

Würth Finance Group

# UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2024

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# INTERIM MANAGEMENT REPORT AS AT 30 JUNE 2024

## 1 Key figures of the Würth Finance Group

in TEUR	YTD 2024	YTD 2023
<b>Key figures from the consolidated income statement</b>		
Net interest income	30,863	22,472
Income from factoring activities	7,051	7,120
Income from commission and service fee activities	29,928	30,507
Income from trading activities and financial instruments	13,744	10,614
Other ordinary income	391	313
Expected credit loss (expenses) / recovery	1,028	2,971
Total operating income	83,005	73,997
Total operating expenses	-22,687	-19,852
Profit before taxes	60,318	54,145
<b>Operating income adjustments Inhouse Banking</b>		
Hedge accounting effect management accounting	0	-440
Impairment for credit loss	-1,028	-2,971
<b>Total operating income (adjusted)</b>	<b>81,977</b>	<b>70,586</b>
<b>Profit before taxes (adjusted)</b>	<b>59,290</b>	<b>50,734</b>

## 2 General information

The core activities of the Würth Finance Group (Würth Finance International B.V., Würth Invest AG and Würth Financial Services AG) comprise two business areas: financing and executing all kinds of financial transactions with domestic and foreign companies of the Würth Group and providing advisory and other services to private clients and SMEs relating to pension funds and insurance.

## 3 Alternative performance measures (APMs)

In presenting and discussing the Würth Finance Group's financial position, operating result and net profit, Manage-

ment uses certain alternative performance measures not defined under IFRS. These alternative performance measures (APMs) should not be viewed in isolation as alternatives to the equivalent IFRS measures, and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. APMs do not have a standardised meaning under IFRS and therefore may not be comparable to similar measures presented by other companies.

The Würth Finance Group makes APM adjustments to provide a better overview of the development of the Inhouse Banking activities and their added value for the Würth Group. These adjustments affect the operating income and net profit of the Inhouse Banking segment, as shown in the table below.

in TEUR	YTD 2024	YTD 2023
Hedge accounting effect management accounting	0	-440
Impairment for credit loss	-1,028	-2,971

- Hedge accounting effect management accounting refers to the effect of the market valuation of interest rate derivatives to hedge interest rate risk where historically no hedge accounting was applied. As of the implementation of IFRS 9 Hedge Accounting, new hedge relations will be presented as such. In 2023, the last transaction related to this effect expired.
- Impairment for credit loss refers only to related party loss and therefore does not apply to the Würth Group. This position represents the expected credit loss (ECL) on loans and receivables as at the balance sheet date. The ECL calculation is probability-weighted applying a combination of probability of default (PD), exposure at default (EAD) and loss given default (LGD). The LGD is based on the global corporate average of 60%, and the PD is based on the Bloomberg default risk of the Würth Group. The PD decreased to 0.38% as at 30 June 2024 (31 December 2023: 0.45%), thus a reduction in ECL of EUR 1.0 million is recognised in the income statement.

**Inhouse Banking alternative performance measures**

YTD 2024

in TEUR	APM Inhouse Banking	Hedge accounting effect management accounting	Impairment for credit loss	Segment Inhouse Banking
<b>Income distribution</b>				
Group Financing	37,152	0	1,028	38,180
Net interest income	29,798	0	0	29,798
Income from factoring activities	7,051	0	0	7,051
Other ordinary income	303	0	0	303
Expected credit loss (expenses) / recovery	0	0	1,028	1,028
Central Settlement	14,986	0	0	14,986
Income from trading activities and financial instruments	14,956	0	0	14,956
Trading	12,819	0	0	12,819
Securities investments	2,137	0	0	2,137
<b>Total income</b>	<b>67,094</b>	<b>0</b>	<b>1,028</b>	<b>68,122</b>
<b>Total expenses</b>	<b>-13,914</b>	<b>0</b>	<b>0</b>	<b>-13,914</b>
<b>Total Inhouse Banking</b>	<b>53,180</b>	<b>0</b>	<b>1,028</b>	<b>54,208</b>

YTD 2023

in TEUR	APM Inhouse Banking	Hedge accounting effect management accounting	Impairment for credit loss	Segment Inhouse Banking
<b>Income distribution</b>				
Group Financing	28,079	933	2,971	31,983
Net interest income	20,737	933	0	21,670
Income from factoring activities	7,120	0	0	7,120
Other ordinary income	222	0	0	222
Expected credit loss (expenses) / recovery	0	0	2,971	2,971
Central Settlement	17,160	0	0	17,160
Income from trading activities and financial instruments	11,710	-493	0	11,217
Trading	9,850	-493	0	9,357
Securities investments	1,860	0	0	1,860
<b>Total income</b>	<b>56,949</b>	<b>440</b>	<b>2,971</b>	<b>60,360</b>
<b>Total expenses</b>	<b>-11,632</b>	<b>0</b>	<b>0</b>	<b>-11,632</b>
<b>Total Inhouse Banking</b>	<b>45,317</b>	<b>440</b>	<b>2,971</b>	<b>48,728</b>

