Financial Report 2023

DELIVERING.

BLG LOGISTICS

SHORT PROFILE

BLG LOGISTICS is a seaport-oriented logistics service provider with an international network. For 145 years, we have stood for logistics with heart and mind. For our customers in industry and retailing we shape trends in logistics by developing and delivering innovative, highly complex and sustainable logistics solutions with a high level of specialist competence.

Today, the BLG Group has a presence in all the world's growth markets, with almost 100 locations and offices in Europe, America, Africa and Asia. Our CONTRACT, AUTOMOBILE and CONTAINER Divisions operate globally and are regionally rooted.

BLG LOGISTICS aims to become a climate-neutral company by 2030. We are the first German logistics provider with scientifically recognized climate protection targets. As an employer, we therefore take a personal, appreciative and foresightful approach. Including all its shareholdings, BLG LOGISTICS currently offers around 20,000 jobs worldwide. The BLG Group has its headquarters in the Free Hanseatic City of Bremen.

KEY FIGURES

Revenue of our operating divisions

in EUR thousand

AUTOMOBILE

641,883

previous year: 579,768

CONTRACT

569,143

previous year: 548,192

CONTAINER*

301,914

previous year: 345,098

* Corresponds to the 50 percent shareholding in the EUROGATE Group, which is consolidated using the equity method and is not included in combined Group revenue.

Combined Group revenue

EUR

1.21 bn

EUR +91.1 mio compared to 2022

EBT

EUR

36.1 m

EUR -19.6 m compared to 2022

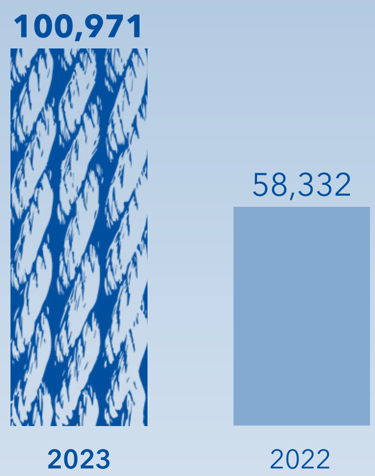
EBT margin

3.0 %

-2.0% compared to 2022

Free Cashflow

in EUR thousand



RoCE

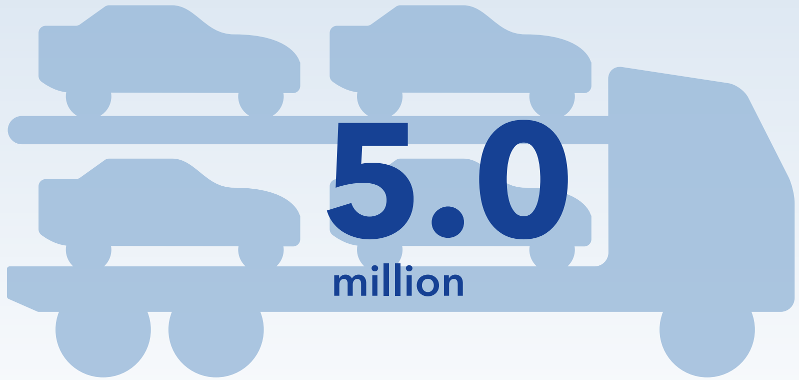
4.2 %

EBIT

EUR 46.2 m

EUR -18.4 m compared to 2022

Vehicle handling



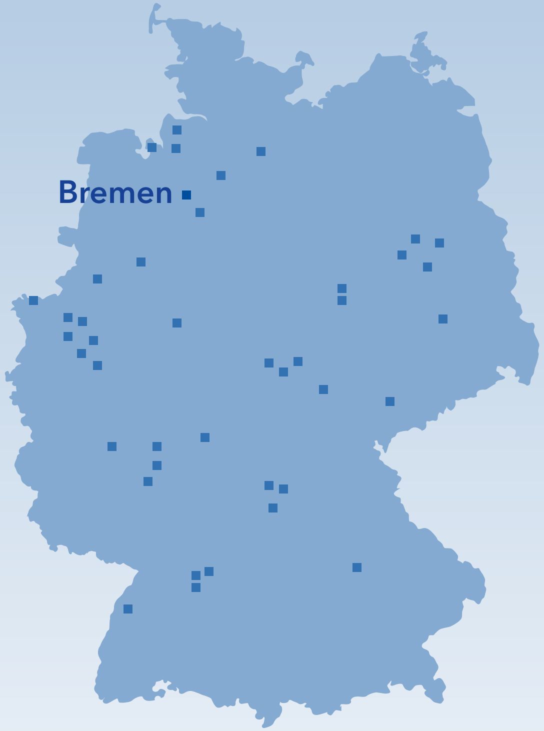
5.0 million

BLG locations worldwide

* Representative office

** Since February 2022, business operations have been restricted due to the current conflict.

BLG locations Germany



■ Headquarters

Contents

Read it online!

The online version contains lots of additional information, video clips and a KPI calculator.
Here, you'll also find the Financial Report, Sustainability Report and the Online Magazine.

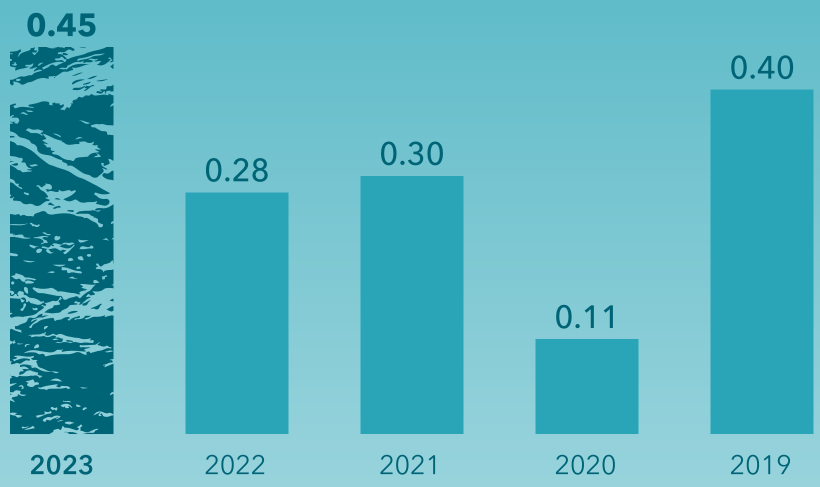
reporting.blg-logistics.com

To Our Shareholders

KEY FIGURES

Dividend per share

in EUR



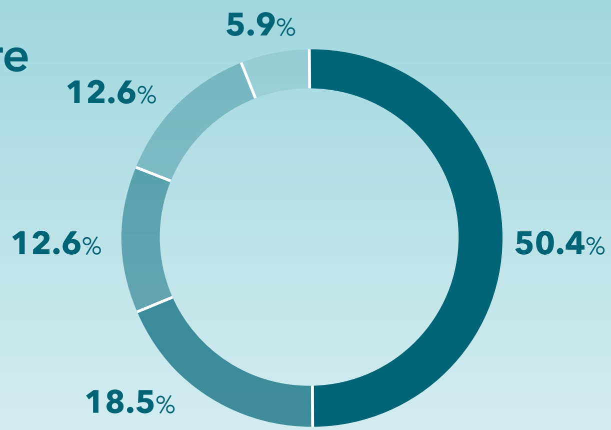
Dividend yield

5.0

%

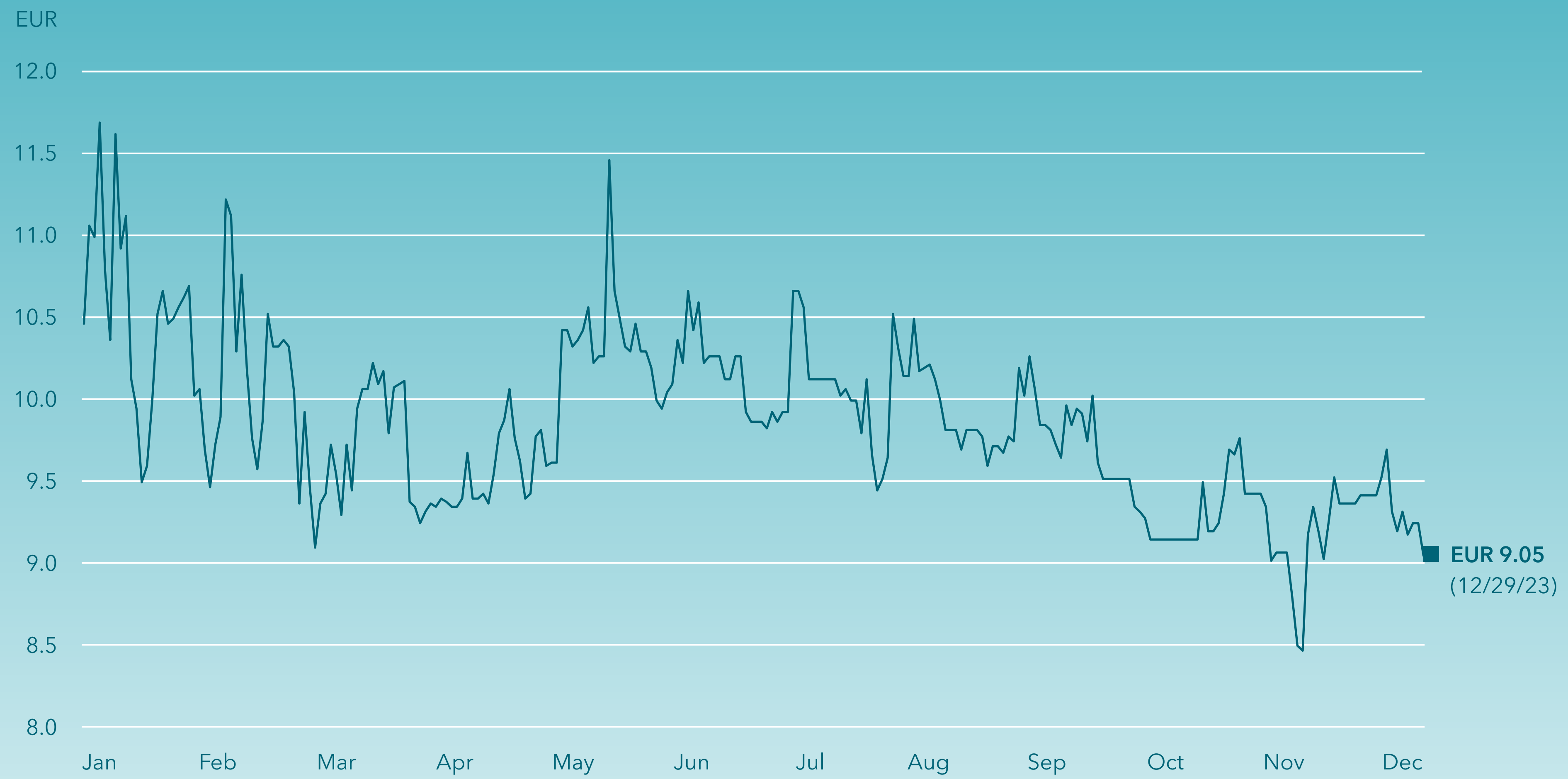
Shareholder structure of BLG AG

as of December 31, 2023



- Free Hanseatic City of Bremen (municipality)
- Free float
- Panta Re AG
- Finanzholding der Sparkasse in Bremen
- Waldemar Koch Foundation

Share price


EUR
12.0
11.5
11.0
10.5
10.0
9.5
9.0
8.5
8.0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
EUR 9.05
(12/29/23)

Ulrike Riedel
Labor Relations Director
(CHRO)

Matthias Magnor
AUTOMOBILE & CONTRACT
Divisions
(COO)

Frank Dreeke
Chairman of the Board
of Management
(CEO)

Michael Blach
CONTAINER
Division

Christine Hein
Finances
(CFO)

Foreword by the Board of Management

Dear Sir or Madam,

The title and motto of this year's annual report is "Delivering." Pure and simple. Delivering is what we do on a daily basis. We move goods, raw materials and products of all kinds. From the smallest screws for global automotive production to core components of the Ariane 6, which will one day fly into space. We deliver. Every day. Performance, expertise and passion.

Once again in 2023, this wasn't always easy. The state of crisis in the world dominated the headlines in the reporting year. As logistics experts, we are directly affected by every shift in the economic or geopolitical landscape, every ripple, however small. The shortage of skilled labor, energy prices, climate change, inflation, the situation in the Middle East, attacks by Houthi rebels on merchant ships – the list of wars, crises and challenges is long and ever-changing. For logistics providers, this means having to deal with interdependencies that could already change again tomorrow. All this made for a challenging business environment in 2023. Given these complex challenges, we can be very satisfied with the strong operating performance and stable financial result of the BLG Group in the past financial year.

We delivered.

BLG LOGISTICS closed the 2023 financial year considerably better than anticipated. Combined Group revenue increased by EUR 91,055 thousand year on year to EUR 1,210,035 thousand, which was a respectable achievement given the large number of crises and challenges. All divisions and business areas and all colleagues contributed to this result. Reliability and adaptability were crucial to our ability to survive through these difficult times. By investing in new technologies, optimizing processes and further developing our services portfolio, we were able to enhance our competitiveness and strengthen our relationships with our customers.

In 2023, BLG LOGISTICS handled, transported, or technically processed around 5 million vehicles across its entire AUTOMOBILE network. BLG AutoTerminal Bremerhaven is on its way to positioning itself as a European hub for automobile transports between Asia and Europe. In the reporting year, for example, COSCO ran a first test shipment with a view to expanding its service to Europe.

In the CONTAINER Division, we had to absorb the loss of extra revenues from the coronavirus years considerably faster than planned in the 2023 reporting period. In addition, handling volumes in the CONTAINER Division continued their downward trend amid the muted economic outlook. Implementation of the ongoing transformation process continued apace. The positive effects this had on earnings contributed decisively to the fact that despite the decline in line with expectations, the CONTAINER Division posted a year-end result still in clearly positive territory.

In May 2023, we officially inaugurated our new C3 Bremen logistics center in the presence of the Federal Minister for Economic Affairs and Climate Action, Dr. Robert Habeck. Our lighthouse project has in the meantime garnered several awards and is becoming a blueprint for sustainable logistics real estate. At the same time, it is an example of how we are finding new ways and solutions to not only give consideration to environmental concerns and the needs of our employees in our business activities, but to make them a priority. This is precisely the approach we are taking when we say: We want to play a role in shaping the sustainable logistics of tomorrow.

We are aware of the fact that a complex business model like ours cannot be changed overnight; however, we firmly believe that with shared convictions and drive progress can be made. This is also reflected in our new sustainability targets that we defined in the reporting year. The ten quantitative targets make progress in our key areas of action measurable and controllable at an operational level and serve as a guide for forward-looking and ambitious sustainability management.

Our Mission Climate initiative continues to play an important role in this context, especially given that decarbonization represents both a major challenge and a major lever for the entire logistics industry. However, despite all our best efforts and willingness to invest, we are also dependent on policy-makers creating the right framework conditions. In the reporting year, a lack of funding for example meant that we unfortunately had to shelve a planned project to electrify heavy goods vehicles for the time being. Nevertheless, we continued to make good progress overall and exceeded the target for reducing our CO_2e emissions set for the reporting period by a considerable margin. Our decision to set an even more ambitious climate protection target from 2025 once again underscores how seriously we take our responsibility in this area.

With our CONTRACT and AUTOMOBILE roadmaps, we have adopted the right strategy at the right time. In the CONTRACT Division, we made significant progress in 2023 thanks to the consistent implementation of the CONTRACT roadmap initiated in 2022. In 2023, we launched the AUTOMOBILE roadmap to enable us to similarly leverage synergies in this division and make it fit for the future. The first steps have already been taken.

The 2023 result is a testament to our consistency, our focus on solutions and our entrepreneurial courage in a dynamic and challenging business environment. However, we know that the economic and political uncertainties are likely to continue or even grow – and are preparing for this very intensively. Ensuring that we can continue to deliver in the future is a challenge we all face together. Our employees are the lifeblood of our company and impressively demonstrate day after day that if we support each other as partners there is no limit to what we can achieve.

Read it online!

The online report contains a longer version of the foreword with quotes from the members of the Board of Management.

reporting.blg-logistics.com/our-shareholders/foreword

Frank Dreeke
Chairman of the Board of Management (CEO)

Michael Blach
CONTAINER Division

Christine Hein
Finances (CFO)

Matthias Magnor
AUTOMOBILE & CONTRACT Divisions (COO)

Ulrike Riedel
Labor Relations Director (CHRO)

Report of the
Supervisory Board 2023

Dear readers,

The ongoing war in Ukraine and the conflict in the Middle East kept the world on tenterhooks in 2023. High inflation and, as a result, high prices for personnel, materials and energy, as well as climate change and the persistent shortage of skilled labor, made for another challenging year. Despite this difficult environment, we were once again able to close the 2023 financial year better than originally expected. We would therefore like to extend our special thanks to all BLG LOGISTICS employees for their important contribution to this positive result in these challenging times.

In the 2023 financial year, the Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- (BLG AG) actively engaged in the duties assigned to it by law, the Articles of Incorporation and rules of procedure, and regularly and extensively discussed the company's position and development. The Supervisory Board continuously oversaw and supported the work of the Board of Management in the financial year. The detailed reports made by the Board of Management in written and oral form constituted the basis for this. In addition, the Chairman of the Supervisory Board regularly exchanged information and ideas with the Board of Management, so that the Supervisory Board was always informed promptly and comprehensively about the intended business policy, corporate planning, the sustainability objectives, the current earnings situation, including the risk situation and risk management, as well as the position of the company and the BLG Group.

In accordance with the recommendations and suggestions of the German Corporate Governance Code (Code), the Supervisory Board supported the Board of Management in the management of the company and advised it on management matters and on sustainability matters.

Whenever management decisions or measures required approval according to law, the Articles of Incorporation or the rules of procedure, the members of the Supervisory Board – where appropriate prepared by its committees – reviewed the draft resolutions at meetings or adopted them on the basis of written information. In accordance with the recommendations of the Code, the Supervisory Board also sometimes meets without the participation of the Board of Management.

Dr. Klaus Meier
Chairman of the Supervisory Board

Meeting attendance 2023	Supervisory Board	Investment Committee	Human Resources Committee	Audit Committee	**Total in percent**
Dr. Klaus Meier	5/5	1/1	6/6		100.0
Christine Behle	4/5	1/1	5/6		83.3
Sonja Berndt	5/5	1/1	6/6		100.0
Heiner Dettmer	1/2		1/2		50.0
Björn Fecker	0/1				0.0
Ralf Finke	3/3		4/4		100.0
Fabian Goiny	2/2			1/1	100.0
Melf Grantz	5/5		6/6		100.0
Peter Hoffmeyer	3/3		4/4		100.0
Olof Jürgensen	3/3	1/1	4/4		100.0
Tim Kaemena	5/5				100.0
Wybcke Meier	4/5				80.0
Dr. Tim Nesemann	3/5			2/2	71.4
Hasan Özer	3/3			1/1	100.0
Beate Pernak	2/2		2/2		100.0
Martin Peter	2/2			1/1	100.0
Thorsten Ruppert	3/3			1/1	100.0
Jörn Schepull	2/2		2/2		100.0
Dr. Claudia Schilling	2/4	1/1	2/5		50.0
Dietmar Strehl	4/4	0/1		1/1	83.3
Reiner Thau	2/2			1/1	100.0
Kristina Vogt	1/1				100.0
Dr. Patrick Wendisch	5/5			2/2	100.0
Ralph Werner	1/3			1/1	50.0
Total in percent	**87.5**	**83.3**	**89.4**	**100.0**	**89.0**

was intensively involved in decisions of major significance for BLG LOGISTICS from an early stage.

The economic and risk situation and the development prospects of BLG LOGISTICS described in the reports of the Supervisory Board, the Board of Management, the separate divisions and business areas as well as major long-term investees in Germany and abroad were the subject of detailed discussion.

The Supervisory Board convened at five regular meetings in 2023. The meetings of the Supervisory Board and its committees are generally held in person with the option of video sharing. In the reporting period, a total of 14 meetings of the Supervisory Board and its committees were held; two committee meetings as video conferences, the remainder face to face.

The meetings held as video conferences were brief meetings convened at short notice by the Human Resources Committee and the Investment Committee.

The overall attendance rate was 89.0 percent; no member of the Supervisory Board took part in fewer than half of the meetings (with the exception of Mr. Björn Fecker, who by reason of his court appointment in November 2023 would have been able to attend only one meeting). Average attendance (physical and virtual) at committee meetings in 2023 was 90.8 percent. The members of the Supervisory Board elected by the shareholders and by the employees in some cases prepared for the meetings in separate consultations. Details of attendance rates are shown in the table.

The Mediation Committee (committee in accordance with Section 27 (3) MitbestG (German Codetermination Act)) did not convene in the 2023 financial year. There were no conflicts of interest on the part of members of the Board of Management and the Supervisory Board that required immediate disclosure to the Supervisory Board and about which the Annual General Meeting had to be informed.

The Code recommends that members of the Board of Management shall only assume sideline activities, especially supervisory board mandates outside the enterprise, with the approval of the Supervisory Board. The assumed mandates did not give rise to any identifiable conflicts of interest; on the contrary, they were deemed to be consistently in the interest of BLG LOGISTICS.

Issues discussed in the Supervisory Board

The consultations of the Supervisory Board at its meetings in 2023 repeatedly focused on the current business development and the challenges posed by the global political tensions, high energy prices and general inflation, as well as by the supply bottlenecks at the production facilities of BLG LOGISTICS' customers. Furthermore, important matters regarding the strategy and business activities of BLG LOGISTICS and its divisions, as well as personnel matters, were dealt with. In addition, the restructuring at AutoTerminal Bremerhaven was closely supervised and regularly discussed. In its individual meetings, the Supervisory Board continued to focus on strategic issues and geopolitical assessments, such as the expansion of the business areas, as well as BLG LOGISTICS' further growth through new business, partnerships and investments, the company's current risk exposure, including the risk management system and the risk-aware management of the company's development.

In particular, at its meeting of February 23, 2023, the Supervisory Board dealt with the approval of the disposal of shares in the joint ventures in India and Malaysia. Furthermore, the list of proposed candidates in preparation for the election of shareholder representatives to the Supervisory Board at the Annual General Meeting on June 7, 2023 was discussed. Other key topics at this meeting were loan extensions and rental agreements as well as risk reporting.

In addition, at its April 20, 2023 meeting the Supervisory Board dealt intensively with the short-term variable remuneration of the Board of Management for the 2022 financial year, with the annual and combined financial statements, with the agenda for the 2023 Annual General Meeting, and with the preparation of the combined non-financial statement.

The constituent meeting of the newly elected Supervisory Board took place after the Annual General Meeting on June 7, 2023. The composition of the committees was also voted on at this meeting.

Moreover, at the meeting of September 28, 2023 the Supervisory Board deliberated the interim financial report of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-.

The declaration of compliance with the German Corporate Governance Code was adopted at the meeting of December 14, 2023.

Corporate planning as well as short-term earnings and financial planning were also discussed in detail at the meeting on December 14, 2023. In addition, the heads of the Internal Audit and Compliance departments reported to the Supervisory Board at the meeting.

All major business transactions, the position of the company, the development of the financial position, financial performance and cash flows, as well as the budget-to-actual variance analyses for corporate planning (incl. forecasts) were discussed intensively and in a timely manner with the Board of Management.

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, Mr. Hasan Özer, Mr. Thorsten Ruppert and Mr. Ralph Werner were newly elected to the Supervisory Board 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.

No former members of the Board of Management of BLG AG are represented on the Supervisory Board.

The following changes were made to the composition of the Board of Management in the 2023 financial year:

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 appointed 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 Code.

Work of the committees

To perform its duties efficiently, the Supervisory Board has additionally set up four committees. These committees of the Supervisory Board are the Audit Committee, Human Resources Committee, Investment Committee and Mediation Committee in accordance with Section 27 (3) MitbestG (German Codetermination Act). They prepare the resolutions of the Supervisory Board in the plenary session and, where permissible, decide in individual cases in its place. Separate rules of procedure apply to the Audit Committee and the Investment Committee. All committees have equal representation.

The **Audit Committee** held two meetings in the 2023 financial year. The main subject of the meeting on April 18, 2023 was the extensive discussion and examination of the annual financial statements, the combined financial statements and the management reports for the 2022 financial year. Representatives from the auditing firm were present at the meeting when the annual financial statements were addressed and they reported on the findings of their audit. In addition, the Audit Committee discussed the appropriation of the net retained profits (in accordance with the German Commercial Code, Handelsgesetzbuch – HGB) as well as the invitation to the Annual General Meeting and submitted resolutions to the Supervisory Board.

The Audit Committee oversees the selection, independence, rotation and efficiency of the auditor as well as the services it provides and is concerned with conducting an evaluation of the quality of the audit process. Any questions in this regard are discussed in the plenary session. Furthermore, the Chairman of the Audit Committee regularly consults with the auditor and informs the full Supervisory Board of the progress of the audit. In addition, a newly designed questionnaire was used for the first time in 2021 to review the quality of the audit of the annual financial statements. As a result and since then, no impediments to the selection of PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Bremen, as statutory auditor for the 2023 financial year have become known.

BLG LOGISTICS changes the auditor regularly. Within the scope of the respective tendering process, the Audit Committee considers the expertise, experience and independence of the candidates.

At its meeting on December 14, 2023, the Audit Committee dealt primarily with corporate planning, including medium-term earnings and financial planning, and the approval of non-audit services. A further focus of the activity was on reporting on the audit and on the compliance system. Representatives from the auditing firm also presented the audit risk, audit strategy and audit planning.

The **Human Resources Committee** held six meetings in the reporting year. At all meetings, it dealt primarily with personnel matters relating to the Board of Management. One focus of the deliberations, in addition to determining and reviewing the remuneration of the Board of Management, was on preparing the election of shareholder representatives to the Supervisory Board at the Annual General Meeting on June 7, 2023. Furthermore, at its meeting on December 12, 2023, the

Supervisory Board consulted on the extension of Mr. Matthias Magnor's contract.

The **Investment Committee** convened on August 22, 2023 and resolved on replacement investments in the AUTOMOBILE Division.

The **Mediation Committee** (committee in accordance with Section 27 (3) MitbestG (German Codetermination Act)) did not convene in the reporting year.

The meetings and resolutions of the committees were prepared on the basis of reports and other information provided by the Board of Management. Members of the Board of Management regularly took part in the committee meetings. The chairs of the committees reported to the Supervisory Board on the activities and their results following the meetings and submitted resolution recommendations.

Training and self-assessment

The members of the Supervisory Board take responsibility for undertaking any training or professional development measures necessary to fulfil their duties, for example to bring them up to speed with changes in the legal framework and new technologies, and are supported in this by BLG LOGISTICS. In-house training courses or information events for targeted further training are offered as required. In September of the 2023 reporting year, in-house training was held on the topic of compliance. New Supervisory Board members have the opportunity to meet with members of the Board of Management and managers from the individual divisions to exchange views on fundamental and topical issues and thus obtain an overview of the main topics relevant to the company (onboarding).

The Supervisory Board evaluates, at regular intervals, how effectively the Supervisory Board as a whole and its committees fulfill their tasks. The findings are discussed in depth by the Supervisory Board and, where appropriate, necessary action is taken. The last review based on a questionnaire to be completed anonymously and evaluation of the results in plenary session took place in financial year 2021. This did not give rise to any indications of significant deficits then or since. The next self-assessment is planned to for 2024.

Corporate governance and declaration of compliance

The Supervisory Board worked on the application of the German Corporate Governance Code within the company. The 24th declaration of compliance with the recommendations of the Code, dated December 14, 2023, and prepared by the Supervisory Board and the Board of Management pursuant to Section 161 of the German Stock Corporation Act (AktG), corresponds to the published amended version of April 28, 2022. The joint declaration of compliance is permanently accessible on the BLG LOGISTICS website at ➚ *www.blg-logistics.com/ir* in the Download area.

Audit of the annual and combined financial statements

The representatives of PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Bremen, the auditing firm duly elected as auditor, were present at the Supervisory Board's accounts meeting for the 2023 financial year and at the preparatory meeting of the Audit Committee and reported in detail on the findings of their audit.

The annual financial statements and management report as well as the set of financial statements for the purpose of fulfilling the duty to prepare consolidated financial statements of BLG AG, and the combined financial statements as well as the combined group management report of BLG LOGISTICS have been prepared by the Board of Management in accordance with the statutory provisions and in compliance with German legally required accounting principles and have been audited and issued an unqualified auditor's report by PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Bremen, the auditing firm appointed by the Annual General Meeting.

The auditing firm has reviewed the report on relationships to affiliated companies (dependent company report) prepared by the Board of Management for the 2023 financial year and issued the following auditor's report:

"After conducting our examination and assessment in accordance with our obligations, we confirm that

1. the factual statements contained in the report are correct,
2. benefits derived by the company from the legal transactions specified in the report were not unreasonably high."

The annual financial statements and management report, the set of financial statements for the purpose of fulfilling the duty to prepare consolidated financial statements, including the management report, the combined financial statements and combined group management report as well as the audit reports of the company's auditor were made available to all members of the Supervisory Board in due time.

For its part, the Supervisory Board has reviewed the annual financial statements, the combined financial statements, the set of financial statements for the purpose of fulfilling the duty to prepare consolidated financial statements, the management reports and the combined group management report of the Board of Management as well as the proposal of the Board of Management concerning appropriation of the net retained profits (in accordance with HGB). The Supervisory Board concurs with the findings of the audit of the annual financial statements, the combined financial statements and the set of financial statements for the purpose of fulfilling the duty to prepare consolidated financial statements, including the management reports, conducted by the auditing firm. The Supervisory Board has approved and adopted the annual financial statements prepared by the Board of Management. The Supervisory Board has also approved the set of financial statements for the purpose of fulfilling the duty to prepare consolidated financial statements prepared by the Board of Management, as well as the combined financial statements. The Supervisory Board concurs with the management reports and in particular with the evaluation of BLG LOGISTICS' further development. This also applies to the dividend policy and the decisions regarding reserves at BLG AG.

Furthermore, the Supervisory Board has reviewed the report of the Board of Management on the relationships with affiliated companies and the findings of the audit of this report conducted by the auditing firm. The Supervisory Board concurs with the findings of the audit of the dependent company report conducted by the auditing firm. According to the final findings of the review of the dependent company report by the Supervisory Board, there are no objections to the final statement of the Board of Management in the latter report.

