



16 December 2021

# HY 2021/22 Interim Statement



# AGENDA

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# GROUP OVERVIEW

## HY 2021/22 highlights

### Financials clearly above prior year despite difficult market environment in second quarter

Half-year total revenue of €295.3 million underlined positive development compared with the same reporting period last year. Revenue was up 15.2% or €39.0 million, driven by the Company's rebound after the global lockdown in spring 2020. In the first six months, Novem achieved an Adj. EBIT of €38.2 million (PY: €22.9 million). As a result, Adj. EBIT was up €15.2 million or 66.3% on last year's figure, which translated into a re-strengthened margin of 12.9% (8.9% PY). This rebound was largely attributable to the broadened revenue base in Q1 2021/22. However, looking at the second quarter, top line was negatively impacted by the volatile call-offs which led to inefficiencies in managing labour costs. Separately, inflationary pressures on raw materials and higher freight expenses further contributed to the Q2 decrease in total revenue (-18.3% y/y) and Adj. EBIT (-48.4% y/y). Unpredictable supply chains made it difficult to amend production and personnel capacities while maintaining operational flexibility. Nonetheless, pronounced recovery in the first quarter 2021/22 enabled a positive development of the year-to-date performance.

### Capital structure strongly improved post-IPO

As stated in the context of the Q1 results, Novem successfully completed its refinancing process after listing. The negative equity of €-505.1 million as of 31 March 2021 turned positive to €19.9 million as of 30 September 2021.

### Further growth opportunities tapped and in preparation

With the award of a luxury SUV business from Hongqi (FAW), Novem won the next Chinese premium customer after Geely. The Company's efforts in further building its position in Asia were also underlined by the establishment of a new sales function in Japan in order to more effectively serve the local customer base. In addition, a considerable part of Faurecia's available aluminium interior trim business was taken over, thus contributing to further growth in the near future.

## Key results

€m	Q2 2020/21	Q2 2021/22	HY 2020/21	HY 2021/22
<b>Income statement</b>				
Revenue	170.4	139.2 <sup>1)</sup>	256.3	295.3 <sup>1)</sup>
Adj. EBIT	24.0	12.3	22.9	38.2
Adj. EBIT margin (%)	14.1%	8.9%	8.9%	12.9%
Adj. EBITDA	31.5	20.0	38.1	53.4
Adj. EBITDA margin (%)	18.5%	14.4%	14.9%	18.1%
<b>Cash flow</b>				
Capital expenditure	3.5	3.6	8.1	5.7
Capital expenditure as % of revenue	2.1%	2.6%	3.2%	1.9%
Free cash flow	45.2	0.9	31.7	11.0
Cash conversion (%)	88.9%	81.9%	78.7%	89.4%

	31 Mar 2021	30 Sep 2021
<b>Balance sheet</b>		
Trade working capital	50.1	42.0
Total working capital	125.0	139.3
Net financial debt	258.2	210.3
Net leverage (x Adj. EBITDA)	2.2x	1.6x

1) Adjusted for reversal of provision, counter entry in Adjustments (Material quality claims)

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€m	Q2 2020/21	Q2 2021/22	HY 2020/21	HY 2021/22
Revenue	170.4	139.3	256.3	295.4
Increase or decrease in finished goods and work in process	-15.6	3.2	-12.2	12.2
<b>Total operating performance</b>	<b>154.8</b>	<b>142.5</b>	<b>244.1</b>	<b>307.6</b>
Other operating income	2.6	6.8	3.3	9.6
Cost of materials	74.5	74.3	118.6	153.1
Personnel expenses	36.0	39.2	65.6	79.2
Depreciation, amortization and impairment	7.6	7.7	15.2	15.3
Other operating expenses	15.6	18.4	25.4	34.5
<b>Operating result (EBIT)</b>	<b>23.8</b>	<b>9.8</b>	<b>22.6</b>	<b>35.0</b>
Finance income	3.3	1.1	5.3	1.8
Finance costs	13.0	11.7	25.6	22.2
<b>Financial result</b>	<b>-9.7</b>	<b>-10.6</b>	<b>-20.3</b>	<b>-20.4</b>
Income taxes	7.2	3.2	14.2	9.5
Deferred taxes	0.4	-1.6	1.1	-0.6
<b>Income tax result</b>	<b>7.6</b>	<b>1.6</b>	<b>15.2</b>	<b>8.9</b>
<b>Profit for the period</b>	<b>6.5</b>	<b>-2.4</b>	<b>-12.9</b>	<b>5.8</b>
thereof attributable to shareholders of Novem	6.5	-2.4	-12.9	5.8
thereof attributable to non-controlling interests				
Differences from currency translation	-8.1	1.7	-8.1	1.7
<b>Items that may subsequently be reclassified to consolidated profit or loss</b>	<b>-8.1</b>	<b>1.7</b>	<b>-8.1</b>	<b>1.7</b>
Actuarial gains and losses from pensions and similar obligations (before taxes)		-0.0		-0.0
Taxes on actuarial gains and losses from pensions and similar obligations				
<b>Items that will not subsequently be reclassified to consolidated profit or loss</b>		<b>-0.0</b>		<b>-0.0</b>
<b>Other comprehensive income/loss, net of tax</b>	<b>-8.1</b>	<b>1.7</b>	<b>-8.1</b>	<b>1.7</b>
<b>Total comprehensive income/loss for the period</b>	<b>-1.6</b>	<b>-0.7</b>	<b>-21.0</b>	<b>7.5</b>
thereof attributable to shareholders of Novem	-1.6	-0.7	-21.0	7.5
thereof attributable to non-controlling interests				
<b>Earnings per share (in €)</b>				
basic		-0.06		0.13
diluted		-0.06		0.13

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## Revenue

Total revenue of €295.4 million in the first half (period from April to September 2021) of the financial year 2021/22 increased by €39.1 million or 15.2% compared to the same reporting period last year. Based on prior year (constant) exchange rates, revenue would have been higher by 0.3%. This currency impact was particularly influenced by the weak Mexican Peso. On a segmental basis, the increase in revenue in the first half of 2021/22 primarily occurred in Europe (€147.5 million), followed by Americas (€111.1 million) and Asia (€36.8 million).

## Revenue development

€m	HY 2020/21	HY 2021/22	% change
Revenue Series	229.4	269.5	17.5%
Revenue Tooling	27.0	25.9	-4.1%
<b>Revenue</b>	<b>256.3</b>	<b>295.4</b>	<b>15.2%</b>

## Revenue Series

Despite the weak market environment, Revenue Series developed positively in the first half of 2021/22. Revenue Series recorded at €269.5 million in the first half of 2020/21, up 17.5% compared to the same period last year. Revenue Series generated 91.2% of total revenue and remained the key pillar of the business.

## Revenue Tooling

Revenue Tooling contributed €25.9 million to total revenue in the period from April to September 2021. This corresponds to a year-on-year decrease of -4.1% or €-1.1 million.

## Increase in finished goods and work in process

Change of finished goods and work in process rose by €24.4 million (>100%) from €-12.2 million to €12.2 million in the first half of 2021/22 because of higher tooling inventories (€+15.9 million), stock of finished goods (€+7.6 million) and work in process (€+0.7 million).

## Other operating income

Other income increased from €3.3 million in the first half of 2020/21 by €6.3 million to €9.6 million in the first half 2021/22. The position other operating income primarily included the gains from currency translation and the income from cost recharges to third parties. The deviation was composed of higher currency translation gains of €2.3 million, income from the release of accruals of €1.4 million and other income of €2.6 million.

## Cost of materials

Cost of materials surged from €118.6 million in the first half of 2020/21 to €153.1 million in the first half of 2021/22, which equaled a year-on-year change of 29.1%. This development is primarily attributable to the first quarter of 2021/22, which included the recovery of the production volumes. The cost of materials to output (total operating performance) ratio increased by 1.2 percentage points to 49.8% as a consequence both of the negative influence of higher material costs and lower revenue increase for the reporting period under review.

## Personnel expenses

Personnel expenses amounted to €79.2 million in the first half of 2021/22, up by €13.6 million or 20.8% compared to last year. As a percentage of total operating performance, personnel expenses decreased by 1.2 percentage points year-on-year to 25.7% (HY 2020/21: 26.9%). The lower personnel costs in the prior year were attributable to the temporary shutdown and therefore influenced by limited production and short-time work.

