Remote working, desk sharing, modern office spaces: Sonja Andresen and her team are checking out in a pilot space what the future of work at BLG could look like. You can read more about this in our online magazine story "A journey through time".

Consolidated Financial Statements

Consolidated Statement of Profit or Loss

EUR thousand	Note	**2022**	2021
Revenue	4	1,118,980	1,050,438
Other operating income	5	53,868	55,199
Cost of materials	6	-462,018	-423,763
Personnel expenses	7	-475,075	-479,303
Depreciation, amortization and impairment of non-current intangible assets, property, plant and equipment and right-of-use assets from leases	8	-86,999	-80,825
Other operating expense	9	-159,535	-123,056
Net impairment gains/losses	9, 32	-235	515
Net income (net loss) of companies accounted for using the equity method	10	77,705	62,302
Write-downs of equity investments in companies accounted for using the equity method	10	-2,109	0
Income from non-current finance receivables		37	20
Other interest and similar income	11	9,260	7,336
Interest and similar expenses	11	-18,159	-16,719
Income from other long-term equity investments and affiliated companies		2	82
Earnings before taxes (EBT)		**55,722**	**52,226**
Income taxes	33	-4,116	-1,660
Consolidated net profit for the period		**51,606**	**50,566**
Consolidated net profit was attributable as follows:			
BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-		965	1,154
BLG LOGISTICS GROUP AG & Co. KG		49,929	47,148
Non-controlling interests		712	2,264
		51,606	**50,566**
Earnings per share (diluted and basic, in EUR)	21	**0.25**	**0.30**
of which from continuing operations (in EUR)		0.25	0.30
Dividend of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- (in EUR)	22	**0.28**	**0.30**

Consolidated Statement of Comprehensive Income

EUR thousand	Note	2022	2021
Consolidated net profit for the period		**51,606**	**50,566**
Other comprehensive income, net of income tax			
Items that are not subsequently reclassified to profit or loss	34		
Remeasurement of net pension obligations		36,148	-370
Proportionate share of equity-accounted investments in items that are not subsequently reclassified to profit or loss		31,180	1,043
Income taxes on items that are not subsequently reclassified to profit or loss		-5,114	-903
		62,214	**-230**
Items that can subsequently be reclassified to profit or loss	34		
Currency translation		140	-47
Change in the measurement of financial instruments		18,544	4,718
Proportionate share of equity-accounted investments in items that can subsequently be reclassified to profit or loss		-399	1,668
Income taxes on items that can subsequently be reclassified to profit or loss		-111	-25
		18,174	**6,314**
Other comprehensive income, net of income tax		**80,388**	**6,084**
Group total comprehensive income		**131,994**	**56,650**
Group comprehensive income was attributable as follows:			
BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-		965	1,154
BLG LOGISTICS GROUP AG & Co. KG		130,319	53,235
Non-controlling interests		710	2,261
		131,994	**56,650**

Consolidated Statement of Financial Position

Assets EUR thousand	Note	12/31/2022	12/31/2021
A. Non-current assets			
I. Intangible assets	12		
1. Goodwill		4,288	5,084
2. Other intangible assets		6,617	7,209
3. Advance payments on intangible financial assets		679	8,311
		11,584	**20,604**
II. Property, plant and equipment	13, 14		
1. Land, land rights and buildings, including buildings on third-party land		373,093	360,146
2. Handling equipment		98,188	96,524
3. Technical plant and machinery		39,135	38,702
4. Other equipment, operating and office equipment		25,938	24,385
5. Advance payments and assets under construction		4,702	28,894
		541,056	**548,651**
III. Equity investments in companies accounted for using the equity method	15	234,950	162,349
IV. Non-current finance receivables	16	228,228	217,627
V. Other non-current assets	18	689	574
VI. Deferred taxes	35	5,064	2,356
		1,021,571	**952,161**
B. Current assets			
I. Inventories	17	17,456	17,109
II. Trade receivables	18	184,012	176,992
III. Current finance receivables	16	55,059	21,131
IV. Other assets	18	36,237	14,930
V. Reimbursement rights from income taxes	35	3,780	2,844
VI. Cash and cash equivalents	19	18,403	33,010
		314,947	**266,016**
		1,336,518	**1,218,177**

Liabilities **EUR thousand**	Note	**12/31/2022**	12/31/2021
A. Equity	20		
I. Consolidated capital of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-			
1. Subscribed capital		9,984	9,984
2. Retained earnings			
a. Legal reserve		998	998
b. Other retained earnings		10,086	10,273
		21,068	**21,255**
II. Consolidated capital of BLG LOGISTICS GROUP AG & Co. KG			
1. Limited liability capital		51,000	51,000
2. Share premium		103,182	103,182
3. Retained earnings		98,547	58,326
4. Other reserves		-4,669	-66,879
5. Reserve for the fair value measurement of financial instruments		11,178	-8,088
6. Foreign currency translation		-8,869	-9,441
		250,369	**128,100**
III. Non-controlling interests		6,290	6,934
		277,727	**156,289**
B. Non-current liabilities			
I. Non-current loans (not including the current portion)	23	139,441	136,688
II. Other non-current loan liabilities	24	526,874	529,479
III. Deferred government grants	25	2,942	2,826
IV. Other non-current liabilities	28	3,202	2,568
V. Non-current provisions	26	31,154	70,690
VI. Deferred taxes	33	0	218
		703,613	**742,469**
C. Current liabilities			
I. Trade payables	27	101,596	87,697
II. Other current financial liabilities	24	161,519	162,574
III. Current portion of government grants	25	81	81
IV. Other current liabilities	28	51,294	44,240
V. Payment obligations from income taxes	36	5,183	1,642
VI. Current provisions	29	35,505	23,185
		355,178	**319,419**
		1,336,518	**1,218,177**

Segment Reporting

EUR thousand	AUTO-MOBILE 2022	AUTO-MOBILE 2021	CONTRACT 2022	CONTRACT 2021	CONTAINER 2022	CONTAINER 2021	All segments 2022	All segments 2021	Re-conciliation 2022	Re-conciliation 2021	Group 2022	Group 2021
Revenue with external third parties	**579,768**	**517,975**	**548,192**	**542,799**	**345,098**	**305,955**	**1,473,058**	**1,366,729**	**-354,078**	**-316,291**	**1,118,980**	**1,050,438**
Inter-segment sales	3,883	4,804	5,097	5,532	2,257	2,103	11,237	12,439	-11,237	-12,439	0	0
Net income (net loss) of companies accounted for using the equity method	-2,286	-202	606	123	52,668	14,867	50,988	14,788	24,608	47,514	75,596	62,302
EBITDA	45,889	49,836	47,759	47,720	129,201	109,120	222,849	206,676	-71,268	-64,344	151,581	142,332
Depreciation, amortization and impairments	-48,182	-42,263	-35,344	-35,231	-38,641	-34,968	-122,167	-112,462	35,168	31,637	-86,999	-80,825
Segment earnings (EBIT)	**-2,293**	**7,573**	**12,415**	**12,489**	**90,560**	**74,152**	**100,682**	**94,214**	**-36,100**	**-32,707**	**64,582**	**61,507**
Interest income	74	56	4,600	2,707	972	601	5,646	3,364	3,651	3,992	9,297	7,356
Interest expense	-9,477	-8,705	-5,759	-6,560	-11,601	-5,164	-26,837	-20,429	8,678	3,710	-18,159	-16,719
Income from other long-term equity investments	0	0	0	81	99	111	99	192	-97	-110	2	82
Impairment losses on non-current financial assets	0	0	0	0	0	125	0	125	0	-125	0	0
Segment earnings (EBT)	**-11,696**	**-1,076**	**11,256**	**8,717**	**80,030**	**69,825**	**79,590**	**77,466**	**-23,868**	**-25,240**	**55,722**	**52,226**
EBT margin (in %)	**-2.0**	**-0.2**	**2.1**	**1.6**	**23.2**	**22.8**	**5.4**	**5.7**	**not stated**	**not stated**	**5.0**	**5.0**
Other information												
Other non-cash events	4,305	-5,509	7,405	-18,182	-26,778	-2,799	-15,068	-26,490	26,807	-2,248	11,739	-28,738
Impairment	-7,836	0	0	-216	-4,245	-766	-12,081	-982	4,245	766	-7,836	-216
Equity investments in companies accounted for using the equity method	1,663	5,112	2,250	1,930	144,769	93,900	148,682	100,942	86,268	61,407	234,950	162,349
Goodwill included in segment assets	4,288	5,084	0	0	512	512	4,800	5,596	-512	-512	4,288	5,084
Segment assets	549,343	536,425	322,114	307,930	618,951	594,506	1,490,408	1,438,861	-397,684	-388,232	1,092,724	1,050,629
Capital expenditure	28,966	72,782	40,947	44,602	34,037	14,540	103,950	131,924	-31,452	-12,020	72,498	119,904
of which non-cash	2,160	18,705	26,335	31,014	1,324	1,324	29,819	51,043	312	317	30,131	51,360
Segment liabilities	401,833	402,507	279,543	276,008	396,008	378,411	1,077,384	1,056,926	-238,516	-212,815	838,868	844,111
Equity	65,727	58,324	18,920	4,182	229,345	153,819	313,992	216,325	-36,265	-60,036	277,727	156,289
Employees	3,235	3,397	6,266	6,599	1,605	1,582	11,106	11,578	-1,219	-1,208	9,887	10,370

Consolidated Statement of Changes in Equity

		I. Consolidated capital of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-			**II. Consolidated capital of BLG LOGISTICS GROUP AG & Co. KG**							**III. Non-controlling interests**	
EUR thousand	Note	Subscribed capital	Retained earnings	**Total**	Limited liability capital	Share premium	Retained earnings	Other reserves	Reserve for the fair-value measurement of financial instruments	Foreign currency translation	**Total**	Total	**Total**
As of December 31, 2020		**9,984**	**10,539**	**20,523**	**51,000**	**50,182**	**22,980**	**-66,630**	**-12,951**	**-10,895**	**33,686**	**5,532**	**59,741**
Changes in financial year													
Group total comprehensive income		0	1,154	1,154	0	0	47,148	0	0	0	47,148	2,264	50,566
Income and expense recognized directly in equity	32, 33	0	0	0	0	0	0	-230	4,863	1,454	6,087	-3	6,084
Group total comprehensive income		**0**	**1,154**	**1,154**	**0**	**0**	**47,148**	**-230**	**4,863**	**1,454**	**53,235**	**2,261**	**56,650**
Dividends/withdrawals		0	-422	-422	0	0	-11,314	0	0	0	-11,314	-859	-12,595
Capital contributions		0	0	0	0	53,000	0	0	0	0	53,000	0	53,000
Other changes		0	0	0	0	0	-488	-19	0	0	-507	0	-507
As of December 31, 2021	20	**9,984**	**11,271**	**21,255**	**51,000**	**103,182**	**58,326**	**-66,879**	**-8,088**	**-9,441**	**128,100**	**6,934**	**156,289**
Changes in financial year													
Group total comprehensive income		0	965	965	0	0	49,929	0	0	0	49,929	712	51,606
Income and expense recognized directly in equity	32, 33	0	0	0	0	0	0	62,210	19,266	-1,086	80,390	-2	80,388
Group total comprehensive income		**0**	**965**	**965**	**0**	**0**	**49,929**	**62,210**	**19,266**	**-1,086**	**130,319**	**710**	**131,994**
Dividends/withdrawals		0	-1,152	-1,152	0	0	-8,765	0	0	0	-8,765	-1,228	-11,145
Other changes		0	0	0	0	0	-943	0	0	1,658	715	-126	589
As of December 31, 2022	20	**9,984**	**11,084**	**21,068**	**51,000**	**103,182**	**98,547**	**-4,669**	**11,178**	**-8,869**	**250,369**	**6,290**	**277,727**

Consolidated Statement of Cash Flows

EUR thousand	Note	2022	2021
Earnings before taxes		55,722	52,226
Depreciation, amortization and impairment of and loss allowances on non-current intangible assets, property, plant and equipment, right-of-use assets, financial assets and non-current finance receivables		89,108	80,825
Reversals of impairments of non-current finance receivables		-2,664	0
Proceeds from disposal of property, plant and equipment		-1,075	-7,713
Net income (net loss) of companies accounted for using the equity method		-77,705	-62,302
Net income (net loss) of other investees		-2	-82
Net interest income (expense)		8,862	9,363
Other non-cash events		11,231	-28,738
		83,477	**43,579**
Change in trade receivables		-7,894	34,503
Change in other assets		-12,504	7,475
Change in inventories		-470	-1,659
Change in government grants		115	76
Change in provisions		8,872	-12,729
Change in trade payables		14,342	2,556
Change in other liabilities		11,066	9,497
		13,527	**39,719**
Interest received		3,345	7,923
Interest paid		-17,664	-16,008
Taxes on income and earnings paid		-4,251	-7,648
		-18,570	**-15,733**
Cash flows from operating activities		**78,434**	**67,565**

EUR thousand	Note	2022	2021
Proceeds from disposal of property, plant and equipment and intangible assets		1,645	82,260
Cash payments to acquire property, plant and equipment and intangible assets		-42,366	-68,131
Cash payments to acquire companies accounted for using the equity method		-25	-14
Cash payments for advances and loans made to investees		-563	-570
Cash receipts from repayment of advances and loans made to investees		19	12
Proceeds from/payments for company acquisitions minus cash acquired		0	50
Cash receipts from payment of lease receivables		19,921	19,799
Dividends received		1,267	1,109
Cash flows from investing activities		**-20,102**	**34,515**
Proceeds from capital contributions by company owners		0	53,000
Cash receipts from repayment of loans made to company owners		735	2,820
Cash payments for advances and loans made to company owners		-870	-735
Cash payments made to company owners		-11,145	-12,595
Cash proceeds from borrowings		33,829	47,241
Cash payments from redemption of financial borrowings		-30,547	-42,631
Cash payments from repayment of lease liabilities		-62,859	-73,250
Cash flows from financing activities	37	**-70,857**	**-26,150**
Net change in cash and cash equivalents		-12,525	75,930
Change in cash and cash equivalents due to changes in the basis of consolidation		-1,289	0
Change in cash and cash equivalents due to currency translation differences		-261	-549
Cash and cash equivalents at start of financial year		11,440	-63,941
Cash and cash equivalents at end of financial year	37	**-2,635**	**11,440**
Composition of cash and cash equivalents at end of financial year			
Cash		18,403	33,010
Current liabilities to banks		-21,038	-21,570
		-2,635	**11,440**

Contents

Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Principles

1. Principles of Group Accounting

BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-, Bremen (BLG AG), and BLG LOGISTICS GROUP AG & Co. KG, Bremen (BLG KG), two companies that are legally, commercially and organizationally closely affiliated due to their identical management bodies and special ownership structure, form the head of the BLG Group (BLG LOGISTICS). As BLG AG does not consider control over BLG KG to exist within the meaning of IFRS 10, it prepares consolidated financial statements (combined financial statements) together with BLG KG under the name BLG LOGISTICS with BLG AG and BLG KG as a single parent.

The consolidated financial statements for BLG LOGISTICS for the 2022 financial year were prepared in accordance with the International Financial Reporting Standards (IFRSs) adopted and published by the International Accounting Standards Board (IASB) mandatory as of December 31, 2022 and their interpretations by the IFRS Interpretations Committee (IFRIC). All IFRSs and IFRICs were observed that have been published and adopted in the endorsement process of the European Union and whose application is mandatory.

The accounting policies were applied consistently by all Group companies for all periods specified in the consolidated financial statements.

The financial year of BLG AG and BLG KG and of their consolidated subsidiaries is the calendar year. The reporting date of the consolidated financial statements is the closing date of the preparing companies.

The companies BLG AG (HRB 4413) and BLG KG (HRA 21448), which are entered in the Commercial Register of the District Court of Bremen, have their registered office at Präsident-Kennedy-Platz 1, Bremen, Germany.

The consolidated financial statements were prepared in euros. All amounts are in EUR thousand unless otherwise indicated.

The consolidated financial statements were prepared on the basis of historical cost accounting; exceptions arise only for derivative financial instruments and financial instruments classified as “measured at fair value through profit or loss or through other comprehensive income.”

The Board of Management of BLG AG released the consolidated financial statements for publishing and forwarding to the Supervisory Board on March 31, 2023. The Supervisory Board has the task of reviewing the consolidated financial statements and stating whether it approves them.

Judgments and estimates

The preparation of the financial statements in compliance with IFRSs requires estimates and the exercise of discretion in individual matters by management that may have an impact on the amounts reported in the consolidated financial statements.

Judgments

Information on judgments in applying the accounting policies that have the greatest material effect on the amounts reported in the consolidated financial statements is included in the following notes:

- Determining whether control exists (notes 38 and 39)
- Classification of joint arrangements (notes 15 and 39)
- Presentation of factoring (note 32)

Assumptions and estimation uncertainties

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate in particular to the following notes:

- Calculation of useful lives of property, plant and equipment and intangible assets and costs of demolition obligations for property, plant and equipment (notes 12 and 13)
- Impairment testing of assets and measurement of goodwill (note 12)
- Estimations to determine the duration and expected payments for residual value guarantees as well as lease interest rates (note 14)
- Recognition of deferred tax assets (note 33)
- Estimation of parameters for impairment of property, plant and equipment, intangible assets, right-of-use assets and financial assets (notes 4, 12, 14, 16 and 18)
- Material actuarial assumptions (note 26)
- Discretion in measuring provisions and contingent liabilities (notes 29 and 24)

The estimates made were largely based on historical data and other relevant factors, including the going concern principle. Actual results may differ from these estimates.

Determination of fair values

The financial instruments of the Group accounted for at fair value are allocated to different levels of the fair value hierarchy based on the measurement method used; these levels are defined as follows:

- Level 1: Listed (unadjusted) prices in active markets for identical assets and liabilities
- Level 2: Techniques for which all inputs which have a material effect on the recognized fair value are either directly or indirectly observable
- Level 3: Techniques using inputs that have a material effect on the recognized fair value and are not based on observable market data

More information on the assumptions made in determining the fair values can be found in note 32.

Changes in accounting policies

The accounting policies applied were essentially unchanged compared with the policies applied in the previous year. In addition, the Group applied the following new/revised standards and interpretations that are relevant to BLG LOGISTICS and whose application was mandatory for the first time in the 2022 financial year:

Standards	Application required for financial years starting from
Amendments to IFRS 3 "Business Combinations" (Reference to the IFRS Conceptual Framework)	January 1, 2022
Amendments to IFRS 16 "Leases" (COVID-19-Related Rent Concessions beyond June 30, 2021)	April 1, 2021
Amendments to IAS 16 "Property, Plant and Equipment" (Proceeds before Intended Use)	January 1, 2022
Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" (Onerous Contracts – Cost of Fulfilling a Contract)	January 1, 2022
Various standards: Annual Improvements Project 2018–2020	January 1, 2022

The amendments to IFRS 16 "Leases" (rental concessions in connection with COVID-19) were already applied early by BLG LOGISTICS in 2020. The IASB extended the practical relief on COVID-19-related rent concessions until June 30, 2022.

Effects of changes in accounting policies

The new/revised standards had no material impact. For this reason, the amounts from the previous year have not been restated.

Non-mandatory application of new or amended standards and interpretations

Application of the standards and interpretations in the table which were previously adopted, revised or recently issued by the IASB was not yet mandatory in the 2022 financial year.

BLG LOGISTICS plans to observe the new standards and interpretations in the consolidated financial statements from the date on which their initial application is mandatory. The new standards and interpretations that are relevant to the Group's operations will have an impact on the way in which the Group's financial information is published; however, they will not have any material effects on the recognition and the measurement of assets and liabilities or the presentation of the financial performance in the consolidated financial statements.

Standards	**Application required for financial years starting from**[1]	**Adopted by the EU Commission**
Amendments to IFRS 16 "Leases" (Lease Liability in a Sale and Leaseback Transaction)	January 1, 2024	No
IFRS 17 "Insurance Contracts"	January 1, 2023	Yes
Amendments to IFRS 17 "Insurance Contracts" (First-Time Application of IFRS 17 and IFRS 9 – Comparative Information)	January 1, 2023	Yes
Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 "Making Materiality Judgements" (Practice Statement)	January 1, 2023	Yes
Amendments to IAS 1 "Presentation of Financial Statements" (Classification of Liabilities as Current or Non-Current)	January 1, 2024	No
Amendments to IAS 1 "Presentation of Financial Statements" (Non-Current Liabilities with Covenant)[2]	January 1, 2024	No
Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (Definition of Accounting Estimates)	January 1, 2023	Yes
Amendments to IAS 12 "Income Taxes" (Deferred Tax related to Assets and Liabilities Arising from a Single Transaction)	January 1, 2023	Yes

[1] Date of initial application in accordance with EU law, where already adopted into EU law.

[2] The amendments supplement the amendments to IAS 1 relating to classification of liabilities as current or non-current.

Segment Reporting and Operating Earnings

2. Operations of the BLG Group

As an international seaport-oriented logistics service provider with AUTOMOBILE, CONTRACT and CONTAINER Divisions for its customers in industry and retailing, the BLG Group is represented in over 100 subsidiaries and offices in Europe, North and South America, Africa and Asia.

The services offered range from operation of the seaport terminals in Europe to complex supply chain management with value-added services on an international level. The main services of the divisions, divided into business areas, are presented below.

AUTOMOBILE

The AUTOMOBILE Division offers a full range of finished vehicle logistics services in its seaport terminals, inland terminals, car transport, rail and Southern/Eastern Europe business areas.

The locations of the **seaport terminals** business area serve as hubs and are export ports for European vehicle production overseas such as China, Japan, Korea, the US, Australia, South Africa and Scandinavia. As import ports, these terminals provide all services for the European vehicle market. In addition to passenger car handling, the services also include traditional warehouse logistics and a large number of technical services such as pre-delivery inspection (PDI), special installations and conversions for new and used vehicles. In order to bundle the expertise in heavy goods handling, the logistics for offshore and onshore wind energy and high & heavy cargo handling segments in Bremerhaven were integrated into the seaport terminals business area. Conventional goods handling at Neustädter Hafen in Bremen is also assigned to the seaport terminals. This includes the handling, storage and other logistics services for handling paper, forestry and steel products as well as project business and the handling of other heavy or bulky goods.

The **inland terminals** offer short distances to the European highway network, have their own railway connections, and most have a direct connection to the waterways. This network creates reliable logistics chains from car manufacturers around the world to car dealers and private end customers in the destination countries. The services include passenger car handling, warehouse logistics and technical services, e.g. the preparation of newer used vehicles, auctions, Internet sales.

In addition, through its **Southern/Eastern Europe** business area, BLG LOGISTICS is represented by several maritime and inland terminals in Europe.

In the AutoTransport and rail business areas, the core competence lies in transport by road, rail and inland waterways. The services also include individual transports and special shuttle concepts. Our focus here is on modernizing our fleets in order to be able to offer our customers low-emission transport chains.

In the AUTOMOBILE Division, revenue is normally recognized in the amount permitted to be invoiced, as the invoiced amounts correspond directly with the value of the performance completed to date. The services are mostly invoiced and paid on a monthly basis. This is based on the number of vehicles processed or transported and the agreed unit prices. In some cases, the invoice is issued before the performance obligation is fully met or only after all performance steps have been carried out. The portion of the consideration received from customers for which the services have not yet been performed is recognized as contract liabilities in the statement of financial position. In these cases, the sales are only recognized once the services have been transferred to the customer. Services already performed for which no invoice has yet been issued are recognized as contract assets in the statement of financial position.

CONTRACT

The CONTRACT Division develops customized logistics solutions. The focus of its services is on automotive parts, industrial and production logistics, retail and distribution logistics as well as freight forwarding services.

The **industrial logistics (Europe and overseas)** business areas provide logistics activities for the manufacturing industry. For car manufacturers, this includes the procurement logistics of the suppliers, supplying production lines, as well as consolidation, processing, packaging and shipping in order to supply production plants. Complex system services ensure reliable supplies to assembly lines in Germany and abroad. With the pre-assembly of vehicle components and production-related work processes, the industrial logistics business area functions as an extended workbench of automobile manufacturers.

In industrial companies in other sectors, complex goods flows relating to production are designed and optimized. The range of services also includes the supplies to and waste removal from production lines, on-site logistics for the optimal design of internal goods flows, reverse logistics management and complex assemblies. In addition, forwarding activities are carried out for the planning and scheduling of land transports.

