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Interim Statement as at June 30, 2023

PVA TePla in the first half-year with

continued high growth momentum

Sales revenues rise to

EUR **126.7 million** (+ 58.2 %)

Gross margin of

28.5 % (– 1.6 pp)

Order backlog remains at a high level

EUR **298.3 million** (– 3.6 %)

EBIT margin of **11.0 %** (+ 2.0 pp)

Foreword by the Management Board

Dear Shareholders and Business Partners of PVA TePla,

The PVA TePla Group continued on the successful growth trajectory it has been on since the second half of 2022 in particular. Sales revenues and income increased significantly compared with the previous year, while incoming orders and the order backlog proved to be resilient even in the face of a challenging macroeconomic environment.

Incoming orders were almost unchanged year-on-year at around EUR 105 million as at June 30, 2023 (H1 2022: EUR 106 million). At almost EUR 300 million (H1 2022: EUR 309 million), the order backlog also remains at a high level with visibility up to 2025.

At the same time, the PVA TePla Group recorded year-on-year growth in sales revenues of over 58 % to EUR 126.7 million in the first six months of fiscal year 2023 (H1 2022: EUR 80.1 million). Both divisions contributed to this encouraging development. Gross profit increased by around EUR 12 million to EUR 36.1 million, corresponding to a gross margin of 28.5 % (H1 2022: 30.1 %). Earnings before interest, taxes, depreciation and amortization (EBITDA) also saw impressive growth, almost doubling year-on-year to EUR 17.4 million in the first half of 2023 (H1 2022: EUR 9.5 million). The EBIT margin amounted to 11.0 % (H1 2022: 9.0 %).

In the reporting period, PVA TePla's research and development expenses increased by more than 50% from EUR 2.9 million to EUR 4.4 million. This underlines the company's commitment to driving innovation in technologies and products. Advanced development projects include work on a project that will meet the future requirements for automation in industry and integrate AI solutions.

Despite the macroeconomic challenges, we are broadly optimistic with regard to the future. The PVA TePla Group is forecasting sales revenues of EUR 240 – 260 million and EBITDA of between EUR 36 million and EUR 40 million in fiscal year 2023.

We would like to take this opportunity to once again thank all of our colleagues whose commitment and expertise contributed to the company's good performance. We would also like to express our gratitude to our shareholders for the trust they have placed in us, and of course to our customers and suppliers. We look forward to continuing our close cooperation.

Wettenberg, July 2023

Jalin Ketter
CFO/Speaker of the Management Board

Oliver Höfer
COO

Key figures for the group at a glance

in EUR '000	Jan. 1 – June 30, 2023	Jan. 1 – June 30, 2022
Sales revenues	**126,688**	**80,070**
Semiconductor Systems	89,672	56,832
Industrial Systems	37,016	23,238
Gross profit	**36,078**	**24,105**
in % sales revenues	28.5	30.1
R&D expenses	4,424	2,909
EBITDA	**17,426**	**9,488**
in % sales revenues	13.8	11.8
EBIT	**13,998**	**7,210**
in % sales revenues	11.0	9.0
Consolidated net result	**9,379**	**4,027**
in % sales revenues	7.4	5.0
Total assets	**281,502**	**290,331***
Shareholders' equity	**113,239**	**104,096***
Equity ratio in %	40.2	35.9
Employees as of June 30	**723**	**598**
Incoming orders	**104,943**	**106,356**
Book-to-bill-ratio	0.83	1.33
Order Backlog	**298,255**	**309,278**
Cash Flow from operating activities	**– 2,055**	**– 9,875**
Net financial position	**10,470**	**16,354***

* As of December 31

Interim group management report for the first half of 2023

General statement by the Management Board

PVA TePla successfully continued on its strong growth trajectory in the first half of 2023. Sales revenues and earnings both increased considerably compared with the previous year while incoming orders and the order backlog remain solid.

Our diversified business model proved its worth as we successfully reduced our dependency on individual sectors. We also took targeted measures to address the challenges presented by the war in Ukraine, the energy crisis and inflation. We will closely observe the developments on our procurement and production markets and continue to act flexibly in order to ensure our sustainable development.

Organizational structure

There were no changes to the Group's structure or the companies included in consolidation compared with the previous financial report dated December 31, 2022.

Preliminary note on reporting

This interim report was prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and adopted by the EU. All information relates to the PVA TePla Group (hereinafter also referred to as the PVA Group) and its consolidated subsidiaries. Unless otherwise indicated in the text, margins and ratios refer to sales revenues. The interim report has not been audited within the meaning of Section 317 HGB, nor has it been reviewed.

Research and development

Research and development (R&D) expenditure increased significantly year-on-year to EUR 4.4 million in the first half of 2023 (H1 2022: EUR 2.9 million).

Advanced development projects include work on an innovative project that will meet the future requirements for automation in industry and integrate AI solutions. The PVA TePla Group also continuously enhances products and processes as part of customer orders.