## 4 Business performance overview

**The first half of the Würth Finance Group's financial year 2024 ended with a record-high (adjusted) operating profit of EUR 59.3 million. The first half was characterised by relatively high interest rates on the money market, a slight decline in the Würth Group's core business growth, positive developments on the investment markets and productivity- and security-driven investment projects in the company's ICT infrastructure. Based on the strong first half, the chances are intact that the 2024 (adjusted) operating result will match last year's figure.**

As expected, the global economic situation in early 2024 brought only moderate growth. Activity in Europe appears to have at least bottomed out, supported by modest momentum in services and higher-than-expected net exports. This development is also underpinned by stable consumption on the back of rising real wages, as well as higher investment from easing financing conditions amid gradual monetary policy loosening this year. Nevertheless, weaknesses in manufacturing suggest a more sluggish recovery in countries such as Germany, the most important market for the Würth Group. This challenging environment in the manufacturing sectors was reflected in the Würth Group's half-year results: the company reported sales of EUR 10,188 million, representing a 3.2% decrease compared to the same period last year, leading to a decline in operating profit from EUR 680 million to EUR 525 million.

The development of the Würth Group's core business left its mark on the Inhouse Banking segment of the Würth Finance Group. Triggered by lower sales volume and the reduction of security stocks in the warehouses, payment volumes fell significantly year-on-year. And whereas interest income from net lendings to Group companies and from cash holdings increased further, mainly due to higher interest rates, interest expenses could be kept relatively stable thanks to bond-based fixed-rate funding. This led to a substantial increase in net interest income from EUR 20.7 million to EUR 29.8 million.

The performance of the investment markets was also a positive surprise. Buoyed by tech stocks and prospects for interest rate cuts by central banks, stock indices rose by around 10% on a widespread basis. And after long-term interest rates moved sideways, bonds also generated a positive return.

The Group's Insurance Brokerage business remained on its growth path in the first six months, increasing revenues by 7% year-on-year. Overall, the Würth Finance Group reported total operating income (adjusted) of EUR 82.0 million, representing an increase of EUR 11.4 million (+16.1%) compared to the previous year.

The Würth Finance Group is continuously investing in the further digitalisation of the business model and the enhancement of the IT systems and IT security. The company is currently engaged in major projects to optimise its technical infrastructure and processes, particularly for the Payment

Factory. These caused a 31.7% increase in IT expenses to EUR 5.4 million, explaining approximately half of the rise in operating expenses from EUR 19.9 million to EUR 22.7 million. In addition, personnel expenses were higher because of a slight increase in the workforce and wage rises.

The Würth Finance Group reported an adjusted profit before taxes of EUR 59.3 million (previous year: EUR 50.7 million), a new record in the company's history.

## 5 Segment results

### Inhouse Banking

#### (Würth Finance International B.V. / Würth Invest AG)

The Inhouse Banking segment generated adjusted operating income of EUR 67.1 million during the period under review, a EUR 10.2 million increase versus the previous year.

Operating income (adjusted) in million EUR	YTD 2024	Change vs. YTD 2023
Group Financing	37.2	+9.1
Central Settlement	15.0	-2.2
Trading income	12.8	+3.0
Securities investments	2.1	+0.3
<b>Total</b>	<b>67.1</b>	<b>+10.2</b>

### Group Financing

The Würth Finance Group's total assets amounted to EUR 4,127 million as at 30 June 2024 (EUR 4,150 million as at 31 December 2023).

One of the Würth Finance Group's major areas of activity focuses on ensuring the constant availability of liquidity for the Würth Group through the issuance of bonds on the capital markets. The average duration of such financing is structurally longer than on the on-lending of funds to Group companies - or the deposit of cash. This is beneficial in times of rising interest rates and is the major reason for the substantial improvement in net interest income to EUR 29.8 million (previous year: EUR 20.7 million). Thanks to higher interest rates, income from lendings to Group companies and liquidity investments increased significantly, while interest expenses remained relatively stable due to existing bond financing with fixed interest rates.

The intra-Group factoring volume stagnated during the reporting period in parallel with the lower sales volume in the core business of the Würth Group. At EUR 7.1 million, factoring income remained at the same level as in the previous year.

