Combined Financial Statements

Combined Statement of Profit or Loss

EUR thousand	Note	**2023**	2022
Revenue	4	1,210,035	1,118,980
Other operating income	5	48,938	53,868
Cost of materials	6	-503,185	-462,018
Personnel expenses	7	-492,174	-475,075
Depreciation, amortization and impairment of non-current intangible assets, property, plant and equipment and right-of-use assets from leases	8	-84,559	-86,999
Other operating expense	9	-154,089	-159,535
Net impairment gains/losses	32	-148	-235
Net income (net loss) of companies accounted for using the equity method	10	21,374	77,705
Write-downs of equity investments in companies accounted for using the equity method	10	0	-2,109
Income from non-current finance receivables		62	37
Other interest and similar income	11	15,149	9,260
Interest and similar expenses	11	-25,512	-18,159
Income from other long-term equity investments and affiliated companies		204	2
Earnings before taxes (EBT)		**36,095**	**55,722**
Income taxes	33	-2,665	-4,116
Combined net profit for the period		**33,430**	**51,606**
Combined net profit was attributable as follows:			
BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-		1,957	965
BLG LOGISTICS GROUP AG & Co. KG		30,292	49,929
Non-controlling interests		1,181	712
		33,430	**51,606**
Earnings per share (diluted and basic, in EUR)	21	**0.51**	**0.25**
of which from continuing operations (in EUR)		0.51	0.25
Dividend of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- (in EUR)	22	**0.45**	**0.28**

Combined Statement of Comprehensive Income

EUR thousand	Note	2023	2022
Combined net profit for the period		**33,430**	**51,606**
Other comprehensive income, net of income tax			
Items that are not subsequently reclassified to profit or loss	34		
Remeasurement of net pension obligations		-7,457	36,148
Proportionate share of equity-accounted investments in items that are not subsequently reclassified to profit or loss		-5,427	31,180
Income taxes on items that are not subsequently reclassified to profit or loss		1,421	-5,114
		-11,463	**62,214**
Items that can subsequently be reclassified to profit or loss	34		
Currency translation		416	140
Change in the measurement of financial instruments		-5,011	18,544
Proportionate share of equity-accounted investments in items that can subsequently be reclassified to profit or loss		-470	-399
Income taxes on items that can subsequently be reclassified to profit or loss		62	-111
		-5,003	**18,174**
Other comprehensive income, net of income tax		**-16,466**	**80,388**
Combined total comprehensive income		**16,964**	**131,994**

Combined comprehensive income was attributable as follows:			
BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-		1,957	965
BLG LOGISTICS GROUP AG & Co. KG		13,881	130,319
Non-controlling interests		1,126	710
		16,964	**131,994**

Combined Statement of Financial Position

Assets **EUR thousand**	Note	**12/31/2023**	12/31/2022
A. Non-current assets			
I. Intangible assets	12		
1. Goodwill		4,288	4,288
2. Other intangible assets		5,929	6,617
3. Advance payments on intangible financial assets		3,760	679
		13,977	**11,584**
II. Property, plant and equipment	13, 14		
1. Land, land rights and buildings, including buildings on third-party land		357,229	373,093
2. Handling equipment		108,634	98,188
3. Technical plant and machinery		34,301	39,135
4. Other equipment, operating and office equipment		24,399	25,938
5. Advance payments and assets under construction		5,064	4,702
		529,627	**541,056**
III. Equity investments in companies accounted for using the equity method	15	208,281	234,950
IV. Non-current finance receivables	16	224,130	228,228
V. Other non-current assets	18	614	689
VI. Deferred taxes	33	9,910	5,064
		986,539	**1,021,571**
B. Current assets			
I. Inventories	17	14,791	17,456
II. Trade receivables	18	174,376	184,012
III. Current finance receivables	16	68,798	55,059
IV. Other assets	18	29,070	36,237
V. Reimbursement rights from income taxes	35	3,862	3,780
VI. Cash and cash equivalents	19	39,932	18,403
		330,829	**314,947**
		1,317,368	**1,336,518**

Liabilities **EUR thousand**	Note	**12/31/2023**	12/31/2022
A. Equity	20		
I. Included 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		10,968	10,086
		21,950	**21,068**
II. Included capital of BLG LOGISTICS GROUP AG & Co. KG			
1. Limited partner capital		51,000	51,000
2. Share premium		103,182	103,182
3. Retained earnings		121,290	98,547
4. Other reserves		-16,130	-4,669
5. Reserve for the fair value measurement of financial instruments		5,596	11,178
6. Foreign currency translation		-8,141	-8,869
		256,797	**250,369**
III. Non-controlling interests		6,930	6,290
		285,677	**277,727**
B. Non-current liabilities			
I. Non-current loans (not including the current portion)	23	151,856	139,441
II. Other non-current loan liabilities	24	521,086	526,874
III. Deferred income for government grants	25	1,941	2,942
IV. Other non-current liabilities	28	4,492	3,202
V. Non-current provisions	26	39,874	31,154
		719,249	**703,613**
C. Current liabilities			
I. Trade payables	27	77,379	101,596
II. Other current financial liabilities	24	148,379	161,519
III. Current portion of government grants	25	92	81
IV. Other current liabilities	28	52,526	51,294
V. Payment obligations from income taxes	36	5,690	5,183
VI. Current provisions	29	28,376	35,505
		312,442	**355,178**
		1,317,368	**1,336,518**

Segment Reporting

EUR thousand	AUTO MOBILE 2023	AUTO MOBILE 2022	CONTRACT 2023	CONTRACT 2022	CONTAINER 2023	CONTAINER 2022	All segments 2023	All segments 2022	Re-conciliation 2023	Re-conciliation 2022	Group 2023	Group 2022
Revenue with external third parties	**641,883**	**579,768**	**569,143**	**548,192**	**301,914**	**345,098**	**1,512,940**	**1,473,058**	**-302,905**	**-354,078**	**1,210,035**	**1,118,980**
Intersegment sales	98	3,883	893	5,097	2,345	2,257	3,336	11,237	-3,336	-11,237	0	0
Net income (net loss) of companies accounted for using the equity method	622	-2,286	1,944	606	-291	52,668	2,275	50,988	19,099	24,608	21,374	75,596
EBITDA	81,716	45,889	48,953	47,759	60,214	129,201	190,883	222,849	-60,132	-71,268	130,751	151,581
Depreciation, amortization and impairment	-35,517	-48,182	-40,089	-35,344	-32,783	-38,641	-108,389	-122,167	23,830	35,168	-84,559	-86,999
Segment earnings (EBIT)	**46,199**	**-2,293**	**8,864**	**12,415**	**27,431**	**90,560**	**82,494**	**100,682**	**-36,302**	**-36,100**	**46,192**	**64,582**
Interest income	246	74	9,065	4,600	4,804	972	14,115	5,646	1,096	3,651	15,211	9,297
Interest expense	-10,263	-9,477	-8,507	-5,759	-13,856	-11,601	-32,626	-26,837	7,114	8,678	-25,512	-18,159
Income from other long-term equity investments	0	0	0	0	149	99	149	99	55	-97	204	2
Segment earnings (EBT)	**36,182**	**-11,696**	**9,422**	**11,256**	**18,528**	**80,030**	**64,132**	**79,590**	**-28,037**	**-23,868**	**36,095**	**55,722**
EBT margin (in %)	**5.6**	**-2.0**	**1.7**	**2.1**	**6.1**	**23.2**	**4.2**	**5.4**	**not stated**	**not stated**	**3.0**	**5.0**
Other information												
Other non-cash events	-3,941	4,305	707	7,405	4,314	-26,778	1,080	-15,068	-3,040	26,807	-1,960	11,739
Impairment	-1,195	-7,836	0	0	-105	-4,245	-1,300	-12,081	-5,093	4,245	-6,393	-7,836
Equity investments in companies accounted for using the equity method	825	1,663	3,448	2,250	167,275	144,769	171,548	148,682	36,733	86,268	208,281	234,950
Goodwill included in segment assets	4,288	4,288	0	0	512	512	4,800	4,800	-512	-512	4,288	4,288
Segment assets	523,566	549,343	335,195	322,114	557,622	618,951	1,416,383	1,490,408	-321,068	-397,684	1,095,315	1,092,724
Capital expenditure	54,809	28,966	25,744	40,947	40,093	34,037	120,646	103,950	-36,007	-31,452	84,639	72,498
of which non-cash	16,820	2,160	22,421	26,335	2,305	1,324	41,546	29,819	-669	312	40,877	30,131
Segment liabilities	336,242	401,833	278,647	279,543	403,202	396,008	1,018,091	1,077,384	-218,691	-238,516	799,400	838,868
Equity	110,862	65,727	37,552	18,920	202,023	229,345	350,437	313,992	-64,760	-36,265	285,677	277,727
Employees	2,922	3,235	6,551	6,266	1,604	1,605	11,077	11,106	-1,194	-1,219	9,883	9,887

Combined Statement of Changes in Equity

		I. Included capital of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-			II. Included 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, 2021		**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													
Combined 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
Combined 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**
Changes in financial year													
Combined total comprehensive income		0	1,957	1,957	0	0	30,292	0	0	0	30,292	1,181	33,430
Income and expense recognized directly in equity	32, 33	0	0	0	0	0	0	-11,461	-5,582	632	-16,411	-55	-16,466
Combined total comprehensive income		**0**	**1,957**	**1,957**	**0**	**0**	**30,292**	**-11,461**	**-5,582**	**632**	**13,881**	**1,126**	**16,964**
Dividends/withdrawals		0	-1,075	-1,075	0	0	-8,812	0	0	0	-8,812	-486	-10,373
Other changes		0	0	0	0	0	1,263	0	0	96	1,359	0	1,359
As of December 31, 2023	20	**9,984**	**11,966**	**21,950**	**51,000**	**103,182**	**121,290**	**-16,130**	**5,596**	**-8,141**	**256,797**	**6,930**	**285,677**

Combined Statement of Cash Flows

EUR thousand	Note	**2023**	2022
Earnings before taxes		36,095	55,722
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		84,559	89,108
Reversals of impairments of non-current finance receivables		0	-2,664
Proceeds from disposal of property, plant and equipment		-23	-1,075
Net income (net loss) of companies accounted for using the equity method		-21,374	-77,705
Net income (net loss) of other investees		-204	-2
Net interest income (expense)		10,301	8,862
Other non-cash events		-1,960	11,231
		107,394	**83,477**
Change in trade receivables		9,636	-7,894
Change in other assets		6,307	-12,504
Change in inventories		2,665	-470
Change in government grants		-989	115
Change in provisions		-7,159	8,872
Change in trade payables		-24,217	14,342
Change in other liabilities		4,778	11,066
		-8,979	**13,527**
Interest received		14,571	3,345
Interest paid		-22,862	-17,664
Taxes on income and earnings paid		-2,240	-4,251
		-10,531	**-18,570**
Cash flows from operating activities		**87,884**	**78,434**

EUR thousand	Note	2023	2022
Proceeds from disposal of property, plant and equipment and intangible assets		438	1,645
Cash payments to acquire property, plant and equipment and intangible assets		-41,330	-42,366
Proceeds from disposal of long-term financial assets		857	0
Cash payments to acquire companies accounted for using the equity method		0	-25
Cash payments for advances and loans made to investees		0	-563
Cash receipts from repayment of advances and loans made to investees		844	19
Cash receipts from payment of lease receivables		24,230	19,921
Dividends received		28,048	1,267
Cash flows from investing activities		**13,087**	**-20,102**
Cash receipts from repayment of loans made to company owners		870	735
Cash payments for advances and loans made to company owners		-3,034	-870
Cash payments made to company owners		-10,373	-11,145
Cash proceeds from borrowings		43,119	33,829
Cash payments from redemption of financial borrowings		-31,173	-30,547
Cash payments from repayment of lease liabilities		-63,285	-62,859
Cash flows from financing activities	37	**-63,876**	**-70,857**
Net change in cash and cash equivalents		37,095	-12,525
Change in cash and cash equivalents due to changes in the basis of consolidation		0	-1,289
Change in cash and cash equivalents due to currency translation differences		-1,517	-261
Cash and cash equivalents at start of financial year		-2,635	11,440
Cash and cash equivalents at end of financial year	37	**32,943**	**-2,635**
Composition of cash and cash equivalents at end of financial year			
Cash		39,932	18,403
Current liabilities to banks		-6,989	-21,038
		32,943	**-2,635**

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Notes to the Combined Financial Statements

Notes to the
Combined Financial Statements

Principles

1. Principles of Combined Group Accounting

The BLG Group (BLG LOGISTICS) is headed by 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 governing bodies and special ownership structure. As BLG AG does not consider control over BLG KG to exist within the meaning of IFRS 10, it prepares combined financial statements for the Group together with BLG KG under the name BLG LOGISTICS with BLG AG and BLG KG as joint parent.

