

ANNUAL REPORT

2021 | 2022



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**HanseYachts**  
Aktiengesellschaft





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*This annual report in English is a translation of the German original,  
which is the only authoritative version.*

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# HanseYachts

Aktiengesellschaft

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Six brands with their own unique characters – united under the roof of HanseYachts AG. Each brand operates independently on the market, but benefits from the pooled development and production technology of one of the world's leading yacht-builders.

*Hanse* 

**FJORD** 

**Dehler** 

  
SEALINE

 **Moody**

**RYCK**



→ Front page: Hanse 510



**THE HANSE 460 | SIMPLY AHEAD.**

Radically innovative, agile and comfortable. This yacht, Hanse's first by the French yacht designers Berret-Racoupeau, combines maximum innovation and traditional Hanse values, such as fast cruising and easy sailing – all with a consistently modern sporty look. The result is a yacht that promises pure adrenaline for skippers and an individual, stylish home at sea for families.







# LUXURY YACHTS

## FAST AND EASY TO SAIL

The trendsetter in the sailing world. Our dream yachts invite you to discover a life of ease. Your freedom on the water gains an entirely new quality, which you will not forget easily: extremely comfortable handling with impressive sailing dynamics. You will feel what the Hanse fleet has to offer on every single nautical mile you sail. Decades of experience. Sophisticated innovations. And a passion for sailing that grows every day.

Hanse 



## GREETING FROM THE MANAGEMENT BOARD

Dear friends of HanseYachts AG,

Once again, we are looking back on a financial year filled with extraordinary exogenous challenges.

Yacht manufacturers all over the world suffered from the continuing repercussions of the coronavirus crisis, including high rates of employee absence due to illness and disrupted supply chains. On top of that, the entire industry was hit hard by the increased costs of energy and raw materials resulting from the war in Europe. These two challenges together had the effect of significantly reducing the market output of the global yacht industry in the last two years compared to the level of production reached before the coronavirus pandemic in 2019. Worldwide, the number of boats produced in the relevant segments for HanseYachts declined by 25 % in each of the two last years (source: HanseYachts analysis/Phil Draper Associates).

On the other hand, the yacht industry and HanseYachts benefitted from other, longer-term global trends. The climate crisis is casting a dark shadow on long-distance travel and cruises. More than ever before, owning your own boat is one of the most wonderful ways of enjoying a vacation close to home. In many countries, the “silver society” associated with demographic change is generating fresh socio-cultural vitality while also constantly enlarging one of our customer segments. Furthermore, we benefit from the social megatrend of changing values and attitudes in social milieus. We are experiencing a clear trend marked by a growing thirst for nature and independence, which combines increasingly well with people’s natural love of being on the water.

HanseYachts is clearly benefiting from the concurrent effects of much higher demand for boats and tighter supply of new boats being produced. We were able to raise our selling prices by around 30 % in the last 12 months. Thanks to an impressively filled order book, which is 67 % higher than at the end of the previous financial year, we can plan production at fully utilized capacity for well more than two years ahead. Moreover, supply chains began to recover and employee absences due to the coronavirus pandemic began to come down towards the end of the past financial year. The developments in the current financial year to date have confirmed these trends.

Besides dealing with the various exogenous factors, we focused our attention on the internal re-alignment of HanseYachts last year. We are convinced that paying close attention to our corporate culture is just as important as focusing on our business strategy.

Our corporate culture is geared to people, performance, and results. Our culture is derived from our corporate purpose of helping people achieve the purest form of independence while experiencing the boundless joy of being on the water. Our way forward is marked by clear leadership principles and a strong foundation of values.

Confidence 2026 is our strategy for sustainable growth on the strength of innovation leadership. It is the essential foundation of the company’s future success. HanseYachts is well on the way to attaining and surpassing its profitable growth target of a 10 % EBITDA margin on revenues of €200 million.

All key elements of our strategy – digitalization, pricing, production, and product development – are built on innovation.







**Stefan Zimmermann**  
COO



**Hanjo Runde**  
CEO

Digitalization is a crucial aspect of our realignment. HanseYachts is investing in a toolkit of fully automated software solutions to generate and nurture sales leads. With the help of artificial intelligence, these tools enable us to identify those prospects who are most likely to buy a yacht. On this basis, we will not only deliver yachts to our sales partners, but also steer digitally pre-screened customers to them. This is one way we are building out our digitalization leadership position. We are also sharpening the profiles of our core brands and placing greater emphasis on B2C sales in our marketing approach.

Thanks to modern pricing methods, we have already succeeded in raising our prices by more than 30 %. Even then, the demand for our yachts has continued to rise and our order backlog has grown to a record level. The order intake of HanseYachts AG is nearly 80 % higher than before the Covid-19 pandemic. Moreover, we are in the process of overhauling the pricing of optional features; and we are reviewing and adjusting the market positioning of our brands in each segment. At the same time, we are adjusting the terms and incentives offered to boat dealers to better promote our new growth strategy. In taking these steps, we are creating the conditions that will enable us to increase our market share and enhance the profitability of HanseYachts.

To bolster our productivity, we have launched another key initiative that targets not only production, but all areas of the company. The first lean-production projects have already been implemented in the production of our sailing yachts, leading to considerable efficiency enhancements. In another decisive step to ensure the future success of HanseYachts, we have continued to selectively fill key positions with new employees who possess strategically vital qualifications.

We are also investing in the further expansion of product development. Besides the enlargement of our successful design and development team, the focus on our core brands and the development of new yachts will have a positive effect on the growth of our business in Germany and Poland.



Thanks to the nautical experience and customer-centric mindset of our developers, HanseYachts has again won numerous international **awards** for our new boats, making us very proud. Prevailing amid an intensely competitive environment, the new Hanse 460 was named “European Yacht of the Year 2022” in the category of “Family Cruisers.” It was also awarded the title “Cruising Yacht of the Year” in the British Yachting Awards 2022. In our latest line of motor yachts, the RYCK 280 beat out the competition to earn the title of “Moteur Boat de L’Année 2021” in the “Élégance” category and received the “Best of Boats Award 2022” in the “Best for Beginners” category. Other new boats successfully launched in the past financial year were the Sealine S335 and S335v models, the Sealine S390, the FJORD 53 XL as the new flagship FJORD model which was named “European Power Yacht of the Year,” and the Dehler 46SQ.

The sale of our equity stake in the French catamaran manufacturer Privilège Marine was a logical step in our strategic realignment to focus on our core brands. We are very pleased to have found a new owner for Privilège who will guide the future development of this company, which also has record-high orders and a completely re-designed product portfolio. This transaction was completed in October 2022.

Excluding the Privilège Marine division, which has since been sold, our EBITDA came to minus €6.2 million. In consideration of all key factors, we expect to generate a positive EBITDA again of an amount in the low single-digit millions in the current 2022|2023 financial year.

We have created key conditions to drive the further successful growth of HanseYachts AG. And we are in the process of implementing other holistic measures to further strengthen our competitiveness and market position. For these reasons, we take a confident view of the market and anticipate positive developments in our next financial year.

We particularly wish to thank our employees as our most important success factor. Under conditions that were just as difficult, if not more difficult than in previous years, our employees at all locations of HanseYachts around the world furthered the cause of our company with great dedication, technical expertise, market knowledge, and hard work. It is they who make the transformation of our company possible.

With warm regards from Greifswald to water sports enthusiasts everywhere,



Hanjo Runde



Stefan Zimmermann







# SAILBOATS

## INTELLIGENTLY DESIGNED WITH A STYLISH AESTHETIC

Experience the original performance cruiser: Dehler. No other sailing yacht so elegantly bridges the gap between high-performance sports sailing and stylish, highly aesthetic living comfort. The shipyard has demonstrated ongoing innovative prowess ever since its founding back in 1963. The numerous awards and major regatta wins – not to mention each and every design facet on board a Dehler – are testament to the creativity of the developers. Our yachts are built by passionate sailors for passionate sailors to the very highest quality of craftsmanship and precision that have always been the hallmark of the 'Made in Germany' seal of quality. It's hard to think of a more intelligently designed yacht.

**Dehler** 





### DEHLER 46 SQ | FLAGSHIP OF INNOVATION

Agile handling and a world of individual style below deck, plus a completely new approach to light: the elements that have always distinguished Dehler's SQ yachts are now available in an imposing 46ft yacht. The new Dehler 46 SQ is a consummate performance cruiser, perfectly combining power and luxury.



## REPORT OF THE SUPERVISORY BOARD

**Dear shareholders,**

In the reporting period from 1 July 2021 to 30 June 2022, the Supervisory Board regularly and intensively dealt with the company's status and development and fully and conscientiously performed the duties and competencies incumbent upon it according to the law, the company's Articles of Association, and the Supervisory Board's rules of procedure with regard to advising and supervising the Executive Board. This includes regular information exchanges with the Executive Board and the supervision of the company's management. The cooperation between the Executive Board and Supervisory Board is characterized by intensive exchanges of information and opinions. The Supervisory Board was consulted on all key decisions of the Executive Board.

Also between Supervisory Board meetings, the Executive Board regularly informed the Supervisory Board in oral and written reports, particularly on the subject of the development of the company's revenues and earnings, cash flows, the status and management of risks, as well as the Group's strategic direction, brand and model policies, current and planned projects, and personnel-related matters. These topics were discussed and reviewed with the Executive Board in the Supervisory Board meetings. Selected topics were dealt with by the Supervisory Board in the absence of the Executive Board. Information on the current business performance was provided to the Supervisory Board on a monthly basis. The Executive Board explained and provided reasons for any deviations from the planned business performance.

Five meetings of the full Supervisory Board were held in total in the past 2021|2022 financial year, two of which in the form of in-person meetings and three of which in the form of video conferences. In addition, resolutions were adopted by written circulation.

Focal points of the deliberations of the Supervisory Board included the current business performance of HanseYachts AG and its German and foreign subsidiaries, also in view of the effects of the coronavirus pandemic and the Ukraine crisis on the business operations of HanseYachts AG, the support of current financing transactions, sales and distribution, business planning, and the further reorganization of Executive Board personnel.

In the meeting on 30 September 2021, the Supervisory Board resolved to move up to 1 October 2021 the date of effect of the appointment of Hanjo Runde as Executive Board member and Executive Board Chairman of HanseYachts AG, which had already been resolved on 31 March 2021. The Supervisory Board also deliberated on the course of the audit of the separate and consolidated financial statements of HanseYachts AG for the 2020|2021 financial year and discussed the budget for the 2021|2022 financial year and subsequent years. The Supervisory Board also discussed the current sales numbers presented by the Executive Board, as well as the current consolidated profit/loss, the progress of restructuring measures at Privilège Marine SAS, and an overview of all current projects.



At the meeting on 30 September 2021, the Supervisory Board also approved the separate and consolidated financial statements, the Dependent Companies Report, and the Non-Financial Report of HanseYachts AG for the 2020|2021 financial year. It also adopted the recommendation of the Audit Committee and resolved to propose to the upcoming annual general meeting that Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, be elected as the auditor of the separate and consolidated financial statements for the 2021|2022 financial year. In addition, the Supervisory Board adopted the recommendation of the Audit Committee to provisionally approve in advance, on a case-by-case basis, the “non-auditing services” to be provided by Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft to HanseYachts AG in the 2021|2022 financial year.

Based on its preceding deliberations, the Supervisory Board adopted a system for the compensation of Executive Board members pursuant to Section 87a (1) AktG by written circulation on 11 October 2021, which was presented to and approved by the annual general meeting on 23 November 2021.

In the Supervisory Board meeting on 15 December 2021, the Executive Board Chairman explained the process of development and implementation of the “culture and strategy of HanseYachts AG” and the manner in which the corresponding definitions were developed in consultation with top executives in a workshop. Following the presentation on sales and production, the Executive Board reported on the company’s cash flows.

In its meeting on 10 January 2022, the Supervisory Board appointed Stefan Zimmermann as the member of the Executive Board of HanseYachts AG responsible for Production and Development with immediate effect and approved his Executive Board employment contract, including his compensation. The appointment of and contract with the Executive Board member Dr. Jens Gerhardt expired on 31 January 2022. Since this time, he has continued to assist the company as a consultant.

In the Supervisory Board meeting on 4 May 2022, there was an intensive discussion of the current status and measures to be taken at the company in view of the major challenges presented by the company’s staffing, missing parts, and cost situation. The Supervisory Board discussed the current operational situation, particularly concerning the sharply higher prices of raw materials and energy, as well as the financial results, the development of revenues and operating performance, and the performance of the French subsidiary Privilège Marine SAS. The Supervisory Board resolved to revoke the appointment of Sven Göbel as the Executive Board member in charge of Finance with effect as of 10 July 2022, appointed Jan Brockmöller as his successor with effect as of 1 June 2022, and approved his Executive Board employment contract, including his compensation. In addition to the regular meeting of the Supervisory Board, the Executive Board presented the strategy of HanseYachts AG for the coming years (Confidence 2026).

The final meeting of the financial year, which was held on 24 June 2022, was devoted to a further intensive discussion of the current situation and the resulting measures. The discussion was particularly focused on improvements to the rate of employee absences, the situation of missing parts, and the improvement of the delivery rate. The Executive Board informed the Supervisory Board about the current situation of Privilège Marine SAS, for which a put option agreement had been concluded for the indirectly held equity interests of HanseYachts AG, and measures to improve the company’s cash position.

Particularly in view of the worldwide trend of prices, the Supervisory Board was informed by the Executive Board about the business performance of HanseYachts AG and its subsidiaries also in the time between the meetings of the Supervisory Board and in addition to the regular monthly reports. Furthermore, the Supervisory Board Chairman was in regular communication with the Executive Board and was informed immediately of significant events of crucial importance for the position, development, and governance of HanseYachts AG. The full Supervisory Board was informed of such matters afterwards.





In the reporting period, the Supervisory Board of HanseYachts AG was composed of the following six members: Mr. Gert Purkert (Chairman), Dr. Frank Forster (Vice Chairman), Mr. Fritz Seemann Dr. Martin Schoefer, and the employee representatives Mr. Alexander Herbst and Mr. Rene Oestreich.

Dr. Forster is the Chairman of the Audit Committee, which also includes Mr. Purkert, Mr. Seemann and Dr. Schoefer as other members. The Audit Committee is responsible for supervising the annual audit, particularly the selection and independence of the independent auditor and the additional services provided by the independent auditor, supervising the financial reporting system, the efficacy of the internal control system, the risk management and internal audit systems, and compliance, as well as particularly the preliminary audit of the separate financial statements and the preparation of the resolution of the Supervisory Board adopting the separate financial statements.

In its meeting in the 2021|2022 financial year, which was held as an in-person meeting on 30 September 2021, the independent auditor informed the Audit Committee of the principal results of the audit of the 2020|2021 financial reporting documents and the Supervisory Board adopted his resolution recommendations to the Supervisory Board. The Chairman of the Audit Committee and the independent auditor defined the key audit matters and discussed the results of the audit in agreement with the Audit Committee.

There are no other committees of the Supervisory Board.

With the exception of the excused absence of Dr. Schoefer from one meeting, all members of the Supervisory Board attended all meetings of the Supervisory Board in the reporting period. All committee members were present at the two meetings of the Audit Committee.

No conflicts of interest arose in the Supervisory Board in the 2021|2022 financial year.

In the reporting period, the Executive Board was composed of Hanjo Runde (Chairman) since 1 October 2021, Stefan Zimmermann (Production, Development) since 10 January 2022, Dr. Jens Gerhardt (Sales, Quality) until 31 January 2022, Sven Göbel (Finance, Production) until 10 July 2022, and Jan Brockmüller (Finance) since 1 June 2022.

Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, was elected as the auditor of the separate and consolidated financial statements for the 2021|2022 financial year at the annual general meeting of 23 November 2021, which was held as a virtual meeting excluding the physical presence of the shareholders.

The separate financial statements of HanseYachts AG for the period from 1 July 2021 to 30 June 2022 to be prepared in accordance with the regulations of the German Commercial Code and the consolidated financial statements for the same period to be prepared in accordance with the regulations of International Financial Reporting Standards (IFRS), as well as the corresponding management reports, were audited by Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft and provided with an unqualified audit opinion in both cases. The independent auditor also formally audited the compensation report pursuant to Section 162 AktG for the 2021|2022 financial year. The independent auditor reported the principal results of the audit, with a particular emphasis on the key audit matters, to the Supervisory Board and the Audit Committee at its meeting on 14 December 2022. The independent auditor also reported his findings on the internal control system and the risk management system as they relate to the financial reporting process, which were not found to have any significant deficiencies, and was available to answer supplemental questions.



The financial statement documents and the audit reports for the 2021|2022 financial year were extensively discussed by the Audit Committee and the Supervisory Board.

In knowledge of the audit reports of Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, the Supervisory Board reviewed the separate and consolidated financial statements as of 30 June 2022 and the corresponding management reports prepared by the Executive Board and raised no objections to the auditor's findings or to the separate and consolidated financial statements. Concurring with the recommendation of the Audit Committee and on the basis of its own review, the Supervisory Board approved the separate and consolidated financial statements of the company as of 30 June 2022 and the corresponding management reports prepared by the Executive Board on 14 December 2022. The separate financial statements were thereby adopted.

The independent auditor also audited and approved the Non-Financial Report.

The Supervisory Board also approved the joint compensation report of the Executive Board and Supervisory Board pursuant to Section 162 AktG.

The Executive Board's Report on Dealings with Affiliated Companies in the 2021|2022 financial year was likewise audited by the independent auditor, who reported on the result in writing and issued the following unqualified audit opinion:

"Based on the audit and assessment conducted in accordance with our professional duties, we confirm that

1. The factual information in the report is correct,
2. The consideration given by the company for the transactions listed in the report was not inappropriately high."

The Supervisory Board reviewed the Report of the Executive Board particularly to verify its correctness and completeness. Based on the final result of its own review, the Supervisory Board concurred with the audit result of the independent auditor. No objections are to be raised against the concluding declaration of the Executive Board in its Report on Dealings with Affiliated Companies.

The members of the Supervisory Board wish to thank the members of the Executive Board for their constructive collaboration and the shareholders for the trust they have placed in the company. The Supervisory Board also wishes to thank all stakeholders, particularly the employees, for their great dedication and work.

Greifswald, 14 December 2022

Gert Purkert  
Chairman of the Supervisory Board





**MOODY DECKSALOON 41 | GROUNDBREAKING**

Never has the philosophy of living on one level been implemented more relentlessly than in the new Moody Decksaloon 41. The elegant deckhouse featuring 360° panorama glazing makes you feel as if you are living in the lap of luxury, whatever the weather. With its exemplary suitability for all weather conditions, the Moody Decksaloon 41 lives up to the Moody tradition in every way. The new Moody Decksaloon 41 — a masterpiece of the art of modern boat-building and engineering.



# PREMIUM SAILING YACHTS

## UNIQUE WORLDWIDE

One hundred and fifty years of experience, coupled with unmatched excellence in design and manufacturing. It is qualities like these that have made Moody one of the most illustrious names in the sailing yacht industry. The company has developed an exemplary boatbuilding culture over many generations, culminating in its current range of deck saloon yachts.







# GROUP MANAGEMENT REPORT

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# GROUP MANAGEMENT REPORT

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## 1 // BASIC INFORMATION ABOUT THE GROUP

### 1.1 — Profile of the Group

HanseYachts AG (“HanseYachts,” the “Group” or the “HanseYachts Group”) is one of the world’s biggest manufacturers of sailing yachts with lengths of 29 to 67 ft (9–21 m) and one of the world’s top 10 producers of motor yachts with lengths of 28 to 54 ft (9–16 m).

The Group’s products and brands are innovative, established in the market, and have a long history. Different types of yachts are offered under each brand. The consistent expansion of the product portfolio is part of the Group’s multi-brand strategy and the entire product portfolio now comprises 40 different models. The yachts are sold by authorized dealers and the Group’s own sales companies. The Group’s own sales companies are located in Germany and the United States. The Group’s products are sold by a worldwide network of around 230 dealers. All boats are manufactured exclusively on the basis of firm customer orders.

Executive management, research and development, marketing, central procurement, global sales management, and administration are performed at the Group’s sites in Greifswald and Stettin. Production is performed at two boatyards located at the logistically favorable site in Greifswald on the Baltic Sea and at another, likewise logistically favorable site in Goleniów, Poland, located about 170 kilometers away from Greifswald.

### 1.2 — Organization and subsidiaries

HanseYachts AG is the parent company of the HanseYachts Group. It performs central holding company functions and manages most of the operating business of the Group. HanseYachts AG holds 100 % of the equity in nearly all subsidiaries either directly or indirectly. The subsidiaries are Hanse (Deutschland) Vertriebs GmbH & Co. KG, Verwaltung Hanse (Deutschland) Vertriebs GmbH, HanseYachts Marken Portfolio AG & Co. KG, Moody Yachts GmbH, Dehler Yachts GmbH, Sealine Yachts GmbH, Hanse Yachts US, LLC, USA, HanseYachts Sp. z o.o. in Poland (known as Technologie Tworzyw Sztucznych Sp. z o.o., or “TTS” for short, until 3 October 2022) with its subsidiary Balticdesign Institut Sp. z o.o., and Yachtzentrum Greifswald Beteiligungs-GmbH with its no longer operationally active subsidiary Mediterranean Yacht Service Center SARL, France.

Privilège Marine SAS, France, belonged to the Group until the transaction closing date of 17 October 2022 and therefore during the entire 2021|2022 financial year. Effective 17 October 2022, HanseYachts AG sold its equity interest in Privilège Marine as a portfolio optimization step. The French catamaran manufacturer based in Port Olona, Les Sables d’Olonne, France, was purchased by a consortium headed by the related person and longtime CEO Gilles Wagner, along with a group of the company’s customers. Please refer to our remarks in Chapter 2.2.2 of the present Group Management Report for additional details about this transaction.



One of the world's oldest catamaran brands, Privilège builds ocean-going luxury catamarans sold at prices of €1.5 million to €5 million. The company had been acquired by HanseYachts AG in June 2019, but remained operationally autonomous. Since the acquisition, the entire product line was completely renewed with great market success. Because the anticipated synergy effects did not materialize to the hoped-for extent, HanseYachts sold the company and can now focus on its remaining six brands.

The HanseYachts Group is included in the consolidated financial statements of AURELIUS Equity Opportunities SE & Co. KGaA, Grünwald.

HanseYachts AG has been listed in the General Standard section of the Frankfurt Stock Exchange since 2007.

### 1.3 — Industry developments and market position

HanseYachts AG has encountered consistently strong demand for its products since the summer of 2020. Thus, the Group has benefitted considerably from the general positive development of this market segment, which has been driven particularly by the worldwide Covid-19 pandemic due to people's natural desire to spend less time in enclosed spaces and more time outdoors in nature. Owning your own boat as a safe, mobile refuge is ideal for this purpose. In the meantime, the market has been further boosted by other positive effects. For example, the desire for sustainability makes enjoying your own boat in your home region seem much more attractive than long-distance travel, airline flights, and cruises. In light of the work-from-home trend, moreover, boats can be extremely attractive places to work. As demographic change progresses, finally, increasingly active generations are leaving the job market and enlarging the market for yachts.

As a direct result of these factors, the Group again booked a high number of orders in the reporting period, well above the level of the year-ago period.

The worldwide sailing and motor yacht market is generally subject to intensive global competition in the segment of yachts measuring over nine meters in length. There are numerous yacht manufacturers that produce single- to double-digit quantities of yachts per year. On the other hand, there are only few competitors in the world that industrially manufacture at least triple-digit quantities of yachts per year, like HanseYachts. We are engaged in intensive competition with these manufacturers. The Group generates the highest unit sales in Germany, Turkey, the United States, the United Kingdom, France, and the Netherlands.

We counter the market trends by constantly investing in the development of new yachts and continually modifying our product portfolio to accommodate customers' wishes for individuality and variant diversity. These wishes can be diverse and vary widely by region. A boatyard can only be successfully and sustainably positioned in the market on the basis of near-series production and modular design that can produce a wide variety of models cost-efficiently, as well as clearly positioned brands. The steady revenue growth in the last few years before the coronavirus pandemic and the strong order intake in the last two financial years attest to the success of the Group's strategy and products.

### 1.4 — Products and brands

The sailing yachts manufactured by the Group are distributed under the brands "Hanse", "Moody" and "Dehler", motor yachts under the brands "Fjord", "Ryck" and "Sealine". Until 17 October 2022, the Group's products also included the "Privilège" brand catamarans.



The multi-brand strategy enables the Group to make customer segment-specific distinctions within the individual product groups. The products are clearly positioned and possess a strong brand identity. This strategy makes it possible to precisely accommodate different customer wishes and maintain a greater overall potential for adjustments in response to changing market conditions. Thanks to variably combinable modules for interior design, colors, materials, different kinds of wood, and a wide offering of accessories, customers have the ability to tailor their desired yacht to their individual needs.

The sailing yacht brand Hanse offers yachts in lengths of 31 to 67 feet. They are widely appreciated for being especially easy to operate and for their modern design. Often used for family vacations, Hanse-brand sailing yachts are synonymous with easy, comfortable sailing. Hanse is the world's first sailing yacht designed specifically for the use of a self-tacking jib as a standard feature, allowing for single-handed sailing with a powerful sail plan.

Dehler is known in the regatta community as a modern performance cruiser. Despite being designed specifically for high-performance sailing, Dehler yachts have comfortable interior furnishings. Besides impressive sailing performance and fast cruising, Dehler is also well suited for families and small crews. The deck and hull are built according to the high-tech designs of the experienced yacht designers of Judel/Vrolijk & Co. Designed by renowned interior architects, the especially elegant interior spaces of these sailing yachts feature much indirect lighting and top-quality luxury materials.

Moody enjoys a special status in the sailing industry as one of the world's oldest sailing yacht brands. These premium-quality, luxury blue-water sailing yachts are mainly built as single-level deck saloon yachts. Featuring 360-degree panoramic views, this kind of sailboat offers a premium sailing experience. Moody yachts are distinguished by luxurious materials and outstanding craftsmanship. The especially elegant interior design exemplifies Moody's long tradition of premium-quality yacht construction, perfected by excellent workmanship.

Fjord motor yachts are distinguished by their sleek, angular, no-frills design and high speed potential. They range in length from 38 to 53 feet. The various models are designed as walkaround boats with at least one sleeping cabin. Fjord is the world's undisputed market leader in its segment. The design of Fjord motor yachts originates from Patrick Banfield, who is world-renowned for the construction of superyachts. The visual appearance of these motor yachts is clearly different from those of competitors. The high, straight sides make the cockpit especially safe and the space can be used optimally for the helmstand and reclining surfaces.

The venerable English Sealine brand has belonged to HanseYachts AG since the autumn of 2013. With models ranging in length from 33 to 53 feet, these mid-sized yachts are built in sport, coupé, and classic flybridge variants. The distinctive Sealine design offers an optimal combination of light, space, and functionality. Sealine motor yachts are true "boater's boats" designed to deliver optimal comfort to owners who use them for travel and on-board living. They are sporty, but also feature lots of space below deck. The yachts are designed with practical utility in mind. Besides a distinctive, elegant exterior that appeals to a wide swath of boating aficionados, these yachts provide every kind of comfort below deck, including technical amenities.

Ryck was established in 2021 as the third motor yacht brand of HanseYachts AG. Under this youngest brand, HanseYachts will offer innovative, outboard motor yachts in lengths ranging from 24 to 39 feet. Ryck will set new market standards for customization possibilities. The potential applications are similarly diverse. The first model, the Ryck 280, is a small motor yacht with a powerful outboard motor, ideally suited as a platform for swimming, diving, fishing, and all other kinds of maritime fun.



## 1.5 — Management system: Financial and non-financial key performance indicators

The main key financial indicators are earnings before interest, taxes, depreciation, amortization and impairments (EBITDA), revenues, and the total annual profit, which is reported to the Executive Board in a profit-and-loss account on an aggregated basis for the HanseYachts Group (IFRS) every month for the preceding month and on a year-to-date basis for the current financial year ("YTD"). As part of this process, variances from both the budget and from the prior year are systematically analyzed. The short-term profit-and-loss reporting format is essentially equivalent to a production-based contribution margin analysis that also includes additional key ratios such as the purchased goods and services ratio, manufacturing cost ratio, and a contribution margin parameter. Unlike the classification format according to International Financial Reporting Standards (IFRS), certain cost types are classified on the basis of economic factors. For example, expenses for contract workers are classified as production costs instead of purchased services in the category of purchased goods and services. The reporting system for the Executive Board also includes a consolidated statement of financial position (IFRS) and a consolidated statement of cash flows (IFRS), on the basis of which additional key figures that are important for capital and liquidity management (e.g. equity ratio, working capital, cash and cash equivalents) are monitored on a regular basis. The other key performance indicators are order intake and the number of boats invoiced and produced. In view of the financing agreements concluded during the time of preparation of the present financial statements and the financial covenants agreed therein, the net gearing ratio (at the level of the company's consolidated financial statements according to IFRS) will also be applied as a key financial indicator as of the 2023|2024 financial year.

For purposes of ongoing liquidity management, incoming and outgoing payments are reported on a daily basis and weekly liquidity forecasts are generated and checked against available funds (cash and cash equivalents plus available credit facilities).

A more detailed breakdown of income and expenses, operating result, assets and liabilities, and cash flows by operating segments or a separate report on the individual legal entities of the HanseYachts Group are not prepared for purposes of monthly reporting to the Executive Board.

## 1.6 — Research and development

The purpose of the development work performed at the company's headquarters in Greifswald and at the Baltic Design Institute in Stettin is to devise modern materials and manufacturing methods and design new, innovative yacht models. The insights gleaned from ongoing process optimization are applied in this development work. To supplement the extensive experience of its own employees, the Group collaborates with internationally recognized engineering firms and yacht designers and fosters technical innovations in deliverable accessories.

The use of the 3-D design software Catia makes it possible to map the entire development and production process from the first design to the activation of production equipment. In addition to hardware and software expenses, expenses are also incurred for the training of employees and the assistance of external specialists.

The main point of emphasis of the Group's development activity in the reporting period was the development of new models for all trademark rights used by the Group. Besides optimizing the external and internal layouts of existing models, this work particularly involves the development of new model designs and concepts and the establishment of design and production standards.

The development of new models is vitally important for the Group's overall success. At the reporting date, the four newest HanseYachts models accounted for about 30 % of the order book. This success is also reflected by numerous international awards. For example, the Hanse 460 was named European Yacht of the Year (the "Oscar" of the yacht industry) and was named Cruising Yacht of the Year in the British Yachting Awards. The Dehler 300d was crowned Boat of the Year by the US magazine Sailing World. The Ryck 280 won the French Prix de l'Elegance in Les Moteur





Boat de l'Année Awards and the Best of Boats Award in the category of Best for Beginners. It has also been named European Motor Yacht of the Year.

The expenses recorded separately for research and development in the cost accounting system amounted to €4.4 million in the reporting period. These expenses mainly include personnel expenses, as well as depreciation, amortization and impairments. Insofar as the recognition criteria for intangible assets ("development expenses") and for technical equipment and machinery/assets under construction ("production molds") were met, the corresponding expenses were capitalized as internal production the amount of €2.4 million in the reporting period (PY: €1.7 million). A total amount of €2.0 million (PY: €2.4 million) was recognized as research and development expenses and applied against the period result.

## 2 // ECONOMIC REPORT

### 2.1 — General economic situation

HanseYachts AG was severely impacted by the financial repercussions of the coronavirus pandemic and its disruptive effects on globally interconnected supply chains in the 2021|2022 financial year. The outbreak of the war in Ukraine exacerbated the supply chain problems and pushed energy prices higher.

Europe and especially Germany represent the most important single market for HanseYachts AG. After multiple years of growth, the German economy slid into a deep recession in 2020, with price-adjusted gross domestic product (GDP) contracting by 4.6 % from 2019. A modest recovery of 2.9 % occurred in 2021. Due to the pandemic, the surge in inflation driven particularly by energy and food prices and the related purchasing restraint of consumers, the German economy is expected to have been stagnant in the full calendar year 2022.

### 2.2 — Business performance

#### 2.2.1 | General information

The production of HanseYachts AG was impacted by the measures taken to combat the spread of the respiratory disease Covid-19 in all 12 months of the 2021|2022 financial year. Since February 2022, these effects have been exacerbated by the repercussions of the war in Europe. Some of these effects, such as the breakdown of supply chains and the shortage of workers due to illness and quarantines, as well as higher energy costs, have an adverse, short-term effect on the company. On the other hand, the demand for yachts and thus boat prices have experienced an extremely positive development. However, these positive developments have a delayed effect due to the fact that yachts are built with long lead times. The lead time at present is more than one year, meaning that the benefit of the price increases implemented by the Group will only be realized after a corresponding delay.

