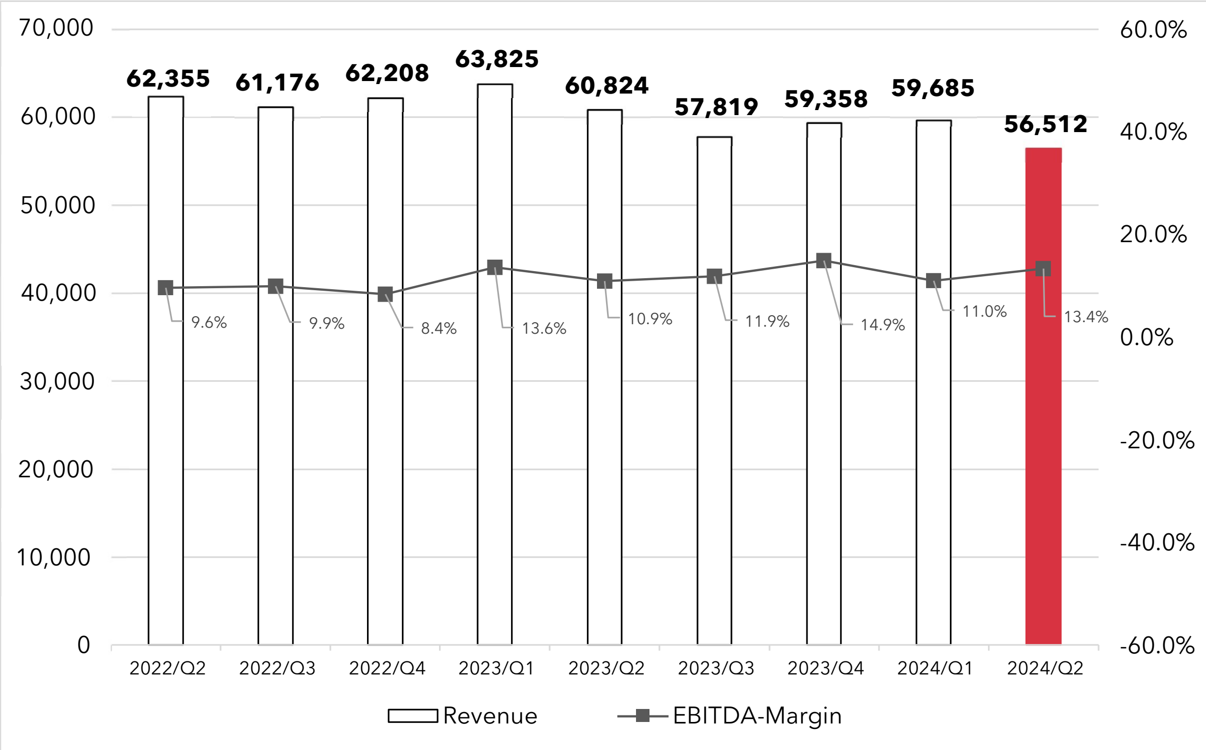
H1/2024

Interim financial report

Key figures

REVENUE BY QUARTER (IN EUR THOUSAND)



CONSOLIDATED KEY FIGURES (IN EUR THOUSAND)

	2023/Q2	2023/Q3	2023/Q4	2024/Q1	2024/Q2
			adapted[1)]		
Revenue	60,824	57,819	59,358	59,685	**56,512**
EBITDA	6,603	6,904	8,865	6,566	**7,545**
as percentage of sales	10.9	11.9	14.9	11.0	**13.4**
Consolidated profit/loss	992	1,144	8,424	2,620	**200**
as percentage of revenue	1.6	2.0	14.0	4.4	**0.4**
Equity	25,129	26,701	34,359	37,713	**37,495**
as percentage of total assets	13.6	15.1	19.5	21.3	**22.2**
Net debt	14,859	17,412	14,363	5,825	**4,157**
as percentage of equity	59	65	42	15	**11**
Share price at the end of the period (in EUR)	3.32	2.96	2.84	2.50	**2.54**
Earnings per share (in EUR) (undiluted)	0.06	0.07	0.55	0.17	**0.01**
Earnings per share (in EUR) (diluted)	0.06	0.07	0.55	0.17	**0.01**

1) The changes in the comparative period Q4 2023 were made in connection with an adjustment in accordance with IAS 8.41 et seq. It is explained in note (9) of the notes to the consolidated financial statements 2023.

FP with declining revenue and EBITDA in the first half of 2024

Total revenue in the first six months of 2024 fall by 6.8% to EUR 116.2 million compared to EUR 124.6 million in the same period of the previous year

Mailing, Shipping & Office Solutions: Revenue falls by 4.1% to EUR 72.3 million, declining overall market characterizes development

Mail Services: Revenue falls as expected by 9.3% to EUR 30.8 million, declining mail volume in Germany affects customer demand

Digital Business Solutions: Revenue falls by 13.2% to EUR 13.0 million, continued decline in output management; revenue of SaaS solutions grow by 29.9%; expansion of sales and internationalization to accelerate scaling

EBITDA falls to EUR 14.1 million after EUR 15.3 million in the same period of the previous year; EBITDA margin remains stable at 12.1% compared to 12.3% in the previous year

Forecast for 2024 lowered: Decline in revenue of up to 6% and decline in EBITDA of up to 12% expected for the 2024 financial year

Dear shareholders, dear business partners!

Business performance in the first half of 2024 was weaker than originally expected. Revenue amounted to EUR 116.2 million after EUR 124.6 million in the prior-year period. The reason for the decline was once again the lower mail volume, which impacted both the Mailing, Shipping & Office Solutions (MSO) business area and the Mail Services business area. The measures already taken to reduce costs contributed to the fact that EBITDA nevertheless reached EUR 14.1 million and the EBITDA margin remained almost stable at 12.1%.

In view of this business performance, we have adjusted our forecast for the year as a whole and now expect a decline in sales of up to 6% and a fall in EBITDA of up to 12%. Originally, we had assumed stable to slightly declining development.

The figures show once again that FP's transformation process must be driven forward with vigor. At the Annual General Meeting, we already had the opportunity to outline some of the measures and projects that we will implement as a matter of priority.

Francotyp-Postalia is a German company with over 100 years of tradition and more than 900 employees in 15 countries. The company has long been more than just a manufacturer of franking machines. In recent years, it has begun to build up a still very small but attractive product portfolio of digital solutions. This includes the signature solution FP Sign, the parcel solutions FP TRAXsuite and FP Parcel Shipping as well as products for electronic legal transactions, such as the electronic mailbox for citizens and organizations eBO and the special electronic mailbox for public authorities.

In addition to the progress made in product development, there have also been initial sales successes recently, which are not yet reflected in the business figures. However, it will take some effort to actually scale these products nationally and internationally. This includes not only localizing the solutions, i.e. adapting the language to the different countries, but also a stringent marketing and sales plan in which the foreign subsidiaries are fully integrated.

FP's traditional core business of franking machines provides a solid foundation on which the company's further development can be driven forward. There is potential for optimization here. The companies in the various countries will intensify their exchange and implement best practices. The North American market in particular will serve as a positive example here. The focus is on counteracting the shrinking market trend, maintaining sales at the same level as far as possible and generating additional cash through increased efficiency. One measure, for example, is the increased sale of refurbished franking machines, which will not only help the bottom line, but also the environment.

And last but not least, we will reduce complexity in all areas. We will reduce the number of subsidiaries, simplify, harmonize or even end processes. To achieve this transformation, we are currently running around 25 projects that are part of a uniform key value driver framework. We are identifying the key value drivers in each case and driving them forward. The projects are managed via a central Execution Office.

We have also decided to stop projects that do not bring any immediate added value in the current situation. This includes the introduction of a standardized ERP/CRM system. This major project has already consumed too many resources without successful implementation being within reach. We are therefore not pursuing it any further and are optimizing the existing systems and processes while saving resources. At a very late stage, we concentrate on the essentials, namely the projects that are critical to the transformation.

We are confident that our efforts will pay off. FP is a traditional company with a successful future ahead of it.

We will continue to keep you informed about the company's development as usual and would be delighted if you continue to accompany us constructively on this path.

Your Executive Board

Friedrich G. Conzen	Ralf Spielberger
CEO	CFO

INTERIM GROUP MANAGEMENT REPORT

of Francotyp-Postalia Holding AG

for the period from 1 January to 30 June 2024

Please note that there may be rounding differences compared to exact mathematical figures (monetary units, percentages, etc.).

Non-binding convenience translation from German

1. General information on the Group

Francotyp-Postalia Holding AG, headquartered in Berlin (hereinafter also referred to as "FP Holding", "Company", "Parent Company" or "Parent") is registered in the Commercial Register of the Charlottenburg Local Court in Berlin (register number: HRB 169096 B). The business address is Prenzlauer Promenade 28, 13089 Berlin, Germany.

Francotyp-Postalia Holding AG is the parent company of directly and indirectly held subsidiaries (hereinafter also referred to as the "FP Group", "FP", "Francotyp-Postalia" or "the Company").

The shares of Francotyp-Postalia Holding AG are admitted to trading in the Prime Standard (regulated market segment with additional post-admission obligations) of the Frankfurt Stock Exchange.

This interim management report should be read in conjunction with the condensed interim consolidated financial statements, including the notes to the condensed interim consolidated financial statements. The condensed interim consolidated financial statements are based on a number of assumptions and accounting policies that are described in more detail in the notes to the consolidated financial statements as at 31 December 2023. The new or revised IFRS standards and IFRS interpretations required to be applied as at 30 June 2024 do not have any material impact on the FP Group's reporting.

The interim management report contains forward-looking statements about the business, financial development and earnings. These statements are based on assumptions and forecasts that are based on currently available information and current estimates. They are subject to a number of uncertainties and risks. The actual course of business may therefore deviate significantly from the expected development. Francotyp-Postalia Holding AG assumes no obligation to update forward-looking statements beyond the statutory requirements.

The interim management report for the period from 1 January to 30 June 2024 is prepared in euros (EUR), the functional currency of Francotyp-Postalia Holding AG. Unless otherwise stated, all figures are rounded to millions of euros (EUR million) to one decimal place, meaning that rounding differences may occur. The percentages shown refer to the unrounded figures. The interim management report is for the reporting period from 1 January to 30 June 2024 (H1 2024). Unless otherwise stated, comparative figures in the balance sheet refer to 31 December 2023 and comparative figures in the statement of comprehensive income and the cash flow statement relate to the period from 1 January to 30 June 2023 (H1 2023). In the statement of comprehensive income, the quarterly figures for the period from 1 April to 30 June 2024 (Q2 2024) and the corresponding comparative figures for the period from 1 April to 30 June 2023 (Q2 2023) are also provided.

The disclosures in the combined management report for the 2023 financial year with regard to business activities, the Group structure, the Group strategy, the management system and the research and development area remain largely unchanged. In the interests of effective management of the Group based on the business strategy, the definition of the business areas and consequently the internal reporting and segment reporting were changed accordingly in the first half of 2023.

The Group, with subsidiaries in various industrialized countries and a dense global dealer network, divided its business activities into three business areas:

- Mailing, Shipping & Office Solutions (MSO),
- Mail Services,
- Digital Business Solutions (DBS).

Mailing, Shipping & Office Solutions
In the Mailing, Shipping & Office Solutions area , the FP Group develops franking systems. FP produces and sells or rents these and also offers customers a comprehensive range of products and services. For customers in this area, FP offers not only franking machines and related hardware, but also other office supplies and solutions from the digital product range.

Sales and earnings from predominantly digital solutions and products are allocated to the Digital Business Solutions area.

In segment reporting, the business area is reflected in the Mailing, Shipping & Office Solutions segment, which reports in accordance with local accounting standards.

Mail Services

The Mail Services business area comprises the franking service - the collection of unfranked outgoing mail and franking - and the consolidation service - the collection of franked mail, sorting by zip code and delivery to a Deutsche Post AG mail center or alternative postal delivery service providers. The collection, postage-optimized sorting and delivery to postal service providers relieves companies with medium and high letter volumes and helps to reduce the associated costs.

In segment reporting, the business area is reflected in the Mail Services segment, which reports in accordance with local accounting standards.

