Management Report of the Uzin Utz Group for the Financial 2023

Group Management Report of the Uzin Utz Group for the Financial Year from 01 January 2023 to 31 December 2023*.

Reporting is in EUR thousand. The preparation of the consolidated financial statements in EUR thousand may result in rounding differences, as the calculations of the individual items are based on figures in EUR.

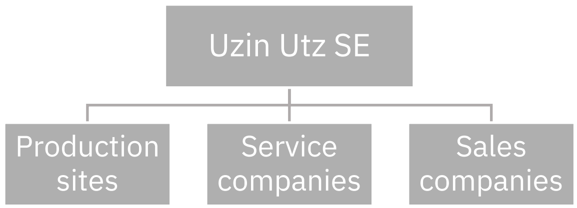
Principles of the Group

Business model

As a globally active full-range supplier in the flooring sector, we support professional floor layers in all their areas of responsibility with our six brands. The clear focus on the core competence of flooring is our worldwide concern. This enables us to develop comprehensive system solutions without having to make compromises. We offer our customers a wide range of products for soil cultivation, from construction chemical product systems and surface finishes to machines. Our goal is to optimally combine state-of-the-art technology and the wishes of our customers, while acting in a sustainable and growth-oriented manner. In order to ensure this, we are in constant exchange with floor layers and other processors of our products. We see ourselves as a partner of the trade and as the innovation engine of the industry. That is why research and development is so important to us. The focus is on the development of healthy and environmentally friendly building products. The Uzin Utz Group is active in 53 countries, 20 of which have their own production and/or sales companies (as of March 2024). The company's business focus is predominantly in Germany and the other European markets, as well as in North America. However, the company also has production facilities in China and Indonesia.

At the top of the group structure is Uzin Utz SE with its registered office in Ulm. As Uzin Utz SE is a European company, it is primarily regulated by the provisions of the European SE Regulation (COUNCIL REGULATION (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European company (SE) (OJ L 294 of November 10, 2001) as well as the national SE Act (SE Implementation Act) of December 22, 2004 (BGBl. I p. 3675). In terms of content, the national Stock Corporation Act regularly applies by way of references, in particular Art. 9 para. 1 SE Regulation. In order to maintain the clarity of the presentation, this annual report refrains from quoting the complete chain of norms in each case. Any reference to provisions of the Stock Corporation Act shall be understood as a reference within the meaning of the reference provisions of the specific SE law.

Uzin Utz SE performs the tasks of group management. In addition to research, development, production and sales of environmentally friendly and sustainable building products, it thus has a central management and administrative function. In annual international planning meetings, strategic and sustainable decisions are discussed together with the subsidiaries, enabling the Executive Board to make well-founded decisions. Structurally, the companies are subdivided as follows:



A detailed view of the shareholdings of all Group companies can be found in the notes to the Consolidated Financial Statements.

With the six brands UZIN, WOLFF, PALLMANN, Arturo, codex and Pajarito, we offer our customers floor expertise built up over decades on the international market for the new installation, renovation and value retention of all types of floor coverings.

*All previous year's figures in brackets. For reasons of better readability, only the masculine form is used in some places when referring to persons and person-related nouns. Corresponding terms apply to all genders in the interests of equal treatment. The abbreviated form is for editorial reasons only and does not imply any judgement.

Strategy and goals

Internal success factors

The focus for 2024 remains on pursuing the goals set out in the Passion 2025 strategy. By focusing on these goals, we are creating sustainable and healthy growth through the efforts of our global employees and investments. Our internal success factors are based on the following four pillars (4 P's):

- Profit
- Products & Services
- People
- Planet

Our goal is to exploit the full potential in each of these areas in order to continue to lead our customers and ourselves to success in the future. We want to motivate and train our employees through support and further development measures so that they can be deployed in the company according to their strengths. In doing so, we will create the conditions for an innovative working environment in increasingly international teams. Transparent processes and the exchange of knowledge across countries and brand companies are essential here. In addition, the relationships with our customers and partners are a central component of the People thrust. The cultivation of these relationships is elementary in order to be able to continue to develop benefit-oriented products and services that delight our customers. Uzin Utz is an internationally oriented company, which is why our customers worldwide are looked after and supported by our local sales teams. Only through close cooperation with the craftsmen is it possible to offer our customers the customised products and services mentioned.

Another important component of Uzin Utz's corporate culture is sustainability. Within the framework of this thrust, the topics of resources and the environment are brought closer into focus. The aim of Uzin Utz is to constantly make an even greater contribution to sustainability and to take on a pioneering role within the industry.

Our core markets are in Germany, the Netherlands and Switzerland. Growth markets for Uzin Utz are the UK, USA and France. In addition to our core and growth markets, we also want to grow continuously outside these regions and gain market share in order to achieve our planned sales target of more than EUR 550 million in 2025. This goal is part of our Passion 2025 corporate strategy, but our focus is not on short-term sales maximisation, but on sustainable and healthy growth. This is reflected in the EBIT margin target of more than 8% by 2025.

Internal organization and decision making

Direct decision-making channels and the flattest possible hierarchies are the basic principles of the Group's internal organisation. All important decisions are prepared in departmental and divisional committees and passed on to the respective managing director or board member with a decision recommendation. The managing director of the associated company then discusses the decision recommendation with the board of directors of Uzin Utz SE. The Executive Board of Uzin Utz SE submits all transactions requiring approval to the Supervisory Board for decision.

Internal control system

Uzin Utz wants to grow sustainably and operate successfully. In order to make this possible, a variety of mechanisms and key figures are used to map area-specific processes and make them measurable. Budget and corporate targets are set on the basis of these key operating figures. The Executive Board monitors developments in the Group by means of a monthly reporting system, which enables it to respond directly to current business developments. Across all divisions, Uzin Utz focuses on the following financial indicators and key figures:

Key figures	Determination
Sales revenues	Statement of comprehensive income
Earnings before interest and taxes (EBIT)	Statement of comprehensive income
EBIT margin	EBIT/Turnover
Cash flow from operating activities of the Group	Cash flow statement
Return on equity	EBIT/Equity
Equity ratio	Equity/Balance sheet total

The performance of the subsidiaries within the Group can be analysed on the basis of sales and EBIT.

The EBIT margin reflects the relationship between EBIT and turnover. It shows how much of the turnover generated could ultimately be transferred to the operating result. In the event of deviations, a detailed breakdown of the income and expense items enables us to analyse the causes. This enables us to initiate appropriate countermeasures in a targeted manner.

Cash flow from operating activities - also known as operating cash flow - provides an overview of the cash and cash equivalents generated by operating activities.

The return on equity can be determined with the help of the return on equity. It is calculated from the quotient of EBIT and the opening balance of equity in the respective reporting year. It is an important key figure for our shareholders, as it enables investors to assess the profitability of the capital employed and is therefore monitored regularly.

The equity ratio is an indicator of the risk and creditworthiness of a company. A high equity ratio reduces the insolvency risk from over-indebtedness and insolvency. The higher the equity ratio of a company, the higher its financial stability and independence from lenders. The primary objective of the Group's capital management is to ensure that a high credit rating and a good equity ratio are maintained to support the business and maximise shareholder value.

Uzin Utz 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.

The equity ratio has a positive impact on the equity ratio and a negative impact on the return on equity, which is why both ratios are regularly reported to the Executive Board.

In addition to financial indicators, the Group also uses non-financial performance indicators.

Key figures	Determination
Capacity utilization	Production quantity/capacity
Novelty ratio	Sales revenues own products younger than 5 years/total sales revenue of all own products
Health ratio	Actual workdays/planned workdays

We regularly calculate the capacity utilization of our production sites in order to analyse performance. In this way, optimizations of the work processes can be created.

Uzin Utz sees itself as an innovator in the industry, which is why it is essential to further develop our existing products, but also to secure our lead over the competition through new products. Due to this pioneering position, the novelty rate is an essential key figure for Uzin Utz. The novelty rate is calculated on the basis of the quotient of sales with own products, which have new, unprecedented or greatly improved properties, whose marketing exploitation is verifiable and which are not older than five years, in relation to the total sales of all our own products.

The health quota gives us an overview of the number of days worked by our employees worldwide. It is determined by the quotient of the actual number of working days and the target number of working days. In addition, the health rate can be used to draw conclusions about employee satisfaction.

Research and development

In the construction chemicals industry, innovations are essential for competitiveness. Innovations can set trends in efficiency and sustainability. Our production companies around the world are continuously researching environmentally friendly and healthy products with constantly improving properties. The R&D headquarter in Ulm plays the leading and coordinating role. In research, our development departments consistently focus on the demands and requirements of floor layers and other craftsmen who use the products. New products open up new market segments and improve existing ones in terms of efficiency and sustainability.

Research and development is based on the systematisation of planning, implementation and control for the creation of innovations, in short innovation management. On the one hand, innovation management describes dealing with technical and economic change; on the other hand, innovation management is the basis for future viability in competition.

Key figures and evaluations from the area of research and development are explained in the section on research and development activities.

Business report

General economic conditions

According to the World Economic Outlook Update of the International Monetary Fund (IMF) of January 2024, global economic growth of 3.1% was achieved in 2023. The historical average of 3.8% for the years 2000 - 2019 was thus not achieved. Nevertheless, growth was slightly higher than expected towards the beginning of 2023. The development during the year was primarily influenced by the faster than expected decline in inflation, subdued demand due to high interest rates and fiscal policy support, which varied greatly between countries.

The factors that were already influencing the development of the global economy in 2022 are also having an impact at the start of 2023. Many countries had little room for manoeuvre to implement fiscal policy measures due to increased national debt. Prices, which rose in 2022 as a result of the Russian war against Ukraine, fell. The ongoing war and further geopolitical tensions nevertheless dampened economic growth. In addition, the rise in interest rates as part of the fight against inflation revealed weaknesses in the banking sector. As a result of these factors, the IMF lowered its forecast for global economic growth to 2.8% in April 2023. In the second quarter, the estimate was raised again to 3.0%. This was largely due to the reduction in impending risks from the banking sectors in the USA and Switzerland, which was achieved through the actions of the relevant authorities. The forecast for the second quarter was confirmed in the third quarter. Economic growth in the USA and some other major developing and emerging countries was stronger than expected in the second half of the year due to stable government and private consumption. In contrast, weak consumer sentiment was observed in the eurozone, which, in combination with persistently high energy prices and interest rate-sensitive commercial investments, dampened growth.

As Europe is a relevant market for Uzin Utz, the development of the European economy is important. Towards the end of 2022, there were already signs of an abrupt end to the economic expansion in Europe, which continued throughout 2023. As a result, growth of just 0.5% was achieved in Europe.

In contrast to the European economy, no growth was achieved in Germany, one of our core markets, in 2023. While gross domestic product (GDP) increased by 0.1% in the first quarter and stagnated in the second and third quarters, economic output shrank by 0.3% in the fourth quarter. Overall, economic output also fell by 0.3%. This was mainly due to the low growth of the global economy, consumer consumption reluctance due to high inflation and the poor performance of industry, which makes a major contribution to economic output. The economy in the Netherlands performed significantly worse than expected at the beginning of the year. While the EU Commission's spring forecast for real GDP growth was still at 1.8%, actual economic output was significantly lower with an increase of 0.2% according to the IMF. During the year, GDP fell in two consecutive quarters, leading to a technical recession, which was overcome by growth in the fourth quarter. The economic slowdown was primarily triggered by weak consumption, which was a reaction by households to the rising price level. The export business also developed negatively due to the sluggish economic development of the most important trading partners. In Switzerland, economic growth of 1.3% was expected for 2023 according to the estimate published by the State Secretariat for Economic Affairs in mid-December. After a good start to the year, the economic upturn slowed from the second quarter onwards as foreign demand and household consumption declined. In contrast to the Dutch economy, private consumption nevertheless had a positive impact on GDP. The inflation rate was 2.1% and the unemployment rate was roughly the same at 2.0%. Unemployment reached its lowest level in 20 years in 2023 and was reduced across all regions, age groups and genders, while the proportion of long-term unemployed also fell sharply.

In the UK, defined as a growth market, the economy stagnated in 2023 with growth of 0.1%. As economic output was still expected to fall by 1.0% at the beginning of the year, the trend was nevertheless significantly more positive than forecast. Unemployment remained at a low level despite the stagnation and real wages rose over a longer period of time. Nevertheless, this could not prevent a technical recession from occurring at the end of the year. Of all our growth markets, the USA recorded the strongest economic growth at 2.8%. This was mainly due to household consumption and government spending. As a result of the fiscal policy measures, the government deficit increased significantly and totalled USD 1.84 trillion at the end of 2023. The upturn was also reflected in employment figures, with the unemployment rate remaining at a historically low level. Inflation was also reduced, with declines in food, energy and goods prices being the main contributors. While the economy in the growth market of France recorded growth in the first half of the year, which was particularly strong in the second quarter, it stagnated in the second half of the year. Due to the stable first half of the year, GDP rose by 0.9% overall. This was primarily due to stronger domestic demand and foreign trade as a result of government support. In France, too, the economic upturn was slowed by high inflation and more difficult financing conditions. Inflation peaked at 7.0% in the first quarter of 2023 and fell to 4.2% by the fourth quarter, mainly due to falling energy and commodity prices.

Overall Statement of the Executive Board

At the 95th EUROCONSTRUCT conference, which took place in June 2023, the forecast growth of the construction industry in the EUROCONSTRUCT countries for 2023 was adjusted. While growth in construction output was previously assumed, an expected decline of 1.1% was announced due to the continuous development and consolidation of the factors affecting the construction industry. The weaker momentum of global economic development, inflation and the sharp turnaround in monetary policy associated with the rise in interest rates contributed significantly to this. The reaction to the negative factors varied depending on the sector. Residential construction suffered the most from the changed conditions, as the high interest rates significantly worsened the affordability of residential construction projects. Accordingly, the June conference forecast that residential construction output would fall compared to the previous year. At the conference in November, the forecast for total construction output was again revised downwards by 0.6 percentage points to -1.7%. The correction affected both new construction of non-residential buildings and renovation, for which a decline was now also expected. According to a study by the European Central Bank (ECB), lending regulations tightened across all loan categories in the third quarter of 2023. As a result, demand for loans once again fell significantly for both households and companies. EUROCONSTRUCT's assessment is in line with the values for the Construction Activity Index (CAI), which is calculated by the Royal Institution of Chartered Surveyors (RICS) and was negative for Europe in December 2023, as in the five previous quarters. The main reason for this was the decline in the volume of work in the construction of residential and non-residential buildings.

The ifo Business Climate Index still showed positive momentum in the construction industry in the heartland of Germany at the start of the year. For example, the business expectations of participating companies in the building construction sector improved until May 2023. In contrast, the assessment of the business situation has been showing signs of a monthly deterioration since March, with the order backlog falling from 4.7 months in January 2023 to 3.4 months in December 2023. Capacity utilisation also fell sharply (from 78.1% in January 2023 to 66.3% in December 2023). The mood in residential construction brightened somewhat at the start of the year. While the business situation declined throughout the year, business expectations improved between March and May. Subsequently, however, business expectations deteriorated almost across the board, with the most negative assessment of the year being given in December with a value of -64.7. The commercial building construction segment performed better than public building construction and residential construction, although the values for the business situation and expectations in this segment also reached consistently negative values from May 2023. With regard to price trends, all building construction segments reported that prices fell from April compared to the previous month. At -21, the CAI calculated by the RICS fell in the fourth quarter to the lowest level recorded since the survey began in 2020. The negative development of the Ifo business climate index and the RICS CAI coincides with the decline in sales in the main construction sector, which totalled 5.5% according to the German Construction Industry Federation. The decline in residential construction was significantly higher at 12.0%, with only 270,000 flats completed instead of the 400,000 targeted by the German government. Turnover in the commercial construction sector fell by around 1.0%, while the number of building permits for factory and workshop buildings increased despite the weak economic conditions. This is explained by the lower interest rate sensitivity of commercial construction projects, the robust development of company profits and the continued high capacity utilisation in the manufacturing industry. Despite the investment backlog, there was a decline of 2.0% in public construction.