Macroeconomic environment

The macroeconomic situation remained challenging in the first half of 2023. The sustained high level of inflation was slow to respond to countermeasures by the central banks. The resulting impact on private consumer spending and investment opportunities for companies was reflected in a reluctance to purchase and invest in the first six months of the year. Although the European Central Bank is seeing signs of improved sentiment among consumers and companies, confidence remains well below the levels recorded prior to the war in Ukraine. There is continued supply chain disruption due to the ongoing war in Ukraine, while a slowdown in economic momentum in China is having an adverse effect on the global economic outlook.

– GDP in Germany is set to contract by 0.4 % in 2023.
– Modest GDP growth of 0.9 % is anticipated for the eurozone in 2023.
– China is expected to see GDP growth of 5.3 % in 2023.
– GDP in the US is forecast to rise slightly by 0.9 % year-on-year in 2023.
– All in all, global GDP is expected to increase by 2.8 % in 2023, the lowest growth rate since 2001.

(ECB Economic Bulletin 04/2023; ifo Economic Forecast 06/2023; Deutsche Bank Research, July 19, 2023)

Sector development

Development in the individual sectors:
– The European Semiconductor Industry Association (ESIA) expects the semiconductor market to contract by 10.3 % to USD 515 billion in the current calendar year. However, the ESIA is also forecasting a robust recovery in 2024 with growth of 11.8 %.
– According to the German Mechanical Engineering Industry Association (VDMA), the mechanical engineering sector in Germany saw a 12 % downturn in orders in the three months from March to May 2023 compared with the same period of the previous year. Domestic orders declined by 6 %, while orders from abroad saw a more pronounced drop of 15 %.

Sales revenues and results of operations

Business development of the Group

The PVA TePla Group recorded sales revenues of EUR 126.7 million in the first six months of fiscal year 2023, up 58 % on the same period of the previous year (H1 2022: EUR 80.1 million). Both divisions contributed to this positive performance.

Gross profit amounted to EUR 36.1 million, up around EUR 12 million on the first six months of 2022 (EUR 24.1 million). The gross margin was 28.5 %, down slightly on the high prior-year level of 30.1 %. This decline of 1.6 percentage points was due to changes in the product mix and higher material and production costs.

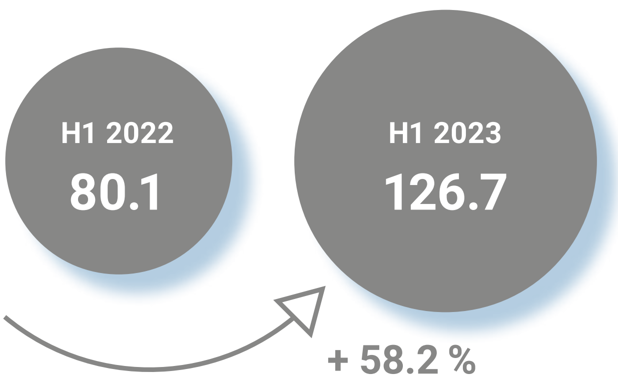
At EUR 10.0 million, selling and distributing expenses were up slightly year-on-year in the first half of 2023 (H1 2022: EUR 8.5 million.). This reflects the successful expansion of sales structures and strong sales revenues growth, confirming the success of these measures. As a proportion of sales revenues, selling and distributing expenses declined from 10.6 % to 7.9 %.

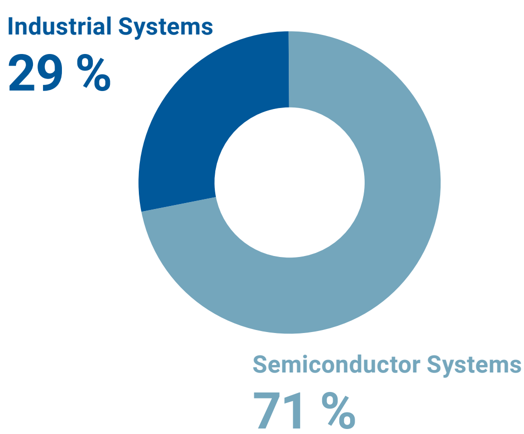
General administrative expenses increased by 42 % from EUR 6.2 million to EUR 8.8 million. Accordingly, the administrative expense ratio decreased from 7.7 % to 6.9 %.

Earnings before interest, taxes, depreciation and amortization (EBITDA) almost doubled to EUR 17.4 million (H1 2022: EUR 9.5 million), resulting in an EBITDA margin of 13.8 % (H1 2022: 11.8 %). Earnings before interest and taxes (EBIT) also increased sharply to EUR 14.0 million (H1 2022: EUR 7.2 million), corresponding to an EBIT margin of 11.0 % (H1 2022: 9.0 %).

Net interest income improved to EUR 0.03 million in the first half of 2023 after EUR – 0.2 million in the previous year. The financial result also improved significantly year-on-year to EUR – 0.02 million (H1 2022: EUR – 1.4 million). The net result before tax amounted to EUR 14 million in the first six months of fiscal year 2023 (H1 2022: EUR 5.9 million), while the consolidated net result for the period was EUR 9.4 million (H1 2022: EUR 4.0 million). Income taxes amounted to EUR 4.6 million (H1 2022: EUR 1.8 million).