## Depreciation, amortization and impairment

Novem recognized depreciation and amortization of €15.3 million in the first half of 2021/22, a minor increase of 0.6% or €0.1 million compared to last year. The increase was driven by depreciation on intangible assets (€+0.1m), on buildings (€+0.1m) and other equipment (€+0.1m), compensated by lower depreciation on machinery.

## Other operating expenses

Other operating expenses rose from €25.4 million in the first half of 2020/21 by €9.2 million to €34.5 million in the first half of 2021/22. This increase was mainly related to higher legal and advisory fees and order-related expenses, especially freight costs as well as foreign currency translation losses.

## Finance income and costs

The financial result amounted to €-20.4 million for the first half in 2021/22, compared to last year's amount of €-20.3 million.

Finance income decreased from €5.3 million in the first half of 2020/21 by €-3.5 million to €1.8 million in the first half of 2021/22. The decrease was solely attributable to foreign currency translation.

Finance costs primarily related to interest expenses and amounted to €22.2 million in the first half of 2021/22 (HY 2020/21: €25.6 million), a decrease of -13.1% or €-3.3 million.

## Income tax result

Income tax result decreased by -42.0% from €15.2 million last half-year to €8.9 million in the first half of 2021/22. Both income taxes and deferred taxes declined in the period under review.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## Adjustments

### Adj. EBIT

Adj. EBIT represents the operating result adjusted for exceptional non-recurring items. As such, Novem adjusts certain one-off effects to better show the underlying operating performance of the Company. The adjustments made follow a pre-defined and transparent approach and form part of the regular monthly closing and reporting routines.

### Adjustments

Adjustments in the second quarter of 2020/21 comprised €0.2 million for consulting costs due to the extension of the factoring program as well as bond-related fees.

In the second quarter of 2021/22, adjustments included €2.2 million transaction costs, €0.2 million severance payments as well as €0.1 million Covid-19 expenses. Transaction costs solely included expenses relating to the stock market listing which were directly attributable to issuing new shares. Covid-19 expenses only referred to additional costs incurred by the pandemic, such as the purchase of masks/hygienic material and transportation costs for the production workers during the pandemic.

The Adj. EBIT margin of 8.9% for the second quarter ended on 30 September 2021 underperformed the adjusted prior-year-figure of 14.1% by 5.2 percentage points primarily driven by increased revenue. This resulted in an Adj. EBITDA margin of 14.4%, as depreciation and amortization remained stable compared to prior year.

In the first half of 2021/22, adjustments exceeded prior year by €2.8 million mainly because of transaction costs as well as Covid-19 expenses.

The Adj. EBIT margin of 12.9% for the first half of 2021/22 exceeded the first half of 2020/21 of 8.9% by 4.0 percentage points predominantly as a result of increased revenue. Therefore the Adj. EBITDA margin of 18.1% for the first half of 2021/22 recorded also above prior year of 14.9%, as depreciation and amortization were almost on last year's level.

## Reconciliation of EBIT/ EBITDA to Adj. EBIT/ EBITDA

€m	Q2 2020/21	Q2 2021/22	HY 2020/21	HY 2021/22
<b>Revenue</b>	<b>170.4</b>	<b>139.2<sup>1)</sup></b>	<b>256.3</b>	<b>295.3<sup>1)</sup></b>
<b>EBIT</b>	<b>23.8</b>	<b>9.8</b>	<b>22.6</b>	<b>35.0</b>
EBIT margin	14.0%	7.1%	8.8%	11.9%
Restructuring				
Exceptional ramp-up costs				
Material quality claims		-0.1		-0.1
Single impairments				
Covid-19 costs		0.1		0.4
Transaction costs		2.2		2.4
Others	0.2	0.3	0.3	0.4
Exceptional items	0.2	2.5	0.3	3.1
Discontinued operations				
<b>Adjustments</b>	<b>0.2</b>	<b>2.5</b>	<b>0.3</b>	<b>3.1</b>
<b>Adj. EBIT</b>	<b>24.0</b>	<b>12.4</b>	<b>22.9</b>	<b>38.2</b>
Adj. EBIT margin	14.1%	8.9%	8.9%	12.9%
Depreciation and amortization	7.6	7.6 <sup>2)</sup>	15.2	15.2 <sup>2)</sup>
<b>Adj. EBITDA</b>	<b>31.5</b>	<b>20.0</b>	<b>38.1</b>	<b>53.4</b>
Adj. EBITDA margin	18.5%	14.4%	14.9%	18.1%

1) Adjusted for reversal of provision, counter entry in Adjustments (Material quality claims)

2) Adjusted for an extraordinary depreciation, counter entry in Adjustments (Others)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€m	31 Mar 21	30 Sep 21
Intangible assets	3.6	3.4
Property, plant and equipment	186.8	179.9
Trade receivables	49.6	45.1
Other non-current assets	14.5	14.4
Deferred tax assets	9.0	8.5
<b>Total non-current assets</b>	<b>263.5</b>	<b>251.2</b>
Inventories	95.5	113.0
Trade receivables	53.0	35.8
Other receivables	27.2	30.0
Other current assets	14.2	13.9
Cash and cash equivalents	175.3	71.4
Assets held for sale	1.2	1.2
<b>Total current assets</b>	<b>366.4</b>	<b>265.2</b>
<b>Total assets</b>	<b>629.9</b>	<b>516.4</b>

€m	31 Mar 21	30 Sep 21
Share capital	0.1	0.4
Capital reserves	21.9	539.0
Retained earnings/(accumulated losses)	-528.3	-522.5
Currency translation reserve	1.2	3.0
<b>Total equity</b>	<b>-505.1</b>	<b>19.9</b>
Pensions and similar obligations	34.6	36.4
Tax liabilities		
Other provisions	5.2	5.1
Financial liabilities	856.4	247.9
Other liabilities	34.1	31.6
Deferred tax liabilities	3.7	2.5
<b>Total non-current liabilities</b>	<b>933.9</b>	<b>323.4</b>
Tax liabilities	14.9	17.6
Other provisions	53.9	46.9
Financial liabilities	3.4	1.4
Trade payables	61.8	51.9
Other liabilities	67.1	55.3
<b>Total current liabilities</b>	<b>201.1</b>	<b>173.1</b>
<b>Equity and liabilities</b>	<b>629.9</b>	<b>516.4</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## Total assets

Total assets amounted to €516.4 million as of 30 September 2021, a decrease of -18.0% compared to the end of the last financial year 2020/21 (31 March 2021: €629.9 million).

## Non-current assets

Non-current assets decreased from €263.5 million as of 31 March 2021 by -4.7% to €251.2 million as of 30 September 2021. This movement resulted primarily from a decline in property, plant and equipment by €-6.9 million or -3.7% attributable to depreciation and a decline in trade receivables of €-4.6 million or -9.2%.

## Current assets

Current assets decreased to €265.2 million compared to the previous balance sheet date (31 March 2021: €366.4 million), €-101.2 million or -27.6%. This change was mainly driven by the decline in cash and cash equivalents of €-103.9 million due to the repayment of the bond. Lower trade receivables of €-17.2 million are attributable to both a higher factoring level and lower production volumes. Through non-recourse factoring Novem sold trade receivables of €51.5 million as of 30 September 2021, exceeding the volume of €40.1 million as of 31 March 2021 by €11.4 million. Higher inventories had the largest counterbalancing impact (€17.5 million).

## Working capital

€m	31 Mar 2021	30 Sep 2021	% change
Inventories	57.7	63.8	10.7%
Trade receivables	47.1	26.0	-44.8%
Trade payables	-54.7	-47.8	-12.6%
<b>Trade working capital</b>	<b>50.1</b>	<b>42.0</b>	<b>-16.1%</b>
Tooling net	62.9	84.6	34.5%
Contract assets	12.0	12.7	5.3%
<b>Total working capital</b>	<b>125.0</b>	<b>139.3</b>	<b>11.4%</b>

Total working capital amounted to €139.3 million as of 30 September 2021 and was therefore higher compared to 31 March 2021 by 11.4%. This was largely driven by higher safety stock and tooling net. The most significant change in tooling net was attributable to a rise in tooling inventories of €10.1 million. As a consequence, total working capital in % of revenue increased to 21.7% (31 March 2021: 20.7%).