### Central settlement of payments to suppliers

The payment volume to suppliers settled via the Payment Factory of the Würth Finance Group decreased disproportionately compared to sales due to the Würth Group's reduction of security stocks. This year-on-year decline in volume was 8.8%, from EUR 4,354 million to EUR 3,972 million. As a consequence, income from central settlement and delcredere services corrected to EUR 15.0 million, down 12.7% year-on-year.

#### Income from trading activities

The lower payment volume reduced the need of Group companies to exchange and hedge FX flows, limiting the opportunities of the Würth Finance Group to benefit from trading such exposures. A record trading income of EUR 12.8 million was nevertheless achieved (EUR 9.8 million in the prior-year period) due to FX gains generated in the context of the Würth Group's acquisition of shares in TIM S.A.

#### Securities investments

After an exceptionally strong result in 2023, the risk-on market mood continued in the first half of 2024. This tailwind, together with remarkably stable bond markets, led to a strong performance of the Würth Finance Group's securities investments at EUR 2.1 million (representing an annualised return of +1.9%). The market value of the securities portfolio stood at EUR 113.3 million as at 30 June 2024.

#### External Financial Services

Würth Financial Services AG succeeded in keeping stable the volume of new contracts concluded. This success was due to its well-diversified portfolio of products, the successful expansion of its innovative digital business and a loyal basis of satisfied clients. With a 5% increase in managed premium volume and a 7% rise in revenue, Würth Financial Services AG continued its steady growth path and gained further market share in the Swiss insurance brokerage market.

## 6 Risk management and control

Taking risks has always been inherent in any entrepreneurial activity. As a globally active company, the Würth Group is constantly exposed to risks that can arise both as a result of its own actions or failure to act and as a result of external factors. The conscious and systematic approach to addressing opportunities and risks is inextricably linked to the Würth Group's entrepreneurial activities.

Management believes that risks which may significantly impact the company have not changed since 31 December 2023. Reference is made to the risk management and control section of the Würth Finance Group Annual Report 2023.

## 7 Outlook

The global outlook has not changed substantially in recent months. Growth is expected to converge over the coming quarters, with the US dynamics to slow and the Eurozone to show higher momentum. Meanwhile, disinflation is slowing, signaling bumps along the path. Services price inflation is holding up progress, which is complicating monetary policy normalisation. Upside risks to inflation have thus increased, raising the prospect of higher-for-even-longer interest rates amid escalating trade tensions and increased policy uncertainty.

In view of the relatively weak economic forecasts, the Management of the Würth Finance Group continues to anticipate only a very limited rise in business volumes in the second half of the year. As part of the Würth Group's financing strategy, long-term funds at fixed rates may be raised on the capital markets in the course of the year – at significantly higher interest rates than last time. This will tend to have a negative impact on net interest income. In addition, a significant risk of price corrections exists on the stock markets following their strong performance over the past 18 months, as they have probably priced in a large part of the potential for interest rate cuts.

The Management of the Würth Finance Group nevertheless believes that based on the good performance in the first six months, the chances are intact that the 2024 (adjusted) operating result will match last year's figure.



# UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2024

## Interim condensed consolidated income statement

as at 30 June 2024

in TEUR	Notes	YTD 2024	YTD 2023
<b>Operating income</b>			
Interest income from financial instruments measured at amortised cost		70,445	55,229
Interest income from financial instruments measured at fair value through profit or loss		12,794	11,560
Interest expenses		-52,376	-44,317
<b>Net interest income</b>		<b>30,863</b>	<b>22,472</b>
<b>Income from other operating activities</b>			
Income from factoring activities		7,051	7,120
Income from commission and service fee activities		29,928	30,507
Income from trading activities and financial instruments		13,744	10,614
Other ordinary income from related parties	4	391	313
Expected credit loss (expenses) / recovery		1,028	2,971
<b>Total operating income</b>		<b>83,005</b>	<b>73,997</b>
<b>Operating expenses</b>			
Personnel expenses		-13,369	-12,378
Other administrative expenses		-8,264	-6,469
Amortisation expenses		-1,054	-1,005
<b>Total operating expenses</b>		<b>-22,687</b>	<b>-19,852</b>
<b>Profit before taxes</b>		<b>60,318</b>	<b>54,145</b>
Income tax expense		-10,556	-8,190
Deferred taxes		-1,703	-1,319
<b>Net profit for the year</b>		<b>48,059</b>	<b>44,636</b>