The combined financial statements for BLG LOGISTICS for the 2023 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, 2023 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 combined 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 combined financial statements is the closing date of the preparing entities.

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

The combined 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 combined financial statements for publishing and forwarding to the Supervisory Board on March 28, 2024. The Supervisory Board has the task of reviewing the combined 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 combined financial statements.

Judgments

Information on judgments in applying the accounting policies that have the greatest material effect on the amounts reported in the combined 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 24 and 29)

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 2023 financial year:

Standards	Application required for financial years starting from
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts" (First-Time Application of IFRS 17 and IFRS 9 – Comparative Information)	January 1, 2023
Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 "Making Materiality Judgements" (Practice Statement)	January 1, 2023
Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (Definition of Accounting Estimates)	January 1, 2023
Amendments to IAS 12 "Income Taxes" (Deferred Tax related to Assets and Liabilities Arising from a Single Transaction)	January 1, 2023
Amendments to IAS 12 "Income Taxes" (International Tax Reform – Pillar 2 Model Rules)	immediately and January 1, 2023[1]

[1] The amendments relating to the accounting apply immediately, while the amendments relating to the notes to the financial statements apply for financial years beginning on or after January 1, 2023.

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	Yes
Amendments to IAS 1 "Presentation of Financial Statements" (Classification of Liabilities as Current or Non-Current)	January 1, 2024	Yes
Amendments to IAS 1 "Presentation of Financial Statements" (Non-Current Liabilities with Covenants)[2]	January 1, 2024	Yes
Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" (Supplier Finance Arrangements)	January 1, 2024	No
Amendments to IAS 21 "Effects of Changes in Foreign Exchange Rates" (Lack of Exchangeability)	January 1, 2025	No

[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

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 2023 financial year.

BLG LOGISTICS plans to observe the new standards and interpretations in the combined financial statements from the date on which their initial application becomes 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 combined financial statements.

Segment Reporting and Operating Earnings

2. Operations of the BLG Group

The BLG Group operates externally under the brand BLG LOGISTICS. BLG LOGISTICS is a seaport-oriented logistics service provider with an international network and is represented with almost 100 subsidiaries and offices in Europe, America, Africa, and Asia. The CONTRACT, AUTOMOBILE and CONTAINER operating divisions offer their customers in industry and retailing complex logistics system services.

The main services provided by the divisions are presented below, broken down by business area or area of expertise.

AUTOMOBILE

The AUTOMOBILE Division is a leading terminal, technical and logistics service provider for the international automotive industry. In this division, BLG LOGISTICS offers multimodal transport concepts with global logistics reach and dovetails individualized and innovative technical service packages. The AUTOMOBILE Division is divided into five 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.

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 manages complex projects and offers customized logistics solutions ranging from highly automated logistics centers to manual in-house handling. Its services focus on procurement, production and distribution logistics as well as reverse and spare parts logistics. The division is made up of three areas of expertise.

The Contract Operations business area focuses increasingly on proximity to the customer through a regional organization, 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.

The individual locations, which are clustered in the various regions, provide logistics activities for both the manufacturing industry and retail companies.

For car manufacturers, in addition to procurement logistics from the suppliers and the supply of production lines, we also consolidate, process, pack and ship goods for the supply of 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 locations of the CONTRACT Division function as an extended workbench of automobile manufacturers.

For 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.

For retail companies, we design, implement, manage and execute complex logistics processes and offer our customers a one-stop solution. 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, we handle and store refrigerated and frozen goods at the Bremerhaven container terminal, and provide all related services.

Conventional goods handling at Neustädter Hafen in Bremen is also assigned to the CONTRACT Division. 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.

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 combined financial statements using the equity method of accounting.

The focus of the activities of the EUROGATE Group includes handling containers on the European continent as well as in North Africa. 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, and in Limassol, Cyprus. In addition, EUROGATE has investments in several inland terminals and rail transport companies.

Complementary services are offered in the form of 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.

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.

Whole companies are each assigned to the AUTOMOBILE, CONTRACT and CONTAINER Divisions. These companies each represent operating segments that 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 Division is divided into business areas and the CONTRACT Division into regions. Responsibility for operational management, including earnings responsibility, lies with the respective business area or regional managers of the AUTOMOBILE and CONTRACT Divisions, and with the Group management of the EUROGATE GmbH & Co. KGaA, KG subgroup 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 earnings, 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 Combined group management report.

BLG LOGISTICS predominantly conducts its activities in Germany. EUR 1,166,339 thousand of combined Group revenue (previous year: EUR 1,070,318 thousand) was attributable to Germany and EUR 43,696 thousand (previous year: EUR 48,662 thousand) to other countries. This allocation was based on the location at which the Group performs services. EUR 524,707 thousand of the Group's non-current intangible assets and property, plant and equipment (previous year: EUR 529,555 thousand) was attributable to Germany and EUR 18,895 thousand (previous year: EUR 23,084 thousand) to other countries.

Around 15 percent (previous year: 18 percent) of total combined Group revenue was generated with the Group's largest customer in the AUTOMOBILE and CONTRACT Divisions. Of this, EUR 181,377 thousand (previous year: EUR 196,156 thousand) was attributable to Germany and EUR 170 thousand (previous year: EUR 35 thousand) to other countries. Around 12 percent (previous year: 10 percent) of total combined Group revenue was generated with the Group's second-largest customer in the AUTOMOBILE and CONTRACT Divisions. Of this, EUR 134,249 thousand (previous year: EUR 100,004 thousand) was attributable to Germany and EUR 4,855 thousand (previous year: EUR 7,982 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 (EBIT), 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, intragroup 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	**2023**	2022
Total of the reportable segments	1,512,940	1,473,058
CONTAINER Division	-301,914	-345,098
Consolidation	-991	-8,980
Combined Group revenue	**1,210,035**	**1,118,980**

EBIT EUR thousand	**2023**	2022
Total of the reportable segments	82,494	100,682
Central departments/other EBIT	-26,031	-52,643
CONTAINER Division	-27,431	-90,560
Consolidation	17,160	107,103
Combined Group EBIT	**46,192**	**64,582**

EBT EUR thousand	**2023**	2022
Total of the reportable segments	64,132	79,590
Central departments/other EBT	21,592	-21,340
CONTAINER Division	-18,528	-80,030
Consolidation	-31,101	77,502
Combined Group segment earnings (EBT)	**36,095**	**55,722**

Assets EUR thousand	**2023**	2022
Total of the reportable segments	1,416,383	1,490,408
Central departments/other assets	740,196	746,288
Equity investments in companies accounted for using the equity method	208,281	234,950
Deferred tax assets	9,910	5,064
Reimbursement rights from income taxes	3,862	3,780
CONTAINER Division	-557,622	-618,951
Consolidation	-503,643	-525,022
Combined Group assets (assets)	**1,317,368**	**1,336,518**

Liabilities EUR thousand	**2023**	2022
Total of the reportable segments	1,018,091	1,077,384
Central departments/ other liabilities	94,086	105,761
Equity	285,677	277,727
Non-current loans (not including the current portion) adjusted	151,856	139,441
Other non-current financial liabilities	60,392	60,013
Current portion of non-current loans	20,043	20,469
CONTAINER Division	-403,202	-396,008
Consolidation	90,425	51,731
Combined Group liabilities (liabilities)	**1,317,368**	**1,336,518**

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 or region 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 2023**	AUTOMOBILE 2022	**CONTRACT 2023**	CONTRACT 2022	**Total 2023**	Total 2022
Freight forwarding and transport services	364,837	276,718	46,952	52,070	411,789	328,788
Handling revenue	98,856	127,716	249,895	235,524	348,751	363,240
Other logistics services and advisory services	70,406	63,219	135,880	142,962	206,286	206,181
Rental and storage income	63,938	51,578	48,154	40,957	112,092	92,535
Material sales	15,057	24,782	14,102	12,714	29,159	37,496
Provision of personnel and equipment	2,257	1,452	29,891	22,987	32,148	24,439
Container packing	1,757	2,498	3,554	3,661	5,311	6,159
Shipping income	2,501	4,695	2,663	0	5,164	4,695
Other	22,274	27,110	38,052	37,317	60,326	64,427
Total	**641,883**	**579,768**	**569,143**	**548,192**	**1,211,026**	**1,127,960**
Consolidation	-98	-3,883	-893	-5,097	-991	-8,980
Total	**641,785**	**575,885**	**568,250**	**543,095**	**1,210,035**	**1,118,980**

By business area/region EUR thousand	2023	2022
AUTOMOBILE		
Seaport terminals	230,654	267,071
Inland terminals	79,269	59,236
AutoTransport	181,525	129,064
Rail	131,135	98,562
Southern/Eastern Europe	16,893	21,952
Other	2,309	0
	641,785	**575,885**
CONTRACT		
Region North 1	62,517	60,190
Region North 2	110,316	136,520
Region North Rhine-Westphalia	46,808	36,577
Region Center	88,856	85,436
Region East	38,887	33,788
Region Thuringia	67,432	67,340
Region South 1	31,982	33,282
Region South 2	32,180	36,176
Business Units Overseas	33,078	30,508
Other	56,194	23,278
	568,250	**543,095**
Total	**1,210,035**	**1,118,980**

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.

An allowance account was recognized in net profit or loss 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 allowance account is recognized 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 allowance account. 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	12/31/2023	12/31/2022
Contract assets	17,774	17,159
Contract liabilities	2,982	1,848

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

Contract assets EUR thousand	2023	2022
As of January 1 (gross)	17,213	7,887
Reclassification to trade receivables (during the year)	-15,877	-7,268
Change from progress in the reporting year	16,508	16,594
As of December 31 (gross)	**17,844**	**17,213**
Loss allowances	-70	-54
As of December 31	**17,774**	**17,159**

Contract liabilities EUR thousand	2023	2022
As of January 1 (gross)	1,848	1,873
Revenue recognized in the reporting year:	-1,058	-1,062
of which included in contract liabilities at the beginning of the reporting year	-1,058	-1,062
Increase due to payments received (not including amounts recognized as revenue in the reporting year)	2,222	1,253
Changes in group of consolidated companies	0	0
Other changes	-30	-216
As of December 31	**2,982**	**1,848**

The credit risk and the expected credit losses for contract assets were as follows as of December 31, 2023, and December 31, 2022:

EUR thousand	12/31/2023 Not past due	12/31/2022 Not past due
Expected credit loss rate (weighted average)	0.39%	0.32%
Nominal amounts	17,844	17,213
Loss allowances	-70	-54
Carrying amounts	**17,774**	**17,159**

Loss allowances for contract assets developed as follows:

EUR thousand	2023	2022
Amount as of the beginning of the financial year	54	33
Loss allowances for the financial year		
Transfers	22	24
Reversals	-6	-3
Balance as of the end of the financial year	**70**	**54**

5. Other Operating Income

EUR thousand	2023	2022
Income from the reversal of provisions	23,828	22,215
Insurance recoveries and other reimbursements	7,514	7,777
Income from the recharging of expenses	7,314	8,792
Ground rent and rental income	2,108	2,086
Income from recycling	816	1,426
Income from the provision of personnel	690	875
Income from capital gains	329	620
Neutral income	281	40
Gains on disposal of property, plant and equipment	120	1,172
Income from prior periods	38	2,692
Other	5,900	6,173
Total	**48,938**	**53,868**

Of the ground rent and rental income, EUR 1,292 thousand (previous year: EUR 1,294 thousand) was attributable to income from operating leases for own non-current assets and EUR 816 thousand (previous year: EUR 792 thousand) to income from subleases (see note 14).