## Equity

As of 30 September 2021, the equity position improved from €-505.1 million at the end of the financial year to €19.9 million, as the effects of the initial public offering became visible. As a result, capital reserves rose by €517.1 million. Currency translation differences to Euro increased by €1.7 million compared to the end of the last financial year.

## Non-current liabilities

Non-current liabilities decreased from €933.9 million as of 31 March 2021 by -65.4% or €-610.5 million to €323.4 million as of 30 September 2021. The decrease is attributable to the shareholder loan of €461.5 million, which was converted into equity. Besides that, the repayment of the Senior Secured Notes on 26 July 2021 contributed to the decrease.

€m	31 Mar 2021	30 Sep 2021	% change
Liabilities from bond	397.4		<100%
Liabilities to banks	0.4	248.7	>100%
Lease liabilities	35.6	33.0	-7.2%
<b>Gross financial debt</b>	<b>433.5</b>	<b>281.7</b>	<b>-35.0%</b>
Cash and cash equivalents	-175.3	-71.4	-59.3%
<b>Net financial debt</b>	<b>258.2</b>	<b>210.3</b>	<b>-18.5%</b>

Gross financial debt as of 30 March 2021 included liabilities from bond prior to the refinancing and redemption of the Senior Secured Notes on 26 July 2021. Liabilities to banks of €0.4 million as of 30 March 2021 resulted from hedging liabilities. As of 23 July 2021, Novem utilized the new loan of €250.0 million, resulting in the increase of liabilities to banks.

## Net leverage

€m	31 Mar 2021	30 Sep 2021
Net financial debt	258.2	210.3
LTM Adj. EBITDA	117.3	132.6
<b>Net leverage</b>	<b>2.2x</b>	<b>1.6x</b>

The net leverage ratio is defined as net financial debt divided by Adj. EBITDA for the last twelve months. The ratio significantly improved from 2.2x Adj. EBITDA at the end of the financial year 2020/21 to 1.6x Adj. EBITDA as of 30 September 2021. The definition of net leverage has changed in accordance with the new senior revolving facility agreement as of this reporting date and now includes lease liabilities. As of 31 March 2021, lease liabilities amounted to €35.6 million and therefore decreased by -7.2% to €33.0 million.

## Current liabilities

Current liabilities amounted to €173.1 million on the reporting date of the current half-year, a decrease of -13.9% or €-28.0 million compared to the previous balance sheet date (31 March 2021: €201.1 million). The decrease was attributable to lower other liabilities of €-11.8 million or -17.6%, followed by lower trade payables of €-10.0 million, lower other provisions of €-7.0 million and financial liabilities of €-1.9m. The development was offset by higher tax liabilities by 18.3% or €2.7 million.



# CONSOLIDATED STATEMENT OF CASH FLOWS

€m	Q2 2020/21	Q2 2021/22	HY 2020/21	HY 2021/22
Profit for the period	6.5	-2.4	-12.9	5.8
Income tax expense (+)/income (-)	7.2	3.2	14.2	9.5
Financial result (+)/(-) net	12.1	7.8	24.0	19.8
Depreciation, amortization and impairment	7.6	7.7	15.2	15.3
Other non-cash expenses (+)/income (-)	-14.2	-2.0	-24.5	-8.8
Increase (-)/decrease (+) in inventories	4.5	-8.1	4.5	-24.1
Increase (-)/decrease (+) in trade receivables	-7.9	9.5	8.3	21.6
Increase (-)/decrease (+) in other assets	3.7	-1.2	-3.6	-2.6
Increase (-)/decrease (+) in deferred taxes	0.5	-1.7	1.3	-0.7
Increase (-)/decrease (+) in prepaid expenses/deferred income	0.3	2.3	-1.1	-1.1
Increase (+)/decrease (-) in provisions	10.4	-1.8	17.9	4.7
Increase (+)/decrease (-) in trade payables	12.8	1.3	-8.8	-10.0
Increase (+)/decrease (-) in other liabilities	3.3	-4.6	4.5	-4.3
Gain (-)/loss (+) on disposals of non-current assets	-0.0	-0.0	0.0	-0.0
Cash received from (+)/cash paid for (-) for income taxes	-2.5	-4.4	-5.1	-6.7
<b>Cash flow from operating activities</b>	<b>44.2</b>	<b>5.4</b>	<b>33.8</b>	<b>18.4</b>
Cash received (+) from disposals of intangible assets		0.1		0.1
Cash received (+) from disposals of property, plant and equipment	-0.4	-0.1	-0.4	-0.1
Cash paid (-) for investments in intangible assets	-0.3	-0.1	-0.3	-0.2
Cash paid (-) for investments in property, plant and equipment	0.7	-5.5	-3.0	-8.9
Interest received (+)	0.9	1.1	1.5	1.8
Dividends received (+)				
<b>Cash flow from/(used in) investing activities</b>	<b>0.9</b>	<b>-4.6</b>	<b>-2.2</b>	<b>-7.4</b>
Cash repayments (-) of loans/cash received from (+) loans	-0.4	250.7	-2.2	250.7
Cash received from (+) shareholders of the parent company		49.2		49.2
Cash repayments (-) of shareholders loans	0.0	-0.0	0.0	0.0
Cash repayments (-) of bond/cash received from (+) issuance of bond	0.3	-400.4	0.9	-400.0
Cash paid for (-) subsidies/grants	-0.0	-0.0	-0.0	-0.0
Cash paid for (-) finance leases	-2.5	-1.6	-4.1	-4.0
Interest paid (-)	-6.0	-5.2	-11.6	-10.8
Dividends paid (-)				
<b>Cash flow from financing activities</b>	<b>-8.6</b>	<b>-107.2</b>	<b>-17.0</b>	<b>-114.8</b>
<b>Net increase (+)/ decrease (-) in cash and cash equivalents</b>	<b>36.5</b>	<b>-106.4</b>	<b>14.6</b>	<b>-103.9</b>
Effect of exchange rate fluctuations on cash and cash equivalents	0.1		0.1	
Cash and cash equivalents at the beginning of the reporting period	174.2	177.8	196.2	175.3
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>210.8</b>	<b>71.4</b>	<b>210.8</b>	<b>71.4</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

## Cash flow from operating activities

Cash flow from operating activities stood at €18.4 million, which marked a decline of -34.9% or €-15.4 million compared to first half last year. The development can be explained by the marked change of inventories by €28.6 million, among others. The considerable increase of profit by €18.7 million compared to the same reporting period last year had a counterbalancing impact.

## Cash flow from/(used in) investing activities

Cash flow used in investing activities reached €-7.4 million in the current half-year (HY 2020/21: €5.2 million). The cash flow was characterized by higher investments in property, plant and equipment.

## Cash flow from/(used in) financing activities

Cash flow used in financing activities showed the largest deviation. As a total of €-114.8 million, cash flow used in financing activities decreased by €-97.8 million in the first half of 2021/22 (HY 2020/21: €-17.0 million). This change was largely driven by the new financing structure. The redemption of the bond of €-400.0 million was, among others, compensated by the drawdown of the term loan facility of €250.0 million.