Digital Business Solutions

The Digital Business Solutions area comprises all digital activities with which FP is expanding its business model in a growth-oriented manner. This includes input and output management in the area of document workflow management, which enables customers to efficiently manage their incoming and outgoing mail. In input management, incoming physical and digital documents are recorded, analyzed and evaluated according to customer-specific criteria and then fed into the customer's data or document system in electronic form. In output management, FP takes care of printing, inserting, franking and handover to delivery services or delivery in digital form. The Business Process Management & Automation area comprises products and solutions for efficient and automated process workflows for customers. In addition to digital signatures, this also includes solutions for electronic legal transactions. The Shipping & Logistics area comprises both SaaS-based parcel shipping software for parcel shipping and software solutions for parcel receipt management, asset tracking and internal logistics.

Turnover and earnings from predominantly digital solutions sold via the MSO sales channel are reported in the Digital Business Solutions area.

In segment reporting, the business area is reflected in the Digital Business Solutions segment, which reports in accordance with local accounting standards.

2. Economic conditions

Macroeconomic conditions again varied around the world in the first half of 2024. According to Eurostat[1], seasonally adjusted gross domestic product (GDP) in the eurozone increased by 0.3% between April and June compared to the previous quarter. GDP in the eurozone also grew by 0.3% in the first quarter of 2024. By contrast, the German economy did not grow. According to the Federal Statistical Office[2] , GDP fell by 0.1% in the second quarter of 2024 compared to the first quarter, adjusted for price, seasonal and calendar effects. In the first quarter, it had risen slightly by 0.2%. In a year-on-year comparison, GDP in the second quarter of 2024 was 0.1% lower than in the same quarter of the previous year, adjusted for price and calendar effects. In contrast, the US economy continues to recover. GDP[3] rose by an annualized 2.8% in the second quarter. Economic activity in the USA was significantly stronger than expected in the second quarter. In the first quarter, economic output had risen by 1.4%.

In July, the International Monetary Fund (IMF)[4] confirmed its global growth forecast for 2024. The experts expect global growth of 3.2%. The EU Commission expects GDP growth of 1.0% for the EU in 2024. The economic research experts have also maintained their forecast for Germany; they expect GDP to increase by 0.2%.

The exchange rate between the euro and the US dollar plays an important role in the FP Group's exports to the USA and other markets. In the first half of 2024, the euro depreciated slightly against the US dollar on the reporting date; at around USD 1.081, the average exchange rate was at the previous year's level of USD 1.081 (0.0%). There was a slight change in the average exchange rate for the British pound in the first half of 2024 compared to the same period of the previous year. At GBP 0.855, the average exchange rate was below the previous year's level of GBP 0.878 (-2.6%). The average euro exchange rate also changed slightly (+0.9%) against the Canadian dollar in a half-year comparison. The euro rose slightly against the Swedish krona (+0.8%) and also against the Norwegian krone (+2.0%). A higher euro exchange rate has a negative impact on the FP Group's revenue and earnings performance, insofar as parts of revenue are generated in these currencies and translated into euros at Group level.

[1] Eurostat: https://ec.europa.eu/eurostat/de/web/products-euro-indicators/w/2-14082024-ap

[2] Federal Statistical Office: https://www.destatis.de/DE/Presse/Pressemitteilungen/2024/07/PD24_289_811.html

[3] BEA: https://www.bea.gov/news/2024/gross-domestic-product-second-quarter-2024-advance-estimate

[4] IMF: https://www.imf.org/en/Publications/WEO/Issues/2024/07/16/world-economic-outlook-update-july-2024

The FP Group processes mail in foreign and domestic markets. According to statistics from the Universal Postal Union[5] , around 245 billion letters are sent worldwide every year (figures from 2022). In most countries, there had been stronger fluctuations in the decline in letter volumes due to COVID-19 from 2020 to 2022. A steady declining trend of between 8% and 10% is now emerging again in 2023. The following development can be observed for 2023 in the markets that are particularly relevant for FP: In the USA, UK, France and the Netherlands, letter volumes fell by around 9%. In Germany, which still recorded a moderate decline of 2% in 2022 in recent years, the decline in mail volumes accelerated significantly for the first time, falling by 7.6% in 2023.

The global parcel volume[6] amounted to around 161 billion shipments in 2022. The strong increase, which was mainly due to COVID-19, slowed down significantly in most countries in 2022 and 2023. In addition, the weak economic development in most countries is significantly slowing parcel growth. Overall, further global growth of 6 % per year is forecast for the coming years. In the USA, parcel volumes fell slightly by 1% for the first time in 2023. In Germany, the parcel volume rose slightly by 0.6% to 4.2 billion shipments in 2023. Growth of 2.3% is forecast for Germany in the coming years[7] and annual growth of 5% in parcel shipments is expected in the USA[8] .

3. Course of business

In the first half of the year of 2024, the FP Group recorded a business performance that did not meet expectations. In the first six months of 2024, the company generated revenue of EUR 116.2 million compared to EUR 124.6 million in the same period of the previous year. This included negative exchange rate effects of EUR 0.1 million.

The decline in revenue compared to the same period of the previous year is mainly attributable to the Mailing, Shipping & Office Solutions (MSO) and Mail Services areas, which correlate directly with the market for letter mail. FP cannot escape this declining market trend. The same applies to output management in the Digital Business Solutions (DBS) area, which is responsible for the overall downward trend in this area.

At EUR 72.3 million, revenue in the Mailing, Shipping & Office Solutions area was down on the previous year (EUR 75.4 million). The market environment remains challenging in view of declining mail volumes worldwide. The Digital Business Solutions area also showed a downward trend overall with revenue of EUR 13.0 million compared to EUR 15.0 million in the same period of the previous year. Growth of 29.9% was achieved for the SaaS solutions included in this figure. As expected, revenue in the Mail Services area fell to EUR 30.8 million compared to the previous year (EUR 34.0 million). The increasing decline in mail volumes in Germany is having an impact on this business area, which focuses on the collection, franking and consolidation of business mail.

EBITDA amounted to EUR 14.1 million compared to EUR 15.3 million in the same period of the previous year. FP is therefore performing below plan and expectations. The forecast for the financial year as a whole has therefore been adjusted. Instead of revenue and EBITDA remaining the same or falling slightly, a decline in revenue of up to 6% and a reduction in EBITDA of up to 12% is now expected. Further information can be found in the forecast report.

Despite the decline in revenue and EBITDA, free cash flow increased to EUR 10.7 million compared to EUR 5.5 million in the first half of 2023.

Developments in the first half of the year once again show that FP must press ahead with the transformation. The focus is on strengthening the value drivers in the business areas, flanked by the adjustment of cost structures and strict cash flow management.

In the franking machine business and in the Mail Services area, FP is focusing on stabilizing the topline and on a more sustainable product range through the increasing use of recycled components or refurbished machines (circular economy).

The company is focusing on future growth in the digital area, as many of the products have already been significantly expanded in 2023 and sales of SaaS solutions are growing. With the existing digital solution portfolio, there is a good starting point for future growth in the DBS area, even though the absolute figures are still low. In order to improve further development, new customers are to be acquired, additional sales channels used and the applications prepared for use in individual international markets. The growing sales pipeline, including in output management, makes us confident that revenue will increase again in the coming quarters.

[5] Universal Postal Union: https://www.upu.int/en/Universal-Postal-Union/Activities/Research-Publications/Postal-Statistics

[6] Parcel Shipping Index: https://www.pitneybowes.com/us/shipping-index.html

[7] BIEK CEP Study 2023: https://www.biek.de/publikationen/studien.html

[8] https://www.pitneybowes.com/us/shipping-index.html

Francotyp-Postalia Holding AG held its Annual General Meeting in Berlin on June 25, 2024. As in the previous year, the event was held in person. Dr. Dirk Markus, Paul Owsianowski and Dr. Martin Schoefer were elected as new members of the Supervisory Board until the next Annual General Meeting in 2025.

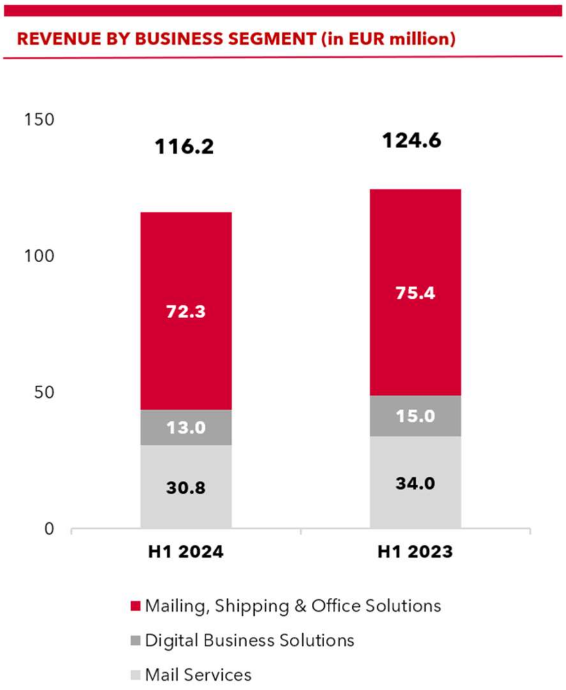
4. Position of the Group

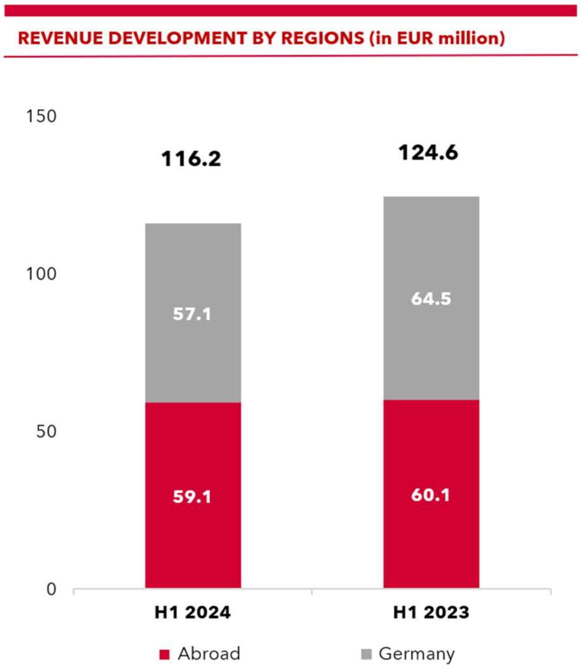
4.1 Earnings position of the Group

The development of key items in the consolidated statement of comprehensive income was as follows:

in EUR million	H1 2024	H1 2023	Q2 2024	Q2 2023
Revenue	**116.2**	**124.6**	**56.5**	**60.8**
Change in inventory	**0.3**	-0.1	**0.0**	-0.4
Own work capitalised	**3.1**	3.9	**1.4**	1.8
Overall performance	**119.7**	**128.5**	**57.8**	**62.3**
Other operating income	**0.8**	1.0	**0.4**	0.4
Cost of materials	**54.1**	58.5	**25.5**	28.2
Employee benefit expenses	**32.6**	33.8	**16.0**	16.7
Expenses from impairment losses and income from reversals of impairment losses on trade receivables	**1.3**	1.1	**0.6**	0.6
Other operating expenses	**18.4**	20.9	**8.6**	10.6
EBITDA	**14.1**	**15.3**	**7.5**	**6.6**
Amortisation, depreciation and impairments	**10.7**	8.8	**6.7**	4.3
Net interest income	**0.9**	0.2	**0.0**	0.4
Other financial result	**0.7**	-0.3	**0.2**	0.1
Income taxes	**-2.1**	-5.4	**-0.9**	-1.8
Consolidated profit	**2.8**	**0.9**	**0.2**	**1.0**

4.1.1 Development of consolidated sales





The first half of 2024 was characterized by challenging economic conditions. Business performance shows that the transformation process must be driven forward with vigor.

Revenue in the largest area, Mailing, Shipping & Office Solutions, fell in the first six months of 2024 by 4.1% to EUR 72.3 million (in the previous year EUR 75.4 million). Negative currency effects were recorded in the amount of EUR 0.1 million.