Consolidated sales revenues (Jan. 1 – June 30 in EUR million)





Segment performance

Sales revenues by division in EUR '000	Q2 2023	Q2 2022	Change in %	Q1–2 2023	Q1–2 2022	Change in %
Semiconductor Systems	47,718	31,759	50.3	89,672	56,832	59.3
Industrial Systems	20,499	15,057	36.1	37,016	23,238	57.8
Total	**68,217**	**46,816**	**45.7**	**126,688**	**80,070**	**58.2**

Sales revenues in the Semiconductor Systems division increased significantly to EUR 89.7 million in the first half of 2023 (H1 2022: EUR 56.8 million). As previously, this development was driven by the delivery of and progress in the production of crystal-growing systems for the semiconductor wafer industry as well as the continued high level of demand for metrology systems. The segment operating result amounted to EUR 12.9 million compared with EUR 7.1 million in the previous year.

The Industrial Systems division recorded sales revenues of EUR 37 million, which also represented a substantial year-on-year increase (H1 2022: EUR 23.2 million). The division's performance was attributable in particular to high-temperature heat treatment systems used in medical technology and the optical industry. The segment operating result amounted to EUR 4.0 million compared with EUR 2.6 million in the previous year.

Orders

The order situation remained largely unchanged at a high level. The PVA TePla Group's incoming orders amounted to EUR 104.9 million in the first six months of fiscal year 2023 (H1 2022: EUR 106.4 million). The book-to-bill ratio for the first half of 2023 was 0.83 (H1 2022: 1.33).

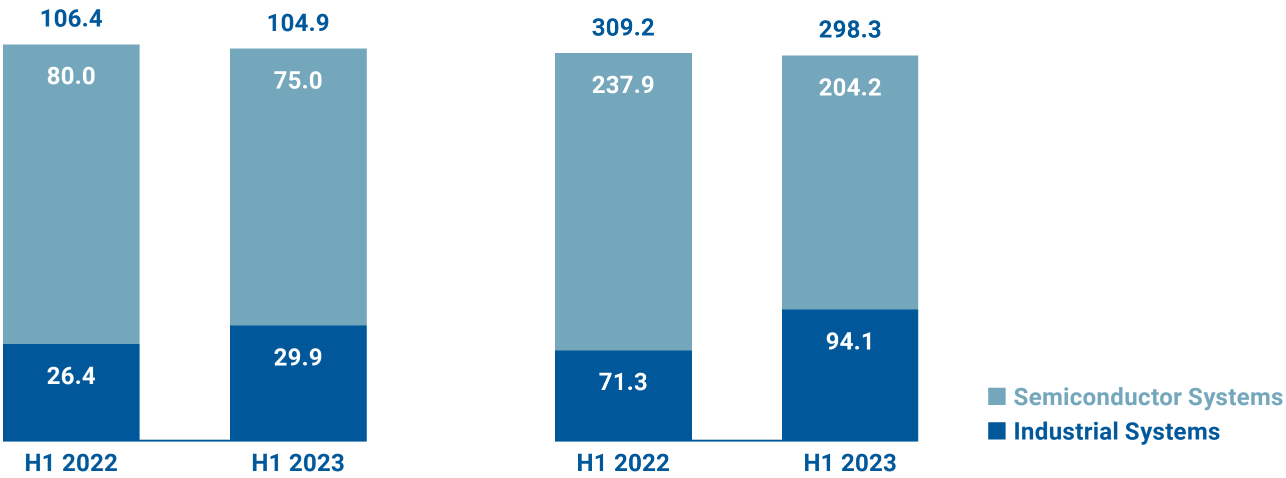
The Semiconductor Systems division reported incoming orders of EUR 75.0 million in the first half of 2023 (H1 2022: EUR 80.0 million). The metrology systems business unit was primarily responsible for this development.

The Industrial Systems division reported a slight increase in incoming orders to EUR 29.9 million in the first half of 2023, up EUR 3.5 million on the same period of the previous year (H1 2022: EUR 26.4 million). The orders include technologies that are used in the optical industry.

The order backlog declined slightly to EUR 298.3 million (June 30, 2022: EUR 309.3 million) but continues to provide extremely solid foundations for further growth.

At EUR 204.2 million (June 30, 2022: EUR 237.9 million), 68 % of the order backlog is attributable to the Semiconductor Systems division.

As at June 30, 2023, the order backlog in the Industrial Systems division increased to EUR 94.1 million (June 30, 2022: EUR 71.3 million) or 32 % of the total order backlog, compared with 23 % in the previous year.



Incoming orders Jan. 1 – June 30 in EUR million

Order backlog as of June 30 in EUR million

Asset position

The PVA TePla Group had total assets of EUR 281.5 million as at June 30, 2023, down slightly on the end of fiscal year 2022 (December 31, 2022: EUR 290.3 million).