Complex logistics processes are designed, implemented, managed and executed for retail companies in the **retail logistics** business area. In all sectors of the retail logistics business area, solutions are offered to customers from a single source. This applies in particular to the areas of e--commerce, multi-channel retailing, processing and value-added services for goods, the collection and processing of returns, as well as the handling of flat and hanging merchandise in the fashion logistics segment. Customized innovative solutions for high-profile customers are developed with the help of in-house IT expertise and ensure comprehensive information transparency and goods movements. In addition, the retail logistics business area includes the handling and storage of refrigerated and frozen goods at the Bremerhaven container terminal, as well as all related services.

As part of a reorganization of the CONTRACT Division, the previous division into the industrial and retail logistics business areas will be replaced by three areas of competence. In the new organization by region, Contract Operations places the focus on proximity to the customer, While Customer & Business Development focuses on market developments, thus positioning itself competitively and flexibly. Performance Support intrinsically strengthens the organization, making it future-proof and transparent. Overall, the bundling of competencies helps us to be more broadly positioned vis-à-vis customers, to benefit from synergies, and to design solutions that are even more tailored to customers' needs.

In the CONTRACT Division, revenue is usually recognized in the amount permitted to be invoiced, as the invoiced amounts correspond directly with the value of the performance completed to date. The services are mostly invoiced and paid on a monthly basis. Capital-intensive services such as the provision of space and storage facilities are largely invoiced at fixed prices, but sometimes also according to actual use. The invoicing of personnel-intensive services is based on prices per performance unit or a combination of fixed basic remuneration and variable remuneration per performance unit, sometimes using volume tiers.

CONTAINER

The CONTAINER Division is represented by the joint venture EUROGATE GmbH & Co. KGaA, KG, Bremen, in which BLG holds a 50 percent share. EUROGATE has its own subsidiaries and investees. The EUROGATE Group companies are included in the consolidated financial statements using the equity method of accounting.

The focus of the activities of the EUROGATE Group includes handling containers on the European continent. EUROGATE operates, in some cases with partners, container terminals in Bremerhaven, Hamburg and Wilhelmshaven, Germany, at the Italian locations La Spezia, Ravenna and Salerno, in Tangier, Morocco, in Limassol, Cyprus, and in Ust-Luga, Russia. In addition, EUROGATE has investments in several inland terminals and rail transport companies.

Intermodal services (the transport of sea containers to and from the terminals), repairs, depot storage and trading of containers, cargo-modal services and technical services are offered as secondary services.

3. Notes on Segment Reporting

In accordance with IFRS 8, segment information is based on the internal management and reporting structure. With regard to BLG LOGISTICS, this means that segments are reported by division in line with the Group structure, i.e., the CONTAINER Division is still recognized as a separate segment in segment reporting and is eliminated again in the reconciliation column. At the same time, the earnings from companies accounted for using the equity method, which primarily include the earnings of the CONTAINER Division, are reported as part of EBIT in line with internal management. This also applies to the other companies accounted for using the equity method.

Entire companies are each assigned to the AUTOMOBILE, CONTRACT and CONTAINER Divisions. These companies each represent operating segments, which are grouped together for reporting purposes according to division, as they operate in a similar economic environment and are very similar in their services, processes and customer groups.

The AUTOMOBILE and CONTRACT Divisions were subdivided into eight business areas in 2022. Responsibility for the operational management of the business areas, including earnings responsibility, lies with the relevant business area managers of the AUTOMOBILE and CONTRACT Divisions, and with the Group management of the subgroup EUROGATE GmbH & Co. KGaA, KG for the CONTAINER Division.

The AUTOMOBILE Division essentially comprises the companies BLG AutoTerminal Bremerhaven GmbH & Co. KG, BLG AutoTerminal Deutschland GmbH & Co. KG, BLG AutoTransport GmbH & Co. KG and BLG AutoRail GmbH.

The significant companies of the CONTRACT Division are BLG Industrielogistik GmbH & Co. KG, BLG Handelslogistik GmbH & Co. KG and BLG Sports & Fashion Logistics GmbH.

The CONTAINER Division includes the 50-percent stake in the operational management company EUROGATE GmbH & Co. KGaA, KG of the EUROGATE Group.

The operations of the divisions are described in detail in note 2.

BLG AG and BLG KG, as the management and financial holding companies of the BLG Group, are not an operating segment as defined by IFRS 8. These central departments, with their assets, liabilities and results, are included in the reconciliation column. For disclosures regarding employees, the central departments are referred to as “Services.” The relevant disclosures can be found in the Group management report.

BLG LOGISTICS predominantly conducts its activities in Germany. EUR 1,070,318 thousand of Group revenue (previous year: EUR 1,016,393 thousand) was attributable to Germany and EUR 48,662 thousand (previous year: EUR 34,045 thousand) to other countries. This allocation was based on the location at which the Group performs services. EUR 529,555 thousand of the Group’s non-current intangible assets and property, plant and equipment (previous year: EUR 551,089 thousand) was attributable to Germany and EUR 23,084 thousand (previous year: EUR 18,167 thousand) to other countries.

Around 18 percent (previous year: 17 percent) of total Group revenue was generated with the Group’s largest customer in the AUTOMOBILE and CONTRACT Divisions. Of this amount, EUR 196,156 thousand (previous year: EUR 178,956 thousand) was attributable to Germany and EUR 35 thousand (previous year: EUR 2,658 thousand) to other countries. Around 10 percent (previous year: 11 percent) of total Group revenue was generated with the Group’s second-largest customer in the AUTOMOBILE and CONTRACT Divisions. Of this amount, EUR 100,004 thousand (previous year: EUR 109,756 thousand) was attributable to Germany and EUR 7,982 thousand (previous year: EUR 858 thousand) to other countries.

BLG LOGISTICS is managed on the basis of the financial data for the operating segments determined in accordance with IFRSs; the accounting policies apply to the segments in the same way as to the entire Group. The key performance indicators for the segments are revenue, earnings before interest and taxes, earnings before taxes (EBT), and the EBT margin. In addition, RoCE (Return on Capital Employed) is calculated at Group level.

Services between the segments are billed on an arm's length basis.

Depreciation and amortization relate to the segments' property, plant and equipment, including right-of-use assets.

Segment assets do not include equity investments in companies accounted for using the equity method, or deferred or current taxes. There are no segment assets not required for operations. In line with internal control, intra-Group subleases are recognized by the end user only.

Segment liabilities include lease liabilities, current liabilities necessary for financing and provisions, excluding interest-bearing loans.

Capital expenditure relates to additions to property, plant and equipment, right-of-use assets and non-current intangible assets.

The reconciliation of the total of the reportable segments with the Group data was as follows for the main items of segment reporting:

Revenue with external third parties EUR thousand	**2022**	2021
Total of the reportable segments	1,473,058	1,366,729
CONTAINER Division	-345,098	-305,955
Consolidation	-8,980	-10,336
Group revenue	**1,118,980**	**1,050,438**

EBIT EUR thousand	**2022**	2021
Total of the reportable segments	100,682	94,214
Central departments/other EBIT	-52,643	-23,552
CONTAINER Division	-90,560	-74,152
Consolidation	107,103	64,997
Group EBIT	**64,582**	**61,507**

EBT EUR thousand	**2022**	2021
Total of the reportable segments	79,590	77,466
Central departments/other EBT	-21,340	-16,001
CONTAINER Division	-80,030	-69,825
Consolidation	77,502	60,586
Group segment earnings (EBT)	**55,722**	**52,226**

Assets EUR thousand	**2022**	2021
Total of the reportable segments	1,490,408	1,438,861
Central departments/ other assets	746,288	772,313
Equity investments in companies accounted for using the equity method	234,950	162,349
Deferred tax assets	5,064	2,356
Reimbursement rights from income taxes	3,780	2,844
CONTAINER Division	-618,951	-594,506
Consolidation	-525,022	-566,040
Group assets (assets)	**1,336,518**	**1,218,177**

Liabilities EUR thousand	**2022**	2021
Total of the reportable segments	1,077,384	1,056,926
Central departments/ other liabilities	105,761	114,965
Equity	277,727	156,289
Non-current loans (not including the current portion) adjusted	139,441	136,689
Other non-current financial liabilities	60,013	59,172
Deferred tax liabilities	0	218
Current portion of non-current loans	20,469	21,699
CONTAINER Division	-396,008	-378,411
Consolidation	51,731	50,630
Group liabilities (liabilities)	**1,336,518**	**1,218,177**

4. Revenue from Contracts with Customers

Revenue

In accordance with IFRS 15, revenue is recognized either at a point in time or over time when or as the performance obligation is satisfied and control is passed to the customer.

The amount of the revenue is based on the consideration agreed with the customer in exchange for transferring the promised goods or services.

The main services of the divisions, according to business areas, are described in note 2.

In the BLG Group, revenue is normally recognized pursuant to IFRS 15.B16 in the amount permitted to be invoiced, as the invoiced amounts correspond directly with the value of the performance completed to date. BLG LOGISTICS therefore makes use of the practical expedient provided by IFRS 15.121 (b) and does not disclose the amount of the remaining performance obligations for these contracts.

The tables below itemize revenue by service type and by business area and allocate the subdivided revenue to the AUTOMOBILE and CONTRACT Divisions. The CONTAINER Division is not included because it is accounted for using the equity method. A breakdown by revenue generated in Germany and abroad is included in note 3.

By service type EUR thousand	**AUTOMOBILE 2022**	AUTOMOBILE 2021	**CONTRACT 2022**	CONTRACT 2021	**Total 2022**	Total 2021
Freight forwarding and transport services	276,718	250,794	52,070	88,048	328,788	338,842
Handling revenue	127,716	116,314	235,524	217,666	363,240	333,980
Other logistics services and advisory services	63,219	59,967	142,962	132,341	206,181	192,308
Rental and storage income	51,578	41,337	40,957	36,610	92,535	77,947
Material sales	24,782	11,732	12,714	15,015	37,496	26,747
Provision of personnel and equipment	1,452	1,340	22,987	22,105	24,439	23,445
Container packing	2,498	2,912	3,661	3,340	6,159	6,252
Shipping income	4,695	4,092	0	0	4,695	4,092
Other	27,110	29,487	37,317	27,674	64,427	57,161
Total	**579,768**	**517,975**	**548,192**	**542,799**	**1,127,960**	**1,060,774**
Consolidation	-3,883	-4,804	-5,097	-5,532	-8,980	-10,336
Total	**575,885**	**513,171**	**543,095**	**537,267**	**1,118,980**	**1,050,438**

By business area EUR thousand	2022	2021
AUTOMOBILE		
Seaport terminals	267,071	235,527
Inland terminals	59,236	52,353
AutoTransport	129,064	114,172
Rail	98,562	97,421
Southern/Eastern Europe	21,952	13,698
	575,885	**513,171**
CONTRACT		
Industrial logistics (Europe)	261,068	263,862
Industrial logistics (overseas)	30,569	23,157
Retail logistics	251,458	240,028
Freight forwarding	0	10,220
	543,095	**537,267**
Total	**1,118,980**	**1,050,438**

Assets and liabilities from contracts with customers

Contract assets relate primarily to rights to receive consideration from customers arising from the satisfaction of performance obligations for which no invoice has been issued at the end of the reporting period. They are recognized under other assets in the statement of financial position (note 18).

Contract assets are reclassified as trade receivables if the right to receive consideration becomes unconditional. This is the case if the payment is due or will become due automatically as a result of the passage of time.

Loss allowances reported in net profit or loss are recognized on the basis of expected credit losses using the simplified approach. According to this approach, the amount of the loss allowance is to be determined on the basis of the lifetime expected credit losses. Changes in credit risk do not have to be tracked. The loss allowances are reported net as a separate item in the statement of profit or loss. Please also refer to note 32.

As the risk structure of the contract assets essentially corresponds to the risk structure of the trade receivables, the same expected credit loss rates are recognized for the loss allowances. The calculation of credit loss rates is described in note 18.

Contract liabilities result from advance payments by the customer or unconditional rights to receive consideration from the customer already existing before the (full) satisfaction of the performance obligations. Revenue is only recognized once the services have been transferred to the customer. They are recognized under other liabilities in the statement of financial position (note 28).

EUR thousand	12/31/2022	12/31/2021
Contract assets	17,159	7,854
Contract liabilities	1,848	1,873

The tables below contain information on the development of contract assets and contract liabilities.

Contract assets EUR thousand	2022	2021
As of January 1 (gross)	7,887	6,449
Reclassification to trade receivables (during the year)	-7,268	-5,321
Change from progress in the reporting year	16,594	6,759
As of December 31 (gross)	**17,213**	**7,887**
Loss allowances	-54	-33
As of December 31	**17,159**	**7,854**

Contract liabilities EUR thousand	2022	2021
As of January 1 (gross)	1,873	832
Revenue recognized in the reporting year:	-1,062	-676
of which included in contract liabilities at the beginning of the reporting year	-1,062	-676
Increase due to payments received (not including amounts recognized as revenue in the reporting year)	1,253	1,717
Changes in group of consolidated companies	0	0
Other changes	-216	0
As of December 31	**1,848**	**1,873**

The credit risk and the expected credit losses for contract assets were as follows as of December 31, 2022, and December 31, 2021:

EUR thousand	12/31/2022 Not past due	12/31/2021 Not past due
Expected credit loss rate (weighted average)	0.32%	0.42%
Nominal amounts	17,213	7,887
Loss allowances	-54	-33
Carrying amounts	**17,159**	**7,854**

Loss allowances for contract assets developed as follows:

EUR thousand	2022	2021
Amount as of the beginning of the financial year	33	20
Loss allowances for the financial year		
Transfers	24	17
Reversals	-3	-4
Balance as of the end of the financial year	**54**	**33**

5. Other Operating Income

EUR thousand	2022	2021
Income from the reversal of provisions	22,215	15,980
Income from the recharging of expenses	8,792	7,755
Insurance recoveries and other reimbursements	7,777	8,393
Income from prior periods	2,692	3,262
Ground rent and rental income	2,086	2,005
Income from recycling	1,426	1,328
Gains on disposal of property, plant and equipment	1,172	8,261
Income from the provision of personnel	875	824
Income from capital gains	620	324
Neutral income	40	105
Other	6,173	6,962
Total	**53,868**	**55,199**

Of the ground rent and rental income, EUR 1,294 thousand (previous year: EUR 1,371 thousand) was attributable to income from operating leases for own non-current assets and EUR 792 thousand (previous year: EUR 634 thousand) to income from subleases (see note 14).

6. Cost of Materials

EUR thousand	2022	2021
Cost of other purchased services	254,236	243,462
Expenses for external personnel	107,073	101,969
Cost of raw materials, consumables and supplies	100,711	78,332
Change in inventories of work in progress and services and finished products	-3	1
Total	**462,018**	**423,763**

7. Personnel Expenses

EUR thousand	2022	2021
Wages and salaries	393,167	394,847
Statutory social expenses	77,714	79,305
Expenses for post-employment benefits, support and anniversaries	4,069	5,114
Other	125	37
Total	**475,075**	**479,303**

Amounts resulting from the interest cost of personnel provisions, particularly pension provisions, are not recognized as personnel expenses. These are reported as a component of net interest income (expense).

Statutory social expenses included EUR 32,829 thousand (previous year: EUR 33,509 thousand) for contributions to statutory retirement plans. Of this amount, EUR 175 thousand (previous year: EUR 199 thousand) was attributable to key management personnel and EUR 13 thousand (previous year: EUR 19 thousand) to employee representatives on the Supervisory Board.

In 2022, BLG LOGISTICS had an average of 9,887 employees (previous year: 10,370). Of these employees, 7,726 (previous year: 8,212) were blue-collar workers and 2,161 (previous year: 2,158) worked in commercial functions. Please refer to the Group management report and the Segment reporting for further information.

8. Depreciation, Amortization and Impairment of Non-current Intangible Assets, Property, Plant and Equipment and Right-of-Use Assets from Leases

EUR thousand	2022	2021
Depreciation and amortization	79,163	80,609
Impairment	7,836	216
Total	**86,999**	**80,825**

A breakdown of the depreciation, amortization and impairment of the individual asset classes can be found in notes 12 and 13.

The impairments in the reporting year related with EUR 7,836 thousand in the full amount to two cross-network planning and control tools.

Depreciation and amortization included depreciation on right-of-use assets from leases in accordance with IFRS 16 of EUR 45,894 thousand (previous year: EUR 47,693 thousand). Further disclosures can be found in note 14.

9. Other Operating Expense

EUR thousand	2022	2021
Rental and incidental rental expense	26,817	24,736
Security costs and other real estate expense	23,128	21,258
IT expense	16,906	16,207
Expenses for loss events	11,910	13,617
Expenses for insurance premiums	11,311	10,652
Legal, advisory and audit fees	10,468	8,988
Expenses for expected losses	7,143	537
Other personnel expenses	8,987	6,770
Other neutral expenses	7,570	845
Distribution costs	6,073	5,003
Administrative expense and contributions	5,324	3,282
Expenses for infrastructure measures	5,189	0
Other taxes	2,608	2,465
Training expenses	2,550	2,053
Postal and telecommunications costs	2,222	2,628
Expenses for foreign exchange losses	509	187
Other prior-period expenses	149	2,891
Other	10,672	937
Total	**159,535**	**123,056**

10. Net Income (Net Loss) of Companies Accounted for Using the Equity Method

Profit shares from partnerships are realized immediately at the end of the financial year, unless the partnership arrangement links the existence of a withdrawal claim to a separate partner resolution. By contrast, dividends from corporations are recognized through profit or loss only once a profit appropriation resolution exists.

As a result of the Russian war of aggression, the equity investment in BLG ViDi LOGISTICS TOW, Kyiv, Ukraine, was written down in full (EUR 1,984 thousand, previous year: EUR 0 thousand). The impairment was allocable in full to the AUTOMOBILE Division.

EUR thousand	2022	2021
Net income (net loss) of companies accounted for using the equity method		
Joint ventures	76,515	61,714
Associates	1,190	588
Total	**77,705**	**62,302**

Income from joint ventures included the CONTAINER Division's earnings of EUR 76,705 thousand (previous year: EUR 61,879 thousand).

11. Net Interest Income (Expense)

EUR thousand	2022	2021
Income from non-current finance receivables	**37**	**20**
Other interest and similar income		
Interest income from lease receivables	8,169	6,627
Interest income from bank balances	765	563
Interest income from amortization of other assets	97	0
Interest income from interest rate swaps	59	3
Other interest income	170	143
	9,260	**7,336**
Interest and similar expenses		
Interest expense from lease liabilities	-11,337	-11,423
Interest expense from non-current loans and other financial liabilities	-3,167	-2,334
Interest expense from interest rate swaps	-954	-952
Interest cost for provisions and liabilities	-339	-898
Interest expense for current liabilities to banks	-189	-149
Other interest expense	-2,172	-963
	-18,159	**-16,719**
Total	**-8,862**	**-9,363**

Please refer to note 14 for information on interest income from lease receivables and interest expense from lease liabilities.

Borrowing costs of EUR 0 thousand (previous year: EUR 412 thousand) were capitalized. The underlying capitalization rate in the previous year was 2.15 percent.

Assets and Leases

12. Intangible Assets

Intangible assets include not only acquired and internally generated intangible assets but also goodwill arising from company acquisitions.

Goodwill represents the excess of the cost of acquisition from company acquisitions over the fair value of the Group's interests in the net assets of the acquired companies at the acquisition date. The goodwill recognized is subject to annual impairment testing and measured at historical cost less any accumulated impairment. Reversals are not permitted. Gains and losses on the disposal of a company include the carrying amount of the goodwill, which is attributed to the company being deconsolidated.

Acquired intangible assets are capitalized at purchase cost; internally generated intangible assets from which the Group expects to derive future benefit and which can be measured reliably are capitalized at production cost and amortized on a straight-line basis over their estimated useful lives. Costs in this context include all direct production costs as well as an appropriate share of production overheads. Financing costs are capitalized if they are attributable to qualifying assets.

The straight-line pro rata temporis method is the sole method used for depreciation and amortization, which is presented in the statement of profit or loss in the item "Depreciation, amortization and impairment of non-current intangible assets, property, plant and equipment and right-of-use assets from leases." This is based on the following standard useful lives:

	2022	2021
Licenses, industrial property rights and similar rights	5-8 years	5-8 years
Software licenses	2-5 years	2-5 years
Internally generated software	3-5 years	3-5 years

No financing costs were capitalized for qualifying assets.

2022 **EUR thousand**	Goodwill	Licenses, industrial property rights and similar rights and assets as well as licenses to such rights and assets	Advance payments on intangible assets	**Total**
Cost				
As of January 1	19,675	40,170	8,311	68,156
Changes in group of consolidated companies	-3,593	-62	0	-3,655
Additions	0	1,797	295	2,092
Disposals	0	-1,291	0	-1,291
Reclassifications	0	91	-91	0
Exchange rate differences	0	41	0	41
As of December 31	**16,082**	**40,746**	**8,515**	**65,343**
Depreciation, amortization and impairments				
As of January 1	14,591	32,961	0	47,552
Changes in group of consolidated companies	-2,796	-60	0	-2,856
Depreciation and amortization	0	2,494	0	2,494
Impairment	0	0	7,836	7,836
Disposals	0	-1,290	0	-1,290
Exchange rate differences	0	24	0	24
As of December 31	**11,795**	**34,129**	**7,836**	**53,760**
Carrying amounts as of December 31	**4,287**	**6,617**	**679**	**11,583**

2021 **EUR thousand**	Goodwill	Licenses, industrial property rights and similar rights and assets as well as licenses to such rights and assets	Advance payments on intangible assets	Total
Cost				
As of January 1	28,429	41,447	7,357	77,233
Additions	0	2,692	957	3,649
Disposals	-8,754	-6,121	0	-14,875
Reclassifications	0	2,117	-3	2,114
Exchange rate differences	0	35	0	35
As of December 31	**19,675**	**40,170**	**8,311**	**68,156**
Depreciation, amortization and impairments				
As of January 1	23,345	36,304	0	59,649
Depreciation and amortization	0	2,666	0	2,666
Impairment	0	0	0	0
Disposals	-8,754	-6,000	0	-14,754
Reclassifications	0	-33	0	-33
Exchange rate differences	0	24	0	24
As of December 31	**14,591**	**32,961**	**0**	**47,552**
Carrying amounts as of December 31	**5,084**	**7,209**	**8,311**	**20,604**

In the previous year, the intangible assets included such assets for which there was an operating lease. These developed as follows:

2021 **EUR thousand**	Licenses, industrial property rights and similar rights and assets as well as licenses to such rights and assets
Cost	
As of January 1	1,166
Disposals	-1,166
As of December 31	**0**
Depreciation, amortization and impairments	
As of January 1	1,022
Depreciation and amortization	113
Disposals	-1,135
As of December 31	**0**
Carrying amounts as of December 31	**0**

Impairment

Overview

All non-financial assets of the Group, with the exception of inventories and deferred tax assets, are tested at the end of the reporting period for indications of possible impairment within the meaning of IAS 36. If such indications are identified, the expected recoverable amount is estimated and compared with the carrying amount.

If there are indications of impairment and if the recoverable amount is less than the amortized cost, impairment is recognized on the intangible assets. If it is not possible to estimate the recoverable amount for an individual asset, the assets are combined to form cash-generating units.

In addition, the recoverable amounts for goodwill, assets with an indefinite useful life and intangible assets not yet completed are estimated at the end of each reporting period regardless of whether there are any indications of impairment.

In accordance with IAS 36, impairment is recognized through profit or loss if the carrying amount of an asset or the related cash-generating unit exceeds its recoverable amount.

If a requirement to recognize a loss allowance is determined for a cash-generating unit, the goodwill of the cash-generating unit in question is first reduced. If a further adjustment of the loss allowance is required, it is uniformly distributed over the carrying amounts of the other assets of the cash-generating unit.

Impairment is recognized in the item "Depreciation, amortization and impairment of non-current intangible assets, property, plant and equipment and right-of-use assets from leases."

Determination of the recoverable amount

The expected recoverable amount is the higher of an asset's net realizable value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash-generating unit. The calculations are made in euros on the basis of five-year planning (previous year: three-year planning), taking country-specific risks into account. Foreign currencies are translated using forward rates. The Group's weighted average cost of capital of 7.92 percent (previous year: 6.56 percent) is used as the discount rate, which is adjusted to the country-specific tax rate. The weighted average cost of capital is determined by the debt and equity interests, the risk-free base rate taking inflation into account (2.17 percent, previous year: 0.17 percent), the market risk premium (7.0 percent, previous year: 7.0 percent), the sector-specific risk, the country-specific tax rate and borrowing costs.