Since the start of 2021, the Group's production operations have been increasingly impaired and restricted by the problems encountered with the timely delivery of intermediate products and raw materials. Although these problems were exacerbated by the war in Europe that broke out in February 2022, the Group has since been able to adapt its operations better to the tough market environment. In spite of these problems and the special challenges presented by the high level of orders amidst the demanding, pandemic-afflicted market environment, HanseYachts AG generated revenues of €132.4 million in the 2021|2022 financial year (PY: €107.8 million), that being the highest level of all three years of the pandemic.



As in prior years, we made substantial investments in our product line in the reporting period, including facelifts and new developments of the Hanse 510, Sealine S390, Fjord 53XL, and Dehler 46SQ. Further new developments and facelifts of a comparable magnitude are being prepared for the coming 2022|2023 financial year.

### **2.2.2 | Decision to sell Privilège Marine SAS**

By date of 1 July 2022 (signing date), the HanseYachts AG subsidiary Privilège Marine Holding GmbH concluded a purchase agreement for the sale of shares in Privilège Marine SAS and the contribution of additional assets that were still owned by HanseYachts AG at that time.

The buyer is a consortium led by the longtime CEO and minority shareholder of Privilège Marine SAS, Gilles Wagner, and a group of the company's customers. The purchase agreement took effect on 17 October 2022 after all agreed conditions precedent were fulfilled (closing date).

Until the closing date of 17 October 2022, Privilège Marine Holding GmbH together with its French subsidiary Privilège Marine SAS, Les Sables d'Olonne/France, as part of the basis of consolidation of HanseYachts AG and was still included as a fully consolidated entity in the consolidated financial statements at 30 June 2022.

The cash-generating unit Privilège was classified as discontinued operations at 30 June 2022.

The accumulated expenses and income attributable to the entity classified as discontinued operations were presented under "Loss after taxes from discontinued operations" in the statement of comprehensive income for the 2021|2022 financial year and the preceding year. The prior-year comparison values in the income statement were adjusted in accordance with the regulations of IFRS 5.

The assets and liabilities attributable to the entity classified as discontinued operations were presented separately within the line items of "Assets held for sale" and "Liabilities related to assets held for sale" in the statement of financial position for the 2021|2022 financial year. Thus, the prior-year comparison values were not adjusted in accordance with the regulations of IFRS 5.

The statement of cash flows for the 2021|2022 financial year and the preceding financial year included the cash flows from discontinued operations.

Please refer to Chapters 4.21 and 6.14 of the notes to the consolidated financial statements for the 2021|2022 financial year for additional details on this subject.

## **2.3 — Financial performance**

Differing from the calendar year, the financial year of HanseYachts AG runs from 1 July to 30 June of the following year. The following summary shows the development of earnings in the reporting period compared to the previous year. The loss from Privilège, which has been classified as discontinued operations, is presented separately for both years. The revenues, operating performance, and expenses for both years have been adjusted accordingly. Thus, the following explanatory notes on the Group's business performance refer only to continued operations with the exception of our explanatory notes to the line item of "Loss from discontinued operations."





€'000	01/07/2021 to 30/06/2022	01/07/2020 to 30/06/2021	Change	
			absolute	in %
<b>Revenues</b>	<b>132,380</b>	<b>107,832</b>	<b>24,548</b>	<b>23 %</b>
Increase in finished and unfinished goods	9,988	1,608	8,380	521 %
Internal production capitalized	2,516	1,648	868	53 %
<b>Total operating performance</b>	<b>144,884</b>	<b>111,088</b>	<b>33,796</b>	<b>30 %</b>
Other operating income	1,940	2,563	-623	-24 %
Purchased goods and services	-84,341	-59,935	-24,406	41 %
Personnel expenses	-44,746	-36,692	-8,054	22 %
Other operating expenses	-23,889	-15,122	-8,767	58 %
<b>EBITDA</b>	<b>-6,152</b>	<b>1,902</b>	<b>-8,054</b>	<b>-423 %</b>
Depreciation, amortization and impairments of intangible assets and PP&E	-5,474	-4,882	-592	12 %
<b>EBIT</b>	<b>-11,626</b>	<b>-2,980</b>	<b>-8,646</b>	<b>290 %</b>
Financial result	-874	-1,244	370	-30 %
<b>EBT</b>	<b>-12,500</b>	<b>-4,224</b>	<b>-8,276</b>	<b>196 %</b>
Income taxes	-439	447	-886	-198 %
<b>Profit/loss from continued operations</b>	<b>-12,939</b>	<b>-3,777</b>	<b>-9,162</b>	<b>243 %</b>
Loss from discontinued operations	-7,782	-5,215	-2,567	49 %
<b>Consolidated profit/loss</b>	<b>-20,721</b>	<b>-8,992</b>	<b>-11,729</b>	<b>130 %</b>

Revenues rose by 23% to €132.4 million in the reporting period. The main growth driver was the sharp increase in unit sales of sailing yachts resulting from the demand jump caused by the coronavirus pandemic. Thus, about 73% of the revenue growth came from sales of sailing yachts (PY: 69%). Motor yacht production was more affected by supply bottlenecks than sailing yacht production in the reporting period. High-performance motors for boats ranging in length from 39 to 44 feet were particularly in short supply due to the limited availability of semiconductors. As a result, the Group's motor yacht sales only increased by 3% despite strong demand. As in prior years, Hanse-brand sailing yachts accounted for the lion's share of revenues, at €62.2 million. The revenues generated on sales of the various models of the three motor yacht brands Fjord, Sealine, and Ryck amounted to €31.6 million (PY: €30.5 million). Shifts between brands and models were observed within the sailing yacht and motor yacht segments as a result of the Group's multi-brand strategy and product mix.

In accordance with our forecast, the 568 boats produced and 561 boats invoiced in total within the Group (PY: 446 and 463) were well in excess of the respective previous-year numbers. However, the average revenue per boat of €233 thousand was below the level of the previous year (PY: €273 thousand) due to the relative decrease in motor yachts within the product mix and the comparatively low-priced Ryck-brand yachts.

Groupwide new orders booked in the reporting period amounted to approximately €241.9 million, that being modestly higher, by 3%, than the previous-year figure of €234.8 million, and marking a new record since the company began in 1991. Moreover, the order backlog at the reporting date was 68 % higher than the respective year-ago figure. The continued high level of new orders can be attributed to the desire of end customers to enjoy the Group's yachts as a safe and flexible, waterborne place of refuge in the midst of nature, as described in Chapter 1.3 of the present Group management report. Other contributing factors include a preference for vacationing closer to home as a way of combating climate change, as well as demographic change and fears of terrorism and war.



Including the increases in ordered, but not yet delivered yachts at the reporting date (+€8.4 million) and internal production capitalized (+€0.9 million), the total operating performance rose by 30% to €144.9 million.

Based on purchased goods and services in the amount of €84.3 million (PY: €59.9 million), the ratio of purchased goods and services to the total operating performance came to 58.2 %, that being 4.2 % age points higher than the year-ago ratio. The increase in this ratio was mainly caused by the higher level of purchased services (contract workers). The ratio was also affected by higher prices of materials in nearly all areas (especially for keels and wood) and higher-priced alternative purchases due to disrupted supply chains. Excluding purchased services, the ratio of purchased goods to the total operating performance rose from 51.1% in the previous year to 52.2% in the 2021|2022 financial year.

The gross profit (total operating performance minus purchased goods and services) totaled €60.5 million, that being 18.3 % higher than the previous-year figure (PY: €51.2 million) mainly as a result of the additionally generated contribution margins due to the higher total operating performance. The gross profit margin decreased from 46.0% in the previous year to 41.8% in the 2021|2022 financial year. This decrease resulted from the fact that the orders on which revenues were generated in the reporting year were booked some time ago, before the trend of rising prices of materials that began in February 2022.

The personnel expenses incurred for wages and salaries amounted to €44.7 million (PY: €36.7 million). The ratio of personnel expenses to the total operating performance declined by two percentage points. The average annual number of employees (excluding employees in discontinued operations) was 1,370 (PY: 1,247). The increase in personnel expenses in absolute terms was mainly due to the higher number of employees needed to deal with the higher level of revenues. The 2 % decrease in relative terms resulted in part from enhanced productivity accompanied by higher business volumes and in part from the increased use of contract workers. However, the decrease in the ratio of personnel expenses to the total operating performance was smaller than forecast due to the still high incidence of employee absences due to illness as a result of the coronavirus pandemic, as well as inefficient processes in production due to a lack of parts.

The main line items of Other operating income, which came to €1.9 million, were reversals of provisions in the amount of €0.7 million and income from a non-repayable grant for the development expenses of an external supplier in the amount of €0.6 million.

Other operating expenses rose by 58% or €8.8 million to €23.9 million (PY: €15.1 million) and accounted for 16.5% (PY: 13.6%) of total operating performance. A major part of this increase was the non-recurring effect of higher legal and consulting expenses in the amount of €1.9 million incurred primarily in relation to exceptional circumstances such as the sale of Privilège Marine, the conduct of strategy processes, and headhunter costs. An amount of €1.6 million consisted of provisions for onerous contracts resulting from delays in the construction of boats due to the coronavirus pandemic, so that the boats in question must still be built at the old prices and discounts. An amount of €1.5 million resulted from the resumption of business activities that had been impossible during the pandemic, such as boat shows and photo shoots, and the related travel expenses. An amount of €1.1 million resulted from higher energy costs. Moreover, higher expenses for repairs and warranties accounted for €0.8 million of the total increase in Other operating expenses. The remainder consisted of general cost increases and extra costs incurred for the procurement of hard-to-source parts, as well as foreign exchange losses and differences and expenses for items such as license fees due to the higher level of revenues.

As a result of the developments described above, earnings before interest, taxes, depreciation and amortization (EBITDA) worsened by €8.1 million to minus €6.2 million. Thus, the forecast published in the previous year, according to which EBITDA was to be much higher than in the year before, could not be met due to the aforementioned developments in purchased goods and services, personnel expenses, and Other operating expenses.



Depreciation, amortization and impairments of intangible assets and property, plant and equipment in the amount of €5.5 million (PY: €4.9 million) resulted in part from the high level of investments in the development of new yacht models and production molds for new yacht models in the previous financial years. These investments are amortized over a comparatively short period of three to five years. The modest increase over the previous year is a reflection of the heightened investments made in further growth amid the currently strong sales market.

The financial result declined by €0.4 million or 30 % to minus €0.9 million, particularly due to the non-cash capital increase conducted by the parent company in the 2020|2021 financial year, in connection with which interest-bearing liabilities to affiliated companies were converted into equity in the parent company. As a result of this transaction, interest expenses were less than the year-ago figure by €0.4 million in the 2021|2022 financial year. The financial result particularly includes scheduled interest payments on interest-bearing liabilities.

Losses incurred in the Privilège Marine entity classified as discontinued operations amounted to €7.8 million (PY: €–5.2 million). These losses will no longer count against consolidated earnings in the coming financial year. The consolidated loss came to €–20.7 million (PY: €–9.0 million). Please refer to Chapters 4.21 and 6.14 of the notes to the consolidated financial statements for the 2021|2022 financial year.

## 2.4 — Comparison of the original Group forecast with actual results in the 2021|2022 financial year

In the present consolidated financial statements, financial performance is presented separately for continued operations and discontinued operations in accordance with IFRS 5. This distinction was not applied in the original forecast or in the updated forecasts published for the 2021|2022 financial year. It could only be foreseen in June 2022. In the following, therefore, the legal representatives compare the forecast values with the actual values including the Privilège entity classified as discontinued operations. The core elements of the corporate forecast in the view of the Executive Board are summarized in the table below:

€'000	30 June 2021*	30 June 2022*	Original forecast	Commentary	Updated forecast February 2022	Commentary	Updated forecast March 2022	Commentary	Updated forecast June 2022	Commentary
Revenues	120,754	141,562	Considerable increase over previous year	Fulfilled	Modest increase over previous year	Over-fulfilled	Clear increase over previous year	Fulfilled	Clear increase over previous year	Fulfilled
EBITDA	–2,329	–12,305	Considerable increase over previous year	Not fulfilled	Modest increase over previous year	Not fulfilled	Negative amount in the higher single-digit millions	Not fulfilled	Negative amount in the higher single-digit millions, plus expenses of €1.5 to 2.0 million on disposal of Privilège	Fulfilled
Consolidated profit/loss	–8,991	–20,721	Considerable increase over previous year	Not fulfilled	Modest increase over previous year	Not fulfilled	Negative amount in the low double-digit millions	Not fulfilled	Negative amount in the low double-digit millions, plus (€1.5 – 2.0 million) on disposal of Privilège	Fulfilled
Number of boats produced and invoiced	446 & 463	568 & 561	Considerable increase over previous year	Fulfilled	Higher than previous year	Fulfilled	–	–	Higher than previous year	Fulfilled

\* In the interest of a more appropriate presentation of the forecast/actual comparison, the key financial indicators presented here include the numbers of the discontinued operations because this was also the basis for the published forecasts. Therefore, the figures are not reconcilable with those of the consolidated statement of comprehensive income for the 2021|2022 financial year, with the exception of the consolidated profit/loss.

In view of the above-mentioned developments in the 2021|2022 financial year, the Executive Board of HanseYachts AG was compelled to revise downward the original corporate forecast of the financial indicator EBITDA and the corporate profit/loss for the 2021|2022 financial year on the occasion of the semiannual report in February and again in March 2022 and to revise the forecast again in June 2022 to account for the additional non-recurring expenses to be included in the consolidated financial statements for the financial year in question. The effects of the war in Europe, the adverse repercussions of the coronavirus pandemic on the Group's employees and supply chains, which persisted longer than expected, and the development of earnings at Privilège, which fell far short of expectations, were only foreseeable in terms of their extent at the time of the last update in June 2022 and were therefore not reflected in the original forecast nor in the other updates published during the year.

Consolidated revenues rose considerably, as forecast, from the low level of the previous year, despite the massive restrictions affecting the availability of our employees due to the coronavirus pandemic and the war in Europe.

At €12.3 million, total EBITDA from both continued and discontinued operations was not well above, but rather well below the previous-year figure for the reasons explained in Chapter 2.3. This development was particularly driven by the higher costs of materials and personnel expenses (contract workers), as well as the higher amount of other operating expenses. Based on the forecast of negative EBITDA in the higher single-digit millions published in March 2022 and the additional non-recurring expenses related to the sale of Privilège projected in June 2022, the legal representatives consider the EBITDA forecast to have been met. Total EBITDA from continued and discontinued operations came to minus €12.3 million and EBITDA from continued operations came to minus €6.2 million. It should be noted that the forecast of unplanned expenses from the disposal of the assets and liabilities attributable to Privilège in the amount of approximately €1.5 million to €2.0 million in the 2021|2022 financial year was achieved not from the deconsolidation, but from the impairments and provisions for onerous contracts recognized in this connection. The French subsidiary was only deconsolidated at the closing date of 17 October 2022.

At €-20.7 million, the consolidated loss was clearly not "higher than the previous-year figure" as forecast. The legal representatives consider the updated forecast from June 2022, which predicted a consolidated loss in the low double-digit millions, as well as non-recurring expenses ranging from approximately €1.5 to €2.0 million, to have been met.

## 2.5 — Cash flows

### 2.5.1 | Notes to the statement of cash flows

As explained in Chapter 2.2.2 of the present Group management report, the cash flows generated in the 2021|2022 financial year and in the preceding financial year are presented together with discontinued operations and explained on this basis in the following. The cash flows attributable to discontinued operations are presented in the consolidated statement of cash flows of HanseYachts AG for the 2021|2022 financial year.

In line with the €10.9 million decrease in EBT, the cash flow from operating activities was €9.5 million less than in the previous year. The €15.3 million increase in funding requirements resulted from the increase in inventories, receivables, and other assets. Operating liabilities increased by €15.5 million (mainly due to the higher level of down payments received). Based on negative EBT of €19.0 million and inventory financing requirements of approximately €20.0 million, down payments received increased by €20.0 million, trade payables by €9.0 million, and other operating liabilities by €5.2 million. Including non-cash depreciation, amortization and impairments of €6.7 million and various other, immaterial effects, the cash flow from operating activities was minus €0.9 million. Negative operating cash flow of €2.3 million was generated in discontinued operations and positive operating cash flow of €1.4 million was generated in continued operations.



As in the previous years, the cash outflow from investing activities consisting of investments in intangible assets and property, plant and equipment in the amount of €7.7 million consisted mainly of development expenses for new yachts and yacht production molds.

Financing activities gave rise to a cash outflow of €0.9 million. The cash outflows consisted primarily of payments for the scheduled repayment of financial liabilities (€2.7 million) and for the repayment of lease liabilities (€1.8 million). Financing activities also generated cash inflows of €1.5 million from a new loan granted to the principal shareholder of HanseYachts AG and €2.8 million from drawdowns of overdraft credit facilities by HanseYachts AG, which was partially offset by the repayment of overdraft credit facilities by the Polish subsidiary TTS in the amount of €1.1 million.

Cash in banks amounted to €7.3 million at the reporting date (PY: €16.7 million). Of this total, an amount of €0.8 million was classified as assets held for sale.

As in the previous year, therefore, the Group funded its operations mainly from down payments received, financing agreements with a total of four banks, and a loan from the principal shareholder of HanseYachts AG. Originally, the credit facilities with three banks were dependent on fulfillment of the financial ratio of net debt to adjusted EBITDA, the calculation of which was to be based on the consolidated financial statements. The loan from the principal shareholder was dependent on the fulfillment of a minimum EBITDA at the level of both the separate financial statements and the consolidated financial statements of HanseYachts AG. A breach of this financial covenant could entitle the lender to exercise a right of extraordinary termination. This financial covenant to be calculated annually and monthly was not fulfilled as of 30 June 2022. Two of the three financing banks declared already in the 2020|2021 financial year and therefore before the reporting date of 30 June 2022 that they would tolerate non-fulfillment of the financial covenant and assert no claims on that basis and suspend the requirement to fulfill the financial covenant in view of the adverse economic repercussions of the coronavirus pandemic. With respect to the right of extraordinary termination arising from non-fulfillment of the financial covenants as of 30 June 2022 and based on the refinancing agreement concluded during the time of preparation of the present consolidated financial statements as described in the following, the third financing bank and the principal shareholder issued a declaration to the effect that they would waive their right of extraordinary termination.

### 2.5.2 | Explanation of the refinancing measures implemented

In addition to the available cash and cash equivalents and the benefits of targeted working capital management (e.g., making full use of payment terms and supplier credits), current account facilities granted by the banks were available to help cover the Group's liquidity requirements as of 30 June 2022. As of 30 June 2022, an amount of €5.6 million (PY: €3.9 million) had been drawn down from the current account facilities available to the Group in the total amount €9.0 million at the reporting date. At €9.9 million, the freely disposable financial resources available to the Group as of 30 June 2022 (including the financial resources from continued operations) were less than the respective year-ago figure (PY: €22.1 million) by a total amount of €12.2 million.

In consideration of the substantial reduction of freely disposable liquidity from the previous year, as well as the upcoming, significant repayments due in the first quarter of 2023, the unfulfilled financial covenants in the financing agreements, and the still extant planning uncertainties (particularly concerning the reliability of supply chains, but also the current situation in Eastern Europe), the Executive Board deemed it necessary to increase the amount of available financial resources to ensure reliable liquidity in the short and medium term. To this end, the Executive Board negotiated a comprehensive refinancing agreement with the majority shareholder, the state of Mecklenburg-Western Pomerania, and the financing banks, which was successfully concluded in December 2022. This refinancing agreement was based on a restructuring report commissioned by the legal representatives, in which the liquidity requirements of HanseYachts AG were determined on the basis of the results of a sensitivity analysis of the business plan by the external expert.

The restructuring report calls for numerous measures to improve the Group's financial performance and cash flows. The Group has already begun to implement these measures. The main structural measure is the successful sale of the Privilège entity classified as discontinued operations (please refer to the Report on events after the reporting date in the notes to the consolidated financial statements for the 2021|2022 financial year). In addition, targeted measures are being implemented (hygiene plan, occupational safety plan, improved integration management, etc.) in an attempt to reduce employee absences and cut back on the cost-intensive and inefficient use of contract workers.

As operational measures, the restructuring report calls for enhancing overall production efficiency, reducing procurement costs, optimizing the order backlog, reducing the number of unfinished yachts, and reducing the inventories of raw materials and supplies, which are too high in relation to the production volume.

Implementation of most of these measure has begun or they have already been effectively implemented. The structural and operational measures should have a positive effect on the company's financial performance of an amount in the middle single-digit millions already in the 2022|2023 financial year. The greatest effect will result from the optimization of the order backlog on the basis of the significant increases in sales prices that have already been carried out. This effect will positively influence the Group's financial performance and cash flows only beginning in the second half of the 2022|2023 financial year due to the fact that many yachts will still need to be produced at unfavorable list prices in the first half of the year due to the high number of yachts in the order backlog.

As a significant financial measure, the restructuring report calls for the necessary refinancing, which was already successfully concluded in the time of preparation of the present consolidated financial statements. HanseYachts AG entered into new financing agreements with the major shareholder AURELIUS on 30 September 2022 and with the financing banks in late November and early December. On the basis of these agreements, the following other financial resources will be available to HanseYachts AG in addition to the former financing plan:

- A. Loans granted by the financing banks in the total amount of €2.5 million, which will have to be repaid in installments in the time from October 2023 to December 2025;
- B. Suspension of repayments on the previous loan agreements for a period of four quarters from the end of 2022 to the end of 2023 (liquidity relief equal to €5.1 million);
- C. Shareholder loan of €1.5 million, which will be available until July 2026, when it must be repaid in full;
- D. Loan granted by the state of Mecklenburg-Western Pomerania of €2.0 million, which will be available until June 2023, when it must be repaid in full;
- E. Prolongation of the existing financing agreements with the four financing banks until at least the end of 2025.

In addition to the financing contributions provided for in the restructuring report, the Executive Board resolved on 8 December 2022, with the consent of the Supervisory Board by the same date, to conduct a cash capital increase for an amount of €3 million, to further strengthen the Group's liquidity position.

On this basis, the Executive Board believes that the company's continuance as a going concern is assured. This assessment is mainly based on the assumption that the business plan of HanseYachts AG, including the cash flows to be generated on that basis, which are subject to inherent planning risks, will be fulfilled and that the financial covenants included in the financing agreements concluded in December 2022, which would grant the financing banks a right of extraordinary termination if they are not met, will be met in full.





## 2.6 — Financial position

As explained in Chapter 2.2.2. of the present Group management report, the previous-year comparison values in the consolidated statement of financial position of HanseYachts AG at 30 June 2022 have not been adjusted in accordance with IFRS 5. For the sake of better comparability with the previous-year figures, however, the financial position at 30 June 2022 presented in the following is structured in such a way as if the entity classified as discontinued operations at 30 June 2022 had already been presented separately in the two line items of "Assets held for sale" and "Liabilities related to assets held for sale" in the previous year.

This analysis allows for a clearer presentation of the effects of the disposal of the entity in question on the company's financial position.

€'000	30/06/2022	30/06/2021*	Change
<b>Non-current assets</b>	<b>39,632</b>	<b>35,402</b>	<b>4,230</b>
Intangible assets	9,718	9,422	296
Property, plant and equipment	29,061	24,714	4,347
Deferred tax assets	853	1,266	-413
<b>Current assets</b>	<b>57,232</b>	<b>51,751</b>	<b>5,481</b>
Inventories	45,460	30,344	15,116
Trade receivables	2,945	2,888	57
Other assets	2,326	2,007	319
Cash and cash equivalents	6,501	16,512	-10,011
<b>Assets held for sale</b>	<b>29,096</b>	<b>23,629</b>	<b>5,467</b>
<b>Assets</b>	<b>125,960</b>	<b>110,782</b>	<b>15,178</b>
<b>Equity</b>	<b>-9,601</b>	<b>11,328</b>	<b>-20,929</b>
<b>Non-current liabilities</b>	<b>7,753</b>	<b>21,312</b>	<b>-13,559</b>
Financial liabilities	4,447	19,828	-15,381
Lease liabilities	3,306	1,484	1,822
<b>Current liabilities</b>	<b>96,627</b>	<b>56,502</b>	<b>40,125</b>
Other provisions	3,178	1,337	1,841
Financial liabilities	21,331	6,861	14,470
Lease liabilities	1,101	1,292	-191
Down payments received on account of orders	40,801	28,120	12,681
Trade payables	19,892	11,820	8,072
Liabilities to related companies and persons	2,238	576	1,662
Other liabilities	8,086	6,496	1,590
<b>Liabilities related to assets held for sale</b>	<b>31,181</b>	<b>21,640</b>	<b>9,541</b>
<b>Equity and liabilities</b>	<b>125,960</b>	<b>110,782</b>	<b>15,178</b>

\* The presentation does not match the consolidated statement of financial position at 30 June 2021. The prior-year figures have been adjusted for the sake of comparability. The assets and liabilities at the prior-year reporting date that were attributable to the entity classified as discontinued operations at 30 June 2022 were likewise reclassified to the separate balance sheet items of "Assets held for sale" and "Liabilities related to assets held for sale" at 30 June 2022, contrary to the presentation in the consolidated statement of financial position at 30 June 2021.



The total assets of €126.0 million shown in the consolidated statement of financial position at 30 June 2022 were €15.2 million higher than the corresponding previous-year figure (PY: €110.8 million). This increase resulted mainly from the increase in inventories and non-current assets described below, which was partially offset by a decrease in cash and cash equivalents. Liabilities from continued operations increased by a total of €26.6 million.

The non-current assets of €39.6 million were €4.2 million higher than the previous-year figure. This increase was mainly driven by the €4.4 million increase in property, plant and equipment due to higher investments in a newly built hall on the plant premises in Greifswald, which is to be used as a showroom for the yachts of HanseYachts AG in the medium-term future, as well as the capitalization of transformer equipment in preparation for the installation of solar power systems on the roofs of the plant halls. For more information on this subject, we refer to our remarks on dealings with related persons in the notes to the consolidated financial statements for the 2021|2022 financial year. The increase in non-current assets was also due in part to the higher amount of right-of-use assets according to IFRS 16 under extended and newly concluded leases in the amount of approximately €1.5 million. At the reporting date, total non-current assets represented 31.5 % of total assets, roughly the same as the adjusted previous-year percentage (PY: 32.0%).

Current assets in continued operations increased by €5.5 million. In this regard, the €15.1 million increase in inventories was partially offset by the €10.0 million decrease in cash and cash equivalents.

The reason for the increase in inventories is the fact that orders for materials to build new yachts were placed much earlier than usual with the aim of ensuring appropriate reserve stocks in the context of continued delivery delays. Consequently, raw materials and supplies increased by €5.2 million to €18.4 million. As a further consequence of the supply chain problems, a higher number of boats could not be completed and delivered to customers by the reporting date due to lacking parts, which caused unfinished goods to rise by €8.0 million to €21.5 million. The inventory of finished, but not yet delivered yachts was €1.8 million higher than the corresponding previous-year figure.

Cash and cash equivalents in continued operations declined by a total amount of €10.0 million from the previous-year figure. Given that the cash flow from operating activities was close to breakeven, the cash outflows from investing and financing activities had the effect of considerably decreasing cash and cash equivalents. Please refer to our remarks on cash flows in Chapter 2.5 of the present Group management report.

For information on the development of Group equity, please refer to the consolidated statement of changes in equity of HanseYachts AG at 30 June 2022. The equity ratio was minus 7.6 % at the reporting date (PY: 10.2%). Group equity at 30 June 2022 was negative. Please refer to the report on events after the reporting date in the notes to the consolidated financial statements for the 2021|2022 financial year for information on the measures initiated to improve the Group's equity situation.

Non-current liabilities were €13.6 million below the level of the previous year. Due to non-fulfillment of the financial covenants included in the financing agreements in effect, as a result of which the lenders were entitled to declare an extraordinary termination as of 30 June 2022, it was necessary transfer a total amount of €4.9 million from the financial liabilities classified as non-current in the previous year to current financial liabilities in the past financial year. Another €10.2 million was reclassified as current financial liabilities in view of the upcoming repayment dates as of 30 June 2022.



At €25.8 million, total non-current and current financial liabilities were slightly below the level of the previous year (€26.7 million). The scheduled loan repayments of €2.8 million were offset not by newly borrowed loans, but by the higher drawdowns from current account facilities in the total amount of €1.7 million at the reporting date. Please refer to our remarks on cash flows in Chapter 2.5 of the present Group management report and the notes to the consolidated financial statements for the 2021|2022 financial year.

The increase in non-current lease liabilities is directly related to the increase in the right-of-use assets presented within property, plant and equipment in accordance with IFRS 16.

Current liabilities from continued operations increased by €40.1 million in total. This increase is attributable in part to the necessary reclassifications of financial liabilities that had been classified as non-current in the previous year in the amount of €15.2 million, but particularly also to the increase in down payments received (+€12.7 million) and the increase in trade payables (+€8.1 million).

The increase in down payments received is attributable to the historically high order backlog and the increase in finished and unfinished goods. The net balance of raw materials and supplies, finished and unfinished goods, and down payments received presented on the equity and liabilities side of the consolidated statement of financial position increased by €2.4 million from €2.2 million at 30 June 2021 to €4.6 million at 30 June 2022, reducing the Group's net cash flow at 30 June 2022 by this amount (see 2.5 of the present Group management report).

The increase in trade payables resulted from the further increase in the volume of business. The days payable outstanding (average trade payable x 360 divided by purchased goods and services) were nearly unchanged from the previous year's reporting date. However, the increase in trade payables can also be attributed to the fact that supplier payment terms were fully exploited again, unlike in the previous year, as the Executive Board paid especially close attention to liquidity management again (see the chapter on liquidity risks in the present Group management report).

The €1.8 million increase in provisions is particularly attributable to the provisions for onerous contracts in the amount of €1.6 million, which had to be recognized in the 2021|2022 financial year by reason of the fact that the execution of orders was delayed by the coronavirus pandemic so that these yachts must still be built at the old prices and discounts.

While assets held for sale increased by €5.5 million mainly as a result of the higher level of finished and unfinished goods, the liabilities related to assets held for sale increased by €9.5 million from the previous year. The increase in liabilities related to assets held for sale is mainly attributable to the considerably higher amount of down payments received.

## 2.7 — Investments and depreciation, amortization and impairments

Thanks to the extensive investments made in the past, it was not necessary in the reporting period to make any significant investments in production equipment or buildings with the exception of the construction of a showroom. The production lines used to manufacture sailing and motor yachts in both continuous flow production and island production are regularly maintained and kept in good condition.

The Group's investments were therefore focused mainly on the development of new boat models and on the production and purchasing of production molds. Development expenses for new yachts were capitalized in the amount of €1.0 million (PY: €0.9 million). Acquisitions of technical equipment and machinery and assets under construction consisted mainly of new production molds.



## 2.8 — Executive Board's overall assessment of the financial position, cash flows and financial performance of the HanseYachts Group

In view of the described supply chain difficulties, the development of material costs, employee absences and the resulting production delays, and the considerably negative performance of the entity classified as discontinued operations, the Executive Board of HanseYachts AG is not satisfied with the development of the Group's financial position, cash flows and financial performance in the 2021|2022 financial year.

Thanks to the measures initiated in the past financial year, however, the Executive Board succeeded in laying the foundation for a successful future and therefore a positive development of financial position, cash flows and financial performance.

## 3 // ACQUISITION-RELEVANT INFORMATION

The subscribed capital of € 15,691,695.00 is divided into 15,691,695 no-par bearer shares. Only equal-ranking common shares have been issued, with each share granting one vote.

Including the notices and notifications received in the time until the preparation of the present Group management report, the following equity interests exceeding 10 % of share capital are held by the indicated shareholders: HY Beteiligungs GmbH holds 41.40 % and AURELIUS Equity Opportunities SE & Co. KGaA holds 38.13 % of the equity in HanseYachts AG. 41.40 % of voting rights are indirectly attributable to AURELIUS Equity Opportunities SE & Co. KGaA via HY Beteiligungs GmbH and 38.13 % of shares are directly attributable to HanseYachts AG.

The appointment and dismissal of Executive Board members are regulated by Sections 84, 85 German Stock Corporations Act ("AktG") and by Article 7 of the Articles of Association of HanseYachts AG. According to Article 7 of the Articles of Association, the Executive Board is composed of one or more persons. The Supervisory Board specifies the number of members of the Executive Board. The Supervisory Board may appoint a Chairman and a Vice Chairman of the Executive Board. Even if the share capital is more than €3.0 million, the Supervisory Board may specify that the Executive Board is composed of only one person. Alternate Executive Board members may also be appointed; with respect to the outward representation of the company, these alternate members have the same rights as the regular members of the Executive Board. Executive Board members are appointed by the Supervisory Board for a maximum term of five years.