Intangible assets were largely unchanged year-on-year, amounting to EUR 19.4 million as at June 30, 2023 (December 31, 2022: EUR 20.5 million). Property, plant and equipment increased slightly to EUR 35.4 million (December 31, 2022: EUR 34.0 million). Financial assets remained unchanged as against year-end 2022 at EUR 9.0 million (December 31, 2022: EUR 9.0 million). Deferred tax assets amounted to EUR 8.4 million as at June 30, 2023 (December 31, 2022: EUR 6.6 million).

Non-current assets totaled EUR 74.6 million as at June 30, 2023 compared with EUR 72.7 million as at December 31, 2022. Capital expenditure was offset by depreciation and amortization of EUR 3.4 million in the first half of 2023 (H1 2022: EUR 2.3 million).

The TePla Group's current assets declined slightly from EUR 217.6 million as at December 31, 2022 to EUR 206.9 million as at June 30, 2023. Inventories increased to EUR 92.1 million due to the sustained high level of incoming orders and the processing of the high order backlog (December 31, 2022: EUR 75.0 million). Trade and other receivables amounted to EUR 62.1 million (December 31, 2022: EUR 73.6 million), while contract assets declined to EUR 33.6 million at the reporting date (December 31, 2022: EUR 40.5 million).

Cash and cash equivalents and term deposits fell from EUR 27.2 million (December 31, 2022) to EUR 17.9 million (June 30, 2023) due to the continued utilization of advance customer payments received.

The non-current liabilities of the PVA TePla Group increased slightly year-on-year to EUR 27.7 million as at June 30, 2023 (December 31, 2022: EUR 25.6 million). This includes pension provisions of EUR 11.3 million (December 31, 2022: EUR 11.5 million).

Current liabilities totaled EUR 140.6 million as at June 30, 2023 (December 31, 2022: EUR 160.7 million). Trade payables amounted to EUR 20.2 million as at June 30, 2023 (December 31, 2022: EUR 18.3 million). The slight reduction in incoming orders compared with the previous year meant that contract liabilities declined to EUR 94.2 million as at June 30, 2023 (December 31, 2022: EUR 113.5 million). Liabilities to employees amounted to EUR 8.0 million as at June 30, 2023 (December 31, 2022: EUR 7.3 million), while income tax liabilities amounted to EUR 1.2 million (December 31, 2022: EUR 8.7 million).

The PVA TePla Group's equity rose to EUR 113.2 million as at June 30, 2023 (December 31, 2022: EUR 104.1 million), while the equity ratio also increased from 35.9 % (December 31, 2022) to 40.2 %.

Financial position

Cash flow from operating activities amounted to EUR – 2.1 million in the first six months of fiscal year 2023 due to the processing of the high order backlog and the accompanying utilization of the advance payments received (H1 2022: EUR – 9.9 million).

Cash flow from investing activities totaled EUR – 2.9 million in the first half of 2023, largely as a result of the progress of construction in Wettenberg (H1 2022: EUR – 11.4 million).

Cash flow from financing activities amounted to EUR – 3.8 million in the first half of 2023 (H1 2022: EUR – 0.6 million).

The net financial position (cash and cash equivalents and term deposits less current and non-current financial liabilities) amounted to EUR 10.5 million as at June 30, 2023 (December 31, 2022: EUR 16.4 million).

Significant events during the reporting period

On January 17, 2023, PVA TePla AG announced that the previous CEO Manfred Bender would leave the company for personal reasons by mutual agreement with effect from June 30, 2023. Manfred Bender joined PVA TePla AG in 2021 and made an important contribution to the company's extremely positive development.

CFO Jalin Ketter took over as spokesperson of the Management Board with effect from July 1, 2023. A certified auditor, Jalin Ketter joined PVA TePla AG in 2015 and initially headed the finance department. She was appointed to the Management Board of the Group in June 2020. As CFO, Jalin Ketter was instrumental in shaping the technology company's successful development and helped to drive its modernization. The extension of her contract to mid-2028 serves to underline her continuity and commitment to PVA TePla's long-term development.

In addition to the previous CEO Manfred Bender, the CTO Dr. Andreas Mühe left PVA TePla as scheduled when his contract expired on June 30, 2023.

The expansion of the Supervisory Board from three to four members that was proposed to the 2023 Annual General Meeting represented another important step in strengthening the company's corporate governance. Dr. Myriam Jahn (54) was elected by the shareholders as a new and additional member of the Supervisory Board. She strengthens the Supervisory Board as a proven industry expert in the semiconductor industry and brings extensive know-how in the areas of digitalization and automation.

Employees

The PVA TePla Group had 723 employees as at June 30, 2023 (June 30, 2022: 598 employees).

Report on risks, opportunities and future development

Assessment of the overall risk situation

In the reporting period, no further risks and opportunities were identified above and beyond the risks and opportunities presented in the annual report and in the supplementary report for fiscal year 2022 contained therein. Additional risks and opportunities that are not currently known or that are currently considered to be immaterial could also affect the business activities of the PVA TePla Group. At present, no risks have been identified which, either individually or in combination with other risks, could jeopardize the continued existence of the company.