In the largest foreign market, the US, FP was able to increase revenue to EUR 31.0 million (previous year: EUR 28.5 million). Revenue declined in most European countries.

In view of declining letter volumes worldwide, the environment remains challenging. Based on the existing product range, which is geared towards the small mail volume sector, and the high proportion of recurring revenue, the company still has a relatively robust business model and is comparatively well positioned for the future in this market segment.

Revenue in the Mail Services area fell from EUR 34.0 million in the same period of the previous year to EUR 30.8 million in the first half of 2024. The increasing decline in mail volumes in Germany also had an impact here. Increased efforts in sales should improve this development again.

Revenue in the Digital Business Solutions (DBS) area also recorded a year-on-year decline from EUR 15.0 million to EUR 13.0 million in the reporting period. As in the previous quarters, this related in particular to output management, which was also affected by declining mail volumes. The implementation of new hardware and software, which was completed at the end of 2023, enabled the range of services to be expanded with greater automation and digitalization of customer processes. This is reflected in a growing sales pipeline, which should also have an impact on revenue over the course of the year. SaaS-based solutions, on the other hand, recorded significant growth of 29.9% compared to the same period of the previous year. In addition to FP Sign and the e-Justice solutions, FP Parcel Shipping, which has now been launched in four countries (USA, Norway, Netherlands and UK), and FP TRAXsuite are also contributing to the positive business development. In particular, the continuous development of new features in all solutions and the flexible customization options to meet customer needs make the products attractive to customers and demonstrate the potential they offer.

REVENUE BY PRODUCTS AND SERVICES

in EUR million	H1 2024	H1 2023	Change in %	Q2 2024	Q2 2023
Revenue from product sales (franking & inserting)	**18.5**	**17.7**	**4.5**	**9.6**	8.7
Service / Customer service	**15.2**	15.7	-3.3	**8.3**	7.7
Consumables	**12.5**	14.1	-11.5	**6.0**	6.7
Telepostage	**4.4**	4.7	-7.5	**2.3**	2.5
Mail Services	**30.8**	34.0	-9.2	**14.8**	16.8
Software / Digital	**13.6**	15.7	-13.5	**5.9**	7.2
Revenue in accordance with IFRS 15	**95.0**	**101.9**	**-6.8**	**46.8**	**49.6**
Finance Lease	**7.9**	8.0	-0.2	**3.7**	4.2
Operating Lease	**13.4**	15.0	-10.5	**6.1**	7.3
Revenue in accordance with IFRS 16	**21.4**	**23.0**	**-6.9**	**9.9**	**11.5**
Reduction in revenue due to currency effects from hedge accounting	**-0.1**	-0.2	-34.2	**0.0**	-0.2
Revenue total	**116.2**	**124.6**	**-6.8**	**56.5**	**60.8**
Non-recurring revenue	**35%**	33%		**35%**	34%
Recurring revenue	**65%**	67%		**65%**	66%

Revenue from product sales in the franking & inserting category increased year-on-year to EUR 18.5 million (previous year: EUR 17.7 million). By contrast, revenue in the after-sales business from service, consumables and teleporto fell compared to the previous year, primarily due to the lower mail volume. Revenue from the leasing business fell by 6.9% compared to the previous year. In the Mail Services product category, revenue fell to EUR 30.8 million (previous year: EUR 34.0 million). Revenue from Software / Digital fell by 13.5% to EUR 13.6 million after EUR 15.7 million in the same period of the previous year.

4.1.2 Own work capitalized

Own work capitalized in the first half of the year 2024 fell to EUR 3.1 million (-19.5% compared to the same period of the previous year). This was mainly attributable to leased products in the amount of EUR 2.3 million, the development of new products in the MSO area in the amount of EUR 0.5 million and in the DBS area in the amount of EUR 0.3 million.

4.1.3 Other operating income

Other operating income fell in the first half of 2024 by EUR 0.2 million to EUR 0.8 million. Liabilities of EUR 0.3 million were derecognized in the previous year.

4.1.4 Cost of materials

In the first half of 2024 the FP Group's cost of materials fell by 7.5% to EUR 54.1 million compared to EUR 58.5 million in the same period of the previous year. This was due to the reduced activities in the Mail Services area and the product mix in the reporting period. The cost of raw materials, consumables and supplies fell to EUR 21.3 million compared to EUR 22.1 million in the same period of the previous year. The cost of purchased services decreased significantly to EUR 32.9 million, mainly due to the decline in revenue in the Mail Service business compared to the same period of the previous year (EUR 36.5 million). The cost of materials ratio, the ratio of cost of materials to revenue, improved slightly in the reporting period and amounted to 46.6% (previous year: 47.0%).

4.1.5 Personnel expenses

Personnel expenses fell in the first half of 2024 by 3.6% to EUR 32.6 million (previous year: EUR 33.8 million). The decrease is also a result of the cost-cutting measures introduced and was partially offset by salary increases. The personnel expense ratio, i.e. personnel expenses in relation to revenue, increased from 27.1% to 28.0%.

4.1.6 Expenses from impairment losses less income from reversals of impairment losses on trade receivables

At EUR 1.3 million, expenses from impairment losses less income from reversals of impairment losses on trade receivables were slightly higher than in the previous year (EUR 1.1 million).

4.1.7 Other operating expenses

Other operating expenses decreased in the first half of 2024 by 12.0% compared to the same period of the previous year, from EUR 20.9 million to EUR 18.4 million. Personnel-related costs as well as legal and consulting costs accounted for a significant share of the decline.

4.1.8 EBITDA

In the first half of 2024 the FP Group generated EBITDA of EUR 14.1 million (-7.6% compared to the same period of the previous year). The FP Group's EBITDA margin was 12.1% after 12.3% in the same period of the previous year. EBITDA was mainly influenced by the reduction in revenue on the one hand and cost reductions on the other.

4.1.9 Depreciation, amortization and impairment

In the first half of 2024 depreciation, amortization and impairments increased by 22.4% compared to the same period of the previous year, from EUR 8.8 million to EUR 10.7 million. While depreciation and amortization decreased, the increase is due to impairment losses on capitalized development costs in the amount of EUR 2.6 million.

4.1.10 Net interest income

Net interest income increased by EUR 0.7 million to EUR 0.9 million compared to the first half of 2023. This was mainly due to interest income from tax refunds.

4.1.11 Other financial result

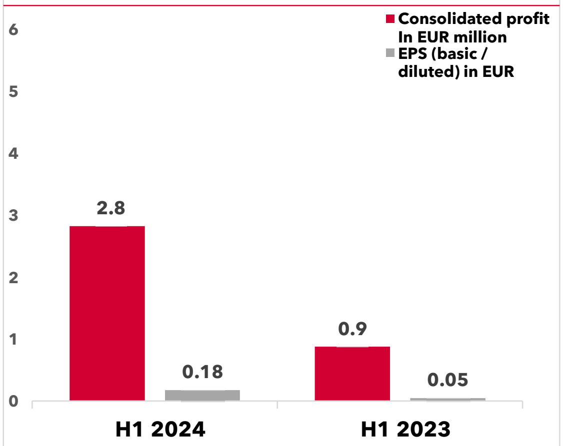
In the first half of the year 2024, the FP Group generated other financial result of EUR 0.7 million (previous year: EUR -0.3 million). The development in the other financial result is mainly due to exchange rate effects in the measurement of intragroup balance sheet items as at the reporting date.

4.1.12 Income taxes

Expenses from income taxes in the first half of 2024 amounted to EUR 2.1 million (previous year: EUR 5.4 million). This corresponds to a tax rate of 42.8% (previous year: 86.1%). The decrease in the tax rate is mainly due to income tax expenses relating to other periods and unrecognized deferred tax assets on loss carryforwards.

4.1.13 Group result

CONSOLIDATED PROFIT



Consolidated net profit improved in the first half of 2024 to EUR 2.8 million after EUR 0.9 million in the first half of 2023. The impact of the reduction in EBITDA and the increase in depreciation and amortization was more than offset by the strong improvement in net interest, financial and income tax by EUR 1.9 million.

The previous year's figures for the comparative period H1 2023 were adjusted in connection with a correction in accordance with IAS 8.41 et seq. (The change is explained in note (9) of the notes to the consolidated financial statements for 2023).

In the first half of the year 2024, the FP Group generated earnings per share (EPS) of EUR 0.18 (basic / diluted) after an adjusted figure of EUR 0.05 (basic / diluted) in the first half of 2023.

4.1.14 Summary of results per segment

The segments report in accordance with local accounting standards. For further information, please refer to section II Segment reporting in the notes to the condensed interim consolidated financial statements. The following table shows the segments' sales and EBITDA.

SUMMARY OF RESULTS PER SEGMENT

	Revenue			EBITDA		
in EUR million	**H1 2024**	**H1 2023**	**Change in %**	**H1 2024**	**H1 2023**	**Change in %**
Mailing, Shipping & Office Solutions [1]	**73.1**	76.2	-4.1	**17.6**	16.3	8.0
Mail Services [1]	**30.8**	34.0	-9.4	**0.5**	1.5	-66.7
Digital Business Solutions [1]	**12.4**	15.0	-17.3	**-0.1**	0.5	-112.0
Not allocated to any segment	**0.0**	0.3	-100.0	**-5.8**	-5.7	2.5
Group reconciliation	**-0.2**	-0.9	-77.8	**1.9**	2.7	-29.6
Group	**116.2**	124.6	-6.7	**14.1**	15.3	-7.6

	Revenue			EBITDA		
in EUR million	**Q2 2024**	**Q2 2023**	**Change in %**	**Q2 2024**	**Q2 2023**	**Change in %**
Mailing, Shipping & Office Solutions [1]	**36,7**	37,5	-2,1	**10,4**	7,2	44,4
Mail Services [1]	**14,7**	16,8	-12,5	**0,0**	0,6	-100,0
Digital Business Solutions [1]	**5,4**	6,9	-21,7	**-0,3**	-0,2	50,0
Not allocated to any segment	**0,0**	0,2	-100,0	**-2,8**	-2,7	3,7
Group reconciliation	**-0,3**	-0,5	-40,0	**0,3**	1,7	-82.4
Group	**56,5**	60,8	-7,1	**7,5**	6,6	13,6

[1] Revenue with external third parties and EBITDA according to local accounting standards

...

4.2 Financial position of the Group

4.2.1 Principles and objectives of financial management

The central objective of financial management is to avoid financial risks and ensure the financial flexibility of the FP Group. The company achieves this goal by using various financing instruments. When selecting these, flexibility, the type of credit terms, the existing maturity profile and the cost of financing are taken into account. The longer-term liquidity forecast is based on operational planning. In principle, a significant proportion of the FP Group's liquidity comes from the operating activities of the segments and the resulting cash inflow. The company also uses loans from financial institutions and finance leases.

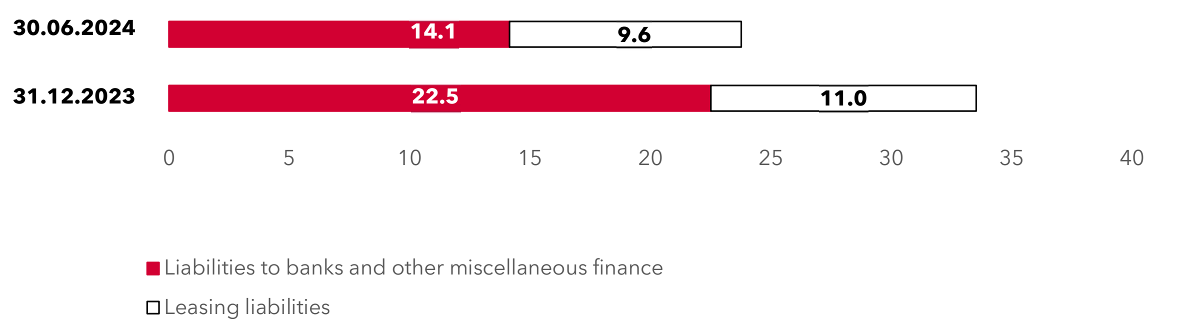
4.2.2 Dividend-bearing net profit and dividends

The FP Group's dividend policy also remains in place as part of the implementation of the sharpened strategy. The aim is to allow shareholders to participate in the positive development of the company. However, the company is currently focusing on securing and expanding existing Group liquidity in order to secure the FP Group's strategic and operational goals in the long term. Due to FP's transformation process and the need to secure sustainable profitability, the Management Board proposed to the Supervisory Board that no dividend be paid for the 2023 financial year and to carry forward the net retained profits of Francotyp-Postalia Holding AG to new account. The Supervisory Board agreed with this proposal and the Annual General Meeting approved this item on the agenda.

