract liabilities at the beginning of the financial year, EUR 10 thousand (18) was recognized as revenue in 2023.

There was no difference resulting from exchange rate effects EUR 0.0 thousand (0). The period between receipt of the advance payment and provision of the service is on average 1.9 days (1.9) in the Uzin Utz Group. Likewise, the share of the payment term "cash in advance" in the total sales revenue has an influence on the amount of advance payments received on orders and thus on the contract liabilities. In 2023, prepayment was used for 1.3% (1.2) of the Uzin Utz Group's sales revenues.

As permitted by IFRS 15, no information is provided on the remaining performance obligations as of December 31, 2023, which have an expected original term of one year or less.

Research and development costs

According to IAS 38, research costs may not be capitalized. Costs for research activities are recognized as an expense in the period in which they are incurred. An internally generated intangible asset arising from development activities or from the development phase is capitalized if certain specified criteria are met. Accordingly, capitalization is always required if the development activity is expected to generate future economic benefits and cash inflows that exceed the normal costs and also cover the corresponding development costs. In addition, various criteria must be met cumulatively with regard to the development project or the project or process to be developed.

These requirements are predominantly not met in the Uzin Utz Group, as the nature and dimension of the characteristic research and development risks mean that the functional and economic risk of products under development can generally only be estimated with sufficient reliability when

- the development of the products or processes in question has been completed and

- after completion of development, it is demonstrated that the products meet the necessary technical and economic requirements of the market.

The Group's research and development expenses in 2023 amounted to EUR 13,652 thousand (12,814).

Taxes

Income taxes comprise both current and deferred taxes and are recognized in the income statement. Deferred taxes are also recognized directly in other comprehensive income if they relate to items that are recognized directly in other comprehensive income.

The current income taxes reported relate to corporation tax and trade tax in Germany. In the case of the foreign companies, this mainly relates to income-related taxes calculated in accordance with the national tax regulations applicable to the individual companies.

Current tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The calculation of the expected tax payments or refunds is based on the tax rates and tax laws applicable at the balance sheet date.

Deferred taxes are recognized using the liability method on temporary and quasi-temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. In accordance with IAS 12.21, deferred taxes are not recognized for goodwill that cannot be amortized for tax purposes.

In addition, deferred tax assets are recognized for all deductible temporary differences, unused tax loss carryforwards and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax loss carryforwards and unused tax credits can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and a valuation allowance is recognized to the extent that it is not probable that the expected benefits from the loss carryforwards will be realized. The assessment made may be subject to change over time, which may result in a reversal of the valuation allowance in subsequent periods.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the temporary differences are expected to reverse or the tax loss carryforwards are expected to be utilized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset in accordance with IAS 12 if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and these relate to income taxes levied by the same taxation authority on the same taxable entity.

Intangible assets

Intangible assets are initially recognized at cost, taking into account incidental acquisition costs. Amortization is recognized as an expense on a straight-line basis over the useful lives of the assets. The amortization period for industrial property rights and licenses as well as product know-how is a maximum of 20 years.

The acquisition costs of new software and the costs of implementation are capitalized and amortized over the expected useful life of three to five years.

In accordance with IAS 38, costs for internally generated intangible assets are recognized in profit or loss in the period in which they are incurred.

Goodwill

Goodwill arising from a business combination is measured at the excess of the cost of acquisition over the acquirer's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the entity. In accordance with IAS 36, goodwill is not amortized on a scheduled basis, but is only written down on an unscheduled basis if impairment is identified. For the purpose of impairment testing, goodwill is generally allocated to cash-generating units that represent the lowest levels within the entity at which goodwill is monitored internally for management purposes and that are no larger than an operating segment as defined by IFRS 8 that has not yet been combined with other segments for segment reporting purposes.

Property, plant and equipment

Property, plant and equipment subject to wear and tear are stated at cost less accumulated depreciation and impairment losses. Production costs are determined on the basis of directly attributable individual costs and appropriate overheads. Cost comprises the purchase price, including any import duties and unpaid purchase taxes incurred in connection with the acquisition, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Group. Rebates, discounts and similar reductions in acquisition costs are deducted.

Assets under construction are stated at cost less any impairment losses recognized. Cost includes fees for external services and, in the case of qualifying assets, borrowing costs that are capitalized in accordance with the Group's accounting policies. These assets are assigned to an appropriate category within property, plant and equipment when completed and ready for their intended use. Depreciation of these qualifying assets begins on the same basis as for other property, plant and equipment when the asset is ready for use.

Depreciation is generally calculated on a straight-line basis over the estimated useful lives of the assets. The following values serve as a guideline for determining the useful life:

Depreciation	Years
Buildings	19 - 50
Technical equipment and other machinery	10 - 25
Other equipment	5 - 20
Operating and office equipment	5 - 15
IT and software	3 - 5

Land and assets under construction are not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from the continued use or sale of the asset.

Gains or losses resulting from the disposal of assets are recognized in profit or loss in the period of disposal.

Impairment

The carrying amounts of the assets of the Uzin Utz Group, with the exception of investment properties (see Investment properties), deferred tax assets (see Taxes on income) and financial assets of a financing nature (see Financial assets, securities and derivatives), are reviewed on the balance sheet date to determine whether there are any indications of impairment. The carrying amounts of goodwill and non-depreciable intangible assets must be tested for impairment at least once a year. In addition, in accordance with IAS 36.9 in conjunction with IAS 36.12, an impairment test must be carried out at each reporting date using certain triggering events. If there are indications of possible impairment of the asset, an event-related impairment test must also be carried out despite the mandatory annual test.

As part of the impairment test, the carrying amount of an asset is compared with its recoverable amount in order to test the asset for impairment.

The recoverable amount is the higher of net realizable value and value in use. Net realizable value is the amount obtainable from the sale of an asset in an arm's length transaction, less the costs of disposal. The value in use corresponds to the present value of estimated future cash flows from continued use of the cash-generating units with subsequent perpetual annuitization of the cash flows. The value in use must be determined using a present value calculation.

If neither the fair value less costs to sell nor the value in use is equal to the carrying amount, the asset must be written down by the difference and recognized in profit or loss. If goodwill has been allocated, this must be written down first. The carrying amounts of the individual assets of the cash-generating unit are written down pro rata in accordance with their carrying amounts by the amortization amount or residual amortization amount (in the case of allocated goodwill), thus reducing the balance sheet items. If the reason for an impairment loss recognized in previous years no longer applies, the impairment loss is reversed up to a maximum of the amortized cost, with the exception of goodwill.

The concept of the impairment test relates primarily to the principle of individual valuation.

Due to existing compound effects and thus non-independent cash flows, the recoverable amount for the Uzin Utz Group is determined on the basis of cash-generating units. The cash-generating units generally represent the legal units of the consolidated financial statements. At the Uzin Utz Group, the recoverable amount corresponds to the value in use, which is determined using the discounted cash flow method. The basis for determining future cash flows is the data from the detailed corporate planning for each individual cash-generating unit. This corporate planning relates to the financial years 2024 to 2028. Following this five-year planning period, a change is made to a perpetual annuity.

The projections - regarding market potential and purchasing behavior - are updated taking into account the previous course of business and expected future developments.

There are estimation uncertainties with regard to the assumptions on which the calculation of the value in use of the cash-generating units is based. Specifically, this relates to the estimation of growth assumptions and discount rates. In particular, the growth assumptions and thus the expected sales are estimated on the basis of empirical values and individual assessments of the respective opportunities in the respective markets.

Under the current macroeconomic conditions, these estimates are subject to increased uncertainty. If these assumptions and estimates are not confirmed, this could lead to impairment losses being recognized for individual cash-generating units in the future.

For the past financial year, the Uzin Utz Group carried out impairment tests in accordance with IAS 36 on the basis of the value in use of cash-generating units as of September 30, 2023 for goodwill. Using the parameters as at the reporting date of September 30, 2023, the cash-generating units have risk-equivalent capitalization rates of between 9.9 % (December 31, 2022: 9.2 %) and 14.7 % (December 31, 2022: 12.1 %). The capitalization interest rate assumes growth of 1.0 %. The basis for calculating the capitalization interest rates is a beta factor of 0.9 (December 31, 2022 1.0 %). These are pre-tax interest rates. The previous year's figures were reported as at December 31, 2022 due to the existence of a triggering event in accordance with IAS 36.9 in December 2022 as a result of the turnaround in interest rates. Nevertheless, the impairment tests are carried out annually as at September 30 for reasons of consistency, which is why the figures as at September 30 are being published again this year.

Investment Properties

According to IAS 40.5, investment property is property held to earn rentals or for capital appreciation. Such property is initially recognized at cost, including transaction costs. Subsequent measurement in the Uzin Utz Group is based on the fair value model. If there are significant changes in fair value, the resulting gains and losses are recognized in profit or loss.
Investment property is derecognized upon disposal or when the property is permanently withdrawn from use. If no further economic benefit is expected from a future disposal, the property is also derecognized. Gains and losses resulting from the derecognition of an investment property are recognized as income or expense in the income statement.

Financial instruments

"IFRS 9 Financial Instruments" requires the measurement of financial assets, financial liabilities and some contracts to buy or sell non-financial contracts.

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. These include both primary financial instruments (e.g. trade receivables or trade payables), derivative financial instruments (e.g. forward transactions to hedge against the risk of changes in value) and derivative financial instruments in the context of a hedging relationship (e.g. forward exchange purchase/sale for foreign currency liabilities).

Financial assets and financial liabilities are generally not offset. They are only offset if there is a legal right to offset and the intention is to settle on a net basis.

Classification and measurement of financial assets

If a reclassification takes place, all affected assets must be adjusted on the first day of the reporting period following the change in the business model. The Uzin Utz Group mainly recognizes financial assets in the form of trade receivables, which continue to be measured at amortized cost when the business model (hold) and cash flow conditions are met. The same applies to trade payables and other liabilities.
Income is recognized on financial assets on the basis of the effective interest rate. This does not apply to instruments classified as at fair value through profit or loss.

Depreciation in value

The standard IFRS 9 requires an impairment model, which is based on adequate risk provisioning to ensure expected losses.

In the Uzin Utz Group, the application of an impairment model according to IFRS 9 is only required for trade receivables. The Uzin Utz Group does not have any financial guarantees or active contract assets in accordance with IFRS 15 that fall under the application of IFRS 9. As a rule, lease receivables in the Uzin Utz Group are short-term in nature. These are tested for individual impairment if necessary.

Impairment losses in accordance with IFRS 9 are shown in the statement of comprehensive income under the item "other operating expenses".

As the trade receivables in the Uzin Utz Group are current and therefore do not contain a significant interest component, they are measured using the simplified impairment model (IFRS 9.5.5.15f.). Under this simplified approach, changes in credit risk do not have to be tracked. For credit risks, an individual impairment loss is recognized if necessary. Possible risks in connection with credit commitments are explained in more detail under "Credit risks". Instead, a risk provision is recognized both at initial recognition and at each subsequent reporting date in the amount of the expected default risks.

Explanations of the impairment matrix and the associated default risks in accordance with IFRS 9 can also be found under the heading "Credit risks.

Explanations on financial risk management can be found both under the corresponding item in the notes to the consolidated financial statements and in the risk reporting section of the Group management report.

IAS 36, on the other hand, governs the recognition of impairment losses on assets. The Group assesses whether the carrying amount of an asset exceeds its fair value and determines the impact of write-ups or write-downs of assets on the statement of comprehensive income.

An impairment loss may be required to be recognized for a financial asset or group of financial assets as part of the impairment test. The minimum set of factors to be used in assessing whether there is potential for impairment is set out in IAS 36.12 a) - g). An entity shall assess at least at each balance sheet date whether there is objective evidence that an asset may be impaired.

If there is an indication that an asset may be impaired, the recoverable amount of the asset must be estimated (IAS 36.9).

The recoverable amount according to IAS 36.18 is defined as the higher of an asset's fair value less costs to sell and its value in use. If either of these amounts exceeds the carrying amount of the asset, the asset is not considered impaired and it is not necessary to estimate the other amount (IAS 36.19).

If the fair value less costs to sell cannot be determined, the recoverable amount is the asset's value in use (IAS 36.20). For assets that are held for sale and there is no reason to believe that the value in use significantly exceeds the fair value less costs to sell, the recoverable amount may be considered to be the fair value less costs to sell (IAS 36.21).

Adequate allowance is always made for all identifiable default risks.

Financial assets are derecognized when the contractual rights to payments from the financial assets expire or a transfer of the financial assets with all material opportunities or risks takes place. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expire.

The net gains and losses mainly comprise the effects of impairment losses and foreign currency measurement recognized in the operating result and interest expense and income recognized in the financial result.

Non-current financial assets and investments accounted for using the equity method

The item "Non-current financial assets" includes shares in affiliated companies and investments that are not included in the consolidated financial statements. Companies for which the fair values cannot be reliably determined are recognized at cost. Investments accounted for using the equity method are measured in accordance with IAS 28 "Investments in Associates and Joint Ventures".

Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of raw materials and supplies and of merchandise is determined using the first-in, first-out (FiFo) method.
In accordance with IAS 2 "Inventories", the cost of work in progress and finished goods includes - in addition to production material and direct labor - a proportion of material and production overheads based on the assumption of normal capacity utilization, including depreciation on production equipment, as well as production-related social costs. Interest on borrowings is not capitalized under inventories.
Write-downs for significant inventory risks are made to an appropriate and sufficient extent. The principle of loss-free valuation is observed at all times.

Trade receivables

Trade receivables are initially measured and recognized at fair value plus directly attributable transaction costs. Subsequent measurement is generally based on classification in the measurement category "amortized cost" using the effective interest method.
Impairment losses in accordance with IFRS 9 are taken into account, see section "Impairment".

Other assets

The item "Other assets" comprises financial and non-financial assets including derivative financial instruments. Financial assets - with the exception of derivative financial instruments - are allocated to the measurement category "at amortized cost. Initial recognition is at fair value, including directly attributable transaction costs. Subsequent measurement is generally at amortized cost using the effective interest method. Non-financial assets are carried at the lower of nominal value or amortized cost. With some exceptions, the carrying amounts of the Group's non-financial assets are reviewed annually for indications of impairment. For further details in connection with the impairment test, please refer to the section "Impairment".

Cash and cash equivalents

This item includes cash on hand, bank balances and checks. Cash in hand and bank balances are allocated to the category "amortized cost" in accordance with IFRS 9 and measured at fair value at the time of initial recognition, including directly attributable transaction costs. Subsequent measurement is generally at amortized cost using the effective interest method. Foreign currency balances are measured at the closing rate at the balance sheet date.

Assets held for sale

If the carrying amount of a non-current asset is recovered principally through a sale transaction rather than through continuing use, the asset is classified as held for sale in accordance with IFRS 5.
This is the case if the asset is available for immediate sale and the sale is highly probable.
As soon as the criteria for classifying a non-current asset as "held for sale" are met, the asset must be reclassified as a current asset. The asset must be recognized at the lower of its carrying amount and fair value less costs to sell, with certain exceptions specified in IFRS 5.5. Gains and losses arising from initial classification or subsequent remeasurement are recognized in profit or loss.

Non-current and current financial liabilities

The non-derivative financial instruments reported under this item comprise financial liabilities to banks and derivative financial instruments. In accordance with IFRS 9, non-derivative financial liabilities are initially recognized at fair value. For financial liabilities not recognized at fair value through profit or loss, directly attributable transaction costs are taken into account. In subsequent periods, they are generally measured at amortized cost using the effective interest method.