Forecast

The company continues to benefit from various megatrends, especially growing demand for semiconductors and power electronics in electromobility, renewable energies and the general trend toward digitalization, all of which require the development of new materials and technologies. Thanks to its combination of innovative technology, efficient production capacities and a strong sales network, PVA TePla is confident that it will be able to make optimal use of the full market potential.

We also see especially large growth potential in the area of quality inspections, which serve not only to reduce the costs of downstream process steps, but also to optimize and increase the efficiency of upstream and downstream process steps. Similarly, innovative materials such as silicon carbide, which represents a promising alternative to materials that are traditionally used on account of its outstanding properties as a material for semiconductors, offer further potential. That is wH1 we are making targeted investments in research and development and the expansion of our production capacity in these areas.

In light of the existing project structure in the order backlog, the company's forecast for its sales revenues and earnings in the current fiscal year remains unchanged. The Management Board continues to anticipate sales revenues of EUR 240 – 260 million and earnings before interest, taxes, depreciation and amortization (EBITDA) of between EUR 36 million and EUR 40 million in fiscal year 2023.

Wettenberg, August 2023

Interim consolidated financial statements

Condensed consolidated balance sheet

as at June 30, 2023

in EUR '000	June 30, 2023	Dec 31, 2022
Assets		
Non-current assets		
Intangible assets	19,403	20,497
Right-of-use assets	2,373	2,650
Property, plant and equipment	35,426	33,997
Non-current investments	9,011	9,019
Deferred tax assets	8,403	6,581
Total non-current assets	**74,616**	**72,743**
Current assets		
Inventories	92,082	74,996
Trade and other receivables	62,095	73,568
Contract assets	33,596	40,466
Income tax assets	1,206	1,332
Cash, cash equivalents and term deposits	17,908	27,227
Total current assets	**206,886**	**217,589**
Total	**281,502**	**290,331**
Liabilities and shareholders' equity		
Shareholders' equity	113,239	104,096
Non-current liabilities	27,708	25,558
Current liabilities	140,555	160,678
Total	**281,502**	**290,331**

Condensed consolidated income statement

January 1 – June 30, 2023

in EUR '000	Apr. 1 – June 30, 2023	Apr. 1 – June 30, 2022	Jan. 1 – June 30, 2023	Jan. 1 – June 30, 2022
Sales revenues	**68,217**	**46,816**	**126,688**	**80,070**
Cost of sales	– 48,846	– 32,817	– 90,611	– 55,965
Gross profit	**19,371**	**13,999**	**36,078**	**24,105**
Selling and distributing expenses	– 4,536	– 4,242	– 10,029	– 8,499
General administrative expenses	– 4,634	– 3,598	– 8,794	– 6,189
Research and development expenses	– 2,289	– 1,372	– 4,424	– 2,909
Other operating income	1,246	1,834	2,692	3,035
Other operating expenses	– 655	– 1,693	– 1,525	– 2,334
Operating result (EBIT)	**8,503**	**4,927**	**13,998**	**7,210**
Financial result	15	– 1,215	– 28	– 1,350
Net result before tax	8,517	3,712	13,969	5,860
Income taxes	– 2,986	– 1,177	– 4,590	– 1,833
Consolidated net result for the period	**5,531**	**2,536**	**9,379**	**4,027**
Earnings per share (basic/diluted)				
Earnings per share (basic) in EUR	0.25	0.12	0.43	0.19
Earnings per share (diluted) in EUR	0.25	0.12	0.43	0.19

Condensed consolidated statement of comprehensive income

January 1 – June 30, 2023

in EUR '000	Apr. 1 – June 30, 2023	Apr. 1 – June 30, 2022	Jan 1 – June 30, 2023	Jan 1 – June 30, 2022
Consolidated net result for the period	**5,531**	**2,536**	**9,379**	**4,027**
Other comprehensive income				
Items that may be reclassified to profit or loss				
– Currency changes	– 72	542	– 236	684
Income taxes	0	0	0	0
Changes in the amount recognised in equity (currency differences)	**– 72**	**542**	**– 236**	**684**
Total of items that may be reclassified to profit or loss	**– 72**	**542**	**– 236**	**684**
Total comprehensive income	**5,459**	**3,078**	**9,143**	**4,711**

Condensed consolidated cash flow statement

January 1 – June 30, 2023

in EUR '000	Jan 1 – June 30, 2023	Jan 1 – June 30, 2022
Cash flow from operating activities	– 2,055	– 9,875
Cash flow from investing activities	– 2,947	– 11,361
Cash flow from financing activities	– 3,819	– 599
= Net change in cash and cash equivalents	– 8,822	– 21,835
= Cash and cash equivalents at the end of the period	5,465	29,957
= Cash, cash equivalents and term deposits	17,908	36,824
+ Term deposits	– 12,443	– 6,867
= Cash and Cash equivalents in Cash flow statement	5,465	29,957