Non-financial report

BLG LOGISTICS has prepared a combined non-financial statement in accordance with Section 315b HGB since the 2017 financial year. This statement for the 2023 financial year is integrated as a separate non-financial report in the 2023 sustainability report and its contents have been reviewed by the Supervisory Board. The review did not give rise to any objections. ➚ reporting.blg-logistics.com

In this once again exceptionally challenging year, the Supervisory Board would like to thank the members of the Board of Management and all employees for their high level of commitment and unswerving efforts to keep our company on a path to success. The Supervisory Board is convinced that BLG LOGISTICS will continue to master the challenges together going forward and can secure its earnings power on a long-term basis.

Bremen, April 2024

For the Supervisory Board

Meier

Dr. Klaus Meier
Chairman

Annual Financial Statements 2023 BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-

Income statement

EUR thousand	**2023**	2022
1. Compensation from BLG LOGISTICS GROUP AG & Co. KG	1,937	1,318
2. Other operating income	5,830	8,976
	7,767	**10,294**
3. Personnel expenses		
a) Wages and salaries	-4,467	-5,205
b) Social security, post-employment and other employee benefit costs	-849	-1,764
	-5,316	**-6,969**
4. Other operating expense	-1,252	-2,704
5. Other interest and similar income	1,229	686
6. Interest and similar expenses	-100	-88
7. Taxes on income of which from the recognition of deferred tax assets EUR 29 thousand (previous year: EUR 180 thousand)	-371	-254
8. Earnings after taxes/net income for the year	**1,957**	**965**
9. Transfers to (previous year: withdrawals from) other revenue reserves	-229	110
10. Net retained profits	**1,728**	**1,075**

Balance sheet

EUR thousand Assets	12/31/2023	12/31/2022
A. Current assets		
I. Receivables and other assets		
1. Receivables from affiliated companies	27,976	26,867
2. Receivables from other long-term investees and investors	0	324
3. Other assets	130	71
	28,106	**27,262**
II. Bank balances	23	22
	28,129	**27,284**
B. Deferred tax assets	1,251	1,222
	29,380	**28,506**

EUR thousand Equity and Liabilities	12/31/2023	12/31/2022
A. Equity		
I. Subscribed capital	9,984	9,984
II. Revenue reserves		
1. Legal reserve	998	998
2. Other revenue reserves	9,240	9,011
	10,238	**10,009**
III. Net retained profits	1,728	1,075
	21,950	**21,068**
B. Provisions		
1. Provisions for pensions and similar obligations	763	1,510
2. Provisions for taxes	260	165
3. Other provisions	5,098	4,467
	6,121	**6,142**
C. Liabilities		
1. Trade payables	0	59
2. Liabilities to affiliated companies	795	474
3. Liabilities to other long-term investees and investors	10	0
4. Other liabilities	504	763
	1,309	**1,296**
	29,380	**28,506**

Notes for the 2023 financial year

The registered office of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- (BLG AG) is in Bremen. The company is entered in the register of the District Court of Bremen under the number HRB 4413.

General disclosures

The annual financial statements have been prepared in accordance with the provisions of Section 242 et seq. and Section 264 et seq. of the German Commercial Code (HGB) and the relevant provisions of the German Stock Corporation Act (AktG).

The income statement was prepared according to the total cost (nature of expense) method (Section 275 (2) HGB).

To improve clarity of presentation, notes on inclusion in other headings and 'of which' subitems were disclosed.

Disclosures on recognition and measurement

The following accounting policies were applied essentially unchanged for the preparation of the annual financial statements.

Receivables and other assets are reported at their nominal value. Credit risks are taken into account through recognition of specific loss allowances, wherever necessary.

Bank balances are recognized at their nominal value.

Financial assets that are immune from access by all other creditors and that serve exclusively to fulfill post-employment benefit obligations are measured at fair value and netted against provisions for pensions and similar obligations.

Equity is recognized at nominal value.

Reinsurance cover for pension provisions is recognized using the asset value of the overall claims reported by the insurance companies. In this respect, the asset value corresponds both to the amortized cost (payments received plus accumulated interest and surplus credits) and the fair value as of the balance sheet date. The fair value of the fund units in the premium deposit account is determined at market prices at the reporting date.

Pension provisions are measured according to the projected unit credit method using the 2018 G (previous year: 2018 G) mortality tables issued by Prof. Klaus Heubeck. If at the end of the reporting period there is a match between the insurance payments made and the accrued pension benefits, pension provisions are recognized in the amount of the carrying amount of the corresponding pension liability claims from life insurance policies ("primacy of the assets side"). The average market interest rate, which is calculated for an assumed residual term of 15 years, is used as a standard basis for discounting.

In accordance with Section 246 (2) sentence 2 HGB, these are netted against the present value of the pension obligations under provisions for pensions and similar obligations.

The actuarial valuation was based on the following parameters:

Actuarial parameters	Pensions
Discount rate	1.8%
Expected development of salaries and wages	2.3%
Expected pension increases	2.3%

The provisions are recognized at the settlement amount necessary to cover all identifiable risks and uncertain liabilities on the basis of prudent business judgment.

Long-term provisions with a residual term of more than one year are discounted using the average market interest rate for matching maturities based on the past seven years, as published by the Deutsche Bundesbank. Long-term provisions for pension obligations with a residual term of more than one year are discounted using the average market interest rate for matching maturities based on the past ten years, as published by the Deutsche Bundesbank.

Liabilities are recognized at their settlement amounts.

Any differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income items according to commercial law and their tax carrying amounts that are expected to be reversed in later financial years are measured at the individual tax rates in the period in which the difference is reversed and the resulting tax burden or relief is recognized as deferred taxes.

The measurement of deferred tax assets depends on the estimation of the probability of the reversal of the measurement differences and the utilization of the loss carryforwards which resulted in deferred tax assets. This is dependent upon the generation of future taxable profits during the periods in which those tax measurement differences are reversed.

The option of recognizing deferred tax assets pursuant to Section 274 (1) sentence 2 HGB was applied. Deferred taxes are offset and not discounted.

Balance sheet disclosures

Receivables and other assets
Receivables from affiliated companies were owed in full from BLG LOGISTICS GROUP AG & Co. KG, Bremen (BLG KG). EUR 5,227 thousand (previous year: EUR 5,227 thousand) thereof constituted short-term loans. EUR 20,120 thousand (previous year: EUR 19,125 thousand) was attributable to receivables from cash management. Another EUR 2,629 thousand (previous year: EUR 2,515 thousand) related to trade receivables. As in the previous year, all receivables have a residual term of up to one year.

Receivables from other long-term investees and investors included in the previous year related to trade receivables.

Provisions for pensions and similar obligations
The provisions reported related to pension obligations for the members of the Board of Management. It has been agreed with each eligible current 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 benefit if the vesting conditions were met.

In order to enable insolvency-protected reinsurance cover or refinancing for the higher obligations resulting from the adjustment while maintaining the existing reinsurance policies, a two-tier model with additional premium deposit accounts to cover the outstanding premium payments for the reinsurance was introduced. In this model, the outstanding premium payments to the reinsurance are invested as a lump sum in a deposit (see also the following table). The instalment premiums to the reinsurer are financed from a corresponding sale of the fund units. As with the reinsurance policy, the fund units are pledged to the beneficiaries and were recognized at market value at December 31, 2023.

The net pension obligation as at December 31, 2023 breaks down as follows:

EUR thousand	12/31/2023
Fair value of pension obligations	12,311
Fair value of reinsurance policies	-7,747
Fair value deposit for outstanding premium payments to the reinsurance	-3,801
Net pension obligation	**763**

The difference between the recognition of provisions for pension obligations based on the corresponding average market interest rate for the past ten financial years and the recognition of provisions for pension obligations based on the corresponding average market interest rate for the past seven financial years amounted to EUR 67 thousand.

Interest income from plan assets and interest expense from unwinding the discount were recognized in the amount of EUR 117 thousand (previous year: EUR 111 thousand).

Equity

As in the previous year, the share capital amounted to EUR 9,984,000.00 and, as in the previous year, was divided into 3,840,000 no-par value registered shares with voting rights. The accounting par value of each no-par value share is thus EUR 2.60. Transfer of the shares requires the approval of the company in accordance with Section 5 of the Articles of Incorporation.

Revenue reserves

The legal reserve is allocated in full in an amount of EUR 998,400.00.

An amount of EUR 229 thousand was transferred to other revenue reserves from the net income for the year of EUR 1,957 thousand (previous year: withdrawal of EUR 110 thousand).

Existing revenue reserves fully covered the amounts subject to a restriction on distribution of EUR 67 thousand (previous year: EUR 336 thousand) in accordance with Section 253 (6) HGB (difference relating to the recognition of pension obligations) as well as the amounts subject to a restriction on distribution of EUR 1,251 thousand (previous year: 1,222 thousand) in accordance with Section 268 (8) sentence 2 and 3 HGB (deferred tax assets and difference between cost and fair market value of the above premium deposit account).

Other provisions

Other provisions included EUR 4,501 thousand (previous year: EUR 3,916 thousand) for the variable remuneration of the Board of Management. Of this amount, EUR 2,841 thousand (previous year: EUR 2,346 thousand) had a maturity of more than one year.

In the reporting year, other provisions of EUR 418 thousand (previous year: EUR 373 thousand) were recognized for costs in connection with the Annual General Meeting, the publication of the annual financial statements and the combined financial statements as well as the audit of the annual financial statements. EUR 179 thousand was set aside for fixed Supervisory Board remuneration (previous year: EUR 178 thousand).

Liabilities

As in the previous year, all liabilities (including liabilities to affiliated companies) have a residual term of up to one year.

Liabilities to affiliated companies were payable in full to BLG KG and related to other liabilities (previous year: trade payables). Liabilities to other long-term investees and investors also related to other liabilities.

EUR 481 thousand of the other liabilities (previous year: EUR 738 thousand) related to taxes.

Deferred taxes

Deferred taxes were measured at the tax rate for BLG AG in the amount of 15.825 percent. The deferred tax assets were mainly based on differences from pension provisions. The option of recognizing excess deferred tax assets was applied.

Contingent liabilities

The company is the personally liable general partner of BLG KG. A capital contribution does not have to be made. Due to the company's equity base and the net income expected for BLG KG in subsequent years, there was no identifiable risk of being subject to recourse.

Shareholdings

The underlying exchange rates for the shareholdings listed below allocable to BLG AG pursuant to Section 285 sentence 1 no. 11 HGB through its subsidiary BLG KG were as follows:

EUR	Reporting date 12/31/2023	2023 average
1 US dollar	0.9050	0.9248
1 Chinese yuan renminbi	0.1274	0.1305
1 Polish zloty	0.2304	0.2202
1 Russian ruble	0.0101	0.0108
1 South African rand	0.0491	0.0501
1 Ukrainian hryvnia	0.0239	0.0253

List of shareholdings pursuant to Section 285 sentence 1 no. 11 HGB

Name, registered office	Ownership interest in percent	Indirect (I) / Direct (D) interest	Currency	Equity in thousands	Net income for the year in thousands
BLG LOGISTICS GROUP AG & Co. KG, Bremen	0.00	D	EUR	287,615	16,590
Companies included on the basis of full consolidation (in accordance with combined financial statements)					
BLG Automobile Logistics GmbH & Co. KG, Bremen	100.00	I	EUR	74,713	19,279
BLG Automobile Logistics Süd-/Osteuropa GmbH, Bremen	100.00	I	EUR	1,022	8
BLG AutoRail GmbH, Bremen	50.00	I	EUR	13,262	1,762
BLG AutoTec GmbH & Co. KG, Bremerhaven	100.00	I	EUR	-1,897	99
BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven	100.00	I	EUR	37,385	11,699
BLG AutoTerminal Cuxhaven GmbH & Co. KG, Cuxhaven	100.00	I	EUR	1,115	1,972
BLG AutoTerminal Deutschland GmbH & Co. KG, Bremen	100.00	I	EUR	10,428	15,850
BLG AutoTerminal Gdansk Sp. z o. o., Gdansk, Poland	100.00	I	PLN	36,266	13,646
BLG AutoTransport GmbH & Co. KG, Bremen	100.00	I	EUR	10,522	8,741
BLG Cargo Logistics GmbH, Bremen[1]	100.00	I	EUR	19,683	0
BLG Handelslogistik GmbH & Co. KG, Bremen	100.00	I	EUR	2,394	5,565
BLG Industrielogistik GmbH & Co. KG, Bremen	100.00	I	EUR	6,235	-8,365
BLG Logistics of South Africa (Pty) Ltd., Gqeberha, South Africa[2]	84.07	I	ZAR	87,791	46,382
BLG Logistics Solutions GmbH & Co. KG, Bremen	100.00	I	EUR	1,850	1,135
BLG Logistics, Inc., Atlanta, USA	100.00	I	USD	-10,138	-3,387
BLG RailTec GmbH, Uebigau-Wahrenbrück[1]	50.00	I	EUR	5,550	0
BLG Sports & Fashion Logistics GmbH, Hörsel	100.00	I	EUR	-4,309	407

[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

Name, registered office	Ownership interest in percent	Indirect (I) / Direct (D) interest	Currency	Equity in thousands	Net income for the year in thousands
Companies included on the basis of the equity method (in accordance with combined financial statements)					
ATN Autoterminal Neuss GmbH & Co. KG, Neuss	50.00	I	EUR	615	-23
AutoLogistics International GmbH, Bremen	50.00	I	EUR	-3,645	-26
Autovision South Africa (Pty) Ltd., Gqeberha, South Africa	41.19	I	ZAR	1,426	1,454
BLG CarShipping Koper d.o.o., Koper, Slovenia	100.00	I	EUR	104	22
BLG GLOVIS BHV GmbH, Bremerhaven	50.00	I	EUR	356	103
BLG Interrijn Auto Transport RoRo B.V., Rotterdam, Netherlands	50.00	I	EUR	1,135	1,117
BLG Logistics (Beijing) Co., Ltd., Beijing, People's Republic of China	100.00	I	CNY	493	-1,129
BLG Logistics (Shanghai) Co., Ltd., Shanghai, People's Republic of China	100.00	I	CNY	---	---
BLG ViDi LOGISTICS TOW, Kyiv, Ukraine	50.00	I	UAH	184,662	52,592
BLG-Cinko Auto Logistics (Tianjin) Co., Ltd., Tianjin, People's Republic of China	50.00	I	CNY	953	836
dbh Logistics IT AG, Bremen[3]	27.32	I	EUR	10,117	2,217
DCP Dettmer Container Packing GmbH & Co. KG, Bremen[3]	50.00	I	EUR	417	-230
EUROGATE GmbH & Co. KGaA, KG, Bremen	50.00	I	EUR	458,404	79,457
Hansa Marine Logistics GmbH, Bremen[3]	100.00	I	EUR	235	59
Hizotime (Pty) Ltd., East London, South Africa	41.19	I	ZAR	13,012	2,537
ICC Independent Cargo Control GmbH, Bremen[3]	50.00	I	EUR	110	39
Kloosterboer BLG Coldstore GmbH, Bremerhaven	49.00	I	EUR	1,284	516
Schultze Stevedoring GmbH & Co. KG, Bremen[3]	50.00	I	EUR	100	2,253
ZLB Zentrallager Bremen GmbH & Co. KG, Bremen[3]	33.33	I	EUR	465	1,232

[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

Name, registered office	Ownership interest in percent	Indirect (I) / Direct (D) interest	Currency	Equity in thousands	Net income for the year in thousands
Companies not included (in accordance with combined financial statements)					
ATN Autoterminal Neuss Verwaltungs-GmbH, Neuss	50.00	I	EUR	29	1
BLG AUTO LOGISTICS OF SOUTH AFRICA (Pty) Ltd., Gqeberha, South Africa	84.07	I	ZAR	1,028	0
BLG Automobile Logistics Beteiligungs-GmbH, Bremen	100.00	I	EUR	105	1
BLG Automobile Logistics Italia S.r.l. i. L., Gioia Tauro, Italy	98.97	I	EUR	-404	-2
BLG AutoTec Beteiligungs-GmbH, Bremerhaven	100.00	I	EUR	28	1
BLG AutoTerminal Cuxhaven Beteiligungs-GmbH, Cuxhaven	100.00	I	EUR	13	0
BLG AutoTerminal Deutschland Beteiligungs-GmbH, Bremen	100.00	I	EUR	50	0
BLG AutoTransport Beteiligungs-GmbH, Bremen	100.00	I	EUR	25	0
BLG Freight, LLC, Hoover, USA	100.00	I	USD	1	267
BLG Handelslogistik Beteiligungs GmbH, Bremen	100.00	I	EUR	34	1
BLG Industrielogistik Beteiligungs-GmbH, Bremen	100.00	I	EUR	34	0
BLG Logistics Automobile St. Petersburg Co. Ltd., St. Petersburg, Russia	100.00	I	RUB	617,812	209,837
BLG Logistics of Alabama, LLC, Vance, USA	100.00	I	USD	---	---
BLG Logistics Solutions Beteiligungs-GmbH, Bremen	100.00	I	EUR	29	1
DCP Dettmer Container Packing GmbH, Bremen[3]	50.00	I	EUR	119	8
EUROGATE Beteiligungs-GmbH, Bremen	50.00	I	EUR	42	1
EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen	50.00	I	EUR	76	2
Schultze Stevedoring Beteiligungs-GmbH, Bremen[3]	50.00	I	EUR	32	1
ZLB Zentrallager Bremen GmbH, Bremen[4]	33.33	I	EUR	53	2

[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

Income statement disclosures

Compensation from BLG KG

This item included the liability remuneration governed by the partnership agreement (EUR 1,053 thousand, previous year: EUR 1,063 thousand and the remuneration (EUR 884 thousand, previous year: EUR 256 thousand) for the activities as general partner of BLG KG.

Other operating income

Other operating income breaks down as follows:

EUR thousand	2023	2022
Income from the recharging of Board of Management compensation	4,587	6,815
Income from the reimbursement of pension obligations	704	1,793
Income from the recharging of Supervisory Board compensation	243	256
Income from the reversal of provisions	205	35
Income from the recharging of expenses	16	2
Other	75	75
Total	**5,830**	**8,976**

As in the previous year, income from the reversal of provisions related to prior periods.

Personnel expenses

Personnel expenses related to the remuneration for the Board of Management.

EUR 849 thousand in social security, post-employment and other employee benefit costs related to post-employment benefit costs (previous year: EUR 1,764 thousand).

Other operating expense

Other operating expense breaks down as follows:

EUR thousand	2023	2022
Administrative expenses	813	743
Compensation for the Supervisory Board	243	256
Other personnel expenses	95	1,564
Legal, advisory and audit fees	91	112
Expenses for reimbursements for pension obligations	9	0
Prior-period expenses for reimbursement of variable remuneration components	0	28
Other	1	1
Total	**1,252**	**2,704**

Other personnel expenses in the previous year included expenses from severance agreements in the amount of EUR 1,451 thousand.

Other interest and similar income

EUR 16 thousand (previous year: EUR 0 thousand) related to the discounting of variable remuneration components due to the Board of Management for prior periods. The remaining disclosure amount related as in the previous year in full to interest income from affiliated companies.

Interest and similar expenses

As in the previous year, this item related in full to interest cost. EUR 15 thousand (previous year: EUR 7 thousand) related to the interest cost in respect of variable remuneration components due to the Board of Management for prior periods.

Other disclosures

Off-balance-sheet transactions

There were no transactions that were not included in the balance sheet as of December 31, 2023.

Other financial liabilities

There were no other financial liabilities as of December 31, 2023.

Auditor’s remuneration

The total remuneration for the auditor’s services in the 2023 financial year amounted to EUR 88 thousand. Of this amount, EUR 80 thousand related to the audit and EUR 8 thousand to other assurance services (audit of the remuneration report pursuant to Section 162 AktG). No services of network companies of PricewaterhouseCoopers GmbH WPG were engaged.

Related party disclosures

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 50.4 percent share of the subscribed capital. The Free Hanseatic City of Bremen (municipality) received a dividend as a result of the resolution on the appropriation of net retained profits for 2022.

Transactions with affiliated companies, joint ventures and associates

There were no transactions with affiliated companies, joint ventures and associates in the reporting year conducted other than on an arm's length basis.

Board of Management and Supervisory Board

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, Mr. Hasan Özer, Mr. Thorsten Ruppert and Mr. Ralph Werner were newly elected to the Supervisory Board 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.

No former members of the Board of Management of BLG AG are represented on the Supervisory Board. The length of service and memberships in the committees are listed in the corporate governance statement, which is accessible on our website at ➚ www.blg-logistics.com/ir in the Download area.

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 appointed 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 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.

The members of the Supervisory Board received remuneration of EUR 285 thousand in the 2023 financial year (previous year: EUR 291 thousand), of which EUR 165 thousand (previous year: EUR 164 thousand) was attributable to fixed components. The meeting allowances came to EUR 64 thousand (previous year: EUR 78 thousand, the remuneration for services on committees to EUR 14 thousand (previous year: EUR 14 thousand) and the remuneration for in-Group Supervisory Board seats to EUR 42 thousand (previous year: EUR 35 thousand).

The members of the Supervisory Board representing the employees received EUR 32 thousand (previous year: EUR 37 thousand) in contributions to statutory retirement plans in the reporting year.

As at 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. Travel expenses were reimbursed to the customary extent.

For the 2023 financial year, the Board of Management received aggregate benefits 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 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 shall be recognized in the provisions. This amount was included in the measurement of the multi-year remuneration components for the 2023 reporting year. 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. The determination was based on financial (70 percent weighting) and environmental and social (30 percent weighting) performance criteria.

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 entities. Pension obligations toward former Board of Management members are likewise obligations against related entities.

As of December 31, 2023, the present value of pension obligations pursuant to the German Commercial Code (HGB) for active members of the Board of Management at December 31, 2023 amounted to EUR 5,822 thousand (previous year: EUR 4,751 thousand).

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

The present value of pension obligations pursuant to HGB for former members of the Board of Management totaled EUR 6,489 thousand as of December 31, 2023. In the 2023 financial year, the former members of the Board of Management received aggregate benefits (in particular pension benefits) of EUR 224 thousand.

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.

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

Director's dealings
In accordance with Article 19 of the EU Market Abuse Regulation, members of the Board of Management, the first tier of management and the Supervisory Board are required as a matter of principle to disclose their own transactions with shares of BLG AG or related financial instruments.

The shareholdings of these persons amount to less than 1 percent of the shares issued by the company. There were no purchases and sales requiring disclosure during the reporting year.

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

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

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

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

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

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

Proposal on the appropriation of net profit
The Board of Management and Supervisory Board will submit the following dividend distribution proposal to the Annual General Meeting on June 12, 2024: distribution of a dividend of EUR 0.45 per no-par value registered share (which corresponds to around 17.3 percent per no-par value share) for the 2023 financial year, corresponding to the net retained profits of EUR 1,728 thousand.

Consolidated financial statements
The company, together with BLG KG as the joint parent enterprise, prepared combined financial statements as of December 31, 2023 in accordance with IFRSs, as adopted by the European Union, as well as the additionally applicable provisions of German commercial law as set forth in Section 315e (3) HGB in conjunction with Section 315e (1) HGB. Furthermore, it prepared a set of financial statements for the purpose of fulfilling the actual duty to prepare consolidated financial statements (financial statements in accordance with Section 315e HGB). Both sets of financial statements are published in the Company Register and are available at the headquarters of the company in Bremen.

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.

Report on post-balance sheet date events

No events of particular significance that could be expected to materially influence the financial position, financial performance and cash flows at December 31, 2023 occurred between the end of the reporting period and the preparation of the annual financial statements on March 28, 2024.

Bremen, March 28, 2024

BREMER LAGERHAUS-GESELLSCHAFT -
Aktiengesellschaft von 1877-

THE BOARD OF MANAGEMENT

Frank Dreeke

Michael Blach

Christine Hein

Matthias Magnor

Ulrike Riedel

Combined Management Report 2023

The management report pertaining to the annual financial statements pursuant to Section 315e HGB of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-, Bremen (BLG AG) was combined with the management report prepared in accordance with German commercial law of BLG AG pursuant to Section 315 (5) HGB in conjunction with Section 298 (2) HGB. The management report is therefore referred to as the combined management report. The financial statements of BLG AG, which are prepared in accordance with the requirements of the German Commercial Code (HGB), and the combined management report are published together. Unless otherwise stated, the information provided applies to both sets of financial statements. Disclosures that contain information relating solely to the HGB financial statements of BLG AG are denoted separately.

Fundamental information about the company

BLG AG, a listed company, is the sole personally liable general partner of BLG LOGISTICS GROUP AG & Co. KG, Bremen (BLG KG). In this function, the company has assumed the management of BLG KG. BLG AG maintains a branch office in Bremerhaven.

BLG AG does not hold any share capital in BLG KG and is also not entitled to participate in the company's profits. All limited partnership shares of BLG KG are held by the Free Hanseatic City of Bremen (municipality). BLG AG receives remuneration for the liability it has assumed and for its management activities. The business of BLG KG is managed by the Board of Management of BLG AG as a governing body of the general partner. The Board of Management is fully accountable for managing the business in accordance with Section 76 (1) of the German Stock Corporation Act (AktG) and is not subject to instructions from the shareholders.

For the liability it has assumed, BLG AG receives remuneration from BLG KG in the amount of 5 percent of the equity reported in the annual financial statements for the respective prior period in accordance with Sections 266 et seq. HGB. This liability remuneration must be paid regardless of BLG KG's net income for the year. For its management activities, BLG AG receives remuneration in the amount of 5 percent of the net income for the financial year of BLG KG prior to deduction of this remuneration. The remuneration amounts to a minimum of EUR 256 thousand and a maximum of EUR 2,500 thousand.

In addition, expenses directly incurred by BLG AG in connection with management activities for BLG KG are reimbursed by the latter. Further information on transactions with affiliated companies and related parties can be found in the notes to the financial statements.

The BLG Group, to which both BLG AG and BLG KG with their subsidiaries belong, operates externally under the brand BLG LOGISTICS. BLG LOGISTICS is a seaport-oriented logistics service provider with an international network. With almost 100 companies and offices, BLG LOGISTICS is present in Europe, America, Africa and Asia and in all the world's growth markets, offering customers from industry and retailing complex logistics system services.

Non-financial report
BLG LOGISTICS has prepared a combined non-financial statement in accordance with Section 315b HGB since the 2017 financial year. This statement is integrated into the sustainability report as a separate non-financial report, which is accessible on our website at ➚ *www.blg-logistics.com/ir* in the Download area.

Report on Economic Position

The 2023 financial year – like those that preceded it – was another challenging one for the logistics industry. The wars and crises around the world, high inflation and declining transport volumes were the main factors contributing to the difficult business environment (see SCI Verkehr, SCI Logistics Barometer, December 2023)

Report on financial position, financial performance and cash flows

In accordance with its corporate function, BLG AG lent all cash funds available to it to BLG KG for proportionate financing of the working capital necessary for the provision of its services. This essentially takes place via the central cash management of BLG KG, in which BLG AG is included. The interest on the funds provided was based on unchanged conditions, although the conditions for cash management are variable above a minimum interest rate and were adjusted upwards twice in the reporting year. Due to the higher interest rates and resulting higher interest on cash management balances, interest income from this increased significantly by EUR 527 thousand compared to the previous year.

In the reporting year, BLG AG received liability remuneration (EUR 1,053 thousand; previous year: EUR 1,063 thousand) and remuneration for management activities (EUR 884 thousand; previous year: EUR 256 thousand) from BLG KG. Compensation accruing to the members of the Board of Management and the Supervisory Board is reimbursed in full by BLG KG.

Earnings per share of EUR 0.51

The earnings per share are calculated by dividing the net income for the year by the average number of shares outstanding during the financial year. Unchanged from the previous year, there were 3,840,000 registered shares outstanding during the 2023 financial year.

In the outlook as of December 31, 2022 and in the interim report as of June 30, 2023, earnings (EBT) for the financial year 2023 were forecast to be significantly higher than for the 2022 financial year. Earnings before taxes in the 2023 financial year ultimately increased quite substantially year on year by EUR 1,109 thousand. One reason for this is the above-mentioned higher interest income for cash management balances. Furthermore, BLG KG reported significantly higher accounting profit, so that the remuneration for management activities of EUR 884 thousand (previous year: EUR 256 thousand) for BLG KG was once again above the minimum remuneration level.

In the previous year, personnel expenses and other operating expense in particular were higher, accounted for by the fact that retired Board of Management member Andrea Eck was still receiving a regular salary in the first eight months of the previous year and variable remuneration components were settled in December 2022 as part of the severance agreement. Accordingly, the reimbursements from BLG KG (other operating income) were also higher in the previous year.

Refinancing for pensions/fair-value remeasurement

In order to enable insolvency-protected reinsurance cover or refinancing for the pension obligations, a two-tier model with additional premium deposit accounts to cover the outstanding premium payments for the reinsurance was introduced. At December 31, 2023, the fair-value remeasurement led to an increase in the carrying amount of the premium deposit account for 2023, after taking the planned premium withdrawals into account. In addition, deposits were made for a new commitment. On the income side, this did not lead to additional or reduced income for BLG AG, as all expenses and income from this are assumed by BLG KG.

The above-mentioned new commitment for one member of the Board of Management also led to an increase in pension obligations – despite the persistently high interest rate level slightly above the previous year.

The measurement of pension provisions as at December 31, 2023 resulted as in the previous year in the amount of the pension obligation and the asset value being reported on a net basis in the financial statements on the assets side in accordance with Section 315e HGB. Accordingly, the recognized settlement amount (obligation) due to BLG KG was adjusted in accordance with Section 315e to reflect the measurement differences between HGB and IFRSs. In the German GAAP annual financial statements, the time value of money is less of a factor, so that the netted amount of the pension obligation and the asset value is recognized as an obligation on the liabilities side.

Provisions for variable remuneration

The currently valid remuneration system for members of the Board of Management was introduced retroactively from January 1, 2021. The previous system was terminated with retroactive effect from December 31, 2020 and the variable remuneration components agreed under it will, accordingly, no longer be paid out.

The switch to the new Board of Management remuneration system in accordance with the provisions of the Act on the Implementation of the Second Shareholders' Rights Directive (ARUG II) with short-term and long-term target components leads to a significant increase in provisions, as the transfers for the long-term remuneration components are no longer made in installments over time, but become due in the full amount when the target agreement is concluded.