The recoverable amounts of cash-generating units are determined based on value-in-use calculations. The tested goodwill and the assumptions underlying the calculations are shown in the following table:

2022	**BLG AutoRail GmbH, Bremen**
Division	AUTOMOBILE
Carrying amount of goodwill (EUR thousand)	4,288
Revenue growth p.a. in % (planning period)	0.0–0.8
Other parameters for corporate planning	Capacity utilization, price per vehicle, business expansion
Duration of the planning period	5 years
Revenue growth p.a. in % after the end of the planning period	0.0
Discount rate in %	7.9

2021	BLG AutoRail GmbH, Bremen	BLG Logistics Automobile St. Petersburg Co. Ltd., St. Petersburg, Russia
Division	AUTOMOBILE	AUTOMOBILE
Carrying amount of goodwill (EUR thousand)	4,288	797
Revenue growth p.a. in % (planning period)	0.0–16.3	23.9–44.6
Other parameters for corporate planning	Capacity utilization, price per vehicle, business expansion	Capacity utilization, productivity, price per vehicle
Duration of the planning period	3 years	3 years
Revenue growth p.a. in % after the end of the planning period	0.0	0.0
Discount rate in %	6.6	6.7

For BLG AutoRail GmbH, Bremen, the recoverable amount based on the assumptions listed in the above table significantly exceeded the carrying amount of the cash-generating unit. Planning takes into account the utilization of railroad cars based on historical data from previous years as well as the conversion of ad hoc transport to portfolio transport. Even with a substantial reduction in the assumptions for revenue growth and other parameters or an increase in the discount rate by one percentage point, the recoverable amount would be above the carrying amount. The revenue expectations on which the planning in the AUTOMOBILE Division were based were derived from market forecasts for new car registrations, previous market shares and customer surveys.

The goodwill of the cash-generating unit BLG St. Petersburg was impaired in previous years, with EUR 2,796 thousand written down on a carrying amount of EUR 797 thousand. Against the background of the de facto loss of control in connection with the Russian war of aggression, BLG Logistics Automobile St. Petersburg Co. Ltd., St. Petersburg, Russia, was deconsolidated with effect from December 31, 2022.

As a result of increased market interest rates, all cash-generating units without allocated goodwill were also tested in the reporting year for indications of impairment within the meaning of IAS 36.

For the cash-generating unit BLG ATB, which on account of its close affiliation is made up of BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven, and BLG AutoTec GmbH & Co. KG, Bremerhaven, a recoverable income of EUR 85.9 million was determined in the reporting year on the basis of the value-in-use calculation. The calculation is based on a discount rate of 7.05% (previous year: 4.31%).

When allocating an impairment loss to individual assets of a cash-generating unit, care must be taken to ensure that the carrying amount of an asset is not reduced below the higher of its fair value less costs to sell and its value in use. As a result, an allocated impairment loss remains for the BLG ATB cash-generating unit in the amount of EUR 7,835 thousand. This amount is attributable to IT tools for central capacity management (EUR 2,801 thousand) as well as to the processing of delivery traffic (EUR 5,035 thousand). The impairments were allocable in full to the AUTOMOBILE segment. These impairments were recognized in the statement of profit or loss in the item "Depreciation, amortization and impairment of non-current intangible assets, property, plant and equipment and right-of-use assets from leases."

Reversals of impairment losses

If the reasons for the impairment cease to exist, it must be reversed. The reversal is limited to the cost less amortized cost that would have resulted without the impairment losses.

If the write-downs were distributed evenly across the assets of a cash-generating unit, the same procedure is used for the reversals.

Reversals of impairment on goodwill are not permitted.

13. Property, Plant and Equipment

Property, plant and equipment are accounted for at cost less depreciation based on use. Production costs include both direct costs and an appropriate share of attributable production overheads. Borrowing costs are recognized in production costs, insofar as they relate to qualifying assets. In accordance with IAS 16, demolition obligations are accounted for at present value as incidental purchase costs. Expected residual values are usually not taken into account in determining amortization.

The remeasurement method is not used at BLG LOGISTICS.

If the conditions of IAS 16 for the application of the component approach are met, the assets are broken down into their components, which are capitalized individually and depreciated over their useful lives.

Asset-related government grants are deferred and amortized over the useful life of the subsidized asset using the straight-line method. Please refer to note 25.

The straight-line pro rata temporis method is the sole method used for depreciation and amortization, which is presented in the statement of profit or loss in the item "Depreciation, amortization and impairment of non-current intangible assets, property, plant and equipment and right-of-use assets from leases." This is based on the following standard useful lives:

	2022	2021
Buildings, lightweight	10 years	10 years
Buildings, solid construction	20–40 years	20–40 years
Open spaces	10–20 years	10–20 years
Other handling equipment	4–34 years	4–34 years
Technical plant and machinery	5–30 years	5–30 years
Operating and office equipment	4–20 years	4–20 years
Low-value assets	1 year	1 year

If there are indications of impairment and if the recoverable amount is lower than the cost less cumulative depreciation and impairment losses, the property, plant and equipment are impaired (see also note 12 under "Impairment").

Impairment is recognized in the item "Depreciation, amortization and impairment of non-current intangible assets, property, plant and equipment and right-of-use assets from leases." Apart from depreciation and amortization, no write-downs were recognized in the 2022 financial year.

In the reporting year, the write-down of a heavy-duty slab (EUR 2,664 thousand) was reversed as a result of an increase in future cash flows in connection with a lease. The heavy-duty slab is allocable to the AUTOMOBILE segment.

2022 **EUR thousand**	Land, land rights and buildings including buildings on third-party land	Handling equipment	Technical plant and machinery	Other equipment, operating and office equipment	Advance payments and assets under construction	**Total**
Cost						
As of January 1	665,634	183,113	109,282	82,713	28,894	1,069,636
Changes in group of consolidated companies	0	-3,372	-4,455	-36	0	-7,863
Additions	29,190	25,441	5,509	9,126	1,140	70,406
Disposals	-8,366	-24,727	-699	-13,052	-8	-46,852
Reclassifications	23,345	58	341	1,581	-25,325	0
Exchange rate differences	738	357	512	494	0	2,101
As of December 31	**710,541**	**180,870**	**110,490**	**80,826**	**4,701**	**1,087,428**
Depreciation, amortization and impairments						
As of January 1	305,488	86,589	70,580	58,328	0	520,985
Changes in group of consolidated companies	0	-925	-3,126	-29	0	-4,080
Depreciation and amortization	41,571	21,461	4,370	9,267	0	76,669
Impairment	0	0	0	0	0	0
Disposals	-7,310	-24,510	-626	-12,869	0	-45,315
Reclassifications	110	0	-110	0	0	0
Reversals of write-downs	-2,664	0	0	0	0	-2,664
Exchange rate differences	253	66	267	191	0	777
As of December 31	**337,448**	**82,681**	**71,355**	**54,888**	**0**	**546,372**
Carrying amounts as of December 31	**373,093**	**98,189**	**39,135**	**25,938**	**4,701**	**541,056**

2021 **EUR thousand**	Land, land rights and buildings including buildings on third-party land	Handling equipment	Technical plant and machinery	Other equipment, operating and office equipment	Advance payments and assets under construction	Total
Cost						
As of January 1	708,514	170,185	174,729	87,230	7,758	1,148,416
Additions	48,783	29,132	5,500	7,156	25,684	116,255
Disposals	-92,951	-16,355	-71,424	-13,922	0	-194,652
Reclassifications	339	11	204	1,652	-4,548	-2,342
Exchange rate differences	949	140	273	597	0	1,959
As of December 31	**665,634**	**183,113**	**109,282**	**82,713**	**28,894**	**1,069,636**
Depreciation, amortization and impairments						
As of January 1	301,693	76,539	121,189	63,065	0	562,486
Depreciation and amortization	38,547	24,899	6,137	8,359	0	77,942
Impairment	59	0	157	0	0	216
Disposals	-35,146	-14,875	-57,043	-13,162	0	-120,226
Reclassifications	5	-2	0	-160	0	-157
Exchange rate differences	330	28	140	226	0	724
As of December 31	**305,488**	**86,589**	**70,580**	**58,328**	**0**	**520,985**
Carrying amounts as of December 31	**360,146**	**96,524**	**38,702**	**24,385**	**28,894**	**548,651**

Advance payments and assets under construction of EUR 4,701 thousand (previous year: EUR 28,894 thousand) related exclusively to assets under construction.

Financing costs of EUR 412 thousand were capitalized for qualifying assets in the previous year.

The right-of-use assets from rental agreements and leases included in property, plant and equipment are presented in note 14.

There are no other assets reported under property, plant and equipment that have been pledged as collateral for non-current loans. Right-of-use assets capitalized in accordance with IFRS 16 are not assigned as collateral, as legal ownership remains with the lessor.

The assets included in property, plant and equipment for which there is an operating lease developed as follows:

2022 **EUR thousand**	Land, land rights and buildings including buildings on third-party land	Handling equipment	Technical plant and machinery	Other equipment, operating and office equipment	Advance payments and assets under construction	**Total**
Cost						
As of January 1	22,546	0	8,836	147	0	31,529
Additions	526	0	0	0	0	526
Disposals	-3	0	0	0	0	-3
As of December 31	**23,069**	**0**	**8,836**	**147**	**0**	**32,052**
Depreciation, amortization and impairments						
As of January 1	7,682	0	3,472	141	0	11,295
Depreciation and amortization	1,728	0	479	3	0	2,210
Disposals	-3	0	0	0	0	-3
As of December 31	**9,407**	**0**	**3,951**	**144**	**0**	**13,502**
Carrying amounts as of December 31	**13,662**	**0**	**4,885**	**3**	**0**	**18,550**

2021 **EUR thousand**	Land, land rights and buildings including buildings on third-party land	Handling equipment	Technical plant and machinery	Other equipment, operating and office equipment	Advance payments and assets under construction	Total
Cost						
As of January 1	72,023	1,661	75,497	8,079	57	157,317
Additions	6,099	0	1,802	0	0	7,901
Disposals	-55,576	-1,661	-68,463	-7,932	-57	-133,689
As of December 31	**22,546**	**0**	**8,836**	**147**	**0**	**31,529**
Depreciation, amortization and impairments						
As of January 1	30,826	1,196	54,163	7,198	0	93,383
Depreciation and amortization	1,953	12	3,036	83	0	5,084
Disposals	-25,097	-1,208	-53,727	-7,140	0	-87,172
As of December 31	**7,682**	**0**	**3,472**	**141**	**0**	**11,295**
Carrying amounts as of December 31	**14,864**	**0**	**5,364**	**6**	**0**	**20,234**

14. Leases

BLG as lessee

Leases

BLG LOGISTICS’ leases primarily cover land, buildings and wharfs. They relate mainly to heritable building rights in the ports of Bremen and Bremerhaven and have remaining terms of up to 26 years. The Group thus secures long-term rights of use to the land required for operations. In addition, there are mainly leases for railroad cars, industrial trucks, conveyor systems, HGVs, passenger cars and tractor units, which have terms of mainly between three and ten years.

A number of property leases contain extension or termination options. All facts and circumstances that offer an economic incentive to exercise extension options or not to exercise termination options are taken into account when determining the term of leases. Changes in the term of a lease as a result of exercising or not exercising options are taken into account only when they are reasonably certain. As extension or termination options are often agreed in line with corresponding clauses in contracts with customers, the exercise of these options is reviewed in parallel with the contract negotiations with customers. At the same time, potential future cash outflows that are not currently included in the lease liabilities are offset by a similar amount of potential future cash inflows from contracts with customers. The modified lease payments are to be discounted at the interest rate on the date of the lease modification.

In addition, the heritable building right contracts in particular provide for an adjustment of the ground rent on the basis of the consumer price index every five years. The lease payments are stated at the index level applicable at the respective measurement date. The last adjustment was made in the 2021 financial year and constituted the increase scheduled for the January 1, 2020 that was deferred to support Bremen's port and logistics industry in connection with the coronavirus crisis in 2020. These are index-based variable payments, which are accounted for from the date the adjustment of the lease payments takes effect, using an unchanged discount rate.

In most of the leases for railroad cars, the Group has granted residual value guarantees in light of the uncertainties regarding future sales proceeds and the lessors’ requirement that BLG LOGISTICS participate in the risks. Only the amounts that are expected to be paid are included in the lease payments. Estimates are based on the expected residual values of the railroad cars at the end of the lease term. They are regularly reviewed and, if necessary, adjusted using an unchanged discount rate. Residual value guarantees of no more than EUR 6.1 million (previous year: EUR 11.8 million) (undiscounted) are not expected to result in payments, so no amounts for residual value guarantees were included in the lease liabilities as of December 31, 2022. There are also a small number of options to purchase railroad cars at fair value.

Recognition and measurement

BLG LOGISTICS as a lessee recognizes assets for the right to use the leased assets and liabilities for the payment obligations entered into. They are recognized at the date from which the underlying asset is available for the Group’s use.

IFRS 16 is not applied to leases for intangible assets. BLG LOGISTICS exercises the option for short-term leases and leases of low-value assets and recognizes payments for these leases on a straight-line basis as expenses in the statement of profit or loss. In the case of contracts that contain other components besides lease components, these components are not separated.

The right-of-use assets are measured at cost, comprising the present value of the outstanding lease payments and lease payments made to the lessor on or before commencement of the lease less lease incentives received, initial direct costs and, if applicable, the estimated costs to dismantle the underlying assets.

Subsequently, the right-of-use assets are depreciated over the shorter of the term of the lease and the useful life in line with the rules for comparable own assets and, if necessary, impaired (see also note 12 under "Impairment").

These are grouped with acquired assets for reporting purposes, taking into account the asset class.

The lease liabilities are measured at the present value of the outstanding lease payments. They are discounted using the interest rate implicit in the lease, if that rate can be determined. Alternatively, they are discounted at the incremental borrowing rate.

The lease payments include fixed lease payments, less lease incentives to be received from the lessor, variable lease payments linked to an index or interest rate, expected payments resulting from residual value guarantees, the exercise price of a purchase option if the exercise is reasonably certain, and penalties payable if termination options are exercised, if their exercise is reasonably certain.

After initial recognition, the lease liabilities are measured at amortized cost using the effective interest method. Interest cost is therefore computed for lease liabilities on the basis of an amount resulting in a constant periodic discount rate for the remaining liabilities. This corresponds to the discount rate determined at the commencement date of the lease, unless a reassessment requires a change in the discount rate. This is the case if changes in the estimate regarding exercise or non-exercise of purchase, extension or termination options arise or changes to the scope, amount of contractual payments or the term of the lease are agreed. Remeasurements using an unchanged discount rate must be made in the event of changes in variable payments linked to an index or interest rate or changes in the estimate of the payments expected to be made under residual value guarantees. Amounts from a remeasurement of the lease liability are recognized at the same time as an adjustment to the right-of-use asset. If the value of the right to use the leased asset is reduced to zero, the remaining adjustment amount is to be recognized in the statement of profit or loss. Lease payments made less the interest expenses included therein reduce the carrying amount of the lease liabilities.

Right-of-use assets

The following table shows the separate carrying amounts for rights to use leased assets that were included in property, plant and equipment.

EUR thousand	**2022**	2021
Land, land rights and buildings, including buildings on third-party land	241,160	248,161
Handling equipment	15,671	27,487
Other equipment, operating and office equipment	2,508	2,081
Total	**259,339**	**277,729**

The additions to right-of-use assets in the 2022 financial year amounted to EUR 30,132 thousand (previous year: EUR 51,360 thousand).

The corresponding lease liabilities are recognized under financial liabilities. Please refer to note 24.

Statement of profit or loss

The following amounts were recognized in the statement of profit or loss in connection with leases in which BLG LOGISTICS is the lessee.

EUR thousand	2022	2021
Depreciation, amortization and impairments		
Land, land rights and buildings, including buildings on third-party land	32,090	28,316
Handling equipment	12,303	17,797
Technical plant and machinery	0	123
Other equipment, operating and office equipment	1,501	1,457
	45,894	**47,693**
Other operating expense		
Expenses for short-term leases	12,046	13,460
Expenses for leases of low-value assets	1,993	1,709
	14,039	**15,169**
Interest expense		
Interest expenses from lease liabilities	11,337	11,422
	11,337	**11,422**
Total	**71,270**	**74,284**

Total payments for leases in the financial year amounted to EUR 88,894 thousand (previous year: EUR 97,923 thousand).

BLG as lessor

Leases

The Group has subleases for land, buildings, wharfs and operating equipment. The terms of these subleases in the main correspond with those of the head leases. In addition, BLG LOGISTICS is in some cases lessor under customer contracts.

The subleases largely relate to the rights and obligations, transferred under usage transfer agreements, arising from the heritable building rights of the Free Hanseatic City of Bremen (municipality) for land necessary for the business of the EUROGATE Group. Further information is given in note 15 under "Joint ventures."

Recognition and measurement

As lessor, BLG LOGISTICS classifies leases at commencement as an operating lease or a finance lease.

If the lease transfers in substance all the risks and rewards of ownership, the lease is a finance lease. If this is not the case, the lease is an operating lease.

As intermediate lessor, the Group recognizes the head lease and the sublease separately. If the head lease is a short-term lease for which the recognition option is exercised, the sublease must be classified as an operating lease. In all other cases, the sublease is classified on the basis of the right-of-use asset from the head lease instead of the underlying asset.

In the case of operating leases, the lease payments received are recognized through profit or loss in revenue or other operating income, depending on the items to which they relate.

In the case of finance leases, the leased asset or right-of-use asset from the head lease is derecognized, and a lease receivable is recognized in the amount of the net investment in the lease. Interest income is recognized over the term of the leases in the amount that results in a constant periodic rate of return on the remaining lease receivables. After initial recognition, the lease receivables are reduced by the lease payments received less the interest income included therein. Loss allowances for lease receivables reported in net profit or loss are recognized on the basis of expected credit losses according to the general approach. Please also refer to note 16.

Lease receivables

In the table below, the undiscounted future lease payments from finance leases are presented by due date and reconciled with the recognized lease receivables.

EUR thousand	12/31/2022	12/31/2021
One year or less	32,493	23,707
More than one and less than 2 years	26,411	22,600
More than 2 and less than 3 years	25,718	17,602
More than 3 and less than 4 years	23,856	17,234
More than 4 and less than 5 years	18,424	15,371
More than 5 years	201,163	212,404
Total undiscounted lease payments	**328,065**	**308,918**
Unrealized interest income	78,166	74,229
Lease receivables (net investment in the lease)	**249,899**	**234,689**

Statement of profit or loss

The following amounts were recognized in the statement of profit or loss in connection with leases in which BLG LOGISTICS is the lessor.

EUR thousand	2022	2021
Revenue		
Income from operating leases	2,956	1,548
	2,956	**1,548**
Other operating income		
Income from operating leases	1,294	1,371
Income from subleases	792	634
	2,086	**2,005**
Interest income		
Interest income from lease receivables	8,169	6,627
	8,169	**6,627**
Total	**13,211**	**10,180**

In the table below, the undiscounted future lease payments from operating leases are presented by due date.

EUR thousand	12/31/2022	12/31/2021
One year or less	2,344	4,334
More than one and less than 2 years	1,097	2,317
More than 2 and less than 3 years	633	1,091
More than 3 and less than 4 years	504	633
More than 4 and less than 5 years	0	504
More than 5 years	0	0
Total undiscounted lease payments	**4,578**	**8,879**

15. Equity Investments in Companies Accounted for Using the Equity Method

Investments in associates and joint ventures are generally measured using the equity method of accounting. Based on the cost of acquisition at the time of acquiring the shares, the carrying amount of the investment is increased or decreased by the profit or loss, the changes in other comprehensive income and the other changes in equity of the companies to the extent these are attributable to the shares held by BLG LOGISTICS. In the case of proportionate losses that exceed the carrying amount of an investment accounted for using the equity method, they are also offset through profit or loss against non-current loans or receivables attributable to the net investment in the investee. After the application of the equity method, testing must also be carried out to determine whether there are any indications of impairment of the net investment in the investee.

EUR thousand	12/31/2022	12/31/2021
Investments in joint ventures	230,575	158,509
Investments in associates	4,375	3,840
Total	**234,950**	**162,349**

Joint ventures

The change in the carrying amount of the investments in joint ventures was primarily the result of increases due to proportionate net income for the financial year (EUR 76,515 thousand, previous year: EUR 61,714 thousand), changes in other reserves due to the remeasurement of pensions (EUR 26,267 thousand, previous year: EUR 879 thousand), the fair value measurement of financial instruments (EUR 722 thousand, previous year: EUR 145 thousand), currency translation differences (EUR –1,234 thousand, previous year: EUR 1,480 thousand) and other changes (EUR –1,945 thousand, previous year: EUR –50 thousand), as well as reductions due to distributions (EUR –28,283 thousand, previous year: EUR –499 thousand). In the reporting year, changes in the group of consolidated companies were also included with EUR 25 thousand (previous year EUR 0 thousand).

Information about significant joint ventures is presented below.

EUROGATE GmbH & Co. KGaA, KG, Bremen, is a joint venture of BLG KG and EUROKAI GmbH & Co. KGaA, Hamburg, which is structured as an independent entity. BLG KG’s interest in the joint venture and its equity investments is 50 percent (previous year: 50 percent) and represents the CONTAINER Division. With this investment, the Group receives rights to the joint venture’s net assets rather than rights to its assets and obligations arising from its liabilities.

The IFRS subgroup financial statements of the EUROGATE Group are consolidated using the equity method. EUROGATE GmbH & Co. KGaA, KG and its subsidiaries are accordingly included in the list of shareholdings under the item “Companies accounted for using the equity method.” No market price is available for EUROGATE GmbH & Co. KGaA, KG.

The services of the CONTAINER Division are described in note 2.

For the land necessary for its business, BLG KG has transferred to the EUROGATE Group under usage transfer agreements the rights and obligations arising from the heritable building rights of the Free Hanseatic City of Bremen (municipality).

In the usage transfer agreements, BLG KG undertakes to pay compensation to the EUROGATE Group for buildings erected on the land used at the expiration of the usage transfer agreement or upon extraordinary termination. The compensation is based on the market value of the buildings. In addition, BLG KG irrevocably surrenders its claims for compensation to the EUROGATE Group upon exercise of the right to reversion under the heritable building right contract by the Free Hanseatic City of Bremen (municipality).

The EUROGATE Group provides technical services for BLG LOGISTICS and assumes settlement of electricity drawing in the city state of Bremen's overseas port in Bremerhaven from the port investment funds. This is based on the takeover of the electricity supply network for the respective area from January 1, 2008.

In Segment Reporting and note 3, this joint venture is represented by the CONTAINER Division.

The following table summarizes the financial information of the IFRS subgroup financial statements of EUROGATE GmbH & Co. KGaA, KG and reconciles this information with the carrying amounts of the investments in joint ventures.

EUR thousand	12/31/2022	12/31/2021
Non-current assets	1,009,507	963,369
Current assets	535,330	439,019
Non-current liabilities	-755,054	-882,042
Current liabilities	-331,093	-212,709
Net assets	**458,690**	**307,637**
Shareholding in %	**50.0**	**50.0**
Proportionate share of net assets	229,345	153,819
Other equity attributable to non-controlling interests	-465	-354
Group share of net assets (= equity carrying amount)	**228,880**	**153,465**

Current assets included cash and cash equivalents of EUR 392,356 thousand (previous year: EUR 327,523 thousand).

EUR 585,704 thousand of the non-current liabilities (previous year: EUR 650,411 thousand) and EUR 203,218 thousand of the current liabilities (previous year: EUR 155,314 thousand) were attributable to financial liabilities (in each case excluding trade payables, other liabilities and provisions). The financial liabilities resulted with EUR 334,325 thousand (previous year: EUR 356,775 thousand) from non-current and with EUR 21,871 thousand (previous year: EUR 22,240 thousand) from current lease liabilities.

EUR thousand	2022	2021
Revenue	690,196	611,909
Depreciation and amortization	-77,282	-69,937
Reversals/impairment	54,644	3,488
Other interest and similar income	1,945	1,202
Interest and similar expenses	-21,556	-10,329
Taxes on income	-6,381	-15,935
Net profit for the year	153,682	123,710
Other comprehensive income, net of income tax	51,733	4,538
Total comprehensive income	**205,415**	**128,248**

EUR 76,705 thousand of the net profit for the year (previous year: EUR 61,879 thousand) and EUR 25,866 thousand of other comprehensive income net of income taxes (previous year: EUR 2,269 thousand) was attributable to BLG LOGISTICS.

BLG LOGISTICS received a dividend from EUROGATE GmbH & Co. KGaA, KG in the amount of EUR 27,320 thousand in the reporting year (previous year: EUR 0 thousand).