The Articles of Association may be amended in accordance with Sections 133, 179 AktG in conjunction with Article 19 para. 1 of the Articles of Association. In drawing up the Articles of Association, the option of establishing further requirements for amendments was not exercised. Unless mandatory regulations dictate otherwise, resolutions of the annual general meeting are adopted by a simple majority of votes cast. Insofar as the law further requires a majority of capital represented in the adoption of the resolution, a simple majority of represented capital suffices provided that this is legally permissible. According to Article 23 of the Articles of Association, the Supervisory Board is authorized to resolve amendments to the Articles of Association insofar as they only affect the wording.



By resolution of the annual general meeting of 23 November 2021, the Executive Board is authorized, with the prior consent of the Supervisory Board, to purchase the company's own shares up to a total of 10 % of the company's share capital at the time of adoption of the resolution by the annual general meeting or – if lower – at the time of exercising the authorization, either on the stock exchange or by means of an offer to all shareholders, in the time until 22 November 2026. The shares purchased on the basis of this authorization together with other shares of the company which the company has purchased and still holds or which are attributable to the company according to Sections 71a et seq. AktG may not at any time exceed 10 % of the company's share capital. The authorization may not be exercised for the purpose of trading in the company's own shares. The Executive Board is authorized to utilize the treasury shares purchased on the basis of this authorization for all legally permissible purposes. It is further authorized in certain cases to exclude the shareholders' preemptive tender right with respect to purchases and the shareholders' preemptive subscription right with respect to utilization. The Executive Board has not yet made use of this authorization.

By resolution of the annual general meeting of 5 December 2019, the Executive Board was authorized to increase the company's share capital on one or more occasions by a total amount of up to €6,012,296.00 by issuing new bearer shares in exchange for cash or non-cash capital contributions once or repeatedly in the time until 4 December 2024, with the consent of the Supervisory Board (Authorized Capital 2019). In addition, the Executive Board was authorized to exclude the shareholders' preemptive subscription right, with the consent of the Supervisory Board, (i) in order to exclude fractional shares from the shareholders' preemptive subscription right, (ii) if the new shares are issued in exchange for cash capital contributions and if certain other conditions specified in Article 6 of the Articles of Association are met, (iii) in the case of a capital increase in exchange for non-cash capital contributions, or (iv) in order to service potential warrant or conversion rights or obligations under warrant and/or convertible bonds. The Authorized Capital 2019 was entered in the Commercial Register on 11 March 2020, followed by a supplemental entry on 21 October 2020. Following the partial utilizations of the Authorized Capital 2019, it amounted to €2,475,528.00 at the reporting date.

By resolution of the annual general meeting of 23 November 2021, the Executive Board was authorized to increase the company's share capital on one or more occasions by a total amount of up to €5,370,319.00 by issuing new bearer shares in exchange for cash or non-cash capital contributions once or repeatedly in the time until 22 November 2026, with the consent of the Supervisory Board (Authorized Capital 2021). The Executive Board was also authorized to exclude the shareholders' preemptive subscription right, with the consent of the Supervisory Board, (i) in order to exclude fractional shares from the shareholders' preemptive subscription right, (ii) if the new shares are issued in exchange for cash capital contributions and if certain other conditions specified in Article 6 of the Articles of Association are met, (iii) in the case of a capital increase in exchange for non-cash capital contributions, or (iv) in order to service potential warrant or conversion rights or obligations under warrant and/or convertible bonds. The Authorized Capital 2021 was entered in the Commercial Register on 31 May 2022, followed by a correction entry on 9 August 2022.

An extraordinary right of termination was granted to members of the Executive Board in the event that the majority of common shares would be transferred to a new majority shareholder not affiliated with AURELIUS Equity Opportunities SE & Co. KGaA or in the event that a shareholder who did not already hold, alone or together with related persons, more than 5 % of the company's shares would be subject to an acquisition obligation according to the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, WpÜG). If this right of termination is exercised, the Executive Board member will be entitled to a severance award equal to the amount of fixed compensation for 12 months, but limited to the compensation no longer earned and paid by reason of the termination of the employment relationship in advance of the term stipulated in the employment contract (fixed compensation). Where applicable, moreover, Executive Board members may exercise the Stock Appreciation Rights (options for virtual shares of the company) as long-term incentive compensation (LTI) according to the rules applicable to the ordinary termination of employment.

A current account facility of one of the parent company's banks could be terminated on an extraordinary basis if AURELIUS Equity Opportunities SE & Co. KGaA or a company affiliated with Aurelius SE no longer controls HanseYachts AG directly or indirectly and if no agreement on the continuation of the credit relationships can be reached with the bank.

Another current account facility of one bank and the loans include change-of-control clauses. These clauses take effect if control of the borrower, HanseYachts AG, is assumed by another person or if another person attains control or it is determined that another person exercises control. In the event of a change of control, the bank will be entitled to demand the provision or reinforcement of bank collateral to secure the bank's claims under this loan agreement. If this obligation to provide additional security is not met within a reasonable period of time set by the bank, the bank will be entitled to termination without notice. The banks reserve the right to continue the loan agreements under changed terms and conditions.

The state-guaranteed liquidity loans totaling €13 million granted in the 2020|2021 financial year also feature change-of-control clauses. If the shareholder structure in effect at the time when the loan was granted changes in such a way that another person acquires at least 50 % of the voting rights in the borrower, the financing banks will be initially entitled to demand that additional collateral be furnished or existing collateral reinforced. If HanseYachts AG does not meet this additional collateral obligation within a reasonable time limit set by the banks, the financing banks will be entitled to terminate the loan agreement without notice.

## 4 // REPORT ON OPPORTUNITIES AND RISKS

### 4.1 — Report on opportunities

Opportunities arise when the actual business performance exceeds the planned performance or when the forecast improves as a result of a positive development.

#### 4.1.1 | Digital sales channels

The accelerated pace of digitalization resulting from the coronavirus pandemic has created opportunities for the Group. Boat shows were again cancelled in the past financial year. Yacht manufacturers were not able to present their products at in-person events to the accustomed extent and customers were not able to experience them live in the same way as before the pandemic. In the last two years, potential boat customers have had to become accustomed to using digital sales channels to a greater degree. In the meantime, they have learned to view boats virtually or attend virtual trade fairs via the Internet and ultimately make or largely prepare their purchasing decisions on the basis of virtual media.

These sales channels are considerably less expensive than real boat shows with their high stand costs and travel expenses. Moreover, customers no longer have to wait for certain trade shows to make their purchase decisions, which can lead to a better distribution of orders throughout the year. Despite the growing use of digital sales channels, the Group has decided to build a showroom at the main plant in Greifswald in order also to physically display new and overhauled products to interested German and foreign customers throughout the year.

#### 4.1.2 | Back-to-nature trend and climate change

Long-distance travel has been made increasingly more difficult in the last few years by rising airline prices, the pandemic, terrorism, and war. Moreover, a clear trend towards sustainability has arisen, making airline flights or even cruises impossible for many groups of customers. The sharp increase in real estate prices in vacation areas is the direct result of these global trends. On the other hand, a yacht is well suited for fulfilling the wish for a luxurious vacation in spite of these trends, in the opinion of the company's Executive Board. A vacation with the entire family on a boat in the local region is a safe and sustainable experience. Particularly the desire for sustainability presents an opportunity for permanently high orders and therefore planning certainty for boatyards in general and for HanseYachts in particular.

#### 4.1.3 | Strong, established brands and broad product portfolio

The Group commands strong, well-known sailing and motor yacht brands, some of which have existed for a very long time. For example, Moody-brand sailing yachts have been built since the beginning of the 20<sup>th</sup> century, dinghies since the 19th century. Sealine and Dehler were established in the 1960s. Like all these, the yachts of the Group's other brands each have their own special features and distinct designs and therefore appeal to the widest range of customer interests and customer groups. The HanseYachts Group is well positioned compared to its competitors as a result of its differentiated, multi-brand strategy and therefore has what it takes to grow faster than the overall market in the future as well.

#### 4.1.4 | Product innovations

The yachts of the Group stand out in the market for the continual innovations that enhance the customer benefits of our products. Every year, the Group invests substantial sums of money to improve its existing products and also develop new products. The Group's success is attested not only by the product awards given by the public and trade journalists, but also by its units sales and revenues. In this respect, the Group benefits from having its own research and development department, which focuses not only on nautical and technical features, but particularly also on exterior and interior design. Precisely in these areas, the Group is continually setting new trends and expanding its product range. In this way, the Group can adapt to changing market conditions and respond quickly to changes in customer preferences. The recent expansion of the Design Department is creating new possibilities that could give rise to additional market opportunities.

#### 4.1.5 | Regional distribution

Already today, the yachts produced by the Group are sold by more than 200 dealers and their sub-dealers in more than 50 countries of the world. By continually expanding its worldwide presence, HanseYachts opens up the chance of selling additional boats not only in new regions, but also in previously tapped countries through additional dealers. Thanks to the acquisition of major brands such as Ryck, the creation of new brands, and the introduction of innovative new models have increased the chances for expanding worldwide distribution structures. Another factor giving rise to new opportunities is the opening of new markets as emerging-market countries with maritime access develop economically. The expansion of the dealer network can create new opportunities for the Group.

#### 4.1.6 | Process and cost optimization

Opportunities can also be found in cost optimization. Margin potential can be exploited by developing new boats that require fewer or lower-cost materials or fewer production hours without compromising quality. This could also happen as a result of new processes such as lean production, new machinery, or other technological advances. Another possibility is to exploit greater market power by means of growth, leading to improvements in procurement.





#### 4.1.7 | Green factory

The Group is well on track to become one of the world's first large CO<sub>2</sub>-neutral boatyards. For some time already, the main boatyard has been heated with offcuts from the Group's own operations in the winter. Solar cells are mounted on the roofs in two of the Group's three locations. The dust produced from sawing glass fiber-reinforced plastic panels is used for the production of washbasins. Packaging has been optimized in collaboration with suppliers. HanseYachts introduced the world's first completely electrically-powered series-production ten-meter boat, which generates no emissions even when not operating under sail power. We are also conducting research on a hydrogen-powered propulsion system for leisure boats. Those customers who prize sustainability represent an opportunity for the Group as long as its competitors remain behind with respect to this trend.

#### 4.1.8 | Risk management

As a general rule, the Group's Executive Board pursues the goal of avoiding risks or suitably hedging them whenever possible. General risks such as the destruction of production facilities by fire, for example, are covered by security systems such as sprinkler systems, as well as suitable insurance policies with risk-commensurate coverage amounts.

The internal early risk detection system is focused on risks that could impair the company's performance and risks that could jeopardize the company's continuance as a going concern. Material risks are assessed with respect to their probability of occurrence and importance for the company. A risk handbook regulates the systematic presentation and description of risk groups, damage scenarios and any counter-measures, relevant control mechanisms, and communication paths from those responsible for each risk to the risk management function. This handbook also defines the principles of risk policy, the structure of the risk management function, and risk communication. The relevant risks are communicated directly by the various divisions to the Executive Board. The opportunities described above are not covered by the risk management system.

The risk management function comprises the regular internal reporting of business developments and a uniform, Groupwide planning and budgeting process. The targets for the HanseYachts Group are aggregated within a short-term and medium-term business plan. Such targets include unit sales expectations for each model, as well as critical success-determining factors such as the purchased goods and services ratio, the personnel expenses ratio, and the marketing and sales budget. Investments and liquidity are also planned. A regular reporting system ensures that plan targets are met. Deviations from budget and the previous year are systematically analyzed on a monthly basis and suitable counter measures are devised and initiated.

### 4.2 — Internal control system

The Executive Board has established an internal control system for the diverse organizational, technical, and commercial processes within the company. An essential principle is the separation of functions, which is meant to ensure that the executing activities (e.g. purchases), bookkeeping activities (e.g. financial accounting), and administrative activities (e.g. inventory administration) involved in a given corporate process are not performed by the same person. This is supported by the ERP software program proAlpha on the basis of an authorization concept. Employees only have access to the processes and data they require for their work. The principle of dual control ensures that no material process is performed without control. Target concepts and directives are in place for different processes within the company to verify whether employees are working in conformance with the applicable target concept. The employees of Finance and Accounting have worked in the company for many years and are therefore highly practiced and experienced in dealing with the routine operations and transactions associated with the business activity of the HanseYachts Group.

The risk management system ensures that critical information and data are given directly to the senior management. The Executive Board and senior business administration officials regularly engage in close coordination to ensure the correct accounting treatment and valuation of transactions. Moreover, the senior management remains in close contact with the independent auditor also during the year to clarify new legislative requirements and any new or unusual transactions. Problematic issues are analyzed and discussed in advance and critically evaluated in consultation with the independent auditor. The consolidated financial statements are prepared centrally by employees of the HanseYachts Group who have many years of experience and specialized expertise in consolidation matters and International Financial Reporting Standards. The certified consolidation software LucaNet is used for this purpose. The operating subsidiaries in Germany and abroad are connected to the consolidation software by way of an interface that enables them to enter the necessary data for consolidation.

In addition, a standardized reporting package that contains all the data required for the preparation of complete IFRS-conformant consolidated financial statements and is reviewed by local auditors is used for semiannual reporting by the material foreign subsidiaries to the parent company.

Furthermore, the HanseYachts Group is also subject to audits by the Internal Audit Department and Controlling Department of AURELIUS Equity Opportunities SE & Co. KGaA, in whose consolidated financial statements the HanseYachts Group is included.

#### 4.3 — Risk areas

The description of the following risks is mainly limited to the risks that have an occurrence probability of 10 % or higher in the view of the Executive Board. A risk is deemed to be high if the maximum loss risk assessed to have such a probability of occurrence exceeds € 1.0 million.

	2021 2022	2020 2021
<b>FINANCIAL RISKS</b>		
Liquidity risks	medium	low
Currency risks (€/USD)	medium	medium
Asset impairment risks in the consolidated financial statements	low	medium
<b>PROCUREMENT/PURCHASING RISKS</b>		
Suppliers	high	high
Development of prices for raw materials	high	medium
<b>OPERATIONAL RISKS</b>		
IT risks/cyber-criminality	medium	medium
Machinery, natural hazards, power outages	medium	medium
Personnel	medium	medium
Rights of use	medium	medium
Compliance risks/legal risks	low	low
Quality/warranty risks	low	low
Dealer sales financing risk	low	low
<b>EXTERNAL RISKS</b>		
Pandemic risks	medium	medium
War in Europe	medium	–



#### 4.3.1 | Financial risks

##### a) Liquidity risks

Generally speaking, liquidity risk refers to the risk that payment obligations cannot be met or not on time as a result of the insufficient availability of liquid funds. To manage this risk, the company prepares a revolving liquidity plan and weekly liquidity reports that show liquidity inflows and outflows in both the short-term and medium-term future. Due to the current planning uncertainties related to supply chain problems, targeted growth and the associated liquidity requirements in working capital, and seasonality, the Executive Board has paid especially close attention to liquidity planning and liquidity management since the spring of 2022.

In earlier years, the level of tied-up funds was usually low in the summer months due to the previous delivery of finished goods and reduced production intensity compared to the winter months. In the summer months of 2022, however, liquidity requirements were considerably higher than in the past due to the currently high inventory of unfinished and finished goods and the larger inventory of raw materials and supplies kept in view of supply chain problems. Therefore, the Executive Board of the parent company expected very high liquidity requirements in the winter months of 2022|2023, also compared to the past.

In preparing the consolidated financial statements, the legal representatives assumed that the company will continue to operate as a going concern on the basis of the successfully conducted financing and capital measures described in Chapter 2.5.2 of the present Group management report. On this basis, the Executive Board believes that the company's continuance as a going concern is assured. This assessment is mainly based on the assumption that the business plan of HanseYachts AG, including the cash flows to be generated on that basis, which are subject to inherent planning risks, will be fulfilled and that the financial covenants included in the financing agreement concluded in December 2022, which would grant the financing banks a right of extraordinary termination if they are not met, will be met in full.

Even though the Executive Board of the parent company believes that due consideration has been given to all discernible risks in the business plan, the business plan consists of forecasts that are by their nature based on numerous uncertainties and assumptions that could differ materially from actual results or events. These uncertainties and assumptions could have an adverse effect on the Group's financial results. For various reasons, the results can differ from the assumptions on which the forecasts are based, including but not limited to changing economic and market conditions, higher than planned price increases, short- and medium term worker shortages, or order cancellations that are not considered probable at the present time.

Even though the Executive Board of the parent company expects that the Group will have sufficient liquidity on the basis of the measures that have been implemented, liquidity risk is assessed as medium, and therefore higher than in the past, in consideration of the lower level of freely disposable liquidity compared to the previous year and the necessity of fulfilling the financial covenants.

##### b) Currency risks

Currency risks could arise from a decline in unit sales to non-euro countries due to rising selling prices in the respective national currency. In view of the repercussions of the war in Europe, this risk is deemed to be medium and therefore unchanged from the previous year.

Currency risks could also arise primarily from receivables denominated in foreign currencies, particularly those in US dollars due from U.S. customers. Potential exchange rate fluctuations pose both risks and opportunities. Because some of these receivables have been hedged by means of forward exchange deals, the resulting risk is deemed to be medium.





c) Asset impairment risks within the Group

A deterioration of profitability or business prospects within the Group could necessitate impairment losses or valuation adjustments for individual business divisions and the related assets.

On the other hand, the potential deterioration of profitability or business prospects of Privilège Marine no longer poses a risk for the Group. The financial consequences resulting from the sale agreement signed on 1 July 2022 have been properly accounted for in the present financial statements or are already known in terms of their amount. We refer to our remarks on events after the reporting date in the notes to the consolidated financial statements for the 2021|2022 financial year and Chapter 2.2.2 of the present Group management report.

Therefore, asset impairment risks are assessed only to be low, as opposed to the assessment as medium in the previous year.

#### 4.3.2 | Procurement and purchasing risks

a) Suppliers

The Group purchases the raw materials, inputs, and components required to manufacture its yachts from a large number of suppliers. Because the procurement volume (expenses for raw materials and supplies and purchased goods) accounts for around 60% of total operating performance in value terms, supplier relationships and the avoidance of related risks are of great importance. Purchasing price risks are hedged as much as possible mainly by means of master agreements with suppliers that particularly specify fixed purchasing prices for each production year. Success-critical components are preferably purchased from larger, internationally active suppliers.

An important element is the Polish Group company HYSZ, which produces most of the fiber-glass-reinforced plastic components needed for production in the Group. The timely production and quality of the parts delivered by HYSZ and the other suppliers are critical for the production process. Continuous, mutual information exchanges and the quick implementation of improvement suggestions ensure the synchronous production of yachts. Ordering and delivery processes are optimized by the use of an interconnected, complete ERP solution from proALPHA. Both the timely delivery and the quality of delivered parts are subject to continuous monitoring.

There is a risk that the planned external and internal logistical processes in the production of the Group's yachts cannot be properly executed. Thus, unexpected supply shortfalls, logistical problems, or quality deviations could arise with suppliers of raw materials, individual parts, or components, which may not be quickly remediable and could delay the production process. Considering the worldwide supply chain disruptions caused by the coronavirus pandemic, this risk is currently deemed to be high, as in the previous year.

Procurement risks such as the loss of individual suppliers, delivery delays, or short-notice price increases, for example, are countered by ensuring that alternative suppliers are available for purchased parts as much as possible.

b) Development of prices for raw materials

This risk would arise from an increase in prices for key raw materials (resin, copper, iron, steel, wood) and therefore an increase in the cost of materials in excess of the expectations of the senior management. Fluctuations of raw material prices and inflation could lead to changes in the prices of essential purchased parts. This risk can be mitigated by longer-term price agreements only in part. Given the current state of the world economy and general price trends, this risk is deemed to be high and thus higher than in the previous year.



#### 4.3.3 | Operational risks

##### a) IT risks/cyber-criminality

IT malfunctions could disrupt production and administration. Considering the periodic technical maintenance and other measures performed, the risk of a damaging, long-lasting IT outage is deemed to be low.

Internet criminality is a fast-growing global phenomenon. It occurs wherever people use computers, smartphones, and other IT devices. The most frequent threats include the use of malware, data theft, digital extortion (ransomware), and identity theft (phishing). In many cases, criminals attempt to infect as many computers as possible with malware in order to steal information such as account data and passwords. In other cases, however, criminals are increasingly launching better-orchestrated cyber-attacks that pose a considerable threat of damage to their targets. For example, they may attack commercial enterprises or critical infrastructure facilities with the goal of extorting ransom money to unlock files and restore IT systems. This threat is compounded by economic losses incurred during the down time before the IT systems and infrastructure are unlocked and restored. For example, a competing boat manufacturer has already sustained losses from a cyber-attack that forced the boatyard to shut down production for a short time.

Raising the awareness of the Group's employees and dealers of the potential dangers of working with the Internet and investing in the protection of computers and servers minimize the success of fraud attempts. This risk is deemed to be medium-high.

##### b) Machinery, natural hazards, power outages

Even internally, the Group could experience machinery damage, destroyed production molds, IT malfunctions, power outages, accidents, or other events such as natural disasters (floods, excessive heat, excessive cold) or fire, which could disrupt production and cause injury to human beings and damage to third-party property and the environment. Considering the periodic technical maintenance and the other measures implemented, the risk of failure of machines that cannot be quickly replaced is deemed to be low. The probability of production stoppages due to the other risks named above is deemed to be low to medium. The extent of damage of any production stoppage is deemed to be significant.

The Group's insurance can compensate for losses resulting from natural hazards, but can compensate for losses resulting from organizational deficiencies only to a limited degree.

##### c) Personnel

As with any other small to medium-sized enterprise, the Group's future success is highly dependent on the availability of workers at economically viable compensation conditions.

The company's ability to implement its plans in the expected manner will also depend on whether and to what extent the Executive Board is able to retain key employees, as well as experienced, well-trained employees, and additionally recruit new employees and permanently retain them. The Executive Board is also focused on the recruitment and retention of sufficiently trained workers in production. If this cannot be done, it would lead to unplanned cost increases due to the increased use of contract workers and inefficiencies in production.

HanseYachts employs persons of different nationalities, some of whom work for different Group companies. In addition, a number of independent contractors work for us. Even within Europe, the complete freedom of movement is not yet given. Any violation of social insurance regulations or the regulations of the German Employee Secondment Act could lead to a classification that differs from the current status and result in additional social security charges.

Personnel risks, particularly including the recruitment of skilled workers in the context of the scarcity of skilled workers in Germany and the region and potential employee turnover, are deemed to be medium.

#### d) Rights of use

Yacht design and innovative features are key success factors for any boatyard. Changes in customer tastes or the development of new models that do not satisfy customer tastes could have a considerably adverse effect on the unit sales of the Group's yachts. However, the success of the Group's designs in the market also harbors the risk of design copying and product piracy by competitors. The companies of the Group have already successfully taken legal action against such imitations. The risk of exploitation of our rights of use (engineering, design, trademark) is deemed to be medium, the same as in the previous year.

#### e) Compliance risks/legal risks

Individual compliance risks are managed efficiently by the persons responsible for each risk in the various departments of the Group. Compliance is understood to mean compliance with laws and regulations and internal guidelines. The potential financial consequences of compliance violations include lawsuits, reputation losses, or monetary fines. The risk of compliance violations is deemed to be low. Additional information on this subject can be found in the Group's non-financial report. We refer to Chapter "6. Separate, combined non-financial report".

Provisions have been recognized in respect of all known legal risks at the settlement amounts deemed to be necessary according to prudent business judgment. The Executive Board believes that the sale of the French company classified as discontinued operations has ensured its continuance as a going concern. Therefore, legal risks arising in the future from the Group's status as shareholder are deemed to be very low.

#### f) Quality and warranty risks

The yachts manufactured by the Group must meet the highest quality and safety standards. Despite the care taken in this process and the quality assurance systems in place, quality defects cannot be completely ruled out. Product liability cases and accidents with yachts produced by HanseYachts, as well as recalls due to product risks, could result in substantial financial charges and reputation losses. Identified risks are accounted for by the formation of provisions. The resulting risk is deemed to be low overall.

#### g) Dealer sales financing risk

In case of default of a dealer participating in sales financing, the master agreement concluded with an institutional sales financing company specifies a marketing obligation for the Group and in the worst case, an obligation to repurchase the corresponding yacht. The Group collects down payments on account of these yachts and dealers are required to make ongoing principal repayments to the financing company, which taken together nearly eliminate the resale risk.

### 4.3.4 | External risks

#### a) Pandemic risks

Since late 2019, the coronavirus pandemic has swept across the world, causing manifold economic disruptions, uncertainties, and risks in both the procurement markets and the relevant sales markets of the Group. Although the scope of restrictions has narrowed considerably since the previous year, the remaining, diverse second-order repercussions of the pandemic are still





having a serious adverse effect on the European economy. Aside from the risk of a renewed wave of coronavirus infections causing our employees to be absent in considerable numbers, there is the risk of a recession with adverse effects on consumer behavior. There is also a risk of renewed supply chain disruptions. The variable supply of parts poses a risk for series production. This risk is deemed to be medium despite the continual easing of restrictions.

#### b) War in Europe

The supply chain uncertainty and risk of recession already present as a result of the coronavirus pandemic have been seriously exacerbated by the war in Europe. This could entail serious long-term effects on the capacity utilization rate in production. In the opinion of the legal representatives, however, the Group is well prepared for a potential shortage of natural gas. Given the fact that the Group's primary suppliers are not dependent on process gas or have made suitable preparations for a potential shortage of natural gas, the legal representatives do not see this potential problem as posing a material risk to production.

Nonetheless, the considerable rise in energy and freight costs resulting from the war in Ukraine could lead to higher production and distribution costs. The sales of HanseYachts AG are not directly impacted by the war in Ukraine because the company did not have significant business relationships with customers or suppliers in Russia or Ukraine even before the war. In the medium term, the high level of inflation could impact the purchasing behavior of the Group's customers, although no signs of such a trend are discernible at the present time given the consistently high level of orders.

All in all, the risks arising directly from the war in Europe are deemed to be medium from the Group's perspective.

### 4.4 — Executive Board's overall assessment of the company's situation of risks and opportunities

The Group and most other companies in the boat-building industry are currently benefitting from the pandemic in terms of distribution and unit sales. In procurement and production, on the other hand, we are suffering from the adverse effects of the pandemic, as is the entire manufacturing sector. It is difficult to predict how long this trend will last and whether or not it will entail additional short-term setbacks, a further acceleration of demand, and/or a worsening or improvement of supply conditions. In this respect, the Group's outlook depends on the measures taken to combat the coronavirus pandemic, including the further progress of vaccination campaigns in key countries for sales of the Group's products.

Considering the potential problems to be encountered with the timely delivery of essential components and the rising procurement costs resulting from the war and the high level of industrial demand for raw materials and accessory parts fueled by the earlier-than-expected economic recovery in the United States, China, and Europe, general procurement and purchasing risks are deemed to be even higher than in the previous year.

Although the Executive Board disposes of sufficient liquidity as a result of the successful conclusion of refinancing negotiations in December 2022 and the adoption of capital measures, liquidity risk is deemed to be medium, and thus higher than in the previous year, in view of the reduced level of freely disposable liquidity compared to the previous year and the necessity of fulfilling the financial covenants.

No other material changes in the company's situation of opportunities and risks compared to 2020|2021 have occurred in the 2021|2022 financial year.

It is possible that not all future risks have been considered in this report. However, the establishment of organizational structures and processes allows for the early identification and assessment of risks and thus the early implementation of appropriate counter-measures.

The assessment of overall risks and opportunities is based on the risk and opportunity management system in combination with the utilized planning, management and control systems. Risks are evaluated independently of opportunities that could arise for the company.

Based on the determined probability of occurrence and potential effects of all described risks at the time of preparation of the Group management report, the risks do not endanger the continuance of the HanseYachts Group as a going concern either individually or in their aggregated form in the next 12 months.

## 5 // CORPORATE GOVERNANCE DECLARATION

The corporate governance declaration according to Section 315d HGB in conjunction with 289f HGB has been published on our website at <https://www.hanseyachtsag.com/de/investor-relations/corporate-governance/>.

## 6 // SEPARATE COMBINED NON-FINANCIAL REPORT

The German Corporate Social Responsibility Directive Implementing Act establishes an obligation for the Group to publish a non-financial report. This report has been prepared as a combined separate non-financial report for HanseYachts AG and the Group (referred to hereinafter as the non-financial report). The non-financial report is published on the company's website at <https://www.hanseyachtsag.com/de/investor-relations/nichtfinanzielle-berichte/>.

## 7 // REPORT ON EQUALITY AND EQUAL PAY

The company issued a separate report in the 2017|2018 financial year to fulfill the legal requirements of the German Compensation Transparency Act. As a company bound by collective bargaining agreements, HanseYachts AG is obligated to prepare a Compensation Transparency Report only every five years; therefore, the company was not obligated to prepare such a report in the 2021|2022 financial year. The report on equality and equal pay was not part of the audited Group management report.

## 8 // EXECUTIVE BOARD'S REPORT ON DEALINGS WITH AFFILIATED COMPANIES

In accordance with Section 312 AktG, the Executive Board has prepared a report on the dealings of HanseYachts AG with affiliated companies. The report on dealings with affiliated companies includes the following concluding statement:

"In accordance with Section 312 AktG, the Executive Board has prepared a report on the dealings of HanseYachts AG with affiliated companies. For each transaction mentioned in the report, the company received appropriate consideration according to the circumstances that were known to the Executive Board at the time when the transaction was conducted. No other reportable measures were taken or omitted."



## 9 // FORECAST REPORT

The global economy is increasingly suffering from the effects of the war in Europe and the related inflation. Moreover, the recovery is impeded by supply bottlenecks and logistical problems, which are reflected in the rising prices for raw materials, accessory parts, and freight services. Gross domestic product in the Eurozone is only expected to grow by around 0.3 % in the 2023 calendar year.

The forecast is therefore fraught with considerable risks by reason of the coronavirus pandemic, the war in Europe, and persistent supply chain disruptions. Employee absence rates caused by influenza and coronavirus infections lead to temporarily reduced capacities and supply chain problems impede the flow of production. Production is continually adapted to the availability of purchased parts. The completion of yachts under construction is delayed until the lacking parts are delivered by the supplier and can be installed by HanseYachts. Despite the persistent delivery bottlenecks affecting suppliers, the Group has professionalized its internal processes to the point that production is less affected by parts shortages.

In consideration of the worldwide distribution network of HanseYachts, the broad product line of sailing yachts and motor yachts, the continual improvements of existing yacht models, the planned investments in the development of new products, and the appreciably positive customer response to our models, we see ourselves as being well positioned in the water sports market. In contrast to the preceding years, for example, the HanseYachts Group is beginning the 2022|2023 financial year with such a high level of orders that its production capacity is already completely booked out for the entire financial year up to 30 June 2023. For some models, sales and thus production planning even extend beyond the 2023|2024 financial year.

In consideration of the overwhelmingly positive outlook, but also with due regard to the potential adverse effects of the coronavirus pandemic, the war in Europe, and ongoing supply chain disruptions on the business of HanseYachts, the Executive Board expects that the revenues to be generated in the 2022|2023 financial year will be well above the level of the reporting period. Moreover, the number of yachts to be invoiced and produced in the 2022|2023 financial year will likewise be well above the level of the preceding year. The Executive Board expects to book orders of an amount between € 130 million and € 170 million in the 2022|2023 financial year. The Executive Board expects that EBITDA to be generated in the 2022|2023 financial year will come to a positive amount in the low single-digit millions. The Executive Board anticipates a consolidated profit/loss of a negative amount in the low single-digit millions.

In arriving at this forecast, the Executive Board relied on the assumptions that there will be no renewed, across-the-board restriction of economic and private activities as a result of the coronavirus, and that the worldwide supply chain problems will be largely resolved in the second half of the financial year. The economic performance of the entity classified as discontinued operations will have no further effect on the Group's business performance aside from the anticipated positive deconsolidation gain.

Greifswald, 14 December 2022

The Executive Board



Hanjo Runde



Stefan Zimmermann



**FJORD 53 XL | SEDUCTIVE. GLAMOROUS.  
EXTRAVAGANT.**

FJORD presents its exciting new flagship, the 53 XL. This superlative FJORD naturally features the iconic looks that give the brand instant recognition on the water and attract attention in every marina. With its full equipment list and smart configuration options, each FJORD 53 XL is as individual as its owner, being built exactly to the customer's wishes. Highlights of the 53 XL include generous windows in the hull, a variable interior layout including a crew cabin, a futuristic helm station and a tender garage. And it goes without saying that the FJORD 53 XL always delivers impressive performance thanks to its IPS drives.