Derivative financial instruments and hedge accounting

In accordance with the option, hedging relationships continue to be measured in accordance with IAS 39 even after the application of IFRS 9. The Group enters into derivative financial instruments only as hedging instruments. These hedging transactions are used to manage interest rate and currency fluctuations and serve to reduce earnings volatility. No derivatives are held for trading purposes. Derivatives that do not meet the requirements of IAS 39 for hedge accounting are assigned to the "financial instruments held for trading" category. Derivative financial instruments are recognized as financial assets if their fair value is positive and as financial liabilities if their fair value is negative. At inception, derivative transactions are recognized at cost, which is generally their fair value. In subsequent years, they are also recognized at their fair values. Gains and losses arising from changes in the fair value of financial instruments held for trading are recognized immediately in profit or loss.

Hedging relationships that meet the requirements of IAS 39 for hedge accounting are classified as cash flow hedges, as they involve hedging the exposure to variability in cash flows from a highly probable forecast transaction. Gains and losses resulting from effective cash flow hedges are recognized in other comprehensive income, net of deferred tax effects. If gains and losses result from ineffective portions of the hedge, they are recognized in profit or loss or recycled to the statement of comprehensive income.

Recycling to the consolidated statement of comprehensive income takes place in the period in which the hedged item affects profit or loss or is no longer expected to occur.

Non-current and current lease liabilities

In accordance with IFRS 16, lease liabilities are initially recognized at the present value of the lease payments to be made. Subsequent measurement is generally based on the lease payments made during the term of the lease as a reduction of the carrying amount. Changes in the lease may result in a change in the lease liability. For more information, please refer to the section "General accounting policies > Leases".

Provisions

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the provision. Non-current provisions are discounted if the interest effect resulting from discounting is material.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with an actuarial valuation performed at each reporting date. The revaluations recognized in other comprehensive income are part of retained earnings and are no longer reclassified to the statement of comprehensive income. Past service cost is recognized as an expense when the plan amendment occurs.

The net interest is calculated by multiplying the discount rate by the net liability (pension obligation less plan assets) or the net asset value, which results if the plan assets exceed the pension obligation. The defined benefit cost includes the following components:

- Service cost (including current service cost, past service cost and any gain or loss on plan amendment or curtailment)
- Net interest expense or income on the net liability or asset
- Revaluation of net liability or net asset value

The Group reports the first two components in the income statement under "Personnel expenses". Gains or losses on curtailments are recognized as past service cost. The defined benefit obligation recognized in the consolidated statement of financial position represents the current under- or overfunding of the Group's defined benefit plans. Any surplus arising from this calculation is limited to the present value of future economic benefits available in the form of refunds from the plans or reduced future contributions to the plans.

Payments to defined contribution plans are recognized as an expense when the employees have rendered the service that entitles them to the contributions.

Obligations similar to pensions of the foreign companies are measured analogously.

Trade accounts payable

Trade accounts payable are initially measured and recognized at fair value plus directly attributable transaction costs. Subsequent measurement is generally based on classification in the measurement category "amortized cost" using the effective interest method.

Leasing

Leases exist if two defining criteria are met. Firstly, a lease must be based on an identified asset. This is the case if the asset is specified in the contract and the lessor does not have a substantial right to exchange the asset during the term of the contract. Furthermore, the lessor must transfer to the lessee the right to control the use of the identified asset. The lessee has the right to use an asset if it can control the use of the asset throughout its useful life. In addition, the lessee must be able to obtain, directly or indirectly, substantially all of the economic benefits embodied in the asset.

If a contract is a lease in accordance with IFRS 16, the lease must be recognized in the balance sheet. To determine the liability to be recognized, the payments to be made over the term of the contract are discounted at the beginning of the term of the contract. If no interest rate can be determined on the basis of the contract, the incremental borrowing rate is used for discounting. At the same time as the liability is recognized, the so-called right-of-use asset is capitalized. The basis for the amount to be capitalized is the present value of the payments to be made over the term of the contract. In addition, the right of use includes costs that can be directly allocated to the contract. Subsequent to initial recognition in the balance sheet, the liability recognized is extinguished by the lease payments and the capitalized right-of-use asset is depreciated using the straight-line method. If adjustments are made to existing leases, for example, the term is extended or the lease payment increased, the liability and the right-of-use asset are adjusted. For this purpose, the payments to be made as of the change are discounted and compared with the liability existing immediately before the change. The right-of-use asset is adjusted accordingly, depending on whether the change in the contract results in a reduction or an increase in the liability.

Future increases in the lease payments resulting from a change in an index under the lease agreement are not taken into account when recognizing the liability and the right of use. The right-of-use asset and the lease liability are adjusted only after the relevant index has changed. Therefore, when the lease is recognized for the first time, the lease rate applicable at that time is decisive.

The Uzin Utz Group has opted to use the option available for leases of minor value (EUR 4,500.00) or short-term lease term (up to twelve months). As a result, leases for items of minor value and leases with a short-term lease term are not recognized in the statement of financial position. Payments for these contracts are recognized in full as expenses in the statement of comprehensive income. Further options in connection with IFRS 16 are not used.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that necessarily take a substantial period of time to get ready for their intended use or sale) are added to the cost of those assets in accordance with IAS 23 until the assets are substantially ready for their intended use. Income earned from the temporary investment of borrowed capital specifically raised until it is spent on qualifying assets is deducted from the capitalizable cost of these assets.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Government grants

The Uzin Utz Group recognizes government grants in accordance with IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance" only when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. The grants are recognized in the income statement in the periods in which the related expenses, which are intended to compensate for the government grants, are incurred.

The Group received government grants. One of the grants it received in 2015 amounted to EUR 289 thousand. These grants are tied to the condition that a manufacturing company is active on the property for 15 consecutive years. The production facility became operational in mid-2015. In addition, an employment subsidy of EUR 129 thousand was granted in 2018 on the condition that 18 full-time employees are employed between January 15, 2019 and December 31, 2023. This condition is deemed to have been met and the grant was recognized as other income.

In addition, the Group was granted a subsidy of around EUR 441 thousand in 2021 for a plot of land on which another production facility is being built. The grant has been recognized in the balance sheet under "Property, plant and equipment" since the completion of the construction project. The condition for the grant was that the land in question was purchased by February 8, 2021. In addition to this grant, there are further grants amounting to around EUR 1,324 thousand, which are subject to further conditions. A minimum investment of around EUR 17,226 thousand in real estate, a minimum investment of around EUR 8,415 thousand in personal property, obtaining a certificate of occupancy for a facility with an area of at least 125,000 m² and the creation of 42 jobs by December 31, 2024, whereby the place of residence for these jobs must be specified, must be met. Due to supply bottlenecks caused by the COVID-19 pandemic, the deadline for the certificate of occupancy was extended to June 30, 2023. The US company received the certificate of occupancy in the 2023 reporting year and has therefore fulfilled this condition. The remaining grants will be made available to the Group when all obligations have been cumulatively fulfilled. See also the section on contingent liabilities.

The benefit of a government loan at a below-market interest rate is treated as a government grant and measured at the difference between the payments received and the fair value of a loan at the market interest rate. The Uzin Utz Group has a first-class credit rating, which is reflected in low bank margins on current overdraft facilities and long-term loans. In 2023, a development loan from KFW was utilized, which complies with the de minimis principle and was almost fully utilized.

Liquidity resources and management in the Uzin Utz Group were always ensured for the entire year 2023.

Contingent liabilities and contingent assets

Contingent liabilities are not recognized in the balance sheet. They are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the balance sheet. However, they are disclosed in the notes if the inflow of economic benefits is probable.

Subsequent events after the balance sheet date

Events after the balance sheet date that provide additional information on the situation of the company at the balance sheet date (reportable events) are recognized in the financial statements. Events after the balance sheet date that do not require recognition are disclosed in the notes to the financial statements if they are material.

Statement of Comprehensive Income Disclosures

The income statement is classified using the nature of expense method.

1 Sales revenues

Sales are recognized in the regions in which they are actually realized. The regions are therefore to be regarded as the centers of revenue recognition and, in this function, have a significant influence on the type, amount, timing, uncertainties and corresponding cash flows. For this reason, sales are categorized by region.

Sales revenues Breakdown by geographically defined markets (in KEUR)	**2023**	**2022**
Germany	166,737	169,117
Rest of Western Europe	178,110	182,091
Southern Europe	11,352	9,876
Eastern Europe	23,556	23,510
Northern Europe	13,037	14,078
Asia-Pacific	11,382	13,186
America	74,821	74,902
Rest	343	374
	479,337	**487,134**

Further breakdowns of sales can be found in the Group segment report.

2 Other operating income /Income from investment properties

Other operating income / income from financial investments (in KEUR)	**2023**	**2022**
Reversal of provisions	815	880
Decrease in value adjustments	335	306
Income from the disposal of property, plant and equipment	212	174
Income from written-off receivables / creditors	5	55
Price gains	1,009	3,461
Indemnities	808	558
Typical ancillary revenues	893	530
Other operating income	1,415	1,811
	5,492	**7,774**

Exchange rate gains resulted primarily from the Swiss franc, the Hungarian forint and the Polish zloty over the course of the year.

The remaining amount is made up of a large number of smaller amounts.

Income from investment property results from the recognition of investment property at fair value based on observable data and unobservable data. In the reporting year, this resulted in income of EUR 0 thousand (284).

3 Cost of materials

Cost of materials (in KEUR)	**2023**	**2022**
Cost of raw materials, consumables and supplies and of purchased goods	212,622	241,791
Cost of purchased services	0	0
	212,622	**241,791**

4 Personnel expenses / employees

Personnel expenses (in KEUR)	2023	2022
Wages and salaries	103,578	100,218
Social contributions	21,431	21,202
thereof expenses for old-aged benefit	2,403	2,803
	125,009	**121,420**

The average number of employees in the Uzin Utz Group during the year was as follows:

Employees	2023			2023
(in an annual average)	National	Abroad	Total	Total
Apprentices	38	6	44	47
Industrial employees	267	207	474	481
Employees	514	491	1,005	985
	819	**705**	**1,524**	**1,513**

The number of employees is calculated taking part-time employees into account on a pro rata basis and therefore does not represent headcount, but rather percentages (full-time equivalents).

There are currently no stock option programs or similar securities-based incentive systems for employees.

5 Other operating expenses

Other operating expenses are mainly composed as shown in the following table.

Other taxes include property taxes, vehicle taxes and other miscellaneous taxes.

Exchange rate losses in 2023 result primarily from the performance of the US dollar, the Swedish krona and the Czech koruna.

Offset against the exchange rate gains (see 2. Other operating income, item exchange rate gains), there was an exchange rate loss of EUR 729 thousand (previous year: exchange rate gain of EUR 775 thousand).

Other operating expenses (in KEUR)	**2023**	**2022**
Distribution expenses	9,871	9,116
Local transport expenses	29,711	33,537
Storage expenses	4,776	4,593
Advertising expenses	11,182	10,314
Rental and leasing expenses	1,221	1,604
Maintenance, repairs and service	7,419	6,625
Insurance expenses	2,178	1,845
Other operating expenses	7,064	6,377
Administrative expenses	6,716	6,558
Rate losses	1,737	2,686
Increase of adjustment	538	400
Other expenses	5,897	6,460
Other taxes	1,157	1,177
	89,468	**91,292**

6 Investment accounted for using the equity

P.T. Uzin Utz Indonesia was founded in 2007 and included in the consolidated financial statements at equity for the first time in the 2008 financial year. artiso solutions GmbH has been part of the Uzin Utz Group since 1999 and was consolidated at equity for the first time in the 2014 financial year. The financial statements of artiso solutions GmbH are prepared in accordance with IFRS, while the financial statements of P. T. Uzin Utz Indonesia are prepared in accordance with local law. artiso solutions GmbH is an innovative IT company that develops individual software. P.T. Uzin Utz Indonesia produces and distributes construction chemical products under the UZIN brand.

The carrying amounts of the equity-accounted investment in P.T. Uzin Utz Indonesia and artiso solutions GmbH are as follows in the financial year.

Book value (in KEUR)	**2023**	**2022**
Book value as of January 01	1,368	1,433
Inflows (+)/outflows (-)	0	0
Additions (+) / disposals (-) due to results	25	-34
Transfers	0	0
Currency adjustments	-27	-21
Disposals due to dividend distributions	0	-9
Book value as of Dezember 31	**1,367**	**1,368**

The following tables show the statement of comprehensive income and the balance sheet of the investments accounted for using the equity method for each company.

Balance data P.T. Uzin Utz Indonesia (in KEUR)	**31.12. 2023**	**31.12. 2022**
Non-current assets	295	296
Current assets	2,185	2,009
thereof liquid assets	324	207
Non-current liabilities	41	42
Current liabilities	831	587
thereof financial liabilities	96	40
Equity	1,608	1,676
Proportional equity (49%)	788	821
Goodwill	0	0
Book value from investments accounted for using equity method	**788**	**821**

Result data P.T. Uzin Utz Indonesia (in KEUR)	**2023**	**2022**
Sales revenues	1,692	1,719
Depreciation	22	0
Interest earned	2	2
Interest expenses	0	0
Income tax expenses	0	0
Total result	**-13**	**-49**
Proportional result (49%) after taxes	-7	-24
Other	0	0
Result after taxes from investments accounted for using equity method	**-7**	**-24**

Balance data artiso solutions GmbH (in KEUR)	31.12. 2023	31.12. 2022
Non-current assets	873	898
Current assets	1.024	821
thereof liquid assets	5	2
Non-current liabilities	343	390
Current liabilities	600	438
thereof financial liabilities	488	380
Equity	955	891
Proportional equity (50%)	477	446
Goodwill	101	101
Book value from investments accounted for using equity method	**579**	**547**

Reult data artiso solutions GmbH (in KEUR)	2023	2022
Sales revenues	4,444	3,745
Depreciation	139	116
Interest earned	0	0
Interest expenses	16	0
Income tax expenses	20	0
Total result	**63**	**-21**
Proportional result (50%) after taxes	32	-10
Other	0	0
Result after taxes from investments accounted for using equity method	**32**	**-10**

7 Financial result

Financial expenses (in KEUR)	2023	2022
Loans and overdrafts	3,195	755
Interest expense on leased assets	226	142
Other sundry interest expenses	98	38
	3,519	**935**

Interest in the amount of EUR 547 thousand (30) was recognized as an expense for non-current liabilities to banks in the year under review. In the year under review, EUR 278 thousand in interest was capitalized as part of the production of property, plant and equipment (523).

The weighted average financing cost rate of the capitalized interest amounts to 6.5 % (5.1).

Financial earnings (in KEUR)	**2023**	**2022**
Interest income from bank balances	197	78
Interest on loans and advances to customers	3	3
Other interest and similar income	37	9
	237	**90**

8 Taxes on income/Deferred tax

The reporting of current taxes on income in Germany relates to corporation tax and trade tax. Abroad, these are performance-related taxes determined on the basis of national tax regulations.

The composition of the Group's tax expense is as follows:

Tax expense (in KEUR)	**2023**	**2022**
Profit and loss account	**8,650**	**9,321**
Current taxes on income and earnings	9,796	11,272
Deferred taxes		
from consolidation measures	543	950
from losses carried forward	-30	21
from differences between the valuation basis	-1,659	-2,921
Other result	**273**	**-216**
Deferred taxes		
from income on financial instruments	7	-18
from actuarial gains and losses	266	-199

The recognition of deferred taxes was generally based on the tax rate applicable or enacted for the respective company. The combined tax rate of the parent company of 28.4% was used to simplify the calculation of deferred taxes on consolidation measures affecting income. For the calculation of deferred taxes on loss carryforwards, the tax rate of the respective country of domicile of the company was used. Accordingly, when recognizing deferred taxes on loss carryforwards for domestic companies, attributable tax rates of between 12.6% and 14.7% would be used for trade tax (depending on the respective trade tax multipliers) and 15.8% for corporate income tax including solidarity surcharge. Dividends payable in Germany by Uzin Utz SE have no influence on the tax burden of the Group.