# SEGMENT REPORTING

€m	Europe		Americas		Asia	
	Q2 2020/21	Q2 2021/22	Q2 2020/21	Q2 2021/22	Q2 2020/21	Q2 2021/22
External revenue	88.2	67.6	59.8	56.8	22.4	14.8
Revenue between segments	12.3	9.5	10.2	11.9	6.4	6.7
<b>Total revenue</b>	<b>100.5</b>	<b>77.1</b>	<b>70.0</b>	<b>68.6</b>	<b>28.8</b>	<b>21.5</b>
<b>Adj. EBITDA</b>	<b>10.6</b>	<b>7.5</b>	<b>12.8</b>	<b>8.3</b>	<b>8.2</b>	<b>4.2</b>
Adj. EBITDA margin	10.5%	9.7%	18.3%	12.1%	28.3%	19.6%
Depreciation, amortization and impairment	3.7	3.6	2.7	2.8	1.2	1.3
<b>Adj. EBIT</b>	<b>6.9</b>	<b>3.9</b>	<b>10.1</b>	<b>5.5</b>	<b>7.0</b>	<b>2.9</b>
Adj. EBIT margin	7.8%	5.8%	16.9%	9.7%	31.0%	19.8%
Adjustments	0.2	2.2		0.3		
<b>Operating Result (EBIT)</b>	<b>6.7</b>	<b>1.7</b>	<b>10.1</b>	<b>5.2</b>	<b>7.0</b>	<b>2.9</b>

€m	Total segments		Other/consolidation		Group	
	Q2 2020/21	Q2 2021/22	Q2 2020/21	Q2 2021/22	Q2 2020/21	Q2 2021/22
External revenue	170.4	139.2			170.4	139.2
Revenue between segments	28.9	28.1	-28.9	-28.1		
<b>Total revenue</b>	<b>199.3</b>	<b>167.3</b>	<b>-28.9</b>	<b>-28.1</b>	<b>170.4</b>	<b>139.2</b>
<b>Adj. EBITDA</b>	<b>31.5</b>	<b>20.1</b>			<b>31.5</b>	<b>20.1</b>
Adj. EBITDA margin	15.8%	12.0%			18.5%	14.4%
Depreciation, amortization and impairment	7.6	7.7			7.6	7.7
<b>Adj. EBIT</b>	<b>24.0</b>	<b>12.4</b>			<b>24.0</b>	<b>12.4</b>
Adj. EBIT margin	12.0%	7.4%			14.1%	8.9%
Adjustments	0.2	2.5			0.2	2.5
<b>Operating Result (EBIT)</b>	<b>23.8</b>	<b>9.8</b>			<b>23.8</b>	<b>9.8</b>

1) Adjusted for reversal of provision, counter entry in Adjustments (Material quality claims)

2) Adjusted for an extraordinary depreciation, counter entry in Adjustments (Others)

# SEGMENT REPORTING

€m	Europe		Americas		Asia	
	HY 2020/21	HY 2021/22	HY 2020/21	HY 2021/22	HY 2020/21	HY 2021/22
External revenue	126.8	147.4	83.4	111.1	46.1	36.8
Revenue between segments	19.8	19.3	18.1	21.6	9.4	12.2
<b>Total revenue</b>	<b>146.6</b>	<b>166.8</b>	<b>101.5</b>	<b>132.7</b>	<b>55.5</b>	<b>49.0</b>
<b>Adj. EBITDA</b>	<b>10.8</b>	<b>23.8</b>	<b>11.7</b>	<b>17.8</b>	<b>15.6</b>	<b>11.8</b>
Adj. EBITDA margin	7.4%	14.3%	11.5%	13.4%	28.1%	24.2%
Depreciation, amortization and impairment	7.4	7.1	5.4	5.5	2.5	2.6
<b>Adj. EBIT</b>	<b>3.5</b>	<b>16.6</b>	<b>6.3</b>	<b>12.3</b>	<b>13.1</b>	<b>9.3</b>
Adj. EBIT margin	2.7%	11.3%	7.6%	11.0%	28.5%	25.2%
Adjustments	0.3	2.7		0.4		
<b>Operating Result (EBIT)</b>	<b>3.1</b>	<b>14.0</b>	<b>6.3</b>	<b>11.8</b>	<b>13.1</b>	<b>9.3</b>

€m	Total segments		Other/consolidation		Group	
	HY 2020/21	HY 2021/22	HY 2020/21	HY 2021/22	HY 2020/21	HY 2021/22
External revenue	256.3	295.3			256.3	295.3
Revenue between segments	47.4	53.2	-47.4	-53.2		
<b>Total revenue</b>	<b>303.7</b>	<b>348.5</b>	<b>-47.4</b>	<b>-53.2</b>	<b>256.3</b>	<b>295.3</b>
<b>Adj. EBITDA</b>	<b>38.1</b>	<b>53.5</b>			<b>38.1</b>	<b>53.5</b>
Adj. EBITDA margin	12.6%	15.3%			14.9%	18.1%
Depreciation, amortization and impairment	15.2	15.3			15.2	15.3
<b>Adj. EBIT</b>	<b>22.9</b>	<b>38.2</b>			<b>22.9</b>	<b>38.2</b>
Adj. EBIT margin	7.6%	11.0%			8.9%	12.9%
Adjustments	0.3	3.1			0.3	3.1
<b>Operating Result (EBIT)</b>	<b>22.6</b>	<b>35.0</b>			<b>22.6</b>	<b>35.0</b>

1) Adjusted for reversal of provision, counter entry in Adjustments (Material quality claims)

2) Adjusted for an extraordinary depreciation, counter entry in Adjustments (Others)

# SEGMENT REPORTING

## Europe

External revenue in Europe increased from €126.8 million in the first half of 2020/21 to €147.4 million in the first half of 2021/22 by 16.2%.

Europe accounted for 49.9% of total revenue in the first six months of 2021/22 (HY 2020/21: 49.5%).

Adj. EBIT generated in Europe amounted to €16.6 million in the first half of 2021/22 and was thus >100% higher compared to the same reporting period last year (HY 2020/21: €3.5 million). Adj. EBIT margin increased to 11.3% from 2.7% last year.

The significant improvement in the operating performance of the region was mainly driven by the market recovery after the lockdown in the first half of 2020/21 in Europe, even though the automotive industry was adversely hit by a shortage of raw and purchased materials (e.g. semi-conductors) which resulted in production interruptions and lower revenue in Q2 2021/22.

## Europe

€m	HY 2020/21	HY 2021/22	% change
External revenue	126.8	147.4	16.2%
Revenue between segments	19.8	19.3	>100%
<b>Total revenue</b>	<b>146.6</b>	<b>166.8</b>	<b>13.7%</b>
Adj. EBIT	3.5	16.6	>100%
Adj. EBIT margin	2.7%	11.3%	>100%

## Americas

External revenue in Americas amounted to €111.1 million in the first half of 2021/22 and exceeded prior year by 33.2% or €27.7 million. The unfavourable currency translation impact of €-3.6 million resulted primarily from the strengthening of the US Dollar.

Americas accounted for 37.6% of total revenue in the first six months of 2021/22 (HY 2020/21: 32.5%).

Adj. EBIT generated in Americas amounted to €12.3 million in the first half of 2021/22 and was thus 93.4% higher compared to the same reporting period last year (HY 2020/21: €6.3 million). Adj. EBIT margin increased to 11.0% from 7.6% last year.

The Americas region almost doubled the operating performance in the first half of 2021/22 compared to last half-year predominantly because of a swift recovery from the pandemic.

## Americas

€m	HY 2020/21	HY 2021/22	% change
External revenue	83.4	111.1	33.2%
Revenue between segments	18.1	21.6	19.5%
<b>Total revenue</b>	<b>101.5</b>	<b>132.7</b>	<b>30.8%</b>
Adj. EBIT	6.3	12.3	93.4%
Adj. EBIT margin	7.6%	11.0%	45.1%

## Asia

External revenue in Asia declined from €46.1 million in the first half of 2020/21 to €36.8 million in the first half of 2021/22 (change of -20.2% in comparison to last year). This development was positively affected by a currency translation effect of €1.3 million.

Asia accounted for 12.5% of total revenue in the first six months of 2021/22 (HY 2020/21: 18.0%).

Adj. EBIT generated in Asia amounted to €9.3 million in the first half of 2021/22 and was thus -29.4% lower than in the same reporting period last year (HY 2020/21: €13.1 million). Adj. EBIT margin decreased to 25.2% from 28.5% last year.

Contrary to the other two regions, Asia already benefited in HY 2020/21 from buoyant revenue after the Covid-19 pandemic. This development as well as reduced customer call-offs in HY 2021/22 attributable to supply chain shortages in the industry resulted in lower revenue. Nevertheless, the operating performance of Asia stood again at a robust margin and relatively high profitability.

## Asia

€m	HY 2020/21	HY 2021/22	% change
External revenue	46.1	36.8	-20.2%
Revenue between segments	9.4	12.2	29.5%
<b>Total revenue</b>	<b>55.5</b>	<b>49.0</b>	<b>-11.8%</b>
Adj. EBIT	13.1	9.3	-29.4%
Adj. EBIT margin	28.5%	25.2%	-11.5%

# SUBSEQUENT EVENTS AND OPPORTUNITIES AND RISKS

## Subsequent events

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There were no events or developments in the period from the balance sheet date as of 30 September 2021 to the publication date on 16 December 2021, that would have materially affected the recognition or measurement of Novem's assets and liabilities.