On the basis of the remeasurement as of December 31, 2023, the existing provisions for variable remuneration for the financial years 2021 and 2022 were adjusted slightly. Furthermore, on the basis of the target figures achieved to date, provisions of EUR 2,095 thousand (under German commercial law EUR 2,170 thousand) were recognized for variable remuneration components for the financial year 2023. All expenses relating to the Board of Management remuneration were reimbursed by BLG KG by way of offsetting and recognized in other operating income. Measurement differences between HGB and IFRSs are also reflected here in the above settlement amount due to BLG KG.

There were no other significant changes in income and expense or in the financial position and cash flows compared with the previous year.

The BLG share

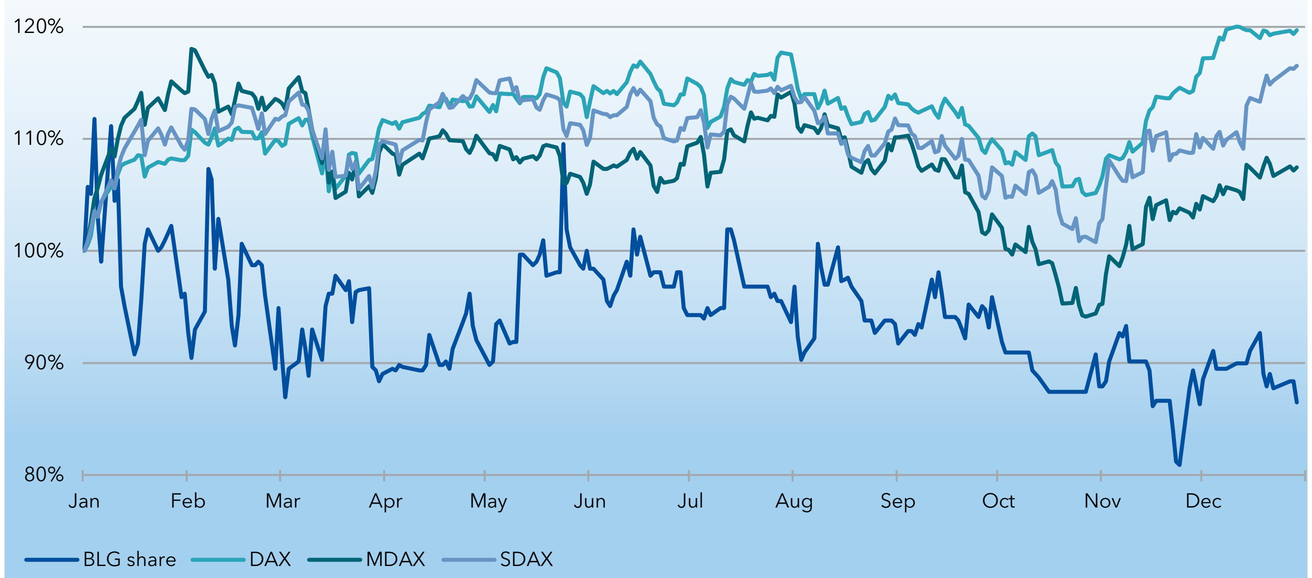
One of the strongest years on the stock market

Despite a weak economy, inflation, the budget crisis in Germany and a difficult geopolitical climate, it was one of the strongest years on the stock market. Overall, the stock markets were buoyed by falling energy prices, expectations of a more successful business year in 2023 and, in particular, a slower pace of interest rate hikes by central banks. Lower interest rates tend to make fixed-interest investments less attractive and push up demand for equities.

Only the fear of a renewed financial crisis put a damper on the market in the fall and led to temporary price declines. After a remarkable year-end rally, the DAX exceeded the 17,000-point mark for the first time in December 2023 and gained around 20 percent overall over the course of the year – more than the MDAX and the SDAX.

Source for this section:
Tagesschau.de "Positives Ende eines guten Aktienjahres"; retrieved on January 2, 2024; 9:34 a.m.

Performance of BLG share relative to benchmarks



BLG share reference data

ISIN	DE0005261606
WKN	526160
Ticker symbol	BLH
Share capital	EUR 9,984,000
Authorized capital	3,840,000 shares
Class	No-par value registered shares
Listed in	Berlin, Hamburg, Frankfurt

BLG share[1] falls by 9.8 percent

After opening the 2023 financial year at EUR 10.47, the BLG share already hit its highest closing price of the year of EUR 11.70 on January 4, 2023. Despite the difficult global economic environment, the major German indices were almost all up on their opening price over the course of the year. The BLG share, by contrast, was unable to maintain this level and – after a prolonged period of sideways movement – lost value, particularly in the last quarter of the year. The lowest price of EUR 8.47 was recorded on November 24, 2023.

Due to the share's low trading volume, even a small number of transactions can affect the price. The BLG share price fell overall by 9.8 percent in the reporting year and thus underperformed considerably relative to the major German indices (DAX plus around 20 percent, MDAX plus around 8 percent, SDAX plus around 17 percent). On the basis of the annual closing price of EUR 9.05 on December 29, 2023, market capitalization of the BLG share stood at EUR 34.8 million.

Dividend of EUR 0.45

Due to the higher year-on-year remuneration from BLG KG in the amount of EUR 884 thousand and substantially increased interest income, the annual financial statements of BLG AG showed net retained profits in accordance with HGB of EUR 1,728 thousand for the 2023 financial year, which was higher than the previous year (EUR 1,075 thousand). This amount included a transfer of EUR 229 thousand to other revenue reserves (previous year: withdrawal of EUR 110 thousand). According to German law, net retained profits form the basis for the dividend distribution.

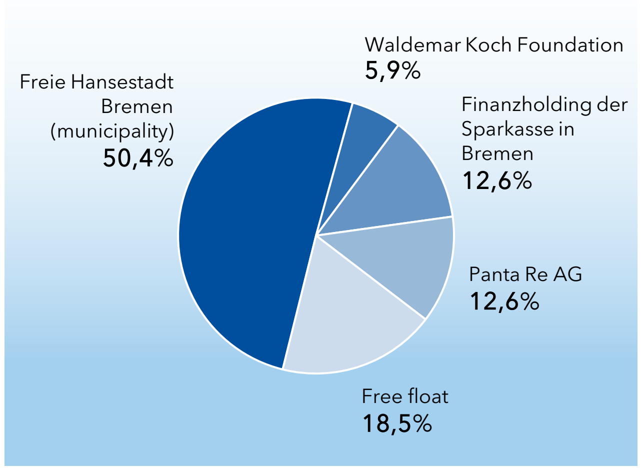
On this basis, for the 2023 financial year, the Board of Management and the Supervisory Board, will propose to the Annual General Meeting on June 12, 2024 that that a dividend of EUR 0.45 per share (previous year: dividend of EUR 0.28 per share) be distributed on the dividend-eligible share capital of EUR 9,984,000.00, corresponding to 3,840,000 shares (registered shares). This represents a distribution payout of EUR 1,728 thousand and a distribution ratio of 88.3 percent. Based on the year-end share price of EUR 9.05 this results in a dividend yield of 5.0 percent for the 2023 financial year.

We will continue in the future to pursue the goal of an earnings-related and consistent dividend policy. Accordingly, we will allow our shareholders to participate appropriately in earnings in line with our business performance.

[1] All market prices of BLG AG in this management report indicated as average on the listed stock exchanges

		2023	2022	2021	2020	2019
Earnings per share	EUR	0.51	0.25	0.30	0.29	0.38
Dividend per share	EUR	0.45	0.28	0.30	0.11	0.40
Dividend	Percent	17.3	10.8	11.5	4.2	15.4
Dividend yield	Percent	5.0	2.8	2.7	0.9	3.1
Share price at year-end	EUR	9.05	10.03	10.93	12.33	12.97
High	EUR	11.70	11.43	12.87	14.47	14.10
Low	EUR	8.47	9.17	10.83	11.70	11.93
Distribution amount	EUR thousand	1,728	1,075	1,152	422	1,536
Distribution ratio	Percent	88.3	111.4	99.8	37.8	105.6
Price/earnings ratio		17.8	39.9	36.4	42.4	34.3
Market capitalization	EUR million	34.8	38.5	42.0	47.3	49.8

Shareholder structure of BLG AG as of December 31 2023



The share capital of BLG AG amounted to EUR 9,984,000.00 and was divided into 3,840,000 no-par value registered shares with voting rights (registered shares). Transfer of the shares requires the approval of the company in accordance with Section 5 of the Articles of Incorporation.

As of December 31, 2023, the Free Hanseatic City of Bremen (municipality) was the main shareholder of BLG AG with a share of 50.4 percent. Other large institutional investors are Finanzholding der Sparkasse in Bremen and Panta Re AG, Bremen, each with a share of 12.6 percent, and the Waldemar Koch Foundation, Bremen, with a share of 5.9 percent. A total of 18.5 percent of shares are in free float, corresponding to around 710,000 shares. Approximately 1.1 percent of the free float is held by institutional investors, with the remaining 17.4 percent held by private investors.

Corporate governance statement

BLG AG has published the corporate governance statement on the company website. It is accessible at *www.blg-logistics.com/ir* in the Download area and includes the declaration of compliance pursuant to Section 161 of the German Stock Corporation Act (AktG), the disclosures on corporate governance, as well as the procedures of the Board of Management and the Supervisory Board.

Takeover-related disclosures in accordance with Section 315a (1) HGB

Composition of the subscribed capital, voting rights and transfer of shares of BLG AG
The subscribed capital amounts to EUR 9,984,000.00 and is divided into 3,840,000 no-par value 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.

Each share is accorded one vote. The Board of Management of BLG AG is not aware of any restrictions or agreements between shareholders affecting voting rights. There is no maximum limit for a shareholder's voting rights and there are no special voting rights. In particular there are no shares with special rights that confer controlling powers. This means the principle of "one share, one vote" is implemented in full.

The shareholders exercise their co-administration and control rights at the Annual General Meeting. Section 19 of the Articles of Incorporation stipulates what requirements have to be met in order to participate in the Annual General Meeting as a shareholder and exercise voting rights. Only persons who are entered in the share register are regarded as shareholders of the company.

Every shareholder entered in the share register has the right to attend the Annual General Meeting, take the floor there regarding the respective items on the agenda and request information on company matters to the extent that this is necessary for proper evaluation of an item on the agenda. The Annual General Meeting passes resolutions primarily on formal approval of the Board of Management and Supervisory Board, appropriation of net retained profits, capital measures, authorization for stock buybacks, and amendments of the Articles of Incorporation.

Shares in capital that exceed 10 percent of the voting rights
Shareholders whose share in the share capital exceeds 10 percent are the Free Hanseatic City of Bremen (municipality) (50.4 percent), Panta Re AG, Bremen, (12.6 percent) and Finanzholding der Sparkasse in Bremen, Bremen (12.6 percent).

System of control of any employee share scheme where the control rights are not exercised directly by the employees
BLG AG has not introduced any employee share schemes. To the extent that employees hold shares, they are not subject to any system of voting rights control. These shares represent insignificant portions of the company capital.

Appointment and dismissal of Board of Management members and amendment of the Articles of Incorporation
The relevant legal provisions for appointment and dismissal of members of the Board of Management are Section 84 and Section 85 of the German Stock Corporation Act (AktG) and Section 31 and Section 33 of the German Codetermination Act (MitbestG). Sections 119, 133 and 179 AktG as well as Section 15 of the Articles of Incorporation apply to amendments to the Articles of Incorporation.

Powers of the Board of Management to issue or buy back shares
The Board of Management is currently not authorized by the Annual General Meeting to issue or buy back shares.

Significant agreements subject to the condition of a change of control following a takeover bid and compensation agreements made by the company with members of the Board of Management or employees for the event of a takeover bid

Agreements on the part of the company subject to the condition of a change of control following a takeover bid have not been made.

No compensation agreements were made by the company with members of the Board of Management or employees for the event of a takeover bid.

Remuneration report and remuneration system

The applicable remuneration system of the Board of Management pursuant to Section 87a (1) and (2) sentence 1 of the German Stock Corporation Act (AktG), which was approved by the Annual General Meeting (latterly on June 7, 2023), and the system for the remuneration of the members of the Supervisory Board (Section 113 (3) AktG), which was also approved by the Annual General Meeting, are publicly available under ➚ www.blg-logistics.com/ir (under Corporate Governance). The remuneration report 2023, including the auditor's audit opinion pursuant to Section 162 AktG, is made publicly available in the Download area at the same Internet address.

Risk report

Opportunity and risk management
Corporate activity is accompanied by opportunities and risks. Responsible handling of potential risks is a key element of sound corporate governance for BLG AG. At the same time it is important to identify and take advantage of opportunities. Our opportunities and risks policy aims to increase the company's value without taking any inappropriately high risks.

The Board of Management of BLG AG assumes responsibility for formulating risk policy principles and earnings-oriented management of overall risk. The Board of Management regularly informs the Supervisory Board of decisions harboring potential risk in connection with the dutiful discharge of its responsibilities under company law.

Potential risks are identified at an early stage within the framework of continuous risk controlling and a risk management and reporting system geared to the corporate structure under company law. In this regard, we give special consideration to risks jeopardizing the company's continued existence as a going concern arising from strategic decisions. Currently no going concern risks jeopardizing the company's future development can be identified in the context of an overall analysis. Our financial base in connection with extending the range of services in all strategic divisions of the Group continues to offer good opportunities for BLG AG's stable corporate development.

The risk management system, compliance management system and internal control system of BLG AG are integrated into the respective systems of the BLG Group – in particular by reason of the former's status as personally liable general partner of BLG KG. Therefore, the following presents a summarized description of the systems at Group level of BLG LOGISTICS. For more information, see the combined group management report pertaining to the 2023 combined financial statements published by BLG AG and BLG KG as joint parents. ➚ *reporting.blg-logistics.com/en*

Risk-rewards culture

The BLG Group aims to achieve profitable growth while giving consideration to sustainability-related objectives.

Our risk-rewards culture as part of the corporate culture of BLG LOGISTICS sets out the company's basic policy and rules of conduct for managing risks and opportunities. It greatly influences risk awareness when making business decisions and forms the basis for the implementation of appropriate and effective measures to enable us to pursue our opportunities responsibly and sustainably.

Our risk-rewards culture therefore constitutes the basis for the success of our risk management. Risk management works provided that transparency and a willingness to actively communicate and collaborate are practiced as part of an actual risk culture.

Dovetailing of the compliance and risk management system and internal control system[1]

Responsible, continuous and systematic management of operating risks, but also of opportunities, is of fundamental importance for BLG LOGISTICS. To this end, we rely on the close dovetailing of the compliance and risk management systems and the internal control system (ICS). The three systems are described in more detail below.

Main features of the compliance organization
Compliance means conforming to all statutory and internal company regulations, such as guidelines and organizational instructions, with the goal to avoid and minimize liability.

In its Code of Conduct, BLG LOGISTICS already committed to complying at all times with the relevant laws and the company's internal guidelines.

Based on these fundamental values as well as on our own ethical principles, we aim to be a reliable and fair partner for our customers, business partners and shareholders.

The goal of compliance is to ensure that an organization operates in a manner that is legally and ethically irreproachable, including the prevention of legal violations within the organization. The task of the compliance officer to support the management and the employees responsible for BLG LOGISTICS' business processes in achieving these goals derives from this.

[1] The disclosures in this section are so-called non-management report disclosures and have not been audited by the auditor.

In accordance with the rules of procedure of the Board of Management of BLG AG, the compliance officer reports to the Board of Management member responsible for compliance, the Chief Compliance Officer. At the invitation of the Board of Management, the compliance officer reports at meetings of the full Board of Management on the current status of compliance activities at BLG LOGISTICS. Also at the invitation of the Board of Management, the compliance officer reports directly to the Supervisory Board of BLG AG.

The compliance management system (CMS) is intended to prevent misconduct within the organization and to counter compliance risks or legal violations within the organization or from within BLG LOGISTICS through appropriate preventive measures.

The full Board of Management supports the compliance officer in the discharge of their duties.

The compliance officer has set up a regular Compliance Committee.

BLG LOGISTICS' compliance officer is the point of contact for the external compliance ombudsperson, and at the same time assumes the role of internal ombudsperson.

In the event of a violation of relevant laws or internal guidelines of BLG LOGISTICS, the compliance officer supports the internal investigations of the Audit department.

Should sanctions be required, the compliance officer, in coordination with the Human Resources department, proposes the necessary measures in the Compliance Committee. The Human Resources department then implements the proposals in coordination with the Board of Management, the responsible management and the Compliance Committee.

One particular focus of supplier compliance in the reporting year was the implementation, organized as part of a cross-divisional project, for the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG), which came into force on January 1, 2023.

The objective of this act is to improve compliance with human rights internationally by specifying the human rights due diligence obligations that companies must observe along the supply chain. It also stipulates environmental requirements. Derived from this, the law defines requirements for responsible management.

Basic elements of risk management

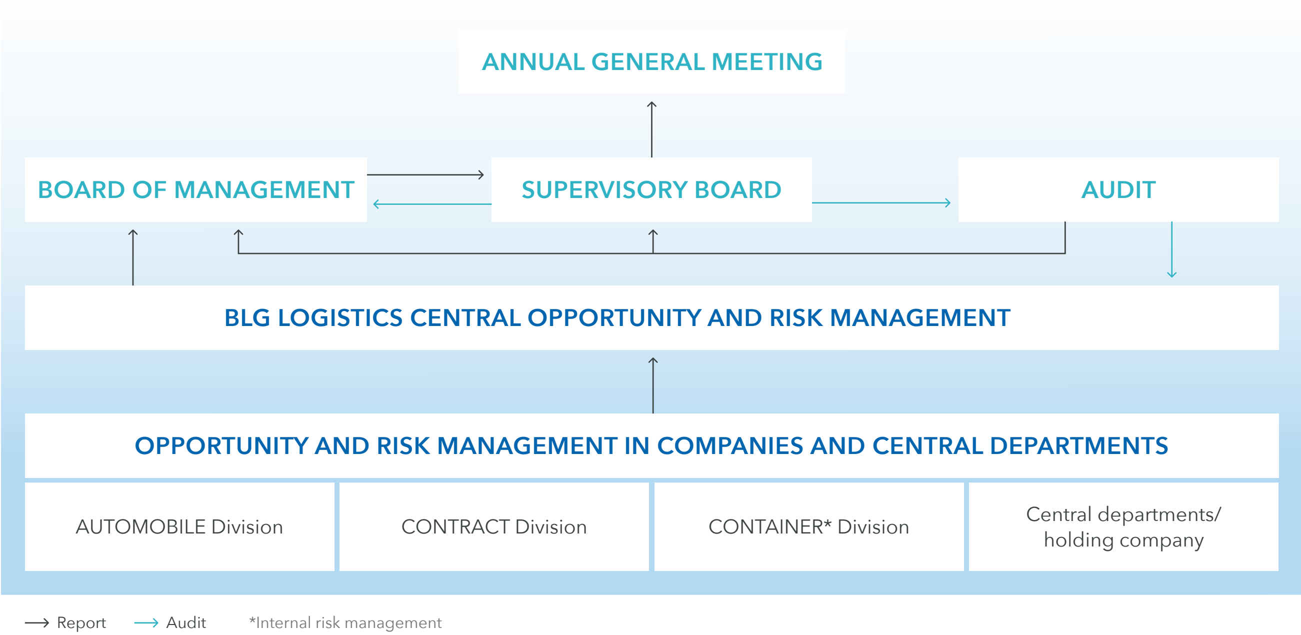
In line with the risk strategy of the BLG Group, the basic conceptual elements of the risk management system are rolled out centrally using a standardized approach to ensure coverage of clear risk accountability, and described in the Group guideline on risk management. This leads to systematic and comparable risk identification/documentation, risk analysis/assessment, risk control/monitoring and communication/reporting.

Particular attention is given to so-called extreme risks. These are risks with a high level of damage but a low probability of occurrence. They include, for example, extreme natural disasters, economic crises or terrorist attacks. Identifying possible risks and analyzing potential consequences (including extreme manifestations) for the company is part of business continuity management (BCM). Developing strategies, plans and actions that protect activities or processes or provide alternative modes of operation is a further aspect of BCM.

The objective of risk management is to create a shared awareness and positive understanding among management and all employees in managing operating risks in order to ensure the company's risk-bearing capacity. The aim is to identify and assess risks, manage these risks efficiently through appropriate and effective measures, monitor them, and ensure ongoing risk reporting as a basis for sound decision-making. In this way, risk management is intended to contribute to achieving the aims of the corporate strategy and corporate objectives.

The objectives of risk management are:

- Identify risks early and prevent crises and insolvencies (support continuity of the organization)
- Improve planning reliability and risk costs through optimal risk management
- Sound preparation of business decisions with risk analyses to improve the company's success
- Achieve sustainability-related corporate goals and monitor sustainability-related risks with regard to the three ESG dimensions (Environment, Social, Governance), taking into account the principle of dual materiality (i.e., BLG LOGISTICS' impact on, for example, the climate or other environmental issues is also monitored).



Risk management organization
The areas of responsibility and roles with regard to the measures pursuant to Section 91 (2) and (3) AktG are clearly defined in the BLG Group's organizational charts and specified, communicated and documented in the risk management tool. BLG LOGISTICS ensures that those vested with responsibility fulfill the required personal and professional criteria and receive regular training from central Risk Management. As part of the annual planning process, BLG sees to it that sufficient resources are made available for measures designed to promptly identify, evaluate, control and monitor developments that could jeopardize the organization's continued existence as a going concern. The key provisions governing the organizational structure and workflows are documented and made binding.

Risk management organization encompasses the following components:

The organizational structure describes the tasks and responsibilities of all persons responsible for the risk management process and the measures taken to maintain the implemented system at a consistently high level and to communicate developments to those responsible in a structured and systematic manner.

Opportunity and risk management at BLG LOGISTICS
The risk management process is the process of assessing risks by identifying, documenting, analyzing, evaluating, controlling, monitoring as well as communicating and reporting risks.

The platform for an effective risk management system is the risk management tool, which enables risk managers to exchange information, prepare assessments and consolidate risks in a timely and flexible manner.

The divisions feed reports into the risk management tool on a continuous basis. The risks entered in the risk management tool are then evaluated and monitored by centrally responsible risk managers. The Risk Committee then validates and examines reported risks with regard to their nature and scope. This also includes the option of transferring risks to another risk officer and appointing a person to be in charge of measures. The committee is responsible for general quality assurance, including presenting and commenting on risk exposure. Furthermore, the committee supports the further development of corporate governance (including the dovetailing of the risk management system, internal control system, compliance and internal audit, i.e. integrated GRC). Detailed risk reports are submitted to the Board of Management and the Supervisory Board at least four times a year.

Internal control system
The internal control system (ICS) as the set of all systemically defined controls and monitoring activities has the objective of ensuring the security and efficiency of business transactions, the reliability of financial reporting and the compliance of all activities with laws and policies. An effective and efficient internal control system is crucial to successfully managing risks in our business processes. In its design, the internal control system at BLG LOGISTICS considers all material business processes and goes beyond controls in the accounting process. The non-financial ICS covers areas such as environmental violations, occupational health and safety and anti-corruption.

The ICS and the elements that contribute to it are regularly the focus of audit activities by the Internal Audit department. These are carried out either within the scope of the risk-based annual audit plan or within the scope of audits scheduled during the year at the request of management.

Integrated governance, risk and compliance approach[2]

Risk management within the BLG Group is based on an integrated governance, risk and compliance model, which enables responsible management of risks and opportunities.

First line of defense:
Operational management
Operational management of the individual business areas and central departments forms the front line of defense. They manage and are responsible for their processes, identify and assess risks locally at the level of the operating companies. Countermeasures are initiated promptly, and the residual potential impact is assessed. Material risks are reported in the risk management system on the basis of the published internal risk management guideline. The outcomes are continuously incorporated into risk reporting, thus also providing the Board of Management with an overall picture of the current risk situation during the course of the year via the documented reporting lines.

Second line of defense:
Central risk management system, compliance management system, internal control system
Central risk management is closely dovetailed with the two other governance control systems, the compliance management system and the internal control system. All three systems serve to support and systemically monitor operational management. These three core governance control systems provide the organizational framework and control the implementation of the framework guidelines in the operational processes, thus ensuring compliance with laws and our internal corporate standards and rules. Giving consideration to the findings from the other two control systems, the compliance management system and the internal control system, central Risk Management draws up the central risk map and acts as an important node for passing on relevant information to the Internal Audit department as well as for preparation of the annual financial statements.

Third line of defense:
Audit by the Group Internal Audit department
The Group Internal Audit department supports the Board of Management in overseeing the various divisions and business units within the Group. It regularly checks the early risk identification system and the structure and implementation of risk management as part of its independent audit activities.

Fourth line of defense:
Audit by the independent auditor
The risk management system is assessed with regard to the accounting process by the independent auditor within the scope of the audit of the annual financial statements.

[2]The disclosures in this section are so-called non-management report disclosures and have not been audited by the auditor.

Description of the main features of the internal control and risk management system with regard to the accounting process in accordance with Section 289 (4) HGB

Definition and elements of the internal control and risk management system

BLG AG's principles of risk management are documented in a guideline. The regulations and necessary documentation as well as reporting cycles defined there are supported by standard software to ensure a uniform process standard.

The internal control system of BLG LOGISTICS with regard to the accounting process includes all principles, procedures and measures to ensure the appropriate and legally compliant recognition, measurement and presentation of business transactions in financial accounting and reporting as well as non-financial information within the scope of sustainability reporting. The objective is to avoid any material misstatements in accounting and external reporting.

Since the internal control system is an integral component of risk management, they are presented combined.

The internal monitoring and management systems are components of the internal control system. The Board of Management of BLG AG has assigned responsibility for the internal management system in particular to the central Management Accounting, Finance and Accounting departments (Financial Services).

The internal monitoring system comprises controls that are both integrated into and independent of the financial reporting process. The controls integrated into the process particularly include the dual control principle and IT-supported controls, as well as the involvement of internal departments such as Legal or Tax departments and of external experts.

Controls that are independent of the financial reporting process are carried out by the Internal Audit department, the Quality Management department and the Supervisory Board, in the latter case principally through its Audit Committee. In line with the Supervisory Board's profile of skills and expertise, consideration has also been given to ensuring that its members have appropriate expertise in sustainability aspects that are material for BLG LOGISTICS. The Audit Committee concerns itself in particular with the financial accounting for the company and the Group, including reporting. The activities of the Audit Committee also focus on the risk situation, overseeing the further development of risk management and on compliance issues. This also includes the effectiveness of the internal control system.

Audit activities that are independent of the financial reporting process are also performed by external auditing bodies such as the German public auditing firm or the tax auditor. With regard to the financial reporting process, the audit of the annual and combined financial statements and the financial statements pursuant to Section 315e HGB by the German public auditing firm forms the main component of the process-independent review.

Accounting-related risks

Accounting-related risks can arise, for example, through the conclusion of unusual or complex business dealings or the establishment of business combinations as well as the processing of non-routine transactions.

Potential risks also result from discretionary scope in the recognition and measurement of assets and liabilities, or from the effect of estimates on the annual financial statements, such as for provisions or contingent liabilities.

Financial accounting and reporting process and measures to ensure compliance with the applicable legal requirements

Business transactions are generally accounted for in the single-entity financial statements of the subsidiaries of BLG AG using the standard software SAP R/3.

To ensure consistent recognition and measurement, BLG AG has issued accounting guidelines for financial reporting in accordance with the International Financial Reporting Standards (IFRSs). In addition to general principles, these guidelines cover in particular accounting principles and policies and regulations on the statement of profit or loss and other comprehensive income, consolidation principles and special topics. Guidelines for uniform Group-wide accounting have also been drawn up to ensure the implementation of consistent, standardized and efficient accounting and financial reporting across the Group. In addition, a code of practice for the notes and the management report has been defined that aims to ensure consistent reconcilability of the various sets of financial statements.

Impairment tests for the Group's cash-generating units are carried out centrally. This ensures that consistent and standardized measurement criteria are used. The same applies to the specification of the parameters to be used for the measurement of pension provisions and other provisions based on expert opinions.

When preparing the debt consolidation, internal balances are regularly reconciled in order to clarify and remedy any differences in good time.

Special software is used for tax accounting. Current and deferred taxes are calculated at the level of the individual subsidiaries and the recoverability of the deferred tax assets is tested. Current and deferred taxes to be recognized are thus calculated at the Group level in the statement of financial position and in the statement of profit or loss and other comprehensive income, taking into account the effects of consolidation.

The audited financial statements in accordance with Section 315e HGB are converted into the ESEF-compliant format for submission to the German Federal Gazette (Bundesanzeiger) using dedicated software, and the necessary checks are carried out and documented in accordance with a published ESEF technical concept based on the dual control principle.

Qualifying notes

The internal control and risk management system as well as the compliance management system, i.e. the set of all governance systems, ensure the compliance of the financial accounting and reporting process with legally required accounting principles and with the relevant legal requirements as well as the sustainability-related objectives. Discretionary decisions, erroneous controls or fraud may, however, limit the effectiveness of the internal control and risk management system and the compliance management system, so that the established systems cannot guarantee with absolute certainty that the risks will be identified and managed.

Effectiveness of the internal control system and risk management system, including compliance[3]

With the integrated governance, risk and compliance approach, the Board of Management has created and implemented a management framework for BLG AG, which aims to ensure appropriate and effective internal control and risk management. The measures implemented as part of this approach are similarly aimed at the effectiveness and appropriateness of internal control and risk management as well as compliance management and are explained in more detail in this report. In the context of anchoring the three lines of defense business model and the legal framework, independent reviews and audits simultaneously take place, in particular through audits carried out by the Internal Audit department, and their reporting to the Board of Management and Supervisory Board, and by the Supervisory Board's Audit Committee, as well as through other external audits.

Based on its review of the internal control and risk management system and compliance management system, as well as the reporting by the Internal Audit department, the Board of Management is not aware of any circumstances which contradict the appropriateness and effectiveness of these systems.

Risks and opportunities of future development

Risks for the company arise from its status as personally liable general partner of BLG KG, Bremen. There is currently no identifiable risk of being subject to recourse. A risk but also an opportunity arises from the development of earnings of BLG KG, including its long-term investees, on which the amount of the company's remuneration for management activities depends. Market, macroeconomic, political and other risks (e.g. high competitive pressure, economic development, supply chain disruptions, inflation and interest rates, further repercussions of the war in Ukraine) can have a direct impact. In this regard, we also refer to the combined group management report prepared by BLG AG and BLG KG as part of their jointly prepared combined financial statements for the 2023 financial year. A credit risk results from the receivables from loans and cash management with respect to BLG KG. There is currently no identifiable credit risk.