# POWER YACHT

## THE ORIGINAL

Each FJORD product embodies the best of three worlds: Scandinavian purism ensures strong visual appeal; Mediterranean Savoir Vivre provides the inspiration for the numerous luxury equipment details; and German engineering ensures outstanding handling dynamics, maximum safety and reliability, and flawless workmanship. This is the unique DNA that has made FJORD the prototype of any extravagant powerboat – and an international design icon.

**FJORD** 



# CONSOLIDATED FINANCIAL STATEMENTS

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

€	Notes	30/6/2022	30/6/2021
<b>ASSETS</b>		<b>125,962,189.05</b>	<b>110,781,791.27</b>
<b>Non-current assets</b>		<b>39,632,724.17</b>	<b>48,775,761.26</b>
Intangible assets	6.1.	9,718,406.43	19,406,391.30
Property, plant and equipment	6.2.	29,061,194.54	28,103,956.59
Deferred tax assets	6.3.	853,123.20	1,265,413.37
<b>Current assets</b>		<b>57,233,282.38</b>	<b>62,006,030.01</b>
Inventories	6.4.	45,459,759.25	39,440,327.07
Trade receivables	6.5.	2,945,234.85	3,200,880.49
Other assets	6.6.	2,326,651.60	2,643,077.91
Cash and cash equivalents	6.7.	6,501,636.68	16,721,744.54
<b>Assets held for sale</b>	6.14	29,096,182.50	0.00
<b>EQUITY AND LIABILITIES</b>		<b>125,962,189.05</b>	<b>110,781,791.27</b>
<b>Equity</b>	6.8.	<b>-9,601,006.53</b>	<b>11,328,497.95</b>
<b>Equity of the shareholders of HanseYachts AG</b>		<b>-9,522,088.54</b>	<b>11,583,523.36</b>
Subscribed capital		15,691,695.00	15,691,695.00
Additional paid-in capital		1,569,170.00	1,569,170.00
Currency translation reserve		-28,743.10	180,051.07
Accumulated loss		-26,754,210.44	-5,857,392.71
<b>Non-controlling interests</b>		<b>-78,917.99</b>	<b>-255,025.41</b>
<b>Non-current liabilities</b>		<b>7,753,226.58</b>	<b>23,937,269.23</b>
Non-current financial liabilities	6.10.	4,446,872.55	22,074,018.29
Non-current lease liabilities	6.11.	3,306,354.03	1,863,250.94
<b>Current liabilities</b>		<b>96,628,773.59</b>	<b>75,516,024.09</b>
Other provisions	6.9.	3,178,146.22	2,072,576.68
Other financial liabilities	6.10.	21,330,880.01	6,860,634.36
Current lease liabilities	6.11.	1,101,297.50	1,375,694.14
Down payments received on account of orders	6.13.	40,801,182.17	41,205,872.75
Trade payables	6.13.	19,892,260.72	14,490,429.96
Income tax liabilities	6.3.	350,145.54	276,621.29
Liabilities to related entities and persons	6.13.	2,238,030.50	575,635.75
Other liabilities	6.13.	7,736,830.93	8,658,559.16
<b>Liabilities related to assets held for sale</b>	6.14	31,181,195.41	0.00



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

€	Notes	1/7/2021 to 30/6/2022	1/7/2020 to 30/06/2021*
<b>Revenues</b>	5.1.	<b>132,379,913.40</b>	<b>107,832,153.05</b>
Increase in inventories of finished and unfinished goods	5.1.	9,987,997.54	1,607,573.20
Other internal production capitalized	5.1.	2,516,017.90	1,647,991.03
Other operating income	5.2.	1,939,728.25	2,563,240.12
Purchased goods and services	5.3.	-84,341,459.34	-59,935,067.38
Personnel expenses	5.4.	-44,745,515.00	-36,691,881.55
Other operating expenses	5.5.	-23,888,882.62	-15,121,985.49
<b>EBITDA</b>		<b>-6,152,199.87</b>	<b>1,902,022.98</b>
Depreciation, amortization and impairments	5.6.	-5,473,730.38	-4,881,655.06
<b>EBIT</b>		<b>-11,625,930.25</b>	<b>-2,979,632.08</b>
Financial result	5.7.	-874,293.45	-1,244,498.81
<b>EBT</b>		<b>-12,500,223.70</b>	<b>-4,224,130.89</b>
Income taxes	5.8.	-438,675.96	447,273.69
<b>Profit/loss after taxes from continued operations</b>		<b>-12,938,899.66</b>	<b>-3,776,857.20</b>
thereof:			
Attributable to the shareholders of HanseYachts AG		-12,938,899.66	-3,776,857.20
Attributable to non-controlling interests		0.00	0.00
<b>Profit/loss after taxes from discontinued operations</b>	5.11.	<b>-7,781,810.66</b>	<b>-5,214,671.33</b>
thereof:			
Attributable to the shareholders of HanseYachts AG		-7,743,797.48	-5,062,696.22
Attributable to non-controlling interests		-38,013.18	-151,975.11
<b>Consolidated profit/loss</b>		<b>-20,720,710.32</b>	<b>-8,991,528.53</b>
thereof:			
Attributable to the shareholders of HanseYachts AG		-20,682,697.14	-8,839,553.42
Attributable to non-controlling interests		-38,013.18	-151,975.11
<b>Earnings per share from continued operations</b>	5.9.	<b>-0.82</b>	<b>-0.27</b>
(undiluted/diluted)			
<b>Earnings per share from discontinued operations</b>		<b>-0.50</b>	<b>-0.38</b>
(undiluted/diluted)			
<b>Other comprehensive income</b>			
Items potentially to be reclassified to the income statement at a later time:			
Currency translation difference		-208,794.17	-16,846.51
<b>Total comprehensive income</b>		<b>-20,929,504.49</b>	<b>-9,008,375.04</b>
thereof:			
Attributable to the shareholders of HanseYachts AG		-20,891,491.31	-8,856,399.93
Attributable to non-controlling interests		-38,013.18	-151,975.11

\*Adjusted in accordance with IFRS 5; see 3.4 of the notes to the consolidated financial statements for the 2021|2022 financial year





## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

€	Number of shares	Subscribed capital	Additional paid-in capital
<b>1 July 2020</b>	<b>12,154,927</b>	<b>12,154,927.00</b>	<b>8,850,773.14</b>
Cash capital increase	388,762	388,762.00	1,088,533.60
Non-cash capital increase	3,148,006	3,148,006.00	8,707,763.82
	3,536,768	3,536,768.00	9,796,297.42
Withdrawals from additional paid-in capital		0.00	-17,077,900.56
Consolidated loss		0.00	0.00
Other comprehensive income/loss		0.00	0.00
Total comprehensive income		0.00	0.00
<b>30 June 2021</b>	<b>15,691,695</b>	<b>15,691,695.00</b>	<b>1,569,170.00</b>
Other changes		0.00	0.00
Consolidated loss		0.00	0.00
Other comprehensive income		0.00	0.00
Total comprehensive income		0.00	0.00
<b>30 June 2022</b>	<b>15,691,695</b>	<b>15,691,695.00</b>	<b>1,569,170.00</b>



Accumulated loss	Currency translation reserve	Attributable to the shareholders of HanseYachts AG	Attributable to non-controlling interests	Group equity
<b>-14,095,739.72</b>	<b>196,897.45</b>	<b>7,106,857.87</b>	<b>-103,050.30</b>	<b>7,003,807.57</b>
0.00	0.00	1,477,295.60	0.00	1,477,295.60
0.00	0.00	11,855,769.82	0.00	11,855,769.82
0.00	0.00	13,333,065.42	0.00	13,333,065.42
17,077,900.56	0.00	0.00	0.00	0.00
-8,839,553.42	0.00	-8,839,553.42	-151,975.11	-8,991,528.53
-0.13	-16,846.38	-16,846.51	0.00	-16,846.51
-8,839,553.55	-16,846.38	-8,856,399.93	-151,975.11	-9,008,375.04
<b>-5,857,392.71</b>	<b>180,051.07</b>	<b>11,583,523.36</b>	<b>-255,025.41</b>	<b>11,328,497.95</b>
-214,120.59	0.00	-214,120.59	214,120.60	0.01
-20,682,697.14	0.00	-20,682,697.14	-38,013.18	-20,720,710.32
0.00	-208,794.17	-208,794.17	0.00	-208,794.17
-20,682,697.14	-208,794.17	-20,891,491.31	-38,013.18	-20,929,504.49
<b>-26,754,210.44</b>	<b>-28,743.10</b>	<b>-9,522,088.54</b>	<b>-78,917.99</b>	<b>-9,601,006.53</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

€	Notes	1/7/2021 to 30/6/2022	1/7/2020 to 30/6/2021
<b>EBIT</b>		<b>-19,014,253.13</b>	<b>-8,152,104.28</b>
Depreciation, amortization and impairments		6,708,963.73	5,822,860.66
Interest payments		-920,740.28	-962,969.86
Income taxes paid		-310,307.94	-259,942.49
Gains on disposal of non-current assets		128,000.00	21,243.51
Other non-cash changes		-74,735.09	-129,464.33
Change in inventories, receivables and other assets, not attributable to investing or financing activities		-21,016,761.51	-5,755,442.71
Change in liabilities, not attributable to investing or financing activities		33,646,486.37	18,103,208.51
<b>Cash flow from operating activities</b>		<b>-853,347.85</b>	<b>8,687,389.01</b>
thereof from continued operations		1,408,752.40	10,091,497.24
thereof from discontinued operations		-2,262,100.25	-1,404,108.23
Investments in			
Intangible assets	6.1.	-1,433,940.69	-1,624,812.34
Property, plant and equipment	6.2.	-6,262,887.43	-4,925,035.00
<b>Cash flow from investing activities</b>		<b>-7,696,828.12</b>	<b>-6,549,847.34</b>
thereof from continued operations		-7,242,828.12	-5,400,229.51
thereof from discontinued operations		-454,000.00	-1,149,617.83
Cash inflows from cash capital increases		0.00	1,477,295.60
Equity procurement costs		0.00	-106,655.35
Repayment of lease liabilities	6.11.	-1,770,000.00	-2,026,000.00
Borrowing of other financial liabilities	6.10., 12.	487,105.32	13,475,695.82
Borrowing of liabilities to related entities		1,460,000.00	0.00
Repayment of financial liabilities		-2,697,111.49	-854,798.69
Repayments/borrowing of current account liabilities		1,650,217.06	-7,318,487.96
<b>Cash flow from financing activities</b>		<b>-869,789.11</b>	<b>4,647,049.42</b>
thereof from continued operations		-1,088,852.69	4,343,049.42
thereof from discontinued operations		219,063.58	304,000.00
<b>Change in cash and cash equivalents</b>		<b>-9,419,965.08</b>	<b>6,784,591.09</b>
Exchange rate-caused change in cash and cash equivalents		0.00	20,305.50
Cash and cash equivalents at beginning of period		16,721,744.54	9,916,847.95
<b>Cash and cash equivalents at end of period</b>		<b>7,301,779.46</b>	<b>16,721,744.54</b>
<b>Composition of cash and cash equivalents</b>			
Cash in banks	6.7./7.	7,298,822.82	16,718,581.21
Cash on hand	6.7./7.	2,956.64	3,163.33
		7,301,779.46	16,721,744.54
thereof from continued operations		6,501,636.68	16,511,860.89
thereof from discontinued operations		800,142.78	209,883.65







*Fjord 41 XL – Superb style & top-class materials*



### SEALINE S390 | EXPERIENCE THIS SUNSATON

The SEALINE S390 not only feels like a convertible, ideal for celebrating summer at sea – it also offers you outstanding volumes! Enjoy the largest cockpit in its class, more than 4.5 square metre of lounging space on the foredeck, an XL bathing platform and up to three galley units on deck. All bathed in sunlight as soon as the two sunroofs are open. No wonder we're calling it a SUNSATON! And if the summer does take a break, the elegant interior comes into its own. Adapt the layout below deck to give you every comfort.







# LUXURY MOTOR YACHTS

## SEAWORTHY HIGH PERFORMANCE

On a SEALINE, the sky and the horizon are your ever-present companions. Impressive window façades allow you to enjoy the airiness of modern glass architecture on the high seas and revel in unrestricted panoramic views. Thanks to the balance of lighting design, colour composition and material aesthetics, a SEALINE motor yacht is your floating designer suite. Both inside and out, a host of sophisticated extras ensure that your every need is met as you take to the water. SEALINE – the last word in the latest-generation maritime elegance.





## NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

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### 1 // GENERAL INFORMATION

HanseYachts AG with its registered head office in Greifswald, Germany, is an exchange-listed stock corporation and the highest-level parent company of the HanseYachts Group. The company's shares are traded in the Regulated Market (General Standard) section of the Frankfurt Stock Exchange (ISIN: DE000A0KF6M8/WKN: A0KF6M).

The parent company of HanseYachts AG is AURELIUS Equity Opportunities SE & Co. KGaA, Grünwald.

The business activity of the companies of the HanseYachts Group mainly comprises the development, production and distribution of sailing yachts under the brand names HANSE, MOODY and DEHLER, motor yachts under the brand names FJORD, SEALINE, and RYCK, and sailing and motor catamarans under the PRIVILEGE brand name (until 17 October 2022). The Group conducts its business activities primarily at the production sites in Greifswald, Poland, and France (until 17 October 2022) and through two operating distribution companies in Greifswald and the United States.

The consolidated financial statements of HanseYachts AG have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), and the additionally applicable regulations of German commercial law pursuant to Section 315e (1) German Commercial Code (Handelsgesetzbuch, HGB). All mandatorily applicable IFRSs and IFRICs adopted by the EU Commission as of 31 December 2021 were observed.

The consolidated financial statements of HanseYachts AG have been prepared in euros. Unless otherwise noted, all figures are rounded and stated in euro thousands. Differences of up to one unit (thousand euros, %) are technical rounding differences.

The Group's financial year differs from the calendar year in that it runs from 1 July to 30 June of the following year. This financial year reflects the seasonal cycle of the Group companies' business.

HanseYachts AG is registered in the Commercial Register of the Stralsund Local Court under record number HRB 7035. The address of the company is Ladebower Chaussee 11, 17493 Greifswald.

### 2 // BASIC ACCOUNTING POLICIES

#### **New International Financial Reporting Standards and Interpretations and amendments to International Financial Reporting Standards**

All International Financial Reporting Standards that must be applied in the European Union up to the reporting date of 30 June 2022 were applied in the 2021|2022 financial year. The Group has opted against early application of those Standards that are not required to be applied on or after 30 June 2022.



Beginning with the 2021|2022 financial year, the first-time application of the following Standards and Interpretations newly published or amended by the IASB and recognized by the EU was mandatory:

Standard/Interpretation	Content of new Standard/amendment	Mandatory application
<b>Amendments of Standards</b>		
IFRS 16	Covid-19-Related Rent Concessions	01/07/2021 (EU)
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform Phase 2	01/01/2021 (EU)

The amendments of Standards had no or no material effects on the consolidated financial statements of HanseYachts AG.

### Not applied, already published Standards and Interpretations

The IASB and the IFRIC have adopted additional Standards, amendments and Interpretations of possible relevance to the HanseYachts Group, the application of which was not yet mandatory in the 2021|2022 financial year:

Standard/Interpretation	Content of new Standard/amendment	Mandatory obligation	Already adopted by EU	Anticipated effects
<b>New Standards</b>				
IFRS 17	Insurance Contracts	01/01/2023	No	None
<b>Amendment of Standards</b>				
IFRS 3	Reference to the Conceptual Framework	01/01/2022	No	None
IAS 16	Property, Plant and Equipment – Proceeds before Intended Use	01/01/2022	No	None
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	01/01/2022	No	None
Diverse	Annual Improvements to (2018–2020 Cycle)	01/01/2022	No	None
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	01/01/2023	No	None
IAS 1	Disclosure of accounting policies	01/01/2023	No	None
IAS 8	Definition of accounting estimates	01/01/2023	No	None
IAS 1	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	01/01/2023	No	No material effects

As a general rule, the HanseYachts Group will apply these Standards and Interpretations in the reporting period in which their application is mandatory.

### European Single Electronic Format (ESEF)

The EU Commission has issued a technical regulatory standard, the European Single Electronic Format (ESEF), according to which all companies are required to report their consolidated financial statements in a uniform format, Extensible Hypertext Markup Language (xhtml), and to apply iXBRL tagging for certain disclosures in the consolidated financial statements. The standard must be applied in the European Union in financial years that begin on or after 1 January 2020. HanseYachts AG fulfills these requirements and has published the Annual Report at 30 June 2022 in accordance with the ESEF requirements.



### 3 // CONSOLIDATION POLICIES

#### 3.1 — Change in the basis of consolidation

The highest-level Group company is HanseYachts AG. Besides HanseYachts AG, eight (PY: seven) companies with their registered head offices in Germany and five (PY: five) companies with their registered head offices in foreign countries are included in the consolidated financial statements.

Name			Share of Equity Held	
<b>Directly:</b>	<b>Abbreviation</b>			
1. Dehler Yachts GmbH	DY	Greifswald	100 %	(PY: 100.0%)
2. Hanse (Deutschland) Vertriebs GmbH & Co. KG	HVG	Greifswald	100 %	(PY: 100.0%)
3. Verwaltung Hanse (Deutschland) Vertriebs GmbH	VHV	Greifswald	100 %	(PY: 100.0%)
4. Yachtzentrum Greifswald Beteiligungs-GmbH	YZGB	Greifswald	100 %	(PY: 100.0%)
5. HanseYachts US, LLC	HUS	Savannah/USA	100 %	(PY: 100.0%)
6. HanseYachts Sp. Z.o.o (formerly: Technologie Tworzyw Sztucznych Sp. z.o.o.)	HYSZ	Goleniów/Poland	100 %	(PY: 100.0%)
7. Moody Yachts GmbH	MY	Greifswald	100 %	(PY: 100.0%)
8. Sealine Yachts GmbH	SY	Greifswald	100 %	(PY: 100.0%)
9. Privilège Marine Holding GmbH	PMH	Greifswald	100 %	(PY: 100.0%)
10. HanseYachts Marken Portfolio AG & Co. KG	HYMP	Greifswald	100 %	(PY: 0.0%)
<b>Indirectly:</b>				
via No. 4				
11. HanseYachts Marken Portfolio AG & Co. KG	HYMP	Greifswald	0 %	(PY: 0.0%)
12. Mediterranean Yacht Service Center SARL	MYSC	Canet en Roussillon/France	100 %	(PY: 100.0%)
Via No. 6				
13. Balticdesign Institute Sp.z.o.o.	BDI	Stettin/Poland	100 %	(PY: 100.0%)
Via No. 9				
14. Privilège Marine SAS	PM	Les Sables d'Olonne/France	100 %	(PY: 99.6%)

HanseYachts AG as general partner founded, together with Yachtzentrum Greifswald Beteiligungs-GmbH, Greifswald, as limited partner, the company HanseYachts Marken Portfolio AG & Co. KG, Greifswald, with effect as of 31 January 2022. HanseYachts Marken Portfolio AG & Co. KG has been entered in the Commercial Register since 2 May 2022.

#### Exemption rules for Group companies

As a result of being included in the consolidated financial statements of HanseYachts AG, Hanse (Deutschland) Vertriebs GmbH & Co. KG has exercised the disclosure simplifications subject to the further requirements of Section 264 b HGB (German Commercial Code).

#### Inclusion in higher-level consolidated financial statements

HanseYachts AG and its direct and indirect subsidiaries are included in the consolidated financial statements of AURELIUS Equity Opportunities SE & Co. KGaA, Grünwald, which have been submitted to the operator of the German Federal Gazette (*Bundesanzeiger*) and published on the website of the Commercial Register.





### 3.2 — Consolidation methods

In addition to HanseYachts AG, all domestic and foreign companies that are controlled by the HanseYachts Group according to the criteria of IFRS 10 are included in the consolidated financial statements at 30 June 2022. According to these criteria, the HanseYachts Group controls Group companies if it has rights to variable returns from its involvement with the Group company and the HanseYachts Group additionally has the ability to use its power to affect the variable returns. The HanseYachts Group has power over a Group company if it has existing rights that give it the ability to direct the relevant activities of the Group company. This condition is usually met when HanseYachts AG directly or indirectly holds the majority of voting rights or similar rights in the company. In making this determination, potential voting rights that can currently be exercised or converted are also taken into consideration. The separate financial statements of the subsidiaries are included in the consolidated financial statements from the date of attainment of control to the date of loss of control.

All companies included in the consolidated financial statements prepare annual and/or interim financial statements as of the date of the separate financial statements of HanseYachts AG, which is the reporting date for the consolidated financial statements.

The consolidated financial statements have been prepared on the basis of uniform recognition and measurement methods according to IFRS. If necessary, the financial statements of the subsidiaries are adjusted to match the policies applied at the Group level.

Intercompany profits and losses, revenues, expenses and income, as well as receivables and liabilities or provisions between consolidated companies, are eliminated.

Interim results in non-current assets and inventories resulting from intercompany deliveries are eliminated.

Guarantees and warranties assumed by HanseYachts AG in favor of consolidated subsidiaries are eliminated because the underlying liabilities are recognized in the consolidated financial statements.

### 3.3 — Currency translation

The Group currency of HanseYachts AG is the euro (€).

The separate financial statements of consolidated Group companies prepared in a foreign currency are translated to the Group currency on the basis of the functional currency concept (IAS 21) by application of the modified reporting date method. The functional currency of subsidiaries is basically determined by the primary business environment in which they operate and thus the given national currency, with the exception of the Polish subsidiary. The expenses and income from the separate financial statements of subsidiaries prepared in a foreign currency and included in the consolidated financial statements by application of the modified reporting date method are translated to the functional currency at the average exchange rate for the year, assets and liabilities at the mean exchange rate on the reporting date. The currency translation difference resulting from the translation of equity at historical exchange rates and the currency translation differences arising from the income statement are recognized in accumulated other income within equity, with no effect on profit or loss.



Foreign currency receivables and liabilities in the separate financial statements of the companies included in the basis of consolidation are measured at the exchange rate at the date of recognition. Currency gains and losses arising at the reporting date are recognized in profit and loss.

The functional currency of the Polish subsidiary HYSZ is the euro because exchanges of goods and services primarily with HanseYachts AG are conducted in euros. Financing is also denominated in euros. In accordance with IAS 21, currency differences arising from the translation of foreign currency items to the functional currency are recognized in profit in loss in the consolidated financial statements by application of the temporal method. Because the primary investment and funding operations at HYSZ have been completed, non-monetary items in the financial statements of HYSZ are measured at historical exchange rates in accordance with the functional currency concept. The functional currency of the U.S. subsidiary Hanse Yachts US LLC is the U.S. dollar. The intragroup trade dealings of this company mainly consist of purchases of products from Hanse Yachts AG. It distributes these products in the U.S. market independently and at its own risk.

The U.S. dollar and the Polish zloty are significant foreign currencies for HanseYachts. The reference euro exchange rates of the European Central Bank are used for currency translation. The exchange rates exhibited the following development:

€ 1.00	ECB's € Reference Rate		Average Rate for	
	30/6/2022	30/6/2021	Financial Year 2021 2022	Financial Year 2020 2021
USD	1.04	1.19	1.12	1.19
PLN	4.69	4.52	4.62	4.50

## 4 // RECOGNITION AND MEASUREMENT PRINCIPLES

### 4.1 — General principles

The income statement is formatted according to the cost summary method.

### 4.2 — Revenue recognition

Revenues are mostly generated on sales of sailing yachts, motor yachts, and catamarans. In accordance with IFRS 15, revenues are recognized when goods are delivered or services provided (transfer of control). Revenues on sales are recognized at a point in time.

Revenues represent the fees billed to the customer minus discounts, price concessions, customer bonuses, and rebates. In accordance with the contractual agreements in effect, customers regularly make down payments that are essentially based on the progress of construction of the sailing yachts and motor yachts; these payments do not include a financing component.

No contract initiation costs are incurred in the HanseYachts Group.

### 4.3 — Expenses for research and development

Development expenses are capitalized in the statement of financial position when all the criteria for the recognition of internally generated intangible assets are met.



Production expenses for internally generated intangible assets comprise all directly allocable costs of development projects approved and budgeted by the management (sailing or motor yacht models). Capitalized production expenses are amortized pro rata temporis on a straight-line basis over the ordinary useful life of four to five years.

If development expenses lead to capitalizable assets in property, plant and equipment, they are capitalized in property, plant and equipment and amortized on a straight-line basis over the expected useful life. Internally generated production molds in particular are capitalized at cost.

Development expenses and production molds are amortized over expected useful lives of four to five years.

Research expenses are recognized in profit or loss in the period when they are incurred.

#### **4.4 — Hedging transactions**

Derivative financial instruments are used by the HanseYachts Group for hedging purposes to lower currency and interest rate risks in the Group's operating activities and reduce the resultant financing needs.

In accordance with IFRS 9, all derivative financial instruments are measured at fair value because the derivatives employed in the HanseYachts Group do not meet the strict criteria for hedge accounting under IFRS 9.

They are assigned to the category "at fair value through profit or loss" in the consolidated income statement at the time of recognition of the change in value and treated accordingly.

#### **4.5 — Financial result**

Interest income from financial investments and interest expenses for loans are presented in the financial result. They are recognized at the date of origination. Financing-related foreign currency gains and losses arising in connection with the capital investments made by HYSZ and the funding of these investments are also recognized in the financial result.

#### **4.6 — Income taxes**

In accordance with IAS 12 Income Taxes, income taxes include payment obligations arising from taxable results and deferred tax assets and liabilities in respect of all temporary differences between the Group's balance sheet values and the tax balance sheet values. See also Chapters 4.17. and 4.18.

#### **4.7 — Equity procurement costs**

In accordance with IAS 32.37, costs directly related to the issuance of equity are not recognized as expenses, but are deducted directly from the equity raised with due regard to tax deductibility.



## 4.8 — Intangible assets

Individually purchased intangible assets are measured at cost upon initial recognition. The cost of an intangible asset acquired in a business combination is equal to its estimated fair value at the acquisition date.

Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortization and all accumulated impairment losses. Internally generated intangible assets are capitalized if the capitalization criteria are met. Other costs are recognized in profit or loss in the period in which they are incurred.

For intangible assets, it must first be determined whether they have a definite or an indefinite useful life. Intangible assets with a definite useful life are amortized pro rata temporis on a straight-line basis over the economic useful life and are tested for possible impairments whenever there are indications that the intangible asset could be impaired. The amortization period and amortization method selected for an intangible asset with a definite useful life are reviewed at least at the end of every financial year.

If the expected useful life of the asset or the expected pattern of consumption of the economic benefits of the asset has changed, another amortization period or another pattern of consumption is chosen. Such changes are treated as changes of an estimate.

Intangible assets with definite useful lives are amortized over the following useful lives:

	Years
Development costs	4–5
Other intangible assets	4–8

In the case of intangible assets with indefinite useful lives, an impairment test is conducted at least once a year at the level of the individual asset or the smallest cash-generating unit. These intangible assets are not amortized.

The useful life of an intangible asset with an indefinite useful life is reviewed once a year to determine whether the estimate of an indefinite useful life is still justified. If this is not the case, the change of estimate from an indefinite to a definite useful life is performed on a prospective basis.

Goodwill and trademark rights are intangible assets with indefinite useful lives. Goodwill represents the positive difference between the consideration received and the fair value of assets and liabilities acquired in the course of acquisition of a company.

Impairments of intangible assets recognized in the past are reversed up to the amount of their original cost when the recoverable amount exceeds the carrying amount.



#### 4.9 — Impairment of financial assets

In accordance with IAS 36, the Group tests the carrying amounts of its property, plant and equipment, intangible assets, and rights of use at the reporting date to determine whether there are any indications of a possible impairment. When such indications are found, the recoverable amount of the asset is estimated for the purpose of determining the amount of any necessary impairment. If the recoverable amount of an individual asset cannot be estimated, the impairment test is conducted at the level of the cash-generating unit that is relevant for the test. Recoverability is determined by comparing the carrying amount of the cash-generating unit with the recoverable amount of the cash-generating unit.

The recoverable amount is the higher of fair value less costs to sell or the present value of future cash flows to result from the continued use of the asset. If the carrying amount is higher than the recoverable amount, an impairment loss is recognized in the amount of the difference. If the reasons for impairment losses recognized in previous years no longer apply, the impairments are reversed accordingly.

An impairment loss in goodwill cannot be reversed in subsequent periods.

#### 4.10 — Property, plant and equipment

In accordance with IAS 16, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairments. Repair and maintenance costs are recognized as expenses at the date of origination. Significant renewals and improvements are capitalized. Financing costs are capitalized to the extent that the conditions of IAS 23 are met.

The useful lives of items of property, plant and equipment are defined on the basis of the expected usability for the company. Investment grants and allowances are deducted from the cost of relevant assets. As in previous periods, depreciation is charged pro rata temporis on a straight-line basis mainly on the basis of the following estimated economic useful lives:

	Years
Buildings and outdoor facilities	5 – 40
Technical equipment, plant and machinery	2 – 21
Operational and office equipment	1 – 20

#### 4.11 — Leases

The HanseYachts Group acts both as lessor and as lessee.

Leases are recognized in accordance with IFRS 16. Right-of-use assets in respect of the leased property, plant and equipment are recognized in property, plant and equipment and a corresponding lease liability is recognized.

The lease liability is measured as the present value of future lease payments over the sufficiently certain period of use. Lease components are all fixed and quasi-fixed payments minus future incentive payments of the lessor. In addition, variable payments that depend on a rate or an index, expected payments under residual value guarantees, and payments for the exercise of sufficiently certain purchase and termination options are recognized. The payment series is discounted to present value by the interest rate implicit in the lease or, if this is not known, by the incremental borrowing rate that is appropriate for the lessee. All other variable payments are recognized as expenses. The lease liability is measured and updated in accordance with the effective interest method.



The cost of the right-of-use asset is basically determined by the amount of the lease liability at the time of initial recognition of the lease. This cost is increased by any initial direct costs incurred for the conclusion of the lease, the installation of the leased asset, and any future restoration obligations. The cost is reduced by any incentive payments of the lessor that have already been received. Subsequent to initial recognition, the right-of-use asset is depreciated on a straight-line basis over the term of the lease and adjusted for any impairments. If the leased asset becomes the property of the lessee at the end of the lease term or if a purchase option or preemptive tender right is deemed to be sufficiently certain, the right-of-use asset is depreciated over the economic useful life of the underlying asset.

The lease term is the sufficiently certain period of time during which an asset is leased. In addition to the non-terminable basic lease term, extension periods are included if the exercise of the corresponding option is sufficiently certain upon lease commencement and termination periods are included if the exercise of the corresponding option is not sufficiently certain. This estimate is reviewed if events that are not under the control of the lessee occur or if significant changes in circumstances occur that make it necessary to modify the term. The lease term is adjusted if an extension option is exercised or if a termination option is not exercised and if the exercise or non-exercise of the respective options was not considered in the original estimate. An adjustment of the lease term leads to a change in the future payment series and therefore a revaluation of the lease liability on the basis of the current interest rate. The resulting difference is recognized in the right-of-use asset with no effect on profit or loss. Charge-offs that exceed the carrying amount of the right-of-use assets are recognized as expenses in the income statement.

Leases with terms of up to one year and leases for low-value assets are recognized as expenses, as before.

#### 4.12 — Inventories

Raw materials and supplies are generally measured at the average acquisition cost or the lower fair value.

Unfinished and finished goods are measured at production cost, but at no more than the expected selling price less any costs still to be incurred. Production-related direct costs form the basis for measurement. These direct costs relate to manufacturing wages and material costs. Borrowing costs (interest) are not capitalized because inventories do not meet the definition of qualifying assets due to their short production times.

Partial profit recognition on the basis of the percentage-of-completion method is not done for unfinished and finished goods because the necessary recognition criteria are not met.

Merchandise and used boats are measured at the lower of cost or net realizable value.





## 4.13 — Financial assets and financial liabilities

### Non-derivative financial instruments

In the HanseYachts Group, non-derivative financial instruments comprise trade receivables and other receivables, cash and cash equivalents, financial liabilities, trade payables, lease liabilities, and certain other liabilities.

Upon initial recognition, non-derivative financial instruments are measured at fair value; this amount is increased by directly allocable transaction costs in the case of financial assets and decreased by directly allocable transaction costs in the case of financial liabilities.

All financial instruments presented at fair value in the financial statements are assigned to one of the following hierarchical levels according to IFRS 13:

Level 1: Fair values determined with the aid of quoted prices in active markets.