## Opportunities and risks

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An assessment of opportunities and risks for Novem showed no significant changes to the risk-related disclosures as of and for the financial year ended 31 March 2021.

Herewith reference is being made to the Annual Financial Report 2020/21 on opportunities and risks which can be accessed on the Investor Relations website of Novem in the section of Reports & Presentations.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€k	HY 2020/21	HY 2021/22
Revenue	256,318	295,404
Increase or decrease in finished goods and work in process	-12,238	12,170
<b>Total operating performance</b>	<b>244,080</b>	<b>307,574</b>
Other operating income	3,277	9,571
Cost of materials	118,611	153,078
Personnel expenses	65,573	79,193
Depreciation, amortization and impairment	15,196	15,290
Other operating expenses	25,375	34,534
<b>Operating result (EBIT)</b>	<b>22,601</b>	<b>35,050</b>
Finance income	5,296	1,808
Finance costs	25,575	22,233
<b>Financial result</b>	<b>-20,279</b>	<b>-20,425</b>
Income taxes	14,175	9,476
Deferred taxes	1,073	-625
<b>Income tax result</b>	<b>15,248</b>	<b>8,850</b>
<b>Profit for the period</b>	<b>-12,926</b>	<b>5,774</b>
thereof attributable to shareholders of Novem	-12,926	5,774
thereof attributable to non-controlling interests		
Differences from currency translation	-8,100	1,732
<b>Items that may subsequently be reclassified to consolidated profit or loss</b>	<b>-8,100</b>	<b>1,732</b>
Actuarial gains and losses from pensions and similar obligations (before taxes)		-17
Taxes on actuarial gains and losses from pensions and similar obligations		
<b>Items that will not subsequently be reclassified to consolidated profit or loss</b>		<b>-17</b>
<b>Other comprehensive income/loss, net of tax</b>	<b>-8,100</b>	<b>1,716</b>
<b>Total comprehensive income/loss for the period</b>	<b>-21,026</b>	<b>7,490</b>
thereof attributable to shareholders of Novem	-21,026	7,490
thereof attributable to non-controlling interests		
<b>Earnings per share (in €)</b>		
basic		0.13
diluted		0.13

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€k	31 Mar 21	30 Sep 21
Intangible assets	3,618	3,357
Property, plant and equipment	186,787	179,896
Trade receivables	49,645	45,084
Other non-current assets	14,519	14,372
Deferred tax assets	8,974	8,465
<b>Total non-current assets</b>	<b>263,543</b>	<b>251,174</b>
Inventories	95,470	112,983
Trade receivables	53,003	35,754
Other receivables	27,202	29,968
Other current assets	14,206	13,868
Cash and cash equivalents	175,299	71,417
Assets held for sale	1,224	1,224
<b>Total current assets</b>	<b>366,404</b>	<b>265,213</b>
<b>Total assets</b>	<b>629,947</b>	<b>516,387</b>

€k	31 Mar 21	30 Sep 21
Share capital	62	430
Capital reserves	21,891	539,003
Retained earnings/(accumulated losses)	-528,289	-522,512
Currency translation reserve	1,245	2,978
<b>Total equity</b>	<b>-505,091</b>	<b>19,899</b>
Pensions and similar obligations	34,644	36,412
Tax liabilities		
Other provisions	5,169	5,063
Financial liabilities	856,387	247,936
Other liabilities	34,083	31,563
Deferred tax liabilities	3,651	2,454
<b>Total non-current liabilities</b>	<b>933,934</b>	<b>323,427</b>
Tax liabilities	14,887	17,618
Other provisions	53,902	46,861
Financial liabilities	3,381	1,433
Trade payables	61,849	51,867
Other liabilities	67,087	55,281
<b>Total current liabilities</b>	<b>201,104</b>	<b>173,061</b>
<b>Equity and liabilities</b>	<b>629,947</b>	<b>516,387</b>



# CONSOLIDATED STATEMENT OF CASH FLOWS

€k	HY 2020/21	HY 2021/22
Profit for the period	-12,926	5,774
Income tax expense (+)/income (-)	14,175	9,476
Financial result (+)/(-) net	24,049	19,793
Depreciation, amortization and impairment	15,196	15,290
Other non-cash expenses (+)/income (-)	-24,450	-8,759
Increase (-)/decrease (+) in inventories	4,457	-24,132
Increase (-)/decrease (+) in trade receivables	8,282	21,585
Increase (-)/decrease (+) in other assets	-3,594	-2,644
Increase (-)/decrease (+) in deferred taxes	1,268	-688
Increase (-)/decrease (+) in prepaid expenses/deferred income	-1,139	-1,077
Increase (+)/decrease (-) in provisions	17,884	4,722
Increase (+)/decrease (-) in trade payables	-8,782	-9,979
Increase (+)/decrease (-) in other liabilities	4,482	-4,258
Gain (-)/loss (+) on disposals of non-current assets	2	-7
Cash received from (+)/cash paid for (-) for income taxes	-5,056	-6,744
<b>Cash flow from operating activities</b>	<b>33,849</b>	<b>18,350</b>
Cash received (+) from disposals of intangible assets		61
Cash received (+) from disposals of property, plant and equipment	-399	-69
Cash paid (-) for investments in intangible assets	-328	-249
Cash paid (-) for investments in property, plant and equipment	-2,968	-8,940
Interest received (+)	1,526	1,808
Dividends received (+)		
<b>Cash flow from/(used in) investing activities</b>	<b>-2,169</b>	<b>-7,389</b>
Cash repayments (-) of loans/cash received from (+) loans	-2,171	250,747
Cash received from (+) shareholders of the parent company		49,245
Cash repayments (-) of shareholders loans	11	
Cash repayments (-) of bond/cash received from (+) issuance of bond	878	-400,000
Cash paid for (-) subsidies/grants	-1	-2
Cash paid for (-) finance leases	-4,118	-4,022
Interest paid (-)	-11,645	-10,812
Dividends paid (-)		
<b>Cash flow from financing activities</b>	<b>-17,046</b>	<b>-114,843</b>
<b>Net increase (+)/ decrease (-) in cash and cash equivalents</b>	<b>14,634</b>	<b>-103,882</b>
Effect of exchange rate fluctuations on cash and cash equivalents	67	
Cash and cash equivalents at the beginning of the reporting period	196,166	175,299
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>210,800</b>	<b>71,417</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€k	Share capital	Capital reserves	Other retained earnings/ accumulated losses	Currency translation reserve	Total Equity
<b>Balance as of 01 Apr 20</b>	<b>62,500</b>	<b>21,890,537</b>	<b>-536,487,000</b>	<b>3,367,632</b>	<b>-511,166,331</b>
Profit or loss for the year			-12,925,845		-12,925,845
Other comprehensive income or loss				-8,099,776	-8,099,776
<b>Total comprehensive income or loss for the year</b>			<b>-12,925,845</b>	<b>-8,099,776</b>	<b>-21,025,621</b>
<b>Balance as of 30 Sep 20</b>	<b>62,500</b>	<b>21,890,537</b>	<b>-549,412,845</b>	<b>-4,732,144</b>	<b>-532,191,952</b>
<b>Balance as of 01 Apr 21</b>	<b>62,500</b>	<b>21,890,537</b>	<b>-528,289,152</b>	<b>1,245,160</b>	<b>-505,090,955</b>
Capital contribution	367,803	517,112,443			517,480,246
Profit or loss for the year			5,774,420		5,774,420
Other comprehensive income or loss			2,542	1,732,420	1,734,962
<b>Total comprehensive income or loss for the year</b>	<b>367,803</b>	<b>517,112,443</b>	<b>5,776,962</b>	<b>1,732,420</b>	<b>524,989,628</b>
<b>Balance as of 30 Sep 21</b>	<b>430,303</b>	<b>539,002,980</b>	<b>-522,512,190</b>	<b>2,977,580</b>	<b>19,898,673</b>

# GENERAL INFORMATION

## Reporting entity

Novem Group S.A. (hereinafter also referred to as the “Company”) is domiciled in Contern, Luxembourg, and is registered in the commercial register of Luxembourg under register file number B 162.537. The Company’s registered office is at 19, rue Edmond Reuter, 5326 Contern, Luxembourg.