Condensed consolidated statement of changes in equity

January 1 – June 30, 2023

in EUR '000	Shared issues		Revenue reserves	Other reserves		Total shareholders' interest
	Number			Currency exchange	Pension provisions	
As at January 1, 2022	21,749,988	21,750	65,833	560	– 5,354	82,789
Net result			17,658			17,658
Other result				443	3,206	3,649
Total			17,658	443	3,206	21,307
As at December 31, 2022	21,749,988	21,750	83,491	1,003	– 2,148	**104,096**
As at January 1, 2022	21,749,988	21,750	65,833	560	– 5,354	**82,789**
Total	21,749,988	21,750	4,027	684	0	4,711
As at June 30, 2022	21,749,988	21,750	69,860	1,244	– 5,354	87,500
As at January 1, 2023	**21,749,988**	**21,750**	**83,491**	**1,003**	**– 2,148**	**104,096**
Total	21,749,988	21,750	9,379	– 236	0	9,143
As at June 30, 2023	**21,749,988**	**21,750**	**92,870**	**767**	**– 2,148**	**113,239**

Condensed notes to the consolidated financial statements for the consolidated half-year financial statements 2023

A. Principles of the condensed interim consolidated financial statements

1. Reporting company

PVA TePla AG, Wettenberg („PVA TePla AG“) is a stock corporation under German law with its registered office at “Im Westpark 10 – 12” in 35435 Wettenberg, Germany. The Company is registered in the Commercial Register of the Local Court of Gießen under the number under the number HRB 6845. PVA TePla AG shares are listed in the Prime Standard segment of the Frankfurt Stock Exchange (ISIN: DE0007461006).

PVA TePla AG and its subsidiaries it controls (“PVA TePla Group”) produce for their customers systems which can be used for the production and processing of high-quality materials, for example the production of wafers in the semiconductor industry. The international business activities of the PVA TePla Group extend to locations in Germany, Italy, France, the USA, China, Taiwan, Singapore and South Korea. The business activities can be divided into the two divisions Industrial Systems and Semiconductor Systems.

2. Accounting principles

The condensed consolidated interim financial statements of the PVA TePla Group relate to the reporting period from 1 January 2023 to 30 June 2023 (“consolidated interim financial statements”) in accordance with Section 117 in conjunction with Sections 114, 115 of the German Securities Trading Act (WpHG). The interim consolidated financial statements have been prepared in accordance with both International Financial Reporting Standards (IFRS) and Section 53 of the Exchange Rules for the Frankfurt Stock Exchange. All standards and interpretations issued for the 2023 financial year published by the International Accounting Standards Board (IASB) for the 2023 financial year have been applied insofar as they have been approved by the European Union. The interim consolidated financial statements comply with the requirements of IAS 34 and have not been audited or reviewed by an auditor.

These interim consolidated financial statements are based on the consolidated financial statements for the year ended 31 December 2022. In accordance with IAS 34, a condensed scope of reporting has been chosen compared to the consolidated financial statements. They do not contain all the information required for complete consolidated financial statements at the end of a financial year. The consolidated financial statements were prepared using the accounting policies applicable to the consolidated financial statements as at 31 December 2022. All current business transactions and accruals and deferrals that, in the opinion of the management, are necessary to to ensure a true and fair view of the net assets, financial position and results of operations of the interim results have been taken into account. Income taxes were determined by way of a best estimate. The results of the interim reporting period do not allow any binding statement on the development of the further course of business.

In these condensed notes to the consolidated financial statements, information is provided primarily on the items for which there have been significant changes compared to the consolidated financial statements of the PVA TePla Group for the fiscal year 2022.

These interim consolidated financial statements were prepared in euros (EUR). All amounts are stated in thousands of euros (TEUR) unless deviations are explicitly indicated. For computational reasons, rounding differences of +/– one unit (EUR, %, etc.) may occur in the information presented in this interim report.

The consolidated half-year financial statements for the reporting period ending 30 June 2023 were approved for publication by the Management Board of PVA TePla AG on 28 July 2023.

B. Changes in accounting and valuation methods

The accounting policies applied in the consolidated half-year financial statements as at 30 June 2023 of the PVA TePla Group are basically unchanged compared to the consolidated financial statements for the fiscal year 2022.

C. Changes in the scope of consolidation

The consolidated interim financial statements as at 30 June 2023 include PVA TePla AG and its subsidiaries over which control is exercised ("PVA TePla Group").

With effect from 18 January 2022 (date of incorporation), PVA TePla Korea LLC (Yuhan Hoesa) was included in the consolidated financial statements as a sales and service location. PVA TePla AG holds 100 % of the shares. In comparison to the PVA TePla Group as at 31 December 2022, there were no other changes in the scope of consolidation as at 30 June 2023.