## Interim condensed consolidated statement of comprehensive income

as at 30 June 2024

in TEUR	Notes	YTD 2024	YTD 2023
<b>Profit for the year</b>			
Net of tax		48,059	44,636
<b>Total items that will be reclassified to the income statement</b>			
Exchange differences on translation of foreign operations		-263	-8
Net gain / (loss) on cash flow hedges		1,368	1,037
<b>Total items that will not be reclassified to the income statement</b>			
Remeasurement gain / (loss) on defined benefit plans		82	471
Deferred taxes on cash flow hedges		-230	-221
<b>Other comprehensive income for the year (OCI)</b>		<b>957</b>	<b>1,279</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>49,016</b>	<b>45,915</b>

## Interim condensed consolidated balance sheet

as at 30 June 2024

in TEUR	Notes	30.06.2024	31.12.2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		1,253	1,435
Right-of-use assets		1,842	1,621
Property, plant and equipment		387	271
Loans to related companies	5	1,233,870	1,389,770
Positive fair values of derivative instruments		9,154	10,193
Deferred tax assets		1,337	1,781
<b>Total non-current assets</b>		<b>1,247,843</b>	<b>1,405,071</b>
<b>Current assets</b>			
Receivables from related companies	5	1,586,973	1,297,954
Positive fair values of derivative instruments		7,377	9,785
Other assets		10,067	5,724
Income tax receivables		55	55
Accrued income and prepaid expenses		17,370	12,088
Securities at amortised cost		41,630	112,949
Securities at fair value through profit or loss		113,318	114,782
Cash and cash equivalents		1,102,354	1,191,590
<b>Total current assets</b>		<b>2,879,144</b>	<b>2,744,927</b>
<b>Total assets</b>		<b>4,126,987</b>	<b>4,149,998</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Issued capital		16,000	16,000
Additional paid-in capital		5,000	5,000
Retained earnings		413,215	359,064
Other comprehensive income from cash flow hedges		-4,271	-5,409
Foreign currency translation		-84	179
Net profit for the year		48,059	79,069
<b>Total shareholders' equity</b>		<b>477,919</b>	<b>453,903</b>
<b>Non-current liabilities</b>			
Bonds issued		1,641,020	2,149,847
Liabilities for pension plans		5,065	5,292
Lease liabilities		880	341
Negative fair values of derivative instruments		10,849	12,896
Deferred tax liabilities		369	397
<b>Total non-current liabilities</b>		<b>1,658,183</b>	<b>2,168,773</b>
<b>Current liabilities</b>			
Bonds issued		495,899	0
Payables to related companies	5	1,441,986	1,474,770
Lease liabilities		993	1,304
Payables to banks		4,449	5,731
Income tax payables		13,414	12,422
Negative fair values of derivative instruments		5,606	13,280
Other liabilities	5, 6	9,482	10,435
Accrued expenses and deferred income		19,056	9,380
<b>Total current liabilities</b>		<b>1,990,885</b>	<b>1,527,322</b>
<b>Total equity and liabilities</b>		<b>4,126,987</b>	<b>4,149,998</b>

## Interim condensed consolidated statement of changes in equity

as at 30 June 2024

The table below shows the changes in equity in 2023 and in the first half of 2024.

in TEUR	Issued capital	Additional paid-in capital	Retained earnings	Cash flow hedge reserve	Foreign currency translation	Total
At 1 January 2023	16,000	5,000	387,503	-7,327	38	401,214
Net profit for the year (01.01.2023–30.06.2023)	0	0	44,636	0	0	44,636
Foreign currency translation	0	0	0	0	-8	-8
Cash flow hedge accounting	0	0	0	1,037	0	1,037
Remeasurement gain / (loss) on defined benefit plans	0	0	471	0	0	471
Deferred taxes on cash flow hedges	0	0	0	-221	0	-221
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>45,107</b>	<b>816</b>	<b>-8</b>	<b>45,915</b>
Dividend payments	0	0	-25,000	0	0	-25,000
<b>At 30 June 2023</b>	<b>16,000</b>	<b>5,000</b>	<b>407,610</b>	<b>-6,511</b>	<b>30</b>	<b>422,129</b>
At 1 July 2023	16,000	5,000	407,610	-6,511	30	422,129
Net profit for the year (01.07.2023–31.12.2023)	0	0	34,434	0	0	34,434
Foreign currency translation	0	0	0	0	149	149
Cash flow hedge accounting	0	0	0	1,267	0	1,267
Remeasurement gain / (loss) on defined benefit plans	0	0	-3,911	0	0	-3,911
Deferred taxes on cash flow hedges	0	0	0	-165	0	-165
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>30,523</b>	<b>1,102</b>	<b>149</b>	<b>31,774</b>
<b>At 31 December 2023</b>	<b>16,000</b>	<b>5,000</b>	<b>438,133</b>	<b>-5,409</b>	<b>179</b>	<b>453,903</b>
At 1 January 2024	16,000	5,000	438,133	-5,409	179	453,903
Net profit for the year (01.01.2024–30.06.2024)	0	0	48,059	0	0	48,059
Foreign currency translation	0	0	0	0	-263	-263
Cash flow hedge accounting	0	0	0	1,368	0	1,368
Remeasurement gain / (loss) on defined benefit plans	0	0	82	0	0	82
Deferred taxes on cash flow hedges	0	0	0	-230	0	-230
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>48,141</b>	<b>1,138</b>	<b>-263</b>	<b>49,016</b>
Dividend payments	0	0	-25,000	0	0	-25,000
<b>At 30 June 2024</b>	<b>16,000</b>	<b>5,000</b>	<b>461,274</b>	<b>-4,271</b>	<b>-84</b>	<b>477,919</b>