As a result of the rise in interest rates, BLG AG stands to benefit from higher income from cash management with BLG KG. No further risks isolated to BLG AG are currently identifiable, as its business activities essentially consist of the liability and management function for BLG KG. Based

[3]The disclosures in this section are so-called non-management report disclosures and have not been audited by the auditor.

on current knowledge, neither climate change and the related requirements and restrictions, nor the high cost of energy, human resources and materials have a bearing on the risk assessment exclusively for BLG AG. This also applies to the effects of the ongoing war between Russia and Ukraine and the current conflict in the Middle East.

Individually and in aggregate, there are currently no identifiable going concern risks jeopardizing BLG AG's future development.

Outlook

Report on forecasts and other statements regarding expected development

Due to the war situations in Ukraine and the Middle East as well as renewed supply chain disruptions, we again anticipate a difficult economic environment for BLG LOGISTICS in the 2024 financial year. It is still too early to reliably estimate the impact this will have on the world economy, global trade flows and BLG LOGISTICS' customers, so that it is again not possible to make an accurate forecast for the current year.

Based on what we know to date, BLG AG forecasts that the general economic conditions described above will again pose challenges for BLG KG's business development and earnings in the 2024 financial year. High interest rates could also lead to additional burdens for BLG KG.

In light of the high cash management receivables, BLG AG assumes that higher interest rates at the beginning of the 2024 financial year compared to 2023 will again lead to slightly improved net interest income in 2024. Based on current estimates, BLG AG expects the remuneration for the assumed management of BLG KG, which is dependent on the latter's accounting profit, to be in the range of the 2023 reporting period or slightly lower.

Overall, BLG AG therefore expects earnings (EBT) for the 2024 financial year to be at or slightly below the level for 2023. With respect to the dividend, we plan in the future to allow our shareholders to participate appropriately in earnings in line with our business performance.

Apart from historical financial information, this annual report contains forward-looking statements on the future development of the business and the business performance of BLG AG, which are based on estimates, forecasts and expectations, and can be identified by wording such as “assume,” “expect” and similar terms. These statements may, of course, vary from actual future events or developments. We are not under any obligation to update these forward-looking statements with new information.

Final statement of the Board of Management in accordance with Section 312 (3) of the German Stock Corporation Act

BLG AG received appropriate consideration for each legal transaction indicated in the report on relationships with affiliated companies. No other measures were taken or omitted. This assessment is based on the circumstances of which we were aware at the time the reportable transactions were conducted.

Bremen, March 28, 2024

BREMER LAGERHAUS-GESELLSCHAFT -
Aktiengesellschaft von 1877-

THE BOARD OF MANAGEMENT

Responsibility Statement of the Legal Representatives on the 2023 Annual Financial Statements and Management Report

BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements present a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the material opportunities and risks associated with the expected development of the company.

Bremen, March 28, 2024

THE BOARD OF MANAGEMENT

Frank Dreeke	Michael Blach	Christine Hein	Matthias Magnor	Ulrike Riedel
CEO & Chairman of the Board of Management (CEO)	CONTAINER Division	Finances (CFO)	AUTOMOBILE & CONTRACT Divisions (COO)	Labor Relations Director (CHRO)

Independent Auditor's Report

To BREMER LAGERHAUS-GESELLSCHAFT
-Aktiengesellschaft von 1877-, Bremen

Report on the audit of the annual financial statements and the management report

Audit opinions
We have audited the annual financial statements of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-, Bremen, which comprise the balance sheet as at December 31, 2023, the income statement for the financial year from January 1 to December 31, 2023, and the notes to the annual financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-, which is combined with the group management report 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 management report.

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

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the company as at December 31, 2023, and of its financial performance for the financial year from January 1 to December 31, 2023, in compliance with German Legally Required Accounting Principles, and

- the accompanying management report as a whole provides an appropriate view of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the sections of the 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 annual financial statements and of the management report.

Basis for the audit opinions
We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB, and in compliance with the EU Audit Regulation (No. 537/2014; hereinafter "EU-AR") and with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors – IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the annual financial statements and the management report" section of our auditor's report. We are independent of the company in accordance with the requirements of European law, German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, we declare pursuant to Article 10 (2) lit. f) EU-AR that we have provided no prohibited non-audit services referred to in Article 5 (1) EU-AR. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinions on the annual financial statements and on the management report.

Key audit matters in the audit of the annual financial statements
Key audit matters are such matters that, in our professional judgment, were the most significant in our audit of the annual financial statements for the financial year from January 1 to December 31, 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the following matter was the most significant in our audit:

❶ Measurement of receivables from affiliated companies

We have structured our presentation of this key audit matter as follows:

① Matter and problem

② Audit approach and findings

③ Reference to further information

We present the key audit matter below:

❶ Measurement of receivables from affiliated companies

① In the company's annual financial statements, receivables of EUR 28.0 million (95.2% of total assets) are reported under "Receivables from affiliated companies" in the balance sheet. These relate primarily to receivables from cash pooling agreements, short-term loans and trade receivables from BLG LOGISTICS GROUP AG & Co. KG, Bremen. Receivables are measured under commercial law at the lower of cost or market value. The market value of the receivables from BLG LOGISTICS GROUP AG & Co. KG are generally based on the latter's expected ability to pay. BLG LOGISTICS GROUP AG & Co. KG's ability to pay depends primarily on expected future cash flows from its long-term investees. On the basis of the expected future cash flows provided by the projections compiled by the legal representatives of BLG LOGISTICS GROUP AG & Co. KG and other documentation, there was no need for write-downs in the reporting year.

The result of this measurement is highly dependent on how the legal representatives estimate BLG LOGISTICS GROUP AG & Co. KG's ability to pay on the basis of the expected business performance of its long-term investees. The measurement therefore involves material uncertainties. In this context and on account of the size and the associated risk of a significant effect on the company's financial position, financial performance and cash flows in the event of impairment, the measurement of the receivables from BLG LOGISTICS GROUP AG & Co. KG was particularly significant for our audit.

② To assess the recoverability of the receivables from affiliated companies, we examined the principles of company law and the contractual provisions. In addition, we assessed the ability to pay and the earnings situation of the long-term investees of BLG LOGISTICS GROUP AG & Co. KG by way of case-by-case audit procedures. Among other things, we verified the impairment test carried out by the company and assessed it on the basis of corporate planning by the long-term investees and other documents. Overall, we were satisfied that the estimates and assumptions made by the legal representatives for the measurement of the receivables from BLG LOGISTICS GROUP AG & Co. KG are sufficiently documented and substantiated.

③ The company's disclosures on receivables from affiliated companies are included in the "Disclosures on recognition and measurement" and "Balance sheet disclosures" sections of the notes to the financial statements.

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 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
- all other parts of the financial report – not including further cross-references to external information – with the exception of the audited annual financial statements, the audited management report and our auditor's report.

Our audit opinions on the annual financial statements and the 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 annual financial statements, with the content of the audited management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibility of the legal representatives and the Supervisory Board for the annual financial statements and the management report

The legal representatives are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the net assets, liabilities, financial position and financial performance of the company in compliance with the German Legally Required Accounting Principles. In addition, the legal representatives are responsible for such internal controls as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual 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 annual financial statements, the legal representatives are responsible for assessing the company'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, provided no actual or legal circumstances conflict therewith.

Furthermore, the legal representatives are responsible for the preparation of the management report that as a whole provides an appropriate view of the company's position and is, in all material respects, consistent with the annual 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 management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

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

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

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the company's position and, in all material respects, is consistent with the annual 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 annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in compliance with Section 317 HGB, and in compliance with the EU-AR and the 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 annual financial statements and this 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 annual financial statements and of the 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 annual financial statements and of arrangements and measures relevant to the audit of the 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 of the company.

- 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 company’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 annual financial statements and in the 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 company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the company’s position it provides.

- Perform audit procedures on the prospective information presented by the legal representatives in the 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.

We make a declaration to those charged with governance that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be thought to bear on our independence and the safeguards that have been put in place to address them.

From among the matters we discussed with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in the auditor’s report, unless law or regulation precludes public disclosure of the matter.

Other statutory and other legal requirements

Report on the audit of the electronic reproductions of the annual financial statements and of the management report prepared for the purpose of disclosure pursuant to Section 317(3a) HGB

Audit opinion
We performed a reasonable assurance audit pursuant to Section 317 (3a) HGB to determine whether the reproductions of the annual financial statements and the management report (hereinafter also referred to as "ESEF documents") contained in the attached file 2023BLGAGHGBESEF.zip and prepared for disclosure purposes comply in all material respects with the requirements of Section 328 (1) HGB on the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit covers only the conversion of the information contained in the annual financial statements and in the management report into the ESEF format and therefore neither covers the information contained in these reproductions nor any other information contained in the above-mentioned file.

In our opinion, the reproductions of the annual financial statements and of the management report contained in the aforementioned attached file and prepared for the purposes of disclosure comply in all material respects with the requirements of Section 328 (1) HGB regarding the electronic reporting format. Other than this opinion and our opinions on the accompanying financial statements and on the accompanying management report for the financial year from January 1 to December 31, 2023 included in the "Report on the audit of the annual financial statements and the management report" above, we do not express any opinion on the information contained in these reproductions or on any other information contained in the aforementioned file.

Basis for the audit opinion
We conducted our audit of the reproductions of the annual financial statements and the management report contained in the above-mentioned attached file in accordance with Section 317 (3a) HGB and in compliance with the IDW Auditing Standard: "Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purposes of Disclosure pursuant to Section 317 (3a) HGB" ("Prüfung der für Zwecke der Offenlegung erstellten elektronischen Wiedergaben von Abschlüssen und Lageberichten nach § 317 Abs. 3a HGB (IDW PS 410 (06.2022)") and with the International Standard on Assurance Engagements 3000 (Revised). Our responsibility under this standard is further described in the section "Auditor's responsibility for the audit of the ESEF documents". Our auditing firm has applied the quality assurance system requirements of the IDW Quality Management Standard: "Requirements for Quality Management in Auditing Practice" ("Anforderungen an das Qualitätsmanagement in der Wirtschaftsprüferpraxis (IDW QMS 1 (09.2022)).

Responsibility of the legal representatives and the Supervisory Board for the ESEF documents
The legal representatives of the company are responsible for the preparation of the ESEF documents containing the electronic reproductions of the annual financial statements and of the management report in accordance with Section 328 (1) sentence 4 no. 1 HGB.

The legal representatives of the company are also responsible for such internal control as they have determined necessary to enable the preparation of the ESEF documents that are free from material – intentional or unintentional – non-compliance with the electronic reporting format requirements pursuant to Section 328 (1) HGB.

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

Auditor's responsibility for the audit of ESEF documents
Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material – intentional or unintentional – non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material – intentional or unintentional – non-compliance with the requirements of Section 328 (1) HGB, 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 opinion.

- Obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815, as amended at the balance sheet date, regarding the technical specification for that file.

- Evaluate whether the ESEF documents enable an XHTML reproduction that is consistent with the content of the audited annual financial statements and the audited management report.

Further information pursuant to Article 10 EU-AR
We were elected as the auditor of the annual financial statements by the Annual General Meeting on June 7, 2023. We were engaged by the Supervisory Board on December 21, 2023. We have been the auditor of the annual financial statements of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-, Bremen, without interruption since the 2018 financial year.

We declare that the audit opinions contained in this auditor's report are consistent with the additional report to the Audit Committee according to Article 11 EU-AR (audit report).

Other matter – use of the audit report

Our auditor's report must always be read in conjunction with the audited annual financial statements and the audited management report as well as with the audited ESEF documents. The annual financial statements and the management report converted into the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic reproductions of the audited annual financial statements and the audited management report and do not replace these. In particular, our report on the audit of the electronic reproductions of the annual financial statements and of the management report prepared for the purpose of disclosure pursuant to Section 317 (3a) HGB and our audit opinion contained therein may be used only in conjunction with the audited ESEF documentation provided in electronic form.

German public auditor responsible for the engagement

The German public auditor responsible for the engagement is Hubert Ahlers.

Bremen, March 28, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Hubert Ahlers ppa. Konstantin Kessler

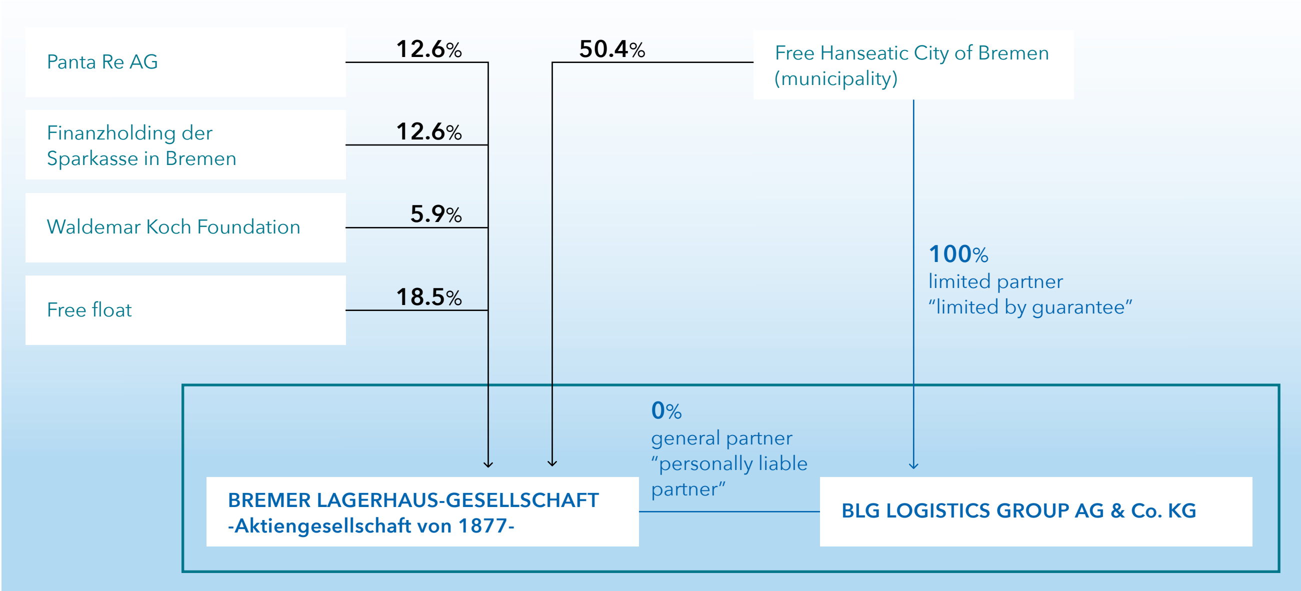
Combined Group Management Report

Combined Group Management Report

Fundamental Information about the Combined Group

As the personally liable general partner of BLG LOGISTICS GROUP AG & Co. KG (BLG KG), the listed company BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- (BLG AG) has assumed the management of the BLG Group. These two companies, which are closely linked in legal, commercial and organizational respects, have prepared the combined financial statements as joint parents.

BLG AG does not hold any share capital in BLG KG and is also not entitled to participate in the company's profits. It receives remuneration for the liability it has assumed and for its business management activities. All limited partnership shares of BLG KG are held by the Free Hanseatic City of Bremen (municipality). The business of BLG KG is managed by the Board of Management of BLG AG as a governing body of the general partner. The Board of Management is fully accountable for managing the business in accordance with Section 76 (1) of the German Stock Corporation Act (AktG) and is not subject to instructions from the shareholders.



Legal structure of the group as of December 31, 2023

Business model and organizational structure

The BLG Group operates externally under the brand BLG LOGISTICS. BLG LOGISTICS is a seaport-oriented logistics service provider with an international network. With almost 100 companies and offices, we are present in Europe, America, Africa and Asia and in all the world's growth markets. We offer our customers in industry and retailing complex logistics system services.

As a strategic management holding company, BLG KG focuses on strategic developments at Group level. As a result, the holding company's influence on the operating business is greater than that of a pure financial holding company, but it is also significantly less than in the case of an operational management holding company. The Board of Management members responsible for the three divisions AUTOMOBILE, CONTRACT and CONTAINER play a special role as an interface to the operating units. The Board of Management determines the Group strategy by creating strategic guidelines at Group level; together with the operations managers, the relevant Board of Management member determines the strategy at division level within the framework of the Group strategy and is responsible for the strategic management of the division. Fulfillment of the respective strategies is supported by the central departments.

In accordance with its defined mission, BLG LOGISTICS aims to make logistics simpler for its customers, so that they can focus on being successful in the market.

BLG LOGISTICS operates in three divisions. The reporting also follows this structure.

The AUTOMOBILE and CONTRACT Divisions are subdivided into business areas and/or regions. Responsibility for the operational management of the business areas/regions, including earnings responsibility, lies with the relevant business area/regional managers. The Group management of the EUROGATE GmbH & Co. KGaA, KG subgroup is responsible for the CONTAINER Division.

AUTOMOBILE Division

The AUTOMOBILE Division is a leading technical and logistics service provider for the international automotive industry. In the 2023 financial year, our worldwide AUTOMOBILE network handled, transported or technically processed 5.0 million vehicles.

In this division, BLG LOGISTICS offers multimodal transport concepts with global logistics reach and dovetails customized and innovative technical service packages. Distribution takes place by road, rail and inland waterway. In addition to the seaport terminals in Bremen, Bremerhaven, Cuxhaven, Hamburg (all Germany) and in Gdansk (Poland), we also operate several inland terminals on the Rhine and Danube rivers. Our truck fleet bases extend right across Europe.

BLG AutoRail is a specialist provider of vehicle transport services by rail, with its own fleet of 1,500 open double-deck railroad cars including 200 flat wagons. This means that the logistics supply chain from the vehicle manufacturers to the end customer is fully covered.

Our wheels never stop turning: BLG's AUTOMOBILE Division consistently supplements its logistics network with smart digital solutions and sustainable concepts for climate-friendly transport.

CONTRACT Division

The CONTRACT Division manages complex projects and offers our customers reliable logistics solutions. The focus of our know-how and experience lies in procurement, production and distribution logistics as well as in reverse and spare parts logistics. We offer storage, transport, packing and unpacking services, handle conventional orders, e-commerce issues and also a variety of value-added services.

As logistics architects, we specialize in designing, configuring, implementing and managing customized logistics solutions, ranging from highly automated logistics centers to manual in-house processes. Project management is our core competence, with sustainability and dependable quality being our top priorities.

Our customers are strong brands from industry and retailing, medium-sized companies and the major German and international car manufacturers. We work at our logistics centers and our customers' production facilities and plants at over 40 locations in Europe and overseas. Be it automotive parts, railroad components, sportswear, printers, fashion, furniture, foodstuffs, sanitary fixtures and fittings or frozen products – our teams of experts put together customized service packages for a wide variety of goods.

CONTAINER Division

The CONTAINER Division is represented by the EUROGATE joint venture. The EUROGATE Group, in which BLG LOGISTICS holds a 50 percent stake, is a shipping line-independent container terminal group with operations predominantly in Europe. Together with the Italian terminal operator CONTSHIP Italia, the company operates a network of 11 container terminals from the North Sea to the Mediterranean. The range of services is complemented by intermodal and other container-related services.

Changes in group of consolidated companies

CONTRACT Division

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 sale and purchase agreement of February 1, 2023.

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.

Research and development

In order to optimize the logistics processes at our locations in Germany, we focus in particular on the use of technical solutions. The goal is to increase the level of automation and digitalization at the BLG locations by means of viable technical solutions.

To this end, the Technology department was established in the CONTRACT Division at the end of 2022, which consolidates the technical expertise of BLG LOGISTICS and provides support for technical projects from the preparation of quotations to rollout and ongoing operations. The department is made up of six experts for market-ready technology and digitalization solutions in logistics processes. Ideas for technical implementations are put through their paces by the team: The solution must fit the processes and be technically and economically feasible.

The use of the following technologies, among others, is being examined:

- Automated guided vehicles (AGV)
- Automated warehousing and order picking systems
- Robotics
- Automated identification systems
- Electromobility and alternative drive systems
- Autonomous driving
- Ergonomics
- Logistics process planning and management tools (e.g. material flow simulations, digital twin)

We are also continuing to collaborate in research and development projects with partners from science and industry on brand new, particularly complex concepts. Five such projects were undertaken in the Technology department in 2023.

Building on the positive results of the predecessor "Isabella" project, the "Isabella 2.0" project launched on July 1, 2020 was successfully completed in the current reporting year. In addition to integrating the loading and unloading processes of trucks, rail cars and ships into the previously developed intelligent management approach, an AI-based (AI = artificial intelligence) approach designed to expediate the complex calculation processes was developed and tested. To ensure seamless process integration, the project pinpointed digitization needs and developed suitable mobile apps, such as a digital loading plan, including a loading sequence management system. The implementation of prototype solution components from the project is currently being tested and prepared.

The "Mobility2Grid" project is funded by the Federal Ministry of Education and Research (BMBF) and was launched on March 1, 2022. In collaboration with many other research and industry partners, the goal through to February 28, 2027 is to develop efficient and networked systems for a climate-neutral city. In this context, BLG LOGISTICS is developing concepts for the full electrification of a logistics site. In addition to technical framework parameters, such as the available connected load, BLG LOGISTICS is examining the logistical effectiveness of the concepts using simulation studies. The aim is to ensure that delivery schedules are adhered to and that vehicles have sufficient battery capacity. One of BLG

LOGISTICS' main project objectives is to demonstrate the feasibility of electrification in continuous operation. Its use is being trialed with the plant supplies for a customer based at the supplier logistics center in Falkensee.

The "HyBit" joint research project has also been running since 2022. The central research question is how local hydrogen hubs can contribute to a sustainable and climate-neutral Europe. BLG LOGISTICS project activities mainly focus on the "Mobility and Logistics" project cluster, which is concerned with designing methodologies for analyzing and assessing various possible uses for hydrogen. BLG LOGISTICS is contributing to both the development of these methodologies and their subsequent testing under real world conditions. A further project goal for BLG LOGISTICS is to identify and roughly map out possible pilot applications for the use of hydrogen. HyBit involves a consortium of 18 partners and will run for 4.5 years.

The Innovative Port Technologies (IHATEC) research project "MEXOT" was launched on January 1, 2022 and is being carried out at BLG AutoTec GmbH & Co. KG as a practice partner. The aim is to ensure the holistic ergonomic design of technical workstations and upstream picking activities. For this purpose, passive exoskeletons are being fitted with measuring sensors and coupled with customizable driverless transport vehicles (DTV), for example to enable (semi-)automated materials allocation. The ergonomics data will be used to develop an incentive platform that gives employees direct personal feedback and integrates gamification approaches to increase motivation.

In the "Resource Development in Service Work – RessourceE" research project, technical solutions and concepts for health-promoting work design and diversity-oriented skills and qualification development in unskilled jobs are being tested and examined with regard to their generalizability. BLG LOGISTICS is represented with the Logistics Center (LZ) Bremen as application partner and is testing innovative ergonomic solutions in practice. Studies accompanying the tests examine the implications of the introduction of assistance technologies with regard to process-related and human-centered factors. Based on the findings, software tools are also being developed to aid the systematic selection of assistance technologies and sensory-enhanced assistance technologies. In addition to the concrete ergonomic design of selected operational workplaces at the Bremen logistics center, RessourcE also aims to initiate innovations for good work design, leadership and further development in the field of unskilled work by creating sustainable transfer structures between work research and practice. The project is supported by the Karlsruhe Project Management Agency of the Karlsruhe Institute of Technology and began on July 1, 2023 with a duration of five years.

In 2023, BLG LOGISTICS thus participated in a total of five cooperation projects with a total project volume (excluding BLG participation) of EUR 62.9 million. In addition, the "KITE" and "PortSkill 4.0" projects described in the previous year were also continued in 2023.

Relevant legal and economic factors

BLG LOGISTICS has to observe a wide range of national and international legislation. In addition to regulations under public law, capital market law, employment law including occupational health and safety legislation, transport and customs laws and competition law are particularly relevant to us.

Collective pay agreements in Germany are one of the most important economic factors for BLG LOGISTICS, as a large proportion of the workforce is employed in Germany and personnel expenses for our own as well as external staff represent a major cost item. Because our business model is capital-intensive in all divisions, the cost of capital also plays a significant role.

Combined Group management

Management indicators

The key management indicators of BLG LOGISTICS that we apply throughout the Group form the basis for our operational and strategic management decisions. We use them to set targets, measure the company's performance and determine the variable compensation of managerial staff and non-tariff employees – among other factors.

The core management indicator metrics are:

Revenue

Combined Group revenue is derived from the combined statement of profit or loss and other comprehensive income and does not include the revenue of the CONTAINER Division.

EBIT

On account of the significant contribution of the CONTAINER Division to earnings, income from equity investments is also included in EBIT.

Earnings before income and taxes (EBIT) is calculated at BLG LOGISTICS as follows:

+	Revenue
+	Other income
-	Cost of materials
-	Personnel expenses
-	Depreciation, amortization and impairment
-	Other expenses
+/-	Net investment income

EBT

Earnings before taxes (EBT) is the basis for determining profitability, independently of tax effects that cannot be influenced. This is also suitable for measuring profitability in an international comparison.

EBT margin

Dividing EBT by revenue produces the EBT margin. This is an indicator of a company's efficiency and profitability.

RoCE

Return on capital employed (RoCE) is a key indicator that measures how efficiently and profitably a company uses its capital. It is calculated by dividing EBIT by the capital employed. Capital employed at BLG LOGISTICS includes the following components:

+	Non-current assets incl. financial assets)
+	Inventories
+	Trade receivables
-	Trade payables

The key performance indicators revenue, EBIT, EBT and EBT margin are also determined within the scope of internal monthly reporting as well as within the scope of corporate planning and forecasts. RoCE is only reported on a Group-wide basis and will only in the future be included in monthly reporting.

In addition to the above-mentioned indicators, the variable remuneration of the Board of Management and, from the 2023 financial year, also of non-tariff employees, is also measured against the targets for CO_2 emissions, the 1,000 employee rate based on work-related accidents and the proportion of trainees in the total workforce. The other financial and non-financial key performance indicators are individual management variables depending on the operating business unit. This includes measurement variables such as vehicle handling, processed quantities, energy consumption or container handling. In order to assess future developments, we rely on a continuous dialog with customers and closely monitor overall economic developments to enable us to react to changes in a timely manner.

BLG LOGISTICS set new sustainability targets in the reporting period. The ten quantitative targets make progress in our key areas of action measurable and controllable at an operational level and serve as a guide for forward-looking sustainability management. You will find more information in our sustainability report at ➚ reporting.blg-logistics.com.

For explanations regarding the forecast key performance indicators and the degree to which they were reached in the 2023 financial year, please refer to the Report on Economic Position. The forecast for the current year is explained in the Outlook.

Non-financial performance indicators

The number of persons employed in the divisions, excluding the Board of Management as well as apprentices and trainees, is shown in the table, broken down by division, pursuant to Section 267 (5) HGB (annual average).

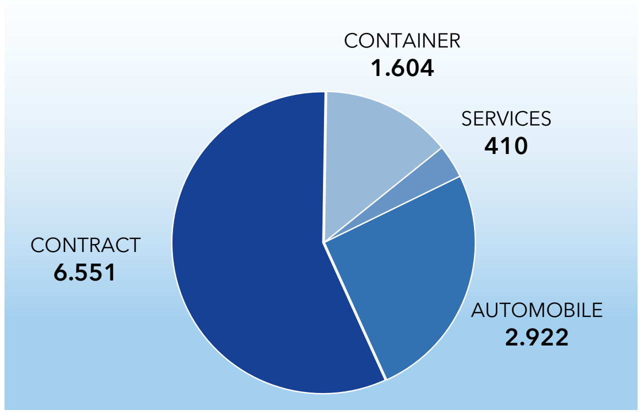
As an international seaport-oriented logistics service provider, BLG LOGISTICS requires committed, motivated and skilled employees in order to be successful in the market over the long term and to meet the continuous challenges of globalization and demographic change. Since the 2019 financial year, this has been underscored by a wide range of measures and campaigns under the motto "#SuccessDependsOnEverybody" spanning all levels from temporary employees to the Board of Management and all areas and locations of BLG LOGISTICS.

In order to attract, develop and retain its employees, BLG LOGISTICS aims to consistently maintain its image as an attractive company on the labor market. That is why our personnel policies include options for maintaining a work-life balance and specific health management mechanisms, as well as performance-related pay and targeted training opportunities.

Employees by division	**2023**	2022	Percentage change
AUTOMOBILE Division	**2,922**	**3,235**	**-9.7**
of which blue-collar workers	2,492	2,767	
of which white-collar workers	430	468	
CONTRACT Division	**6,551**	**6,266**	**4.5**
of which blue-collar workers	5,202	4,959	
of which white-collar workers	1,349	1,307	
CONTAINER Division	**1,604**	**1,605**	**-0.1**
of which blue-collar workers	1,137	1,149	
of which white-collar workers	467	456	
Segment employees	**11,077**	**11,106**	**-0.3**
of which blue-collar workers	8,831	8,875	
of which white-collar workers	2,246	2,231	
Services	**410**	**386**	**6.2**
of which blue-collar workers	0	0	
of which white-collar workers	410	386	
Employees incl. CONTAINER Division	**11,487**	**11,492**	**-0.0**
of which blue-collar workers	8,831	8,875	
of which white-collar workers	2,656	2,617	
Less employees of the CONTAINER Division	**-1,604**	**-1,605**	**-0.1**
of which blue-collar workers	-1,137	-1,149	
of which white-collar workers	-467	-456	
Employees of BLG LOGISTICS	**9,883**	**9,887**	**-0.0**
of which blue-collar workers	7,694	7,726	
of which white-collar workers	2,189	2,161	

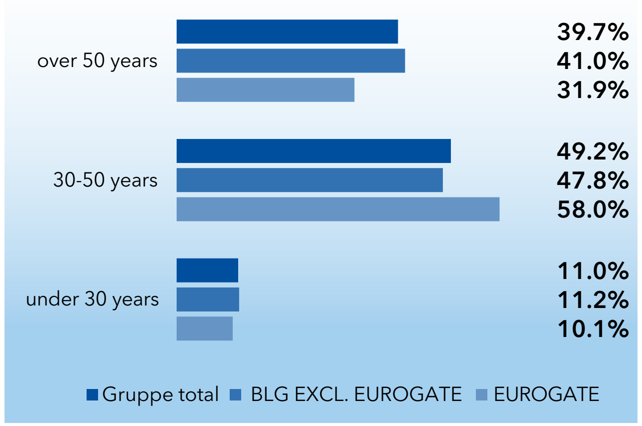
The successful implementation of a clear and forward-looking strategy largely depends on BLG LOGISTICS' management. Our leadership principles and our corporate values support us in achieving a shared understanding of leadership at all levels.