6. Cost of Materials

EUR thousand	2023	2022
Cost of other purchased services	326,087	254,236
Expenses for external personnel	95,085	107,073
Cost of raw materials, consumables and supplies	82,012	100,711
Change in inventories of work in progress and services and finished products	0	-3
Total	**503,185**	**462,018**

7. Personnel Expenses

EUR thousand	2023	2022
Wages and salaries	405,833	393,167
Statutory social expenses	80,339	77,714
Expenses for post-employment benefits, support and anniversaries	5,866	4,069
Other	136	125
Total	**492,174**	**475,075**

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 34,229 thousand (previous year: EUR 32,829 thousand) for contributions to statutory retirement plans. Of this amount, EUR 180 thousand (previous year: EUR 175 thousand) was attributable to key management personnel and EUR 32 thousand (previous year: EUR 13 thousand) to employee representatives on the Supervisory Board.

In 2023, BLG LOGISTICS had an average of 9,883 employees (previous year: 9,887). Of these employees, 7,694 (previous year: 7,726) were blue-collar workers and 2,189 (previous year: 2,161) worked in commercial functions. Please refer to the Combined 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	2023	2022
Depreciation and amortization	78,166	79,163
Impairment	6,393	7,836
Total	**84,559**	**86,999**

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

The impairment losses in the reporting year related with EUR 5,198 thousand to a building and related assets and with EUR 1,195 to an operational management tool that is not being further developed.

Depreciation and amortization included depreciation on right-of-use assets from leases in accordance with IFRS 16 of EUR 42,018 thousand (previous year: EUR 45,894 thousand). Further disclosures can be found in note 14.

9. Other Operating Expense

EUR thousand	2023	2022
Rental and incidental rental expense	28,919	26,817
Security costs and other real estate expense	24,090	23,128
IT expense	20,419	16,906
Expenses for loss events	14,729	11,910
Legal, advisory and audit fees	12,636	10,468
Expenses for insurance premiums	10,359	11,311
Other personnel expenses	8,996	8,987
Distribution costs	7,586	6,073
Administrative expense and contributions	3,408	5,324
Other taxes	2,618	2,608
Training expenses	2,559	2,550
Postal and telecommunications costs	2,290	2,222
Other neutral expenses	1,583	7,570
Expenses for expected losses	1,410	7,143
Expenses for foreign exchange losses	1,097	509
Losses on asset disposals	553	97
Expenses for infrastructure measures	0	5,189
Other	10,838	10,724
Total	**154,089**	**159,535**

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). The impairment was allocable in full to the AUTOMOBILE Division.

EUR thousand	2023	2022
Net income (net loss) of companies accounted for using the equity method		
Joint ventures	20,024	76,515
Associates	1,350	1,190
Total	**21,374**	**77,705**

Income from joint ventures included the CONTAINER Division's earnings of EUR 18,202 thousand (previous year: EUR 76,705 thousand).

11. Net Interest Income (Expense)

EUR thousand	2023	2022
Income from non-current finance receivables	**62**	**37**
Other interest and similar income		
Interest income from lease receivables	11,498	8,169
Interest income from bank balances and time deposits	1,899	765
Interest income from interest rate swaps	1,711	59
Interest income from amortization of other assets	0	97
Other interest income	41	170
	15,149	**9,260**
Interest and similar expenses		
Interest expense from lease liabilities	-12,746	-11,337
Interest expense from non-current loans and other financial liabilities	-7,499	-3,167
Interest cost for provisions and liabilities	-1,880	-339
Interest expense from interest rate swaps	-467	-954
Interest expense for current liabilities to banks	-356	-189
Other interest expense	-2,565	-2,172
	-25,512	**-18,159**
Total	**-10,301**	**-8,862**

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

As in the previous year, no borrowing costs were capitalized.

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 acquisition costs 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 is measured at original 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. Production cost comprises all costs directly attributable to the production process as well as an appropriate share of indirect production-related costs. 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:

	2023	2022
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.

The intangible assets do not include any assets for which there is an operating lease.

2023 **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	16,083	40,746	8,515	65,344
Additions	0	1,163	3,155	4,318
Disposals	0	-8,540	-1,195	-9,735
Reclassifications	0	840	1,121	1,961
Exchange rate differences	0	-19	0	-19
As of December 31	**16,083**	**34,190**	**11,596**	**61,869**
Depreciation, amortization and impairment				
As of January 1	11,795	34,129	7,836	53,760
Depreciation and amortization	0	2,701	0	2,701
Impairment	0	0	1,195	1,195
Disposals	0	-8,556	-1,195	-9,751
Exchange rate differences	0	-13	0	-13
As of December 31	**11,795**	**28,261**	**7,836**	**47,892**
Carrying amounts as of December 31	**4,288**	**5,929**	**3,760**	**13,977**

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	-3,592	-62	0	-3,654
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	**16,083**	**40,746**	**8,515**	**65,344**
Depreciation, amortization and impairment				
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	**4,288**	**6,617**	**679**	**11,584**

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 line item “Depreciation, amortization and impairment of non-current intangible assets, property, plant and equipment and right-of-use assets from leases.”

In addition to amortization, write-downs of intangible assets were recognized in the amount of EUR 1,195 thousand (previous year EUR 0 thousand). These related to an operational management tool that is not being further developed.

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, taking country-specific risks into account. Foreign currencies are translated using forward rates. The Group’s weighted average cost of capital of 7.96 percent (previous year: 7.92 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 (3.09 percent, previous year: 2.17 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:

2023	**BLG AutoRail GmbH, Bremen**
Division	AUTOMOBILE
Carrying amount of goodwill (EUR thousand)	4,288
Revenue growth p.a. in % (planning period)	0.0–6.9
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 %	8.0

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

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.

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. This did not result in any impairment losses in the reporting year.

In the previous year, recoverable income of EUR 85.9 million was determined on the basis of the value-in-use calculation for the cash-generating unit BLG ATB, which on account of their close affiliation is made up of the companies BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven, and BLG AutoTec GmbH & Co. KG, Bremerhaven. The calculation was based on a discount rate of 7.05 percent.

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 of EUR 7,835 thousand remained for the BLG ATB cash-generating unit. This amount was attributable to IT tools for central capacity management (EUR 2,801 thousand), and for processing delivery traffic (EUR 5,035 thousand). The impairment losses 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 amortized cost that would have resulted without the impairment.

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 production cost less depreciation based on use. Production costs include both direct costs and an appropriate share of indirect production costs to the extent that they are attributable to the production process. 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 taken into account when determining depreciation.

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 recognized as a liability and released 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:

	2023	2022
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 less than the amortized cost, the property, plant and equipment are impaired (see also note 12 under "Impairment").

Impairment is recognized in the line item "Depreciation, amortization and impairment of non-current intangible assets, property, plant and equipment and right-of-use assets from leases." In the 2023 financial year, in addition to depreciation, write-downs of a building and related assets amounting to EUR 5,198 thousand (previous year: EUR 0 thousand) were recognized owing to a reduction in the useful life (change in estimate in accordance with IAS 8). The building in question is allocable to the central department.

In the previous 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.

2023 **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	710,541	180,870	110,490	80,826	4,701	1,087,428
Additions	35,379	30,403	3,513	8,167	2,858	80,320
Disposals	-24,325	-17,637	-2,338	-8,546	-46	-52,892
Reclassifications	9,118	-667	-8,148	191	-2,449	-1,955
Exchange rate differences	-939	39	88	-393	0	-1,205
As of December 31	**729,774**	**193,008**	**103,605**	**80,245**	**5,064**	**1,111,696**
Depreciation, amortization and impairment						
As of January 1	337,448	82,681	71,355	54,888	0	546,372
Depreciation and amortization	42,039	19,672	4,362	9,392	0	75,465
Impairment	5,179	0	19	0	0	5,198
Disposals	-16,787	-17,598	-1,904	-8,193	0	-44,482
Reclassifications	5,022	-437	-4,585	0	0	0
Reversals of write-downs	0	0	0	0	0	0
Exchange rate differences	-356	56	57	-241	0	-484
As of December 31	**372,545**	**84,374**	**69,304**	**55,846**	**0**	**582,069**
Carrying amounts as of December 31	**357,229**	**108,634**	**34,301**	**24,399**	**5,064**	**529,627**

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 impairment						
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**

Advance payments and assets under construction of EUR 5,064 thousand (previous year: EUR 4,701 thousand) related exclusively to assets under construction.

As in the previous year, no financing costs were capitalized for qualifying assets.

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:

2023 **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	23,069	0	8,836	147	0	32,052
Disposals	-6,625	0	0	0	0	-6,625
As of December 31	**16,444**	**0**	**8,836**	**147**	**0**	**25,427**
Depreciation, amortization and impairment						
As of January 1	9,407	0	3,951	144	0	13,502
Depreciation and amortization	497	0	471	2	0	970
Impairment	5,179	0	19	0	0	5,198
Disposals	-1,521	0	0	0	0	-1,521
As of December 31	**13,562**	**0**	**4,441**	**146**	**0**	**18,149**
Carrying amounts as of December 31	**2,882**	**0**	**4,395**	**1**	**0**	**7,278**

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 impairment						
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**

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 25 years. The Group thus secures long-term rights of use to the land required for operations. In addition there are mainly leases for industrial trucks, conveyor systems, HGVs, passenger cars railroad 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 financial year 2021. 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.

The Group has granted residual value guarantees in the lease agreements for railroad cars 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 2.0 million (previous year: EUR 6.1 million) (undiscounted) are not expected to result in payments, therefore no amounts for residual value guarantees were included in the lease liabilities as of December 31, 2023.

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	2023	2022
Land, land rights and buildings, including buildings on third-party land	234,746	241,160
Handling equipment	15,094	15,671
Other equipment, operating and office equipment	2,415	2,508
Total	**252,256**	**259,339**

The additions to right-of-use assets in the 2023 financial year amounted to EUR 43,308 thousand (previous year: EUR 30,132 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	2023	2022
Depreciation, amortization and impairment		
Land, land rights and buildings, including buildings on third-party land	31,737	32,090
Handling equipment	8,691	12,303
Other equipment, operating and office equipment	1,590	1,501
	42,018	**45,894**
Other operating expense		
Expenses for short-term leases	13,901	12,046
Expenses for leases of low-value assets	1,982	1,993
	15,883	**14,039**
Interest expense		
Interest expenses from lease liabilities	12,746	11,337
	12,746	**11,337**
Total	**70,647**	**71,270**

Total payments for leases in the financial year amounted to EUR 92,485 thousand (previous year: EUR 88,894 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. An allowance account for lease receivables is recognized in net profit or loss 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	12/31/2023	12/31/2022
One year or less	35,960	32,493
More than one and less than 2 years	35,827	26,411
More than 2 and less than 3 years	30,638	25,718
More than 3 and less than 4 years	18,238	23,856
More than 4 and less than 5 years	10,460	18,424
More than 5 years	190,703	201,163
Total undiscounted lease payments	**321,826**	**328,065**
Unrealized interest income	73,497	78,166
Lease receivables (net investment in the lease)	**248,329**	**249,899**

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	2023	2022
Revenue		
Income from operating leases	1,478	2,956
	1,478	**2,956**
Other operating income		
Income from operating leases	1,292	1,294
Income from subleases	816	792
	2,108	**2,086**
Interest income		
Interest income from lease receivables	11,498	8,169
	11,498	**8,169**
Total	**15,084**	**13,211**

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

EUR thousand	12/31/2023	12/31/2022
One year or less	2,344	2,344
More than one and less than 2 years	1,110	1,097
More than 2 and less than 3 years	583	633
More than 3 and less than 4 years	0	504
More than 4 and less than 5 years	0	0
More than 5 years	0	0
Total undiscounted lease payments	**4,037**	**4,578**

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. Starting with the cost at the time of the acquisition of 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	12/31/2023	12/31/2022
Investments in joint ventures	203,453	230,575
Investments in associates	4,828	4,375
Total	**208,281**	**234,950**

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 20,024 thousand; previous year: EUR 76,515 thousand), changes in other reserves due to the remeasurement of pensions (EUR -4,576 thousand; previous year: EUR 26,267 thousand), the fair value measurement of financial instruments (EUR -571 thousand; previous year: EUR 722 thousand), currency translation differences (EUR 196 thousand; previous year: EUR -1,234 thousand) and other changes (EUR -833 thousand; previous year: EUR -1,945 thousand), as well as reductions due to distributions (EUR -41,071 thousand; previous year: EUR -28,283 thousand). In the reporting year, changes in the group of consolidated companies were also included with EUR -291 thousand (previous year EUR 25 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 consolidated 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 consolidated financial statements of EUROGATE GmbH & Co. KGaA, KG and reconciles this information with the carrying amounts of the investments in joint ventures.