In the other core market of the Netherlands, households and companies were reluctant to invest in residential and commercial property. Since the beginning of the war in Ukraine, property prices in the Netherlands have risen due to high demand, population growth, low interest rates and high inflation. However, due to more expensive construction financing, this trend has been declining since mid-2022, with property prices reaching their lowest level in May 2023. Prices for existing properties subsequently rose by almost 3.0%. This was primarily due to interest rates remaining stable and the increase in household incomes. The turnover of general contractors, which had fallen sharply since the end of 2022, has also recorded slight increases since autumn 2023. The order backlog for construction companies, which has remained stable over the last two years despite all the difficulties, was still sufficient for 12.9 months. This was mainly due to renovations and energy-efficient refurbishments, which compensated for any orders for new buildings that may have been cancelled. The longer implementation time due to the increasing complexity of projects also contributed to the stabilisation of the order backlog. A total of around 73,000 new-build units were completed in 2023 and the Dutch construction sector shrank by 0.5%.

According to the estimate published by the Swiss State Secretariat for Economic Affairs in mid-December 2023, construction investment in the heartland of Switzerland fell by 2.0%. The Swiss Construction Index, which forecasts the trend for the coming quarters, had already indicated since the beginning of 2023 that the growth trajectory in the main construction sector would not be able to continue. Declines were expected in 2023, primarily due to the low number of building permits for flats in the previous year and companies' reluctance to plan new office space as a result of rising financing costs and the economic slowdown. The expansion index was stabilised by the continuing demand in the areas of conversion, expansion, renovation and energy-efficient refurbishment. This picture was confirmed during the year, with building construction being supported above all by expansion and major projects in public building construction. According to the price index of the Coordinating Body of the Federal Construction Industry, prices for building materials in building construction rose in the first quarter compared to the same month of the previous year, then fell between April and October (decline of between 0.7% and 3.0%) to end the year with a slight increase (between 0.6% and 1.3%). Prices for residential property rose by an average of 2.2% in 2023, with the increase in condominiums outpacing the rise in single-family homes. The strongest growth in condominium prices was seen in urban municipalities.

According to the Office for National Statistics, construction output in the UK growth market increased by 2.0%, marking the third consecutive year of growth. Refurbishments and renovations were the main contributors to this (growth of 8.3%), while new construction output fell (-2.1%) and recorded a decline over 10 months. Overall, growth was achieved in seven out of nine sectors, with particularly strong growth in the renovation and refurbishment sector for both residential and non-residential buildings. Property prices fell by 1.4% in 2023. Compared to countries such as Canada or Sweden, property prices only fell slightly thanks to the predominantly fixed interest rates on mortgage loans.

In contrast to Europe, the USA, which is one of our growth markets, also had a positive value for the CAI calculated by the RICS at the end of 2023, performing only slightly worse than the Middle East and Africa region. The positive picture is in line with the results presented by the consulting firm FMI in the First Quarter Edition 2024 of the North American Engineering and Construction Industry Overview. Overall, turnover in the construction and engineering sector rose by 10.0% in 2023. The majority of the increase came from non-residential buildings and infrastructure measures that do not include building investments. In many segments of building construction, an increase of more than 5.0% was achieved. Multi-family houses, for example, recorded an increase of 21.0%, mainly in favour of single-family houses (-14.0%). The strongest percentage growth in the building construction sector was in construction investment in the manufacturing industry, with an increase of 78.0%. The record growth rate resulted from a combination of government subsidies such as the Infrastructure Investment and Jobs Act, the CHIPS and Science Act and the Inflation Reduction Act. According to a study by the Institute for Supply Management, there would have been a negative record for construction investment in the manufacturing sector without the extensive government subsidies. Despite the overall positive picture, 59.0% of companies participating in the CAI survey reported towards the end of the year that difficulties in financing projects were having a negative impact on construction activity. The values that provide information on credit conditions also deteriorated accordingly. In addition, more than two thirds of the participating companies stated that the shortage of labour and skilled workers is a problem.

Alongside the USA and the UK, France is one of our growth markets. The French construction industry was unable to achieve growth in 2023 due to the many economic pressure points, such as high interest rates and falling investor confidence. This picture is also confirmed by the S&P Global France Construction PMI, which declined throughout

2023 and fell for the 19th consecutive month in December. As companies purchased fewer construction materials due to the drop in construction activity, activity in material procurement decreased from May 2023. Employment already decreased from March 2023. The CAI calculated by the RICS was also in negative territory at the end of 2023.

The sales markets in our core and growth countries were very challenging in 2023. Construction output declined in all core countries and in the growth country of France. The markets in the US and UK growth countries met expectations and recorded growth despite the difficult economic conditions. In the first quarter, Group sales increased by 4.2% compared to the previous year despite the difficult circumstances.

Due to the market environment, it was subsequently no longer possible to match the previous year´s sales, which meant that sales fell by -1.6% year-on-year (increase of 10.7%) and totalled EUR 479,337 thousand (487,134).

As in the previous year, the Uzin Utz share reached its high at the beginning of the year. Following the announcement of the figures for the first quarter, the share price fell and the low for the year was reached at the beginning of October. At this time, geopolitical crises briefly weighed on the stock market. After falling to the low for the year, the share recovered thanks to the positive earnings performance in the third quarter, but still lost 13.9% of its value in the reporting year - over the past five years, the share has lost 13.3% of its value as at the reporting date.

The decline in sales, increased personnel costs, exchange rate effects and higher depreciation had an impact on the Group's EBIT, which amounted to EUR 34,505 thousand (36,341), a decrease of aroung -5.1% compared to the previous year. More detailed information on this can be found in the chapter "Earnings situation".

We are proud that our employees are actively working to achieve our ambitious goals despite the ongoing challenges. This enables us to continue to guarantee the high quality of our products and services. We see ourselves as an innovator and one of the leading suppliers within our industry. There is therefore great interest in expanding growth potential in order to continue to operate successfully and sustainably worldwide. It is important for us to focus on sustainable and healthy growth in order to steadily realise new market shares in the defined core and growth markets. An essential part of this strategy, in addition to our dedicated employees, is the investment in research and development activities at our global locations.

We are a traditional family business, which is why we focus on sustainable action and have anchored it in our long-standing corporate culture. In addition to economic and ecological aspects, social aspects also play a role for us. The values we live by allow us to sustainably secure jobs and create new jobs as needed, even in difficult economic conditions. The focus is always on a trusting relationship with customers and partners in order to generate relevant added value for them. More information about our commitment to sustainability can be found in our sustainability report.

The Management Board of Uzin Utz SE assesses the developments in the reporting year 2023 as positive against the background of the challenging economic conditions. Despite the declining growth of the construction industry in all core countries and the growth country France, the Group was able to generate sales revenues that matched the strong level of the previous year. Despite the decline in sales, an EBIT margin of 7.2 (7.5) was achieved, thus exceeding the forecast for the development of the EBIT margin (moderate reduction) made in the 2022 annual report.

Business performance

Sales

No increases in sales volumes were achieved in the Group in the reporting year, but price increases were implemented. Detailed information on these figures can be found in the section on earnings.

In the area of outbound logistics, an improvement in container availability was observed on all supplied routes by summer 2023. This contributed to our customers being supplied faster and more reliably. The improved availability also had a positive effect on freight prices after several years of tension. At the end of the year, the container market was once again burdened by uncertainties resulting from the further deterioration of the geopolitical situation. Due to these uncertainties, it is necessary to adjust container routes depending on the situation, for example as a result of increased piracy in the Red Sea. The shortage of drivers in Europe in the previous year eased in 2023 due to the weakening European economy. By putting national transport services from Ulm out to tender, we were able to secure stable prices in the future and drive forward the digitalisation and sustainability of our transport operations. The tender and the associated change of service provider will also compensate for the toll increase relevant to all transport operations in Germany. In the outbound logistics of the French production company, delivery performance to the south of France was improved due to the favourable market situation. The commissioning of the plant in Waco resulted in a significant reduction in the average distance to the customer, thereby saving costs and CO_2.

Procurement and production

In order to meet the constantly increasing requirements in terms of product and packaging diversity, three new filling systems for adhesives were put into operation at the Ulm site in the reporting year. Furthermore, a roller pallet stacker was replaced in the logistics centre in order to continue to ensure the necessary technical availability and performance. In addition to the investments in production, several photovoltaic systems with a total output of 194 kWp were installed. The expansion of e-mobility was promoted by installing additional charging stations.

After an intensive planning, construction and installation phase, the second dry mortar plant in the USA was commissioned in April 2023. It is located in Waco, Texas and has two production lines, which differ mainly in the area of filling. The filling line at the Polish production company Uzin Polska Produkty Budowlane Sp.zo.o. was modernised in 2023. The filling line, which after modernisation includes an 8-spout Roto packer, a palletiser and a bonnet spreader, was put into operation in July. At the beginning of August 2023, heavy rain in Slovenia led to flooding, which also affected the Slovenian production company Uzin Utz Slovenija d.o.o. In addition to the warehouse and parts of the administration, production was also flooded. Production activities could be resumed by the end of August. Uzin Utz Nederland B.V. invested in an additional 1C production facility, which was commissioned in the fourth quarter of 2023. At the site of Uzin Utz Tools GmbH & Co. KG in Mettmann, renovation work began in the last quarter of 2023 on premises that will be used in future as a craftsmen's training academy for the sustainable use of products. The theory room was completed in 2023, while the practice rooms are scheduled for completion in the first quarter of 2024.

The pandemic emergency response team set up in previous years was dissolved in 2023 as a consequence of the transition from pandemic to endemic. In this context, all previously existing operational measures were also cancelled. However, tests were still made available to employees and the experience gained from the pandemic will continue to characterise everyday working life in the future.

The 2023 financial year was characterised by significantly improved availability on the markets. This led to a reduction in inventories in the industry, which significantly shortened our suppliers' delivery times. The supplier industry responded to the lower demand by adjusting production capacities at an unusually fast pace. The output volume of the plants was significantly reduced and in some cases plants were completely shut down. As a result, prices were only adjusted downwards very slowly. There were clear differences within the raw material segments in terms of the downward price trend. The trend of slightly falling prices increasingly came to a standstill in the fourth quarter. This development is partly due to the significant rise in inbound logistics costs, for example as a result of the increase in toll costs.

In 2023, Uzin Utz SE was certified in a surveillance audit with regard to certification according to DIN ISO 9001 and DIN ISO 14001. Uzin Utz Tools GmbH & Co KG was also certified in 2023 in a surveillance audit for DIN ISO 9001:2015. The purpose of this systematic quality management is the continuous improvement of the company's performance, which was again fully certified for the audited companies.

For us, sustainability also continues to play a decisive role in the topic of waste disposal. Our own waste disposal department at Uzin Utz SE ensures that we meet the demand for economic efficiency combined with ecological and social responsibility. In digital training courses, our employees at the Ulm site are trained in the professional and sustainable handling of waste disposal. These standards are passed on to affiliated group companies.

In the financial year 2022, the Group produced at the production sites in Ulm, Würzburg, Ilsfeld, Mettmann, Buochs (Switzerland), Sursee (Switzerland), Haaksbergen (Netherlands), Dover (USA), Legnica (Poland), Soissons (France), Shanghai (China), Ljubljana (Slovenia) and Jakarta (Indonesia). The overall capacity utilisation of all Uzin Utz plants was around 78.7%, and thus fell by around -4.7 percentage points compared to the previous year (83.4). Capacity utilization therefore fell slightly compared to the previous year, as forecast in the 2022 Annual Report. The reasons for this were the lower production volumes due to lower demand and the increase in capacity as a result of investments.

Personnel

The average number of employees in the Group as a whole, excluding apprentices, rose to 1,480 (1,466). Of these, 781 (776) worked in Germany and 699 (690) abroad. In addition, 44 (47) young people were offered apprenticeships. This means that we were once again able to maintain our apprenticeship programme at a high level and offer young people prospects for the future. At the same time, in-house training offers the opportunity to develop skilled personnel ourselves and thus counteract the shortage of skilled workers.

For the proportion of women in the first two management levels, the Executive Board at the Ulm site has set targets until June 30, 2027. A share of 10% (target quota: 15%) was achieved in the first management level (division managers) and a share of 23.3% (target quota: 25%) in the second level (department managers). The target rate for the first and second management levels was therefore not achieved.

The target ratio for the Executive Board was set at 0% until June 30, 2027.

For the Supervisory Board, the Supervisory Board set a target for the proportion of women of 16.67% by June 30, 2027. This is achieved by the appointment of Amelie Klußmann and Michaela Aurenz Maldonado as a member of the Supervisory Board (33.3%).

Significant events

With effect from January 20, 2023, the remaining 30% of COFOBO Holding B.V. was acquired by Uzin Utz Nederland B.V., whereby Uzin Utz Nederland B.V. has been 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 increased to 100%. Further information can be found in the "Consolidation methods" section in the Notes.

On April 20, 2023, after an intensive planning, construction and installation phase, the second dry mortar plant in the USA was put into operation as part of trial production. The plant is located in Waco, Texas and has two production lines, which differ mainly in terms of filling. Trial production on production line 1 was completed on May 10, 2023, while trial production on production line 2 was also successfully completed by the end of May. The commissioning of the dry mortar plant in Waco represents a milestone in our growth market in the USA and, in addition to expansion, will enable us to optimize the flow of goods to our customers.

Dr. H. Werner Utz acquired 1,288 shares in Uzin Utz SE in April 2023. The total volume of the share purchases made on April 26, 2023 and April 28, 2023 amounted to EUR 71 thousand. Due to his position as Chairman of the Supervisory Board of Uzin Utz SE, a notification of managers' transactions was made in accordance with Art. 19 MAR. The purchase did not exceed any of the thresholds specified in Section 33 WpHG.

At the beginning of August 2023, heavy rain in Slovenia led to flooding, which also affected the Slovenian production company Uzin Utz Slovenija d.o.o. As large parts of the inventories could be secured, sales activities could be maintained despite the flooding. Production activities were also resumed by the end of August.

On November 27, 2023, Alberdingk Boley GmbH announced that 1,313,088 voting rights are directly attributable to it due to the universal succession through the merger of Polyshare GmbH into Alberdingk Boley GmbH. The voting rights were previously indirectly attributed to Alberdingk Boley GmbH and correspond to 26.03% of the total voting rights in Uzin Utz SE. The merger of Polyshare GmbH into Alberdingk Boley GmbH became effective upon entry in the commercial register on September 6, 2023.

Profit situation

Profit	2023		2022	
	KEUR	%	KEUR	%
Sales revenues	479,337	100.9	487,134	97.4
Inventory change	-4,493	-0.9	12,817	2.6
Total output	**474,844**	**100.0**	**499,951**	**100.0**
Cost of materials	212,622	44.8	241,791	48.4
Gross profit	**262,222**	***55.2***	**258,160**	**51.6**
Other operating profit	5,492	1.2	7,774	1.6
Income from investment property	-	0	284	0
Personnel expenses	125,009	26.3	121,420	24.3
Wages and salaries	103,578	21.8	100,218	20.0
Social security contributions	21,431	4.5	21,202	4.2
Depreciation	18,732	3.9	17,164	3.4
Other operating expenses	89,468	18.8	91,292	18.3
Earnings before interest and taxes (EBIT)	**34,505**	**7.3**	**36,341**	**7.3**
Financial result	**-3,258**	**-0.7**	**-888**	**-0.2**
Earnings before taxes (EBT)	**31,247**	**6.6**	**35,453**	**7.1**
Taxes on income and earnings	8,650	1.8	9,321	1.9
Earnings after taxes	**22,598**	**4.8**	**26,132**	**5.2**
thereof non-controlling interests	13	0.0	825	0.2
of which attributable to shareholders of the parent company	22,584	4.8	25,307	5.1

Group sales decreased by -1.6% in 2023 and, at EUR 479,337 thousand, stagnated at the previous year´s level (487,134). In the growth and aspirant markets, overall sales revenues were at the previous year's level, but sales revenues in the companies allocated to the core markets fell slightly. While Uzin Utz France SAS, Uzin Utz Polska Sp. z o.o. and Uzin Utz Nederland B.V. recorded the strongest growth in absolute terms, the decline in sales at INTR. B.V., Uzin Utz Schweiz AG and Uzin Utz Tools GmbH & Co. KG had a particularly strong impact on the Group.