The interim consolidated financial statements for the six months ended 30 September 2021 comprise Novem Group S.A. as the ultimate controlling party and its consolidated subsidiaries (together referred to as the “Group”).

The Group is a developer, provider and system supplier of trim parts and functional elements for vehicle interiors. It uses and processes precious woods, aluminium, carbon and premium synthetics. The products are used in the premium automotive sector.

## Basis for preparation

These interim financial statements for the six months ended 30 September 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting and comply with the International Financial Reporting Standards (IFRS) as adopted by the European Union. They should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 March 2021. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements.

These interim financial statements were authorised for issue by the Management Board on 16 December 2021.

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group’s annual consolidated financial statements at and for the year ended 31 March 2021.

Income tax expense is recognized in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

The Group has initially adopted the following amendments to IFRS which had negligible effects on the consolidated financial statements:

- Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions and Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021
- Amendments to IFRS 4 Insurance Contracts: Deferral of IFRS 19
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements.

# NOTES TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## Property, plant and equipment

€k	31 Mar 21	30 Sep 21
Land, leasehold rights and buildings, including buildings on third-party land	80,831	78,195
Technical equipment and machinery	87,057	82,593
Other equipment, operating and office equipment	13,024	11,385
Advance payments and assets under construction	5,876	7,723
<b>Property, Plant and Equipment</b>	<b>186,787</b>	<b>179,896</b>

Novem's property, plant and equipment amounted to €179,896 thousand as of 30 September 2021 (31 March 2021: €186,787 thousand). The change results from depreciation and offsetting additions in the form of technical equipment and machinery, advance payments on assets under construction and capitalized development costs.

There were no material new impairment losses or reversals of impairment losses in the reporting period.

## Inventories

€k	31 Mar 21	30 Sep 21
Raw materials and consumables	30,037	33,919
Work in process	11,625	12,588
Finished goods and merchandise	15,980	16,912
Tools	37,334	47,466
Advance payments for tools	466	1,688
Advance payments for raw materials	28	410
<b>Inventories</b>	<b>95,470</b>	<b>112,983</b>

Inventories are mostly accounted for by tooling inventories and raw materials, consumables and supplies.

Impairment recognized on inventories amounted to €7,486 thousand as of 30 September 2021 (31 March 2021: €7,958 thousand). Marketability, age and all apparent storage and inventory risks are taken into account in impairment.

Given the lack of an alternative use for finished parts still in stock as of the end of the reporting period, for which there are also fixed purchase commitments from OEMs, on account of revenue recognition over time in accordance with IFRS 15, a correction of €10,113 thousand (31 March 2021: €9,682 thousand) was recognized on inventories, combined with the recognition of contract assets of €12,444 thousand (31 March 2021: €12,005 thousand).

## Trade receivables

€k	31 Mar 21	30 Sep 21
Trade receivables	104,183	82,118
Expected credit losses on trade receivables	-1,535	-1,281
<b>Net carrying amount</b>	<b>102,648</b>	<b>80,838</b>
Non-current	49,645	45,084
Current	53,003	35,754

Trade receivables are mainly receivables from contracts with customers. In conjunction with a factoring agreement, receivables were sold to a bank at a purchase price of €51,486 thousand as of 30 September 2021 (31 March 2021: €40,073 thousand). These receivables were carried at fair value through profit or loss until the time of their disposal.

The decline in receivables results firstly from an increase in receivables sold and secondly from lower demand among OEMs on account of the current supply bottlenecks being experienced by chip manufacturers. This is leading to production delays for automotive manufacturers and thus lower order volumes.

Trade receivables are written down in full or in part when there are indications that they are not recoverable. Furthermore, in accordance with IFRS 9, expected credit losses for trade receivables not carried at fair value through profit or loss are calculated on a portfolio basis. Novem groups receivables together by individual customers for this purpose. The expected rates of default are provided for each counterparty by an external rating agency. This individual probability of default per customer is applied uniformly throughout the Novem Group. Current external credit information and ratings that reflect the prevalent expectations regarding the potential impact of the coronavirus pandemic were used for the consolidated financial statements as of 30 September 2021. An additional adjustment of the valuation allowance is thus not required under this model.

## Cash and cash equivalents

€k	31 Mar 21	30 Sep 21
Cash on hand	71	62
Cash at banks	175,228	71,355
<b>Cash and cash equivalents</b>	<b>175,299</b>	<b>71,417</b>

The decline in cash and cash equivalents is essentially due to the repayment of the bond.

Cash and cash equivalents are readily available and are not subject to any restrictions. Cash and cash equivalent holdings are held by Novem Beteiligungs GmbH, which is responsible for group-wide cash pooling.

# NOTES TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## Equity

Please refer to the statement of changes in equity for detailed information on changes in consolidated equity (see page 18).

## Share capital

The share capital of the Company amounted to €430 thousand as of 30 September 2021 (31 March 2021: €63 thousand) and is divided into 43,030,303 ordinary shares in a dematerialized form with no nominal value. Each share of the Company represents a par value of €0.01 in the Company's share capital.

## Capital reserves

The capital reserves amounted to €539,003 thousand as of 30 September 2021 (31 March 2021: €21,891 thousand). The change of €517,112 thousand is essentially due to the contribution of the existing shareholder loan and a cash capital increase of €50,000 thousand against the issue of new shares. Directly attributable transaction costs of €1,800 thousand were incurred in this context and deducted directly from capital reserves.

## Other retained earnings

Retained earnings amounted to €-522,512 thousand as of 30 September 2021 (31 March 2021: €-528,289 thousand). Retained earnings comprise the past undistributed net income and other comprehensive income of the companies included in the consolidated financial statements.

## Difference in equity from currency translation

The statements of financial position and of total comprehensive income for all foreign subsidiaries whose functional currency is not the Euro are translated into Euro. The currency translation differences arising are recognized in other comprehensive income and reported in the "Currency translation reserve" in equity; they amount to €2,978 thousand as of 30 September 2021 (31 March 2021: €1,245 thousand).

## Other provisions

All discernible risks and uncertain obligations are covered by provisions. Provisions can each be divided into current and non-current portions.

## Non-current provisions

€k	31 Mar 21	30 Sep 21
Obligations from sales	3,423	3,423
Employee benefits	1,401	1,439
Other risks	345	200
<b>Non-current provisions</b>	<b>5,169</b>	<b>5,062</b>

The non-current provisions comprise obligations of €5,062 thousand as of 30 September 2021 (31 March 2021: €5,169 thousand) and are expected to fall due between one and five years.

€1,439 thousand (31 March 2021: €1,401 thousand) of this amount relates to anniversary obligations for personnel, which are calculated on the basis of actuarial opinions. The provisions of €3,423 thousand resulting from the sales area, which essentially cover warranty risks, were unchanged as against the same period of the previous year.

## Current provisions

€k	31 Mar 21	30 Sep 21
Obligations from sales	36,500	32,542
Employee benefits	2,018	1,677
Other risks	15,384	12,642
<b>Current provisions</b>	<b>53,902</b>	<b>46,861</b>

As of 30 September 2021, the current provisions recognized for uncertain obligations due within one year of €46,861 thousand (31 March 2021: €53,902 thousand) include, in particular, provisions for personnel and sales obligations and for other risks.

The obligations for personnel of €1,677 thousand (31 March 2021: €2,018 thousand) essentially relate to provisions for partial early retirement, severance costs and performance-based obligations.

The provisions of €32,542 thousand resulting from the sales area (31 March 2021: €36,500 thousand) mainly include warranty risks, price risks and outstanding customer charges. The provisions for warranties are measured based on management's best estimates. They are estimated on the basis of the past experience of the Group's liability. Specific individual cases are also taken into account. In calculating the outstanding customer charges reported in the consolidated financial statements in connection with price or quantity differences, or quality defects, assumptions or estimates were made on the basis of ongoing customer negotiations or past experience with customers.

Miscellaneous risks relate to a variety of discernible individual risks and uncertain obligations, which are recognized in the amount of their probable utilization.

All current provisions are expected to be utilized in the course of the current financial year.