EUR thousand	**12/31/2023**	12/31/2022
Non-current assets	1,049,373	1,009,507
Current assets	421,947	535,330
Non-current liabilities	-721,195	-755,054
Current liabilities	-346,080	-331,093
Net assets	**404,045**	**458,690**
Ownership interest in %	**50.0**	**50.0**
Proportionate share of net assets	202,023	229,345
Other equity attributable to non-controlling interests	-451	-465
Group share of net assets (= equity carrying amount)	**201,572**	**228,880**

Current assets included cash and cash equivalents of EUR 308,456 thousand (previous year: EUR 392,356 thousand).

EUR 512,230 thousand of the non-current liabilities (previous year: EUR 585,704 thousand) and EUR 244,609 thousand of the current liabilities (previous year: EUR 203,218 thousand) were attributable to financial liabilities (in each case excluding trade payables, other liabilities and provisions). The financial liabilities resulted with EUR 307,521 thousand (previous year: EUR 334,325 thousand) from non-current and with EUR 17,995 thousand (previous year: EUR 21,871 thousand) from current lease liabilities.

EUR thousand	**2023**	2022
Revenue	603,828	690,196
Depreciation and amortization	-65,565	-77,282
Reversals/impairment	0	54,644
Other interest and similar income	9,609	1,945
Interest and similar expenses	-27,711	-21,556
Taxes on income	-430	-6,381
Net profit for the year	36,628	153,682
Other comprehensive income, net of income tax	-9,901	51,733
Total comprehensive income	**26,727**	**205,415**

EUR 18,202 thousand of the net profit for the year (previous year: EUR 76,705 thousand) and EUR -4,937 thousand of other comprehensive income net of income taxes (previous year: EUR 25,866 thousand) was attributable to BLG LOGISTICS.

BLG LOGISTICS received a dividend from EUROGATE GmbH & Co. KGaA, KG in the amount of EUR 39,728 thousand in the reporting year (previous year: EUR 27,320 thousand).

EUR thousand	2023	2022
Cash flows from operating activities	106,130	163,054
Cash flows from investing activities	-83,080	-41,178
Cash flows from financing activities	-106,950	-57,043
Net change in cash and cash equivalents	**-83,900**	**64,833**
Cash and cash equivalents at start of financial year	392,356	327,523
Cash and cash equivalents at end of financial year	**308,456**	**392,356**
Composition of cash and cash equivalents		
Cash and cash equivalents	308,456	392,356
Cash and cash equivalents at end of financial year	**308,456**	**392,356**

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	2023	2022
Carrying amount of investments in other joint ventures	1,881	1,695
Share of		
net profit for the year	1,822	-190
other comprehensive income	-2	-158
Proportionate share of total comprehensive income	**1,820**	**-348**

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

In the 2023 financial year, negative shares of EUR 87 thousand (previous year: EUR 105 thousand) and positive shares of EUR 289 thousand (previous year: EUR 346 thousand) in the total comprehensive income of joint ventures were not included in the combined comprehensive income 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 combined comprehensive income totaled EUR -3,687 thousand (previous year: EUR 3,636 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 1,353 thousand; previous year: EUR 1,191 thousand), changes in other reserves due to the remeasurement of pensions (EUR -16 thousand; previous year: EUR 80 thousand), as well as reductions due to distributions (EUR -739 thousand; previous year: EUR -738 thousand) and currency translation differences (EUR -34 thousand; previous year: EUR 2 thousand). Changes in the group of consolidated companies were also recognized in the reporting year (EUR -109 thousand, previous year EUR 0 thousand). As in the previous year, no other changes arose in the reporting period.

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	2023	2022
Carrying amount of investments in associates	4,828	4,375
Share of		
net profit for the year	1,353	1,191
other comprehensive income	-49	2
Proportionate share of total comprehensive income	**1,304**	**1,193**

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

In the 2023 financial year, negative shares of EUR 158 thousand (previous year: EUR 1 thousand) in the total comprehensive income of associates were not included in the combined comprehensive income. At the reporting date, the cumulative negative share of the total comprehensive income of joint ventures not recognized in the combined comprehensive income totaled EUR 377 thousand (previous year: EUR 221 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.

An allowance account for finance receivables is recognized in profit or loss on the basis of expected credit losses according to the general approach. According to this approach, an allowance account 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.

EUR thousand	**2023 Current**	**2023 Non-current**	2022 Current	2022 Non-current
Lease receivables	24,945	223,384	23,110	226,789
Finance receivables from shareholder accounts in companies accounted for using the equity method	39,154	0	27,838	0
Other receivables from shareholders	3,034	0	870	0
Excess of plan assets over post-employment benefit liability	0	711	0	328
Receivables from leasing/factoring companies	440	0	2	0
Loans to companies accounted for using the equity method	200	0	390	654
Other loans	76	5	66	5
Loans to affiliated companies	0	0	0	422
Miscellaneous other finance receivables	949	30	2,783	30
Total	**68,798**	**224,130**	**55,059**	**228,228**

For financial assets for which credit risk has increased significantly since initial recognition, an allowance account 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 an interest rate of 4.4 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.

The credit risk and the expected credit losses for financial receivables measured at amortized cost were as follows as of December 31, 2023 and December 31, 2022:

12/31/2023 **EUR thousand**	**12 months**	**Residual maturity**		**Total**
		Non-impaired	Impaired	
Loans to companies accounted for using the equity method	200	0	2,473	2,673
Other loans	81	0	0	81
Receivables from leasing/factoring companies	440	0	0	440
Other receivables from shareholders	3,034	0	0	3,034
Finance receivables from finance leases	248,329	0	0	248,329
Miscellaneous other finance receivables	979	0	0	979
Nominal amounts	**253,063**	**0**	**2,473**	**255,536**
Loss allowances	0	0	-2,473	-2,473
Carrying amounts	**253,063**	**0**	**0**	**253,063**

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**

Loss allowances for finance receivables developed as follows:

2023 **EUR thousand**	**12 months**	**Residual maturity**		**Total**
		Non-impaired	Impaired	
Amount as of the beginning of the financial year	0	0	2,489	2,489
Loss allowances for the financial year				
Reversals	0	0	-16	-16
Amount as of the end of the financial year	**0**	**0**	**2,473**	**2,473**

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**

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 an appropriate share of indirect production costs 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	12/31/2023	12/31/2022
Raw materials, consumables and supplies	14,787	17,451
Finished goods and merchandise	4	5
Total	**14,791**	**17,456**

Inventories are not pledged as collateral for liabilities. Loss allowances of EUR 93 thousand (previous year: EUR 209 thousand) were recognized on inventories as of December 31, 2023. The inventories recognized as expenses in the reporting year amounted to EUR 78,066 thousand (previous year: EUR 96,790 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.

An allowance account was recognized in net profit or loss 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 52 days (previous year: 59 days). The maximum exposure to credit risk corresponded to the carrying amount; there were no indications of significant concentrations of credit risk.

EUR thousand	12/31/2023	12/31/2022
Receivables from third parties	171,839	181,590
Receivables from affiliated companies	106	14
Receivables from other long-term investees	2,430	2,408
Total	**174,376**	**184,012**

The credit risk and the expected credit losses for trade receivables were as follows as of December 31, 2023 and December 31, 2022:

12/31/2023 **EUR thousand**	Expected credit loss rate (weighted average)	Nominal amounts	Loss allowances	**Carrying amounts**
Not past due	0.4%	155,320	-653	154,667
Less than 30 days	1.0%	12,292	-127	12,165
Between 30 and 90 days	2.0%	3,731	-73	3,658
Between 91 and 180 days	1.1%	3,380	-39	3,341
More than 180 days	2.6%	559	-14	545
Total		**175,282**	**-906**	**174,376**

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**

Loss allowances for trade receivables developed as follows:

EUR thousand	**2023**	2022
Amount as of the beginning of the financial year	1,156	1,042
Changes in group of consolidated companies	0	0
Loss allowances for the financial year		
Transfers	284	295
Reversals	-258	-177
Changes in exchange rates	-2	3
Use/derecognition of receivables	-274	-7
Balance as of the end of the financial year	**906**	**1,156**

In the reporting year, there were also derecognitions of trade receivables of EUR 105 thousand (previous year: EUR 96 thousand), which are 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	12/31/2023 Current	12/31/2023 Non-current	12/31/2022 Current	12/31/2022 Non-current
Other financial assets				
Investments in affiliated companies	0	389	0	397
Other financial investments	0	138	0	138
Derivatives with positive fair value	5,200	0	9,888	0
Miscellaneous financial assets	2,120	65	695	67
	7,320	**592**	**10,583**	**602**
Other non-financial assets				
Contract assets (note 4)	17,774	0	17,159	0
Receivables from tax and customs authorities	2,209	0	2,358	0
Prepayments	0	0	1,782	0
Receivables from German Infection Protection Act	413	0	1,666	0
Prepaid expenses	877	22	752	87
Receivables from Agentur für Arbeit (Labor Agency)	215	0	319	0
Miscellaneous non-financial assets	262	0	1,619	0
	21,750	**22**	**25,655**	**87**
Total	**29,070**	**614**	**36,237**	**689**

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	12/31/2023	12/31/2022
Overnight loans and short-term time deposits	30,860	16,040
Current account balances	9,041	2,326
Cash	31	37
Total	**39,932**	**18,403**

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 2023 and 2022 financial years are presented in the combined statement of changes in equity as a separate component of the combined financial statements as of December 31, 2023.

a) Included 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, 2023.

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 10,968 thousand (previous year: EUR 10,086 thousand). In the 2023 financial year, transfers to retained earnings amounted to EUR 300 thousand (previous year: withdrawals from retained earnings of EUR 110 thousand).

b) Included capital of BLG KG
The capital attributable to the limited partner of BLG KG is recognized. The limited partner 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 combined financial statements to IFRSs. Furthermore, in 2021, 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 combined net profit for the period. 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 released upon settlement of the underlying transaction. In addition, the reserves are released 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	2023	2022
As of January 1	11,178	-8,088
Change in reserves	-5,582	19,266
As of December 31	**5,596**	**11,178**

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 5,068 thousand (previous year: EUR 10,079 thousand), deferred taxes on this amount recognized directly in equity of EUR 453 thousand (previous year: EUR 453 thousand) as well as EUR 75 thousand (previous year: EUR 646 thousand) from the fair values of financial instruments at associates recognized directly in equity.

Foreign currency translation 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 6,930 thousand (previous year: EUR 6,290 thousand) for the minority interests in the equity of fully consolidated subsidiaries.

For the development of the individual equity components, please see the separate Combined 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 combined net profit attributable to BLG AG by the average number of shares. Basic earnings per share for the 2023 financial year amount to EUR 0.51 (previous year: EUR 0.25). This calculation was based on the portion of the combined net profit of EUR 1,957 thousand (previous year: EUR 965 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.

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

22. Dividend per Share

On June 7, 2023, 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 1,075 thousand reported on December 31, 2022 as follows:

Distribution of a dividend of EUR 0.28 per share. This represented a distribution amount of EUR 1,075 thousand and a distribution ratio of 111.4 percent. The dividend was distributed to our shareholders on June 12, 2023.