The main sources of the Group's earnings can be found in the segment reporting section in the notes to the consolidated financial statements.

Total consolidated foreign sales fell from EUR 318,017 thousand in the previous year to EUR 312,600 thousand. At 65.2%, the foreign share stagnated at the previous year's level (65.3%). We continue to strive to achieve sales growth in our other core and growth markets in addition to Germany. The proportion of sales not invoiced in euros fell to around 33.8% (34.3%). The decline was most strongly influenced by the fall in sales at Uzin Utz Schweiz AG. However, the revenue of Uzin Utz Hrvatska d.o.o., which was invoiced in euros for the first time in January 2023 due to the introduction of the euro in Croatia, also had an impact.

The development of the currencies outside the Euro zone that are relevant for the Group can be seen in the following table:

Average rates (exchange rates in Euro per unit of national currency)		2023	2022	Deviation absolute	Deviation relative
England	GBP	1.1516	1.1700	-0.0185	-1.58%
Switzerland	CHF	1.0285	0.9982	0.0303	3.03%
USA	USD	0.9237	0.9564	-0.0327	-3.41%
Poland	PLN	0.2209	0.2135	0.0074	3.49%
Czech Republic	CZK	0.0417	0.0408	0.0009	2.32%
China	CNY	0.1301	0.1415	-0.0114	-8.08%
Denmark	DKK	0.1342	0.1344	-0.0002	-0.16%
Sweden	SEK	0.0871	0.0938	-0.0068	-7.20%
Singapore	SGD	0.6879	0.6987	-0.0108	-1.55%
New Zealand	NZD	0.5661	0.6010	-0.0349	-5.81%
Serbia	RSD	0.0085	0.0085	0.0000	0.18%
Hungary	HUF	0.0026	0.0026	0.0001	2.83%

The overall impact of exchange rates on Group sales was -0.4% (2.3). The US dollar had the greatest effect.

Sales growth in the 2023 financial year was mainly due to the increase in sales prices, which rose by 8.0% on average. The price increases were necessitated by raw material prices, which fell only slowly during the year and therefore remained at a high level, and the increase in personnel costs as part of the inflation adjustment. Sales volumes fell by 6.6%. There were no shifts in the product mix in the reporting year that had a significant impact on changes in sales and earnings.

Due to the batch-oriented production and the usually very short time between order and delivery, production is generally for an anonymous market. Deliveries are made from stock, which regularly amounted to around 1.8 months' sales (2.2) across the Group due to the current situation and thus approached the pre-2022 level again. Attempts are always made to adjust the inventory to the general conditions. Information on orders on hand is therefore not meaningful.

The Group's inventories of finished goods and work in progress were reduced by EUR -4,493 thousand. In contrast, there was an increase in inventories of finished goods and work in progress in the previous year, which at EUR -12,817 thousand was significantly higher than in the previous year. The decrease in inventories in 2023 resulted from the easing in the availability of raw materials, the improved logistics situation and lower demand.

Total operating performance decreased slightly by -5.0% to EUR 474,844 thousand (499,951). While sales revenue remained at the previous year's level, the decrease in total operating performance was mainly due to the opposing trend in changes in inventories. The cost of materials ratio in the Group fell slightly from 48.4% to 44.8%. Prices for purchased materials adjusted only slowly over the course of the year, as suppliers reacted unusually quickly to the fall in demand and adjusted supply by reducing capacity accordingly. In addition to the slight fall in procurement prices, the opposite trend in inventory changes was the main reason for the reduction in the cost of materials ratio. Inventories of finished goods and work in progress were increased significantly, particularly in the first half of the year and at the end of 2022, in order to maintain delivery capacity. As a profit margin is only generated as soon as a product produced in stock is sold, the exceptionally high increase in inventories in the previous year inevitably led to a higher cost of materials ratio. In contrast, the inventory reduction that took place in 2023 contributed to the reduction in the cost of materials ratio.

The share of personnel costs in total operating performance rose slightly to 26.3% (24.3%). In absolute terms, personnel costs rose from EUR 121,420 thousand to EUR 125,009 thousand. The disproportionately high increase in personnel costs compared to the number of employees was primarily the result of salary adjustments to reduce real wage losses due to high inflation.

Depreciation and amortisation increased by 9.1% from EUR EUR 17,164 thousand to EUR 18,732 thousand. This increase is mainly due to the rise in depreciation following the commissioning of the new dry mortar plant in Waco, USA. In addition, depreciation at Uzin Utz Nederland B. V. increased as a result of investments in property, plant and equipment, which became operational in the third quarter of 2022 and whose depreciation was therefore recognized for the full year for the first time in 2023.

Compared to the previous year, other operating expenses fell by around -2.0% to EUR 89,468 thousand (91,292). The increase was largely due to higher distribution costs. These increased primarily due to higher outgoing freight and increased travel expenses. The decrease was largely due to lower outgoing freight. The reduction in outgoing freight resulted from several factors. Due to the drop in demand, lower volumes were transported and freight prices declined after several years of tension. The opening of the new dry mortar plant in the USA, which significantly reduced the average distance to the customer and thus also cut transportation costs, also had an initial impact on outgoing freight.

At EUR 34,505 thousand, earnings before interest and taxes (EBIT) were down slightly on the previous year (36,341). The main reasons for the fall in earnings were the slight decline in sales in the core markets, the increase in personnel expenses as a result of the inflation adjustment granted and the rise in depreciation and amortization due to investments in property, plant and equipment. Compared to the previous year, the impact of the net exchange rate effect was of the same magnitude as the increase in depreciation and amortization; overall, EBIT fell by EUR 1,836 thousand.

Details on the net profit for the year and the equity of the individual participations can be found in the section "Group companies" in the notes to the consolidated financial statements.

Sales by segment

Segment (in KEUR)	External sales	
	2023	2022
Germany		
Laying systems	156,524	157,570
Machinery and tools	19,652	21,663
Surface care and refinement	24,105	23,564
Netherlands		
Laying systems	53,305	52,294
Wholesale	35,637	40,790
USA	73,334	74,616
Western Europe	74,967	74,570
Southern/Eastern Europe	21,349	20,779
All other segments	20,464	21,288

The development of external sales varied from segment to segment. The sharpest absolute and relative decline was in the Netherlands segment. While sales of EUR 53,305 thousand were achieved in the area of installation systems, which were on a par with the previous year, the Wholesale segment recorded a decline of EUR 5,153 thousand. Market conditions for the Wholesale segment were difficult throughout the year, with the decline mainly due to lower demand for floor coverings.

There were also differences between the sub-segments in the Germany segment. Sales revenue in the Installation Systems segment amounted to EUR 156,524 thousand and thus reached the previous year's level. The machinery and tools segment, which was presented separately for the first time in 2023, declined by 9.3%, as the associated products are capital goods for tradespeople. A slight increase of 2.3% was recorded in surface care and finishing.

The US segment, which was also reported separately for the first time in 2023, recorded a decline due to exchange rate effects. While external sales in US dollars increased by 1.7%, there was a decline of 1.7% in euros due to the opposing exchange rate trend.

In the Southern/Eastern Europe segment, the strongest relative increase was achieved with a rise of 2.7% based on the increase in sales of Uzin Utz Polska Sp. z o.o.

Value creation

Corporate performance is calculated from total operating performance plus other operating income.

Value added by the Group	2023		2022	
	KEUR	%	KEUR	%
Company performance	**480,336**	**100.0**	**507,725**	**100.0**
Cost of materials	212,622	44.3	241,791	47.6
Depreciation	18,732	3.9	17,164	3.4
Other expenses	89,468	18.6	91,292	18.0
Value added Group	**159,514**	**33.2**	**157,478**	**31.0**
in favour of				
Employees	125,009	78.4	121,420	77.1
Public sector	9,807	6.1	10,498	6.7
Companies	13,108	8.2	16,553	10.5
Shareholders	8,071	5.1	8,071	5.1
Creditors	3,519	2.2	935	0.6

Capital Status

Assets	31.12.2023		31.12.2022	
	KEUR	%	KEUR	%
Cash and cash equivalents	**38,159**	**9.1%**	**26,138**	**6.3%**
Trade receivables	**36,586**	**8.7%**	**35,074**	**8.5%**
Current income tax receivables	**5,971**	**1.4%**	**2,804**	**0.7%**
Current assets	**75,607**	**18.0%**	**96,187**	**23.3%**
Inventories	69,920	16.6%	89,695	21.7%
Other current assets	5,687	1.4%	6,492	1.6%
Fixed assets	**248,929**	**59.3%**	**243,963**	**59.1%**
Intangible assets	36,644	8.7%	35,354	8.6%
Property, plant and equipment	200,631	47.8%	198,477	48.1%
Non-current financial assets and investments accounted for using the equity method	2,055	0.5%	2,657	0.6%
Rights of use	9,599	2.3%	7,475	1.8%
Investment property	**5,949**	**1.4%**	**3,273**	**0.8%**
Deferred taxes	**8,731**	**2.1%**	**5,029**	**1.2%**
Other non-current assets	**70**	**0.0%**	**104**	**0.0%**
	420,001	**100.0%**	**412,571**	**100.0%**

Cash and cash equivalents increased to EUR 38,159 thousand in the 2023 financial year, an increase of EUR 12,021 thousand compared to the previous year. The cash outflows in the previous year were characterized by a build-up of inventories to ensure delivery capability and by major investments. Due to the elimination of these pronounced effects, cash and cash equivalents increased significantly in 2023.

Receivables from customers increased slightly from EUR 35,074 thousand to EUR 36,586 thousand. In addition to the reporting date, other factors also had an influence. In absolute terms, receivables in four production companies rose the most, with two of these companies also achieving increases in external sales. In some cases, the graduated bonuses were less significant than in the past due to the lower external sales, meaning that receivables were reduced to a lesser extent. The Group continued to focus on stringent receivables management in the 2023 reporting year. The average days sales outstanding increased slightly to 29 days (27) due to the decline in sales, but a satisfactory figure was still achieved.

The increase in current income tax receivables by EUR 3,167 thousand is mainly due to excessively high tax prepayments by the German companies. These were calculated by the tax authorities on the high basis of 2021. As the taxable result was lower, there are current income tax receivables.

Following a significant increase in inventories in 2022, they were reduced by EUR -19,775 thousand from EUR 89,695 thousand to EUR 69,920 thousand in 2023. As a result of the tense situation on the procurement market, the production companies in particular built up inventories in 2022 to ensure their ability to deliver. As the situation eased, the availability of materials improved over the course of 2023, allowing inventories to be reduced again.

At 59.3% (59.1), the share of Group fixed assets remained at the previous year's level, with the remaining assets accounting for 40.7% (40.9) of the balance sheet total. In absolute terms, fixed assets increased by EUR 4,966 thousand.

Property, plant and equipment amounted to EUR 200,631 thousand at the end of 2023. They thus stagnated at the previous year's level (EUR 198,477 thousand) with an increase of EUR 2,154 thousand. In some production companies, such as Uzin Utz Nederland B.V., Uzin Polska Produkty Budowlane Sp. z o.o. and Uzin Utz North America Inc., fixed assets increased as a result of investments in machinery and equipment. Fixed assets decreased by EUR 2,694 thousand as a result of the reclassification of a developed plot of land to investment property. Depreciation of the dry mortar plant in Waco was not taken until it went into operation in 2023; accordingly, this depreciation reduced fixed assets to a greater extent than in 2022. Investments in the Group amounted to EUR 20,394 thousand (41,077) in the reporting year.

Right-of-use assets increased from EUR 7,475 thousand to EUR 9,599 thousand in the reporting year. The highest absolute increase in right-of-use assets resulted from the extension of the rental agreement for a property by Uzin Utz North America Inc. In addition, there were increases in right-of-use assets from car leasing at several companies. Here, expiring leasing contracts were mainly replaced by new leasing contracts.

With the exception of the investment property held by Sifloor AG, Uzin Utz Tools GmbH & Co. KG and Uzin Utz Immobilienverwaltungs GmbH, all of the assets continue to represent operationally necessary assets. The increase compared to the previous year resulted from a reclassification from property, plant and equipment. Further information on this topic can be found in the notes under section "14. Investment properties".

Segment information on capital expenditure

Segment	Investments	
(in KEUR)	2023	2022
Germany		
Laying systems	5,321	4,480
Machinery and tools	1,174	1,748
Surface care and refinement	2,297	2,635
Netherlands		
Laying systems	3,506	4,960
Wholesale	1,244	2,711
USA	7,520	25,091
Western Europe	2,594	2,195
Southern/Eastern Europe	2,231	1,452
All other segments	1,502	1,861

Investments in the Germany segment as a whole were on a par with the previous year. The decline in the area of surface care and finishing as well as machinery and tools (reported separately for the first time in 2023) was offset by the increase in the area of installation systems, with investments in software at Uzin Utz SE increasing in this segment in particular.

Investments in the Netherlands segment fell by EUR 2,921 thousand, with the absolute reduction resulting equally from both sub-segments. Last year, investments in the Wholesale segment were primarily influenced by the extension of several building rental agreements of INTR. B. V., which led to an increase in rights of use. This effect did not materialize in 2023 due to the term of the contracts. The decline in the area of installation systems was influenced by the warehouse expansion of Uzin Utz Nederland B. V. in the previous year; in comparison, this year's investments in property, plant and equipment were lower, despite investments in production.

In the USA segment, which is presented separately for the first time this year, investments were made in a new dry mortar plant in Waco. The majority of the investments in the construction of the plant were already made in 2022. The investments incurred in the 2023 financial year mainly resulted from the completion of the plant. In addition, the rights of use increased as the lease for a property was extended.

As in the previous year, the increase in investments in the Southern/Eastern Europe segment stems from investments in operating facilities at the Polish production company. These were made in connection with the new bottling line, which was commissioned in 2023.

Financial situation

Financial position	31.12.2023		31.12.2022	
	KEUR	%	KEUR	%
Current liabilities	**98,328**	**23.4**	**102,926**	**24.9**
Financial liabilities	45,817	10.9	42,426	10.3
Current leasing liabilities	4,098	1.0	3,604	0.9
Advance payments received on orders	125	0	10	0
Trade payables	15,970	3.8	18,704	4.5
Liabilities from income taxes	1,430	0.3	4,364	1.1
Provisions	16,474	3.9	18,595	4.5
Other current liabilities	14,414	3.4	15,224	3.7
Non-current liabilities	**64,383**	**15.3**	**65,630**	**15.9**
Financial liabilities	39,618	9.4	46,669	11.3
Non-current leasing liabilities	6,126	1.5	4,380	1.1
Deferred taxes	11,565	2.8	9,366	2.3
Provisions	7,074	1.7	5,215	1.3
Shareholders´ equity (incl. non-controlling interests)	**257,290**	**61.3**	**244,014**	**59.1**
	420,001	**100.0**	**412,571**	**100.0**

Current financial liabilities increased by EUR 3,391 thousand from EUR 42,426 thousand to EUR 45,817 thousand. The increase in current financial liabilities was mainly due to the use of bilateral working capital lines. The lines were negotiated with several of our core banks and enabled short-term financing as well as the continued bridge financing of the plant in Waco (USA). While the working capital lines were increasingly used in this context compared to the previous year, the overdraft facility taken out via Uzin Utz SE was repaid in full using the profits transferred from the subsidiaries.

Trade payables decreased by EUR 2,734 thousand and thus amounted to EEUR 15,970 thousand (18,704). The decrease originated mainly from Uzin Utz North America Inc. and Uzin Utz Nederland B. V.. In both companies, differences resulting from the reporting date-related consideration in connection with investments led to the decrease in liabilities. In addition, the decrease at Uzin Utz Nederland B. V. also resulted from invoices for raw materials and services purchased as part of projects.