Würth Finance International B.V. has authorised share capital of EUR 80 million consisting of 160,000 share certificates with a nominal value of EUR 500. Of this authorised share capital, 32,000 share certificates have been subscribed and fully paid in, corresponding to EUR 16 million.

In 2024, a dividend of TEUR 25,000 (EUR 781 per share) was paid for financial year 2023.

## Interim condensed consolidated cash flow statement

### as at 30 June 2024

in TEUR	YTD 2024	YTD 2023
<b>Net profit for the year</b>	<b>48,059</b>	<b>44,636</b>
Amortisation and impairments	265	252
Adjustment to provision for taxes	992	-365
Deferred tax expense / (benefit)	416	340
Other expenses and revenues without cashflow	-7,296	3,740
Foreign exchange gains and losses (long-term loans)	-6,460	6,039
Foreign exchange gains and losses (short-term loans)	-2,679	-515
<b>(Increase)/ decrease in operating assets</b>		
Redemption of long-term loans to related companies	32,719	32,305
Lending of long-term loans to related companies	-70,985	-303,903
Receivables from related companies	-83,911	285,862
Positive fair values of derivative instruments	3,447	-5,163
Other assets, accrued income and prepaid expenses	-9,625	-4,926
<b>Increase/ (decrease) in operating liabilities</b>		
Payables to related companies	-32,784	154,504
Negative fair values of derivative instruments	-9,721	7,336
Other liabilities, accrued expenses and deferred income	8,723	5,893
<b>Net cash flows from operating activities</b>	<b>-128,840</b>	<b>226,035</b>
Purchase of property, plant and equipment, and intangible assets	-199	-103
Purchase of securities	-58,171	-28,224
Disposal of securities	124,256	19,889
<b>Net cash flows from investing activities</b>	<b>65,886</b>	<b>-8,439</b>
Commercial paper	0	-75,000
Dividend payments	-25,000	-25,000
<b>Net cash flows from financing activities</b>	<b>-25,000</b>	<b>-100,000</b>
Net foreign exchange difference	0	-8
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>-87,954</b>	<b>117,588</b>
<b>Net cash and cash equivalents at the beginning of the year</b>	<b>1,185,859</b>	<b>798,363</b>
<b>Net cash and cash equivalents at the end of the reporting period</b>	<b>1,097,905</b>	<b>915,951</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>-87,954</b>	<b>117,588</b>
<b>Increase/ (decrease) in taxes paid</b>	<b>-10,792</b>	<b>-9,886</b>
<b>Interest received</b>	<b>80,903</b>	<b>69,125</b>
<b>Interest paid</b>	<b>-34,969</b>	<b>-28,506</b>

The funds for this cash flow statement are represented by cash and cash equivalents (net).

## Notes to the interim condensed consolidated Financial Statements as at 30 June 2024

### 1 General information

#### Business activities

Würth Finance International B.V. (in these consolidated Financial Statements collectively designated with its subsidiaries as Würth Finance Group) was incorporated in 1987 and is domiciled in Amsterdam, Netherlands. The address of the company is Het Sterrenbeeld 35, P. O. Box 344, NL-5201 AH 's-Hertogenbosch. The company has a branch in Rorschach, Switzerland, and also has several subsidiaries in Switzerland.

The companies belonging to the Würth Finance Group (subsequently referred to as "the Group") are part of the internationally active Würth Group. All share certificates of Würth Finance International B.V., Amsterdam, are held by Reinhold Würth Holding GmbH, Künzelsau, Germany, which is ultimately owned by family trusts.

The core activities of the Group include providing financing to and carrying out a wide range of financial activities with companies which are domestic and international subsidiaries of the larger Würth Group, as well as providing consulting and other services in the area of pension funds and insurance to both private persons and small and medium-sized enterprises.