For the 2023 financial year, the Board of Management and the Supervisory Board will propose to the Annual General Meeting on June 12, 2024 that the net retained profits in the amount of EUR 1,728 thousand be used to pay a dividend of EUR 0.45 per share. This represents a distribution ratio of 88.3 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	2023	2022
Up to 1 year	20,043	20,469
1 to 5 years	70,203	59,620
Above 5 years	81,653	79,821
Total	**171,899**	**159,910**

Of the loans from banks, a total of EUR 64,502 thousand (previous year: EUR 61,182 thousand) had fixed interest rates and EUR 107,397 thousand (previous year: EUR 98,728 thousand) had floating 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	**12/31/2023 Current**	**12/31/2023 Non-current**	12/31/2022 Current	12/31/2022 Non-current
Lease liabilities	60,930	460,694	61,429	466,861
Loans BLG Unterstützungskasse GmbH	25,600		25,600	
Current portion of non-current loans	20,043		20,469	
Sales allowance obligations	15,973		11,473	
Other borrowings	9,585	55,849	9,441	56,035
Bank overdrafts	6,989		21,038	
Cash management with respect to equity investments	3,249		2,729	
Social future concept	1,412	4,504	1,240	3,915
Derivatives with negative fair value	158		326	
Liabilities to factoring company	111		3,908	
Other	4,330	38	3,867	63
Total	**148,379**	**521,086**	**161,519**	**526,874**

The average effective interest rates as of the end of the reporting period of current account liabilities to banks amounted to 3.8 percent (previous year: 1.0 percent).

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

25. Deferred Income for Government Grants

EUR thousand	12/31/2023 Non-current	12/31/2022 Non-current
AUTOMOBILE Division	1,740	2,792
CONTRACT Division	201	150
Total	**1,941**	**2,942**

EUR thousand	12/31/2023 Current	12/31/2022 Current
AUTOMOBILE Division	81	70
CONTRACT Division	11	11
Total	**92**	**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 released 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 1,151 thousand (previous year: EUR 1,204 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 1,103 thousand (previous year: EUR 126 thousand) was recognized in 2023.

In addition, further income of EUR 660 thousand was recognized during the year (previous year: EUR 1,017 thousand), the full amount of which related to grants recognized through profit or loss. EUR 23 thousand (previous year: EUR 389 thousand) of this amount related to reimbursements of social security contributions by the Bundesagentur 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 actuarial method prescribed in IAS 19 for defined benefit pension 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 actuarial method. The interest component included in the anniversary expenses is shown in net financial income / net finance costs.

EUR thousand	12/31/2023	12/31/2022
Personnel-related provisions		
Social future concept	14,720	8,923
Port pensions	13,117	11,981
Anniversary provisions	8,690	7,619
Direct commitments	2,980	2,609
	39,508	**31,131**
Other provisions		
Provisions for demolition obligations	344	0
Miscellaneous other non-current provisions	23	23
	367	**23**
Total	**39,874**	**31,154**

Provisions for pensions

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

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	12/31/2023	12/31/2022
Reinsurance policies	74,296	69,861
Deposit for outstanding premium payments to the reinsurance	3,800	3,075
Fair value of plan assets	**78,096**	**72,936**

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	12/31/2023	12/31/2022
Present value of defined benefit obligations	109,721	97,314
Fair value of plan assets	-78,096	-72,936
Shortfall (net debt)	**31,625**	**24,378**

Present value of pension obligations

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

EUR thousand	12/31/2023	12/31/2022
Balance at beginning of year	**97,314**	**135,218**
Current service cost	2,545	2,495
Expense from deferred compensation	1,868	2,652
Interest expense	4,040	1,413
Remeasurement		
Adjustments based on historical data	-277	1,407
Actuarial gains/losses from changes in financial assumptions	8,384	-40,945
Utilization (pension payments)	-4,073	-4,072
Reversals	-40	-879
Transfers	-42	25
Effects of changes in foreign exchange rates	2	0
Balance at end of year	**109,721**	**97,314**

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

	12/31/2023	12/31/2022
Direct commitments	15 years	14 years
Port pensions	13 years	12 years
Social future concept	9 years	9 years

Fair value of plan assets

The fair value of the plan assets changed as follows:

EUR thousand	12/31/2023	12/31/2022
Balance at beginning of year	**72,936**	**74,044**
Interest income	2,970	797
Expense/income from plan assets (excluding interest income)	-1,054	762
Additions made by the employees included in the plan (e.g. deferred compensation)	2,313	2,505
Employer contributions	3,183	1,622
Utilization (pension payments)	-2,492	-2,928
Reimbursement assets	-384	-328
Reversals	-36	-74
Transfers	27	-68
Remeasurement	633	-3,396
Balance at end of year	**78,096**	**72,936**

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	12/31/2023	12/31/2022
Current service cost	2,545	2,495
Interest expense	1,070	616
Total	**3,615**	**3,111**

The service cost is recognized in the combined 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, 2023 amounted to EUR 1,916 thousand (previous year: EUR 1,559 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):

12/31/2023 in percent	Direct commitments	Port pensions	Social future concept
Discount rate	3.6	3.5	3.5
Rate of salary increases	1.9	0.0	0.0
Rate of pension increases	2.2	1.0	0.0

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

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. Dr. 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	12/31/2023 Higher	12/31/2022 Higher
Discount rate (50 basis points)	-5,230	-4,513
Rate of salary increases (50 basis points)	105	101
Rate of pension increases (50 basis points)	1,347	1,148

EUR thousand	12/31/2023 Lower	12/31/2022 Lower
Discount rate (50 basis points)	5,704	4,907
Rate of salary increases (50 basis points)	-100	-47
Rate of pension increases (50 basis points)	-1,241	-1,059

The sensitivity calculations were based on the average maturity of the pension obligations determined as of December 31, 2023. 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 social future 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 social future 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 1,600 thousand (previous year: EUR 1,274 thousand).

Anniversary provisions

EUR thousand	Non-current	Current
As of 01/01/2023	7,619	842
Utilization	-47	-764
Reversal	-11	0
Addition	1,129	707
Transfer	0	0
As of 12/31/2023	**8,690**	**785**

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 3.5 percent (previous year: 4.3 percent). The interest cost of EUR 347 thousand (previous year: EUR 109 thousand was included in the addition for the reporting year of EUR 1,129 thousand (previous year: EUR 959 thousand).

Other non-current provisions

Other non-current provisions amounted to EUR 23 thousand (previous year: EUR 23 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	2023	2022
Obligations from outstanding invoices	44,154	21,844
Liabilities to third parties	31,699	75,625
Liabilities to investees	1,492	3,918
Liabilities to affiliated companies	34	209
Total	**77,379**	**101,596**

28. Other Financial and Non-financial Liabilities

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

Liabilities are recognized based on collective bargaining and individual agreements. The presentation, which includes benefit arrears from current partial retirement arrangements and top-up amounts for building reserves, is based on actuarial reports.

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

EUR thousand	12/31/2023 Current	12/31/2023 Non-current	12/31/2022 Current	12/31/2022 Non-current
Other financial liabilities				
Liabilities for variable remuneration	7,235	3,607	7,493	2,152
Liabilities to employees from wages and salaries	7,156	0	7,389	0
Other employee benefits	1,156	0	1,050	0
	15,547	**3,607**	**15,932**	**2,152**
Other non-financial liabilities				
Obligations from outstanding vacation leave	16,344	0	15,986	0
VAT liabilities	12,902	0	14,537	0
Contract liabilities	2,592	390	1,218	630
Current portion of non-current pension obligations	1,593	0	1,708	0
Liabilities for social security contributions	1,420	0	822	0
Advance payments	531	0	597	0
Partial retirement obligations	427	493	356	418
Advance customs duties	129	0	62	0
Other non-financial liabilities	1,041	2	75	3
	36,979	**885**	**35,362**	**1,050**
Total	**52,526**	**4,492**	**51,294**	**3,202**

29. Current Provisions

EUR thousand	As of 01/01/2023	Utilization	Reversal	Reclassification	Addition	As of 12/31/2023
Allocations for insurance costs	2,635	-1,003	-1,604	0	1,456	1,484
Onerous contracts	7,852	-218	-5,780	0	980	2,834
Warranty risks	1,500	0	-1,500	0	115	115
Miscellaneous other provisions	23,518	-2,511	-6,454	0	9,390	23,943
Total	**35,505**	**-3,732**	**-15,338**	**0**	**11,941**	**28,376**

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 with EUR 2,834 thousand in full to the CONTRACT 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 from prior periods were reversed and new provisions of EUR 115 thousand were recognized. 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 255 thousand (previous year: EUR 254 thousand) and archiving costs of EUR 1,465 thousand (previous year: EUR 1,465 thousand). In addition, miscellaneous other provisions included EUR 3,000 thousand (previous year: EUR 0 thousand) for risks in connection with the heat treatment of vehicles, EUR 2,934 thousand (previous year: EUR 1,464 thousand) for uninsured damage to a logistics center and risks of EUR 2,567 thousand (previous year: EUR 5,019 thousand) due to 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	2023	2022
Total share of contingent liabilities		
of associates	29	29
of joint ventures	0	25,354
Total	**29**	**25,383**

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 29 thousand (previous year: EUR 48 thousand) on the basis of the underlying liabilities. The contingent liabilities in the previous year primarily related to the securing of credit facilities and in the reporting year to customs guarantees.

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 Obligations

EUR thousand	12/31/2023	12/31/2022
Order commitments	23,924	54,999
Other financial liabilities	2,306	1,230
Total	**26,230**	**56,229**

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, line 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 line item in the statement of financial position, class and category

EUR thousand 12/31/2023 Assets	Carrying amounts: Cost	Carrying amounts: Fair value through profit or loss	Carrying amounts: Fair value through other comprehensive income	Carrying amounts: Fair value hedging	Carrying amounts: **Total carrying amount**	Fair values: Fair value level	Fair values: Fair value
Financial assets measured at fair value							
Non-current							
Investments in affiliated companies and other equity investments	0	0	527	0	527	3	not stated
Current							
Hedged derivatives	0	0	0	5,200	5,200	2	5,200
Current finance receivables	0	39,154	0	0	39,154	3	not stated
	0	**39,154**	**527**	**5,200**	**44,881**		
Financial assets not measured at fair value							
Non-current							
Lease receivables	223,384	0	0	0	223,384		not stated
Miscellaneous non-current finance receivables	34	0	0	0	34	3	not stated
Miscellaneous other non-current assets	65	0	0	0	65	2	not stated
Current							
Trade receivables	174,376	0	0	0	174,376		not stated
Lease receivables	24,945	0	0	0	24,945		not stated
Current finance receivables	4,699	0	0	0	4,699		not stated
Miscellaneous other current assets	2,120	0	0	0	2,120		not stated
Cash and cash equivalents	39,932	0	0	0	39,932		not stated
	469,556	**0**	**0**	**0**	**469,556**		

EUR thousand 12/31/2023 Liabilities	Carrying amounts Cost	 Fair value through profit or loss	 Fair value through other comprehensive income	 Fair value hedging	 Total carrying amount	Fair values Fair value level	 Fair value
Financial liabilities measured at fair value							
Current							
Hedged derivatives	0	0	0	158	158	2	158
	0	**0**	**0**	**158**	**158**		
Financial liabilities not measured at fair value							
Non-current							
Non-current loans	151,856	0	0	0	151,856	3	150,086
Non-current lease liabilities	460,694	0	0	0	460,694		not stated
Other borrowings	55,849	0	0	0	55,849	3	53,259
Miscellaneous non-current financial liabilities	4,542	0	0	0	4,542	2	not stated
Miscellaneous other non-current liabilities	3,607	0	0	0	3,607	2	not stated
Current							
Trade payables	77,379	0	0	0	77,379		not stated
Current financial liabilities to banks	27,031	0	0	0	27,031	3	26,126
Current lease liabilities	60,930	0	0	0	60,930		not stated
Other borrowings	9,585	0	0	0	9,585	3	8,371
Miscellaneous current financial liabilities	50,674	0	0	0	50,674		not stated
Other current liabilities	15,547	0	0	0	15,547		not stated
	917,695	**0**	**0**	**0**	**917,695**		

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**		

The non-current financial assets included equity instruments of EUR 527 thousand (previous year: EUR 535 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.