Income tax liabilities decreased by EUR 2,934 thousand to EUR 1,430 thousand (4,364). This was largely due to Pallmann GmbH, whose advance tax payment in the previous year was very high due to the high assessment basis from the 2021 financial year. Accordingly, there were income tax receivables at the end of the year instead of income tax liabilities.

Current provisions fell from EUR 18,595 thousand to EUR 16,474 thousand. The decrease was mainly due to Uzin Utz North America Inc., which had a provision at the end of last year in connection with the construction of the plant in Waco, which will no longer apply in 2023 due to the completion of the construction work.

At 15.3%, the share of total non-current liabilities in the balance sheet total was slightly below the previous year's figure (15.9). In absolute terms, total non-current liabilities fell by around EUR 1,247 thousand from EUR 65,630 thousand to EUR 64,383 thousand. The main reason for this development was the decrease in non-current financial liabilities from EUR 46,669 thousand to EUR 39,618 thousand. The decrease resulted from the repayment of existing loans. In addition, a loan previously classified as non-current was reclassified to current loans due to its maturity.

Non-current lease liabilities, on the other hand, increased from EUR 4,380 thousand to EUR 6,126 thousand. The largest increase resulted from the extension of the lease agreement for a property by Uzin Utz North America Inc. In addition, there were increases in liabilities from car leasing in several companies. Here, mainly expiring leasing contracts were replaced by new leasing contracts.

Deferred tax liabilities increased by EUR 2,200 thousand to EUR 11,565 thousand. This was due to the amendment to IAS 12, as a result of which deferred taxes on lease liabilities and right-of-use assets were recognized for the first time. Further details can be found in the notes to the consolidated financial statements (section 15 Deferred taxes)

The increase in pension provisions was the main reason for the rise in non-current provisions by EUR 1,858 thousand to EUR 7,074 thousand. The increase was primarily due to the Swiss companies, where adjustments to actuarial assumptions led to an increase in defined benefit obligations compared to the previous year. The fair value of the plan assets rose less sharply than the defined benefit obligations, with a corresponding increase in pension provisions.

Equity (including minority interests) amounted to EUR 257,290 thousand (244,014), an increase of EUR 13,276 thousand compared to the previous year. The share of the balance sheet total was 61.3% (59.1). Our equity ratio therefore remains well above the industry average. The slight increase in the ratio compared to the previous year is primarily due to the increase in equity resulting from the net profit for 2023.

It is both the principle and the intention of our liquidity management to ensure sufficient liquidity at all times. This requirement was also met in 2023. The Group's total loan volume amounted to EUR 85,435 thousand as at December 31, 2023, compared to EUR 89,095 thousand in the previous year. Of this amount, around EUR 45,817 thousand had a remaining term of up to one year (42,426), EUR 29,835 thousand had a remaining term of between one and five years (37,720) and EUR 9,783 thousand had a remaining term of more than five years (8,950). A more detailed breakdown of financial liabilities can be found in the notes under "Liabilities".

Liquidity was guaranteed at all times and credit lines were never fully utilized. As at the reporting date, around 24.8% (23.8%) of the Group-wide credit lines had been utilized, or EUR 32,419 thousand (31,077) in absolute terms. The ongoing bridge financing of the production facility in Waco (Texas) led to a higher utilization of our bank lines. In addition, forward exchange transactions are concluded on a case-by-case basis to hedge fixed payments or significant foreign currency receivables or liabilities. Further information on forward exchange transactions can be found in the "Currency risks" section of the notes to the consolidated financial statements.

The detailed development of liquidity is presented in the consolidated cash flow statement in the consolidated financial statements.

Performance indicators

As already described in the section "Internal control system", the following key performance indicators are used in the Group's financial reporting for the purpose of managing the Group:

Financial performance indicators

The following key figures were recorded for the Group in the reporting year:

Key figures Group	2023	2022
Sales revenues	479,337 KEUR	487,134 KEUR
EBIT	34,505 KEUR	36,341 KEUR
EBIT margin	7.2%	7.5%
Cash flow from ordinary activities	48,712 KEUR	7,193 KEUR
Return on equity	14.1%	16.3%
Equity ratio	61.3%	59.1%

As reported in the 2023 half-year report, we were unable to maintain the moderate increase in sales forecast in the 2022 annual report. While slight sales growth of 4.2% was still achieved in the first quarter, the challenges posed by the decline in construction output in all countries defined as core markets and in the growth market of France increased over the course of the year. Nevertheless, as expected at the half-year stage, the financial year was able to build on the previous year's high level with a decline of 1.6% compared to the previous year. Details on the analysis of sales can be found in the earnings situation section.

In the 2022 Group management report, a moderate decline in EBIT was forecast for 2023. One reason for this expectation was the increase in depreciation and amortization as a result of increased investment activity in the 2022 and 2021 financial years. In addition, rising personnel expenses and higher other operating expenses were expected. EBIT fell from EUR 36,341 thousand to EUR 34,505 thousand, which corresponds to a reduction of 5.1% and therefore a slight decline. The earnings-reducing effect of depreciation and amortization was at the planned level, but the increase in personnel expenses was less pronounced than assumed in the planning, as some of the originally planned new hires were postponed due to the challenges on the sales side. Contrary to expectations, there was a reduction in other operating expenses. This was mainly due to outgoing freight, the development of which is influenced by the sales trend. As sales stagnated instead of growing moderately as originally forecast, lower volumes were shipped, resulting in lower outgoing freight costs. In addition, the transport market eased in the 2023 financial year after prolonged uncertainties, which improved freight prices. As a result, EBIT fell less sharply than expected. Further details on the analysis of the earnings performance can be found in the Earnings situation section.

As EBIT only fell slightly despite sales remaining the same, the EBIT margin recorded a slight decrease of 3.5% in the reporting year instead of the expected moderate decline.

As forecast in the 2022 Annual Report, cash flow from operating activities recorded a strong increase. As expected, the improvement was achieved through the reduction in inventories, which was possible thanks to the easing on the procurement markets and the resulting improvement in the availability of materials.

The return on equity fell moderately in the reporting year, as forecast. The decrease of 2.1 percentage points resulted from both the decline in EBIT and the increase in the equity base compared to the previous year.

Contrary to the forecast of a slight fall in the equity ratio in the last Group management report, the equity ratio increased slightly to 61.3% (59.1). Liabilities increased less than expected, while equity increased more strongly. While equity benefited from a result that was higher than expected, borrowed capital rose less sharply due to lower investment activity in view of the economic uncertainties.

In addition to financial performance indicators, the Group also uses non-financial performance indicators.

Non-financial performance indicators

The non-financial performance indicators in the Group were as follows:

Key figures Group	2023	2022
Capacity utilization	78.7%	83.4%
Novelty ratio chem. products	28.5%	34.0%
Health ratio	95.1%	94.4%

The production volumes of the Uzin Utz Group fell in 2023 as a result of lower sales volumes and the reduction in inventories of finished and unfinished products. In addition, the commissioning of the new dry mortar plant in Waco in particular led to an increase in capacity. Accordingly, capacity utilization fell slightly in the reporting year, as forecast in the 2022 Group management report.

The proportion of new products fell from 34.0% to 28.5% in the reporting year and thus recorded a moderate decline as expected. This is mainly due to high-turnover products from the dry mortar and liquid sectors that were launched more than five years ago and were therefore excluded from the counter in the reporting year.

At 95.1% (94.4), the health rate within the Group remained at the previous year's level and is therefore in line with our forecast from the previous year, which assumed no significant change. The health ratio therefore remains at a very high level.

Risk management and internal control system

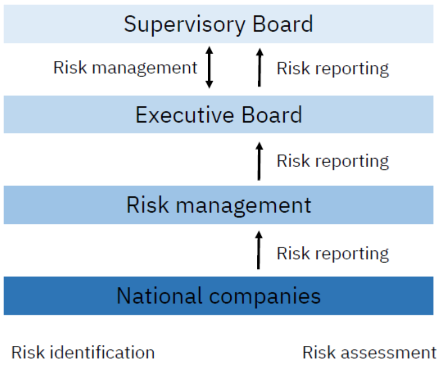
Risk management system

As an international company, we are subject to a large number of internal and external developments and events that can have a significant impact on the achievement of financial and non-financial targets. Successful and targeted opportunity and risk management are therefore integral components of corporate management.

To this end, we have a system for identifying, recording, assessing and controlling current and future business and financial risks. Nevertheless, this is a system that is subject to a permanent optimization process as part of continuous improvement.

The elements of the risk management system are:
– Risk identification
– Risk assessment
– Risk reporting
– Risk management

Structure of the risk management system of the Uzin Utz Group



Executive Board/Supervisory Board

The Management Board of Uzin Utz bears overall responsibility for an effective risk management system. It reports in detail to the Supervisory Board at least twice a year on the risk management system. The Supervisory Board, together with the Management Board, has the task of counteracting risks that could jeopardize the company's existence at an early stage and of reviewing the appropriateness and functioning of the risk management system in order to counteract the risks.

Risk Management

The Risk Manager, who reports directly to the Chief Financial Officer, is responsible for the operational implementation and coordination of the risk management system. He collects the risk maps of all companies, evaluates them at Group level and determines whether there are any risks that could jeopardize the continued existence of the company. Based on this risk analysis, he prepares the risk report for the Management Board and Supervisory Board.

National companies

Responsibility for identifying, assessing and reporting risks lies with the operating companies. They identify their risks with the help of the Group-wide risk catalog and evaluate the identified risks in a uniform Group-wide risk map, which contains criteria such as the expected loss value or the probability of occurrence. Further assistance and active support in recording risks in the risk maps are provided by the Risk Manager. These risk maps are recorded by all risk owners and all companies using a project tool and reported to the Risk Manager after approval by the local managing director. The legal requirements within the risk reporting of the individual companies are taken into account. Each individual risk of a risk owner must be reviewed and approved by the respective local managing director before processing by the Risk Manager can take place. This ensures that the management of the individual companies is informed about all risk areas of the respective company at all times.

Process of the risk management system

The risk management process established in accordance with Section 91 (2) of the German Stock Corporation Act (AktG) enables us to identify all significant developments that could jeopardize the company's continued existence at an early stage. This is achieved through uniform framework conditions and standards for the design of risk identification within the Group.

The entire risk management system is designed to identify risks that could jeopardize the continued existence of the company at an early stage and, if necessary, to take countermeasures and ensure that business objectives are achieved. The principles, guidelines, processes and responsibilities of the internal risk management system have been defined and established. The risk management system essentially comprises the following risk groups:

- Business environment and industry risks
- Prodct risks
- Financial and economic risks
- Risks relating to production and essential IT-supported processes
- Investment risks
- Purchasing, supplier and raw material price risk
- personnel risks

In addition to risk-specific management measures, safety-oriented, commercially prudent corporate management, appropriate insurance cover and company-wide guidelines and instructions form the basis for risk-conscious action.

The explanations in the "Financial position" and "Financial risks" sections of this report apply to financial instruments. In addition, the earnings and liquidity risks of the financial investments are mapped in the form of an early warning system. The main elements of this are detailed monthly reporting on all key income statement items and a quarterly report by the investee companies on the development of the general environment, the receivables and inventory risk and the liquidity/financing situation. Regular audit meetings in the affiliated companies, group-wide accounting guidelines and mandatory, direct communication channels between the managing directors of the affiliated companies and the Management Board of Uzin Utz SE in all material matters represent the remaining main elements.

Identified risks are divided into different risk categories using a special weighting system. These are the following risk categories:

- Insignificant risk
- Low risk
- Medium risk
- High risk
- Risk threatening the existence of the company

The weighting system used is made up of various characteristics of the risks, such as the probability of occurrence, the extent of damage and qualitative criteria such as the measures taken to reduce the risks, any classification of the risk as an early warning indicator or the frequency with which the risk is reviewed. Based on this qualitative weighting system, the risks are classified into the above-mentioned categories and reported to the Management Board. The financially quantifiable risks are additionally assessed on the basis of Uzin Utz's risk-bearing capacity.

Process-independent monitoring

The auditor of Uzin Utz - as an independent external body within the scope of the audit of the consolidated financial statements - reviews the risk management system in accordance with Section 91 (2) AktG for its appropriateness for risk identification, assessment, control and with regard to risk reporting.

Opportunities and risk situation

Comparable opportunities and risks from different areas of the Group are reported together under the following categories where appropriate. The order does not imply any ranking of the categories.

The basis for the assessment of the opportunities and risks of the environment and industry can be found in the sections "Future macroeconomic development" and "Future development of Uzin Utz" of the forecast report.

Risks

Business environment and industry for the Group

The forecast economic development in our core and growth markets is decisive for the opportunities and risks for Uzin Utz arising from the environment and the industry. Overall, global economic growth in 2024 is not expected to reach the level that prevailed before the COVID-19 pandemic. While the largest increase of 2.6% is expected for the US growth market, the anticipated growth rates in our other core and growth countries, which range between 0.3% and 1.1%, are lower. According to the forecasts for the construction industry as a whole, a decline is expected in four of our six core and growth countries in 2024. The forecast growth in construction output in Switzerland and the USA offers opportunities. In addition, despite the expected decline in overall construction output, there are growth opportunities in certain areas of the construction industry in our focus markets, which we will exploit using our strengths.

Forecasts for economic development in our core market of Germany vary, but are at a similar level, ranging from stagnation to a slight increase. A slight decline is expected for construction output, which will be caused by monetary policy penalties and interest rate trends, among other things. Refurbishment measures in the residential construction sector nevertheless offer growth trends that will partially offset the decline in new residential construction. The economic growth forecast for our core markets of the Netherlands and Switzerland is identical at 1.1% in each case. In the Netherlands, a slight decline in total construction output is expected due to rising construction costs and increasing regulation. However, price increases for both existing and new properties could provide positive impetus for investors. A slight increase in construction investment is forecast for Switzerland, which is due to increased demand in the renovation sector.

The forecast economic growth in the growth markets of the UK and France is also congruent. GDP is expected to increase by 0.6% in both countries. However, a slight decline is expected for the British construction industry and the French market. Despite the expected decline in construction output, there are opportunities for growth, primarily in the area of industrial construction. While building and residential construction in France is expected to decline, the outlook for renovation and maintenance is positive. The USA will live up to its classification as a growth market and is expected to achieve the strongest growth of all core and growth markets in 2024. An increase of 2% is expected in the construction industry, although this represents a decline compared to the high growth rates of previous years. While a decline is expected in the residential construction and renovation sectors, there are opportunities arising from public construction investments, for example.

In addition to the factors that already hampered economic development in the previous year, geopolitical uncertainties have increased. Nevertheless, a recession is not expected in any of our core and growth countries. Estimates for the construction industry vary, with forecasts for our focus countries ranging from a slight decline to a slight increase and therefore close to stagnation. As a result, we are once again confronted with a challenging market environment which, depending on how the sector actually develops, may have a significant impact on business performance and thus lead to a medium risk. Overall, however, there are slight opportunities for growth that are in line with our strengths, which is why we expect to remain profitable in the 2024 reporting year. Despite an expected absolute increase in all cost items, a slight increase in earnings is assumed as a result of cost-cutting measures, for example in the area of logistics and by optimizing material and production costs.

The risks that can be quantified in monetary terms in the "Environment and sector" area amount to a maximum low single-digit million euro amount.

Products

The further development of Uzin Utz is closely linked to the ability to create innovations in the product range and to refine existing formulations. Intensive efforts are aimed at intensifying research and development activities in order to identify market requirements and trends promptly by means of benchmarking and competitive analyses. This serves to prevent the company from falling behind its competitors in terms of technology. It is not possible to precisely quantify potential losses. The risk of technological deficits and the risk of product defects represent significant challenges for the Group. Significant investments in research and development, ongoing in-house innovations and strict internal quality controls are aimed at eliminating product defects from the outset. This is intended to meet the high quality and faultlessness requirements of Uzin Utz products. In the event that damage nevertheless occurs, comprehensive international insurance cover, including product liability, provides protection. Operational risks are covered by prudent provisions.