4.2.3 Financing analysis

The FP Group primarily uses cash flow from operating activities as well as existing credit agreements with financial institutions and finance lease agreements for financing.

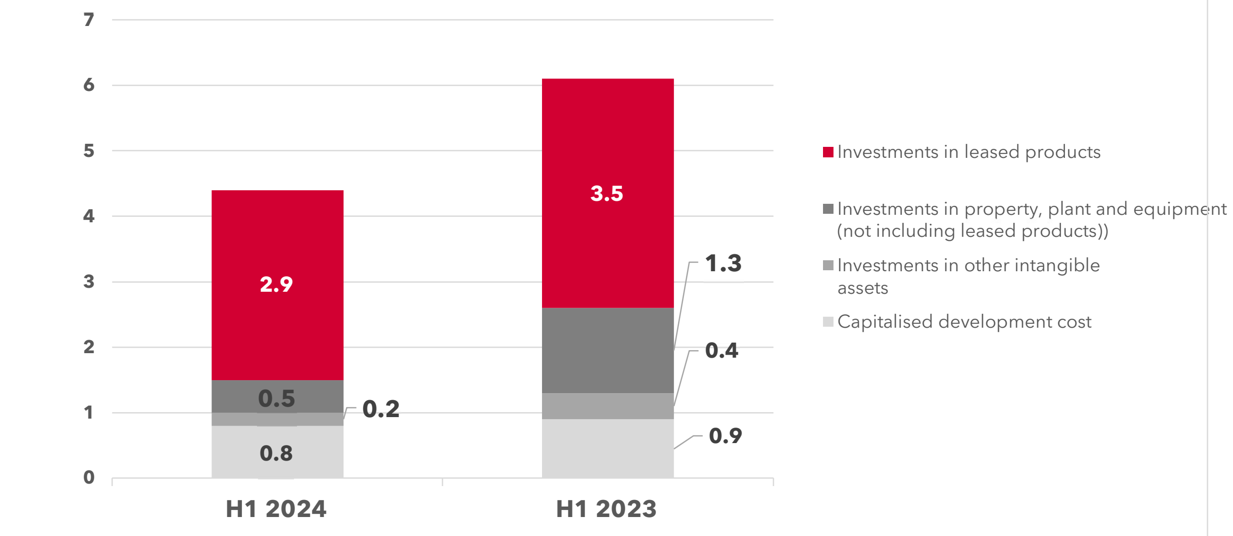
FINANCING LIABILITIES (in EUR million)



The decrease in financial liabilities is mainly due to a further repayment of the syndicated loan agreement in February 2024 in the amount of EUR 8.5 million.

4.2.4 Investment analysis

INVESTMENTS (in EUR million)



The FP Group continued to invest in future growth in the first half of 2024. Investments in the first half of 2024 of EUR 4.5 million were below the previous year's level of EUR 6.1 million.

Investments in leased products, primarily in the USA, the UK, Canada, France and the Netherlands, are slightly below the previous year's level in the first half of 2024 (EUR 2.9 million compared to EUR 3.5 million in the previous year). Investments in property, plant and equipment (excluding leased products) decreased to EUR 0.5 million (previous year: EUR 1.3 million). This is mainly due to the fact that considerable investments were made in the previous year in connection with the introduction of the new PostBase Vision A120 and the renewal of the hardware basis as part of the Group-wide ERP project.

Investments in capitalized development costs in the first half of 2024 totaled EUR0.8 million (previous year: EUR 0.9 million). Investments were made in new products in both the MSO area and the Digital Business Solutions area.

4.2.5 Liquidity analysis

LIQUIDITY ANALYSIS (IN EUR MILLION)

	H1 2024	H1 2023
Cash flow from operating activities	15.1	11.7
Cash flow from investing activities	-4.5	-6.1
Free cash flow	**10.7**	**5.5**
Cash flow from financing activities	-10.4	-2.9
Change in cash and cash equivalents	**0.3**	**2.6**
Change in cash and cash equivalents due to currency translation	0.2	0.0
Cash and cash equivalents at the beginning of the period	19.2	22.8
Cash and cash equivalents at the end of the period	**19.6**	**25.4**

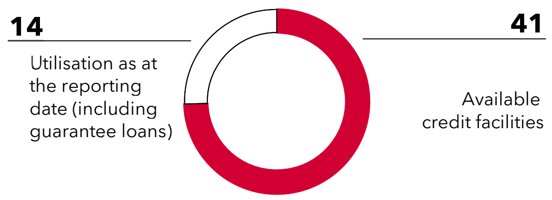
At EUR 15.1 million, the operating cash flow after six months of 2024 is significantly above the previous year's level of EUR 11.7 million, which is mainly due to income taxes received and interest thereon. The FP Group has also continuously and successfully focused on cost control and liquidity management.

Cash flow from investing activities in the first half of 2024 was EUR -4.5 million and was lower than in the same period of the previous year (EUR -6.1 million). This was mainly due to lower payments for investments in property, plant and equipment.

In the first half of 2024 free cash flow increased due to the increase in operating cash flow and lower investments to EUR 10.7 million (previous year: EUR 5.5 million).

Cash flows from financing activities in the first half of 2024 mainly include the payments from the repayment of the syndicated loan (EUR 8.5 million).

COMITTED, BUT NOT FULLY UTILISED CREDIT FACILITIES AS AT 30.06.2024 (in EUR million)



In accordance with the syndicated loan agreement, the FP Group is obliged to comply with two defined financial covenants:

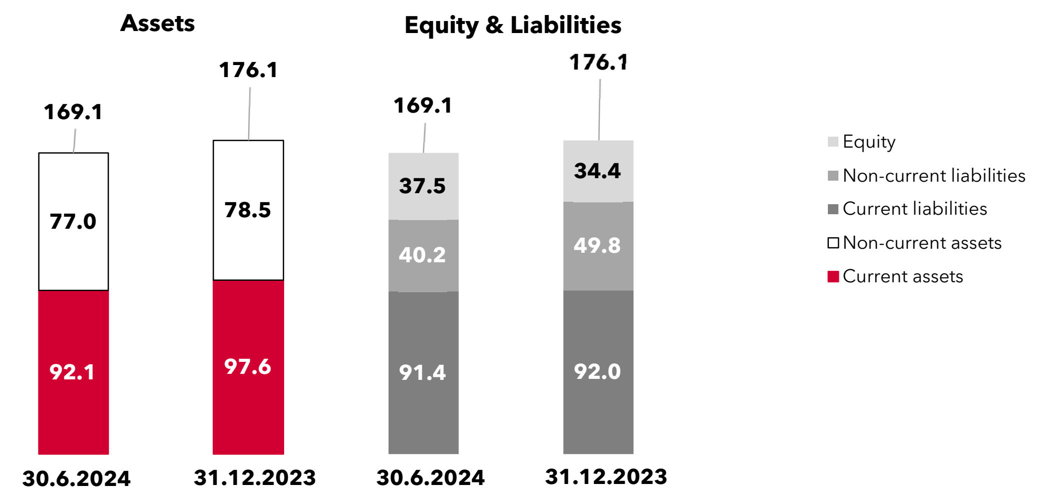
$$\text{Leverage} = \frac{\text{Total net debt}}{\text{Adjusted EBITDA (if required, adjusted for non-recurring effects)}} \leq 3{,}0\times$$

$$\text{Interest Cover} = \frac{\text{Adjusted EBITDA (if required, adjusted for non-recurring effects)}}{\text{Net interest income (adjusted for IAS 23 Borrowing Costs)}} \geq 5{,}0\times$$

As agreed, one-off effects for the calculation of the covenants are (partially) adjusted according to a simplified calculation scheme. All loan covenants were complied with in the first half of 2024 as in the previous year 2023. In the first half of 2024, the FP Group was able to meet its payment obligations as well as in the comparative period 2023 at all times.

4.3 Asset position of the Group

STATEMENT OF FINANCIAL POSITION STRUCTURE (in EUR million)



The FP Group's total assets decreased by EUR 7.1 million in the first half of 2024. On the assets side, the balance sheet contraction is mainly due to the reduction in intangible assets and the decrease in other current non-financial assets, while on the liabilities side it is primarily due to the reduction in non-current liabilities.

4.3.1 Non-current and current assets

NON-CURRENT AND CURRENT ASSETS

in EUR million	30 June 2024	31 Dec. 2023
Intangible assets	14.2	17.9
Property, plant and equipment	28.5	28.7
Rights of use assets	9.3	10.7
Non-current financial assets	17.5	16.1
Non-current non-financial assets	2.6	1.5
Deferred tax assets	5.0	3.6
Non-current assets	**77.0**	**78.5**
Inventories	16.6	17.9
Trade receivables	19.4	20.3
Other current financial assets	11.7	12.9
Other current non-financial assets	5.4	8.1
Cash and cash equivalents	39.0	38.5
Current assets	**92.1**	**97.6**
Total	**169.1**	**176.1**

Non-current assets decreased in the first half of 2024 slightly to EUR 77.0 million compared to EUR 78.5 million at the end of 2023.

The EUR 3.8 million decrease in intangible assets is mainly due to the impairment of internally generated intangible assets. There was also a decline in development projects that have not yet been completed.

Right-of-use assets decreased by EUR 1.4 million, partly due to a reduction in rental space. Non-current financial assets, on the other hand, increased by EUR 1.3 million.

Current assets decreased in the first half of the year 2024 by EUR 5.5 million from EUR 97.6 million to EUR 92.1 million. This was mainly due to the decrease in inventories by EUR 1.3 million and income tax refund claims by EUR 3.7 million. In addition, trade receivables fell by EUR 0.8 million.

Overall, the decrease in non-current and current assets amounted to EUR 7.1 million.

4.3.2 Equity

As at 30 June 2024 Francotyp-Postalia Holding AG's share capital amounted to EUR 16.3 million, divided into 16,301,456 no-par value bearer shares (previous year: 16,301,456).

As at 30 June 2024 the company held 677,603 treasury shares (end of 2023: 677,603). This corresponds to 4.2% of the share capital. The notional value of treasury shares is openly deducted from equity. The difference to the purchase price is offset against the capital reserve.

The Group's equity has increased from EUR 34.4 million as at 31 December 2023 by EUR 3.1 million to EUR 37.5 million as at 30 June 2024. The increase is due to the change in the consolidated result for the first half of 2024.

4.3.3 Non-current and current liabilities

NON-CURRENT AND CURRENT LIABILITIES

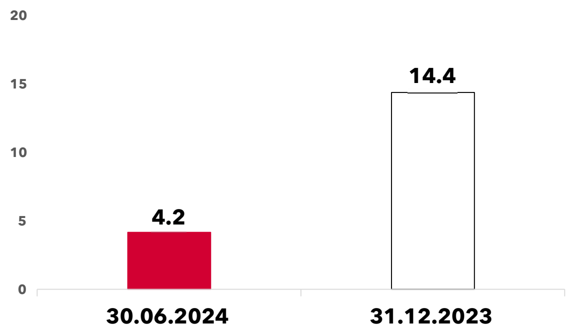
in EUR million	30.06.2024	31.12.2023
Provisions for pensions and similar obligations	14.0	14.1
Other provisions and deferred tax liabilities	4.7	4.1
Financing liabilities	20.0	30.2
Other financial liabilities	0.4	0.4
Other non-financial liabilities	1.1	1.1
Non-current liabilities	**40.2**	**49.8**
Tax liabilities	5.8	4.1
Other provisions	6.3	9.1
Financing liabilities	3.7	3.4
Trade payables	10.8	14.1
Other financial liabilities	39.7	39.0
Other non-financial liabilities	25.2	22.3
Current liabilities	**91.4**	**92.0**
Total	**131.6**	**141.8**

Non-current liabilities decreased by EUR 9.6 million from EUR 49.8 million to EUR 40.2 million. This is mainly due to the decrease in financial liabilities of EUR 10.1 million, while other items changed only insignificantly.