#### Consolidated companies

The consolidated Financial Statements include the financial statements of Würth Finance International B.V., Amsterdam, and its subsidiaries, which are represented as a single business entity known as the Würth Finance Group. Subsidiaries that are controlled directly or indirectly by the Group have been consolidated. Control is achieved when the Würth Finance Group 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. Control is assumed if the Würth Finance Group holds more than 50% of the voting rights of the investee.

Subsidiaries are consolidated from the date on which they were acquired by the Group and are deconsolidated from the date of disposal.

#### Method of consolidation

The interim condensed consolidated Financial Statements comprise the financial statements of Würth Finance International B.V., Amsterdam, and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-Group balances and transactions as well as income and expenses resulting from intra-Group transactions are fully eliminated.

## 2 Accounting principles

### General

The unaudited interim condensed consolidated Financial Statements for the Würth Finance Group as at 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The Group's audited Annual Report for 2023 was approved by Management on 24 April 2024, and can be obtained from Würth Finance International B.V. These interim Financial Statements as at 30 June 2024 were approved by the Management of Würth Finance International B.V., Amsterdam, and can be downloaded from the Würth Finance International B.V. website: [wuerthfinance.net](http://wuerthfinance.net).

The unaudited interim condensed consolidated Financial Statements do not include all the statutory information and disclosures contained in the annual Financial Statements, and should therefore be read in conjunction with the 2023 audited consolidated Financial Statements of the Würth Finance Group.

The accounting principles applied to prepare the Interim Report are consistent with the principles used to prepare the audited annual Financial Statements for 2023.

### New and amended standards and interpretations

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the interim consolidated Financial Statements of the Group. The Group has not early-adopted any standards, interpretations or amendments that have been issued but are not yet effective. The nature and effect of the changes as a result of the adoption of these new accounting standards are described below.

#### Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:

Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated Financial Statements.

#### Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Group's interim condensed consolidated Financial Statements.

#### Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments had no impact on the Group's interim condensed consolidated Financial Statements.

### Foreign exchange translation

The Group's unaudited interim condensed consolidated Financial Statements are presented in euros, which is the Group's presentation currency. Transactions in foreign currencies are initially recorded at the functional currency spot rate at the date the transaction first qualifies for recognition. Exchange differences arising from such transactions, as well as income resulting from converting monetary assets and monetary liabilities denominated in foreign currencies at the rate of exchange applicable at the balance sheet date, are recognised in the income statement.

Conversion rates	30.06.2024	31.12.2023	30.06.2023
US dollar (USD)	1.071	1.105	1.091
Swiss franc (CHF)	0.961	0.930	0.976
British pound (GBP)	0.847	0.867	0.858
Canadian dollar (CAD)	1.466	1.457	1.444
Chinese renminbi (CNH)	7.822	7.866	7.937
Norwegian krone (NOK)	11.405	11.218	11.689
Danish krone (DKK)	7.458	7.455	7.446
Swiss franc (CHF) – average exchange rate	0.962	0.972	0.986

On consolidation, all assets and liabilities of the subsidiaries – with the exception of shareholders' equity – are translated into euros at the rate of exchange prevailing at the reporting date, and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified in profit and loss from foreign currency translation.

### 3 Segment reporting

The Group provides segment reporting by business line. Segment reporting by geographic areas is not considered meaningful, as the Group only provides services from the Netherlands and Switzerland.