Customer needs and legal requirements, particularly in the chemical industry, are subject to constant change. New regulations regarding the prohibition or restricted use of certain chemicals or hazardous substances force the Uzin Utz Group to develop innovative formulations that meet these new requirements without compromising product quality. In the course of the REACH regulation (Registration, Evaluation, Authorization and Restriction of Chemicals), importers of raw materials from non-EU countries who import hazardous substances are obliged to register. Uzin Utz is committed to researching substitute raw materials in order to ensure long-term security of supply and greater independence from suppliers without compromising product quality.

Product risks are to be classified as insignificant for the reasons mentioned.

The risks in the "Products" area that can be quantified in monetary terms amount to a maximum low single-digit million euro amount.

Financial and economic conditions

Assessing the extent of financial risks remains challenging in the current situation. In view of potential volatility on the financial markets, it is essential to implement adequate hedging strategies for currency risks, always striving for a balance between costs and expected benefits. The development of currencies that are critical for the Group is discussed in more detail in the "Earnings position" section of this report. Tight receivables and liquidity management throughout the Group guarantees the maximization of available resources, with a particular focus on the continuous monitoring of customers' creditworthiness. The majority of customer receivables are also covered by credit insurance. All significant liabilities to financial institutions are generally taken out for medium to long-term maturities at fixed interest rates or protected against interest rate risks by an interest rate swap. The primary means of financing include bank loans and working capital loans, leasing obligations and trade payables. Their main purpose is to support and maintain operating activities. In addition, the Group has various financial assets, such as trade receivables as well as cash and short-term investments, which contribute to improving liquidity. The Uzin Utz Group has used derivative financial instruments to a limited extent to hedge against interest rate and currency risks resulting directly from business and financing activities. Future possible significant currency and interest rate fluctuations always harbor an inherent risk. A company-wide treasury guideline effectively supports risk management and aims to optimize financial transactions and minimize currency and interest rate risks. The introduction of an integrated liquidity forecast improved quarterly reporting to the Management Board through the use of real-time data. In addition, the project to standardize and automate global payment transaction formats was continued with the aim of managing the Group's payment transactions via a central platform.

For the reasons mentioned, the financial risks are classified as low.

The quantifiable monetary risks in this area amount to a maximum mid-single-digit million euro amount.

Production and essential IT-supported processes

In the production areas of the various sites, continuous maintenance as well as fire protection and preventive measures significantly minimize the risk of suboptimal performance of the production facilities. Special insurance policies have been taken out against damage caused by the elements and the possible resulting business interruptions, although the associated risks cannot be precisely quantified. The Group sees opportunities in the ongoing improvement of production processes and in additional investments in advanced technologies in order to continuously increase the efficiency of production plants worldwide. The increasing networking of international production facilities and strict quality management contribute to the ongoing optimization of production quality across the entire Group.

The operational and production processes as well as the internal and external communication of Uzin Utz are increasingly dependent on information technology. Significant impairments or even the failure of global and regional IT systems could lead to data losses and disruptions in operating and production processes. Targeted technical, structural and organizational measures are taken to minimize the risk of a failure of critical IT systems.

Risks in the area of production and risks relating to IT-supported processes are classified as insignificant.

The risks in these areas that can be quantified in monetary terms amount to a maximum low single-digit million euro amount.

Investments

Risks associated with significant investment decisions are subject to detailed preliminary analyses and require the approval of the Uzin Utz Management Board. If necessary, the expertise of external consultants is consulted for this purpose. Potential takeovers are always assessed with the involvement of external expertise, evaluated by the Management Board and require the approval of the Supervisory Board. Targeted investments lay the foundations for the Group's future growth, continuously creating new opportunities to increase sales and thus improve the Group's overall result.

For the reasons mentioned, the investment risks can be classified as insignificant.

The quantifiable risks in the area of "investments" amount to a maximum very low single-digit million euro amount.

Purchasing, supplier and raw material price risks

For years, Uzin Utz has pursued a multi-supplier strategy in order to minimize dependence on various suppliers and to be able to change them if necessary. Furthermore, framework agreements are concluded with suppliers in order to absorb price increases as far as possible. Through continuous research into substitute raw materials within our research and development departments, we also try to minimize our dependence on suppliers or certain raw materials. Nevertheless, the 2023 reporting year was a very challenging year in terms of procurement, supplier and raw material costs. However, by acting strategically, particularly in the area of procurement, we were able to ensure that we were able to deliver at all times and that we kept costs as low as possible.

The procurement, supplier and raw material price risks can be classified as insignificant thanks to the measures taken. This also reflects the continuous delivery capability of Uzin Utz in the past.

The monetarily quantifiable risks in the areas of "procurement, suppliers and raw material prices" amount to a maximum low single-digit million euro amount.

Personnel risks

Personnel-related risks encompass the range of potential dangers that can arise from the behavior and circumstances of our workforce, including, but not limited to, misconduct, incorrect decisions, accidents at work, health problems or general staff absenteeism. To manage these risks, we implement a variety of strategies within our risk management system. For each identified personnel risk, there are specific measures aimed at reducing the probability of occurrence. Examples include further training, preventative health measures, ensuring safe working conditions and conducting regular employee appraisals in order to effectively minimize the aforementioned risks. The shortage of skilled workers also plays a central role in our risk management system. Active consideration and strategic planning to overcome this shortage are crucial to ensure the long-term competitiveness and productivity of our company. Our primary goal is to establish an open and transparent corporate culture in which all employees feel valued, communicate risks openly and actively work to reduce them in order to limit them as much as possible.

Risks that fall under the category of personnel risks are classified as insignificant.

The risks that can be quantified in monetary terms in the area of "personnel risk" amount to a low four-digit euro sum and are therefore classified as insignificant.

Other risks

The "Other risks" category covers a range of potential risk factors that do not fall directly under the other, specifically defined risk categories. These include, but are not limited to, unforeseeable events or developments that could have an impact on our business activities, financial position or profitability.

Risks that fall under the category of other risks are classified as low.

The risks that can be quantified in monetary terms in the "Other risks" category amount to a maximum low mid-digit million euro amount.

Risks threatening the existence of the company

None of the risks listed above currently pose a threat to the company as a going concern. There are currently no other identifiable risks to Uzin Utz as a going concern, even taking into account the Group's risk-bearing capacity.

Chance

Most of the risks described also offer the Group opportunities. These are often reflected in risk reduction measures. Due to its size, market position and the internal success factors already described, the Group can and will continue to exploit every commercially viable market opportunity that arises in order to gain further market share. Opportunities for strategically sensible company takeovers will also be closely examined and, if necessary, realized.

In particular, the areas

- Environment and industry,
- Products,
- Financial Instruments,
- Production and essential IT-supported processes
- Investments
- Procurement, supplier and commodity price risks
- Personnel

and, due to their validity for all market participants in conjunction with the Group's high standards in the areas of product quality, service and logistics concept, offer excellent opportunities to expand relationships with existing customers and acquire new customers in order to expand market positions in the respective countries. In this way, we can position ourselves on the market with quality and innovation and differentiate ourselves from our competitors. With regard to further opportunities and risks for Uzin Utz, please also refer to the forecast report.

Extraordinary influencing factors

Towards the end of 2023, there were further geopolitical uncertainties in addition to the war in Ukraine. The uncertainties arising from the armed conflict in the Middle East and increased piracy in the Red Sea, for example, are influencing the development of the global economy. While the loss of export sales to the regions primarily affected will not have a significant negative impact on sales, a worsening of the uncertainties may have an impact on the rest of the value chain. Challenges arising in this context primarily affect the procurement, energy and transportation markets as well as price trends on these markets. We counter these challenges with strategic and operational measures such as the conclusion of framework agreements and the constant monitoring and assessment of the situation.

Compliance

As a European stock corporation, we are subject to many laws and regulations and therefore already meet a high standard. We are aware of our responsibility towards business partners, shareholders, employees and the public. In order to meet this requirement, even against the backdrop of an increasingly difficult regulatory environment, we have developed compliance guidelines which, together with the rules of conduct based on them, provide not only legal but also ethical guidance. The Compliance Guidelines contain the fundamental and binding rules for conduct within Uzin Utz as well as towards business partners, shareholders and the general public.

Internal control system (ICS)

Adequacy and effectiveness of the internal control and risk management system

There is an internal control system that is appropriate to the size of the company and is continuously being expanded and optimized. In order to further expand an effective ICS, work is currently underway to set up a control matrix for Uzin Utz SE. In this control matrix, the essential key controls for the existing main processes are defined, the rhythm of the controls is determined and the person and/or department responsible is defined. The aim is to roll out the controls, which must be carried out on a decentralized basis, to the German subsidiaries as a first step and to the foreign Group companies in the medium to long term.

The intention of risk management and the internal control system is to ensure the effectiveness of business activities and compliance with the relevant legal requirements.

Both the internal control system and the risk management system are monitored on an ongoing basis in order to rectify any weaknesses identified during the financial year and to ensure continuous improvement of processes.

At the time of this report, there are no indications in all material respects of the company that the internal control and risk management system is ineffective or inadequate.

However, no guarantee can be given that all actual risks and any violations will be detected in advance.

Internal control and risk management system with regard to the accounting process

The internal control system is a key factor in avoiding risks, particularly in accounting and financial reporting. This includes the following features, among others:

- Within Uzin Utz, the management and corporate structures are clearly defined. Cross-divisional key functions are controlled centrally via Uzin Utz SE, whereby the individual subsidiaries also have a high degree of independence.
- There is a set of guidelines that is updated on an ongoing basis.
- The financial systems used are protected as far as possible against unauthorized access by appropriate authorization concepts and access restrictions.
- The financial systems used are essentially based on the SAP standard. SAP Business Intelligence is used for presentation and other evaluations.
- The consolidated financial statements are prepared using SAP consolidation software.
- Accounting data received or passed on is continuously checked for completeness and accuracy.

The control system and risk management system with regard to the accounting process is designed to ensure that all business processes and transactions are recorded promptly and correctly in the accounts and that risks in connection with financial reporting are identified, evaluated, monitored and managed. Changes to laws, accounting standards and other pronouncements are continuously analyzed with regard to their relevance and impact on the consolidated financial statements and the resulting changes are immediately adapted in the Group's internal guidelines and systems. The Group accounting process at Uzin Utz SE is managed by the central Group Controlling department.

The Group companies prepare their financial statements locally and transmit them via a uniformly defined Group-wide data model. The data is maintained by the individual national companies directly in the input platform. The Group companies are responsible for compliance with the Group-wide accounting guidelines and procedures as well as the proper and timely execution of their accounting-related processes and systems. The local companies are supported by central contacts throughout the entire accounting process. The consolidated financial statements are prepared centrally on the basis of the data from the subsidiaries included in the scope of consolidation. During this process, Group Controlling performs ongoing manual and system-supported checks to ensure the plausibility of the transmitted and consolidated data.

Internal control processes are used to regularly check the business processes of both the subsidiaries and the central divisions for correctness, cost-effectiveness, efficiency and security. The results are reported directly to the Executive Board.

Forecast report

Future macroeconomic development

The International Monetary Fund (IMF) expects the global economy to grow by 3.1% in 2024, while the forecast of the Federation of German Industries (BDI) is almost identical at 2.9%. Growth expectations are positively influenced by the increased resilience of the economy in the USA and some other major emerging economies as well as government support in China. By contrast, the slowing recovery from the pandemic and tighter monetary and financial conditions are among the factors weakening development. The high inflation prevailing in many regions of the world is expected to fall in the medium term according to the forecast of the Institute for Economic Forecasts. The IMF's expectation for global inflation is 5.8%.
The EU Commission expects gross domestic product (GDP) in the eurozone to grow by 0.8% in 2024, after the economic forecast of 1.2% was lowered due to the expected turnaround in interest rates. At 2.7%, forecast inflation in the eurozone is lower than expected global inflation. Due to continuing inflation, rising interest rates and construction costs, falling household purchasing power, lower economic growth, higher government debt and falling property prices, the construction industry is forecast to shrink in most EUROCONSTRUCT countries. The sharpest decline is expected in the residential construction sector. According to the Global Construction Monitor of the Royal Institution of Chartered Surveyors (RICS), Europe is the only region that expects a decline in private residential construction in 2024, which is estimated at 11.0%. Renovations are also on the decline. Civil engineering will be resilient due to public investment. Construction of non-residential buildings is expected to stagnate until 2024, while renovations of non-residential buildings are expected to increase slightly.

In our core markets of the Netherlands and Switzerland, GDP is forecast to increase in 2024. Expectations for the core market of Germany are largely in the lower positive range. The Organization for Economic Cooperation and Development (OECD) expects economic output to grow slightly by 0.3%. Conversely, the German Economic Institute (IW) expects GDP to fall by 0.5%. German economic growth will be dampened by the high weighting of energy-intensive industries, the weak global economy and its impact on export companies and increasing uncertainty among companies due to the budget crisis. In 2024, consumption will continue to be held back by high inflation and the rise in interest rates will have a negative impact on the construction industry and investments. However, private consumer spending should recover again due to rising real incomes. Both the German government and the EU Commission are forecasting a fall in the inflation rate in Germany to 2.8% in 2024. These assumptions are almost congruent with the forecast for the eurozone. The Federation of the German Construction Industry expects a real decline in turnover of 3.5% in the entire main construction industry. The reasons for the negative development are the weak performance of the global economy, monetary policy tightening due to high inflation and uncertainty among companies and households as a result of budgetary uncertainties in Germany. In residential construction, the interest rate trend on the capital market is seen as an additional ongoing challenge. According to a report by the Association of German Housing and Real Estate Companies, residential construction companies are being forced to cancel projects to create affordable housing. As things stand, 22.0% of the projects already planned cannot be realized. Slight growth trends are forecast for renovation measures in the residential construction sector, but these can only partially offset the real decline in new residential construction of 12.0%. In commercial construction, the Federation of the German Construction Industry forecasts price-adjusted growth of 2.0%. In line with the low dependency of commercial investments on interest rates and high capacity utilization, stagnation is expected in building construction. This will be offset by an increase in civil engineering. Sales growth of 1.0% is expected in public construction. After some construction material prices, such as the prices of steel, timber and glass, fell until November 2023, the German Construction Industry Association expects material prices to fall overall in 2024. Further price increases are only realistic for individual energy-intensive materials such as cement, as was already the case in 2023.

For the Netherlands, which is also one of our core markets, the EU Commission expects economic growth of 1.1% in 2024. Analysts at Rabobank fear stagnation due to continued high interest rates and persistent inflation. The economic situation will be particularly affected by the new elections in November 2023. One of the greatest opportunities for the Dutch economy is the expansion of strong foreign trade. This is benefiting in particular from the high demand for Dutch goods and services. On the other hand, energy prices could pose challenges due to the Ukraine crisis and trade relations, particularly with Russia. Growth in nominal wages of 4.0%, due to the labor shortage, in combination with an inflation rate of 3.7% forecast by the EU Commission should lead to an improvement in domestic demand in 2024. In the construction industry, however, the Economic and Financial Analysis Division of ING Bank N.V. expects a decline of 2.5% in 2024. Increased interest rates and investor risks in particular mean that the real estate market will develop negatively until the middle of the year. Due to the already existing structural shortage in the residential real estate sector and higher incomes, prices for both existing and new properties will rise by 4.0% in 2024 according to ABM AMRO's forecast in the Housing Market Monitor. The favorable socio-economic and political climate makes the Netherlands attractive for migrants, which is why demand for housing will increase even more in the future. Nevertheless, construction processes and the development of new housing are currently slowing down. The reasons for this are rising construction costs, increasing regulations and lengthy procedures.