The tax expense based on the earnings before taxes on income and the combined tax rate of 30.0% (theoretical tax expense) calculated in simplified form for the companies of the Uzin Utz Group domiciled in Germany is reconciled to the actual tax expense as follows:

Reconciliation of theoretical/actual tax expense (in KEUR)	**2023**	**2022**
Income before Income taxes	**31,247**	**35,453**
Theoretical tax expense with 30% (tax ratio Group)	9,374	10,636
Deviations due to tax rates	-1,281	-1,829
Tax-exempt income	-100	-103
Tax increases / decreases due to additions and deductions for local taxes	-7	-73
Non-deductible expenses (+)/income (-)	917	898
Income from investments for tax purposes	0	0
Back taxes (+) for previous years	204	16
Tax refunds (-) for previous years	-119	-175
Tax effect of investments accounted for using the equity method	-8	13
Losses and temporary differences of the current year for which no deferred tax asset was recognized	-122	185
Tax effect from loss carryforwards / tax exemption	-254	-316
Other deviations	45	71
Actual tax expenditure	**8,650**	**9,321**

The effective tax rate is 27.7% (26.3).

The actual tax expense is EUR 724 thousand below than the expected tax expense that would result from applying the tax rate of the parent company.

The change in deferred taxes resulted in an impact on tax expenses in the financial year of EUR -1,146 thousand (-1,950).

9 Non-controlling interests

The minority interests in earnings relate to the minority interests of Uzin Utz Magyarország Kft. and Neopur GmbH. The minority interests of these companies are immaterial for Uzin Utz SE, as no more than 20% are held by other shareholders.

In the 2022 financial year, Uzin Utz Nederland B.V. held 70% of COFOBO Holding B.V.. On January 20, 2023, the remaining 30% of COFOBO Holding B.V. was acquired by Uzin Utz Nederland B.V., making Uzin Utz Nederland B.V. the sole shareholder since then. As COFOBO Holding B.V. holds 100% of INTR. B.V., the shareholding of Uzin Utz Nederland B.V. in INTR. B.V. has thus increased to 100%. Until December 31, 2022, 70% of the shares in INTR. B.V. were held by Uzin Utz Nederland B.V. until December 31, 2022.

The following tables contain financial information on the companies in which significant shares were still held by third parties in the previous year. The table therefore only shows the pro rata result of the minority for the previous year.

Balance data (in KEUR)	**31.12.2023** INTR. B.V	**31.12.2022** INTR. B.V
Non-current assets	4,570	4,343
Current assets	7,987	8,440
thereof cash and cash equivalents	472	235
Non-current liabilities	1,999	1,999
Current liabilities	4,665	5,027
thereof current financial liabilities	0	0
Equity	5,893	5,757
Equity attributable to minority interests (30%)	0	1,727

Result data (in KEUR)	**2023** INTR. B.V	**2022** INTR. B.V
Sales revenues	36,314	41,316
EBIT	880	2,336
Total result	606	1,754
Proportional minority interest (30%)	0	526

Consolidated Balance Sheet disclosures

10 Intangible asstes

The change in the "Intangible assets" item is shown in the following table. With the exception of goodwill, these are assets with a finite useful life. Intangible assets excluding goodwill in total EUR 5,276 thousand (4,181).

Intangible assets development 2023	Licenses, industrial property rights and similar rights						
(in KEUR)	Software	Patents	Trademarks	Other licenses	Goodwill	Advance payments made on intangible assets	Total
Acquisition cost							
Beginning balance as of 01.01.2022	**9,956**	**3,976**	**2,685**	**8,852**	**35,105**	**199**	**60,772**
Changes in value	7	167	44	51	144	12	425
Changes in scope of consolidation	0	0	0	0	0	0	0
Additions	651	425	36	0	0	199	1,311
Disposals	640	0	39	194	0	0	873
Transfers	416	0	342	0	0	0	758
Balance as of 31.12.2022	**10,389**	**4,567**	**3,068**	**8,709**	**35,249**	**410**	**62,393**
Balance as of 01.01.2023	**10,389**	**4,567**	**3,068**	**8,709**	**35,249**	**410**	**62,393**
Changes in value	27	225	60	46	195	-9	543
Changes in scope of consolidation	0	0	0	0	0	0	0
Additions	1,656	343	32	0	0	0	2,031
Disposals	410	0	0	5,295	450	0	6,155
Transfers	1,238	0	0	0	0	-401	837
Balance as of 31.12.2023	**12,901**	**5,136**	**3,160**	**3,460**	**34,993**	**0**	**59,650**
Depreciation							
Balance as of 01.01.2022	**8,144**	**3,356**	**2,473**	**7,299**	**4,075**	**0**	**25,347**
Changes in value	2	145	39	50	0	0	235
Changes in scope of consolidation	0	0	0	0	0	0	0
Additions	830	211	109	949	0	0	2,099
Disposals	638	0	39	194	0	0	871
Transfers	228	0	0	0	0	0	228
Balance as of 31.12.2022	**8,565**	**3,712**	**2,581**	**8,105**	**4,075**	**0**	**27,038**
Balance as of 01.01.2023	**8,565**	**3,712**	**2,581**	**8,105**	**4,075**	**0**	**27,038**
Changes in value	20	212	56	45	0	0	333
Changes in scope of consolidation	0	0	0	0	0	0	0
Additions	1,182	247	152	208	0	0	1,789
Disposals	410	0	0	5,295	450	0	6,155
Transfers	0	0	0	0	0	0	0
Balance as of 31.12.2023	**9,357**	**4,171**	**2,790**	**3,063**	**3,625**	**0**	**23,006**
Net book value as of 31.12.2023	**3,544**	**965**	**370**	**397**	**31,368**	**0**	**36,644**
Net book value as of 31.12.2022	1,825	855	487	605	31,174	410	35,354

* The reclassifications are to be considered as a total across the chapters 10 Intangible assets, 11 Property, plant and equipment, 12 Rights of use and 14 Investment properties.

Scheduled depreciation begins at the time of the asset's economic use. Amortization is charged on a straight-line basis over the expected useful life of the asset and reported under the item "Depreciation" in the statement of comprehensive income.

Purchased intangible assets, mainly software and patents, as well as trademarks and other licenses, are recognized at cost and amortized on a straight-line basis over their expected useful lives.

As at the balance sheet date, the Group had entered into obligations from investment projects in progress for software projects in the amount of EUR 1,115 thousand (1,255) for 2024. These obligations mainly relate to software projects at Uzin Utz SE. Obligations of EUR 686 thousand (606) were entered into for the year 2025 and EUR 55 thousand for the years 2026 to 2027 (EUR 675 thousand for the years 2025 to 2026).

Goodwill

Goodwill of EUR 31,368 thousand (31,174) acquired as part of business combinations was allocated to the following cash-generating units for impairment testing in 2023, which are generally based on the following legal structures:

Company values (in KEUR)	31.12.2023	31.12.2022
Uzin Utz Schweiz AG	3,265	3,070
Uzin Utz SE	3,743	3,743
Sifloor AG	6,443	6,443
Uzin Utz Nederland B.V.	7,943	7,943
Uzin Utz België N.V.	702	702
Neopur GmbH	49	49
Pallmann GmbH	3,492	3,492
Uzin Utz Tools GmbH & Co. KG	3,483	3,483
INTR. B.V.	2,250	2,250
	31,368	**31,174**

The table shows the net values of goodwill. The goodwill as of December 31, 2022 corresponds to the opening balance of goodwill for the 2023 financial year.

The increase in the book value of goodwill at Uzin Utz Schweiz AG by EUR 195 thousand (previous year: increase of EUR 144 thousand) to EUR 3,265 thousand (3,070) results from the translation of the reported book value at the closing rate. The change was recognized in other comprehensive income.

11 Property, plant and equipment

The investment volume in the reporting year amounted to EUR 18,158 thousand (39,585). Investments were primarily made in the expansion of plant and machinery at the production companies in Ulm (Uzin Utz SE), Würzburg (Pallmann GmbH), the Netherlands (Uzin Utz Nederland B.V.), Poland (Uzin Polska Produkty Budowlane Sp. z o.o.) and especially the USA (Uzin Utz North America Inc.).

Depreciation and amortization amounting to EUR 12,225 thousand (11,019) was reported in the statement of comprehensive income under the item "Depreciation".

The carrying amounts of real estate encumbered with land charges to secure financial liabilities amounted to EUR 13,075 thousand (19,312) as of December 31, 2023.

As of the balance sheet date, obligations of EUR 2,461 thousand (7,118) were entered into in the Group from investment projects that had been started via the purchase of property, plant and equipment. These obligations mainly relate to investments in various tangible assets of Uzin Utz SE and Uzin Utz Schweiz AG. For the year 2025, there are obligations for the Uzin Utz Group in the amount of EUR 123 thousand, for the years 2026 to 2027 in the amount of EUR 0 thousand (for the year 2024 in the amount of EUR 172 thousand, for the years 2025-2026 in the amount of EUR 112 thousand).

Property, plant and equipment 2021 (in KEUR)	Real estate, rights equivalent to real property and buildings, including buildings on third-party land	Technical equipment and machinery	Other equipment, factory and office equipment	Advance payments on property, plant and equipment and assets under construction	Total
Acquisition costs					
Balance as of 01.01.2022	**109,752**	**94,346**	**47,851**	**25,520**	**277,469**
Translation-related changes in value	1,390	662	347	753	3,151
Changes in the scope of consolidation	0	0	0	0	0
Additions	4,763	2,837	4,757	27,228	39,585
Disposals	209	982	3,349	522	5,062
Transfers*	10,987	588	162	-12,474	-738
Balance as of 31.12.2022	**126,682**	**97,451**	**49,769**	**40,504**	**314,406**
Balance as of 01.01.2023	**126,682**	**97,451**	**49,769**	**40,504**	**314,406**
Translation-related changes in value	1,296	451	273	-1,248	772
Changes in the scope of consolidation	0	0	0	0	0
Additions	5,228	5,553	6,193	1,184	18,158
Disposals	124	2,498	3,194	0	5,817
Transfers*	26,071	7,814	1,252	-38,668	-3,531
Balance as of 31.122023	**159,152**	**108,772**	**54,292**	**1,772**	**323,989**
Depreciation					
Balance as of 01.01.2022	**26,869**	**50,849**	**30,870**	**0**	**108,588**
Translation-related changes in value	188	343	177	0	708
Changes in the scope of consolidation	0	0	0	0	0
Additions	2,594	4,364	4,061	0	11,019
Disposals	201	925	3,071	0	4,197
Transfers*	0	-188	0	0	-188
Attributions	0	0	0	0	0
Balance as of 31.12.2022	**29,450**	**54,443**	**32,036**	**0**	**115,929**
Balance as of 01.01.2023	**29,450**	**54,443**	**32,036**	**0**	**115,929**
Translation-related changes in value	188	384	169	0	741
Changes in the scope of consolidation	0	0	0	0	0
Additions	3,181	4,679	4,365	0	12,225
Disposals	93	2,419	2,825	0	5,337
Transfers*	-201	0	0	0	-201
Attributions	0	0	0	0	0
Balance as of 31.12.2020	**32,525**	**57,088**	**33,745**	**0**	**123,357**
Net book value as of 31.12.2023	**126,628**	**51,684**	**20,547**	**1,772**	**200,631**
Net book value as of 31.12.2022	97,232	43,008	17,732	40,504	198,477

* The reclassifications are to be considered as a total across the chapters 10 Intangible assets, 11 Property, plant and equipment, 12 Rights of use and 14 Investment properties.

12 Rights of use

The right of use for leases is broken down into the following four categories:
- Technical equipment and machinery
- Cars and trucks
- Land and buildings
- Other equipment, factory and office equipment

As mainly cars and trucks as well as land and buildings are leased, the majority of the rights of use in the Group are allocated to these categories. The carrying amounts of the respective categories at the beginning of the year, at the end of the year and the change in carrying amounts during the fiscal year can be seen from the following table.

The right of use is amortized on a straight-line basis. Normally, the amortization period is determined by the term of the contract. Only in the case of a purchase option that will most likely be exercised after expiry of the lease agreement is the actual useful life of the leased asset to be applied.

Rights of use IFRS 16 (in KEUR)	Land, buildings and rights equivalent to land; leasing	Technical equipment and machinery; leasing	Other equipment, operating and office equipment; leasing	Cars and trucks; leasing	Total
Acquisition costs					
Balance as of 01.01.2022	**10,185**	**66**	**166**	**6,714**	**17,131**
Translation-related changes in value	157	0	0	-5	152
Additions	2,650	141	72	3,374	6,238
Disposals	3,403	0	37	2,634	6,074
Transfers*	0	0	0	-20	-20
Balance as of 31.12.2022	**9,589**	**207**	**202**	**7,430**	**17,427**
Balance as of 01.01.2023	**9,589**	**207**	**202**	**7,430**	**17,427**
Translation-related changes in value	31	-3	0	5	34
Additions	2,452	218	104	4,424	7,199
Disposals	585	0	67	3,705	4,358
Transfers*	0	-129	129	0	0
Balance as of 31.12.2023	**11,488**	**293**	**367**	**8,154**	**20,302**
Depreciation					
Balance as of 01.01.2022	**7,076**	**4**	**60**	**4,449**	**11,590**
Translation-related changes in value	105	0	0	-6	99
Additions	1,435	41	65	2,481	4,022
Disposals	3,394	0	14	2,309	5,717
Transfers*	74	0	0	-89	-15
Attributions	26	0	0	0	26
Balance as of 31.12.2020	**5,270**	**45**	**111**	**4,527**	**9,953**
Balance as of 01.01.2023	**5,270**	**45**	**111**	**4,527**	**9,953**
Translation-related changes in value	26	-1	0	2	27
Additions	1,588	51	113	2,839	4,591
Disposals	522	0	60	3,284	3,867
Transfers*	0	-40	40	0	0
Attributions	0	0	0	0	0
Balance as of 31.12.2023	**6,362**	**54**	**203**	**4,084**	**10,703**
Net book value as of 31.12.2023	**5,126**	**239**	**164**	**4,070**	**9,599**
Net book value as of 31.12.2020	4,319	162	91	2,902	7,475

* The reclassifications are to be considered as a total across the chapters 10 Intangible assets, 11 Property, plant and equipment, 12 Rights of use and 14 Investment properties.

13 Non-current financial assets

The item "Non-current financial assets" includes, among other things, the shares of companies not included in the consolidated financial statements. Non-current financial assets also include loans amounting to EUR 524 thousand (1,150). The non-current financial assets were recognized at amortized cost, as the fair value cannot be reliably determined due to the lack of a market quotation. There are currently no plans to sell these financial assets.

Further information on financial instruments can be found in the section entitled "Other disclosures“.

14 Investment Properties

In the 2008 financial year, a right of first refusal was exercised in Switzerland and an investment property was acquired as a result. Part of the property was developed in 2018 and reclassified to property, plant and equipment; the undeveloped part is still included in investment properties. Recognition as at December 31, 2023 was at fair value. The observable data required for this was provided by a local administrative authority in the form of a price per square meter. This is multiplied by the number of square meters and thus represents the fair value. Following confirmation of the significant increase in the price per square meter by the local municipal authority, a revaluation of EUR 0 thousand (284) was recognized, which is included in income from investment properties. The previous year's value of a revaluation related to a plot of land that was acquired in 2018 and is adjacent to the site of Uzin Utz Tools GmbH & Co. KG site in Ilsfeld. As at the reporting date, the property was recognized at fair value, which was also derived on the basis of observable data multiplied by the number of square meters. The standard land value according to the data provided by a local administrative authority corresponded to the previous year in the reporting year.

In addition, a property held by the UK investment company has been reported as investment property since 2017. Due to the existing disposal plans, the investment property was derecognized in the 2021 financial year. As the valuation in the context of the sale resulted in a need for impairment, a write-down of EUR 24 thousand was recognized in the income statement in 2021. The remaining carrying amount of EUR 208 thousand was reported in the previous year after reclassification in the balance sheet under "Assets held for sale". In the 2022 financial year, a loss of EUR 8 thousand was generated from the sale of the asset held for sale.