Employees 2023

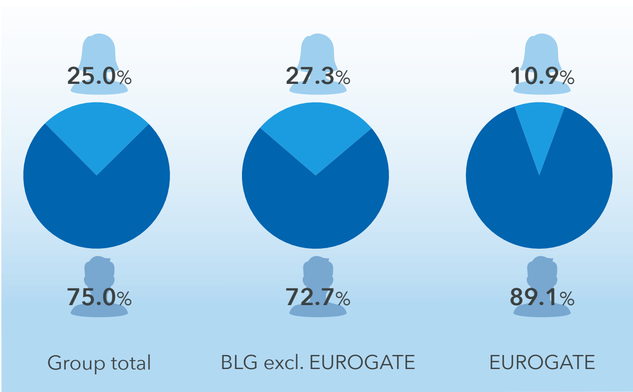


With four fewer, the average number of employees in the reporting year (excluding the CONTAINER Division) remained almost unchanged compared to the previous year. Changes arose in particular from the reassignment of BLG Cargo Logistics GmbH from the AUTOMOBILE Division to the CONTRACT Division as well as from the deconsolidation of the Russian entity in the previous year. On the other hand, new employees were hired in the 2023 financial year at new locations in BLG LOGISTICS' retail logistics business area.

Employees by age group



Employees by gender*



* In the past, we have only categorized our workforce into men and women, but we are aware that not everybody self-identifies with either of these genders. To date, only a few of our own workforce have identified as diverse. As we are currently talking about a proportion of less than 0.1 percent, we do not yet explicitly include this group in our statistics. However, in the interests of equal representation, we will continue to monitor this aspect.

Non-financial report

In accordance with the provisions of the Act to Strengthen Non-Financial Reporting by Companies in their Management Reports and Group Reports (CSR Directive Implementation Act), BLG LOGISTICS has prepared a combined non-financial statement in accordance with Section 315b HGB since the 2017 financial year. This statement is integrated into the sustainability report as a separate non-financial report, which can be downloaded from ➚ reporting.blg-logistics.com. Our 2023 sustainability report also reports in detail on other non-financial topics.

Report on Economic Position

Macroeconomic conditions

Weak growth dynamic
Due to the sharp rise in inflation and the accompanying strong monetary policy reactions, uncertainty was high at the turn of 2022/2023 and a pronounced slowdown in global economic activity was widely expected.

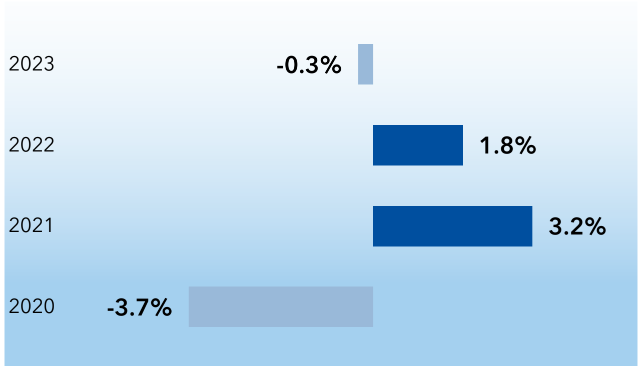
Ultimately, the global economy performed better than predicted, although there was no noteworthy economic upswing and the high inflation only gradually subsided.

Overall economic production in the advanced economies increased moderately over the course of 2023, with the United States' economy proving to be particularly robust. This was underpinned by an expansive financial policy – with the central banks raising interest rates sharply.

By contrast, overall economic production in Europe was considerably weaker. In both the European Union and the United Kingdom, the economy barely broke out of stagnation.

The Chinese economy will probably exceed the government's growth target of 5 percent in 2023, although the level of expansion is lower by historical standards. The Indian economy, on the other hand, expanded very significantly.

German GDP down by around 0.3 percent in 2023



Year-on-year comparison of change in real GDP

Overall, Germany's gross domestic product (GDP) dipped by 0.3 percent.

This was due in particular to weak foreign demand and high energy costs, which weighed on industry and exports. The automotive industry, which is important for Germany, struggled with persistently weak demand. Furthermore, higher financing costs led to fewer investments (particularly in home building) and private households were more cautious with their consumer spending and held back.

The high inflation rates seen at the beginning of the year calmed down over the course of 2023. Energy prices in particular dropped substantially and the rate of food price increases more recently slowed.

Inflation compensation premiums and new collective wage agreements led to a significant increase in collective wages in 2023. Overall, however, the weak economy was mirrored on the labor market, with the number of people in employment stagnating since the summer.

Sources for this section:
Deutsche Bundesbank, Monthly Report, January and February 2024
IfW Kiel, Kiel, Kiel Institute Economic Outlook, No. 109+110 (2023|Q4)
IMK, IMK Report No. 186, December 2023

Situation in the logistics sector

The demands on logistics are changing at an ever-increasing pace. These changes are being driven by ongoing globalization, shorter product life cycles, digitalization, artificial intelligence (AI) and urbanization. As a result, the sector continues to benefit from the increasing demand for logistics services, which is amplified by the growth in e-commerce business and reverse logistics processing in the business-to-consumer segment. Challenges concern in particular continued pressure on margins, demographic trends and growing competition in the search for specialists, managers and young talents. Other factors are the growing importance of online trading, increasing customer requirements with regard to speed, flexibility and the quality of supply, and increasing environmental awareness among the population. The sector is currently experiencing staff shortages particularly in the areas of warehouse workers, truck drivers, locomotive drivers and IT managers.

In addition, when it comes to outsourcing activities, logistics companies are expected to be very willing to invest and highly innovative. A key focus here is to invest in transshipment, distribution and order-picking centers in conveniently situated locations. Contracts with customers are frequently concluded with terms of only a few years and space and handling equipment are often rented or leased.

Increasing customer requirements have greatly expanded the use of end-to-end information and communication technology along the process chains. Logistics service providers must increasingly adapt to changes such as the growing role of advancing automation and digitalization of process chains.

The logistics industry in Germany is the largest sector of the economy after the automotive industry and retailing. This is attributable to the fact that as a logistics location, Germany generates a large share of its economic output in industry and the retail sector. Other reasons include the traditionally high export share, its central position in Europe and the resulting hub function that it fulfills.

The 2023 financial year – like those that preceded it – was another challenging one for the logistics industry. The wars and crises around the world, high inflation and declining transport volumes were the main factors contributing to the difficult business environment.

The global economy is based on finely tuned and interwoven logistics chains spanning the globe. This global network of supply chains is very fragile and was already put to the test with COVID-19. In line with economic activity, the SCI Logistics Barometer performance indicator at the end of 2023 was only slightly above the year-end value of 2022 and remained very clearly negative.

The development over the course of the year was very volatile and largely influenced by the uncertainty in the logistics sector due to the above-mentioned indicators. The indicator value only moved into positive territory in the months of February and April.

At the end of 2023, a high proportion of 46 percent of respondents rated the current business situation as “poor”, while 34 percent characterized it as “normal” and 20 percent as “good”. In addition to the global crises, increasing costs and the ever-growing shortage of skilled staff were key factors in this assessment.

While the expectations within the German Logistics Association (BVL) Logistics Indicator were corrected upward slightly in the fourth quarter, it nevertheless again developed negatively overall in 2023 (see also graphic chart in the ▸Outlook) and the business climate remained well short of its full potential. In the survey covering the fourth quarter of 2023, many of the companies surveyed reported a dip in demand and a falling order backlog as well as restrictive human resources planning. This again reflects economic policy uncertainties as well as companies’ reluctance to invest coupled with restrained demand on the part of private households.

Sources for this section:
BVL Logistics Indicator, 4th Quarter 2023, including commentary
SCI Verkehr, SCI Logistics Barometer, December 2023

Board of Management’s overall assessment of the business environment

Amidst the war between Russia and Ukraine, heightened tensions between the United States and China, accompanied by soaring energy prices at the start of the year, BLG LOGISTICS braced for another challenging year in 2023. The global economic and geopolitical dynamic in the reporting year confirmed this projection. A series of critical issues took precedence on the global political stage.

The war in Ukraine, energy costs, inflation, skills shortages, climate change and the ongoing Middle East conflict – these multiple crises made for an exceptionally tough business environment.

Nevertheless, BLG LOGISTICS closed the 2023 financial year far better than anticipated, which, given the large number of crises and challenges, was again a commendable performance. However, we know that the current economic uncertainties will persist or may even increase – and are preparing accordingly.

The situation in the AUTOMOBILE Division improved substantially overall compared to the previous year, despite recurring supply chain disruptions and a slowdown in demand. There are multiple reasons for this, including

- good capacity utilization and productivity in the domestic terminals in particular with regard to vehicle handling and technical services led to improved contributions to earnings;
- there is a general trend for car makers to increasingly outsource more activities to (logistics) service providers;
- despite sometimes severe infrastructure disruptions (construction sites, closures, etc.), more cars were transported by road and rail and BLG LOGISTICS carried out more short-haul transports. The market is also characterized by repeated bottlenecks due to a shortage of truck drivers and locomotive drivers.

The CONTRACT Division provides contract logistics at more than 40 locations in Germany and around the world. In the past, contract logistics was divided into the industrial logistics and retail logistics business areas, but since the organizational restructuring at the beginning of the year, the locations and countries have been integrated into a regional structure.

Consumer goods and e-commerce services in particular were again in demand. Overall, the CONTRACT Division performed in line with expectations in the 2023 financial year. Some individual locations suffered significant volume reductions, but higher volumes and productivity plus additional business at other locations compensated for this. Falling inflation rates and especially lower energy prices in the course of the year also had a positive effect.

The difficult economic situation was particularly keenly felt in the CONTAINER Division in the 2023 financial year. The inland container terminals of the EUROGATE Group handled significantly fewer containers than expected in the reporting year. Furthermore, storage fee revenues, which had increased in 2022 due to the disrupted schedules of the shipping lines, decreased earlier than anticipated.

One-time factors from the reversal of risk provisions and falling energy prices compensated for this to some extent, meaning that the CONTAINER Division only fell slightly short of earnings expectations.

The structural and lasting changes in the container industry continued in the reporting year. Competition for container volumes is becoming increasingly tough, making it imperative to forge ahead with implementing the transformation measures aimed at stabilizing the future of the EUROGATE Group.

The trend on the part of the shipping lines to commission additional ultra-large shipping vessels continues unabated. Given this trend, the EUROGATE Group is also expected to see an increase in the number of ultra-large container ships calling at its terminals.

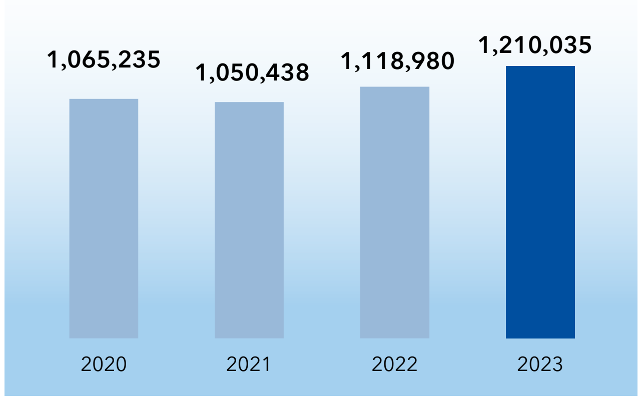
Overall, thanks to its diversification, BLG LOGISTICS was able to leverage the opportunities that 2023 presented and initiated many changes that make us – even in times of multiple crises – robust, agile and fit for the future.

Nevertheless, BLG LOGISTICS continues to operate in a volatile market environment. To enable us to meet these challenges, we are continuing to relentlessly tackle topics such as flexibility, digitalization/artificial intelligence, automation and sustainability and are working intensively to constantly improve BLG LOGISTICS' economic position.

This assessment is based on the results of the combined financial statements for 2023 and takes into account business performance up to the time the combined group management report was prepared in 2024. The business development at the beginning of 2024 was in line with our expectations.

Business performance

Financial performance



Revenue development in EUR thousand

In the 2023 financial year, combined Group revenue increased by EUR 91,055 thousand year on year to EUR 1,210,035 thousand. This revenue increase was attributable in particular to the AUTOMOBILE Division, which grew substantially by EUR 62,115 thousand to EUR 641,883 thousand, and was mainly due to higher revenues in the transport segment and to storage fees.

Revenues generated by Neustädter Hafen – together with BLG Cargo Logistics GmbH as a whole – have since the reporting year been included in the CONTRACT Division. This more than compensated across all divisions for lower revenues in the area of car parts logistics due to lower-than-expected volumes – particularly at the Bremen site.

In the CONTAINER Division, handling volumes (in TEUs) decreased by 5.1 percent overall in the 2023 financial year on the back of the weak economic phase. As was to be expected, the substantial decline in revenues by EUR 43,184 thousand was largely attributable to lower storage fee and reefer revenues. Since the EUROGATE Group, which represents the CONTAINER Division, is included in the combined financial statements using the equity method, this revenue is not included in the reported combined Group revenue.

Other income was at a similar level to the previous year and fell only slightly (EUR 4,930 thousand). Compared to the previous year, prior-period income decreased by EUR

Revenue by segment EUR thousand	**2023**	2022	Absolute change	Percentage change
AUTOMOBILE	641,883	579,768	62,115	10.7
CONTRACT	569,143	548,192	20,951	3.8
CONTAINER	301,914	345,098	-43,184	-12.5
Reconciliation[1]	-302,905	-354,078	51,173	14.5
Group total	**1,210,035**	**1,118,980**	**91,055**	**8.1**

[1] The "Reconciliation" line presented here and in the following tables includes the derecognition of the CONTAINER Division (due to equity accounting) and the figures for the central departments (Services).

Indicators relating to financial performance EUR thousand	**2023**	2022	Absolute change	Percentage change
Revenue	**1,210,035**	**1,118,980**	**91,055**	**8.1**
Other income	48,938	53,868	-4,930	-9.2
Net income (net loss) of companies accounted for using the equity method[2]	21,374	75,596	-54,222	-71.7
Cost of materials	-503,185	-462,018	-41,167	-8.9
Personnel expenses	-492,174	-475,075	-17,099	-3.6
Other expenses	-154,237	-159,770	5,533	3.5
Depreciation, amortization and impairment	-84,559	-86,999	2,440	2.8
EBIT	**46,192**	**64,582**	**-18,390**	**-28.5**
Net financial income/net finance costs	-10,097	-8,860	-1,237	-14.0
EBT	**36,095**	**55,722**	**-19,627**	**-35.2**
EBT margin (in %)	**3.0**	**5.0**	**-2.0**	**-40.2**
Combined net profit for the period	33,430	51,606	-18,176	-35.2

2,654 thousand and income from the recharging of expenses by EUR 1,478 thousand. In contrast, miscellaneous other income relating to various one-time items rose by EUR 273 thousand.

Net profit from equity-accounted entities amounting to EUR 21,374 thousand (previous year: EUR 75,596 thousand) primarily included the net investment income from the measurement of EUROGATE GmbH & Co. KGaA, KG (EUROGATE) accounted for using the equity method with EUR 18,202 thousand (previous year: EUR 76,705 thousand). For further information concerning the year-on-year decline, please refer to the remarks below relating to the CONTAINER Division.

With 8.9 percent, the cost of materials increased slightly more than revenue (8.1 percent). This is due in particular to the sharp rise in costs for subcontractors in the road and rail car transport business area in an environment of limited market capacity. Increased costs are passed on to customers with a time delay. In contrast, expenses for external personnel fell by 11.2 percent. The main reason for this was a lower need to compensate for capacity peaks in the area of industrial logistics.

Personnel expenses rose significantly in the reporting year to EUR 492,174 thousand (previous year: EUR 475,075 thousand). The rise was primarily attributable to new collective wage agreements, which led to an increase in the basic remuneration for employees, while the number of employees remained relatively stable.

Other expenses in the reporting year were down by EUR 5,533 thousand, primarily as a result of lower one-time factors (expenses for expected losses and infrastructure measures). Moreover, the reporting year saw an increase in general costs due to high inflation, with a particularly high increase in IT and consulting expenses relating to major projects. Additionally, claim-related expenses rose by EUR 2,818 thousand. This uptick was chiefly related to incorrect heat treatment and the subsequent required reprocessing of vehicles that we must undertake.

Depreciation, amortization and impairment decreased by EUR 2,440 thousand in the financial year 2023. Current depreciation and amortization expense saw a marginal reduction compared to the previous year, amounting to EUR -997 thousand. Of the total impairment losses amounting to EUR 6,393 thousand, EUR 5,198 thousand related to buildings, reflecting a slight decrease (EUR -1,442 thousand). Additionally, EUR 1,195 thousand corresponded to an operational management tool that is not being further developed.

Net financial income/net finance costs improved year on year by EUR 1,237 thousand to EUR -10,097 thousand. Interest income from credit balances and especially the elevated interest income from lease contracts with customers more than offset the higher interest rates for non-current loans resulting from the increase in the general level of interest rates.

[2] On account of the significant contribution of the CONTAINER Division to earnings, income from equity investments is included in EBIT.

EBT by segment EUR thousand	**2023**	2022	Absolute change	Percentage change
AUTOMOBILE	36,182	-11,696	47,878	409.4
CONTRACT	9,422	11,256	-1,834	-16.3
CONTAINER	18,528	80,030	-61,502	-76.8
Reconciliation	-28,037	-23,868	-4,169	-17.5
Group total	**36,095**	**55,722**	**-19,627**	**-35.2**

EBIT by segment EUR thousand	**2023**	2022	Absolute change	Percentage change
AUTOMOBILE	46,199	-2,293	48,492	2,114.8
CONTRACT	8,864	12,415	-3,551	-28.6
CONTAINER	27,431	90,560	-63,129	-69.7
Reconciliation	-36,302	-36,100	-202	-0.6
Group total	**46,192**	**64,582**	**-18,390**	**-28.5**

Earnings before taxes (EBT) in the AUTOMOBILE Division improved substantially, while at Group level EBT decreased by EUR 19,627 thousand year on year. This is attributable mainly to the decline in net investment income from the CONTAINER Division. The notable difference to the previous year's figures is partly because the result from the previous year included a reversal of write-downs of non-current financial assets of (proportionately) EUR 35.4 million, which related to the reversal of an impairment loss on the equity-method carrying amount of EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG. EBIT declined accordingly year on year by EUR 18,390 thousand to EUR 46,192 thousand. The EBT margin was therefore 3.0 percent in the 2023 financial year (previous year: 5.0 percent).

Income taxes in the reporting year were EUR 2,665 thousand (previous year: EUR 4,116 thousand). The decrease is explained by lower expenses for prior periods (EUR -3,083 thousand) and higher income from tax reimbursements (EUR -269 thousand). In contrast, income from current taxes fell by EUR 583 thousand.

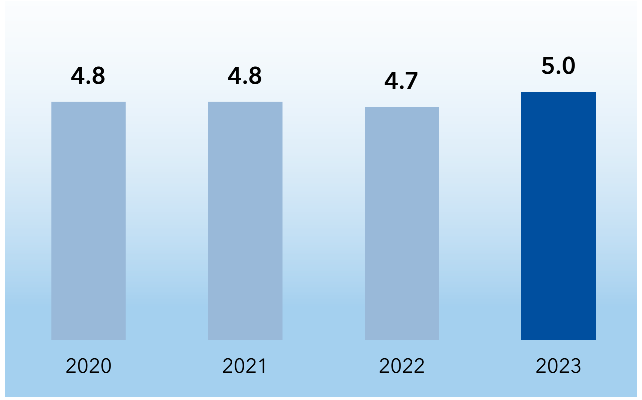
As a result of the developments described, combined Group net profit for the period decreased by EUR 18,176 thousand to EUR 33,430 thousand.

AUTOMOBILE Division

5.0 million

vehicles were handled, transported or technically processed in 2023.

The AUTOMOBILE Division is a leading technical and logistics service provider for the international automotive industry. In this division, the company offers multimodal transport concepts with global logistics reach and dovetails customized and innovative technical service packages.



Vehicles handled (in millions)

Along the global value chains of the automotive industry, as described above, various factors influenced developments in the AUTOMOBILE Division in the 2023 financial year. Despite the challenging framework conditions, the volume of vehicles handled, transported and technically processed increased by 0.3 million compared to the previous year to 5.0 million vehicles.

EUR thousand	**2023**	2022
Revenue	641,883	579,768
EBIT	46,199	-2,293
EBT	36,182	-11,696
EBT margin (in %)	5.6	-2.0

In the seaport terminals business area, overall throughput in financial year 2023 was marginally lower than the already low level of previous years. The car terminal in Bremerhaven processed around 1.5 million vehicles, a slight decrease from the previous year, primarily due to the economic climate. One-time business, additional storage fee revenues and technical services had a particularly positive impact. Volumes at the AutoTerminal Cuxhaven remained nearly the same. The earnings situation was also impacted by low productivity and high energy costs, especially at the start of the year. To mitigate this, individual spot transactions were conducted. In Cuxhaven, the terminal's earnings were positively influenced by permanently leased space and special orders.

In the high & heavy segment, the handling volume slightly exceeded the previous year's figures, rising by 0.2 million metric tons to 1.3 million metric tons. Despite the uncertain geopolitical climate and investment hesitancy, special transactions and orders positively influenced the outcome. Consequently, the business area closed the 2023 financial year surpassing expectations.

The inland terminals business area saw a substantial 22 percent increase in vehicle handling over the previous year, outperforming forecasts in most locations, including Kelheim, Dodendorf, Duisburg and Hamburg. This success was largely attributed to robust customer volumes, spot transactions, optimal capacity utilization and enhanced value creation through technical services. Additionally, the downturn in energy prices contributed positively to the results. Thus, the business area ended the 2023 financial year well ahead of initial projections.

The AutoTransport business area experienced higher-than-expected transport volumes in the reporting year. The rising costs for subcontractor charges on the back of scarce market capacities were offset by spot transports at adequate rates. Significant volumes were also recorded for water-borne transport with vehicles shipped via inland waterway vessels, leading the business area to close the year significantly above expectations.

Conversely, the rail business area faced numerous obstacles. A lack of available lines due to construction works, maintenance costs, a shortage of skilled locomotive drivers and at times high absenteeism rates had a significant impact on productivity and earnings. Additionally, the scarcity of parts necessary for car production impacted manufacturers, affecting the volumes and scheduled journeys, with the result that the rail business area was unable to fully meet projected performance expectations.

Within the Southern/Eastern Europe business area, the investment in Ukraine was entirely written off, and the assets in Russia were deconsolidated in response to the events that unfolded in both countries in the previous year. The Gdansk location profited from one-time business and was able to conclude 2024 significantly above expectations.

Due to the developments described above, especially in the seaport terminals business area, EBT in the AUTOMOBILE Division for the 2023 financial year, at EUR 36,182 thousand, was substantially higher than the previous year's figure of EUR -11,696 thousand and thus also above expectations.

CONTRACT Division

At

>40

locations we serve our customers in Europe and overseas.

The CONTRACT Division manages complex projects and offers its customers reliable logistics solutions. We work at our logistics centers and our customers' production facilities and plants at over 40 locations in Europe and overseas.

EUR thousand	2023	2022
Revenue	569,143	548,192
EBIT	8,864	12,415
EBT	9,422	11,256
EBT margin (in %)	1.7	2.1

In the ongoing multiple crisis environment, the CONTRACT Division again succeeded in achieving its targets in financial year 2023. In many places, the order situation and volumes processed in the retail and industrial logistics business areas were above expectations. Moreover, new and additional business was generated, with energy costs impacting less than anticipated over the course of the year.

At our largest industrial logistics site in Bremen, the CKD (completely knocked down) and body-in-white areas continued to face challenges throughout the 2023 financial year. These were affected by reduced volumes, productivity issues and the shortfall of projected volumes. It was possible to mitigate the effects of this through countermeasures such as cost reductions and process improvements.

At the retail logistics sites, volumes in the consumer & fashion market segment sometimes fell below expectations; however, these were on the whole offset by stable business at other sites with established customers.

Capacity at Neustädter Hafen in Bremen was effectively utilized, especially due to the high volumes of steel. Overall, the tonnage handled (ship-side processing) decreased from 1.6 million metric tons to 1.3 million metric tons. Nevertheless, the earnings situation improved, aided by additional storage fees, reduced costs for third-party services and one-time effects. In overland transports, the loss of a major customer has not been fully compensated for yet.

At our overseas facilities, the industrial logistics location in South Africa, in particular, sustained its positive development from the previous year. The site – including new business – was able to close the year much better than originally expected. In contrast, the US business closed the 2023 financial year below plan, due in particular to significantly lower-than-expected volumes of new business.

Overall, the CONTRACT Division was able to meet the earnings expectations in a challenging environment, even though EBT fell by EUR 1,834 thousand year on year to EUR 9,422 thousand.

CONTAINER Division

With **11**

container terminals, the EUROGATE Group operates in 5 different countries, from the North Sea to the Mediterranean.

The CONTAINER Division of BLG LOGISTICS is represented by half of the company shares in the joint venture EUROGATE GmbH & Co. KGaA, KG (EUROGATE). This company operates – in some cases with partners – container terminals in Bremerhaven, Hamburg and Wilhelmshaven (Germany), at the Italian locations La Spezia, Ravenna and Salerno, in Limassol (Cyprus), as well as in Tangier (Morocco). The EUROGATE Group also has holdings in several inland terminals and railroad transport companies.

In addition, EUROGATE became a shareholder in the "Damietta Alliance Container Terminal S.A.E:" joint venture in 2022, which will be responsible for realizing the construction, development and operation of a new terminal in the port of Damietta/Egypt.

The CONTAINER Division's business mainly involves container handling. Complementary services are also provided in the form of intermodal services, such as the carriage of sea containers to and from the terminals, repairs, depot storage and trading of containers as well as cargomodal services and technical services.

The following figures correspond to the 50 percent ownership interest in EUROGATE.

EUR thousand	**2023**	2022
Revenue	301,914	345,098
EBIT	27,431	90,560
EBT	18,528	80,030
EBT margin (in %)	6.1	23.2

The 2023 financial year for EUROGATE was markedly shaped by the global economic and cyclical conditions described above. Additionally, the substantial difference in earnings compared to the previous year can be attributed to a reversal of write-downs of non-current financial assets amounting to (proportionately) EUR 35.4 million included in the prior-period result (see above).

EUROGATE experienced a significant drop in Group revenue of approximately 13 percent, down to EUR 301.9 million (previous year: EUR 345.1 million, presented on a proportionate basis of 50 percent), alongside a reduction in handling volumes at the fully consolidated companies in Germany. Apart from the decline in handling volumes, the decrease in revenue was mainly attributable to significantly lower income from storage fees. Handling volumes at the EUROGATE terminals declined from 11.2 million TEUs by 5.1 percent overall, and at the German terminals by a total of 10.5 percent.

On the other hand, the reporting year saw initial successes from the transformation project initiated at the end of 2019, internally named "Future EUROGATE," which has been crucial for maintaining the EUROGATE Group's sustainable competitiveness and already positively influenced the 2023 earnings.

The result from the equity-method inclusion, reflecting the development of the proportionate equity, stood at EUR 18,202 thousand, which was substantially lower than the previous year's figure of EUR 76,705 thousand.

Comparison of financial performance in 2023 with the forecast for the 2023 financial year

1,210 million
revenue

36.1 million
EBT

3.0%
EBT margin

Earnings for the financial year 2023

At the time of preparing the previous year's report, the war between Russia and Ukraine was ongoing, there were tensions between the United States of America and China and we were still in the middle of the energy crisis characterized by very high energy prices and widespread inflation.

In this very uncertain environment, BLG LOGISTICS initially assumed that revenue could increase slightly compared to the 2022 level, but that earnings (EBIT and EBT) would be significantly reduced. We also forecast the development of RoCE and EBT margin accordingly.

	Forecast 2023	Actual 2023
EBT	Significant reduction	Significant reduction
EBIT	Significant reduction	Significant reduction
Revenue	Slight improvement	Slight improvement
EBT margin	Significant reduction	Significant reduction
RoCE	Significant reduction	Significant reduction

As the table and descriptions above show, the projections for the 2023 financial year were largely correct. Despite a decrease in energy prices and inflation, geopolitical uncertainties escalated owing to the conflict in the Middle East, leading to a lethargic economy. This situation significantly impacted the CONTAINER Division's handling volumes, resulting in diminished investment income due to reduced handling volumes and substantially lower storage fee revenues. The strong earnings growth in the AUTOMOBILE Division and the robust performance in the CONTRACT Division could not compensate for this. Despite a modest rise in sales revenues (excluding the CONTAINER Division), earnings fell by EUR 19,627 thousand compared to the previous year, yet remained clearly positive. The RoCE and EBT margin also reflected this trend.

Financial position

Structure of the statement of financial position

In the reporting year, total assets amounted to EUR 1,317,368 thousand and were therefore marginally lower than the previous year's figure of EUR 1,336,518 thousand.

In respect of property, plant and equipment, total capital expenditure on non-current intangible assets and property, plant and equipment amounted to EUR 84,639 thousand (of which EUR 40,877 thousand non-cash). This compares to divestments of EUR 8,394 thousand and depreciation, amortization and impairment losses in the amount of TEUR 84,559 thousand, which was EUR 2,440 thousand lower year on year. At 41.3 percent, the capital intensity ratio remained unchanged compared to December 31, 2022.

Indicators relating to financial position EUR thousand	**2023**	2022	Absolute change	Percentage change
Total assets	1,317,368	1,336,518	-19,150	-1.4
Capital intensity (in %)	41.3	41.3	0.0	0.0
Working capital ratio (in %)	105.9	88.2	17.7	20.1
Equity	285,677	277,727	7,950	2.9
Equity ratio (in %)	21.7	20.8	0.9	4.3
Net debt	488,461	526,144	-37,683	-7.2

Significant changes arose on the assets side in equity investments in companies accounted for using the equity method. These decreased in the reporting year by EUR 26,669 thousand to EUR 208,281 thousand. This was attributable in particular to the fact that BLG LOGISTICS received a dividend of EUR 39,728 thousand from EUROGATE GmbH & Co. KGaA, KG in the reporting year (previous year: EUR 27,320 thousand), which significantly exceeded the earnings of EUR 18,202 thousand carried using the equity method.