The Swiss Confederation is forecasting below-average growth for the Swiss economy in 2024, with adjusted growth of 1.1%. This forecast is based on low growth momentum in the eurozone, which is slowing down the exporting sectors of the Swiss economy. The economy is expected to be supported by private consumption, which is also expected to increase by 1.1%. A weak development is also expected in the area of investment, as capacity utilization is falling and financing costs are rising. Construction investment is expected to grow by 0.9% overall. In the area of new construction, Wüest Partner and Docu Media are forecasting a nominal decline of 0.8%. The decline will be partially offset by an increase of 0.7% in the renovation segment. A decline in demand is expected in the construction materials segment, which will be influenced by supply bottlenecks, increased material costs and uncertainties due to geopolitical events. Increasing population growth in combination with positive developments on the labor market will also exacerbate the ongoing shortage of living space. From summer 2024, an expected interest rate cut could boost construction activity. This will make investments more attractive and reduce financing costs. However, other factors such as geopolitical developments and economic uncertainties will also play an important role in future developments.

The IMF expects moderate economic growth of 0.6% for the UK in 2024. The UK is characterized by uncertainty due to high inflation, high interest rates, the upcoming elections and global factors such as the conflict in the Middle East. The Bank of England will only adjust its interest rate policy when it is confident that inflation will reach the target level in the medium term, which is not expected before the second half of 2024. According to KPMG, the inflation rate will fall to 2.8% in 2024. As interest rates are expected to fall over the course of 2024, the RICS UK Construction Monitor at the end of 2023 paints a less pessimistic picture of the situation in the construction industry compared to the third quarter. The infrastructure segment in particular is leading the way and private non-residential construction is also likely to increase slightly over the course of the year. Due to the current reinforced autoclaved aerated concrete (RAAC) crisis, investments in public construction are likely to increase in order to avoid potential structural deficiencies. In addition to investments in education, the construction industry in the public sector will be positively influenced by investments in infrastructure and healthcare in particular. An average increase of 5.0% is expected for rents in 2024. The same increase will be seen in the cost of specialist staff and materials.

The USA, which we have defined as a growth market alongside the UK and France, will experience economic growth of 2.6% according to the OECD's assumption made in February 2024. After government spending made a positive contribution to growth in 2023, it is assumed that subsidies will decrease in order to reduce government debt. Due to falling inflation, key interest rates are expected to be lowered from around mid-2024. However, the Federal Reserve (Fed) will not cut interest rates until inflation is below 3.0%. Despite high interest rates, there is room for growth in the area of commercial and construction investment. Overall, an increase of 2.0% is forecast for total expenditure in engineering and construction, although this is a significant decline on the growth rates of previous years. In commercial real estate, low lending and potential losses by investors could lead to increased pressure on the sector. The expected decline is greatest for multi-family houses at 15.0%. The estimated 5.0% decline in single-family homes is due to the fact that purchasing is becoming increasingly unaffordable and buying is more expensive than renting in most markets. Due to the rise in interest rates, less will be invested in renovation and refurbishment in the future, which is why a reduction of 4.0% is expected. By contrast, investment in the healthcare sector is expected to grow by 8.0%, which is partly due to the Inflation Reduction Act (legislation to reduce inflation through climate protection and energy security, among other things). Growth of 12.0% could also be realistic in the hotel and accommodation sector. Further government subsidies in the manufacturing industry are expected to lead to an increase, particularly in the data center and semiconductor production sectors.

According to the OECD, France's economy will experience a 0.6% increase in GDP in 2024. The IMF, on the other hand, expects economic output to grow by 1.0%. The Banque de France is forecasting dynamic growth in consumption due to falling inflation and an expected more stable energy price trend. According to the central bank, the inflation rate is expected to fall to 2.6%. Due to high financing costs, major investments such as the purchase of property are being avoided, meaning that a decline in private investment of 5.9% is forecast. The industry association Fédération Nationale des Trauvaux Publics expects a low growth rate of 2.0% for infrastructure and industrial construction, which will mainly come from major projects by civil engineering companies. Due to inflation and high interest rates, the volume of sales in the building construction sector is expected to fall by 5.5%. Demand in residential construction has continued to decline since mid-2023 due to a decrease in building permits. While a decline of 14.6% is forecast in new construction compared to 2023, the market volume in the renovation and maintenance sector will increase by 1.6%. Due to the decline in activity in the construction industry, Bruno Le Maire, Minister of the Economy, announced support measures for construction companies, such as accelerating payment for government contracts.

Future development of the Uzin Utz

Our development in the coming year will continue to be shaped by the Passion 2025 corporate strategy. The strategic framework for further development and target achievement will continue to be defined by the four P's - Profit, Products & Services, People and Planet. The priorities enable us to exploit our potential and to operate successfully and sustainably.

The People focus is concerned with our employees and society. Our employees make a significant contribution to the success of the Group and play a key role by working in a motivated and disciplined manner to achieve our ambitious goals. For this reason, concepts for professional development are developed. In addition to looking at our company, relationships with our customers are also part of this approach.

The Products & Services strategy aims to continue to provide our core customer, the experienced groundcare professional, with tailor-made products, systems and services for all aspects of soil cultivation. The close relationship with our business partners enables us to further optimize our range and adapt it to the global markets. In order to keep pace with the progress of digitalization, we strive to develop future-oriented business models so that we can identify trends early on and act as a driver of innovation in the industry. Only in this way is it possible to achieve qualitative improvements and offer our customers in the premium and standard segments added value that leads to success.

As part of the Planet thrust, initiatives such as environmentally friendly operations, a transparent and sustainable value chain and a socially responsible company will bring the environment and resources even more into the focus of our business.

Since 2021, there has been a theme year for each strategic focus area. The theme years serve to deepen initiatives in the respective focus area and promote a Group-wide exchange on planned measures.

Following the focus on the Planet strategic thrust in 2023, the 2024 themed year will focus on the Profit strategic thrust. The last of the four dimensions, which forms the basis for our activities and is essential for the long-term existence of Uzin Utz, will thus be emphasized in 2024. In the coming financial year, we will continue to expand our market position and leverage country-specific potential through customer proximity and performance leadership along the entire value chain.

Forecast performance indicators

Financial performance indicators

At Group level, we expect the following development of key figures:

Key figures Group	2024
Sales revenues	↗
EBIT	↗
EBIT margin	→
Cash flow from ordinary activities	↘
Return on equity	→
Equity ratio	→

Even in 2024, global economic development will not be able to return to the level of the years before the COVID-19 pandemic. While the US economy is proving more resilient than expected, the outlook for the economy in our other core and growth countries is much more pessimistic. Interest rates, which have been raised as part of the fight against inflation, will continue to slow economic growth, while government support will decrease as a result of increased public debt. Geopolitical uncertainties have increased compared to the previous year. In addition to the ongoing war in Ukraine, the armed conflicts in the Middle East and increased piracy in the Red Sea are weighing on the development of the global economy.

Due to these factors, we are once again facing major challenges in 2024. A contraction in construction output is expected in Europe. Accordingly, total construction output is expected to decline in four of our six core and growth countries. Nevertheless, we assume that we will be able to achieve slight sales growth compared to 2023. An increase in construction output is expected for Switzerland, for example, and the same applies to the USA. In addition, growth opportunities are emerging in certain areas of the construction industry, where our strength lies. In Germany, for example, the renovation of apartments is expected to increase, and a growing renovation segment is also anticipated in Switzerland. The same applies to France. In addition, the expected increase in public construction investment in the USA and the UK offers opportunities to win tenders with our solutions. An increase in private residential construction is also forecast in the UK. In order to exploit existing market potential, starting points for optimization were defined in consultation with the managing directors of the subsidiaries, with the aim of both increasing sales and improving profitability. Examples of starting points in the area of sales include the acquisition of new customers, the digitalization of sales and the sale of new products.

Factors that already had an impact on earnings development in 2023 will also be relevant in 2024. In absolute terms, an increase is expected in all cost items. In the area of other operating expenses, the operating costs for building, machine and IT maintenance are expected to show the strongest absolute increase. Depreciation and amortization will also rise due to increased investment activity in recent years. An increase in personnel expenses is expected due to a planned increase in personnel and, among other things, an inflation adjustment. Starting points for optimization in the area of profitability relate to logistics costs, for example. Measures such as changing service providers and the commissioning of the plant in Waco, including the associated reduction in distance to customers, will take full effect in 2024 and thus contribute to the planned cost reduction in the logistics area. Furthermore, material and production cost optimization will work towards achieving a lower material usage ratio. Overall, the aforementioned development of cost factors is expected to result in a slight increase in EBIT. With slight sales growth, this will lead to a constant EBIT margin.

After the situation on the supply market eased in the past financial year, the previously unusually high build-up of inventories was reduced enormously during 2023. This resulted in an unusually high, positive effect on cash flow from operating activities. No reduction in inventories is expected in 2024, meaning that a moderate decline in operating cash flow is anticipated.

We expect the return on equity and equity ratio to remain at the same level in 2024.

In addition to the aforementioned performance indicators, we are continuing to invest in our global locations and are therefore planning investments of EUR 20,913 thousand for the coming year. Approximately 2/3 of the planned total investments are primarily attributable to production sites such as the Uzin Utz SE site, Uzin Utz Nederland B.V. and Pallmann GmbH.

Non-financial performance indicators

At Group level, the following development of non-financial key figures is expected:

Key figures Group	2024
Capacity utilization	↗
Novelty ratio chem. products	↘
Health ratio	→

A slight increase in the volume produced within the Group is expected for 2024. As a result, the level of capacity utilization in 2022 (83.4%) should be almost reached despite increased capacities. The new plant of Uzin Utz North America Inc. in Waco and the associated production capacities could already be utilized proportionally in 2023 and should be fully utilized in 2024. In line with the definition as a growth market, the USA will make the highest absolute contribution to increasing production volumes. In addition, Uzin Utz SE will make a significant contribution to increasing production volumes. Depending on market developments, we will react with adjusted working time models.

The Group's new product ratio will fall moderately in the 2024 reporting year. This is mainly due to high-revenue products from the dry mortar and liquid sectors that were launched more than five years ago next year and will therefore no longer be included in the counter in the coming reporting year. Experience has shown that new products cannot compensate for this decline in the start-up phase of sales.

The health rate in the Group has been at a consistently high level for years, close to 95%. No significant change is expected here in 2024 either.

Other information

Reporting

Events, decisions and factors with a significant influence on the further development of the Uzin Utz Group
All events, decisions and factors with a significant influence on the further development of the Uzin Utz Group that were already known in 2023 are included in the respective thematically related part of this report.

Existing branches, permanent establishments, representative offices
The structure and locations of the Group's subsidiaries and associated companies are shown in the section "Group companies" in the notes to the consolidated financial statements.

Branch offices are permanently operated facilities of the company that are spatially and organizationally separate from the main branch office, operate independently from the outside, but are subordinate to the main branch office and do not have their own legal capacity.
Based on this definition, the following locations were identified as branch offices:
Uzin Utz SE has a branch office in Naples, Italy.
INTR. B.V. operates several branches (so-called INTR. Points) in the Netherlands, where an extensive product range is offered. Customers are advised in the branches, receive product demonstrations and can purchase products.

The following INTR. Points exist:
- INTR. Point Delft (Delft)
- INTR. Point Den Bosch (s´-Hertogenbosch)
- INTR. Point Heerenveen (Heerenveen)
- INTR. Point Hengelo (Hengelo)
- INTR. Point Hoofddrop (Hoofddorp)
- INTR. Point Hoogeveen (Hoogeveen)
- INTR. Point Leek (Leek)
- INTR. Point Nieuwegein (Nieuwegein)
- INTR. Point Nuth (Nuth)
- INTR. Point Zwolle (Zwolle)

The locations that do not meet the definition of a branch office but are of particular relevance due to their size are listed below.

Uzin Utz Tools GmbH & Co. KG has had a site in Mettmann, where small tools of the Pajarito brand are produced, since a merger as part of an internal restructuring within the Group.

Uzin Utz North America Inc. has a production site including a research and development department for dry mortar in Dover, Delaware. A training center for wholesale customers is also located at this site. The second dry mortar plant of Uzin Utz North America Inc. in Waco, Texas was put into operation in the second quarter of 2023.

Reporting in accordance with § 315a para. 1 HGB

Composition of subscribed capital

The subscribed capital of Uzin Utz SE in the amount of EUR 15,133 thousand is divided into 5,044,319 no-par value bearer shares (ordinary shares), each of which grants the same rights, in particular the same voting rights. There are no different classes of shares. One share corresponds to a notional share in the capital stock of EUR 3 each.

Voting rights and transfer restrictions

There are neither statutory provisions nor provisions in the Articles of Association that restrict voting rights or the transfer of shares. A pooling agreement exists between Dr. Utz, his children and his sister and her children. The shares of the pool members (2,709,181 shares or 53.7% of the voting rights) can only be disposed of uniformly and the voting rights at the Annual General Meeting can only be exercised uniformly. Apart from the above-mentioned agreement, the Executive Board is not aware of any restrictions affecting voting rights or the transfer of shares.

Shareholdings of more than 10% of the capital

To the knowledge of the Executive Board and on the basis of the notifications received by the Company under securities law, there are direct or indirect interests in the share capital of Uzin Utz SE that exceed 10% of the voting rights. Further details are provided in the notes to the (consolidated) financial statements under "Disclosures pursuant to Section 160 (1) AktG".

Shares with special rights

There are no shares with special rights conferring powers of control.

Voting right control in the case of employee participation

The Management Board is not aware of any employees holding an interest in the Company's capital who do not exercise their control rights directly.

Appointment and dismissal of members of the Management Board and amendments to the Articles of Association

The Management Board of Uzin Utz SE consists of one or more persons. The number of members of the Executive Board is determined by the Supervisory Board. The appointment and dismissal of the members of the Management Board is carried out in accordance with the statutory provisions. With the exception of a judicial replacement appointment, the Supervisory Board alone is responsible for the appointment and dismissal of Management Board members. It appoints members of the Management Board in accordance with § 7 of the Articles of Association of Uzin Utz SE for a maximum of six years. A repeated appointment or extension of the term of office, in each case for a maximum of six years, is permissible. The Supervisory Board may appoint a Chairman and a Deputy Chairman of the Management Board. In accordance with the regulations of the German Corporate Governance Code, the maximum possible appointment period of six years is not the rule for initial appointments.

Amendments to the Articles of Association follow the provisions of Section 179 AktG as well as Section 20 of the Articles of Association of Uzin Utz SE. Accordingly, the Supervisory Board is authorized to make amendments to the Articles of Association that only affect the wording. A resolution of the Annual General Meeting is not required. This applies in particular to amendments to the Articles of Association following the full or partial implementation of the increase in the share capital.

Powers of the Management Board to issue and buy back shares

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 3,000,000 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 3.00 per share (Authorized Capital I). The capital increases may be made against cash contributions and/or contributions in kind.

The Executive Board is authorized, with the approval of the Supervisory Board, to increase the share capital of the Company in the period up to May 25, 2026, on one or more occasions by up to a total of EUR 4,000,000.00 by issuing new no-par value bearer shares with voting rights and a notional interest in the share capital of EUR 3.00 per share ("Authorized Capital II"). The capital increases may be made against cash contributions and/or contributions in kind.

The Executive Board is further authorized, with the consent of the Supervisory Board, to exclude the shareholders' statutory subscription rights in particular in the following cases:

- for the fractional amounts arising due to the subscription ratio
- for a capital increase against contributions in kind in the best interests of the Company for the acquisition of companies, parts of companies or equity interests in companies or other assets (even if a purchase price component is paid out in cash in addition to the shares) or in connection with business combinations or mergers
- for a capital increase against cash contributions, up to a total of 10% of both the capital stock existing at the time this authorization takes effect and the capital stock existing at the time this authorization is exercised, provided that the issue price of the new shares is not significantly lower than the stock market price of the shares of the same class and rights already listed. Shares issued or sold during the term of this authorization with exclusion of subscription rights in direct or analogous application of Section 186 (3) Sentence 4 AktG shall be counted towards this limit of 10% of the capital stock.