Current liabilities decreased slightly by EUR 0.6 million from EUR 92.0 million to EUR 91.4 million. This is mainly due to a decrease in other provisions and trade payables .

An additional indicator of the FP Group's capital structure is the net gearing ratio. This is calculated as the ratio of net debt to equity and is reviewed on an ongoing basis.

DEVELOPMENT OF NET DEBT (in EUR million)



in EUR million	30.06.2024	31.12.2023
Financial liabilities	23.8	33.5
Cash (cash and cash equivalents less restricted)	19.6	19.2
Net debt	**4.2**	**14.4**
Equity	37.5	34.4
Net debt ratio	**11%**	**42%**

As a result of the cost control and liquidity management measures, the FP Group's net debt decreased significantly from EUR 14.4 million to EUR 4.2 million over the course of the first half of 2024.

4.3.4 FP as lessor

As a lessor, the FP Group engages in both operating leasing and finance leasing. These business models influence the company's balance sheet and income statement. Fixed assets as at 30 June 2024 with a carrying amount of EUR 22.5 million (previous year: EUR 22.3 million) that are leased to customers as part of operating lease agreements are reported under "Leased products". Finance lease agreements with customers are shown under "Receivables from finance leases" and amounted to a total of EUR 24.1 million (previous year: EUR 23.0 million) in the non-current and current areas as at the balance sheet date.

4.4 Overall statement regarding the earnings, financial and asset position of the Group

The first half of 2024 was weaker than expected for FP overall. At EUR 116.2 million, revenue was below the previous year's level. EBITDA amounted to EUR 14.1 million in the first six months.

The figures show that the transformation must be driven forward with vigor in order to compensate for the effects of the declining market development in the franking business and to achieve sustainable growth in the digital segment.

In 2024, FP will continue to invest in its products and solutions and drive forward internationalization, particularly in the digital sector.

The Management Board assesses the course of business development in the first half of 2024 as unsatisfactory overall.

5. Risk and opportunity report

In the combined management report for the financial year 2023 the risks and opportunities for the Group are explained in detail. There were no significant changes to the opportunities and risks described there in the reporting period.

6. Forecast report

6.1 Expected development of performance indicators

Developments in the 2024 financial year will continue to be influenced by the difficult macroeconomic conditions. Despite easing inflation and significant growth momentum in the US, growth in the EU and especially in Germany remains at a low level. The geopolitical risks are leading to further uncertainty regarding economic expectations, which could have a corresponding impact on the net assets, financial position and results of operations of the FP Group. In addition, market-specific developments in the postal market remain challenging. The FP Group is in a stable position with its traditional core business in franking machines and will 2024 continue to drive the transformation forward. Nevertheless, developments in the first half of the year show that the company is facing a challenging year.

Based on preliminary figures for the first half of 2024, the Management Board determined on August 2, 2024 that business development is not in line with Group planning for the financial year. It was therefore decided to adjust the forecast. Instead of a sales level on a par with or slightly below the previous year, a decline in revenue of up to 6% is now expected. Despite the measures already taken, profitability will also not develop as originally expected. As a result, earnings before interest, taxes, depreciation and amortization (EBITDA) are now expected to fall not just slightly but by up to 12% compared to the previous year. In the 2023 financial year, FP generated revenue of EUR 241.8 million and EBITDA of EUR 31.0 million.

In the Mailing, Shipping & Office Solutions area, the FP Group anticipates a decline in revenue overall. The challenging economic and business-specific environment is making itself felt here. With the measures already initiated, EBITDA is expected to develop more positively compared to revenue.

In the Digital Business Solutions area, FP is working on creating the conditions to expand this into a substantial area of the company with digital solutions. Revenue growth in SaaS solutions in 2024 will not be able to offset the decline in revenue in the area of output management. With the expansion of revenue and the targeted internationalization of digital solutions, an improvement in revenue and EBITDA is expected in the future.

The Mail Services area will also be affected by the increasing decline in mail volumes in Germany in the current financial year. Despite some customer growth, revenue and EBITDA are therefore expected to decline overall in the 2024 financial year.

The expected development of the financial performance indicators for the financial year 2024 is generally based on the assumption of constant exchange rates.

In terms of non-financial performance indicators, the PQI - Germany (quality indicator) is expected to remain stable, while the PQI - international is expected to improve slightly, meaning that the value will be slightly below the previous year's level.

A slight deterioration in the improvement indicator nf IQ is expected for the 2024 financial year and therefore a value slightly above the previous year's level.

Berlin, 29 August 2024

The Management Board
of Francotyp-Postalia Holding AG

Friedrich G. Conzen	Ralf Spielberger
CEO	CFO

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

of Francotyp-Postalia Holding AG

for the period from 1 January to 30 June 2024

Please note that rounding differences to the mathematically exact values (monetary units, percentages, etc.) may occur.

Non-binding convenience translation from German

Consolidated statement of Comprehensive Income for the period from 1 January to 30 June 2024

in EUR thousand	H1 2024	H1 2023 adapted[1)]	Q2 2024	Q2 2023
Revenue	**116,198**	124,649	**56,512**	60,824
Change in inventories	**338**	-58	**-43**	-366
Own work capitalized	**3,142**	3,905	**1,376**	1,847
Other operating income	**797**	1,034	**374**	421
Cost of materials	**54,147**	58,546	**25,505**	28,197
a) Expenses for raw materials, consumables and supplies	**21,286**	22,074	**10,003**	10,440
b) Cost for purchased services	**32,861**	36,472	**15,501**	17,757
Employee benefit expenses	**32,585**	33,789	**15,976**	16,741
a) Wages and salaries	**27,357**	28,341	**13,404**	14,044
b) Social security contributions	**4,657**	4,845	**2,297**	2,610
c) Expenses for pensions and other benefits	**571**	603	**275**	88
Expenses from impairment losses less income from reversals of impairment losses on trade receivables	**1,267**	1,061	**571**	626
Other operating expenses	**18,366**	20,865	**8,623**	10,559
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**14,111**	15,271	**7,545**	6,603
Depreciation, amortization and impairment	**10,715**	8,756	**6,684**	4,350
Earnings before interest and taxes (EBIT)	**3,395**	6,515	**861**	2,253
Net interest income	**855**	156	**44**	391
a) Interest and similar income	**1,980**	1,389	**691**	731
b) Interest and similar expenses	**1,126**	1,233	**647**	339
Other financial result	**677**	-345	**226**	114
Income taxes	**-2,107**	-5,447	**-931**	-1,767
Consolidated profit/loss	**2,819**	**879**	**200**	**992**

in EUR thousand	H1 2024	H1 2023	Q2 2024	Q2 2023
		adapted[1)]		
Other comprehensive income				
Adjustment of provisions for pensions and similar obligations	**-172**	-166	**-88**	-87
thereof taxes	**56**	50	**29**	21
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	**-172**	**-166**	**-88**	**-87**
Foreign currency translation of financial statements of foreign entities	**546**	-151	**-304**	-3,333
Cash flow hedges - Effective portion of changes in fair value	**-27**	85	**4**	103
thereof taxes	**11**	-37	**-2**	-44
Cash flow hedges - costs of hedging	**-126**	-2	**-126**	-38
thereof taxes	**53**	1	**53**	16
Cash flow hedges - reclassified to profit or loss	**96**	143	**96**	42
thereof taxes	**-41**	-62	**-41**	-18
Other comprehensive income to be reclassified to profit or loss in subsequent periods	**489**	**76**	**-330**	**-3,227**
Other comprehensive income after taxes	**317**	**-90**	**-418**	**-3,314**
Total comprehensive income	**3,136**	**789**	**-218**	**-2,322**
Consolidated profit/loss	**2,819**	879	**200**	992
thereof attributable to shareholders of FP-Holding	**2,819**	879	**200**	992
Total comprehensive income/loss	**3,136**	789	**-218**	-2,322
thereof attributable to shareholders of FP-Holding	**3,136**	789	**-218**	-2,322
Earnings per share (basic, in EUR)	**0.18**	0.05	**0.01**	0.06
Earnings per share (diluted, in EUR)	**0.18**	0.05	**0.01**	0.06

1) The changes in the comparative period H1 2023 were made in connection with an adjustment in accordance with IAS 8.41ff. It is explained in note (9) of the notes to the consolidated financial statements 2023.

Consolidated Interim Statement of Financial Position as at 30 June 2024

ASSETS

in EUR thousand	30 June 2024	31 Dec. 2023
NON-CURRENT ASSETS	**76,983**	**78,490**
Intangible assets	**14,165**	17,926
Internally generated intangible assets	**3,377**	4,450
Customer relationships and other intangible assets acquired for consideration	**5,218**	5,734
Goodwill	**4,363**	4,320
Development projects in progress and advance payments	**1,208**	3,422
Property, plant and equipment	**28,489**	28,674
Land, land rights and buildings	**1,678**	1,784
Technical equipment and machinery	**1,204**	1,271
Other equipment, operating and office equipment	**2,875**	3,048
Leased products	**22,537**	22,304
Advance payments and assets under construction	**196**	267
Rights of use assets	**9,255**	10,691
Non-current financial assets	**17,481**	16,148
Finance lease receivables	**17,322**	16,094
Other non-current financial assets	**159**	55
Non-current non-financial assets	**2,566**	1,460
Other non-current non-financial assets	**2,566**	1,460
Deferred tax assets	**5,026**	3,591
CURRENT ASSETS	**92,105**	**97,650**
Inventories	**16,595**	17,880
Raw materials, consumables and supplies	**8,546**	7,475
Work in progress	**425**	198
Finished goods and merchandise	**11,614**	10,207
Value adjustments on inventories	**-3,991**	0
Trade receivables	**19,414**	20,255
Other current financial assets	**11,666**	12,899
Finance leases receivables	**6,732**	6,881
Derivative financial instruments	**0**	293
Other financial assets	**4,934**	5,725
Other current non-financial assets	**5,398**	8,071
Income tax receivable	**622**	4,328
Other non-financial assets	**4,776**	3,743
Cash and cash equivalents[1)]	**39,033**	38,545
Assets	**169,088**	**176,140**

Cash and cash equivalents include postage credit balances managed by the FP Group amounting to EUR 19,428 thousand (previous year: EUR 19,380 thousand).

EQUITY AND LIABILITIES

in EUR thousand	30 June 2024	31 Dec. 2023
EQUITY	**37,495**	**34,359**
Share capital	**16,301**	16,301
Capital reserve	**34,296**	34,296
Stock option reserve	**1,544**	1,544
Treasury shares	**-2,524**	-2,524
Loss carried forward	**-12,031**	-22,477
Consolidated profit after non-controlling interests	**2,819**	10,446
Other comprehensive income	**-2,910**	-3,227
NON-CURRENT LIABILITIES	**40,152**	**49,776**
Provisions for pensions and similar obligations	**13,987**	14,054
Other provisions	**657**	861
Financial liabilities	**20,040**	30,151
Other financial liabilities	**385**	383
Other non-financial liabilities	**1,083**	1,095
Deferred tax liabilities	**4,001**	3,231
CURRENT LIABILITIES	**91,440**	**92,005**
Tax liabilities	**5,808**	4,141
Other provisions	**6,250**	9,086
Financial liabilities	**3,721**	3,377
Trade payables	**10,760**	14,090
Other financial liabilities	**39,660**	39,018
thereof telepostage	***32,718***	*32,479*
Other non-financial liabilities	**25,241**	22,293
Equity and Liabilities	**169,088**	**176,140**

Consolidated Cash Flow Statement for the Period from 1 January to 30 June 2024

in EUR thousand	H1 2024	H1 2023
		adapted[2)]
1. Cash flows from operating activities		
Consolidated profit	2,819	878
Net income taxes recognized in profit or loss	2,107	5,447
Net interest expense (+)/income (-) recognized in profit or loss	-855	-156
Amortisation, depreciation and impairment on non-current assets	10,715	8,756
Decrease (-) / increase (+) in provisions and tax liabilities	-3,854	-4,846
Losses (+) / gains (-) from the disposal of fixed assets	203	167
Decrease (+) / increase (-) in inventories, trade receivables and other assets	870	-1,741
Decrease (+) / increase (-) in finance lease receivables	-1,080	-544
Decrease (-) / increase (+) in trade payables and other liabilities	151	3,059
Other non-cash expenses (+) / income (-)	48	569
Interest received	1,980	1,389
Interest paid	-1,009	-1,010
Income taxes paid (-)/received (+)	2,773	-313
Cash flow from operating activities	**15,139**	11,654
2. cash flow from investing activities		
Payments for the capitalization of development costs	-811	-927
Proceeds from the disposal of fixed assets	5	8
Payments for investments in intangible assets	-178	-385
Payments for investments in property, plant and equipment	-3,477	-4,840
Cash flow from investing activities	**-4,461**	-6,144
3. cash flow from financing activities		
Bank loan repayment	-8,507	-4
Repayment of lease liabilities	-2,172	-2,338
Payments from the repurchase of treasury shares	0	-682
Proceeds from the assumption of bank loans	261	93
Cash flow from financing activities	**-10,418**	-2,930
Cash and cash equivalents[1)]		
Change in cash and cash equivalents	260	2,580
Changes in cash and cash equivalents due to currency translation	180	-5
Cash and cash equivalents at the beginning of the period	19,165	22,846
Cash and cash equivalents at the end of the period	**19,605**	**25,421**

[1)] Cash and cash equivalents and other liabilities exclude the postage credit balances managed by the FP Group in the amount of EUR 19,428 thousand (previous year: EUR 21,238 thousand).
[2)] The changes in the comparative period H1 2023 were made in connection with an adjustment in accordance with IAS 8.41ff. It is explained in note (9) of the notes to the consolidated financial statements 2023.