In addition to owner-occupied properties, Uzin Utz Immobilienverwaltungs GmbH reports two properties that have been classified as investment property for the Group since the reporting year. The two properties are largely leased to third parties and are therefore classified as investment property. As at December 31, 2023, the fair value of these investment properties amounted to EUR 2,493 thousand.

Investment Properties (in KEUR)	**2023**	**2022**
Book value as of January 01	3,273	2,862
Exchange rate differences	183	127
Addition	0	0
Disposal	0	0
Depreciation on investment properties	201	0
Unrealized changes in fair value of investment properties	0	284
Reclassification property, plant and equipment*	2,694	0
Reclassification to assets held for sale	0	0
Book value as of December 31	**5,949**	**3,273**

* The reclassifications are to be considered as a total across the chapters 10 Intangible assets, 11 Property, plant and equipment, 12 Rights of use and 14 Investment properties.

The following are details and disclosures on the hierarchy levels (according to IFRS 13) of the fair values of the Group's investment properties as of December 31, 2023:

Hierarchy level of the fair value (in KEUR)	Level 1	Level 2	Level 3	Fair value as of December 31, 2023
Land	0	5,949	0	5,949

The following table shows the disclosures required by IFRS 13 as of December 31, 2022:

Hierarchy level of the fair value (in KEUR)	Level 1	Level 2	Level 3	Fair value as of December 31, 2022
Land	0	3,273	0	3,273

15 Deferred taxes

Deferred taxes are accrued in accordance with the temporary concept of IAS 12 "Income Taxes". The tax rates applicable or enacted at the balance sheet date are used. As of December 31, 2023, the items include deferred tax assets of EUR 8,731 thousand (5,029) and deferred tax liabilities of EUR 11,565 thousand (9,366). As of December 31, 2023, deferred tax assets on loss carry forwards in the amount of EUR 104 thousand (75) were recognized. As of December 31, 2023, unused tax loss carry forwards amount to EUR 422 thousand (516), of which no deferred tax assets have been recognized on EUR 0 thousand (0). Due to limited useful lives, loss carry forwards of EUR 0 thousand (0) will expire by 2023, for which no deferred tax assets have been recognized.

As of January 1, 2023, the Group applied deferred taxes relating to assets and liabilities arising from a single transaction for the first time as a result of the amendments to IAS 12. The amendment restricts the scope of the "initial recognition exemption" by excluding transactions that result in deductible and taxable temporary differences at the same time. This may be the case when applying IFRS 16 due to the recognition of a lease liability and the associated right-of-use asset at the inception of the lease. As a result of the adjustment, Uzin Utz is now obliged to form the corresponding deferred tax assets and liabilities for the business transactions described and to recognize them in the income statement in the future. The cumulative effect of the first-time application of deferred tax assets and liabilities was recognized directly in retained earnings and can be seen in the "Statement of changes in equity" section. In the 2023 reporting year, the change in the rights of use and the corresponding liabilities in accordance with IFRS 16 resulted in a difference in deferred taxes recognized in profit or loss in the amount of EUR 31 thousand. This is reported in the income statement under "Taxes on income" and is recognized in section "8 Taxes on income/deferred taxes" under "Deferred taxes - from temporary valuation differences".

Deferred tax assets and liabilities are attributable to the following items:

Deferred taxes	Deferred tax assets		Deferred tax liabilities	
(in KEUR)	2023	2022	2023	2022
Property, plant and equipment	46	1	8,132	7,514
Current assets	164	266	383	337
Provisions	321	335	-139	-115
Liabilities	501	190	-59	787
Deferred taxes on tax losses carried forward	104	75	0	0
Deferred taxes from currency differences	0	0	115	113
Deferred taxes on leases under IFRS 16*	2,594	0	2,437	0
Deferred taxes on consolidation transactions	3,994	3,451	0	0
Deferred taxes on other comprehensive income	1,007	711	698	729
	8,731	**5,029**	**11,565**	**9,366**

* First-time application as at January 1, 2023 of the amendment to IAS 12 (Deferred taxes on leases in accordance with IFRS 16)

The carrying amounts of deferred tax assets have been written down to the extent that the tax benefits they contain are no longer expected to be realized.

Where deferred tax assets are recognized on tax loss carry forwards, it is assumed that these tax reduction potentials will be utilized through taxable income in the coming years, which is considered probable based on the planning of the companies.

16 Trade receivables and other assets

Trade receivables and other assets, insofar as they are financial assets, are classified as "loans and receivables" in accordance with IFRS 9 and recognized at amortized cost.

The receivables are shown in the table below.

Trade accounts receivables are non-interest bearing and have an average term of 29 days (27) throughout the Group. As of the reporting date, there were no significant receivables from affiliated companies not included in the consolidated financial statements.

Trade credit insurance has been taken out to hedge the receivables risk.

Trade accounts receivable have very different maturities depending on the payment terms, which vary widely from country to country. However, the maturities are mainly in line with the average payment terms typical for the country.

Receivables portfolio (in KEUR)	Total amount		Thereof remaining time < 1 year		Thereof remaining time 1-5 years		Thereof remaining time > 5 years	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Trade receivables	36,586	35,074	36,586	35,074	0	0	0	0
Other assets	11,604	9,195	11,539	9,120	64	42	0	33
Current receivables relate to the tax office	7,730	5,333	7,730	5,333	0	0	0	0
thereof from income taxes	5,971	2,804	5,971	2,804	0	0	0	0
Accounts receivable from staff	172	118	172	118	0	0	0	0
Accounts receivable from social security	2	100	2	100	0	0	0	0
Other miscellaneous current assets	3,699	3,645	3,635	3,570	64	42	0	33
Other current assets	124	205	119	176	5	29	0	0
	48,314	**44,473**	**48,244**	**44,370**	**70**	**71**	**0**	**33**

17 Inventories

Inventories (in KEUR)	31.12.2023	31.12.2022
Raw materials, consumables and supplies	22,566	35,471
Work in progress	2,549	2,581
Finished goods	43,801	49,427
Payment on accounts	1,004	2,216
	69,920	**89,695**

Inventories were measured at the lower of cost and net realizable value, taking into account selling and production costs still to be incurred. Impairment losses and write-downs of inventories amounting to EUR 4,449 thousand (3,650) were recognized. The FiFo principle (First In - First Out) is applied throughout the Group.

Expenses for inventories incurred in connection with business activities were expensed during the year in the amount of EUR 210,762 thousand (235,172).

Framework agreements were concluded with suppliers in order to secure favorable purchase prices for the future. Under these agreements, there are obligations for the year 2024 in the amount of EUR 4,482 thousand (4,631), EUR 174 thousand for 2025 and EUR 62 thousand for the years 2026 to 2033 (for the year 2024 EUR 345 thousand; EUR 62 thousand for the years 2025 - 2033).

18 Cash and cash equivalents

In addition to bank balances payable on demand, this item includes checks and cash on hand. Cash and cash equivalents are stated at nominal value. Foreign currency balances are valued at the closing rate on the balance sheet date.

The item cash and cash equivalents includes checks in the amount of EUR 1,446 thousand (1,374), cash on hand in the amount of EUR 149 thousand (86) and bank balances in the amount of EUR 36,563 thousand (24,677).

If necessary, the Uzin Utz Group holds higher bank balances exclusively with banks with an investment grade credit rating. There are no significant interest rate risks and default risks in connection with the cash and cash equivalents item. In addition, bilateral working capital lines have been negotiated with several core banks to minimize risk.

19 Assets held for sale

In the 2021 financial year, a former investment property of the subsidiary Uzin Utz United King-dom Ltd. met the criteria for classification as an asset held for sale. The former employee apartment, which was no longer suitable for use by employees following the relocation of the company's registered office, has so far been rented out.

The disposal of the investment property in fiscal year 2022 resulted in a loss of EUR 8 thousand, which is recognized in the income statement.

20 Equity/treasury shares/Non-controlling interests

Subscribed capital

As of December 31, 2023, the share capital of Uzin Utz SE amounts to EUR 15,133 thousand and is divided into 5,044,319 no-par value bearer shares (ordinary shares) with a pro rata amount of EUR 3. There was no change in the number of shares in circulation compared to January 1, 2023. All shares issued by December 31, 2023 are fully paid up. Each share grants an equal dividend entitlement.

Authorized capital

The Executive Board is authorized, with the approval of the Supervisory Board, to increase the share capital of the Company on one or more occasions on or before May 13, 2024, by up to a total of EUR 3,000 thousand by issuing up to a total of 1,000,000 new no-par value bearer shares with voting rights and a notional value of EUR 3 per share (Authorized Capital I).

The Executive Board is authorized, with the approval of the Supervisory Board, to increase the share capital of the Company on one or more occasions in the period up to May 25, 2026 by up to a total of EUR 4,000 thousand by issuing new no-par value ordinary bearer shares with voting rights (Authorized Capital II).

More detailed information on the capital increase and possible exclusions of subscription rights can be found in the reporting pursuant to Section 315a HGB in the management report.

Capital reserve

Additional paid-in capital includes premiums received from the issue of shares and proceeds from the issue of treasury shares. These are reduced by the amounts required for capital increases from company funds and the costs of capital increases. This results in capital reserves of EUR 26,962 thousand (26,962) in the Group.

Capital management

The primary objective of the Group's capital management is to ensure that, among other things, a good equity ratio is maintained to support the business and maximize shareholder value.

The Uzin Utz Group fundamentally pursues the goal of sustainably securing its equity base and generating an appropriate return on capital employed. The Group's accounting capital acts as a passive control criterion, while sales and EBIT are used as active control parameters. As of December 31, 2023, the equity ratio was 61.3% (59.1).

Revenue reserve

Retained earnings include the following items:

– The retained earnings of the Group
– Changes in equity due to consolidation and exchange rate effects
– Changeover effects from first-time adoption of IFRS/IAS recognized directly in equity
– Changeover effects not affecting income from the retrospective application of standards
– Effects from cash flow hedges to be recognized directly in equity
– Actuarial gains/losses (from pension obligations) recognized directly in equity

In the consolidated financial statements, assets and liabilities of foreign subsidiaries are translated into euros at the beginning and end of the year using the respective closing rates, and expenses and income are translated using average monthly exchange rates. Equity components are translated at historical rates as of the dates of their respective additions from the Group's perspective. The development of this item is shown in the consolidated statement of changes in equity.

Treasury shares

With the application of IAS 32, treasury shares are recognized as an adjustment item to equity and measured at cost.

On May 19, 2020, the Annual General Meeting of the Company authorized the Company to acquire treasury shares up to a total of 10% of the capital stock existing at the time of the resolution for purposes other than trading in treasury shares until May 18, 2025, provided that the shares acquired, together with other treasury shares held by or attributable to the Company, may at no time account for more than 10% of the capital stock. The authorization may be exercised by the Company in whole or in part; if exercised in part, the authorization may be exercised several times. The shares may only be purchased on the stock exchange or by means of a public purchase offer to all shareholders. No treasury shares were held as of December 31, 2023.

Non-controlling interests

Non-controlling interests are presented in the "Consolidated Statement of Changes in Equity".

21 Provisions

In accordance with IAS 37, provisions for present obligations (legal or constructive) are recognized when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Non-current provisions can therefore be broken down into pension provisions, long-term anniversary provisions and other non-current provisions. Other non-current obligations include obligations from legacy liabilities.

With the exception of the provision for pensions, long-term anniversaries and legacy burdens, the provisions have expected remaining terms of up to one year and are therefore reported as current provisions.

Provisions for warranties are recognized for statutory, contractually agreed and actual warranty obligations for products.

The uncertainty of provisions in the personnel area is between 5% and 49%. In the area of other provisions, the uncertainty also lies between 5% and 49%.

The following table summarizes the changes in all provisions.

Provisions 2023 (in KEUR)	Carry-forward	Changes in the group consolidation	Injection	Usage	Liquidation	Closing balance
Pension provisions	4,528	163	2,396	636	238	6,213
Non-current provisions for anniversaries	482	0	211	16	1	677
Other non-current provisions	206	4	0	0	26	183
Tax provisions	152	0	168	145	0	175
Other provisions for staff affairs	8,758	23	7,378	6,433	394	9,332
Other provisions	9,685	-77	4,943	7,424	159	6,967
thereof from warranty and goodwill payments	1,263	-3	134	104	43	1,247
thereof from outstanding supplier invoices	1,312	4	932	1,318	0	930
thereof from other obligations and risks	7,110	-78	3,877	6,003	116	4,790
	23,810	**113**	**15,096**	**14,654**	**818**	**23,547**
thereof current	18,595	-54	12,489	14,002	553	16,474
thereof non-current	5,215	167	2,608	653	264	7,074

Provisions 2022 (in KEUR)	Carry-forward	Changes in the group consolidation	Injection	Usage	Liquidation	Closing balance
Pension provisions	5,922	156	299	1,519	331	4,528
Non-current provisions for anniversaries	600	0	44	160	2	482
Other non-current provisions	208	-1	0	2	0	206
Tax provisions	320	0	80	248	0	152
Other provisions for staff affairs	9,358	693	7,593	8,593	293	8,758
Other provisions	8,036	71	9,317	7,487	252	9,685
thereof from warranty and goodwill payments	1,400	5	536	567	110	1,263
thereof from outstanding supplier invoices	1,409	-5	948	1,015	26	1,312
thereof from other obligations and risks	5,227	71	7,833	5,906	116	7,110
	24,445	**920**	**17,333**	**18,009**	**878**	**23,810**
thereof current	17,714	765	16,990	16,329	545	18,595
thereof non-current	6,731	155	343	1,681	333	5,215

The anniversary provisions originate primarily from the German companies (Uzin Utz SE, Uzin Utz Tools GmbH & Co. KG, Pallmann GmbH, Codex GmbH & Co. KG and Neopur GmbH) and the Dutch company INTR. B.V.. Employees who have been with the company for 10 years or more are granted an anniversary bonus. In total, the non-current portion of the anniversary provisions of the Uzin Utz Group amounted to EUR 677 thousand (482) in the reporting year.

The other accruals not listed individually were mainly formed for obligations arising from inherited burdens, outstanding bonus credits and accruals for impending losses.

The provisions for personnel costs were essentially formed for vacation arrears, obligations similar to pensions, flexitime credits, bonuses and bonuses.

Since 2010, Uzin Utz SE has paid a fixed demographic amount annually in accordance with the "Collective Agreement on Working Life and Demography" of the chemical industry. In 2023, this was 750 euros per employee (750). The money from the demography fund is used to finance so-called value accounts for participating employees. In addition to the demographic fund and the company's contributions, Uzin Utz SE also encourages employees themselves to save additional credits in the form of vacation days, overtime, or deferred compensation in their value accounts. The accounts enable, among other things, an early transition to retirement or time off for a sabbatical, for example. Provisions of EUR 4,512 thousand (4,117) result from this arrangement. There are reimbursement claims in the same amount against an insurance company with which the accumulated credit balances are paid in.

22 Provisions for pensions

In the Uzin Utz Group, the main pension obligations stem from Uzin Utz SE, Germany, Uzin Utz Tools GmbH & Co. KG, Germany, Uzin Utz France SAS, France, and the Swiss companies Uzin Utz Schweiz AG and Sifloor AG.

Pension plans

a) Defined contribution plans

The German companies have a defined contribution plan. The expenses for this are presented in section 4 "Personnel expenses/employees" under "thereof for retirement benefits".

The remaining pension plans for eligible employees of the Uzin Utz Group are defined benefit plans.

b) Performance-oriented plans

Eligible persons of the Uzin Utz Group are granted pension payments upon reaching retirement age, which is between 65 - 67 years. The amount of payments under the defined benefit plans is based on the remuneration paid to employees, taking into account salary and pension increases, life expectancy and probabilities of leaving the company.