Another significant change on the assets side was cash and cash equivalents, which showed an increase of EUR 21,529 thousand as of the reporting date compared to the previous year. Trade receivables decreased by EUR 9,636 thousand as at the reporting date.

Primarily due to the positive Group earnings (combined net profit for the Group of EUR 33,430 thousand) equity as of December 31, 2023 increased by EUR 7,950 thousand. The equity ratio increased accordingly from 20.8 percent in the previous year to 21.7 percent in the reporting year.

This contrasted with remeasurement effects on actuarial gains and losses from the measurement of gross pension obligations recognized directly in equity in accordance with IAS 19 as well as the difference between the expected and actual return on plan assets, and net gains, also recognized directly in equity, from changes in the fair value of the effective portion of cash flow hedges. Overall, other comprehensive income after income taxes totaled EUR -16,466 thousand for the reporting year, marking a substantial decrease from the previous year's EUR 80,388 thousand, which was influenced by the sharp increase in interest rates.

A detailed breakdown of the fair values of financial assets and liabilities and disclosures on hedging instruments can be found in ▸note 32 of the notes to the combined financial statements.

Cash flows

Based on the earnings before taxes of EUR 36,095 thousand achieved in 2023, cash flows of EUR 87,884 thousand were generated from operating activities (previous year: EUR 78,434 thousand). The free cash flow of EUR 100,971 thousand was in clearly positive territory and EUR 42,639 thousand above the previous year's figure of EUR 58,332 thousand.

In particular, the significant increase in earnings in the AUTOMOBILE Division had a positive effect on cash inflows from operating activities. In contrast, the change in trade receivables as of the reporting date (year-on-year change EUR -38,559 thousand) substantially reduced cash flows from operating activities.

Cash flows from investing activities improved significantly in the reporting period, as the slightly lower cash payments to acquire property, plant and equipment and intangible assets totaling EUR 41,330 thousand were offset in particular by significantly higher proceeds from dividends received amounting to EUR 28,048 thousand (mainly distributions from EUROGATE) and a slight increase in cash receipts from the payment of lease receivables (EUR 24,230 thousand). A detailed statement of cash flows can be found in the ▸combined financial statements. Further disclosures on the statement of cash flows can also be found in ▸note 37 of the notes to the combined financial statements.

Cash flows from financing activities improved moderately by EUR 6,981 thousand in the reporting year to EUR -63,876 thousand. The changes are mainly the result of higher cash proceeds from borrowings, which increased by EUR 9,290 thousand compared to the previous year.

This compared among other things to lower cash payments from the redemption of financial borrowings (EUR 626 thousand) and the repayment of lease liabilities (EUR 426 thousand).

In total, cash and cash equivalents improved significantly by EUR 35,578 thousand to EUR 32,943 thousand in the financial year.

Acquisitions of assets are financed from operating cash flows, non-current debt (loans) and through leases.

As of the reporting date, credit facilities to the value of EUR 76.5 million had been agreed but not utilized. Under existing factoring contracts, a volume of EUR 23.1 million was unutilized as of December 31, 2023.

Financial debt decreased slightly by EUR 6,513 thousand compared to the previous year. The increase in non-current loans by EUR 12,415 thousand compared to the previous year was more than offset by the decrease in other non-current and current financial liabilities. In particular, a significant decrease of EUR 14,049 thousand in obligations arising from bank overdraft facilities had a positive effect.

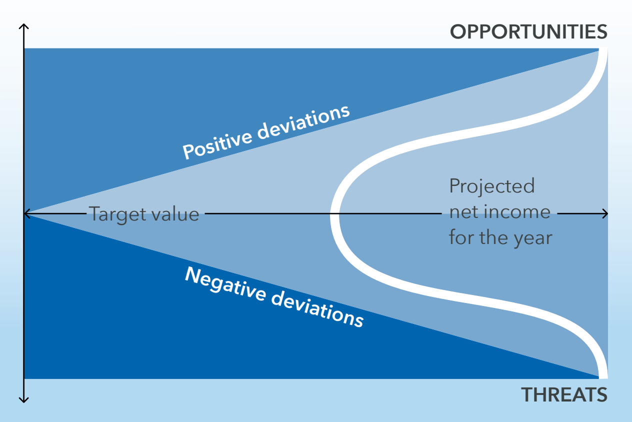
Ultimately, net debt decreased significantly by EUR 37,683 thousand compared to the previous year, mainly due to a substantial increase of EUR 21,529 thousand in cash and cash equivalents compared to 2022. Additionally, within the current financial receivables, the amount from shareholder accounts at companies accounted for using the equity method rose by EUR 11,316 thousand year on year.

Indicators relating to cash flows **EUR thousand**	**2023**	2022	Absolute change	Percentage change
Cash inflows from operating activities	87,884	78,434	9,450	12.0
Cash in-/outflows from investing activities	13,087	-20,102	33,189	165.1
Free cash flow	**100,971**	**58,332**	**42,639**	**73.1**
Cash in-/outflows from financing activities	-63,876	-70,857	6,981	9.9
Net cash change in cash and cash equivalents	**37,095**	**-12,525**	**49,620**	**396.2**
Effect of exchange rate movements on cash and cash equivalents	-1,517	-1,550	33	2.1
Cash and cash equivalents at start of financial year	-2,635	11,440	-14,075	-123.0
Cash and cash equivalents at end of financial year	**32,943**	**-2,635**	**35,578**	**1,350.2**
Composition of cash and cash equivalents				
Cash	39,932	18,403	21,529	117.0
Current liabilities to banks	-6,989	-21,038	14,049	66.8
Cash and cash equivalents at end of financial year	**32,943**	**-2,635**	**35,578**	**1,350.2**

Net debt **EUR thousand**	**2023**	2022	Absolute change	Percentage change
Non-current loans	151,856	139,441	12,415	8.9
Other non-current loan liabilities	521,086	526,874	-5,788	-1.1
Current financial liabilities	148,379	161,519	-13,140	-8.1
Financial debt	**821,321**	**827,834**	**-6,513**	**-0.8**
Non-current finance receivables	224,130	228,228	-4,098	-1.8
Current finance receivables	68,798	55,059	13,739	25.0
Cash and cash equivalents	39,932	18,403	21,529	117.0
Net debt	**488,461**	**526,144**	**-37,683**	**-7.2**

Opportunity and Risk Report

Risks



Possible deviations from planned targets represent risks – both negative (“threats”) and positive deviations (“opportunities”).

Opportunity and risk management principles

Corporate activity is accompanied by opportunities and risks. For BLG LOGISTICS, the responsible management of possible opportunities and risks is a core element of sound corporate governance. Our opportunities and risks policy aims to increase the company’s value without taking any inappropriately high risks.

Risk-rewards culture

The BLG Group aims to achieve profitable growth while giving consideration to sustainability-related objectives.

Our risk-rewards culture as part of the corporate culture of BLG LOGISTICS sets out the company’s basic policy and rules of conduct for managing risks and opportunities. It greatly influences risk awareness when making business decisions and forms the basis for the implementation of appropriate and effective measures to enable us to pursue our opportunities responsibly and sustainably.

Our risk-rewards culture therefore constitutes the basis for the success of our risk management. Risk management works provided that transparency and a willingness to actively communicate and collaborate are practiced as part of an actual risk culture.

Dovetailing of the compliance and risk management system and internal control system[1]

Responsible, continuous and systematic management of operating risks, but also of opportunities, is of fundamental importance for BLG LOGISTICS. To this end, we rely on the close dovetailing of the compliance and risk management systems and the internal control system (ICS). The three systems are described in more detail below.

Main features of the compliance organization
Compliance means conforming to all statutory and internal company regulations, such as guidelines and organizational instructions, with the goal to avoid and minimize liability.

In its Code of Conduct, BLG LOGISTICS already committed to complying at all times with the relevant laws and the company’s internal guidelines.

[1] The disclosures in this section are so-called non-management report disclosures and have not been audited by the auditor.

Based on these fundamental values as well as on our own ethical principles, we aim to be a reliable and fair partner for our customers, business partners and shareholders.

The goal of compliance is to ensure that an organization operates in a manner that is legally and ethically irreproachable, including the prevention of legal violations within the organization. The task of the compliance officer to support the management and the employees responsible for BLG LOGISTICS' business processes in achieving these goals derives from this.

In accordance with the rules of procedure of the Board of Management of BLG AG, the compliance officer reports to the Board of Management member responsible for compliance, the Chief Compliance Officer. At the invitation of the Board of Management, the compliance officer reports at meetings of the full Board of Management on the current status of compliance activities at BLG LOGISTICS. Also at the invitation of the Board of Management, the compliance officer reports directly to the Supervisory Board of BLG AG.

The full Board of Management supports the compliance officer in the discharge of their duties.

The compliance officer has set up a regular Compliance Committee. BLG LOGISTICS' compliance officer is the point of contact for the external ombudsperson, and at the same time assumes the role of internal ombudsperson.

In the event of a violation of relevant laws or internal guidelines of BLG LOGISTICS, the compliance officer supports the internal investigations of the Audit department.

Should sanctions be required, the compliance officer, in coordination with the Human Resources department, proposes the necessary measures in the Compliance Committee. The Human Resources department then implements the proposals in coordination with the Board of Management, the responsible management and the Compliance Committee.

Thanks to the compliance management system (CMS), misconduct within the organization is prevented and appropriate measures are taken to counter compliance risks or legal violations within the organization or from within BLG LOGISTICS.

One particular focus of supplier compliance in the reporting year was the implementation, organized as part of a cross-divisional project, of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG), which came into force on January 1, 2023.

The objective of this act is to improve compliance with human rights internationally by specifying the human rights due diligence obligations that companies must observe along the supply chain. It also stipulates environmental requirements. Derived from this, the law defines requirements for responsible management.

Basic elements of risk management

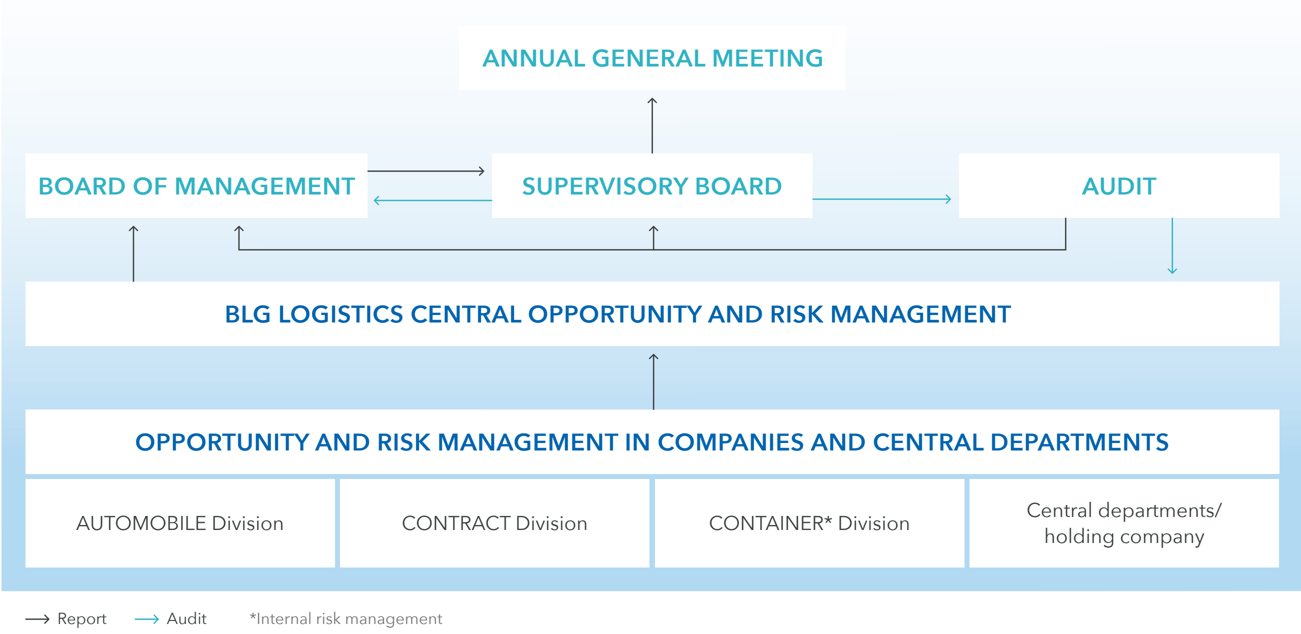
In line with the risk strategy of the BLG Group, the basic conceptual elements of the risk management system are rolled out centrally using a standardized approach to ensure coverage of clear risk accountability, and described in the Group guideline on risk management. This leads to systematic and comparable risk identification/
documentation, risk analysis/assessment, risk control/ monitoring and communication/reporting.

Particular attention is given to so-called extreme risks. These are risks with a high level of damage but a low probability of occurrence. They include, for example, extreme natural disasters, economic crises or terrorist attacks. Identifying possible risks and analyzing potential consequences (including extreme manifestations) for the company is part of business continuity management (BCM). Developing strategies, plans and actions that protect activities or processes or provide alternative modes of operation is a further aspect of BCM.

The objective of risk management is to create a shared awareness and positive understanding among management and all employees in managing operating risks in order to ensure the company's risk-bearing capacity. The aim is to identify and assess risks, manage these risks efficiently through appropriate and effective measures, monitor them, and ensure ongoing risk reporting as a basis for sound decision-making. In this way, risk management is intended to contribute to achieving the aims of the corporate strategy and corporate objectives.

The objectives of risk management are:

- Identify risks early and prevent crises and insolvencies (support continuity of the organization)
- Improve planning reliability and risk costs through optimal risk management
- Sound preparation of business decisions with risk analyses to improve the company's success
- Achieve sustainability-related corporate goals and monitor sustainability-related risks with regard to the three ESG dimensions (Environment, Social, Governance), taking into account the principle of dual materiality (i.e., BLG LOGISTICS' impact on, for example, the climate or other environmental issues is also monitored).



*Internal risk management

Risk management organization
The areas of responsibility and roles with regard to the measures pursuant to Section 91 (2) and (3) AktG are clearly defined in the BLG Group's organizational charts and specified, communicated and documented in the risk management tool. BLG LOGISTICS ensures that those vested with responsibility fulfill the required personal and professional criteria and receive regular training from central risk management. As part of the annual planning process, BLG sees to it that sufficient resources are made available for measures designed to promptly identify, evaluate, control and monitor developments that could jeopardize the organization's continued existence as a going concern. The key provisions governing the organizational structure and workflows are documented and made binding.

Opportunity and risk management at BLG LOGISTICS
Risk management organization encompasses the following components:

The organizational structure describes the tasks and responsibilities of all persons responsible for the risk management process and the measures taken to maintain the implemented system at a consistently high level and to communicate developments to those responsible in a structured and systematic manner.

The risk management process is the process of assessing risks by identifying/documenting, analyzing/evaluating, controlling/monitoring and communicating/reporting risks.

The platform for an effective risk management system is the risk management tool, which enables risk managers to exchange information, prepare assessments and consolidate risks in a timely and flexible manner.

The divisions feed reports into the risk management tool on a continuous basis. The risks entered in the risk management tool are then evaluated and monitored by centrally responsible risk managers. The Risk Committee then validates and examines reported risks with regard to their nature and scope. This also includes the option of transferring risks to another risk officer and appointing a person to be in charge of measures. The committee is responsible for general quality assurance, including presenting and commenting on risk exposure. Furthermore, the committee supports the further development of corporate governance (including the dovetailing of the risk management system, internal control system, compliance and internal audit, i.e. integrated GRC). Detailed risk reports are submitted to the Board of Management and the Supervisory Board at least four times a year.

Aims and methods of financial risk management

The principal financial instruments used to finance the Group include non-current loans, current borrowings, lease liabilities, other borrowings, factoring and cash, including short-term deposits with banks. 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 material risks for the Group resulting from financial instruments are credit risks (of receivables), foreign currency risks, liquidity risks and interest rate risks. The Board of Management creates risk management guidelines for each of these risks, which are summarized in the “Financial risks” section, and verifies compliance with these guidelines. 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.

Capital risk management

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

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

Internal control system

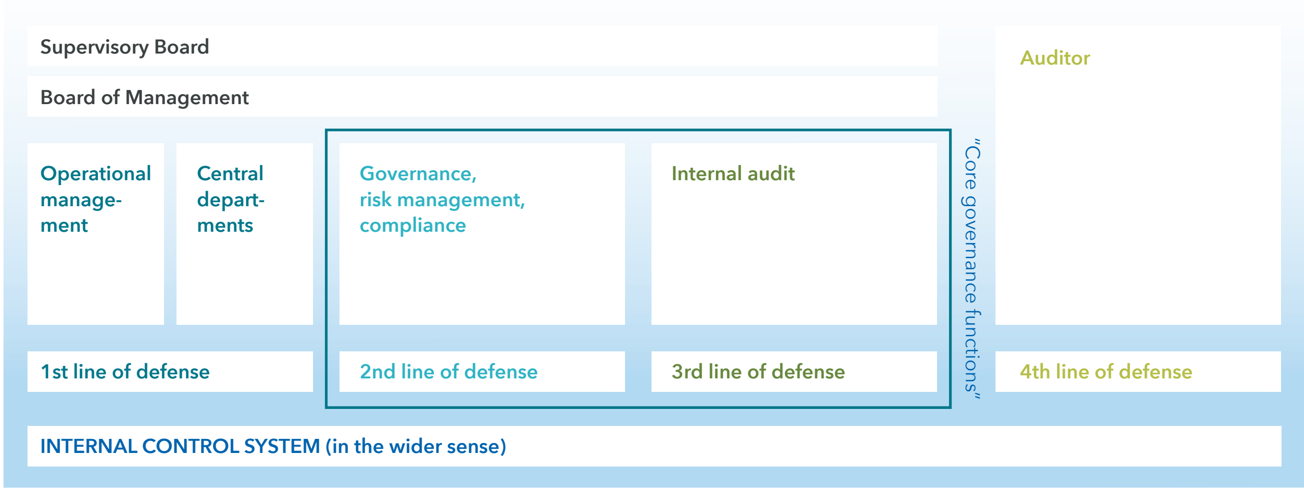
The internal control system (ICS) as the set of all systemically defined controls and monitoring activities has the objective of ensuring the security and efficiency of business transactions, the reliability of financial reporting, and the compliance of all activities with laws and policies. An effective and efficient internal control system is crucial to successfully managing risks in our business processes. In its design, the internal control system at BLG LOGISTICS considers all material business processes and goes beyond controls in the accounting process. The non-financial ICS covers areas such as environmental violations, occupational health and safety and anti-corruption.

The ICS and the elements that contribute to it are regularly the focus of audit activities by the Internal Audit department. These are carried out either within the scope of the risk-based annual audit plan or within the scope of audits scheduled during the year at the request of management.

Integrated governance, risk and compliance approach[2]

Risk management within the BLG Group is based on an integrated governance, risk and compliance model, which enables responsible management of risks and opportunities.

First line of defense:
Operational management
Operational management of the individual business areas and central departments forms the front line of defense. They manage and are responsible for their processes, identify and assess risks locally at the level of the operating companies. Countermeasures are initiated promptly, and the residual potential impact is assessed. Material risks are reported in the risk management system on the basis of the published internal risk management guideline. The outcomes are continuously incorporated into risk reporting, thus also providing the Board of Management with an overall picture of the current risk situation during the course of the year via the documented reporting lines.



Governance, risk and compliance model at BLG LOGISTICS

Second line of defense:
Central risk management system, compliance management system, internal control system
Central risk management is closely dovetailed with the two other governance control systems, the compliance management system and the internal control system. All three systems serve to support and systemically monitor operational management. These three core governance control systems provide the organizational framework and control the implementation of the framework guidelines in the operational processes, thus ensuring compliance with laws and our internal corporate standards and rules. Giving consideration to the findings from the other two control systems, the compliance management system and the internal control system, central risk management draws up the central risk map and acts as an important node for passing on relevant information to the Internal Audit department as well as for preparation of the annual financial statements.

Third line of defense:
Audit by the Group Internal Audit department
The Group Internal Audit department supports the Board of Management in overseeing the various divisions and business units within the Group. It regularly checks the early risk identification system and the structure and implementation of risk management as part of its independent audit activities.

Fourth line of defense:
Audit by the independent auditor
The risk management system is assessed with regard to the accounting process by the independent auditor within the scope of the audit of the annual financial statements.

[2] The disclosures in this section are so-called non-management report disclosures and have not been audited by the auditor.

Description of the main features of the ICS with regard to the accounting process in accordance with Section 315 (4) HGB

Definition and elements of the internal control and risk management system
The internal control system of BLG LOGISTICS with regard to the accounting process includes all principles, procedures and measures to ensure the appropriate and legally compliant recognition, measurement and presentation of business transactions in financial accounting and reporting as well as non-financial information within the scope of sustainability reporting. The objective is to avoid any material misstatements in accounting and external reporting. Since the internal control system is an integral component of risk management, they are presented combined.

The internal management and monitoring systems are components of the internal control system. The Board of Management of BLG LOGISTICS has assigned responsibility for the internal management system relating to the financial reporting process in particular to the Financial Services department.

The internal monitoring system comprises controls that are both integrated into and independent of the financial reporting process. The controls integrated into the process particularly include the dual control principle, the separation of functions between related departments (particularly creditor and treasury management) and IT-supported controls, as well as the involvement of internal departments such as Legal or Tax departments and of external experts.

Controls that are independent of the financial reporting process are carried out by the Internal Audit department, the Quality Management department and the Supervisory Board, in the latter case principally through its Audit Committee. In line with the Supervisory Board’s profile of skills and expertise, consideration has also been given to ensuring that its members have appropriate expertise in sustainability aspects that are material for BLG LOGISTICS. The Audit Committee concerns itself in particular with the financial accounting for the company and the Group, including reporting and supervising the auditing of the financial statements. The activities of the Audit Committee also focus on the risk situation, the further development of risk management and compliance issues. This also includes the effectiveness of the internal control system.

Audit activities that are independent of the financial reporting process are also performed by external auditing bodies such as the German public auditing firm or the external tax auditor.

Accounting-related risks
Accounting-related risks can arise, for example, through the conclusion of unusual or complex business dealings or the processing of non-routine transactions.

Potential risks also result from discretionary scope in the recognition and measurement of assets and liabilities, or from the effect of estimates on the annual financial statements, such as for provisions or contingent liabilities.

Financial accounting and reporting process and measures to ensure compliance with the applicable legal requirements
Business transactions are generally accounted for in the separate financial statements of the subsidiaries of BLG LOGISTICS using the standard software SAP R/3. The combined financial statements are prepared using the SAP consolidation module EC-CS. The separate financial statements of foreign subsidiaries and domestic subsidiaries not integrated into the SAP system are included on the basis of the standardized, Excel-based reporting packages audited by audit firms, which are transferred into the EC-CS consolidation system.

To ensure consistent recognition and measurement, BLG LOGISTICS has issued accounting guidelines for financial reporting in accordance with International Financial Reporting Standards (IFRSs). Impairment tests for the Group's cash-generating units are carried out centrally. This ensures that consistent and standardized measurement criteria are used. The same applies to the specification of the parameters to be used for the measurement of pension provisions and other provisions based on expert opinions.

When preparing the debt consolidation, internal balances are regularly reconciled in order to clarify and remedy any differences in good time. At Group level, in addition to a validation by the system of the data reported in the separate financial statements, the reporting packages in particular are subject to a plausibility check and adjusted if necessary.

In addition, disclosure management software is used for preparing the separate financial statements and the combined financial statements, which uses a uniform data pool and includes validations, history traceability and a clearly defined workflow. A high degree of automation significantly reduces the risk of error and increases efficiency.

Special software is used for tax accounting. Current and deferred taxes are calculated at the level of the individual subsidiaries and the recoverability of the deferred tax assets is tested.

Qualifying notes

The internal control and risk management system as well as the compliance management system, i.e. the set of all governance systems, ensure the compliance of the financial accounting and reporting process with legally required accounting principles and with the relevant legal requirements as well as the sustainability-related objectives. Discretionary decisions, erroneous controls or fraud may, however, limit the effectiveness of the internal control and risk management system and the compliance management system, so that the established systems cannot guarantee with absolute certainty that the risks will be identified and managed.

Effectiveness of the internal control system, risk management system and compliance management system[3]

With the integrated governance, risk and compliance approach, the Board of Management has created and implemented a management framework for BLG LOGISTICS, which aims to ensure appropriate and effective internal control and risk management. The measures implemented as part of this approach are similarly aimed at the effectiveness and appropriateness of internal control and risk management as well as compliance management and are explained in more detail in this report. In the context of anchoring the three lines of defense business model and the legal framework, independent reviews and audits simultaneously take place, in particular through audits carried out by the Internal Audit department, and their reporting to the Board of Management and Supervisory Board, and by the Supervisory Board's Audit Committee, as well as through other external audits.

Based on its review of the internal control and risk management system and compliance management system, as well as the reporting by the Internal Audit department, the Board of Management is not aware of any circumstances which contradict the appropriateness and effectiveness of these systems.

Opportunities

Our business model

As an international Group with three divisions and their business areas, BLG LOGISTICS is exposed to a wide range of trends in the various national and international markets. Based on the business development described in this report and the company's position, the current macroeconomic conditions present various potential opportunities. The effects of sustainable positive economic trends are of overriding importance here. The development of innovative solutions for our customers in the context of future-oriented research projects also has a high priority. For further information, please refer to the "Research and development" section.

We also want to make optimum use of opportunities in the various fields of activity that open up to us in future. The premise for this remains our network, and the innovative intermodal offering in the AUTOMOBILE Division. The established business models offer us sales and acquisition opportunities in the CONTRACT Division, combined with additional automation and digitalization activities in Germany and the rest of Europe. The individual business

[3] The disclosures in this section are so-called non-management report disclosures and have not been audited by the auditor.

areas benefit from a continuing growth market because our customers want to improve their own cost structures and make them more flexible through increased outsourcing.

For the CONTAINER Division, the completed adjustment of the Elbe fairway and the still outstanding deepening of the Outer Weser was and continues to be of great importance to secure and position the German seaports in the "North Range" so that ever larger container vessels can operate into and out of Hamburg and Bremerhaven with only minor restrictions. Following the implementation of the fairway adjustment measures in the Elbe, the nautical problems encountered by the growing number of ever-larger mega carriers had improved somewhat, especially at the Hamburg location. In the course of 2023, however, the second expansion phase of the deepening of the Elbe was canceled due to the discovery of extensive munitions. As things currently stand, it is not possible to foresee when the most recently imposed draft restrictions on the Elbe are likely to be lifted.

However, the CONTAINER Division can offer its customers an excellent alternative with Germany's only deep-water port, EUROGATE Container Terminal Wilhelmshaven, and its facilities for the handling of container ships with corresponding deep-water access. The investment and equity interest in the meantime acquired by Hapag Lloyd in this terminal marks another important step in the further development of this location.

Strategic opportunities

Low-threshold access for applications as an opportunity to attract additional skilled labor

In order to simplify the application process and make it more accessible for applicants, BLG LOGISTICS has introduced the option to submit applications using the popular messenger service WhatsApp. With the help of modern communication channels such as WhatsApp, BLG LOGISTICS is providing applicants with low-threshold access to the company.

In an initial test phase, first and foremost jobs for professional drivers or in the area of warehouse logistics are being assigned a QR code that can be used to apply via WhatsApp. Applicants can register their interest quickly and easily via text or voice message and even send CVs or references.

However, this convenience does not come at the expense of data protection. BLG LOGISTICS attaches great importance to protecting applicants' privacy, and has therefore carefully reviewed all data privacy aspects in advance. The service provider that provides the interface to WhatsApp is certified in accordance with ISO 27001 and works in compliance with the GDPR. The WhatsApp chats feed directly into the applicant management system via an interface.

BLG LOGISTICS as strong logistics architects

Today, our customers face massive challenges and opportunities. Advancing digitalization is opening up new possibilities in all areas of the value creation chain. At the same time, global competition demands ever-faster responses. To an increasing extent, logistics processes are also a factor in how competitive companies are.

As "logistics architects", the expert teams at BLG LOGISTICS specialize in designing, configuring, implementing and managing customized logistics centers, ranging from conventional to highly automated.

We have a large staff of in-house experts who draw on comprehensive experience from a wide range of projects and industries of various sizes. This cross-industry logistics know-how has already enabled us to develop outstanding and innovative concepts and large-scale logistics projects and we see this as a strong argument for our existing and new customers in the future.

Increase in vehicle imports

Last year saw an increase in import volumes from the Far East, particularly from China, at the BLG AutoTerminal in Bremerhaven. While this was still on a small scale, BLG LOGISTICS anticipates a significant rise in import volumes over the coming years. One of the main reasons for this is that Chinese manufacturers increasingly want to tap into the European market with electric cars and have in some cases put their own carriers into service. BLG AutoTerminal Bremerhaven is well positioned both for handling transshipments and providing technical services.

Additional space in Bremerhaven
BLG LOGISTICS has rented a prime site directly adjacent to BLG AutoTerminal Bremerhaven as of July 1, 2023. The site, known as the MWB Area, at Barkhausenstraße 60 has 60,000 square meters of open-air and indoor space plus two ship berths on a 600-meter stretch of quay.

With this investment, BLG LOGISTICS is responding to the increased demand in the handling of self-propelled units, break bulk cargo and project cargo and is boosting the high & heavy segment in the AUTOMOBILE Division. With a handling volume of some 1.2 million metric tons of high & heavy goods per year, the BLG AutoTerminal Bremerhaven is already one of the largest RoRo terminals of its kind in Europe. The expansion of the site generally increases the efficiency and resilience of all of BLG LOGISTICS' cargo handling segments.

An important aspect apart from the planned freeport status is the seamless connection to the 240-hectare site of the auto terminal, allowing direct access from the terminal to the MWB Area in the future. What's more, BLG is now able to deliver and collect high & heavy goods by truck to and from the MWB Area. Up to completion of the development – including projects such as energy-saving refurbishment of the buildings – BLG LOGISTICS will use the area as a back-up to ease the pressure on the core area of the auto terminal.

Our Mission Climate and sustainable logistics center
The topic of climate protection is right at the top of the agenda – in politics as well as in many companies. We are no exception. In the reporting year, the German government tightened its climate protection targets once again and set Germany the goal of net zero emissions by 2045. As a logistics company, we want to play our part – and at the same time support our customers in improving their own climate footprint.

We are on a shared mission to protect our climate. Our target is to make BLG LOGISTICS a climate-neutral company by 2030. We have had our absolute target (-30 percent CO_2e) across the company (Scopes 1+2) and -15 percent along the supply chain (Scope 3) assessed and certified by the independent Science Based Targets initiative (SBTi).