Consolidated Statement of Changes in Equity for the Period from 1 January to 30 June 2024

in EUR thousand	Share capital	Capital reserve	Stock option reserve	Treasury shares	Consolidated profit/loss
Adjusted[1)] equity as at 1 Jan. 2023	**16,301**	**34,296**	**1,544**	**-1,559**	**-22,477**
Consolidated profit 1 Jan. – 30 June 2023	**0**	**0**	**0**	**0**	**3,348**
Adjustment					**-2,470**
Adjusted consolidated profit 1 Jan. – 30 June 2023	**0**	**0**	**0**	**0**	**879**
Adjusted total comprehensive income 1 Jan – 30 June 2023	**0**	**0**	**0**	**0**	**879**
Buyback of treasury shares	0	0	0	-682	0
Adjusted[1)] equity as at 30 June 2023	**16,301**	**34,296**	**1,544**	**-2,241**	**-21,599**
Equity on 1 Jan. 2024	**16,301**	**34,296**	**1,544**	**-2,524**	**-12,031**
Consolidated profit 1 Jan. – 30 June 2024	**0**	**0**	**0**	**0**	**2,819**
Foreign currency translation of financial statements of foreign entities	0	0	0	0	0
Adjustment of provisions for pensions and similar obligations	0	0	0	0	0
Cash flow hedges	0	0	0	0	0
Other comprehensive income 1 Jan. – 30 June 2024	**0**	**0**	**0**	**0**	**0**
Total comprehensive income 1 Jan. – 30 June 2024	**0**	**0**	**0**	**0**	**2,819**
Buyback of treasury shares	0	0	0	0	0
Equity on 30 June 2024	**16,301**	**34,296**	**1,544**	**-2,524**	**-9,211**

[1)] The changes in the comparative period 2023 were made in connection with an adjustment in accordance with IAS 8.41ff. It is explained in note (9) of the notes to the consolidated financial statements 2023.

	Other comprehensive income							
	Foreign currency translation	**Net investments in foreign operations**	**Adjustment due to IAS 19**	**Difference from acquisition of shares of other shareholders**	**Reserve for cash flow hedges**	**Reserve for costs of hedging**	**Equity attributable to shareholders of FP Holding**	**Total equity**
	393	**0**	**-2,722**	**-439**	**-379**	**64**	**25,021**	**25,021**
	0	**0**	**0**	**0**	**0**	**0**	**3,348**	**3,348**
							-2,470	**-2,470**
	0	**0**	**0**	**0**	**0**	**0**	**879**	**879**
	-151	0	0	0	0	0	-151	-151
	0	0	-166	0	0	0	-166	-166
	0	0	0	0	228	-2	227	227
	-151	**0**	**-166**	**0**	**228**	**-2**	**-90**	**-90**
	-151	**0**	**-166**	**0**	**228**	**-2**	**789**	**789**
	0	0	0	0	0	0	-682	-682
	242	**0**	**-2,888**	**-438**	**-151**	**62**	**25,128**	**25,128**
	-116	**0**	**-2,557**	**-438**	**-228**	**112**	**34,359**	**34,359**
	0	**0**	**0**	**0**	**0**	**0**	**2,819**	**2,819**
	546	0	0	0	0	0	546	**546**
	0	0	-172	0	0	0	-172	**-172**
	0	0	0	0	70	-126	-57	**-57**
	546	**0**	**-172**	**0**	**70**	**-126**	**317**	**317**
	546	**0**	**-172**	**0**	**70**	**-126**	**3,136**	**3,136**
	0	0	0	0	0	0	0	**0**
	430	**0**	**-2,729**	**-438**	**-158**	**-14**	**37,495**	**37,495**

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENT

OF FRANCOTYP-POSTALIA HOLDING AG

for the period from 1 January to 30 June 2024

I. General information

(1) Information about the company

Francotyp-Postalia Holding AG, with its registered office in Berlin (hereinafter also referred to as "FP Holding", "Company", "Parent Company" or "Parent") is entered in the Commercial Register of the Charlottenburg Local Court in Berlin under HRB 169096 B. The registered office of Francotyp-Postalia Holding AG is in Berlin; the business address is Prenzlauer Promenade 28, 13089 Berlin, Germany.

Francotyp-Postalia Holding AG is the parent company of directly and indirectly held subsidiaries (hereinafter also referred to as the "FP Group", "FP Group", "FP", "Francotyp-Postalia" or "the Company").

The shares of Francotyp-Postalia Holding AG are admitted to trading in the Prime Standard (regulated market segment with additional post-admission obligations) of the Frankfurt Stock Exchange.

The FP Group develops, produces and sells products and solutions for efficient mail processing and the consolidation of business mail. Digital solutions are also becoming increasingly important, including applications in the areas of Document Workflow Management, Business Process Management & Automation and Shipping & Logistics for companies and public authorities. The company has subsidiaries in various industrialized countries and a dense global dealer network.

(2) Accounting principles

Principles for the preparation of the financial statements

Francotyp-Postalia Holding AG acts as the parent company under which the FP Group is consolidated.

The interim consolidated financial statements have been prepared for the period from 1 January to 30 June 2024 (H1 2024). Unless otherwise stated, the comparative figures in the balance sheet refer to 31 December 2023 and the comparative figures in the statement of comprehensive income, the statement of cash flows and the statement of changes in equity relate to the period from 1 January to 30 June 2023 (H1 2023). For the statement of comprehensive income, the quarterly figures for the period from 1 April to 30 June 2024 are also included (Q2 2024) and the corresponding comparative figures for the period from 1 April to 30 June 2023 (Q2 2023) are shown.

The consolidated financial statements are prepared in euros. Unless otherwise stated, all amounts are shown in thousands of euros (EUR thousand) for the sake of clarity and comparability. Minor arithmetical differences may arise from the commercial rounding of individual items and percentages.

The FP Group's business activities are generally not affected by seasonal influences. With regard to the economic influences relevant to the FP Group's business activities in the interim reporting period, please refer to the explanations in the Interim Group management report.

Statement of Compliance

The unaudited condensed consolidated interim financial statements for the period from 1 January to 30 June 2024 comply with the requirements of IAS 34 (Interim Financial Reporting) of the International Financial Reporting Standards (IFRS) endorsed by the European Union (EU) and applicable to interim financial reports as at the reporting date. These condensed interim consolidated financial statements should be read in conjunction with the interim Group management report.

The condensed consolidated interim financial statements do not contain all the information and disclosures required in the consolidated annual financial statements and should therefore be read in conjunction with the consolidated annual financial statements as at 31 December 2023. These consolidated financial statements have been prepared in accordance with the IFRS of the International Accounting Standards Board (IASB) recognized by the EU and the interpretations of the IFRS Interpretations Committee (IFRS IC) approved by the IASB.

Accounting policies and application of new financial reporting standards

The accounting policies applied in the consolidated financial statements as at 31 December 2023 are basically unchanged.

The new or revised IFRS standards and IFRS interpretations required to be applied as at 30 June 2024 do not have any material impact on the FP Group’s reporting.

(3) Consolidated group

The consolidated financial statements comprise the financial statements of FP Holding and its directly and indirectly controlled subsidiaries.

The scope of consolidation has changed as follows compared to the previous year.

The company FP Shared Service Europe GmbH was merged with Francotyp-Postalia GmbH on 1 January 2024.

The company Hefter Systemform GmbH was merged with Francotyp-Postalia Vertrieb und Service GmbH on 1 January 2024.

(4) Currency conversion

Currency translation is based on the following exchange rates:

	Closing rate		Average rate	
1 EURO=	**30 June 2024**	**31 Dec. 2023**	**H1 2024**	**H1 2023**
CAD	**1.46700**	1.46420	**1.46829**	1.45525
CHF	**0.96340**	0.92600	**0.96110**	0.98790
DKK	**7.45750**	7.45290	**7.45800**	7.44560
GBP	**0.84638**	0.86905	**0.85463**	0.87765
NOK	**11.39650**	11.24050	**11.49064**	11.26569
SEC	**11.35950**	11.09600	**11.38838**	11.29652
USD	**1.07050**	1.10500	**1.08120**	1.08133

(5) Judgements, estimates and assumptions

The preparation of the interim consolidated financial statements requires discretionary decisions and estimates to be made for the recognition, measurement and disclosure of assets and liabilities as well as income and expenses for various items. The assumptions and estimates are based on premises that reflect the current state of knowledge. In particular, the expected future business development was based on the circumstances prevailing at the time the interim consolidated financial statements were prepared as well as the assumed realistic future development of the global and industry-specific environment. Developments in these underlying conditions that deviate from the assumptions and are beyond the control of management may cause the actual amounts to deviate from the original estimates. If the actual development deviates from the expected development, the assumptions and, if necessary, the carrying amounts of the assets and liabilities concerned are adjusted accordingly. The use of discretionary decisions, estimates and assumptions is explained in the consolidated financial statements 2023.

II. Segment reporting

The Mailing, Shipping & Office Solutions segment focuses largely on the franking machine business. In this segment, the FP Group develops franking systems. FP produces and sells or leases these and also offers customers a comprehensive range of products and services. For customers in this segment, FP offers not only franking machines and related hardware, but also other office supplies and solutions from the digital product range. Revenue and earnings from predominantly digital solutions and products are allocated to the Digital Business Solutions segment.

The Mail Services segment comprises the franking service - the collection of unfranked outgoing mail and franking - and the consolidation service - the collection of franked mail, sorting by zip code and delivery to a Deutsche Post AG mail center or alternative postal delivery service.

The Digital Business Solutions segment comprises all digital activities that FP uses to expand its business model in a growth-oriented manner. In the Document Workflow Management area, this includes input and output management, which customers can use to efficiently manage their incoming and outgoing mail. Business Process Management & Automation comprises products and solutions for efficient and automated process workflows for customers. The Shipping & Logistics area comprises SaaS-based parcel shipping software as well as software solutions for incoming parcel management, asset tracking and internal logistics. Revenue and earnings from predominantly digital solutions sold via the MSO sales channel are reported in the Digital Business Solutions segment.

The segments report in accordance with the respective local accounting standards of the Group companies belonging to the segment.

While the revenue and cost of materials of the subsidiary Francotyp-Postalia GmbH are allocated to the Mailing, Shipping & Office Solutions segment, the other income and expenses of this company are not allocated to any segment. Revenue with external third parties in the Mail Services and Digital Business Solutions segments includes the discounts of Deutsche Post AG that are passed on within the Group. Any intragroup adjustments to transfer prices are not taken into account in segment reporting.