EUR thousand	2022	2021
Cash flow from operating activities	163,054	149,179
Cash flow from investing activities	-41,178	12,977
Cash flow from financing activities	-57,043	22,961
Net change in cash and cash equivalents	**64,833**	**185,117**
Cash and cash equivalents at start of financial year	327,523	142,406
Cash and cash equivalents at end of financial year	**392,356**	**327,523**
Composition of cash and cash equivalents		
Cash and cash equivalents	392,356	327,523
Cash and cash equivalents at end of financial year	**392,356**	**327,523**

The individual other investments in joint ventures held by BLG LOGISTICS are considered immaterial. The following table summarizes the carrying amounts, the share of the net profit (loss) for the year and the share of other comprehensive income of these equity investments:

EUR thousand	2022	2021
Carrying amount of investments in other joint ventures	1,695	5,044
Share of		
net profit (loss) for the year	-190	-165
Other comprehensive income (loss)	-158	235
Proportionate share of total comprehensive income (loss)	**-348**	**70**

The proportionate net income for the year results in full from continuing operations.

In the 2022 financial year, negative shares of EUR 105 thousand (previous year: EUR 218 thousand) and positive shares of EUR 346 thousand (previous year: EUR 125 thousand) in the total comprehensive income of joint ventures were not included in the Group result as the equity-method carrying amount had already been adjusted to zero as a result of losses in prior periods. At the reporting date, the cumulative negative share in the total comprehensive income of joint ventures not recognized in the Group result totaled EUR 3,636 thousand (previous year: EUR 3,648 thousand).

Associates

The change in the carrying amount of the investments in associates was primarily the result of increases due to proportionate net income for the financial year (EUR 1,191 thousand, previous year: EUR 1,069 thousand), changes in other reserves due to the remeasurement of pensions (EUR 80 thousand, previous year: EUR -5 thousand), as well as reductions due to distributions (EUR -738 thousand, previous year: EUR -584 thousand) and currency translation differences (EUR 2 thousand, previous year: EUR 19 thousand). As in the prior period, no changes in the group of consolidated companies or other changes arose in the reporting year.

The individual investments in associates held by BLG LOGISTICS are considered immaterial.

The following table summarizes the carrying amounts, the share in the net profit (loss) for the year attributable to BLG LOGISTICS and the share of other comprehensive income of these equity investments:

EUR thousand	2022	2021
Carrying amount of investments in associates	4,375	3,840
Share of		
net profit for the year	1,191	588
other comprehensive income	2	14
Proportionate share of total comprehensive income	**1,193**	**602**

The proportionate net income for the year results in full from continuing operations.

In the 2022 financial year, negative shares of EUR 1 thousand (previous year: EUR 12 thousand) in the total comprehensive income of associates were not included in the Group result. At the reporting date, the cumulative negative share of the total comprehensive income of joint ventures not recognized in the Group result totaled EUR 221 thousand (previous year: EUR 215 thousand).

16. Finance Receivables

Please refer to ▸note 14 for information on the measurement of lease receivables.

The finance receivables from shareholder accounts in companies accounted for using the equity method relate to profit shares from partnerships classified as debt instruments. As the profit shares are not capital repayments but capital returns, they are measured at fair value through profit or loss.

The other finance receivables of BLG LOGISTICS comprise finance receivables and claims under equity instruments from companies accounted for using the equity method, shareholders and third parties, for which the payments are solely payments of principal and interest and which are held to generate contractual cash flows. They are therefore measured at amortized cost. Interest income is recognized pro rata temporis in the statement of profit or loss, taking the effective interest return into account. Foreign exchange differences and gains and losses on derecognition are likewise recognized through profit or loss.

Loss allowances for finance receivables reported in profit or loss are recognized on the basis of expected credit losses according to the general approach. According to this approach, a loss allowance is recognized for financial assets whose credit risk has not increased significantly since initial recognition in the amount of the credit losses expected to occur within the next 12 months.

For financial assets for which credit risk has increased significantly since initial recognition, a loss allowance must be recognized in the amount of the lifetime expected credit losses.

Qualitative and quantitative indicators are taken into account when determining whether there has been a significant increase in credit risk since initial recognition. These include historical data, the agreement of forbearance measures and contractual payments that are more than 30 days past due. If financial assets are more than 90 days past due, they are classified as impaired. Loss allowances are recognized if a formal dunning process has been initiated or knowledge has been obtained about the insolvency of a customer.

Financial assets are generally derecognized when BLG LOGISTICS loses control of the underlying rights wholly or in part by selling or discharging them or transferring them to a third party in a manner that qualifies for derecognition. A transfer to a third party qualifies for derecognition when the contractual rights to the cash flows from assets are surrendered, no arrangements for the retention of individual cash flows exist, all the risks and rewards are transferred to the third party and BLG LOGISTICS no longer has control over the assets.

Loans to companies accounted for using the equity method are made at interest rates of between 2 and 6 percent (previous year: between 2 and 6 percent).

Due to their fixed interest rates, the loans are subject to an interest rate-linked market price risk; this is not significant for BLG LOGISTICS considering the amount and maturity of receivables.

The maximum exposure to credit risk corresponded to the carrying amount; there were no indications of significant concentrations of credit risk.

EUR thousand	**2022 Current**	**2022 Non-current**	2021 Current	2021 Non-current
Lease receivables	23,110	226,789	17,093	217,596
Finance receivables from shareholder accounts in companies accounted for using the equity method	27,838	0	972	0
Loans to companies accounted for using the equity method	390	654	500	0
Other receivables from shareholders	870	0	735	0
Excess of plan assets over post-employment benefit liability	0	328	0	0
Loans to affiliated companies	0	422	0	0
Other loans	66	5	55	5
Miscellaneous other finance receivables	2,785	30	1,777	26
Total	**55,059**	**228,228**	**21,131**	**217,627**

The credit risk and the expected credit losses for finance receivables measured at amortized cost were as follows as of December 31, 2022 and December 31, 2021.

12/31/2022 EUR thousand	**12 months**	**Residual maturity**		**Total**
		Non-impaired	Impaired	
Loans to companies accounted for using the equity method	1,044	0	2,489	3,533
Loans to affiliated companies	422	0	0	422
Other loans	71	0	0	71
Other receivables from shareholders	578	0	0	578
Finance receivables from finance leases	249,899	0	0	249,899
Miscellaneous other finance receivables	2,812	0	0	2,812
Nominal amounts	**254,826**	**0**	**2,489**	**257,315**
Loss allowances	0	0	-2,489	-2,489
Carrying amounts	**254,826**	**0**	**0**	**254,826**

12/31/2021 EUR thousand	**12 months**	**Residual maturity**		**Total**
		Non-impaired	Impaired	
Loans to companies accounted for using the equity method	500	0	2,599	3,099
Other loans	60	0	0	60
Other receivables from shareholders	735	0	0	735
Finance receivables from finance leases	234,689	0	0	234,689
Miscellaneous other finance receivables	1,803	0	0	1,803
Nominal amounts	**237,787**	**0**	**2,599**	**240,386**
Loss allowances	0	0	-2,599	-2,599
Carrying amounts	**237,787**	**0**	**0**	**237,787**

Loss allowances for finance receivables developed as follows:

2022 **EUR thousand**	**12 months**	**Residual maturity**		**Total**
		Non-impaired	Impaired	
Amount as of the beginning of the financial year	0	0	2,599	2,599
Loss allowances for the financial year				
Reversals	0	0	-110	-110
Amount as of the end of the financial year	**0**	**0**	**2,489**	**2,489**

2021 **EUR thousand**	**12 months**	**Residual maturity**		**Total**
		Non-impaired	Impaired	
Amount as of the beginning of the financial year	0	0	4,109	4,109
Loss allowances for the financial year				
Transfers	0	0	70	70
Reversals	0	0	-80	-80
Use/derecognition of receivables	0	0	-1,500	-1,500
Amount as of the end of the financial year	**0**	**0**	**2,599**	**2,599**

17. Inventories

The inventories line item comprises raw materials, consumables and supplies, work in progress and finished goods and merchandise. Initial recognition is at purchase cost, determined on the basis of average prices, or at production cost. Production cost includes all direct production costs as well as appropriate portions of production overheads and is determined on the basis of normal capacity utilization. Financing costs are not taken into account.

The measurement at the end of the reporting period is at the lower of cost or net realizable value less costs due and, where appropriate, other incurred costs of completion. The net realizable value of the final product is generally taken as a basis.

EUR thousand	12/31/2022	12/31/2021
Raw materials, consumables and supplies	17,451	17,106
Finished goods and merchandise	5	3
Total	**17,456**	**17,109**

Inventories are not pledged as collateral for liabilities. Loss allowances of EUR 209 thousand (previous year: EUR 229 thousand) were recognized on inventories as of December 31, 2022. The inventories recognized as expenses in the reporting year amounted to EUR 96,790 thousand (previous year: EUR 71,483 thousand).

18. Trade Receivables, Other Assets and Assets Held for Sale

Trade receivables
Trade receivables are recognized from the settlement date and held in order to generate contractual cash flows. They are therefore measured at amortized cost using the effective interest method.

Loss allowances reported in net profit or loss are recognized on the basis of expected credit losses using the simplified approach. According to this approach, the amount of the loss allowance is to be determined on the basis of the lifetime expected credit losses. Changes in credit risk do not have to be tracked. Loss allowances are reported net in the statement of profit or loss.

At BLG LOGISTICS, the expected credit losses are calculated on the basis of the historical credit loss rates of the last five years, based on past-due time bands and adjusted for management estimates regarding the future development of the economic environment, especially estimates of the credit rating of major customers and general economic conditions.

Trade receivables are derecognized upon realization (expiration) or transfer of the receivables to a third party. In addition, trade receivables are derecognized if the inflow of cash is unlikely.

Trade receivables are non-interest bearing, payable within one year and are not to be used as collateral for liabilities. The average credit term was 59 days (previous year: 61 days). The maximum exposure to credit risk corresponded to the carrying amount; there were no indications of significant concentrations of credit risk.

EUR thousand	12/31/2022	12/31/2021
Receivables from third parties	181,590	175,395
Receivables from affiliated companies	14	17
Receivables from investees	2,408	1,580
Total	**184,012**	**176,992**

The credit risk and the expected credit losses for trade receivables were as follows as of December 31, 2022 and December 31, 2021:

12/31/2022 EUR thousand	Expected credit loss rate (weighted average)	Nominal amounts	Loss allowances	**Carrying amounts**
Not past due	0.4%	158,822	-561	158,261
Less than 30 days	0.4%	20,527	-80	20,447
Between 30 and 90 days	4.8%	4,374	-208	4,166
Between 91 and 180 days	12.4%	194	-24	170
More than 180 days	22.6%	1,251	-283	968
Total		**185,168**	**-1,156**	**184,012**

12/31/2021 EUR thousand	Expected credit loss rate (weighted average)	Nominal amounts	Loss allowances	Carrying amounts
Not past due	0.4%	152,035	-636	151,399
Less than 30 days	0.4%	16,134	-72	16,062
Between 30 and 90 days	1.2%	3,592	-43	3,549
Between 91 and 180 days	13.6%	1,563	-212	1,351
More than 180 days	1.7%	4,710	-79	4,631
Total		**178,034**	**-1,042**	**176,992**

Loss allowances for trade receivables developed as follows:

EUR thousand	**2022**	2021
Amount as of the beginning of the financial year	1,042	4,366
Changes in group of consolidated companies	0	0
Loss allowances for the financial year		
Transfers	295	290
Reversals	-177	-1,023
Changes in exchange rates	3	2
Use/derecognition of receivables	-7	-2,593
Balance as of the end of the financial year	**1,156**	**1,042**

In the reporting year, there were also derecognitions of trade receivables of EUR 96 thousand (previous year: EUR 205 thousand), which were reported in the net gains/losses from impairment.

Other financial and non-financial assets

Other assets mainly comprise contract assets. Other financial assets include financial investments, derivative financial instruments (see note 32), and, where appropriate, securities classified as current assets. Other financial assets are recognized at their respective settlement date. BLG LOGISTICS only holds very small amounts of securities held as current assets.

Financial investments include investments in affiliated companies and other equity investments. These are long-term investments that are measured at fair value through other comprehensive income as equity instruments, exercising the option provided by IFRS 9. Even when the equity instruments are disposed of, gains and losses from the measurement of the equity investments are not reclassified to profit or loss but to retained earnings. Dividends are recognized through profit or loss, unless they are capital repayments.

The measurement of equity investments at fair value required by IFRS 9 is only forgone if the equity investments are immaterial and there is no active market for the measurement of fair value.

The Group's accounting policies for contract assets are presented in note 4.

Miscellaneous other financial and non-financial assets are stated at their nominal values. Other financial and non-financial assets are non-interest bearing and are not used as collateral for liabilities.

EUR thousand	12/31/2022 Current	12/31/2022 Non-current	12/31/2021 Current	12/31/2021 Non-current
Other financial assets				
Investments in affiliated companies	0	397	0	339
Other financial investments	0	138	0	141
Derivatives with positive fair value	9,888	0	0	0
Miscellaneous financial assets	695	67	810	35
	10,583	**602**	**810**	**515**
Other non-financial assets				
Contract assets (note 4)	17,159	0	7,854	0
Receivables from tax and customs authorities	2,358	0	1,883	0
Advance payments received	1,782	0	0	0
Receivables from German Infection Protection Act	1,666	0	1,169	0
Prepaid expenses	752	87	1,171	59
Receivables from Agentur für Arbeit (Labor Agency)	319	0	1,809	0
Miscellaneous non-financial assets	1,619	0	233	0
	25,655	**87**	**14,120**	**59**
Total	**36,237**	**689**	**14,930**	**574**

Investments in affiliated companies

Investments in affiliated companies mainly comprise the non-consolidated general partner companies of the fully consolidated operational limited partnerships.

Other equity investments

Other equity investments include companies with dormant or only limited operations in which BLG AG or BLG KG is directly or indirectly entitled to at least 20 percent of the voting rights and which are of only minor importance for giving a true and fair view of the financial position, financial performance and cash flows of BLG LOGISTICS.

19. Cash and Cash Equivalents

EUR thousand	12/31/2022	12/31/2021
Current account balances	2,326	17,281
Overnight loans and short-term time deposits	16,040	15,693
Cash	37	36
Total	**18,403**	**33,010**

Cash and cash equivalents are subject to the impairment requirements of IFRS 9. No impairment was recognized, as the cash and cash equivalents are primarily held with banks in the European Union and mainly in euros and the requirements have no material effect. As there have been no bad debts in the past and there are no identifiable indicators of future bad debts, they are recognized at nominal value.

Bank balances earn interest at floating rates for demand deposits. Short-term deposits are made for periods varying between one day and one month, depending on the immediate cash requirements of the Group. They earn interest at the current short-term deposit interest rate.

Capital Structure

20. Equity

The breakdown of and changes to equity in the 2022 and 2021 financial years are presented in the consolidated statement of changes in equity as a separate component of the consolidated financial statements as of December 31, 2022.

a) Consolidated capital of BLG AG
As in the previous year, the share capital (subscribed capital) amounted to EUR 9,984,000.00 and was divided into 3,840,000 approved, no-par registered shares with voting rights. Transfer of the shares requires the approval of the company in accordance with Section 5 of the Articles of Incorporation. As in the previous year, the share capital was fully paid as of December 31, 2022.

The retained earnings included the legal reserve pursuant to Section 150 of the German Stock Corporation Act (AktG) of EUR 998 thousand (previous year: EUR 998 thousand), which was allocated in full, as well as other retained earnings of EUR 10,086 thousand (previous year: EUR 10,273 thousand). In the 2022 financial year, withdrawals from retained earnings amounted to EUR 110 thousand (previous year: transfers to retained earnings of EUR 697 thousand).

b) Consolidated capital of BLG KG
The capital attributable to the limited partner of BLG KG is recognized. The limited liability capital and the share premium were almost exclusively made up of contributions in kind.

The share premium account includes allocations of asset-side differences from the time before the transition of the consolidated financial statements to IFRSs. In the prior period, the limited partner, the Free Hanseatic City of Bremen, made a contribution to the share premium of EUR 53,000 thousand.

Retained earnings include, in addition to undistributed profits from prior periods, dividend payments and other withdrawals, earlier changes in the basis of consolidation recognized outside profit or loss, and other changes and shares of consolidated net profit. In addition, retained earnings also include the differences between the German Commercial Code (HGB) and IFRSs existing on January 1, 2004 (date of transition). There is no separate presentation of the net profit or loss of consolidated companies.

The actuarial gains and losses credited or charged directly to equity from the measurement of gross pension obligations in accordance with IAS 19 and the difference between the expected and actual return on plan assets are reported in "Other reserves."

The reserve from the fair value measurement of financial instruments includes net gains or losses credited or charged directly to equity from changes in the fair value of the effective portion of the cash flow hedges. Reserves are generally reversed upon settlement of the underlying transaction. In addition, the reserves are reversed on expiration, disposal, termination or exercise of the hedging instrument, in the event of revocation of the designation of the hedging relationship or non-fulfillment of the requirements for a hedge under IFRS 9. The reserve also contains changes in the measurement of equity investments measured at fair value. Further disclosures on hedge accounting are presented in note 32 in the "Derivative financial instruments" section.

EUR thousand	**2022**	2021
As of January 1	-8,088	-12,951
Change in reserves	19,266	4,863
As of December 31	**11,178**	**-8,088**

As of the end of the reporting period, the reserve consisted of the fair values of the interest rate swaps qualifying as hedges of EUR 10,079 thousand (previous year: EUR -8,465 thousand), deferred taxes on this amount recognized directly in equity of EUR 453 thousand (previous year: EUR 453 thousand) as well as EUR 646 thousand (previous year: EUR -76 thousand) from the fair values of financial instruments at associates recognized directly in equity.

The foreign currency translation reserve includes exchange differences from the translation of financial statements of consolidated companies in currencies other than the euro.

c) Equity of non-controlling interests
This item contained EUR 6,290 thousand (previous year: EUR 6,934 thousand) for the minority interests in the equity of fully consolidated subsidiaries.

For the development of the individual equity components, please see the separate Consolidated statement of changes in equity.

21. Earnings per Share BLG AG

In accordance with IAS 33, basic earnings per share are calculated by dividing the consolidated net profit attributable to BLG AG by the average number of shares. Basic earnings per share for the 2022 financial year amounted to EUR 0.25 (previous year: EUR 0.30). This calculation was based on the portion of the consolidated net profit of EUR 965 thousand (previous year: EUR 1,154 thousand) attributable to BLG AG and the unchanged number of shares of 3,840,000.

In the calculation of diluted earnings per share, the average number of issued shares was adjusted for the number of all potentially dilutive shares. As in the previous year, there was no deviation in amount from the basic earnings in the reporting year.

Like basic earnings per share, diluted earnings per share were fully attributable to continuing operations.

22. Dividend per Share

On June 1, 2022, the Annual General Meeting of BLG AG approved the proposal of the Board of Management and the Supervisory Board to appropriate the net retained profits (in accordance with the German Commercial Code (HGB)) of EUR 1,152 thousand reported on December 31, 2021 as follows:.

Distribution of a dividend of EUR 0.30 per share. This represented a pay-out ratio of EUR 1,152 thousand and a distribution ratio of 99.8 percent. The dividend was distributed to our shareholders on June 7, 2022.

For the 2022 financial year, the Board of Management and the Supervisory Board will propose to the Annual General Meeting on June 7, 2023 that the net retained profits in the amount of EUR 1,075 thousand be used to pay a dividend of EUR 0.28 per share. This represents a pay-out ratio of 114.4 percent.

Shareholders' rights to dividend payments are recognized as a liability in the period in which the corresponding resolution is passed.

23. Non-current Loans

EUR thousand	**2022**	2021
Up to 1 year	20,469	21,699
1 to 5 years	59,620	70,022
Above 5 years	79,821	66,666
Total	**159,910**	**158,387**

Of the loans from banks, a total of EUR 61,182 thousand (previous year: EUR 65,328 thousand) had fixed interest rates and EUR 98,728 thousand (previous year: EUR 93,059 thousand) had variable interest rates.

Assurances have been made to all partner banks with regard to equal treatment and the change-of-control clause.

24. Other Financial Liabilities

Financial liabilities are recognized as liabilities when the BLG Group becomes party to an agreement. The liabilities are measured at fair value on initial recognition. They are subsequently measured, with the exception of derivatives, at amortized cost using the effective interest method. The measurement of derivatives is described in note 32.

Please refer to note 14 for information on the measurement of lease receivables.

Financial assets and liabilities are only netted and the net amount reported in the statement of financial position when there is a legally enforceable right to do so and there is an intention to settle on a net basis or to settle the corresponding liability at the same time as the relevant asset is sold.

Liabilities are derecognized after settlement, waiver or expiration.

Other financial liabilities break down as follows:

EUR thousand	**12/31/2022 Current**	**12/31/2022 Non-current**	12/31/2021 Current	12/31/2021 Non-current
Lease liabilities	61,429	466,861	56,673	470,307
Loans BLG Unterstützungskasse GmbH	25,600		25,600	
Current portion of non-current loans	20,469		21,699	
Term and call money deposits	0		15,000	
Derivatives with negative fair value	326		8,870	
Obligations under revenue deductions	11,473		8,623	
Other borrowings	9,441	56,035	7,999	55,718
Bank overdrafts	21,038		6,570	
Cash management with respect to equity investments	2,729		3,949	
Liabilities to factoring company	3,908		2,559	
Future social concept	1,240	3,915	1,028	3,454
Other	3,867	63	4,005	0
Total	**161,519**	**526,874**	**162,574**	**529,479**

The average effective interest rates as of the end of the reporting period of current account liabilities to banks amounted to 1.0 percent (previous year: 0.8 percent).

Information on (undiscounted) future cash flows from lease liabilities and other financial loans is given in note 32 under “Liquidity risk.”

25. Deferred Government Grants

EUR thousand	12/31/2022 Non-current	12/31/2021 Non-current
AUTOMOBILE Division	2,792	2,734
CONTRACT Division	150	92
Total	**2,942**	**2,826**

EUR thousand	12/31/2022 Current	12/31/2021 Current
AUTOMOBILE Division	70	70
CONTRACT Division	11	11
Total	**81**	**81**

Investment grants from the government are not recognized until there is reasonable assurance that the attached conditions will be met and that the grant will be awarded. Grants are reported separately under liabilities using the gross method. They are reversed pro rata temporis in line with the depreciation and amortization of the subsidized assets.

The items set forth in the tables above were deferrals for asset-related grants. The grants of the AUTOMOBILE Division included EUR 1,204 thousand (previous year: EUR 1,256 thousand) for grants from the Federal Railway Authority for replacements and renovations in the rail infrastructure. The deferrals were reversed in line with the depreciation of the subsidized assets. Total income from the reversal of the deferrals amounting to EUR 126 thousand (previous year: EUR 81 thousand) was recognized in 2022.

In addition, further income of EUR 1,017 thousand was recognized during the year (previous year: EUR 2,544 thousand), the full amount of which related to grants recognized through profit or loss. EUR 389 thousand (previous year: EUR 1,506 thousand) of this amount related to reimbursements of social security contributions by the Agentur für Arbeit (Federal Labor Agency) in connection with the introduction of short-time work. These were reported gross under other operating income.

26. Non-current Provisions

Pension obligations are post-employment benefits within the meaning of IAS 19. Pension provisions are measured using the projected unit credit method prescribed in IAS 19 for defined benefit plans. In addition to pension obligations existing at the end of the reporting period, this method also takes into account the future earnings trend, expected pension increases and expected fluctuation. Actuarial gains and losses are fully credited or charged to other comprehensive income in the period in which they arise. The net interest component, which includes interest expense from the interest cost of the gross pension obligations less the expected return on plan assets, is shown in net financial income / net finance costs. The plan assets bear interest at the applied discount rate on which the measurement of the pension obligations is based. The obligations presented in the statement of financial position are net obligations after offsetting against plan assets.

Anniversary provisions are other long-term employee benefits within the meaning of IAS 19. They are also measured using the projected unit credit method. The interest component included in the anniversary expenses is shown in net financial income / net finance costs.

EUR thousand	12/31/2022	12/31/2021
Personnel-related provisions		
Direct commitments	2,609	5,718
Port pensions	11,981	18,963
Future social concept	8,923	35,481
Anniversary provisions	7,619	10,485
	31,131	**70,648**
Other provisions		
Miscellaneous other non-current provisions	23	42
	23	**42**
Total	**31,154**	**70,690**

Provisions for pensions

All the plans of BLG LOGISTICS are defined benefit plans within the meaning of IAS 19. There are no minimum funding requirements.