The defined benefit plans are administered by Mensch & Kuhnert GmbH, Blaustein, and Allvisa, Zurich. Due to cost-benefit considerations, the calculation of the pension obligations is carried out independently by the French company. The defined benefit plans are partially reinsured in accordance with the contracts. A potential default risk for the Group results from a possible insolvency of the insurance company. Such an event is not expected.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit plan was performed by the administering insurance companies as of December 31, 2023. The present value of the defined benefit plans, the current service cost and the past service cost were determined using the projected unit credit method.

In addition to assumptions regarding life expectancy - in Germany according to the so-called Heubeck-Richttafeln 2018 G - the calculation of pension obligations is based on the following actuarial assumptions:

Assumptions employer pension plans	**Germany**		**Others**	
(in %)	2023	2022	2023	2022
Discount factor	3.80	3.75	1.48	2.27
Expected return on assets	3.80	3.75	1.48	2.27
Expected salary developments	0.00	0.00	2.49	1.01
Future pension dynamic	1.25	1.20	0.99	0.99

In accordance with IAS 19.120 (c), actuarial gains and losses are recognized in other comprehensive income.

Interest expense or interest income results from the net interest on the net defined benefit liability or net defined benefit asset.

Past service cost is recognized in profit or loss in the period in which a plan amendment occurs.

Expense from pension obligations	**Germany**		**Others**	
(in KEUR)	**2023**	**2022**	**2023**	**2022**
Service cost	0	0	275	866
Current service cost	0	0	771	860
Past service cost	0	0	-496	6
Gains and losses from plan settlements	0	0	0	0
Net interest expense / net interest income	61	9	60	12
1. Interest cost	64	10	447	76
2. Realized income from plan assets	-3	0	-387	-64
Administrative expenses	0	0	10	27
Components recognized in the income statement of defined benefit costs	**61**	**9**	**345**	**905**

The breakdown of pension expenses in the statement of comprehensive income of the Uzin Utz Group is as follows:
Remeasurements include the following

- the actuarial gains and losses on the defined benefit obligation,
- the difference between the actual return on plan assets and the return implied by the net interest cost, and
- the effects from the limitation of a net asset value (asset ceiling).

Remeasurements are recognized directly in equity through other comprehensive income (OCI).

Revaluation of the net debt from performance-oriented plan	Germany		Others	
(in KEUR)	2023	2022	2023	2022
Actuarial gains and losses	62	-535	2,322	-4,028
from demographic assumptions	0	0	-24	0
from financial assumptions	5	-3	2,355	-4,871
from experience-based correction	57	-532	-8	844
Income from plan assets	6	4	-355	3,055
Changes in the scope of consolidation & other changes	0	0	0	0
Components of defined benefit costs recognized in other comprehensive income	**68**	**-531**	**1,967**	**-972**

The present value of the defined benefit obligation developed as follows:

Development of the cash value of the performance-oriented obligation	Germany		Others	
(in KEUR)	2023	2022	2023	2022
Opening balance of the performance-oriented obligation	1,786	2,486	19,285	20,529
Current service cost	0	0	771	860
Administrative cost	0	0	10	27
Interest cost	64	10	447	76
Actuarial profit / loss	62	-535	2,322	-4,028
Past service cost	0	0	-496	6
Plan curtailments	0	0	0	0
Contributions of the participants of the plan	0	0	539	499
Paid pension benefits	-175	-175	-1,009	384
Changes in the scope of consolidation & other changes	0	0	33	-93
Changes in exchange rates	0	0	1,221	1,025
Closing balance of the present value of the defined benefit obligation	**1,737**	**1,786**	**23,123**	**19,285**

The fair value of plan assets developed as follows:

Development of the fair value of the plan assets	Germany		Others	
(in KEUR)	2023	2022	2023	2022
Opening balance of the fair value of the plan assets	73	76	16,471	17,017
Interest income of the plan assets	3	0	387	64
Income for the plan assets (without interest)	-6	-4	338	-3,003
Real income of the plan assets	0	0	0	0
Contributions of the employer	0	0	756	698
Contributions of the participants of the plan	0	0	539	499
Paid pension benefits	0	0	-1,009	384
Exchange rate change	0	0	1,095	813
Closing balance of the fair value of plan assets	**69**	**73**	**18,578**	**16,471**

Net debt developed as follows:

Development of the net debts	Germany		Others	
(in KEUR)	**2023**	**2022**	**2023**	**2022**
Opening balance of the net debt	1,713	2,410	2,814	3,512
Components of defined benefit costs recognized in the proft / loss	61	9	345	905
Components of defined benefit costs recognized in the other comprehensive income	68	-531	1,967	-972
Changes in the scope of consolidation & other changes	0	0	33	-93
Benefits paid directly by the employer	-175	-175	0	0
Contributions of the employer	0	0	-756	-698
Exchange rate change	0	0	143	160
Other changes	0	0	0	0
Closing balance of net debts	**1,668**	**1,713**	**4,545**	**2,814**

Major asset categories

Germany

A detailed statement of the fair values of the plan assets for significant asset categories is not provided, as the plan assets in Germany are to be treated as a separate financial instrument from the insurer's perspective.

Other

The assets deposited with Allvisa Services AG are held in its group life portfolio and are invested as follows:

Fair value of the plan assets (in KEUR)	31.12. 2023
Liquid funds and fixed deposits	399
Dependiture stocks	5,560
Real estates	4,752
Mortgages	752
Shares and units in units trusts	6,255
Alternative investments	0
Units in investment funds	0
Net assets from derivative financial instruments	0
Other investments	858
	18,578

Fair value of the plan assets (in KEUR)	31.12. 2022
Liquid funds and fixed deposits	460
Dependiture stocks	4,791
Real estates	0
Mortgages	652
Shares and units in units trusts	5,462
Alternative investments	0
Units in investment funds	0
Net assets from derivative financial instruments	0
Other investments	5,106
	16,471

Sensitivity analyses

The sensitivity analyses were prepared taking into account the extrapolation of realistic changes in the key assumptions at the end of the reporting period to the defined benefit obligation. These are based on a change in one key assumption, while all other assumptions remain unchanged. The values are based on estimates as it is unlikely that all changes in assumptions will occur. The significant actuarial assumptions used to determine the defined benefit obligation are the discount rate, expected salary increases, and life expectancy.

Allvisa Services AG (Uzin Utz Schweiz AG, Sifloor AG)

If the discount rate increases (decreases) by 0.5 percentage points, the defined benefit obligation would decrease by 7.05% (increase by 8.14%).

If the expected salary increase is 0.5% higher (lower), the defined benefit obligation would increase by 1.12% (decrease by 1.15%).

If life expectancy for men and women increases (decreases) by one year, the defined benefit obligation would increase by 1.52% (decrease by 1.52%).

Mensch & Kuhnert GmbH (Uzin Utz SE, Uzin Utz Tools GmbH & Co. KG)

If the discount rate increases (decreases) by 0.5 percentage points, the defined benefit obligation would decrease by 0.85% (increase by 6.70%).

If the expected salary increase is 0.5% higher (lower), the defined benefit obligation would increase by 6.62% (decrease by 0.80%).

If life expectancy for men and women increases (decreases) by one year, the defined benefit obligation would increase by 9.22% (decrease by 3.44%).

Due to the cost-benefit consideration, the sensitivity analysis is carried out independently by the French company

If the discount rate increases (decreases) by 0.5 percentage points, the defined benefit obligation would decrease by 5.90% (increase by 6.40%).

If the expected salary increase is 0.5% higher (lower), the defined benefit obligation would increase by 0.50% (decrease by 0.50%).

If life expectancy for men and women increases (decreases) by one year, the defined benefit obligation would increase by 0.40% (decrease by 0.40%).

The effects of the strategic investment policy with regard to the return and risk profile are not analyzed due to the external management of the pension assets.

The above sensitivity analyses are not expected to be representative of the actual change in the defined benefit obligation due to the unlikelihood that deviations from the assumptions made will occur in isolation from each other, as some of the assumptions are interrelated.

The term of the defined benefit obligation as of December 31, 2023 is between 7.0 and 16.0 years.

For the coming financial year, the Group expects to pay an amount of EUR 607 thousand into the defined benefit plan.

The change in provisions for pensions is as shown in the table below.

Financing status (in KEUR)	2023 Total	2023 Germany	2023 Others	2022 Total	2022 Germany	2022 Others
Present value of defined benefit obligation	24,860	1,737	23,123	21,071	1,786	19,285
Less fair value of plan assets Fair value of plan assets	-18,647	-69	-18,578	-16,544	-73	-16,471
Net liabilities	**6,213**	**1,668**	**4,545**	**4,528**	**1,713**	**2,814**
Other amounts recognized in the balance sheet	0	0	0	0	0	0
Provisions for pensions on the balance sheet	**6,213**	**1,668**	**4,545**	**4,528**	**1,713**	**2,814**

23 Liabilities

The composition including maturities are shown in the table below.

Liabilities (in KEUR)	Total		Thereof remaining time < 1 year		Thereof remaining time 1-5 years		Thereof remaining time > 5 years	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Financial liabilities	85,435	89,095	45,817	42,426	29,835	37,720	9,783	8,950
thereof derivative financial instruments	22	14	22	14	0	0	0	0
Leasing liabilities*	10,225	7,985	4,098	3,604	5,734	4,190	392	190
Trade payables	15,970	18,704	15,970	18,704	0	0	0	0
Advanced received on orders	125	10	125	10	0	0	0	0
Income tax liabilities	1,430	4,364	1,430	4,364	0	0	0	0
Other liabilities	14,414	15,224	14,414	15,224	0	0	0	0
thereof other tax liabilities	6,415	6,474	6,415	6,474	0	0	0	0
thereof liabilities against social security	525	478	525	478	0	0	0	0
	127,598	**135,381**	**81,854**	**84,332**	**35,569**	**41,910**	**10,175**	**9,140**

Financial liabilities

Financial liabilities to banks (including interest rate swaps) amount to EUR 85,435 thousand (89,095) and EUR 13,075 thousand (19,312) are secured by land charges.

Financial liabilities also include liabilities from variable-interest loans in the amount of EUR 3,396 thousand (5,463) and current account liabilities, which are included in the amount of EUR 32,419 thousand (31,077). The existing credit lines permit the borrowing of further funds. These are unused in the amount of EUR 98,176 thousand (99,443) at the end of the reporting period.

Other liabilities

Miscellaneous other liabilities amounting to EUR 7,475 thousand (8,272) mainly comprise accounts receivable with credit balances of EUR 1,879 thousand (2,818).

The amounts are generally current, non-interest-bearing and substantially equal their fair values.

24 Trade payables

Trade payables fell from EUR 18,704 thousand to EUR 15,970 thousand in the past financial year.

Trade payables do not bear interest and are therefore not subject to interest rate risks. Otherwise, the carrying amounts essentially correspond to the amortized cost.

Other information

Financial risk management and derivative financial instruments

Additional information on financial instruments

Classification categories according to IFRS 9	
AAC:	Amortized acquisition costs (AAC)
FVOCI:	Are measured at fair value with changes in value in other comprehensive income
FVTPL:	Measured at fair value with changes in value recognized in profit or loss
n/a:	Other
HFT:	(for option according to IAS 39) Assets and liabilities held for trading and measured at fair value through profit or loss

Book values, valuations and fair values 31.12.2023	Classification according to IFRS 9/IAS 39	Book value according to balance sheet	Fair value	Thereof		
(in KEUR)				Level 1	Level 2	Level 3
Assets						
Payment instruments	AAC	38,159	38,159	0	0	0
Trade accounts receivable	AAC	36,586	36,586	0	0	0
Current financial assets	AAC | HFT	119	119	0	57	0
thereof derivative financial instruments	HFT	57	57	0	57	0
Non-current financial assets**	AAC | n/a	2,055	2,055	0	688	0
thereof other loans	n/a	524	524	0	524	0
Liabilities						
Trade accounts payable	AAC	15,970	15,970	0	0	0
Financial liabilities	AAC | HFT	85,435	90,579	0	58,160	0
thereof current account	AAC	32,419	32,419	0	0	0
thereof derivative financial instruments	HFT	22	22	0	22	0
Leasing liabilities	n/a	10,225	10,225	0	10,225	0
Other liabilities	n/a	15,969	15,969	0	15,969	0

*at equity investment amounting to 1,367

Book values, valuations and fair values 31.12.2022	Classification according to IFRS 9/IAS 39	Book value according to balance sheet	Fair value	Thereof		
(in KEUR)				Level 1	Level 2	Level 3
Assets						
Payment instruments	AAC	26,138	26,138	0	0	0
Trade accounts receivable	AAC	35,074	35,074	0	0	0
Current financial assets	AAC | HFT	176	176	0	52	0
thereof derivative financial instruments	HFT	52	52	0	52	0
Non-current financial assets*	AAC | n/a	2,657	2,657	0	1,288	0
thereof other loans	n/a	1,150	1,150	0	1,150	0
Liabilities						
Trade accounts payable	AAC	18,704	18,704	0	0	0
Financial liabilities	AAC | HFT	89,095	95,666	0	64,589	0
thereof current account	AAC	31,077	31,077	0	0	0
thereof derivative financial instruments	HFT	14	14	0	14	0
Leasing liabilities	n/a	7,985	7,985	0	7,985	0
Other liabilities	n/a	19,597	19,597	0	19,597	0

**at equity investment amounting to 1,368

With the exception of the fair value of derivative financial instruments, the fair value of financial instruments was determined by discounting the expected future cash flows using standard market interest rates. The fair value of the "derivative financial instruments" was determined on the basis of market values.

The fair values of the Level 2 assets and liabilities listed are based, among other things, on market price quotations that are directly or indirectly observable using valuation multiples. For the investments accounted for using the equity method, no reliable fair value can be determined due to a lack of market values; therefore, they are measured at amortized cost.

The main financial instruments used by the Uzin Utz Group - with the exception of derivative financial instruments - comprise bank loans and overdrafts, leases and trade payables. The main purpose of these financial instruments is to finance the Group's business activities. The Uzin Utz Group has various financial assets, such as trade receivables, cash and cash equivalents and short-term deposits, which result directly from its business activities.

Furthermore, the Uzin Utz Group has derivative financial instruments in the form of interest rate swaps and forward exchange contracts to a limited extent. The purpose of these financial instruments is to hedge against interest rate and currency risks resulting from the business activities of the Uzin Utz Group and its sources of financing.

Risks from financial instruments

Typical risks from financial instruments are the credit risk, the liquidity risk and the individual market risks. The risk management system of the Uzin Utz Group is presented in the risk report of the Group management report. Based on the information presented below, it can be assumed that there are no explicit risk concentrations from financial risks.

Market risks

Market risk is the risk that the fair values or future cash flows of a primary or derivative financial instrument will fluctuate because of changes in risk factors. The main market risks to which the Uzin Utz Group is exposed are currency risk and interest rate risk. These risks can result in fluctuations in earnings, equity and cash flow.

The analysis described below and the amounts determined using sensitivity analyses represent hypothetical, forward-looking statements that may differ from actual events due to unforeseeable developments in the financial markets. Furthermore, no risks of a non-financial or non-quantifiable nature, such as business risks, are taken into account here.

Currency risks

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in exchange rates.

Currency risks as defined by IFRS 7 arise from financial instruments that are recognized in a currency other than the functional currency. Exchange rate differences arising from the translation of the financial statements of subsidiaries into the Group currency are not taken into account.

The Group is exposed to currency risks from individual transactions. These result from purchases and sales of goods/products from operating units and profit transfers in a currency other than the functional currency of these units. Around 33.8% (34.3) of sales are generated outside the euro zone. The Uzin Utz Group counters this risk, among other things, through the Group structure with existing production sites in different currency zones. In addition, currency risks are reduced by foreign affiliated companies primarily covering their financial requirements in the respective national currency.