For example, BLG LOGISTICS is continuing to improve its carbon footprint by championing rail transport. BLG AutoRail can transport more than 200 cars per train, and operates in the German and Austrian rail network using green electricity every kilometer of the way.

At the Güterverkehrszentrum (GVZ) in Bremen, Germany's largest cargo distribution center, BLG LOGISTICS opened a new location for industrial logistics. From "C3 Bremen", BLG LOGISTICS provides sustainable and efficient supplies to the foreign assembly plants of a major car manufacturer.

"C3" stands for customer, climate and comfort. With intelligent intralogistics planning and efficient workflows, logistics processing is tailored to our customers' needs. The processes inside the new facility were designed in line with the lean management principle, supported by cutting-edge automation and digitalization systems. A holistic concept was developed to underscore the building's sustainability credentials. Among other things, a photovoltaic system was installed covering the entire roof. A solar thermal energy system feeds electricity into the heating and hot water system. The new project is not only a design highlight. The communal and outdoor spaces were developed with the wellbeing of people and nature in mind to make the working environment as pleasant as possible. The new building project places a strong focus on employees' health at the workplace.

"Damietta Alliance" develops and operates new container terminal in Damietta, Egypt
A new container terminal is being built in the port of Damietta/Egypt. For this purpose, a joint venture was founded to develop and operate the new "Terminal 2" in the port. The "Damietta Alliance Container Terminal S.A.E." joint venture consists of three core shareholders which are Hapag-Lloyd Damietta GmbH (39 percent), Eurogate Damietta GmbH (29.5 percent) and Contship Damietta Srl (29.5 percent). Two further partners will each hold 1 percent. The joint venture signed the final financing agreement on December 21, 2023.

The new Terminal 2 in the port of Damietta will have a total operational capacity of 3.3 million TEUs and will serve as Hapag-Lloyd's dedicated strategic transshipment hub in the Eastern Mediterranean.

With Terminal 2 scheduled to be operational in early 2025, a state-of-the-art terminal with sufficient capacity, high productivity and a dense feeder network will be available.

The joint venture has been granted the concession to operate the facility for 30 years. This gives EUROGATE, the joint venture partners and our respective customers a long-term perspective in the port of Damietta.

Opportunities and risks from new alliances
After A.P. Moeller-Maersk A/S (Maersk) and MSC Mediterranean Shipping Company S.A. (MSC) announced at the beginning of 2023 that they intend to terminate their previous cooperation via the "2M" Alliance at the end of January 2025, Maersk and Hapag-Lloyd Aktiengesellschaft (Hapag-Lloyd), Hamburg, announced in January 2024 that they had concluded an agreement on a new, long-term operational cooperation under the name "Gemini Cooperation."

The two shipping companies are each major customers at the various EUROGATE Group locations. It is not yet possible to anticipate exactly what changes this cooperation may mean in the future for liner services in the various trade lanes, and what impact this will have on the handling volumes at the respective container terminals. However, the EUROGATE Group is well positioned with regard to the joint ventures operated together with these shipping companies and their terminal operators APM Terminals and HL Terminals, the latter owned by Hapag-Lloyd, at the Bremerhaven, Wilhelmshaven, Tangier and, in future, Damietta locations

The future shipping schedules published by Maersk and Hapag-Lloyd for the Gemini Cooperation to date indicate that Bremerhaven and Wilhelmshaven, alongside Rotterdam, will play a significant role as hub ports for this alliance.

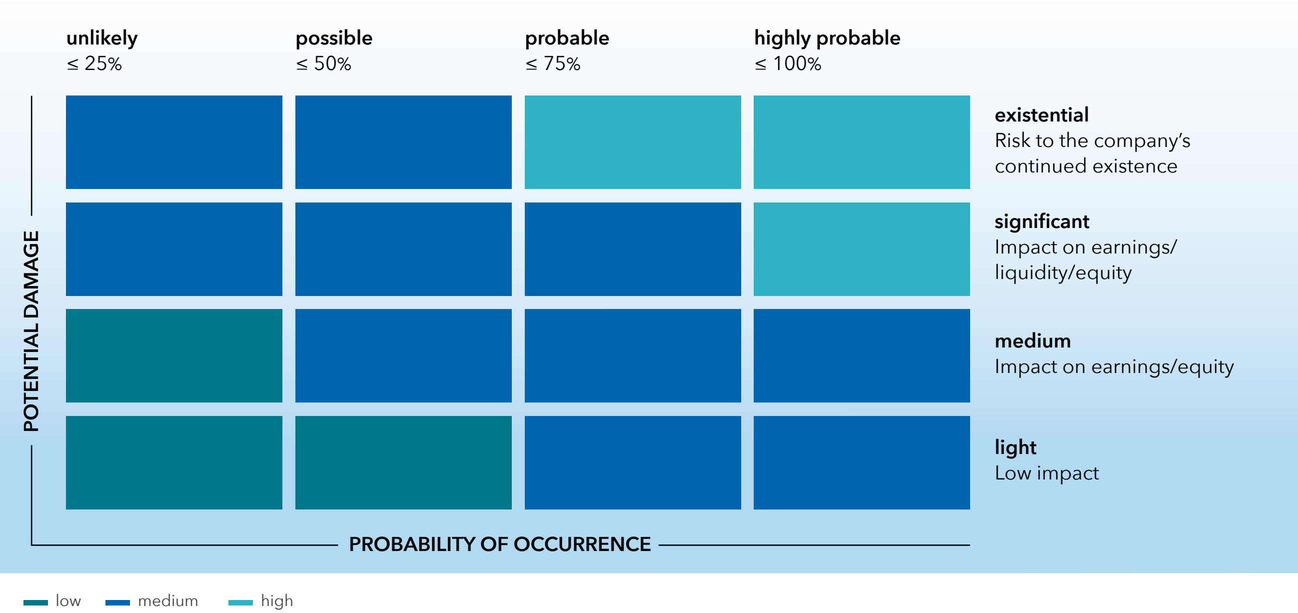
Risks

Risk categories and individual risks
From the risk types defined for BLG LOGISTICS, the material risks for BLG LOGISTICS by risk category are described in the following sections. In selecting materiality, risks are included that would have a noticeable effect on the company's financial position, financial performance and cash flows if they were to occur. Furthermore, in line with the principle of dual materiality, we draw on risk analyses to assess and manage the impacts of our business activities on people and the environment. We consider risks from the area of Environment, Social and Governance (ESG) to be an integral part of the risk categories presented below. In principle, the assessment and derivation of measures is made on the basis of scenarios, taking into account all known influencing factors from opportunities and risks.

An overview of material risks is presented in the table.

Risk	Potential damage	Probability of occurrence	Trend compared with previous year
Strategic risks	significant	unlikely	→
Market risks	existential	unlikely	↗
Political, legal and social risks	medium	possible	↗
Performance and infrastructure risks	significant	possible	↗
Financial risks	medium	possible	→

Risk matrix



Service and infrastructure risks

Risks from business relationships
In all operating divisions, close customer relationships and the sometimes demanding contractual periods and conditions, especially with some major customers, make it necessary to monitor changes in economic trends and the demand and product life cycles especially closely.

Infrastructure capacity and security
Fluctuations in volumes or supply gaps at our customers can lead to temporary capacity bottlenecks in individual cases. We have actively searched the market and have found additional third-party indoor and outdoor capacity. This will be leased for a fee, if required.

In contrast, when there is lower usage of our in-house capacity, no short-term alternative usage is normally generated. This results in a negative effect from fixed costs that is not covered by income. These risks are taken into account when drafting and calculating the contract.

Indoor and outdoor facilities and transport and handling equipment are regularly serviced and repaired at fixed intervals. This ensures that we can provide services on an ongoing basis.

Should the still outstanding measure to deepen the Outer Weser fail to materialize or be seriously delayed, this could have a highly adverse effect on the future development of transshipment at the Bremerhaven location.

Personnel risks

Demographic change and increasing automation are creating a shortage of qualified employees in many areas. Not being able to fill positions as and when needed or with the right qualifications following (unplanned/planned) fluctuation leads to a lack of productivity. At the same time, this puts additional strain on the workforce, possibly resulting in increased absenteeism, accidents and further fluctuation.

BLG LOGISTICS is taking targeted action to counteract the shortage of skilled workers with the aim to reduce the number of exits by providing timely feedback, employee qualification and recognition. At the same time, the company retains employees with the help of personnel development, good leadership and competitive remuneration. In 2023, the effectiveness of the recruitment process was strengthened by measures such as the “dedicated application process”, active sourcing and applications via WhatsApp.

The persistently high inflation rates and the shortage of skilled workers may result in higher demands on the employee side in future collective bargaining negotiations. We counter this to some extent by integrating price escalator clauses into the contracts with our customers.

Various large-scale projects put additional strain on the organization, which can lead to processing inaccuracies and non-adherence to schedules. We attempt to counter this, for example, by allocating resources accordingly and providing temporary support through interim management or consulting capacities.

Climate risk

The increasing frequency and intensity of acute extreme weather events (for example heatwaves, storms, flooding), combined with the longer-term chronic changes in the mean values and fluctuation ranges of various climate variables (e.g. temperature, precipitation, sea level) pose threats to our assets and business processes. We analyzed various natural hazard scenarios for our property, plant and equipment and the potential operating downtimes associated with them.

To transfer the risk of consequential losses, BLG LOGISTICS has taken out property damage and business interruption insurance. Individual theoretical risks such as a storm surge currently cannot be fully insured. We address such risks as far as possible as part of our business continuity management.

IT risks

The number of cyber incidents, such as IT outages, ransomware attacks or data breaches, remained high in 2023. The conflict in Ukraine and further geopolitical tensions increase the risk of a cyberattack by state-backed criminal groups. At the same time, the increasing shortage of skilled workers makes efforts to improve processes even more challenging.

As information security plays a central role in our business processes, this risk remains significant for BLG LOGISTICS. We have introduced various measures to avoid and mitigate risks and continuously review our processes and technologies.

Raising employees’ awareness of the importance of sensitive handling of all business-relevant information is something we take very seriously. We therefore conduct internal communication and training campaigns and ensure that appropriate technical support is in place to guarantee the confidentiality, integrity and availability of information at all times.

In 2023, the emergency processes were reviewed and a crisis team with appropriate decision-making powers was implemented to enable clearly defined processes to ensure a quick and efficient response in the event of a potential attack.

Together with the data protection officers, we make sure that personal data is processed exclusively in accordance with the regulations of the EU General Data Protection Regulation and the respective applicable local laws.

Financial risks

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.

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 by 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 a liability risk through the assumption of financial guarantees, which as of the reporting date was considered to be low risk.

At the reporting date, there were no further significant credit risk mitigation agreements or hedges.

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.

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 liquidity 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. The issue of sustainability is also becoming increasingly important in the capital market. The definition of sustainability targets as part of the overall strategy, as well as the implementation of the corresponding measures, are increasingly in the focus of 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.

We counter the financial risks arising from the dynamics of the current geopolitical situation with a regular forecast process, from which appropriate measures are derived where necessary.

Interest rate risk
In order to combat inflation, the European Central Bank raised its base rate, in turn increasing banks' refinancing costs, which they pass on to their customers. In addition, banks' increased requirements in terms of creditworthiness and sustainability could put further pressure on the interest margin.

As part of the interest rate strategy, interest rate hedges were concluded with banks for financing volumes of EUR 90 million. For each of the years 2019 to 2024, EUR 15 million in loans is fixed via swaps.

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 by agreeing forward interest rate swaps. Further information is presented in ▸note 32 / "Derivative financial instruments" section of the notes to the combined financial statements.

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

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

From today's perspective, the likelihood of the financial risks described above arising at BLG LOGISTICS is estimated to be low.

Further disclosures on the management of financial risks can be found in note 32.

Political, legal and social risks

Legal and political environment

The Russian invasion of Ukraine in February 2022 heightens the risk situation. On the one hand, concerns about our employees and about the security of business in Ukraine increased, and on the other hand we had to react in line with the sanctions policy against Russia. BLG LOGISTICS assesses the situation on an ongoing basis from a social and financial point of view in order to be able to take the necessary steps in a timely manner with respect to the equity investment in Ukraine.

Contract risks

Contract risks result from the fact that the maturities of contracts with customers sometimes do not match those relating to property leasing. Contracts with customers sometimes have shorter maturities than rental contracts on real estate.

Changes in the market environment can lead to deviations from the assumptions with regard to quantities and cost structure made in the price calculation. Any resulting deviations from projections are addressed within the scope of renegotiations.

Risk provisions have been recognized for risks from onerous contracts. The level of risk 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.

Change in the classification of e-vehicles

According to the current classification, fitted batteries are not considered dangerous goods. A change in classification would lead to severe operational restrictions for the AUTOMOBILE Division.

Following the reporting on an accident involving a ship, the Fremantle Highway, the industry has calmed down, meaning that the probability of occurrence for this risk can be classified as very low.

BLG LOGISTICS is monitoring current court decisions and the technical requirements for the handling, transportation and storage of finished vehicles.

Strategic risks

Risks from acquisitions and investments

In recent years, BLG LOGISTICS has grown through various acquisitions both in Germany and abroad. As part of process and quality management, a uniform M&A guideline on the procedure to be followed for all share purchases has been drawn up for this purpose. This draws on both in-house and external advisers, ensuring that all risks associated with an acquisition or investment are taken into consideration and assessed.

Despite this, in particular political, legal or economic risks associated with share purchases in other European countries cannot be ruled out.

Regular reporting to the Board of Management and the Supervisory Board and the regular meetings of these bodies ensure that the operating business is monitored and managed on an ongoing basis. This allows us to respond promptly to emerging risks with appropriate measures.

Market risks

Macroeconomic risks
In addition to the ongoing war in Ukraine, BLG LOGISTICS' risk situation in 2023 was also affected by other global conflicts. For example, an escalation of the China-Taiwan conflict would lead to a political chain reaction and have enormous consequences for the German automotive industry. The Chinese sales market and parts of the production centers would collapse and, more importantly, it would not be possible to utilize the important semiconductors and technology from Taiwan. A slump in volumes and disruptions to supply chains would lead to a significant decline in earnings in the AUTOMOBILE Division. Due to an ultimatum from the Chinese, it is assumed that the conflict will not escalate until 2027. In the meantime, as part of a "derisking" strategy, the industry is striving to become independent in terms of the supply of parts.

By further expanding segments such as high & heavy and used vehicles, BLG LOGISTICS is continuing to drive diversification. At the same time, it was agreed with our customers that the division would reduce its dependency on the volume of vehicles transshipped and instead generate more revenue from the provision of capacities.

Due to the conflict in the Middle East, ships are being diverted from Asia to Europe via Africa, resulting in longer shipping times. If the conflict continues for an extended period of time, customers will adjust their logistics planning, which could lead to a redistribution of shipping lanes. This would in turn result in changed frequencies, weaker productivity and lower volumes at AutoTerminal Bremerhaven and across the network.

BLG LOGISTICS is also counteracting this by adjusting the planning and management of customer volumes.

Dependency on the economic cycle and macroeconomic risks
As a logistics service provider with a global focus, BLG LOGISTICS is highly dependent on production and the associated flow of goods in the global economy. The dependency on both the manufacturing industry and on consumer behavior can be viewed as the largest risk. In addition to the impact and constraints resulting from the war in Ukraine and the coronavirus pandemic, other influencing factors on our business in this area are high energy and raw material costs, persistent foreign trade imbalances and the escalation of political conflicts. Changes to legislation and in taxes or duties in individual countries may also have a major impact on international trade and result in considerable risks for BLG LOGISTICS.

Change in the OEMs' distribution model
Car manufacturers want to switch from distribution via car dealerships to direct or platform trading. This would also eliminate storage capacity at dealerships for both the primary and secondary markets. We have already received initial inquiries for the construction of additional car parks.

BLG LOGISTICS is examining possibilities for creating additional storage capacities and potential investments in new car parks.

The main market for BLG LOGISTICS is Western Europe. Due to the opening up of Western Europe to the East, increasing volumes of Eastern European transport capacities are accessing our main market, leading to sustained tough competition and price pressure.

There is also a dependency on the volume of exports of the automotive industry in Europe to overseas. In this context, the markets of China, the US, Japan and Korea are of special significance. This dependency can be reduced by increasing the import quota in the coming years.

Employment in car parts logistics continues to lead to a dependency on German original equipment manufacturers (OEMs). To limit such dependencies, we actively manage the OEM share of our revenue in the overall customer portfolio.

Threat to market position and competitive advantages
The contractually agreed prices for seaport transshipment in the AUTOMOBILE Division, coupled with the persistently strong competition with other ports, represent continuous challenges for us. Due to the increasing shareholdings of shipping companies in other seaport terminals, internal optimization measures taken by shipping companies may result in shifts in volumes at the expense of the Bremerhaven seaport terminal. As a consequence of the war between Russia and Ukraine, certain volumes are likely to continue to be lost for these regions. By optimizing planning and control tools, we are constantly working to better anticipate fluctuations in capacity utilization.

For break bulk cargo business and project logistics, the principal risks lie in high competition and price pressure.

In the CONTRACT Division, the main risks are rapid replaceability and substitutability as a service provider in connection with standardized as opposed to custom services. The business areas are heavily dependent on major customers. The logistics services they perform are, as a rule, personnel-intensive. In addition, customers are applying significant price pressure. We are meeting these challenges with comprehensive customized solutions and optimizations, longer contract periods and continuous expansion and further diversification of our customer base.

In addition to the macroeconomic trends, the CONTAINER Division is also exposed to other factors and risks associated with future transshipment and transport demand and corresponding handling volumes of our container terminals. As in the previous years, these include

- commissioning additional terminal handling capacities in the North Range and in the Baltic region,
- commissioning additional large container vessels and the related operational challenges in transshipment handling,
- changes in the market, network and processes resulting from changes in the structure of the shipping company consortia,
- mergers and the formation of joint ventures, as well as
- price structures in the market.

Added to this is the increasing shift to vertical integration among shipping lines along the entire logistics chain.

Because the container terminals still have capacity reserves, at least in the medium term, the remaining consortia/shipping companies gain market power as a result of consolidation. This also puts pressure on revenue and intensifies the need to identify and implement further cost reductions and efficiency improvements at the container terminals as well as standardization and automation measures.

If the CONTAINER Division falls short of the planned cost savings as well as the productivity and efficiency-enhancing targets set out in the transformation program, this would seriously jeopardize the competitiveness and future viability of the EUROGATE Group.

The Hamburg location is likely to be impacted by the major investment project announced in September 2023 by Mediterranean Shipping Company S.A. (MSC), Geneva, to acquire an equity interest in Hamburger Hafen und Logistik AG (HHLA). MSC is a long-standing major customer of EUROGATE Container Terminal Hamburg. After closing the transaction, which is subject to antitrust and other legal approvals, MSC is expected to transfer its existing services from EUROGATE to HHLA’s Hamburg terminals, which entails a substantial risk in relation to these handling volumes.

While this relocation is not expected to take effect much before the end of 2024, we are currently in intensive talks with existing customers with the aim of increasing their throughput volumes, allowing us to at least compensate for the anticipated loss of the customer MSC through new services or additional volumes.

Other risks

No other identifiable risks currently exist that could have a long-term negative influence on the company’s development. There are currently no potential risks to the company’s continued existence as a going concern, such as excessive indebtedness, insolvency or other risks that could significantly impact on the company’s financial position, financial performance and cash flows.

Assessment of the overall risk situation

The tense geopolitical situation continues to harbor risk potential for the BLG Group in 2024. The rerouting of shipping lanes is already having an initial impact.

Geopolitical tensions threaten to further impair trade, for example through import restrictions on goods. Consequently, we see growing volume risks in our customer business going forward. We are also expected the structural change in the automotive industry to gather momentum.

The tightening of monetary policy (interest rate hikes) and more stringent credit standards are affecting more and more sectors of the economy and placing an increasing burden on German companies.

Given the tense situation, the risk of a cyberattack remains significant. We are seeing an increasing focus on sustainability issues in the areas of environment, social and governance, which present both opportunities and risks for the BLG Group. These issues can have an impact on the overall risk situation, for example in financing, human resources policy, regulation and procurement. Medium-term climate change adaptation and the increase in natural disasters call for special risk management for climate risks and the drafting of emergency plans.

On the back of demographic change and exacerbated by the COVID-19 pandemic, we are also seeing a growing shortage of qualified employees. The skills shortage represents a particular risk in areas such as IT, making employee retention and recruitment measures an increased focus of attention.

Our transparent and systematic risk management with its structured processes contributes to efficient management of overall risks in the Group.

From today's perspective and supported by the outcome of a risk-bearing capacity analysis at Group level, there are currently no risks that pose a threat to the continued existence of the company. Based on our medium-term planning and the uncertain geopolitical situation and taking the measures already initiated into account, there are currently no indications of any strategic or operational risks to future development that jeopardize the continued existence of the company as a going concern.

Management and Oversight

Corporate governance statement

BLG AG has published the corporate governance statement on the company website. It is accessible at ➚ www.blg-logistics.com/ir in the Download area and includes the declaration of compliance pursuant to Section 161 of the German Stock Corporation Act (AktG), the disclosures on corporate governance, as well as the procedures of the Board of Management and the Supervisory Board.

Takeover-related disclosures in accordance with Section 315a (1) HGB

Composition of the subscribed capital, voting rights and transfer of shares of BLG AG

The subscribed capital amounts to EUR 9,984,000.00 and is divided into 3,840,000 no-par value 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.

Each share is accorded one vote. The Board of Management of BLG AG is not aware of any restrictions or agreements between shareholders affecting voting rights. There is no maximum limit for a shareholder's voting rights and there are no special voting rights. In particular there are no shares with special rights that confer controlling powers. This means the principle of "one share, one vote" is implemented in full.

The shareholders exercise their co-administration and control rights at the Annual General Meeting. Section 19 of the Articles of Incorporation stipulates what requirements have to be met in order to participate in the Annual General Meeting as a shareholder and exercise voting rights. Only persons who are entered in the share register are regarded as shareholders of the company.

Every shareholder entered in the share register has the right to attend the Annual General Meeting, take the floor there regarding the respective items on the agenda and request information on company matters to the extent that this is necessary for proper evaluation of an item on the agenda. The Annual General Meeting passes resolutions primarily on formal approval of the Board of Management and Supervisory Board, appropriation of net retained profits, capital measures, authorization for stock buybacks, and amendments to the Articles of Incorporation.

Shares in capital that exceed 10 percent of the voting rights

Shareholders whose share in the share capital exceeds 10 percent are the Free Hanseatic City of Bremen (municipality) (50.4 percent), Panta Re AG, Bremen, (12.6 percent) and Finanzholding der Sparkasse in Bremen, Bremen (12.6 percent).

System of control of any employee share scheme where the control rights are not exercised directly by the employees

BLG AG has not introduced any employee share schemes. To the extent that employees hold shares, they are not subject to any system of voting rights control. These shares represent insignificant portions of the company capital.

Appointment and dismissal of Board of Management members and amendment of the Articles of Incorporation

The relevant legal provisions for appointment and dismissal of members of the Board of Management are Sections 84 and 85 of the German Stock Corporation Act (AktG) and Sections 31 and 33 of the German Codetermination Act (MitbestG). Sections 119, 133 and 179 AktG as well as Section 15 of the Articles of

Incorporation apply to amendments to the Articles of Incorporation.

Powers of the Board of Management to issue or buy back shares

The Board of Management is currently not authorized by the Annual General Meeting to issue or buy back shares.

Significant agreements subject to the condition of a change of control following a takeover bid and compensation agreements made by the company with members of the Board of Management or employees for the event of a takeover bid

Agreements on the part of the company subject to the condition of a change of control following a takeover bid have not been made.

No compensation agreements were made by the company with members of the Board of Management or employees for the event of a takeover bid.

Remuneration report and remuneration system

The applicable remuneration system of the Board of Management pursuant to Section 87a (1) and (2) sentence 1 of the German Stock Corporation Act (AktG), which was approved by the Annual General Meeting (latterly on June 7, 2023), and the system for the remuneration of the members of the Supervisory Board (Section 113 (3) AktG), which was also approved by the Annual General Meeting, are publicly available at ↗*www.blg-logistics.com/ir* (under Corporate Governance). The remuneration report 2023, including the auditor's report pursuant to Section 162 AktG, is made publicly available in the Download area at the same Internet address.

Outlook

Future direction of the Group

Retention of the business model
A fundamental change in our business model is not currently planned. One strategic priority will be the further expansion of the AUTOMOBILE and CONTRACT Divisions. Our goal is to be profitable in all business areas and to continue to grow. We intend to grow our shares in existing markets, open up new markets and win new customers by continuing our acquisition activities, developing collaborations in a targeted manner and establishing strategic partnerships. We will also extend our value chains in the business areas. Moreover, we will seek to improve productivity in all areas, also in the current multiple crisis environment, through consistent process and quality management, the use of opportunities arising from digitalization and automation, and strict cost management.

Expected macroeconomic conditions

Muted global economic growth
The World Bank in Washington forecasts a continued slowdown for the third consecutive year in 2024, attributing this to high interest rates, persistent global crises, and subdued investment levels. The latest projection indicates a decrease in global economic growth to 2.4 percent in 2024, down from 2.6 percent the previous year, marking the weakest expansion since the 1990s. The outlook is concerning, with the World Bank deeming it a "sad milestone." Compounding these challenges are the conflict in the Middle East and the ongoing war in Ukraine, which have the potential to exacerbate the situation. In industrialized nations, the goal is to sustain competitiveness without overburdening low-income households.

Economic climate in Europe
The European Central Bank (ECB) has repeatedly increased interest rates since July 2022. Consequently, there was a marked rise in financing costs throughout 2023. It is highly probable that this will adversely affect consumer behavior and corporate investment activities.

Moreover, the German government has reduced its growth projection, now anticipating only a 0.2 percent increase in gross domestic product (GDP) for the current year, 2024. The German Council of Economic Experts ("Wirtschaftsweise"), which advises the German government, is forecasting growth of 0.7 percent. It employs its own calculation model, which already factors in reduced government spending.

According to the Deutsche Bundesbank's February monthly report, uncertainty persists concerning transformation and climate policy. Moreover, the impact of various strikes, especially in rail and air transport, on production cannot be discounted. While order backlogs in industry and construction still exist, they are slowly diminishing. Consequently, economic output might experience a slight downturn once more in the first quarter of 2024. Currently, there are no indications of a significant deterioration in the labor market due to the sluggish economy.

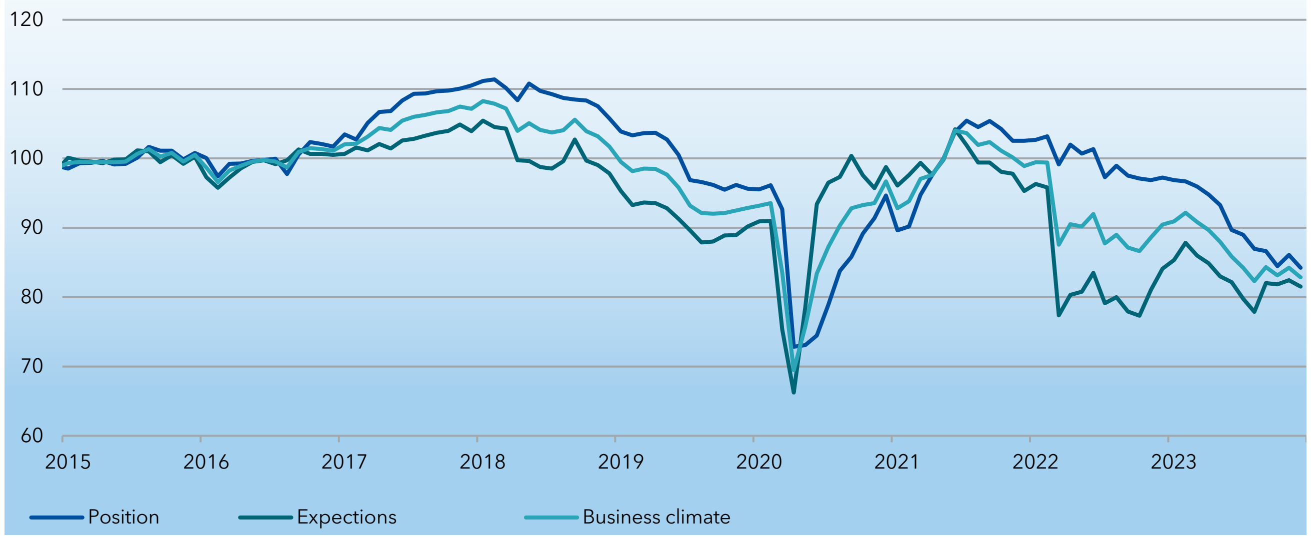
The German Bundesbank anticipates that the inflation rate will continue to fall in the upcoming months. This expected decline is partly attributable to baseline effects in energy and local public transportation. The main factor behind the reduction in the inflation rate is expected to be the slowing price dynamics for food and industrial goods. Inflation-related cost increases in a highly competitive market can create substantial price pressures for businesses. Moreover, this pressure is expected to diminish more gradually in the service sector over the coming months, partly because of persistent robust wage growth.

Concerning the conflict in the Red Sea and the Suez Canal, it is believed that this will have only minimal impact on global production. Given the adequate global shipping capacity, the current supply bottlenecks observed in Germany due to the escalation in the Red Sea are expected to diminish swiftly once firms adapt their procurement and production strategies.

Additional uncertainties for the financial year 2024 include the persistent war in Ukraine, the Middle East conflict, tensions between Taiwan and China, and the presidential elections in the United States.

Sources for this section:
Deutsche Bundesbank, Monthly Report, January + February 2024
IMK, IMK Report No. 186, December 2023
IMK, IMK Report No. 187, January 2024
Tageschau.de 12/13/2023, 11:06 a.m.
"IW-Ökonomen erwarten weiteres Rezessionsjahr"
Handelsblatt.de 01/09//2024, 4:24 p.m.
"Weltbank erwartet verlangsamtes Wachstum der globalen Wirtschaft"

Business climate logistics sector
Source: Bundesvereinigung Logistik e.V.; 2015 = 100 = normal level

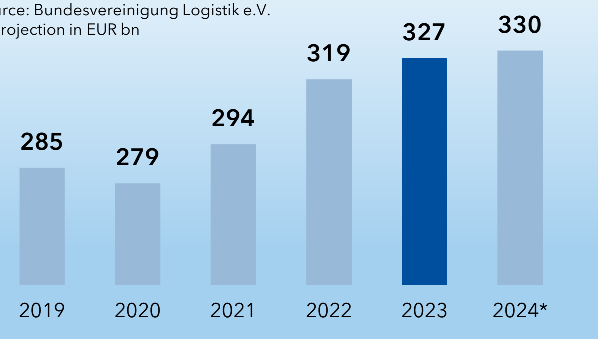


Logistics sector again faces challenging year
At the close of 2023, the business climate in Germany's logistics sector saw a marginal improvement. As part of its economic assessments, the ifo Institute conducts monthly surveys on behalf of the German Logistics Association (BVL) to gauge the Logistics Indicator. This index experienced an uptick in the fourth quarter, spurred by improved expectations.