#### Income statement by segment at 30 June 2024

in TEUR	Inhouse Banking					Total Inhouse Banking	External Financial Services		Total Würth Finance Group
	Group Financing	Trading	Securities Investments	Central Settlement	Central Services		Insurance Brokerage	Elimination	
<b>Income</b>									
Interest income	82,199	0	1,109	0	0	83,308	10	-79	83,239
Interest expenses	-52,401	0	-49	0	0	-52,450	-5	79	-52,376
<b>Net interest income</b>	<b>29,798</b>	<b>0</b>	<b>1,060</b>	<b>0</b>	<b>0</b>	<b>30,858</b>	<b>5</b>	<b>0</b>	<b>30,863</b>
Income from factoring activities	7,051	0	0	0	0	7,051	0	0	7,051
Income from commission and service fee activities	0	0	0	14,986	0	14,986	14,942	0	29,928
Income from trading activities and financial instruments	0	12,819	1,077	0	0	13,896	-415	263	13,744
Other ordinary income	303	0	0	0	0	303	88	0	391
Expected credit loss (expenses)/recovery	1,028	0	0	0	0	1,028	0	0	1,028
<b>Total segment income</b>	<b>38,180</b>	<b>12,819</b>	<b>2,137</b>	<b>14,986</b>	<b>0</b>	<b>68,122</b>	<b>14,620</b>	<b>263</b>	<b>83,005</b>
<b>Expenses</b>									
Personnel expenses	0	0	0	0	-6,219	-6,219	-7,150	0	-13,369
Other administrative expenses	0	0	0	0	-7,103	-7,103	-1,161	0	-8,264
Amortisation	0	0	0	0	-592	-592	-462	0	-1,054
<b>Segment expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-13,914</b>	<b>-13,914</b>	<b>-8,773</b>	<b>0</b>	<b>-22,687</b>
<b>Segment result</b>	<b>38,180</b>	<b>12,819</b>	<b>2,137</b>	<b>14,986</b>	<b>-13,914</b>	<b>54,208</b>	<b>5,847</b>	<b>263</b>	<b>60,318</b>
Income tax expenses	0	0	0	0	-10,462	-10,462	-94	0	-10,556
Deferred taxes	0	0	0	0	-1,719	-1,719	16	0	-1,703
<b>Net profit for the year</b>	<b>38,180</b>	<b>12,819</b>	<b>2,137</b>	<b>14,986</b>	<b>-26,095</b>	<b>42,027</b>	<b>5,769</b>	<b>263</b>	<b>48,059</b>



## Income statement by segment at 30 June 2023

in TEUR	Inhouse Banking					Total Inhouse Banking	External Financial Services		Total Würth Finance Group
	Group Financing	Trading	Securities Investments	Central Settlement	Central Services		Insurance Brokerage	Elimination	
<b>Income</b>									
Interest income	66,022	0	841	0	0	66,863	1	-75	66,789
Interest expenses	-44,352	0	-38	0	0	-44,390	-2	75	-44,317
<b>Net interest income</b>	<b>21,670</b>	<b>0</b>	<b>803</b>	<b>0</b>	<b>0</b>	<b>22,473</b>	<b>-1</b>	<b>0</b>	<b>22,472</b>
Income from factoring activities	7,120	0	0	0	0	7,120	0	0	7,120
Income from commission and service fee activities	0	0	0	17,160	0	17,160	13,347	0	30,507
Income from trading activities and financial instruments	0	9,357	1,057	0	0	10,414	192	8	10,614
Other ordinary income	222	0	0	0	0	222	91	0	313
Expected credit loss (expenses)/recovery	2,971	0	0	0	0	2,971	0	0	2,971
<b>Total segment income</b>	<b>31,983</b>	<b>9,357</b>	<b>1,860</b>	<b>17,160</b>	<b>0</b>	<b>60,360</b>	<b>13,629</b>	<b>8</b>	<b>73,997</b>
<b>Expenses</b>									
Personnel expenses	0	0	0	0	-5,672	-5,672	-6,706	0	-12,378
Other administrative expenses	0	0	0	0	-5,384	-5,384	-1,085	0	-6,469
Amortisation	0	0	0	0	-576	-576	-429	0	-1,005
<b>Segment expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-11,632</b>	<b>-11,632</b>	<b>-8,220</b>	<b>0</b>	<b>-19,852</b>
<b>Segment result</b>	<b>31,983</b>	<b>9,357</b>	<b>1,860</b>	<b>17,160</b>	<b>-11,632</b>	<b>48,728</b>	<b>5,409</b>	<b>8</b>	<b>54,145</b>
Income tax expenses	0	0	0	0	-8,087	-8,087	-103	0	-8,190
Deferred taxes	0	0	0	0	-1,327	-1,327	8	0	-1,319
<b>Net profit for the year</b>	<b>31,983</b>	<b>9,357</b>	<b>1,860</b>	<b>17,160</b>	<b>-21,046</b>	<b>39,314</b>	<b>5,314</b>	<b>8</b>	<b>44,636</b>

## Balance sheet by segment at 30 June 2024

in TEUR	Inhouse Banking					Total Inhouse Banking	External Financial Services		Total Würth Finance Group
	Group Financing	Trading	Securities Investments	Central Settlement	Central Services		Insurance Brokerage	Elimination	
<b>Balance sheet</b>									
Segment assets	3,992,876	16,297	115,819	0	41,291	4,166,283	14,061	-53,357	4,126,987
Segment liabilities	3,660,434	16,338	24,217	0	465,294	4,166,283	14,061	-53,357	4,126,987
<b>Additional segment information</b>									
Capital expenditures	0	0	0	0	206	206	55	0	261