The exchange rate risks from trade accounts receivable from affiliated companies can be considered insignificant in most cases due to the relatively short payment terms. In addition, forward exchange transactions and currency options are used on a case-by-case basis to hedge fluctuations in the translation of foreign business units' fixed payments or significant foreign currency receivables or payables into euros. In principle, this is done after weighing the costs and benefits, depending on the respective volume. As of December 31, 2023, hedging relationships existed for 1.1 % (1.3) of the Group's foreign currency sales. The cash flows of the foreign subsidiaries to the parent company are mainly monthly in the respective local currency. The forward exchange contracts are generally concluded with a term of up to 18 months. For an overview of the expected cash flows of the derivative financial instruments, please refer to the section "Liquidity risks".

Exchange rate risks were hedged at Uzin Utz SE as of December 31, 2023 by hedging relationships in PLN, GBP, CZK, HUF and USD invoiced sales. Forward exchange transactions are used to hedge cash flow hedges. There are also plans to use traditional currency options. There were no foreign currency risks from hedging relationships at the other Group companies.

If the euro had been 10% stronger or weaker than a reasonably possible change in the exchange rate of the Polish zloty, the British pound, the Czech koruna, the Hungarian forint and the US dollar as at December 31, 2023, the fair value of the hedging transactions would have been EUR 138 thousand (232) higher or EUR -222 thousand (-200) lower.

In the 2023 financial year, a valuation gain of EUR 52 thousand thousand (valuation loss of EUR 52 thousand) was recognized in the statement of comprehensive income.

Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will vary because of changes in market interest rates.

The interest rate of floating-rate financial instruments is adjusted at intervals of less than one year. Fixed-interest financial instruments measured at amortized cost are not subject to interest rate risks within the meaning of IFRS 7.

In order to assess the interest rate risk, financial liabilities are divided into those with fixed and those with variable interest rates in accordance with IAS 32. In the case of fixed-interest financial instruments, a market interest rate is agreed for the entire term. In the case of variable-interest financial instruments, the interest rate is adjusted in a timely manner and thus corresponds approximately to the respective market interest rate. The risk of fluctuations in market interest rates to which the Group is exposed results primarily from non-current financial liabilities with a variable interest rate. A sensitivity analysis of the variable-interest liabilities with a market interest rate fluctuating by +/- 100 basis points would have resulted in a hypothetical impact on earnings before income taxes of +/- EUR 404 thousand (145) for the financial year 2023.

In 2012, an interest rate swap was concluded with an initial nominal volume of EUR 4,000 thousand at a hedged interest rate of 2.25% p.a. plus bank margin until July 1, 2022. As at the balance sheet date of December 31, 2023, the nominal volume of the interest rate swap was reduced to EUR 0 thousand due to a contractual provision. The interest rate swap obligated the Uzin Utz Group to pay a fixed interest rate over the term and the concluded volume. As compensation, the Uzin Utz Group received a payment of the current short-term interest rate (1-month Euribor) from the counterparty to the interest rate swap. In this way, the Uzin Utz Group secured the interest level in the amount of the hedged interest rate of 2.25% p.a.

In 2014, a further interest rate swap was concluded with an initial nominal volume of EUR 10,000 thousand at a hedged interest rate of 0.8975% p.a. plus bank margin until June 28, 2024. As at the balance sheet date, the nominal volume of the interest rate swap was reduced to EUR 500 thousand due to contractual arrangements. The variable interest obligations from the loans are converted into obligations at a fixed interest rate through the interest rate swap. The company is thus protected against rising interest rates, but cannot participate in falling interest rates.

The interest rate swap with floor is a valuation unit. As a loan agreement was concluded at the same time for exactly the same amount, the same term and the same repayment structure, it is 100% effective (except for the interest payments). Depending on the relevant underlying instruments, the valuation is based on current observable market data using recognized valuation models such as the present value method or the Libor market model.

As the hedging relationships are classified as highly effective, a cash flow hedge is accounted for in accordance with the requirements of IAS 39. The fair values resulting from measurement at market prices amounted to EUR 62 thousand (0) at the balance sheet date.

The resulting changes in value are recognised in other comprehensive income. The market prices result from corresponding quotations from credit institutions.

Credit risks

The maximum default risk can be seen from the carrying amount of each financial asset recognized in the balance sheet. In the area of trade receivables, these risks are predominantly covered by trade credit insurance. In addition, the Uzin Utz Group attempts to reduce the default risk of primary financial instruments by means of trade information, credit limits, debtor management including dunning and collection. In general, the maximum default risk is limited to trade receivables and the total of other current assets, less impairment losses recognized as of the balance sheet date, as well as receivables that are not covered by trade credit insurance. The Group's maximum exposure to credit risk amounts to EUR 18,809 thousand (18,453). In the case of derivative financial instruments, the Uzin Utz Group is exposed to a credit risk arising from the non-fulfillment of contractual agreements on the part of the contractual partners. This risk is minimized by only entering into transactions with counterparties with first-class credit ratings. There are no other financial risks in this context.

The following shows the development of the allowance account in relation to trade receivables in accordance with IFRS 9.

Development of the value adjustment account (in KEUR)	**2023**	**2022**
Status as of January 01	**2,070**	**2,112**
Changes in the scope of consolidation	0	0
Utilization	352	31
Revaluation of value adjustments	203	-18
Exchange rate effect	86	7
Status as of December 31	**2,006**	**2,070**

The following table shows the calculation of the value adjustment in accordance with IFRS 9 for the 2023 financial year.

Determination of the value adjustment in KEUR	Expected failure rates	Gross book value	Value adjustment IFRS 9
Not due	0.002	28,664	61
1-30 days	0.003	5,305	18
31-60 days	0.018	1,462	26
61-90 days	0.021	506	11
91-120 days	0.061	313	19
>120 days	0.108	2,342	253
		38,592	**389**

With the introduction of IFRS 9 Financial Instruments, an impairment loss must be recognized at the time a receivable is recognized and not only at the time it is actually past due.

Past, present and forward-looking information was used to measure the impairment of trade accounts receivable. By applying the simplified approach in determining the expected losses, these are determined over the remaining term as flat-rate percentages depending on the duration of the overdue period.

The underlying historical basis of the default rates is based on non-due payment profiles, which are viewed with the associated defaults over time and summarized in past due categories. The average default rate for receivables over the past three years as of 31 December 2023 is used to determine the historical default rate.

When forecasting future economic conditions, macroeconomic information is incorporated by taking country risk premiums into account.

The country risk premiums are weighted in line with the sales generated in the reporting year. The historical default rates determined are supplemented by the forward-looking country risk premium factor and applied to the gross receivables portfolio in the current reporting year, depending on the overdue class.

With the exception of the cooperative shares at the Volksbanks, other receivables and other assets do not bear interest and are therefore not subject to interest rate risk. Significant receivables are individually assessed for impairment. A receivable is impaired when there is objective evidence that the Group will not be able to collect all amounts due according to the contractual terms. The amount of these value adjustments as at December 31, 2023 is EUR 1,618 thousand.

The carrying amounts of trade accounts receivable correspond to their fair values.

Liquidity risks

In the following, the Group presents all important cash flows required by IFRS 7. These are financial liabilities including estimated interest payments on the balance sheet date. The effects of offsetting are not presented. This is the best way to assess the liquidity risk of the company.

The cash inflows and outflows presented in the tables below reflect the undiscounted cash flows associated with derivative financial liabilities that are not normally settled before contractual maturity. These are held for risk management purposes.

The principle of professional liquidity management is to ensure sufficient liquidity at all times. The aim is to reconcile the ongoing need for financial resources with ensuring flexibility through the use of overdraft facilities, loans, leasing and hire-purchase agreements.

Uzin Utz's strategic approach to liquidity management provides for financing with long-term loans. Long-term investments are largely financed or secured on a long-term basis. In addition, bridge financing is sometimes used in the course of the investment in order to determine the optimal need for long-term financing.

Contractual cash flows (in KEUR)	2023 Book value	Total amount	2024 up to 1 year	2025	2026	2027	2028	2029 over 5 year
Non-derivative financial liabilities	**127.576**	**132.518**	**84.982**	**12.998**	**11.565**	**8.755**	**3.871**	**10.347**
Financial payables	85.412	89.633	48.583	10.320	9.777	7.568	3.427	9.958
Liabilities to banks	52.993	55.053	14.003	10.320	9.777	7.568	3.427	9.958
Overdrafts	32.419	34.580	34.580	0	0	0	0	0
Trade account liabilities	15.970	15.970	15.970	0	0	0	0	0
Leasing liabilities	10.225	10.945	4.460	2.677	1.788	1.187	443	389
Other liabilities	15.969	15.969	15.969	0	0	0	0	0
Derivative liabilities	**22**	**22**	**22**	**0**	**0**	**0**	**0**	**0**
Interest rate swaps used for hedging purposes	0	0	0	0	0	0	0	0
Forward exchange contracts used for hedging purposes								
Outflows (+)	22	22	22	0	0	0	0	0
Inflows (-)	0	0	0	0	0	0	0	0

Contractual cash flows (in KEUR)	2022 Book value	Total amount	2023 up to 1 year	2024	2025	2026	2027	2028 over 5 year
Non-derivative financial liabilities	**135,367**	**139,609**	**86,227**	**15,883**	**10,663**	**9,557**	**7,200**	**10,079**
Financial payables	89,081	93,119	44,189	13,948	9,528	8,854	6,727	9,872
Liabilities to banks	58,004	60,542	11,613	13,948	9,528	8,854	6,727	9,872
Overdrafts	31,077	32,576	32,576	0	0	0	0	0
Trade account liabilities	18,704	18,704	18,704	0	0	0	0	0
Leasing liabilities	7,985	8,189	3,737	1,935	1,135	703	473	206
Other liabilities	19,597	19,597	19,597	0	0	0	0	0
Derivative liabilities	**14**	**14**	**14**	**0**	**0**	**0**	**0**	**0**
Interest rate swaps used for hedging purposes	0	0	0	0	0	0	0	0
Forward exchange contracts used for hedging purposes								
Outflows (+)	14	14	14	0	0	0	0	0
Inflows (-)	0	0	0	0	0	0	0	0

The cash and liquidity management objectives are described as follows:
– Securing solvency
– Optimization of c flows

- Reduction of financing costs
- Risk mitigation
- Creation for room for manoeuvre for entrepreneurial decisions

In 2023, liquidity management faced new challenges due to the ongoing COVID 19 pandemic and Russia's war of aggression on Ukraine, as well as the associated price increases in the energy and raw materials sectors. Despite these difficult conditions, the targets were met.

Reporting to the Management Board was further expanded through quarterly Group-wide liquidity management.

In addition, global projects to standardize and automate payment transactions are being continued. The aim of this project is to control payment transactions across the Group via a standardized platform. The automatic posting of account statements and payment advice notes at our SAP companies in other European countries was further expanded. This marks another important step in the digitization process of the finance department.

The flexibility in Uzin Utz's financial sector made it possible to successfully master further challenges in relation to the supply chain problem and the associated shortage of raw materials. The complete financing of the second production plant in the USA (Texas) was also implemented both internally and externally with our core banks in 2023.

Liquidity was also ensured continuously in 2023 without the need to adjust the loan agreements. All financial obligations to external partners were met on time and the credit lines were not fully utilized at any time. When preparing the consolidated financial statements for 2023, it is expected that liquidity will continue to be guaranteed, which is likely to result in a very good credit rating from our core banks. Internal financing was further strengthened due to Uzin Utz's outstanding performance in 2023.

By taking out two new long-term fixed-rate loans, Uzin Utz has hedged itself against interest rate increases in order to minimize possible interest rate risks.

The total loan volume in the Group amounted to EUR 85,435 thousand in 2023, compared to EUR 89,095 thousand in the previous year. Further details on the composition and maturities can be found in the section "23 Liabilities".

Leasing

The Group as lessee

Uzin Utz is mainly active as a lessee. Leasing contracts are mainly concluded for real estate, motor vehicles and e-bikes. The terms of the contracts vary depending on the company. As at December 31, 2023, leases for motor vehicles were concluded for a term of between one and six years. The term of real estate leases also varies depending on the company from which the lease was concluded. The terms are between three and 34 years. Leases for e-bikes running as at December 31, 2023 were concluded for a term of between two and three years.

In the case of some properties, contracts have been concluded for an indefinite period, which can be terminated with notice periods of between two and six months. In some cases, the notice period is tied to a specific date, meaning that termination is only possible, for example, if notice is given at least six months before the end of the year. In determining the term of these contracts, the Company considers how certain it is that the termination option will be exercised at a certain time in the future. The decisive factors for the assessment are all factors that result in an economic incentive to use a termination option. The same applies to the renewal options to which the Uzin Utz Group is entitled under some lease agreements for real estate. When determining the lease term, consideration is given to whether factors exist that make the use of the extension option attractive. For the determination of the lease term, the annual planning is also taken into account, the planning horizon of which is five years throughout the Group.

The following amounts were recognized in the statement of comprehensive income in accordance with IFRS 16:

Values from statement of compre-hensive income (in KEUR)	**2023**	**2022**
Expenses for short-term leases	307	292
Expenses for minor leases	92	71
Expenses for variable lease payments (not included in the lease liability)	42	49
Income from the subleasing of rights of use	119	107

Interest expense on lease liabilities can be found in the section "Disclosures on the statement of comprehensive income > 7 Financial result. More detailed information on the amortization of rights of use can be found in the section "Notes to the consolidated statement of financial position > 12 Rights of use.

Disclosures on the amounts recognized in the statement of comprehensive income

At none of the national companies did the number of short-term leases at the end of the year differ from the number of short-term leases during the year. In total, short-term leases gave rise to expenses of EUR 307 thousand (292).

In the 2023 financial year, the Group generated income from the subleasing of rights of use in the amount of TEUR EUR 119 thousand (107). These result mainly from the subleasing of rented properties and the subleasing of e-bikes by employees of the respective national company.

In the 2023 financial year, a total of EUR 5,038 thousand (4,505) in cash and cash equivalents flowed out in connection with leases. The composition of the cash outflow is shown in the following table:

Cash outflows **(in KEUR)**	**2023**	**2022**
Cash outflows for leasing that were recognized in accordance with IFRS 16	4,597	4,094
Cash outflows for short term leasing (> 1 month ≤ 12 months)	307	292
Cash outflows for leasing of negligible value (≤ 4.500 EUR)	92	71
Cash outflows for variable lease payments	42	49
Total Cash outflows for leasing	**5,038**	**4,505**

A maturity analysis of the contractual cash flows from leases can be found in the table "Contractual cash flows" in the section "Other disclosures > Liquidity risks. The breakdown of lease liabilities by remaining term is shown in the table in the section "Notes to the consolidated statement of financial position > 23 Liabilities.

Future cash outflows, which were not taken into account in the valuation of the leasing liabilities, are expected in the amount of EUR 649 thousand (573). This total takes into account leases that have already been concluded but have not commenced as of December 31, 2023. Future cash outflows for variable lease payments, extension and termination options, and residual value guarantees not taken into account in the measurement of the lease liability did not exist at the end of fiscal year 2023.

The Group as lessor

Uzin Utz also acts as a lessor. An investment property is leased out under operating leases. The amounts recognized in profit or loss include the monthly rental income and the directly attributable operating expenses (e.g. repairs and maintenance).

New rental agreements were concluded with third parties in the 2023 financial year. These are operating leases. Rental income in addition to the existing tenancies amounted to EUR 169 thousand in the 2023 financial year. The rental agreements run until June 2024, April 2028 or are indefinite. For further information, see "14 Investment properties".

Costs directly attributable to the tenancies amounted to EUR 21 thousand. These costs mainly consist of incidental rental costs that were passed on to the tenants.