The Executive Board is further authorized, with the consent of the Supervisory Board, to determine a starting date for profit entitlement that deviates from the law and to determine the further details of a capital increase and its implementation, in particular the issue price and the consideration to be paid for the new shares, as well as to determine the granting of subscription rights by way of indirect subscription rights in accordance with Section 186 (5) AktG.

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.

The above authorizations of the Executive Board to issue new shares from Authorized Capital I and II are intended to enable the Executive Board to meet any capital requirements that may arise in a timely, flexible and cost-effective manner and, depending on the market situation, to take advantage of attractive financing opportunities. The possibility in individual cases of paying for the acquisition of companies or shareholdings in companies by issuing shares in the Company to the seller enables the Company to expand without burdening its liquidity. The authorization to acquire and use treasury shares enables the Company, in particular also institutional or other investors, to offer shares in the Company and/or to expand the shareholder base of the Company and to issue the acquired treasury shares as consideration for the acquisition of companies, interests in companies or in connection with business combinations. The Authorized Capital and the authorization to acquire treasury shares are provisions that are customary for listed companies comparable to the Company and do not serve the purpose of impeding any takeover attempts.

Significant agreements of the company with so-called change-of-control clauses

There are no agreements of the parent company that are subject to a change of control following a takeover bid.

Compensation agreements of the parent company

The parent company has not entered into any compensation agreements with members of the Executive Board or employees in the event of a takeover bid.

In the reporting period, there was no reason for the Executive Board to deal with questions relating to a takeover or with specifics of the disclosures to be made under the Takeover Directive Implementation Act (Übernahmerichtlinie-Umsetzungsgesetz). The Executive Board therefore does not consider it necessary to provide any further explanations beyond the above information and the disclosures in the management report and Group management report.

Remuneration Report

Remuneration of the Management Board

The remuneration report of the Management Board of Uzin Utz SE has been prepared separately since the reporting year 2021. It can be viewed on our website (https://int.uzin-utz.com/) under the item Investors > Remuneration. Further information on this can be found in the chapter "Total remuneration and shareholdings" of the notes.

Corporate Governance Statement

Corporate governance declaration in accordance with § 289f and § 315d of the German Commercial Code (HGB)

The Management Board and Supervisory Board of Uzin Utz SE have issued the Declaration of Conformity with the Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG). The declaration of conformity is included in the declaration on corporate governance or can be accessed on our website www.uzin-utz.com (Investors - Corporate Governance - Declaration of Conformity 2024). The Declaration on Corporate Governance can also be found on the internet site www.uzin-utz.com (Investors - Corporate Governance - Declaration on Corporate Governance 2024).

The Management Board of Uzin Utz SE manages the company and the Group on its own responsibility. In doing so, it is bound to the interests of the company and must act in the interests of the companies. In addition, it is guided by the intention of sustainably increasing the value of the company. As an international company, Uzin Utz SE is aware of its responsibility to operate in accordance with legal, social and ethical requirements.

Research and development activities

Research and development (R&D) expenses in the Group amounted to approximately EUR 13,652 thousand (12,814) in 2023. On average, 133 (130) employees worked in R&D, which together contributed to a product novelty rate of all development sites of the Uzin Utz Group of 28.5% (34.0). The disciplinary management of the local R&D departments is the responsibility of the respective managing directors of the local companies. The central R&D headquarters in Ulm is responsible for the technical management and coordinates the guideline competence for a further 11 R&D laboratories (excluding the two locations of Uzin Utz Tools GmbH & Co. KG.) within the Uzin Utz Group worldwide. R&D expenses at Uzin Utz SE amounted to EUR 6,006 thousand (6,081) in 2023. In this context, the average of 57 (59) employees working in the SE achieved an SE novelty rate of 36.0% (53.1) for the Uzin brand in the reporting year 2023. Products with unprecedented or greatly improved properties whose marketing exploitation can be proven and which are not older than five years are classified as "new". The products developed by Uzin Utz SE at its main development site in Ulm have a Blue Angel /Emicode EC1 Plus quota of 97.1% (98.2%) in relation to sales. This ratio again clearly underlines the sustainability efforts within the Uzin Utz Group. The R&D key figures of the Group in the tabular overview 2023 are as follows:

R&D Key figures of the Group	
Total number of R&D locations (without two locations of Uzin Utz Tools GmbH & Co. KG.)	12 (11)
R&D expenses	13.652 TEUR (12.814)
Number of R&D employees (cut-off date, full-time equivalent)	133 (130)
Novelty ratio	28,5% (34,0)
R&D ratio	2,8% (2,6)
Number of projects processed (without two locations of Uzin Utz Tools GmbH & Co. KG.)	161 (137)
Number of newly developed products (brand: Uzin and without location Sursee)	14 (12)
Blue Angel/Emicode EC1 Plus ratio (based on sales revenues, Uzin Utz SE site)	97,1% (98,2)

Description of the product range

The innovative strength of Uzin Utz SE is documented by the total of 14 (12) new products that were prepared for launch for the UZIN brand in 2023. The reporting year was characterized by the extensive work in the development departments of Uzin Utz to reduce the material usage rate. For the third year in a row, new developments and current innovation projects were delayed for this reason. For 2024, a pioneering generation of levelling compounds was developed using the newly developed UZIN FusionTec binder technology, which will enable the Europe-wide market launch of several new products in 2024. In addition to the flagship UZIN NC 580, this product family also includes UZIN NC 570. As a rule, cementitious levelling compounds dry quickly and reliably compared to gypsum levelling compounds, but in the worst-case scenario they require optimization in terms of dimensional stability for renovation purposes. In contrast, gypsum fillers have practically tension-free surfaces, but generally dry more slowly in poor climatic conditions, such as low temperatures and high humidity. The FusionTec products mentioned above combine the positive attributes of cement and gypsum fillers and set quickly and virtually crack-free, even in unfavorable construction site conditions. Based on the new range of fillers, it has thus been possible to combine the highest technical requirements, which are generally only met by cementitious products, with a Global Warming Potential (GWP) that is up to 39% lower than that of conventional cement fillers. As a result, Uzin Utz is not only increasingly providing products that conserve resources and the environment, but which are also largely label-free and therefore user-friendly for the craftsman. This success story in terms of sustainability is thus the logical continuation of the introduction of the Uzin Moisture Tolerant System, consisting of UZIN NC 161 and UZIN KE 25, reported in 2022.

The most important other Uzin Utz SE activities of the R&D departments in cooperation with cross-divisional departments and the cross-location investment laboratories of the Uzin Utz Group for the Uzin brand (excluding the Sursee site) are described below in a keyword overview table:

Dry mortar products (UZIN)

Product name	Description
UZIN NC 580	Marking-free FusionTec premium levelling compound with self-levelling properties and fast setting in the layer thickness range of 0-20 mm and suitable for universal application and very high loads
UZIN NC 570	Label-free FusionTec universal levelling compound with self-levelling properties in the layer thickness range of 0-20 mm and suitable for a wide range of applications and high loads
UZIN NC 153	Self-levelling cement floor levelling compound in a layer thickness range of 0-10 mm for medium-duty contract applications as well as textile and resilient floor coverings and multi-layer parquet
UZIN NC 145 New	Self-levelling, cost-optimized cement levelling compound in a layer thickness range of 0-10 mm for low-level applications as well as textile and elastic coverings
UZIN NC 147 CG	Self-levelling cementitious thin screed with optimized cost-performance ratio in the layer range up to 2 inches for the US market
UZIN NC 144 LW	Self-levelling cement floor levelling compound with lightweight fillers in the layer range up to 2 inches for the US market
OEM-Special-Filler	Self-levelling C20 cement levelling compound for private label customers with an optimized price-performance ratio in the 0-10 mm layer thickness range and for low-level applications as well as textile and resilient coverings
UZIN NC 970 Thermo New	Cost-optimized low-shrinkage cement-based binder for the on-site production of fast-setting screed mortar

Liquid products (UZIN)

Product name	Description
UZIN MK 180 T	In accordance with ISO 17178, hard-elastic moisture-curing 1-component adhesive on a silane-terminated basis with a very thixotropic consistency and extremely high filling power for laying large-format multi-layer parquet
UZIN PE 450	Cost-optimized 2-component epoxy resin primer for consolidating "friable" screed substrates and as a primer for "direct" bonding of parquet with solvent- and water-free 1-component / 2-component reactive resin adhesives
Private label adhesive with fibers	Fibre-reinforced water-based dispersion adhesive for laying PVC sheets and tiles as well as designer floor coverings with an optimized cost-performance ratio for private label customers
Private label dispersion adhesive	Cost-optimized water-based dispersion adhesive for laying PVC sheets and tiles as well as designer floor coverings for private label customers
UZIN KE 2057 New	Water-based textile and linoleum flooring dispersion adhesive with special Emicode VOC requirement for the Swiss market

UZIN IN MDF Contact adhesive	Water-based dispersion pressure-sensitive adhesive for industrial application on impact sound insulating sandwich elements made of MDF boards, which are bonded together in the second step on the construction site so that the sandwich element can be laid loose for the final application

The most important activities of the other brand of the Uzin Utz umbrella brand are also described in key words below:

PALLMANN Products

Product name	Description
MAGIC OIL 1K CHANGE	One-component, solvent-free oil-wax combination that achieves an open-pored, breathable and diffusible surface, use of renewable hemp oil from regional, organic farming reduces CO2 emissions by approx. 70% compared to conventional parquet oils
MAGIC OIL 2K CHANGE	Two-component, solvent-free oil-wax combination that achieves an open-pored, breathable and diffusible surface, use of renewable hemp oil from regional, organic farming reduces CO2 emissions by approx. 60% compared to conventional parquet oils
MAGIC OIL 2K PURE	Two-component, solvent-free oil-wax combination that achieves an open-pored, breathable and diffusible surface; the wax component achieves a uniformly matt, velvety surface, preserves the natural color of the wood and provides the so-called raw wood effect

Arturo Products

Uzin Utz Nederland offers a high-quality product portfolio with the Arturo brand. These are synthetic resin floors that can be produced "on demand" and delivered promptly. Arturo flow coatings and sealers are available in almost all colors within three working days.

Product name	Description
Arturo Mistral	Arturo Mistral flow coating is a solvent-free, UV-stable, 2-component floor coating based on polyurethane resin

codex Products

Product name	Description
codex Power Xtra-Time	Flexible thin-bed mortar with variably adjustable working time for laying ceramic tiles and natural stone coverings that are resistant to discoloration

Sifloor Products

Product name	Description
UZIN Sigaway Original and Sigaway Tape	Double-sided adhesive fabric for the surface, extended area of application thanks to allergy suitability
UZIN Ultratac 1,3 mm	Double-sided adhesive foam for base bonding
UZIN Plurafilm ESD	Double-sided adhesive and conductive film for the surface
EGE Carpet Tile	Double-sided adhesive stickers for carpet tiles

WOLFF Products

Product name	Description
RamHammer	Demolition hammer with ergonomic chassis

Corner attachment Supraflex	Sanding attachment for corner sanding
Wolff Groover	Hand tool for planing a welding groove

Pajarito Products

Product name	Description
Bucket trowel Plastic blade	A bucket trowel with a special shape for scraping and scraping out mortar tubs and buckets with an ergonomically shaped 2-component handle
External corner filler	Patented special external corner filler for smoothing external corners on walls and ceilings

Non-financial declaration

Non-financial declaration according to Section 315c HGB and 315c HGB

Since the Sustainability Report is published separately each year, Uzin Utz SE is exempt from the obligation to add a non-financial group statement to the Group Management Report in accordance with section 315b (3) of the German Commercial Code (HGB). The non-financial statement pursuant to Sections 315b and 315c HGB is published separately on our website www.uzin-utz.com (Responsibility - Sustainability) on the day of publication of the consolidated and annual financial statements. In addition to a brief description of the business model, the topics covered there include environmental concerns, employee concerns, social concerns, respect for human rights, and the fight against bribery and corruption. Our sustainability report can also be found on the website www.uzin-utz.com (Responsibility - Sustainability).

EU taxonomy

General part

The EU Taxonomy as Part of the European Green Deal

The declared goal of the European Union - taking into account the Paris Climate Agreement - is to become climate neutral by 2050. The course for this is being set by the European Green Deal, which includes the "EU Action Plan Sustainable Finance" strategy as an important driver. The aim is to redirect capital flows towards sustainable investments, take sustainability into account in risk management and promote transparency and a long-term approach.

The EU Taxonomy Regulation (EU Regulation (EU) 2020/852; in short: "EU Taxonomy") is a key instrument for redirecting financial flows into sustainable and future-proof economic activities. The EU Taxonomy is a classification system that aims to create a uniform understanding of sustainable economic activities in the EU and make the sustainability performance of companies more comparable.

The EU Taxonomy includes the following six environmental objectives
1. climate change mitigation
2. climate change adaptation

3. sustainable use and protection of water and marine resources
4. transition to a circular economy
5. pollution prevention and control
6. protection and restoration of biodiversity and ecosystems

At the time of preparing this annual report, the economic activities for all six environmental objectives are to be checked for their taxonomy eligibility and for the first two environmental goals for their taxonomy alignment.

The Delegated Act on the EU Taxonomy is applicable for the first time from the 2021 reporting year. The content and presentation of the EU Taxonomy Regulation is defined by Delegated Regulation 2021/2178 of July 6, 2021 and supplemented by Delegated Regulation 2022/1214 of March 9, 2022 and the six annexes to Delegated Regulation (EU) 2021/2139. EU documents published after the end of the 2023 financial year for further clarification could no longer be taken into account in this annual report. Due to the obligation to disclose non-financial information (EU Directive 2014/95/EU), Uzin Utz has been subject to the EU taxonomy reporting obligation since the 2021 financial year.

Disclosure

Uzin Utz reports on the taxonomy eligibility and taxonomy alignment of its own economic activities in accordance with the EU documents on the EU Taxonomy published in the 2023 financial year. In addition, information is provided on the process of assessing taxonomy eligibility and taxonomy alignment. All fully consolidated companies of the Uzin Utz Group are taken into account.

Reporting is based on the key figures turnover, capital expenditures (CapEx) and operating expenditures (OpEx). A ratio is calculated in each case to determine the taxonomy-eligible, taxonomy-aligned and non-taxonomy-eligible shares of these key figures. The denominator is formed by the total sales, CapEx and OpEx within the defined framework of the EU Taxonomy. The numerator results from the taxonomy-eligible and taxonomy-aligned shares of the corresponding key figures. The key figures are defined as follows:

In accordance with Directive (EU) 2021/2139 Annex I in conjunction with Directive 2013/34/EU, revenue is defined as net sales of goods or services including intangible assets in accordance with International Accounting Standard (IAS) 1. This corresponds to the disclosures on net sales in the statement of comprehensive income.

Capital expenditures (CapEx) is defined as additions to property, plant and equipment and intangible assets in the financial year under review before depreciation and amortization and revaluations, including those from revaluations and impairments in the financial year under review and excluding changes in fair value. In accordance with the EU Taxonomy Regulation, investments in property, plant and equipment (IAS 16), intangible assets (IAS 38), investment property (IAS 40) and right-of-use assets from leases (IFRS 16) are taken into account. Leases that do not lead to the recognition of a right-of-use asset are not to be recognized as capital expenditure.

According to the EU Taxonomy, operating expenditures (OpEx) include direct and non-capitalized costs relating to research and development, building refurbishment, short-term leasing, maintenance and repair. In addition, all other direct expenses for the ongoing maintenance of property, plant and equipment that are carried out by the company itself or by contracted third parties to whom activities necessary to ensure the continuous and efficient operation of the property, plant and equipment have been outsourced are taken into account. This definition is narrow and only takes into account the part described and therefore not all of a company's operating costs.

Double or multiple counting in the allocation of turnover, CapEx and OpEx indicators across economic activities is avoided by the fact that each economic activity is only recorded and identified once when determining its taxonomy eligibility, regardless of which of the six environmental objectives this economic activity is listed in. Double counting is avoided by using appropriate control instruments when recording the data and calculating the indicators.