Level 2: Fair values determined with the aid of valuation methods for which the fair value-relevant inputs are based on directly or indirectly observable market data.

Level 3: Fair values determined with the aid of valuation methods for which the fair value-relevant inputs are not based on observable market data.

Subsequent to initial recognition, receivables are measured at amortized cost. Writedowns are charged to account for possible default risks. Non-current receivables for which no payment receipts are expected in the short term are discounted to present value.

Because the default and recoverability risk of existing trade receivables and cash and cash equivalents is very minor and of subordinate importance for the Group, the Group does not perform the analysis and make the additional disclosures according to IFRS 9.

Subsequent to initial measurement, financial liabilities are measured at amortized cost according to the effective interest method and interest expenses are recognized on the basis of the effective interest rate. Amortized cost is cost after consideration of repayments and the amortization of transaction costs.

Current financial liabilities usually also include that portion of long-term loans for which the residual term is one year at the most. Financial liabilities are presented as non-current liabilities only if the Group has the unrestricted right to defer the settlement of the obligation by at least 12 months after the reporting date and will also exercise this right in the estimation of the legal representatives of the parent company.

### Derivative financial instruments

Derivative financial instruments such as forward exchange transactions are also used to hedge against risks from currency fluctuations. The hedging transactions cover currency risks from pending transactions for the supply of goods and services.

In accordance with IFRS 9, all derivative financial instruments are measured at fair value upon initial recognition. The fair values are also relevant for subsequent measurement. The forward exchange rate at the reporting date is applied for determining the fair value of forward exchange transactions. Because the criteria set out in IFRS 9 for the recognition of a hedging relationship (hedge accounting) are not met, forward exchange deals are measured at fair value at the reporting date and presented within the line items of Financial assets or Financial liabilities.

#### **4.14 — Government grants**

Grants to which the reporting entity has a legal claim are capitalized when there is reasonable assurance at the reporting date that the entity will comply with or has already complied with the conditions attached to the grant and the grant has been requested of the granting institution in the time until the preparation of the financial statements or it is assured that the request will be made. Grants to which the reporting entity has no legal claim, meaning grants that depend on the exercise of discretion on the part of an authority, are recognized as receivables if the grant notice of the granting authority has been received and there is reasonable assurance at the reporting date that the conditions attached to the grant will be fulfilled.

Grants received are deducted from the cost of the purchased assets if the subsidized assets are already in operational use at the reporting date.

Grants received that are tied to compliance with certain conditions are recognized as provisions or liabilities if non-compliance with the subsidy terms is probable at the reporting date.

#### **4.15 — Other non-financial liabilities**

Other non-financial liabilities are measured at their settlement amount or present value.

#### **4.16 — Provisions**

Provisions are recognized to account for discernible risks and uncertain obligations in the probable settlement amounts and are not netted with recourse claims. The settlement amount also includes any cost increases to be considered at the reporting date. Provisions with a term of more than 12 months are discounted to present value by application of a risk-adjusted market interest rate.

Provisions for warranty obligations are recognized on the basis of the previous or estimated future incidence of claims. In individual cases, warranty provisions are recognized in the amount of the estimated costs at the date of sale of the product or when knowledge of a specific claim is obtained.

Provisions for onerous contracts are recognized when the unavoidable costs of performing a contractual obligation are higher than the benefits that are expected to flow from the contract.

If the possibility of a cash outflow is not mostly probable, but is also not improbable (contingent liabilities), a disclosure is made in the notes to the consolidated financial statements instead of recognizing a provision.



#### 4.17 — Deferred taxes

In accordance with IAS 12, deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts presented in the IFRS balance sheet and the tax bases on the basis of tax rates that are deemed to be probable at the time when these differences will reverse. The balance sheet liability method is applied for this purpose.

Deferred tax assets also include tax-reducing claims resulting from the expected use of tax loss carry-forwards and tax credits in subsequent years.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the individual countries in the period when the asset is recovered or the liability is settled, with a sufficient degree of probability based on current laws.

Deferred tax assets in respect of temporary differences and tax loss carry-forwards, as well as tax credits, are recognized only if it is considered sufficiently probable that the resulting tax reductions will in fact occur in the future.

The carrying amounts of deferred tax assets are reviewed at every reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in the future against which the deferred tax assets can be at least partially utilized. Unrecognized deferred tax assets are reviewed at every reporting date and recognized to the extent that it has become probable that sufficient taxable profit will be available in the future to allow for the recovery of the deferred tax asset.

Deferred tax assets in respect of tax losses incurred in the past are only recognized in the amount by which they exceed deferred tax liabilities. At the Polish subsidiary HYSZ, moreover, the amount by which deferred tax assets exceed deferred tax liabilities was recognized in respect of the tax benefits granted to companies in a special economic zone for the first time because it is highly probable that these deferred tax assets can be utilized in future years.

#### 4.18 — Current tax assets and tax liabilities

Current tax assets and tax liabilities for the current period and prior periods are measured at the amount expected to be refunded by or paid to the tax authorities. The amounts are calculated on the basis of the tax rates and tax laws in effect on the reporting date.

#### 4.19 — Assumptions and estimates

Assumptions and estimates that affected the presentation and amount of recognized assets, liabilities, income and expenses, and contingent liabilities were applied in the preparation of the consolidated financial statements. In particular, assumptions and estimates are applied for the purpose of impairment tests for intangible assets, property, plant and equipment, deferred tax assets, the uniform Group definition of economic useful lives, the assessment of resale risks in inventories (particularly in the case of used boats), the assessment of the collectability of receivables and the measurement of provisions.

Although the aforementioned assumptions and estimates are made to the best knowledge of the management on the basis of current events and measures, actual developments may differ from these estimates.

Assumptions and discretionary decisions are also made with respect to recognized income tax liabilities. Recognized income tax liabilities reflect the amount that represents the best estimate with due regard to any tax uncertainties.





## 4.20 — Segment report

According to IFRS 8, the identification of reportable operating segments is based on the management approach. This means that external risk reporting is based on internal financial reporting to the chief operating decision maker. In the HanseYachts Group, the Executive Board of HanseYachts AG is responsible for the assessment and management of an operating segment's performance and is therefore deemed to be the chief operating decision maker within the meaning of IFRS 8.

In its internal reporting system, the HanseYachts Group only categorizes its revenues by product line. Further internal reporting is only performed on a consolidated basis for all product lines together. Thus, the other information required by IFRS 8 in relation to operating segments is not disclosed in the notes to the consolidated financial statements due to the lack of direct allocation and reliable key indicators. As an exception to this rule, the Privilège segment, which is reported separately as discontinued operations in the present financial statements, has been treated as a separate unit for internal reporting purposes since the 2021|2022 financial year.

The reason why continued operations were not segmented is that the profit, assets, liabilities, depreciation and amortization, and investments of the HanseYachts Group cannot be reliably allocated to the product lines of sailing yachts, motor yachts, the Other segment, or a different segment because sailing yachts and motor yachts are manufactured on a single production line. An allocation on the basis of revenues or the number of boats produced would be arbitrary and would not provide information that would be useful for making decisions. Direct allocation is also not possible. Also internally, the operating segments of sailing yachts, motor yachts and Other are not used as control parameters in reporting to the management.

Please refer to Chapter 8 for information on segmentation by geographical segments. Refer to Chapter 5.1 for information on the breakdown of revenues by sailing yachts and motor yachts. External revenues are allocated on the basis of the location of each customer.

Assets are allocated to regions on the basis of the location of each asset. The measurement principles applied in the segment report are based on the IFRS principles applied in the consolidated financial statements.

## 4.21 — Discontinued operations

Discontinued operations are presented separately as soon as a business division with business activities and cash flows that can be clearly distinguished from the other divisions both operationally and for purposes of financial reporting, or is classified as held-for-sale or has already been disposed of, and the business division either represents a separate business line or a separate geographical region, is part of a coordinated overall plan to sell a separate, significant business line or geographical region, or is a subsidiary acquired exclusively with the intention to resell it.

Assets held for sale are assets that can be sold in their current condition and when the sale is highly probable. It must be expected that the sale will be completed within one year from the reclassification date. Assets held for sale are no longer subjected to depreciation, but are presented at the lower of the carrying amount or fair value less costs to sell, which is determined on the basis of the purchase price negotiations with the buyers.



In the past financial year, assets held for sale and liabilities related to assets held for sale were reclassified to the line items of “Assets held for sale” and “Liabilities related to assets held for sale” and the income and expenses presented in the consolidated statement of comprehensive income (including the previous-year comparison figures) were reclassified to “Profit/loss after taxes from discontinued operations” in order to present discontinued operations separately from continued operations.

To represent the financial effects of discontinued operations, intragroup revenues and expenses are eliminated. Therefore, no profits or losses are recognized in respect of intragroup transactions.

Please refer to our remarks in Chapter 6.14 for additional details on this subject.

**The following changes were made in respect of the 2021|2022 financial year:**

Due to the planned sale of the cash-generating unit “Privilège” at the reporting date, this entity was presented as discontinued operations in accordance with IFRS 5. The sale of Privilège Marine SAS was completed by date of 17 October 2022.

The profit/loss generated by Privilège in the 2021|2022 financial year is presented separately in the line item of “Profit/loss after taxes from discontinued operations” in the consolidated statement of comprehensive income. The previous-year consolidated statement of comprehensive income was also adjusted accordingly.



The line items of the income statement for the period from 1 July 2020 to 30 June 2021 affected by the adjustment of previous-year figures are presented in the table below:

€	2020 2021 before change	Change Privilège	2020 2021 after change
<b>Revenues</b>	<b>120,754,423.69</b>	<b>-12,922,270.64</b>	<b>107,832,153.05</b>
Changes in inventory	217,884.21	1,389,688.99	1,607,573.20
Other internal production capitalized	1,885,207.88	-237,216.85	1,647,991.03
Other operating income	3,171,737.91	-608,497.79	2,563,240.12
Purchased goods and services	-66,373,550.72	6,438,483.34	-59,935,067.38
Personnel expenses	-42,322,711.56	5,630,830.01	-36,691,881.55
Other operating expenses	-19,662,235.03	4,540,249.54	-15,121,985.49
<b>EBITDA</b>	<b>-2,329,243.62</b>	<b>4,231,266.60</b>	<b>1,902,022.98</b>
Depreciation, amortization and impairments	-5,822,860.66	941,205.60	-4,881,655.06
<b>EBIT</b>	<b>-8,152,104.28</b>	<b>5,172,472.20</b>	<b>-2,979,632.08</b>
Financial result	-1,263,654.21	19,155.40	-1,244,498.81
<b>Profit/loss before taxes from continued operations</b>	<b>-9,415,758.49</b>	<b>5,191,627.60</b>	<b>-4,224,130.89</b>
Income taxes	424,229.96	23,043.73	447,273.69
<b>Profit/loss after taxes from continued operations</b>	<b>-8,991,528.53</b>	<b>5,214,671.33</b>	<b>-3,776,857.20</b>
Profit/loss after taxes from discontinued operations	0.00	-5,214,671.33	-5,214,671.33
<b>Consolidated profit/loss</b>	<b>-8,991,528.53</b>	<b>0.00</b>	<b>-8,991,528.53</b>

#### 4.22 — Share-based payment

Share-based payment commitments at HanseYachts AG are designed to be cash-settled. The fair value is determined initially at the grant date and recognized as personnel expenses over the vesting period. In subsequent periods, the fair value is recalculated anew at every reporting date and the resulting adjustments are presented within the financial result. The fair value is determined on the basis of the contractual terms and conditions and the stock exchange price of the HanseYachts share.

## 5 // NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Due to the planned sale of the cash-generating unit “Privilège” at the reporting date, this entity was presented as discontinued operations in accordance with IFRS 5. The following notes to the consolidated statement of comprehensive income are based on the adjusted previous-year values. Please refer to Chapter 4.21 of the present notes to the consolidated financial statements for information on the reconciliation of the adjusted previous-year values.





## 5.1 — Revenues, change in inventories, and internal production capitalized

€'000	2021 2022	2020 2021*
<b>Revenues</b>		
Sailing yachts	96,310	74,436
Motor yachts	31,550	30,608
Other	4,520	2,788
	<b>132,380</b>	<b>107,832</b>
<b>Change in inventories</b>		
Unfinished goods	8,025	3,683
Finished goods	1,963	-2,075
	<b>9,988</b>	<b>1,608</b>
<b>Other internal production capitalized</b>	<b>2,516</b>	<b>1,648</b>
<b>Total operating performance</b>	<b>144,884</b>	<b>111,088</b>
* 2020 2021 adjusted after reclassification per IFRS 5		

Other internal production capitalized refers to the production molds for sailing yachts and motor yachts produced by the HanseYachts Group itself, as well as internally generated intangible assets (development expenses). The internal production capitalized in respect of the catamarans is presented in a separate line item in accordance with IFRS 5.

Other revenues mainly relate to sales of spare parts.

A geographic breakdown of revenues is provided in Chapter 8.

All revenues are recognized at a point in time.

## 5.2 — Other operating income

Other operating income breaks down as follows:

€'000	2021 2022	2020 2021*
Income from the reversal of provisions and accrued liabilities and the reduction of individual writedowns of receivables	769	1,738
Income from non-repayable grant	578	0
Income from recharges mainly to dealers (warranties, transport costs, marketing, trade fair costs, etc.)	267	432
Exchange rate gains from currency translation	99	136
Income from insurance claims	88	35
Income from claims for damages	0	100
Other income	139	122
	<b>1,940</b>	<b>2,563</b>
* 2020 2021 adjusted after reclassification per IFRS 5		

Other operating income included non-period income of €769 thousand (PY: €1,854 thousand) resulting mainly from the reversal of provisions, the derecognition of liabilities, and the reduction of writedowns of receivables.



The income from a non-repayable grant was paid by an external supplier for development expenses.

Foreign exchange gains and losses result mainly from the currency translation of transactions billed in U.S. dollars or Polish zlotys. Including income and expenses from forward exchange transactions, the net amount of currency differences totaled €-784 thousand (PY: €-111 thousand). Please refer to Chapter 5.5 for information on currency translation expenses.

### 5.3 — Purchased goods and services

€'000	2021 2022	2020 2021*
Expenses for raw materials and supplies	75,564	56,743
Expenses for purchased services	8,778	3,192
	<b>84,341</b>	<b>59,935</b>
* 2020 2021 adjusted after reclassification per IFRS 5		

The expenses for purchased services mainly consisted of expenses for contract workers.

Please refer to Chapter 6.4 (Inventories) for information on writedowns of inventories in the item of purchased goods and services.

### 5.4 — Personnel expenses

€'000	2021 2022	2020 2021*
Wages and salaries	37,278	30,617
Social security/pension expenses	7,468	6,075
	<b>44,746</b>	<b>36,692</b>
* 2020 2021 adjusted after reclassification per IFRS 5		

The item of social security and pension expenses includes contributions to pension insurance institutions (defined contribution pension plans) in the amount of €3,214 thousand (PY: €2,690 thousand).

The average annual number of employees (excluding vocational trainees) was as follows:

€'000	2021 2022	2020 2021*
Number of employees (average)	1,370	1,247
thereof		
Salaried employees	273	244
Wage earners	1,097	1,003
* 2020 2021 adjusted after reclassification per IFRS 5		



## 5.5 — Other operating expenses

€'000	2021 2022	2020 2021*
Expenses for:		
Legal counsel, administration, IT, insurance	5,971	3,919
Sales, trade fairs, licenses, advertising and travel	5,858	4,345
Rents, energy, maintenance and motor vehicles	4,696	3,200
Warranties, freight and packaging	3,435	2,234
Other expenses*	3,929	1,424
	<b>23,889</b>	<b>15,122</b>
* thereof:		
Writedowns of receivables and losses on receivables	32	54
from exchange rate losses	772	221
from forward exchange transactions	111	26

\* 2020|2021 adjusted after reclassification per IFRS 5

Other operating expenses rose by €8,767 thousand in the reporting period. The €1,513 thousand increase in expenses for sales, trade fairs, licenses, advertising, and travel resulted from the resumption of business activities such as trade fairs and photo shoots that had not been possible during the pandemic, as well as the related travel activities. The €2,052 thousand increase in expenses for legal counsel, administration, IT, and insurance resulted mainly from non-recurring effects related to exceptional circumstances such as the sale of Privilège Marine, strategy processes, and headhunter costs. In addition, expenses for low-value leases (rent and motor vehicles), energy, and maintenance increased by €1,496 thousand. This increase was mainly driven by higher energy costs. The currency translation expenses included in Other expenses amounted to €772 thousand (PY: €221 thousand). Other expenses also included writedowns of receivables and gains on receivables in the amount of €32 thousand (PY: losses on receivables: €54 thousand), and expenses for forward exchange transactions in the amount of €111 thousand (PY: €26 thousand).

Within the line item of Other expenses, which increased over the previous year, an amount of €1,600 thousand is attributable to the recognition of provisions for onerous contracts, particularly in respect of boats for which construction was delayed as a result of the coronavirus pandemic and must therefore still be built at the old prices and discounts.

In total, the ratio of other operating expenses to the total operating performance increased by 2.9 percentage points to 16.5 % (PY: 13.6 %).

## 5.6 — Depreciation, amortization and impairments

The composition of depreciation and amortization is described in the notes on intangible assets (6.1.) and property, plant and equipment (6.2.). Impairments were not necessary in the 2021|2022 financial year.

The deduction of grants from the cost of property, plant and equipment in previous years led to a decrease of €282 thousand (PY: €283 thousand) in depreciation, amortization and impairments.



## 5.7 — Financial expenses and financial income

€'000	2021 2022	2020 2021*
Interest income	0	0
Interest expenses	-890	-1,328
Exchange rate gain financing HYSZ	16	83
	<b>-874</b>	<b>-1,244</b>
* 2020 2021 adjusted after reclassification per IFRS 5		

Interest expenses mainly derive from the interest servicing of bank loans and the sales financing program.

The currency differences from currency translation at HYSZ, which are recognized in profit or loss in the consolidated financial statements, resulted in a foreign exchange gain of €16 thousand (PY: €83 thousand) in the 2021|2022 financial year. This difference was presented in the financial result because it is mainly attributable to financing activities and not operating activities.

## 5.8 — Income taxes

Breakdown of income taxes:

€'000	2021 2022	2020 2021*
Current tax expenses (-)	-331	-226
Deferred tax income/expenses (-)	-108	673
	<b>-439</b>	<b>447</b>
* 2020 2021 adjusted after reclassification per IFRS 5		

Deferred taxes result mainly from differences between the tax bases and the carrying amounts presented in the financial statements under commercial and tax law as well as from deferred taxes arising from consolidation measures. Income of €171 thousand (PY: income of €925 thousand) resulted from the measurement of deferred tax assets in respect of tax loss carry-forwards and tax incentives at the Polish subsidiary in the 2021|2022 financial year. The Polish subsidiary operates in a special economic zone in which tax losses are not recognized. On the other hand, tax credits, which likewise lead to a reduction of the income taxes owed on taxable profit, can be claimed.

The total benefit of future tax credits in the special economic zone comes to around €1.3 million (PY: €1.5 million), of which roughly €0.2 million (PY: €0.6 million) has not yet been recognized. The tax incentives in Poland will only be granted in the time until 2026 (PY: until 2026). An application to extend the special economic zone to newly acquired land in Poland was filed and approved in the reporting period. The approval is contingent on new investments to be made on these properties. However, the approval resolution also specifies both qualitative and quantitative criteria which the Polish subsidiary must meet. No public support had yet been utilized as of 30 June 2022.

At 30 June 2022, corporate income tax loss carry-forwards amounted to roughly €45.6 million (PY: €57.7 million) and trade tax loss carry-forwards amounted to roughly €43.1 million (PY: €55.2 million). At HanseYachts AG, only losses incurred after the change of shareholder in November 2011 are taken into account. Deferred tax assets on tax loss carry-forwards were not recognized in respect of corporate income tax loss carry-forwards amounting to roughly €44.1 million (PY: €54.2 million) and trade tax loss carryforwards amounting to roughly €41.3 million (PY: €51.7 million) because the requisite conditions have not yet been met. The losses of foreign subsidiaries that will



not continue operations are not included in the numbers stated above because it can no longer be expected that these losses can be utilized. Due to the imminent sale of the subsidiary in France, the tax loss carry-forwards in effect there (PY: €26 million) are no longer included in the disclosure.

As in the previous year, there were no temporary differences for which deferred tax assets were not recognized due to the non-fulfillment of the applicable conditions. Please refer to our remarks in Chapter 6.3 for additional information on deferred taxes.

The average tax rate assumed for the 2021|2022 financial year is approx. 30 %, unchanged from the previous year. The tax expenses expected on the basis of the average tax rate are reconciled with the actual tax expenses in the table below:

€'000	2021 2022	2020 2021
<b>EBT</b>	<b>-12,500</b>	<b>-3,283</b>
Average overall tax rate	30 %	30 %
Expected tax income (-)/expenses (+)	-3,750	-985
Tax rate differences	-103	66
Tax effects resulting from a different tax assessment basis	0	-193
Measurement of deferred tax assets and impairments of deferred tax assets on tax loss carry-forwards	572	-925
Income taxes for previous years	0	72
Non-recognition of deferred tax assets on temporary differences and losses	4,068	1,689
Reduction of tax expenses from the utilization of deferred tax assets/tax credits not recognized in previous years	-348	-148
<b>Actual overall tax income (-)/expenses (+)</b>	<b>439</b>	<b>-424</b>
<b>Group tax rate</b>	<b>-3.5 %</b>	<b>12.9 %</b>

The tax rate differences result from the differences in the average tax rates to be applied for the foreign subsidiaries.

Deferred tax assets were mainly recognized in respect of losses only up to the amount of nettable deferred tax liabilities at each company in the reporting period. In addition to deferred tax liabilities, deferred tax assets of €697 thousand (PY: €925 thousand) were recognized at the Polish subsidiary in respect of the tax incentives granted to companies in a special economic zone.

## 5.9 — Earnings per share

Earnings per share are calculated on the basis of the profit attributable to the shareholders of HanseYachts AG and the average number of shares outstanding. This calculation is presented in the table below:

€'000	2021 2022	2020 2021
Consolidated profit/loss = Group share of period result	-20,683	-8,840
Weighted average number of shares outstanding	15,691,695	13,774,834
Earnings per share in €	-1.32	-0.64

Because there are no diluting shares, the basic earnings per share are identical to the diluted earnings per share.

Earnings per share from continued and discontinued operations are presented directly in the income statement.

Pursuant to the authorizations granted in Article 6 of the company's Articles of Association (Authorized Capital 2019), the Executive Board resolved on 23/25 November 2020 to increase the company's share capital, with the consent of the Supervisory Board, by an additional amount of €388,762.00 from €12,154,927.00 to €12,543,689.00 in a cash capital increase entailing the issuance of 388,762 new bearer shares. The new shares were offered to shareholders for subscription in a ratio of 3:1 at an issue price of €1.00 per share for a subscription price of €3.80 per share without commission, subject to the issuance terms and conditions. Of the originally offered 941,102 shares, 388,762 shares were subscribed in total, with the majority shareholder Aurelius waiving its subscription right so as not to dilute the holdings of the other shareholders in connection with the non-cash capital increase described in the following.

The company's Executive Board resolved on 8 December 2020 to increase the company's share capital, which had already been increased to €12,543,689.00 after entry of the cash capital increase, by an additional amount of €3,148,006.00 to €15,691,695.00 by issuing 3,148,006 new bearer shares in exchange for a non-cash capital contribution, with the consent of the Supervisory Board. Payment claims of AURELIUS Equity Opportunities SE & Co. KGaA and HY Beteiligungs GmbH, mainly from loan agreements, including claims to interest, were contributed to the company in connection with the non-cash capital increase.

In addition, the Executive Board resolved with the consent of the Supervisory Board that only AURELIUS Equity Opportunities SE & Co. KGaA and HY Beteiligungs GmbH would be permitted to subscribe these new shares and the preemptive subscription rights of the other shareholders would be excluded in accordance with Article 6 of the Articles of Association. Effective 1 February 2021, a lock-up and admission agreement for the subscription of shares of HanseYachts AG was concluded with AURELIUS Equity Opportunities SE & Co. KGaA. The subject matter of this agreement is the commitment of AURELIUS Equity Opportunities SE & Co. KGaA to observe a 12-month lock-up period during which the shares will not be admitted for trading on the stock exchange. In return, HanseYachts AG undertook to admit the 1,028,100 shares of the second tranche for trading on the stock exchange after the lock-up period. The 2,119,906 shares of the first tranche, of which 1,389,906 shares were allotted to AURELIUS Equity Opportunities SE & Co. KGaA and 730,000 shares to HY Beteiligungs GmbH, were immediately admitted for trading on the stock exchange.

The new shares issued under the cash capital increase and non-cash capital increase qualify fully for dividends for the 2021|2022 financial year.

Consequently, the share capital of HanseYachts AG was increased by a total of 1,916,861 shares to 15,691,695 shares in the previous year. Because no cash or non-cash capital increase was conducted in the 2021|2022 financial year, the company's share capital remained unchanged.

## 5.10 — Research and development

The research and development expenses recorded separately in the cost accounting system of the parent company amounted to €4,351 thousand in the reporting period (PY: €4,084 thousand). This figure mainly includes personnel expenses and purchased services. Insofar as the recognition criteria for intangible assets ("development expenses") and technical equipment, plant and machinery/assets under construction ("production molds") were met, these expenses were capitalized within the line item of internal production capitalized (€2,516 thousand, PY: €1,676 thousand). Therefore, a total amount of €1,981 thousand (PY: €2,408 thousand) was recognized as research and development expenses applied against the period result.

## 5.11 — Profit/loss after taxes from discontinued operations

The profit/loss after taxes from discontinued operations shows the result of the Privilège entity classified as discontinued operations. Please refer to Chapter 6.14 for additional information on this subject.

## 6 // NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 6.1 — Intangible assets

Intangible assets exhibited the following development:

2020 2021 €'000		Internally generated intangible assets	Industrial property rights and similar rights	Goodwill	Down payments made	TOTAL
Acquisition/ production cost	1/7/2020	7,370	11,724	22,106	58	41,258
Currency differences		0	3	0	0	3
Additions		912	305	0	408	1,625
Reclassifications		0	446	0	-229	217
Disposals		0	-223	-66	0	-289
Acquisition/ production cost	30/6/2021	8,282	12,255	22,040	237	42,814
Amortization and impairments	1/7/2020	4,295	4,086	14,260	0	22,641
Currency differences		0	-1	0	0	-1
Additions		481	361	0	0	842
Disposals		0	-74	0	0	-74
Amortization and impairments	30/6/2021	4,776	4,372	14,260	0	23,408
<b>Net carrying amounts</b>	<b>1/7/2020</b>	<b>3,075</b>	<b>7,638</b>	<b>7,846</b>	<b>58</b>	<b>18,617</b>
<b>Net carrying amounts</b>	<b>30/6/2021</b>	<b>3,506</b>	<b>7,883</b>	<b>7,780</b>	<b>237</b>	<b>19,406</b>



2021 2022 €'000		Internally generated intangible assets	Industrial property rights and similar rights	Goodwill	Down payments made	TOTAL
Acquisition/ production cost	1/7/2021	8,282	12,255	22,040	237	42,814
Currency differences		0	-8	0	0	-8
Additions		903	117	0	170	1,190
Reclassifications		0	75	0	-77	-2
Reclassified to assets held for sale		-532	-3,676	-17,422	-149	-21,779
Disposals		0	-3	0	-6	-9
Acquisition/ production cost	30/6/2022	8,653	8,760	4,618	175	22,206
Amortization and impairments	1/7/2021	4,776	4,372	14,260	0	23,408
Currency differences		0	-10	0	0	-10
Additions		660	283	0	0	943
Write-ups		0	0	0	0	0
Reclassified to assets held for sale		0	-200	-11,650	0	-11,850
Disposals		0	-3	0	0	-3
Amortization and impairments	30/6/2022	5,436	4,442	2,610	0	12,488
<b>Net carrying amounts</b>	<b>1/7/2021</b>	<b>3,506</b>	<b>7,883</b>	<b>7,780</b>	<b>237</b>	<b>19,406</b>
<b>Net carrying amounts</b>	<b>30/6/2022</b>	<b>3,217</b>	<b>4,318</b>	<b>2,008</b>	<b>175</b>	<b>9,718</b>

#### Internally generated intangible assets

The production costs of development projects approved and budgeted by the management (sailing or motor yacht models) are presented in the line item of Internally generated intangible assets.

#### Industrial property rights and similar rights

The item of Industrial property rights and similar rights mainly includes brand values or rights to use brand values and licenses for the software used in the Group for production and administration.

The brand values recognized in the consolidated statement of financial position ("Fjord", "Moody" and "Dehler") were measured at their original or amortized cost totaling €3,906 thousand (PY: €7,061 thousand). The "Privilege" brand value in the amount of €3,164 thousand was reclassified to the line item of "Assets held for sale."

In addition to the aforementioned trademark rights, the HanseYachts Group also holds the rights to the brands "Hanse", "Varianta" and "Ryck". The brands "Hanse", "Dehler", "Moody", "Varianta", and "Fjord" have been pledged as security for bank loans. The carrying amount of recognized brand rights serving as security is €3,906 thousand (PY: €3,906 thousand).

Intangible assets in the amount of €3,906 thousand and the brand presented within the line item of "Assets held for sale" in the amount of €3,164 thousand have indefinite useful lives.



## Goodwill

The goodwill attributed to HYSZ amounted to €2,000 thousand at the reporting date, unchanged from the previous year. The goodwill of Privilège in the amount of €5,772 thousand, unchanged from the previous year, was reclassified to the line item of “Assets held for sale.”

## Impairment testing of intangible assets and goodwill

In case of an impairment, intangible assets (brands and goodwill) are attributed to different cash-generating units (CGUs) and an impairment test is conducted at this level. In the reporting period, moreover, there was a triggering event due to continuing losses, as a result of which an impairment test was conducted at the overall company level.

The Privilège goodwill (€5,772 thousand) and Privilège brand were assigned to the Privilège cash-generating unit (CGU) and subjected to an impairment test at the legal entity level. Please refer to our remarks on the subject of discontinued operations in Chapter 6.14.

The HYSZ goodwill (€2,000 thousand) and the other brands of the HanseYachts Group (€3,906 thousand) were assigned to the “HanseYachts” CGU and subjected to an impairment test at the overall company level because smaller cash-generating units could not be identified in this case.

This impairment test is based on the business plan of the HanseYachts Group over a planning period of three years and a subsequent perpetual annuity. Thus, the assessment is conducted on the basis of level 3 of the fair value hierarchy according to IFRS 13.

The recoverable amount of the “HanseYachts” CGU was determined on the basis of the calculated value in use.

The value in use was calculated on the basis of differentiated assumptions regarding revenue growth in the detailed planning period. Based on its knowledge at the present time, the Executive Board of HanseYachts AG expects that the HanseYachts Group will generate much higher revenues in the future than it did in the past reporting period. In addition to revenue growth, the value in use was calculated also on the basis of assumptions regarding the gross profit margin and development of costs, which together with other expectations support the assumption that EBITDA will be much higher than in the previous year. The business plan reflects the expectation of generally higher prices for materials and energy in the line item of Other operating income and the necessary employee hiring, including salary increases.

For the purpose of calculating the value in use, cash flows for the next three years were projected on the basis of past experience, current operating results, the management’s best estimate of future developments, and assumptions regarding the market. The parameters applied in the assessment may differ from the future development projected in the previous year due to different input factors resulting from reporting-date effects (e.g. interest rates, beta factors) and better knowledge.

For the extrapolation of cash flows, an average growth rate of 1.0% (PY: 0.5% for the Privilège CGU) was applied for the period of the perpetual annuity, unchanged from the previous year. The weighted average cost of capital (WACC) applied for the purpose of discounting future cash flows to present value was determined on the basis of market data, in the same manner as in the previous year. On this basis, a WACC before taxes of 8.7% (PY: 9.5%) and a WACC after taxes of 12.4% (PY: 13.6%) were determined at 30 June 2022.

To validate the calculated fair value, sensitivity analyses were performed of the three significant valuation parameters of weighted average cost of capital (WACC), revenues, and the EBITDA margin influenced by the purchased goods and services and personnel expenses ratio for the “HanseYachts” cash-generating unit. The sensitivity analyses were performed individually for all significant factors so that a change in the recoverable amount could only result from a decrease or increase in the respective factor. Even under the assumptions of a 5% reduction in revenues, a 10% increase in costs, or a 10 percentage-point increase in the interest rate, the carrying amount of the CGU would still be covered by the fair value.

The impairment test of the HYSZ goodwill and trademarks found that the fair value less costs to sell of the “HanseYachts” CGU exceeds the carrying amount of this CGU considerably.