D. Discretionary decisions by the management and estimation uncertainties

In the consolidated half-year financial statements as at 30 June 2023, estimates and assumptions have to be made to a limited extent.These have an impact on the amount and disclosure of recognised assets and liabilities, income and expenses and contingent liabilities. The estimates and discretionary decisions are basically unchanged from the circumstances described in the consolidated financial statements of the PVA TePla Group for the fiscal year 2022. Developments that deviate from this can lead to the amounts deviating from the original estimates. These possible developments are beyond the the sphere of influence of the management.

E. Selected notes to the consolidated income statement

1. Turnover

Revenues by activity area

in EUR '000	Jan 1 – June 30, 2023	%	Jan 1 – June 30, 2022	%
Systems	109,529	86	63,170	79
After-Sales-Service/IP	13,439	11	13,241	16
Contract Processing	3,307	3	3,082	4
Others	413	0	577	1
Total	**126,688**	**100**	**80,070**	**100**

Revenues by time of performance

in EUR '000	Jan 1 – June 30, 2023	%	Jan 1 – June 30, 2022	%
Revenue recognized at a point in time	75,966	60	63,660	80
Revenue recognized over time	50,722	40	16,410	20
Total	**126,688**	**100**	**80,070**	**100**

For further breakdowns of turnover, please refer to the segment reporting in Note 7.

2. Income taxes

in EUR '000	Jan 1 – June 30, 2023	Jan 1 – June 30, 2022
Current tax expense	– 3,103	– 3,171
Deferred tax expenses (–) / income (+)	– 1,487	1,338
Income taxes	**– 4,590**	**– 1,833**

Income taxes for the current reporting period were calculated on the basis of the expected income tax rate for the full year. The reported tax expense for the first six months of the 2023 financial year in the amount of – 4,590 TEUR (H1 2022: – 1,833 TEUR) results in a tax rate of 32.9 % (H1 2022: 31.3 %).

3. Earnings per share

	Jan 1 – June 30, 2023	Jan 1 – June 30, 2022
Numerator (in EUR '000): Consolidated net result for the year before minority interests	9,379	4,027
Denominator (in shares): Weighted average number of no-par shares outstanding	21,749,988	21,749,988
Earnings per share (EUR): **(Basic/diluted)**	**0.43**	**0.19**

F. Selected notes to the consolidated balance sheet

4. Inventories

in EUR '000	June 30, 2023	Dec 31, 2022
Raw materials and operating supplies	45,230	30,644
Work in progress	53,320	43,615
Finished products and goods	409	446
Gross value	**98,959**	**74,705**
Less impairment losses	– 6,877	– 5,084
Inventories	**92,082**	**69,621**

5. Trade receivables and other receivables as well as contract assets

in EUR '000	June 30, 2023	Dec 31, 2022
Trade receivables concerning product sales and services	34,572	29,679
Advance payments	17,550	17,984
Other current receivables	10,262	26,278
Contract assets (net exposure)	33,596	40,466
Gross value	**95,980**	**114,407**
Less impairment losses	– 289	– 373
Trade and other receivables and contract assets	**95,691**	**114,034**

Trade receivables do not bear interest and are generally due within 30 to 90 days.

in EUR '000	June 30, 2023	Dec 31, 2022
POC receivables (gross value)	90,129	56,383
less advance payments received	– 61,808	– 39,111
Subtotal	**28,321**	**17,272**
Contract assets (not including POC method)	1,118	4,495
Unconditional payment entitlements (down payment invoices)	4,157	18,699
Contract assets (net exposure)	**33,596**	**40,466**

6. Contractual liabilities

in EUR '000	June 30, 2023	Dec 31, 2022
Contract liabilities (net exposure)	33,541	49,664
Advance payments received concerning product sales and services	60,630	63,846
Contract liabilities	**94,171**	**113,510**

in EUR '000	June 30, 2023	Dec 31, 2022
Advance payments received (progress billing)	42,501	57,678
less contract costs incurred (incl. share of profit)	– 8,960	– 8,014
Contract liabilities (net exposure)	**33,541**	**49,664**

G. Selected notes to the consolidated statement of changes in equity

As at 30 June 2023, the subscribed capital of PVA TePla AG is unchanged compared to 31 December 2022 and is divided into 21,749,988 no-par value shares, each with a notional share of EUR 1.00 in the share capital.

In order to provide the company with short-term and flexible corporate financing, the Executive Board was authorised by the Annual General Meeting of 23 June 2022 to increase the share capital of the company by 22 June

- by issuing new no-par value shares against cash contributions and/or contributions in kind by up to EUR 5,437,497 (authorised capital 2022/I),
- to issue convertible bonds and bonds with warrants with a total nominal value of up to EUR 100.0 million, and to grant their conversion or option rights to new no-par value registered shares of PVA TePla AG with a pro rata amount of the share capital of share capital of up to a total of EUR 5,437,497 in accordance with the terms and conditions of the convertible bond or option. For the purpose of servicing this authorisation, conditional capital of up to EUR 5,437,497 was created (conditional capital 2022/I).

The dividend distribution of PVA TePla AG is based on the annual financial statements of PVA TePla AG under commercial law. For the 2022 fiscal year, the Annual General Meeting of 28 June 2023 did not resolve to pay a dividend.