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. 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.

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 ownership interests in the partnerships.

The receivables developed as follows:

EUR thousand	2023	2022
As of January 1	27,838	972
Additions from profit credits	38,721	27,962
Payments of profit shares	-27,028	-500
Unrealized changes to fair value recognized through profit or loss	-377	-596
of which recognized in other operating expense	-377	-596
As of December 31	**39,154**	**27,838**

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:

2023 EUR thousand	From interest rates	Subsequent measurement From dividends	From disposal	Fair value	Net earnings
Financial assets at amortized cost	13,500	0	-106	0	13,394
Equity instruments measured at fair value outside profit or loss	0	204	0	0	204
Financial assets measured at fair value through profit or loss	0	0	0	-377	-377
Hedging instruments	1,244	0	0	-94	1,150
Financial liabilities at amortized cost	-23,515	0	0	0	-23,515
Total	**-8,771**	**204**	**-106**	**-471**	**-9,144**

2022 EUR thousand	From interest rates	Subsequent measurement 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**

Objectives 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 adopted 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, which are presented in the following, consist of credit risks, foreign currency risks, liquidity risks and interest rate risks. The Board of Management has adopted a risk management guideline aimed at identifying and monitoring risks from an early stage. 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 combined statement of financial position do not include allowance accounts 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, which 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 29 thousand (previous year: EUR 48 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	2023	2022
Financial instruments at cost		
Impairment on trade receivables and contract assets		
Addition to loss allowances	-306	-319
Reversal of loss allowances recognized in previous years	264	180
Derecognitions due to uncollectability	-106	-96
	-148	**-235**
Total	**-148**	**-235**

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, 2023 and December 31, 2022, 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 to reduce the costs of capital in general and the refinancing risk in particular in the long term.

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 2023, the strategy continued to be to secure access to external funds at acceptable costs.

In the reporting year, equity increased from EUR 277,727 thousand to EUR 285,677 thousand; while total assets decreased slightly from EUR 1,336,518 thousand to EUR 1,317,368 thousand. Accordingly, the equity ratio improved from 20.8 percent to 21.7 percent. This is attributable in particular to the positive combined comprehensive income. This was contrasted with effects from the remeasurement of pension provisions in the amount of EUR -11,461 thousand as well as changes in the measurement of derivatives used as hedging instruments in cash flow hedges in the amount of EUR -5,582. 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, 2023, the Group had unused current account credit facilities of around EUR 77 million (previous year: around EUR 63 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 1,136 thousand (previous year EUR 321 thousand). The nominal volume of the receivables sold as of December 31, 2023 amounted to EUR 51.9 million (previous year: EUR 50.1 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).

12/31/2023 EUR thousand		Cash flows 2024	2025	2026- 2028	2029- 2033	2034 et seq.	**Total**	Carrying amounts (derivatives netted)
Non-derivatives								
Non-current loans from banks	Fixed interest rate	1,550	1,263	2,645	1,218	0	6,676	
	Floating interest rate	5,920	5,120	13,548	7,533	0	32,121	
	Repayment	20,043	29,274	40,929	81,653	0	171,899	171,899
Lease liabilities	Fixed interest rate	13,297	11,150	26,253	33,493	42,118	126,311	
	Floating interest rate	0	0	0	0	0	0	
	Repayment	60,292	60,467	102,261	82,044	213,604	518,668	521,624
Other borrowings	Fixed interest rate	1,353	1,174	2,419	1,022	0	5,968	
	Floating interest rate	0	0	0	0	0	0	
	Repayment	9,585	9,764	27,072	19,013	0	65,434	65,434
Total		**112,040**	**118,212**	**215,127**	**225,976**	**255,722**	**927,077**	**758,957**
Derivatives								
Interest rate swaps/interest rate and currency swaps	Proceeds	-3,746	-2,410	-5,837	-6,786	-204	-18,983	
	Payments	2,308	1,939	4,432	4,887	149	13,715	5,042
Total		**-1,438**	**-471**	**-1,405**	**-1,899**	**-55**	**-5,268**	**5,042**

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	0
	Floating interest rate	0	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	0
	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**

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 floating 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 floating-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 floating-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. Of the loans with a total volume of EUR 90 million in tranches of up to EUR 15 million each, EUR 75 million has already been taken out with partner banks, starting 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 expenses, 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.

12/31/2023 EUR thousand	Residual maturities			
	Up to 1 year	1 to 5 years	More than 5 years	**Total**
Non-current loans from banks	14,712	30,637	19,153	64,502
Interest rate swaps	0	0	75,000	75,000
Other borrowings	9,585	36,836	19,013	65,434
Lease liabilities	60,930	163,279	297,415	521,624
Total	**85,227**	**230,752**	**410,581**	**726,560**

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**

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	12/31/2023	12/31/2022
Changes in earnings		
Higher	-507	-1,016
Lower	507	1,016
Changes in equity (excluding changes in earnings)		
Higher	5,275	5,579
Lower	-5,548	-5,741

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.

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 is an interest rate swap for a future loan, which is presented in the “Derivative financial instruments” section.

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

12/31/2023 EUR thousand	**Residual maturities**			
	Up to 1 year	1 to 5 years	More than 5 years	**Total**
Non-current loans from banks	5,331	39,566	62,500	107,397
Interest rate swaps	0	0	-75,000	-75,000
Total	**5,331**	**39,566**	**-12,500**	**32,397**

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**

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 floating 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 on addition. 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 portions 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.

As with 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:

12/31/2023 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	0	0	75,000	75,000
Average hedged interest rate	1.545%	1.545%	1.700%	
	0	**0**	**75,000**	**75,000**
Foreign currency risk				
Interest rate and currency swaps				
For internal USD loan	810	405	0	1,215
Hedged USD/EUR rate	0.8098	0.8098	0.8098	
	810	**405**	**0**	**1,215**
Total	**810**	**405**	**75,000**	**76,215**

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**

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.

There is a forward interest rate swap with a volume of EUR 15 million for part of the financing requirements in the subsequent year to hedge against the interest rate risk from floating-rate loans to be taken out in the future. As the term of the forward swap commences in 2024, it is not included in the presentation of maturities as of the ends of the reporting periods. The interest rate swaps each have a term of ten years and are due at maturity. The hedged interest rate for the forward swap is 1.974 percent.

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

12/31/2023 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	75,000	4,716	Current other assets	-4,266
Planned loans	15,000	484	0	-843
	90,000	**5,200**		**-5,109**
Foreign currency risk				
Internal USD loan	1,215	-158	Current financial liabilities	-145
	1,215	**-158**		**-145**
Total	**91,215**	**5,042**		**-5,254**

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 financial liabilities	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**

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, 2023 was USD 1,500 thousand (previous year: USD 2,500 thousand).

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

12/31/2023 EUR thousand	**Change in fair value basis for recognizing ineffectiveness**	**Hedge reserve Cash flow hedges (gross)**
Interest rate risk		
Outstanding loans	4,132	4,584
Planned loans	809	484
	4,941	**5,068**
Foreign currency risk		
Internal USD loan	145	0
	145	**0**
Total	**5,086**	**5,068**

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
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**

The following amounts were recognized in connection with hedging relationships:

2023 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	-4,168	-98	22	
Planned loans	-843	0	0	
	-5,011	**-98**	**22**	
Foreign currency risk				
Internal USD loan	-145	0	151	Other operating expense
	-145	**0**	**151**	
Total	**-5,156**	**-98**	**173**	

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	
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**	

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 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 2023 EUR thousand	Cash flow hedge reserve Interest rate swaps/interest rate and currency swaps	Hedging costs	**Total**
Cash flow hedges			
As of January 1	11,214	-36	11,178
Changes in fair value			
Interest rate risk - outstanding loans	-4,168	0	-4,168
Interest rate risk - call money lines	0	0	0
Interest rate risk - planned loans	-843	0	-843
Foreign currency risk - internal USD loan	-145	0	-145
Reclassifications to profit or loss			
Foreign currency risk	151	-6	145
Deferred taxes	0	0	0
Change in investments in companies accounted for using the equity method	-571	0	-571
As of December 31	**5,638**	**-42**	**5,596**

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**

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 13.1 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 27.0 percent (previous year: between 19.0 percent and 28.0 percent).

Key components of income tax expense break down as follows:

EUR thousand	2023	2022
Current taxes		
Tax expense for the period	4,818	3,499
Tax expense for prior periods	616	3,699
Income from tax reimbursements	-595	-326
Total current taxes	**4,839**	**6,872**
of which		
Tax expense domestic	4,240	6,224
Tax income domestic	-595	-326
Tax expense foreign	1,194	974
	4,839	**6,872**
Deferred taxes		
Deferred taxes on temporary differences	-1,208	-632
Deferred taxes on losses and interest carried forward	-966	-2,124
Total deferred taxes	**-2,174**	**-2,756**
of which		
Deferred taxes domestic	-2,093	-2,636
Deferred taxes foreign	-81	-120
	-2,174	**-2,756**
Total	**2,665**	**4,116**

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

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 7,935 thousand (previous year: EUR 4,538 thousand) of the deferred taxes was classified as current and EUR 1,975 thousand (previous year: EUR 526 thousand) as non-current. Of the changes in equity, EUR 585 thousand (previous year: EUR -280 thousand) was offset against other reserves and EUR 2,087 thousand (previous year: EUR 451 thousand) recognized in retained earnings.

Deferred tax assets

The recognition and measurement of other assets in the amount of EUR 43,144 thousand (previous year: EUR 51,667 thousand) principally related to the following line items:

- Loans to affiliated companies
- Loans to equity investments
- Trade receivables
- Other assets

EUR thousand	12/31/2022	Changes		12/31/2023
		Recognized in P&L	Recognized in equity	
Deferred tax assets				
Recognition and measurement of goodwill and other intangible assets	50	-50	0	0
Measurement of property, plant and equipment	6,602	-273	356	6,685
Recognition and measurement of other assets	51,667	-8,482	-41	43,144
Recognition of lease liabilities	71,815	-731	0	71,084
Measurement of personnel-related provisions	2,236	179	206	2,621
Recognition and measurement of miscellaneous other provisions	3,545	-342	0	3,203
Recognition of derivative financial instruments	53	-1,650	1,623	26
Recognition and measurement of other liabilities	2,936	286	-18	3,204
Write-down of deferred taxes arising from temporary differences	-6,626	848	754	-5,024
Accounting for tax loss and interest expense carryforwards	2,211	966	0	3,177
Gross deferred taxes	**134,489**	**-9,249**	**2,880**	**128,120**
Offset	-129,425			-118,210
Recognized deferred taxes	**5,064**			**9,910**

- Trade payables
- Other current financial liabilities

The recognition and measurement of other liabilities in the amount of EUR 3,204 thousand (previous year: EUR 2,936 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 -6,374 thousand (previous year: EUR -6,590 thousand) principally related to the following line items:

- Current finance receivables
- Trade receivables
- Cash and cash equivalents

The recognition and measurement of other liabilities in the amount of EUR -19,903 thousand (previous year: EUR -28,238 thousand) principally related to the following line items:

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

EUR thousand	12/31/2022	Changes		12/31/2023
		Recognized in P&L	Recognized in equity	
Deferred tax liabilities				
Recognition and measurement of intangible assets	-469	-43	0	-512
Measurement of property, plant and equipment	-47,677	1,610	-427	-46,494
Capitalization of leases	-35,787	566	0	-35,221
Recognition and measurement of other assets	-6,590	216	0	-6,374
Measurement of personnel-related provisions	-8,961	-769	1,035	-8,695
Recognition and measurement of miscellaneous other provisions	-111	-63	0	-174
Recognition of derivative financial instruments	-1,592	1,571	-816	-837
Recognition and measurement of other liabilities	-28,238	8,335	0	-19,903
Gross deferred taxes	**-129,425**	**11,423**	**-208**	**-118,210**
Offset	129,425			118,210
Recognized deferred taxes	**0**			**0**

The following deferred tax assets were not capitalized:

EUR thousand	2023	2022
Deductible temporary differences	5,025	6,626
Loss carryforwards	50,271	53,311
Interest expense carryforwards	2,334	1,489
Total	**57,630**	**61,426**

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.