However, when juxtaposed with the third quarter, the business climate was once more perceived in a negative light. Despite a modest uplift in business expectations, service companies are maintaining a cautious stance regarding the forthcoming months.

Additionally, January 2024 witnessed the third consecutive rise in the SCI Logistics Barometer's indicator value. The positive trend is bolstered by a balanced seasonal business climate and significantly brighter expectations for the coming quarter. However, the SCI Logistics Barometer indicates that despite these favorable trends, the industry remains constrained by high cost pressures. Surveyed transport and logistics companies did not expect costs to fall going forward. Rising toll charges and escalating wage expenses are expected to lead to further cost increases in the subsequent three months.

Revenue development in the German logistics industry
Source: Bundesvereinigung Logistik e.V.
*=Projection in EUR bn



The uncertainty in the logistics sector, prevalent throughout 2023, has also led to a diminished inclination to invest. The SCI Logistics Barometer indicates that only a small majority of entrepreneurs surveyed at the start of the year were planning investments for the current year.

Stock levels remained high, comparable to the previous quarter. An increased number of companies reported restrictive human resources planning, and some were considering price reductions.

Sources for this section:
BVL Logistics Indicator, 4th Quarter 2023, including commentary
SCI Verkehr, SCI Logistics Barometer, December 2023 and January 2024

Development of BLG LOGISTICS in the following year

AUTOMOBILE Division

German car manufacturers are currently seeing a decrease in new vehicle orders within Germany and Western Europe. Nevertheless, BLG LOGISTICS anticipates that production at European automotive plants will not diminish as a result, but that instead a higher export volume will be recorded. Moreover, from 2024 onwards, a consistent rise in import volumes is projected, especially for electric cars originating from China.

In the seaport terminals business area, vehicle handling volumes at the seaport terminals are forecast to rise in 2024 compared to the 2023 financial year. BLG AutoTerminal Bremerhaven expects an increased share of imports, notably from the Far East. However, an increase in volumes is also projected for the export sector.

The high & heavy segment reported a global economic cooling for 2023, especially within the construction industry, suggesting only a modestly positive trend for the following year. Owing to the predicted economic rebound in 2024, we expect a substantial rise in volumes in the subsequent years.

The BLG AutoTerminal in Cuxhaven is projecting a higher handling volume in 2024 compared to the previous financial year. In 2023, a new venture for underbody protection was successfully launched with a key customer for exports to Scandinavia and secured with a long-term agreement.

Whether the successful market trend in the inland terminals business area seen in the 2023 financial year continues, hinges on multiple factors. The materials shortage at European car manufacturers' production plants in 2023 led to a rise in the storage of incomplete vehicles. This, in turn, was linked to an increase in technical value-added services for completing these vehicles at the terminals. For 2024, the expectation is that car manufacturers will cease the outsourcing of incomplete vehicles. Moreover, the standardization of operational processes at the domestic terminals is anticipated to enhance productivity in technical services. The anticipated positive impacts of increased productivity are likely to be tempered by a forecast decrease in handling volumes relative to the latter half of 2023.

The volume of road transport within the AutoTransport business area is predicted to stay consistent with the previous year's figures. The projected decline in deliveries to dealers is expected be offset by rising transport volumes for exports at the seaports.

As in the previous year, the restrictions on providing adequate rail capacity are set to persist throughout the financial year 2024. This will lead to higher demand for truck transport as an alternative to rail, which may, in turn, exacerbate the shortage of subcontractors and third-party companies. The company will maintain a constant number of trucks in its own fleet.

Demand for vehicle transport capacity in the rail business area is expected to remain high. However, there will continue to be restrictions in 2024 as a result of the persistently high shortage of locomotive drivers, a large number of construction sites in the Europe-wide track network and the prioritization of other goods on the railroads. Nevertheless, we are predicting that unplanned production stoppages by manufacturers will decrease appreciably in 2024 and BLG LOGISTICS' transport volumes will grow. Export volumes at the seaports are also expected to increase in 2024. At BLG RailTec, we want to further expand the repair business for third parties, above all in the area of mobile maintenance.

In the Southern/Eastern Europe business area, there will be an increased focus on expanding transportation using our own fleet of vehicles. The transport operations of the joint venture in Ukraine will be maintained to the greatest extent possible. For 2024, the business area is anticipating a considerable increase in revenue compared to 2023.

CONTRACT Division

The outlook for the CONTRACT Division remains challenging in the 2024 financial year. It is anticipated that the ongoing poor consumer sentiment will further impact the domestic economy. The purchasing power of private households is expected to be undermined by persistent high inflation, elevated base rates, and steep consumer prices, especially for high-value items. Private consumption is not anticipated to offer any positive stimulus for the economy. While energy costs have fallen, they remain at a high level. Additionally, no radical improvement in overall economic output is foreseen for 2024.

Elevated collective wage agreements heighten the likelihood of a wage-price spiral. On the back of these pivotal economic indicators, customers are generally more cautious, which is reflected in particular in the reduced volumes contracted by our customers.

Notwithstanding the obstacles, predominantly favorable results are projected in the regions and sites of the division for the financial year 2024.

Within the consumer & fashion market segment, we anticipate that negative variances in certain businesses will be balanced by positive trends in others.

The mobility segment is currently facing a challenging environment. The automotive sector is undergoing a transition toward electromobility, which is poised to significantly influence the market. This shift impacts both car manufacturers and their suppliers alike. Specifically, this manifests as reduced volume projections from customers in this industry. These challenging conditions are also likely to impact our largest industrial logistics site in Bremen in 2024. We attempt to mitigate the effects by implementing countermeasures designed to reduce costs and enhance processes. Individual contracts with existing customers in the North region will be routinely retendered in 2024.

The industrial & energy segment is experiencing a positive revenue trend thanks to price renegotiations, new business and, occasionally, increased volumes.

BLG Cargo Logistics at Neustädter Hafen in Bremen has seen a recent rise in earnings from the increased handling of sawn timber and steel. However, this has not offset the loss of job security and the costs associated with significant repairs and acquisitions. Consequently, investments planned for 2024 will prioritize digitalization and the enhancement of process efficiency and space utilization.

CONTAINER Division
Because the container terminals, at least in the medium term, still have capacity reserves, the trend toward consolidation is strengthening the market power of the remaining consortia/shipping companies and at the same time increasing the pressure on earnings. This intensifies the need to identify and implement sustainable cost reductions and efficiency improvements at the container terminals. This is reflected in the implementation of the transformation process.

Based on the planning carried out in autumn 2023, a stable handling volume was initially forecast for EUROGATE Container Terminal Hamburg for 2024. However, the handling volume already took a downward turn in November and December 2023, a trend that continued in the early months of 2024. How handling volumes ultimately develop in 2024 will depend to a large extent on the timing and transfer process of Mediterranean Shipping Company S.A. (MSC) services to the Hamburg terminals of Hamburger Hafen und Logistik AG (HHLA) once the transaction for MSC to acquire an equity interest in HHLA has been completed. We are currently assuming that the relocation will take place in the fourth quarter of 2024 at the earliest and will not yet have a significant impact on the company's handling volume in 2024.

For the Bremerhaven site, a rise in handling volumes in 2024 is currently expected. This outlook is largely based on the assumptions of the partners and customers of our local joint ventures.

Wilhelmshaven continues to have very good chances of acquiring further liner services given that most of the leading container shipping companies will commission additional ultra-large container vessels with a capacity in excess of 24,000 TEUs in the next few years. Achieving reasonable capacity utilization of the EUROGATE Container Terminal in Wilhelmshaven continues to have high priority. The acquisition of a shareholding by partner and customer Hapag-Lloyd AG has in light of the trend towards ever-larger container ships substantially improved the growth prospects for Wilhelmshaven deep-water port in the coming years. In January 2024, Wilhelmshaven already acquired a new transatlantic service.

The prospects of acquiring additional liner services in the next few years are also good. Aside from this, there are plans to convert a first section of shore-side operations to an automated system in the medium term.

For the individual companies in the EUROGATE Group, the 2024 financial year will continue to be dominated by the transformation and the further implementation of cost-saving and organizational measures designed to increase efficiency and productivity.

Given the macroeconomic conditions affecting the subsidiaries and equity investments described above, together with the exceptional factors from the reversal of provisions recognized in the previous year's result, the CONTAINER Division is expected to report a significant decline in earnings for 2024, albeit still in positive territory.

The EUROGATE Group's overall profit situation is strongly influenced by the earnings of the container terminals and here by handling volumes and throughput rates as well as cost structures as the key influencing parameters. One important criterion in this context is that the sustainable implementation of restructuring measures leads to corresponding further earnings improvements in the 2024 financial year.

In addition, the container terminals may face significant changes in the customer and shipment structure, the specific impacts and results of which are currently very difficult to predict. This also applies to the repercussions of the current disruptions to shipping in the Red Sea.

Planned capital expenditure
We adjust our investment plans to the constantly changing market conditions, paying particular attention to our liquidity and results of operations. Furthermore, BLG LOGISTICS also evaluates investment projects taking sustainability aspects into account, for example when developing new locations. Significant expansion, process optimization and replacement investments are planned in the coming year in the AUTOMOBILE Division, for example for the continuous replacement of older trucks and the buyback of car wagons from leasing in the car transport and rail business area. In the seaport and inland terminals business areas, capital expenditure mainly relates to various measures to expand and modernize spaces and buildings and the upgrading of handling equipment. In addition, investments will be made to optimize the division's IT network. In the CONTRACT Division, capital expenditure relates to the development and expansion of new logistics centers and the expansion

of existing business. Another focus is the replacement of technical plant and machinery. An investment volume of around EUR 160 million is planned for the necessary expansion and replacement investments and for the investments in process optimization (excluding the CONTAINER Division). This capital expenditure will be mainly financed through borrowing.

EUR thousand	**Actual 2023**	Forecast 2024
EBT	36,095	significant decline; positive result
EBIT	46,192	significant decline similar to EBT
Revenue	1,210,035	slight improvement
EBT margin (in percent)	3.0	significant decline similar to EBT
RoCE (in percent)	4.2	significant decline similar to EBT/EBIT

Overall statement on the expected development of the Group

Expected changes for 2024

EBT and EBIT	Revenue	EBT margin and RoCE
significant decline	slight improvement	significant decline

Personnel costs are expected to face significant pressure in 2024. Despite currently falling inflation rates, there is a surge in wage demands across all sectors in Germany. This poses a considerable challenge for devising a responsible collective wage policy, particularly given the decreasing order volumes in various business areas of BLG LOGISTICS.

At the time of preparing this report, the war between Russia and Ukraine is still ongoing. Renewed conflicts in the Middle East and the Red Sea may cause further disruptions in supply chains and shipping companies' schedules due to necessary ship detours. Additional uncertainties stem from ongoing consumer hesitancy, sustained high interest rates and the forthcoming presidential election in the United States.

We are aware that the economic uncertainties will not lessen in 2024, and are preparing accordingly.

In this uncertain environment, based on the forecast outlined above, we currently expect revenue (excluding the CONTAINER Division) for the BLG Group to improve slightly over the previous year. Overall, we anticipate a significant decline in earnings (EBT), mainly on the back of substantially lower investment income from the CONTAINER Division, in the 2024 financial year – although nevertheless still in clearly positive territory. EBIT and RoCE and the EBT margin will develop accordingly. Against the backdrop of the multiple crisis situation described above, this forecast is subject to a high degree of uncertainty.

We pursue the goal of an earnings-related and consistent dividend policy. Therefore, depending on business performance, we will continue to allow our shareholders to participate appropriately in earnings.

This annual report was prepared on the basis of German Accounting Standard 20 (DRS 20), as amended. Apart from historical financial information, it contains statements on the future development of the business and the business performance of BLG LOGISTICS which are based on estimates, forecasts and expectations, and can be identified by wording such as "assume", "expect" or similar terms. These statements may, of course, vary from actual future events or developments. We are not under any obligation to update these forward-looking statements with new information.

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

EUR thousand	Note	I. Included capital of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-			II. Included capital of BLG LOGISTICS GROUP AG & Co. KG							III. Non-controlling interests	
		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

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**					**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	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					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	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.

	Residual maturities			
12/31/2023 **EUR thousand**	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**

	Residual maturities			
12/31/2022 **EUR thousand**	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:

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).

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 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: Recognized in P&L	Changes: Recognized in equity	12/31/2023
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: Recognized in P&L	Changes: Recognized in equity	12/31/2023
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.

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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

Further Information

The Supervisory Board and its Mandates

Details of membership on committees are shown in the Corporate governance statement (*www.blg-logistics.com/ir* in the Download area).

Name	Town	Function/profession	Mandates in governing bodies[1]
Dr. Klaus Meier	Bremen	**Chairman**	Deutsche Windtechnik AG, Bremen, Chairman of the Supervisory Board
appointed from 05/31/2012		Managing Partner of Überseeinsel GmbH, Bremen	EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen
		Lawyer	
Christine Behle	Berlin	**Vice Chairwoman**	Deutsche Lufthansa AG, Cologne, Vice Chairwoman of the Supervisory Board
appointed from 05/23/2013		Vice Chairwoman of ver.di	
		Vereinte Dienstleistungsgewerkschaft, Berlin	
		Head of the Public and Private Services,	
		Social Insurance and Traffic department	
Sonja Berndt	Ritterhude	Vice Chairwoman of the Works Council and the Group Works Council of	No membership in other bodies
appointed from 05/24/2018		BLG LOGISTICS GROUP AG & Co. KG, Bremen	
Björn Fecker	Bremen	Mayor and Senator for Finance of the Free Hanseatic City of Bremen	EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen
appointed from 11/27/2023			
Ralf Finke	Bremen	Chairman of the Works Council, the General Works Council and the Group Works	No membership in other bodies
appointed from 06/07/2023		Council of BLG LOGISTICS GROUP AG & Co. KG, Bremen	
Melf Grantz	Bremerhaven	Mayor of the city of Bremerhaven, Bremerhaven	No membership in other bodies
appointed from 03/01/2011			
Peter Hoffmeyer	Bremen	Chairman of the Supervisory Board of Panta Re AG, Bremen	Panta Re AG, Bremen, Chairman
appointed from 06/07/2023			Nehlsen AG, Bremen, Chairman
			elko AG, Bremen, Chairman
Olof Jürgensen	Rosengarten	Chairman of the Works Council of	No membership in other bodies
appointed from 06/07/2023		EUROGATE Container Terminal Hamburg GmbH, Hamburg	

Name	Town	Function/profession	Mandates in governing bodies[1]
Tim Kaemena	Bremen	HR Director at BLG Handelslogistik GmbH & Co. KG, Bremen	No membership in other bodies
appointed from 09/08/2022			
Wybcke Meier	Hamburg	CEO of TUI Cruises GmbH, Hamburg	No membership in other bodies
appointed from 05/24/2018			
Dr. Tim Nesemann	Bremen	Chairman of the Board of Management of Finanzholding der Sparkasse in Bremen	Deutsche Factoring Bank GmbH & Co. KG, Bremen
appointed from 04/01/2011		Chairman of Die Sparkasse Bremen AG, Bremen	GEWOBA Aktiengesellschaft Wohnen und Bauen, Bremen
Hasan Özer	Bremerhaven	Chairman of the Works Council of	EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen
appointed from 06/07/2023		EUROGATE Container Terminal Bremerhaven GmbH, Bremerhaven	EUROGATE Container Terminal Bremerhaven GmbH, Bremerhaven
		Vice Chairman of the Works Council of	Gesamthafenbetrieb im Lande Bremen GmbH, Bremen
		EUROGATE GmbH & Co. KGaA, KG, Bremen	
Thorsten Ruppert	Geestland	Chairman of the Works Council of	No membership in other bodies
appointed from 06/07/2023		BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven	
Kristina Vogt	Bremen	Senator for Economic Affairs, Ports and Transformation of the Free Hanseatic City of Bremen	WFB Wirtschaftsförderung Bremen GmbH, Bremen
appointed from 11/27/2023			Bremer Weser-Stadion GmbH, Bremen
			bremenports GmbH & Co. KG, Bremen/Bremerhaven
			swb AG, Bremen
Dr. Patrick Wendisch	Bremen	Managing Partner of Lampe & Schwartze KG, Bremen	OAS Aktiengesellschaft, Bremen
appointed from 06/05/2008			
Ralph Werner	Berlin	Trade Union Secretary of ver.di Vereinte Dienstleistungsgewerkschaft, Berlin	No membership in other bodies
appointed from 06/07/2023		Department B: Public and Private Services, Social Security and Transport	

Name	Town	Function/profession	Mandates in governing bodies[1]
Members of the Supervisory Board who retired in the 2023 reporting year:			
Heiner Dettmer	Bremen	Managing Partner of Dettmer Group KG, Bremen	
appointed until 06/07/2023			
Fabian Goiny	Geestland	Car Transshipment Supervisor	
appointed until 06/07/2023		BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven	
		Member of the Works Council of	
		BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven	
Beate Pernak	Bremen	Payroll accounting assistant at	
appointed until 06/07/2023		BLG LOGISTICS GROUP AG & Co. KG, Bremen	
		Member of the Works Council of BLG LOGISTICS GROUP AG & Co. KG, Bremen	
Martin Peter	Hanover	ver.di Landesbezirk Niedersachsen-Bremen	
appointed until 06/07/2023		Regional Group Director Department B: Public and	
		Private Services, Social Security and Transport	
Jörn Schepull	Bremerhaven	Vice Chairman of the Works Council of EUROGATE Container Terminal	
appointed until 06/07/2023		Bremerhaven GmbH, Bremerhaven	
Dr. Claudia Schilling	Bremerhaven	Senator for Labor, Social Affairs, Youth and Integration as well as	
appointed until 11/15/2023		Senator for Justice and Constitutional Affairs of the Free Hanseatic City of Bremen	
Dietmar Strehl	Bremen	Former Senator for Finance of the Free Hanseatic City of Bremen	
appointed until 11/15/2023			
Reiner Thau	Hamburg	Vice Chairman of the Works Council and Chairman of the Group Works Council of	
appointed until 06/07/2023		EUROGATE Container Terminal Hamburg GmbH, Hamburg	

[1]The information relates to memberships in legally required Supervisory Boards as well as memberships in comparable domestic and foreign control bodies of business enterprises.

The Board of Management and its Mandates

Name	Town	Function/responsibilities	Mandates in governing bodies[1]
Frank Dreeke	Ganderkesee	Chairman/Chief Executive Officer (CEO)	EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen
born 1959		Compliance	Chairman
appointed until 12/31/2024		Management Staff	
		IT	
		Communication	
		Board of Management Coordination	
		Audit	
		Corporate Strategy	
		Transport Policy	
Michael Blach	Bremen	CONTAINER Division	EUROGATE Container Terminal Bremerhaven GmbH, Bremerhaven
born 1964			Chairman
appointed until 05/31/2026			EUROGATE Container Terminal Hamburg GmbH, Hamburg
			Chairman
			EUROGATE Technical Services GmbH, Hamburg
			Chairman

Name	Town	Function/responsibilities	Mandates in governing bodies[1]
Christine Hein	Bremen	Finances/Chief Financial Officer (CFO)	EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen
born 1967		Purchasing	
appointed until 10/31/2028		Financial Services	
		International Corporate Finance/M&A	
		Legal, Insurance & Governance, Risk	
		Sustainability	
		Treasury	
Matthias Magnor	Bremen	Chief Operational Officer (COO)	No membership in other bodies
born 1974		AUTOMOBILE Division	
appointed until 09/30/2029		CONTRACT Division	
Ulrike Riedel	Bremen	Labor Relations Director/Chief Human Resources Officer (CHRO)	Gesamthafenbetrieb im Lande Bremen GmbH, Bremerhaven
born 1972		Human Resources	Member
appointed until 06/30/2025		Occupational Health & Safety/Environmental Protection	

[1]The information relates to memberships in legally required Supervisory Boards as well as memberships in comparable domestic and foreign control bodies of business enterprises.

Advisory Board

A body of renowned external experts advises BLG LOGISTICS in its strategic international development.

Name	Function/organization
Prof. Dr-Ing. Frank Straube	Chairman of the Advisory Board of BLG
	Managing Director/Head of Logistics Technical University Berlin, Berlin
Dr. Andreas Bovenschulte	Mayor and President of the Senate of the Free Hanseatic City of Bremen
Matthias Ditzen-Blanke	Managing Director/Publisher NORDSEE-ZEITUNG GmbH, Bremerhaven
Christoph Döhle	Managing Partner of Peter Döhle Schiffahrts-KG, Hamburg
Dr. Ottmar Gast	Former Chairman of the Advisory Board of Hamburg Südamerikanische Dampfschifffahrts-Gesellschaft ApS & Co. KG, Hamburg
Prof. Dr. Bernd Gottschalk	Managing Director of AutoValue GmbH, Frankfurt
Peter Hoffmeyer	Chairman of the Supervisory Board of Nehlsen AG, Bremen
	Majority shareholder of Panta Re AG, Bremen
	Member of the Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT- Aktiengesellschaft von 1877-, Bremen
Andreas Kellermann	Managing Director KMS – Kellermann Management Solutions GmbH, Weil der Stadt
Volker Lange (until 04/28/2023)	Retired senator
	Honorary President of Verband der Internationalen Kraftfahrzeughersteller e.V., Bad Homburg
Jürgen Maidl	Former Senior Vice-President, BMW AG, Munich
Dr. Klaus Meier	Managing Partner of Überseeinsel GmbH, Bremen
	Chairman of the Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT- Aktiengesellschaft von 1877-, Bremen
Kuno Neumeier	Managing Director of Logivest GmbH, Munich
Prof. Dr. Karl Nowak	Former President Corporate Sector Purchasing and Logistics (CP/P), Robert Bosch GmbH, Stuttgart
Dr. Florian Schupp	Head of Automotive Purchasing and After-Market, Schaeffler Group, Herzogenaurach
Martin Weber	Managing Director, DVV Media Group GmbH, Hamburg
Prof. Dr. Yasmin Mei-Yee Weiß	Managing Director, Institute for Chinese-German Cooperation, Munich
	Business Professor at Nuremberg Technical University, Nuremberg

Glossary

Amortization
Recovery of invested capital through income.

Cash flow
Key figure that describes the balance of cash and cash equivalent receipts and payments within the financial year.

Cash-generating unit
Smallest identifiable group of assets that, by virtue of continued use, generates inflows of liquidity, which, in turn, are largely independent of the cash inflows of other assets.

CKD
The CKD (Completely Knocked Down) method involves combining vehicle parts from individual deliveries from suppliers and manufacturers, packaging them into specific kits and then delivering them to the appropriate foreign assembly plants via sea transport.

CO_2 equivalents (CO_2e)
Uniform measure of the greenhouse effect of various greenhouse gases. The reference value is carbon dioxide CO_2. DIN 16258:2013-03 takes the following gases into account: CO_2, CH_4, N_2O, HFC, PFC and SF_6. These six gases are also listed in Annex A of the Kyoto Protocol which extends the United Nations Framework Convention on Climate Change. The GEMIS (Global Emissions Model for Integrated Systems) takes account of CO_2, CH_4, N_2O, C_6F_{14} and C_2F_6.

Compliance
Collective term for measures taken to ensure adherence to all legal obligations, provisions and directives relevant for a company, as well as to corporate governance. Another objective of compliance is to achieve harmonization between corporate actions and social values.

Corporate governance
Rights and obligations of the various parties involved in the company, in particular the shareholders, Board of Management and Supervisory Board.

Derivative financial instruments
Financial instruments that are traditionally used to hedge existing investments or liabilities and whose value is derived from a reference investment (e.g. share or bond).

Discounted cash flow method
Measurement method: future payment surpluses or deficits are discounted with the help of the cost of capital on the measurement date. Taxes due are included in the measurement. The present value determined in this way is the discounted cash flow.

EBIT
Earnings before interest and taxes, and net financial income (finance costs).

EBITDA
Earnings before interest, taxes, depreciation and amortization.

EBT
Earnings before taxes.

Equity accounting/equity method
Method for recognition of equity investments that are not included in the combined financial statements on the basis of full consolidation with all assets and liabilities. The carrying amount of the investment is increased or decreased by the development of the proportionate share in the equity of the investment. This change is recognized in the statement of profit or loss of the parent company.

Forward interest rate swap
A forward interest rate swap is a contractual agreement to hedge variable interest payment flows at a future date (exchange of fixed and variable interest payment flows), in which the terms can be defined immediately at the time when the hedging instrument is entered into.

Full consolidation
Method for recognition of subsidiaries that are included in the combined financial statements with all assets and liabilities.

Hedging
A strategy of protecting against interest rate, currency and price risks through derivative financial instruments (options, swaps, forward transactions, etc.).

Hypothetical derivative method
Method of measuring the effectiveness of derivative financial instruments by comparing the change in market value of the derivative to that of a hypothetical derivative that perfectly hedges the risk to be hedged against.

IASB
International Accounting Standards Board: body that develops and publishes International Accounting Standards.

IASs
International Accounting Standards (see also IFRSs).

IFRIC
International Financial Reporting Interpretations Committee: body that publishes interpretations regarding the IFRS accounting standards. After approval by the IASB the interpretations are binding for all IFRS users.

IFRSs
International Financial Reporting Standards ("IASs" until 2001): international accounting regulations that are published by an international independent body (IASB) with the aim of creating a transparent and comparable accounting system that can be applied by companies and organizations all over the world.

Impairment test
Test to determine the recoverable amount of an asset in accordance with IFRSs.

Interest rate swap
An interest rate swap describes a contractual agreement on the exchange of interest payment flows in the same currency where the cash flows are based on a defined amount of capital.

Joint venture
Legally and organizationally independent company that is jointly established or acquired by at least two independent partners.

Liability method
Method of measurement of deferred tax assets and deferred tax liabilities. A measurement is carried out on the basis of the tax rate that is expected at the time when the future tax burden or relief arises.

Matching principle
IFRSs: recognition of income and expense of the same events in the same period.

Other comprehensive income
All income and expenses that are not contained in the net profit or loss for the year. It includes, for example, foreign currency gains and losses from the translation of foreign financial statements that are reported directly in equity in accordance with IAS 21.

Other long-term benefits
Additional long-term employee benefits that are reported under non-current provisions.

Profit retention
Profits retained in a company for future investment.

Projected unit credit method
Special method for measuring pension and similar obligations in accordance with IFRSs.

Recoverable amount
Amount presumed to be achievable through use or sale of an asset.

RoCE
Return on capital employed. Indicator that measures the return on capital employed. For this purpose, RoCE compares EBIT with the assets tied up in the company.

Stage of completion method (SoC)
IFRSs: recognition of service orders according to their progress.

TEU
Twenty-foot container equivalent unit. Standardized container unit with a length of 20 feet (1 foot = 30 cm).

Working capital
Difference between current assets and current liabilities. Used to evaluate the liquidity of the company.

Financial Calendar

BREMER LAGERHAUS-GESELLSCHAFT
-Aktiengesellschaft von 1877-

June 12, 2024

2024 Annual General Meeting

June 17, 2024

Payment of the dividend for the financial year 2023

September 30, 2024

Interim report January to June 2024

Contact/
Publishing Information

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Project coordination and realization
Ole Kindt

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Hauke Dressler: page 10
Andreas Müller: page 13

Forward-looking statements
This annual report contains forward-looking statements based on the management's current assessments of future developments. Such statements are subject to risks and uncertainties that are beyond BLG AG's control and that BLG AG cannot precisely estimate, such as the future market environment and economic conditions, the behavior of other market participants, the successful integration of new acquisitions and the realization of expected synergy effects, as well as measures by government agencies. Should any of these or other uncertainties and unknowns materialize, or should the assumptions on which these statements are based prove incorrect, actual results may be materially different from those expressed or implied by such statements. BLG AG neither intends nor assumes a separate obligation to update forward-looking statements to reflect events or developments after the date of this report.

Legal notice
The terms used in this document may be trademarks, the use of which by third parties for their own purposes may infringe the rights of their owners.

Deviations for technical reasons
For technical reasons (e.g. conversion of electronic formats) there may be differences between the accounting documents contained in this financial report and those submitted to the Federal Gazette. In this case, the version submitted to the Federal Gazette is deemed to be the binding version.

Read it online!

The online version contains lots of additional information, video clips and a KPI calculator.
Here, you'll also find the Financial Report, Sustainability Report and the Online Magazine.

reporting.blg-logistics.com

Key Figures for BLG LOGISTICS

EUR thousand		**2023**	2022	Absolute change	Percentage change
Revenue and earnings					
Revenue		1,210,035	1,118,980	91,055	8.1
EBIT		46,192	64,582	-18,390	-28.5
EBT		36,095	55,722	-19,627	-35.2
EBT margin	Percent	3.0	5.0	-2.0	-40.2
Asset and capital structure					
Total assets		1,317,368	1,336,518	-19,150	-1.4
Cash investments		43,762	42,367	1,395	3.3
Equity		285,677	277,727	7,950	2.9
Equity ratio	Percent	21.7	20.8	0.9	4.3
Net debt		488,461	526,144	-37,683	-7.2
RoCE	Percent	4.2	5.8	-1.6	-27.8
Cash flows					
Cash flows from operating activities		87,884	78,434	9,450	12.0
Cash flows from investing activities		13,087	-20,102	33,189	165.1
Cash flows from financing activities		-63,876	-70,857	6,981	9.9
Key figures for the BLG share					
Earnings per share	EUR	0.51	0.25	0.26	104.0
Dividend	EUR	0.45	0.28	0.17	60.7
	Percent	17.3	10.8	-0.7	-6.1
Dividend yield	Percent	5.0	2.8	0.1	3.7
Human Resources					
Employees (in accordance with Section 267 (5) HGB; incl. the CONTAINER Division)	Number	11,487	11,492	-5	-0.0
Jobs worldwide	Number	20,000	20,000	0	0.0

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