## Balance sheet by segment at 31 December 2023

in TEUR	Inhouse Banking					Total Inhouse Banking	External Financial Services		Total Würth Finance Group
	Group Financing	Trading	Securities Investments	Central Settlement	Central Services		Insurance Brokerage	Elimination	
<b>Balance sheet</b>									
Segment assets	4,032,222	19,928	115,349	0	35,789	4,203,288	8,750	-62,040	4,149,998
Segment liabilities	3,746,599	25,518	22,637	0	408,534	4,203,288	8,750	-62,040	4,149,998
<b>Additional segment information</b>									
Capital expenditures	8	0	0	0	0	8	327	0	335

## 4 Other ordinary income from related parties

Other ordinary income for the first half of 2024 comprises TEUR 391 (H1 2023: TEUR 313) in income from the e-payment services provided to other Würth Group companies, as well as fees charged for other services rendered.

## 5 Transactions with related parties

As the operative treasury unit of the Würth Group, the Group is responsible for concentrating and optimising the worldwide flow of payments, managing the financial risks and handling the financing of the Würth Group companies. In addition to all Würth Group companies, the "related parties" also include the members of the Group's Board of Directors and Management, their families and companies closely associated with them. Related party transactions were based on arm's length terms and conditions.

At 30 June 2024

in TEUR	Total	Parent companies	Associated companies
<b>Receivables from related parties</b>			
Loans to related companies	1,233,870	0	1,233,870
Receivables from related companies	1,586,973	6,417	1,580,556
Current accounts	480,248	1,073	479,175
Short-term loans	869,400	0	869,400
Factoring	237,325	5,344	231,981
<b>Total receivables from related parties</b>	<b>2,820,843</b>	<b>6,417</b>	<b>2,814,426</b>
<b>Payables to related parties</b>			
Payables to related companies	1,441,986	475,524	966,462
Current accounts	924,443	175,524	748,919
Fixed-term deposits	517,543	300,000	217,543
Other payables to related parties	1,114	0	1,114
<b>Total payables to related parties</b>	<b>1,443,100</b>	<b>475,524</b>	<b>967,576</b>

At 31 December 2023

in TEUR	Total	Parent companies	Associated companies
<b>Receivables from related parties</b>			
Loans to related companies	1,389,770	0	1,389,770
Receivables from related companies	1,297,954	11,457	1,286,497
Current accounts	478,638	0	478,638
Short-term loans	610,300	0	610,300
Factoring	209,016	11,457	197,559
<b>Total receivables from related parties</b>	<b>2,687,724</b>	<b>11,457</b>	<b>2,676,267</b>
<b>Payables to related parties</b>			
Payables to related companies	1,474,770	598,164	876,606
Current accounts	829,508	198,164	631,344
Fixed-term deposits	645,262	400,000	245,262
Other payables to related parties	847	0	847
<b>Total payables to related parties</b>	<b>1,475,617</b>	<b>598,164</b>	<b>877,453</b>

## 6 Other liabilities

in TEUR	30.06.2024	31.12.2023
Payables for deliveries and services	1,753	2,673
of which to third parties	639	1,826
of which to related parties	1,114	847
Compensation-related liabilities	3,545	5,002
Other liabilities	4,184	2,760
<b>Total other liabilities</b>	<b>9,482</b>	<b>10,435</b>

Other liabilities primarily comprise accruals for services received but not invoiced during the financial year.

## 7 Commitments and contingencies

The Group has issued guarantees, letters of comfort and letters of credit. These represent commitments and contingencies in favour of third parties for associated company liabilities. As at 31 December 2023, the contingent liabilities included contractual guarantees in connection with an acquisition by the Würth Group. The lending commitments, which had been guaranteed but not yet utilised, are disclosed at nominal value.

in TEUR	30.06.2024	31.12.2023
Guarantees, letters of comfort, letters of credit	211,184	458,972
<b>Total contingent liabilities</b>	<b>211,184</b>	<b>458,972</b>
Unutilised lending commitments	1,889	3,785
<b>Total lending commitments</b>	<b>1,889</b>	<b>3,785</b>

## Responsibility Statement

In accordance with the EU Transparency Directive and the Dutch Financial Supervision Act (Wet op het Financieel Toezicht), the Management of the Würth Finance Group hereby confirms that, to the best of its knowledge, the interim condensed Financial Statements as at 30 June 2024 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and that the

Roman Fust  
Managing Director  
Würth Finance International B.V.

Interim Management Report accurately presents the Group's development and performance during the period from 1 January to 30 June 2024 and the financial situation of the Group at the balance sheet date, as well as the risks and opportunities associated with its business.

's-Hertogenbosch and Rorschach, 30 August 2024

Philip Guzinski  
Managing Director  
Würth Finance International B.V.