As of the reporting date of December 31, 2023, the tax trust model had unused trade tax loss carryforwards of EUR 196,100 thousand for offsetting against future profits. Based on the positive results, the positive five-year plan and newly concluded customer contracts, we assume that EUR 14,130 thousand of the loss carryforwards will be utilized in the next five years. There are also temporary differences of EUR 23,961 thousand from revaluation reserves on provisions for pensions, provisions for the social future concept and heritable building rights, which we assume can also be utilized due to the aforementioned effects.

For these reasons, we recognized deferred taxes of EUR 6,056 thousand (previous year: EUR 0 thousand) on the utilization of loss carryforwards (EUR 14,130 thousand) and on temporary differences (EUR 23,961 thousand) at a tax rate of 15.9 percent as of the reporting date of December 31, 2023.

As of December 31, 2023, the Group had tax loss carryforwards of EUR 321,068 thousand (previous year: EUR 324,998 thousand). No deferred tax assets were capitalized for tax loss carryforwards of EUR 306,938 thousand (previous year: EUR 324,998 thousand) of various subsidiaries as of December 31, 2023. 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, 2023, and December 31, 2022, related to subsidiaries whose expected taxable income situation is deemed unlikely to allow the use of deferred tax assets.

Interest expense carryforwards of the Group amounted to EUR 27,040 thousand as of December 31, 2023 (previous year: EUR 30,649 thousand). No deferred tax assets were recognized for EUR 19,330 thousand (previous year: EUR 12,337 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 is presented in the table.

EUR thousand		2023		2022
Net profit for the year before income taxes under IFRSs		36,095		55,722
Group tax rate in percent	16.10%		16.10%	
Expected income tax expense in the financial year		**5,811**		**8,971**
Reconciliation items				
Effects of changes in tax rates		41		185
Tax-free income/trade tax cuts		-7,297		-19,973
Non-deductible operating expense/trade tax additions/effects of the interest deduction ceiling		4,618		2,279
Use of special tax business expenses		-1		46
Current tax expense/income from prior periods		20		3,373
Deferred tax expense/income from prior periods		-192		-258
Effects of differing tax rates		700		-133
Use of loss carryforwards not previously recognized		-1,568		-675
Non-recognition of deferred tax assets on current losses		240		5,799
Recognition adjustments for deferred tax assets on temporary differences		-848		-77
Other effects		1,141		4,579
Total of the reconciliation items	**-8.7%**	**-3,146**	**-8.7%**	**-4,855**
Income tax expense recognized in the combined financial statements	**7.4%**	**2,665**	**7.4%**	**4,116**

Minimum taxation

Minimum taxation laws (Pillar 2) have been enacted in some countries in which the BLG Group operates. The legislation will take effect for BLG's financial year beginning on January 1, 2024. Accordingly, BLG has carried out an assessment of the potential risk from income taxes as part of the introduction of the German Minimum Tax Act (Mindeststeuergesetz – MinStG).

The assessment of the potential risks from income taxes for the MinStG is based on the most recent country-specific reporting and the annual financial statements of the individual BLG Group companies.

Based on this assessment, the effective tax rate in South Africa within the meaning of the MinStG is over 15 percent, hence no supplementary tax expense under the MinStG is anticipated here.

The Group has identified a potential risk from the assessment carried out relating to the profits generated in Poland, due to undercutting the minimum tax rate of 15 percent.

The average effective tax rate for these profits is 9.1 percent. If the provisions of the MinStG had already been applicable as of December 31, 2023, this would have increased the tax rate by 5.9 percent, leading to an additional tax expense of EUR 173 thousand for a relevant profit in Poland, less the capital allowance.

Due to the ongoing earnings situation in the USA, we assume that the temporary safe harbor relief will be applied, as losses are expected there.

In addition to the reference tax jurisdiction Germany, BLG LOGISTICS operates in a total of three other relevant tax jurisdictions, which together account for less than EUR 50 million in physical assets. BLG LOGISTICS will therefore submit an application within the meaning of Section 83 MinStG for exemption from the minimum tax in the first five financial years, insofar as no primary supplementary tax amount is levied that is based on a tax increase amount attributable to a foreign low-taxed business unit.

BLG LOGISTICS exercises the exemption from the recognition of deferred taxes in connection with Pillar 2 income taxes, which was the subject matter of the amendment to IAS 12 published in May 2023.

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

EUR thousand	2023			2022		
	Gross value	**Tax expense/ income**	**Net value**	Gross value	Tax expense/ income	Net value
Items that are not subsequently reclassified to profit or loss						
Remeasurement of net pension obligations	-7,457	585	-6,872	36,148	-280	35,868
Proportionate share of equity-accounted investments in items that are not subsequently reclassified to profit or loss	-5,427	836	-4,591	31,180	-4,834	26,346
	-12,884	**1,421**	**-11,463**	**67,328**	**-5,114**	**62,214**
Items that can subsequently be reclassified to profit or loss						
Currency translation	416	0	416	140	0	140
Change in the measurement of financial instruments	-5,011	0	-5,011	18,544	0	18,544
Proportionate share of equity-accounted investments in items that can subsequently be reclassified to profit or loss	-470	62	-408	-399	-111	-510
	-5,065	**62**	**-5,003**	**18,285**	**-111**	**18,174**
Total	**-17,949**	**1,483**	**-16,466**	**85,613**	**-5,225**	**80,388**

35. Reimbursement Rights from Income Taxes

The tax assets related to reimbursement rights for the reporting year of EUR 1,758 thousand (previous year: EUR 753 thousand) as well as reimbursement rights for prior periods of EUR 2,104 thousand (previous year: EUR 3,027 thousand).

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

36. Payment Obligations from Income Taxes

EUR thousand	12/31/2023	12/31/2022
Corporation and trade tax for the reporting year	1,894	671
Corporation and trade tax for prior periods	3,796	4,512
Total	**5,690**	**5,183**

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

Notes to the Combined Statement of Cash Flows

37. Notes to the Combined Statement of Cash Flows

The combined 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	12/31/2023	12/31/2022
Composition of cash and cash equivalents		
Cash and cash equivalents in statement of financial position	39,932	18,403
Current liabilities to banks (see note 24)	-6,989	-21,038
Total	**32,943**	**-2,635**

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

EUR thousand	**12/31/2022**	**Cash flow**	**Non-cash changes**				**12/31/2023**
			Addition IFRS 16	Interest cost	Exchange rate differences	Other	
Non-current loans	159,910	11,988	0	0	0	0	171,898
Lease liabilities	528,290	-62,516	0	0	56,406	-556	521,624
Other borrowings	65,476	-42	0	0	0	0	65,434
Loans from investees	25,600	0	0	0	0	0	25,600
Liabilities from financing activities	**779,276**	**-50,570**	**0**	**0**	**56,406**	**-556**	**784,556**

EUR thousand	**12/31/2021**	**Cash flow**	**Non-cash changes**				**12/31/2022**
			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**	**779,276**

Group Structure and Consolidation Principles

38. Basis of Consolidation

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

Number	12/31/2023	12/31/2022
Fully consolidated		
Domestic	14	14
Foreign	3	3
Accounted for using the equity method		
Domestic	41	40
Foreign	17	19

Four companies are included in the combined 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 four companies accounted for using the equity method amounted to EUR 817 thousand in 2023 (previous year: EUR 737 thousand).

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 partners of limited liability partnerships with only limited operations, as well as three other entities with no or only limited operations, one company in liquidation and one company that was deconsolidated in the previous year 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 combined financial statements. Materiality is determined on the basis of net profit for the year. The cumulative net profit of the unconsolidated subsidiaries was EUR 2,515 thousand (previous year: EUR -537 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 combined financial statements.

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

BLG AutoRail GmbH, Bremen (ownership interest: 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 (ownership interest: 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 included in the combined 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 acquisition cost 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 investments 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 acquisition cost 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 ownership interest 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 carried out in the reporting year.

Other changes in group of consolidated companies

AUTOMOBILE Division

Companies accounted for using the equity method (associates)
In December 2023, BLG Automobile Logistics GmbH & Co. KG established BLG Logistics (Shanghai) Co., Ltd., Shanghai, People’s Republic of China. As a distributor, the company will be responsible for bundling all logistics services and further expanding the service potential in China.

CONTRACT Division

Companies accounted for using the equity method (joint ventures)
As a consequence of the withdrawal from the Indian market, BLG Industrielogistik GmbH & Co. KG sold its shares in BLG Parekh Logistics Pvt. Ltd., Mumbai, India, with purchase and sale agreement of February 1, 2023. The associated deconsolidation resulted in expenses of EUR 70 thousand, which are reported in the non-operating result under other operating expense.

Companies accounted for using the equity method (associates)
Under a sale and purchase agreement dated January 30, 2023, BLG Industrielogistik GmbH & Co. KG, Bremen, sold its shares in BLG SWIFT LOGISTICS Sdn. Bhd., Kuala Lumpur, Malaysia. The income from the deconsolidation of EUR 438 thousand is included under other operating income in the non-operating result.

41. Non-consolidated Structured Companies

BLG Unterstützungskasse GmbH, Bremen (ownership interest: 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. This was 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 annual 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.

As of December 31, 2023, currency translation differences of EUR 8,141 thousand (previous year: EUR 8,869 thousand) were recognized 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.

EUR	Reporting date 12/31/2023	2023 average	Reporting date 12/31/2022	2022 average
1 US dollar	0.9050	0.9248	0.9376	0.9497
1 Chinese yuan renminbi	0.1274	0.1305	0.1359	0.1413
1 Indian rupee	0.0109	0.0112	0.0113	0.0121
1 Malaysian ringgit	0.1969	0.2028	0.2128	0.2161
1 Polish zloty	0.2304	0.2202	0.2136	0.2134
1 Russian ruble	0.0101	0.0108	0.0132	0.0139
1 South African rand	0.0491	0.0501	0.0553	0.0581
1 Ukrainian hryvnia	0.0239	0.0253	0.0253	0.0293

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 combined 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 2023 financial year.

Material transactions with shareholders: Relationships with the Free Hanseatic City of Bremen (municipality)
As of December 31, 2023, 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 8.8 million) as a result of the resolution on the appropriation of net retained profits for 2022.

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 25 years for the land used by the company and its subsidiaries. As of December 31, 2023, lease liabilities for heritable building rights existed in the amount of EUR 272.5 million (previous year: EUR 281.4 million) toward the Free Hanseatic City of Bremen (municipality). The BLG Group paid a total of EUR 15.4 million (previous year: EUR 15.4 million) for ground rent in 2023. 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, 2023 (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 1,678 thousand (previous year: EUR 2,223 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 172,212 thousand (previous year: EUR 176,215 thousand). The outstanding balances, with the exception of non-current lease receivables of EUR 167,968 thousand (previous year: EUR 172,212 thousand), are unsecured and due in the short term. The table below shows the extent of the business relationships of the joint ventures and associates:

EUR thousand	2023	2022
Affiliated companies		
Income	0	0
Expense	15	10
Receivables	106	13
Liabilities	159	360
Joint ventures		
Income	66,066	26,658
Expense	15,425	19,907
Receivables	216,006	178,883
Liabilities	30,995	3,736
Associates		
Income	2,040	2,048
Expense	1,411	1,549
Receivables	96	242
Liabilities	1,574	526

An allowance account of EUR 9 thousand (previous year: EUR 7 thousand) was recognized for expected credit losses on receivables from joint ventures and associates using the simplified approach. Other than this, no receivables from joint ventures (previous year: EUR 596 thousand) were derecognized in the reporting year. As in the previous year, no loss allowances were recognized on loans to joint ventures and associates or on receivables from non-consolidated affiliated companies.