The value of the brands is additionally supported by an external appraisal conducted in accordance with IDW S 5, which was prepared for the purpose of determining fair values in connection with the plan to contribute the brands of HanseYachts AG to HanseYachts Marken Portfolio AG & Co. KG. The appraisal found that the fair value of the trademark rights “Dehler,” “Moody,” “Hanse,” and “Fjord,” considerably exceeds the carrying amounts of the said trademark rights. The fair value of the four trademark rights was calculated by application of the relief-from-royalty method.

The valuation result was significantly influenced by the estimates and discretionary assumptions applied in the calculation of fair value.

## 6.2 — Property, plant and equipment

The development of the individual items of property, plant and equipment is presented in the following statement of changes in non-current assets.

2020 2021 €'000		Land and buildings, including buildings on non-owned land	Technical equipment, plant and machinery	Other equipment, operational and office equipment	Down payments made and assets under construction	TOTAL
Acquisition/ production cost	1/7/2020	32,121	39,075	4,740	1,273	77,209
Currency differences		40	21	-4	-8	49
Additions		992	855	1,101	3,202	6,150
Reclassifications		964	1,635	30	-2,623	6
Disposals		-328	-246	-81	-59	-714
Acquisition/ production cost	30/6/2021	33,789	41,340	5,786	1,785	82,700
Depreciation and impairments	1/7/2020	15,296	31,119	3,573	0	49,988
Currency differences		-44	-18	-4	0	-66
Additions		1,650	2,622	709	0	4,981
Disposals		-27	-202	-78	0	-307
Depreciation and impairments	30/6/2021	16,875	33,521	4,200	0	54,596
<b>Net carrying amounts</b>	<b>1/7/2020</b>	<b>16,825</b>	<b>7,956</b>	<b>1,167</b>	<b>1,273</b>	<b>27,221</b>
<b>Net carrying amounts</b>	<b>30/6/2021</b>	<b>16,914</b>	<b>7,819</b>	<b>1,586</b>	<b>1,785</b>	<b>28,104</b>

2021 2022 €'000		Land and buildings, including buildings on non-owned land	Technical equipment, plant and machinery	Other equipment, operational and office equipment	Down payments made and assets under construction	TOTAL
Acquisition/ production cost	1/7/2021	33,789	41,340	5,786	1,785	82,700
Currency differences		-251	-65	-15	-87	-418
Additions		883	1,895	899	4,827	8,504
Reclassified to assets held for sale		-287	-3,702	-301	-397	-4,687
Reclassifications		1,660	2,016	19	-3,692	3
Disposals		0	-189	-374	-10	-573
Acquisition/ production cost	30/6/2022	35,794	41,295	6,014	2,426	85,529
Depreciation and impairments	1/7/2021	16,875	33,521	4,200	0	54,596
Currency differences		-193	-100	-9	0	-302
Additions		1,628	2,030	873	0	4,531
Reclassifications		0	0	0	0	0
Reclassified to assets held for sale		-129	-1,613	-164	0	-1,906
Disposals		0	-119	-332	0	-451
Depreciation and impairments	30/6/2022	18,181	33,719	4,568	0	56,468
<b>Net carrying amounts</b>	<b>1/7/2021</b>	<b>16,914</b>	<b>7,819</b>	<b>1,586</b>	<b>1,785</b>	<b>28,104</b>
<b>Net carrying amounts</b>	<b>30/6/2022</b>	<b>17,613</b>	<b>7,576</b>	<b>1,446</b>	<b>2,426</b>	<b>29,061</b>

Right-of-use assets are recognized within Property, plant and equipment by application of IFRS 16.

#### Right-of-use assets

Right-of-use assets were recognized within Property, plant and equipment in the 2021|2022 financial year in accordance with IFRS 16. The development of these rights to use the leased assets and the allocation of these rights to the corresponding assets are presented in the table below:

€'000	Leasehold rights with buildings, including buildings on non-owned land	Technical equipment, plant and machinery	Other equipment, operational and office equipment	TOTAL
Right-of-use assets at 30 June 2021	1,038	1,265	861	3,164
Addition	537	2,154	560	3,251
Depreciation	-401	-565	-560	-1,526
Reclassified to assets held for sale	-151	0	-52	-203
Currency	39	0	45	84
Disposal	0	-30	-37	-67
<b>Right-of-use assets at 30 June 2022</b>	<b>1,062</b>	<b>2,824</b>	<b>817</b>	<b>4,703</b>



**Land and buildings**

The acquisitions in financial year 2021|2022 pertained to new investments in buildings. The acquisitions amounting to €512 thousand relate to the extension of leases for office buildings. Moreover, the right-of-use assets of the subsidiary Privilège in the amount of €151 thousand were reclassified to a separate line item of the statement of financial position by application of IFRS 5. Because the Group received no government grants in the reporting period, no amounts were deducted from the cost of the assets acquired in the reporting period. Grants received in previous years reduced the residual carrying amounts of the buildings by a total of €1,281 thousand (PY: €1,576 thousand) at 30 June 2022.

The land and buildings are subject to customary security interests furnished for loans. The carrying amount of the assets serving as security amounted to €16,506 thousand (PY: €13,856 thousand) on loans drawn down in the amount of €19,890 thousand (PY: €22,628 thousand).

**Technical equipment, plant and machinery**

Including reclassifications in the amount of €1,686 thousand (to Assets held for sale according to IFRS 5, among other items), investments in technical equipment, plant and machinery totaled €209 thousand (PY: €2,490 thousand). They relate mainly to hull and deck molds for new boat models.

**Other equipment, operational and office equipment**

For reasons of materiality, low-value assets with costs up to €250,00 are fully expensed in the year of acquisition.

**Assets under construction**

Assets under construction mainly consist of machinery and equipment not yet accepted or not yet in a state of operational readiness (primarily production molds). These assets are initially presented as additions to Assets under construction and are then reclassified to Technical equipment, plant and machinery when the Production Mold Department reports them as being completed.

**6.3 — Deferred taxes and income taxes**

Deferred taxes were recognized in respect of the following balance sheet items:

€'000	30/6/2022		30/6/2021	
	Assets	Liabilities	Assets	Liabilities
Intangible assets	0	1,136	0	1,331
Property, plant and equipment	103	1,453	211	851
Inventories	169	0	301	0
Other assets	0	0	0	0
Liabilities	1,134	4	852	4
Provisions	475	0	121	0
Tax loss carry-forwards	469	0	1,041	0
Tax incentives	1,096	0	925	0
	3,446	2,593	3,451	2,186
Netting	-2,593	-2,593	-2,186	-2,186
	<b>853</b>	<b>0</b>	<b>1,265</b>	<b>0</b>

Deferred tax liabilities in respect of intangible assets resulted from asset differences in capitalized development expenses and from the reversal of amortization of trademark rights, which may not be amortized according to IFRS.

Deferred tax liabilities in respect of property, plant and equipment relate to asset differences from currency translation at historical exchange rates of the assets of the Polish subsidiary, which is treated as an “integrated entity”, and deferred taxes recognized in respect of right-of-use assets attributed to property, plant and equipment as a result of the application of IFRS 16.

The deferred tax assets recognized in respect of property, plant and equipment, inventories, and provisions resulted mainly from the Polish subsidiary HYSZ. Moreover, the deferred tax assets recognized in respect of asset differences had to be reversed due to the elimination of intercompany profits in inventories. It was also necessary to reverse the deferred tax assets recognized in respect of provisions for onerous contracts.

In addition, deferred tax assets were recognized in respect of the lease liabilities accounted for in accordance with IFRS 16.

Deferred tax assets were recognized in respect of losses incurred in the 2021|2022 financial year in the amount of the excess of deferred tax liabilities over deferred tax assets on a company-specific basis. Further deferred tax assets were recognized in respect of the tax benefits granted to the Polish subsidiary for its activity within a special economic zone.

Insofar as the deferred tax assets and liabilities of consolidated companies were owed by and to the same tax authority, they were netted.

The deferred tax assets and deferred tax liabilities have the following expected maturities:

€'000	30/6/2022		30/6/2021	
	Assets	Liabilities	Assets	Liabilities
Current deferred taxes	993	0	723	4
Non-current deferred taxes	2,453	2,593	2,728	2,182
Netting	-2,593	-2,593	-2,186	-2,186
	<b>853</b>	<b>0</b>	<b>1,265</b>	<b>0</b>

The temporary differences underlying the deferred taxes recognized in respect of current assets (receivables, inventories) and in respect of liabilities (with the exception of non-current lease liabilities) and provisions are expected to reverse within one year.

The income tax liabilities presented within liabilities relate to the expected tax liability for financial years for which a tax assessment has not yet been performed. The expected maturity is less than one year.

Income tax liabilities break down as follows:

€'000	30/6/2022	30/6/2021
Domestic and foreign business taxes		
Local trade tax	110	146
Corporate income tax	240	131
	<b>350</b>	<b>277</b>

## 6.4 — Inventories

€'000	30/6/2022	30/6/2021
Unfinished goods	21,457	20,834
Raw materials and supplies	18,370	14,459
Finished goods and merchandise	5,559	3,745
Down payments made on inventories	74	402
	<b>45,460</b>	<b>39,440</b>

Boats under production and plastic and furniture parts already processed under specific orders are presented within unfinished goods. Finished goods and merchandise relate to boats that are still owned by the Group. All boats are built to order or as trade show and exhibition boats. Merchandise consists of used boats. It is assumed that inventories turn over within 12 months in the normal course of business.

The writedowns of individual items of inventories break down as follows:

	Raw materials and supplies		Unfinished goods		Finished goods and merchandise		Down payments made on inventories		Total	
€'000	2021 22	2020 21	2021 22	2020 21	2021 22	2020 21	2021 22	2020 21	2021 22	2020 21
Acquisition or production cost	19,742	16,202	21,657	21,352	5,559	3,745	74	402	47,032	41,701
Writedowns	-1,372	-1,743	-200	-518	0	0	0	0	-1,572	-2,261
Carrying amount at 30/6	18,370	14,459	21,457	20,834	5,559	3,745	74	402	45,460	39,440

Writedowns to net realizable values consist of usability writedowns on raw materials and supplies and impairments of finished goods and merchandise (used boats) to account for possible resale risks.

The change in writedowns of raw materials and supplies – as the net balance of additions, reversals, and utilizations – is presented within Purchased goods and services. This led to an decrease (= “income”) in Purchased goods and services in the amount of €371 thousand in the reporting period (PY: expense of €412 thousand).

The change in writedowns of unfinished and finished goods in the amount of €318 thousand (PY: €830 thousand) is included in the consolidated statement of comprehensive income within the line item of Increase in inventories of finished and unfinished goods.

At 30 June 2022, a writedown of €200 thousand (PY: €518 thousand) was charged against unfinished goods, resulting in a change of €318 thousand (PY: €794 thousand) in the Privilège entity classified as discontinued operations.

Customary security agreements (e.g. assignment of goods stored in specific places, assignment as security of boats, etc.) relating to raw materials and supplies, unfinished and finished goods, and used boats are in effect with the Group's banks and a sales financing company. The carrying amounts of inventories serving as security amounted to €37,443 thousand (PY: €24,450 thousand).



## 6.5 — Trade receivables

€'000	30/6/2022	30/6/2021
Trade receivables	3,216	3,582
less writedowns	-271	-381
	<b>2,945</b>	<b>3,201</b>

As in the previous year, all trade receivables are due in less than one year and are mainly secured by boats, which are not delivered until the purchase prices are paid in full. For this reason, losses on receivables occur very rarely and when they do, they are marginal as a percentage of total assets (0.03% in 2021|2022; PY: 0.00%). The carrying amounts of receivables are equal to their fair values.

Expenses for writedowns of trade receivables and losses on receivables were incurred in the amount of €28 thousand in the reporting period (PY: €51 thousand).

Writedowns for default risks in trade receivables exhibited the following development:

€'000	2021 2022	2020 2021
Balance at 1 July	381	361
Writedowns in the reporting period		
Additions	28	51
Utilization	0	-18
Reclassified per IFRS 5	-135	0
Reversals	-3	-13
<b>Balance at 30 June</b>	<b>271</b>	<b>381</b>

These writedowns were calculated on the basis of past experience with payment defaults and the age structure of receivables.

Bank loans are secured by a blanket assignment of a part of total receivables. The carrying amounts of assets serving as security amounted to €2,839 thousand (PY: €2,512 thousand).

## 6.6 — Other assets

As in the previous year, other assets are expected to be due in less than one year.

€'000	30/6/2022	30/6/2021
Other assets		
Sales tax	1,368	1,309
Prepaid expenses	905	1,136
Vendors with debit balances	41	77
Miscellaneous	71	273
Individual writedowns	-58	-152
	<b>2,327</b>	<b>2,643</b>



Prepaid expenses particularly include prepayments for participation in trade shows, insurance, and license fees. The full amount of the individual writedown at 30 June 2022 was charged against input tax assets in Poland. In previous years, moreover, a writedown had been charged against a loan claim of €95 thousand, which was repaid and therefore recognized in profit or loss in the reporting period.

## 6.7 — Cash and cash equivalents

€/000	30/6/2022	30/6/2021
Cash in banks	6,499	16,719
Cash on hand	3	3
	<b>6,502</b>	<b>16,722</b>

The carrying amount of cash and cash equivalents is equal to the fair value. Cash in banks consists of sight deposits and overnight deposits payable on demand. Cash and cash equivalents totaling €300 thousand (PY: €300 thousand) are subject to restrictions on disposal.

## 6.8 — Equity

The development of equity is presented in the statement of changes in equity (Appendix 4).

### Subscribed capital

At 30 June 2022, the fully paid-in share capital of HanseYachts AG amounted to €15,691,695.00. It is divided into 15,691,695 no-par shares with an imputed value of €1.00 per share. All shares are bearer shares.

Please refer to Note 5.9 for additional information on this subject.

### Authorized Capital

At the annual general meeting of 5 December 2019, the Authorized Capital 2017 was cancelled and the Executive Board was authorized to increase the company's share capital by a nominal amount of up to €6,012,296 by issuing new shares in exchange for cash or non-cash capital contributions on one or more occasions in the time until 4 December 2024, with the consent of the Supervisory Board (Authorized Capital 2019). As a result of the cash and non-cash capital increases conducted in the previous year in the amounts of €389 thousand and €3,148 thousand, respectively, the Authorized Capital amounted to €2,475 thousand at the beginning of the 2021|2022 financial year.

The annual general meeting of 23 November 2021 resolved to amend Article 6a of the Articles of Association (Authorized Capital 2021) and authorized the Executive Board to increase the company's share capital, with the consent of the Supervisory Board, by up to €5,370,319 in exchange for cash and/or non-cash capital contributions on one or more occasions in the time until 22 November 2026 and to exclude the preemptive subscription right of the previous shareholders in accordance with the resolution of 23 November 2021.

The Authorized Capital amounted to €7,845,847 at 30 June 2022. The amended Authorized Capital 2021 was entered in the Commercial Register on 31 May 2022 and the Commercial Register entry was corrected on 9 August 2022.

In addition, the Executive Board was authorized to exclude, with the consent of the Supervisory Board, the preemptive subscription right of the shareholders by excluding fractional shares from the shareholders' subscription right if the new shares are issued in exchange for a cash capital contribution and if certain other conditions specified in Article 6 of the Articles of Association are met or in case of a capital increase in exchange for a non-cash capital contribution or in order to



be able to service potential warrant or conversion rights of creditors. Currently, no warrant and/or convertible bonds have been issued.

The Authorized Capital exhibited the following development:

€'000	2021 2022	2020 2021
Authorized Capital at beginning of financial year	2,475	6,012
Cash capital increase 2020	0	-389
Non-cash capital increase 2021	0	-3,148
Authorized Capital 2021	5,370	0
<b>Authorized Capital at end of financial year</b>	<b>7,845</b>	<b>2,475</b>

Please refer to the Report on events after the reporting date in Chapter 14 for information on the partial utilization of Authorized Capital during the time of preparation of the present consolidated financial statements.

#### Additional paid-in capital

At the reporting date, the company had an additional paid-in capital reserve of €1,569 thousand, unchanged from the previous year.

€'000	2021 2022	2020 2021
Additional paid-in capital at beginning of financial year	1,569	8,851
Share premium cash capital increase	0	1,089
Share premium non-cash capital increase	0	8,814
less equity procurement costs	0	-107
Utilization for proportional loss offset pursuant to Section 150 (4) AktG	0	-17,078
<b>Additional paid-in capital at end of financial year</b>	<b>1,569</b>	<b>1,569</b>

The additional paid-in capital reserve is subject to the restrictions of Section 150 AktG. Both capital increases were conducted against the Authorized Capital in the previous year.

#### Non-controlling interests

Non-controlling interests comprise the minority interests in the consolidated equity of the consolidated subsidiary. They amounted to €-79 thousand at 30 June 2022 (PY: €-255 thousand). Non-controlling interests hold 0.45% of the equity of Privilège Marine SAS (PY: 2.57%).

The equity share is equal to the voting share. The shares of the consolidated loss attributed to non-controlling interests are presented in the statement of changes in equity. They amounted to €-38 thousand in the 2021|2022 financial year.

## 6.9 — Other provisions

The other provisions exhibited the following development in the reporting period:

€'000	30/6/2022	30/6/2021
Warranties	1,578	1,664
Onerous contracts	1,600	409
	<b>3,178</b>	<b>2,073</b>

The provisions for warranties relate to possible warranty work on boats that were sold in the warranty period, as well as legal expenses related to warranty cases. Provisions are recognized both for specifically known individual cases and on the basis of past experience values.

The provisions for warranties for specifically known individual cases are measured on the basis of the expenses incurred in the past for comparable cases or on the basis of current cost estimates (e.g. cost estimates of appraisers). Upon being sufficiently concretized, the provisions for legal disputes are measured on the basis of alternative bids or court judgments or the judgment of the advising lawyers or employees of the company.

The provisions for onerous contracts mainly pertain to existing customer orders on which the HanseYachts Group expects to incur losses due to the unexpected cost increases that have occurred since the orders were booked. Thanks to the repeated, extensive sales price increases implemented in the 2021|2022 financial year, the Group expects to incur losses on only some customer orders placed at the beginning of the financial year due to the cost increases that have occurred since then.

The provision for onerous contracts was calculated in part on the basis of assumptions derived from past experience regarding expected extra features that have not yet been contractually specified, and in part on the basis of assumptions regarding cost increases that are still to be expected in the next two financial years. In this regard, the legal representatives made assumptions regarding changes in both material costs and personnel expenses. For the second half of 2022, the legal representatives assumed a 4% increase in material costs and a 2.3% decrease in personnel expenses due to the reduced use of contract workers and thanks to efficiency enhancements. For the 2023 calendar year, the legal representatives assumed material cost increases of 10% and a further decrease in wage costs totaling around 5% due to efficiency enhancements and the reduction of contract worker expenses.

Even though the discretionary assumptions and estimates applied in the measurement of provisions were based on the current knowledge of the senior management, the actual development of material costs and wage costs may differ from these estimates.

Of the total warranty provision, an amount of €1,066 thousand is due in less than one year and an amount of €512 thousand is due in more than one year. Because they become due in the normal course of business, the full amount of this provision is presented within the line item of Current provisions.

Due to the primarily short-term nature of this provision, any cost increases or interest rate effects were minor and therefore of subordinate importance.

## 6.10 — Other financial liabilities

The other financial liabilities comprise interest-bearing liabilities to banks and other outside lenders.



The breakdown of total financial liabilities by maturity at the reporting date is presented in the table below:

€'000	30/6/2022	30/6/2021
Financial liabilities to banks and other lenders		
Up to 1 year	22,840	6,861
1 to 5 years	4,447	22,074
	<b>27,287</b>	<b>28,935</b>

Bank liabilities and other financial liabilities amounted to €27,287 thousand at the reporting date (PY: €28,935 thousand). They resulted from loans at fixed interest rates (€19,928 thousand, PY: €24,657 thousand), drawdowns on the current account facilities and sales financing credits (€5,850 thousand, PY: €4,278 thousand), and liabilities to related entities in the amount of €1,509 thousand.

The financial liabilities to related persons and entities are explained in Chapter 11.

Financial liabilities include loans that had previously been presented as non-current financial liabilities, but were reclassified to current financial liabilities because the financial covenants applicable to them were not fulfilled as of 30 June 2022 (€4,941 thousand). Please refer to our remarks in Chapter 6.12. Another €10.2 million was reclassified to current financial liabilities as of 30 June 2022 in view of the upcoming due dates.

Please refer to Chapter 9.2 for information on expected liquidity outflows, Chapter 9.3 for information on interest rate hedging, and Chapter 9.5 for information on fair values.

Please refer to our remarks in Chapters 6.1, 6.2, 6.4, 6.5, and 6.7 for information on the assets serving as security for financial liabilities.



## 6.11 — Lease liabilities

Lease liabilities are measured at the present value of future lease payments. The rights of use resulting from leases are assets presented within Property, plant and equipment. The minimum lease payments are derived from the present value as follows:

€'000	30/6/2022	30/6/2021
Present value of lease payments		
Up to 1 year	1,101	1,376
1 to 5 years	1,418	1,850
More than 5 years	1,888	13
	<b>4,407</b>	<b>3,239</b>
Interest portion		
Up to 1 year	115	83
1 to 5 years	290	86
More than 5 years	912	0
	<b>1,317</b>	<b>169</b>
Minimum lease payments		
Up to 1 year	1,216	1,459
1 to 5 years	1,708	1,936
More than 5 years	2,800	13
	<b>5,724</b>	<b>3,408</b>

The lease liabilities resulted particularly from lease agreements for negative molds used for the production of fiberglass-reinforced plastic boat parts and from leased production areas.

### Lessor

For purposes of lease classification, the Group performs a comprehensive assessment to determine whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is classified as a finance lease; otherwise, it is classified as an operating lease. In making this judgment, the Group considers certain indications such as, for example, whether the lease covers most of the economic useful life of the asset in question.

The leases currently in effect consist entirely of operating leases. They pertain to property, plant and equipment in the form of land and buildings. The Group recognizes lease payments under operating leases as income on a straight-line basis over the term of the lease and presents it separately within the line item of Other operating income.

The respective leases form the basis for managing the risk of retained rights to the leased assets. These leases regulate usage limits, maintenance, and site restoration obligations.



Maturity analysis of not-discounted lease payments:

2022 2023	2023 2024	2024 2025	2025 2026	Remaining years
7	7	7	7	144

The lease liabilities recognized as of 30 June 2022 are presented in the table below:

€'000	IFRS 16	Sale-and-Lease-Back	Total
Balance at 1 July 2021	2,427	812	3,239
Additions	3,251	0	3,251
Payments	-1,264	-506	-1,770
Interest expenses	-24	-20	-44
Disposals	-67	0	-67
Reclassified per IFRS 5	-201	0	-201
<b>Balance at 30 June 2022</b>	<b>4,122</b>	<b>286</b>	<b>4,408</b>

Of the total lease liabilities, an amount of €1,101 thousand (PY: €1,376 thousand) is due in up to one year and an amount of €3,306 thousand (PY: €1,863 thousand) is due in more than one year.

## 6.12 — Changes in liabilities from financing activities

The cash and non-cash changes in liabilities resulting from financing activities are reconciled in the table below. The reconciliation basically covers the borrowings for which cash inflows are presented in the cash flow from financing activities in the statement of cash flows.

€'000	01/07/ 2021	Cash flows	Non-cash changes				30/06/ 2022
			Addition	Reclassi- fication by due date	Reclassi- fication per IFRS 5	Dispo- sals	
Financial liabilities to banks							
Non-current	22,074	-272	0	-15,158	-2,197	0	4,447
Current	6,861	-688	0	15,158	0	0	21,331
Liabilities under leases	3,239	-1,770	3,207	0	-201	-67	4,408
Liabilities to related persons or entities	0	1,460	49	0	0	0	1,509
Other financial liabilities	0	400	0	0	-400	0	0
	<b>32,174</b>	<b>-870</b>	<b>3,256</b>	<b>0</b>	<b>-2,398</b>	<b>-67</b>	<b>31,695</b>

### 6.13 — Other liabilities

With the exception of down payments received, the liabilities presented below are due within one year, as in the previous year:

€'000	30/6/2022	30/6/2021
Trade payables	19,892	14,490
Down payments received on account of orders	40,801	41,206
Liabilities to related persons and entities	2,238	575
Other liabilities		
Personnel-related liabilities	4,996	6,767
Taxes	426	663
Customers with credit balances	1,624	419
Miscellaneous	691	810
	<b>7,737</b>	<b>8,659</b>
	<b>70,668</b>	<b>64,930</b>

Down payments received consist of advance payments received from customers of HanseYachts on account of ordered sailing yachts and motor yachts (PY: and catamarans). They are due in less than or more than one year, as indicated below.

Down payments received were completely presented within Current liabilities in the statement of financial position because they become due within the normal course of business.

€'000	30/6/2022	30/6/2021
Down payments received		
Up to 1 year	34,368	36,939
> 1 year	6,433	4,267
	<b>40,801</b>	<b>41,206</b>

Personnel-related liabilities mainly consist of other wage and salary liabilities in the amount of €1,535 thousand (PY: €1,546 thousand) and outstanding vacation claims and overtime hours in the amount of €1,892 thousand (PY: €2,316 thousand).

Please refer to our remarks in Chapter 11 for information on liabilities to related persons and entities.

### 6.14 — Assets held for sale and liabilities related to assets held for sale

By date of 1 July 2022, the subsidiary of HanseYachts AG, Privilège Marine Holding GmbH, exercised its put option concluded on 16 June 2022 and entered into an agreement for the sale of equity interests in Privilège Marine SAS.

The buyer is a consortium headed by the longtime CEO and minority shareholder of Privilège Marine SAS, Gilles Wagner, and a group of the company's customers. Due to the economic relevance and autonomy of the French subsidiary, the transaction with the CEO is deemed to be a transaction with a related person. The purchase agreement entered into effect on 17 October 2022 after all agreed conditions precedent were fulfilled (closing date).



Until the closing date of 17 October 2022, Privilège Marine Holding GmbH together with its French subsidiary Privilège Marine SAS, Les Sables d'Olonne/France, was part of the basis of consolidation of HanseYachts AG and was still included as a fully consolidated entity in the consolidated financial statements at 30 June 2022.

Privilège Marine SAS represented a cash-generating unit in the past and therefore fulfills the definition of a business division according to IFRS 5.31. Because Privilège Marine SAS represents the abandoned, discontinued catamaran business of HanseYachts AG, it is a separate major line of business that is to be disposed of in its entirety as part of a single coordinated plan.

Moreover, the entity can be sold immediately in its current condition and at customary terms and conditions and the sale is highly probable due to the fact that a put option for the sale of shares was already concluded before the reporting date and the purchase negotiations were already far advanced. The sale was completed at the closing date of 17 October 2022 and thus within 12 months of the date of classification as discontinued operations.

The cash-generating unit Privilège is classified as discontinued operations at 30 June 2022.

Because the decision to sell the entity was made in the middle of June 2022, 30 June 2022 was the date of initial classification as discontinued operations. Therefore, no further depreciation of the assets attributable to the Privilège CGU is to be charged as of 1 July 2022.

In the statement of financial position, the assets and liabilities attributable to the entity classified as discontinued operations are presented separately within the line items of "Assets held for sale" and "Liabilities related to assets held for sale."

The assets and liabilities of the entity classified as discontinued operations at 30 June 2022 are presented in the table below:

€'000	2021 2022
Goodwill	5,772
Intangible assets	4,157
Property, plant and equipment	2,798
Inventories	13,940
Trade receivables and other assets	1,629
Cash and cash equivalents	800
<b>Assets held for sale</b>	<b>29,096</b>
Non-current financial liabilities	2,197
Non-current lease liabilities	112
Provisions	1,196
Current lease liabilities	89
Other liabilities and accruals	27,587
<b>Liabilities related to assets held for sale</b>	<b>31,181</b>
<b>Net liabilities</b>	<b>-2,085</b>



The entity classified as discontinued operations contributed to the Group's results in the past financial year and the previous financial year as follows:

€'000	2021 2022	2020 2021
Revenues	11,249	13,768
Changes in inventory	4,398	-1,390
Expenses	-23,072	-17,570
<b>Profit/loss from discontinued operations</b>	<b>-7,425</b>	<b>-5,192</b>
Income taxes	-357	-23
<b>Profit/loss from discontinued operations after taxes</b>	<b>-7,782</b>	<b>-5,215</b>
Earnings per share (€)	-0.50	-0.38

The tax expenses in the 2021|2022 financial year resulted from the deferred tax assets to be derecognized upon the discontinuation of the entity, which are deemed to be no longer recoverable due to the planned sale.

No accumulated income or expenses related to the entity classified as discontinued operations are included in other comprehensive income.

Of the total profit/loss after taxes from discontinued operations, an amount of €7,744 thousand (PY: €5,063 thousand) is attributable to the shareholders of HanseYachts AG.

In accordance with IFRS 5.33 (c), the consolidated statements of cash flows for the past financial year and the previous financial year include discontinued operations. Moreover, the cash flows from continued and discontinued operations are directly noted in the statement of cash flows as "thereof" disclosures. The intragroup cash flows recognized in the statement of cash flows, including those between continued and discontinued operations, were eliminated in accordance with IFRS 10.B86 (c).

A non-consolidated presentation of intragroup cash flows shows a much higher cash flow from financing activities for the entity classified as discontinued operations due to the fact that Privilège Marine SAS received financing of approximately €3.1 million (PY: €1.1 million) from HanseYachts AG during the course of the year. If the cash flows were not adjusted for the cash flows between continued and discontinued operations, contrary to the accounting rules of IFRS, the cash flows from the entity classified as discontinued operations would be as follows:

€'000	2021 2022	2020 2021
Cash flow from operating activities	-2,262	-1,404
Cash flow from investing activities	-454	-1,150
Cash flow from financing activities	3,306	1,304
<b>Net cash flow for the year</b>	<b>590</b>	<b>-1,250</b>

The shares in Privilège Marine SAS were sold at a purchase price of €1. As part of the closing conditions, moreover, a preceding contribution of assets and a cash contribution to be made indirectly by HanseYachts AG to Privilège Marine SAS were agreed, as explained in the following.



Among other conditions, it was agreed as a condition precedent in the purchase agreement that certain clearly defined assets that were still legally owned by HanseYachts AG at 30 June 2022 were to be contributed by Privilège Marine Holding GmbH, Greifswald, to Privilège Marine SAS as part of a non-cash capital increase. For this purpose, HanseYachts AG first transferred these assets to Privilège Marine Holding GmbH, Greifswald, in the form of a non-cash capital contribution on the basis of a legally independent shareholder resolution dated 16 August 2022. These assets consisted mainly of the “Privilège” trademark rights, other property, plant and equipment related to the production of catamarans, and all loans to and receivables from Privilège Marine SAS, which were, however, eliminated in the consolidated financial statements as part of the debt consolidation process. As in the past, the trademark rights and the other non-current assets were attributed to the “Privilege” cash-generating unit.

Another condition precedent of the purchase agreement was a cash capital increase to be conducted for Privilège Marine SAS by Privilège Marine Holding GmbH in the amount of €1,000 thousand. Moreover, HanseYachts AG was required to provide the necessary liquidity for this purpose to Privilège Marine Holding GmbH, likewise in the form of a cash contribution. The required shareholder resolution for this purpose was adopted on 6 September 2022. Already prior to 30 June 2022, an amount of €160 thousand had been paid by HanseYachts AG to Privilège Marine SAS in the form of loans. This amount had already been credited to the agreed cash capital increase so that HanseYachts AG was still required to provide liquidity of €840 thousand to Privilège Marine Holding GmbH after the reporting date. The payment made already in the 2021|2022 financial year was eliminated as part of the debt consolidation process.

As compensation for this liquidity outflow, the shareholder of HanseYachts AG, AURELIUS Equity Opportunities SE & Co. KGaA, granted HanseYachts AG a loan for €840 thousand, which bears interest at the rate of 12%.

According to IFRS 5, the entity classified as discontinued operations was to be measured at the reclassification date (June 2022) at the lower of fair value less costs to sell or the carrying amount. At the reclassification date of 30 June 2022, therefore, HanseYachts AG conducted an impairment test as of 30 June 2022. The impairment test yielded a negative fair value of €-840 thousand for the Privilège CGU, equal to the cash contribution to be made by HanseYachts AG. The non-cash contribution still to be made by HanseYachts AG was not applied against the fair value because this contribution had already increased the carrying amount of the CGU and would therefore have been counted twice. Given that the negative operating assets of the CGU amounted to €-2,085 thousand at 30 June 2022, it was not necessary to recognize an impairment at the reclassification date. Because the fair value can be derived from a purchase agreement concluded in the market, it corresponds to Level 1 according to IFRS 13.