# NOTES TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## Financial liabilities

€k	31 Mar 21			30 Sep 21		
	Current	Non-current	Total	Current	Non-current	Total
Liability from bonds	2,567	394,875	<b>397,442</b>			
Liabilities to banks	441		<b>441</b>	1,433	247,936	<b>249,369</b>
Liabilities to shareholders	373	461,512	<b>461,885</b>		0	<b>0</b>
<b>Financial liabilities</b>	<b>3,381</b>	<b>856,387</b>	<b>859,768</b>	<b>1,433</b>	<b>247,936</b>	<b>249,369</b>

Current and non-current financial liabilities amounted to €249,369 thousand in total as of 30 September 2021 (31 March 2021: €859,768 thousand).

As of 14 July 2021, the shareholder loan with a carrying amount of €472,806 thousand between Novem Group S.A. and Novem Group GmbH was converted into equity and transferred to the capital reserves.

Conditional upon the successful IPO, a new term loan agreement for €310,000 thousand in total (€250,000 thousand as a term loan and €60,000 thousand as a revolving credit facility) was entered into between Novem Group S.A. and an international syndicate of banks as of 18 June 2021. Accordingly, the refinancing was implemented as of 23 July 2021 by the drawdown of the term loan of €250,000 thousand.

Using own funds and the cash contribution from the private placement, the Senior Secured Notes of Novem Group GmbH of €397,442 thousand, due to mature in 2024, and deferred interest of €4,083 thousand, were repaid in full effective 26 July 2021.

After the deduction of transaction costs and pro rata interest incurred, €248,665 thousand (31 March 2021: €0 thousand) of the liabilities to banks of €249,369 thousand (31 March 2021: €441 thousand) relate to the utilized term loan. The remaining amount of €704 thousand (31 March 2021: €441 thousand) resulted from deferred interest in conjunction with hedging obligations.

## Other financial liabilities

€k	31 Mar 21	30 Sep 21
<b>Other current financial liabilities</b>		
Lease liabilities	6,837	6,420
<b>Other non-current financial liabilities</b>		
Lease liabilities	29,274	26,624
Loan (benefits fund)	11	10
<b>Carrying amount</b>	<b>36,122</b>	<b>33,054</b>

Other financial liabilities essentially consist of lease liabilities of €33,044 thousand (31 March 2021: €36,111 thousand) and resulted from the leasing of land and buildings, technical equipment and machinery and operating and office equipment. In the first half of the financial year 2021/22, the change in lease liabilities due to cash outflows amounted to €4,022 thousand (PY: €4,118 thousand). The other changes in lease liabilities mainly related to new or amended contracts.

## Trade payables

Trade payables consist of the outstanding obligations to suppliers. According to their nature, outstanding invoices and liabilities for goods received are reported under trade payables. Trade payables amounted to €51,869 thousand at the end of the reporting period (31 March 2021: €61,849 thousand). The decline in trade payables was influenced by both business volumes and cash flow management.

# NOTES TO CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

## Revenue

In the first half of the financial year 2021/22, Novem generated total revenue of €295,404 thousand (PY: €256,318 thousand), which resulted exclusively from contracts with customers. As in previous years, the wood surface area accounted for the largest share of Novem's success. Revenue increased by around 15% against the same period of the last year in the first half of 2021/22.

## Revenue by surface area

€k	30 Sep 20	30 Sep 21
Wood	204,288	218,789
Aluminium	46,942	57,931
Premium synthetics	5,088	18,684
<b>Revenue</b>	<b>256,318</b>	<b>295,404</b>

## Point in time of revenue recognition

€k	30 Sep 20	30 Sep 21
Goods transferred at a point in time	241,067	282,960
Goods and services transferred over time	15,251	12,444
<b>Revenue</b>	<b>256,318</b>	<b>295,404</b>

The manufacture of customized serial parts creates assets for which the Group has no alternative use. In these contract situations, there is also the legal entitlement to payment for the work already done, or a defined purchase commitment for these customized serial parts within a set approval horizon. Consequently, revenue is recognized over time in such cases.

There is also a corresponding adjustment of revenue of €900 thousand (PY: €1,020 thousand) on account of current contract terms, whereby, on the start of production (SOP) on some platforms, the revenue recognized is reduced in line with the units delivered and the asset for the development contribution is reversed accordingly.

Novem expects that the revenue for its delivery obligations not (or only partially) fulfilled at the end of the financial year will be recognized within a year.

## Net finance income/costs

The financial result amounted to €-20,425 thousand in the first half of the financial year 2021/22 (PY: €-20,279 thousand).

## Finance income

€k	30 Sep 20	30 Sep 21
Interest income	1,526	1,808
Income from currency translation	3,770	0
<b>Finance income</b>	<b>5,296</b>	<b>1,808</b>

Finance income amounted to €1,808 thousand in the first half of 2021/22 (PY: €5,296 thousand) and essentially related to interest income from customer tooling of €1,691 thousand (PY: €1,300 thousand). This item also included income from foreign currency translation of €3,770 thousand in the previous year.

## Finance costs

€k	30 Sep 20	30 Sep 21
Interest to banks	1,699	1,338
Interest on shareholder loans	12,359	7,389
Interest on bond	10,675	11,950
Expenses from unwinding the discounting on provisions	286	286
Interest expense arising from leases	355	276
Other interest expenses	202	361
Expenses from currency translation	0	633
<b>Finance costs</b>	<b>25,575</b>	<b>22,233</b>

The finance costs of €22,233 thousand in the first half of 2021/22 (PY: €25,575 thousand) mainly resulted from the shareholder loan that existed until July 2021 and the bond that was also repaid in July 2021. With the exception of the interest expenses from the discounting of provisions, interest expenses were calculated using the effective interest method.

## Earnings per share

	30 Sep 21
Profit attributable to shareholders of Novem (in €k)	5,774
Number of weighted shares	43,030,303
<b>Earnings per share basic (in €)</b>	<b>0.13</b>
<b>Earnings per share diluted (in €)</b>	<b>0.13</b>

The earnings per share for the six months ended 30 September 2021 amounted to €0.13 (no comparison period available). Earnings per share are calculated by dividing the profit for the period attributable to shareholders of Novem Group by the weighted average numbers of shares issued in the reporting period.

# OTHER DISCLOSURES

## Financial instruments

€k	Category	31 Mar 21		30 Sep 21	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets by classification</b>					
Trade receivables	FAAC	92,712	92,712	76,178	76,178
Trade receivables within the scope of factoring agreements	FAFVTPL	9,936	9,936	4,659	4,659
Cash and cash equivalents	FAAC	175,299	175,299	71,417	71,417
<b>Financial liabilities by classification</b>					
Trade payables	FLAC	61,849	61,849	51,869	51,869
Liabilities to shareholders	FLAC	461,885	461,885	0	0
Liabilities from bond	FLAC	397,442	397,442	0	0
Non-derivative financial liabilities	FLAC	34	34	248,706	248,706
Derivative financial instruments	FLFVTPL	406	406	663	663
<b>Summary by category</b>					
FAAC		268,011	268,011	147,595	147,595
FAFVTPL		9,936	9,936	4,659	4,659
FLAC		921,210	921,210	300,575	300,575
FLFVTPL		406	406	663	663

FAAC: Financial assets measured at amortized cost

FAFVTPL: Financial assets measured at fair value through profit or loss

FLAC: Financial liabilities measured at amortized cost

FLFVTPL: Financial liabilities measured at fair value through profit or loss

There were no transfers between the different levels of the fair value hierarchy in the first half of the financial year 2021/22.

Fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. The following methods and assumptions were used to estimate fair values in the preceding half of the financial year:

The invoice amount of receivables is used as a reasonable approximation for the fair value of trade receivables in conjunction with factoring agreements.

For trade receivables not subject to factoring agreements and for cash and cash equivalents, given their maturity, it is assumed that the carrying amount is a reasonable approximation of fair value. Similarly for trade payables, non-derivative liabilities to banks and other financial liabilities, it is assumed that the carrying amount is the fair value.

The measurement of the fair values of trade receivables within the scope of factoring agreements and derivative financial instruments based on inputs that can be observed either directly (i.e. as prices) or indirectly (i.e. derived from prices) on active markets. As of 30 September 2021, the fair value of trade receivables within the scope of factoring agreements amounted to €4,659 thousand (31 March 2021: €9,936 thousand). The fair value of derivative financial instruments increased to €663 thousand (31 March 2021: €406 thousand).