SEGMENT INFORMATION FOR H1 2024

in EUR thousand	Mailing, Shipping & Office Solutions	Mail Services	Digital Business Solutions	Total
Revenue with external third parties	73,126	30,808	12,370	**116,304**
Intersegment revenue	185	0	871	**1,056**
Segment revenue	**73,311**	**30,808**	**13,241**	**117,360**
other operating income, changes in inventories & own work capitalized	5,364	66	511	**5,941**
Cost of materials	21,727	26,382	7,585	**55,694**
Employee benefit expenses	20,475	2,361	3,428	**26,264**
Expenses from impairment losses less income from reversals of impairment losses on trade receivables	933	-1	313	**1,246**
Other operating expenses	17,964	1,638	2,484	**22,085**
Segment EBITDA	**17,576**	**494**	**-58**	**18,012**

SEGMENT INFORMATION FOR H1 2023

in EUR thousand	Mailing, Shipping & Office Solutions	Mail Services	Digital Business Solutions	Total
Revenue with external third parties	76,603	33,961	14,638	125,202
Intersegment sales	911	0	643	1,554
Segment sales revenue	**77,514**	**33,961**	**15,281**	**126,756**
other operating income, changes in inventories & own work capitalized	2,572	65	151	2,789
Cost of materials	22,121	28,591	8,974	59,686
Employee benefit expenses	21,502	2,371	3,687	27,561
Expenses from impairment losses less income from reversals of impairment losses on trade receivables	1,052	4	-7	1,049
Other operating expenses	19,113	1,601	2,230	22,944
Segment EBITDA	**16,298**	**1,459**	**548**	**18,305**

RECONCILIATION OF REVENUE

in EUR thousand	H1 2024	H1 2023
Segment revenue	117,360	126,756
Revenue of other Group companies	1,200	1,326
Effects from the adjustments to IFRS 15 and IFRS 16	-14	-650
Effects from other revenue corrections	-137	-208
Effects from consolidation	-2,211	-2,576
Group revenue	**116,198**	**124,649**

RECONCILIATION OF SEGMENT EBITDA TO GROUP EBITDA

in TEUR	H1 2024	H1 2023
Segment EBITDA	18,012	18,304
Segment depreciation and amortization	-6,366	-6,165
Segment interest result	1,511	636
Segment-other financial result	-15	-59
EBT segment	**13,142**	**12,716**
Result not allocated to a segment	-7,564	-8,635
Effects from revaluation in accordance with IFRS		
Lessee valuation in accordance with IFRS 16	2,162	2,480
Effects from the capitalization of internally generated intangible assets	869	1,003
Effects from the adjustment of sales from IFRS 15/16	-14	-650
Effects from the adjustment of the cost of materials in accordance with IFRS 15/16	-207	-215
Revenue adjustment due to currency effects from hedge accounting	-137	-208
Contract acquisition cost adjustmentaccording to IFRS 15/16	782	518
Other IFRS entries	29	890
Effects of revaluation according to IFRS on depreciation and amortization	-2,794	-928
Effects of revaluation in accordance with IFRS on interest	265	405
Effects of revaluation in accordance with IFRS on the other financial result	-64	69
Effects at consolidation level (including consolidation of expenses and income, elimination of intercompany profits)	-1,543	-1,122
Group EBT	**4,927**	**6,324**

III. Explanatory notes

(6) Sales revenue

The following tables show revenue disaggregated by type of service. Both revenue within the scope of IFRS 15 and IFRS 16 are shown. The tables also contain the reconciliation to the revenue in segment reporting.

H1 2024					**IFRS revenue**
in EUR thousand	**Mailing, Shipping & Office Solutions**	**Mail Services**	**Digital Business Solutions**	**Not allocated to a segment**	**Total**
Product sales income (franking & inserting)	18,533	0	0	1	**18,534**
Service/Customer service	15,197	0	0	0	**15,197**
Consumables	12,501	0	0	0	**12,501**
Telepostage	4,353	0	0	0	**4,353**
Mail Services	0	30,808	32	0	**30,839**
Software/Digital	530	0	12,977	44	**13,551**
Revenue in accordance with IFRS 15	**51,114**	**30,808**	**13,009**	**45**	**94,976**
Finance Lease	7,930	0	0	0	**7,930**
Operating Lease	13,429	0	0	0	**13,429**
Revenue in accordance with IFRS 16	**21,359**	**0**	**0**	**0**	**21,359**
Reduction in revenue due to currency effects from hedge accounting	-137	0	0	0	**-137**
Revenue total	**72,336**	**30,808**	**13,009**	**45**	**116,198**

	Reconciliation to segment revenue				Segment revenue			
	Mailing, Shipping & Office Solutions	**Digital Business Solutions**	**Not allocated to any segment**	**Total**	**Mailing, Shipping & Office Solutions**	**Mail Services**	**Digital Business Solutions**	**Total**
	0	0	-1	**-1**	18,533	0	0	**18,533**
	-1,561	0	0	**-1,561**	13,636	0	0	**13,636**
	-258	0	0	**-257**	12,244	0	0	**12,244**
	-240	0	0	**-240**	4,113	0	0	**4,113**
	0	0	0	**0**	0	30,808	32	**30,839**
	0	-639	-44	**-683**	530	0	12,339	**12,868**
	-2,058	**-639**	**-45**	**-2,742**	**49,056**	**30,808**	**12,370**	**92,234**
	-1,609	0	0	**-1,609**	6,322	0	0	**6,321**
	4,320	0	0	**4,320**	17,749	0	0	**17,749**
	2,712	**0**	**0**	**2,711**	**24,070**	**0**	**0**	**24,070**
	137	0	0	**137**	0	0	0	**0**
	790	**-639**	**-45**	**106**	**73,126**	**30,808**	**12,370**	**116,304**

Revenues in the Mail Services segment mainly include postage fees passed on to customers.

The reconciliation of IFRS revenue to segment revenue shows an increase in segment revenue of EUR 106 thousand (previous year: increase of EUR 553 thousand). The effect mainly relates to revenue from leases and service contracts in accordance with IFRS 15 & 16 in the MSO segment in the amount of EUR 653 thousand (previous year: EUR 998 thousand). This was offset by (i) an IFRS 15-related disclosure of digital sales in the MSO segment amounting to EUR -639 thousand (previous year: EUR -349 thousand) and (ii) currency effects from hedge accounting amounting to EUR 137 thousand (previous year: EUR 208 thousand). Revenue of EUR 45 thousand (previous year: EUR 305 thousand) were not allocated to any segment.

Due to the allocation of transaction prices in accordance with IFRS 15 and consideration in accordance with IFRS 16 in conjunction with IFRS 15, there are shifts between the individual service types in accordance with IFRS, which are eliminated in the reconciliation to segment revenue.

H1 2023					IFRS turnover
in TEUR	Mailing, Shipping & Office Solutions	Mail Services	Digital Business Solutions	Not allocated to any segment	Total
Product sales income (franking & inserting)	17,718	0	0	16	**17,734**
Service/Customer service	15,722	0	0	0	**15,722**
Consumables	14,127	0	0	0	**14,127**
Telepostage	4,706	0	0	0	**4,706**
Mail Services	0	33,961	0	0	**33,961**
Software/Digital	381	0	14,986	289	**15,657**
Revenue in accordance with IFRS 15	**52,654**	**33,961**	**14,986**	**305**	**101,906**
Finance Lease	7,946	0	0	0	**7,946**
Operating Lease	15,004	0	0	0	**15,004**
Revenue in accordance with IFRS 16	**22,951**	**0**	**0**	**0**	**22,951**
Reduction in revenue due to currency effects from hedge accounting	-208	0	0	0	**-208**
Revenue total	**75,396**	**33,961**	**14,986**	**305**	**124,649**

	Reconciliation to segment revenue				Segment revenue			
	Mailing, Shipping & Office Solutions	**Digital Business Solutions**	**Not allocated to any segment**	**Total**	**Mailing, Shipping & Office Solutions**	**Mail Services**	**Digital Business Solutions**	**Total**
	0	0	-16	**-16**	17,718	0	0	**17,718**
	-1,283	0	0	**-1,283**	14,439	0	0	**14,439**
	-282	0	0	**-282**	13,845	0	0	**13,845**
	-198	0	0	**-198**	4,508	0	0	**4,508**
	0	0	0	**0**	0	33,961	0	**33,961**
	0	-349	-289	**-638**	0	0	15,019	**15,019**
	-1,763	**-349**	**-305**	**-2,416**	**50,510**	**33,961**	**15,019**	**99,490**
	-1,391	0	0	**-1,391**	6,556	0	0	**6,556**
	4,152	0	0	**4,152**	19,156	0	0	**19,156**
	2,761	**0**	**0**	**2,761**	**25,712**	**0**	**0**	**25,712**
	208	0	0	**208**	0	0	0	**0**
	1,206	**-349**	**-305**	**553**	**76,222**	**33,961**	**15,019**	**125,202**

The following table shows the contract assets and contract liabilities. These are reported in the balance sheet under other non-financial assets or other non-financial liabilities.

in TEUR	**30 June 2024**	**31 Dec. 2023**
Contract assets	**562**	456
thereof non-current	**481**	342
thereof current	**80**	114
Contract liabilities	**10,331**	9,654
thereof non-current	**1,083**	1,095
thereof current	**9,248**	8,559

(7) Taxes

In the first half of 2024 the FP Group's income tax expense amounted to EUR 2,107 thousand (previous year adjusted: EUR 5,477 thousand). The decrease in the tax rate is mainly due to income tax expenses relating to other periods and unrecognized deferred tax assets on loss carryforwards.

(8) Intangible assets

The development of intangible assets is shown in the following tables.

DEVELOPMENT OF INTANGIBLE ASSETS IN H1 2024

in EUR thousand	Internally generated intangible assets	Customer relationships and other intangible assets acquired for consideration	Goodwill	Development projects in progress and advance payments	Total
Cost or cost of manufacture					
As at 1 Jan. 2024	**76,999**	**94,524**	**25,455**	**3,422**	**200,400**
Currency differences	0	-105	-74	0	-179
Additions	265	178	0	546	989
Disposals	0	0	0	0	0
Change in booking	2,475	0	0	-2,475	0
As at 30 June 2024	**79,739**	**94,597**	**25,381**	**1,493**	**201,210**
Depreciation, amortization and impairment					
As at 1 Jan. 2024	**72,549**	**88,789**	**21,135**	**0**	**182,474**
Currency differences	0	-34	-117	0	-151
Additions	3,813	624	0	285	4,722
Disposals	0	0	0	0	0
As at 30 June 2024	**76,363**	**89,379**	**21,018**	**285**	**187,045**
Carrying amount as at 1 Jan. 2024	**4,450**	**5,735**	**4,320**	**3,422**	**17,926**
Carrying amount as at 30 June 2024	**3,377**	**5,218**	**4,363**	**1,208**	**14,165**

DEVELOPMENT OF INTANGIBLE ASSETS IN H1 2023

in TEUR	Internally generated intangible assets	Customer relationships and other intangible assets acquired for consideration	Goodwill	Development projects in progress and advance payments	Total
Cost or cost of manufacture					
As at 1 Jan. 2023	**76,648**	**84,177**	**25,390**	**1,273**	**187,488**
Currency differences	0	-649	-23	-1	-673
Acquisition through business combination	0	0	0	0	0
Additions	64	385	0	862	1,312
Disposals	0	-311	0	-11	-321
Change in booking	0	0	0	0	0
As at 30 June 2023	**76,713**	**83,602**	**25,367**	**2,124**	**187,806**
Depreciation, amortization and impairment					
As at 1 Jan. 2023	**69,427**	**77,299**	**20,982**	**0**	**167,708**
Currency differences	0	-395	0	0	-394
Additions	1,607	719	0	0	2,326
Disposals	0	-311	0	0	-311
As at 30 June 2023	**71,034**	**77,312**	**20,983**	**0**	**169,329**
Carrying amount 1 Jan. 2023	**7,221**	**6,878**	**4,408**	**1,273**	**19,780**
Carrying amount 30 June 2023	**5,679**	**6,290**	**4,384**	**2,124**	**18,477**

Additions to internally generated intangible assets, development projects not yet completed and advance payments totaled EUR 811 thousand (previous year: EUR 926 thousand). In the first half of 2024 amortization of internally generated intangible assets was recognized in the amount of EUR 1,501 thousand (previous year: EUR 1,607 thousand). In addition, impairment losses of EUR 2,597 thousand were recognized on capitalized development costs of completed and unfinished MSO projects.

