

First Quarterly Statement

for the period from 1 October 2021 to 31 December 2021



in T€	01.10.2021- 31.12.2021	01.10.2020- 31.12.2020	+/- %
Income Statement			
Revenue	33,418	26,673	25.3
Operating result/EBIT	4,526	2,119	113.6
Earning before tax/EBT	4,189	1,973	112.3
Consolidated profit for the year	3,198	1,625	96.8
Share			
Earnings per share in €	0.53	0.27	96.3
Number of shares	6,062,930	6,062,930	0.0
Cash flow			
Operative cash flow	-2,531	2,194	-215.4
Staff			
Average member	657	647	1.5
Statement of Financial Position			
	31.12.2021	30.09.2021	+/- %
Non-current assets	121,026	120,350	0.6
Current assets	83,930	81,605	2.9
Equity	114,947	111,122	3.4
Non-current liabilities	62,480	64,131	-2.6
Current liabilities	27,529	27,652	-0.4
Total assets	204,957	202,905	1.0
Equity ratio as a %	56.1	54.8	2.4

Dr. Höhle AG – Financial Calendar

24 March 2022
Virtual General Meeting

12 May 2022
Half-Year Report 2021/2022

5 August 2022
Third Quarterly Statement 2021/2022

Note

The quarterly statement is unaudited. It was prepared based on the accounting regulations applied in the most recent consolidated financial statements.

The statements and information provided by Dr. Höhle AG in the quarterly statement also relate to future periods. These forward-looking statements represent assessments which were made based on all information available at the time the statement was prepared. Should the assumptions underlying the forecasts prove to be incorrect, the actual developments and results may deviate from the current expectations. The Company assumes no obligation to update the information contained in this quarterly statement outside the legally required publication provisions.

The figures and percentages contained in this statement may be subject to rounding differences.

Market Development

The global economic recovery has lost momentum after the mid-year. While experts such as the Kiel Institute for the World Economy believed that the global output would continue to see a significant rise in the course of 2021, global dynamics were only moderate. The Covid 19 pandemic is still having a noticeable impact on economic activity. However, the waves of infection are not synchronous in regional terms and the economic impact also varies from country to country: Countries with high vaccination rates, in particular, are now tolerating higher incidences without taking containment measures to dampen economic activity. In China, however, the economy seems to get out of step as the government there is pursuing a strict zero-covid policy which has led to restrictive measures, some of them quite significant. This, in turn, had an influence on international supply chains that was felt worldwide. Supply bottlenecks are still hampering the upturn in industrial production today.

Course of Business

In the first quarter of financial year 2021/2022, the Hönle Group's revenues rose by 25.3% to T€ 33,418 compared to the prior year quarter. Both the Equipment & Systems and Glass & Lamps segments recorded significant revenue increases. The growth was driven by the printing industry which experienced a significant economic upswing. The Hönle Group delivered significantly more UV drying systems to printing press manufacturers than just one year ago. Series equipment production also benefited from the economic revival with an increase in the production of UV drying equipment for industrial adhesives. The adhesives are mainly used in electronics manufacturing. Another business segment also developed positively: In the first three months of the current financial year, the Hönle Group realized sales of € 5.2 million with air disinfection devices and thus sold significantly more devices than in the previous year. Customers included public institutions such as schools, and also private companies that equip their offices and meeting rooms with air disinfection devices.

A changed product mix and the lower proportion of sales from adhesives weighed on the earnings power of the Hönle Group in the first quarter. Nevertheless, Hönle managed to increase its operating result (EBIT) from T€ 2,119 in the previous year to T€ 4,526 in the reporting year. The operating result includes income of T€ 1,825 from non-current assets held for sale. The income results from the sale of the corporate building of former Aladin GmbH in Rott am Inn.

Business development by Segments

At € 6,513, sales revenues generated by the Adhesives segment in the first quarter were down from the comparable previous year's value of T€ 6,926. The operating result in the amount of T€ 740 in the first quarter was below the value of T€ 1,684 achieved in the previous year's period. Staffing levels were further expanded in keeping with the sales growth planned in the areas of development, application technology and sales. However, the corona virus-related restrictions hampered sales activities, in some cases considerably. In particular, the acquisition of new customers in the important sales region of China could not be implemented as planned.

The lower quarterly result was primarily due to higher personnel expenses incurred in connection with the increase in staff and the delayed realisation of adhesives projects.

The Equipment & Systems segment saw encouraging development. Revenues climbed from T€ 14,265 in the first quarter of the previous year to T€ 19,389 in the first quarter of the current financial year.

While the prior year quarter was still marked by a reluctance to invest in the printing press industry, in particular, the economic upswing made itself felt in almost all product areas and sales markets in the current financial year.