Based on the measurement at fair value less costs to sell, therefore, it was not necessary to recognize an impairment in the consolidated statement of comprehensive income.

Thus, the profit/loss after taxes from discontinued operations (€7,782 thousand, PY: €5,215 thousand) is attributable in full to the normal business activity of the entity classified as discontinued operations.

Given that the deconsolidation of Privilège at 17 October 2022 yielded a gain on deconsolidation, there were likewise no indications of an impairment to be recognized at 30 June 2022.

## 7 // NOTES TO THE STATEMENT OF CASH FLOWS

In the statement of cash flows, cash flows are divided into cash flow from operating activities, cash flow from investing activities, and cash flow from financing activities. The effects of a change in the basis of consolidation in the individual line items are eliminated.

In the cash flow from operating activities, non-cash operating expenses and income and the result from equipment sales are eliminated. Interest income, interest expenses, and income taxes paid are assigned to this category. The cash flow from operating activities is calculated by the indirect method.

The cash flow from investing activities includes cash investments in intangible assets and property, plant and equipment. The cash outflows for investments in non-current investments may differ from the acquisitions presented in the statement of changes in non-current assets if the items were financed or if government grants were deducted from the cost of purchased assets, provided that the subsidized assets are already in operational use at the time of origination of the claim to the grants.

The cash flow from financing activities comprises the amounts borrowed and repaid on account of financial liabilities and lease liabilities and in the previous year, the proceeds from the cash capital increase.

The composition of cash and cash equivalents is presented beneath the statement of cash flows. Please refer to our remarks in Chapter 6.7 for information on bank balances subject to restrictions on disposal.

Only the current account facilities that are repayable on demand and are an integral component of cash management, as evidenced by the regularly fluctuating balance of debit and credit balances, are included in cash and cash equivalents. Because the current account liabilities do not usually fluctuate, they serve the purpose of financing the company and are therefore not included in the cash and cash equivalents presented in the statement of cash flows, in accordance with IAS 7.8.

Therefore, the cash and cash equivalents only comprise the cash in banks and cash on hand presented in the statement of financial position.

The intragroup cash flows, including those between continued and discontinued operations, appearing in the statement of cash flows were eliminated in accordance with IFRS 10.B86 (c).

The cash and cash equivalents reconciled in the statement of cash flows are attributable to both continued and discontinued operations and break down as follows:

€'000	30/6/2022	30/6/2021
Cash in banks	6,499	16,509
Cash on hand	3	3
<b>Continued operations</b>	<b>6,502</b>	<b>16,512</b>
Cash in banks	800	210
<b>Discontinued operations</b>	<b>800</b>	<b>210</b>
<b>Cash and cash equivalents per statement of cash flows</b>	<b>7,302</b>	<b>16,722</b>



## 8 // NOTES TO THE SEGMENT REPORT

Sales of sailing yachts represent the largest share of revenues, at around 73% (PY: 69%). Please refer to our remarks in Chapter 5.1 for information on the segmentation of revenues by product groups. For the reasons stated in Chapter 4.20, revenues are not further segmented by operating segments.

The segmentation by geographical regions is presented in the table below.

Revenues are allocated to regions on the basis of the customer's registered head office and the other key figures are allocated on the basis of the registered head office of the Group company.

Revenues	2021 2022 €'000	2020 2021 €'000	Change €'000	Change in %
Germany	34,263	32,818	1,445	4.4 %
United States	11,492	10,190	1,302	12.8 %
France	10,703	8,117	2,586	31.9 %
Turkey	13,363	8,211	5,152	62.7 %
Netherlands	6,148	6,774	-626	-9.2 %
United Kingdom	11,003	5,858	5,145	87.8 %
Other Europe	37,778	26,252	11,526	43.9 %
Rest of world (excluding Europe)	7,630	9,612	-1,982	-20.6 %
<b>Total</b>	<b>132,380</b>	<b>107,832</b>	<b>24,548</b>	<b>22.8 %</b>

Non-current assets	2021 2022 €'000	2020 2021 €'000	Change €'000	Change in %
Germany	26,133	35,007	-8,874	-25.3 %
Poland	13,470	10,354	3,116	30.1 %
France	0	3,361	-3,361	-100.0 %
United States	30	53	-23	-43.4 %
<b>Total</b>	<b>39,633</b>	<b>48,775</b>	<b>-9,142</b>	<b>-18.7 %</b>

## 9 // MANAGEMENT OF FINANCIAL RISKS

### 9.1 — Default and credit risks

Default and credit risk refers to the risk of insolvency of a contractual partner, as well as credit risks from financial investments or derivative financial instruments. The HanseYachts Group is generally only exposed to the risk of insolvency of dealers and their end customers.

To minimize this default risk, the Group charges down payments to the dealers or their end customers until an ordered sailing yacht or motor yacht or catamaran is completely built, as a general rule. These down payments are credited to the agreed purchase price. The yacht is physically delivered only after the purchase price has been received in full, as a general rule, regardless of whether the revenue is recognized at the same time or earlier. Exceptions to this rule require the approval of the Executive Board.

Most other financial assets are owed by government authorities. The Group holds its money in banks with high credit ratings.



As in the previous year, the maximum default risk at the reporting date was equal to the sum of the carrying amounts of the trade receivables, receivables from related entities, other assets, and cash and cash equivalents presented in the statement of financial position.

## 9.2 — Liquidity risk

Liquidity risk is the risk that the Group may not be able to fulfill its financial obligations when due. The HanseYachts Group conducts short-term to medium-term financial planning to manage and control its liquidity. With the support of this instrument, short-term liquidity was assured at all times on the basis of operating cash flow, the current account facilities provided by the banks, and the Group's cash and cash equivalents.

In view of the successfully conducted financing and capital measures described in Chapter 2.5.2 of the Group management report, the legal representatives prepared the consolidated financial statements on the assumption of a going concern. On this basis, the Executive Board believes that the company's continuance as a going concern is assured. This assessment is mainly based on the assumption that the business plan of HanseYachts AG, including the cash flows to be generated on that basis, which are subject to inherent planning risks, will be fulfilled and that the financial covenants included in the financing agreements concluded in December 2022, which would grant the financing banks a right of extraordinary termination if they are not met, will be met in full. For additional details, please refer to Chapter 4.3.1 of the risk report and Chapter 2.5 of the Group management report on the subject of cash flows.

The Group conducts short-term financial planning to ensure that sufficient resources are available at call to cover the expected payments, including the amounts required to service financial liabilities.

The undiscounted gross payment outflows (interest and principal payments) for financial liabilities break down as follows:

€'000			Thereof		
			Up to 1 year	1 to 5 years	> 5 years
Financial liabilities		26,630	21,810	4,820	0
	(PY)	(30,396)	(7,472)	(22,924)	(0)
Lease liabilities		5,724	1,216	1,708	2,800
	(PY)	(3,408)	(1,459)	(1,936)	(13)
Trade payables		19,892	19,892	0	0
	(PY)	(14,490)	(14,490)	(0)	(0)
Liabilities to related entities		2,953	2,413	540	0
	(PY)	(575)	(575)	0	(0)
Other liabilities		1,624	1,624	0	0
	(PY)	(419)	(419)	(0)	(0)
		<b>56,823</b>	<b>46,955</b>	<b>7,068</b>	<b>2,800</b>
	(PY)	<b>(49,288)</b>	<b>(24,415)</b>	<b>(24,860)</b>	<b>(13)</b>

The cash outflows for lease liabilities, liabilities to related entities, and drawdowns on current account facilities (€5,628 thousand, PY: €3,884 thousand), which are presented within financial liabilities, include the interest components allocable to them. When interest payments are based on variable parameters, the undiscounted amount was calculated on the basis of the yield curve at the end of the reporting period.



In the previous year, financial liabilities included loans that had previously been presented as non-current loans, for which the financial covenants were not fulfilled as of 30 June 2022, for which reason they were presented as current liabilities (€4,941 thousand). The bank declared by date of 7 December 2022 that they would tolerate non-fulfillment of the covenant and not derive any rights from the non-fulfillment. The other banks had already declared their intention to suspend the covenant in the reporting period.

The loan granted by the principal shareholder was conditioned on the fulfillment of a minimum EBITDA both at the level of the separate financial statements and at the level of the consolidated financial statements of HanseYachts AG. A breach of this financial covenant could trigger a right of extraordinary termination on the part of the lenders. The financial covenant to be calculated both annually and monthly was not fulfilled at 30 June 2022. By reason of the non-fulfillment of financial covenants at 30 June 2022, the principal shareholder was entitled to exercise a right of extraordinary termination. As part of the refinancing agreement concluded during the time of preparation of the present consolidated financial statements, the principal shareholder issued a declaration to the effect that it would waive this right.

The gross cash outflows for interest will amount to €654 thousand in the subsequent year and another €914 thousand in the time until the final maturity of the loans.

Moreover, unused credit account facilities amounted to €3,372 thousand at the reporting date (PY: €5,616 thousand).

### 9.3 — Interest rate risk

The debt financing of the HanseYachts Group mainly consisted of bank loans at fixed interest rates in the reporting period. The loans granted by the majority shareholder also feature fixed interest rates. There is no interest rate risk in these loans.

The interest expenses incurred on financial instruments in the categories of “Loans and receivables,” “Financial liabilities measured at amortized cost,” and “Financial liabilities/assets measured at fair value through profit and loss” in the reporting period totaled €803 thousand (PY: €1,347 thousand).

#### Interest rate sensitivity analysis

Financial instruments at fixed interest rates are measured at amortized cost and are therefore not subject to interest rate sensitivity within the meaning of IFRS 7.

An interest rate analysis was not conducted because there are no liabilities in the HanseYachts Group that bear interest at variable interest rates.

### 9.4 — Currency risk

Currency risk refers to the risk of changes in value of balance sheet items caused by changes in exchange rates. For the HanseYachts Group, this risk is particularly present in exchanges of goods and services with dealers outside of the Eurozone for which payments are received in U.S. dollars.

Based on a plan of expected U.S. dollar inflows, HanseYachts purposefully sells U.S. dollars forward at the expected date of receipt of payment, as needed to hedge against any negative exchange rate effects. Three pending USD futures contracts with a negative market value of €68 thousand were in effect at the reporting date of 30 June 2022 (PY: one pending USD futures contract with a small positive market value).

Trade receivables denominated in a foreign currency amounted to €63 thousand at the reporting date (PY: €22 thousand). This amount corresponds to 2.1% of total trade receivables (PY: 0.7%). The Group had receivables in the following currencies:

€'000	30/6/2022	30/6/2021
Trade receivables in USD	68	10
Trade receivables in PLN	-5	12
	<b>63</b>	<b>22</b>

A 10% appreciation or depreciation of foreign currency receivables against the euro at the reporting date would have an effect of €-6 thousand (PY: €-2 thousand) or €8 thousand (PY: €3 thousand), respectively, on the consolidated profit/loss and equity. In addition, the Polish subsidiary is exposed to a currency risk due to the fact that exchanges of goods and services with HanseYachts AG are billed in euros.

At the reporting date, the Group had foreign currency liabilities in the following currencies:

€'000	30/6/2022	30/6/2021
Payables in PLN	2,436	2,017
Payables in USD	227	29
	<b>2,663</b>	<b>2,046</b>

At the reporting date, a 10% appreciation or depreciation of foreign currency liabilities against the euro would have an effect of €-242 thousand (PY: €-251 thousand) or €296 thousand (PY: €205 thousand), respectively, on consolidated profit/loss and equity.

## 9.5 — Fair values

The fair values of the financial assets and liabilities recognized in the consolidated statement of financial position are measured on the basis of available market information, as a general rule. The fair values of interest rate swap contracts and forward exchange transactions are measured by application of recognized mathematical methods on the basis of market information available at the calculation date. Stock exchange price information is available for the bond liabilities.



€'000	Category per IFRS 9 <sup>1</sup>	Fair value hierarchy Level <sup>2</sup>	30/06/2022		30/06/2021	
			Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
<b>Current financial assets</b>			2,986	2,986	3,278	3,278
Trade receivables	aac	–	2,945	2,945	3,201	3,201
Other assets	aac	–	41	41	77	77
<b>Total financial assets</b>			2,986	2,986	3,278	3,278
<b>Financial liabilities</b>						
<b>Non-current financial liabilities</b>			7,753	8,955	23,937	24,023
Bank loans and other loans	flac	–	4,447	4,447	22,074	22,074
Leases	flac	–	3,306	4,508	1,863	1,949
<b>Current financial liabilities</b>			46,186	46,301	23,722	23,805
Trade payables	flac	–	19,892	19,892	14,490	14,490
Bank loans, current account facilities, and other loans	flac	–	21,331	21,331	6,861	6,861
Leases	flac	–	1,101	1,216	1,376	1,459
Liabilities to related entities	flac	–	2,238	2,238	576	576
Derivatives with negative market value, excluding hedging relationships held for trading	lafv	2	68	68	0	0
Miscellaneous current liabilities	flac	–	1,556	1,556	419	419
<b>Total financial liabilities</b>			53,939	55,256	47,659	47,828

<sup>1</sup> aac = Financial assets measured at amortized cost  
flac = Financial liabilities measured at amortized cost  
lafv = Financial liabilities at fair value through profit or loss

<sup>2</sup> Level 1 is based on quoted prices in active markets for identical assets and liabilities.  
Level 2 is based on inputs that are not quoted prices per Level 1, but which can be observed directly as prices or indirectly as being derived from prices for the financial asset in question.  
Level 3 is based on valuations conducted with the aid of factors that are not supported by observable market data.

The aggregated presentation by valuation categories appears in the table below:

€'000	Category per IFRS 9	30/06/2022		30/06/2021	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Aggregated presentation by valuation categories</b>					
Financial assets measured at amortized cost	aac	2,986	2,986	3,278	3,278
Financial liabilities measured at fair value through profit or loss	lafv	68	68	0	0
Financial liabilities measured at amortized cost	flac	53,871	55,188	47,659	47,828

Due to the short terms, the carrying amounts of current financial assets and liabilities are largely identical to their fair values.



Because the interest rates of non-current financial assets and liabilities are market interest rates and the volumes are relatively manageable, the fair values are equal to the carrying amounts in this case as well.

The net results of financial assets and liabilities recognized in the income statement break down as follows:

2021 2022 €'000	Valuation Category			Total
	aac	flac	lafv	
Exchange rate gains	0	0	-111	-111
Writedowns and losses on receivables	-32	0	0	-32
Derecognition of liabilities	0	711	0	711
Measurement of forward exchange contracts	0	0	-68	-68
	-32	711	-179	500

2020 2021 €'000	Valuation Category			Total
	aac	flac	lafv	
Exchange rate gains	0	0	-26	-26
Writedowns and losses on receivables	-41	0	0	-41
Derecognition of liabilities	0	976	0	976
	-41	976	-26	909

aac = Financial assets measured at amortized cost  
 flac = Financial liabilities measured at amortized cost  
 lafv = Financial liabilities at fair value through profit and loss

## 9.6 — Capital management

The Executive Board follows the basic principle of maintaining a stable capital base and ensuring adequate liquidity at all times. In this regard, a strong emphasis was placed on additional measures to improve liquidity management and optimize the financing structure in the reporting period and during the time of preparation of the present consolidated financial statements.

The HanseYachts Group relies on an internal monthly reporting system to manage capital and liquidity. The reports intended for the Executive Board include a short-term consolidated income statement, consolidated statement of financial position, and consolidated statement of cash flows, on the basis of which the key indicators applied for the purpose of capital and liquidity management (e.g. equity ratio, working capital, cash and cash equivalents) are monitored. In addition, a short-term to medium-term cash flow plan is derived from the integrated business plan. By means of this cash flow plan, the Group ensures that sufficient liquidity is available at all times to cover expected payments when due.

As part of the liquidity management system, the Finance Department also monitors daily cash receipts and payments, prepares weekly liquidity forecasts, analyzes the available financing resources (cash and cash equivalents plus available financing facilities), and monitors receivables from customers and payables to suppliers. Please also refer to our remarks in Chapter 1.5 of the Group management report for additional information on the organization of the internal management system.



A current account facility with one of the banks of the parent company could be terminated on an extraordinary basis if AURELIUS Equity Opportunities SE & Co. KGaA or a company affiliated with Aurelius SE no longer controls HanseYachts AG directly or indirectly and insofar as no agreement can be reached with the bank on the continuation of the lending arrangements.

Change-of-control clauses are included in another current account facility with one bank and in the loans. These clauses take effect if control over the borrower, Hanse Yachts AG, is assumed by another person, another person attains control, or it is determined that another person exerts control. A change of control would entitle the Bank to demand the provision of additional bank collateral or the reinforcement of existing bank collateral to secure the bank's claims under the credit facility agreement. If this additional collateral obligation is not fulfilled within a reasonable time limit set by the bank, the bank would be entitled to terminate the credit facility agreement without notice. The banks reserve the right to continue the loan agreements under amended terms and conditions.

The state-guaranteed liquidity loans totaling €13 million granted in the 2020|2021 financial year also feature change-of-control clauses. If the shareholder structure in effect at the time when the loan was granted changes in such a way that another person acquires at least 50% of the voting rights in the borrower, the financing banks will be initially entitled to demand that additional bank collateral be furnished or existing collateral reinforced. If HanseYachts AG does not fulfill this additional collateral obligation within a reasonable time limit set by the banks, the financing banks would be entitled to terminate the loan agreements without notice.

As in the previous year, therefore, HanseYachts AG funded its operations mainly from down payments received, financing agreements with a total of four banks, and a loan from the principal shareholder of HanseYachts AG. Originally, the credit facilities with three banks were contingent upon fulfillment of the contractually defined financial ratio of net debt to adjusted EBITDA, the calculation of which was to be based on the consolidated financial statements. The loan from the principal shareholder was contingent upon the fulfillment of a minimum EBITDA both at the level of the separate financial statements and at the level of the consolidated financial statements of HanseYachts AG. A breach of this financial covenant could entitle the lenders to exercise a right of extraordinary termination. This financial covenant to be calculated annually and monthly was not fulfilled as of 30 June 2022. Two of the three financing banks declared already in the 2020|2021 financial year and therefore before the reporting date of 30 June 2022 that they would tolerate non-fulfillment of the financial covenant and assert no claims on that basis and suspend the requirement to fulfill the financial covenant in view of the adverse economic repercussions of the coronavirus pandemic. Based on the refinancing agreement concluded during the time of preparation of the present consolidated financial statements, the third financing bank and the principal shareholder issued a declaration to the effect that they would waive their right of extraordinary termination arising from non-fulfillment of the financial covenants as of 30 June 2022.

As part of the debt restructuring conducted in the second half of the 2022 calendar year, all loan agreements were concluded anew with an amended covenant structure in December 2022. For additional information on this subject and an assessment of the current liquidity situation in general, please refer to our remarks on liquidity risks (4.3.1 a)) in the risk report and on cash flows (2.5.2) in the Group management report.

For information on the subject or risk management, please refer to our remarks in Chapter 4.1.8 of the Group management report.



## 9.7 — Writedowns of financial assets

Writedowns of current financial assets are only charged in the case of trade receivables. In particular, these writedowns are individual value adjustments and to a minor extent, general value adjustments as well. Please refer to our remarks in Chapter 6.5.

## 9.8 — Disclosures concerning the stock option program and share-based payment transactions according to IFRS 2

Share-based payment agreements were in effect in the form of Share Appreciation Rights (SARs) in the HanseYachts Group at 30 June 2022. Under these agreements, a right defined as the difference between the respective exercise price and the relevant share price of HanseYachts AG is granted to the beneficiaries without their having to make a cash payment in return. A liability equal to the portion of employment service received is recognized in respect of such payments and measured at the current fair value at each reporting date. The plans defined as cash-settled are remeasured at each reporting date. Changes in fair value are recognized in profit or loss.

The Group granted 450,000 SARs in total to the members of the Executive Board on 1 December 2021, 10 January 2022, and 1 June 2022. These grants entitle the employees to receive the corresponding cash payment upon the expiration of each remaining term (average remaining term: 42 months), provided that certain conditions are met. The SARs have a term of four years from the grant date. The amount of the payment depends on the performance of the HanseYachts AG share price in the time between the grant date and the exercise date.

Because no SARs were exercised in the past 2021|2022 financial year (PY: 0 SARs), the remaining SARs outstanding still numbered 450,000 at 30 June 2022 (PY: 0 SARs).

At 30 June 2022, the fair value of the liability to be recognized in this respect was €7 thousand (PY: €0 thousand), which is presented within Other non-current liabilities. The portion of the corresponding liability earned, as measured by the obligatory service period, is recognized within Personnel expenses. The income generated from the remeasurement of the liability at the reporting date in the amount of €28 thousand (PY: €0 thousand) is presented within the Financial result.

The fair value of the SARs was determined in accordance with the Black-Scholes formula. The employment-independent and market-independent performance conditions attached to the transactions were not taken into consideration in the determination of fair value. The following parameters were applied in determining the fair values at the grant date and at the measurement date of the SARs:

Parameters	Grant Date 1/12/2021	Measurement Date 30/6/2022
Fair value of SARs (weighted average in €)	0.71	0.14
Share price (in €)	5.05	3.59
Exercise price (in €)	5.00	5.23
Expected volatility (weighted average, in %)	19.08 %	19.67 %
Expected term (weighted average, in years)	4.00	3.47
Expected dividends (in %)	0.00 %	0.00 %
Risk-free interest rate (based on government bonds, in %)	-0.84 %	-0.42 %



The exercise prices are between €5.00 and €5.30.

The expected volatility is based on an assessment of the historical volatility of the company's share price, particularly during the period corresponding to the expected term. The expected term of the instruments is based on historical experience values and the general behavior of option holders.

## **10 // GUARANTEES, CONTINGENT LIABILITIES, OTHER FINANCIAL COMMITMENTS, AND LEGAL DISPUTES**

### **10.1 — Guarantees and contingent liabilities**

The Group maintains a financing program with an independent sales financing company for a total amount of €18,300 thousand (PY: €16,690 thousand), by which dealers can finance purchases of their boats from HanseYachts AG. Under certain conditions, HanseYachts AG may be required to buy back the boats financed with the financing program if participating dealers do not fulfill their obligations to the sales financing company.

Given that the agreements with the sales financing company specify an initial resale phase for the boats pledged as security to the sales financing company and only part of the purchase price of a boat is financed with this program, the Group expects only a minor risk of having to fulfill possible buy-back obligations or default guarantees on behalf of the sales subsidiaries.

Because the main risks of receivables are transferred by virtue of the above-mentioned sales financing agreements, receivables from customers with a nominal volume of €2,463 thousand (PY: €1,149 thousand) were derecognized at the reporting date.

There were no other guarantees and no other contingent liabilities to third parties at the reporting date.

### **10.2 — Other financial commitments**

The Group has purchase commitments totaling €28,073 thousand (PY: €15,849 thousand). The increase from the previous year resulted particularly from the high level of orders, in reaction to which the Procurement Department changed its ordering behavior. Due to the globally disrupted supply chains in the reporting period, HanseYachts ordered purchased parts and raw materials much earlier than in the previous years in order to have the required materials in stock when yachts are scheduled for production.

### **10.3 — Legal disputes**

HanseYachts AG or one of its Group companies are involved in legal disputes with both suppliers and customers in the course of their current business activities.

Legal disputes with customers usually have to do with claims for compensation for defects and loss of use or claims for the rescission of purchase agreements. The amounts in dispute in litigation with customers depend inter alia on the purchase prices for the boats in question, which range from approx. €0.1 million to approx. €3.0 million for sailing and motor yachts. The provisions recognized for legal disputes are usually considerably lower than the amounts in dispute.



Based on past experience, the Group believes that the risk of possible damages under legal disputes is completely covered by the provisions that have been recognized for this purpose.

From the Group's perspective, the sale of the entity classified as discontinued operations ensured the French company's continuance as a going concern. Therefore, the potential future legal risks arising from the status as shareholder are deemed to be very low.

Please refer to our remarks in Chapter 6.9 for information on the measurement of provisions.

## 11 // DEALINGS WITH RELATED ENTITIES AND INDIVIDUALS

According to IAS 24, persons or companies that are significantly influenced by the reporting entity or that can exert significant influence over the reporting entity must be disclosed if they are not already included in the consolidated financial statements as consolidated companies.

Members of the Executive Board and Supervisory Board can generally be considered as related persons of the HanseYachts Group. In addition, members of the Executive Board and Supervisory Board of AURELIUS Equity Opportunities SE & Co. KGaA, Grünwald, in whose consolidated financial statements HanseYachts AG is included, can be considered as related persons. Therefore, related entities are particularly the companies included in the basis of consolidation of AURELIUS Equity Opportunities SE & Co. KGaA.

Transfer prices for intercompany exchanges of goods and services are set on a fair market basis. Under the circumstances known at the time of conducting transactions, HanseYachts AG received appropriate consideration.

As in the previous year, no receivables from related persons or entities were doubtful or uncollectable in the reporting period.

### Executive Board

The following persons were members of the Executive Board of HanseYachts AG in the 2021|2022 financial year:

- Hanjo Runde, Hamburg, Executive Board Chairman (from October 2021)
- Stefan Zimmermann, Hamburg, Executive Board member in charge of Production, Development, Procurement, and Quality (from January 2022)
- Dr. Jens Gerhardt, Hamburg, Executive Board member in charge of Sales and Quality (until January 2022)
- Sven Göbel, Naumburg, Executive Board member in charge of Finance, Procurement, and Personnel (until July 2022)
- Jan Brockmüller, Hamburg, Executive Board member in charge of Finance, IT, and Personnel (from May 2022 to September 2022)

The total compensation granted to the Executive Board for the 2021|2022 financial year amounted to €1,189 thousand (PY: €627 thousand). This figure includes variable compensation components of €183 thousand (PY: €308 thousand), which were not yet disbursed in the past financial year. The company also recognized income from the reversal of provisions for compensation granted in previous years that will no longer be disbursed in the amount of €309 thousand.

Share-based payment agreements were in effect in the form of Share Appreciation Rights (SARs) in the HanseYachts Group at 30 June 2022. Under these agreements, a right defined as the difference between the respective exercise price and the relevant share price of HanseYachts AG is granted to the beneficiaries without their having to make a cash payment in return. A liability equal to the portion of employment service received is recognized in respect of such payments and measured at the current fair value at each reporting date. The plans defined as cash-settled are remeasured at each reporting date. Changes in fair value are recognized in profit or loss. These options for virtual shares are not the same as shares granted or committed or stock options within

the meaning of Section 162 (1) sentence 2 no. 3 AktG and no compensation under this compensation element is currently granted or owed. Additional information on this subject is provided in the Compensation Report pursuant to Section 162 AktG.

The Executive Board members appointed in the past financial year have purchased no shares in HanseYachts AG.

A consulting agreement was concluded with Dr. Jens Gerhardt by date of 26 January 2022. Under this agreement, Dr. Gerhardt will support the operational management of HanseYachts AG as of 1 February 2022, immediately following his activity as an Executive Board member of HanseYachts AG. His consulting activity will involve the following tasks in particular:

- Development of new products, road map
- Costing of new products, target costing
- After-sales cases

Dr. Gerhardt may perform this activity on up to two days per week. As consideration, Dr. Gerhardt will receive a per-diem payment of €3,000.00 net. The term of the agreement is indefinite and it can be terminated on an ordinary basis by either party with advance notice of 4 weeks. Under the terms of an amending agreement concluded on 30 April 2022 with effect as of 1 May 2022, the per-diem rate payable in respect of the consulting activity was reduced to €1,900.00 net. All other provisions of the originally concluded consulting agreement remained unchanged. HanseYachts AG incurred expenses of € 116 thousand on the basis of this consulting agreement in the 2021|2022 financial year.

The following persons were members of the **Supervisory Board** in the 2021|2022 financial year:

- Gert Purkert, Milan/Italy, member of the Board of Directors of AURELIUS Management SE, Supervisory Board Chairman  
Other mandates:
  - AURELIUS Beteiligungsberatungs AG, Munich (Chairman) (until March 2022)
  - AURELIUS Portfolio Management AG, Munich (Chairman) (until March 2022)
  - AURELIUS Transaktionsberatungs AG, Munich (Chairman) (until March 2022)
  - AUREPA Advisors AG, Munich (Chairman)
- Dr. Frank Forster, Munich, Staff Lawyer of AURELIUS Equity Opportunities SE & Co. KGaA, Supervisory Board Vice Chairman  
Other mandates:
  - AURELIUS Portfolio Management AG, Munich,
- Fritz Seemann, Düsseldorf, Managing Director of AURELIUS Management SE  
Other mandates:
  - AURELIUS Portfolio Management AG, Munich (Vice Chairman),
  - AURELIUS Beteiligungsberatungs AG, Munich
  - AURELIUS Transaktionsberatungs AG, Munich
- Dr. Martin Schoefer, Munich, member of the Executive Board of AURELIUS Beteiligungsberatungs AG (until February 2022)
- Alexander Herbst, Trassenheide, employee representative on the Supervisory Board
- Rene Oestreich, Mölschow, employee representative on the Supervisory Board

The Supervisory Board received compensation of €54 thousand in the reporting period. The employees elected to the Supervisory Board of HanseYachts AG continue to be entitled to a regular salary under their employment contracts. The salary amount represents appropriate compensation for the employee's function or activity within the company.



### Business dealings with companies of (former) Executive Board members

On 19 October 2021, GreenTeam GbR entered into a lease with HanseYachts AG for the use of two solar power systems to be installed by GbR on the production halls of HanseYachts AG at the sites on Ladebower Chaussee and Jungfernwiese in Greifswald. The shareholders of GreenTeam GbR are the now former Executive Board members Dr. Jens Gerhardt and Sven Göbel (resigned from the Executive Board in February and July 2022, respectively), as well as customers of HanseYachts AG who ordered two yachts in the 2021|2022 financial year. The yachts were sold at special terms and conditions, which have also been granted to outside third parties in exceptional cases.

GreenTeam GbR earned lease income of €22 thousand in the 2021|2022 financial year. However, HanseYachts AG also charges GreenTeam GbR an annual usage fee of €5 thousand and €2 thousand, respectively, for the use of the roofs at the production sites in Greifswald. In order to use the solar power system, HanseYachts AG had to make a one-time investment of €292 thousand in its own electricity infrastructure. Under the current build-out phase, HanseYachts AG expects to reap annual savings of approximately €11 thousand and €312 thousand, respectively, over the entire term of 20 years. Once the potentially three build-out phases in total have been completed, an overall benefit of approximately €63 thousand is expected, covering 40% of the electricity consumption of the plant on Ladebower Chaussee. The construction of the solar power system is another important step to improve the CO<sub>2</sub> footprint of HanseYachts AG after the already completed conversion to green electricity.

### Conclusion of put option agreement for shares in Privilège Marine SAS with the CEO and minority shareholder of Privilège Marine SAS

By date of 16 June 2022, Privilège Marine Holding GmbH, a 100% subsidiary of HanseYachts AG, concluded a put option agreement for the sale of shares in Privilège Marine SAS with a consortium headed by the longtime CEO and minority shareholder of Privilège Marine SAS, Gilles Wagner, and a group of the company's customers. One of these customers is the co-shareholder of the yacht chartering company in which a member of the Executive Board of HanseYachts AG holds an atypical silent partnership interest of 10% (see "Other disclosures" in the present chapter). Due to the economic relevance and autonomy of the CEO of the French subsidiary, the transaction with the CEO is deemed to be a transaction with a related person.

Please refer to the ad-hoc announcement published by HanseYachts AG on 16 June 2022 for additional details on the subject of this transaction. On the basis of this put option agreement, which granted Privilège Marine Holding GmbH the right, but not the obligation to sell shares in Privilège Marine SAS, a purchase agreement was concluded on 1 July 2022 and entered into effect on 17 October 2022 after all conditions precedent were fulfilled. Please also refer to our remarks in the section entitled Events after the reporting date in the present notes to the consolidated financial statements.

### Business dealings with companies of the Aurelius Group

In addition to the aforementioned compensation of the members of the Executive Board and Supervisory Board, the following business dealings were conducted with companies of the Aurelius Group:

Financial Year 2021 2022 €'000	Income	Expenses	Rcvbl	Pybl
			30/6/2022	
Consulting (including travel expenses)	0	639	0	570
License fees	0	361	0	159
Loans	0	49	0	1,509
Other goods and services	0	2	0	0

Financial Year 2020 2021 €'000	Income	Expenses	Rcvbl	Pybl
			30/6/2021	
Consulting (including travel expenses)	0	541	0	0
License fees	0	331	0	0
Loans	0	371	0	0
Other goods and services	0	10	0	575

#### Consulting (including travel expenses)

Consulting expenses were incurred in the full amount for consulting services provided by AURELIUS Equity Opportunities SE & Co. KGaA and AURELIUS Beteiligungsberatungs AG to HanseYachts AG.