The future minimum lease payments from rental agreements are presented below as a total amount and for each of the following periods as at the reporting date. A five-year period corresponding to the planning horizon is used as the basis for open-ended leases.

Future minimum lease payments from operating leasing (in KEUR)	**31.12. 2023**	**31.12. 2022**
Remaining term up to 1 year	48	97
Remaining term between 1 and 5 years	391	0
Remaining term more than 5 years	84	0
Total	**523**	**97**

Directly attributable costs for future tenancies are expected to amount to EUR 81 thousand. These costs mainly consist of expected incidental rental costs that will be passed on to the tenant.

Earnings per share

Earnings per share	2023	2022
Profit after taxes (in million EUR)*	22.6	25.3
Total earnings after taxes (in million EUR)*	23.2	29.1
Weighted average of shares outstanding	5,044,319	5,044,319
Result after taxes per share (in EUR)*	4.48	5.02
Total result per share (in EUR)*	4.61	5.78

* based on the profit after tax attributable to the holders of ordinary shares of the parent company

Earnings per share are calculated by dividing earnings after taxes by the weighted average number of shares outstanding. Repurchased shares are included in the valuation pro rata temporis for the period in which they were in circulation. In the financial year 2023, a dividend of 1.60 EUR per participating share was distributed.

There were no dilutive effects in the 2023 reporting year.

Disclosures on the Group segment reporting

The segments are generally reported according to their internal organizational and reporting structure and the legal entities, whereby these are aggregated taking into account regional areas of responsibility. Companies included in the Group using the equity method are not included in the segment reporting. All reported segment information is based on the domicile of the respective national company/companies. Segments are combined if they have similar economic characteristics. In addition to the product structure or product range and the type of customer, the contribution margin and the return on sales are also used in this analysis. Historical data, data from the reporting year and future-related data are used as a basis. This results in the following segmentation:

- The “Germany - Laying Systems” segment comprises producers of laying systems for floors, parquet, tiles and natural stone based in Germany.
- Two further segments were introduced in 2023. The "Germany - Machines and Tools" segment comprises the producer of machines and tools in Germany. The "USA" segment includes the producer of installation systems in North America.
- The “Netherlands” segment is divided into the “Laying Systems” and “Wholesale” segments. The “Laying Systems” segment includes all producers of laying systems for floors in general – including synthetic resin flooring - based in the Netherlands. The segment “Wholesale” is made up of wholesalers established in the Netherlands.
- The “Western Europe” segment comprises companies based in Western Europe (outside Germany and the Netherlands) which manufacture and/or offer product systems for laying floor coverings.
- The “Southern/Eastern Europe” segment comprises companies based in Southern/Eastern Europe that manufacture and/or offer product systems for the installation of floor coverings.
- “All other segments” comprises the other operating companies defined in accordance with IFRS 8. They generate sales revenues from the following types of products and services: Laying systems for floor coverings, surface finishing of parquet flooring, as well as machinery and special tools for floor finishing, high-performance dry adhesives, cleaning and maintenance products, and services relating to flooring. In addition, rental income is generated from the leasing of business premises in this segment.
- The item “Reconciliation” contains both consolidation measures as well as amounts that are not due to operating segments.

Inter-segment revenues are calculated at prices that would also be agreed with third parties. Segment items include transfers between the individual segments, which are eliminated in the reconciliation statement.

Net assets were presented in the asset analysis due to their significantly higher informative value. Segment net assets are therefore calculated by subtracting segment liabilities from segment assets.

The basis for the allocation of non-current assets to individual countries is the domicile of the selling unit or the location of the assets. Deferred taxes, non-current financial assets and investments accounted for using the equity method are not taken into account. The segment result is reported as EBIT and therefore as earnings before interest and taxes. The information on segment investments includes intangible assets (excluding goodwill) as well as property, plant and equipment and right-of-use assets.

In the case of sales by geographical region, external sales are based on the location of the customer. This means that comparability with the external sales of the segments is not possible.

Notes to the consolidated cash flow statement

The cash flow statement was prepared in accordance with IAS 7 “Cash Flow Statements” using the indirect method for cash flow from operating activities, based on earnings after tax. The cash flow statement is divided into the three areas of operating activities, investing activities and financing activities.

Cash and cash equivalents are defined as the balance of cash and cash equivalents and all securities with a remaining term of three months at the time of acquisition. Liabilities from current accounts, which are part of the Group's cash management system, must be deducted from this figure. For the purposes of the cash flow statement, financial debt includes all liabilities to banks and interest-bearing loans granted by suppliers.

As of the balance sheet date, approx. 24.8 % (23.8) of credit lines were utilized throughout the Group, and approx. EUR 32,419 thousand (31,077) in absolute terms (taking into account credit balances at the relevant bank). The increase in credit lines utilized is primarily due to the advance financing of the production facility in Waco (Texas) and to rising raw material and energy prices. In addition, forward exchange contracts are concluded on a case-by-case basis to hedge fixed payments or significant foreign currency receivables or payables. Fixed credit lines were in place at slightly more than a quarter of the Group companies.

The cash flow statement shows how the Group's cash and cash equivalents have changed in the course of the reporting year as a result of cash inflows and outflows.

Earnings after taxes, adjusted for non-cash flows and changes in operating assets and liabilities, result in the cash flow from operating activities.

Non-cash flows are, for example, depreciation and write-ups of fixed assets or the increase or decrease in provisions. The change in operating assets includes inventories, trade receivables and other assets from operating activities. The change in operating liabilities includes current provisions, trade payables and other liabilities from operating activities.

The cash flow from investing activities includes the cash outflow for investments, the cash inflow from divestments and the changes in cash and cash equivalents in connection with changes in the scope of consolidation.

Cash flow from financing activities includes cash outflows from dividend payments, cash inflows from financing activities and cash outflows for repayments of principal

The reconciliation statement shows the extent to which transactions relating to liabilities from financing activities have actually resulted in cash flows. This is done by reconciling the opening value at the beginning of the year to the closing value at the end of the year. The cash flows are divided into inflows and outflows. In the non-cash changes, a distinction is made between additions and disposals and foreign currency differences. The financial liabilities presented in the reconciliation do not include any derivative liabilities. Furthermore, current financial liabilities do not include any current account liabilities.

Reconciliation 2023	2023 Starting value	Cash flows	Receipts	Disposal	Non-cash changes		2023 Closing value
(in KEUR)					Inflows/out-flows	Foreign cur-rency	
Non-current financial liabilities	46,669	6,550	6,550	0	-13,167	-434	**39,618**
Current financial liabilities	11,349	-11,120	0	-11,120	13,167	-21	**13,375**
Liabilities from leasing	7,985	-4,371	0	-4,371	6,597	14	**10,225**
Liabilities from financing activities	**66,003**	**-8,941**	**6,550**	**-15,491**	**6,597**	**-441**	**63,218**

Commitments and contigent liabilities

The Uzin Utz Group is also subject to potential obligations arising from legal proceedings and asserted claims. Estimates regarding possible future expenses are subject to numerous uncertainties. However, this is not expected to have any significant negative impact on the economic or financial situation of the Group.

In March 2021, Uzin Utz North America Inc. was granted an incentive of approximately EUR 441 thousand for the property acquired in Waco, USA. In order to receive the full amount of the incentive, a minimum investment of approximately EUR 17,226 thousand must be made in real estate and approximately EUR 8,415 thousand in personal property. In addition, a certificate of occupancy for a facility with an area of at least 125,000 m² must be obtained by June 1, 2022 and 42 jobs must be created by December 31, 2024. Due to supply shortages caused by the COVID-19 pandemic, the deadline for the certificate of occupancy was extended to June 30, 2023. In the 2023 reporting year, the American company received the certificate of occupancy and thus fulfilled this condition. The uncertainty of this contingent liability is 95%, the possibility of a refund is 0%, as it is assumed that the other conditions will be met.

As of December 31, 2023, Uzin Utz SE has another obligation from a D&O insurance policy in the amount of EUR 96 thousand, which must be paid by the end of 2024 and can be terminated as of September 2025. In addition, there is another obligation from a contract between Uzin Utz SE and a consulting agency with a term until December 2024 in the amount of EUR 135 thousand.

Relationships with related persons and companies

„Related parties“ within the meaning of IAS 24 „Related Party Disclosures“ are, in addition to the Executive Board, the Supervisory Board and associated companies and shareholders.

The related companies are shown in the list of shareholdings of the Group companies.

The members of the Supervisory Board received remuneration of EUR 470 thousand (463) for the reporting year. This is presented in detail in the section „Total remuneration and shareholdings “. The remuneration of the Executive Board amounted to EUR 972 thousand (2,116) in the financial year 2023. The remuneration report can be viewed on the website under the link https://int.uzin-utz.com/investors/remuneration.

Transactions between companies included in the Group and subsidiaries and associates not included in the Group are explained below.

Netzwerk Boden GmbH, Artiso AG, codex Verwaltungs GmbH, Servo 360° GmbH and Uzin Utz Tools Verwaltungs GmbH are related parties because shares of between 50 % and 100 % of the share capital are held directly and indirectly by Uzin Utz SE. These companies were not included in the consolidated financial statements because the intercompany transactions are less than 1% of the group volume. As a rule, there are no significant transactions with these companies that affect the operating business. Any outstanding receivables are unsecured. Guarantees are neither given nor received.

The following significant transactions with key management personnel and related parties (UN) took place:

Business transactions with key people	Value of the business transaction		Balances outstanding at December 31	
(in KEUR)	31.12. 2023	31.12. 2022	31.12. 2023	31.12. 2022
Consulting expenses	**54**	**51**	**0**	**0**
Business transaction concerns Uzin Utz AG	54	51	0	0
Business transaction concerns subsidiary	0	0	0	0
Rental expense	**20**	**17**	**0**	**0**
Business transaction concerns Uzin Utz AG	20	17	0	0
Business transaction concerns subsidiary	0	0	0	0

Business transactions with related companies	Gross values of the business transaction		Balances outstanding at December 31	
(in KEUR)	31.12. 2023	31.12. 2022	31.12. 2023	31.12. 2022
Purchase of goods	**4.872**	**6.564**	**33**	**-49**
Business transaction concerns Uzin Utz AG	446	639	0	-6
Business transaction concerns subsidiary	4.426	5.925	33	-42
Sale of goods	**944**	**704**	**115**	**120**
Business transaction concerns Uzin Utz AG	0	0	0	0
Business transaction concerns subsidiary	944	704	115	120

The Group used the many years of experience of the former CEO and current Chairman of the Supervisory Board as a consulting service. Standard market rates were charged for such consulting services and the invoice amounts were due and payable in accordance with the usual terms of payment. The Supervisory Board was always informed.

The Group acquired various supplies of goods from Alberdingk Boley GmbH, which is a shareholder (previously Polyshare) in Uzin Utz SE. The purchases were in line with standard market conditions. In addition, the Hungarian subsidiary (Uzin Utz Magyarorszag Kft.) conducted transactions with a wholesaler as a related party at market prices. Furthermore, at the Belgian subsidiary (Uzin Utz België N.V.), transactions were carried out with a related party at market prices.

The outstanding balances from purchases of goods are classified as trade payables and the outstanding balances from sales of goods are classified as trade receivables.

The partnership of a Supervisory Board member was paid EUR 42 thousand (337) for consultancy services in the reporting year. The consultancy services provided by the law firm were significantly higher in the previous year than in the reporting year due to the conversion from a stock corporation into a European company (Societas Europaea). These were in line with standard market conditions.

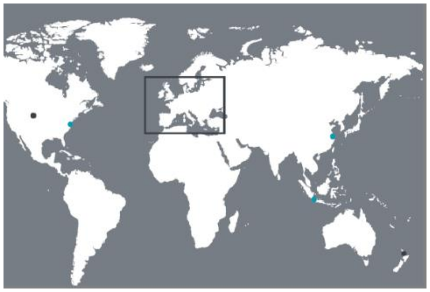
A rental agreement for a property has existed between Uzin Utz SE and a member of the Supervisory Board since October 1995. Since there has been no rent increase since the lease agreement was concluded, this transaction is based on conditions that are not customary in the market.

Transactions between Group companies have been eliminated on consolidation and are therefore not explained in these notes.

Non-consolidated companies

(Figures according to IFRS before consolidation)

Company	Location	Share of capital in %	Equity in KEUR	Result in KEUR	Result prev. Year
Artiso AG	DE, Blaustein	50.00	36	4	-14
Netzwerk Boden GmbH	DE, Hannover	50.00	77	9	8
Uzin Utz Tools Verwaltungs GmbH	DE, Ilsfeld	100.00	46	1	2
codex Verwaltungs GmbH	DE, Ulm	100.00	30	1	1
Servo 360° GmbH	DE, Ulm	100.00	85	8	10



Production and sales location

Sales location

Group companies

Group companies

(Figures according to IFRS before consolidation)

Company	Location	Share fo capital in %	Equity in KEUR	Result in KEUR	Result prev. Year
Uzin Utz Österreich GmbH	AT, Aurach am Hon-gar	100.00	1,249	90	125
Uzin Utz België N.V.	BE, Gent	100.00	1,797	279	162
Uzin Utz Schweiz AG	CH, Buochs	100.00	12,543	1,341	3,153
Sifloor AG	CH, Sursee	100.00	26,102	629	1,370
Uzin Utz Construction Materials (Shanghai) Co. Ltd.	CN, Shanghai	100.00	2,291	331	234
Uzin Utz Česká republika s.r.o.	CZ, Prag	100.00	1,894	357	596
artiso solutions GmbH *)	DE, Blaustein	50.00	955	63	-21
Uzin Utz Tools GmbH & Co. KG	DE, Ilsfeld	100.00	8,275	1,135	4,260
codex GmbH & Co. KG	DE, Ulm	100.00	9,452	2,791	2,769
Neopur GmbH	DE, Ulm	80.00	637	46	65
Utz Beteiligungs GmbH	DE, Ulm	100.00	3,452	74	75
Uzin Utz SE	DE, Ulm	-	147,636	16,983	17,073
Uzin Utz Immobilienverwaltungs GmbH	DE, Ulm	100.00	-74	-78	-20
Pallmann GmbH	DE, Würzburg	100.00	21,900	4,771	5,334
Uzin Utz Denmark ApS	DK, Kastrup	100.00	285	30	28
Uzin Utz France SAS	FR, Paris	100.00	6,066	2,280	2,391
Uzin Utz United Kingdom Ltd.	GB, Rugby	100.00	3,164	277	693
Uzin Utz Hrvatska d.o.o.	HR, Zagreb	100.00	959	63	68
Uzin Utz Magyarország Kft.	HU, Budapest	90.00	394	42	77
P.T. Uzin Utz Indonesia *)	ID, Jakarta	49.00	1,608	-13	-49
INTR. B.V.	NL, Deventer	100.00	5,893	606	1,754
COFOBO Holding B.V.	NL, Haaksbergen	100.00	9,280	569	1,322
Uzin Utz Nederland B.V.	NL, Haaksbergen	100.00	35,956	7,672	5,316
Uzin Utz South Pacific Ltd.	NZ, Whangaparaoa	100.00	3,015	364	131
Uzin Polska Produkty Budowlane Sp.zo.o.	PL, Legnica	100.00	8,777	726	1,386
Uzin Utz Polska Sp.zo.o.	PL, Legnica	100.00	3,087	372	304
Uzin Utz Sverige AB	SE, Stockholm	100.00	108	25	21
Uzin Utz Singapore Pte. Ltd.	SG, Singapur	100.00	300	-23	-15
Uzin Utz Slovenija d.o.o.	SI, Ljubljana	100.00	3,842	525	384
Utz Inc.	US, Aurora	100.00	16,558	0	0
Uzin Utz North America, Inc.	US, Aurora	100.00	19,291	-1,646	1,044
Uzin Utz Srbija d.o.o.	XS, Belgrad	100.00	462	49	46

*Investments accounted for using the equity method

Corporate bodies of Uzin Utz (Societas Europaea)

Executive Board:

Christian Richter
Graduate industrial engineer (FH)
07749 Jena
Ressorts: Finance and Controlling, Investor Relations, Internal Control System, Compliance, Data Protection, Risk Management, Corporate Development

Julian Utz
Diploma economist
89073 Ulm
Ressorts: Production, materials management, intralogistics, research and development, human resources and legal affairs, corporate development

Philipp Utz
Diploma Businessman
81475 Munich
Ressorts: Marketing and product management, sales, logistics, purchasing, IT, corporate development

As of December 31, 2023, the members of the Executive Board held the following additional memberships in Supervisory and Advisory Boards:

Philipp Utz:
- Deutsche Messe AG, Hanover, Advisory Board Trade Fair DOMOTEX

Supervisory Board:

Dr. H. Werner Utz
\- Chairman -
Graduate in business administration
89584 Ehingen

Timm Wiegmann
Graduate Engineer, CEO and shareholder of
Alberdingk Boley GmbH, Krefeld
47800 Krefeld

Prof. Dr. Rainer Kögel
Lawyer/
Partner of the law firm Hennerkes, Kirchdörfer & Lorz, Stuttgart
70193 Stuttgart

Paul-Hermann Bauder
Graduate industrial engineer and shareholder of Paul Bauder GmbH & Co. KG, Stuttgart
70499 Stuttgart

Amelie Klußmann
Diploma Culture manager, Diplomat

10965 Berlin

Michaela Aurenz Maldonado (Member since May 16, 2023)
Bachelor of Business Administration,
Managing Partner and Spokeswoman of the Management Board ASB Grünland Helmut Aurenz GmbH, Stuttgart and Helmut Aurenz GmbH & Co. KG, Stuttgart
8272 Ermatingen, Switzerland

Retired on 16 May 2023:
Frank-W. Dreisörner
- Deputy Chairman -
Graduate Economist, Graduate Engineer
47815 Krefeld

The Supervisory Board has two committees. The Audit Committee consists of the following members: Paul-Hermann Bauder (Chairman), Dr. Rainer Kögel, Timm Wiegmann. The Personnel Committee consists of the following members: Dr. Rainer Kögel (Chairman), Dr. H. Werner Utz and Timm Wiegmann.