Moreover, sales revenues in the air disinfection business grew strongly in the first quarter of the current financial year.

The segment's operating result also improved significantly from T€ 386 in the previous year to T€ 3,443 in the current financial year. The operating result includes income of T€ 1,825 from the sale of a corporate building.

Revenues in the Glass & Lamps segment also rose significantly, climbing from T€ 5,482 in the prior year period to T€ 7,516 in the first quarter of the current year. As in the previous year, uv-technik Speziallampen GmbH also sold significantly more lamps in the air disinfection and water treatment business in the current financial year and once again succeeded in expanding sales and earnings to a substantial extent. Raesch Quarz (Germany) GmbH also recorded sales increases. In the semiconductor market, in particular, sales revenues were clearly up on the comparable prior year period. Staffing levels were further extended in the areas of development and sales in keeping with the planned sales growth at Raesch Quarz (Germany) GmbH. However,

despite the significant increase in sales revenues, Raesch Quarz (Germany) GmbH reported a negative operating result at the previous year's level due to the delayed start-up of several drawing furnaces. The Glass & Lamps segment's operating result jumped from T€ 48 to T€ 307 in the current financial year.

Results of Operations

At T€ 33,418, the Höhle Group's sales revenues were 25.3 % higher in the first quarter than in the prior year period. Gross profit climbed 24.2 % to T€ 21,472. At the same time, the cost of materials ratio increased by 6.8 percentage points to 43.8% due to a change in the product mix. Personnel expenses increased by 11.3 % to T€ 10,212 as a consequence of the higher staff level and the effects of short-time working in the previous year. Nevertheless, the personnel expense ratio fell to 29.9 % (PY: 34.3 %). The ratio of other operating expenses improved slightly from 14.8% in the previous year to 14.3% in the current financial year.

The operating result (EBIT) jumped by 113.6 % to T€ 4,526, corresponding to an EBIT margin of 13.2 % after 7.9 % in the previous year. The pre-tax result (EBT) came to T€ 4,189 after T€ 1,973 in the prior year period. Consolidated profit amounted to T€ 3,198 after income taxes, corresponding to an increase of 96.8%. Earnings per share rose from € 0.27 to € 0.53. The net profit on sales was thus 9.5 % in the first quarter (PY: 6.1 %).

The Höhle Group's Earnings Development

in T€	2021/2022	2020/2021	+/- %
Revenue	33,418	26,673	25.3
Gross profit	21,472	17,294	24.2
Operating result (EBIT)	4,526	2,119	113.6
Earnings before tax (EBT)	4,189	1,973	112.3
Consolidated profit for the year	3,198	1,625	96.8
Earnings per share in €	0.53	0.27	96.3

Financial Position

The increase in inventories contributed significantly to the negative operating cash flow of T€ 2,531 in the first quarter (PY: T€ +2,194). The inventory increase is mainly due to the increase in stock in connection with the SteriWhite Air product line.

At T€ 1,982, capital expenditure was clearly below the previous year's value of T€ 10,569. While payments made in the previous year related mainly to corporate acquisitions and investments in new business premises, investments in the current financial year largely concerned plants and office equipment.

The cash flow from financing activities amounted to T€ 803 (PY: T€ 9,552). It is attributable, on the one hand, to borrowings and to the payment of lease liabilities on the other.

In all, cash and cash equivalents decreased by T€ 4,935 (PY: T€ - 189) in the first three months of the current financial year.

Liquidity Development

in T€	2021/2022	2020/2021	+/- %
Cash generated			
from operations	-2,531	2,194	-215.4
Cash flow from operating activities	-3,818	873	-537.3
Cash flow from investing activities	-1,982	-10,569	81.2
Cash flow from financing activities	803	9,552	-91.6
Change in cash and cash equivalents	-4,935	-189	-2,511.1

Net Assets

On the assets side of the statement of financial position, investments in machinery and equipment contributed to an increase in property, plant and equipment in the first three months of financial year 2021/2022. The value of inventories increased by T€ 3,241 to T€ 49,966 as at 31 December 2021, mainly due to the production of UVC air disinfection systems at Dr. Hönle AG.

Cash and cash equivalents decreased by T€ 12,073 to T€ 7,138.

Within the scope of equity capital, revenue reserves rose by T€ 3,823 to T€ 66,506. With an equity ratio of 56.1 %, the Hönle Group continues to be solidly financed.