The individual commitments of the Group companies form the legal basis for granting benefits. In addition, there are obligations for the payment of a disability pension and a retirement pension from the collective framework agreement for the port employees of German seaport companies, including the special provisions for the ports in the state of Bremen of May 12, 1992. On January 1, 1998, the pension obligations existing at BLG AG up to this date were assumed by the Free Hanseatic City of Bremen (municipality).

There are also pension obligations in accordance with the guidelines of the Siemens pension insurance for employees who were transferred as of October 1, 2001 from SRI Radio Systems GmbH and as of May 1, 2003 from Siemens AG to BLG Logistics Solutions GmbH & Co. KG.

Pension obligations exist for employees who were transferred from Schenker AG as of April 1, 2015, and from Kühne+Nagel (AG & Co.) KG as of January 1, 2016, to BLG Industrielogistik GmbH & Co. KG pursuant to Schenker AG's "Benefit plan 2000" works agreement of February 28, 2003, as well as Schenker AG's "Pension component employee participation" company-wide works agreement of June 9, 2011.

Due to a transfer of operations, BLG Handelslogistik GmbH & Co. KG assumed obligations from Puma AG in the form of identical individual commitments as of October 1, 2018.

In addition, there are obligations to grant and pay retirement, disability and survivor's pensions due to a Group works agreement on ensuring the social future dated March 15, 2005 (social future concept). Significant portions of this benefit plan are made up of annually agreed compensation waivers to be negotiated with the participating employees, while the components of the bonus plan result annually from an employee profit sharing plan established after the end of the financial year.

For parts of the individual commitments and for the obligations within the framework of the social future concept, there are plan assets in the form of qualified insurance contracts within the meaning of IAS 19. The plan assets are managed externally by insurance companies, and specifically include reinsurance cover for pension commitments and deposits for outstanding reinsurance premiums, in which outstanding reinsurance premiums are invested as a lump sum in a securities account. The instalment premiums to the reinsurer are financed from a corresponding sale of the fund units.

Like the reinsurance policy, the fund units are pledged to the beneficiaries. The asset values determined by the insurance companies are recognized as fair values. If at the end of the reporting period there is a match between the insurance payments made and the accrued pension benefits, the fair value of the pension liability claim from life insurance policies is recognized with the present value of the defined benefit obligations (primacy of the liabilities side).

EUR thousand	**12/31/2022**	12/31/2021
Reinsurance policies	69,861	69,492
Deposit for outstanding premium payments to the reinsurance	3,075	4,552
Fair value of plan assets	**72,936**	**74,044**

The provisions are calculated, taking into account the respective underlying contractual agreement in each case, by qualified actuaries applying the projected unit credit method in accordance with IAS 19.

The Group is exposed to various risks in connection with the defined benefit plans. In addition to the general risks of a change in demographic assumptions, these are, in particular, interest rate risk and capital market or investment risk. There are no concentrations of risk.

EUR thousand	12/31/2022	12/31/2021
Present value of defined benefit obligations	97,314	135,218
Fair value of plan assets	-72,936	-74,044
Shortfall (net debt)	**24,378**	**61,174**

Present value of pension obligations

The present value of the defined benefit obligations changed as follows:

EUR thousand	12/31/2022	12/31/2021
Balance at beginning of year	**135,218**	**131,023**
Current service cost	2,495	2,847
Expense from deferred compensation	2,652	2,774
Interest expense	1,413	1,534
Remeasurement		
Adjustments based on historical data	1,407	-277
Actuarial gains/losses from changes in financial assumptions	-40,945	645
Utilization (pension payments)	-4,072	-3,229
Reversals	-879	-94
Transfers	25	-5
Balance at end of year	**97,314**	**135,218**

The weighted average maturity (duration) of the defined benefit obligations was as follows:

	12/31/2022	12/31/2021
Direct commitments	14 years	18 years
Port pensions	12 years	15 years
Social future concept	9 years	11 years

Fair value of plan assets

The fair value of the plan assets changed as follows:

EUR thousand	12/31/2022	12/31/2021
Balance at beginning of year	**74,044**	**65,113**
Interest income	797	721
Expense/income from plan assets (excluding interest income)	762	657
Additions made by the employees included in the plan (e.g. deferred compensation)	2,505	2,486
Employer contributions	1,622	7,130
Utilization (pension payments)	-2,928	-2,097
Reimbursement assets	-328	0
Reversals	-74	-62
Transfers	-68	96
Remeasurement	-3,396	0
Balance at end of year	**72,936**	**74,044**

Net pension expense

The portion of the net pension expense recognized in profit or loss for the period was made up as follows:

EUR thousand	12/31/2022	12/31/2021
Current service cost	2,495	2,847
Interest expense	616	813
Total	**3,111**	**3,660**

The service cost is recognized in the consolidated statement of profit or loss as personnel expense, and the interest cost for the expected pension obligations is recognized as interest expense. The expected return on plan assets reduces the interest expense.

The actual income from plan assets as of December 31, 2022 amounted to EUR 1,559 thousand (previous year: EUR 1,378 thousand).

Actuarial parameters

The actuarial computation of the material defined benefit obligations was based on the following parameters (given in the form of weighted average factors):

12/31/2022 in percent	Direct commitments	Port pensions	Social future concept
Discount rate	4.3	4.4	4.3
Rate of salary increases	1.9	0.0	0.0
Rate of pension increases	2.2	1.0	0.0

12/31/2021 in percent	Direct commitments	Port pensions	Future social concept
Discount rate	1.3	1.2	1.0
Rate of salary increases	1.6	0.0	0.0
Rate of pension increases	1.6	1.0	0.0

The mortality rate underlying the calculation of the present value of the material defined benefit obligations was based as in the previous year on the 2018 G mortality tables by Prof. Klaus Heubeck.

Sensitivity analyses

The present value of the pension obligations depends on a number of factors based on actuarial assumptions. The net expense (or income) used in determining assumptions for pensions includes the discount rate. Any change in these assumptions will impact the carrying amount of the pension obligation.

BLG LOGISTICS determines the appropriate discount rate at the end of each year. This is the interest rate used in determining the present value of expected future cash outflows required to settle the obligation. In determining the discount rate, the Group uses as its basis the interest rates of top-rated corporate bonds that are denominated in the currency in which the benefits are paid, and with maturities corresponding to those of the pension obligation.

An increase or decrease in the principal actuarial assumptions in the amount of the expected future development would have the following effects compared to the parameters actually applied to the present value of pension obligations:

EUR thousand	**12/31/2022 Higher**	12/31/2021 Higher
Discount rate (50 basis points)	-4,513	-8,135
Rate of salary increases (50 basis points)	101	186
Rate of pension increases (50 basis points)	1,148	2,132

EUR thousand	**12/31/2022 Lower**	12/31/2021 Lower
Discount rate (50 basis points)	4,907	9,010
Rate of salary increases (50 basis points)	-47	-179
Rate of pension increases (50 basis points)	-1,059	-1,947

The sensitivity calculations were based on the average maturity of the pension obligations determined as of December 31, 2022. The calculations were carried out on an isolated basis for actuarial assumptions which have been identified as significant to separately illustrate the potential impact on the calculated present value of pension obligations. As the average duration of the expected pension liabilities is based on the sensitivity analyses and consequently the expected payment dates are not taken into account, they only result in approximate information or statements about trends.

Funding of pension obligations

The funding of the pension contracts entered into for the Board of Management and senior staff and the agreements for the future social concept are fully covered by reinsurance cover for pension commitments and deposits for outstanding reinsurance premiums pledged in favor of the beneficiaries. The pension contracts are solely funded by the employer; the future social concept is funded by contributions made by employees and a performance bonus paid by the employer. There is no obligation to participate in the social future concept. The port pension does not contain any plan assets.

For the subsequent financial year, the company expects payments to the defined benefit plans of EUR 1,274 thousand (previous year: EUR 2,043 thousand).

Anniversary provisions

EUR thousand	**Non-current**	**Current**
As of 01/01/2022	10,485	467
Utilization	0	-353
Reversal	-3,825	0
Addition	959	728
Transfer	0	0
As of 12/31/2022	**7,619**	**842**

Provisions for anniversaries take into consideration the contractually guaranteed rights of Group employees to receive anniversary bonuses. Recognition is based on actuarial reports, which make calculations based on a discount rate of 4.3 percent (previous year: 1.0 percent). The interest cost of EUR 109 thousand (previous year:

EUR 117 thousand was included in the addition for the reporting year of EUR 959 thousand (previous year: EUR 599 thousand).

Other non-current provisions

Other non-current provisions amounted to EUR 23 thousand (previous year: EUR 42 thousand).

Non-current provisions with a remaining maturity of more than one year are discounted at the capital market interest rate corresponding to their maturity.

27. Trade Payables

EUR thousand	2022	2021
Liabilities to third parties	75,625	62,848
Obligations from outstanding invoices	21,844	21,305
Liabilities to investees	3,918	3,255
Liabilities to affiliated companies	209	289
Total	**101,596**	**87,697**

28. Other Financial and Non-financial Liabilities

EUR thousand	12/31/2022 Current	12/31/2022 Non-current	12/31/2021 Current	12/31/2021 Non-current
Other financial liabilities				
Liabilities for variable remuneration	7,493	2,152	7,226	1,765
Liabilities to employees from wages and salaries	7,389	0	5,794	0
Other employee benefits	1,050	0	506	0
	15,932	**2,152**	**13,526**	**1,765**
Other non-financial liabilities				
Obligations from outstanding vacation leave	15,986	0	14,743	0
VAT liabilities	14,537	0	11,412	0
Current portion of non-current pension obligations	1,708	0	1,478	0
Contract liabilities	1,218	630	1,227	646
Advance payments	597	0	661	0
Partial retirement obligations	356	418	598	157
Advance customs duties	62	0	324	0
Other non-financial liabilities	897	3	271	0
	35,362	**1,050**	**30,714**	**803**
Total	**51,294**	**3,202**	**44,240**	**2,568**

Liabilities from partial retirement agreements as obligations arising from post-employment benefits (termination benefits) are measured using the projected unit credit method.

A liability was recognized based on collective bargaining and individual agreements. Recognition, which includes payments in arrears from current partial retirement arrangements and top-up amounts for building reserves, was based on actuarial reports.

The Group's accounting policies for contract liabilities are presented in note 4.

29. Current Provisions

EUR thousand	As of 01/01/2022	Utilization	Reversal	Reclassification	Addition	**As of 12/31/2022**
Allocations for insurance costs	2,934	-845	-1,997	0	2,543	2,635
Onerous contracts	1,177	-430	-42	0	7,147	7,852
Warranty risks	2,737	0	-1,237	0	0	1,500
Miscellaneous other provisions	16,337	-3,061	-4,804	-98	15,144	23,518
Total	**23,185**	**-4,336**	**-8,080**	**-98**	**24,834**	**35,505**

Provisions are recognized if a liability to a third party results from a past event which is expected to lead to an outflow of assets and can be reliably measured. They represent uncertain liabilities that are recognized at the amount of the best estimate. The amount of the provision also includes the expected cost increases.

The allocations for insurance costs primarily resulted from obligations with respect to the liability loss compensation fund of German metropolitan areas.

The provisions for onerous contracts were allocated as follows: EUR 4,352 thousand to the CONTRACT Division and EUR 3,500 thousand to the AUTOMOBILE Division. The provisions related to contracts with customers for which the estimated costs are not expected to be covered by the agreed revenue. The level of the risks from onerous contracts may increase significantly as a result of changes in circumstances over time. Based on our current estimation, a risk of this kind should be viewed as low.

For warranty risks from possible warranty liabilities and fair-dealing obligations, provisions of EUR 1,500 thousand were carried forward from prior periods. Overall, there is broad discretion in measuring these provisions, as there are no comparable items or other historical data.

Miscellaneous other provisions included other operating taxes of EUR 254 thousand (previous year: EUR 410 thousand) and archiving costs of EUR 1,465 thousand (previous year: EUR 1,448 thousand). In addition, miscellaneous other provisions also included EUR 5,019 thousand (previous year: EUR 0 thousand) in connection with pending payment obligations from an infrastructure project.

30. Contingent Liabilities

The existing contingent liabilities at BLG LOGISTICS in favor of companies accounted for using the equity method are presented below.

EUR thousand	2022	2021
Total share of contingent liabilities		
of joint ventures	25,354	348
of associates	29	29
Total	**25,383**	**377**

Contingent liabilities are measured at their nominal amounts. Maximum guarantees are recognized at their maximum amount. Based on the relationships at the end of the reporting period, the actual contingent liabilities totaled EUR 48 thousand (previous year: EUR 49 thousand) on the basis of the underlying liabilities. The contingent liabilities primarily relate to the collateralization of credit facilities.

Comfort letters have been issued for a non-consolidated affiliated company as well as for an equity investment that was sold in the reporting year.

Taking into account the knowledge gained up to the time of preparing these financial statements, it can currently be assumed that all obligations underlying the contingent liabilities can be met by the respective principal debtors. The risk of a claim is considered low.

31. Other Financial Liabilities

EUR thousand	12/31/2022	12/31/2021
Order commitments	54,999	57,521
Other financial liabilities	1,230	1,650
Total	**56,229**	**59,171**

Other financial obligations are measured at their nominal amounts. The order commitments result from contracts entered into for the purchase of property, plant and equipment as well as of inventories.

Financial Instruments

32. Financial Instruments

Classification of financial assets and financial liabilities

The classification of financial assets is based on the entity's business model for their management and the contractual cash flow characteristics of the assets.

Measuring debt instruments at amortized cost is only permitted if a financial asset is held within a business model whose objective is to generate contractual cash flows from the asset and the contractual arrangements provide fixed dates for the payments. In addition, these payments must be solely payments of principal and interest.

If not all these criteria are met, the measurement must be at fair value. There is an irrevocable option to measure equity instruments not held for trading at fair value through other comprehensive income. In this case, all changes in value, with the exception of dividends, must be presented in other comprehensive income without the option of reclassification to profit or loss.

Carrying amounts and fair values of financial instruments by class, item in the statement of financial position and measurement category under IFRS 9

In the tables shown on the following pages, the financial instruments are listed according to the above criteria, including the indication of their level in the fair value hierarchy. The measurement categories are described in notes 16 and 18 and in the "Derivative financial instruments" section.

Classification to the levels of the fair value hierarchy is based on the measurement methods used and is described in note 1 in the "Determination of fair values" section.

Carrying amounts of financial instruments classified by item in the statement of financial position, class and category

EUR thousand 12/31/2022 Assets	Carrying amounts					Fair values	
	Cost	Fair value through profit or loss	Fair value through other comprehensive income	Fair value hedging	**Total carrying amount**	Fair value level	Fair value
Financial assets measured at fair value							
Non-current							
Investments in affiliated companies and other equity investments	0	0	535	0	535	3	not stated
Current							
Hedged derivatives	0	0	0	9,888	9,888	2	9,888
Current finance receivables	0	27,838	0	0	27,838	3	not stated
	0	**27,838**	**535**	**9,888**	**38,261**		
Financial assets not measured at fair value							
Non-current							
Lease receivables	226,789	0	0	0	226,789		not stated
Miscellaneous non-current finance receivables	1,111	0	0	0	1,111	3	not stated
Miscellaneous other non-current assets	67	0	0	0	67	2	not stated
Current							
Trade receivables	184,012	0	0	0	184,012		not stated
Lease receivables	23,110	0	0	0	23,110		not stated
Current finance receivables	4,111	0	0	0	4,111		not stated
Miscellaneous other current assets	695	0	0	0	695		not stated
Cash and cash equivalents	18,403	0	0	0	18,403		not stated
	458,297	**0**	**0**	**0**	**458,297**		

EUR thousand 12/31/2022 Liabilities	Carrying amounts					Fair values	
	Cost	Fair value through profit or loss	Fair value through other comprehensive income	Fair value hedging	**Total carrying amount**	Fair value level	Fair value
Financial liabilities measured at fair value							
Current							
Hedged derivatives	0	0	0	326	326	2	326
	0	**0**	**0**	**326**	**326**		
Financial liabilities not measured at fair value							
Non-current							
Non-current loans	139,441	0	0	0	139,441	3	136,923
Non-current lease liabilities	466,861	0	0	0	466,861		not stated
Other borrowings	56,035	0	0	0	56,035	3	52,060
Miscellaneous non-current financial liabilities	3,978	0	0	0	3,978	2	not stated
Miscellaneous other non-current liabilities	2,152	0	0	0	2,152	2	not stated
Current							
Trade payables	101,596	0	0	0	101,596		not stated
Current financial liabilities to banks	41,507	0	0	0	41,507	3	40,244
Current lease liabilities	61,429	0	0	0	61,429		not stated
Other borrowings	9,441	0	0	0	9,441	3	7,897
Miscellaneous current financial liabilities	48,817	0	0	0	48,817		not stated
Other current liabilities	15,932	0	0	0	15,932		not stated
	947,189	**0**	**0**	**0**	**947,189**		

EUR thousand 12/31/2021 Assets	Carrying amounts					Fair values	
	Cost	Fair value through profit or loss	Fair value through other comprehensive income	Fair value hedging	Total carrying amount	Fair value level	Fair value
Financial assets measured at fair value							
Non-current							
Investments in affiliated companies and other equity investments	0	0	480	0	480	3	not stated
Current							
Current finance receivables	0	972	0	0	972	3	not stated
	0	**972**	**480**	**0**	**1,452**		
Financial assets not measured at fair value							
Non-current							
Lease receivables	217,596	0	0	0	217,596		not stated
Miscellaneous non-current finance receivables	31	0	0	0	31	3	not stated
Miscellaneous other non-current assets	35	0	0	0	35	2	not stated
Current							
Trade receivables	176,992	0	0	0	176,992		not stated
Lease receivables	17,093	0	0	0	17,093		not stated
Current finance receivables	3,067	0	0	0	3,067		not stated
Miscellaneous other current assets	810	0	0	0	810		not stated
Cash and cash equivalents	33,010	0	0	0	33,010		not stated
	448,634	**0**	**0**	**0**	**448,634**		

EUR thousand 12/31/2021 Liabilities	Carrying amounts					Fair values	
	Cost	Fair value through profit or loss	Fair value through other comprehensive income	Fair value hedging	Total carrying amount	Fair value level	Fair value
Financial liabilities measured at fair value							
Current							
Hedged derivatives	0	0	0	8,870	8,870	2	8,870
	0	**0**	**0**	**8,870**	**8,870**		
Financial liabilities not measured at fair value							
Non-current							
Non-current loans	136,688	0	0	0	136,688	3	136,831
Non-current lease liabilities	470,307	0	0	0	470,307		not stated
Other borrowings	55,718	0	0	0	55,718	3	55,256
Miscellaneous non-current financial liabilities	3,454	0	0	0	3,454	2	not stated
Miscellaneous other non-current liabilities	1,765	0	0	0	1,765	2	not stated
Current							
Trade payables	87,697	0	0	0	87,697		not stated
Current financial liabilities to banks	43,268	0	0	0	43,268	3	43,314
Current lease liabilities	56,673	0	0	0	56,673		not stated
Other borrowings	7,999	0	0	0	7,999	3	7,820
Miscellaneous current financial liabilities	45,764	0	0	0	45,764		not stated
Other current liabilities	13,526	0	0	0	13,526		not stated
	922,859	**0**	**0**	**0**	**922,859**		

The non-current financial assets included equity instruments of EUR 535 thousand (previous year: EUR 480 thousand) for which BLG LOGISTICS has exercised the option to recognize changes in fair value through other comprehensive income. These are immaterial investments in corporations for which there is no active market and the fair value cannot be reliably determined using measurement methods. Cost is therefore the best estimate of fair value.

As a consequence of the deconsolidation of BLG AUTO LOGISTICS OF SOUTH AFRICA (Pty) Ltd., Port Elizabeth, South Africa, the remaining shares held were reported as financial assets. The carrying amount of the addition in the amount of EUR 57 thousand corresponded to the fair value of the shares at the date of deconsolidation.

Furthermore, the equity investment in TCU GmbH & Co. KG, Bremen, was terminated in the reporting year. Apart from this, no shares in these corporations were derecognized or sold in the reporting year. There are no plans to sell or derecognize parts of the reported equity investments in the near future.

Current finance receivables related to profit shares from partnerships classified as debt instruments. As the profit shares are not capital repayments but capital returns, they were measured at fair value through profit or loss.

With the exception of non-current bank loans and other financial loans, there were no significant differences between the carrying amounts and fair values of the financial instruments. The carrying amounts of trade receivables, current finance receivables, miscellaneous other finance receivables and cash and cash equivalents essentially corresponded to their fair values on account of their short-term nature. The investments in affiliated companies and current finance receivables from shareholder accounts were already measured at fair value, so there was no deviation from the carrying amount here. In the case of non-current finance receivables, the carrying amount approximated fair value due to materiality. The carrying amounts of trade payables, current financial liabilities and other current financial liabilities essentially corresponded to their fair values on account of their short-term nature. In the case of the miscellaneous non-current financial liabilities, the carrying amount approximated fair value due to the regular adjustment of the interest rate.

The following significant methods and assumptions were used to determine the level 3 fair values:

The fair values were determined using the discounted cash flow method based on the expected future cash flows and current interest rates for comparable financing arrangements that are either directly or indirectly observable on the market.

The yield curve of risk-free German government bonds plus a company-specific, matched-term risk premium was used as the market interest rate. With installment payment arrangements, the risk premium over the average maturity was taken into account.

The level 2 fair values of derivative financial instruments were based on external fair value measurements. The variable cash flows were determined using the forward rates of the benchmark rates used for the hedging instruments. The credit spread is not part of the hedging relationship.

The finance receivables measured at fair value in Level 3 relate to the recognition of profit shares of partnerships (see note 16), so that a separate measurement method was not applied here, as the recognition is derived from the respective financial statements and equity interests in the partnerships.

The receivables developed as follows:

EUR thousand	2022	2021
As of January 1	972	1,003
Additions from profit credits	27,962	0
Payments of profit shares	-500	-31
Unrealized changes to fair value recognized through profit or loss	-596	0
of which recognized in other operating expense	-596	0
As of December 31	**27,838**	**972**

Movements between the different levels of the fair value hierarchy are recognized at the end of the reporting period in which they occur. In the reporting year, no movements occurred.

Net earnings by measurement category

The following net earnings were attributable to the measurement categories of the financial instruments:

2022 EUR thousand	Subsequent measurement From interest rates	From dividends	From disposal	Fair value	Net earnings
Financial assets at amortized cost	9,141	0	-96	0	9,045
Equity instruments measured at fair value outside profit or loss	0	2	0	0	2
Financial assets measured at fair value through profit or loss	0	0	0	-596	-596
Hedging instruments	-895	0	0	21	-874
Financial liabilities at amortized cost	-16,442	0	0	0	-16,442
Total	**-8,196**	**2**	**-96**	**-575**	**-8,865**

2021 EUR thousand	Subsequent measurement From interest rates	From dividends	From disposal	Fair value	Net earnings
Financial assets at amortized cost	7,353	0	-205	0	7,148
Equity instruments measured at fair value outside profit or loss	0	82	0	0	82
Hedging instruments	-949	0	0	3	-946
Financial liabilities at amortized cost	-14,833	0	0	0	-14,833
Total	**-8,429**	**82**	**-205**	**3**	**-8,549**

Aims and methods of financial risk management

The principal financial instruments used to finance the Group include non-current loans, current borrowings, lease liabilities, other borrowings, factoring and cash, including short-term deposits with banks. The focus is on financing the operations of BLG LOGISTICS. BLG LOGISTICS has access to a range of other financial instruments, such as trade receivables and payables, that arise directly as part of its operations.

Financial risk management is the responsibility of the Treasury department, whose tasks and objectives are described in a guideline approved by the Board of Management. The central task besides managing liquidity and arranging financing is the minimization of financial risks at Group level. This includes preparing and analyzing financing and hedging strategies and contracting hedging instruments.

The Group's principal risks resulting from financial instruments consist of credit risks, foreign currency risks, liquidity risks and interest rate risks. The Board of Management adopts risk management guidelines for each of these risks, which are presented below, and monitors compliance with them. At Group level, the existing market price risk for all financial instruments is also monitored.

Hedge accounting is applied if derivative financial instruments are used as hedging instruments and the requirements for hedge accounting in accordance with IFRS 9 are met. The objective is to reduce inconsistencies in recognition or measurement arising for example from gains or losses from a hedging instrument not being credited or charged to the same account in the financial statements as the gains or losses from the hedged risk. The Group's accounting policies for derivatives and other disclosures on hedge accounting are presented in the "Derivative financial instruments" section.