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, Mr. 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 its share of voting rights in BLG AG amounted to 12.61 percent (corresponding to 484,032 voting rights) on April 1, 2002.

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, 2022:

The regular term of office of all Supervisory Board members duly expired at the end of the Annual General Meeting on June 7, 2023. The employee representatives on the Supervisory Board were elected on April 27, 2023 in accordance with the provisions of the German Codetermination Act. The shareholder representatives were elected by way of an individual vote at the Annual General Meeting.

Mr. Ralf Finke and Mr. Olof Jürgensen were newly elected to the Supervisory Board as employee representatives, Mr. Hasan Özer, Mr. Thorsten Ruppert and Mr. Ralph Werner as employee representatives and Mr. Peter Hoffmeyer as shareholder representative.

At the constituent Supervisory Board meeting following the Annual General Meeting, Dr. Klaus Meier was re-elected as the Chairman of the Supervisory Board.

The previous Supervisory Board members Mr. Heiner Dettmer, Mr. Fabian Goiny, Ms. Beate Pernak, Mr. Martin Peter, Mr. Jörn Schepull and Mr. Reiner Thau stepped down from the Supervisory Board.

In addition, Dr. Claudia Schilling and Mr. Dietmar Strehl resigned their mandates with effect from November 15, 2023. Mr.Björn Fecker and Ms. Kristina Vogt were appointed to succeed them as members of the Supervisory Board by court order of the District Court of Bremen on November 27, 2023.

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, 2022:

At its meeting on December 14, 2023, the Supervisory Board resolved to extend the contract with Matthias Magnor by five years.

At its meeting on February 22, 2024, the Supervisory Board additionally elected Matthias Magnor as the new Chairman of the Board of Management from January 1, 2025 for the remaining term of his mandate until September 30, 2029. He thus succeeds Mr. Frank Dreeke, who will leave the company at the end of 2024 as he will have reached the standard retirement age for members of the Board of Management, which BLG LOGISTICS introduced in accordance with the recommendations of the German Corporate Governance Code.

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	2023	2022
Fixed remuneration	179	178
Meeting allowances	64	78
Remuneration for intragroup supervisory board mandates	42	35
Total	**285**	**291**

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 32 thousand (previous year: EUR 37 thousand) in contributions to statutory retirement plans in the reporting year.

As of December 31, 2023, 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 2023 financial year, the Board of Management received total remuneration in accordance with Section 314 (1) no. 6a HGB of EUR 3,578 thousand (previous year: EUR 3,870 thousand). This included basic remuneration, fringe benefits and variable remuneration components payable in the short term. In addition, provisions of EUR 1,024 thousand (previous year: EUR 1,494 thousand) were recognized under commercial law as of December 31, 2023 for long-term variable remuneration components for the 2023 financial year. 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 2023 reporting year (long-term component). However, 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 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 under commercial law stood at EUR 4,346 thousand (previous year EUR 3,722 thousand).

The present value of pension obligations pursuant to IAS 19 for former members of the Board of Management totaled EUR 5,215 thousand as of December 31, 2023. 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, 2023. Similarly, as in the previous year, no contingent liabilities were contracted for the benefit of the members of the Board of Management. In the 2023 financial year, the former members of the Board of Management received aggregate benefits (in particular pension benefits) of EUR 224 thousand.

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, 2023, the present value of pension obligations for active members of the Board of Management at December 31, 2023 amounted to EUR 4,119 thousand (previous year: EUR 2,882 thousand). The related plan assets stood at EUR 4,617 thousand (previous year: EUR 2,963 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	2023	2022
Short-term employee benefits	3,537	3,825
Post-employment benefits	949	1,366
Other long-term employee benefits	0	1,451
Termination benefits	726	45
Total	**5,212**	**6,687**

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* 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.

In accordance with 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 2023 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 combined 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, 2023 and the preparation of the combined financial statements on March 28, 2024.

48. Remuneration of the Group Auditor

The remuneration of the Group auditor pursuant to Section 314 (1) no. 9 HGB for the 2023 financial year breaks down as follows:

EUR thousand	2023
Audits	452
Other assurance services	38
Other services	9
Total	**499**

49. German Corporate Governance Code

The 24th declaration of compliance with the German Corporate Governance Code as amended on April 28, 2022, was issued by the Board of Management on November 14, 2023, and by the Supervisory Board of BLG AG on December 14, 2023.

The declaration has been made permanently available on our website: *www.blg-logistics.com/en/investor-relations*.

Bremen, March 28, 2024

BREMER LAGERHAUS-GESELLSCHAFT -
Aktiengesellschaft von 1877-

THE BOARD OF MANAGEMENT

Frank Dreeke

Michael Blach

Christine Hein

Matthias Magnor

Ulrike Riedel

Annex to the notes to the combined financial statements as of December 31 2023

Shareholdings of BLG LOGISTICS

Name, registered office	Ownership interest 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., Gqeberha, 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		1
20. EUROGATE GmbH & Co. KGaA, KG, Bremen	50.00		1
21. Kloosterboer BLG Coldstore GmbH, Bremerhaven	49.00		1
22. ZLB Zentrallager Bremen GmbH & Co. KG, Bremen	33.33		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. BLG Logistics (Shanghai) Co., Ltd., Shanghai, People's Republic of China	100.00	I	2
26. DCP Dettmer Container Packing GmbH & Co. KG, Bremen	50.00	I	3
27. Hansa Marine Logistics GmbH, Bremen	100.00	I	3
28. ICC Independent Cargo Control GmbH, Bremen	50.00	I	3
29. Schultze Stevedoring GmbH & Co. KG, Bremen	50.00	I	3
30. AutoLogistics International GmbH, Bremen	50.00	I	5
31. BLG ViDi LOGISTICS TOW, Kyiv, Ukraine	50.00	I	7
32. BLG GLOVIS BHV GmbH, Bremerhaven	50.00	I	9
33. ATN Autoterminal Neuss GmbH & Co. KG, Neuss	50.00	I	10
34. BLG CarShipping Koper d.o.o., Koper, Slovenia	100.00	I	11
35. BLG Interrijn Auto Transport RoRo B.V., Rotterdam, Netherlands	50.00	I	11
36. Autovision South Africa (Pty) Ltd., Gqeberha, South Africa	41.19	I	14
37. Hizotime (Pty) Ltd., East London, South Africa	41.19	I	14

Name, registered office	Ownership interest in percent	Indirect interest (I)	Currency[4]	Equity in thousands	Net profit for the year in thousands	Held through number
Companies not included						
38. BLG Automobile Logistics Beteiligungs-GmbH, Bremen	100.00		EUR	105	1	1
39. BLG Handelslogistik Beteiligungs GmbH, Bremen	100.00		EUR	34	1	1
40. BLG Industrielogistik Beteiligungs-GmbH, Bremen	100.00		EUR	34	0	1
41. BLG Logistics Solutions Beteiligungs-GmbH, Bremen	100.00		EUR	29	1	1
42. EUROGATE Beteiligungs-GmbH, Bremen	50.00		EUR	42	1	1
43. EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen	50.00		EUR	76	2	1
44. ZLB Zentrallager Bremen GmbH, Bremen[3]	33.33		EUR	53	2	1
45. BLG AutoTerminal Deutschland Beteiligungs-GmbH, Bremen	100.00	I	EUR	50	0	2
46. BLG AutoTransport Beteiligungs-GmbH, Bremen	100.00	I	EUR	25	0	2
47. Schultze Stevedoring Beteiligungs-GmbH, Bremen[3]	50.00	I	EUR	32	1	3
48. BLG Automobile Logistics Italia S.r.l. i. L., Gioia Tauro, Italy	98.97	I	EUR	-404	-2	7
49. BLG Logistics Automobile St. Petersburg Co. Ltd., St. Petersburg, Russia	100.00	I	RUB	617,812	209,837	7
50. BLG AutoTec Beteiligungs-GmbH, Bremerhaven	100.00	I	EUR	28	1	9
51. BLG AutoTerminal Cuxhaven Beteiligungs-GmbH, Cuxhaven	100.00	I	EUR	13	0	9
52. BLG Freight, LLC, Hoover, USA	100.00	I	USD	1	267	13
53. BLG Logistics of Alabama, LLC, Vance, USA	100.00	I	USD	---	---	13
54. BLG AUTO LOGISTICS OF SOUTH AFRICA (Pty) Ltd., Gqeberha, South Africa	84.07	I	ZAR	1,028	0	14
55. DCP Dettmer Container Packing GmbH, Bremen[3]	50.00	I	EUR	119	8	26
56. ATN Autoterminal Neuss Verwaltungs-GmbH, Neuss	50.00	I	EUR	29	1	33

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

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

[3] Previous year's figures

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

Responsibility Statement of the Legal Representatives
on the 2023 Combined Financial Statements

To the best of our knowledge, and in accordance with the applicable financial reporting principles, the combined financial statements present a true and fair view of the assets, liabilities, financial position and profit or loss of the BLG Group, and the combined 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 material opportunities and risks associated with the expected development of the Group.

Bremen, March 28, 2024

THE BOARD OF MANAGEMENT

Frank Dreeke
CEO & 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 combined 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 combined statement of financial position as of December 31, 2023 and the combined statement of comprehensive income, combined statement of profit or loss, combined statement of changes in equity and combined statement of cash flows for the financial year from January 1 to December 31, 2023, and notes to the combined financial statements, including a summary of significant accounting policies. In addition, we have audited the combined 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, 2023. In accordance with the German legal requirements, we have not audited the content of the sections "Dovetailing 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 combined group management report.

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

- the accompanying combined 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, 2023, and of its financial performance for the financial year from January 1 to December 31, 2023, and

- the accompanying combined group management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined group management report is consistent with the combined 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 sections of the combined group management report referred to above.

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 combined financial statements and of the combined group management report.

Basis for the audit opinions

We conducted our audit of the combined financial statements and of the combined 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 combined financial statements and of the combined 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 combined financial statements and on the combined group management report.

Note to highlight a matter
Please refer to the legal representatives' remarks in the "Principles of Combined Group Accounting" section of the notes to the combined financial statements and the "Fundamental Information about the Combined Group" section of the combined 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, 2023, were voluntarily combined into one set of financial statements (combined financial statements) and management report (combined group management report). In this respect, the combined financial statements and combined 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 combined financial statements and combined 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 sections "Dovetailing 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 combined management report, the content of which was not audited.

The other information also comprises

- the statement on corporate governance pursuant to Section 289f and Section 315d HGB
- the separate non-financial report pursuant to Sections 289b (3) and 315b (3) HGB
- the sustainability report
- all other parts of the financial report – not including further cross-references to external information – with the exception of the audited combined financial statements, the audited combined group management report and our auditor's report.

Our audit opinions on the combined financial statements and on the combined 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 combined financial statements, with the combined 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 combined financial statements and the combined group management report
The legal representatives are responsible for the preparation of the combined 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 combined 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 controls as they have determined necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud (i.e. manipulation of financial accounting and asset misappropriation) or error.

In preparing the combined 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 combined 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 combined 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 combined 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 combined group management report.

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

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

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined group management report as a whole provides an appropriate view of the company's position and, in all material respects, is consistent with the combined financial statements and the knowledge obtained in the audit, complies with 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 combined financial statements and on the combined 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 these combined financial statements and this combined 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 combined financial statements and of the combined 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 combined financial statements and of arrangements and measures (systems) relevant to the audit of the combined 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 combined financial statements and in the combined 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 content of the combined financial statements, including the disclosures, and whether the combined financial statements present the underlying transactions and events in a manner that the combined 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 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 combined financial statements and on the combined 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 combined group management report with the combined 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 combined 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 findings of the audit. The auditor's report is not intended to provide third parties with support in making (financial) decisions. Our responsibility lies solely toward BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- and BLG LOGISTICS GROUP AG & Co. KG. We do not accept any responsibility toward third parties.

Bremen, March 28, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

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