Statement of Financial Position

in T€	31.12.2021	30.09.2021	+/- %
Non-current assets	121,026	120,350	0.6
Current assets	83,930	81,605	2.9
Equity	114,947	111,122	3.4
Non-current liabilities	62,480	64,131	-2.6
Current liabilities	27,529	27,652	-0.4
Total assets	204,957	202,905	1.0

Outlook

Overall Market

The global upswing continued in 2022. However, the very heterogeneous development of industrialized relative to emerging countries - influenced to a large extent by the further development of corona figures - is expected to remain for the time being. Uncertainties concerning the economic scenario are associated with the new Omicron variant. While the new variant is deemed highly contagious, it entails less severe disease progression. It can currently be assumed that there will be no widespread lockdown measures in either Europe or the USA. This also applies despite the increase in hospital admissions at the beginning of the year which burdened the healthcare systems. However, the risk of a growth setback remains, although it should be noted that the economic damage became less severe with each new variant of the virus.

Economic experts believe that economic activity will be noticeably subdued in the coming months. Nevertheless, the global economic recovery is expected to resume in the further course of 2022. The International Monetary Fund expects global output to grow by 4.4% in 2022.

The Hönle Group - Outlook

The Management Board expects revenues of between € 130 and € 140 million for the Hoenle Group and an operating result (EBIT) of between € 14 and € 17 million in financial year 2021/22.

Adhesives Segment

The Adhesives segment got off to a slow start in the new financial year. The still existing travel restrictions concerning China had a dampening effect. In the fourth quarter of the financial year, it is assumed that high-volume adhesive projects will be implemented, which are of great importance for the further development of the company.

Given the large number of high-potential adhesives projects, the Management Board assumes strong business development over the medium to long term. A further managing director, responsible for the international sale of adhesives, is to be entrusted with the further opening up of Chinese and US- sales territories, in particular. In addition, the spatial capacities were expanded to include additional state-of-the-art laboratory space for the Research & Development, Application Technology and Quality Assurance areas.

Equipment & Systems Segment

Hönle's SteriWhite Air product line realised sales revenues of € 5.2 million with air disinfection systems in the first three months of the current financial year. Despite the existing subsidy programs for air purifiers in schools and daycare centres, the company thus sold fewer systems than originally planned and, consequently, the sales development of air disinfection equipment in this financial year is expected to be weaker than predicted. The further development of sales in this area will depend significantly on the course of the pandemic and the

willingness of potential customers to invest in this technology. However, depending on the development, there is still the possibility that sales will develop better than currently anticipated.

Over the medium to long term, Management expects the business with UV-based disinfection systems to develop into an important pillar for the Höhle Group with a significant increase in sales and earnings contributions.

Moreover, the Management Board believes that the business with drying systems for the printing and coating market and with drying equipment for adhesives will develop favourably. The Management's positive outlook is underpinned by the high level of orders on hand in these application areas.

At present, orders on hand in the Equipment & Systems segment exceed the prior years' level by some 90%. Overall, due to the excellent order intake and the large number of customer projects, a very positive business development is expected for this segment

Glass & Lamps Segment

The high demand for UV lamps in the area of air-and water disinfection has contributed to the excellent business performance at uv-technik Speziallampen GmbH. Prospects in the air and water disinfection business are excellent and strong business development is therefore expected over the medium to long term in this area as well.

Long delivery times for furnace components resulted in delayed deliveries of significant furnaces and, in this context, in a restrained start of the Raesch Group into the new financial year.

Due to the high level of orders on hand, which currently exceeds the previous year's level by 60 %, in combination with a strong quartz glass market, the Management Board expects favourable business for the second half of the year.

Consolidated Income Statement

for the period from 1 October 2021 to 31. December 2021

in T€	01.10.2021- 31.12.2021	01.10.2020- 31.12.2020
Revenue	33,418	26,673
Changes in inventories of finished goods and work in progress	737	87
Other work performed by entity and capitalised	39	21
Other operating income	2,254	412
Cost of purchased materials and services	14,975	9,900
Personnel expenses	10,212	9,176
Depreciation and amortisation of property, plant and equipment and intangible assets	1,386	1,101
Amortisation of rights of use IFRS 16	458	1,042
Other operating expenses	4,875	3,954
Impairment pursuant to IFRS 9	16	-98
Operating result/EBIT	4,526	2,119
Financial income	6	6
Financial expenses	342	151
Financial result	-336	-145
Earnings before tax and non-controlling interests/EBT	4,189	1,973
Income taxes	991	348
Consolidated profit	3,198	1,625
Share of earnings attributable to non-controlling interests	2	-27
Share of earnings attributable to Dr. Hönle AG shareholders	3,196	1,652
Earnings per share (basic) in €	0.53	0.27
Earnings per share (diluted) in €	0.53	0.27
Average number of shares in circulation (basic)	6,061,854	6,061,854
Average number of shares in circulation (diluted)	6,061,854	6,061,854