Credit risk

The Group's credit risk mainly results from trade receivables and lease receivables. The amounts shown in the consolidated statement of financial position do not include loss allowances for expected credit losses. Owing to the ongoing monitoring of receivables at management level and the use of commercial credit insurance depending on customer creditworthiness, we are not currently exposed to any significant credit risk. Disclosures related to credit risk and expected credit losses from trade receivables and lease receivables are contained in ▸notes 16 and 18.

The credit risk in respect of cash and derivative financial instruments is limited because these are currently held exclusively at banks that have been awarded high credit ratings from international rating agencies, that are highly secure thanks to a joint liability scheme and/or at which there are offsetting opportunities via non-current loans.

The maximum credit risk of the Group is represented by the carrying amounts of the financial assets recognized in the statement of financial position (including derivative financial instruments with positive fair value). The Group is also exposed to credit risk through the acquisition of financial guarantees; at the end of the reporting period, this amounted to a maximum of EUR 48 thousand (previous year: EUR 49 thousand). At the reporting date, there were no significant credit risk mitigation agreements or hedges.

There are no significant concentrations of credit risk in the Group.

Impairment of financial instruments

At BLG LOGISTICS, the impairment requirements apply to financial assets measured at amortized cost, lease receivables and contract assets. They are reported in the net gains/losses from impairment. In addition, this item includes impairment of equity instruments measured at fair value through profit or loss. In these cases, the impairment is the difference between cost and fair value of the equity instrument in question.

EUR thousand	2022	2021
Financial instruments at cost		
Impairment on trade receivables and contract assets		
Addition to loss allowance	-319	-307
Reversal of loss allowances recognized in previous years	180	1,027
Derecognitions due to uncollectability	-96	-205
	-235	**515**
Total	**-235**	**515**

Foreign currency risk

With very few exceptions, the Group companies operate in the eurozone and invoice only in euros. In this respect, currency risk could only arise in isolated cases, such as from foreign dividend income or the purchase of goods and services from abroad. An interest rate and currency swap has been concluded to hedge against the foreign currency risk from a variable USD loan granted in the context of Group financing. Further information is presented in the "Derivative financial instruments" section.

As of December 31, 2022 and December 31, 2021, there were no significant currency risks in the Group.

Capital risk management

An important capital management goal for BLG LOGISTICS is to ensure the ability of the company to continue as a going concern in order to provide income to shareholders and to provide other stakeholders with the benefits to which they are entitled. Additional goals are to optimize liquidity security and maintain an optimum capital structure in order over the long term to reduce the costs of capital in general and the refinancing risk in particular.

BLG LOGISTICS monitors its capital on the basis of the equity ratio and other key performance indicators. Assurances have been made to all partner banks with regard to equal treatment and the change-of-control clause.

In 2022, the strategy continued to be to secure access to external funds at acceptable costs.

In the reporting year, equity increased from EUR 156,289 thousand to EUR 277,727 thousand; while total assets rose from EUR 1,218,177 thousand to EUR 1,336,518 thousand. Accordingly, the equity ratio improved significantly from 12.8 percent to 20.8 percent. In addition to the positive Group earnings, this primarily resulted from the effects of the rise in interest rates. Of the aforementioned amount, EUR 62,210 thousand was attributable to effects from the remeasurement of pension provisions and EUR 19,266 thousand to changes in the measurement of derivatives used as hedging instruments in cash flow hedges. The effects were recognized in other comprehensive income and relate to both fully consolidated companies and companies accounted for using the equity method, taking into account deferred taxes. The goal is to achieve an equity ratio of 30 percent.

Liquidity risk

Liquidity risks may arise from payment bottlenecks and the resulting higher financing costs. The Group’s liquidity is ensured by central cash management at the level of BLG KG. All significant subsidiaries are included in cash management. Due to the centralized management of capital expenditure and credit management, financial resources (loans/leases) can be provided in good time to meet all payment requirements.

The Group’s liquidity needs are covered by cash and committed credit facilities. As of December 31, 2022, the Group had unused current account credit facilities of around EUR 63 million (previous year: around EUR 86 million).

Measures designed to achieve BLG LOGISTICS’ sustainability targets are also attractive for potential lenders and can be criteria for granting loans. Our sustainability measures are thus a factor in ensuring that we can meet our liquidity requirements in the future.

In parallel, the BLG Group uses the non-recourse sale of receivables under a factoring agreement as an off-statement of financial position financing instrument to further optimize the structure of the statement of financial position. The obligations of the factor to purchase existing and future receivables are limited to a total maximum amount of EUR 75 million. BLG LOGISTICS is free to decide to what extent the revolving nominal volume is utilized. The risks material to disposal relate to the credit risk and the risk of late payment (late payment risk). The credit risk is transferred in full to the factor in return for payment of a factoring fee. There is no significant late payment risk. The receivables were therefore derecognized in full. The cash flows from factoring were recognized accordingly in cash flows from operating activities through the change in trade receivables. In connection with the ongoing engagement, the BLG Group recognized expenses (factoring fee, interest) in the amount of EUR 321 thousand (previous year EUR 40 thousand). The nominal volume of the receivables sold as of December 31, 2022 amounted to EUR 50.1 million (previous year: EUR 19.4 million).

The following tables show the contractually arranged (undiscounted) interest payments and principal repayments of non-current financial liabilities and derivative financial instruments (interest rate swaps).

12/31/2022 EUR thousand		Cash flows 2023	2024	2025-2027	2028-2032	2033 et seq.	**Total**	Carrying amounts (derivatives netted)
Non-derivatives								
Non-current loans from banks	Fixed interest rate	1,073	815	1,441	579	0	3,908	
	Floating interest rate	3,508	3,549	8,617	8,563	0	24,237	
	Repayment	20,469	18,365	41,255	79,821	0	159,910	159,910
Lease liabilities	Fixed interest rate	11,082	10,087	24,711	31,904	46,397	124,181	
	Floating interest rate	0	0	0	0	0	0	
	Repayment	61,274	50,453	107,965	78,071	228,147	525,910	528,290
Other borrowings	Fixed interest rate	1,058	917	1,897	795	0	4,667	
	Floating interest rate	0	0	0	0	0	0	
	Repayment	9,441	8,798	26,050	21,187	0	65,476	65,476
Total		**107,905**	**92,984**	**211,936**	**220,920**	**274,544**	**908,289**	**753,676**
Derivatives								
Interest rate swaps/interest rate and currency swaps	Proceeds	-2,842	-3,786	-8,844	-10,547	-920	-26,939	
	Payments	2,077	2,332	4,908	5,921	595	15,833	9,562
Total		**-765**	**-1,454**	**-3,936**	**-4,626**	**-325**	**-11,106**	**9,562**

12/31/2021 EUR thousand		Cash flows 2022	2023	2024-2026	2027-2031	2032 et seq.	Total	Carrying amounts (derivatives netted)
Non-derivatives								
Non-current loans from banks	Fixed interest rate	1,086	861	1,377	566	0	3,890	
	Floating interest rate	704	634	1,445	1,427	0	4,210	
	Repayment	21,699	19,699	50,323	66,666	0	158,387	158,387
Lease liabilities	Fixed interest rate	10,652	9,724	25,141	33,397	52,123	131,037	
	Floating interest rate	0	0	0	0	0	0	
	Repayment	56,519	48,279	94,923	77,072	247,771	524,564	526,979
Other borrowings	Fixed interest rate	837	727	1,540	687	0	3,791	0
	Floating interest rate	0	0	0	0	0	0	0
	Repayment	7,999	8,448	24,158	23,112	0	63,717	63,717
Total		**99,496**	**88,372**	**198,907**	**202,927**	**299,894**	**889,596**	**749,083**
Derivatives								
Interest rate swaps/interest rate and currency swaps	Proceeds	-821	-822	-2,211	-2,167	-580	-6,601	0
	Payments	1,835	1,828	5,960	6,667	1,325	17,615	-8,870
Total		**1,014**	**1,006**	**3,749**	**4,500**	**745**	**11,014**	**-8,870**

All non-current financial instruments held at the end of the reporting period and for which payments had been contractually arranged were included here. Budget figures for future new liabilities are not included; current liabilities with maturities of up to one year were disclosed in the notes to the individual items in the statement of financial position.

The variable interest payments from financial instruments were calculated using the last interest rate fixed before the end of the reporting period.

Interest rate risk

The interest rate risk to which BLG LOGISTICS is exposed arises primarily from non-current loans and other non-current financial liabilities. Interest rate risks are managed with a combination of fixed-interest and variable-interest loan capital. The majority of the liabilities to banks have been concluded over the long term or fixed interest rates have been agreed through to the end of the financing term, either originally as part of the loan agreements or via interest rate swaps which have been concluded within micro-hedges for individual variable-interest loans. In addition, while interest rates were low and attractive for investments, a portion of the financing requirement of the coming years was hedged in the prior years by agreeing forward interest rate swaps. The intention is to take out loans from partner banks totaling EUR 90 million in tranches of up to EUR 15 million each within six years, beginning in 2019. Further information is presented in the "Derivative financial instruments" section.

Interest rate risks are disclosed via sensitivity analyses in accordance with IFRS 7. These show the effects of changes in the market interest rate on interest payments, interest income and expense, other income items and on equity. The interest rate sensitivity analyses are based on the following assumptions.

With regard to non-derivative financial instruments with fixed interest rates, market interest rate changes are only recognized through profit or loss if these financial instruments are measured at fair value. All fixed-interest financial instruments measured at amortized cost are not subject to interest rate risks within the meaning of IFRS 7.

This applies to all fixed-interest loan liabilities of BLG LOGISTICS, including lease liabilities and other borrowings. When hedging interest rate risks in the form of cash flow hedge-designated interest rate swaps, changes to the cash flows and to the contributions to earnings induced by changes to the market interest rate of the hedged primary financial instruments and the interest rate swaps balance each other out almost completely, effectively eliminating the interest rate risk.

Gains or losses from remeasurement of hedging instruments to fair value are credited or charged directly to the hedging reserve in equity and are therefore included in the equity-related sensitivity calculation. Changes in the market interest rate of non-derivative variable-interest financial instruments whose interest payments are not structured as hedged items as part of cash flow hedges against interest rate risks have an effect on net interest income (expense) and are therefore included in the calculation of income-related sensitivities.

The same applies to interest payments from interest rate swaps which are, as an exception, not contained in a hedge accounting relationship in accordance with IFRS 9. In the case of these interest rate swaps, market interest rate changes also have an effect on the fair value and thus affect the remeasurement of financial assets or financial liabilities to fair value and are therefore included in the income-related sensitivity analysis.

If the market interest rate at the end of each reporting period had been 100 basis points higher (lower), it would have had the effects shown in the following table on earnings before taxes and on equity (before deferred taxes):

EUR thousand	**12/31/2022**	12/31/2021
Changes in earnings		
Higher	-1,016	-2,145
Lower	1,016	2,145
Changes in equity (excluding changes in earnings)		
Higher	5,579	7,402
Lower	-5,741	-7,836

Fixed interest financial instruments

Fixed interest rates have been agreed for the following loans and other financial instruments. BLG LOGISTICS is thus exposed to interest rate risk for the fair value.

12/31/2021 **EUR thousand**	Residual maturities Up to 1 year	1 to 5 years	More than 5 years	Total
Non-current loans from banks	12,368	37,794	15,166	65,328
Interest rate swaps	2,000	1,000	45,000	48,000
Other borrowings	7,999	32,606	23,112	63,717
Lease liabilities	56,673	143,613	326,694	526,980
Total	**79,040**	**215,013**	**409,972**	**704,025**

12/31/2022 **EUR thousand**	Residual maturities Up to 1 year	1 to 5 years	More than 5 years	**Total**
Non-current loans from banks	14,138	31,723	15,321	61,182
Interest rate swaps	1,000	0	60,000	61,000
Other borrowings	9,441	34,848	21,187	65,476
Lease liabilities	61,429	158,870	307,991	528,290
Total	**86,008**	**225,441**	**404,499**	**715,948**

Lease liabilities are discounted using the interest rate implicit in the lease, if that rate can be determined. Alternatively, they are discounted at the incremental borrowing rate. The discount rate corresponds to the interest rate determined at the commencement date of the lease, unless a reassessment requires a remeasurement of the lease liabilities using a changed discount rate. This is the case if changes in the estimate regarding exercise or non-exercise of purchase, extension or termination options arise or changes to the scope, amount of contractual payments or the term of the lease are agreed.

Floating rate financial instruments

Floating interest rates have been agreed for the following financial instruments. The Group is thus exposed to interest rate risk for the cash flows. The corresponding interest rate swaps are shown with a negative sign, as the interest rate risk offsets the interest rate risk from the loans taken out.

There are also two interest rate swaps for future loans, which are presented in the “Derivative financial instruments” section. An interest rate swap for a nominal amount of EUR 10,000 thousand for a call money line expired in the prior period.

The Group’s other financial instruments, which are not included in the tables, are not subject to significant interest rate risk.

12/31/2022 **EUR thousand**	Residual maturities Up to 1 year	 1 to 5 years	 More than 5 years	 **Total**
Non-current loans from banks	6,331	27,897	64,500	98,728
Interest rate swaps	-1,000	0	-60,000	-61,000
Total	**5,331**	**27,897**	**4,500**	**37,728**

12/31/2021 **EUR thousand**	Residual maturities Up to 1 year	 1 to 5 years	 More than 5 years	 Total
Non-current loans from banks	9,331	32,228	51,500	93,059
Interest rate swaps	-2,000	-1,000	-45,000	-48,000
Total	**7,331**	**31,228**	**6,500**	**45,059**

Derivative financial instruments

A prerequisite for the use of derivatives is the existence of a risk to be hedged. However, open derivative positions may arise in connection with hedging transactions in which the underlying transaction no longer exists or does not arise as planned. Interest rate derivatives are used exclusively to optimize loan conditions and to limit interest rate risks from variable interest payments in the context of financing strategies with matching maturities (cash flow hedges). Derivatives to hedge foreign currency risks are used exclusively to limit foreign currency risk in connection with financing in foreign currencies (cash flow hedges). Derivatives are not used for trading or speculative purposes.

The Group has set a hedging ratio of 1:1 for all hedging relationships. Premiums for country or credit risks (credit spread or foreign currency basis spread) are not part of the hedging relationships. Hedging costs are initially recognized in the hedge reserve in equity and reclassified to profit or loss over the term of the hedging relationship.

The existence of the economic relationship between the hedged items and the hedging instruments for assessing the hedge effectiveness is determined prospectively on the basis of significant features such as nominal amount, benchmark rate and maturity. Ineffectiveness is measured at the end of each reporting period according to the hypothetical derivative method. Ineffectiveness can result in particular from differences between the repricing time periods of the swaps and the loans.

Derivative financial instruments are recognized in the statement of financial position from the date the contract is concluded. They are measured at fair value upon acquisition. Subsequent measurement is also at the fair value prevailing at the end of the reporting period. To determine the fair value of a swap, the expected cash flows are discounted on both sides of the swap based on the current yield curve. The difference between the two amounts is the net fair value of the swap. This market valuation of financial derivatives is the price at which one party would assume the existing contractual rights and obligations of the other party. The fair values are determined based on market conditions existing at the end of the reporting period.

If derivative financial instruments are used as hedging instruments and the requirements for hedge accounting in accordance with IFRS 9 are met, their accounting treatment depends on the type of hedging relationship and the hedged item. Derivative financial instruments that do not qualify for hedge accounting are classified as measured at fair value through profit or loss in accordance with IFRS 9.

The hedging relationship between the hedged item and the hedging instrument and the objective and strategy of risk management are documented at hedge inception in order to meet the conditions for hedge accounting. This also includes a description of how the effectiveness of the hedging relationship is determined. Effectiveness tests are performed at hedge inception and at the end of each reporting period as part of the ongoing review of whether the derivatives used offset the hedged risks from the underlying transaction.

The changes in the fair value of the effective portion of cash flow hedges are recognized directly in equity. The changes in the fair values of the ineffective portions of cash flow hedges and interest rate swaps that are not designated as hedging instruments in hedging relationships are recognized through profit or loss.

Like other financial assets, derivatives are derecognized when the BLG Group loses control over the underlying rights wholly or in part by selling or discharging them or transferring them to a third party in a manner that qualifies for derecognition. The amounts recognized in equity are reclassified to profit or loss in the period in which the hedged transaction is settled.

The following hedging instruments were in place at the ends of the reporting periods to reduce the interest rate risk from existing bank liabilities and the foreign currency risk from a variable USD loan granted in the context of Group financing:

12/31/2022 Nominal amounts EUR thousand	Maturities Up to 1 year	1 to 5 years	More than 5 years	**Total**
Interest rate risk				
Interest rate swaps				
For outstanding loans	1,000	0	60,000	61,000
Average hedged interest rate	1.455%	1.456%	1.557%	
	1,000	**0**	**60,000**	**61,000**
Foreign currency risk				
Interest rate and currency swaps				
For internal USD loan	810	1,215	0	2,025
Hedged USD/EUR rate	0.8098	0.8098	0.8098	
	810	**1,215**	**0**	**2,025**
Total	**1,810**	**1,215**	**60,000**	**63,025**

12/31/2021 Nominal amounts EUR thousand	Maturities Up to 1 year	1 to 5 years	More than 5 years	Total
Interest rate risk				
Interest rate swaps				
For outstanding loans	2,000	1,000	45,000	48,000
Average hedged interest rate	1.343%	1.338%	1.397%	
	2,000	**1,000**	**45,000**	**48,000**
Foreign currency risk				
Interest rate and currency swaps				
For internal USD loan	810	2,024	0	2,834
Hedged USD/EUR rate	0.8098	0.8098	0.8098	
	810	**2,024**	**0**	**2,834**
Total	**2,810**	**3,024**	**45,000**	**50,834**

The interest rate swaps involve the exchange of floating interest payments for fixed-rate payments. The Group is payer of the fixed amounts and recipient of the floating amounts.

The nominal amounts represent the gross volume of all purchases and sales. This figure serves as a benchmark for determining mutually agreed payments, but is not a receivable or liability that is eligible for recognition in the statement of financial position.

For the financing requirement of the coming years, forward interest rate swaps with a total volume of EUR 90 million, in tranches of EUR 15 million each, have been concluded to hedge the interest rate risk from loans to be taken out in the future. Four tranches have already been taken out. As the terms of the other swaps commence in the years 2023 and 2024, they are not included in the presentation of maturities at the ends of the reporting periods. Each forward interest rate swap has a term of ten years and is payable at maturity. The average hedged interest rate was 1.940 percent.

The hedging instruments in place as of the ends of the reporting periods had the following effects on the consolidated statement of financial position:

12/31/2022 EUR thousand	Nominal amount	Carrying amount	Item in the statement of financial position	Change in fair value basis for recognizing ineffectiveness
Interest rate risk				
Outstanding loans	61,000	6,734	Current other assets	12,604
Planned loans	30,000	3,154	0	5,940
	91,000	**9,888**		**18,544**
Foreign currency risk				
Internal USD loan	2,025	-326	Current financial liabilities	-311
	2,025	**-326**		**-311**
Total	**93,025**	**9,562**		**18,233**

12/31/2021 EUR thousand	Nominal amount	Carrying amount	Item in the statement of financial position	Change in fair value basis for recognizing ineffectiveness
Interest rate risk				
Outstanding loans	48,000	-4,537	Current financial liabilities	2,615
Call money lines	0	0	0	152
Planned loans	45,000	-4,059	0	1,951
	93,000	**-8,596**		**4,718**
Foreign currency risk				
Internal USD loan	2,834	-274	Current financial liabilities	-254
	2,834	**-274**		**-254**
Total	**95,834**	**-8,870**		**4,464**

The carrying amounts of hedging instruments correspond to the calculated fair values. At the end of the reporting period, as in the previous year, all existing hedging instruments fulfilled the criteria for cash flow hedges.

The nominal amount of the interest rate and currency swaps in foreign currency as of December 31, 2022 was USD 2,500 thousand (previous year: USD 3,500 thousand).

The hedged items designated in hedging relationships had the following effects on the consolidated statement of financial position as of the end of the reporting periods:

12/31/2022 EUR thousand	**Change in fair value basis for recognizing ineffectiveness**	**Hedge reserve Cash flow hedges (gross)**
Interest rate risk		
Outstanding loans	-12,852	6,925
Call money lines	0	0
Planned loans	-6,082	3,154
	-18,934	**10,079**
Foreign currency risk		
Internal USD loan	312	0
	312	**0**
Total	**-18,622**	**10,079**

12/31/2021 EUR thousand	Change in fair value basis for recognizing ineffectiveness	Hedge reserve Cash flow hedges (gross)
Interest rate risk		
Outstanding loans	-2,526	-4,406
Call money lines	-152	0
Planned loans	-1,791	-4,059
	-4,469	**-8,465**
Foreign currency risk		
Internal USD loan	255	0
	255	**0**
Total	**-4,214**	**-8,465**

The following amounts were recognized in connection with hedging relationships:

2022 EUR thousand	**Change in fair value**		**Reclassification from OCI to P&L**	**P&L items**
	Recognized in other comprehensive income (effective portion)	Recognized in the statement of profit or loss (ineffective portion)		
Interest rate risk				
Outstanding loans	12,604	0	0	
Call money lines	0	0	0	
Planned loans	5,940	0	0	
	18,544	**0**	**0**	
Foreign currency risk				
Internal USD loan	-311	0	309	Other operating expense
	-311	**0**	**309**	
Total	**18,233**	**0**	**309**	

2021 EUR thousand	**Change in fair value**		**Reclassification from OCI to P&L**	**P&L items**
	Recognized in other comprehensive income (effective portion)	Recognized in the statement of profit or loss (ineffective portion)		
Interest rate risk				
Outstanding loans	2,615	0	0	
Call money lines	152	0	0	
Planned loans	1,951	0	0	
	4,718	**0**	**0**	
Foreign currency risk				
Internal USD loan	-254	0	267	Other operating expense
	-254	**0**	**267**	
Total	**4,464**	**0**	**267**	

The composition of the hedge reserve presented in note 20, including deferred taxes, breaks down by risk category and other components resulting from hedge accounting as shown in the table on the right.

Since the reference amounts are reduced by the repayment of the underlying loans in parallel with the loan proceeds, no gains or losses are recognized as long as the financial instruments are not sold. No sale is planned.

Financial year 2022 **EUR thousand**	Cash flow hedge reserve		
	Interest rate swaps/interest rate and currency swaps	Hedging costs	**Total**
Cash flow hedges			
As of January 1	-8,050	-38	-8,088
Changes in fair value			
Interest rate risk – outstanding loans	12,604	0	12,604
Interest rate risk – call money lines	0	0	0
Interest rate risk – planned loans	5,940	0	5,940
Foreign currency risk – internal USD loan	-311	2	-309
Reclassifications to profit or loss			
Foreign currency risk	309	0	309
Deferred taxes	0	0	0
Change in investments in companies accounted for using the equity method	722	0	722
As of December 31	**11,214**	**-36**	**11,178**

Financial year 2021 **EUR thousand**	Cash flow hedge reserve		
	Interest rate swaps/interest rate and currency swaps	Hedging costs	Total
Cash flow hedges			
As of January 1	-12,926	-25	-12,951
Changes in fair value			
Interest rate risk – outstanding loans	2,615	0	2,615
Interest rate risk – call money lines	152	0	152
Interest rate risk – planned loans	1,951	0	1,951
Foreign currency risk – internal USD loan	-254	-13	-267
Reclassifications to profit or loss			
Foreign currency risk	267	0	267
Deferred taxes	0	0	0
Change in investments in companies accounted for using the equity method	145	0	145
As of December 31	**-8,050**	**-38**	**-8,088**

Income Taxes

33. Income Taxes

The tax expense consists of corporation and trade tax of domestic companies and comparable income taxes for foreign companies.

The taxation applies regardless of whether the income is reinvested or distributed. The implementation of the proposed distribution of net retained profits has no effect on the tax expense of the Group.

In accordance with IAS 12, deferred taxes are determined using the liability method. Under this method, deferred taxes are recognized for all accounting and measurement differences between the IFRS carrying amounts and the tax base if they balance each other out over time (temporary differences). If asset items under IFRSs have a higher value than in the tax base and these are temporary differences, a liability item is recognized for deferred taxes.

Deferred tax assets from accounting differences and benefits from the future utilization of tax loss carryforwards are capitalized if it is probable that future taxable earnings will be generated.

The tax rates valid at the time of realization of the asset or the settlement of the liability are used to calculate deferred tax assets and liabilities. These are measured using the tax rates of the individual Group companies. For domestic partnerships these comprise only trade tax and vary between 13.3 percent and 16.1 percent because of different assessment rates.