Taxonomy eligability

An economic activity exists when resources such as capital, goods, labour, production techniques or intermediate products are combined for the purpose of producing certain goods or services. The main characteristics are the use of resources, a production process and the products (goods or services) produced. If a company generates turnover or if it incurs capital expenditures (CapEx) or operating expenditures (OpEx) associated with an economic activity described in the delegated act, then an activity is taxonomy-eligible. Taxonomy-eligible economic activities are generally capable of making a significant contribution to one of the environmental objectives defined in the EU Taxonomy. In particular, large industries with CO2-intensive economic activities are taken into account in the EU Taxonomy Regulation. Not every economic activity is currently included in the delegated act of the EU Taxonomy.

Taxonomy alignment

According to Article 3 of the EU Taxonomy and the criteria set out therein, an economic activity is considered environmentally sustainable, i.e. taxonomy-aligned, if the following three criteria are met in addition to taxonomy eligibility:

- It makes a significant contribution to the achievement of one or more environmental objectives of the EU Taxonomy by fulfilling the technical screening criteria (TSC).
- It does not contribute to a violation of the other environmental objectives (Do no significant harm (DNSH) principle).
- The defined criteria of the minimum standards for labour and human rights (Minimum Safeguards) are complied with.

Procedure Uzin Utz

Background research on the European Green Deal and the EU Taxonomy Regulation is carried out annually to ensure that information on the implementation of the EU Taxonomy is up to date. Due to the expansion and adaptation of the EU Taxonomy directives, the existing process was scrutinized and adapted to the new circumstances. In order to analyse Uzin Utz's business activities, all business areas were identified and then classified in the EU's classification scheme of economic activities (NACE codes).

Assessment of taxonomy eligibility

For the financial year 2023, taxonomy-eligible and taxonomy-aligned economic activities of Uzin Utz are reported on the basis of key figures (turnover, CapEx, OpEx). In the first step, the taxonomy-eligible economic activities were identified and checked for their taxonomy alignment in the second step.

1. Revenue according to EU taxonomy

The EU Taxonomy Regulation defines a classification of environmentally sustainable economic activities. This classification is based on the statistical classification scheme of economic activities in the EU (NACE codes).

The business model of the Uzin Utz Group is focussed on its core competence in flooring, encompassing its eight product range areas. As a globally active full-service provider, Uzin Utz develops comprehensive system solutions and offers its customers a wide range of products, from construction chemical product systems and surface finishes to machines for floor treatment. The economic activities were therefore determined on the basis of the product categories and classified in the classification scheme of economic sectors. The following table provides a detailed breakdown of these allocations.

Assortment range	Sector according to NACE codes	Review of the description of economic activities in the Delegated Regulations
UZIN	20.52 Production of installation materials (including flooring and parquet adhesives) in the field of flooring (screed, floor, parquet)	The production of adhesives or other flooring installation materials is not included in the technical screening criteria of the EU taxonomy.
Switchtec	22.21 Production of plastic sheets, films, tubes and profiles	The manufacture of plastic sheets, films, tubes and profiles is not included in the technical screening criteria of the EU taxonomy.
WOLFF	28.24, 28.49 & 46.62 Manufacture of machines and special tools for substrate preparation and laying floor coverings	The manufacture of machines and special tools for preparing the substrate and laying floor coverings is not included in the technical screening criteria of the EU taxonomy.
PALLMANN	20.30 Production of installation materials for the new installation, renovation and maintenance of parquet flooring as well as the production of cleaning and care products for floor coverings	The production of installation materials for parquet flooring and the production of cleaning and care products are not included in the technical screening criteria of the EU taxonomy.
RZ	20.41 Production of cleaning and care products for all types of floor coverings	The manufacture of cleaning and care products for all types of floor coverings is not included in the technical screening criteria of the EU taxonomy.
Arturo	22.23 Production of synthetic resin floors	The production of synthetic resin floors is not included in the technical screening criteria of the EU taxonomy.
codex	23.64 Production of laying materials for tiles and natural stone	The production of tile laying materials is not included in the technical screening criteria of the EU taxonomy.
Pajarito	25.73 Manufacture of hand tools	The manufacture of hand tools is not included in the technical assessment criteria of the EU taxonomy.

The reference to the NACE economic activities in the EU Taxonomy Regulation is only indicative and not to be understood as complete. Therefore, an economic activity may correspond to the description of an activity and the Technical Assessment Criteria of the Delegated Act (see six annexes of Delegated Regulation (EU) 2021/2139, (EU) 2023/2485 and (EU) 2023/2486), even if the NACE sector of the economic activity is not explicitly listed in the corresponding annexes of the Delegated Regulation. For this reason, additional potentially applicable activities and their description in the Delegated Regulations (EU) 2021/2139, (EU) 2022/1214, (EU) 2023/2485 and (EU) 2023/2486 were examined in detail. A detailed review revealed that taxonomy-eligible turnover can be reported for the Group for the first time for the 2023 financial year. Due to the expansion of the environmental objectives in 2023, turnover from the electrical and electronic equipment product group will be declared taxonomy-eligible as part of the environmental target of the circular economy. Even if the proportion of taxonomy-eligible turnovers is low, this does not mean that Uzin Utz's activities contradict the EU's environmental objectives. The screening of economic activities for taxonomy relevance is an ongoing process that takes place continuously.

Turnovers in accordance with the EU Taxonomy amounted to EUR 22,023 thousand (0) in the financial year, which corresponds to a share of 4.6% (0) of the Group's total operating revenues of EUR 479,337 thousand (EUR 487,134 thousand).

Revenues	2023		2022	
	KEUR	%	KEUR	%
Economic activities eligible for taxonomy	22,023	4.6	0	0.0
Non-taxonomy-eligible economic activities	457,314	95.4	487,134	100.0
Sales (total)	479,337	100.0	487,134	100.0

2. Investments - CapEx according to EU taxonomy

With its 30 fully consolidated production and sales companies, the globally active group of companies has a large number of capital expenditures. Taking into account cost-benefit aspects, a screening of the economic activities in relation to investments was carried out in accordance with the definition of the EU Taxonomy and a catalogue of the categories relevant to Uzin Utz derived from this.

With the help of the catalogue, all companies analysed and categorized their capital expenditures made in the period under review. Subsequently, all listed capital expenditures were checked again centrally to determine whether other capital expenditures not included in the catalogue, which are part of the EU Taxonomy, were made.

The capital expenditures, as defined by the EU Taxonomy, are shown below (the economic activity that is attributable to the investment according to the EU Taxonomy is listed in brackets), provided they were capitalized as fixed assets:

- Purchase of containers for waste separation (collection and transportation of non-hazardous waste in separate fractions at the source)
- Purchase and leasing of trucks (transportation of goods by road)
- Purchase and leasing of passenger cars (transportation by motorcycles, passenger cars and light commercial vehicles)
- Purchase and leasing of bicycles (operation of devices for personal mobility, bicycle transport logistics)
- Installation of wallboxes for charging electric vehicles (installation, maintenance and repair of charging stations for electric vehicles in buildings and in parking lots belonging to buildings)
- Electric heat pumps (installation, maintenance and repair of renewable energy technologies)
- Photovoltaic/solar systems (installation, maintenance and repair of renewable energy technologies (photovoltaic systems))
- Construction (new construction), purchase or leasing of buildings (acquisition and ownership of buildings)
- Capital expenditures in servers and data centers (data processing, hosting and related activities)
- Capital expenditures in the manufacture of electrical and electronic equipment
- Renovation of buildings (renovation of existing buildings)
- In accordance with the EU Taxonomy Regulation, Uzin Utz's taxonomy-eligible capital expenditures were set in relation to total investments. Total investments are the sum of additions to property, plant and equipment, intangible assets, rights of use and additions to investment properties in accordance with IAS 40 (excluding income from revaluation).

Capital expenditures in accordance with the EU Taxonomy amounted to EUR 12,572 thousand (EUR 28,969 thousand) in the financial year, which corresponds to 45.9% (61.5%) of total Group investments amounting to EUR 27,388 thousand (EUR 47,134 thousand).

Investments (CapEx)	2023		2022	
	KEUR	%	KEUR	%
Economic activities eligible for taxonomy	12,572	45.9	28,969	61.5
Non-taxonomy-eligible economic activities	14,817	54.1	18,165	38.5
Total investments	27,388	100.0	47,134	100.0

3. operating expenses - OpEx according to EU taxonomy

The term OpEx in the definition of the EU Taxonomy does not take into account all operating expenditures of the Uzin Utz Group. Uzin Utz uses the total cost method. For this reason, the OpEx to be reported within the meaning of the EU Taxonomy were identified by evaluating general ledger accounts. These are mainly R&D, maintenance and repair expenses as well as short-term leasing. Relevant operating expenditures from each group company were provided, analysed, and centrally evaluated through a data query.

As a manufacturing and distribution group, the main cost drivers are the cost of materials (47.2% of total operating expenditures) for the production of products and the personnel costs (27.8% of total operating expenditures) incurred along the value chain from the manufacture to the distribution of these products. Expenditures for R&D, maintenance and repair as well as short-term leasing are therefore relatively low. The taxonomy-eligible OpEx is therefore not calculated due to the high procedural effort involved. Thus, the share of operating costs across all product ranges according to the EU Taxonomy is not significant compared to total operating expenses and Uzin Utz applies the simplification option according to the Delegated Regulation (EU) 2021/2178 Annex I 1.1.3.2 in accordance with the principle of materiality.

Expenses in accordance with the EU Taxonomy amounted to EUR 19,139 thousand (EUR 16,973 thousand) in the financial year, which corresponds to 4.3% (3.7%) of the Group's total operating expenditures of EUR 450,325 thousand (EUR 458,850 thousand). The usage of the simplification option results in the recognition of taxonomy-eligible operating expenditures in the amount of EUR 0 thousand (EUR 0 thousand).

Operating expenses (OpEx)	2023		2022	
	KEUR	%	KEUR	%
Economic activities eligible for taxonomy	0.0	0.0	0	0.0
Non-taxonomy-eligible economic activities	450,325	100.0	458,850	100.0
Total operating expenses	450,325	100.0	458,850	100.0

Assessment of taxonomy alignment

Due to the existing taxonomy eligibility of the listed economic sectors, a review of turnovers and capital expenditures (CapEx) for taxonomy alignment is required. However, proof of a contribution to achieving one of the environmental objectives, which would be required to demonstrate taxonomy alignment, has not yet been provided. Furthermore, the processes required to comply with the minimum safeguards have not yet been fully established within the Group. These are designed in accordance with the Supply Chain Due Diligence Act in order to utilize existing synergies.

In the case of operating expenditures (OpEx), the simplification option in accordance with Delegated Regulation (EU) 2021/2178 Annex I 1.1.3.2 is used in the context of materiality when reporting taxonomy-eligible and taxonomy-aligned economic activities. For this reason, a separate standard table is not shown for OpEx.

Financial Year	2023			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	Code(s)	Turnover	Proportion of Turnover 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, 2022	Category enabling activity	category transitional activity
		KEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N;	Y; N;	Y; N;	Y; N;	Y; N;	Y; N;	Y; N;	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
-	-	0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-	-
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		**0**	**0.0**																
Of which enabling																		E	
Of which transitional																			T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of electrical and electronic equipment	CE 1.2	18,541	3.9%	0%	0%	0%	100%	0%	0%										
Repair, refurbishment and remanufacturing	CE 5.1	827	0.2%	0%	0%	0%	100%	0%	0%										
Sale of spare parts	CE 5.2	2,623	0.5%	0%	0%	0%	100%	0%	0%										
Sale of second-hand goods	CE 5.4	32	0.0%	0%	0%	0%	100%	0%	0%										
Turnover of taxonomy-eligible but not taxonomy-aligned activities (A.2)		**22,023**	**4.6%**																
Total (A.1 + A.2)		**22,023**	**4.6%**																
Taxonomy-non-eligible activities																			
Turnover of taxonomy-non-eligible activities (B)		**457,314**	**95.4%**																
Total (A +B)		**479,337**	**100%**																

Financial Year	2023			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	Code(s)	CapEx	Proportion of CapEx 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2022	Category enabling activity	category transitional activity
		KEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N;	Y; N;	Y; N;	Y; N;	Y; N;	Y; N;	Y; N;	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
-	-	0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-	-
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		**0**	**0.0**																
Of which enabling																		E	
Of which transitional																			T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of electrical and electronic equipment	CE 1.2	9	0.0%	0%	0%	0%	100 %	0%	0%								-		
Collection and transport of non-hazardous and hazardous waste	CE 2.3 PPC 2.1	1	0.0%	100 %	0%	0%	0%	0%	0%								-		
Operation of personal mobility devices, cycle logistics	CCM 6.4 CCA 6.5	116	0.4%	100 %	0%	0%	0%	0%	0%								0.2%		
Transport with motorbikes, passenger cars and light commercial vehicles	CCM 6.5 CCA 6.5	6,459	23.6%	100 %	0%	0%	0%	0%	0%								9.0%		
Transport of goods by road	CCM 6.6 CCA 6.6	355	1.3%	100 %	0%	0%	0%	0%	0%								-		
Construction of new buildings	CCM 7.1 CCA 7.1 CE 3.1	3,789	13.8%	100 %	0%	0%	0%	0%	0%								43.0%		
Renovation of existing buildings	CCM 7.2 CCA 7.2 CE 3.2	123	0.4%	100 %	0%	0%	0%	0%	0%								0.2%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3 CCA 7.3	102	0.4%	100 %	0%	0%	0%	0%	0%								-		

Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4 CCA 7.4	65	0.2%	100 %	0%	0%	0%	0%	0%	0.4%
Installation, maintenance and repair of renewable energy technologies	CCM 7.6 CCA 7.6	684	2.5%	100 %	0%	0%	0%	0%	0%	1.9%
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	500	1.8%	100 %	0%	0%	0%	0%	0%	6.5%
Close to market research, development and innovation	CCM 8.1 CCA 8.1	369	1.3%	100 %	0%	0%	0%	0%	0%	-
CapEx of taxonomy-eligible but not taxonomy-aligned activities (A.2)		**12,572**	**45.9%**							
Total (A.1 + A.2)		**12,572**	**45.9%**							
Taxonomy-non-eligible activities										
CapEx of taxonomy-non-eligible activities (B)		**14,817**	**54.1%**							
Total (A +B)		**27,388**	**100%**							

Ulm, March 27, 2024
The Board of Management

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

Uzin Utz SE, 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 Societas Europaea, 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 Societas Europaea, Ulm

Development of equity

Statement of changes in equity	Subscribed capital	Capital reserve	Retained earnings			Discharge amount on own shares	Total equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
(in KEUR)			Generated equity	Foreign currency translation adjustment	Other reserves				
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	Germany					
(in KEUR)	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 (in KEUR)	Netherlands Laying systems		Netherlands Wholesale		USA		Western Europe		Southern/Eastern Europe		Other	
	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 (in KEUR)	Sum of all segments		Adjustments		Group	
	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 subheading "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 (Exchange rates in foreign currency per unit EUR)		Average rates 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	31.12.2023	31.12.2022
(in KEUR)	INTR. B.V	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	2023	2022
(in KEUR)	INTR. B.V	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			2022		
	Total	Germany	Others	Total	Germany	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 (in KEUR)	2023 Starting value	Cash flows	Receipts	Disposal	Non-cash changes Inflows/outflows	 Foreign currency	2023 Closing value
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.

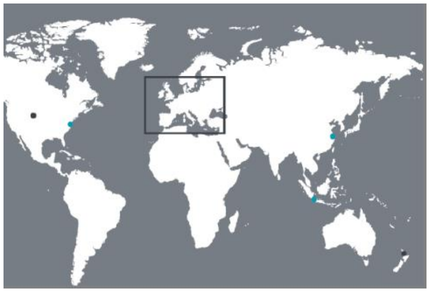
A rental agreement for a property has existed between Uzin Utz SE and a member of the Supervisory Board since October 1995. Since there has been no rent increase since the lease agreement was concluded, this transaction is based on conditions that are not customary in the market.

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 Hongar	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