In addition, the Aurelius Group provided extensive consulting services in relation to the sale of shares in Privilège Marine Holding GmbH, Greifswald, which were not charged to HanseYachts AG.

#### License fees

AURELIUS Active Management GmbH provides molds for the production of the specialized boats of the "Sealine" brand and the "Sealine" brand name and production know-how to HanseYachts AG. This is done under a license agreement that leads to the above-mentioned expenses and the corresponding liabilities for license fees.

All the liabilities incurred for consulting services and license fees are current.

#### Loans

In the presentation mentioned above, the liabilities from loans also include accrued interest in addition to the nominal amounts.

In the case of loan liabilities not backed by collateral and for which an interest and loan maintenance declaration has been issued, the loans bore interest at terms comparable to new borrowings. The existing loan liabilities bore interest at the rate of 12.0% in the past financial year.

#### Other disclosures

In addition to the foregoing disclosures on the subject of business dealings with the Aurelius Group, the company voluntarily discloses that the Chairman of the Supervisory Board and two former members of the Executive Board are shareholders of a company in Germany whose business object is the chartering of sailing and motor yachts. The boats intended for chartering are purchased by an external dealer of HanseYachts AG who purchases the boats from HanseYachts AG and charts the boats in exchange for a fee. The dealer ordered no boats from HanseYachts AG in the 2021|2022 financial year (PY: one boat).

In addition, one Executive Board member holds an atypical silent partnership interest of 10% in another chartering company with an identical business model to the one described above. The external dealer ordered no boats from HanseYachts AG in the 2021|2022 financial year (PY: two boats).



### Reproduction of the notifications pursuant to Section 160 (1) no. 8 AktG

As of the reporting date, the following equity interests held in the parent company were notified pursuant to Section 33 (1) WpHG and published in the following wording pursuant to Section 40 (1) WpHG:

- AURELIUS Equity Opportunities SE & Co. KGaA, Grünwald, Germany, notified HanseYachts AG on 11 December 2020 that the voting rights share held by it in HanseYachts AG, Ladebower Chaussee 11, 17493 Greifswald, was 74.39% (that being 12,543,689 voting rights) on this date. Of this total, 28.43% of voting rights (that being 5,984,011 voting rights) are directly attributable to it. The voting rights attributed to it are held by the following company controlled by it, which holds 3% or more of the voting rights: HY Beteiligungs GmbH.
- AURELIUS Equity Opportunities SE & Co. KGaA, Grünwald, Germany, notified HanseYachts AG on 18 January 2021 that the voting rights share held by it in HanseYachts AG, Ladebower Chaussee 11, 17493 Greifswald, was 79.53% (that being 12,479,627 voting rights) on this date. Of this total, 38.13% of voting rights (that being 5,984,011 voting rights) are directly attributable to it. The voting rights attributed to it are held by the following company controlled by it, which holds 3% or more of the voting rights: HY Beteiligungs GmbH.

The above-mentioned voting rights shares may have changed after the indicated dates if the changes were not subject to the notification requirement. Because the company's shares are bearer shares, such changes are generally known to HanseYachts AG only when the changes are subject to the notification requirement.

## 12 // DECLARATION OF CONFORMITY WITH THE GERMAN CORPORATE GOVERNANCE CODE

The Declaration of Conformity with the German Corporate Governance Code prescribed by Section 161 AktG was issued most recently in December 2022 and made permanently available on our website (<https://www.hanseyachtsag.com/de/investor-relations/corporate-governance/>) as part of the Corporate Governance Statement pursuant to Section 315d HGB.

## 13 // FEE FOR THE INDEPENDENT AUDITOR

The fee for the independent auditor breaks down as follows:

€'000	2021 2022	2020 2021
Auditing services	418	372
Other consulting services	0	31
	<b>418</b>	<b>403</b>

The auditing services pertained to the audit of the separate and consolidated financial statements of HanseYachts AG (including expenses). The auditing services include expenses for previous years in the amount of €43 thousand.

No services not mentioned in the consolidated financial statements or in the Group management report of the audited company were provided aside from the financial statements audit of the audited company or of companies controlled by the audited company. The auditing services also pertained to the audit of the interim financial statements at 31 December 2021 for purposes of the inclusion of the HanseYachts Group financial statements in the overarching consolidated financial statements of AURELIUS Equity Opportunities SE & Co. KGaA.

## 14 // EVENTS AFTER THE REPORTING DATE

### 14.1 — Sale of Privilège Marine SAS

At 30 June 2022, HanseYachts AG held 100%, unchanged from the previous year, of the equity of the operationally inactive holding company Privilège Marine Holding GmbH, Greifswald, which held a 99.6% equity interest in the operationally active Privilège Marine SAS, Les Sables D'Olonne/ France.

With effect as of 1 July 2022, the Group entered into a purchase agreement for the purchase of shares in Privilège Marine SAS with Privilège Marine SAS. The shares in Privilège Marine SAS were sold at a sale price of €1.00. In the closing conditions, moreover, the prior contribution of assets and a cash contribution to be made indirectly by HanseYachts AG to Privilège Marine SAS were agreed.

The buyers are a consortium headed by the longtime CEO and minority shareholder of Privilège Marine SAS, Gilles Wagner, and a group of the company's customers. Due to the economic relevance and autonomy of the French subsidiary, the transaction with the CEO is deemed to be a transaction with a related person. The purchase agreement entered into effect on 17 October 2022 after all agreed conditions precedent were fulfilled (closing date).

Among other conditions, it was agreed as a condition precedent in the purchase agreement that certain clearly defined assets that were still owned by HanseYachts AG at 1 July 2022 were to be contributed by Privilège Marine Holding GmbH, Greifswald, to Privilège Marine SAS as part of a non-cash capital increase. For this purpose, HanseYachts AG first transferred these assets to Privilège Marine Holding GmbH, Greifswald, in the form of a non-cash capital contribution on the basis of a legally independent shareholder resolution dated 16 August 2022. These assets consisted mainly of the "Privilège" trademark rights, other property, plant and equipment related to the production of catamarans, and all loans to and receivables from Privilège Marine SAS, which were, however, eliminated in the consolidated financial statements as part of the debt consolidation process. As in the past, the trademark rights and the other non-current assets were attributed to the "Privilege" cash-generating unit.

Another condition precedent of the purchase agreement was a cash capital increase to be conducted for Privilège Marine SAS by Privilège Marine Holding GmbH in the amount of €1,000 thousand. Moreover, HanseYachts AG was required to provide the necessary liquidity for this purpose to Privilège Marine Holding GmbH, likewise in the form of a cash contribution. The required shareholder resolution for this purpose was adopted on 6 September 2022. Already prior to 30 June 2022, an amount of €160 thousand had been paid by HanseYachts AG to Privilège Marine SAS in the form of loans. This amount had already been credited to the agreed cash capital increase so that HanseYachts AG was still required to provide liquidity of €840 thousand to Privilège Marine Holding GmbH after the reporting date. As compensation for this liquidity outflow, the shareholder of HanseYachts AG, AURELIUS Equity Opportunities SE & Co. KGaA, granted HanseYachts AG a loan for €840 thousand. This is a transaction between related entities.

This transaction is accounted for in the present consolidated financial statements in accordance with IFRS 5. Please refer to our remarks in Chapters 4.21 and 6.14 for more information on this subject.

The deconsolidation of the Privilège entity at the closing date (17 October 2022) yielded a gain on deconsolidation of an amount in the low single-digit millions.

#### **14.2 — Long-term financing assured by the conclusion of new credit facility agreements**

After the reporting date, HanseYachts AG negotiated and concluded a refinancing agreement for the existing credit facilities and an extension of financing in order to ensure complete, sustainable financing of the Group in the coming years. Specifically, the following points were agreed:

- Under supplementary loan agreements, the three currently financing banks will provide additional financial resources equal to €2.5 million in total, which must be repaid in installments in the time until the end of 2025;
- Principal repayments on the existing credit facility agreements were suspended for four quarters beginning with the fourth quarter of 2022;
- The state of Mecklenburg-Western Pomerania will provide financing of €2 million, which will be repayable in full upon maturity at the end of June 2023;
- The majority shareholder will provide another €1.5 million in financing repayable in full upon maturity in July 2026. This is a transaction between related entities;
- Prolongation of the existing financing agreements with the four financing banks until at least the end of 2025.

The redefined covenants have been adapted to the financing structure and the new business plan. They apply to both the new agreements and the previous agreements.

In total, therefore, HanseYachts AG received an additional €6 million directly during the time of preparation of the present consolidated financial statements. Moreover, the suspension of principal repayments will have a total positive effect of €5.1 million on the company's liquidity planning through the fourth quarter of 2023. The financing agreements were concluded in December 2022 and the company received all the agreed financial resources already during the time of preparation of the present consolidated financial statements.

The expert author of an expert opinion found the new financing parameters to be convincing and sufficient for ensuring the financing of HanseYachts AG and the Group until 2025. On this basis, the Executive Board believes that the Group's financing has been sustainably assured and strengthened. For additional information on this subject, please refer to the remarks of the legal representatives in Chapters 2.5 and 4.3.4 of the Group management report for the 2021|2022 financial year.



### 14.3 — Non-cash and cash capital increase

On 8 December 2022, the Executive Board of HanseYachts AG resolved to conduct a capital increase of approximately €7.58 million by issuing approximately 2.65 million new shares. As part of this capital measure, the company's majority shareholder AURELIUS Equity Opportunities SE & Co. KGaA will contribute the "SEALINE" brand used and previously licensed by the company in exchange for the issuance of 1,602,098 new shares and will additionally subscribe a cash capital increase of €3 million in exchange for the issuance of 1,048,951 new shares. The Supervisory Board approved the capital increase by the same date of 8 December 2022. This is a transaction between related entities.

At the beginning of the coming year, the Executive Board intends to conduct an offsetting subscription rights capital increase by which the company's shareholders will be entitled to subscribe new shares in exchange for cash contributions at the same financial terms and conditions as AURELIUS in order to offset the proportional dilution of their shares caused by the capital measure.

In combination with the refinancing package described above, the capital measure will ensure the short-term and medium-term financing of the HanseYachts Group for the time until December 2025. Therefore, sufficiently disposable funds and the financial conditions for further sustained improvements of the Group's financial performance are assured.

## 15 // RELEASE FOR PUBLICATION

The consolidated financial statements and the Group management report at 30 June 2022 of HanseYachts AG were released for publication by the Executive Board on 14 December 2022 and presented to the company's Supervisory Board for approval on the same date. The consolidated financial statements and the Group management report will be published in the electronic Federal Gazette (*Bundesanzeiger*).

Greifswald, 14 December 2022

The Executive Board



Hanjo Runde



Stefan Zimmermann



## YOUR RYCK 280 | YOUR LIFESTYLE

Whatever you plan to do with your RYCK, there is a suitable layout for you. Each motorboat is tailored to the owner, so you can determine every necessary detail in advance. In order to make the selection process a bit easier, we have developed six configurations for the RYCK 280 suited to different activities: SPEED & PERFORMANCE, CRUISE & SWIM, DIVE & CLIMB, FISH & BARBECUE, TRIPS & WEEKEND and SURF & FUN. It means that the broad capabilities of a RYCK run from an adrenaline-charged diving trip to offshore fishing or a cosy weekend in the bay. No matter how you use your RYCK 280, there is a solution for every owner. Of course, all our features can also be freely combined. There's only one RYCK 280 like this: yours.







# INNOVATIVE POWERBOATS

## WITH OUTBOARD ENGINES

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**RYCK**



## RESPONSIBILITY STATEMENT

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We hereby affirm to the best of our knowledge that, in accordance with the applicable financial reporting principles, the consolidated financial statements of HanseYachts AG for the 2021|2022 financial year provide a true and fair view of the Group's financial position, cash flows and financial performance, and that the Group management report provides a true and fair view of the Group's business performance, including its results, and of the Group's situation, and describes the principal risks and opportunities of the Group's anticipated development.

Greifswald, 14 December 2022

The Executive Board



Hanjo Runde



Stefan Zimmermann

## AUDIT REPORT OF THE INDEPENDENT AUDITOR

### Preliminary remark

The Audit Report reproduced in the following also includes a “Report on the audit of the electronic reproductions of the financial statements and the management report prepared for purposes of publication pursuant to Section 317 (3b) HGB” (“ESEF Report”). The audit subject of the ESEF Report (the ESEF Documents to be audited) is not attached hereto. The audited ESEF Documents can be viewed in and retrieved from the German Federal Gazette (*Bundesanzeiger*).

### Audit report of the independent auditor

To HanseYachts AG, Greifswald

### Report on the audit of the consolidated financial statements and the Group management report

#### Audit opinions

We audited the consolidated financial statements of **HanseYachts AG, Greifswald**, and its subsidiaries (the Group) – consisting of the consolidated statement of financial position at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the financial year from 1 July 2021 to 30 June 2022, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies. We also audited the Group management report of HanseYachts AG, Greifswald, for the financial year from 1 July 2021 to 30 June 2022. In accordance with the German legal provisions, we did not audit the content of the separate combined Non-Financial Report for the 2021|2022 financial year, which was published on the company’s website and to which reference is made in Chapter “6. Separate combined non-financial report” of the Group management report, nor the content of the Corporate Governance Statement pursuant to Section 315d in conjunction with Section 289f German Commercial Code (*Handelsgesetzbuch*, HGB) published on the company’s website, to which reference is made in Chapter “5. Corporate Governance Declaration” of the Group management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- The accompanying consolidated financial statements comply with IFRSs as they are to be applied in the European Union and additionally with the German legal requirements pursuant to Section 315e (1) HGB in all material respects, and give a true and fair view of the financial position and cash flows of the Group at 30 June 2022 and its financial performance in the financial year from 1 July 2021 to 30 June 2022 in accordance with these legal requirements; and
- The accompanying Group management report as a whole provides an appropriate view of the Group’s situation. This Group management report is consistent with the consolidated financial statements in all material respects, complies with the German legal requirements, and appropriately presents the opportunities and risks of future development. Our audit opinion of the Group management report does not extend to the abovementioned parts of the Group management report that were not audited with respect to content.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the Group management report.



### **Basis for the audit opinions**

We conducted our audit of the consolidated financial statements and the Group management report in accordance with Section 317 HGB and the EU Financial Statements Audit Regulation (EU-APrVO – No. 537/2014; referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the *Institut der Wirtschaftsprüfer* [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the section of our audit report entitled “Responsibility of the auditor for the audit of the consolidated financial statements and the Group management report.” We are independent of the Group in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, we declare pursuant to Article 10 (2) lit. f) of the EU Audit Regulation that we have not provided any prohibited non-auditing services according to Article 5 (1) EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate for providing a basis for our opinions on the consolidated financial statements and the Group management report.

### **Key audit matters in the audit of the consolidated financial statements**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 July 2021 to 30 June 2022. These matters were addressed in the context of our audit as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

In the following, we describe the key audit matters, in our opinion:

1. Planned sale of shares in Privilège Marine SAS
2. Measurement of unfinished and finished goods
3. Presentation of cash flows and financing measures

On 1) Planned sale of shares in Privilège Marine SAS

#### **a) The risk for the financial statements**

In line with its intention to focus on its core business, the HanseYachts Group plans to sell its shares in Privilège Marine SAS, Les Sables-d'Olonne/France. In this connection, the cash-generating unit Privilège was classified as discontinued operations (IFRS 5).

By date of 1 July 2022, the Group company Privilège Marine Holding GmbH, Greifswald, exercised its put option concluded on 16 June 2022 and entered into a purchase agreement for the sale of equity interests in Privilège Marine SAS with Privilège.S SAS, Les Sables-d'Olonne/France, in which the current CEO of Privilège Marine SAS holds an equity interest as a related person. The shares in Privilège Marine SAS were sold at a sale price of €1.00. In the closing conditions, moreover, the prior contribution of assets and a cash contribution to be made by HanseYachts AG were agreed. Due to the fact that the carry-ing amount of the cash-generating unit Privilège was already negative, it was not necessary to recognize an impairment of the cash-generating unit in the 2021|2022 financial year.

The Group's statements on the subject of this transaction and the treatment thereof in the present consolidated financial statements are included in Chapters 4.21, 6.14, and 14.1 of the notes to the consolidated financial statements and in Chapters 2.2.2 and 2.3 on the Group's financial performance and in Chapter 2.6 on the Group's financial position in the Economic report section of the Group management report.

The risk for the financial statements lies in the possibility that the transaction was not properly accounted for in accordance with the relevant rules of International Financial Reporting Standards (IFRS), as they are to be applied in the EU, and the potentially resulting incorrect presentation of the Group's financial position, cash flows, and financial performance. Considering the complexity of the underlying contractual clauses and the major effects of the classification as discontinued operations on the Group's financial position, cash flows, and financial performance, this transaction was deemed to be a key audit matter.

**b) Audit procedure and conclusions**

In the course of our audit of the accounting treatment of the planned sale of shares in Privilège Marine SAS, we examined the provisions of the underlying contracts. In this regard, we assessed the fulfillment of the criteria for classification as discontinued operations and the corresponding effects on the measurement of assets and liabilities, as well as the correct presentation within the Group's cash flows, financial position, and financial performance.

We assured ourselves that the planned sale of shares in Privilège Marine SAS is accounted for appropriately in the consolidated financial statements and that the related disclosures in the notes to the consolidated financial statements and the Group management report are appropriate and plausible.

On 2) Measurement of unfinished and finished goods

**a) The risk for the financial statements**

Inventories totaling €45.5 million are presented in the consolidated financial statements of HanseYachts AG at 30 June 2022. This total is composed of raw materials and supplies in the amount of €18.4 million and unfinished and finished goods and merchandise in the amount of €27.0 million. The unfinished and finished goods are sailing yachts and motor yachts still under construction and already completed, respectively.

Unfinished and finished boats are measured at production cost, but not exceeding their expected sale proceeds less costs still to be incurred.

In order to account for costs still to be incurred before sale (especially marketing and sales), the boats are measured at no more than 95% of the expected sale price.

Production costs were measured on a flatrate basis per model type in the period from 1 July 2021 to 31 May 2022 because a largely constant cost structure over time can be assumed. In measuring production costs, direct material costs are generally applied on the basis of the measured parts list of a standard boat without special features and the estimated material costs for special features. Premiums are added to account for overhead material costs. The production times per boat type are calculated on the basis of time sheets, and in the case of series production on assembly lines ("continuous flow production") by means of a system for recording average production times, and applied in the measurement of production costs. Production overhead costs for production equipment and the supervision of the production area are included in the measurement.

For those unfinished boats that are manufactured by continuous flow production, a standardized stage of completion is also applied on the basis of an unfinished boat's position in the production cycle at the reporting date.

Certain boat types are manufactured outside of continuous flow production due to the depth and complexity of production. The stage of completion at the reporting date of these boats manufactured in "island production" is estimated on the basis of completed production steps. Compared to continuous flow production, the stage of completion of boats manufactured in island production is subject to a heightened degree of discretionary judgment.

The Group's statements on the measurement of unfinished and finished goods are included in Sections 4.12 and 6.4. of the notes to the consolidated financial statements.

In our view, the measurement of unfinished and finished goods is especially important because the determination of the stage of completion and the overhead costs to be applied is dependent on discretionary judgments.

**b) Audit procedure and conclusions**

To assess the stage of completion, we participated in an inventory as observers and verified correct measurement at the reporting date on the basis of cost unit reports. In this connection, we analyzed the direct and overhead costs incurred for each yacht and boat type and checked to see if the measurement of the unfinished and finished sailing yachts and motor yachts recognized at 30 June 2022 was plausibly derived from these costs by comparing the estimated stage of completion with the actual costs incurred.

In the course of our audit, we evaluated the appropriateness of the underlying assumptions and made no significant findings related to the measurement of unfinished and finished sailing yachts and motor yachts at 30 June 2022.

On 3) Presentation of cash flows and financing measures

**a) The risk for the financial statements**

The Group generated a consolidated loss of €20.7 million in the financial year ended on 30 June 2022. Freely disposable cash and cash equivalents (liquid funds and unutilized current account facilities) declined by €12.2 million in the past financial year, from €22.1 million at 30 June 2021 to €9.9 million at 30 June 2022. In consideration of the substantial reduction of freely disposable liquidity from the previous year, as well as the upcoming, significant debt repayments due in the first quarter of 2023, the unfulfilled financial covenants in the financing agreements, and the still extant planning uncertainties (particularly concerning the reliability of supply chains, but also the current situation in Eastern Europe), the Executive Board deemed it necessary to increase the amount of available financial resources to ensure reliable liquidity in the short and medium term. On the basis of a restructuring report, refinancing negotiations for an amount of €11.1 million were successfully concluded in December 2022 and a further cash capital increase for an amount of €3.0 million to be subscribed by the majority shareholder, Aurelius Equity Opportunities SE & Co. KGaA, Munich, was resolved.

The legal representatives have reported on the development of cash flows in the 2021|2022 financial year, as well as the initiated measures and the successfully conducted financing and capital measures, in Chapters 9.2, 14.2, and 14.3 of the notes to the consolidated financial statements (Events after the reporting date) and in Chapters 2.5 (Cash flows) and 4.3.1 a) (Liquidity risks) of the Group management report.

The risk for the financial statements lies in the possibility that the necessary disclosures and notes on the development of cash flows in the 2021|2022 financial year and the financing measures conducted were not made in the notes to the consolidated financial statements and that this development was not described appropriately in the Group management report, so that a true and fair view of the Group's financial position, cash flows, and financial performance was not presented.

Based on the foregoing, this issue was deemed to be a key audit matter for our audit.

**b) Audit procedure and conclusions**

In particular, we assessed the statements made on the subject of cash flows in the 2021|2022 financial year and the financing measures conducted. For this purpose, we performed the following audit procedures:

- Review of bank agreements, including any supplemental agreements concluded after the reporting date, and the corresponding due dates.
- Review of the restructuring report commissioned by the legal representatives. Besides evaluating the qualifications and independence of the expert author, we particularly also assessed whether the assumptions applied for this purpose are consistent with the knowledge we have gained from our audit of the financial statements and whether the income and financing plans developed on this basis appear to be plausible.

- Assessment of whether the financing contributions on which the restructuring report is based were paid in full.
- Assessment of whether the financial covenants stipulated in the financing agreements after the conclusion of the refinancing negotiations, which would create the right to terminate the financing agreements on an extraordinary basis, can indeed be fulfilled on the basis of the current business plan contained in the restructuring report.
- Assessment of whether the financing contribution to be made by the majority shareholder in the form of the subscribed cash capital increase, which goes beyond the financing called for in the restructuring report, is sufficiently certain.

In addition, we sought to determine whether the Group has reported on the liquidity situation in the notes to the consolidated financial statements and in the Group management report in such a way as to appropriately and completely inform the users of the financial statements about the risks and effects of the successfully concluded refinancing negotiations and capital measures.

Based on the audit evidence obtained, we found no indications to suggest that the legal representatives' report on the development of the Group's cash flows is not complete and appropriate.

#### **Other information**

The legal representatives and the Supervisory Board are responsible for the other information. The other information obtained at the date of this audit report comprises the following:

- The Corporate Governance Declaration pursuant to Section 289f and Section 315d HGB, published on the company's website, to which reference is made in Section "5. Corporate Governance Declaration" of the Group management report;
- The combined non-financial report pursuant to Sections 289b et seq. and 315b et seq. HGB published on the company's website, to which reference is made in Chapter "6. Separate combined non-financial report" of the Group management report;
- The Responsibility Statement for the consolidated financial statements pursuant to Section 297 (2) sentence 4 HGB and the Responsibility Statement for the Group management report pursuant to Section 315 (1) sentence 5 HGB;
- The Report of the Supervisory Board.

It is expected that the Annual Report will be provided to us after the date of the present audit report.

The Supervisory Board is responsible for the Report of the Supervisory Board. The legal representatives and the Supervisory Board are responsible for the Declaration of Conformity with the German Corporate Governance Code pursuant to Section 161 AktG, which is an integral part of the Corporate Governance Declaration pursuant to Section 289f and Section 315d HGB, which is published on the company's website. Otherwise, the legal representatives are responsible for the other information.

Our opinions on the consolidated financial statements and the Group management report do not extend to the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the above-mentioned other information and in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, the information provided in the Group management report, the content of which we audited, or our knowledge obtained in the audit; or
- otherwise appears to be materially misstated.



If we conclude on the basis of the work performed on the other information obtained by us after the date of this audit report that this other information includes a material misstatement, we will be obligated to report this fact. We have nothing to report in this connection.

***Responsibility of the legal representatives and the Supervisory Board for the consolidated financial statements and the Group management report***

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the IFRS as they are to be applied in the EU and additionally the applicable German legal requirements pursuant to Section 315e (1) HGB, and that the consolidated financial statements give a true and fair view of the financial position, cash flows, and financial performance of the Group in compliance with these requirements. In addition, the legal representatives are responsible for such internal controls as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to intent or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to a going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, unless there is an intention to liquidate the Group or discontinue business operations or if there is no realistic alternative to that.

Furthermore, the legal representatives are responsible for the preparation of the Group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a Group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient, suitable evidence for the assertions in the Group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and the Group management report.

***Responsibility of the auditor for the audit of the consolidated financial statements and the Group management report***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to intent or error, and whether the Group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements, and appropriately presents the opportunities and risks of future development, as well as to issue an audit report that includes our opinions on the consolidated financial statements and the Group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the *Institut der Wirtschaftsprüfer* (IDW) will always detect a material misstatement. Misstatements can arise from violations or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this Group management report.



We exercise professional judgement and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatements in the consolidated financial statements and Group management report, whether due to intent or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from violations is higher than for one resulting from error, as “violations” may involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal controls.
- Obtain an understanding of the internal control system relevant to the audit of the consolidated financial statements and arrangements and measures relevant to the audit of the Group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures.
- Conclude on the appropriateness of the legal representatives’ use of the going concern basis of accounting and, based on the audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the audit report to the related disclosures in the consolidated financial statements and Group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions could cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the financial position, cash flows, and financial performance of the Group in compliance with IFRS and additionally the applicable German legal requirements pursuant to Section 315e (1) HGB.
- Obtain sufficient, suitable audit evidence for the accounting information of the companies or business activities within the Group in order to form audit opinions on the consolidated financial statements and Group management report. We are responsible for directing, supervising, and performing the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.
- Evaluate the consistency of the Group management report with the consolidated financial statements, its conformity with German law, and the view of the Group’s position it provides;
- Perform audit procedures on the prospective information presented by the legal representatives in the Group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial, unavoidable risk that future events will differ materially from the prospective information.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control system that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

## Other legal and regulatory requirements

### **Report on the audit of the electronic reproductions of the consolidated financial statements and the Group management report prepared for purposes of publication pursuant to Section 317 (3a) HGB**

Pursuant to Section 317 (3a) HGB, we conducted an audit with reasonable assurance to determine whether the reproductions of the consolidated financial statements and the Group management report contained in the file “HanseYachtsAG-2022-06-30-DE-KA.zip” and prepared for purposes of publication (also referred to hereinafter as the “ESEF Documents”) fulfill the requirements of Section 328 (1) HGB for the electronic reporting format (“ESEF Format”) in all material respects. In accordance with the German legal provisions, this audit only covers the transfer of the information of the consolidated financial statements and the Group management report to the ESEF Format and therefore does not cover the information contained in these reproductions, nor the information contained in the above-mentioned file.

In our opinion, the reproductions of the consolidated financial statements and the Group management report contained in the above-mentioned file and prepared for purposes of publication fulfill the requirements of Section 328 (1) HGB for the electronic reporting format in all material respects. Apart from this audit opinion and our audit opinions on the attached consolidated financial statements and the attached Group management report for the financial year from 1 July 2021 to 30 June 2022 included in our foregoing “Report on the audit of the consolidated financial statements and the Group management report,” we express no audit opinion on the information contained in these reproductions or the other information contained in the above-mentioned file.

### ***Basis for the audit opinion***

We conducted our audit of the reproductions of the consolidated financial statements and the Group management report contained in the above-mentioned file in accordance with Section 317 (3a) HGB and in compliance with the IDW Auditing Standard: Audit of the electronic reproductions of financial statements and management reports prepared for purposes of publication pursuant to Section 317 (3a) HGB (IDW PS 410 (10/2021)). Our responsibility for this audit is described in more detail in the section entitled “Responsibility of the auditor of the financial statements for the audit of the ESEF Documents.” Our auditing firm applied the requirements for the quality assurance system set out in the IDW Quality Assurance Standard: Requirements for Quality Assurance in the Auditing Profession (IDW QS 1).



### ***Responsibility of the legal representatives and the Supervisory Board for the ESEF Documents***

The legal representatives of the company are responsible for the preparation of the ESEF Documents containing the electronic reproductions of the consolidated financial statements and the Group management report in accordance with Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 no. 2 HGB. In addition, the legal representatives of the company are responsible for such internal controls as they have determined necessary to enable the preparation of ESEF Documents that are free from material violations of the requirements of Section 328 (1) HGB for the electronic reporting format, whether due to intent or error.

The Supervisory Board is responsible for overseeing the process of preparation of the ESEF Documents as part of the financial reporting process.

### ***Responsibility of the auditor of the financial statements for the audit of the ESEF Documents***

Our objectives are to obtain reasonable assurance about whether the ESEF Documents are free from material violations of the requirements of Section 328 (1) HGB, whether due to intent or error. We exercise professional judgement and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material violations of the requirements of Section 328 (1) HGB, whether due to intent or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of the internal control system relevant to the audit of the ESEF Documents, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these controls;
- Assess the technical validity of the ESEF Documents, i.e. whether the file containing the ESEF Documents fulfills the requirements for the technical specifications for this file according to the Delegated Regulation (EU) 2019/815 in the version in effect at the reporting date.
- Assess whether the ESEF Documents allow for an identical-content XHTML reproduction of the audited consolidated financial statements and the audited Group management report.

Assess whether the tagging of the ESEF Documents with Inline XBRL technology (iXBRL) allows for an appropriate and complete machine-readable XBRL copy of the XHTML reproduction in accordance with Articles 4 and 6 Commission Delegated Regulation (EU) 2019/815 in the version applicable on the reporting date.

### **Further information pursuant to Article 10 EU Audit Regulation**

We were elected as the auditor of the consolidated financial statements by the annual general meeting on 23 November 2021. We were engaged by the Supervisory Board on 28 November 2022. We have continually been the auditor of the consolidated financial statements of HanseYachts AG, Greifswald, since financial year 2009|2010. We declare that the opinions expressed in this audit report are consistent with the additional report to the Audit Committee pursuant to Article 11 EU Audit Regulation (long-form audit report).

### **Supplement to the Audit Report pursuant to Section 317 (2) sentence 5 clause 2 HGB**

We assessed whether the separate combined non-financial report to be submitted in fulfillment of the exemption criteria pursuant to Section 289b (3) sentence 1 no. 2 lit b HGB and Section 315b (3) sentence 1 no. 2 lit. b HGB, to which reference is made in Chapter “6. Separate combined non-financial report” of the Group management report, was submitted within the statutory time limit of four months after the financial statements reporting date.





In our opinion, based on the audit we performed on 18 November 2022, the company's separate combined non-financial report, to which reference is made in Chapter "6. Separate combined non-financial report," was not submitted within the statutory time limit of four months after the financial statements reporting date.

We point out that pursuant to Section 289b (3) sentence 1 no. 2 lit. b HGB and Section 315b (3) sentence 1 no. 2 lit. b HGB, the publication of the separate combined non-financial report on the company's website no later than four months after the financial statements reporting date and at least for ten years insofar as the Group management report makes reference to this publication on the company's website, is a precondition for the exemption from the obligation of including a non-financial declaration in the Group management report.

**Other matter: Use of the Audit Report**

Our Audit Report must always be read in conjunction with the audited consolidated financial statements and the audited Group management report and the audited ESEF Documents. The consolidated financial statements and the Group management report converted to ESEF format – including the versions to be published in the German Federal Gazette (Bundesanzeiger) – are merely electronic reproductions of the audited consolidated financial statements and the audited Group management report and do not take their place. In particular, the ESEF Report and our audit opinion expressed therein may only be used in conjunction with the ESEF Documents made available in electronic form.

**German Public Auditor responsible for the audit**

The German Public Auditor responsible for the audit is Ms. Michaela Loose.

Hamburg, 14 December 2022

Ebner Stolz GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Thomas Wülfing

German Public Auditor

Michaela Loose

German Public Auditor

# IMPRINT



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