For domestic corporations a tax rate of 31.9 percent (previous year: 31.9 percent) was applied, comprising the corporation tax rate plus the solidarity surcharge and the trade tax rate for the main consolidated companies. The income tax rates for foreign Group companies ranged between 19.0 percent and 28.0 percent (previous year: between 15.0 percent and 28.0 percent).

Key components of income tax expense break down as follows:

EUR thousand	2022	2021
Current taxes		
Tax expense for the period	3,499	4,112
Tax expense for prior periods	3,699	162
Income from tax reimbursements	-326	-1,542
Total current taxes	**6,872**	**2,732**
of which		
Tax expense domestic	6,224	4,126
Tax income domestic	-326	-1,542
Tax expense foreign	974	148
	6,872	**2,732**
Deferred taxes		
Deferred taxes on temporary differences	-632	-1,116
Deferred taxes on losses and interest carried forward	-2,124	44
Total deferred taxes	**-2,756**	**-1,072**
of which		
Deferred taxes domestic	-2,636	-1,106
Deferred taxes foreign	-120	34
	-2,756	**-1,072**
Total	**4,116**	**1,660**

Deferred taxes result from temporary differences between the tax bases of the companies and the carrying amounts in the consolidated statement of financial position using the liability method, as well as from the loss allowances for deferred taxes on temporary differences and loss carryforwards capitalized in prior periods, from the use of loss carryforwards on which deferred taxes had been capitalized, from the elimination of loss carryforwards and from the recognition of deferred taxes on interest expense carryforwards.

Deferred income taxes

The deferred tax items reported as of the ends of the various reporting periods and the movements of deferred taxes within the reporting year relate to the items presented in the table.

EUR 4,538 thousand (previous year: EUR 8,244 thousand) of the deferred taxes was classified as current and EUR 526 thousand (previous year: EUR -6,106 thousand) as non-current. Of the changes in equity, EUR -280 thousand (previous year: EUR -734 thousand) was offset against other reserves and EUR 451 thousand (previous year: EUR -392 thousand) recognized in retained earnings.

Deferred tax assets

The recognition and measurement of other assets in the amount of EUR 51,667 thousand (previous year: EUR 52,490 thousand) principally related to the following line items:

- Loans to affiliated companies
- Trade receivables
- Other assets
- Trade payables
- Other current financial liabilities

EUR thousand	12/31/2021	Changes: Recognized in P&L	Changes: Recognized in equity	12/31/2022
Deferred tax assets				
Recognition and measurement of goodwill and other intangible assets	104	-54	0	50
Measurement of property, plant and equipment	3,588	3,152	-138	6,602
Recognition and measurement of other assets	52,490	-992	169	51,667
Recognition of lease liabilities	74,148	-2,333	0	71,815
Measurement of personnel-related provisions	4,248	-327	-1,685	2,236
Recognition and measurement of miscellaneous other provisions	2,151	1,394	0	3,545
Recognition of derivative financial instruments	1,428	1,610	-2,985	53
Recognition and measurement of other liabilities	2,315	452	169	2,936
Write-down of deferred taxes arising from temporary differences	-15,570	77	8,867	-6,626
Accounting for tax loss and interest expense carryforwards	87	2,124	0	2,211
Gross deferred taxes	**124,989**	**5,103**	**4,397**	**134,489**
Offset	-122,633			-129,425
Recognized deferred taxes	**2,356**			**5,064**

The recognition and measurement of other liabilities in the amount of EUR 2,936 thousand (previous year: EUR 2,315 thousand) principally related to the following line items:

- Other non-current liabilities
- Government grants (current and non-current)

Deferred tax liabilities

The recognition and measurement of other assets in the amount of EUR -6,590 thousand (previous year: EUR -5,972 thousand) principally related to the following line items:

- Current finance receivables
- Receivables from affiliated companies
- Trade receivables

The recognition and measurement of other liabilities in the amount of EUR -28,238 thousand (previous year: EUR -28,919 thousand) principally related to the following line items:

- Non-current loans
- Current portion of non-current loans
- Other current liabilities

EUR thousand	12/31/2021	Changes		12/31/2022
		Recognized in P&L	Recognized in equity	
Deferred tax liabilities				
Recognition and measurement of intangible assets	-400	-69	0	-469
Measurement of property, plant and equipment	-48,946	1,268	1	-47,677
Capitalization of leases	-34,562	-1,225	0	-35,787
Recognition and measurement of other assets	-5,972	-587	-31	-6,590
Measurement of personnel-related provisions	-3,900	-864	-4,197	-8,961
Recognition and measurement of miscellaneous other provisions	-152	41	0	-111
Recognition of derivative financial instruments	0	-1,592	0	-1,592
Recognition and measurement of other liabilities	-28,919	681	0	-28,238
Gross deferred taxes	**-122,851**	**-2,347**	**-4,227**	**-129,425**
Offset	122,633			129,425
Recognized deferred taxes	**-218**			**0**

The following deferred tax assets were not capitalized:

EUR thousand	2022	2021
Deductible temporary differences	6,626	15,570
Loss carryforwards	53,311	48,310
Interest expense carryforwards	1,489	0
Total	**61,426**	**63,880**

The assessment of the recoverability of deferred tax assets depends on the estimation of the probability of the reversal of the measurement differences and the availability for use of the loss and interest expense carryforwards which resulted in deferred tax assets. This is dependent upon the generation of future taxable earnings during the periods in which those tax measurement differences are reversed and tax loss and interest expense carryforwards are available for use. The basis of the measurement is the five-year medium-term planning of the individual Group companies.

For subsidiaries that have suffered losses during the reporting year or the prior period, deferred tax assets of EUR 0 thousand (previous year: EUR 0 thousand) were reported due to the improved earnings outlook.

As of December 31, 2022, the Group had tax loss carryforwards of EUR 324,998 thousand (previous year: EUR 296,140 thousand). As of December 31, 2022, no deferred tax assets were capitalized for tax loss carryforwards of EUR 324,998 thousand (previous year: EUR 295,706 thousand) of various subsidiaries. No deferred tax assets were recognized for these losses since these losses may not be used to offset taxable earnings of other Group companies and arose in subsidiaries that have generated tax losses for some time or will not generate sufficient taxable profits in the foreseeable future.

The deductible differences for which no deferred taxes were capitalized as of December 31, 2022, and December 31, 2021, related to subsidiaries whose expected taxable income situation is not expected to allow the use of deferred tax assets.

Interest expense carryforwards of the Group amounted to EUR 30,649 thousand as of December 31, 2022 (previous year: EUR 0 thousand). No deferred tax assets were recognized for EUR 12,337 thousand (previous year: EUR 0 thousand) of this amount, as the respective Group companies are not expected to generate the EBITDA required for this purpose in the next five years.

Reconciliation of the effective tax rate and the effective income tax expense:

EUR thousand		2022		2021
Net profit for the year before income taxes under IFRSs		55,722		52,226
Group tax rate in percent	16.10%		16.10%	
Expected income tax expense in the financial year		**8,971**		**8,408**
Reconciliation items				
Effects of changes in tax rates		185		42
Tax-free income/trade tax cuts		–19,973		–12,889
Non-deductible operating expense/trade tax additions/effects of the interest deduction ceiling		2,279		4,674
Use of special tax business expenses		46		153
Current tax expense/income from prior periods		3,373		–1,377
Deferred tax expense/income from prior periods		–258		–953
Effects of differing tax rates		–133		961
Use of loss carryforwards not previously recognized		–675		–293
Non-recognition of deferred tax assets on current losses		5,799		4,859
Recognition adjustments for deferred tax assets on temporary differences		–77		–1,060
Other effects		4,579		–865
Total of the reconciliation items	**-8.7%**	**-4,855**	**-12.9%**	**-6,748**
Consolidated income tax expense	**7.4%**	**4,116**	**3.2%**	**1,660**

34. Income Taxes on Income and Expense Recognized Directly in Equity

EUR thousand	2022 Gross value	2022 Tax expense/ income	2022 Net value	2021 Gross value	2021 Tax expense/ income	2021 Net value
Items that are not subsequently reclassified to profit or loss						
Remeasurement of net pension obligations	36,148	-280	35,868	-370	-734	-1,104
Proportionate share of equity-accounted investments in items that are not subsequently reclassified to profit or loss	31,180	-4,834	26,346	1,043	-169	874
	67,328	**-5,114**	**62,214**	**673**	**-903**	**-230**
Items that can subsequently be reclassified to profit or loss						
Currency translation	140	0	140	-47	0	-47
Change in the measurement of financial instruments	18,544	0	18,544	4,718	-25	4,693
Proportionate share of equity-accounted investments in items that can subsequently be reclassified to profit or loss	-399	-111	-510	1,668	0	1,668
	18,285	**-111**	**18,174**	**6,339**	**-25**	**6,314**
Total	**85,613**	**-5,225**	**80,388**	**7,012**	**-928**	**6,084**

35. Reimbursement Rights from Income Taxes

The tax assets related to reimbursement rights for the reporting year of EUR 753 thousand (previous year: EUR 1,169 thousand) as well as reimbursement rights for prior periods of EUR 3,027 thousand (previous year: EUR 1,675 thousand).

Please refer to note 33 for information on rights arising from deferred taxes.

36. Payment Obligations from Income Taxes

EUR thousand	12/31/2022	12/31/2021
Corporation and trade tax for the reporting year	671	370
Corporation and trade tax for prior periods	4,512	1,272
Total	**5,183**	**1,642**

Please refer to note 33 for information on rights arising from deferred taxes.

Notes to the Consolidated Statement of Cash Flows

37. Notes to the Consolidated Statement of Cash Flows

The consolidated statement of cash flows has been prepared in accordance with IAS 7 and is divided into cash flows from current operating, investing and financing activities. Disclosure of cash flows is intended to clarify the sources and uses of cash and cash equivalents.

Cash and cash equivalents are defined as the difference between cash and current liabilities to banks. Cash consists of cash on hand, demand deposits and short-term, highly liquid financial resources that can be converted into cash at any time and are subject to only minor fluctuations in value.

The change in cash due to foreign currency translation effects is shown separately in accordance with IAS 7.28.

EUR thousand	12/31/2022	12/31/2021
Composition of cash and cash equivalents		
Cash and cash equivalents in statement of financial position	18,403	33,010
Current liabilities to banks (see note 24)	-21,038	-21,570
Total	**-2,635**	**11,440**

The following table shows the changes in liabilities and related financial assets included in the cash flow from financing activities.

EUR thousand	12/31/2021	Cash flow	Non-cash changes				December 31, 2022
			Addition IFRS 16	Interest cost	Exchange rate differences	Other	
Non-current loans	158,387	1,523	0	0	0	0	159,910
Lease liabilities	526,979	-62,701	64,033	0	427	-448	528,290
Other borrowings	63,716	1,760	0	0	0	0	65,476
Loans from investees	25,600	0	0	0	0	0	25,600
Liabilities from financing activities	**774,682**	**-59,418**	**64,033**	**0**	**427**	**-448**	**779,277**

EUR thousand	12/31/2020	Cash flow	Non-cash changes				12/31/2021
			Addition IFRS 16	Interest cost	Exchange rate differences	Other	
Non-current loans	167,436	-9,049	0	0	0	0	158,387
Lease liabilities	536,420	-73,025	62,956	0	628	0	526,979
Other borrowings	50,057	13,659	0	0	0	0	63,716
Loans from investees	25,600	0	0	0	0	0	25,600
Liabilities from financing activities	**779,513**	**-68,415**	**62,956**	**0**	**628**	**0**	**774,682**

Group Structure and Consolidation Principles

38. Group of Consolidated Companies

In addition to BLG AG and BLG KG, the consolidated financial statements include the companies listed below:

Number	12/31/2022	12/31/2021
Fully consolidated		
Domestic	14	14
Foreign	3	5
Accounted for using the equity method		
Domestic	40	39
Foreign	19	19

Three companies are included in the consolidated financial statements using the equity method due to immateriality, despite voting majorities, as they are of only minor importance for presenting a true and fair view of the financial position, financial performance and cash flows of BLG LOGISTICS. Materiality is determined on the basis of total assets. The cumulative total assets of the three companies accounted for using the equity method amounted to EUR 737 thousand (previous year: EUR 1,097 thousand) in 2022.

A total of 13 companies in which a majority of shares and voting rights are held are not fully consolidated due to immateriality. These are general partner companies with only limited operations, as well as three other entities with no or only limited operations and one company in liquidation and one company that was deconsolidated due to loss of control. These companies are of only minor importance for presenting a true and fair view of the financial position, financial performance and cash flows of BLG LOGISTICS and are therefore not included in the consolidated financial statements. Materiality is determined on the basis of net profit for the year. The cumulative net profit of the unconsolidated subsidiaries was EUR -537 thousand (previous year: EUR -15 thousand).

The structure of BLG LOGISTICS with the AUTOMOBILE, CONTRACT and CONTAINER Divisions, the latter accounted for using the equity method, is shown in note 3.

A complete list of subsidiaries, joint ventures, associates and other investees is attached to the notes to the consolidated financial statements.

The assumptions regarding control in companies in which the shareholding does not exceed 50 percent are shown below.

BLG AutoRail GmbH, Bremen (shareholding: 50 percent)
The shares in BLG AutoRail GmbH are held by BLG Automobile Logistics GmbH & Co. KG. Due to pooled voting rights under the partnership arrangement, BLG LOGISTICS exercises control over this company. The company is therefore accounted for using the full consolidation method.

BLG RailTec GmbH, Uebigau-Wahrenbrück (shareholding: 50 percent)
BLG RailTec GmbH was established as a wholly owned subsidiary of BLG AutoRail GmbH, Bremen. The indirect shareholding is 50 percent. Control of BLG AutoRail GmbH, Bremen, exists, so there is also indirect control of the wholly owned subsidiary BLG RailTec GmbH. As the operational management of the company was taken over due to a control and profit and loss transfer arrangement, this company is fully consolidated.

39. Consolidation Principles

The date of initial consolidation is the date on which, from an economic point of view, the conditions established under IFRSs for the existence of a subsidiary, an associate or a joint venture are met for the first time. Similarly, the deconsolidation date is determined by the absence of control, joint control or material influence.

Subsidiaries
Subsidiaries are companies that are controlled by BLG LOGISTICS.

BLG LOGISTICS controls an investee if there is an exposure to risk as a result of a right to variable returns from the investment and the power over the investee can be used to affect the amount of the returns.

All major subsidiaries are consolidated in the consolidated financial statements.

Subsidiaries are generally fully consolidated in accordance with IFRS 10. Deviating from this, certain companies of BLG LOGISTICS are not consolidated for reasons of materiality (see note 38).

At first-time consolidation, the cost of acquisition of subsidiaries is offset against the carrying amount of the Group's investment in the remeasured equity of the acquirees in accordance with IFRS 3. In this process, assets and liabilities are recognized at their fair values and previously unrecognized intangible assets that are eligible for recognition under IFRSs as well as contingent liabilities are recognized at fair value in assets or liabilities. Subsequent to initial consolidation, the thus identified hidden assets and hidden liabilities are carried forward, written down or reversed in accordance with the treatment of the corresponding assets and liabilities. Any excess of the acquisition cost of the acquiree over the proportionate net fair value of the identifiable assets, liabilities and contingent liabilities (positive difference) resulting from initial consolidation is recognized as goodwill and is subject to annual impairment testing (see note 12).

If any negative difference remains, the identification and measurement of assets, liabilities and contingent liabilities and the deviation of the purchase price are reassessed. Any negative goodwill remaining following this review is recognized immediately through profit or loss.

Companies accounted for using the equity method
The companies accounted for using the equity method include investments in joint ventures and associates.

Joint ventures exist when there are arrangements in which BLG LOGISTICS exercises joint control with at least one partner company, where the Group has rights to its net assets instead of rights to the assets and obligations from the liabilities of the arrangement. This applies in particular to the CONTAINER Division, which is accounted for using the equity method via the stake in the operational management company EUROGATE GmbH & Co. KGaA, KG, Bremen.

Associates are companies in which BLG LOGISTICS has material influence over the financial and operational policies, but does not exercise control or joint management.

The carrying amounts of the equity interests accounted for using the equity method are increased or decreased annually to recognize BLG LOGISTICS' share of the profit or loss of the investee arising from changes in the equity of the joint venture or the associate. The principles applicable to full consolidation are applied mutatis mutandis to the allocation and adjustment of the carrying amount of the investee to reflect the excess of the cost of acquisition of the investment over the proportionate interest in the company's equity.

Non-controlling interests
Non-controlling interests include minority interests in the equity of fully consolidated subsidiaries.

Non-controlling interests in acquired companies are recognized based on the proportionate share of the net assets of the acquiree.

Transactions with non-controlling interests are treated as transactions with equity owners of BLG LOGISTICS. Any difference between the consideration paid and the relevant share of the carrying amount of the net assets of the subsidiary arising from the purchase is recognized in equity. Gains and losses which are realized on the disposal of non-controlling interests are also recognized in equity.

Other equity interests
Other equity interests are stated at fair value in accordance with IFRS 9. If there is no active market and the fair value cannot be determined reliably using measurement methods, cost is used as an appropriate approximation of fair value.

Loss of control
If BLG LOGISTICS ceases to have control or material influence over an entity, the remaining interest is remeasured to fair value and the resulting difference is recognized in profit or loss. The fair value is the fair value determined on initial recognition of an associate, joint venture or financial asset.

In addition, all amounts reported in other comprehensive income in respect of that entity are accounted for as would be required if the parent company had sold the corresponding assets and liabilities directly. This means that a profit or loss previously recognized in other comprehensive income is reclassified from equity to comprehensive income.

If the shareholding in an associate has decreased, but the entity remains an associate, only the proportionate share of net profit or loss previously recognized in other comprehensive income is reclassified to profit or loss.

Elimination of transactions as part of consolidation
The effects of intragroup transactions are eliminated:

Receivables and payables between the consolidated companies are netted against each other, intragroup profits and losses on non-current assets and inventories are eliminated. Intragroup income is offset against the corresponding expense items. Taxes are deferred for temporary differences from consolidation as required under IAS 12.

The consolidation method is unchanged from the previous year.

40. Changes in Group of Consolidated Companies

Business combinations
Business combinations under IFRS 3 exist when an entity acquires control over one or more business operations through the acquisition of shares or other events. Business operations within the meaning of IFRS 3 are integrated sets of activities and assets that are managed with the aim of generating income or achieving cost reductions or other economic benefits for the shareholders or other owners, partners or members. The establishment of joint ventures and the combination of entities under common control do not represent business combinations within the meaning of IFRS 3.

In a business combination achieved in stages, the acquirer remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss in profit or loss.

No business combinations were achieved in the reporting year.

Other changes in group of consolidated companies

AUTOMOBILE Division

Fully consolidated companies (subsidiaries)
Against the background of the de facto loss of control in connection with the Russian war of aggression, BLG Logistics Automobile St. Petersburg Co. Ltd., St. Petersburg, Russia, was deconsolidated with effect from December 31, 2022. This resulted in expense in the amount of EUR 6,182 thousand, which is reported in the non-operating result under other operating expense.

Companies accounted for using the equity method (joint ventures)
In June 2022, BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven, founded BLG GLOVIS BHV GmbH, Bremerhaven, as a joint venture with the shipping company Hyundai GLOVIS. Hyundai GLOVIS will in the coming years use BLG AutoTerminal Bremerhaven as a European hub for its automobile transports between Asia and Europe. The aim of the joint venture is to bundle volumes and thus optimize the logistics chains of automobile manufacturers, taking into account transit times, costs and environmental influences.

Under contract of May 18, 2022, BLG Automobile Logistics Süd-/Osteuropa GmbH, Bremen, sold its shares in Autoterminal Slask Logistic Sp. Z o. o., Dabrowa Gornicza, Poland. The associated deconsolidation resulted in expenses of EUR 5 thousand, which are reported in the non-operating result under other operating expense.

CONTRACT Division

Fully consolidated companies (subsidiaries)
Owing to the discontinuation of business operations, BLG AUTO LOGISTICS OF SOUTH AFRICA (Pty) Ltd., Port Elizabeth, South Africa, was deconsolidated with effect from December 31, 2022. The deconsolidation resulted in expenses of EUR 5 thousand, which are reported in the non-operating result under other operating expense.

Companies accounted for using the equity method (associates)
In order to expand its business activities, BLG Logistics of South Africa (Pty) Ltd., Port Elizabeth, South Africa founded Autovision South Africa (Pty) Ltd., Port Elizabeth, South Africa, together with partners. The object of the company is the provision of value-creating activities, such as painting car parts.

41. Non-consolidated Structured Companies

BLG Unterstützungskasse GmbH, Bremen (shareholding: 100 percent)
BLG KG owns 100 percent of the shares in BLG Unterstützungskasse GmbH, Bremen. The purpose of the company is to provide ongoing support to former employees and former Board of Management members of BLG and their survivors. The necessary funds are provided to the company by the Free Hanseatic City of Bremen (municipality), as it has accepted the obligations arising from the pension entitlements. An exposure to risk as a result of, or a claim to variable returns from the investment and the opportunity to influence the operations of BLG Unterstützungskasse GmbH, Bremen, are therefore contractually precluded. Accordingly, control does not exist, despite the ownership of 100 percent of the voting shares, with the result that the company is not consolidated.

The carrying amount of the investment was EUR 30 thousand (previous year: EUR 30 thousand) and corresponds to the fair value. They were recognized in other financial assets under other financial investments. The maximum exposure to loss was the carrying amount of the investment.

42. Currency Translation

In accordance with IAS 21, the financial statements of consolidated companies prepared in foreign currencies are translated into euros in keeping with the concept of functional currencies. The functional currency of all foreign companies of the BLG Group is the local currency, as the companies conduct their business independently in financial, economic and organizational terms. Accordingly, the assets and liabilities were translated at the exchange rate on the reporting date, while expenses and income were in principle translated at the average annual exchange rate. The resulting currency translation differences were recognized directly in equity.

EUR	Reporting date 12/31/2022	2022 average	Reporting date 12/31/2021	2021 average
1 US dollar	0.9376	0.9497	0.8829	0.8455
1 Chinese yuan renminbi	0.1359	0.1413	0.1390	0.1311
1 Indian rupee	0.0113	0.0121	0.0119	0.0114
1 Malaysian ringgit	0.2128	0.2161	0.2119	0.2040
1 Polish zloty	0.2136	0.2134	0.2175	0.2190
1 Russian ruble	0.0132	0.0139	0.0117	0.0115
1 South African rand	0.0553	0.0581	0.0554	0.0572
1 Ukrainian hryvnia	0.0253	0.0293	0.0323	0.0310

As of December 31, 2022, currency translation differences of EUR 8,869 thousand (previous year: EUR 9,441 thousand) were reported in equity (see also the statement of changes in equity). Currency translation was based on the exchange rates shown in the table.

In the separate financial statements of the consolidated companies presented in local currency, receivables and payables are translated at the end of the reporting period in accordance with IAS 21. Currency translation differences were recognized through profit or loss as other operating income or expense. Non-monetary assets that are measured on the basis of cost were measured at the exchange rate on the day of the transaction.

43. Related Party Disclosures

Identification of related parties
In accordance with IAS 24, relationships with related parties that control BLG LOGISTICS or are controlled by it or on which BLG LOGISTICS can exercise significant influence must be disclosed.

Related parties include in particular majority shareholders, subsidiaries, provided that they are not already included as consolidated companies in the consolidated financial statements, joint ventures, associates or intermediary companies.

In addition, the Board of Management and the Supervisory Board of BLG AG and the first tier of management are also related parties as defined in IAS 24; this also includes family members of the aforementioned groups. A list of the composition of the Board of Management and the Supervisory Board as well as further information about these groups is provided in note 45. There were no reportable transactions between members of the Board of Management, the Supervisory Board, the first tier of management and their family members and BLG LOGISTICS during the 2022 financial year.

Material transactions with shareholders: Relationships with the Free Hanseatic City of Bremen (municipality)
As of December 31, 2022, the Free Hanseatic City of Bremen (municipality) was the majority shareholder of BLG AG with a 50.42 percent (previous year: 50.42 percent) share of the subscribed capital. The Free Hanseatic City of Bremen (municipality) received a dividend in the amount of EUR 8.8 million (previous year: EUR 11.3 million) as a result of the resolution on the appropriation of net retained profits for 2021.