The additions to purchased intangible assets totaling EUR 178 thousand (previous year: EUR 385 thousand) mainly include the acquisition of software and licenses. In the first half of 2024 amortization of intangible assets acquired for consideration in the amount of EUR 258 thousand (previous year: EUR 258 thousand) and customer relationships in the amount of EUR 365 thousand (previous year: EUR 462 thousand) was recognized.

(9) Property, plant and equipment

The development of property, plant and equipment is shown in the following tables.

DEVELOPMENT OF PROPERTY, PLANT AND EQUIPMENT IN H1 2024

in EUR thousand	Land, land rights and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Leased products	Advance payments and assets under construction	Total
Cost or cost of manufacture						
As at 1 Jan. 2024	**4,275**	**10,544**	**31,244**	**86,083**	**267**	**132,413**
Currency differences	13	2	91	2,130	0	2,236
Acquisition through business combination	0	0	0	0	0	0
Additions	0	219	314	2,938	6	3,477
Disposals	0	-28	-606	8,004	0	7,370
Change in booking	0	-31	107	0	-77	0
As at 30 June 2024	**4,288**	**10,706**	**31,151**	**99,155**	**196**	**145,495**
Depreciation, amortization and impairment						
As at 1 Jan. 2024	**2,491**	**9,273**	**28,197**	**63,779**	**0**	**103,740**
Currency differences	13	1	82	1,553	0	1,649
Additions	106	294	553	3,035	0	3,987
Disposals	0	-22	-599	8,251	0	7,630
Change in booking	0	-44	44	0	0	0
As at 30 June 2024	**2,610**	**9,502**	**28,276**	**76,618**	**0**	**117,006**
Carrying amount as at 1 Jan. 2024	**1,784**	**1,271**	**3,048**	**22,304**	**267**	**28,673**
Carrying amount as at 30 June 2024	**1,678**	**1,204**	**2,875**	**22,537**	**196**	**28,489**

DEVELOPMENT OF PROPERTY, PLANT AND EQUIPMENT IN H1 2023

in TEUR	Land, land rights and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Leased products	Advance payments and assets under construction	Total
Cost or cost of manufacture						
As at 1 Jan. 2023	**4,644**	**11,653**	**29,961**	**80,983**	**270**	**127,512**
Currency differences	16	-1	46	-688	0	-628
Acquisition through business combination	0	0	0	0	0	0
Additions	14	213	1,041	3,524	48	4,840
Disposals	0	-455	-258	-1,634	0	-2,347
Change in booking	0	0	112	0	-112	0
As at 30.06.2023	**4,673**	**11,409**	**30,901**	**82,186**	**206**	**129,376**
Depreciation, amortization and impairment						
Status 01.01.2023	**2,553**	**10,081**	**27,443**	**60,539**	**0**	**100,616**
Currency differences	16	-1	50	-502	0	-436
Additions	119	336	605	3,002	0	4,061
Departures	0	-453	-249	-1,309	0	-2,011
As at 30.06.2023	**2,687**	**9,963**	**27,849**	**61,731**	**0**	**102,229**
Carrying amount 01.01.2023	**2,091**	**1,572**	**2,519**	**20,444**	**270**	**26,896**
Carrying amount 30.06.2023	**1,987**	**1,446**	**3,052**	**20,456**	**206**	**27,147**

The additions to leased products totalling EUR 2,938 thousand (previous year: EUR 3,524 thousand) include leased franking machines and capitalized contract acquisition costs and relate to the Mailing, Shipping & Office Solutions segment.

(10) Inventories

The impairment losses on inventories as at 30 June 2024 amounted to EUR 3,991 thousand (previous year: EUR 3,666 thousand) and were recognized in the consolidated statement of comprehensive income under "Cost of materials" at the time of impairment. The consumption of inventories affected the consolidated statement of comprehensive income in the reporting period in the amount of EUR 21,056 thousand (previous year: EUR 22,074 thousand).

(11) Provisions for restructuring

Of the total provisions for restructuring in the amount of EUR 2,270 thousand as of 31 December 2023, in the first half of 2024 EUR 731 thousand were used, EUR 200 thousand reversed and EUR 118 thousand added, meaning that the provisions for restructuring as at June 30 2024 amounted to EUR 1,458 thousand.

(12) Financial instruments

Classes of financial instruments

The following table shows the carrying amounts of all financial instruments included in the consolidated financial statements and their measurement category in accordance with IFRS 9.

FINANCIAL ASSETS AND LIABILITIES

in EUR thousand		**Carrying amount**	
Balance sheet item	Measured at [1]	**30 June 2024**	31 Dec. 2023
Receivables from finance leases (non-current)	n/a [2]	**17,322**	16,094
Derivative financial instruments with a hedging relationship (non-current)	FV	**109**	0
Other non-current financial assets	AC	**50**	55
Non-current financial assets		**17,481**	**16,148**
Trade receivables	**AC**	**19,414**	**20,255**
Receivables from finance leases (current)	n/a [2]	**6,732**	6,881
Derivative financial instruments with hedge relationship (current)	FV	**0**	294
Other financial assets (current)	AC	**4,934**	5,725
Other current financial assets		**11,666**	**12,899**
Cash and cash equivalents	**AC**	**39,033**	**38,545**
Liabilities to banks (non-current)	AC	**13,876**	22,489
Leasing liabilities (non-current)	n/a [2]	**6,164**	7,662
Non-current financial liabilities		**20,040**	**30,151**
Other financial liabilities (non-current)	AC	**385**	384
Other non-current financial liabilities		**385**	**384**
Liabilities to banks (current)	AC	**261**	7
Leasing liabilities (current)	n/a [2]	**3,453**	3,369
Other financial liabilities (current)	AC	**7**	0
Current financial liabilities		**3,721**	**3,377**
Trade payables	**AC**	**10,760**	**14,090**
Derivative financial instruments with hedge relationship (current)	FV	**51**	4
Derivative financial instruments without hedge relationship (current)	FV	**0**	0
Other financial liabilities (current)	AC	**39,609**	39,014
Other current financial liabilities		**39,660**	**39,018**
Thereof, as per IFRS 9 measurement categories			
Financial assets - measured at amortized cost (FAAC)		**63,431**	64,579
Derivative financial assets in a hedging relationship		**0**	294
Financial liabilities - measured at amortized cost (FLAC)		**64,899**	75,984
Financial liabilities - measured at fair value through profit or loss (FLFV)		**0**	0
Derivative financial liabilities in a hedging relationship		**51**	4

[1] AC - Amortized cost (measured at amortized cost), FV - Fair value (measured at fair value)
[2] Receivables from finance leases and lease liabilities fall within the scope of IFRS 16 and are therefore not allocated to any of the measurement categories defined under IFRS 9.

The majority of trade receivables, other financial assets (current), cash and cash equivalents, trade payables, current financial liabilities and other financial liabilities (current) have short residual terms. The carrying amounts of these financial instruments therefore correspond approximately to their fair values as at the reporting date.

The carrying amount of non-current financial assets and liabilities and non-current financial liabilities measured at amortized cost approximates their fair value, as these bear variable interest rates or there have been no significant changes in the applicable measurement parameters since the initial recognition of these financial instruments.

The following table contains information on the measurement of financial assets and liabilities measured at fair value through profit or loss, including their levels in the fair value hierarchy.

Financial instruments	**Fair values**	**Fair values**	**Measurement method**	**Significant unobservable inputs**	**Hierarchy**
Figures in EUR thousand	**30 June 2024**	**31 Dec. 2023**			
Financial assets measured at fair value					
Derivative financial instruments with positive fair values	**109**	294	Market approach: the fair values are based on brokers' price quotations	not applicable	Level 2
Financial liabilities measured at fair value					
Derivative financial instruments with negative fair values	**51**	4	Market approach: the fair values are based on brokers' price quotations	not applicable	Level 2

At the end of the reporting period, a review is carried out to determine whether reclassifications between the measurement hierarchies are necessary. In the first half of 2024 and 2023 no reclassifications were made.

(13) Notes to the cash flow statement

The FP Group's cash and cash equivalents include cash and cash equivalents less restricted cash (postage credit balances managed by the FP Group).

in EUR thousand	**30 June 2024**	30 June 2023
Cash and cash equivalents in the consolidated balance sheet	**39,033**	46,659
less restricted cash and cash equivalents ("postage credit held")	**-19,428**	-21,238
Cash and cash equivalents in the consolidated cash flow statement	**19,604**	**25,421**

(14) Contingent assets and contingent liabilities

For information on contingent assets and contingent liabilities, please refer to the disclosures in the consolidated financial statements 2023.

(15) Related party disclosures

Related parties are shareholders with a significant influence on the FP Group, the associated company, non-consolidated subsidiaries and persons who have a significant influence on the financial and operating policies of the Group. Persons with a significant influence on the financial and operating policies of the Group include all persons in key positions and their close family members. Within the FP Group, this applies to the members of the Management Board and the Supervisory Board of Francotyp-Postalia Holding AG.

Transactions with shareholders with significant influence

Olive Tree Invest GmbH, Grünwald, Germany, is a shareholder with significant influence. On 30 June 2024, it held 25.34% of the voting rights, unchanged from 31 December 2023. No transactions were carried out with Olive Tree Invest GmbH in the first half of 2024.

Further information on the change in significant voting rights can be found at https://www.fp-francotyp.com/de/stimmrechtsmitteilungen/c8b5f191a4415969.

Transactions with key management personnel

There were no new transactions with key management personnel in the first half of 2024.

(16) Significant events after the end of the reporting period

There were no significant events after the end of the reporting period that would have had a notable effect on the asset, financial and earnings position of the FP Group.

(17) Approval of the financial statements for publication

The Management Board approved the publication of the condensed consolidated financial statements on 29 August 2024.

Berlin, 29 August 2024

The Management Board
of Francotyp-Postalia Holding AG

Friedrich G. Conzen	Ralf Spielberger
CEO	CFO

RESPONSIBILITY STATEMENT

of Francotyp-Postalia Holding AG

for the period from 1 January to 30 June 2024

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the condensed consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the FP Group, and the interim Group management report 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.

Berlin, August 29, 2024

The Management Board of Francotyp-Postalia Holding AG

Friedrich G. Conzen

CEO

Ralf Spielberger

CFO

Financial calendar

FINANCIAL CALENDAR	
Results for the first quarter 2024	7 June 2024
Annual General Meeting, Berlin	25 June 2024
Interim Financial Report 2024	29 August 2024
Results for the third quarter 2024	21 November 2024

Further information about FP

Francotyp-Postalia Holding AG, a listed company based in Berlin, is the holding company of the globally active FP Group (FP). FP is an expert in solutions that make office and working life easier and more efficient. FP has the following business areas: Digital Business Solutions, Mailing, Shipping & Office Solutions and Mail Services. In the Digital Business Solutions area, FP optimizes customers' business processes and offers solutions such as electronic signatures, hybrid mail, input/output management for physical and digital documents and data-driven automation of complex business processes. In the Mailing, Shipping & Office Solutions area, FP is the world's third-largest provider of mailing systems and the market leader in Germany, Austria, Scandinavia and Italy. FP is represented in 15 countries with its own subsidiaries and in many other countries with its own dealer network. In the Mail Services area, FP offers the consolidation of business mail and is one of the leading providers in Germany. In 2023, FP generated revenue of more than EUR 240 million.

Further information can be found at www.fp-francotyp.com.

Imprint

Editorial office and contact

Francotyp-Postalia Holding AG
Investor Relations
Prenzlauer Promenade 28
13089 Berlin Germany

Phone: +49 (0)30 220 660 410
Fax: +49 (0)30 220 660 425
E-mail: ir@francotyp.com
Internet: www.fp-francotyp.com

Francotyp-Postalia Holding AG
Prenzlauer Promenade 28, 13089 Berlin
Tel: +49 (0) 30 220 660 410 - Mail: ir@francotyp.com