# OTHER DISCLOSURES

## Reconciliation of information on earnings before taxes

€k	30 Sep 20	30 Sep 21
<b>Adj. EBITDA</b>	<b>38,128</b>	<b>53,415</b>
Depreciations, amortization and impairment	15,197	15,233
<b>Adj. EBIT</b>	<b>22,931</b>	<b>38,182</b>
Adjustments	330	3,132
<b>EBIT</b>	<b>22,601</b>	<b>35,050</b>
Finance income	5,296	1,808
Finance costs	25,575	22,233
<b>Earnings before taxes</b>	<b>2,322</b>	<b>14,625</b>

## Reporting by region

### Revenue by surface

€k	Europe	Americas	Asia
<b>HY 2020/21</b>			
Wood	101,114	64,733	38,441
Aluminium	20,843	18,439	7,660
Premium synthetics	4,875	213	0
<b>HY 2021/22</b>			
Wood	103,296	84,708	30,785
Aluminium	25,983	25,952	5,996
Premium synthetics	18,242	442	0

### Revenue by type of revenue recognition

€k	Europe	Americas	Asia
<b>HY 2020/21</b>			
Goods transferred at a point in time	122,508	74,948	43,611
Goods and services transferred over time	4,324	8,437	2,490
<b>HY 2021/22</b>			
Goods transferred at a point in time	143,383	105,023	34,554
Goods and services transferred over time	4,138	6,079	2,227

# OTHER DISCLOSURES

## Reconciliation of information on reportable segments

### Segment Reporting

€k	Europe		Americas		Asia		Total segments		Other/consolidation		Group	
	30 Sep 20	30 Sep 21	30 Sep 20	30 Sep 21	30 Sep 20	30 Sep 21	30 Sep 20	30 Sep 21	30 Sep 20	30 Sep 21	30 Sep 20	30 Sep 21
External revenue	126,832	147,416	83,385	111,102	46,101	36,781	256,318	295,299			256,318	295,299
Revenue between segments	19,809	19,343	18,113	21,647	9,430	12,216	47,352	53,206	47,352	53,206		
<b>Total revenue</b>	<b>146,641</b>	<b>166,759</b>	<b>101,498</b>	<b>132,749</b>	<b>55,531</b>	<b>48,997</b>	<b>303,670</b>	<b>348,505</b>	<b>47,352</b>	<b>53,206</b>	<b>256,318</b>	<b>295,299</b>
<b>Adj. EBITDA</b>	<b>10,836</b>	<b>23,791</b>	<b>11,713</b>	<b>17,785</b>	<b>15,579</b>	<b>11,839</b>	<b>38,128</b>	<b>53,415</b>			<b>38,128</b>	<b>53,415</b>
Depreciation, amortization and impairment	7,371	7,141	5,374	5,527	2,452	2,565	15,197	15,233			15,197	15,233
<b>Adj. EBIT</b>	<b>3,465</b>	<b>16,650</b>	<b>6,339</b>	<b>12,258</b>	<b>13,127</b>	<b>9,274</b>	<b>22,931</b>	<b>38,182</b>			<b>22,931</b>	<b>38,182</b>
Adjustments	330	2,699		433			330	3,132			330	3,132
<b>Operating Result (EBIT)</b>	<b>3,135</b>	<b>13,951</b>	<b>6,339</b>	<b>11,825</b>	<b>13,127</b>	<b>9,274</b>	<b>22,601</b>	<b>35,050</b>			<b>22,601</b>	<b>35,050</b>

### Adjustments

€k	Europe		Americas		Asia	
	30 Sep 20	30 Sep 21	30 Sep 20	30 Sep 21	30 Sep 20	30 Sep 21
Restructuring						
Exceptional ramp-up costs						
Material quality claims		-104				
Single impairments						
Covid-19 costs		176		203		
Transaction costs		1,837		0		
Others	330	790		230		
Exceptional items	330	2,699		433		
Discontinued operations						
<b>Total</b>	<b>330</b>	<b>2,699</b>		<b>433</b>		

# OTHER DISCLOSURES

## Leases

The Group is a lessee in various leases comprising land and buildings, technical equipment and machinery and items of operating and office equipment. The terms of the leases for land and buildings are typically between one and 35 years. Existing leasing contracts for technical equipment and machinery have terms of less than one year. The customary terms for leases for operating and office equipment are between one and 10 years. In some cases, Novem's leases also contain renewal options. The Group estimates that the potential future lease payments, if the renewal options not currently taken into account in the measurement of the lease liability were exercised, would result in expected additional future, undiscounted lease payments of €44,868 thousand.

Some leases for land and buildings stipulate additional rent payments on the basis of changes in local price indexes.

The future cash outflows from variable lease payments not included in the measurement of the lease liability amounted to €2,507 thousand (31 March 2021: €4,224 thousand). These essentially relate to leases for land and buildings.

Further information on leases in which the Group is the lessee is presented below. There are no leases in which Novem is the lessor.

## Right-of-use assets

€k	Carrying amount as of 31 Mar 21	Carrying amount as of 30 Sep 21
Land and buildings	29,743	28,065
Technical equipment and machinery	570	163
Other equipment, operating and office equipment	5,397	4,412
<b>Total</b>	<b>35,710</b>	<b>32,640</b>

## Amounts recognized in profit and loss

Interest expenses for lease liabilities of €281 thousand (30 September 2020: €352 thousand), short-term lease expenses of €1,071 thousand (30 September 2020: €1,085 thousand), lease expenses for low value assets except short-term leases for low value assets of €460 thousand (30 September 2020: €429 thousand) and expenses for variable lease payments not included in the measurement of lease liabilities of €202 thousand (30 September 2020: €205 thousand) were recognized in profit and loss statement.

## Related parties

The following information according to IAS 24 include material changes and transactions with associates and persons, which exercise significant influence over the financial and operating policies of the Company and which took place during the first six months of the financial year 2021/22.

## Holding company

The direct senior and ultimate holding company of the Group is Rokoko Automotive Holdings (Jersey) Limited, Jersey. The incurred costs in connection with the preparation of the private placement and listing based on a cost sharing and indemnity agreement are passed through and resulting in a receivable as of 30 September 2021 in the amount of €5,258 thousand (31 March 2021: €3,392 thousand).

## Related parties

Pursuant to the IAS 24 definition, related parties of the Novem Group primarily comprise the Supervisory and Management Board.

## Appointment of members of the Management Board

In conjunction with the conversion of the Company to a public company limited by shares, Günter Brenner was appointed as Chief Executive Officer, Dr. Johannes Burtscher was appointed as Chief Financial Officer and Christine Hollmann and Frank Schmitt were appointed as additional members of the Management Board of Novem Group S.A. All members of the Management Board of Novem Group S.A. are appointed until the date the Annual General Meeting of Novem Group S.A. approving the annual accounts as of and for the period ended 31 March 2022.

## Appointment of members of the Supervisory Board

Furthermore and also in conjunction with the conversion of the Company to a public company limited by shares, Dr. Stephan Kessel, Mark Wilhelms, Natalie C. Hayday, Florian Schick and Philipp Struth were appointed as members of the Supervisory Board until the date the Annual General Meeting of Novem Group S.A. approving the annual accounts as of and for the period ended 31 March 2024.

## Subsequent events

There were no events or developments in the period from the balance sheet date as of 30 September 2021 to the publication date on 16 December 2021, that would have materially affected the recognition or measurement of Novem's assets and liabilities.

# RESPONSIBILITY STATEMENT

We, Günter Brenner (Chief Executive Officer), Dr. Johannes Burtscher (Chief Financial Officer) and Frank Schmitt (Director Consolidation and Internal Audit), confirm, to the best of our knowledge, that the consolidated interim financial statements covering the period ended 30 September 2021, which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Novem Group S.A. and the undertakings included in the consolidation taken as a whole and that the Consolidated Interim Management Report covering the period ended 30 September 2021 includes a fair review of the important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.

Luxembourg, 19 December 2022

Novem Group S.A.  
Management Board

Günter Brenner   Dr. Johannes Burtscher   Frank Schmitt

# FURTHER INFORMATION

## Financial calendar

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24 February 2022	Q3 2021/22 Results
02 June 2022	FY 2021/22 Preliminary Results
30 June 2022	FY 2021/22 Results

## Disclaimer

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## Contact

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### Investor Relations

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All information is constantly updated and available.

Please visit the investor section on the Company website:

<https://ir.novem.com/websites/novem/English/1/investor-relations.html>



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