H. Other explanatory notes

7. Segment reporting

In accordance with IFRS 8, segment reporting follows the management approach. The allocation of of resources and the assessment of the PVA TePla Group's earnings power by the management remains unchanged based on the internal organisational and management reporting system for the two divisions Industrial Systems and Semiconductor Systems.

Sales revenues by division

in EUR '000	Jan 1 – June 30, 2023		Jan 1 – June 30, 2022	
	External sales revenues	Internal sales revenues	External sales revenues	Internal sales revenues
Segment information				
Semiconductor Systems	89,672	379	56,832	452
Industrial Systems	37,016	7,297	23,238	5,186
Total PVA TePla Group	**126,688**	**7,676**	**80,070**	**5,638**

Operating result (EBIT) by division ("segment earnings")

in EUR '000	Jan 1 – June 30, 2023	Jan 1 – June 30, 2022
Segment information		
Semiconductor Systems	12,891	7,065
Industrial Systems	4,021	2,585
Holding costs	– 2,914	– 2,354
Consolidation	–	– 86
Total PVA TePla Group	**13,998**	**7,210**

Reconciliation of segment earnings to earnings after taxes

in EUR '000	Jan 1 – June 30, 2023	Jan 1 – June 30, 2022
Operating result (EBIT)	**13,998**	**7,210**
Financial result	– 28	– 1,350
Results before taxes	**13,969**	**5,860**
Income taxes	– 4,590	– 1,833
Earnings after taxes	**9,379**	**4,027**

Sales revenues by region

in EUR '000	Jan 1 – June 30, 2023	in %	Jan 1 – June 30, 2022	in %
Asia	54,592	43	36,008	45
Germany	33,742	27	23,979	30
Europe (without Germany)	29,542	23	11,052	14
North America	8,337	7	7,552	9
Other	474	0	1,479	2
Total PVA TePla Group	**126,688**	**100**	**80,070**	**100**

8. Financial instruments: Fair value disclosures

The fair values of the financial assets and financial liabilities as at 30 June 2023 are substantially the same as their carrying amounts recognised.

The following table shows the carrying amounts (= fair values) by class for the financial assets and financial liabilities measured at fair value:

in EUR '000	June 30, 2023	Dec 31, 2022
Other long-term receivables	9,001	23,883
Other current receivables	3,710	2,581
Other long-term liabilities	–	–
Other current liabilities	8	882

For financial instruments measured at fair value at the PVA TePla Group, the fair values for cash investments (funds) were determined on the basis of observable market prices and for forward exchange transactions and interest rate hedges on the basis of discounted expected future cash flows. The market interest rates applicable to the remaining terms of the financial instruments were used.

The net result for the financial assets and liabilities measured at fair value through profit or loss in the amount of EUR + 0.1 million (H1 2022: EUR – 1.7 million) consists of changes in the market value of cash investments and derivative hedging instruments.

9. Contingent liabilities and other financial obligations

The statements on contingent liabilities and other financial liabilities described in the PVA TePla Group's consolidated financial statements for the 2022 financial year are essentially unchanged.

10. Relationships with related companies and persons

The group of companies and persons related to PVA TePla AG or Group companies is determined by IAS 24. There were no changes to the Management Board or Supervisory Board between 1 January 2023 and 30 June 2023.

The scope of relationships with related parties has not changed compared to the consolidated financial statements for the 2022 financial year.

With regard to the PVA TePla Group, transactions with related parties relate to business transactions with the companies included in the consolidated financial statements. All intra-Group transactions are carried out at arm's length and are eliminated in full when preparing the consolidated financial statements. Therefore there are no effects on the net assets, financial position or results of operations of the PVA TePla Group in this respect.

Members of the Supervisory Board

With the proposed expansion of the Supervisory Board from three to now four persons, another important step towards strengthening the corporate governance of the company was taken at the 2023 Annual General Meeting. Dr. Myriam Jahn, 54, was elected by the shareholders as a new and additional member of the Supervisory Board. She strengthens the board as a proven industry expert in the semiconductor industry and brings comprehensive know-how in the areas of digitisation and automation.

11. Auditors for the 2023 financial year

The proposal of the Supervisory Board was followed at the Annual General Meeting on 28 June 2023. BDO AG Wirtschafts-prüfungsgesellschaft, Frankfurt am Main, Germany, is appointed as the auditor of the financial statements and the consolidated financial statements for the financial year from 1 January 2023 to 31 December 2023.

12. Significant events after the reporting date

In the period after 30 June 2023 and prior to the release of the consolidated half-year financial statements, there have been no significant changes with regard to the company's situation or in our industry environment that could have a material effect on the net assets, financial position and results of operations as at 30 June 2023. Furthermore, there are no major changes are currently planned in the structure, administration or legal form of the Group or in the area of personnel.

Responsibility statement by the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the financial position and results of operations of the Group and that the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Wettenberg, August 2023

Jalin Ketter
CFO/Speaker of the Management Board

Oliver Höfer
COO

Imprint

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