In accordance with Article 148 of the Constitution of the Free Hanseatic City of Bremen, the Bremen Senate is both the state government and statutory body of the municipality of Bremen. Due to the fact that the statutory bodies of the Free Hanseatic City of Bremen (municipality) and the Free Hanseatic City of Bremen (state) are identical, this body is consequently considered a related party or ultimate controlling party within the meaning of IAS 24. The Free Hanseatic City of Bremen (municipality) has provided BLG KG with heritable building rights with a remaining term of up to 26 years for the land used by the company and its subsidiaries. As of December 31, 2022, lease liabilities for heritable building rights existed in the amount of EUR 281.4 million (previous year: EUR 290.4 million) toward the Free Hanseatic City of Bremen (municipality). The BLG Group paid a total of EUR 15.4 million (previous year: EUR 15.8 million) for ground rent in 2022. The ground rent is subject to regular increases on the basis of the consumer price index every five years. The increase planned for the 2020 financial year was waived to support Bremen's port and logistics industry in connection with the coronavirus crisis and was instead charged in the 2021 reporting period.

Transactions with affiliated companies of the Free Hanseatic City of Bremen (municipality) and (state)
Individual companies of BLG LOGISTICS maintain ongoing business relationships with affiliated companies of the Free Hanseatic City of Bremen (municipality).

BLG KG took out several loans from BLG Unterstützungskasse GmbH, Bremen. The loan liabilities amounted to EUR 25,600 thousand as of December 31, 2022 (previous year: EUR 25,600 thousand). In the reporting year, no loan liabilities were repaid and no new loan liabilities were taken out. Interest of EUR 505 thousand (previous year: EUR 505 thousand) was paid. In addition, BLG Unterstützungskasse GmbH has been included in the central cash management of BLG KG since September 1, 2012. The interest on the funds provided was based on unchanged conditions. At the end of the reporting period, liabilities from cash management were EUR 2,223 thousand (previous year: EUR 2,195 thousand).

Relationships with non-consolidated affiliated companies, joint ventures and associates
Transactions by the Group companies with joint ventures, associates and non-consolidated affiliated companies all arose in the ordinary course of business. Services were provided to these related parties on the basis of prices and

conditions also applicable to third parties. The receivables included lease receivables of EUR 176,215 thousand (previous year: EUR 180,317 thousand). The outstanding balances, with the exception of non-current lease receivables of EUR 172,212 thousand (previous year: EUR 176,314 thousand), are unsecured and due in the short term. The table below show the extent of the business relationships of the joint ventures and associates:

EUR thousand	2022	2021
Affiliated companies		
Income	0	0
Expense	10	10
Receivables	13	17
Liabilities	360	449
Joint ventures		
Income	26,658	21,730
Expense	19,907	18,998
Receivables	178,883	186,530
Liabilities	3,736	4,162
Associates		
Income	2,048	1,857
Expense	1,549	1,508
Receivables	242	156
Liabilities	526	660

Loss allowances of EUR 7 thousand (previous year: EUR 7 thousand) were recognized for expected credit losses on receivables from joint ventures and associates using the simplified approach. In addition, receivables from joint ventures of EUR 596 thousand (previous year: EUR 1,500 thousand) were derecognized in the reporting year and loans to joint ventures and associates in the amount of EUR 0 thousand (previous year: EUR 70 thousand) were written down. Receivables from non-consolidated affiliated companies were, as in the previous year, neither written down nor derecognized.

Other Notes

44. Voting Rights Notifications

The following voting rights notifications from direct or indirect equity interests in the capital of BLG AG were reported to the Board of Management of BLG AG:

On February 7, 2019, the Free Hanseatic City of Bremen (municipality) notified us pursuant to Section 33 (1) of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) that its share of voting rights in BLG AG amounted to 50.42 percent (corresponding to 1,936,000 voting rights) as of January 31, 2019.

On February 7, 2019, Peter Hoffmeyer notified us pursuant to Section 33 (1) WpHG that the voting rights share of Panta Re AG, Bremen, in BLG AG exceeded the threshold of 10 percent on January 31, 2019, and at that time amounted to 12.61 percent (corresponding to 484,032 voting rights). All voting rights are attributable to Peter Hoffmeyer pursuant to Section 34 (1) sentence 1 no. 1 WpHG.

On November 18, 2016, the Waldemar Koch Foundation, Bremen, notified us pursuant to Section 21 (1) WpHG (old version) that its share of voting rights in BLG AG exceeded the threshold of 5 percent on November 15, 2016, and at that time amounted to 5.23 percent (corresponding to 200,814 voting rights.)

On April 8, 2002, Finanzholding der Sparkasse in Bremen, Bremen, notified us pursuant to Section 41 (2) sentence 1 WpHG (old version) that as of April 1, 2002 its share of voting rights in BLG AG amounted to 12.61 percent (corresponding to 484,032 voting rights).

Further details are published on our website at ➚ *www.blg-logistics.com/en/investor-relations/share*.

45. Supervisory Board and Board of Management

Composition of the Supervisory Board

In accordance with the Articles of Incorporation, the Supervisory Board of BLG AG comprises 16 members, namely eight Supervisory Board members elected in accordance with the provisions of the German Stock Corporation Act (AktG) and eight Supervisory Board members representing the employees, who are elected in accordance with the provisions of the German Codetermination Act (MitbestG).

The composition of the Supervisory Board and the memberships of the Supervisory Board members in other bodies in accordance with Section 125 (1) sentence 5 AktG are presented in ▸Annex 1 to the notes.

The composition of the Supervisory Board changed as follows compared with December 31, 2021:

Klaus Pollok resigned as a member of the Supervisory Board with effect from December 31, 2021. He was replaced as of January 1, 2022 by Fabian Goiny. Fabian Goiny was elected as a substitute member for Klaus Pollok in 2018.

Vera Visser resigned as a member of the Supervisory Board with effect from February 28, 2022. Martin Peter was appointed to succeed her as a member of the Supervisory Board by court order of the District Court of Bremen on March 11, 2022.

Udo Klöpping resigned as a member of the Supervisory Board with effect from July 15, 2022. Tim Kaemena was appointed to succeed him as a member of the Supervisory Board by court order of the District Court of Bremen on September 8, 2022.

Composition of the Board of Management

The composition of the Board of Management and the memberships of the Board of Management members in other bodies in accordance with Section 125 (1) sentence 5 AktG are presented in ▸Annex 2 to the notes.

The following changes were made to the composition of the Board of Management compared with December 31, 2021:

At its meeting on February 24, 2022, the Supervisory Board resolved to extend the contract with Frank Dreeke for two years, until he reaches the statutory retirement age for Board of Management members. He is now appointed until December 31, 2024.

Andrea Eck, originally appointed until December 31, 2024, left the company at her own request with effect from December 31, 2022. She resigned from her seat on the Board of Management at the end of August 31, 2022. CEO Frank Dreeke had assumed responsibility for management of the AUTOMOBILE Division in the interim. At an extraordinary meeting on November 10, 2022, the Supervisory Board resolved to create the new position of Chief Operating Officer (COO) in the company, responsible for overseeing operating business at Board of Management level. In line with the “one face to the customer” principle, the two Board of Management divisions AUTOMOBILE and CONTRACT were merged. When it came to filling this position, the Supervisory Board decided in favor of Matthias Magnor, who has been responsible on the Board of Management for the CONTRACT Division since October 1, 2021. He took over the position of COO with effect from December 1, 2022.

At its meeting on December 15, 2022, the Supervisory Board resolved to extend the contract with Christine Hein for a further five years. She is now appointed until October 31, 2028.

Transactions with the Board of Management and the Supervisory Board

Transactions with the Board of Management and Supervisory Board were limited to services rendered in connection with the Board positions and employment contracts and the remuneration paid for these services.

Remuneration of the Supervisory Board

The active members of the Supervisory Board received the following remuneration:

EUR thousand	2022	2021
Fixed remuneration	178	179
Meeting allowances	78	63
Remuneration for intra-Group supervisory board mandates	35	44
Total	**291**	**286**

In addition, employee representatives on the Supervisory Board receive, in part, a regular salary from the respective employment relationship in the Group in an amount corresponding to appropriate remuneration for the function or activity discharged in the Group. In this regard, they received EUR 37 thousand (previous year: EUR 34 thousand) in contributions to statutory retirement plans in the reporting year.

As of December 31, 2022, as in the previous year, members of the Supervisory Board had not been granted any loans or advance payments. As in the previous year, no contingent liabilities were contracted for the benefit of the members of the Supervisory Board.

Remuneration of the Board of Management

For the 2022 financial year, the Board of Management received total remuneration in accordance with Section 314 (1) no. 6a HGB of EUR 3,870 thousand (previous year: EUR 3,892 thousand). This included basic remuneration, fringe benefits and variable remuneration components payable in the short term (including compensation agreed under severance agreements). In addition, provisions of EUR 1,494 thousand (previous year: EUR 1,743 thousand) were recognized as of December 31, 2022 for long-term variable remuneration components for the 2022 financial year. Of this amount, EUR 516 thousand related to the transitional arrangement for Board of Management members appointed before 2020. On attainment of the target in the reporting year, the respective entitlement for the reporting year was recognized in the provisions. This amount was included in the measurement of the multi-year remuneration components for the 2022 reporting year (transitional arrangement and long-term component). The actual payment was measured against the target attainment determined by the Supervisory Board on the basis of the applicable remuneration system over the multi-year period to be measured of two years (transitional arrangement) or four years (long-term component). The determination was based on financial (70 percent weighting) and environmental and social (30 percent weighting) performance criteria. At the reporting date, obligations for variable remuneration components stood at EUR 3,722 thousand (previous year EUR 3,043 thousand).

For former members of the Board of Management, expenses totaling EUR 1,451 thousand were also recognized in connection with severance agreements. The present value of pension obligations pursuant to IAS 19 for former members of the Board of Management totaled EUR 4,843 thousand as of December 31, 2022. As was the case in the previous year, members of the Board of Management had not been granted any loans or advance payments as of December 31, 2022. Similarly, as in the previous year, no contingent liabilities were contracted for the benefit of the members of the Board of Management.

The members of the Board of Management were granted pension entitlements, some of which are against companies of the BLG Group. Otherwise, the entitlements are against related parties.

As of December 31, 2022, the present value of pension obligations for active members of the Board of Management at December 31, 2022 amounted to EUR 2,882 thousand (previous year: EUR 5,752 thousand). The related plan assets stood at EUR 2,963 thousand (previous year: EUR 5,384 thousand).

The pension commitments provide for a retirement and disability pension of 10 percent of the basic salary. They also provide for a survivor’s pension of 60 percent of the agreed retirement pension. In amendments dated January 2020, it was agreed with each individual member of the Board of Management that in the event of their leaving the company prematurely without a benefit event occurring, there would no longer be a pro rata reduction in the defined benefits if the vesting conditions were met.

The remuneration of key management personnel at Group level subject to disclosure in accordance with IAS 24 comprises the remuneration of the active Board of Management and of the Supervisory Board.

The active members of the Board of Management received the following remuneration:

EUR thousand	2022	2021
Short-term employee benefits	3,825	3,867
Other long-term employee benefits	1,366	1,748
Termination benefits	1,451	25
Post-employment benefits	45	0
Total	**6,687**	**5,640**

Other long-term employee benefits relate to provisions for the long-term variable compensation components of the Board of Management.

Remuneration report and remuneration system
Further information and remarks concerning the individual remuneration of the Board of Management and Supervisory Board members is publicly accessible on our website ➚ www.blg-logistics.com/en/investor-relations in the Download area.

The Supervisory Board and Board of Management remuneration systems are available on our website ➚ www.blg-logistics.com/en/investor-relations under Corporate governance.

According to Article 19 of the EU Market Abuse Regulation, members of the Board of Management and the Supervisory Board are legally required to disclose their own transactions with shares of BLG AG or related financial instruments. This applies when the total value of the transactions that a Board member and related parties have carried out within one calendar year reaches or exceeds EUR 5,000.00.

This also applies to the first tier of management and the persons closely related to them.

In line with their reporting obligations, members of the Board of Management, the first tier of management and members of the Supervisory Board of the company and related parties disclosed no acquisitions or sales of shares of BLG AG in the 2022 financial year. As in the previous year, the shareholdings of all Board of Management and Supervisory Board members amount to less than 1 percent of the shares issued by the company.

46. Exercise of exemption options by subsidiaries

The following subsidiaries, which are fully consolidated in the consolidated financial statements, used the exemption options pursuant to Section 264 (3) HGB and Section 264b HGB:

- BLG LOGISTICS GROUP AG & Co. KG, Bremen
- BLG Automobile Logistics GmbH & Co. KG, Bremen
- BLG Industrielogistik GmbH & Co. KG, Bremen
- BLG AutoTec GmbH & Co. KG, Bremerhaven
- BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven
- BLG AutoTerminal Cuxhaven GmbH & Co. KG, Cuxhaven
- BLG AutoTerminal Deutschland GmbH & Co. KG, Bremen
- BLG AutoTransport GmbH & Co. KG, Bremen
- BLG Cargo Logistics GmbH, Bremen
- BLG Handelslogistik GmbH & Co. KG, Bremen
- BLG Logistics Solutions GmbH & Co. KG, Bremen
- BLG Sports & Fashion Logistics GmbH, Hörsel

47. Events after the Reporting Period

No events of particular significance for the financial position, financial performance and cash flows occurred between the end of the financial year ended December 31, 2022 and the preparation of the consolidated financial statements on March 31, 2023.

48. Remuneration of the Group Auditor

The remuneration of the Group auditor pursuant to Section 314 (1) no. 9 HGB for the 2022 financial year breaks down as follows:

EUR thousand	2022
Audits	440
Other assurance services	8
Other services	81
Total	**529**

49. German Corporate Governance Code

The 22nd declaration of compliance with the German Corporate Governance Code (Code), as amended on April 28, 2022, was issued by the Board of Management on August 30, 2022 and by the Supervisory Board of BLG AG on September 15, 2022. On this basis, the Board of Management issued a 23rd declaration of compliance with the Code, as amended on April 28, 2022 on November 29, 2022, and the Supervisory Board of BLG AG followed suit on December 15, 2022, as the creation of the position of a Chief Operating Officer had made amendments necessary. The declarations have been made permanently available on our website: ➚ http://www.blg-logistics.com/en/investor-relations.

Bremen, March 31, 2023

BREMER LAGERHAUS-GESELLSCHAFT -
Aktiengesellschaft von 1877-

THE BOARD OF MANAGEMENT

Frank Dreeke

Michael Blach

Christine Hein

Matthias Magnor

Ulrike Riedel

Appendix to the notes to the consolidated financial statements as of December 31 2022

Shareholdings of BLG LOGISTICS

Name, registered office	Shareholding in percent	Indirect interest (I)	Held through number
1. BLG LOGISTICS GROUP AG & Co. KG, Bremen	0.0		
Companies included on the basis of full consolidation			
2. BLG Automobile Logistics GmbH & Co. KG, Bremen	100.00		1
3. BLG Cargo Logistics GmbH, Bremen[1]	100.00		1
4. BLG Handelslogistik GmbH & Co. KG, Bremen	100.00		1
5. BLG Industrielogistik GmbH & Co. KG, Bremen	100.00		1
6. BLG Logistics Solutions GmbH & Co. KG, Bremen	100.00		1
7. BLG Automobile Logistics Süd-/Osteuropa GmbH, Bremen	100.00	I	2
8. BLG AutoRail GmbH, Bremen	50.00	I	2
9. BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven	100.00	I	2
10. BLG AutoTerminal Deutschland GmbH & Co. KG, Bremen	100.00	I	2
11. BLG AutoTransport GmbH & Co. KG, Bremen	100.00	I	2
12. BLG Sports & Fashion Logistics GmbH, Hörsel	100.00	I	4
13. BLG Logistics, Inc., Atlanta, USA	100.00	I	5
14. BLG Logistics of South Africa (Pty) Ltd, Port Elizabeth, South Africa[2]	84.07	I	5
15. BLG AutoTerminal Gdansk Sp. z o. o., Gdansk, Poland	100.00	I	7
16. BLG RailTec GmbH, Uebigau-Wahrenbrück[1]	50.00	I	8
17. BLG AutoTec GmbH & Co. KG, Bremerhaven	100.00	I	9
18. BLG AutoTerminal Cuxhaven GmbH & Co. KG, Cuxhaven	100.00	I	9

Companies included on the basis of the equity method			
19. dbh Logistics IT AG, Bremen	27.32	I	1
20. EUROGATE GmbH & Co. KGaA, KG, Bremen	50.00	I	1
21. Kloosterboer BLG Coldstore GmbH, Bremerhaven	49.00	I	1
22. ZLB Zentrallager Bremen GmbH & Co. KG, Bremen	33.33	I	1
23. BLG-Cinko Auto Logistics (Tianjin) Co., Ltd., Tianjin, People's Republic of China	50.00	I	2
24. BLG Logistics (Beijing) Co., Ltd., Beijing, People's Republic of China	100.00	I	2
25. DCP Dettmer Container Packing GmbH & Co. KG, Bremen	50.00	I	3
26. Hansa Marine Logistics GmbH, Bremen	100.00	I	3
27. ICC Independent Cargo Control GmbH, Bremen	50.00	I	3
28. Schultze Stevedoring GmbH & Co. KG, Bremen	50.00	I	3
29. AutoLogistics International GmbH, Bremen	50.00	I	5
30. BLG Parekh Logistics Pvt. Ltd., Mumbai, India	50.00	I	5
31. BLG SWIFT LOGISTICS Sdn. Bhd., Kuala Lumpur, Malaysia[3]	60.00	I	5
32. BLG ViDi LOGISTICS TOW, Kyiv, Ukraine	50.00	I	7
33. BLG GLOVIS BHV GmbH, Bremerhaven	50.00	I	9
34. ATN Autoterminal Neuss GmbH & Co. KG, Neuss	50.00	I	10
35. BLG CarShipping Koper d.o.o., Koper, Slovenia	100.00	I	11
36. BLG Interrijn Auto Transport RoRo B.V., Rotterdam, Netherlands	50.00	I	11
37. Autovision South Africa (Pty) Ltd., Port Elizabeth, South Africa	41.19	I	14
38. Hizotime (Pty) Ltd, East London, South Africa	41.19	I	14
39. SWIFT MEGA CARRIERS Sdn. Bhd., Kuala Lumpur, Malaysia	60.00	I	31

Name, registered office	Shareholding in percent	Indirect interest (I)	Currency[5]	Equity in thousands	Net profit for the year in thousands	Held through number
Companies not included						
40. BLG Automobile Logistics Beteiligungs-GmbH, Bremen	100.00	I	EUR	104	-1	1
41. BLG Handelslogistik Beteiligungs GmbH, Bremen	100.00	I	EUR	33	1	1
42. BLG Industrielogistik Beteiligungs-GmbH, Bremen	100.00	I	EUR	34	1	1
43. BLG Logistics Solutions Beteiligungs-GmbH, Bremen	100.00	I	EUR	28	1	1
44. EUROGATE Beteiligungs-GmbH, Bremen	50.00	I	EUR	40	1	1
45. EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen	50.00	I	EUR	74	1	1
46. ZLB Zentrallager Bremen GmbH, Bremen[4]	33.33	I	EUR	51	2	1
47. BLG AutoTerminal Deutschland Beteiligungs-GmbH, Bremen	100.00	I	EUR	50	-1	2
48. BLG AutoTransport Beteiligungs-GmbH, Bremen	100.00	I	EUR	25	0	2
49. Schultze Stevedoring Beteiligungs-GmbH, Bremen[4]	50.00	I	EUR	31	1	3
50. BLG Automobile Logistics Italia S.r.l. i. L., Gioia Tauro, Italy	98.97	I	EUR	-472	9	7
51. BLG Logistics Automobile St. Petersburg Co. Ltd., St. Petersburg, Russia	100.00	I	RUB	407,975	-20,394	7
52. BLG AutoTec Beteiligungs-GmbH, Bremerhaven	100.00	I	EUR	28	1	9
53. BLG AutoTerminal Cuxhaven Beteiligungs-GmbH, Cuxhaven	100.00	I	EUR	13	1	9
54. BLG Freight, LLC, Hoover, USA	100.00	I	USD	-266	-293	13
55. BLG Logistics of Alabama, LLC, Vance, USA	100.00	I	USD	---	---	13
56. BLG AUTO LOGISTICS OF SOUTH AFRICA (Pty) Ltd., Port Elizabeth, South Africa	84.07	I	ZAR	1,028	212	14
57. DCP Dettmer Container Packing GmbH, Bremen[4]	50.00	I	EUR	111	8	25
58. ATN Autoterminal Neuss Verwaltungs-GmbH, Neuss	50.00	I	EUR	29	0	34

[1] Profit and loss transfer due to control and profit and loss transfer arrangements

[2] The share of voting rights amounts to 75.04%; non-voting preference shares are additionally held.

[3] The share of voting rights amounts to 40.00%; non-voting preference shares are additionally held.

[4] Previous year's figures

[5] The exchange rates are given in note 42 of the notes to the consolidated financial statements

Responsibility Statement of the Legal Representatives on the 2022 Consolidated Financial Statements

To the best of our knowledge, and in accordance with the applicable financial reporting principles, the consolidated financial statements present a true and fair view of the assets, liabilities, financial position and profit or loss of the BLG Group, and that the 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.

Bremen, March 31, 2023

THE BOARD OF MANAGEMENT

Frank Dreeke
Chairman of the Board of Management
(CEO)

Michael Blach
CONTAINER
Division

Christine Hein
Finances
(CFO)

Matthias Magnor
AUTOMOBILE & CONTRACT
Divisions (COO)

Ulrike Riedel
Labor Relations Director
(CHRO)

Independent Auditor's Report

To BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-, Bremen, and BLG LOGISTICS GROUP AG & Co. KG, Bremen

Audit opinions

We have audited the consolidated financial statements of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-, Bremen, and BLG LOGISTICS GROUP AG & Co. KG, Bremen, and their subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2022 and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- and BLG LOGISTICS GROUP AG & Co. KG for the financial year from January 1 to December 31, 2022. In accordance with the German legal requirements we have not audited the contents of those parts of the group management report listed in the "Other information" section of our auditor's report.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB) and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as of December 31, 2022, and of its financial performance for the financial year from January 1 to December 31, 2022, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the parts of the group management report listed in the "Other information" section.

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

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany – IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial law and professional law, and we have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Note to highlight a matter

Please refer to the legal representatives' remarks in the "Principles of Group accounting" section of the notes to the consolidated financial statements and the "Fundamental information about the Group" section of the group management report, which set out that the Group consists of BREMER LAGERHAUS-GESELLSCHAFT - Aktiengesellschaft von 1877-, Bremen, and the group of BLG LOGISTICS GROUP AG & Co. KG, Bremen. The annual financial statements and management report of BREMER LAGERHAUS-GESELLSCHAFT - Aktiengesellschaft von 1877-, Bremen, and the consolidated financial statements and group management report of BLG LOGISTICS GROUP AG & Co. KG, Bremen, as of December 31, 2022, were voluntarily combined into one set of financial statements (consolidated financial statements) and management report (group management report). In this respect, the consolidated financial statements and group management report refer to the Group as a whole and not to the individual company and individual group with its parent company and subsidiaries.

Our audit opinions on the consolidated financial statements and group management report are not modified in this regard.

Other information

The legal representatives are responsible for the other information. The other information comprises the following parts of the management report, the content of which was not audited:

- the statement on corporate governance pursuant to Sections 289f and 315d HGB included in the "Corporate governance statement" section of the group management report
- the separate non-financial report pursuant to Sections 289b (3) and 315b (3) HGB
- the sustainability report
- the sections "Alignment of the compliance and risk management system and internal control system," "Integrated governance, risk and compliance approach" and "Effectiveness of the internal control system and risk management system including compliance" of the management report

The other information also includes the other parts of the financial report – without further cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

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

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the legal representatives and the Supervisory Board for the consolidated financial statements and the group management report

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the legal representatives are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report

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

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

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures.

- Conclude on the appropriateness of the legal representatives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and the content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs, as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the legal representatives in the group management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Intended use
We issue this auditor's report on the basis of the engagement agreed with BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- and BLG LOGISTICS GROUP AG & Co. KG. The audit was performed for the purposes of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- and BLG LOGISTICS GROUP AG & Co. KG, and the auditor's report is solely intended to inform BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- and BLG LOGISTICS GROUP AG & Co. KG as to the results of the audit. The auditor's report is not intended to provide third parties with support in making (financial) decisions. Our responsibility lies solely towards BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- and BLG LOGISTICS GROUP AG & Co. KG. We do not accept any responsibility towards third parties.

Bremen, March 31, 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Thomas Ull	Stefan Geers
German Public Auditor	German Public Auditor