As of December 31, 2023, the members of the Supervisory Board held the following additional memberships in Supervisory and Advisory Boards:

Prof. Dr. Rainer Kögel:
Membership of supervisory boards and comparable supervisory bodies:
- Scherr + Klimke AG, Ulm, Deputy Chairman of the Supervisory Board to be formed by law
- PERI SE, Weißenhorn, Vice-Chairman of the Advisory Board
- ACO Group SE, Rendsburg, Member of the Board of Directors
- Herzog Leasing AG, Stuttgart, Member of the Supervisory Board

Membership in comparable domestic and foreign supervisory bodies:
- Telegärtner Holding GmbH, Steinenbronn, Chairman of the Advisory Board
- Brand Holding GmbH & Co. KG / Schroer + Brand Beteiligungs GmbH, Anröchte, Chairman of the Advisory Board
- Controlware Holding GmbH, Dietzenbach, Member of the Advisory Board
- braun-steine GmbH, Amstetten, Chairman of the Advisory Board
- Alwin Kolb GmbH & Co. KG, Memmingen, Member of the advisory board
- Spohn & Burkhardt GmbH & Co. KG / Schaltgeräte Gesellschaft Blaubeuren mbH, Blaubeuren, Member of the Advisory Board
- Hans Lamers GmbH & Co. KG/Prodomo GmbH, Jülich, Chairman of the Advisory Board
- Peri-Werk Artur Schwörer GmbH & Co. KG, Weißenhorn, Chairman of the Advisory Board
- KNF-Gruppe, Freiburg, Member of the Advisory Board

Paul-Hermann Bauder
- Paul Bauder GmbH & Co. KG, Stuttgart, Member of the Advisory Board

Total benefits and shareholdings

The remuneration of the Executive Board of Uzin Utz SE in financial year 2023 amounted to EUR 972 thousand (2,116), of which EUR 859 thousand (1,088) was fixed and EUR 110 thousand (1,026) was performance-related. For further explanation, see https://de.uzin-utz.com/investors/ remuneration.

In 2021, the Group introduced a share-based remuneration system for the Management Board for the first time. Under this share-based remuneration agreement, the members of the Management Board are granted virtual shares annually as part of their long-term variable remuneration, which are designed for a term of four years as part of the virtual share plan and are not entitled to dividends. The respective number of virtual shares is calculated by dividing 60% of the variable remuneration of a grant year by the average, weighted closing price of the Uzin Utz share on all trading days of the grant year. There is a limit of a share price increase of 40% in four years and a minimum amount of 60% of the initial amount. At the end of the term/holding period, the virtual shares granted are converted into cash. The fair value of the phantom shares was calculated using the Black-Scholes formula. The expected volatility is based on an assessment of the company's historical share price volatility over the period corresponding to the term of the share plan. The following parameters were used to calculate the fair value:

Parameters of the share plan 2023	Tranche 2023	Tranche 2022	Tranche 2021
Fair value at the grant date	39.49 €	45.86 €	51.06 €
Average weighted share price on the grant date	50.18 €	62.33 €	75.48 €
Expected volatility	36.79%	37.80%	34.83%
Duration (in years)	4	3	2
Risk-free interest rate	3.80%	3.80%	3.80%
Book value of the provision (in KEUR)	199	296	89
Number of virtual shares	5,042	6,451	1,735

Parameters of the share plan 2022	Tranche 2022	Tranche 2021
Fair value at the grant date	47.06 €	54.56 €
Average weighted share price on the grant date	62.33 €	75.48 €
Expected volatility	37.80%	34.83%
Duration (in years)	4	3
Risk-free interest rate	3.75%	3.75%
Book value of the provision (in KEUR)	104	95
Number of virtual shares	1,663	1,735

When calculating the SVR and LVR for the Executive Board members Julian Utz and Philipp Utz, the values were reversed in March 2023. As a result, too few virtual shares were allocated and too much SVR (STI 2022) was paid out. This was corrected in November 2023.

The Supervisory Board received remuneration of EUR 470 thousand (463) for the 2023 financial year.

More detailed information on the compensation system of the Supervisory Board and the compensation of the respective Supervisory Board members can be found in the Compensation Report under the link https://de.uzin-utz.com/ investors/ remuneration.

The members of the Supervisory Board shall also be reimbursed for all expenses and for any value-added tax payable on their remuneration and expenses.

A provision of EUR 741 thousand (752) was recognized for future pension obligations to the former management Board. Pensions amounting EUR 80 thousand (77) were paid to former members of the Management Board in the 2023 financial year.

As of December 31, 2023, the entire Executive Board held 2,709,181 (2,711,693) shares directly or indirectly. The entire Supervisory Board directly or indirectly owns 2,709,576 (2,712,088) shares of the company.

Neither the Management Board nor the Supervisory Board have stock options or comparable compensation components.

Declaration of conformity pursuant to section 161 AktG

The declaration of compliance with the Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG) was issued by the Management Board and Supervisory Board and made available to shareholders on the Company's website on the company website at https://de.uzin-utz.com/investoren/corporate-governance. The declarations of conformity of the last 5 years can also be found there.

Disclosure

The German subsidiaries listed below in the legal form of corporations or partnerships make use of the exemption options provided by Section 264 (3) and Section 264b of the German Commercial Code (HGB) and has decided not to prepare a management report and not to publish it in the Federal Official Register:

- Pallmann GmbH
- Uzin Utz Tools GmbH & Co. KG
- codex GmbH & Co. KG

For these companies, the consolidated financial statements of Uzin Utz SE are the exempting consolidated financial statements.

The consolidated financial statements are published in the Federal Official Register.

Information according to section 160 (1) AktG

Anyone who reaches, exceeds or falls below 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the voting rights in Uzin Utz SE through acquisition, sale or in any other way is obliged to inform our company of this in accordance with § 33 Paragraph 1 Sentence 1 WpHG. Uzin Utz SE is obliged to publish these notifications according to § 40 WpHG.

The following notifications were received from the then Uzin Utz SE:

- Dr. Heinz Werner Utz has notified us pursuant to section 33 (1) sentence 1 WpHG that his share of voting rights exceeded the threshold of 50% on 08 September 2017 and amounts to 53.54% (2,700,504 voting rights) as per this date. In this context, Dr. Heinz Werner Utz has indicated that he directly holds 25.36% (1,279,314 voting rights) of these voting rights and that 28.17% (1,421,190 voting rights) are attributed to him pursuant to Section 22 WpHG. Voting rights of the following shareholders, whose share of voting rights in Uzin Utz SE amounts to 3 % or more, are attributed to him: Manuela Pleichinger, Julian Utz, Philipp Utz, Amelie Klußmann.
- Ms. Manuela Pleichinger has notified us pursuant to section 33 (1) sentence 1 WpHG that her share of voting rights exceeded the thresholds of 20%, 25%, 30% and 50% on September 08, 2017 and amounts to 53.54% (2,700,504 voting rights) as of that date. Ms. Manuela Pleichinger has indicated that she directly holds 11.29% (569,390 voting rights) of these voting rights and that 42.25% (2,131,114 voting rights) are attributable to her pursuant to Section 22 WpHG. Voting rights of the following shareholders, whose share of voting rights in Uzin Utz SE amounts to 3 % or more, are attributed to it: Dr. Heinz Werner Utz, Julian Utz, Philipp Utz, Amelie Klußmann.
- Mr. Andreas Pleichinger has notified us pursuant to section 33 (1) sentence 1 WpHG that his share of voting rights exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% on September 08, 2017 and amounts to 53.54% (2,700,504 voting rights) as of that date. Mr. Andreas Pleichinger has indicated that he holds 2.41% (121,800 voting rights) of these voting rights directly and that 51.12% (2,578,704 voting rights) are attributable to him pursuant to Section 22 WpHG. Voting rights of the following shareholders, whose share of voting rights in Uzin Utz SE amounts to 3 % or more, are attributed to him: Dr. Heinz Werner Utz, Manuela Pleichinger, Julian Utz, Philipp Utz, Amelie Klußmann.

- Ms. Amelie Klußmann has notified us pursuant to section 33 (1) sentence 1 WpHG that her share of voting rights exceeded the threshold of 50% on September 08, 2017 and amounts to 53.54% (2,700,504 voting rights) as of that date. In this context, Ms. Amelie Klußmann has indicated that she directly holds 4.13% (208,250 voting rights) of these voting rights and that 49.41% (2,492,254 voting rights) are attributable to her pursuant to Section 22 WpHG. Voting rights of the following shareholders, whose share of voting rights in Uzin Utz SE amounts to 3 % or more, are attributed to it: Dr. Heinz Werner Utz, Manuela Pleichinger, Julian Utz, Philipp Utz.
- Mr. Tobias Pleichinger has notified us pursuant to section 33 (1) sentence 1 WpHG that his share of voting rights exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, and 50% on September 08, 2017 and amounts to 53.73% (2,710,356 voting rights) as of that date. Mr. Tobias Pleichinger has indicated that he holds 2.12% (107,000 voting rights) of these voting rights directly and that 51.61% (2,603,356 voting rights) are attributable to him pursuant to Section 22 WpHG. Voting rights of the following shareholders, whose share of voting rights in Uzin Utz SE amounts to 3 % or more, are attributed to him: Dr. Heinz Werner Utz, Manuela Pleichinger, Julian Utz, Philipp Utz, Amelie Klußmann.
- Mr. Julian Utz has notified us pursuant to section 33 (1) sentence 1 WpHG that his share of voting rights exceeded the threshold of 50% on September 08, 2017 and amounts to 53.54% (2,700,504 voting rights) as of that date. Mr. Julian Utz has indicated that he directly holds 4.10% (207,000 voting rights) of these voting rights and that 49.43% (2,493,504 voting rights) are attributed to him pursuant to Section 22 WpHG. Voting rights of the following shareholders, whose share of voting rights in Uzin Utz SE amounts to 3 % or more, are attributed to him: Dr. Heinz Werner Utz, Manuela Pleichinger, Philipp Utz, Amelie Klußmann.
- Mr. Philipp Utz has notified us pursuant to section 33 (1) sentence 1 WpHG that his share of voting rights exceeded the threshold of 50% on September 08, 2017 and amounts to 53.54% (2,700,504 voting rights) as of that date. Mr. Philipp Utz has indicated that he directly holds 4.12% (207,750 voting rights) of these voting rights and that 49.42% (2,492,754 voting rights) are attributed to him pursuant to Section 22 WpHG. Voting rights of the following shareholders, whose share of voting rights in Uzin Utz SE amounts to 3 % or more, are attributed to him: Dr. Heinz Werner Utz, Manuela Pleichinger, Julian Utz, Amelie Klußmann.
- Alberdingk Boley GmbH, Krefeld, Germany, notified us pursuant to Section 33 (1) WpHG that its share of voting rights in our company exceeded the threshold of 25% on November 28, 2023 and amounted to 26.03% (1,313,088 voting rights) on this date. These voting rights are attributed to Alberdingk Boley GmbH pursuant to § 33 para. 1 WpHG.

The voting rights may have changed, but the information is not adjusted as long as no voting rights notification has been triggered due to the thresholds for mandatory voting rights notification not being reached.

Auditor’s fees of the financial statement

The fee of the auditor Rödl & Partner GmbH, which has been acting as auditor for Uzin Utz since the 2021 financial year, included in the expenses for the 2023 financial year, is divided into the following services rendered:

Fee in KEUR	**2023**	**2022**
Audit services	200	185
other confirmation services	0	0
Tax consulting services	0	0
other services	40	0
	240	**185**

Subsequent events after the balance sheet date

On February 29, 2024, Uzin Utz SE acquired 25.1% of the shares in FP Floor Protector GmbH, based in Wiener Neustadt, Austria, from Puchegger Holding GmbH, based in Wiener Neustadt, Austria. FP Floorprotector GmbH generates intelligent solutions for parquet flooring. With the acquisition of the shares, Uzin Utz aims to expand its technology leadership for the flooring trade. The parties have agreed not to disclose the purchase price. At the time of publication of the annual report, Uzin Utz does not yet have any information on the net assets and results of operations of FP Floorprotector GmbH for 2023. However, this is not expected to have any significant financial impact on the Uzin Utz Group.

Proposed dividend

The HGB financial statements of Uzin Utz AG as at December 31, 2023 show a balance sheet profit of 47,788,848.88 EUR (77,575,447.08). The Executive Board requests the Supervisory Board to pass a resolution on the following proposal for the appropriation of earnings to the Annual General Meeting:

Based on a net income for the year according to HGB of 17,072,035.74 EUR (16,607,312.66) plus a profit carried forward of 30,716,813.14 EUR (60,968,134.42), the balance sheet profit amounts to 47,788,848.88 EUR (77,575,447.08).

The Executive Board and the Supervisory Board propose that the unappropriated profit of 47,788,848.88 EUR (77,575,447.08) reported in the HGB annual financial statements be appropriated as follows:

Distribution of a dividend of 1.60 EUR (1.60) per share, totaling 8,070,910.40 EUR (8,070,910.40) on the share capital of 15,132,957.00 EUR (15,132,957.00) and allocation of EUR 0.00 (EUR 38,787,723.54) to other revenue reserves.

The difference of 39,717,938.48 EUR (30,716,813.14) and the amount that would have to be distributed on the treasury shares held by the Company on the date of the Annual General Meeting and that is to be excluded from the distribution in accordance with Section 71b of the German Stock Corporation Act (AktG) are to be carried forward to new account.

Ulm, March 27, 2024
Uzin Utz SE

The Executive Board

Christian Richter
Julian Utz
Philipp Utz

Responsibility statement by the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report 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.

Ulm, March 27, 2024
The Executive Board