Consolidated Statement of Financial Position

as at 31. December 2021

in T€	31.12.2021	30.09.2021
ASSETS		
NON-CURRENT ASSETS		
Goodwill	21,119	21,119
Intangible assets	2,716	2,889
Property, plant and equipment	88,518	87,801
Investment property	1,083	1,093
Investments accounted for using the equity method	287	282
Financial assets	26	26
Other non-current assets	2,283	2,272
Deferred tax assets	4,995	4,870
Total non-current assets	121,026	120,350
CURRENT ASSETS		
Inventories	49,966	46,725
Trade accounts receivable	19,662	17,057
Receivables from companies in which an equity interest is held	140	98
Finance lease receivables	105	112
Other current assets	4,215	3,228
Tax refund claims	2,705	2,311
Cash and cash equivalents	7,138	12,073
Total current assets	83,930	81,605
Non-current assets held for sale	0	950
TOTAL ASSETS	204,957	202,905
EQUITY AND LIABILITIES		
EQUITY		
Subscribed capital	6,063	6,063
Own shares	-8	-8
Capital reserves	41,979	41,979
Retained earnings	66,506	62,683
Equity attributable to Dr. Höhle AG shareholders	114,539	110,716
Non-controlling interests	408	406
Total equity	114,947	111,122
NON-CURRENT LIABILITIES		
Non-current loans (less current portion)	44,665	45,520
Non-current finance lease liabilities	2,407	2,548
Other non-current liabilities	5,954	6,667
Pension provisions	8,676	8,603
Accrued public investment grants	128	137
Deferred income tax liabilities	650	656
Total non-current liabilities	62,480	64,131
CURRENT LIABILITIES		
Trade accounts payable	7,929	9,431
Liabilities to companies in which an equity investment is held	1	-23
Contract liabilities	3,400	3,106
Current liabilities from finance leasing	1,627	1,588
Current liabilities to banks and current portion of non-current loans	6,022	3,890
Other current liabilities	4,795	6,645
Other provisions	691	663
Income tax liabilities	3,065	2,352
Current liabilities, total	27,529	27,652
TOTAL EQUITY AND LIABILITIES	204,957	202,905

Statement of Consolidated Cash Flows

for the period from 1 October 2021 to 31 December 2021

in T€	01.10.2021- 31.12.2021	01.10.2020- 31.12.2020
Cash flow from operating activities		
Consolidated profit before non-controlling interests and taxes	4,189	1,973
Adjustments for:		
Depreciation of intangible assets, property, plant and equipment and investment property	1,844	2,143
Gains/losses from disposal of intangible assets, property, plant and equipment and investment property	23	145
Financial income	-6	-6
Financial expenses	342	151
Other non-cash expenses and income	-321	-158
Operating result before changes to net current assets	6,071	4,248
Increase/decrease in provision	80	95
Increase/decrease in trade accounts receivable	-2,621	1,932
Increase/decrease in receivables from companies in which an equity investment is held	-41	7
Increase/decrease in assets held for sale	950	0
Increase/decrease in other assets	-979	-193
Increase/decrease in reinsurance	-31	-28
Increase/decrease in inventories	-3,012	-1,340
Increase/decrease in trade accounts payable	-1,472	-2,459
Increase/decrease in liabilities to companies in which an equity investment is held	24	-34
Increase/decrease in contract liabilities	294	707
Increase/decrease in other liabilities	-1,792	-742
Cash generated from operations	-2,531	2,194
Interest paid	-311	-124
Income taxes paid	-976	-1,197
Cash flow from operating activities	-3,818	873
Cash flow from investing activities		
Payments received from the disposal of intangible assets, property, plant and equipment and investment property	0	135
Aquisition of subsidiaries less acquired net cash	0	-6,222
Payments for the acquisition of property, plant and equipment and intangible assets	-2,006	-4,508
Payments received from non-current receivables	320	23
Payments for non-current receivables	-300	0
Interest received	4	3
Cash flow from investing activities	-1,982	-10,569
Cash flow from financing activities		
Payments received from loans and liabilities to banks	0	9,806
Payments for loans and liabilities to banks	1,272	578
Payments for the repayment portion of leasing liabilities	-469	-948
Payments received from liabilities to non-controlling shareholders	0	45
Equity contributions by minority shareholders	0	116
Cash flow from financing activities	803	9,552
Currency-related change in cash and cash equivalents	62	-46
Net change in cash and cash equivalents	-4,935	-189
Cash and cash equivalents at the beginning of the reporting period	12,073	34,175
Cash and cash equivalents at the end of the reporting period	7,138	33,986